



**NUCLEUS
RESEARCH**

RESEARCH NOTE D20

ROI ANALYSIS YOU CAN TRUST™

Esker Software: Automating Data Delivery

THE BOTTOM LINE

A modest investment in a data delivery technology such as Esker could go a long way in terms of extracting additional returns from a company's existing CRM or ERP investment.

Organizations can eliminate the burden of manual document handling and distribution, focusing instead on improving customer service and solving other tactical business challenges.

The ongoing costs — both human and material — of delivering time-critical business content to customers and partners may appear less significant compared with other, more conspicuous, customer support expenses, but they can add up just as easily. Esker Software, a provider of document delivery and host access software, addresses the needs of companies that rely on the timely yet cost-efficient distribution of data from business applications to key recipients.

Esker's DeliveryWare and FaxServer platforms, formerly known as Pulse, enable the multichannel dissemination of information generated by companies' customer relationship management (CRM), enterprise resource planning (ERP), supply chain management (SCM), or other e-business applications. The server-based solutions integrate with enterprise systems, multiple hosts, and networks, and they convert application output into a number of formats, such as XML, HTML, image, or text. The converted data is then routed to various recipients via the specified or chosen medium, which could be e-mail, fax, secure Web server, or wireless. Esker also offers companies a Connector for SAP environments, which is an optional add-on module for SAP users. The Connector integrates DeliveryWare with SAP R/3 and mySAP.com interfaces, allowing companies to further leverage the data already contained in their ERP systems.

In a recent benchmarking study of document management deployments, Nucleus found that electronic access to documents and data in enterprise applications allowed companies in a number of industries to reduce their printing costs by 75 percent and cut back on faxing and mailing costs by nearly 60 percent. By automating the search, retrieval, and delivery of data locked in different enterprise systems, Esker could very well allow companies to achieve such cost savings and improve employee productivity — ultimately increasing the returns from existing technology investments.

BENEFIT AREAS

While the magnitude of the returns from Esker will vary from company to company, most organizations automating manual data

delivery can expect to see both direct and indirect benefits from their deployments.

Companies should consider the following key direct benefits from Esker technology:

- Reduced paper, printing, and faxing costs. Based on Nucleus's benchmarking research, companies implementing document management solutions reduced paper and printing costs by up to 98 percent. Esker, which electronically replaces manual, paper-based document transfer, may provide similar returns.
- Reduced communication costs. Once all data transmittal is managed electronically through Esker, companies can expect a significant reduction in, or even near-elimination of, the telephony and mailing expenses associated with servicing document requests from customers and partners.

Besides delivering cost savings, Esker may alleviate some of the hidden burdens associated with data delivery, resulting in several indirect benefits to companies:

- Increased employee productivity. Whether companies are currently spending on outsourced call center agents or internal administrative staff for document delivery, integrating Esker into an application's workflow can significantly boost the productivity of users and employees, permitting companies to reduce headcount or avoid future hires.
- Increased customer service. Customer retention and loyalty are likely to be positively impacted with faster document delivery, shorter business cycles, and a reduction in manual errors associated with document delivery.

Not all companies are guaranteed to receive significant returns in every benefit area. In order to estimate both the direct cost savings and the indirect benefits from Esker, companies should consider the breadth and repeatability of currently manual data delivery tasks, the magnitude of existing cost areas, and the rate at which they can expect these costs to increase in the absence of a data delivery solution.

Clear Returns for Large Companies

The business case for an automated data delivery technology is obviously strongest in cases where numerous personnel are already devoted to manual document delivery. As long as there are enough users who recover hours they formerly spent standing in line at the fax machine, printing and mailing documents, or traveling to document centers, the cumulative personnel and paper cost savings will very likely outweigh the costs in a short time frame.

Identifying ROI Opportunities at Smaller Firms

Companies don't necessarily have to be dealing in terabytes of data to justify an Esker purchase. Even if document volume is small, companies fitting certain profiles can reap significant benefits from Esker. For example, if customer service staff needs to perform full-

text search on lengthy, detailed documents like contracts or if there is a high volume of customer demand for a small number of documents, being able to quickly access and route those documents to customers through Esker can greatly enhance user productivity and allow smaller companies to expand service without increasing headcount.

The impact on paper, printing, and faxing costs is likely to be more significant at smaller companies as well; smaller organizations usually enjoy far fewer economies of scale in paper and fax costs. Therefore, the related reduction in paper volume after Esker is deployed is likely to constitute a larger portion of the benefits for such companies.

THE COSTS OF ESKER

Apart from the budgeted expenditure on software and hardware, the consulting as well as the training and ongoing support costs associated with Esker installations are likely to constitute a much smaller portion of the overall investment. Esker's software doesn't require programming changes to be made to the application it is being integrated with; therefore, script customization or tweaking of the source application is likely to be minimal — or even unnecessary.

Once Esker has been integrated with an enterprise application, users can take advantage of the automated workflows through familiar desktop interfaces, with little user training. Esker is also entirely invisible to the end recipient of the data, so companies don't need to spend on marketing efforts to promote the solution to customers or partners.

CONDUCTING A REALITY CHECK

While Esker promises clear value to many companies, potential buyers of the technology should still follow these guidelines to ensure that the estimated returns are accurate and based on realistic assumptions:

- Before buying Esker for automated data delivery, ensure that data recipients really are open to receiving documents in electronic or other new formats. In other words, if customers indicate an overwhelming preference for receiving document via mail, fax or e-mail delivery through Esker won't improve customer service levels.
- Companies should ensure that they really would achieve savings in the paper, printing, and faxing costs. Nucleus has found that some organizations don't see savings in paper costs as a result of electronic document management because increased access to documents leads users to print more.

CONCLUSION

Companies whose ERP, CRM, or other technology investments aren't generating sufficient returns because of the limited mobility of application data should seriously consider an investment in an

automated data delivery tool such as Esker. The current complexity of existing document distribution procedures and document taxonomies will ultimately determine the returns from automating these tasks. Although larger environments with more personnel devoted to and higher recipient demand for data delivery have a very compelling business case for Esker, other organizations with fewer documents or less support staff could also reap impressive returns from automating workflows — and should actively evaluate the costs and returns from the technology.