NUCLEUS RESEARCH

ROI: 1994%
Payback: 1.2 Months

GRAMMARLY
DATABRICKS

ANALYST
Isaac Gould

THE BOTTOM LINE

Databricks, a technology vendor, was scaling all aspects of its business. As such, reviewing thousands of external communications was becoming overwhelming for its small editorial staff. When an email was flagged as containing grammatical errors just before it was sent to thousands of customers, the need for technology to streamline communications was brought into stark relief. Databricks deployed Grammarly Business across its marketing, sales, support, IT, finance, and engineering departments. All groups saw productivity and writing quality improvements from automated writing suggestions and accelerated review processes. Other benefits include revised training services, accelerated employee onboarding, and the upskilling of employees.

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THE COMPANY

Founded in 2013 by the creators of Apache Spark and headquartered in San Francisco, Databricks platform offers customers an AI-driven, unified set of tools for building, deploying, sharing, and maintaining enterprise-grade data solutions at scale. Companies of all sizes leverage Databricks' market-leading Lakehouse Platform to build, deploy, and manage data science and machine learning projects. Valued at $43 billion, Databricks supports 10,000 customers and employs more than 5,500 people worldwide.

Cost : Benefit Ratio | **1 : 15.3**

THE CHALLENGE

As Databricks grew rapidly year-over-year, the volume of its external communications increased concurrently, and the editorial staff struggled to review thousands of documents sent out every year. With 95 percent of front-line support interactions conducted over email, Databricks invested in costly soft skills and writing courses that detracted from employee time. The need for communication technology to streamline reviews was driven home when a marketing email with spelling and grammatical errors was intercepted before it went out to thousands of customers. Databricks also has a contingent of non-native English speakers who benefitted from the use of Grammarly.

TYPES OF BENEFITS

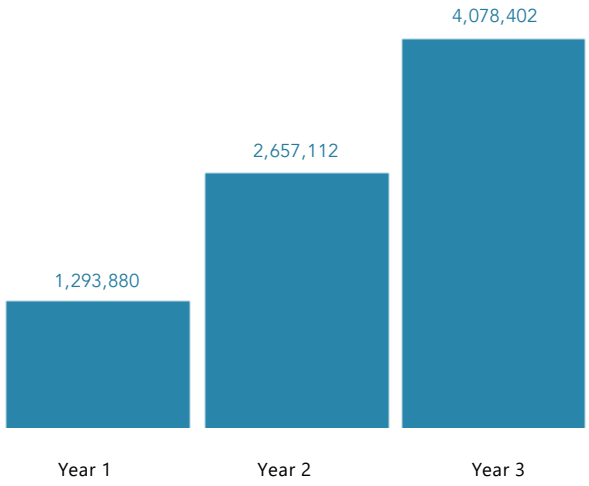


THE STRATEGY

Databricks needed to standardize, track, and manage written external communications and documents. Databricks could have expanded its editorial staff, but that carried high headcount expenses and was not a cost-effective method to scale operations with customer growth. Instead, Databricks decided to pursue a technology solution by deploying Grammarly Business. Databricks chose Grammarly because the solution could be embedded in Microsoft Word, web browsers, and email applications, providing automated suggestions without heavy-handed top-down oversight. Grammarly also provided a standalone application for managers to review employees' Grammarly usage. It generated aggregated and anonymized insights to help Databricks understand language trends among its workforce, such as tone, commonly used phrases, and accepted or rejected suggestions.

Databricks deployed Grammarly Business across marketing, sales, IT, support, and engineering departments. One Databricks IT Director implemented Grammarly within ten hours, setting up the accounts and distributing the licenses. Databricks implemented brand guidelines that ensured everyone received the same suggestions to standardize communications and established weekly emails with usage stats.

CUMULATIVE NET BENEFIT



KEY BENEFIT AREAS

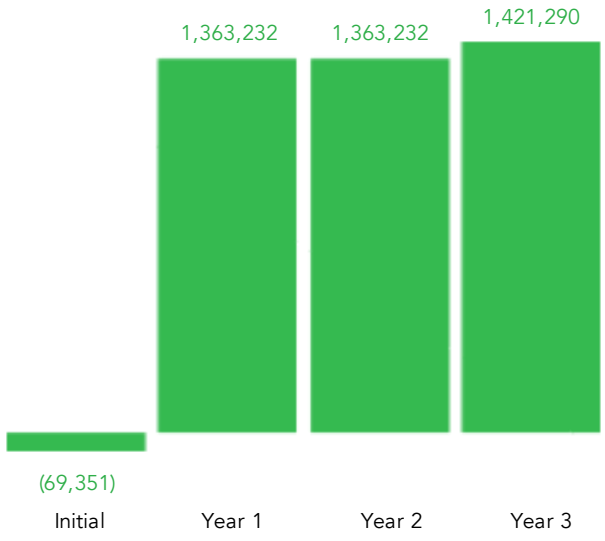
The benefits of Grammarly were immediately apparent as the solution would make suggestions to correct errors and implement word choice and tone suggestions to align with the brand. Key benefits Databricks realized with Grammarly include accelerated writing and review, brand protection, employee upskilling, and accelerated employee onboarding.

- Accelerated writing and editing. With accelerated writing, the support team increased the average number of cases closed per year by ten to 15 percent. With over 100 support engineers, this productivity improvement helped Databricks avoid a significant amount in headcount and operational costs. The marketing team reviews hundreds of documents every year that are reviewed by management and the editorial team. Nucleus found that Databricks accelerated the generation of each document by an average of 15 minutes, and time spent editing each document has been cut in half to 15 minutes. Therefore, both copywriters and editors saved 540 work hours each year that have been reallocated to higher value-added tasks.
- Brand protection. Grammarly ensures that all communique is completed with proper tone and phrasing. With consistent language, Databricks has greater control over brand perception, which improves interactions and reduces confusion with customers, prospects, partners, and investors. Grammarly's analytics means management can continuously refine its outward-facing materials by configuring

tone, phrases, and word choice suggestions that are automatically suggested for all users.

- **Empowering employees.** Databricks reported that Grammarly has helped empower and upskill its employees by improving written communications. For example, users have noted that Grammarly implements an affirmative, confident, direct, or technical tone depending on the context. Non-native English speakers learn writing best practices and improve their proficiency, leading to greater internal advancement opportunities. Databricks has since revised a soft skill and writing course conducted twice a year for over 100 employees, saving the company $50,000 annually.
- **Accelerated employee onboarding.** Since deploying Grammarly, Databricks has removed writing components for certain new hires, using data to determine that Grammarly has empowered Databricks employees to be better writers. Without the writing exercise, hiring managers do not need to review the reports, streamlining the hiring process. In total, Databricks saves nearly $8,000 in employee productivity annually across the support engineer hiring process.

NET CASH FLOWS



KEY COST AREAS

Grammarly's license subscription represents the most significant cost area of the deployment, followed by administration costs which consist of the time spent by six employees that manage dashboards, monitor usage, and configure the system. Other costs incurred include initial training to onboard support engineers onto Grammarly. Databricks incurred minimal implementation costs as Grammarly required no third-party consulting, customization, or integration work.

LESSONS LEARNED

Databricks achieved a substantial return and quick payback from its Grammarly investment by deploying the software to multiple departments. Every group that adopted Grammarly realized writing productivity and quality improvements. In addition to quantifiable benefits, Databricks has greater control and protection over its brand identity. A best practice that Databricks employed was leveraging Grammarly dashboard analytics to track the writing performance of employees. This allows managers to implement continuous messaging and tone refinement and see who is benefiting the most from the software and who may have issues adopting suggestions.

CALCULATING THE ROI

Nucleus Research analyzed the costs of software, hardware, personnel, professional services, and user training over a three-year period to quantify Databrick's total investment in Grammarly technology. All cost and benefit information referenced in the report text and graphics was provided by Databricks via direct interviews. The salary figures used were based on industry standard estimates.

Direct benefits quantified include the elimination of soft skills and writing training courses.

Indirect benefits quantified include time savings experienced by marketing and the engineering support teams. The indirect benefit is multiplied by a productivity correction factor of 0.8 based on the job role of employees experiencing productivity improvements to account for the inefficient transfer of time between time saved and additional time spent working.

Benefits not quantified include upskilling employees and protection of brand perception.

FINANCIAL ANALYSIS

Annual ROI: 1994%
Payback period: 0.1 years

BENEFITS	Pre-start	Year 1	Year 2	Year 3
Direct	0	50,000	50,000	50,000
Indirect	0	1,404,375	1,404,375	1,404,375
Total per period	**0**	**1,454,375**	**1,454,375**	**1,454,375**

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
Total per period	**0**	**0**	**0**	**0**

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
Total per period	**0**	**0**	**0**	**0**

COSTS - EXPENSED	Pre-start	Year 1	Year 2	Year 3
Software	58,058	58,058	58,058	0
Hardware	0	0	0	0
Consulting	0	0	0	0
Personnel	1,558	33,085	33,085	33,085
Training	9,736	0	0	0
Other	0	0	0	0
Total per period	**69,351**	**91,143**	**91,143**	**33,085**

FINANCIAL ANALYSIS	Results	Year 1	Year 2	Year 3
All government taxes	45%			
Cost of capital	7.0%			
Net cash flow before taxes	(69,351)	1,363,232	1,363,232	1,421,290
Net cash flow after taxes	(38,143)	749,777	749,777	781,709
Annual ROI - direct and indirect benefits				**1994%**
Annual ROI - direct benefits only				-31%
Net Present Value (NPV)				1,955,576
Payback period				**0.1 years**
Average Annual Cost of Ownership				94,908
3-Year IRR				1966%

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