

NUCLEUS
RESEARCH

ROI: 271%
Payback: 4 Months

ZOHO ONE

PUROLITE

ANALYST

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THE BOTTOM LINE

Purolite deployed the Zoho One platform to modernize its analytics, reporting, expense management, business processes, and sales capabilities. The company realized immediate savings by retiring its legacy expense reporting program, SAP Concur, as well as avoiding the budgeted costs associated with a self-built solution. Purolite also experienced productivity benefits, saving over 800 administrative hours per year by eliminating manual reporting. Additionally, the sales team experienced an average increase of 5 to 10 percent in productivity with a shortened sales cycle.

THE COMPANY

Purolite Corporation is a global manufacturer of resins for ion exchange, catalyst, absorbents, and specialty applications; it focuses resources on the development and production of advanced resin technology. Purolite is a privately-owned company with offices in 40 countries and more than 1,000 employees. It was established in 1981 and its international headquarters are in Bala Cynwyd, Pennsylvania. Purolite is committed to sustainable business operations that use resources efficiently with minimal environmental impact; all as it continues to provide solutions that are innovative and reliable.

THE CHALLENGE

Purolite has been a Zoho customer relationship management (CRM) client since 2013, and its success with that application led the company to investigate additional Zoho business solutions. Like many fast-growing enterprise operations, Purolite had disparate legacy applications and systems that were not scalable and could not support its audit and reporting needs. Some applications were incompatible with modern integration capabilities, while most lacked a cohesive workflow process.

Before engaging Zoho One, Purolite planned to build an in-house solution that would have cost the company \$750,000 over three years and required additional information technology (IT) staff. Once Purolite realized the time and expense related to the in-house project, it began looking at other options, including Zoho and Salesforce. As Purolite learned more about Zoho One's suite of services, it determined that the vendor could meet its business, research, and reporting needs; it would avoid the self-build expenses, retire legacy systems, and increase productivity whilst eliminating inefficient work-arounds.

**Cost : Benefit
Ratio**

1 : 1.3

THE STRATEGY

Purolite decided to implement a comprehensive business and research solution in mid-2017. It reviewed several software options and decided on Zoho One, which deployed in October 2017. The key reasons for selecting Zoho One were:

- Single integrated suite. Purolite had experience with disparate applications and platforms and was looking for a single source platform. Zoho One has more than 40 integration and productivity applications for business, sales, CRM, human resources,

reporting, and auditing; all of which enable Purolite to operate from a single platform.

- Simple pricing model. Purolite did not want to be tethered to a multi-year contract or have usage restrictions as offered by some vendors. Zoho One required neither obligation.
- Scalability. Purolite has global offices and sales and is experiencing steady but rapid growth. The company realized that the global ion exchange-resins market has the potential for multi-billion-dollar growth over the next five years, and it did not want to have to look for another software suite in order to remain competitive.

TYPES OF BENEFITS

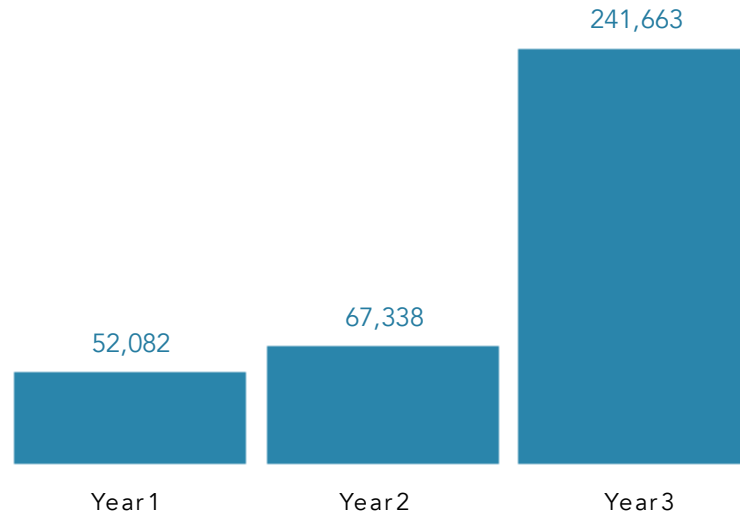


KEY BENEFIT AREAS

Key benefit areas seen as a result of the Zoho One deployment include:

- Cost savings from eliminating legacy software and hardware. Purolite saved an average of \$100,000 annually by eliminating redundant and inefficient legacy products.
- Enhanced accounting and auditing. With Zoho One, Purolite can upload data for analysis and produce reports more quickly and easily with an automatic audit trail. Previously, two administrators spent 20 percent of their time producing weekly reports.
- Avoided costs. Purolite was prepared to develop its own suite of solutions, however Zoho One enabled it to avoid the time and expense of that project, which would take at least a year and require two additional IT staff.
- Improved productivity. Purolite administrators were able to save more than 800 hours annually from improvements to workflow with automated reporting. Although the sales team was not impacted directly, the improved efficiencies, organization of data, improved reporting, and faster access to data created a 5 to 10 percent sales improvement with a reduction of the time-to-close of the sales cycle.

CUMULATIVE NET BENEFIT



KEY COST AREAS

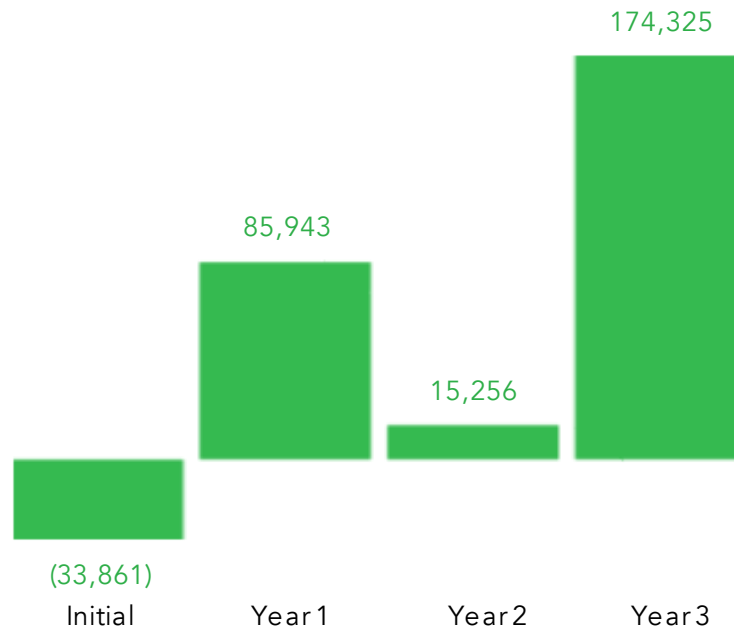
The largest cost area of the Purolite deployment was the annual subscription costs of the Zoho One software. Other cost areas over the three-year period included the licensure related to the retention of GoToMeeting software, third-party consulting, and employee time spent training for the new system.

LESSONS LEARNED

This deployment highlights the value of a comprehensive platform like Zoho One, to large scale operations such as Purolite. Due to its previous experience with Zoho CRM, Purolite efficiently planned the implementation and managed expectations for the roll-out. By connecting research and development (R&D) with data, sales teams, and business processes across the company, it supports a collaborative environment that enables Purolite to produce products that meet stringent industry criteria while it continues to develop new initiatives.

With a large-scale technology project such as this, it is important not to neglect the human side of the change. Demonstrating the product capabilities and laying out realistic expectations of benefits and outcomes to build executive support was vital to moving this project forward. As the prospective users became aware of what the platform could do, they grew excited and eager to adopt, which expedited the onboarding and training processes.

NET CASH FLOWS



CALCULATING THE ROI

Nucleus Research analyzed the costs of software, personnel, professional services, and user training over a three-year period to quantify Purolite's total investment in Zoho One technology. Direct and indirect benefits were also quantified over the three-year period.

Direct benefits quantified include cost savings realized with the elimination of legacy software and hardware, and the avoidance of an in-house project (with associated costs and staffing).

Indirect benefits quantified include time saved by users who prepared weekly manual reports, which are now generated automatically. We calculated the time savings benefit using the fully loaded cost per hour of employees. Time savings were multiplied by a correction factor to account for the inefficient transfer of time between time saved and additional time worked.

FINANCIAL ANALYSIS

Annual ROI: 271%

Payback period: 0.4 years

BENEFITS	Pre-start	Year 1	Year 2	Year 3
Direct	0	320,000	320,000	320,000
Indirect	0	14,175	14,175	14,175
Total per period	0	334,175	334,175	334,175

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	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	20,250	63,313	134,000	0
Hardware	0	0	0	0
Consulting	0	10,000	10,000	10,000
Personnel	8,792	170,100	170,100	149,850
Training	4,819	4,819	4,819	0
Other	0	0	0	0
Total per period	33,861	248,232	318,919	159,850

FINANCIAL ANALYSIS	Results	Year 1	Year 2	Year 3
All government taxes	45%			
Cost of capital	7.0%			
Net cash flow before taxes	(33,861)	85,943	15,256	174,325
Net cash flow after taxes	(18,624)	47,269	8,391	95,879
Annual ROI - direct and indirect benefit				271%
Annual ROI - direct benefits only				229%
Net Present Value (NPV)				111,147
Payback period				0.4 years
Average Annual Cost of Ownership				253,621
3-Year IRR				219%

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