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return on investment from Issuetrak software

Abstract

Quantifying the financial benefits of using Issuetrak's software to improve help desk, customer support and business operations efficiency is useful because it helps organizations justify the expense and project future cost savings. Return on Investment (ROI) calculations are complex because the software impacts so many individuals and departments within an organization, and saves time and money in different ways. However, by interviewing four Issuetrak customers and asking them to estimate the improvement in efficiency, it was possible to calculate time and money saved, and derive a Return on Investment.

Conclusion

After completing extensive research on return on investment and creating an unique methodology for calculating Issuetrak's ROI based on interviews with Issuetrak's clients, it was determined that Issuetrak software provides a return of 126%. An ROI of 126% means that for every $1.00 that was invested in Issuetrak, a client gains an additional $1.26 from using Issuetrak software.

Introduction

Issuetrak's software delivers greater efficiency and reduced cost to organizations that are providing service desk services, supporting internal or external customers, tracking issues, or managing processes.

The four main benefits of using the Issuetrak software are:

- Issues can be handled more efficiently,
- Company activities can be monitored,
- Problems can be solved faster,
- Customers receive a higher level of support.

Organizations that are considering the purchase of Issuetrak software will benefit from understanding how other users of the software are able to save time and reduce costs.

Quantifying the benefits that accrue to Issuetrak's customers is complex because the software impacts so many individuals and departments within an organization, and saves time and money in many ways. Although it is not simple to calculate a return on investment (ROI), being able to define a way to estimate the return has significant value for prospective users.

In order to calculate ROI for these benefits, our first objective was to research how other software companies calculate ROI. We used that information to define a methodology for calculating ROI for Issuetrak's software. After defining the methodology, the next step was to interview four companies that use Issuetrak, to learn how they use the software, and to quantify the efficiencies each

company has achieved through using the software. With that data we were able to estimate the savings from using Issuetrak's software and define a return on investment.

Interview Process

In order to understand the efficiencies gained from using Issuetrak, we conducted interviews with four of Issuetrak's clients:

- Maricopa County,
- Fulton Financial,
- International Species and Information Systems, and
- Campus Apartments.

Based on the preliminary research for ROI methodologies a set of questions was created to identify what benefits of Issuetrak would be possible to quantify.

Questions:
1. How do you use Issuetrak software?
    a. Help desk?
    b. Issue tracking?
    c. Complaint collection/service?
    d. Other?

2. How many employees work with the software? (every employee)

3. Average time spent per action (seconds or minutes) before Issuetrak?
    a. Average time spent per action after installing Issuetrak?
        i. Use this to calculate the savings

4. Average times each action is completed per hour?
    a. Multiply this by hours/year to find time savings/year

5. Amount paid for Issuetrak?
    a. Licensing cost
    b. Installation cost
    c. Training cost
    d. Maintenance cost
    e. Misc. costs

6. Time spent between installing Issuetrak and when full productivity was reached?
    a. In weeks?

7. How long will this version of Issuetrak be productive before needing to upgrade? Look for newer software?

We also asked:
1. Do you measure customer satisfaction?
   a. If so, what was your customer satisfaction score before Issuetrak and what is it now?
   b. If not, would you rate on a scale of 1-5 the customer satisfaction before and after installing Issuetrak?

2. Do you have metrics measuring employee morale/job satisfaction?
   a. If so, what were your metrics before and after Issuetrak?
   b. If not, would you rate on a scale of 1-5 the employee morale before and after installing Issuetrak?

3. What is your customer retention rate?
   a. Has it changed since installing Issuetrak?

4. Since installing Issuetrak, has your company's reputation been affected?
   a. If so, in a positive or negative way?
   b. Are there any publications or headlines we could reference?
   c. Are there any publications or headlines we could reference?

Each client answered the set of questions to the best of their ability. Some were unable to identify exactly which employees were using Issuetrak and how often particular employees were using the software.

From interviewing each of the clients, the one value that could accurately be produced for all five clients was the number of times issues had been tracked with Issuetrak software since it was first used by the company. If the client could not produce a value for how much time was saved in completing the tasks, the number became insignificant to ROI calculations. However, most were able to give an estimate of the time saved, which ranged from 10-25%.

Client Background Information

The background information for each of the clients was important to understanding how each utilized Issuetrak software. Each client's business objectives were unique, as was their use of the software to help make their business operations more efficient.

Maricopa County, which includes the city of Phoenix, is one of the largest counties in the United States. The County uses Issuetrak software across various different departments as a help desk application for public works. Issues are called in, tracked with Issuetrak, and then sent to technicians. Alternatively, customers can log into Issuetrak and submit their own problems. The users of Issuetrak are the employees of Maricopa County who work in the county workstations.

Fulton Financial is a banking organization that was started in Lancaster, Pennsylvania. Throughout the years Fulton Financial has experienced much growth and expansion, including an aggressive expansion of branch services, such as providing 24 hour ATMs. Fulton Financial uses the Issuetrak software for problem and incident management. The clients are internal customers – employees of Fulton Financial. The technical calls then are called into Fulton Financial, where Issuetrak is used to track the problems. The problems range from urgent problems that need to be immediately solved to lower priority problems that can take longer to resolve.

International Species and Information Systems (ISIS) is a nonprofit organization that maintains a database used around the world to help different zoos, aquariums and related conservation organizations share information about animals and their environments. Issuetrak is used to track the issues that arise using the ISIS desktop application. Issuetrak allows problems to be more efficiently tracked, and allows all employees to have access to emails that were used to help solve the application problems.

Campus Apartments is one of the nation's largest developers, owners and managers of housing for students. Campus Apartments uses the software for issues that arise with IT helpdesk activity, and also is used to manage the external relations customer contact program. Residents are able to bring up issues to the company (not including maintenance issues), with a system called CA Cares. Issuetrak is credited for helping keep track of the issues.

Return on Investment Methodology

A.) Based on the conversations conducted with Issuetrak clients, a unique methodology for calculating ROI was derived. Three clients were able to provide quantifiable values for ROI calculations, and each attributed a 10-25% decrease in problem-solving time to the use of Issuetrak software. The most consistent way to calculate the yearly ROI values for each of these customers' case is to use the following steps:

1.) Identify the total number of issues since first acquiring Issuetrak software.
2.) Find the number of issues per year.
   a. *(Total Number of Issues) / (Number of Years Using Issuetrak)*
3.) Estimate total cost of issues for a company without Issuetrak
   a. *(Total Number of Issues) x (Hourly Wage of Computer Support Specialist)*
   b. *Use the National Bureau of Labor Statistics mean hourly wage: $24.91*
   c. *Assumption must be made that each issue takes at a minimum an hour to solve. The hour does not have to be consecutive, however at least an hour in total is dedicated to each problem.**
4.) Calculate savings in cost using Issuetrak.
   a. *(Total Cost) x (Percentage of Time Saved)*
5.) Find the total cost of the software excluding maintenance cost.
   a. *Total of all software purchases excluding maintenance*
6.) Find the average annual maintenance cost.
   a. *Total maintenance cost on all invoices divided by the number of years using Issuetrak.*
7.) Calculate the total cost of Issuetrak since first acquiring software.
   a. *(Total License Cost Based on Number of Advanced Users) + (Maintenance Cost x Number of Years Using Software)*
8.) Calculate yearly cost of software.
   a. *(Total Cost of Issuetrak) / (Number of Years Using Software)*
9.) Calculate return on investment (ROI).
   a. *[(Saving in Cost Using Issuetrak) / (Yearly Cost of Software)] x (100)*

*The ROI measurements in this report are based on assumptions in order to make the calculations consistent and measurable across different industries. The ROI calculations that have been produced are the minimum return on investment of using Issuetrak, as it could take longer to solve problems than one hour. The one-hour-per-problem formula is assumed to be the average amount of time that it takes to solve problem, with the understanding that some problems take more or less time to resolve. It is also possible that more than one IT technician is dedicated to solving a problem. It is likely that the salary paid to technicians exceeds the wage used in this report, thus making the ROI calculations a minimum return on investment.

B.) Soft Benefits Identified

During our conversations with clients, one client in particular recognized soft benefits from the usage of Issuetrak that were not quantifiable based on our methodology. Campus Apartments currently uses Issuetrak software for traditional help desk activity to manage their external relations. The company is growing rapidly, as it has expanded from 1 to 25 states, and has increased the number of employees from 100 to over 1,000 since 2006. During our conversation with Andrew Marshall, he stated that operating the business "would not be possible without an automated issue-tracking system." Due to the very high-growth period no direct value could be linked to the contribution of Issuetrak to making operations more efficient, yet from the conversation it is evident that such consistency in operations would not be possible without the efficiency Issuetrak provides.

Maricopa County also cited not only quantifiable ROI values, but soft benefits that could not be measured with our methodology. Dione Carlock, a frequent user of Issuetrak software, attributed a significant increase in customer satisfaction mainly to the benefits that Issuetrak provides. According to customer satisfaction surveys conducted by the county, before the usage of Issuetrak customer satisfaction was 85-90% Excellent/Good. After adopting Issuetrak, customer satisfaction is now 99% Excellent/Good. This increase in customer satisfaction is part of the return on investment that may not be quantifiable based on the methodology created, however it must be recognized as a benefit of using the software.

C.) Calculations with Maricopa County, Fulton Financial Company, and International Species and Information Systems (ISIS)

1.) Maricopa County *

Background:
Date of Installment: March 2010
Number of Years Using Issuetrak: 2.42
Issues Tracked Since Inception: 12813
Percentage Time Saved: 25%
Total Software Investment without Maintenance: $15,836
Average Annual Maintenance Cost: $3740

Issuetrak Software as a Help Desk Tool:
Savings Calculation:
1.) 12,813
2.) 12,813/2.42 = 5295 *Issues Tracked Per Year*
3.) 5,295 x $24.91 = $131,898 *Annual Cost Before Issuetrak*
4.) $131,898 x 0.25 = $32,975 *Annual Savings with Issuetrak*

Cost Calculations:
5.) $15,836
6.) $3,740
7.) $ 15836 + $ 3740(2.42) = $ 24,887 *Total Cost of Licenses During Entire Software Lifetime*
8.) $ 24,887/2.42 = $ 10,284 *Cost of License Per Year*

ROI Calculation:
1.) [($32,975-$ 10,284)/$ 10,284] x 100 = 221%

Issuetrak Software as a Management Tool:

Maricopa County was a unique case as Issuetrak was attributed to delivering ROI in different areas. As a helpdesk tool the numbers are provided based on the number of issues tracked. As a management tool, Dione Carlock provided different values for the time saved using the software. Prior to using Issuetrak writing a weekly report by the Computer and Information Systems Manager would take 8 hours, and after the use of Issuetrak the task can be completed in 1 hour. This decrease in time is an additional benefit not reflected in the above ROI calculation.

2.) Fulton Financial Company

Background:
Date of Installment: April 2006
Number of Year Using Issuetrak: 6.33
Issues Tracked Since Inception: approximately 40,000
Percentage Time Saved: 25%

Total Software Investment without Maintenance: $50,938
Average Annual Maintenance Cost: $9,656

Savings Calculation:
   1.) $40,000
   2.) $40,000/6.33 = 6,319 *Issues Tracked Per Year*
   3.) 6,319 x $24.91 = $157,406 *Annual Cost Before Issuetrak*
   4.) $157,406 x 0.25 = $39352 *Annual Savings with Issuetrak*

Cost Calculation:
   5.) $50,938
   6.) $9,656
   7.) $50,938 +$9,656(6.33) = $112,060 *Total Cost of Licenses During Entire Software Lifetime*
   8.) $112,060 / 6.33 = $17,703 *Cost of License Per Year*

ROI Calculation:
   9.) [($39,352- $17,703)/$17,703] x 100 = 122%

3.) **International Species Information System (ISIS)**

Background:
Date of Installment: January 2006
Number of Year Using Issuetrak: 6.67
Issues Tracked Since Inception: approximately 40,000
Percentage Time Saved: 10%
Total Software Investment without Maintenance: $21,327
Average Annual Maintenance Cost: $4,689

Savings Calculation:
    1.) 40,000
    2.) 40,000/6.67 = 5,997 *Issues Tracked Per Year*
    3.) $5,997 x $24.91 = $149,385 *Annual Cost Before Issuetrak*
    4.) 149,385 x 0.10 = $14,939 *Annual Savings with Issuetrak*

Cost Calculation:
    5.) $21,327
    6.) $4,689
    7.) $21,327 + $4,689(6.67) = $52,603 *Total Cost of Licenses During Entire Software Lifetime*
    8.) $52,603 /6.67 = $7,887 *Cost of License Per Year*

ROI Calculation:
    9.) [($14,939-$7,887)/$7,887] x 100 = 89 %

The average ROI for Issuetrak as a helpdesk service tool: 167 + 122 + 89 = 378/3 = 126%

Conclusion

After completing extensive research on return on investment and creating an unique methodology for calculating Issuetrak's ROI based on interviews with Issuetrak's clients, it was determined that Issuetrak software provides a return of 126%.

An ROI of 126% means that for every $1.00 that was invested in Issuetrak, a client gains an additional $1.26 from using Issuetrak software.

The ROI was derived by determining how often the software was used by the client, the length of time the client had been using Issuetrak, the time saved using the product, and the overall cost of the software, including licensing and maintenance. This is a significant ROI for the industry as a return on software investment is often difficult to identify. This calculation is critical to identify for Issuetrak, as well as current and future clients.

After exploring the software and interviewing clients, one of the greatest facets of Issuetrak is the support staff. Every single client interviewed mentioned that the efficiency of Issuetrak's support staff was remarkable. One client noted that an Issuetrak support team member was always immediately available to help solve a problem, and if it was not possible to solve a problem immediately, a time frame for when the problem could be solved was always provided (often within 24 hours.) While this is not an aspect of the software that could be quantified for the reported ROI, this is clearly one of the biggest strengths of Issuetrak.

The service that the support staff, as well as the sales team, provided to the clients was one of the major positive benefits that each client cited as to why Issuetrak stood out for their business. The clients that were interviewed for this report all had glowing reviews about the software, yet some of those benefits are not quantifiable and could not be included in the ROI calculation. One example of the intangible benefits was the increase in customer satisfaction mentioned by Maricopa County. Campus Apartments' ability to sustain rapid increase of business operations is also a soft benefit that cannot be directly calculated into the ROI calculation. For both improvements in business performance, Issuetrak is not the only factor contributing to increases in efficiency, but in both the software played a major role.

Issuetrak's knowledge base is the feature that users said contributed the most to time savings. Users are often able to solve issues without help from a technician, reducing the time and number of employees needed to solve a problem. Decreasing the time spent on solving unnecessary problems allows the company to focus on more important aspects of business operations, allowing employees to work at peak efficiency, and contributing to a more profitable business.

Together, the many timesaving aspects of Issuetrak contribute to a return on investment of 126%. It is important to note that this return on investment is a minimal approximation, as the soft benefits are not included.