

NUCLEUS
RESEARCH

ROI: 1160%

Payback: 1.2 months

ZOHO ANALYTICS

SPAREX

ANALYST

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THE BOTTOM LINE

Sparex achieved a 1160 percent ROI with payback in 1.2 months after adopting Zoho Analytics to bolster its data management and reporting capabilities, resulting in substantial operational improvements and cost savings. The organization noted specific benefits, including a nine percent productivity improvement across its 190 internal users, 43 hours in weekly time savings from accelerated reporting and report development, and direct cost savings by providing analytic teams the tools they need to drive operational decision-making with fewer headcount. Zoho Analytics has emerged as the single source of truth, playing a pivotal role in transforming reporting efficiency and data accessibility.

THE COMPANY

Sparex is a leading provider of spare parts and maintenance solutions across various industries, including automotive, manufacturing, and technology. Sparex manages 18 subsidiaries globally, positioned to ensure efficient delivery of quality components to its clients. In addition to its core spare parts offering, Sparex is focused on providing comprehensive maintenance services, employing advanced technologies and analytics to optimize equipment performance. Catering to a broad spectrum of clients, from large-scale industrial enterprises to smaller businesses, Sparex adopts a customer-centric approach, aiming to minimize downtime through its network of subsidiaries and global presence.

Cost : Benefit Ratio | 1 : 7.4

THE CHALLENGE

Before adopting Zoho Analytics, Sparex faced several challenges in managing data and analytics across its extensive global operations. With 18 subsidiaries worldwide, the company grappled with disparate analytics systems that provided data access for most users. As a result, users often had to wait over an hour to access centralized data or spend additional time manually bringing data together across source systems. Additionally, before adopting Zoho Analytics, the organization noted elongated report development times. Each week, users spent an hour reporting each market, posing a significant time sink. Users would also develop multiple new reports throughout the year, creating additional productivity impairments over time. These inefficiencies prompted Sparex to explore various alternative solutions.

TYPES OF BENEFITS

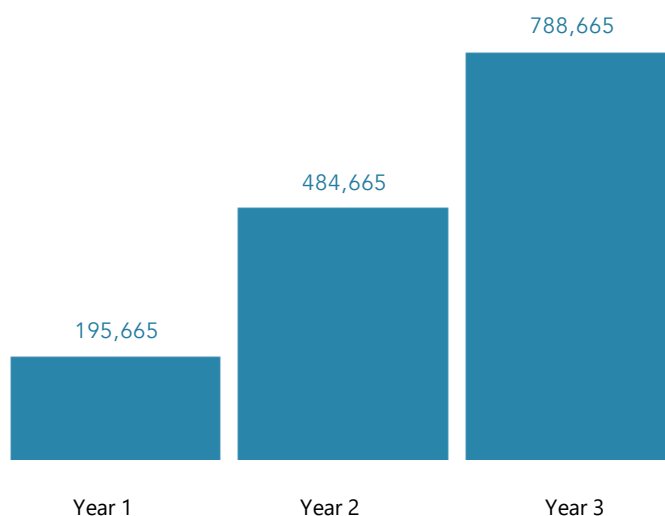


THE STRATEGY

To address these challenges, Sparex evaluated multiple analytics offerings, including QlikView, Power BI, Tableau, and Zoho Analytics. Zoho Analytics emerged as the preferred choice due to its versatile features and user-friendly interface. Zoho Analytics demonstrated ease of use, enabling any member of the BI team to design and run reports. The analytics platform also featured various prebuilt reports, which further accelerated time to insight. The decision was also partially motivated by Zoho Databridge, a service that could streamline data uploads from the organization's SQL Server to its data warehouse.

Sparex began its implementation of Zoho Analytics in Q4 2016. Setting up users, groups, and permissions was a swift process, taking only a few days. Configuring data types, facilitated by Zoho Analytics' autogeneration feature, took half a day. In total, the implementation took a couple of months, although the organization noted that it made an initial mistake by not leveraging Zoho's autogenerate report feature. This capability would have shortened the implementation from months to days. In parallel, the organization set up Zoho Databridge.

CUMULATIVE NET BENEFIT



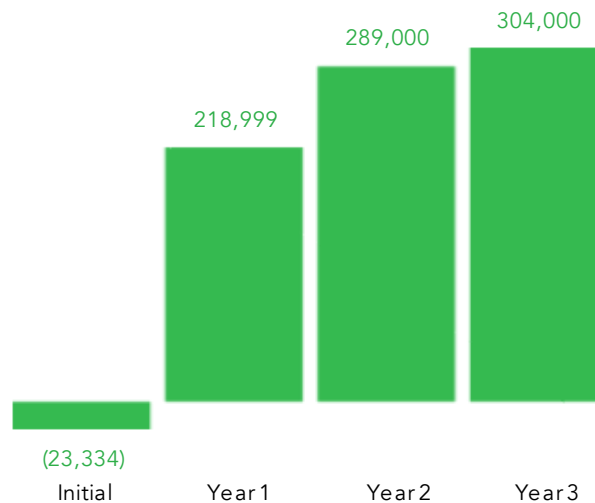
KEY BENEFIT AREAS

Key benefit areas seen following the software company's deployment of Zoho Analytics include avoided costs, accelerated processes, and reduced data downtime.

- **Avoided costs.** With Zoho Analytics, the organization redeployed 50 percent of its headcount across its BI and analytics team. This cost-saving can be attributed to improved efficiency for reporting and ad-hoc analytics and eliminating manual processes related to data quality, as data is automatically aligned with Zoho Databridge.
- **Accelerated processes.** Sparex accelerated report development and automated various processes with Zoho Analytics, yielding 43 hours of weekly time savings across the organization's eight departments. Accelerated reporting with Zoho Analytics replaced Excel-based processes and streamlined data preparation, enabling the creation of new reports within minutes relative to the hours needed prior to using Excel files and data retrieval from multiple systems.

- **Reduced data downtime.** Sparex achieved a significant reduction in data downtime with Zoho Analytics and Zoho Databridge, establishing Zoho as the single source of truth for the organization. Zoho Databridge streamlined data integration and management, leading to widespread productivity improvements with centralized data available at the start of the workday. This contrasts with the previous scenario, where data availability was delayed by at least an hour and a half. With 190 users across 18 subsidiaries, spanning departments such as finance, demand planning, product lifecycle, marketing, pricing, and more, Zoho Analytics now serves as the central hub for data access and reporting. This transition has significantly reduced data downtime, ensuring uninterrupted access to consolidated data. Users had noted a productivity impairment of 50 percent during such periods as they could piece data together manually across multiple systems, but doing so would be more challenging and time-consuming.

NET CASH FLOWS



KEY COST AREAS

The largest cost area associated with the software company's deployment of Zoho Analytics was the solution's annual subscription cost. Additional costs include internal time spent executing the implementation and personnel costs related to ongoing administration.

LESSONS LEARNED

Sparex recognizes that the business's success relies heavily on leveraging analytics BI technology. Zoho Analytics, acting as the single source of truth, empowers the company to make prompt and accurate data-driven decisions. The platform's scalability and differentiating components like Zoho Databridge have been crucial in meeting Sparex's evolving data requirements and providing a foundation for managing an expanding data ecosystem. The company anticipates that ongoing optimization and expansion of its data infrastructure will be essential for sustaining operational efficiency and making informed, strategic decisions in the future. Sparex is well-positioned to navigate future challenges and seize opportunities in the ever-evolving business landscape through the effective use of analytics. Additionally, Sparex noted that it made an initial mistake by not leveraging Zoho's autogenerate report feature. This capability would have drastically shortened the organization's implementation and bolstered its return on investment.

CALCULATING THE ROI

Nucleus Research analyzed the costs of software, hardware, and personnel over a three-year period to quantify the organization's investment in Zoho Analytics.

Direct benefits quantified include FTE savings from redeployed roles.

Indirect benefits quantified include time savings for users impacted by data downtime under the previous approach and time savings for analytics teams tasked with reporting and report development.

FINANCIAL ANALYSIS

Sparex

Annual ROI: 1160%

Payback period: 0.1 years

BENEFITS	Pre-start	Year 1	Year 2	Year 3
Direct	0	45,000	45,000	45,000
Indirect	0	259,000	259,000	259,000
Total per period	0	304,000	304,000	304,000

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	15,001	15,001	15,000	0
Hardware	0	0	0	0
Consulting	0	0	0	0
Personnel	8,333	70,000	0	0
Training	0	0	0	0
Other	0	0	0	0
Total per period	23,334	85,001	15,000	0

FINANCIAL ANALYSIS	Results	Year 1	Year 2	Year 3
All government taxes	45%			
Cost of capital	7.0%			
Net cash flow before taxes	(23,334)	218,999	289,000	304,000
Net cash flow after taxes	(12,834)	120,449	158,950	167,200
Annual ROI - direct and indirect benefits				1160%
Annual ROI - direct benefits only				50%
Net Present Value (NPV)				375,054
Payback period				0.1 years
Average Annual Cost of Ownership				41,112
3-Year IRR				966%

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