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ROI CASE STUDY SALESFORCE RADIANT6 CISCO

THE BOTTOM LINE

Cisco standardized on Salesforce Radian6 to support its social media listening center, which listens to and triages more than 5000 social mentions a day on Facebook, Twitter, and other social channels. Nucleus found moving to one centralized platform enabled Cisco to focus its outside agency fees, avoid other customer and partner interaction costs, increase team productivity, and identify new sales opportunities.

ROI: 281%

Payback: 5 months

Average annual benefit: \$1,596,292

THE COMPANY

Cisco Systems designs, manufactures, and sells Internet protocol (IP)-based networking and other products related to communications and information technology. Founded in 1984, the company is headquartered in San Jose, California, and employs more than 65,000 employees in more than 80 countries.

THE CHALLENGE

Like many technology companies, Cisco was acutely aware of the importance of managing its social media presence. Although the company had piloted different social listening technologies in different divisions of its business, Cisco knew it needed to have a more consistent and scalable way to manage, understand, and act on social mentions.

**Cost : Benefit
Ratio | 1 : 3.8**

THE STRATEGY

In April 2012, Cisco undertook a broad evaluation of its social and digital marketing strategy and the results of its pilot with Radian6 and other tools and decided to establish a

social media listening center that could map, track, and manage social interactions. Working with its PR agency, the Cisco team spent about three months building out its social listening strategy and putting the appropriate reports and dashboards in place. Cisco decided to use a hub-and-spoke model for its listening center, with five core team members responsible for monitoring on an ongoing basis, ambassadors within each business unit, and a network of subject matter experts that can engage with customers.

The center tracks ongoing and trending topics and sentiment and can also be configured to support short-term listening goals such as a vertical or business unit launching a new product, Cisco's sponsorship of the summer Olympics, or its annual trade show, Cisco Live. Cisco's social listening playbook defines triage for different kinds of mentions and the urgency of response needed and routes the mention to the appropriate employee for action.

Today, Cisco's social media listening center manages more than 5000 mentions a day supporting more than 70 company-related Facebook pages and 100 Twitter accounts. Two hundred and forty employees throughout Cisco are using Radian6 mobile applications to engage and triage conversations.

Types of Benefits

Direct 37%



63% Indirect

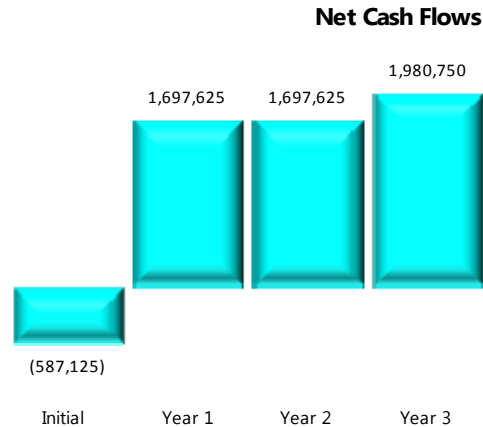
KEY BENEFIT AREAS

By creating a centralized and standardized strategy for managing the growing volume of social mentions Cisco receives, the company can have a complete view of customers and use those insights to identify leads, solve service issues, and improve overall engagement with its customers. Key benefits of the project include:

- More focused use of outside creative agencies. By standardizing on Radian6 and having one social listening center that triages all of Cisco's social interactions, Cisco can ensure creative agency fees are invested in thought leadership and innovation in the social engagement space rather than simply managing tweets.
- Increased staff productivity. Cisco's triage system, named ABCs (action-based conversations), and its ability to leverage a broad field of subject matter experts via Radian6 mobile device access, enables its employees to respond to social mentions in a time-appropriate way from anywhere, driving greater overall productivity. Additionally, triage reduces the overall time needed to respond to mentions and reduces the number of customer interactions or questions that might ultimately result in a call to a support center.
- Increased customer insights. Because Cisco can mine and analyze customer and partner social mentions in a meaningful way, they can have a better overall view of

sentiment and behavior that would be cost-prohibitive to achieve through traditional means such as surveys.

- Increased profits. Although Cisco's social listening center is relatively new, insights gained from monitoring have already resulted in sales opportunities that might otherwise not have been recognized.
- Improved partner management. Cisco is expanding its use of Radian6 to support partners as well, providing a more scalable and cost-effective way to keep partners engaged than other traditional partner programs.



KEY COST AREAS

Cost of the project included software license subscription fees, outside creative agency and consulting fees, hardware, personnel, and training. The software license subscription fees represent the additional incremental license subscription investment Cisco made in standardizing on Radian6, which had previously been purchased on a one-off basis (along with other social monitoring solution subscriptions) by different departments. The hardware investment Cisco made was for its Cisco Interactive Services Manager which includes touchscreen interactive displays for monitoring social trends. Salesforce.com also uses the Interactive Services Manager to manage its own social media listening kiosks.

"The foundation of a strong social media strategy starts with listening. Social listening with Radian6 has allowed us to get closer to our customers and focus on how we monitor, respond, and triage conversations as they happen across our organization."

- Charlie Treadwell, Social and Digital Marketing Manager, Cisco

BEST PRACTICES

Establishing a clear structure and triage system for how social mentions would be addressed and in what time frame was critical to Cisco's ability to scale and manage its social listening center. Not all social mentions warrant or are best served by an immediate

reaction; Cisco's model enables it to ensure the interaction resulting from a social mention is context and time-appropriate.

Cisco also recognized that social listening couldn't occur in one corner of the business. Although the social listening center is managed by a few employees, a broad team of part-time ambassadors are part of the overall social conversation. Cisco has also invested in kiosks and dashboards outside the center (in the CEO's and CMO's offices, for example), so executives and others are aware of social trends and listening strategies on an ongoing basis.

CALCULATING THE ROI

Nucleus quantified the initial and ongoing cost of software license subscription fees, hardware, consulting services, personnel, and training over a 3-year period to calculate Cisco's total investment in Radian6. The ROI calculated is based on the incremental additional investment and benefits Cisco achieved by standardizing on Radian6.

Direct benefits quantified included the avoidance of additional creative agency fees and additional contact center staff that would have been required to achieve the same result without standardizing on Radian6 in the social listening center, as well as avoidance of survey expenses. Indirect benefits quantified included the increase in productivity of those employees responsible for social engagement who can access the application via their mobile devices.

Not quantified were the increase in profits based on new sales driven by social media mentions, or the returns from expected increase in partner engagement and retention driven by extending the social listening reach to Cisco partners.

FINANCIAL ANALYSIS

Salesforce Radian6

Annual ROI: 281%

Payback period: 0.4 years

| ANNUAL BENEFITS | Pre-start | Year 1 | Year 2 | Year 3 |
|-------------------------|------------------|---------------|---------------|---------------|
| Direct | 0 | 807,750 | 807,750 | 807,750 |
| Indirect | 0 | 1,368,000 | 1,368,000 | 1,368,000 |
| Total per period | 0 | 2,175,750 | 2,175,750 | 2,175,750 |

| CAPITALIZED ASSETS | Pre-start | Year 1 | Year 2 | Year 3 |
|----------------------------------|------------------|---------------|---------------|---------------|
| Software | 0 | 0 | 0 | 0 |
| Hardware | 67,000 | 0 | 0 | 0 |
| Project consulting and personnel | 0 | 0 | 0 | 0 |
| Total per period | 67,000 | 0 | 0 | 0 |

| DEPRECIATION SCHEDULE | Pre-start | Year 1 | Year 2 | Year 3 |
|----------------------------------|------------------|---------------|---------------|---------------|
| Software | 0 | 0 | 0 | 0 |
| Hardware | 0 | 13,400 | 13,400 | 13,400 |
| Project consulting and personnel | 0 | 0 | 0 | 0 |
| Total per period | 0 | 13,400 | 13,400 | 13,400 |

| EXPENSED COSTS | Pre-start | Year 1 | Year 2 | Year 3 |
|-------------------------|------------------|---------------|---------------|---------------|
| Software | 280,000 | 280,000 | 280,000 | 0 |
| Hardware | 0 | 0 | 0 | 0 |
| Consulting | 120,000 | 0 | 0 | 0 |
| Personnel | 117,000 | 195,000 | 195,000 | 195,000 |
| Training | 3,125 | 3,125 | 3,125 | 0 |
| Other | 0 | 0 | 0 | 0 |
| Total per period | 520,125 | 478,125 | 478,125 | 195,000 |

| FINANCIAL ANALYSIS | Results | Year 1 | Year 2 | Year 3 |
|--|----------------|---------------|---------------|------------------|
| Net cash flow before taxes | (587,125) | 1,697,625 | 1,697,625 | 1,980,750 |
| Net cash flow after taxes | (353,069) | 939,724 | 939,724 | 1,095,443 |
| Annual ROI - direct and indirect benefits | | | | 281% |
| Annual ROI - direct benefits only | | | | 68% |
| Net Present Value (NPV) | | | | 2,240,176 |
| Payback period | | | | 0.4 years |
| Average Annual Cost of Ownership | | | | 579,458 |
| 3-Year IRR | | | | 263% |

FINANCIAL ASSUMPTIONS

| | |
|----------------------|------|
| All government taxes | 45% |
| Cost of capital | 7.0% |



NUCLEUS
RESEARCH

By the Numbers

Cisco's Salesforce Radian6 project



Annual Return
on Investment **281%**

5 months
The total time to value, or
payback period, for the project

Cost : Benefit
Ratio **1 : 3.8**

\$1,596,292
Average annual benefit

THE PROJECT

Cisco standardized on Salesforce Radian6 to support its social media listening center. Nucleus found moving to one centralized platform enabled Cisco to focus its outside agency fees, avoid other customer and partner interaction costs, increase team productivity, and identify new sales opportunities.

THE RESULTS

Increased user productivity by 3%
Avoided \$360,000 in annual services and survey costs

Number of **users: 240**

3 Months
Total time for the company to
deploy Radian6

“Social listening with Radian6 has allowed us to get closer to our customers and focus on how we monitor, respond, and triage conversations as they happen across our organization.”

- Charlie Treadwell, Social and Digital Marketing Manager, Cisco