

The Business Case for BONZAI Intranet

A data-driven resource to help you understand how BONZAI Intranet will impact your organization's bottom-line



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Introduction

In a time where every decision demands to be backed with numbers, this resource is for intranet champions who are seeking to improve organization-wide communication, engagement, collaboration and productivity with a modern intranet.

While we know that these activities are imperative to the health of an organization, showcasing the business value is another story. In some scenarios, measuring the value of an intranet is akin to measuring the value of your organization's access to the intranet. You inherently know and understand the value, but putting together a detailed balance sheet would be near impossible.

For many, it is not hard to see the value in having a centralized and private portal that acts as a community hub for organizations. A place where information can be easily disseminated by your organization's leaders and quickly found by employees. An organizational tool that is found to be irreplaceable by anyone who implements one. In fact, IDC found that even in the economic downturn in 2008, intranet investments continued to grow.

Regardless, executives demand justification of costs and need to see ROI. Because many of the benefits that come from an intranet are "soft", it makes sense why Prescient Digital Media found that only "20% of organizations have measured specific benefits and instead have made rough estimates".

This same report also found that for those who do attempt to calculate the value of their intranet, realize positive ROI with an average annual return of 38%. In a similar tune, an IDC survey found that at six leading Fortune 500 companies, the average intranet investment of US \$1 million returned benefits of US \$5 million per company.

Exact use cases of where organizations reap this return varies. Within this document we will provide examples of how different companies have attached dollars earned, dollars saved, and costs avoided to the intranet. Our aim is that you will have an arsenal of examples to share with your team to get them excited about what BONZAI Intranet will do for your organization!

Only 20%

**OF ORGANIZATIONS HAVE MEASURED
SPECIFIC BENEFITS AND INSTEAD HAVE
MADE ROUGH ESTIMATES**



A META Group Study

Revealed that 80% of surveyed companies realize a positive ROI with an average annual return of 38%.

An IDC Survey found that an average intranet investment of about US\$1 Million at size leading companies returned benefits of US\$5 million per company.*

80%
OF SURVEYED COMPANIES
REALIZE A POSITIVE ROI WITH AN
AVERAGE ANNUAL
RETURN OF **38%**

ROI Study

Of the respondents to the Prescient Digital Media ROI survey that undertake 'rough estimates' of their organization's intranet, answers varied from \$0 to \$20 million. The average annual ROI of respondent intranets fell just shy of \$1 million (979,775.58).

While less than 20% of organizations have measured specific benefits, a majority of organizations have at the very least made a 'rough estimate' or guess of the value of their ROI.

How BONZAI will help you save money

Reduced Paper and printing circulation

Does your organization still rely on printers or handouts to share company information? By calculating cartridge, paper, design fees and printer costs associated with disseminating corporate communications, you will be able to realize hard savings with the BONZAI News and corporate communication features. BONZAI's document portal also provides a secure place where your employees can locate mission-critical documents anytime, anywhere. Here you will notice a reduction in costs from both printing, and the time it takes for employees to locate these documents.

To give you an idea of how much you can save, a report on the success of Burger King's intranet shows savings of \$20k per month by having accounting reports available on their intranet. All other printing costs accumulated to savings of \$343,759 annually. What follows is a very safe calculation to estimate your savings.

ESTIMATED SAVINGS:

Average printing cost/employee/year: **\$20 annually**

Potential Costs Saved (2,300 employees):

\$46,000+ PER ANNUM



Automating processes that result in administration savings or headcount reductions

There are endless processes you can automate on your intranet, but the most common ones that save organizations money due to the time employees spend engaging in such activities are:

- ✓ Expense reporting: travel, mileage, client expenses
- ✓ Vacation requests and approvals
- ✓ Time reporting
- ✓ Employee on boarding/off-boarding

Cost-savings derived from these activities will vary greatly depending on the number of employees you have that engage in these activities. Regardless, narrowing in on employee on boarding/off-boarding which is an activity all organizations invest in—conservative cost-savings can be derived from BONZAI Forms and Workflows.

ESTIMATED SAVINGS:

Average time and administrative costs to on board/off-board an employee: \$300/employee

Conservative Costs Savings (5 hires and fires per month):

\$36,000+ PER ANNUM



Case Study

One of the more popular and successful intranet applications at Cisco Systems is the METRO expense reporting application. All Cisco employees must submit their personal business expenses via the intranet - which has not only saved the company millions, but also reduced the waiting time for employee reimbursement

METRO reduced the cost of processing employee expense reports (compared to the traditional paper system)

FROM
US\$50.69
IN 1996

—————

TO
US\$1.90 ↓
IN 1999

A WHOPPING **96%** REDUCTION



TOTAL METRO SAVINGS IN 1999 TOTALED

US\$77 MILLION

At the same time, the time required for processing each expense report dropped from an average of 21 days to only 4 days.

(Source: Cisco Systems)

Reduced or eliminated processing errors

Given the amount of times per day employees engage in expense reporting, vacation requests, time reporting and employee onboarding/off-boarding activities, the margin for error is high. When this happens, the task often must be re-done or at a minimum re-opened to fix. Again, looking at the cost of onboarding/off-boarding processing errors, it is estimated that mistakes will be roughly 20% of total processing costs. Automated workflows and forms with BONZAI remove the risk and opportunity for error.

ESTIMATED SAVINGS:

Potential costs saved from removing processing errors during automated onboarding/off-boarding (\$36,000x20%):

\$7,200+ PER ANNUM



Case Study



The government of Alberta's corporate intranet, AGENT, serves 24 government departments and 24,000 employees. In August of 2000, AGENT began to rollout a number of HR self-service tools for employees as part of a three-year plan. Online self-service includes accessing, updating and managing personal information for compensation, benefits, absence tracking, personal contact information (including emergency contacts), and time benefits including flexitime. Planned tools to be phased in include expense claims, updating information on dependents, online training, full benefit selection and full time tracking. AGENT's self-service program has a three-year budget of CDN\$4.8 million with a budgeted return on investment of CDN\$1.3 million per year.

ONLINE SELF-SERVICE INCLUDES



Access



Compensations



Benefits



Absence
tracking



Personal contact
information



Time
benefits

AGENT'S SELF-SERVICE
PROGRAM HAS A THREE-YEAR
BUDGET OF

**CDN\$4.8
MILLION**



WITH A BUDGETED RETURN ON
INVESTMENT OF

**CDN\$1.3
MILLION
PER YEAR**

(Source: Finding ROI, Prescient Digital Media; Marsha Capell, IMGIS, Government of Alberta, "Developing an Eight Stage Approach to Implementing Employee Self-Service ", June 27, 2001)

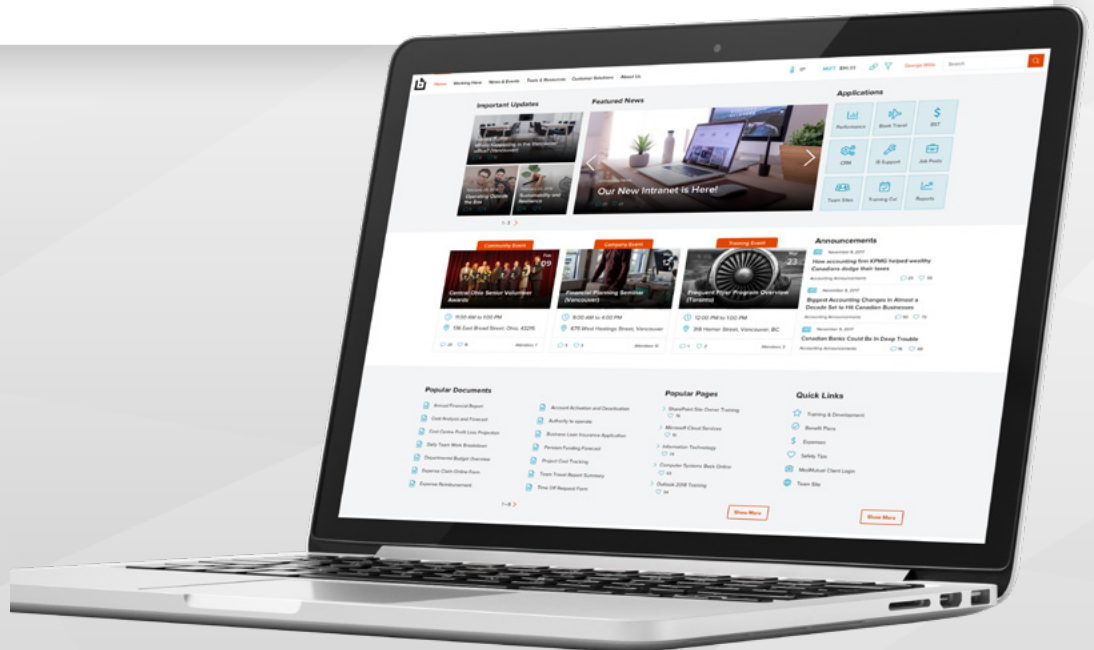
Consolidation or removal of systems and technology that BONZAI offers

Organizations we work with find themselves consolidating systems into BONZAI Intranet due to functionality overlap. This means they can retire outdated technology resulting in a reduction of costs. Historically, we have witnessed organizations retire employee directory systems, product knowledge portals and antiquated content management systems. In place, they benefit from using superior functionality offered in BONZAI. Cost-savings will vary greatly depending on how much these systems cost and what you can consolidate.

ESTIMATED SAVINGS:

Potential costs savings from technology consolidation:

\$20,000 - \$100,000+
PER ANNUM



Centralized purchasing

Many organizations find they can easily identify areas to cut costs by aggregating purchasing between departments. For example, Burger King decreased purchasing costs by \$317,760 in the first year of implementing their intranet due to volume discounts and automating accounting processes. Customers of ours have achieved similar results by setting up purchasing sites in BONZAI so that purchasing and procurement officers across the organization can communicate and identify areas to aggregate purchases. It will depend on you and your team to work together to identify opportunities for purchasing savings but expect to save anywhere in the following range.

ESTIMATED SAVINGS:

\$28,000 - \$300,000+

PER ANNUM



Case Study



Microsoft's intranet-based e-procurement application, MS Market, allows employees to place orders for work-related products and services directly from their desktops. Products and services include business cards, office supplies, computer hardware, travel services, business shipping, catering, and vendor contracts. Integrating with SAP R/3, (MS's ERP), MS Market streamlines order processing, facilitates billing, and reduces administrative overhead.



MS MARKET MANAGES MORE THAN

\$400,000

ORDERS PER YEAR

at a total value of over **US\$5 billion**, and has reduced processing costs:

FROM **US\$60** ————— TO **US\$5** PER ORDER 

SAVING MICROSOFT **US \$7.3** MILLION PER YEAR

Since its implementation, 17 of the 19-people dedicated to processing purchasing orders have been re-allocated to more productive jobs.

(Source: Finding ROI, Prescient Digital Media; Microsoft.com, 2000)

How BONZAI will help make money

BONZAI won't go out and sell your product or service for you, but there are more than a few ways that the platform will make it easier for your people to do so.

Collaboration and Innovation

Take a moment to think about how innovation and collaboration is fostered in your organization. If you don't currently have an intranet, it is likely occurring organically or through opportunities managers create to challenge and unite employees. These opportunities happen few and far between with busy schedules and competing deadlines. BONZAI Intranet makes it easy for your people to connect and share ideas by providing a space to connect online.

A winning example is with a client of ours, Slater and Gordon, one of the world's largest law firms. By providing access to Yammer through BONZAI, managers notice an increase productivity and increase in submission of new ideas that have improved business processes. Employees at their 65 different locations across the globe began creating groups to share ideas, seek assistance and provide updates. In two short weeks since launch, the international law firm witnessed 70+ employee led groups created with the aim of sharing information and working together.

Improved Customer Service

This is one of our favorite areas to discuss as BONZAI has worked wonders in improving employee knowledge which in turn results in a better served customer. With an up-to-date knowledge base of product and service offerings, you will find that your staff is better informed to sell your products or services intelligently. When your people can find the right information, in the right time and in the right context—money will be made.

Halliburton for example, an oil field services company, successfully showcased how their intranet influenced \$120 million in sales. Their sales team had better access to technical documents which made it easier for them to sell intelligibly.

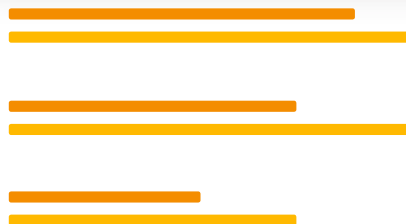
ESTIMATED SAVINGS:

If you use BONZAI for a robust and accessible product knowledge base, expect anywhere

**FROM 5-18% INCREASE
IN ANNUAL REVENUE**



Searching...



Case Study



Halliburton is one of the world's largest providers of products and services to the oil and gas industries and winner of the 2003 Extended Enterprise Innovator Award for developing an extensive collaborative portal that relies on integrated ERP functions to serve customers, suppliers and employees.

In its first year, the portal influenced \$120 million in sales, according to customer surveys; improved corporate efficiencies to the tune of about \$500,000 by enabling better access to technical documents; and led to reduced payment cycles.

IN ITS FIRST YEAR, THE PORTAL INFLUENCED
\$120,000 MILLION 
IN SALES

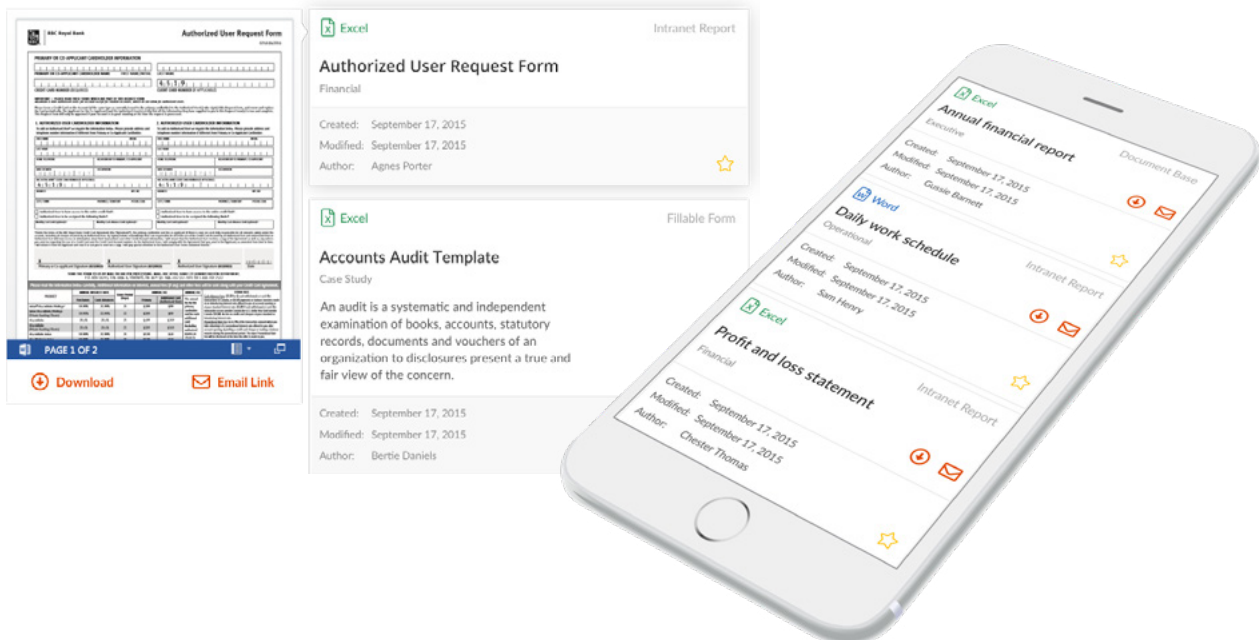
(Source: Finding ROI, Prescient Digital Media; Beth Schultz, Network World, February 17, 2003)

Increased productivity

A 2012 McKinsey Global Institute Study found an increase in productivity of knowledge workers by 20-25%. These productivity costs are largely attributed to the time employees save locating correct documents, policies and procedures for the task at hand. This increase is also attributed to an intranet's ability to make it easy for your employees to work on the fly. With BONZAI's award-winning mobile experience, your workers benefit accessing task-critical documentation anywhere at any time. This is extremely powerful for your sales team who is out in the field or workers who are constantly travelling.

ESTIMATED SAVINGS:

As a baseline, use a 20% increase in employee productivity and then multiply by this increase by your projected earnings from your employee pool.



How BONZAI will help you avoid costs

Work Duplication

Have you ever thought about how much work duplication costs your organization every year? Work duplication occurs when two or more employees work on a similar task—rather than using previous efforts to either make the resource better, or use as is. Work duplication occurs for due to ineffective communication—when an employee is unaware that a similar document or project exists; and ineffective search—when an employee cannot find the existing item on a corporate intranet. According to an IDC survey, it is estimated that employees spend on average 2.5 hours per week recreating work. Averaging out salaries, conservative calculations by experts predict that this equates to annual costs of \$5,000 per employee.

With BONZAI Intranet, you avoid these costs by solving the issues we discussed above. Namely, ineffective communication and broken search. BONZAI's advanced search features ensure that there will never be a document left unfound.

**ESTIMATED COSTS AVOIDED
(2,300 EMPLOYEES):**

\$5,000 X 2,300 EMPLOYEES =

\$11,500 /YEAR



Compliance Knowledge & Resources

Compliance is a growing concern for organizations across the globe. Companies today are having difficulties keeping up with changing regulations and standards. With a dedicated compliance center on your intranet, you can keep teams updated 24/7 on changing compliance standards. Important notifications can also inform managers of deadlines team compliance testing due dates.

ESTIMATED SAVINGS:

Talk to your compliance officer. He will inform you how much your organization forked out last year for not meeting compliance, and how much could have been avoided if employees were informed.

Searching for People & Information

A famous IDC survey found that the average employee spends roughly 3.5 hours every week searching for people and documents in company information systems. Another study by Prescient Digital Media found that employees spend between 30-60% of their time searching for information to do their job. This is the number one reason why leading organizations implement robust intranets like BONZAI—to keep mission-critical business documents organized and to make it easier for employees to locate these documents. The same study found that organizations spend \$7,000 per year per employee, paying employees to do basic things like search for information and people in the organization who can provide them with knowledge they need. This is on top of the cost of lost productivity when employees are engaged in these activities.

Survey

Employee productivity surveys have revealed that employees in an average corporate environment can spend between 30 – 60% of their productive time just searching for information to do their job. To reduce their knowledge deficit Shell International invested US\$6 million in a KM solution to facilitate improved information and knowledge exchange amongst its 10,000 employees. A review of operations concluded that the KM solution is generating annual benefits of at least \$300 million – or an annual ROI of 5000%.*



EMPLOYEES IN AN AVERAGE CORPORATE
ENVIRONMENT CAN SPEND BETWEEN:

30% ——— **60%**

OF THEIR PRODUCTIVE TIME JUST SEARCHING
FOR INFORMATION TO DO THEIR JOB

(Source: Finding ROI, Prescient Digital Media; ““KM ROI””, Ideas Magazine, May, 2001)

THE NET-NET

If a firm of 2,300 employees were to benefit from all of the (conservative) cost-savings and earnings outlined above, they would effectively save \$27.7 million per year. This may seem unrealistic but research shows that time and time again it happens. There are countless other ways in which BONZAI Intranet can help your organization save and earn money. We'd love to help you dream up all the ways you can.



Deployed **Your Way**

BONZAI is easy to install whether you want it installed on-premise or in the cloud. BONZAI Intranet is available in three deployment models:

On-Premise for SharePoint 2013

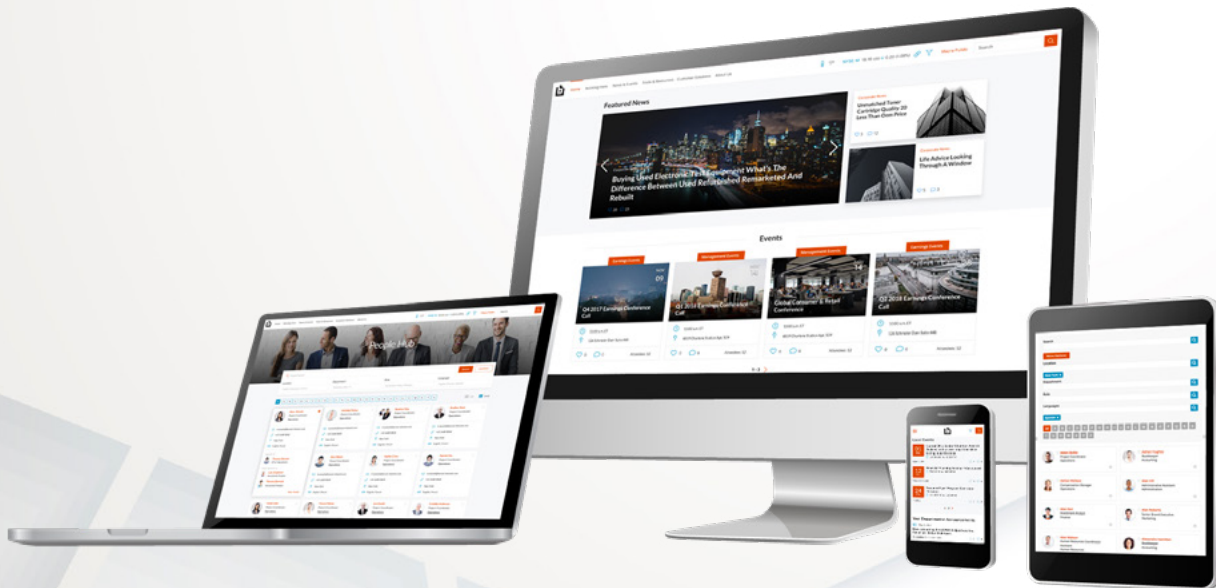
Installed within your existing
On-Premise SharePoint 2013 Standard
or Enterprise environment

On-Premise for SharePoint 2016

Installed within your existing
On-Premise SharePoint 2016 Standard
or Enterprise environment

Online for Office 365

Installed on your existing
SharePoint Online environment for
Office 365



About BONZAI

BONZAI, a SkyVera company, is an award-winning intranet company that provides ready-to-roll intranets for SharePoint and Office 365. As a Microsoft Certified Gold Partner, BONZAI intranet software and services deliver a better means of communicating, collaborating and engaging with employees for Fortune 500 Enterprise Organizations as well as SMBs.

At BONZAI, believe that intranets should better connect and engage employees, but not at the expense of a long, drawn-out and often failed custom deployment. With our proven delivery methodologies and seasoned intranet consultants with deep expertise into both Microsoft SharePoint and Office 365, Bonzai gets users through objective setting, design, ownership, launch/roll out and support in as little as eight weeks.

See Your Stress-Free Intranet in Action Now!

Book a [demo](#) to see the rich features, functionality and flexibility of the BONZAI intranet platform for yourself today!