



ACT-ON BISCO INDUSTRIES

ANALYST

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THE BOTTOM LINE

Bisco Industries deployed Act-On to replace point solutions with an automated, integrated marketing solution that enabled it to attribute revenue directly to marketing efforts.

Nucleus found Act-On enabled the company to improve the effectiveness and productivity of marketers and developers, avoid costs, and increase revenue by over \$120k per year.

ROI: **1283%**

Payback: **1.2 months**

Average annual benefit: **\$301,388**

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THE COMPANY

Bisco Industries is a distributor and manufacturer of electronic components, hardware, and fasteners used for production in the aerospace, communications, computer, fabrication, industrial equipment, instrumentation, marine, and military industries. Bisco has 48 locations across North America and plans to expand overseas. Its careful management of inventory has enabled it to keep costs low for its customers.

THE CHALLENGE

Bisco Industries' marketing technology infrastructure relied on a collection of point solutions, including a home-grown enterprise resource planning (ERP) system, an e-commerce solution, and SugarCRM for customer relationship management (CRM).

In 2014, Bisco's marketing team decided it wanted to drive more revenue through e-mail marketing. The company implemented Mailchimp, but encountered data integration issues and functional limitations, especially when it came to personalized targeting and lead nurturing. Bisco also struggled with attributing revenue growth to marketing initiatives.

**Cost : Benefit
Ratio | 1 : 15.4**

THE STRATEGY

Bisco Industries began looking for an alternative in mid-2015. It considered Marketo and Mautic, but ultimately chose Act-On for the following reasons:

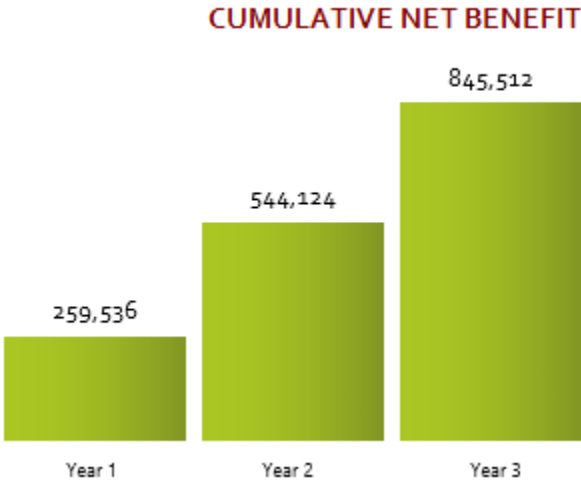
- **Ease of implementation.** Bisco employed its internal team of three developers to implement Act-On. Each developer spent the equivalent of approximately one hour per day for one month on the Act-On implementation, less than other software implementations Bisco's developers had undertaken. The developers cited Act-On's application program interface (API) as a primary reason that they could more easily integrate Act-On with Bisco's infrastructure, as well as the ability to connect with their designated onboarding coach when technical questions arose. The developers were also able to integrate pre-existing customer data, which was located across systems.
- **Usability.** Bisco's marketing team transitioned to Act-On easily, requiring minimal training. Of the five users, two were trained for three hours each, and three underwent training post-implementation, each for approximately 16 hours total. Bisco attributes the marketing team's ability to hit the ground running with minimal training to Act-On's intuitive graphical user interface (GUI) and easy-to-use automation functionality.
- **Cost effectiveness.** Before choosing Act-On, Bisco's marketers and developers did their homework. They estimated the personnel costs associated with implementing Act-On over either developing a home-grown solution, or integrating several point solutions, and found Act-On to be the most cost effective option. One reason for this is that Act-On charges based on the number of active contacts as opposed to the total number of contacts in the database, which was key for Bisco with its large customer database. In addition, Act-On's license cost, ease of implementation, and low barrier to adoption made it a cost-effective option.

Bisco held two Executive meetings with product demonstrations and signed a contract with Act-On in October 2016. It purchased five seats for the marketing team. Rather than hire an implementation partner, it relied on internal developers to manage back-end integrations, and relied on Act-On’s onboarding process for training and any questions that arose. By the end of December, the marketing team had pushed out a test-run campaign, and in January, it launched its first, full-fledged campaign.

KEY BENEFIT AREAS

Nucleus assessed the direct and indirect benefits associated with Bisco Industries’ implementation of Act-On, and found that the following benefits contributed to its positive return on investment (ROI):

- Increased revenue. Bisco’s marketing department was able to attribute revenue directly to Act-On as soon as it launched its first test campaign in December. After implementing Act-On, Bisco increased monthly revenue by over \$10k on average.
- Avoided costs. Act-On increased the marketing department’s output. To do the same amount of work it does now with Act-On, Bisco estimates it would need to add at least two or three full-time, entry-level marketers to its staff. Avoiding additional hires saved Bisco over \$100k on an annualized basis.



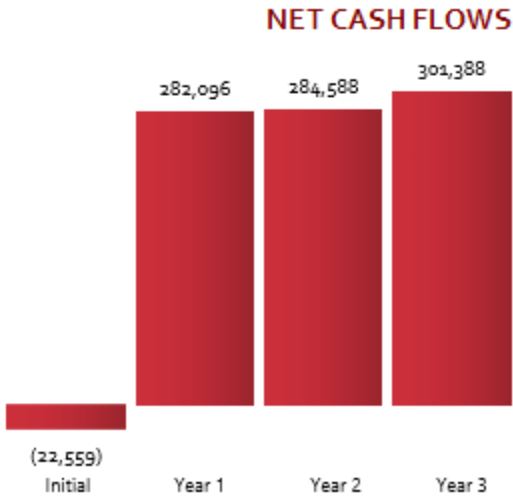
- Increased employee productivity. Act-On increased the productivity of both marketers and developers through the automation of formerly time consuming tasks. Marketers previously spent approximately six hours per month uploading

and maintaining lists of target leads, for example. With Act-On, uploading these lists is automatic. Marketers also spent significantly more time developing landing pages, with Act-On decreasing the amount of time it took by 75 percent. Due to time savings like these, Bisco saved over \$72k annually across the entire marketing department. Developers’ productivity improved with Act-On as well, due to the elimination of the need to perform manual data extraction for the marketing department, saving over \$4k annually.

- Improved effectiveness of marketing. Bisco’s marketing department measures its effectiveness based on several key performance indicators (KPIs), including the number of opportunities – i.e. quote requests – it generates and how many of those convert to sales. Act-On enabled the marketing department to improve upon those KPIs, the number of opportunities increasing by approximately four percent, and conversion rates increasing by approximately 1285 percent. The number of campaigns also increased by approximately 78 percent.

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 86 percent of the total costs.



BEST PRACTICES

Bisco Industries’ successful implementation was due to many factors, but the company says the greatest payoff came from the work it put in prior to signing.

Bisco involved employees that were responsible for implementation right off the bat. Bisco's developers met with Act-On representatives, interfaced with the product, and took advantage of the free API access Act-On provides to ensure it would integrate with Bisco's systems. This helped avoid integration issues down the road, which can be costly and have a negative impact on ROI.

Other companies that plan to utilize internal resources to implement Act-On should consider taking a similarly proactive approach, fleshing out an implementation plan and ensuring that necessary integrations are possible. This will also help companies budget for, and allocate resources to, the implementation. Companies that plan to use implementation partners should still consider integration requirements upfront.

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 increased revenue and avoided costs. Indirect benefits quantified included improved effectiveness of marketing and increased employee productivity, 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

Bisco Industries

Annual ROI: 1283%

Payback period: 0.1 years

BENEFITS	Pre-start	Year 1	Year 2	Year 3
Direct	0	224,679	224,679	224,679
Indirect	0	76,709	76,709	76,709
Total per period	0	301,388	301,388	301,388

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	16,800	16,800	16,800	0
Hardware	0	0	0	0
Consulting	0	0	0	0
Personnel	5,584	0	0	0
Training	175	2,492	0	0
Other	0	0	0	0
Total per period	22,559	19,292	16,800	0

FINANCIAL ANALYSIS	Results	Year 1	Year 2	Year 3
All government taxes	45%			
Cost of capital	7.0%			
Net cash flow before taxes	(22,559)	282,096	284,588	301,388
Net cash flow after taxes	(12,408)	155,153	156,523	165,763
Annual ROI - direct and indirect benefits				1283%
Annual ROI - direct benefits only				943%
Net Present Value (NPV)				404,620
Payback period				0.1 years
Average Annual Cost of Ownership				19,551
3-Year IRR				1251%

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