

NUCLEUS
RESEARCH

ROI: 71%
Payback: 1.6 Years

PROPHIX

DIME COMMUNITY BANK

ANALYST

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THE BOTTOM LINE

Dime Community Bank deployed Prophix Cloud to modernize its budgeting and financial data management capabilities. The company realized significant time savings from task automation and has reduced its reliance on manual spreadsheet-based processes. Since deployment, Dime has improved its budget accuracy and implemented variance analysis to track its actual performance against planned forecasts. The company expects to continue developing its deployment as it innovates new use cases for the software's reporting and data analysis functionalities.

THE COMPANY

Founded in 1864, Dime Community Bank is headquartered in Brooklyn, New York and maintains 29 locations around New York City, the surrounding boroughs, and Long Island. The company is a subsidiary of Dime Community Bancshares which manages more than \$6 billion in assets. Dime offers a full range of financial services to customers including Consumer and Business Banking, as well as Commercial Lending.

THE CHALLENGE

As part of a larger initiative to expand budgeting responsibilities to more employees, Dime Community Bank introduced new data collection processes that leveraged Microsoft Excel templates. While the increased participation was beneficial to the company, the manual processes were not efficient and could not be quickly consolidated into a company-wide budget for quarterly and annual reports. The company also wanted to extend reporting responsibilities to each of its departments without significantly changing any workflows. Dime recognized that its growth goals were not compatible with its Excel-based budgeting processes and needed to deploy a point solution for its planning needs.

**Cost : Benefit
Ratio**

1 : 1.8

THE STRATEGY

Dime Community Bank began its search for a dedicated financial planning software after implementing its company-wide budgeting processes and considered solutions from vendors including Prophix, SAS, and Vena Solutions. Dime ultimately chose Prophix for two primary reasons:

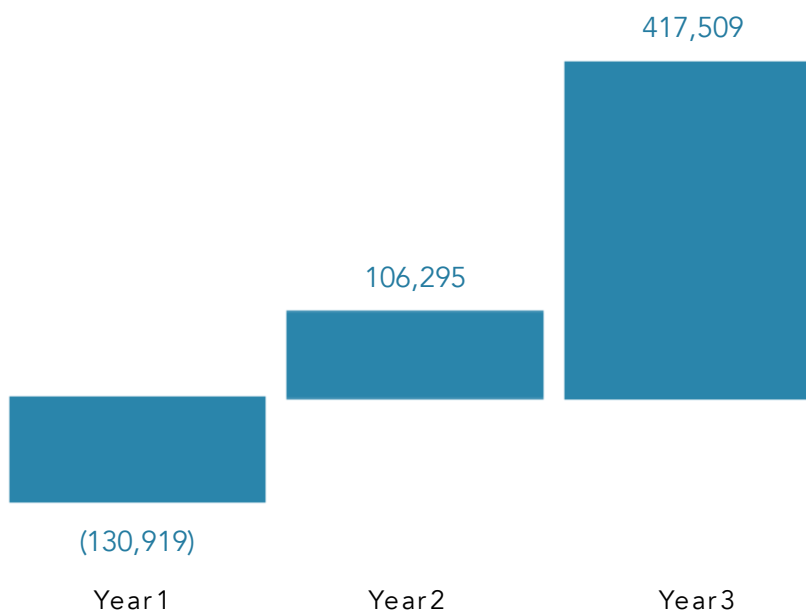
- Flexibility. Dime wanted to deploy its solution quickly to accommodate the current fiscal year but also needed software that could manage the company's growing data requirements. Dime was able to expedite its implementation of Prophix and plans to continue expanding its capabilities to other operational areas.
- Alignment with corporate goals. Dime wanted to maintain its recently established data collection and budget creation initiatives and as a result, needed its employees to quickly adopt the chosen planning solution. Prophix's high usability led to short training periods and accelerated the company's time-to-value.

KEY BENEFIT AREAS

Because Dime Community Bank was able to deploy Prophix in a condensed time frame, it realized significant benefits almost immediately. Key benefit areas seen as a result of the Prophix deployment include:

- Time savings. Dime was able to automate many of its manual data consolidation and budgeting processes with Prophix which led to considerable time savings for each of its departments. Dime employees can complete the annual budget much more quickly, which has enabled the company to reduce errors and introduce variance analysis to its strategic planning.
- Increased user productivity. Prophix's customizable templates for reports and dashboards have enabled the company to streamline many of its complex calculations that occur during month-end processes and budget season. Dime's staff are now able to track budget to actuals variances for operating expenses, monthly Net Interest Margin, and manage both internal and external reporting within the Prophix platform.
- Culture change. By automating many of its manual tasks and streamlining its data silos with Prophix, Dime's employees have better clarity into how the company is performing against its budget and forecasts. The company's employees can also drill down from the common dataset to identify and analyze areas of strong and weak performance.

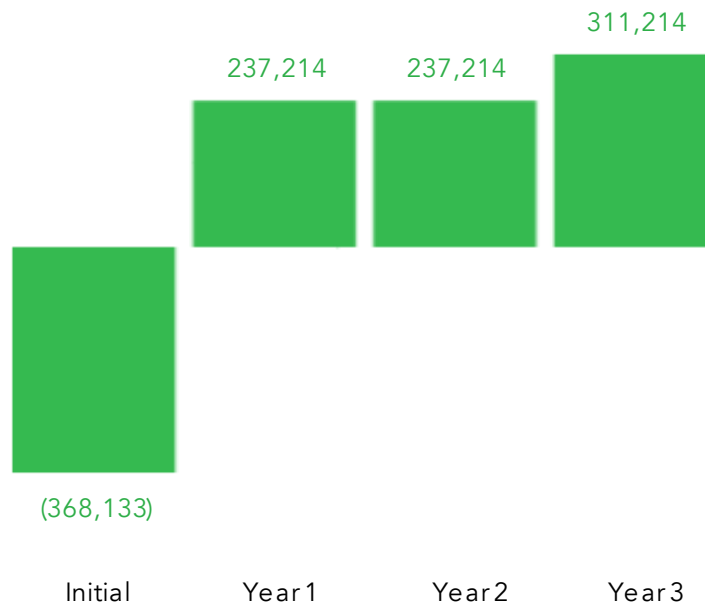
CUMULATIVE NET BENEFIT



KEY COST AREAS

The largest cost area of the Dime Community Bank deployment was the purchase and configuration of the Prophix software. Other cost areas over the three-year period included the professional services for building the implementation, personnel time for the employees who executed the implementation and training, and employee time spent being trained on the new system.

NET CASH FLOWS



LESSONS LEARNED

Dime Community Bank's transition to a cloud CPM solution was straightforward due to the company's initial preparations for changing its processes and its employees' quick adoption of the Prophix software. Executive buy-in for the change was crucial for the deployment's success and has enabled the company to innovate new use cases as employees became more experienced. Dime has customized financial reports and calculations that can automatically generate the impact of compensation related expenses of an employee to its overall bottom line. They have also developed new methods for forecasting specific performance metrics.

By consolidating all of its financial processes into a single planning tool, Dime Community Bank was able to save significantly more time than it originally anticipated. The company has been able to shift its focus away from manual data entry processes and further expand the budgeting efforts it had introduced before deploying Prophix. Dime's departmental

teams now collaborate on the budget during its creation and proofing phases, which has led to fewer errors and faster completion times for the entire company.

CALCULATING THE ROI

Nucleus Research analyzed the costs of software, hardware, personnel, professional services, and user training over a three-year period to quantify Dime Community Bank's total investment in Prophix technology. Direct and indirect benefits were also quantified over the three-year period.

This implementation of Prophix did not result in any direct benefits since Dime Community Bank had no prior system that it was replacing.

Indirect benefits quantified included the time saved by users from task automation and streamlined workflows, and the increased amount of work completed within set time frames. Nucleus calculated the time savings benefit using the fully loaded cost per hour of employees. Time savings were multiplied by a correction factor to account for the inefficient transfer of time between time saved and additional time worked.

Unquantified benefits included improved organizational visibility provided by Prophix, and the improved strategic decision making that has occurred since the software's deployment.

FINANCIAL ANALYSIS

Annual ROI: 71%

Payback period: 1.6 years

BENEFITS	Pre-start	Year 1	Year 2	Year 3
Direct	0	0	0	0
Indirect	0	311,214	311,214	311,214
Total per period	0	311,214	311,214	311,214

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	56,000	74,000	74,000	0
Hardware	0	0	0	0
Consulting	67,520	0	0	0
Personnel	63,606	0	0	0
Training	181,007	0	0	0
Other	0	0	0	0
Total per period	368,133	74,000	74,000	0

FINANCIAL ANALYSIS	Results	Year 1	Year 2	Year 3
All government taxes	32%			
Cost of capital	2.5%			
Net cash flow before taxes	(368,133)	237,214	237,214	311,214
Net cash flow after taxes	(250,330)	161,305	161,305	211,625
Annual ROI - direct and indirect benefits				71%
Annual ROI - direct benefits only				-13%
Net Present Value (NPV)				257,089
Payback period				1.6 years
Average Annual Cost of Ownership				172,044
3-Year IRR				47%

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