



Homegrown (Build) vs Salesforce (Buy)

Scenario

- Perceived uniqueness of requirements or use case (by specific group or companywide) might turn companies to towards homegrown option.
- Lack of value seen in Salesforce solution.

Pitch

A successful internal partial or full CRM solution requires significant costs: money, man power and R&D resources. It is not as cost effective for a company to build a system from scratch internally rather than leverage the full Salesforce Success Platform.

Goals/Expected Outcome:

A commitment from the customer to choose/stay with Salesforce.

Suggested Approach:

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1. Define Objective of System

Domain 1 – Vision & Strategy Overview: <https://org62.my.salesforce.com/06930000003G8B5>

2. Develop a List of Requirements by Cloud:

- Sales Cloud Datasheet: http://www2.sfdcstatic.com/assets/pdf/datasheets/DS_SalesCloud_EdCompare.pdf
- Sales Cloud Datasheet: http://www2.sfdcstatic.com/assets/pdf/datasheets/DS_ServiceCloud_EdCompare.pdf
- Marketing Cloud Cheat sheet: <https://org62.my.salesforce.com/06930000004hcZa>
- Platform Datasheet: http://www2.sfdcstatic.com/assets/pdf/misc/DS_Force_Pricing_Comparison.pdf
- Community Cloud Datasheet: http://www2.sfdcstatic.com/assets/pdf/datasheets/DS_Communities.pdf?d=70130000000lZSB
- Analytics Cloud Datasheet: http://www2.sfdcstatic.com/assets/pdf/datasheets/SFDC_WaveAnalytics__LicenseComparison.pdf?d=70130000000i2Tr
- Sample format: <https://org62.my.salesforce.com/06930000001bkVY>

Or VCM tool can be used to supplement above or as an alternative requirements gathering option:

<http://orgchart.internal.salesforce.com/vcm/#WyJiMCJd>

3. Considerations / Objection Handling:

Opportunity Cost – While a company is focused on designing and building the homegrown solution, what other projects will not be worked on? The time spent creating functionality that exists in an off-the-shelf solution will prevent your company's resources from other value add initiatives. Even if the out-of-the-box functionality does not suite perfectly to your company's specific requirements, the Salesforce Success Platform provides the extendibility your company needs.

Time to Value – Your company will need to wait until the internal development is completed before end users can leverage your homegrown solution. With salesforce.com, users may start using and IT may start prototyping immediately bring a solution to the field much faster than internal development.

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Information Technology	Low	Average	High	Description
Faster Design (%)	20	53	80	Decrease in the time to design of IT applications.
Faster Integration (%)	20	48	70	Reduction in time to integrate applications.
Faster Configuration (%)	20	52	80	Reduction in time to configure custom applications.
Faster System Testing (%)	20	50	80	Reduction in time to test applications.
Faster Deployment (%)	20	54	85	Reduction in time to deploy applications.
IT Cost Reduction (%)	18	41	60	Reduction in IT costs (e.g., support, dev., training, etc.).
Coding Productivity Increase (%)	20	45	70	Reduction in time to code applications.

Upfront Cost – Significant upfront investment required for hardware and software, in addition to personnel for project management, requirements gathering, scoping, lengthy development and UAT, all working towards an uncertain outcome. Hardware costs alone are typically around 10-20% of initial Salesforce license fees:

- Servers (production, sandboxes (dev, test, stage, failover, etc), DB, web-servers, back-up, disaster recovery, regional instances)
- Infrastructure (data center costs, network enhancements, storage, middleware, security, monitoring and testing tools, etc.). This includes the process to select, purchase, test & deploy equipment. (*Refer to TCO Calculator** below for full cost analysis*).
- Salesforce.com will bear all the costs of managing the stack as part of the regular subscription so you can leverage our extensive functionality immediately, without a big hit to your bottom line.

Ongoing Maintenance and Risk Management – Your company will bear all risks associated with the maintenance of your homegrown solution. Which may include, but not be limited to, personnel changes, technology impacts (e.g. outages, bugs, forced upgrades, etc.) and hardware that typically needs to be upgraded or replaced every 3-5 years.

Salesforce's stable and secure platform is built on transparency and trust:

- www.trust.salesforce.com is the home for real-time information on system performance and security.
- The Salesforce Known Issues Site: exists to enhance trust and customer success by providing visibility into Known where Salesforce Engineering and Support provides updates and status estimates: https://success.salesforce.com/issues_index
- At Salesforce you are not alone: Our team of certified experts and innovative offers combined with our market-leading cloud solutions accelerate the business value our customers are able to realize: <http://www.salesforce.com/services-training/>

Cost/Expense Recognition – If your company builds the solution, does it have to be capitalized? If capitalized, what will be the depreciation schedule? If the field stops using it, does your company have to write down the remaining capitalized cost? Salesforce.com is a subscription service with a cost model that reflects the usage pattern of the field. If the field does not use it, the subscription does not have to be renewed.

Environmental Impact – As the movement to be “green” accelerates in the market place, salesforce.com is proud to have been carbon neutral since January of 2007. The Salesforce.com Foundation works to neutralize the effect of salesforce.com's corporate greenhouse gas emissions from its major areas of carbon consumption - its office locations, corporate travel and data centers. This is done through the strategic purchase of carbon offsets with the help of Clean Air-Cool Planet, NativeEnergy and Conservation International.

Scalability – Often homegrown systems are designed with specific use cases in mind but when the use cases change or expand, as they often will with company growth and evolution, the homegrown solutions hit a limit of the scalability in terms of functionality and capacity. The expense to move beyond those limits becomes cost prohibitive thus the company becomes ‘stuck’ using a system that is beyond their requirements or trying to morph a system beyond its capabilities.

- Salesforce's Success platform is known for its scalability: <http://www.salesforce.com/platform/solutions/>
- Salesforce has three *major* releases per year with enhance functionality that are included in the annual subscription agreement: https://success.salesforce.com/_ui/core/chatter/groups/GroupProfilePage?g=0F9300000001oku

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Sales	Low	Average	High	Description
Revenue Improvement (%)	10	32	50	Improvement in top-line revenue.
Win Rate Improvement (%)	10	33	50	Improvement in percentage of opportunities converted to sales.
Lead Conversion Rate Increase (%)	15	40	60	Increase in number of leads converted to sales opportunities.
Sales Cycle Time Decrease (%)	10	33	50	Decrease in the average length of the opportunity cycle.
Forecast Accuracy / Revenue Visibility (%)	20	47	75	Increase in the accuracy level of forecasts vs. actual revenues.
Sales Productivity Improvement (%)	20	40	60	Improvement in amount of time spent on productive sales activities.
Sales Productivity Improvement from Mobile App Usage(%)	10	36	50	Improvement in productivity due to mobile app usage.
Sales Pipeline Improvement (%)	20	44	70	Increase in sales pipeline
Service and Support	Low	Average	High	Description
Customer Satisfaction Increase (%)	10	41	70	Increase in overall customer satisfaction rate.
Customer Retention Increase (%)	10	39	60	Increase in customers retained.
Faster Case Resolution Time (%)	10	42	70	Decrease in amount of time taken to resolve a case.
Agent Productivity Increase (%)	10	41	70	Increase in total productive agent time.
Service/Support Cost Reduction (%)	10	39	70	Decrease in overall costs of service/ support.
Faster First Response (%)	11	42	80	Decrease in time to first response
First Contact Resolution Increase (%)	20	40	74	Increase in first contact resolution
Average Handle Time Decrease (%)	10	39	64	Decrease in average handle time
Faster Agent Onboarding (%)	10	39	50	Increase in agent ramp time/onboarding
Marketing	Low	Average	High	Description
Sales Lead Volume Increase (%)	15	42	62	Increase in total volume of sales leads.
Marketing Campaign Effectiveness Increase (%)	15	41	68	Increase in the amount of pipeline generated through campaigns.
Faster Campaign Deployment (%)	20	45	70	Decrease in time to deploy marketing campaigns.
Social Marketing	Low	Average	High	Description
Social Lead Volume Increase (%)	10	35	58	Increase in lead volume from social channels.
Brand Monitoring (%)	10	33	50	Increase in brand monitoring.
Competitive Intelligence Increase (%)	16	36	50	Increase in competitive intelligence.
Product R&D Increase (%)	10	32	50	Increase in product research and development.
Collaboration/Connecting/Communities	Low	Average	High	Description
Faster Collaboration (%)	20	50	75	Reduction in time to collaborate.
Faster Resolution Time (%)	25	49	75	Reduction in time to reach resolutions.
Faster Response Time (%)	25	51	80	Reduction in time to respond to customers, prospects, employees, partners.
Customer Satisfaction Increase via Self-Service Community (%)	20	39	50	Increase in overall customer satisfaction due to self-service community.
Faster Resolution Time via Self-Service Community (%)	20	42	70	Reduction in time for resolution via self-service community.
Employee Engagement Increase (%)	10	35	50	Increase in employee engagement.
Finding Experts Quickly Increase (%)	10	41	71	Decrease in time to find experts (employees).
Partner Sales Improvement (%)	10	32	50	Increase in partner sales
Partner Engagement/Collaboration Improvement (%)	13	36	50	Increase in partner engagement and collaboration
Analytics	Low	Average	High	Description
Faster Decision Making(%)	20	45	70	Reduction in time to make decisions.
Information Technology	Low	Average	High	Description
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4. ROI and TCO Models: <https://org62.my.salesforce.com/069300000003opv>

Recommend: TCO Calculator – CRM**

Options: Cloud specific ROI Calculators – select best fit

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ROI General Metrics	Low	Average	High	Description
Implementation (business days)	15	66	90	Number of business days from implementation start to go-live date.
Time to ROI (months)	6	15	19	Number of months to achieve ROI.
ROI Overall %	13	50	80	Overall ROI from salesforce.com .
Hours Spent on Salesforce Administration per Month	8	58	58	Number of hours typically spent on the sys. administration per month.
Salesforce User Adoption %	60	74	95	Estimated percent of user adoption among Salesforce users

5. Leverage Customer Stories to provide examples of Homegrown wins and the benefits the customers saw as a result of their decision. Customer Stories Chatter group:

https://org62.my.salesforce.com/_ui/core/chatter/groups/GroupProfilePage?g=0F93000000008OIB

- Left Nav
- Customer Stories Tool
- Advanced Search
- Advanced Filter:
- "Competitive Win Against" = Homegrown or "Legacy/Swapped System" = Homegrown

Examples:

United Capital Financial Advisors

Challenge: their homegrown solution was too costly to maintain as the business grew

Results:

- Chose Sales Cloud and Chatter.
- Standardized on a single integrated desktop, giving advisors a 360-degree view of the client.
- Streamlined previously manual and time consuming processes to improve productivity.
- Generated more internal collaboration on service requests.

ZOLL Medical Corporation

Challenge: replace its homegrown CRM system

- Legacy system had no security
- It took 6 months to 1 year to add fields and needed specialized developer
- Reps only saw their own accounts and opptys, so no cross-selling ability
- Poor compliance, so no reliable reporting and execs couldn't trust data

Results:

- From 120 to 350 users, global rollout across 7 countries: North America, France, Netherlands, Germany, UK, Australia, China
- 5x faster reporting
- 90+% user adoption of Salesforce: increased mobility, productivity, efficiency, giving reps more time selling
- App development on Force.com: automated request and approval processes for evaluation equipment
- Consistent year-on-year growth since implementation

** Source: Salesforce.com Customer Relationship Survey conducted from March 2013 to March 2015 by an independent third-party Confront Inc. Survey respondents were over 900+ business executives/project sponsors and system administrators worldwide who switched from a homegrown/in-house developed CRM to Salesforce CRM , randomly selected. Low and High numbers correspond to those statistics for the middle 50% of customer responses. Note: Intended as a guideline based upon historical results from a random sample set of customers. ROI is dependent upon many different factors that are customer- specific. Therefore, actual results will vary. Minimum sample size shown N=30: <https://org62.my.salesforce.com/069300000028Rfn>*