NUCLEUS
RESEARCH

ZOHO SUPERCHARGING SALES TEAMS

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THE BOTTOM LINE

Nucleus interviewed Zoho customers to better understand the value proposition and benefits of the technologies. Zoho is a privately-held company with a unique approach to the market, investing over half of profits back into research and development to further improve its offerings, while keeping prices stable and attractive for customer organizations of all sizes, ranging from single-office small and medium businesses to international enterprises. Zoho One now includes over 45 applications spanning customer experience, enterprise resource planning and accounting, human resources, productivity tools, and artificial intelligence. On average, customers realized a 25 percent reduction in IT costs by switching to Zoho CRM from a legacy product.

OVERVIEW

The integrated approach that Zoho delivers offers legitimate opportunities for customers to reduce their IT complexity and unify data across disparate applications for a more holistic view of the organization's health and operations. The unified data model that Zoho has developed and employs across all components of the platform is key as it enables seamless integration between disparate applications and modules without requiring custom integration. For Zoho One customers who buy access to all 45-plus Zoho apps this allows new functionality to be turned on with the touch of a button instead of a yearlong consulting engagement that adds another six- or seven-figure bill to the project costs.

Zoho controls the full technology stack, from the servers in Zoho data centers supporting the Zoho cloud up to the individual applications built on the platform. This means it is not beholden to cloud providers or software partners, and can offer its own cloud compute, storage, and services at a much lower price than leading public cloud providers like Amazon and Microsoft.

Zoho is growing, now having expanded to employ over 8000 people with offices across all major global regions. As an international company still looking to expand, it places a premium on customer value; whereas some more established companies prioritize quarterly profits to ensure positive stock performance. This means product updates and features can end up, at least in part, based on what is well-received in the media rather than what customers actually need.

One striking example is blockchain technology—with the media hype around the technology, many companies rushed to build blockchain-based solutions; some even unveiled developer platforms to enable customers to create their own blockchain apps. While this plays great in the public relations arena, customers haven't been clamoring vendors for this technology as it's not yet fully understood with concrete use cases and best practices. Zoho offers blockchain-based functionality in Zoho Sign for document signage and verification, a sensible and well-understood use of the technology. This is a value-add feature for a solving a particular problem around identify verification and document signage; it's not a hype-chasing play to deliver "sparkly new" technology that customers haven't asked for.

Customers recognize this focus on delivering value and described feeling how in Zoho they feel like they've found a partner invested in driving their own business to succeed. As Zoho grows and looks to move upmarket, pursuing bigger deals and serving larger customer organizations, this approach will serve it well, particularly in CRM, Zoho's most-used application. The space is consolidating around mature vendors charging premium prices for solutions. As customers realize sky-high prices don't translate to commensurate benefits or sales outcomes, Zoho is in prime position to reach these converts.

BENEFITS

The main benefits customers realized from their Zoho CRM deployments included reduced IT costs and simplification of their IT environments, increased user productivity from automating repeated tasks and the natural language search functionality, and increased overall sales driven by improved organization and more data-driven selling.

REDUCED IT COSTS

Since Zoho controls the full technology stack from data centers and cloud infrastructure to the top-line application layer, it doesn't have to pass off the costs of expensive public cloud usage to customers. Additionally, Zoho has adopted a unified data model across all portfolio applications, so data can be leveraged across business areas and disparate apps to deliver analytics without extensive configuration or data extract-transfer-load (ETL) to a separate schema or external tool. As a result, customers reported a 10 to 25 percent reduction in total IT costs (relating to the resources dedicated to the legacy application compared to Zoho). Qualitatively, IT leaders described how much simpler Zoho is to manage; one customer said, *"it's a huge boon to us how easily the Zoho applications integrate and work together – it really is like pushing a button to turn new functionality on instead of hiring a consultant to configure new capabilities for six months."*

> **Customers reported a 10 to 25 percent reduction in total IT costs by deploying Zoho.**

INCREASED USER PRODUCTIVITY

Zoho offers a number of productivity-enhancing tools across the platform; one highlighted component is Zoho Search. It uses natural language processing to allow users to search for information across the entire Zoho system. In one search for a client name, the system can surface the contact record, recent interactions with that contact, and other relevant information. Buttons for common next steps like sending a message, dialing, or drilling down into historical data are all present right on the screen. This "buffet style" presentation of information across different fields and areas is more complete and more natural than traditional search options in legacy systems. Other tools can easily generate, save, and update reports; integrations with calendar and email will automatically populate schedules and enter relevant data, sparing sales users from a bulk of tedious data entry and reporting.

On average, customers reported a general increase in user productivity of 10 to 20 percent; this translates to between a half and whole extra day saved for more value-add tasks.

INCREASED SALES

By improving organization across sales teams and enabling easier access to data with AI-powered insights from Zia, Zoho customers improve the effectiveness of salespeople. Directly attributing increases in sales to the CRM solution is imprecise, however all customers that we connected with described how they've streamlined the sales process and shortened the sales cycle with a new data-driven sales approach enabled by their Zoho usage. One user described how he personally was able to reduce the average time to close deals from 3.5 months to just over one month; he used past sales data with Zia to help identify buying trends and define his most effective sales tactics. Another startup B2C retailer reported over 60 percent revenue growth in the year since deploying Zoho, compared to 37 percent the year prior. While it is company-specific to quantify the additional sales from a successful Zoho deployment, it's clear that the technology does have the potential to help optimize sales actions and drive higher-percentage lead conversion.

CUSTOMER PROFILES

B2B RETAILER

The company is a small, US-based retailer with 10 salespeople. It primarily sells containers for food products to wholesalers in regions throughout the country. It was using Spiro for CRM, however the sales process was very much ad-hoc without clearly defined tactics or best-practices. As a result, turnover across the team was quite high, as success depended on independently identifying the most successful approaches. After achieving slower-than-expected growth, it realized that it needed to formalize its sales process and set salespeople up with the tools to succeed.

Zoho was the preferred provider because the leadership had heard positive reviews from friends at another company. After demo-ing the solution the decision was quickly made to move forward with converting sales activities from Spiro to Zoho. The company was not data-driven at all, however the built-in analytics and reports on Zoho were seen as a significant step in the right direction.

After going live on Zoho, salespeople were quick to adopt and begin tracking activity. The leaders were able to analyze activity on the platform to codify an optimal selling strategy. Rolling out this strategy to the team reduced the average time to close by 45 percent and

reduced turnover on the team—since going live Zoho, annual turnover rate has reduced by nearly 80 percent. It has begun generating reports and looking to identify trends in monthly sales meetings; in the future it hopes to build out a sufficiently large data store to begin exploring more sophisticated analytics. If strong growth continues, the company plans to bring on a data analyst in the next year to help drive its analytical ambition.

MANAGEMENT CONSULTING ORGANIZATION

The company is a management consulting provider that helps clients optimize leadership structure and practices. It serves clients across the eastern and central United States into southern Canada. It needed a CRM solution to help organize contacts by account managers; in particular it needed a cost-effective solution that integrated with calendar and email.

It chose Zoho as it felt the breadth of the platform meant it likely wouldn't outgrow the solution in the future. The solution included the contact management, search, and integrations with G-suite. After a preliminary TCO analysis, it found Zoho to be the solution that could be deployed the fastest with the least amount of customization. It also considered Microsoft Dynamics, HubSpot, and Streak.

Since deploying Zoho, users reduced the time spent manually entering call notes and contact details by approximately 45 minutes per user per week. The integration with Google Calendar eliminated duplicated or ignored meetings and having relevant emails with contacts accessible at the touch of a button (simply by typing in the search bar) greatly improved the organization and preparedness of the sales team. As sales users are more equipped with the right information at the right time, the company anticipates sales numbers to increase as a result.