

A Forrester Total Economic
Impact™ Study

Commissioned By Esker

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The Total Economic Impact™ Of Esker's Order Processing Solution

FORRESTER®

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Executive Summary

Esker commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) enterprises may realize by deploying Esker's Order Processing automation solution. The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of order management on their organizations.

To better understand the benefits, costs, and risks associated with implementing an order processing solution, Forrester interviewed two existing customers currently using Esker. Prior to Esker, these customers relied on manual processes for entering orders received via fax and email. Orders took too long to enter, customer service representatives (CSRs) did not have enough time to do outbound customer service calls, and there was a general lack of visibility. With Esker, users were able to highly automate the ordering process for fax and email orders as well as streamline phone and EDI orders; free up time to complete outbound customer service calls; and generally increase user satisfaction. One interviewee said: "The manual processes really slowed us down and were impacting our customers. Sometimes we were behind on order entry by two or three days, and customers would then send in duplicate entries, which made things even worse. With Esker we were able to fix all of this."

Esker's Order Processing solution helps companies lower order processing costs, increase customer satisfaction, and reduce order error rates.

The costs and benefits for a composite organization processing 140,000 orders, based on customer interviews, are:

- **Investment costs: \$235,250.**
- **Annual costs: \$227,775.**
- **Annual benefits: \$1,086,750.**

ESKER REDUCES ORDER PROCESSING TIMES AND INCREASES CUSTOMER SATISFACTION

Our interviews with two existing customers and subsequent financial analysis found that a composite organization (a US-headquartered specialty products manufacturer processing 140,000 orders through Esker) based on these interviewed organizations experienced the risk-adjusted ROI, benefits, and payback period shown in Figure 1.¹ Order processing time was reduced by 75%, and the customer services department staffing requirements were greatly reduced, meaning resources could be redeployed onto other customer service activities and/or complete positions could be eliminated.

FIGURE 1

Financial Summary Showing Three-Year Risk-Adjusted Results

**ROI/IRR:
237%/361%**

**NPV:
\$1.9 million**

**Payback:
4 months**

**Order
processing:
75% faster**

Source: Forrester Research, Inc.

› **Benefits.** The composite organization experienced the following risk-adjusted benefits that represent those experienced by the interviewed companies:

- **Order processing time decreased from 8 minutes to 2 minutes.** The average time required to process fax and email orders decreased by 75%. Additionally, the proportion of orders that came via phone calls was greatly reduced. This resulted in reducing the CSR staff required to process these orders from 18 to four full-time equivalent (FTE) resources. For the 14 eliminated positions, many were moved into outbound and inbound customer support positions, and others were fully eliminated through natural attrition and redundancies. The total risk-adjusted savings over three years was \$1.7 million.
- **The order entry error rate was reduced.** The order entry error rate was reduced from 2% down to 1.5%. There were still some errors due to customers sending in hard-to-read information, but miskeying information from faxes and emails was almost entirely eliminated with Esker; this will improve more as the Esker system learns more customers' standard forms. Of the products mistakenly sent, 30% could not be restocked. By reducing the error rate, a risk-adjusted savings of \$1.56 million in less scrapped inventory was realized over three years.
- **Customer, sales, and CSR personnel satisfaction increased.** Customers and salespeople were happier because they knew when orders were processed and their orders were getting processed faster. CSRs could focus on activities other than rekeying information and chasing down order inquiries. Overall, there has been a great increase in visibility. This benefit was not included in the financial analysis.

› **Costs.** The composite organization experienced the following risk-adjusted costs:

- **Initial deployment of professional services.** The initial deployment was completed in two back-to-back phases using Esker's Agile deployment methodology. The total implementation time was four months, and the risk-adjusted professional service costs were \$141,750.
- **Internal effort.** The composite organization had three FTEs involved in the deployment project from the IT and business organizations. There is an ongoing effort of one-quarter of an FTE to manage the Esker solution (e.g., teach the system new customers' standard emails, forms, etc.). The total three-year risk-adjusted costs were \$163,625.
- **Esker subscription fees.** The composite organization uses the software-as-a-service (SaaS) version of the Order Processing solution. This eliminated the need for hardware and associated data center costs. The three-year risk-adjusted subscription fees to process 140,000 orders per year with the Esker solution were \$613,200.

Disclosures

The reader should be aware of the following:

- › The study is commissioned by Esker and delivered by Forrester Consulting. It is not meant to be used as a competitive analysis.
- › Forrester makes no assumptions as to the potential ROI that other organizations will receive. Forrester strongly advises that readers use their own estimates within the framework provided in the report to determine the appropriateness of an investment in Esker's Order Processing solution.
- › Esker reviewed and provided feedback to Forrester, but Forrester maintains editorial control over the study and its findings and does not accept changes to the study that contradict Forrester's findings or obscure the meaning of the study.
- › Esker provided the customer names for the interviews but did not participate in the interviews.

TEI Framework And Methodology

INTRODUCTION

From the information provided in the interviews, Forrester has constructed a Total Economic Impact (TEI) framework for those organizations considering implementing Esker's Order Processing solution. The objective of the framework is to identify the cost, benefit, flexibility and risk factors that affect the investment decision, to help organizations understand how to take advantage of specific benefits, reduce costs, and improve the overall business goals of winning, serving, and retaining customers.

APPROACH AND METHODOLOGY

Forrester took a multistep approach to evaluate the impact order processing automation can have on an organization (see Figure 2). Specifically, we:

- › Interviewed Esker marketing, sales, product, and consulting personnel, along with Forrester analysts, to gather data relative to Esker and the marketplace for order automation solutions.
- › Interviewed two organizations currently using Esker's Order Processing solution to obtain data with respect to costs, benefits, and risks.
- › Designed a composite organization based on characteristics of the interviewed organizations.
- › Constructed a financial model representative of the interviews using the TEI methodology. The financial model is populated with the cost and benefit data obtained from the interviews as applied to the composite organization.
- › Risk-adjusted the financial model based on issues and concerns the interviewed organizations highlighted in interviews. Risk adjustment is a key part of the TEI methodology. While interviewed organizations provided cost and benefit estimates, some categories included a broad range of responses or had a number of outside forces that might have affected the results. For that reason, some cost and benefit totals have been risk-adjusted and are detailed in each relevant section.

Forrester employed four fundamental elements of TEI in modeling Esker's Order Processing solution: benefits, costs, flexibility, and risks.

Given the increasing sophistication that enterprises have regarding ROI analyses related to IT investments, Forrester's TEI methodology serves to provide a complete picture of the total economic impact of purchase decisions. Please see Appendix A for additional information on the TEI methodology.

FIGURE 2
TEI Approach



Source: Forrester Research, Inc.

Analysis

COMPOSITE ORGANIZATION

For this study, Forrester conducted a total of two interviews with representatives from the following companies, which are Esker customers:

- › Medical device manufacturer.
- › Home security equipment manufacturer.

Based on the interviews, Forrester constructed a TEI framework, a composite company, and an associated ROI analysis that illustrates the areas financially affected. The composite organization that Forrester synthesized from these results represents an organization with the following characteristics:

- › A US-headquartered specialty products manufacturer selling in the US and Europe.
- › A customer service department that takes orders via phone, fax, and email, as well as EDI orders from large distributors.
- › 140,000 orders per year coming in via fax and email that fully benefit from Esker automation.

After creating a project charter and evaluating several vendors, the composite organization chose Esker and began deployment:

- › The total deployment lasted four months and was broken into two phases.
- › The first phase included setting up Esker's SaaS-based Order Processing solution and handling standard product orders.
- › The second phase included handling of configured products and fully integrating Esker into SAP. The composite organization used the SAP connectors provided by Esker.

INTERVIEW HIGHLIGHTS

The experiences of the composite organization closely parallel those described to Forrester by the two interviewed organizations.

Situation

The composite organization was experiencing the following issues and opportunities:

- › It used manual processes, which meant that fax and email orders were being managed via Outlook without good workflow.
- › There was little to no visibility into workloads, which meant orders took too long to process, and the work could not be balanced across resources.
- › Each order took too long to enter because it needed to be rekeyed. There were also order entry miskeying issues.
- › There were complaints from customers and salespeople about the lack of visibility into when an order was actually processed. Because of this, 80% of orders were phoned in so that they knew the order was actually processed at that time.

“Esker was the lowest cost project with the biggest bang for the buck we have ever done. It was a slam dunk.”

~ Customer care manager

Solution

Esker's Order Processing automation solution was implemented to handle all fax and email orders. The optical character recognition (OCR) technology converts faxes and emails and automatically populates orders into the Esker system. The SaaS implementation meant that the composite organization did not have to buy and deploy servers (one of the interviewed companies is using the on-premises version of the solution). Esker was integrated with SAP using connectors.

Results

The interviews showed that:

- › **Order processing times were reduced by up to 75%.** The increased automation means that most email and fax orders are prepopulated into Esker and only need to be quickly reviewed. Phone and EDI orders can be streamlined through automatic checking of EDI orders and using Esker forms for phone orders.
- › **Phone orders were reduced from 80% of order volume to 20%.** Because of greater visibility, customers and salespeople are comfortable submitting orders via fax and email. That means all the automation benefits of Esker can be applied to the vast majority of orders.
- › **Orders are processed faster, meeting SLAs.** The goal is to process all orders within 24 hours. This was achieved, and high-priority orders were processed first, using the workflow order feature built into the Esker solution.

“We were able to meet our 24-hour order processing goal through greater visibility, reducing phone orders, and eliminating order resubmissions.”

~ Customer service manager

BENEFITS

The composite organization experienced a number of benefits in this case study:

- › Order processing labor savings.
- › Reduced incorrect orders.
- › Improved customer and employee satisfaction (nonquantified).



Order Processing Labor Savings

The interviewed companies both described significant reductions in order processing time for email and fax orders. This was achieved through having better workflows, using OCR to automatically populate order systems, and eliminating paper and looking at multiple screens. Speeds improved over time as the Esker system learned more customer forms and templates. Specifically, Forrester heard that:

- › “We cut the process steps from eight to four. Fax order processing time has gone from 8 minutes down to 2 minutes.”
- › “Before Esker, our order processing time was 4 minutes. It is now 2 minutes. We have completely automated orders coming through Esker. Once an order comes in, all we have to do is proof it for pricing. Sometimes this takes as little as 30 seconds.”

These process improvements translate into operational efficiencies and labor cost savings. These labor savings can take different forms, such as redeploying resources into other customer service functions, handling growth without adding resources, or eliminating headcount through natural attrition or redundancies. Often, customer service departments use temporary labor, which can easily be scaled back. Some examples of how the interviewed companies achieved labor savings included:

- › “We absorbed growth without adding headcount. We had some acquisitions that added a lot of orders without adding any headcount.”
- › “Esker freed up service reps to do outbound service calls and be more productive.”
- › “We used to have 18 people processing orders. We are now down to four. We redeployed these people into order support and product service. Our communication with customers is much improved.”

For the financial analysis, Forrester included the example of reducing the order processing team from 18 to four FTEs. The order volumes for the composite organization are similar to those of this specific example. The FTE savings can be utilized in different ways as described above — move into higher value-add activities, avoid adding additional labor to support growth, and/or reduce overall headcount.

The interviewed organizations provided a broad range of savings related to order processing time and headcount savings. To compensate, this benefit was risk-adjusted and reduced by 10%. The risk-adjusted total benefit resulting from streamlined order processing over the three years was \$1,701,000. (See the section on Risks for more detail.)

TABLE 1
Order Processing Labor Savings

Ref.	Metric	Calculation	Year 1	Year 2	Year 3
A1	Number of order processing positions eliminated	18 FTE -> 4 FTE	14	14	14
A2	Annual fully burdened cost		\$45,000	\$45,000	\$45,000
At	Order processing labor savings	A1*A2	\$630,000	\$630,000	\$630,000
	Risk adjustment		↓ 10%		
Atr	Order processing labor savings (risk-adjusted)		\$567,000	\$567,000	\$567,000

Source: Forrester Research, Inc.



Reduced Incorrect Orders

Any time data needs to be rekeyed, it creates an opportunity for mistakes. Both of the interviewed organizations stated that order errors from miskeying were nearly eliminated for orders automated in Esker. There may still be some need for manual adjustments as Esker learns more customer formats, when customers make changes to their formats, or during validation — all of which can result in some keying errors. One company reported that “keystroke and processing errors have been reduced from 0.40% to 0.18%.”

Processing orders incorrectly means that the wrong products are shipped. This results in unhappy customers, incurring unnecessary costs, and often not being able to restock returned products (scrap). “We have less scrap because of sending the wrong orders,” said one of the customer service department managers. For the financial analysis, Forrester included reduced scrap rates only. Readers should also consider the reduced order processing and restocking costs associated with incorrect orders when evaluating the value of order processing automation on their organization.

Forrester assumed a 0.5% reduction in error rates, which is in line with what Esker solution users reported. We then made a conservative assumption that 30% of those orders could not be restocked because they were highly configured or specialized. We estimated that the costs of goods sold (COGS), which is the actual money out of pocket, was 55%.

Because organizations vary in their error rates as well as their ability to restock incorrectly sent products, this benefit was risk-adjusted and reduced by 10%. The risk-adjusted total benefit resulting from improved policy and claims processing over the three years was \$1,559,250.

TABLE 2
Reduced Incorrect Orders

Ref.	Metric	Calculation	Year 1	Year 2	Year 3
B1	Number of orders		140,000	140,000	140,000
B2	Reduction in error rate		0.5%	0.5%	0.5%
B3	Fewer number of incorrect orders	$B1 \times B2$	700	700	700
B4	Percent of orders that cannot be restocked		30%	30%	30%
B5	Average order value		\$5,000	\$5,000	\$5,000
B6	Sales value of scrapped products	$B3 \times B4 \times B5$	\$1,050,000	\$1,050,000	\$1,050,000
B7	Costs of goods sold		55%	55%	55%
Bt	Reduced incorrect orders	$B6 \times B7$	\$577,500	\$577,500	\$577,500
	Risk adjustment	↓10%			
Btr	Reduced incorrect orders (risk-adjusted)		\$519,750	\$519,750	\$519,750

Source: Forrester Research, Inc.



Improved Customer And Employee Satisfaction

Although not included in the financial analysis, this benefit could be the most important. Improved customer satisfaction can result in greater customer retention, higher lifetime customer value, and winning new customers. Additionally, happier salespeople mean greater retention and probably higher sales. Lastly, better CSR satisfaction can translate into higher employee retention in a role that is notorious for quick turnover, and this results in benefits such as better customer service and fewer mistakes.

The interviewed companies both said that customers and employees are happier because of Esker's Order Processing solution.

- › "We do customer satisfaction surveys and benchmark ourselves against our main competitors. Our satisfaction scores were lower than where we wanted them to be and midrange versus who we benchmark against. We are now leading the pack, and our score has gone from 4.7 to 4.9 with the use of Esker."
- › "We have gained the confidence of our salespeople and customers because they know orders are processed quickly and have greater visibility into the entire process. Our salespeople are very happy with us because they can spend less time now following up on orders and more time on closing new business."
- › "Our call center team really likes the Esker solution. It has reduced the amount of pressure on the team and lightened up the work to a manageable level."

Total Benefits

Table 3 shows the total of all quantified benefit areas listed above, as well as present values (PVs) discounted at 10%. Over three years, the composite organization expects risk-adjusted total benefits to be a PV of more than \$2.7 million.

TABLE 3 Total Benefits (Risk-Adjusted)						
Ref.	Benefit	Year 1	Year 2	Year 3	Total	Present Value
Atr	Order processing labor savings	\$567,000	\$567,000	\$567,000	\$1,701,000	\$1,410,045
Btr	Reduced incorrect orders	\$519,750	\$519,750	\$519,750	\$1,559,250	\$1,292,541
Total benefits		\$1,086,750	\$1,086,750	\$1,086,750	\$3,260,250	\$2,702,586

Source: Forrester Research, Inc.

COSTS

The composite organization experienced a number of costs associated with Esker's Order Processing solution:

- › Professional services.
- › Internal effort.
- › Esker subscription fees.

These represent the mix of internal and external costs experienced by the composite organization for initial planning, implementation, and ongoing management associated with the solution.



Professional Services

The composite organization, like the interviewed companies, used Esker's professional services to lead the implementation effort. It utilized Esker's Agile deployment methodology, which greatly sped up the deployment and time-to-value. One interviewee said: "This was the first project we've done that used Agile methods. We found it very beneficial. This allowed us to section off the project into small enough chunks that we could modify our requirements along the way when we discovered things we didn't know we would need. It also allowed us to quickly bring employees in for testing and provide functionality feedback."

The project was split into two phases that were completed one right after the other. The first phase consisted of setting up the SaaS version of Esker's Order Processing solution and configuring it to handle standard product orders. In the second phase, the solution was set up to handle configurable products and complete integration into SAP using Esker's connectors. In total, the project lasted four months. The professional services cost \$135,000, and this was risk-adjusted up 5% to account for larger projects, resulting in a risk-adjusted value of \$141,750.

TABLE 4
Professional Services

Ref.	Metric	Calculation	Initial
C1	Professional services		\$135,000
Ct	Professional services	= C1	\$135,000
	Risk adjustment	↑5%	
Ctr	Professional services (risk-adjusted)		\$141,750

Source: Forrester Research, Inc.



Internal Effort

During the initial deployment, the composite organization had three people on the business side and three from the IT team working on the project. Each spent about half their time on the project, resulting in three FTEs. This effort included training the CSRs. Salespeople did not need to be trained since the changes were completely transparent to them. All of this is consistent with what both interviewees reported, and they found the level of effort low for an IT project of this nature.

The composite organization uses the SaaS version of Esker's Order Processing solution, which eliminates the need to maintain servers, update software, etc. A quarter of an FTE is involved in managing the solution, teaching it new customer forms, and providing any needed training.

Because the level of effort can vary for the initial deployment and ongoing operations, this cost was risk-adjusted up by 10%. (If readers are considering deploying the on-premises version of the solution, they should look at using a risk adjustment of 25% and add in hardware costs.) The risk-adjusted cost over the three years was \$163,625.

TABLE 5
Internal Effort

Ref.	Metric	Calculation	Initial	Year 1	Year 2	Year 3
D1	Number of months		4			
D2	Number of FTEs		3			
D3	Monthly fully burdened cost	\$85,000/12 months	\$7,083			
D4	Total implementation effort	D1*D2*D3	\$85,000			
D5	Annual internal administration	.25 FTEs * \$85,000		\$21,250	\$21,250	\$21,250
Dt	Internal effort	D4+D5	\$85,000	\$21,250	\$21,250	\$21,250
	Risk adjustment	↑10%				
Dtr	Internal effort (risk-adjusted)		\$93,500	\$23,375	\$23,375	\$23,375

Source: Forrester Research, Inc.



Esker Subscription Fees

Subscription costs vary greatly based on order volumes going through Esker's Order Processing solution and whether the SaaS or on-premises solution is deployed. Readers should work with their Esker account representative to understand what their specific costs would look like. For this study, Forrester used the SaaS licensing model. The pricing includes a fixed monthly fee and a per-order-processed cost. For simplicity, Forrester combined these two elements into a per-order-processed cost. The numbers shown here are consistent with what an organization processing 140,000 annual orders in Esker should expect to pay. (To keep the study simple, we assumed a consistent number of orders each year.) Because numbers can vary up or down based on the size of the organization, Forrester did not include any risk adjustment. The total three-year subscription costs were \$613,200.

TABLE 6
Esker Subscription Fees

Ref.	Metric	Calculation	Year 1	Year 2	Year 3
E1	Number of orders processed		140,000	140,000	140,000
E2	Cost per order		\$1.46	\$1.46	\$1.46
Et	Esker subscription fees	E1*E2	\$204,400	\$204,400	\$204,400
	Risk adjustment	0%			
Etr	Esker subscription fees (risk-adjusted)		\$204,400	\$204,400	\$204,400

Source: Forrester Research, Inc.

Total Costs

Table 7 shows the total of all costs as well as associated present values (PVs), discounted at 10%. Over three years, the composite organization expects total costs to be a PV of a little more than \$800,000.

TABLE 7
Total Costs (Risk-Adjusted)

Ref.	Cost Category	Initial	Year 1	Year 2	Year 3	Total	Present Value
Ctr	Professional services	\$141,750	\$0	\$0	\$0	\$141,750	\$141,750
Dtr	Internal effort	\$93,500	\$23,375	\$23,375	\$23,375	\$163,625	\$151,630
Etr	Esker subscription fees	\$0	\$204,400	\$204,400	\$204,400	\$613,200	\$508,313
Total costs (risk-adjusted)		\$235,250	\$227,775	\$227,775	\$227,775	\$918,575	\$801,693

Source: Forrester Research, Inc.

FLEXIBILITY

Flexibility, as defined by TEI, represents an investment in additional capacity or capability that could be turned into business benefit for some future additional investment. This provides an organization with the “right” or the ability to engage in future initiatives but not the obligation to do so. There are multiple scenarios in which a customer might choose to implement Esker’s Order Processing solution and later realize additional uses and business opportunities. Flexibility would also be quantified when evaluated as part of a specific project (described in more detail in Appendix A).

Esker’s Order Processing automation solution makes customer service departments more agile because they can quickly redeploy headcount to support activities other than order entry. Orders can also be processed faster, which is very useful

during peak periods such as end of quarter. Salespeople are also more flexible, since they can take orders and move on knowing that the orders will be efficiently processed.

The interviewed companies are looking to expand their use of Esker's Order Processing automation solution. Some examples include rolling it out to other geographies or divisions, using it to handle service contracts (in addition to physical products), and greater integration with SAP to provide background information related to an order. None of these agility or future opportunity components were included in the ROI analysis.

RISKS

Forrester defines two types of risk associated with this analysis: "implementation risk" and "impact risk." Implementation risk is the risk that a proposed investment in Esker's Order Processing solution may deviate from the original or expected requirements, resulting in higher costs than anticipated. Impact risk refers to the risk that the business or technology needs of the organization may not be met by the investment in automation, resulting in lower overall total benefits. The greater the uncertainty, the wider the potential range of outcomes for cost and benefit estimates.

Quantitatively capturing implementation risk and impact risk by directly adjusting the financial estimates results provides more meaningful and accurate estimates and a more accurate projection of the ROI. In general, risks affect costs by raising the original estimates, and they affect benefits by reducing the original estimates. The risk-adjusted numbers should be taken as "realistic" expectations since they represent the expected values considering risk.

The companies considered a few main risks before deploying Esker's Order Processing solution. They were concerned that they might go over budget or need more time, as often happens with IT projects; that users would not want to use the solution; and that it would not handle highly configured products. None of the concerns proved true. These potential risks were managed by using Esker's Agile methods professional services approach and by completing the project in two phases.

Table 8 shows the values used to adjust for risk and uncertainty in the cost and benefit estimates for the composite organization. Readers are urged to apply their own risk ranges based on their own degree of confidence in the cost and benefit estimates.

TABLE 8
Benefit and Cost Risk Adjustments

Benefits	Adjustment
Order processing labor savings	↓ 10%
Reduced incorrect orders	↓ 10%
Costs	Adjustment
Professional services	↑ 5%
Internal effort	↑ 10%
Esker subscription fees	↑ 0%

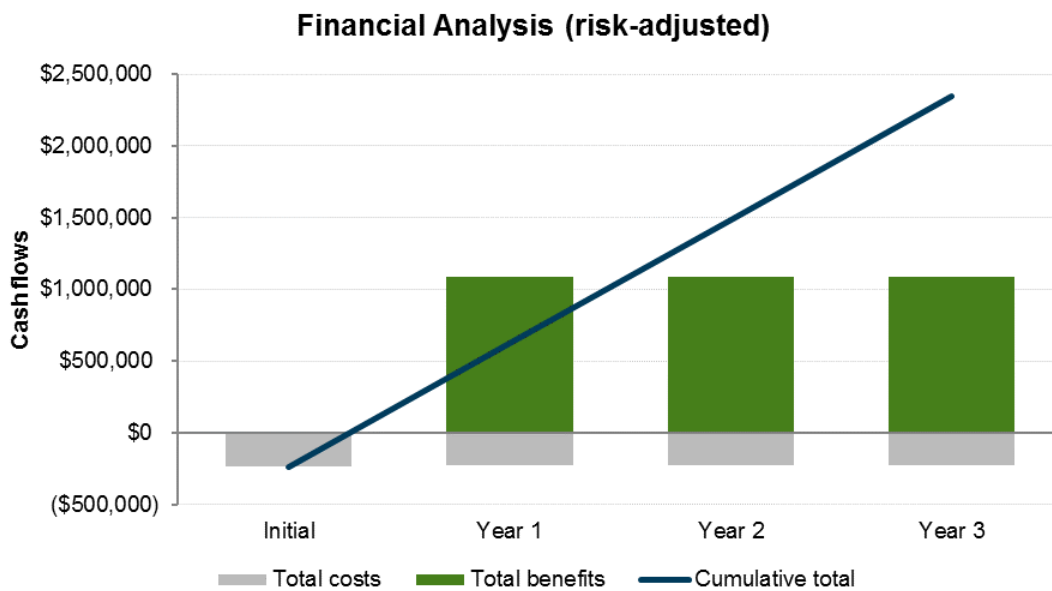
Source: Forrester Research, Inc.

Financial Summary

The financial results calculated in the Benefits and Costs sections can be used to determine the ROI, IRR, NPV, and payback period for the composite organization's investment in Esker's Order Processing solution.

Table 9 below shows the risk-adjusted ROI, IRR, NPV, and payback period values. These values are determined by applying the risk-adjustment values from Table 8 in the Risks section to the unadjusted results in each relevant cost and benefit section.

FIGURE 3
Cash Flow Chart (Risk-Adjusted)



Source: Forrester Research, Inc.

TABLE 9
Cash Flow (Risk-Adjusted)

	Initial	Year 1	Year 2	Year 3	Total	Present Value
Costs	(\$235,250)	(\$227,775)	(\$227,775)	(\$227,775)	(\$918,575)	(\$801,693)
Benefits	\$0	\$1,086,750	\$1,086,750	\$1,086,750	\$3,260,250	\$2,702,586
Net benefits	(\$235,250)	\$858,975	\$858,975	\$858,975	\$2,341,675	\$1,900,894
ROI	237%					
IRR	361%					
Payback period	4 months					

Source: Forrester Research, Inc.

Esker's Order Processing Solution: Overview

The following information is provided by Esker. Forrester has not validated any claims and does not endorse Esker or its offerings.

Esker's Order Processing automation solution is equipped with intelligent features that enable organizations of any size to automate every phase of order management — from the reception of the original document to the creation of a corresponding business document in the ERP system. Using Esker's Order Processing solution, businesses have shown the ability to:

- › Reduce operational costs and complexities.
- › Increase delivery speed and follow-up.
- › Eliminate virtually all order processing errors.
- › Focus on customer service versus data entry.
- › Enhance order tracking and forecasting.
- › Accelerate business cycles.
- › Improve visibility and collaboration.
- › Foster a more productive, engaged staff.

Automated Workflow

A dynamic benefit of Esker's Order Processing automation solution is that it can be used to streamline the processing of all orders regardless of how they are received (e.g., email, fax, EDI, paper, web, etc.). The workflow functionality in Esker's solution makes it possible to instantly capture the incoming documents, extract the necessary data, route them to the appropriate workflow path, and electronically store them.

Reporting And Metrics

Esker's Order Processing solution comes equipped with intelligent and customizable dashboards that enable users to facilitate daily tasks, monitor performances, and react quickly to prevent problems or spot opportunities early — making every action smarter and more strategic.

Customer service managers and personnel, for example, gain newfound control over their operation with the ability to monitor the volume of orders processed by employees per day — split between orders that have gone straight through and those that required user intervention — and measure the average time to process an order and other KPIs.

EDI Exception Handling

Esker's solution also allows companies to do away with the costly and time-consuming aspects of editing errors on EDI orders, including dependence on the IT department. Information is captured from an EDI order and used to create a human readable PDF version, which CSRs can complete or correct and start the workflow as usual.

Customer Issue Management

Using the same interface as their customer orders, CSRs can also use Esker's solution to create, manage, and track customer issues electronically while maintaining full visibility from order creation to product reception. With immediate access to any claim, CSRs are able to foster better customer relationships.

Self-Service Customer Portal

As part of its Order Processing solution, Esker also offers a self-service online portal that enables instant communication between CSRs and customers. This collaborative eCommerce workspace allows information to be accessed at any time, giving customers what they want (faster processing and fewer disputes) while freeing up your staff for more value-added activities.

Appendix A: Total Economic Impact™ Overview

Total Economic Impact is a methodology developed by Forrester Research that enhances a company's technology decision-making processes and assists vendors in communicating the value proposition of their products and services to clients. The TEI methodology helps companies demonstrate, justify, and realize the tangible value of IT initiatives to both senior management and other key business stakeholders. TEI assists technology vendors in winning, serving, and retaining customers.

The TEI methodology consists of four components to evaluate investment value: benefits, costs, flexibility and risks.

BENEFITS

Benefits represent the value delivered to the user organization — IT and/or business units — by the proposed product or project. Often, product or project justification exercises focus just on IT cost and cost reduction, leaving little room to analyze the effect of the technology on the entire organization. The TEI methodology and the resulting financial model place equal weight on the measure of benefits and the measure of costs, allowing for a full examination of the effect of the technology on the entire organization. Calculation of benefit estimates involves a clear dialogue with the user organization to understand the specific value that is created. In addition, Forrester also requires that there be a clear line of accountability established between the measurement and justification of benefit estimates after the project has been completed. This ensures that benefit estimates tie back directly to the bottom line.

COSTS

Costs represent the investment necessary to capture the value, or benefits, of the proposed project. IT or the business units may incur costs in the form of fully burdened labor, subcontractors, or materials. Costs consider all the investments and expenses necessary to deliver the proposed value. In addition, the cost category within TEI captures any incremental costs over the existing environment for ongoing costs associated with the solution. All costs must be tied to the benefits that are created.

FLEXIBILITY

Within the TEI methodology, direct benefits represent one part of the investment value. While direct benefits can typically be the primary way to justify a project, Forrester believes that organizations should be able to measure the strategic value of an investment. Flexibility represents the value that can be obtained for some future additional investment building on top of the initial investment already made. For instance, an investment in an enterprise-wide upgrade of an office productivity suite can potentially increase standardization (to increase efficiency) and reduce licensing costs. However, an embedded collaboration feature may translate to greater worker productivity if activated. The collaboration can only be used with additional investment in training at some future point. However, having the ability to capture that benefit has a PV that can be estimated. The flexibility component of TEI captures that value.

RISKS

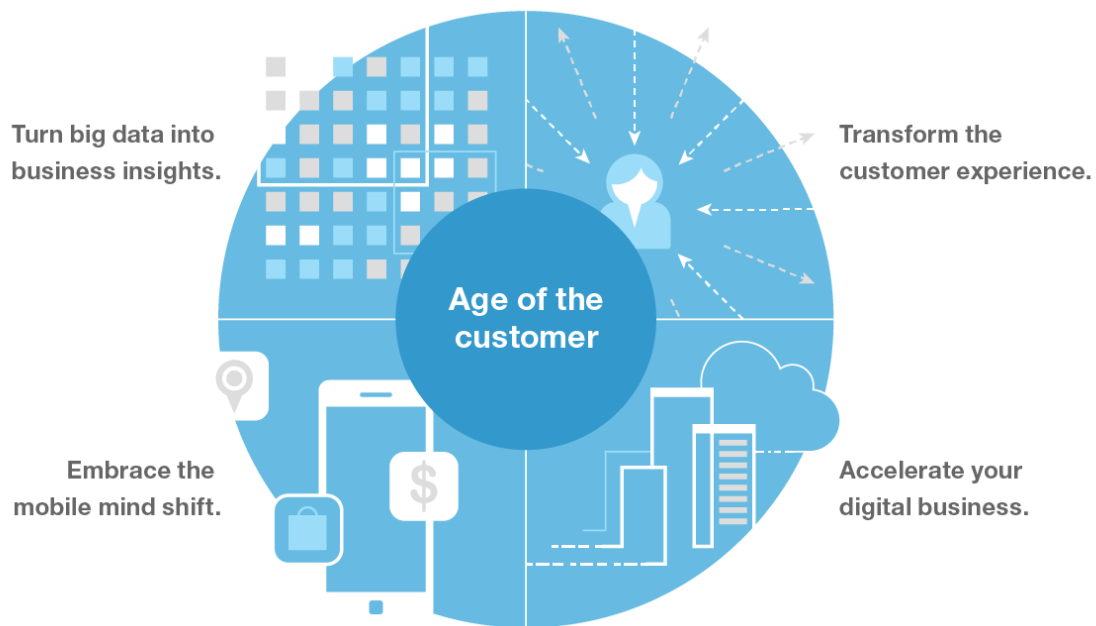
Risks measure the uncertainty of benefit and cost estimates contained within the investment. Uncertainty is measured in two ways: 1) the likelihood that the cost and benefit estimates will meet the original projections and 2) the likelihood that the estimates will be measured and tracked over time. TEI risk factors are based on a probability density function known as "triangular distribution" to the values entered. At a minimum, three values are calculated to estimate the risk factor around each cost and benefit.

Appendix B: Forrester And The Age Of The Customer

Your technology-empowered customers now know more than you do about your products and services, pricing, and reputation. Your competitors can copy or undermine the moves you take to compete. The only way to win, serve, and retain customers is to become customer-obsessed.

A customer-obsessed enterprise focuses its strategy, energy, and budget on processes that enhance knowledge of and engagement with customers and prioritizes these over maintaining traditional competitive barriers.

CMOs and CIOs must work together to create this companywide transformation.



Forrester has a four-part blueprint for strategy in the age of the customer, including the following imperatives to help establish new competitive advantages:



Transform the customer experience to gain sustainable competitive advantage.



Accelerate your digital business with new technology strategies that fuel business growth.



Embrace the mobile mind shift by giving customers what they want, when they want it.



Turn (big) data into business insights through innovative analytics.

Appendix C: Glossary

Discount rate: The interest rate used in cash flow analysis to take into account the time value of money. Companies set their own discount rate based on their business and investment environment. Forrester assumes a yearly discount rate of 10% for this analysis. Organizations typically use discount rates between 8% and 16% based on their current environment. Readers are urged to consult their respective organizations to determine the most appropriate discount rate to use in their own environment.

Net present value (NPV): The present or current value of (discounted) future net cash flows given an interest rate (the discount rate). A positive project NPV normally indicates that the investment should be made, unless other projects have higher NPVs.

Internal rate of return (IRR): The interest rate that will bring a series of cash flows (positive and negative) to an NPV of zero.

Present value (PV): The present or current value of (discounted) cost and benefit estimates given at an interest rate (the discount rate). The PV of costs and benefits feed into the total NPV of cash flows.

Payback period: The breakeven point for an investment. This is the point in time at which net benefits (benefits minus costs) equal initial investment or cost.

Return on investment (ROI): A measure of a project's expected return in percentage terms. ROI is calculated by dividing net benefits (benefits minus costs) by costs.

A NOTE ON CASH FLOW TABLES

The following is a note on the cash flow tables used in this study (see the example table below). The initial investment column contains costs incurred at "time 0" or at the beginning of Year 1. Those costs are not discounted. All other cash flows in years 1 through 3 are discounted using a 10% discount rate at the end of the year. PV calculations are calculated for each total cost and benefit estimate. NPV calculations are not calculated until the summary tables are the sum of the initial investment and the discounted cash flows in each year.

Sums and present value calculations of the Total Benefits, Total Costs, and Cash Flow tables may not exactly add up, as some rounding may occur.

TABLE [EXAMPLE]

Example Table

Ref.	Metric	Calculation	Year 1	Year 2	Year 3

Source: Forrester Research, Inc.

Appendix D: Endnotes

¹ Forrester risk-adjusts the summary financial metrics to take into account the potential uncertainty of the cost and benefit estimates. For more information, see the section on Risks.