Return on Investment with Academia ERP

The ROI from Academia ERP has a much bigger "R" (Return) than "I" (Investment):
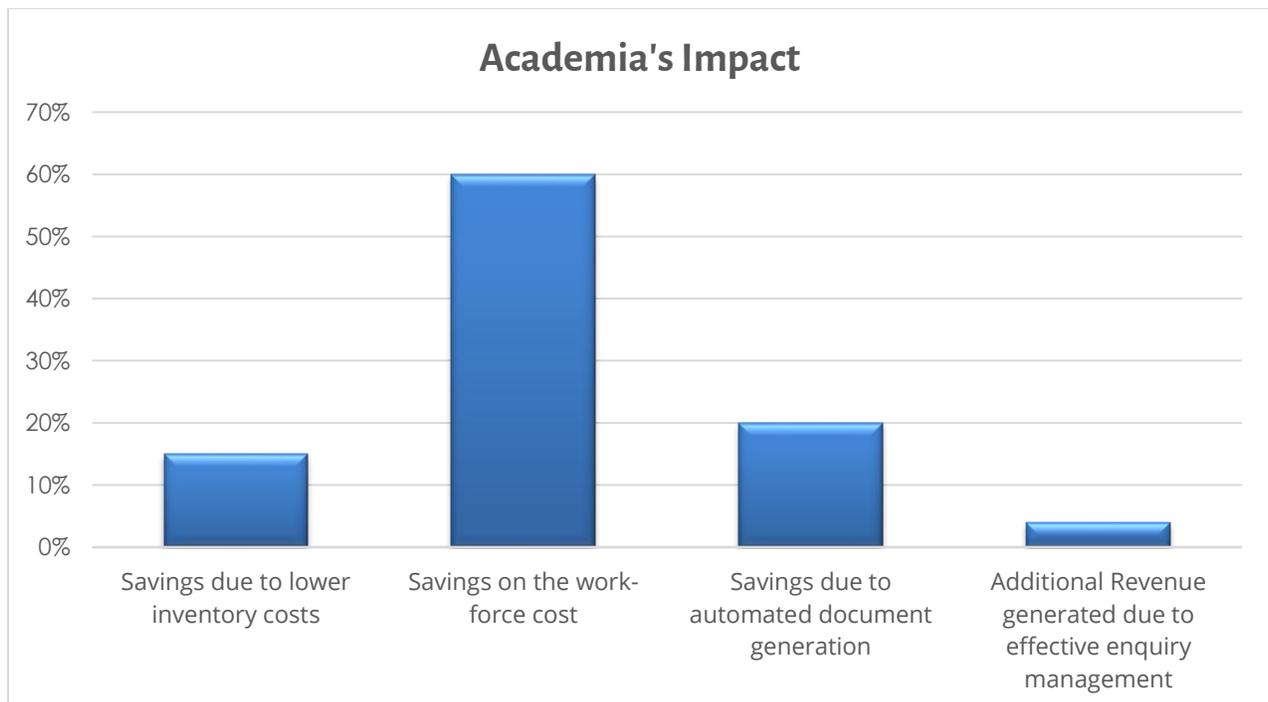
Academia helps you save over **15%** of the costs incurred on key administrative and academic services provided by an institute. A software like Academia provides for minimizing spending on staff for student administration during processes such as student enrolment, fee collection at the time of admission process (Collecting the fee online allows for easier transaction handling) and data management (Student's records and other details are directly captured in system which creates for a central database). With Academia, you will not only enjoy **financial savings**, but you can also get higher growth in **productivity**, **efficiency** and can also achieve overall

improvement in the performance of the institute with **enhanced transparency** in day-to-day operations. Academia provides significant returns on investments in just a

matter of a year from the day of implementation. Let us see, how Academia ensures gains for an institute:

- ★ Lesser Paperwork during Admissions.
- ★ Reduction in administrative work hence, increased teaching time.
- ★ The real-time data intelligence/Synchronization improves the visibility of data across all the modules.
- ★ Effective Communication between Students & Faculties.
- ★ Higher savings in Inventory costs, majorly the Stationery costs.
- ★ Prompt decision making with more than 500 reports across the Modules.

Based on an Empirical study across 20 institutes we find the impact of Academia on the various activities to be very substantial; please see the graph below to understand the impact.

Academia's Impact

Category	Value
Savings due to lower inventory costs	15%
Savings on the work-force cost	60%
Savings due to automated document generation	20%
Additional Revenue generated due to effective enquiry management	~3%

ROI Example

At a prominent University in South India, Academia was Implemented, and it has since created a huge impact; to make the same evident we put in the statistics of this University in an ERP Return on Investment (ROI) calculator which makes it evident that if a solution is implemented effectively it yields much higher Returns than the Investment made.

Table 1

Base Line Values:	
Stationary value	₹ 6,50,000
Annual revenue	₹ 40,00,00,000
Net margin percentage	10%
Projected revenue growth rate	15%
Number of employees	80
Projected headcount growth rate	10%
Benefits:	
Stationary reduction (%)	10%
Customer service premium	15%
Loaded hourly cost per employee	₹ 170.00
Additional Admissions due to efficient enquiry management	1% to 4%
Costs:	
Maintenance	18%
Software	₹ 60,00,000
Implementation	₹ 7,50,000
Ongoing annual consulting/support	₹ 9,60,000
Staff time – implementation	₹ 3,00,000
Cost of Capital:	**18%**

Table 1 above depicts the base line values at the university and the respective benefits which are realized after implementation of Academia, these benefits seem small when looked at in this table, but when the same are transformed to show the impact on the

Cash Flow Statements (Table 2), these very factors give huge impact to the net savings the University achieves in 5 just years' time.

Table 2

Cash Flow:	Year 1	Year 2	Year 3	Year 4	Year 5
Cost	-1800000	-270000	-270000	-270000	-270000
Staff implementation	-700000				
Salary of University Staff for Implementation	-200000	-200000	-200000	-200000	-200000
Reduced Stationary	65000	65000	65000	65000	650000
Customer Service		1920000	2345000	3200000	3452000
Revenue from additional admissions as a result of Efficient Enquiry Management	200000	780000	920000	1100000	1450000
Reduced Operating Expenses	1100000	1847200	1947200	2047200	2147200
Net Gain	-1335000	4142200	4807200	5942200	6644200
Cumulative Gain	-1335000	2807200	7614400	13556600	20200800

IRR	326%

When we take the data from table 2; we can see the impact that Academia makes on the revenue and savings of an organization. We see that the implementation of Academia ERP at the university results in an IRR of **326%** per annum, which again proves the point that the Return from Academia ERP is much Higher than the Investment.

Let us explain the high IRR which is on account of the following benefits:

- Improved Customer Service
- Reduced Operating Expenses
- Reduced Inventory

ACADEMIA

Improved
CUSTOMER SERVICE

Customer Service improvements are an important benefit derived from an ERP implementation, but they can be difficult to quantify and often very subjective. The subjective part of this analysis is the customer service premium. This is a broad percentage that represents the benefit we drive from improved customer service as a result of ERP. With the successful implementation of Academia ERP Education Institutes can immediately start making a difference by providing a better Customer Service. It starts right from Enquiry management where this suite ensures that every enquiry is followed properly making the institute profit from capturing every opportunity but also allows them to follow these enquiries with tools and techniques that allow the customer to feel contended and creates a confidence from the first step. Features like payment of fees online, raising requests and queries further increases the level of Satisfaction. One of the significant factors which we may notice is the Android Application and Parent portal which Academia provides, this renders the whole system to be transparent and allows parents to keep an eye on all the activities that their child undergoes at an institute.

IMPROVED CUSTOMER SERVICE helps the institute realize greater gains in two ways, first and more substantial is that the institutes are able to charge more based

on their enhanced infrastructure benefits, which also turns up the brand equity for the institute. Brand equity growth is a gradual process and thus it creates a humongous impact on a **5-year** financial analysis. The institute also gains by converting more enquiries into admissions (admissions found to go up between **1%** to **3%**) by the use of effective and robust enquiry management system which comes as a standard product feature with Academia ERP.

Reduced
OPERATING EXPENSES

Many Institutes that successfully implement ERP find that they can – operationally – grow at a rate that exceeds their headcount growth rate. Put another way we can say that the need of adding new manpower decreases substantially but the institute and the student size keeps growing at an increasing pace. Academia ERP does the exact same thing and helps an Institute to unlock its true potential at the expense of less people for the administration purposes. The Automation and digitization of workflow creates excellent avenues for lesser man hours being put into administrative activities and more time being spent on creating a **better-quality education** for students. The reduction of workflow digitization of these processes the university can manage admission process and formalities with **60%** less man power being allotted for this process.

An education institute at its heart has a core value to provide the best quality education which must metamorphose students into excellent personalities, ready for the complex world. Academia help organizations achieve this important goal as it

reduces the redundant processes; brings in improved efficiency and helps in creating true customer value; in turn significantly increasing the brand equity and revenue generation capabilities for the Institute at way **lower Operating Costs**. It can be safely estimated that Academia right from its implementation starts to impact the operational costs by a minimum of at least 15% per annum.

Reduced

STATIONERY COSTS

Academia Automates all tasks and also creates a hierarchal structure towards any kind of approvals and records all the information digitally with highest data security algorithms. Apart from automating the processes Academia also crates avenues of digitizing most of the activities in turn saving a lot in the costs spent on procuring various stationery items. In universities, every small expenditure eventually adds up to a lot of money being blocked, Academia ERP allows one to unlock the digital potential for a university and saves in time and eventually the stationery costs. The **savings** achieved can be of the magnitude between 15% to 20% of the annual expenditure done on stationery items.

All in all, it is safe to say that Academia's Implementation is the best decision Universities and Colleges can take.