



THE ROI OF
EFFICIENT
EXECUTION

POWERED BY
ACHIEVEIT

achieveit

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HOW TO CALCULATE REVENUE **SAVED & GAINED** BY SWITCHING TO ACHIEVEIT

Do you ever wonder how much your current methods of tracking plan execution are costing your organization every day? While you may be aware of the time lost and resources that suffer to operate as-is, it can be difficult to know where to start when illustrating the return on making the investment in an initiative tracking system like Achieveit.

Here are some calculations other successful Achieveit customers have used, as well as some helpful statistics to back up your analysis.

You will need to calculate these two numbers before defining your ROI.

1. RESOURCES AT RISK

Most major initiatives have their own ROI attached (based on an expected savings amount, increased sales, etc.). That is, after all, why the organization has chosen to focus on them.

In preparation for this exercise, add up what is at risk for your organization this year across all of your most important plans and initiatives. What would you gain in extra revenue and savings if you successfully execute 100% of them?

e.g. Your three major initiatives are to shorten delivery time by 5%, decrease acquisition costs by \$100K, and increase revenue by \$650K. If you were to accomplish all these goals, your organization would save over \$1M in resources.

2. ANNUAL REPORTING TIME

A large component of your plan tracking and reporting is likely being done through a manual process (emailing for updates, pasting together spreadsheets, etc.).

Estimate how much time each update cycle (week, month, quarter, etc.) is being spent by everyone in the reporting chain to know how many hours your organization is currently spending annually.

e.g. Your Strategic Plan Manager dedicates about 2 days a month compiling and manipulating data for every strategic plan check-in (18 hours x 12 months). Combined with the amount of time contributors spend exporting, formatting, and compiling data (15 contributors x 5 hours x 12 months), you could be spending over 1,000 hours per plan, per year manually reporting.

3. EXPECTED ANNUAL REVENUE

What is your target revenue goal for this year?

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TIME SAVINGS

One of the most obvious savings gained by using Achieveit is the time saved from collecting updates and creating reporting. Often, the time savings alone covers the purchase price of Achieveit.

To come up with a reasonable estimate of what this process currently costs your organization, multiply the total number of hours spent on reporting activities by 93%, the average reporting time savings seen by Achieveit’s customers. Now, multiply that number by the average cost of those hours, based on salary. To help, here are some median, fully loaded hourly rates, based on a 50-hour work week¹:

“ For a team of 10, saving 3 hours per week, per person makes a significant impact. We now use those 30 hours per week we used to spend collecting data, analyzing and reporting, to execute on initiatives that grow our business. ”

MAJOR COFFEE RETAILER
Adam Stansberry
Senior Director, Operational Strategy & Execution

- Strategy Director: \$81/hour VP Operations: \$127/hour
- Project Manager (entry): \$36/hour Analyst: \$43/hour
- Project Manager (advanced): \$56/hour Admin. Assistant: \$32/hour

EXAMPLE				
EMPLOYEE	ANNUAL HOURS SPENT COLLECTING & BUILDING REPORTS	x 93% (ACHIEVEIT AVG. TIME SAVINGS)	x HOURLY WAGE	ESTIMATED SAVINGS
STRATEGY DIRECTOR	120 (10 hours/month)	111.6	\$81	\$9,039.60
SENIOR PROJECT MANAGER	180 (15 hours/month)	167.4	\$56	\$9,374.40
ADMINISTRATIVE ASSISTANT	240 (20 hours/month)	223.2	\$32	\$7,142.40
			TOTAL EST. ANNUAL SAVINGS	\$25,556.40

This time can be repurposed into more impactful work, on which you can also put a value. Harvard Business Review reports that executives spend a great deal of their time—an average of 41%—on discretionary activities that offer little personal satisfaction and could be handled competently by others.² Reducing the time spent on low value work in exchange for higher value work can have a significant impact on the bottom line. Take time to think out the 2-3 specific ways in which this time gained can be repurposed as part of your ROI exercise.

¹ Salary.com

² Birkinshaw, Julian, and Jordan Cohen. “Make Time for the Work That Matters.” *Harvard Business Review*, September 2013 Issue, <https://hbr.org/2013/09/make-time-for-the-work-that-matters>. Accessed 9 Apr. 2018.

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ORGANIZATIONAL ALIGNMENT

Forbes reports that execution success rates drop by around 50% due to non-alignment - a state that occurs when employees don't understand how their daily decisions and actions have an impact on the strategic direction of the company.³

This lack of alignment to your company's most important initiatives can be very costly. Achieveit solves this problem by providing a visual representation of how every piece of work rolls up to the highest-level initiatives and strategies. With this clearly aligned view, employees don't need to guess how their work is meaningful or impactful.

To illustrate the ROI for alignment, reference the statistic above. Even if your organizations' misalignment isn't causing a 50% drop in execution success, a mere 10% drop in completed work can be a matter of millions of dollars.

To discover the dollar amount you have to gain by aligning your team, consider the Resources At Risk number you prepared earlier. If you missed that number by 10% due to misalignment, what would that mean to the organization? This amount can be added to your ROI illustration.

“ Everyone understands what we're doing, why we're doing it, and how we're going to get it done. **”**

ORIGIN BANK
Regina McNeil
Senior VP, Market Analytics & Strategic Planning

INITIATIVES	RESOURCES AT RISK (SAVINGS & EXPECTED REVENUE INCREASES)	x 10% MISALIGNMENT COST
INITIATIVE A	\$4,000,000	\$400,000
INITIATIVE B	\$1,530,000	\$153,000
INITIATIVE C	\$8,090,000	\$808,000
	TOTAL EST. ANNUAL SAVINGS	\$1,362,000

3 Myler, Larry. "Strategy 101: It's All About Alignment." *Forbes*, October 16, 2012, <https://www.forbes.com/sites/larrymyler/2012/10/16/strategy-101-its-all-about-alignment/#1362c4e328cf>. Accessed 9 Apr. 2018.

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VISIBILITY & BETTER **DECISION MAKING**

Managers and executives make about three billion decisions each year. In fact, Bain researchers found that decision effectiveness is 95% correlated with financial performance.⁴

Achieveit assists with better decision making in three important ways:

1. **Achieveit provides increased visibility into what's happening across the organization.**

You can see which initiatives are going well and which are off track and in need of attention at a glance. Managers and executives can quickly and easily see who is doing what and which employees or departments are struggling. Knowledge is power, and the ability to view this data in any configuration – across plans, divisions, initiatives, statuses, etc. – gives you insight any way you need to see it.

“ Perhaps the most important strength of Achieveit is its ability to give us data across all 20 of our departments so we can see how each one is progressing toward their goals. With Achieveit, we can see in real-time how the staff and teams in all three divisions are making progress – or not – toward reaching goals. That by itself makes Achieveit a significant management tool for us. **”**

SAVE MART GROCERY

Hal Levitt

Executive Director, Strategic Execution

2. **Achieveit provides both qualitative and quantitative context.**

It's important to know the “what,” but equally important is to know the “why.” Achieveit provides both – increasing that knowledge even more. Not only can you visually see where your initiatives are on or off track for reaching your goal, but also what's happened that would explain the increase or decrease.

3. **With Achieveit, all the insight described above is up-to-date.**

No more looking at outdated reports – Achieveit updates are quick, easy, and intuitive to make, and are immediately updated in the system.

The height of visibility and better decision making is reached with real-time updates with context across every plan across the organization. Using Bain's findings above, what would a 5% increase in revenue achievement mean to your organization this year? This number, too, can be used in your ROI calculation.

⁴ Larson, Erik. “Don't Fail At Decision Making Like 98% Of Managers Do.” *Forbes*, May 18, 2017, <https://www.forbes.com/sites/eriklarson/2017/05/18/research-reveals-7-steps-to-better-faster-decision-making-for-your-business-team/#74c769c040ad>. Accessed 9 Apr. 2018.

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DATA INTEGRITY

Although seldom thought about, bad data is costing companies a bundle, according to research published in MIT Sloan Management Review.⁵

“Bad data is the norm,” writes Thomas Redman, president of Data Quality Solutions. Drawing on research from other big data analysts, the consulting firm estimates the cost of bad data is between 15 percent and 25 percent of revenue for many companies.” That’s a lot of mistakes!

“*Within the QAPI community, we do believe our use of Achievelt is a novel approach in terms of its use as a key mechanism to support programmatic work. I think there are still a lot of transplant programs that are using the good old Excel spreadsheet, which is incredibly inefficient. Spreadsheets are simply not a good way to organize and track your work.*”

**UNIVERSITY OF WISCONSIN
HOSPITALS & CLINICS AUTHORITY**
Dina Steinberger
Program Director, Performance Improvement

A Market Watch study found that 90% of all Excel spreadsheets contained an error.⁶ On top of that, data living in multiple versions on multiple computers leaves you vulnerable to losing all your data. General experience points to the fact that the majority of computer users do not regularly back up their files. While more and more organizations are using cloud-based storage systems like Dropbox or SharePoint, many Excel planning files still struggle with version control as there’s no single designated source of truth.

Achievelt solves this problem with a cloud-based solution that provides a centralized location for all your files, commentary, status changes, and metric measurements. No more living with disparate systems.

With Achievelt, all results become highly transparent; multiple stakeholders’ access increases data integrity. 15-25% of your revenue is counting on this more accurate data. If you are currently using shared spreadsheets to track your plans, this risk can also be part of your ROI. Using a conservative assumption, if 5% of your revenue is affected by bad data, what would that mean to your organization this year?

⁵ Redman, Thomas C. “Seizing Opportunity in Data Quality.” *MIT Sloan Management Review*, November 27, 2017, <https://sloanreview.mit.edu/article/seizing-opportunity-in-data-quality/>. Accessed 9 Apr. 2018.

⁶ Olshan, Jeremy. “88% of spreadsheets have errors.” *MarketWatch*, April 20, 2013, <https://www.marketwatch.com/story/88-of-spreadsheets-have-errors-2013-04-17>. Accessed 9 Apr. 2018.

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MEETING EFFICIENCY

Inefficient meetings can waste time, slow progress, and negatively impact employee performance. Achieveit allows managers to run streamlined meetings, focused only on the topics or items that need the most attention. Achieveit allows for fast and easy updates. This allows you to transition meetings from task-oriented (going through each line items and making on-the-fly updates) to action-oriented (filtering key data that's already been updated and allowing for more meaningful discussion on how to resolve the problem).

According to Myra Ricceri, Senior Performance Excellence Coach from CHI Health,

“ *In a 2-month period, we saved just shy of \$5,000 in reduction or elimination of meetings. We were able to shorten each meeting duration and also went with an every-other-week schedule rather than every week (as we typically would have done in order to meet the deadline).* **”**

CHI HEALTH

Myra Ricceri, PMP, CLSSGB, FLMI, ACS
Senior Performance Excellence Coach

Most organizations have a number of plans in various stages of implementation. For many, those plans span across multiple divisions, departments, and teams. What would a 50% reduction in meeting time mean to your organization? Consider the length and number of meetings that each group conducts and use the hourly rates from the Time Savings section to illustrate the impact of meeting efficiency.

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PULLING IT ALL TOGETHER

Each of the items listed for ROI consideration will have different impacts for every organization. You may choose to use a higher or lower percentage rate in your calculations based on your particular circumstances, but all are real paybacks seen by Achieveit customers. Some other items you may want to consider:

EMPLOYEE MORAL: Understanding strategy and priorities are important, but being able to communicate effectively is essential. Achieveit helps managers communicate clear goals to their teams while giving employees the visibility to show how their work impacts overall company objectives. A study conducted by researchers at the University of Alberta found that companies who focused employees on the meaning and purpose in their work experienced a 60% drop in absenteeism and a 75% reduction in turnover.⁷

SAVINGS ON TRAINING: To be successful with a new software platform, your organization requires training, which is proven to increase executive and user buy-in. Because your Customer Success Manager (CSM) is built into your subscription, you will always have access to best practices. Your CSM helps you overcome challenges and shares new ways that customers use the system, helping you continue to increase adoption and ROI.

Furthermore, your initial kick-off training period, as well as other periodical training and evaluation engagements, occur onsite. In 2017, spending on travel for training increased from \$26.1 billion to \$44.5 billion in the US.⁸ However, you can save your team travel costs when working with our Professional Services team to unlock your team's potential, as we come to you.

OPPORTUNITY COST OF FOCUSING ON THE WRONG THINGS: When you're focused on lag measures, it can be difficult to pivot when the initiatives you're working on aren't impacting your KPIs to the degree you'd hoped and planned for. The time lost to ineffective projects or prioritization is a resource drain. Furthermore, the cost of working on the wrong things can lead to spending more time keeping up with daily operations and responding to urgent crises, taking focus away from important strategic initiatives. The most effective organizations cut down the time spent on operations and firefighting and dedicate 60% of their time on continuous improvement and innovation, being selective about which projects to pursue.⁹ Imagine if you could stop focusing on unproductive projects and increase your innovative solutions by 60%.

⁷ University of Alberta. "Secret To Workplace Happiness? Remember What You Love About The Job, Study Urges." *ScienceDaily*, November 28, 2008, <https://www.sciencedaily.com/releases/2008/11/081126122317.htm>. Accessed 9 Apr. 2018.

⁸ "2017 Training Industry Report." Training: *The Source for Professional Development*, December 2017, <https://trainingmag.com/trgmag-article/2017-training-industry-report>. Accessed 9 Apr. 2018.

⁹ Workman, Jordan. "Performance Solutions by Milliken." 2017, <http://fpreflib.findlay.co.uk/images/pdf/ems/Jordan%20Workman%20Milliken%20-%20EMS%20Summit-Berlin%202017.pdf>. Accessed 9 Apr. 2018.