



ACT-ON TICOMIX

ANALYST

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THE BOTTOM LINE

Deploying Act-On automated manual processes and equipped Ticomix's marketing department with the functionality it needed to support the company's growth. Nucleus found that Act-On enabled Ticomix to increase the productivity of marketers and IT, avoid costs, and generate three to four times as many qualified leads and marketing campaigns.

ROI: **200%**

Payback: **7.2 months**

Average annual benefit: **\$79,932**

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THE COMPANY

Ticomix provides technology implementation and management services for small to medium size businesses (SMBs) and enterprises. The company is a reseller of customer relationship management (CRM) and marketing automation software, offering implementation, customization, infrastructure and support services, application development, and IT service management. Ticomix has offices nationwide and has grown to over 100 employees.

THE CHALLENGE

Ticomix's marketing technology infrastructure included SugarCRM and CallidusCloud. Ticomix struggled with integration and data syncing issues between the tools, and relied on manual processes that demanded a significant amount of

marketing and IT's time. For example, marketing still used Excel spreadsheets to keep track of leads, and IT built forms in WordPress for marketing to upload into SugarCRM. As the company grew, the marketing department found that it not only lacked the efficiencies of automation, but it also lacked effective lead management capabilities – such as lead scoring and nurturing – and complex campaign building functionality.

Cost : Benefit
Ratio | **1 : 3.3**

THE STRATEGY

In 2014, Ticomix's senior management saw an Act-On product demonstration at a SugarCRM user conference and was impressed by its marketing automation functionality. Ticomix signed with Act-On two months later for the following reasons:

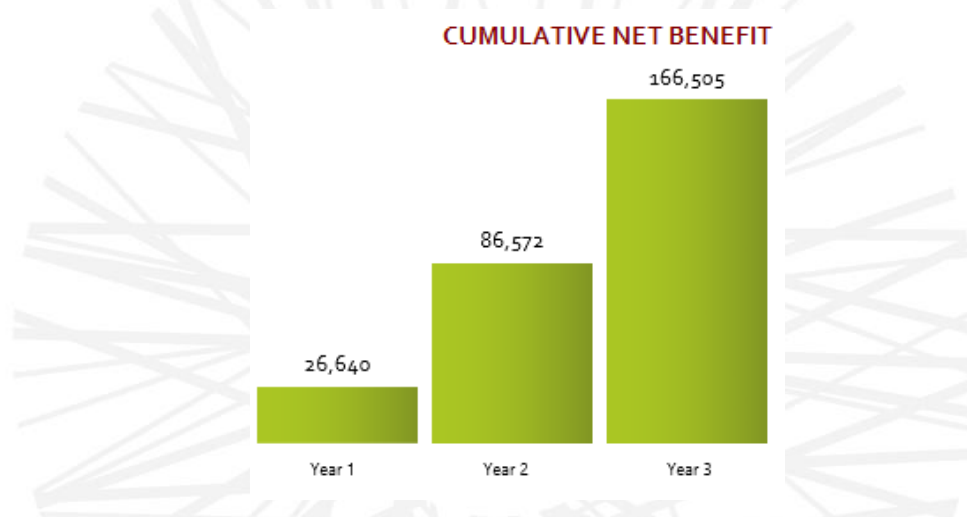
- **Ease of implementation.** Ticomix enlisted one employee from its internal IT managed service providers team to implement Act-On. The IT employee spent 2.5 hours on the Act-On implementation up front, primarily setting up e-mail and domains. Ticomix's license with CallidusCloud was to run out shortly after signing with Act-On, so the company needed to be up and running quickly. Act-On's ease of implementation contributed to Ticomix's ability to keep to this tight timeline, launching its first marketing campaign two weeks after signing.
- **Usability.** Act-On's usability enabled relatively fast adoption rates, which also contributed to Ticomix's ability to meet its deadline. Three members of the marketing department underwent an average of 32 hours of training each, after which they could effectively launch campaigns. Ticomix attributes this to the marketing team's background in marketing automation, Act-On's effective training materials, and its intuitive user interface (UI).

Ticomix purchased five administrative seats for the marketing team, and five seats for sales users, later ramping up to 10 sales seats. Ticomix did not hire an implementation partner because of its internal managed services team, but the company did utilize Act-On's training materials. The onboarding process lasted approximately two weeks.

KEY BENEFIT AREAS

Act-On provided Ticomix with the functionality it needed to scale, namely e-mail marketing, website tracking, lead scoring, a landing page and form builder, tracking and reporting, and nurture marketing capabilities. Nucleus assessed the direct and indirect benefits associated with Ticomix's implementation of Act-On, and found that the following benefits contributed to its positive return on investment (ROI):

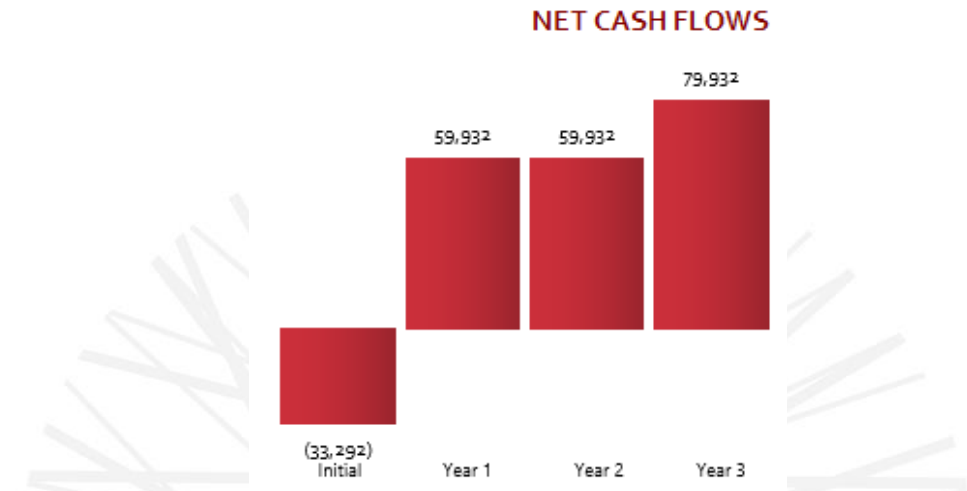
- **Avoided costs.** To achieve the same results that it does with Act-On, Ticomix estimates that it would have needed to add at least one more full-time, entry-level marketer to its staff. Avoiding costs associated with additional hires saved Ticomix over \$47k on an annualized basis.



- **Increased employee productivity.** Act-On increased the productivity of marketers and IT by automating time consuming tasks. Marketers saved 4.5 hours per week eliminating tasks like managing leads in Excel, manual data uploads, and waiting for IT to build forms. After implementing Act-On, Ticomix saved nearly 30k on an annualized basis across the entire marketing department. IT's productivity increased as well, saving approximately nine hours per month by eliminating the need to build forms and landing pages for the marketing department.
- **Improved effectiveness of marketing.** The effectiveness of Ticomix's marketing department is measured on the number of marketing qualified leads (MQLs) it generates. Act-On has enabled Ticomix's marketing department to generate three to four times as many MQLs, and launch three to four times as many campaigns.

KEY COST AREAS

Costs of the project included software license costs, and personnel costs associated with implementation and training. The greatest cost of the project was the software license, amounting to 82 percent of the total costs.



BEST PRACTICES

Due to time constraints, Ticomix limited its onboarding process to approximately two weeks. Ticomix cites that it would have realized benefits even sooner had it dedicated more time to training and onboarding up front. The company launched its first campaign after two weeks, but users still struggled with certain functionality and have yet to take full advantage of the more advanced capabilities Act-On has to offer. Companies that allocate more time to onboarding – closer to 90 days, ideally – will lower the barriers to adoption of more advanced functionality, and will likely experience even shorter payback periods and greater returns.

CALCULATING THE ROI

To calculate the total investment made in Act-On, Nucleus quantified, over a three-year period, the initial and ongoing costs of software subscriptions, initial and ongoing personnel costs, and employee training. Direct benefits quantified included avoided costs, and indirect benefits quantified included increased employee productivity, and improved effectiveness of the marketing department, calculated based on the average annual fully loaded cost of the employees using a correction factor to account for the inefficient transfer between time saved and additional time worked.

FINANCIAL ANALYSIS

Act-On

Annual ROI: 200%

Payback period: 0.6 years

BENEFITS	Pre-start	Year 1	Year 2	Year 3
Direct	0	47,250	47,250	47,250
Indirect	0	32,682	32,682	32,682
Total per period	0	79,932	79,932	79,932

COSTS - CAPITALIZED ASSETS	Pre-start	Year 1	Year 2	Year 3
Software	0	0	0	0
Hardware	0	0	0	0
Project consulting and personnel	0	0	0	0
Total per period	0	0	0	0

COSTS - DEPRECIATION SCHEDULE	Pre-start	Year 1	Year 2	Year 3
Software	0	0	0	0
Hardware	0	0	0	0
Project consulting and personnel	0	0	0	0
Total per period	0	0	0	0

COSTS - EXPENSED	Pre-start	Year 1	Year 2	Year 3
Software	20,000	20,000	20,000	0
Hardware	0	0	0	0
Consulting	0	0	0	0
Personnel	8,035	0	0	0
Training	5,257	0	0	0
Other	0	0	0	0
Total per period	33,292	20,000	20,000	0

FINANCIAL ANALYSIS	Results	Year 1	Year 2	Year 3
All government taxes	45%			
Cost of capital	7.0%			
Net cash flow before taxes	(33,292)	59,932	59,932	79,932
Net cash flow after taxes	(18,311)	32,963	32,963	43,963
Annual ROI - direct and indirect benefits				200%
Annual ROI - direct benefits only				102%
Net Present Value (NPV)				77,173
Payback period				0.6 years
Average Annual Cost of Ownership				24,431
3-Year IRR				177%

All calculations are based on Nucleus Research's independent analysis of the expected costs and benefits associated with the solution.