



**GUIDEBOOK**

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**NUCLEUS  
RESEARCH**

# ROI GUIDEBOOK **ISOLVED PEOPLE CLOUD**

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## EXECUTIVE SUMMARY

For small and midsize organizations, maintaining HR agility is key to business survival. A one-size-fits-all approach to HCM is not always feasible for SMBs that require solutions that can scale as needs change through the growth of operations. Many vendors do not allow for modular deployments, which can negatively impact adoption rates and add unnecessary complexity to implementation and day-to-day use.

isolved is a provider of HCM software, delivered through modules in its People Cloud platform. With deep initial expertise in payroll and timeclock solutions, the vendor has expanded its offerings to cover areas including core HR, workforce management, talent, people analytics, and HR service delivery. isolved continues to

focus primarily on the small and midsize market but has demonstrated successful application of the People Cloud in upper midmarket and enterprise use cases. The modular nature of the platform allows for greater scalability, enabling organizations to deploy capabilities at their own pace. This contributes to better ease of use and adoption rates.

To better understand the costs and benefits associated with an investment in the People Cloud platform, Nucleus conducted an in-depth return on investment (ROI) assessment of several isolved customers' deployments of the solution. Customers realized an average ROI of 201 percent, with an average annual benefit of \$100,664 and an average payback period of 7.2 months.

## SUMMARIZED BENEFITS

The following direct and indirect benefits represent those most commonly experienced by the companies analyzed in this report and made up the largest share of the returns.

**201%**

Average ROI

**7.2 Months**

Average payback period

**\$100,664**

Average annual benefit

**\$28,231**

Average annual cost of ownership

## DIRECT BENEFITS

Direct benefits include cost savings, cost avoidance, and changes that have a direct impact on a budget or profit and loss (P&L) statement:

- **Reduced or avoided costs.** Nucleus found that customers that moved off of complex HCM or payroll systems with high subscription and maintenance costs experienced an average annual savings of \$23,543. Additionally, customers were able to reduce or avoid redundant headcount as a result of increased productivity driven by the use of the People Cloud platform. The average savings from this benefit was one to three full-time equivalents (FTEs) in HR, resulting in \$81,000 to \$180,000 in annual cost avoidance. Although customers interviewed were previously using some form of software for HR processes such as payroll processing, many processes remained manual, including scheduling, benefits enrollment, new hire onboarding, and learning and development. The average number of sheets of paper saved annually came to 10,993.

## INDIRECT BENEFITS

Indirect benefits include time savings from accelerated processes that can be quantified but have an indirect impact on a budget or P&L statement.

- **Increased productivity.** All companies benefited from increasing the productivity of managers, human resources (HR) employees, and payroll employees upon implementation of isolated People Cloud. Across processes including payroll processing, job posting, new hire onboarding, PTO tracking, reporting, scheduling, open enrollment and benefits management, productivity increased by an average of 44 percent.

## THE ISOLVED PEOPLE CLOUD SOLUTION

People Cloud is isolated's SaaS HCM offering, which includes functionality for core HR, workforce management (WFM), talent, employee engagement, performance, payroll, people analytics, and HR service delivery. The suite is fully modular and interoperable, enabling customers to deploy the features that they need to fit current requirements with the opportunity to scale up as needs change. Many isolated customers choose to take this approach to add incremental value to their investment in the software while avoiding the complexity and cost of features that may be unnecessary for their current bandwidth or need. This allows customers to drive efficiency at any stage of HR maturity, whether they are looking to better manage payroll processing or automate administrative processes. The

isolved Integration Marketplace also enables customers to add third-party extensions to their People Cloud deployment for unique use cases. isolved continues to invest in enterprise-grade functionality that is made accessible to smaller businesses, with frequent feature updates that include automation, predictive analytics, trend prediction, and modeling.

## ANALYSIS OF BENEFITS

Nucleus found that companies deploying isolved People Cloud experienced a range of benefits across several different areas which were largely dependent on the size and complexity of their organization; their level of HR, payroll, and scheduling modernization before deploying the People Cloud suite, and the number of modules deployed.

The strongest business cases focus on two or three key benefits that can guide deployment and adoption efforts. To guide organizations in building their business cases, Nucleus has presented the primary benefits most commonly experienced by isolved customers with guidance ranges based on what customers typically experience. Secondary benefits are included as well, even though they are not experienced by all customers interviewed.

The customers Nucleus conducted interviews with represent industries including healthcare, professional and business services (property and legal), manufacturing, distribution, and technology. All were moving from legacy payroll and HR solutions or no formal HCM solution at all. These types of deployments typically involve high levels of manual processes, as well as significant maintenance costs or service fees. As a whole, moving to a fully integrated automated HCM solution led to a significant reduction in manual processes, leading to productivity increases across several HR processes.

**"One of the beauties of isolved is that managers and employees are able to do so much on their own."**

**-Healthcare Customer**

## REDUCED PAPER COSTS

For organizations operating with high levels of manual processes, paper and printing can be significant cost areas. The People Cloud is SaaS-based, meaning the solution is accessible via browser and eliminates the need for paper in tasks such as new hire onboarding, learning and development, and payroll processing. Customers that digitized previously manual processes experienced approximately 90 to 95 percent paper cost savings annually.

- *"Before we had isolved, new hire orientation was done 100 percent on paper, which included 22 items between acknowledgment forms, policies, tax, forms, and direct deposit. We're still looking for more ways to go paperless, and it all goes into being more efficient."*

**90-95%**

Reduction in paper & printing costs

## AVOIDED HR HEADCOUNT

isolved People Cloud empowers smaller HR teams to manage growth of operations without having to scale up associated labor costs. When factoring in the fully-loaded cost of HR professionals, the savings can be significant. Organizations that take advantage of the time-saving capabilities across the People Cloud platform can experience an avoidance or reduction of one to three FTEs that would otherwise be required to manage HR processes with a more complex or less functional solution. This is also beneficial for organizations with no dedicated HR department, as the ease of use enables users with less HR proficiency to manage day-to-day tasks with little to no learning curve.

- *"isolved allows you to wear the HR hat, even when you are not in HR."*

**1-3**

Reduction in HR headcount

## AVOIDED LEGACY SOFTWARE AND MAINTENANCE COSTS

The relatively lower cost of People Cloud relative to competitors with similar features enables organizations to lower the TCO of their HR technology stack. Additionally, the browser-based nature of the suite eliminates the need to maintain servers or other elements of an on-premises environment. Nucleus found that customers switching to isolved

**4-25%**

Reduction in HCM Technology cost



from another HRIS or payroll provider experienced four to 25 percent reductions in annual subscription and maintenance fees.

- *"Cloud-based accessibility was not only a huge time savings, but our old software only had a certain amount of licenses. There was a massive saving there, as now we don't need as many licenses."*

## INCREASED PAYROLL PRODUCTIVITY

By simplifying payroll processing through isolved's straightforward, intuitive capabilities, Nucleus found that customers reduced the effort needed to manage payroll. Organizations interviewed experienced between 70 and 88 percent reduction in personnel time devoted to payroll processing, primarily due to the reduced complexity of the platform and strong levels of customer support.

- *"We are very satisfied with isolved versus ADP. I love the simplicity of the system and stress-free payroll process."*

**70-88%**

Reduction in payroll  
administration

## INCREASED SCHEDULING AND PTO TRACKING PRODUCTIVITY

In some verticals, managers can spend a significant amount of time building employee schedules that meet organizational requirements while accounting for employee constraints and labor regulations. Paid Time-Off (PTO) tracking is another task that can impact scheduling and quickly become cumbersome if done manually. One isolved customer was previously completing PTO tracking manually, spending close to ten hours per week ensuring that employee time-off requests comply with organizational regulations. Upon implementing isolved People Cloud, the HR director was able to reduce time spent on PTO tracking by 50 percent. Another customer in healthcare was previously dedicating one to two workdays over a two-to-three-month period across its HR staff to put together annual schedules manually. Upon implementation of isolved, Nucleus found that the HR department experienced a 90 percent reduction in scheduling time due to automation through the People Cloud platform.

- *"Scheduling was fully manual before isolved. We had 60,000 rows of data with 40 to 50 different shifts, not including special schedules. Now, we have saved about two months for our HR staff."*

**90%**

Increased scheduling  
productivity

## INCREASED BENEFITS ADMINISTRATION PRODUCTIVITY

Open enrollment is a particularly time-consuming endeavor for organizations of all sizes. Inefficiencies of the process are exacerbated by paper-based, manual tasks. In addition to annual open enrollment periods, HR administrators must also spend time making employee benefit changes. Across organizations audited, one was able to reduce time spent on open enrollment-based activities by 50 percent. For ad-hoc benefit changes, isolved customers experienced time savings of 25 to 50 percent.

- *“End-of-year things like W-2s, benefits, and COBRA have all become easier to manage because we don’t have to go through different platforms and portals.”*

**25-50%**

Increased benefits  
productivity

## INCREASED ONBOARDING PRODUCTIVITY

Onboarding processes that are dominated by manual and redundant tasks can delay new hire time-to-value while taking HR staff time away from other high-value tasks. With many isolved customers previously conducting onboarding manually, tasks such as signing employee handbooks, filling out W-2s, and getting set up in payroll took almost an entire workday. Nucleus found that isolved customers were able to reduce new-hire onboarding by 50 to 75 percent by digitizing the process within the People Cloud platform. This also enabled HR staff to focus on other activities, as onboarding can be completed by employees with minimal HR intervention or support.

- *“Onboarding always used to take several hours up front, and now we can start training on day one. We have almost tripled in size since implementing isolved, and if we didn’t have the software in place, there’s no way our HR department of one could keep up on its own.”*

**50-75%**

Reduction in  
onboarding time

## ANALYSIS OF COSTS

Nucleus analyzed the initial and ongoing costs of software, hardware, personnel, consulting, and training over a three-year period to quantify the return on investments that isolved People Cloud delivered to customers.

COST CATEGORY	COST RANGE	COST FACTORS
Annual Software Subscription	\$8,361–\$46,080	Number of employees, modules deployed, number of locations
Initial Personnel	\$1,493–\$49,067	Internal team skill levels, complexity of requirements
Ongoing Personnel	\$0–\$2,434	Internal team skill levels, size, complexity
Training	0–1 hour per employee	Modules deployed, employee skill level, level of process change required

## FINANCIAL SUMMARY

Nucleus found that the average return on investment (ROI) from an isolated People Cloud deployment was 201 percent, with a high of 273 percent and a low of 153 percent. ROI was calculated over a three-year time period, projecting costs and benefits forward on a straight-line basis for organizations that had not yet reached three years of deployment.

### KEY FINANCIAL METRICS

- The payback for an isolated deployment ranged from 0.3 to 0.7 years, with an average of 0.6 years, or 7.2 months.
- The annual total cost of ownership (TCO) of isolated deployment ranged from \$8,976 to \$63,402, with an average annual TCO of \$28,231.
- The net present value (NPV) of isolated deployment ranged from \$19,903 to \$160,121 with an average of \$100,825.



FINANCIAL METRICS	HIGH	LOW
ROI	273%	153%
Payback (years)	0.7	0.3
Annual benefit	\$180,000	\$23,438
Benefit to cost ratio	8	2.6
Annual TCO	\$63,402	\$8,976
Present Value	\$160,121	\$19,903
Internal Rate of Return	323%	131%

## CUSTOMER PROFILES

### AUDITED ORGANIZATIONS

For the development of this ROI Guidebook, Nucleus spoke with eight isolated People Cloud customers and conducted in-depth ROI assessments of three customers. Benefit ranges included in the Benefits Analysis section comprise those reported by all customers interviewed.

INDUSTRY	EMPLOYEES	INTERVIEWEES
Distribution	27	HR Manager
Technology	80	COO
Professional Services	192	HR Manager

## WHOLESALE DISTRIBUTOR

This Wholesale Distributor has just less than 30 employees and has been using isolated Payroll since early 2021. Prior to the deployment of isolated, the organization used ADP Workforce Now to run payroll. Complexities over the course of the pandemic doubled payroll processing costs, and the quality of customer support from the vendor declined. After deciding to switch to another payroll provider, the organization deployed a subsidiary that isolated acquired shortly after. The HR manager managed the implementation of the new solution and noted that despite primarily being a team of one, the system went live after three weeks and only required about 12 percent of their time per week over this period. After deployment was complete, the accounting team and controller spent a few hours over a one to two-week span to make customizations and modifications to reporting.

The HR manager does not spend additional time supporting the isolated payroll solution, and training new employees takes less than ten minutes of the HR manager's time. Adoption was reportedly simple, as every employee was able to understand the functions of the platform with little to no assistance from HR. Prior to the deployment of isolated payroll, the HR manager spent four hours processing payroll weekly. Nucleus found that with isolated, payroll now takes about 10 to 30 minutes maximum. Users enjoy the simplicity of the system and incremental updates that they are able to take advantage of right away.

## TECHNOLOGY COMPANY


This US-based technology vendor has approximately 80 employees and has been using isolated People Cloud since 2015. Prior to the implementation of isolated, the organization used a combination of Quickbooks, spreadsheets and a legacy finance and payroll solution to manage its HR operations. As a result, day-to-day processes were mostly manual, which led to complexities, specifically around managing compliance. For example, payroll taxes weren't managed by the legacy software, and needed to be printed as spreadsheets. Leadership recognized that the company needed a new system that provided more functionality that they could grow into as needs changed. isolated's modular approach made it an attractive choice for the organization, which implemented payroll and tax services, Core HR, onboarding, and time and attendance through an isolated network partner. The implementation took approximately three months to complete and required about 25 percent of the COO's time over one month, and about 20 hours total for the operations manager over the course of the deployment. Little formal training was required for end-users due to the intuitive nature of the platform, with each requiring an estimated one hour to become proficient. Ongoing time dedicated to the platform involves monthly, hour-long meetings between the COO and operations manager and payroll tax team and isolated support to ensure that everything is running smoothly.

Since implementing isolved, the COO noted that the organization avoided having to hire one FTE in HR who would have otherwise been needed to manage the increased scale of HR operations over time. The avoided hire can be credited to increased productivity enabled by the system, in addition to full-service HR, payroll, and tax support services. Prior to having People Cloud in place, the COO had to manually import payroll and time info from the old system, which resulted in each pay run taking approximately five hours. Nucleus found that internal payroll management now takes about 90 minutes per cycle, translating to a 70 percent reduction in time dedicated to the process. The enhanced payroll management capabilities have also improved compliance, as the organization previously experienced tax issues for 1099 employees that were incorrectly accounted for in the legacy solution. Moving to timecards has kept employees more accountable and helped the company to more accurately account for part-time versus full-time employees and avoid approximately \$8,000 in additional payroll taxes annually. Other productivity benefits reported as a result of the isolved People Cloud implementation include a 60 percent reduction in time spent generating 1094s and 1095s for ACA reporting and approximately one hour saved for each new hire when onboarding. Additionally, the organization was able to eliminate paper personnel files and fully digitize its checks and filings, resulting in an annual savings of about 50,000 sheets of paper.

The organization is fully remote, and implementing Time & Labor Management for punching in and out unexpectedly improved employee experience as leadership was given greater visibility into each employee's level of engagement in their working time. The company also plans to bring its training in-house with isolved's Share & Perform module to reduce any external and labor costs associated with its current programs. The COO noted that isolved has enabled them to be able to take on an HR role successfully without being an HR practitioner, enabling the organization to grow without the need to bring on dedicated HR resources.

## PROFESSIONAL & BUSINESS SERVICES (PROPERTY)

This property services company has approximately 192 employees and has been using People Cloud for about two years. The deployment is unique, as the organization operates under three different employer identification numbers. This led to difficulty when searching for HCM solutions, as leadership wanted to consolidate HR operations onto a single platform while continuing to utilize separate EINs for different segments of the business. Ultimately, the organization selected isolved People Cloud due to its modularity and ability to encompass different EINs within a centralized platform without extra licensing costs. Implementation was phased by each company within the organization. The payroll implementation took approximately three months to go live, as the organization previously had separate payroll operations across its business units. The majority of the HR department's time was spent setting up benefits in the system, which also took about three



months. The controller and various finance staff were also intermittently involved with the implementation of People Cloud, spending approximately 40 percent of their time on the deployment. The operations manager and CFO spent about five to ten percent of their time dedicated to the project. Additional cost areas associated with the People Cloud deployment include the cost of a new physical time clock for one of the organization's store locations. This was significant as the previous method of time tracking was not formalized and was mostly manual.

The HR manager has been the main involved controller and administrator since go-live and noted that there is no need to bring on an additional subject matter expert (SME) given the system's intuitive interface. Owners also have administrative access but primarily oversee production metrics. Nucleus found that time savings across onboarding, PTO tracking, W-2 generation, benefits administration, and COBRA administration, all of which were mostly manual, have led to the organizations avoiding an additional two to three FTE headcount. These hires would have been necessary to sustain the growth of operations with previous HR processes in place.

## THE ROI GUIDEBOOK METHODOLOGY

Based on the ROI assessments developed through Nucleus's in-depth interviews with isolated customers, Nucleus has developed an ROI framework for organizations who are considering an investment in isolated technology. The framework can be used by potential and existing customers to understand the cost, benefit, and deployment factors that impact their potential return on investment. The Nucleus ROI Guidebook development process includes:

**Technology review.** Nucleus interviewed isolated product managers and subject matter experts, participated in product demonstrations, and conducted a full review of technical documents and data sheets to gather data on the People Cloud modules and platform.

**Customer interviews.** Nucleus analysts conducted in-depth interviews with four organizations that were using isolated to understand their business challenges, their decision and deployment processes, the costs incurred, benefits achieved, and best practices learned from their deployments.

**ROI assessments.** Based on the data collected from customers, Nucleus completed an ROI assessment of each customer's deployment and validated that ROI audit with each customer's project team leadership.

**Construction of aggregate ROI framework and analysis.** Nucleus constructed a financial model based on its NASBA-registered ROI methodology, using the data from Nucleus's ROI business case assessments of the customers detailed. All financial metrics presented in this report are calculated based on standard NASBA accounting principles commonly used by certified finance professionals.

**Benefits guidance.** Based on the variability and clustering of benefits in the aggregate, Nucleus provides appropriate averages, ranges, and estimation factors to guide other customers in using the framework to develop their own ROI projections.



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