ROI CASE STUDY

BMC REMEDYFORCE AMERITAS

THE BOTTOM LINE

Ameritas adopted BMC Remedyforce to provide its IT support center with a consistent and standardized process to address IT incidents. Nucleus found that using Remedyforce enabled Ameritas to drive continuous improvements in service level management, quality metric reporting, and problem management. Further, integrating Remedyforce with other systems enabled Ameritas to increase support center staff productivity while reducing incoming incident requests through self service.

ROI: **96%**

Payback: **1.5 years**

Average annual benefit: **$201,910**

THE COMPANY

Ameritas is a financial institution that provides insurance, investment, and retirement products to help its clients plan for their financial futures. Ameritas's offerings include life insurance, annuities, broker dealer services, disability income, and health insurance plans. Ameritas has continued to serve the financial needs of individuals and their families from its Lincoln, Nebraska headquarters for more than 125 years.

THE CHALLENGE

Ameritas had informal ITIL processes in place for incident, problem, and change management, but the company was looking for a solution that would integrate these processes and bring a more structured service management framework to the organization:

- Limited reporting capabilities, multiple change management procedures, and lack of formal knowledge management processes limited Ameritas's self service and dashboard capabilities.

- Without the tools to effectively measure, monitor, and report on key indicators, the company had to keep its internal service level agreements basic.
- Because of these factors, and the use of multiple systems, including spreadsheets, to track critical system changes, Ameritas's IT change management fell under increased scrutiny.

Cost : Benefit Ratio | **1 : 1.6**

Ameritas knew it needed a new solution to support a more integrated, consistent view of incidents and change management so that it could support more complex service-level agreements and drive continuous improvements. The company wanted a solution that would be easy to deploy, could scale with growing demand, and would help standardize procedures for tracking incidents and changes with intuitive reporting capabilities.

THE STRATEGY

In April 2012, Ameritas began its due diligence, including a 60-day pilot program using Remedyforce. Defining Ameritas's business requirements, the need to integrate other systems with Remedyforce, and the need to configure the user interface to ease adoption of the new application required approximately three months. Ameritas engaged outside consultants to support the implementation, which went live in November 2012. Ameritas also engaged the consultants for a period after the deployment to support further application enhancements.

> *"We were able to quickly deliver a new application – far faster than on-premise – with fewer internal and external resources, resulting in improved quality and process efficiencies across the organization."*
>
> – Tom Schroeck, Vice President, Data Center Operations, Ameritas

Ameritas recently launched self-service capabilities and expects that, over time, self service will deflect a significant portion of calls to the IT support center because users will take advantage of the integrated knowledge management capabilities to solve their own problems.

KEY BENEFIT AREAS

Moving to Remedyforce has enabled Ameritas to have a single integrated system to support its IT support center, and drive continuous improvements in service level management, quality metric reporting, and problem management. Key benefits of the project include:

- Avoided hires. Remedyforce enabled Ameritas to achieve greater efficiencies for incident resolution and analysis and reporting that would have required the company to hire four additional FTEs to deliver with an on-premise solution.
- Increased productivity. Ameritas was able to develop a structured format for approaching incident recording and resolution which better positions it to reduce the time spent by support center staff to log and resolve a ticket. The dashboard capabilities in Remedyforce also provide more information regarding individual ticket requests and larger system problems, reducing system assessment time and speeding the resolution of system-wide problems. For change management, Ameritas now has one location for all recorded changes, which makes gathering information for audits less time consuming.
- Improved knowledge management and introduction of self service. The addition of knowledge management and the self-service features enable users to troubleshoot IT issues before submitting a formal request for assistance. Through self-service knowledge articles Ameritas has reduced IT help requests by approximately 60 per month and that number is expected to increase as more articles are published. The self-service capabilities have, so far, reduced the number of IT help requests by approximately 150 calls per month.
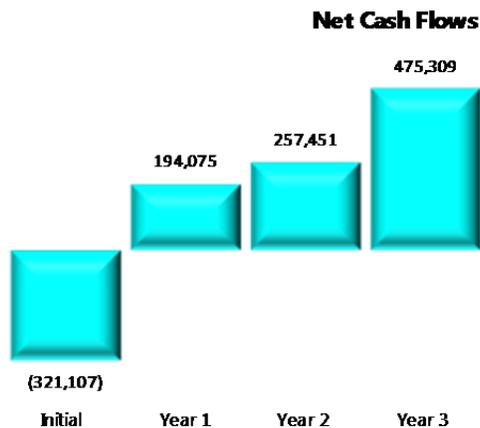
Types of Benefits

Direct 94%   6% Indirect

KEY COST AREAS

Costs of the project included the subscription fees for Remedyforce, outside consulting fees, internal personnel time, training, and ongoing support.

Net Cash Flows

475,309

257,451

194,075

(321,107)

Initial   Year 1   Year 2   Year 3

To ensure high user adoption and success rates with the new solution, Ameritas conducted a 2-hour training session for more than 200 associates. Ameritas is also continuing to invest in personnel to drive further enhancements to the application.

BEST PRACTICES

Ameritas recognized that moving to a new solution would require some adjustments for support center staff, and took time during the initial deployment to both train users and configure the interface so it would be similar to what users were familiar with to ease adoption. Additionally, Ameritas recognized that one of the benefits of a cloud solution is its ability to deliver greater benefits over time with less cost and disruption than supporting an on-premise solution, and has taken advantage of these capabilities to use Remedyforce to drive ongoing improvements to its ITIL processes.

Cumulative Net Benefit

(127,032)	130,420	605,729
Year 1	Year 2	Year 3
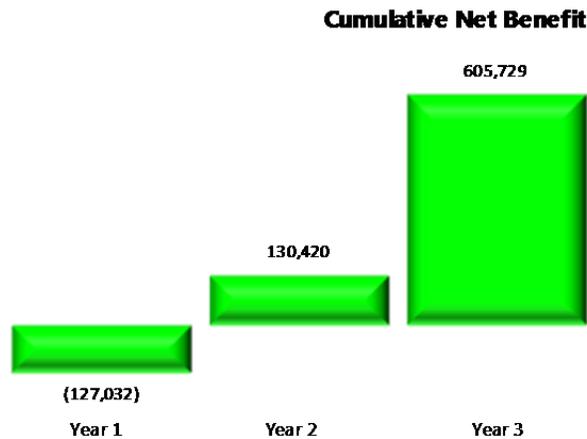
CALCULATING THE ROI

Nucleus calculated the costs of software subscription, outside consulting, personnel, and training over a 3-year period to quantify Ameritas's investment in Remedyforce.

Direct benefits quantified include the eliminated cost for software licenses for previous solutions, and the avoided cost of hiring four additional FTEs that would have been required if Ameritas had stayed with its on-premise application. Indirect benefits quantified include increased support center staff productivity based on the reduction in time to log a ticket and the reduced number of helpdesk calls. The increase in end-user productivity as a result of reducing the number of incidents incurred by was also quantified as an indirect benefit. These productivity savings were quantified based on the average annual fully loaded cost of an employee using a correction factor to account for the inefficient transfer between time saved and additional time worked.

FINANCIAL ANALYSIS

BMC Remedyforce

Annual ROI: 96%
Payback period: 1.5 years

ANNUAL BENEFITS	Pre-start	Year 1	Year 2	Year 3
Direct	0	498,850	498,850	498,850
Indirect	0	26,753	37,209	37,209
Total per period	0	525,603	536,059	536,059

CAPITALIZED ASSETS	Pre-start	Year 1	Year 2	Year 3
Software	0	0	0	0
Hardware	0	0	0	0
Project consulting and personnel	0	0	0	0
Total per period	0	0	0	0

DEPRECIATION SCHEDULE	Pre-start	Year 1	Year 2	Year 3
Software	0	0	0	0
Hardware	0	0	0	0
Project consulting and personnel	0	0	0	0
Total per period	0	0	0	0

EXPENSED COSTS	Pre-start	Year 1	Year 2	Year 3
Software	174,144	197,608	197,608	0
Hardware	0	0	0	0
Consulting	89,640	52,920	0	0
Personnel	40,500	81,000	81,000	60,750
Training	16,823	0	0	0
Other	0	0	0	0
Total per period	321,107	331,528	278,608	60,750

| FINANCIAL ANALYSIS	Results	Year 1	Year 2	Year 3
Net cash flow before taxes	(321,107)	194,075	257,451	475,309
Net cash flow after taxes	(176,609)	106,741	141,598	261,420
Annual ROI - direct and indirect benefits				**96%**
Annual ROI - direct benefits only				86%
Net Present Value (NPV)				260,224
Payback period				**1.5 years**
Average Annual Cost of Ownership				330,664
3-Year IRR				64%

FINANCIAL ASSUMPTIONS	
All government taxes	45%
Cost of capital	7.0%

By the Numbers

Ameritas's use of BMC Remedyforce
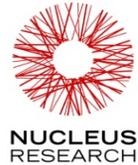
Annual Return on Investment **96%**

1.5 years The total time to value, or **payback** period, for the project

Cost : Benefit Ratio **1 : 1.6**

$201,910
Average annual benefit

THE PROJECT

Ameritas adopted BMC Remedyforce to provide its IT support center with a consistent and standardized process to address IT incidents. Nucleus found that using Remedyforce enabled Ameritas to drive continuous improvements in service level management, quality metric reporting, and problem management. Further, integrating Remedyforce with other systems enabled Ameritas to increased support center staff productivity while reducing incoming incident requests through self service.

THE RESULTS

Avoided 4 additional staff hires
Increased productivity
Reduced technology and outsourcing costs

Number of **users:** 300

3 Months Total time for the company to deploy Remedyforce

"We were able to quickly deliver a new application – far faster than on-premise – with fewer internal and external resources, resulting in improved quality and process efficiencies across the organization."

- Tom Schroeck - Vice President, Data Center Operations