Developing Community for Advocacy: A BMC Case Study

SNAPSHOT

SPEAKERS
Georgina Cannie (Consultant),
Matt Laurenceau (BMC),
Kelly Schott (TheCR)

COMPETENCIES
Metrics & Measurement

MATURITY PHASES
CMM2, CMM3, CMM4

HIGHLIGHTS

1. **Looking for an ROI model?** Georgina and Matthew shared their intricate model, complete with actual figures. They also shared what this undertaking was able to yield them in terms of business goals and increases to the community budget.
2. **Want to know the biggest mistake that people make when presenting their ROI models?** Rachel shared her thoughts as the last lesson learned in this discussion.
3. **Interested in a project timeline?** Matthew shared his 5 step process that helped him prepare for his ROI model presentation to the CMO.

OVERVIEW

- **Background.** Georgina and Matt have been working together since October 2018 to create an ROI model for BMC Communities.
    - ***Georgina Cannie.*** Georgina is a Community Strategy Consultant.
    - ***Matt Laurenceau (BMC).*** Matt has been charged with growing the BMC Communities. These communities are used to make sure that customers, partners and BMC employees help each other succeed faster with their products. It is treated as a stem of engagement vs. a stem of control.
        - Matt's team consists of himself as the Head of Community, a community manager and a technical lead who both work out of Bengaluru. Matt and his team make sure that they run programs that achieve business goals.
        - There are 8000 active members in the community and 190,000 new visitors to the community each month.

CASE STUDY - BMC

- **ROI value measurement – project goals.** Matt's boss told him that he needed to impress the CMO by showing a baseline community value that would give them several options for the next fiscal year. It was important that everyone believed a story that could then be used to build an exciting new fiscal year. It involved the following points:
  - Agree on data points for quantifying the value community programs represent.
  - Develop a data-driven model to serve as a source for strategic insights.
  - Strategically advocate for and allocate FY20 community resources.
  - Demonstrate, report and document community support of business objectives.

- **Project timeline.** Matthew shared the project timeline, adding that there were many surprises along the way.
  - The first step was to assess the needs and activity.
  - The second step was to identify a data model and sources.
  - The third step was a stakeholder review, beginning with marketing. Customer success was another key team included in this review.
  - The fourth step was to analyze the outcomes.
  - The fifth step was to present the recommendations to senior leaders.

- **Mapping programs and success metrics.** This was broken down into 3 buckets or programs:
  - ***Support – product community Q&A and knowledge-base articles.*** The undeniable data points helped them to support value, i.e. what they could create with all the knowledge articles and all the questions and answers in the community.
    - This was the easier bucket because it uses clear formulas that can be highly trusted based on case deflection. It was also the most important use case because it created a framework and formulas that were easily trusted.
  - ***Brand and marketing – overall community experience.*** They did not build a model for this bucket. They used another team that computes NPS (Net Promoter Scores) from all of their customers. They assess how community members behave differently from the average customer.
  - ***Business units – beta programs, ideation, trials, blogs, events.*** They are still working on this bucket, but the value is found in trial volume and value, revenue MIP and MSP and renewal value.
    - With this bucket, they are moving from correlation to causality.

CASE STUDY - BMC, CONT.

- **First value assessment – support the use case.** When they first started talking to stakeholders, many of them were not familiar with the community and what actually happened in them. Therefore, they wowed them first with the volume of questions that are answered in the BMC communities, along with the number of visits to the knowledge-base articles each month.
  - The best way to prove value was to show how the community helped to deflect support cases. The stakeholders admitted early on that they could definitely see how the community was saving the business money. They agreed that a huge number of extra support cases would exist without the community.

- **Product communities – Q&A.** This was the first use case. They have Q&A for all of the 20 product communities that exist within BMC.
  - ***Industry benchmarks.*** TheCR has been instrumental in providing this data.
  - ***Notable data and standards.*** They had talked about how sentiment was helped by communities. Next they worked with support to assess which industry standards to include in their analysis.

- **Product discussion – measurement framework.** This is the formula used to evaluate the case deflection value for new Q&A exchanges, as well as the value of cumulative community exchanges.

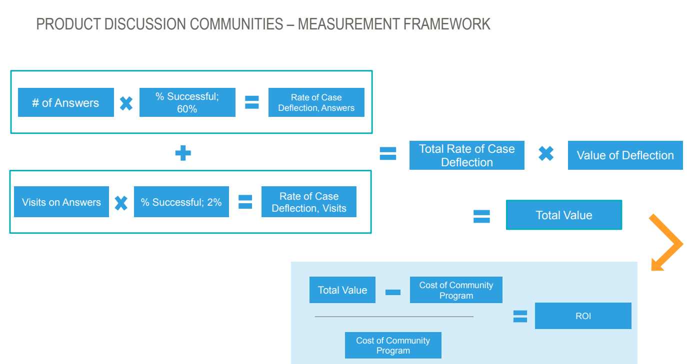

Figure 1 Product Discussion Communities – Measurement Framework[1]

[1] All slides used with permission from BMC Communities for their presentation to TheCR on March 27, 2019.

CASE STUDY - BMC, CONT.

- 60% was the industry standard chosen for % of successful answers.
- 2% was the industry standard chosen for % of successful visits on answers (very conservative). In other words, 2% of the visits on the discussion would have potentially created a case.
- They are aware that this formula could be extended to calculate the ROI of the Q&A community program. However, they decided to ultimately focus on cumulative deflection value rather than ROI because it is a more accessible and streamlined formula.

➢ **Knowledge-base articles.** This formula is even simpler because there isn't a posted question. It only looks at the knowledge output.

- The industry benchmarks used for the knowledge-base articles were based on TSIA, a well-known and respected research authority that works across many industries and includes over 20,000 unique organizations. As explained to their executives, all actions on the online community that are not gated will serve the top 3 most preferred channels of their customers.
- Georgina explained that this is their success multiplier for the knowledge-base articles. For context, they used TSIA industry benchmarks here instead of community-centric industry benchmarks. The reason behind this was that the knowledge-base articles in the BMC communities have a different audience than the product Q&A audience. There is a lot of traffic from different search engines and people who are not active members. They felt that they needed to use a different scope because the audience was separate, which is why they have 2 separate calculations, as well.
- Using the research from TSIA, they came up with 16% as a success multiplier. There are 2 things happening. First of all, 47% of people on average who use self-service support articles or content have a successful search. However, of those people who have successfully found what they were looking for, only 36% of them would have filed a case had they not been successful. Multiplying these 2 numbers together, they came up with a 16% deflection rate, which is their success multiplier.

CASE STUDY - BMC, CONT.

- **Knowledge based articles – measurement framework.** This formula evaluates the case deflection value for community knowledge-base articles. They are aware that this formula could be extended to calculate the ROI of the Q&A community program. However, they ultimately decided to focus on cumulative deflection value rather than ROI because it is a more accessible and more streamlined formula.

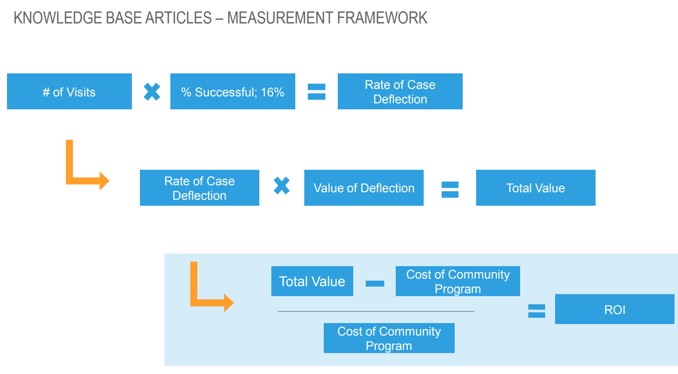

Figure 2 - Knowledge-Base Articles Measurement Framework

  - The number of visits is a set of actions within a single user event. Therefore, 16% of those represented a case deflection.
  - The value of an answer was given at $150. Interestingly, the executives felt that it was actually a much higher number because the community manages such a large volume of issues. Those cases that actually make it to support are quite complicated.

- **Stakeholder review.** They needed key stakeholder buy-in before presenting to the CMO.
  - ***Marketing analytics.*** The first stat they worked with was visits, i.e. visits to discussions, visits to the knowledge-base articles, page views, etc. Georgina cautioned that this is not an easy task. You will feel quite vulnerable when you present these numbers. To lessen that feeling, they were strategic in their choice of language when talking to the head of marketing analytics. They used words like “starting point” and “hoping for input”. They presented the data in a way that paid tribute to this stakeholder who had a wonderful perspective and could lend credibility to the numbers. They openly asked her to poke holes in the data because they wanted to be able to fix any problems before presenting to the CMO. This was invaluable.

CASE STUDY - BMC, CONT.

- ***Customer support leaders.*** This is the service for which they were calculating the value. They gave this group the support of specific metrics, some context and framing. These support leaders agreed on the $150 even though there were varying degrees of cost per support case.
    - What they gained most from this review was the political context and the sensitivity. They learned quite a bit about what's actually going on in this space. Remember, this ROI model is a threat to this team. Matthew and Georgian had to be very clear upfront that they were talking about the "run rate" vs. loss of headcount. This number would signify what they represent to date, not what they are trying to take away from the team. The idea is to work together.
    - ***Senior director of web strategy.*** This is Matthew's boss. Georgina calls him "the Great Translator" because he's really good at assessing the community to tease out the most relevant points that would help meet the organizational goals. He helped them to narrow down the data that would be of the most interest to the CMO.

- **Product communities – Q&A.** This was the first area to be assessed. The model measures month-to-month. They looked at the total deflections, the flattened number of deflections calculated from answers to questions. So, both the answers and the views on answers. In order to be sensitive to the support team's internal political needs and to frame the numbers in a way that was hands-on and more relatable, they presented the data in this way: if the community were to disappear, the support team would have to hire 51 FTEs to provide an equal level of service. That is a tangible number that hit home.

- **2018 ROI answers.** BMC Communities is a lean team. The costs are low, which is why they are able to deliver such great results.
    - When they presented the data, Georgina and Matthew wanted to make sure that they presented year-over-year data in order to make valid comparisons. For example, there was a dip in the numbers in December. By comparing it yearly, they could see that it was an annual, seasonal occurrence. Community engagement slows down in December and that trend was evident in the yearly comparison.

CASE STUDY - BMC, CONT.

- **2018 total deflections, knowledge-base articles visits.** The knowledge-base articles program launched in 2016. The calculation showed that 141 FTEs would be necessary to replace this program, a huge win.
  - It took about 6 months to get this program approved. Support was trying to unhide knowledge articles from the service Cloud, but they were not able to do it cleverly. Now they have more than 50,000 knowledge articles that can be found in a Google search, as well.
  - Georgina added that communities are amazing for a company's SEO because of the way that Google indexes community contributions. By having these knowledge-base articles living in the community, it has sky-rocketed attention to the community and the articles and made searches easier.

- **Conclusions and outcomes.** Incremental investment unlocks exponential value amplification.
  - ***Modern organization.*** Online communities are the mechanism by which modern organizations communicate with their customers. This approach reflects BMC's brand identity and serves customers in the customer's their preferred mechanism.
  - ***Increases existing value.*** The community acts as a megaphone that is capable of amplifying and increasing the value of existing programs. It transports pre-existing, siloed information and delivers it to customers in accessible and preferred formats.
  - ***Anticipates upcoming needs.*** The community anticipates and provides for upcoming and future business needs. Its relationships and structures make it a vehicle for supporting organizational targets such as Helix and Protect the Base priorities.

- **Now it's time to present the recommendations to the stakeholders.** Ensure that the data is easily digestible and not overwhelming. Shorten the slide decks and stay on point.
  - ***Narrative.*** In order to shorten the presentation, they focused on the following narrative that was reflective of the audience: Community Education (what the community does and its background) Internal Supporters (name drop to show the due diligence taken to validate the data), Data Track Record (show the success to prove that the money given to the team pays off), Business Objective Alignment (how the community aligns with business objectives) and Recommendations (what the community will need for the next fiscal year).
    - Given all the ROI work, Matthew has been in the fortunate position to have his budget double for the next fiscal year. This will include a new hire for the team.

LESSONS LEARNED

- There were 3 main take aways that they learned:
    - ***Support programs had the most valuable data.*** This is why they started with this bucket.
    - ***KBA and Q&A.*** From this they picked two of the programs that they run, knowledge based articles and Q&A. They foster slightly different behaviors, so the formula will be different.
    - ***The model would be case deflection-focused.*** Then they made the simplest formula possible for each of the cases so that they could land on something that was undeniable to the stakeholders.

- For the rate of deflection dollar amount, Rachel Happe asked if they had any difficulty getting that information from customer support. Matthew replied that, honestly, it came down to relationships. This was a relationship that has been fostered for more than 10 years. The VP of customer support was not anxious to share this data for fear of budget cuts and job loss, but he trusted Matthew.
    - Georgina added that it was very difficult to get them to settle on a number. Ultimately, they told them that they were going to use $150 because the industry benchmarks were anywhere from $100 to $400. When they first presented, they said that it was a temporary number to start with and they could give input for a more precise number. The VP admitted that there were so many factors that could be used to calculate a more precise number, but $150 was acceptable.
    - Matthew couldn't emphasize enough the trust needed in this whole process.

- The themes within this work were trusted, reliable, and easy to digest data inputs and numbers. It would have been preferred to used internal data; historical benchmarks from BMCs own archives over the industry benchmarks. However, due to the complexity of pulling that data out or even just getting their hands on it, it was decided that it would be more reliable and cleaner to use industry standards as a starting point. Fortunately, the audience understood and knew of TSIA standards.

- Georgian and Matthew did have to customize the model. They used different models and tailored it to the unique needs of BMC. They also consciously landed on the simplest formula. Complex is not as trusted as simple.

- The key to success is to have a community champion in your corner. There might have been a different outcome if the director of web strategy was not such a community leadership champion.

LESSONS LEARNED, CONT.

- **It's much better to be more modest than necessary. This way, you can't be accused of inflating your numbers.**
- **Gathering political context is really important before you present your final numbers so that you don't stumble into a thicket of thorns or disrupt any of the trusted relationships in the support team.**
- **The best thing that they did was to earn the "name drop" in all future meetings. In all future conversations about this, they could give the results of their ROI model without wasting time on the "guts of the data" because all these reputable people have signed off on it as legitimate and trustworthy. This is a hugely valuable lesson learned. Borrow the credibility of all those esteemed stakeholders.**
- **Interestingly, due to community, the quality of the knowledge-base articles improved because they added a commenting function. This also improved visits and SEO because it creates a kind of viral word of mouth on each of the articles.**
- **Remember, large numbers tend to create a lack of conceptualization. It's difficult for people to relate to large numbers and their eyes will glaze over.**
- **This data showed that there was year-over-year growth despite flat resources.**
- **The percentage-based deltas become intangible at scale and Matthew and Georgina were challenged by that fact.**
- **A really big lesson learned was that you can actually have too much success. The marketing leadership team was so confident in the community team that they felt that the team could work magic with a limited budget. They didn't show enough risk. They didn't show the extent of the value that could be lost if they didn't provide the proper resources.**
- **Rachel wanted to highlight that many people assume that ROI is a number and the number doesn't really matter if you haven't gone through the political and social process to make the number credible. It's more of an alignment exercise than a mathematical exercise. The math is important and people have to understand and buy-in, but it's the collaboration to get at that number that's truly important.**

ADDITIONAL INSIGHTS

- **Kelly asked participants to describe their use case, i.e. internal or external, not-for-profit, etc. As well, their ROI stage with respect to brand new, fully integrated into an ROI model or somewhere in-between.**
    - **One participant with an external use case uses ROI models with the help of Rachel and Georgina.**
    - **Another participant has an internal communication/intranet use case. This participant presented the company's first ROI model recently. Her boss' first question was: "How does this compare to other companies?" She wasn't expecting this response and was on the call to gain some insight into how to best answer this question.**
    - **A couple of other participants shared that they had external use cases and were on the call to learn more about ROI in general. One participant didn't have a platform and another was about to embark on a platform migration. The third participant was looking into a new CRM and member portal solution and was interested in projecting ROI to make the case for that major undertaking.**