

Calculating the ROI of Ease-of-Use

Banking the benefits of being different.

We're different. On purpose. Or as we like to say, BudgetPak is different by design.

Other budgeting solutions have an Excel-inspired interface. And that's not always a bad thing. Excel is a familiar and comfortable interface for senior leadership and finance teams and it works well in "top-down" or centralized budgeting environments.

But BudgetPak was specifically designed for organizations who want to engage lots of staff in a collaborative budgeting process. The BudgetPak software is equally accessible and usable for non-financial end-users (think creative marketing types, program leads, facilities or customer service managers) as it is for finance gurus.

At the end of the day, we believe the single most differentiating feature of BudgetPak (and the reason it works really, really, well for collaborative budgeting) is Ease-of-Use. And our customers agree:

With a perfect 5-star rating in 2019, BudgetPak received the highest scores for Ease-of-Use 4 years running in the annual BPM Pulse Survey — an independent industry survey of actual customers and users of budgeting solutions.

What is the ROI of Ease-of-Use? Usability sets us apart - so how do we quantify that differentiation...

There are lots of highly quantifiable benefits of moving from Excel to a purpose-built budgeting software. Most notably, reducing the number of data errors as well as the time spent consolidating spreadsheets and fixing broken formulas.

But what is the incremental ROI associated with increasing the usability or "ease-of-use" of a system for all users – especially the non-financial managers who are required to actively participate in a decentralized budgeting model?

We looked first to human factors experts who focus on usability in the most critical of technology use-cases — from airplanes to anesthesiology systems. In her whitepaper, [Usability: A Business Case](#), Dr. Susan Weinschenk, Chief of Technical Staff at Human Factors International, states:

XLerant's BudgetPak was rated highest among 15 vendors for Budgeting & Planning Functionality in the 2019 BPM Pulse Survey.

BudgetPak was the only solution to receive perfect scores — receiving 5 out of 5 stars in Overall Satisfaction and Customer Support, in addition to Ease-of-Use.

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“In recent years, usability has become more than a concept... more and more companies are discovering that not only is usability good for users, it's also good business.”

Dr. Weinschenk captured the potential economic benefits for organizations embracing technology with increased usability.

Quantifying the ROI of Reducing Errors with Improved Usability:

- ▶▶▶ Reduced development and maintenance costs
- ▶▶▶ Improved productivity & operational efficiency
- ▶▶▶ Reduced training costs
- ▶▶▶ Lower support costs (including time associated with system maintenance and help desk calls)
- ▶▶▶ Reduced documentation costs
- ▶▶▶ Litigation deterrence

To help further illustrate the impact of these benefits, Dr. Weinschenk provides calculations for the ROI of usability for productivity and fixing errors, adding:

“There is no standard metric that a company can or should rely on. So make sure that the metric you use is of importance to your organization and your key stakeholders.”

Calculating Productivity Gained with Improved Usability:
(Time Saved) x (Employee Cost) x (# Employees) = Cost Savings

With BudgetPak — the productivity improvement can come from time saved for the finance staff with efficiencies in forecasting or by eliminating hours spent consolidating spreadsheets. Across the organization, efficiencies are gained with hours saved in staff training, time spent asking and responding to questions, as well as the actual budgeting process.

Quantifying Errors Reduced with Improved Usability:
(# Errors) x (Avg. Repair Time) x (Employee Cost) x (# Employees) = Cost Savings

While all budgeting & software solutions strive to reduce errors — BudgetPak walks end-users step-by-step through the process with guided questions and pop-up warnings for non-standard entries. This approach increases accuracy by ensuring each number entered in the final budget is thoughtfully considered, aligned to strategy, and informed by both historical performance as well as future expectations.

High Ease-of-Use = More Successful Adoption & Utilization

Many usability benefits can fall into the "qualitative" arena – things like end-user engagement and satisfaction with the software. However, these softer metrics have a significant impact on the success (or failure) of implementation, maintenance, and ultimately long-term adoption.

[Usability.gov](#) provides a simple explanation:

“By building an enterprise application that's beautiful and intuitive, more people will want to use it, and more importantly, keep using it... An app that is intuitive and easy to use puts less stress on both employees and the bottom line.”

According to Usability.gov:

Enterprise software is often defined as a computer software designed to fulfill the needs of an organization rather than the needs of the individual users. While this is technically correct, a significant effort must be placed on the individual user experience for an application to achieve long-term success."

When it comes to collaborative budgeting, improving the end-user experience can increase engagement and satisfaction in the process — leading to additional bottom line benefits:

»» Strategic Alignment, Transparency & Ownership

It's easy to get sucked into the tactical "nitty gritty" of budgeting, capturing travel expenses, administrative and supply costs... A growing number of organizations are asking managers to justify how expenditures will align with the strategic plan or support key objectives. This documentation can guide cost-cutting decisions and provide insight into the profitability of specific programs or product lines.

"Our budget managers now understand what is included in their budget. We are finally at the point where we can identify every dollar and what it is for."

— Courtney Bonnell, Director of Budgeting and Planning, A.T. Still University

"It really has pushed that ownership back to each individual budget owner. Which is really helping with variance explanations and also with their spending habits."

— Amy Sim, General Accounting Manager, CenCal Health

»» More Thoughtful and Accurate Numbers

For customers in highly regulated or nonprofit sectors where every single dollar counts, accuracy matters. Budgeting is not an annual exercise — it's an ongoing mission critical activity to maintain solvency. An added challenge for these organizations — capturing insight from staff at the program or department level is critical to budgeting success, yet many of these employees have little (if any) financial expertise.

"In 2018 actual results were only off budgeted amounts by 1.4%."

— Karen D'Anjolell, Budget Administrator, NJM Insurance Group

"We used to have a large contingency because I couldn't tell where the surplus money was in the budget. Now we have less than 1% of our operating fund that's actually in the contingency."

— Brad McCormick, Vice President for Business Services and College Facilities, John A. Logan College

»» Access to Actionable Information

Industries that are highly dependent on enrollment or participation numbers, product sales, or impacted by shifts in the economy — require better "What if" planning and analysis — and the ability to quickly and easily make changes in the budget or forecast based on real-world data.

"The new Vice President of Instruction was able to work across numerous departments and quickly come back with a list of about 25 to 30 changes, totaling around \$450,000 to \$500,000 worth of adjustments."

— Stacy Buckingham, Dean for Financial Operations, John A. Logan College

"In my opinion, there are far more expensive products out there, but they are not as good as BudgetPak. Our ROI is in the time saved, but also in the value of a superior budget. How do you do an ROI on that?"

Jeff Ginsberg, Associate Vice President of Administration and Finance, Bunker Hill Community College

"The manual three-day Excel forecast process, can now be done in a matter of three hours, it's a huge change from the old process."

Dan Brent, CPA and Associate Vice President, William James College

"I now expect much greater efficiency from our resources since there is no template building and constant error checking required. There are lots of hidden costs and hidden hours involved with Excel budgeting and lots of risks. BudgetPak provides more peace of mind. I don't want to lose my job over a bad spreadsheet or formula."

Curt DeFriez, Vice President of Accounting, Western Governors University

"We spend less time in the budget process. EMCOR can do its budget in three weeks, soup to nuts. It has become part of the fabric of what we do."

Bill Feher, VP, EMCOR Group, Inc.

"Even with our 10% turnover rate, I don't hold training sessions any more. It's intuitive. You can see what you need to do."

Cheryl Warner, Controller, Northwood University



Visit www.XLerant.com or email info@xlerant.com for more on BudgetPak's unique (and top-rated) approach to budgeting and forecasting.