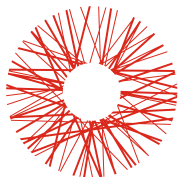




## ROI CASE STUDY

PROGRAM: CUSTOMER RELATIONSHIP MANAGEMENT

DOCUMENT NUMBER: X89 APRIL 2023



**NUCLEUS**  
RESEARCH

ROI: 374%  
Payback: 0.3 Years

# FRESHWORKS TRAVEL COUNSELLORS

## ANALYST

Cameron Marsh

## THE BOTTOM LINE

Travel Counsellors realized a 374 percent ROI with a payback period of less than six months after replacing three instances of Microsoft with Freshworks' CRM composed of Freshsales and Freshdesk. This travel agency has a franchise business model and sought a solution to modernize its internal and external communication channels and consolidate and track data across its increasing network of travel agency franchises. Upon the adoption of Freshworks, the organization was able to digitize its franchisee onboarding process, translating to a 33 percent increase in annual franchise recruitment driven by enhancements to onboarding efficiencies. With Freshworks, Travel Counsellors has also improved customer service agent productivity by 30 percent, providing significant annual cost savings from avoided headcount.

## THE COMPANY

Travel Counsellors is the UK's largest technology platform for travel entrepreneurs that connects over 1,900 independent business owners. Founded in 1994, the company operates across six countries (UK, Ireland, the Netherlands, Belgium, South Africa, and the UAE) and employs 300 people in its UK headquarters and overseas offices.

## THE CHALLENGE

Before the business software modernization, Travel Counsellors was primarily leveraging three instances of Microsoft to manage telephony and email-based sales and service operations. As the organization began to scale, its legacy solution provided limited access to departmental insights across its growing number of franchises. Management lacked the visibility to readily identify where bottlenecks in sales and service processes were occurring. The sales and onboarding of new franchises was riddled with significant manual involvement. Additionally, the organization did not have a standardized central knowledge base that support agents could access, making it difficult to provide consistent customer experiences throughout the franchises.

**Cost : Benefit  
Ratio** | **1 : 4.2**

## THE STRATEGY

After determining that it needed a new CRM solution, Travel Counsellors conducted a full RFP process assessing several vendors including Microsoft Dynamics, Salesforce, Zoho, and HubSpot before ultimately selecting Freshworks. Building a personal and long-term relationship with a software provider was a primary selection factor, and the organization cited Freshwork's honest and open sales process as an element that drove the decision. To prepare for the business modernization with Freshworks, the organization decided to dedicate five temporary employees to cleansing and mapping the organization's internal data to ensure optimal data migration. The organization also met with consultants prior to implementation to outline desired custom functionality, and to determine best practices to support efficient adoption of the new capabilities.

## TYPES OF BENEFITS



## KEY BENEFIT AREAS

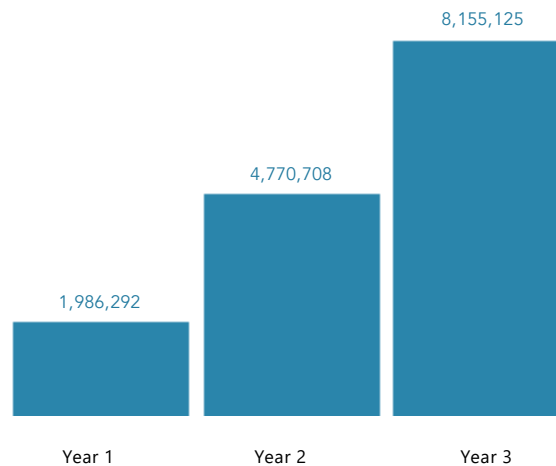
Key benefits realized as a result of Travel Counsellors' deployment of Freshworks included improvements to support agent productivity, and increased revenue driven by the organization's ability to increase recruitment through digitized franchisee onboarding.

- **Improved support agent productivity.** Since the adoption of Freshworks, the organization has seen support agent productivity increase by an average of 30 percent. This was achieved through the introduction of live chats and the development of a centralized knowledge base. The ability to forgo formal ticket creation and tend to customer inquiries through live chat allows employees to avoid unnecessary actions while improving customer experiences and incident resolution times. The introduction of the knowledge base further improved productivity by equipping agents with a resource to locate pertinent information more efficiently. The ability to improve support agent productivity enabled the organization to reduce department headcount, translating to over £300,000 in cost savings annually.
- **Increased sales revenue.** The ability to digitize the franchise onboarding process increased Travel Counsellor's sales capacity. This enabled sales agents to increase the number of new franchisees onboarded annually by an additional 33 percent over previous growth targets. Before Freshworks, the onboarding process required high levels of back-and-forth communication between the organization and prospective franchisees, and the previous solution did not have integration capabilities with automation tools like DocuSign. Reducing the cumbersome components of the former onboarding processes has enabled the organization to scale faster than previously possible, and has resulted in an approximate 3 percent increase in annual revenue. In addition, the organization was able to leverage Freshworks to develop a redefined internal business development strategy. This enabled Travel Counsellors to expand its sales team with new business development managers (BDMs) that have increased the organization's annual revenue by an additional 10 percent.

## KEY COST AREAS

The primary cost of Travel Counsellor's deployment of Freshworks is the yearly software subscription cost. Other costs included consulting fees of £80,000 to outline the project scope and best practices, approximately £118,000 in wages for temporary employees dedicated to data cleansing in preparation for migration, and one additional full-time employee responsible for business adoption and ongoing system maintenance.

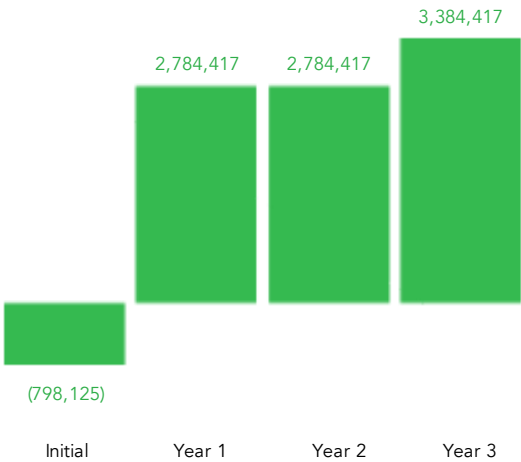
## CUMULATIVE NET BENEFIT



## LESSONS LEARNED

Travel Counsellors' decision to expand its partnership with Freshworks helped the organization to participate in a more responsive, relationship-based approach to transform the business. Whereas, with other vendors, they would have been "just another number." In addition, this strategy to expand an existing partnership allowed Travel Counsellors to avoid the time and costs tied to implementing a more complex solution while eliminating the need to build additional custom integrations. Travel Counsellors noted that the organization now has greater visibility into sales and support due to the centralized nature of the Freshworks platform. This has helped to standardize processes and has enabled the organization to collect a rich set of metrics that helps leaders identify issues and strategically plan for future success. Travel Counsellors noted that end-user adoption was the largest barrier to its previous technology deployment, so the ability to assess a solution's capacity to deliver value to users for specific use cases is critical to its business growth and avoiding unnecessary costs going forward.

## NET CASH FLOWS



## CALCULATING THE ROI

Nucleus Research analyzed the costs of software, hardware, personnel, professional services, and user training over a three-year period to quantify Travel Counsellor’s total investment in Freshwork’s CRM business solutions.

Direct benefits include avoided costs of approximately £330,000 from reduced headcount due to improved service agent productivity and £70,000 in avoided legacy costs from retiring legacy solutions. Indirect benefits quantified include the organization’s increased profits driven by its ability to onboard additional franchises annually.

## FINANCIAL ANALYSIS

**Annual ROI: 374%**

**Payback period: 0.3 years**

BENEFITS	Pre-start	Year 1	Year 2	Year 3
Direct	0	400,000	400,000	400,000
Indirect	0	3,166,667	3,166,667	3,166,667
<b>Total per period</b>	<b>0</b>	<b>3,566,667</b>	<b>3,566,667</b>	<b>3,566,667</b>

COSTS - 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
<b>Total per period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

COSTS - DEPRECIATION	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
<b>Total per period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

COSTS - EXPENSED	Pre-start	Year 1	Year 2	Year 3
Software	600,000	600,000	600,000	0
Hardware	0	0	0	0
Consulting	80,000	0	0	0
Personnel	118,125	182,250	182,250	182,250
Training	0	0	0	0
Other	0	0	0	0
<b>Total per period</b>	<b>798,125</b>	<b>782,250</b>	<b>782,250</b>	<b>182,250</b>

FINANCIAL ANALYSIS	Results	Year 1	Year 2	Year 3
All government taxes	45%			
Cost of capital	7.0%			
Net cash flow before taxes	(798,125)	2,784,417	2,784,417	3,384,417
Net cash flow after taxes	(438,969)	1,531,429	1,531,429	1,861,429
<b>Annual ROI - direct and indirect benefits</b>				<b>374%</b>
Annual ROI - direct benefits only				-23%
Net Present Value (NPV)				3,849,364
<b>Payback period</b>				<b>0.3 years</b>
Average Annual Cost of Ownership				848,292
3-Year IRR				348%

All calculations are based on Nucleus Research's independent analysis of the expected costs and benefits associated with the solution.

\*All figures are expressed in GBP (£)