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## ROI for a Large Company

One of our clients—a large worldwide consulting company—recently acquired an Enterprise license for Database Examiner for internal use. This is their assessment of the acquisition.

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### The Environment

The company operates in more than 100 countries and provides consulting services to both commercial and government clients. The group that evaluated and recommended the acquisition is responsible for the implementation of internal systems only.

The group is responsible for the data modeling of the internal applications and consists of 40 senior analysts, spread over many countries. The average salary for the team is \$75K per year with a total direct cost of approximately \$100K, including the burden.

They have over 100 databases to deal with, and of these, about 40% are in the initial creation phase with the balance in maintenance phases. The average number of tables is 150 tables per data model.

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### Objectives

The objectives of this group are:

1. Ensure the quality of the data models and therefore, the database schemas
2. Ensure the data models / schemas are developed according to relational theory standards creating sound corporate standards for database development
3. Develop a score card to grade the health of the data models / schemas
4. Comply with the data governance standards developed by the company

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### The Review Process

About every two weeks the company has a review process to evaluate the development of the data models for both new projects and projects in maintenance. The entire team participates in the process. This is a 3 day session. It is comprehensive, exhaustive work, taking more than the normal 8 hour day. There are 20 review sessions in a calendar year.

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### Testing Examiner

Numerous database professionals from the company downloaded the product for testing. The evaluation period for Examiner was 3 weeks while they performed many tests.

During the evaluation, the company tested an essential corporate database that was plagued with performance issues. Examiner, in seconds identified over 150 performance related issues. After these these issues were corrected, the performance of the application surpassed their performance benchmark. This one incident was paramount in the decision to acquire Examiner on an enterprise wide basis.

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### Testing Examiner (cont.)

Further findings of the review included:

1. There is no learning curve; the product is very intuitive
2. The product is extremely fast
3. The product allows evaluation of sub-sets
4. The product can evaluate data models (for the new projects) and schemas (for maintenance projects)
5. The product can simulate “what if ” scenarios, by “merging” a production schema with a set of proposed changes (DDL scripts), thus saving huge development costs
6. The product diagnostics are based on the relational rules technology

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### Calculation of the ROI

The company concluded that by using Examiner they will save one team day in every review process session.

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<b>Cost of the team</b> (per day)	$\frac{40 \text{ analysts} \times \$ 100,000}{250 \text{ days}} = \$$	<b>16,000</b>
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<b>1 year savings</b> (cost of team per day x 20 sessions)	$20 \times \$ 16,000 = \$$	<b>320,000</b>
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<b>5 years savings</b>	$5 \times \$ 320,000 = \$$	<b>1.6 Million</b>
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<b>System cost</b>	Initial License (1 year maintenance)	\$	100,000
	Maintenance for 4 additional years (4 x \$ 20,000)	= \$	80,000
		<b>\$</b>	<b>180,000</b>

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<b>5 year ROI</b>	(\$1,600,000 / \$180,000) Savings over 5 years/Total Cost	<u>880 %</u>
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<b>Timeline</b>	Recover the initial investment	3 months
	Recover entire investment in	about 6 months

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### Intangible ROI

The company also estimated some huge additional savings that are impossible to precisely calculate:

- **Reduced Cost of Application Development.** Because most of the schema errors are detected at a very early stage—at the data model design stage or at the early stage of the database creation (when there is no data in the database and no applications have been written) the company would estimate an additional saving in development time of 30%. This by itself, according to the company, would translate into substantial additional saving.
- **Reduced Cost of Application Maintenance.** Because changes can be simulated before actual implementation, there is an additional savings in time that would result in a cost reduction of 15%-25%.
- **Reduced Cost of Decision Making.** Making decisions based on flawed information can be catastrophic. Although they cannot quantify this cost, they believe that ensuring quality information will provide by far the most important saving.

*Prepared by **Luiz C. Siqueira**  
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