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STUDIERENDENGESELLSCHAFT BRINGS MORE IMPACT TO THEIR PURPOSE WITH SALESFORCE

Cloudideas enables the Ruhr-based student organization to bring more predictability to their business.



COMPANY
Studierenden
Gesellschaft (SG)
Not-for-profit student
organisation



SOLUTIONS:
Sales Cloud



OUTCOMES:
Increased
productivity and
predictability to their
bottom line

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About StudierendenGesellschaft

What you are about to read might make you gasp for air. And it's not just because you need extra lung capacity to pronounce StudierendenGesellschaft—the protagonist of this story.

Theirs is a story of how 20-something-old college students from a German University are running an eight-figure organization in total assets while helping thousands of students pursue their college degrees every year.

“The biggest benefit of using Salesforce is that most of our manual work has vanished. Our staff can now focus more on dialogue, consulting, and supporting our members, which makes our services much more personalized.”

- Richard Ulrich,
Managing Director,
SG



And StudierendenGesellschaft (literal English meaning: scholar organization) does all of that despite the change in management it goes through every two years. Take a deep breath as we tell you about this one-of-its-kind student organization.

Founded by the students of Witten/Herdecke University in 1995, StudierendenGesellschaft—let’s call it SG for short—is a non-profit organization that provides financial support to private university students. SG lends financial support to students based on a unique income-sharing agreement (ISA).

At a glance:

- ✔ Established year: 1995
- ✔ Total assets: More than 33 million euros
- ✔ Current number of students served: 4000 members
- ✔ Total money paid out to students per month: circa 300 000 €
- ✔ Average age of executives in the management board: 23
- ✔ Team: 5 members of the student board + 5 employees

SG was established with the purpose of promoting equal opportunities in education to every student enrolled at Witten/Herdecke University. The organization believes that education should not be bound by money and it has a set of core values that is central to its operation:

- 01** Free access to higher education: Although Witten/Herdecke is a private university, no one should be deprived of a chance to study because of financial reasons.
- 02** Freedom in pursuing your studies: A student can finish their degree at their own pace, without worrying about the financing terms with SG.
- 03** Free choice of labor: Their obligation to SG shouldn’t influence their career choice. Students are free of all repayment obligations if they can’t meet their income goals.

SG currently owns 8% of shares in Witten/Herdecke University and hopes to be the major shareholder of the college in the future. If they succeed in their plans, Witten/Herdecke will be the first university in Europe (or the world) to be entirely owned and run by its students and alumni.

In part, SG is already inching closer to that vision because all of its executives are either alumni or existing students of Witten/Herdecke. In fact, one of the criteria for being hired in SG is that you have to be a student at Witten/Herdecke University.

The average age of the executives in its management board is 23 years, who stay at their job for two years or less. After all, a student-run organization can't hold on to fresh graduates forever when they have bigger goals to chase.

Based on their core values, SG offers financial support under the following three income sharing schemes:

- 01** Students can pay for their studies before they graduate from Witten/Herdecke
- 02** They can pay a partial amount while studying and the rest after completing their degree
- 03** They can pay the entire amount after they finish their studies and getting a job

Typically, the repayment percentage averages around 9% over a span of 10 years. Students also have an option to change their payment type mid-way during this period. However, what SG offers to its members is not a loan or credit in the classical sense. The financing works purely based on the income sharing model—you pay a small part of your income to repay the money once you start earning.

With so much flexibility baked into their schemes, it's little wonder why more than <4000> students flock to SG every year to pursue their higher education.

There was just one problem that was holding SG down.

SG's Processes Were Built On A House of Cards

It was getting extremely chaotic for SG to manage all the information about thousands of students and to keep a tab on all their payment information across the board.

Richard Ulrich, a student at Witten/Herdecke University, is one of the five Managing Directors at StudierendenGesellschaft. Although a 2021 hopeful grad majoring in philosophy, politics, and economics, Ulrich also serves as the head of IT at StudierendenGesellschaft.

A big part of his job was to oversee the process of creating a profile for each student member or alumnus, specify the status of their university degree, verify if they are working or not, and calculate their contribution in proportion to their income.

According to Ulrich, the student database that SG maintained lacked a structure before Salesforce came into the picture. SG's monthly transactions exceeded six figures in euros in the form of payment transfers to students to help them get the right kind of support to pursue their university degrees.

SG makes statistical estimates about its income for the next 10 years based on the income expectations from its student members. It is still okay if students couldn't repay the finances fully or partially. However, it would significantly alter their financial estimates.

Calculating this huge amount of data using Excel was often erroneous, time-consuming, and prone to financial losses.

It was growing increasingly difficult for SG employees to pull up the information on a recent graduate and calculate how much money they owed to the organization from the 20-year-old database. The two-decade-old database—coded by students while still at college—had run its course and was due for an update.

As SG grew bigger and bigger, the manual problems led them to bleed data all over the place. There was no holistic visibility of the student information or a consolidated system to put all the pieces together.

“Since adopting Salesforce as a solution to manage their data, SG has been able to operationalize their financial model more efficiently.”

– Richard Ulrich,
Managing Director,
SG

But there was a method to this madness—the SG employees relied heavily on manual paperwork and their individual memory to link new student data and calculate the contributions they owed to the organization.

SG employees had to analyze at least 3–4 sources of data to compute one student’s repayment contribution in relation to their income, which made their administrative task an everyday challenge. SG’s high employee turnover rate also added to the complexity of streamlining student data.

The student beneficiaries were not untouched by this problem. They had to print out a form, manually fill in their personal details, and send it via paper post.

SG’s processes were built like a house of cards—a small glitch in their everyday operations could bring their whole operations in shambles.

StudierendenGesellschaft Welcomes a Wind of Change With Cloudideas

When asked what solution they were replacing besides the student database that they had built, Ulrich says—with a laugh, “Excel, Excel, more Excel, and handwritten paper.”

The managing SG team had realized that SG had outgrown their manual processes and it was time for them to replace the self-made database system. SG started looking for a system that was easy to use, fast, and affordable to scale their data management and automate their student information management.

They initially evaluated SAP solutions, but they quickly started looking for its alternatives because of how tremendously expensive it was.

The team at SG heard about Cloudideas for the first time through an external technology consultant, who strongly recommended Salesforce as a possible solution to SG’s problem.

When the SG team reached out to Cloudeideas, they immediately found a synergy because they found Cloudeideas to be a young agency with a working atmosphere that was very similar to theirs. In other words, both organizations saw each other as a team of quick-thinking, adaptable, and pragmatic professionals.

Cloudeideas passed the litmus test because they met SG's budget constraints and understood their business model. Also, you just need a browser and your login credentials to get started with Salesforce. Unlike other solutions they were evaluating, there was just a small learning curve with Salesforce.




The SG team worked alongside the Cloudeideas team to kickstart the implementation. SG appreciated the fact that the Cloudeideas team took time to understand the complexity of their processes. If the SG team came up with a new proposal during the early days of the project, for instance, Cloudeideas would pinpoint the roadblocks around that idea and show them areas that could be improved.

In retrospect, having Cloudeideas as their technology consultant helped SG in more ways than one. Because SG is always caught between old employees leaving and new employees joining the organization, a consultant from Cloudeideas was an important constant who accompanied the knowledge transfer.

Besides, Cloudeideas also helped SG maintain thorough documentation of their projects to ensure a smooth hand-off between the two employee groups.

Salesforce Brings a Fresh Breath of Air to SG's Processes

When SG brought Cloudeideas on board to kickstart the Salesforce implementation project, they had three broad goals in mind:

-  Integrate the information about the student members
-  Make their administrative processes more efficient
-  Automate all the slow administrative processes

By having better control over their processes, SG wanted to organize all the student data in one place and aggregate data to bring more predictability to their income.

The Cloudeideas team implemented Sales Cloud for SG with three major instances.

01 They use Sales Cloud to sign up new student members to one of their financing programs. Sales Cloud makes it easy for students to fill in their personal details online while easily generating new contracts for the SG team based on the information that a student has provided. This saves everyone time and avoids the hassles of visiting the print station 5–6 times to just get one thing done.

02 The second instance in Sales Cloud helps SG to track and report if a student registered with SG's financial programs is still enrolled or graduated so that they can automate the repayment process for that student.

03 Once a student graduates from college, Sales Cloud automatically updates the student information and calculates their contribution to their repayment terms based on their income. It will then create a payment file and share it with them.

The best thing about this new arrangement is the automation that lies at the heart of the new processes. Nevertheless, the SG representatives still maintain direct contact with most student members and chime in if or when the process requires human intervention to make changes to their repayment terms in line with a change in course—for example.

Cloudeideas also helped the SG team connect Sales Cloud with Sage—an accounting software—to automatically generate complex accounting transactions. The connection with SAGE helped the SG team to save a lot of time since they didn't have to do the accounting manually anymore.

“Salesforce empowers us on a technological level to live up to our values because we don't need to use time on manual admin work anymore. This allows us to fully concentrate on our goal of providing free access to higher education to all UW/H students.”

- Richard Ulrich,
Managing Director,
SG

Key Results

SG integrated the entirety of their process starting from student enrollment, study tenure, to repayment—all into the Sales Cloud. Soon after the implementation, SG's metrics started to show an uptick across all its metrics:

- ✔ SG tripled the number of student members coming in for financial support in the last few years.
- ✔ With Salesforce, they are able to manage the additional workload without increasing their employee count.
- ✔ Salesforce has helped SG cut the time of calculating a repayment amount by more than 50%.
- ✔ Their staff now had more free time to consult and support the student members on a 1:1 basis.

As a non-profit that runs on repayment of finance, SG is still dependent on getting refinancing from the capital markets. Using Salesforce has helped them bring more clarity, transparency, and forecasting to their business model.

The reporting feature in Sales Cloud is one of the favorites among SG's teams because it lets them estimate the repayments and obtain crucial data to project their future income.