How To Create Your Own Business Case For Introhive's Customer Intelligence Platform

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A Seven-Step Checklist For Executives

Changes in buyer behavior have been accelerated by digital transformation and the pandemic, with rising interactions and higher stakeholder involvement driving the need for greater transparency into engagement dynamics and relationships with contacts, buying groups, and accounts. B2B organizations need to leverage this intelligence and related insights to optimize the buying experience.[1]

Forrester's 2022 Buyer Insights report found that 44% of B2B buyers purchase in a consensus scenario when considering a medium-sized purchase and involve three to five individuals who represent different departments and seniority levels.[2] And 82% of respondents said that complex purchases involve between two and nine departments.[3] These findings reinforced the trend that the average number of buying interactions rose from 17 in 2019 to 27 in 2021, while purchase decisions that involved four or more people increased from 47% to 61% over the same period.[4]

Most companies struggle to maintain a complete and accurate record of customer relationship data. Maintaining customer relationship management (CRM) systems, or a database of client interactions, demands time-consuming manual processes impacting productivity. Yet these systems still lack accurate and complete data. As a result, organizations are insufficiently and inefficiently using their systems of customer records at a time when demand for relationship intelligence and analytics is increasing.

When building a business case justification for investing in customer intelligence, executives must consider many facets of their businesses. This checklist is designed to help them start with seven steps.

Introhive's Customer Intelligence Platform helps revenue-generating professionals win more deals and drive incremental profits.

Sales technology platforms that leverage AI and automation to deliver relationship insights for revenue teams have become an imperative. Introhive's Customer Intelligence Platform helps sales organizations uncover insights into buyer relationships that boost net-new sales opportunities, increase cross-selling with existing clients, and improve the productivity of key professionals while driving cost efficiencies.

An important feature of the Customer Intelligence Platform is that the data and capabilities can be seamlessly embedded within CRM systems — one of the primary systems that revenue-generating professionals engage with on a daily basis. Although capturing and enriching customer data has obvious benefits, the power of the platform lies in the insights and directional guidance that empowers go-to-market teams to engage with heightened efficiency.

Forrester conducted a Total Economic Impact™ study that quantifies the following benefits associated with an investment in Introhive's Customer Intelligence Platform: 1) net income from net-new business wins, 2) net income from cross-selling to existing clients, 3) productivity impact for revenue-generating professionals, and 4) productivity impact for non-revenue-generating professionals.

Here is how to quantify the impact these benefits could have on your organization:

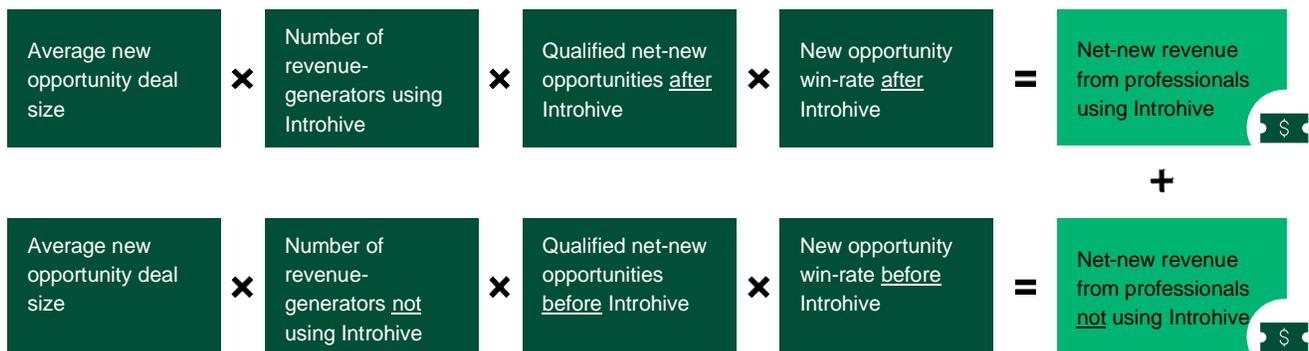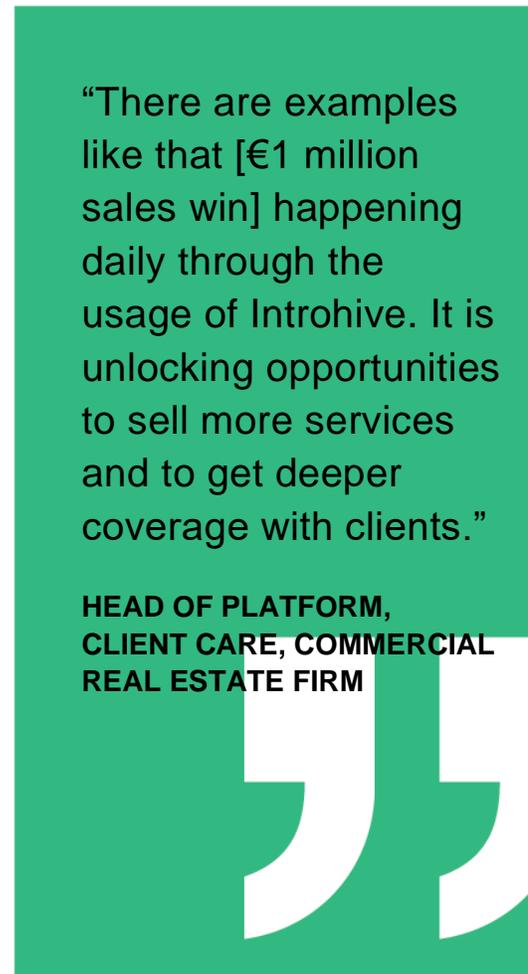**ABOUT INTROHIVE'S CUSTOMER INTELLIGENCE PLATFORM**

Introhive's Customer Intelligence Platform is focused on empowering complex sales organizations with the reliable customer data, relationship insights, and actionable intelligence required to find, win, and grow business. The foundation of Introhive's platform is based on engagement capture and enrichment and complemented by sophisticated data matching.

1 **Calculate the revenue from winning net-new business and driving incremental profits.**

If your organization is struggling to diagnose risks and opportunities in the sales cycle for new client business opportunities, it might be due to a lack of transparency and insight within these potential client organizations. By uncovering relationship insights with and within your buying organization and proactively surfacing those insights, your organization may experience a material boost in winning new business opportunities.

To calculate the value of net income from net-new business, you'll need to:

- Establish baseline revenue, average new opportunity size, number of revenue-generators, and number of qualified net-new opportunities per year in the prior environment.[5]

- Calculate the baseline opportunity win-rate over a reasonable time period prior to adopting Introhive.

- Identify an adoption rate of Introhive's platform for revenue-generating professionals. Forrester's study assumed the adoption rate to progress from 67% in Year 1 to 85% in Year 2 and 100% by Year 3.

- Estimate the uptick in number of qualified net-new opportunities after Introhive (Forrester's study found a range of 25% to 35%). The notion of qualified opportunities is to separate purposeful leads that have, for example, been vetted from preliminary leads generated at a trade show. Interviewees generally agreed that with the AI-driven relationship insights Introhive provided, their organizations' baseline qualified net-new opportunities increased by 33% (from nine per revenue-generator per year to 12).

- Estimate the improvement in the baseline opportunity win-rate after the adoption of Introhive based on an improving learning curve. With capabilities like Briefing Intelligence, the Forrester study assumed an uptick of 3%, 5%, and 8% over the course of the three years, relative to the baseline win-rates.

- Calculate the net-new opportunity revenue before Introhive by multiplying the average new opportunity size; the number of revenue-generators; the legacy number of qualified net-new opportunities per revenue-generator per year; and the baseline opportunity win-rate.

- There are two components for calculating the net-new opportunity revenue after Introhive based on the adoption of the Introhive platform across revenue-generating professionals. Calculate the net-new revenue generated after Introhive by revenue-generators using Introhive by multiplying the average new opportunity size; the number of revenue generators using Introhive; the new number of qualified net-new opportunities per revenue-generator per year; and the opportunity win-rate after Introhive. Add to this the net-new revenue generated by revenue-generators not using Introhive yet with the baseline metrics.

"There are examples like that [€1 million sales win] happening daily through the usage of Introhive. It is unlocking opportunities to sell more services and to get deeper coverage with clients."

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| Average new opportunity deal size | × | Number of revenue-generators using Introhive | × | Qualified net-new opportunities after Introhive | × | New opportunity win-rate after Introhive | = | Net-new revenue from professionals using Introhive $ |

+

| Average new opportunity deal size | × | Number of revenue-generators not using Introhive | × | Qualified net-new opportunities before Introhive | × | New opportunity win-rate before Introhive | = | Net-new revenue from professionals not using Introhive $ |

- Take the difference between the net-new revenue before Introhive and the net-new revenue after Introhive, then multiply this total by your organization's net income margin.

$$\left[\begin{array}{l} \text{Net-new revenue } \underline{\text{after}} \text{ Introhive} \end{array} - \begin{array}{l} \text{Net-new revenue } \underline{\text{before}} \text{ Introhive} \end{array}\right] \times \begin{array}{l} \text{Net income margin} \end{array} = \begin{array}{l} \text{Net income from net-new business wins} \end{array}$$

2   Project the additional revenue from improving cross-selling to existing clients, further driving profits.

Most selling organizations have multiple product lines or adjacent services offerings. With the added visibility and relationship intelligence Introhive's solution provides, your organization can meaningfully improve the ability to cross-sell incremental services to existing clients through activities such as uncovering white-space opportunities within clients' organizations where services had yet to be sold.

To determine the additional net income from improved cross-selling, you'll need to:

- Establish average cross-sell opportunity size and the number of existing clients. You will then need to project or estimate the number or percentage of existing clients who may be eligible for a cross-selling opportunity.

- Calculate the baseline cross-sell rate over a reasonable time period prior to adopting Introhive. For this analysis, a cross-sell rate of 2.0 times means that each eligible client would already have purchased one additional service on average.

- Determine the potential boost in the cross-sell rate with the use of Introhive. Forrester's study assumed that the cross-sell rate would improve by 10% in Year 1, 20% in Year 2, and 30% by Year 3. If the baseline cross-sell rate is 2.0 prior to adopting Introhive, the new cross-sell rate would be 2.2 after Year 1.

- Calculate the cross-sell opportunity dollars before and after Introhive by multiplying the average cross-sell opportunity size; the number of clients eligible for cross-selling engagements; and the cross-sell rate before and after Introhive.

$$\begin{array}{l} \text{Average cross-sell opportunity size} \end{array} \times \begin{array}{l} \text{Number of existing clients eligible for cross-selling} \end{array} \times \begin{array}{l} \text{Cross-sell rate (before/after Introhive)} \end{array} = \begin{array}{l} \text{Cross-sell opportunity dollars (before/after Introhive)} \end{array}$$

- Take the difference between the cross-sell opportunity before Introhive and the cross-sell opportunity after Introhive, then multiply this total by your organization's net income margin.

$$\left[\begin{array}{l} \text{Cross-sell opportunity } \underline{\text{after}} \text{ Introhive} \end{array} - \begin{array}{l} \text{Cross-sell opportunity } \underline{\text{before}} \text{ Introhive} \end{array}\right] \times \begin{array}{l} \text{Net income margin} \end{array} = \begin{array}{l} \text{Net income from cross-selling to existing clients} \end{array}$$

3 **Evaluate potential time savings for revenue-generating professionals and how they can be more productive (not quantified in model).**

Revenue-generating professionals view data entry and updating CRM as unproductive busy work, and are either compelled to spend significant time manually entering information or relegate the task to other employees that they have to verify or complement. Introhive's solution boosts productivity for revenue-generators through automating data entry and cleansing and enabling more efficient and effective client engagement and relationship management practices.

This specific benefit was **not** built into the model for the TEI nor included in the financial analysis (e.g., the ROI). It was determined that the quantified benefits of net-new revenues and cross-selling opportunities (detailed earlier) could not be achieved without hiring additional salespeople or based on the increased productivity of these revenue-generating professionals. Building this benefit into the model might be considered double counting. For organizations that may not be in a position to readily calculate the change in sales velocity (as quantified in the previous steps above) the value of this cost savings calculation alone may justify the investment in Introhive's solution.

To determine the potential productivity impact and cost efficiencies for revenue-generating professionals, you'll need to:

- Identify the number of revenue-generating professionals utilizing Introhive's solution each year.

- Determine the time savings per revenue-generating professional per week from the productivity boost Introhive's platform provides. The interviewees offered a range of 30 minutes to two hours per week saved per selling professional. For the TEI study, this was assumed to be one hour per week or 50 hours per year per revenue-generating professional.

- Calculate the revenue generated for an average hour for the average salesperson or revenue-generating professional (e.g., in the case of services professionals who deliver services in addition to selling new business, this would be their hourly billing rate, etc.).

- Assess a reasonable productivity adjustment factor for the revenue-generating professionals. The productivity adjustment factor represents the percentage of savings captured for productive work. For the TEI study, Forrester assumed a 75% productivity capture.

- Multiply the number of revenue-generators utilizing Introhive; the annual hours saved per professional; the hourly revenue-generating rate; and the productivity adjustment factor to arrive at the revenue potentially recaptured due to the improved productivity of revenue-generating professionals.

- To arrive at the net revenue assurance from the productivity improvement of these professionals, the revenue savings above needs to be multiplied by your organization's net margin.

Forrester developed a composite organization based on data gathered from interviews to reflect the Total Economic Impact that Introhive's Customer Intelligence Platform could have on an organization and concluded that the Customer Intelligence Platform has the following three-year financial impact.

ROI
495%

BENEFITS PV
$13.66 million

NPV
$11.37 million

PAYBACK
<6 months

| Number of revenue-generators using Introhive | × | Annual number of hours saved per professional | × | Average hourly revenue-generating rate per professional | × | Productivity adjustment factor | = | Annual revenue savings due to higher productivity |

4 Evaluate potential time savings for non-revenue-generating professionals and other productivity efficiencies.

Marketing and business development professionals can also experience significant time savings from automated data entry into CRM systems, as well as more efficient research and briefing request development and delivery.

There are two separate components to determining the potential productivity impact and cost efficiencies for non-revenue-generating professionals:
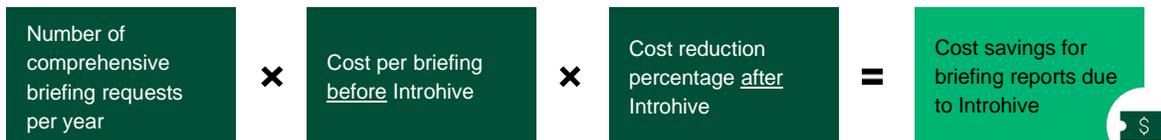
- The first component is like the calculation above for revenue-generating professionals:

  - Identify the number of non-revenue-generating professionals utilizing Introhive's solution each year.

  - Determine the time savings per professional per week from the productivity boost Introhive's platform provides. For the TEI study, this was assumed to be three hours per week or 150 hours per year (assuming two weeks of annual vacation) per non-revenue-generating professional.

  - Calculate the average hourly compensation for the non-revenue-generating professional by dividing the fully burdened annual compensation by 2,080 hours (per year).

  - Assess a reasonable productivity adjustment factor for the non-revenue-generating professionals. For the TEI study, Forrester assumed a 60% productivity capture for these professionals.

  - Multiply each of the four components identified above to arrive at the cost savings derived from the improved productivity of the non-revenue-generating professionals. As this is a cost, there is no need to multiply by the net margin.

> "I have always believed that if you're going to give people a bit of technology, it's either got to make them more money or more efficient. I firmly believe that Introhive does both."
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Number of non-revenue-generators using Introhive	✕	Annual number of hours saved per professional	✕	Average hourly compensation per professional	✕	Productivity adjustment factor	=	Productivity based savings for non-revenue generators

- The second component of this benefit is the cost savings derived in the generation of comprehensive briefing reports. An Introhive briefing report is an auto-generated document that prepares a client-facing professional for a meeting with a client or prospect. A comprehensive briefing report, as described by some interviewees, involves some level of customization. These comprehensive briefing reports are a summary of key contacts, connections, and AI-surfaced market intelligence. To calculate this component, you'll need to:

  - Calculate the number of such comprehensive briefing reports per year. For the TEI study, Forrester assumed about 3.7 briefing reports per revenue-generator or about 1,000 for Year 1.

  - Determine the cost per briefing report before the use of Introhive. Based on the interviews, Forrester assumed two non-revenue-generating professionals spending 5 hours each per report at their hourly compensation rate (used above).

  - Estimate the reduction in effort from utilizing Introhive as a percentage for each comprehensive briefing report. Forrester assumed a cost reduction, or savings, of 70%.

  - To arrive at the cost savings derived from the efficiency of generating comprehensive briefing reports, multiply the three components above.

Number of comprehensive briefing requests per year	✕	Cost per briefing <u>before</u> Introhive	✕	Cost reduction percentage <u>after</u> Introhive	=	Cost savings for briefing reports due to Introhive

- Determine the productivity cost savings for non-revenue-generating professionals and the higher efficiency of delivering comprehensive briefing reports by adding the two components calculated above.

5 Assess the investment justification of better CRM adoption.

If you're looking to expand your business case further, you can look at the impact that the Customer Intelligence Platform has on CRM adoption. Interviewed users were more enthusiastic about using the CRM with dynamically updated data and interviewees' organizations were able to better justify their CRM investments.

Three of the interviewees measured the number of active CRM users before the introduction of Introhive's solution and after. The number of users grew by 1.9 times to 19.6 times to 20 times. While this data is anecdotal, it nonetheless demonstrates how automation through Introhive convinces users to view the CRM as a system of intelligence rather than a system of record.

The cost of a CRM system for most organizations has two components: 1) the baseline cost of adopting and maintaining the CRM system and 2) the annual licensing, which is on a per user basis. More active users might drive up your organization's ongoing licensing expense, but likely better leverages the up-front and annual maintenance costs.

6 Measure enhanced data quality.

You've likely heard the adage "garbage in, garbage out" and, if you followed steps one to two, you will have considered the impact that data quality and accuracy can have on winning business. Enhanced data quality can enhance an organizations' ability to thrive in a modern world where contacts are constantly switching roles within firms or changing jobs, and customer-facing agents are frantically trying to keep track of these changes.

Several interviewees noted improved data quality as a benefit of deploying the Introhive Customer Intelligence Platform. The global CRM systems manager at an international law firm noted: "Data quality has been a key benefit with Introhive. We're identifying new contact details, we're enriching that by automatically using the email signature data, etc. We now have a 97% data accuracy rate for our CRM systems which is pretty unique."

While measuring the quality of data over time — especially with the use of Introhive's solution — is a worthy exercise, the challenge lies in translating the quality level and trend line into quantifiable value.

7 Consider the value of implicit GDPR compliance.

Firms that misappropriate customer data for marketing purposes can find themselves slapped with expensive fines and reputational damage. Leveraging the Customer Intelligence Platform for data collection and cleansing indirectly enables your organization to be compliant with General Data Protection Regulation (GDPR) in the European Union and many equivalent global data privacy regulations in other regions.

As noted by the national marketing director at an advisory, assurance, and tax firm: "Our internal IT risk group told us that we're not allowed to keep anything in the CRM if we can't

"With Introhive, the adoption rate of the CRM went up because we were gathering better overall data. This enables better client intelligence and focuses our business development efforts."

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prove an active relationship. Introhive [Customer Intelligence Platform] automatically allows us to show that active relationship."

The value of having Introhive's solution implicitly making your organization compliant with GDPR (or privacy rights) can be estimated as potential penalties avoided by multiplying the average penalty assessed for an organization of your size by a reasonable probability factor of being audited and fined.

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[1] Source: "New Tech: Revenue Operations And Intelligence, Q4 2021," Forrester Research, Inc., October 18, 2021.
[2] Source: "2022 Buyer Insights: Complex Buying Scenarios And Patterns," Forrester Research, Inc., November 14, 2022.
[3] Ibid.
[4] Source: "Forrester's 2021 B2B Buying Study Reveals Seismic Shifts That Amplify Long-Term Trends In Buying Behavior," Forrester Research, Inc., May 13, 2021.
[5] This checklist, and the TEI study, refer to services delivery partners, senior executives, and sales representatives collectively as revenue-generating professionals.

To read the full results of this study, please refer to the Total Economic Impact™ study commissioned by Introhive.

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