

Research Portal ROI Considerations



Northern Light

Northern Light provides SinglePoint™ strategic research portals to large organizations combining internal research, external licensed research, business news, government databases, and custom Web crawls. SinglePoint portals are used by market research, market intelligence, competitive intelligence, product management, marketing management, product development, technology research, and strategic planning.

A common undertaking among our clients is to build a business case for the research portal and several clients have done careful calculations of the savings and other benefits of having a research portal. Our conclusion is that the typical SinglePoint portal pays for itself 10 to 20 times per year.

We are basing the calculation on actual metrics reported by our clients that have studied and publicly disclosed the economic effects of a centralized strategic research portal for licensed market research, primary market research, business news, and other important content sets.

This report is organized as follows:

- **Background on Northern Light**
- **Overview discussion of research portal ROI factors**
- **Example calculation**



Northern Light

Northern Light is headquartered in Boston, Massachusetts USA, and is in a single business: providing strategic research portals to global technology- and innovation-driven businesses in many industries.

Our client list reads like a who's who in industry and technology and includes global leaders in:

- **Pharmaceuticals**
- **Information Technology**
- **Telecom**
- **Financial Services**
- **Consumer products**
- **Manufacturing**
- **Agribusiness**
- **Logistics**
- **Strategy consulting**
- **Hospitality**

Northern Light is likely the most experienced builder and operator of research portals in the world. Our clients use Northern Light SinglePoint to guide their corporate strategies and to invent the future that we are all going to live in.



Market Research Portal ROI Considerations

Northern Light's clients have experienced quantifiable savings in several areas that are well worth considering when the time comes to review the financial case for a strategic research portal:

- **Value of time saved.** One of our clients hired market research firm Forrester to assess the impact of its SinglePoint portal on productivity. Forrester determined that each user session on SinglePoint saved 1.5 hours of professional time. The time savings accrued from having superior search results, being able to search multiple market research analyst firms' content at once, having primary research available with secondary research in one location. Using \$100 per hour of professional time, it is very straight forward to calculate the value of this time saving based on the number of annual market research portal user sessions a client experiences. The suggested metric is:

Annual user sessions x 1.5 hours x \$100 per hour = annual savings

**A typical client has 50,000 user sessions per year,
so the savings from this factor alone is**

50,000 x 1.5 x \$100 = \$7.5 million per year

- **Consolidated purchasing of information.** Duplicated and underutilized information contracts are the norm in many large organizations. SinglePoint makes consolidated licensing and enterprise-wide sharing of purchased content a practical goal. One client has estimated that its SinglePoint portal saves them \$1.25 million per year in avoiding duplicate research purchases in their operations around the world. There were 25 syndicated sources that were in their portal at the time this study was done.

**This can be converted into a metric of \$1.25 million per 25 sources, or
\$50,000 per syndicated source that can be used to estimate savings.**

**A typical client has 15 external sources so the
typical saving from this factor is \$750,000.**



Northern Light Research Portal ROI Considerations

- **Primary research savings.** Primary market research projects are, by nature, expensive undertakings. Often, the research has already been performed but the reports are neither widely known nor findable since they are scattered on network folders and laptops or held in repositories like Microsoft SharePoint with ineffective search technology. SinglePoint can consolidate primary research into a single repository and make it available to authorized users throughout the organization. This can eliminate the need for duplicate primary research, saving substantial amounts of money and increasing the impact of primary research that has been performed. One Northern Light client has estimated that its SinglePoint portal saves the client 10% in its annual primary research budget in avoided new research projects. (For this client, this amounts to \$1.0 million dollars per month in savings!) A “search SinglePoint first” culture backed up by a requirement that new research proposals include as a first-section discussion of the literature search in SinglePoint helps achieve this ROI benefit.
- **Reduced number of websites/portals.** It is not uncommon for departments and functional groups within an organization to provision and field numerous websites, each facing a different audience such as Sales, Marketing, and Product Management in multiple organizations and geographies. One client greatly reduced the cost of providing research internally when their SinglePoint implementation permitted the consolidation of 150 distinct intranet sites hosting or accessing research in all their divisions around the world down into just one site. On the IT side alone, they estimated that they saved \$1.5 million per year in hardware, software, and, especially, IT systems administration. This can be converted into a metric of \$10,000 per duplicate portal eliminated per year.
- **Supporting large numbers of users with limited staff.** In this era of budget cuts and staff reductions, a self-service market research portal makes it feasible to support a wide audience of consumers of research with a very limited internal staff. For example, one of our clients has one person supporting 5,000 users of secondary research via a SinglePoint portal. Another client has five people supporting over 60,000 users of secondary research using SinglePoint. In these examples, without the SinglePoint portal significantly more staff would be required to help the users of research find the research that had been purchased or created for them. Also, without the SinglePoint portal, the market research staff would be overwhelmed with volumes of requests for help finding reports.



Northern Light Research Portal ROI Considerations

- **Obtaining new business.** Each organization has a good idea of what value a closed sale might bring to the table or what being able to rapidly respond to a competitive situation means to a company. Most of Northern Light's clients use SinglePoint portals to help prepare for sales presentations, customer briefings, and to find persuasive analyst support for their product roadmaps to make them more compelling to potential customers. Such considerations are especially important to clients pursuing business aggressively around the world. One requested success story from its sales and marketing staff to document the contribution of SinglePoint to business and customer wins, and so many poured in that they had to stop collecting the success stories because the market research staff did not have time to read them all! The staff estimated that \$30 million in sales wins were identified that were materially assisted by the SinglePoint portal by helping the sales team prepare better.
- **Intellectual property issues and fair use.** It is easy for users to unknowingly violate the usage terms of their agreements with sources of secondary research — an exposure that no large company wants. This happens when users post documents to multiple internal portals without any system for enforcing licensing arrangements. Market research analyst firms have been known to present invoices for hundreds of thousands of dollars to companies when market research reports were posted to websites sites without proper access controls. Northern Light SinglePoint enforces the terms of the content licensed and frees organizations from day-to-day concern with such usage issues.

\$450,000 for a single report

- **Developing new products faster.** A strategic research portal can speed the time to insight in product research. By making all research easily available researchers can spend less time looking for information and more time considering it. A product researcher using a research portal incorporating reports with external expert commentary (e.g., Gartner, Forrester, IDC in the information technology industry) will have a better grasp of what customers want and what competitors are planning. Text analytics, a Northern Light specialty, can help greatly with the process of product research. For example, all relationships between technologies or scientific concepts (e.g., drugs, diseases, genes) can be automatically identified to the researcher. A senior researcher at a global research-driven pharmaceutical company made this comment when he noticed a key relationship for the first time while looking at a text analytics result in a SinglePoint portal: "This is an 'aha moment!'"



Northern Light Research Portal ROI Considerations

- **Improved decision making.** Without a simple-to-access research portal, the fact is that most users give up and stop looking for the best information that bears on their projects and just make do with whatever they can find. With SinglePoint, users have the best information available on every search easily and quickly, and even more important than the time they save is that their business analyses are well-informed. What is the value of having better researched and analyzed business decisions? It could easily dwarf all the millions of dollars of savings combined from all the other ROI considerations.

We have one excellent example of this factor. One of our clients reported that their SinglePoint portal saved the company \$100 million on one decision when an acquisition team working on a time-pressured deal over a weekend found research in their SinglePoint portal that challenged the market forecast for the technology of the acquisition target. Without SinglePoint, the client thought the deal would have gone through and would have been a disaster. By impacting this one decision alone, the SinglePoint portal paid for itself for the next 750 years!

AVOIDED \$100 MILLION IN FINES - AND WORSE - BY APPLYING COMPLIANCE RULES TO MARKET RESEARCH

A global pharmaceutical company has one knowledge management solution provided by Northern Light for both competitive industry research and primary market research.

Primary market research has 1,500 research projects annually with 10,000 project documents in 14 countries.

There are several hundred global regulations governing market research around the world.

The client has a compliance staff of three individuals. This means there is no hope of insuring compliance with manual review of the thousands of project plans and documents. Research compliance errors can lead to fines of \$100 million, product withdrawals, or marketing limitations and criminal penalties for company employees.



Northern Light Research Portal ROI Considerations

The combination of Northern Light Primary Research Manager workflow system and Northern Light Compliance Engine embeds compliance into the project workflow to ensure that all the regulations are being followed by every employee in every country for every project.

With an audit trail to prove it to the regulators!

Thereby the client avoids the risks of \$100 million fines, of product withdrawals, marketing limitations, and the criminal penalties.

AVOID \$200 MILLION IN COMPLIANCE PROBLEMS FROM USING MICROSOFT SHAREPOINT

A large pharmaceutical firm discovered it had an additional 80,000 abandoned Microsoft SharePoint sites on the company's intranet. Of course, any employee can make a Microsoft SharePoint site and post anything to it. The original creators of these abandoned sites had either left the company, moved on to another job, completed the project the site was for, or just lost interest in whatever they were doing with that particular site.

No one knew what was on these “zombie” (not quite dead and not quite alive) Microsoft SharePoint sites. Did a particular site have the only copy of valuable research? Key intelligence about a competitor? The only report of an adverse event that was legally discoverable in litigation? Or was the content trivial, out of date, or unreliable?

Consider this: By what process could the organization possibly retire those abandoned Microsoft SharePoint sites without business risk and legal liability? What staff is available to review all the content on the 80,000 abandoned Microsoft SharePoint sites? How many years would it take to do the review? And what skills would be required to make the proper call on whether to get rid of all the content on a specific site?

The answer to this last question is virtually every skill, since any given zombie SharePoint site might contain any kind of content — marketing, technology, legal, manufacturing, regulatory, IT, compliance, HR and/or other subject matter. What the pharmaceutical company in question did was assemble a team of over 120 staff members covering all the disciplines to go through the zombie SharePoint sites. The company spent \$200 million and over two years on the project to retire the 80,000 abandoned Microsoft SharePoint sites.



Northern Light Research Portal ROI Considerations

Fortunately, none of the Microsoft SharePoint zombie sites were in the market research department because that department's management had migrated from Microsoft SharePoint to Northern Light SinglePoint years before. Sound information governance is built in from the ground up in SinglePoint - so the market research team was able to watch with bemused detachment as the other departments in the company struggled to come to grips with the abandoned Microsoft SharePoint sites they were responsible for. Every document in the Northern Light SinglePoint portal had a history and a purpose for being there, every document was the most recent version of the research, and it was simple to assess what was there using Northern Light's powerful search engine.

ELIMINATE 99.99% OF THE WORK TO RESPOND TO REGULATORY REQUESTS

Prior to SinglePoint's implementation, the client had to assign three staff members to work for 45 days to assemble responses to government regulatory documentation requests. So much time was required because the staff had to search through thousands of market research studies without the benefit of a powerful search engine that was guaranteed to surface every relevant document. (The company used Microsoft SharePoint search.) That led to manual review of candidate documents to see if they should be included in the response. Three staff members for 45 days meant 135 total man-days were spent on each request - and such requests happened many times a year. Even worse, the company could not be sure all the relevant documents were produced because manual processes are hit and miss.

Once Northern Light SinglePoint was deployed, the same regulatory requests can each be addressed by one person in 30 minutes. That is a 99.99% reduction in the time to respond to regulatory requests, freeing significant staff time for more valuable market research work. And even better, the client could be 100% sure that all relevant documents were produced as requested by the regulators.



Sample Calculation of a Research Portal ROI

Our average client has these metrics for their research portals:

- 30,000 annual user sessions
- \$10 million annual primary research budget
- 6,000 average user accounts
- 15 external research sources
- 20 intranet sites providing research in product and geographic units

There are many more measurements and estimates that would be required to do a full calculation, such as the contribution the portal made to closing new business, the contribution of the research portal to speeding new products to market, etc. Since these measurements and estimates are not available to Northern Light for most clients, we will not calculate a value for items requiring those figures, restricting our calculations to the first three categories.

These two categories are the value of time saved doing research by the professional staff at our client and the value of the duplicate purchases that were avoided.

Value of Time Saved by Client Professional Staff

30,000 user sessions x 1.5 hours per user session x \$100 per hour =
\$ 4,500,000 in time saved

Value of Avoided Primary Research Studies

\$10,000,000 x 10% =
\$1,000,000 in avoided duplicate primary research

Value of Duplicate Purchases of Market Research Studies

\$1,250,000 x (6,000/5,000 users) x (15/25 sources) =
\$900,000 in avoided duplicate research purchases

Value of Consolidating multiple research sites and repositories

20 intranet sites x \$10,000 per site =
\$ 200,000 in IT costs

Total for the four factors calculated above: \$ 6,600,000

Not calculated here, but larger than the figures above by one or more orders of magnitude, is the contribution made by the SinglePoint portal to winning new business, making more informed business decisions, and getting new products developed faster.



Summary

A strategic research portal can greatly speed and enhance the processes of analyzing markets, tracking competition, understanding customers, forecasting technologies, and developing new products. A strategic research portal helps to win sales and develop new business and provides invaluable support for guiding product plans and new product strategies across the organization.

And it saves millions of dollars per year.

Contact Information

C. David Seuss
CEO
Northern Light
david@northernlight.com
Mobile: 617-515-5771

