The Total Economic Impact™ Of The Salesforce Platform For Employee Engagement

Cost Savings And Business Benefits Enabled By Salesforce For Employee Engagement
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Executive Summary

Salesforce for Employee Engagement provides a system of engagement across the employee lifecycle. It enables organizations to connect backend HR systems of record with a system of engagement. On Salesforce, business leaders can standardize and centralize internal applications and content, simplifying how employees tackle common tasks such as expense and time reporting, employee on-boarding, and password resets. By using Salesforce for Employee Engagement, organizations can gain an HR helpdesk for service and support, an engaging collaboration workspace for employees, and a platform to automate and adapt key HR processes.

Salesforce commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) enterprises may realize by deploying Salesforce for Employee Engagement. The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of Salesforce for Employee Engagement on their organizations.

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed four customers with one to three years of experience using Salesforce for Employee Engagement. Customers provided detail and data related to several business process improvement steps, business opportunities, and cost savings since implementing Salesforce for Employee Engagement. Customer interview information and data were aggregated in this study as a composite organization.

Key Findings

Quantified benefits. The following risk-adjusted present value (PV) quantified benefits are representative of those experienced by the companies interviewed:

- **Improved workforce collaboration and streamlined administrative tasks resulting in saved employee time and improved employee productivity.** Improved, easy to find, and integrated apps help all employees complete common tasks, such as expense reporting, time reporting, and annual reviews, more quickly and with fewer duplicate entries. For the composite organization, this saves workers one hour per week and these productivity benefits are quantified at more than $18 million over three years.

- **A faster app dev process that produces more for less money.** By deploying Salesforce for Employee Engagement, application developers can complete new applications in half the time with the Salesforce Platform’s standard tools, interfaces, and libraries. This allows development teams to produce more and higher quality applications. The composite organization saw a 50% faster application development process and savings of nearly $2 million over three years.

- **A 33% reduction in helpdesk calls, saving $3.6 million.** Helpdesk requests for application assistance (such as a password reset) from employees that are now migrated to Salesforce for Employee Engagement are reduced by one-third. According to a retail CIO, his organization saw a “reduction in support calls since we went live, even with a growing employee pace.”
IT hardware and software cost avoidance and savings. For many interviewed organizations, migrating to Salesforce for Employee Engagement allows them to retire server-based applications that support key functions like finance and HR, reduce and restrict network access to contractors or partners, and can reduce or eliminate other replaced service fees. The IT hardware and software cost avoidance and savings for the organization is quantified at more than $13 million over the three-year analysis.

Business value from faster time-to-market to develop applications. By moving to Salesforce for Employee Engagement, organizations were able to quickly develop and implement applications such as employee onboarding tools, financing tools, marketing and management tools that help drive business value related to improved decision-making, added sales, reduced costs, and/or new business opportunities. The composite organization rationalized applications under the Salesforce platform and started a Citizen Development program that used Salesforce as the platform for low-code application development. One of the financial applications developed on the Salesforce platform shortened the financing process by 33%, resulting in a 40% increase in deals financed over a 6-month period. With Salesforce for Employee Engagement, the organization was able to quickly develop this application and benefit from faster time-to-value. The business value benefit of this is $1.9 million for the three-year analysis.

Unquantified benefits. The interviewed organizations experienced the following benefits, which are not quantified for this study:

- Improved ability to deliver engaging employee experiences
- Increased employee satisfaction with faster and better speed of service to employees
- Ability to deploy applications globally
- Faster speed of implementation and employee app delivery

Costs. The composite organization experienced the following risk-adjusted PV costs:

- Salesforce licensing costs. Additional Salesforce licenses for employee engagement are required for users not licensed on Sales Cloud and Service Cloud. For the composite organization, the Salesforce Platform license cost is estimated to be more than $4.78 million over three years.

- Ongoing application development and management costs. While development time for one application is reduced, the composite organization does not plan to reduce its team of developers. It will use the time saved to develop more applications. Some new tasks related to the administration and monitoring of the Salesforce Platform are required, but these tasks require little time. Together these add up to nearly $4.47 million over three years.

- Implementation costs. Some time and effort related to planning, data migration, content cleanup and other pre-implementation tasks are required. Forrester estimates these to be less than $600,000 for the composite organization.

Forrester’s interviews with four existing customers and subsequent financial analysis found that a composite organization based on these interviewed organizations experienced benefits of $39.08 million over three years versus costs of $9.84 million, adding up to a net present value of $29.2 million.
The Total Economic Impact™ Of Salesforce Employee Community Platform

(NPV) of $29.24 million and an ROI of 297%.

Financial Summary

Payback: <3 months

Total benefits PV, $39.1M
Total costs PV, $9.8M

Year 1 | Year 2 | Year 3
Initial | $13.1M | $18.5M
Year 1 | $1.9M |

Benefits (Three-Year)

Reduced application development costs: $2.0M
Helpdesk cost savings: $3.6M
IT hardware and software license savings: $13.1M
Employee productivity related to common tasks: $18.5M
Business value from faster time-to-market with Salesforce: $1.9M
The TEI methodology helps companies demonstrate, justify, and realize the tangible value of IT initiatives to both senior management and other key business stakeholders.
CASE STUDY

Employed four fundamental elements of TEI in modeling Salesforce for Employee Engagement’s impact: benefits, costs, flexibility, and risks. Given the increasing sophistication that enterprises have regarding ROI analyses related to IT investments, Forrester’s TEI methodology serves to provide a complete picture of the total economic impact of purchase decisions. Please see Appendix A for additional information on the TEI methodology.

DISCLOSURES

Readers should be aware of the following:

This study is commissioned by Salesforce and delivered by Forrester Consulting. It is not meant to be used as a competitive analysis.

Forrester makes no assumptions as to the potential ROI that other organizations will receive. Forrester strongly advises that readers use their own estimates within the framework provided in the report to determine the appropriateness of an investment in Salesforce Employee Community Platform.

Salesforce reviewed and provided feedback to Forrester, but Forrester maintains editorial control over the study and its findings and does not accept changes to the study that contradict Forrester’s findings or obscure the meaning of the study.

Salesforce provided the customer names for the interviews but did not participate in the interviews.
Salesforce for Employee Engagement
Customer Journey

BEFORE AND AFTER SALESFORCE FOR EMPLOYEE ENGAGEMENT INVESTMENT

Interviewed Organizations
For this study, Forrester conducted four interviews with Salesforce for Employee Engagement customers. Interviewed customers include the following:

<table>
<thead>
<tr>
<th>INDUSTRY</th>
<th>REGION HEADQUARTERS</th>
<th>INTERVIEWEE</th>
<th>KEY DETAILS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer Goods</td>
<td>Midwest US and Internationally</td>
<td>Global Director, IT</td>
<td>Started deployment in late 2015 and have 30,000 employees on the platform with many more to be added.</td>
</tr>
<tr>
<td>Retail</td>
<td>Southwest US</td>
<td>CIO</td>
<td>15,000 deployed to the platform today as part of a corporate goal to migrate all 40,000 employees and transition out of the datacenter</td>
</tr>
<tr>
<td>Technology Services</td>
<td>Southwest US and Internationally</td>
<td>IT Director</td>
<td>Have had several thousand users on Sales and Service Cloud for ~10 years. Adding thousands more users with the platform including many contractors and partners.</td>
</tr>
<tr>
<td>Financial Services</td>
<td>Western US and Internationally</td>
<td>Global Corporate Systems &amp; Services Director</td>
<td>A Sales Cloud customer for 5+ years, have added Salesforce for Employee Engagement for more than 10,000 employees.</td>
</tr>
</tbody>
</table>

Key Challenges
Interviewed organizations identified some of the key reasons they decided to invest in Salesforce for Employee Engagement:

› **Need for business agility.** One organization noted that as traditional business models were being disrupted in the digital age, there was an increasing need for business agility. This, in turn, meant that their IT organization was facing a developer shortage. Organizations found that the demand for employee applications and projects was outpacing the resources available to deliver these applications.

› **Intranet transformation.** Prior to deploying Salesforce for Employee Engagement, one organization’s intranet and extranet were the same which resulted in incidents where internal sites were set up that customers gained access to because of wrong sharing rules. Another organization noted that their IT department was getting a lot of complaints as their intranet was on a legacy collaboration tool with an older UI. Their employees did not have a clear way to search for information. Employees opened helpdesk tickets on different systems. This organization’s main goal for their intranet transformation was to better surface content to their employees.

“We have been in business for many years. We have many homegrown, custom applications developed on many platforms. We’re looking at about 300-plus applications. This drove the application rationalization initiative. Our mission statement was maximizing time to value.”

*IT Director, Technology Services firm*
Replace legacy systems with more modern apps and tools. One CIO said, “We made the decision in 2015 to that we were going to a platform-as-a-service strategy and transitioned the entire organization to a Salesforce dev shop.” The organization wanted to improve employee and user experience. For example, its legacy collaboration tool for sharing documents required part-time employees take an extra step and log on with another email account. The CIO also stated that the organization’s legacy collaboration tool “didn’t afford us a knowledge base”. The organization also wanted a solution with social functionality that was integrated into the overall employee experience with one executive noting, “We wanted social collaboration to have context versus purely a rant board.”

Internal application and resource sprawl. These employee applications often spring from need, spread out over platforms that were picked for convenience, and left unattended post-deployment. “We have been in business for many years. We have many homegrown, custom applications developed on many platforms. We’re looking at about 300-plus applications,” said the IT Director at a technology services firm. Another organization’s CIO noted, “We had sprawling [internal] sites with no governance.” One global organization interviewed noted that they had rapidly grown through acquisition, resulting in multiple HR systems and no standardization across 50 different countries. As a result, controls were at a minimum and complexity was high. “Just to get salary information, an employee had to go to three different websites,” one executive explained.

Rising IT costs. An on-premises solution and/or a variety of cloud solutions can add up to significant costs from licenses or subscriptions.

Key Results
The interviews revealed that key results from Salesforce for Employee Engagement investment include:

IT hardware and software cost avoidance and savings. For many organizations Forrester interviewed, migrating to Salesforce for Employee Engagement meant they could retire server-based applications, reduce and restrict network account access to contractors or partners, and/or can reduce or eliminate other replaced service fees. “We have committed to a platform-as-a-service (PaaS) strategy. We transformed our entire development organization to the Salesforce platform,” said the CIO of a retail firm.

IT labor and support cost savings. The IT organizations also saw lower costs in terms of application development and support savings as well as helpdesk support savings. Better access to self-help information and self-service tools such as password resets enable a “reduction in support calls since we went live, even with a growing employee pace,” according to the CIO of a retail firm. Consequently, the firms Forrester spoke with saw a 33% decrease in helpdesk calls. Also, application developers can complete a new application in half the time with the Salesforce Platform standard tools, interfaces and libraries, meaning new resources delivered more quickly to employees can also help avoid helpdesk calls.
 **Improved collaboration and streamlined administrative tasks that save employees time.** Improved, easy to find, and integrated apps help employees get common tasks, such as expense reporting, time reporting, and annual reviews, done more quickly and with fewer duplicate entries. “Employees are able to find information more quickly and create tickets faster than they used to be without having to search all over,” said the global director of a financial services firm.

 **Streamlined applications that simplify customer interactions and drive business value.** A well-developed and managed application can create a significant impact. Organizations were able to quickly develop and implement applications such as employee onboarding tools, financing tools, marketing and management tools that help drive business value related to improved decision-making, added sales, reduced costs, and/or new business opportunities. One quantified example is an application designed to streamline the financing process to help reduce friction, improve close rates, and even drive a few more and larger deals. “When our customers request financing, we have an application to enter the data, get approval through the bank, and everything else. It used to take around three weeks. Now it takes one week or less,” said the IT director at a technology services firm.

Quantifiable benefits are discussed in more detail starting in the Composite Organization section below. The interviews also revealed several significant but unquantified results, which are detailed in the Unquantified Benefits section further in the report.

### Composite Organization

Based on the interviews, Forrester constructed a TEI framework, a composite company, and an associated ROI analysis that illustrates the areas financially affected. The composite organization is representative of the four companies that Forrester interviewed and is used to present the aggregate financial analysis in the next section. The composite organization that Forrester synthesized from the customer interviews has the following characteristics:

**Description of composite.** The company is a US-based conglomerate with a global reach, $12 billion in annual revenue, and 50,000 employees. The core businesses are consumer goods manufacturing and service/warranty support for its consumer products in high volume to retailers and wholesalers. It also provides financial services to help partners with financing.

**Deployment characteristics.** Prior to its Salesforce for Employee Engagement deployment, the organization had 9,000 Sales Cloud and Service Cloud users with full Salesforce platform licenses. An additional 11,000 employees (for a total of 20,000) were given access to Salesforce for Employee Engagement in the first year of implementation. The remaining 30,000 will be added in the next two years. Implementation has not yet completely replaced any other systems – some systems’ usage has been reduced, while other systems were integrated into Salesforce. Internal application development efforts are now almost exclusively on the Salesforce platform. The organization uses Salesforce for Employee Engagement for the intranet, knowledge management, employee helpdesk, Employee Community and development of applications such as people management, onboarding, and financing, among others.

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“Employees are able to find information more quickly and create tickets faster than they used to be without having to search all over.”

*Global Director, Financial Services Organization*

“When our customers request financing, we have an application to enter the data, get approval through the bank, and everything else. It used to take around three weeks. Now it takes one week or less.”

*IT Director, Technology Services firm*

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**Key assumptions**

- 50,000 employees
- 20,000 users in Year 1
- 50,000 users by Year 3
Analysis Of Benefits

QUANTIFIED BENEFIT DATA AS APPLIED TO THE COMPOSITE

Total Benefits

<table>
<thead>
<tr>
<th>REF.</th>
<th>BENEFIT</th>
<th>YEAR 1</th>
<th>YEAR 2</th>
<th>YEAR 3</th>
<th>TOTAL</th>
<th>PRESENT VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Atr</td>
<td>Reduced application development costs</td>
<td>$790,400</td>
<td>$790,400</td>
<td>$790,400</td>
<td>$2,371,200</td>
<td>$1,965,608</td>
</tr>
<tr>
<td>Btr</td>
<td>Helpdesk cost savings</td>
<td>$513,000</td>
<td>$1,197,000</td>
<td>$2,907,000</td>
<td>$4,617,000</td>
<td>$3,639,692</td>
</tr>
<tr>
<td>Ctr</td>
<td>IT hardware and software license savings</td>
<td>$4,000,000</td>
<td>$5,600,000</td>
<td>$6,400,000</td>
<td>$16,000,000</td>
<td>$13,072,878</td>
</tr>
<tr>
<td>Dtr</td>
<td>Employee productivity related to common tasks</td>
<td>$4,160,000</td>
<td>$8,320,000</td>
<td>$10,400,000</td>
<td>$22,880,000</td>
<td>$18,471,525</td>
</tr>
<tr>
<td>Etr</td>
<td>Business value from faster time-to-market with Salesforce</td>
<td>$2,125,000</td>
<td>$0</td>
<td>$0</td>
<td>$2,125,000</td>
<td>$1,931,818</td>
</tr>
<tr>
<td></td>
<td>Total benefits (risk-adjusted)</td>
<td>$11,588,400</td>
<td>$15,907,400</td>
<td>$20,497,400</td>
<td>$47,993,200</td>
<td>$39,081,521</td>
</tr>
</tbody>
</table>

Reduced Application Development Costs

Organizations were able to develop internal applications more efficiently and deploy them more easily with Salesforce for Employee Engagement. Interviewees reported that Salesforce enabled low-code app development and increased their ability to deliver employee applications. One IT director of an organization, that leveraged Salesforce to build employee applications and also launched a Citizen Development Program where developers outside of the core Salesforce dev team could develop apps on Salesforce, noted, “Salesforce has made it easy for me to deploy applications in a short time-frame, and also helped expand my development team, as it is easy to learn. We can now meet the demand [for applications].” Salesforce’ AppExchange was also cited as a benefit driving lower costs for app development. For one interviewee, their developers would first look in AppExchange to check if an existing application was available for project requests, noting “some of those applications are low-cost or free.” One multinational organization also noted that their move to Salesforce for Employee Engagement made it easier to deploy application globally, noting, “When we deploy an application now to the Salesforce platform, it is available everywhere in the world and accessible by mobile, laptop, tablet, everywhere.”

Interviewed organizations reported key applications that have already been migrated, with many more planned:

- Expenses,
- Time reporting,
- Vacation and other leave requests,
- Travel requests,
- Many HR functions, including new employee forms and processes,
- Many team- or department-specific applications (such as the financing application described below),

The table above shows the total of all benefits across the areas listed below, as well as present values (PVs) discounted at 10%. Over three years, the composite organization expects risk-adjusted total benefits to be a PV of more than $39 million.

“One of the most valuable features of Salesforce for Employee Engagement for us has been the ease of use of the platform for application development. Also ease of learning. I think the single most important reason that people are using the Salesforce platform is Trailhead. With Trailhead, our citizen developers are finding it easy to self-learn, to learn at their own pace.”

IT Director, Technology Services firm
And a large set of IT-focused self-help documents and videos (such as resetting a password, finding the expense report application, and etc.). The overall efficiency for the composite organization is estimated to be twice as fast as before, meaning the team can now focus on improving and updating current applications, as well as migrating current applications or creating new ones to be deployed to the platform. This means that to keep up with current schedules and goals today, the composite organization would have had to double their application development team if they had stayed with their old technologies and processes, which included tracking user acceptance testing tasks in spreadsheets, spending eight weeks on one application on average, and spending significant time and expense on third-party training. Now that it is on the Salesforce platform, testing tasks are centralized, one application on average is developed in four weeks.

For the composite organization, Forrester assumes that:

- Twenty full-time-equivalent (FTE) Salesforce developers.
- A 50% reduction in development time to meet current (pre-Salesforce Platform) application development plans. “An application that takes in Salesforce four weeks to develop would have taken a minimum of eight weeks [on another platform],” said the IT director for a technology services firm.
- A $40 average fully-burdened hourly salary for application developers.
- Application development salaries can vary and more complex (or simpler) applications can affect averages and expected schedules. To account for these risks, Forrester adjusted this benefit downward by 5%, yielding a three-year risk-adjusted total PV of nearly $2 million.

<table>
<thead>
<tr>
<th>REF.</th>
<th>METRIC</th>
<th>CALC.</th>
<th>YEAR 1</th>
<th>YEAR 2</th>
<th>YEAR 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>A1</td>
<td>Application developers focused on internal employee apps</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>A2</td>
<td>Application development time saved with Salesforce platform</td>
<td>50%</td>
<td>50%</td>
<td>50%</td>
<td></td>
</tr>
<tr>
<td>A3</td>
<td>Application developer average hourly salary (fully burdened)</td>
<td>$40</td>
<td>$40</td>
<td>$40</td>
<td></td>
</tr>
<tr>
<td>At</td>
<td>Reduced application development costs</td>
<td>A1<em>A2</em>A3*2,080 hours</td>
<td>$832,000</td>
<td>$832,000</td>
<td>$832,000</td>
</tr>
<tr>
<td>Atr</td>
<td>Reduced application development costs (risk-adjusted)</td>
<td>↓5%</td>
<td>↓5%</td>
<td>↓5%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$790,400</td>
<td>$790,400</td>
<td>$790,400</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Helpdesk Cost Savings

Salesforce for Employee Engagement centralizes information, resources, and applications in one place, making it easy for employees to find what they need. A key benefit highlighted in the interviews is that employees that can find what they need to save time and make fewer calls to the helpdesk. “If an employee wanted to create a ticket, they didn’t know where to go. For IT, you would open a ticket in one system; for HR it’s another system and so on. Now we’ve centralized this into our Employee...”
Engagement community. When a user opens a knowledge article, if they still need to open a ticket the correct system is automatically opened for them,” said the global director of a financial services firm. One retail organization reported, “We launched People Hub on Salesforce, now we truly have one place where we can go get all the information we need for employees, one place to really house and connect everything. Thirty days after go-live we reduced support calls on the IT service desk by 3,000 since people are getting answers through People Hub. That’s $45K a month in helpdesk savings.”

For the composite organization, Forrester assumes that:
› By deploying Salesforce for Employee Engagement, the organization saw a 33% reduction in helpdesk calls related to internal applications and processes.
› About one call per year per two employees is made to the IT Helpdesk related to basic tasks such as password resets, finding an application, etc.
› This benefit grows as more employees are migrated to the Salesforce Platform.
› Each helpdesk call costs $15.
› The organization invested some implementation and planning time to ensure that self-help materials for these common tasks would be available when the platform was launched (which was largely made up of finding and collecting already-existing information across several locations and publishing them in one standard and searchable location).

The number of helpdesk calls or the cost per call may vary depending on the company; to account for this Forrester adjusted this benefit downward by 5%, yielding a three-year risk-adjusted total PV of $3.6 million.

### Reduced Helpdesk Costs: Calculation Table

<table>
<thead>
<tr>
<th>REF.</th>
<th>METRIC</th>
<th>CALC.</th>
<th>YEAR 1</th>
<th>YEAR 2</th>
<th>YEAR 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>B1</td>
<td>Helpdesk calls per month (pre-Salesforce for Employee Engagement)</td>
<td>10,000</td>
<td>20,000</td>
<td>50,000</td>
<td></td>
</tr>
<tr>
<td>B2</td>
<td>Percentage reduction in helpdesk calls after launch of employee intranet on Salesforce</td>
<td>33%</td>
<td>33%</td>
<td>33%</td>
<td></td>
</tr>
<tr>
<td>B3</td>
<td>Number of helpdesk calls reduced per month</td>
<td>B1*B2</td>
<td>3,000</td>
<td>7,000</td>
<td>17,000</td>
</tr>
<tr>
<td>B4</td>
<td>Average cost per helpdesk call</td>
<td>$15</td>
<td>$15</td>
<td>$15</td>
<td></td>
</tr>
<tr>
<td>Bt</td>
<td>Helpdesk cost savings</td>
<td>B3<em>B4</em>12 months</td>
<td>$540,000</td>
<td>$1,260,000</td>
<td>$3,060,000</td>
</tr>
<tr>
<td>Btr</td>
<td>Helpdesk cost savings (risk-adjusted)</td>
<td>↓5%</td>
<td>$513,000</td>
<td>$1,197,000</td>
<td>$2,907,000</td>
</tr>
</tbody>
</table>

### Avoided Hardware And Software Costs

With the centralized and cloud-based Salesforce Platform, many organizations were able to retire datacenter resources, reduce duplicative software or hardware license costs, and reduce other third-party software costs such as special security tools that were required to provide contractor or partner access to internal server collaboration sites. “We saw a 50% reduction in license and maintenance costs for on-
premise enterprise software," said one CIO. He added, "We saved 10 people in operations support when we made the move to the Salesforce platform, and that’s easily $1M a year personnel savings." This organization uses Employee Community as the primary tool for employee engagement with employee applications built directly into that and shifted from email to Chatter as the “communication vehicle” for their 40K plus-employee company. One global IT director at another organization stated that by using Salesforce for Employee Engagement, they saved $100 per user in annual software maintenance costs, noting, “the long-term annual cost per employee for Salesforce is at least 60% the cost of a comparable software package implementation.”

The business leaders Forrester interviewed reported a number of different cost savings opportunities:

› Lower per-user annual costs for software licenses.
› Avoided operations costs related to retiring servers and even reducing some datacenter space.
› Avoided hardware and software costs related to upgrades, replacements, and/or licensing of software and hardware located in datacenters, and operations support costs.
› Other various costs, such as the tools and management required to provide contractor and partner access.

For the composite organization, the following estimates are calculated:

› $2 million to $5 million saved per year related to user software licenses (growing in later years as more users are migrated to the Salesforce Platform).
› $3 million per year saved in IT infrastructure, support and other related costs.

Software and hardware costs are tied to previous deployments, licensing agreements, and how fast a duplicative solution may truly be “switched off.” In fact, several organizations mentioned the expectation that some solutions will be not be retired immediately but over time. To account for these risks, Forrester adjusted this benefit downward by 20%, yielding a three-year risk-adjusted total PV of $13.07 million.

### IT Hardware And Software License And Support Savings

<table>
<thead>
<tr>
<th>REF.</th>
<th>METRIC</th>
<th>CALC.</th>
<th>YEAR 1</th>
<th>YEAR 2</th>
<th>YEAR 3</th>
<th>YEAR 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>C1</td>
<td>Reduced or avoided collaboration software license costs</td>
<td></td>
<td>$2,000,000</td>
<td>$4,000,000</td>
<td>$5,000,000</td>
<td>50,000</td>
</tr>
<tr>
<td>C2</td>
<td>Reduced or avoided IT infrastructure and support costs</td>
<td></td>
<td>$3,000,000</td>
<td>$3,000,000</td>
<td>$3,000,000</td>
<td>33%</td>
</tr>
<tr>
<td>Ct</td>
<td>IT hardware and software license and support savings</td>
<td>C1+C2</td>
<td>$5,000,000</td>
<td>$7,000,000</td>
<td>$8,000,000</td>
<td>33,000</td>
</tr>
<tr>
<td>Ctr</td>
<td>Risk adjustment</td>
<td>↓20%</td>
<td></td>
<td></td>
<td></td>
<td>$15</td>
</tr>
<tr>
<td>Ctr</td>
<td>IT hardware and software license and support savings (risk-adjusted)</td>
<td></td>
<td>$4,000,000</td>
<td>$5,600,000</td>
<td>$6,400,000</td>
<td>$3,060,00</td>
</tr>
</tbody>
</table>
Improved Workforce Collaboration And Employee Productivity Benefits

Another benefit of using Salesforce for Employee Engagement was increased workforce collaboration. Interviewees found that employees were using Chatter to create groups for specific projects and clients or using Chatter for team-level communications. The ability for in-context collaboration through Chatter was also cited by several interviewees as contributing to improved collaboration among their employees. Several of the organizations interviewed also noted that employees migrated to Salesforce for Employee Engagement have been able to take advantage of new time-saving opportunities enabled by finding things quickly with a well-organized and easily searchable, centralized platform. “Our first Employee Community is just one search bar. We simplified it so you just go and look for what you need,” said the global director of a financial services firm.

From the interviews, Forrester found:

› Organizations identified a 5% to 8% productivity improvement on average per employee as a result of improved workforce collaboration and time savings.

› Another organization noted that their previous intranet, employee helpdesk and employee applications were difficult to use. This was compounded by the fact that only a third of all employees had access to all these tools. This organization estimated that moving to Salesforce for Employee Engagement saved each employee nearly one day per week.

› Applications helped save employees time, allowing employees to focus more on key tasks, and be more productive at their core job. These applications include:
  
  • **Expense reporting.** For one organization, expenses required VPN access, and wasn’t integrated to determine budgets versus actual expenses and travel. They had a new application up and running in three weeks and live to all employees one week later.
  
  • **Time off requests.** “If I had built this in a custom application it would take time to integrate everything. With Salesforce I already have that confirmation, employee hierarchy and employee data,” said the IT director of a technology services firm.
  
  • **Travel requests.** “Our travel application is a simple way for an employee to request for travel. We can maintain travel budgets for each business unit, and they can run reports, view actuals, and submit approvals all in Salesforce via mobile or desktop,” continued the IT director.
  
  • **Employee recognition.** “We have a global initiative to recognize and congratulate colleagues; now with one click they can start the process,” said the global director of a financial services firm, “We previously had 19 different

Example Employee Processes Impacted By Improved Apps:

- Expenses
- Time reporting
- Travel requests
- Annual reviews
- Employee on-boarding
- Helpdesk
- Others

“The key thing about employee app delivery on Salesforce, is that it keeps employees within the same environment and user experience. We incrementally add capabilities to that one site. People get app fatigue, with so many different apps from different vendors. With Salesforce for Employee Engagement, we continue to move more and more of what our employees need to do to a single location to avoid app fatigue.”

CIO, Retail firm
recognition screens. Now, we put it all into one single global program.”

- **New employee ramp-up.** “As soon as an employee joins, they are automatically provisioned in Salesforce and can access all the new employee training materials they need, as well as all the tools and information to do their job,” continued the global director.

For the composite organization, Forrester estimates:

- 20,000 employees were migrated to the Salesforce for Employee Engagement in the first year (including sales and service employees already using Sales Cloud and Service cloud but could now take advantage of these common task efficiencies). This would double in Year 2 and be completed for all 50,000 employees in Year 3.

- Only half of all these employees will be able to take advantage of these productivity benefits. That’s because there are power users who already had their workarounds, employees who rarely take advantage of these resources, and workers who see no increase in speed or efficiency in their interactions with the new system.

- The composite organization productivity gain is one hour per employee per week on average.

- A broad, organization-wide average, fully-burdened employee compensation is $20 per hour.

- To be conservative, this analysis assumes that only about half of any recovered time is utilized to complete additional tasks. The remaining time is expected to go to breaks, perhaps going home a little earlier, socializing with co-workers, and etc. – all valuable in areas such as employee communication and quality of life, but not included in a financial productivity benefit.

Productivity benefits are heavily based on the similar adoption and use of the solution by all employees. While interviewed organizations have highlighted improvements, benefits may be overestimated as more employees that might find less value from the platform are migrated to it. To account for these and other risks, Forrester adjusted this benefit downward by 20%, yielding a three-year risk-adjusted total PV of $18.47 million.
Many job-specific apps have been migrated or developed on the Salesforce Platform that help employees produce more and/or improve quality. The interviewed organizations noted that they were able to increase their ability to provide fully branded, personalized applications on Salesforce’s low-code platform. Using the Salesforce platform for application development also meant that no integration costs were required for applications that used core customer account data that was available on Sales Cloud and Service Cloud. Organizations were able to quickly develop and implement applications such as employee onboarding tools, financing tools, mergers and acquisitions tools, marketing and management tools that help drive business value related to improved decision-making, added sales, reduced costs, and/or new business opportunities.

One retail firm noted that onboarding application built on Salesforce streamlined onboarding process for employees, contractors and vendors and reduced ramp-up time from 30 days to 14 days. This organization hired approximately 20,000 employees and contractors a year and longer ramp times increased the risk that new hires would drop out of the program. At a hiring and training cost of $250 per new hire, this faster onboarding process through Salesforce Employee Engagement saved recruitment training costs for the company. This organization also extended an IT Service Management application from the Salesforce AppExchange to track and manage cellular devices and usage for its field organization.

One technology services organization that had issues with its financing process with partners developed an updated, easy-to-find, and integrated (with Sales Cloud and other data sources) application that streamlined its financing approval process and helped customers navigate the complicated financing of large deals more quickly and with less friction. “When our customers request financing, we have an

### Employee Productivity Benefits

<table>
<thead>
<tr>
<th>REF.</th>
<th>METRIC</th>
<th>CALC.</th>
<th>YEAR 1</th>
<th>YEAR 2</th>
<th>YEAR 3</th>
<th>YEAR 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>D1</td>
<td>Salesforce for Employee Engagement users</td>
<td>20,000</td>
<td>40,000</td>
<td>50,000</td>
<td>50,000</td>
<td></td>
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<tr>
<td>D2</td>
<td>Percentage of users that have an opportunity to save time on common tasks</td>
<td>50%</td>
<td>50%</td>
<td>50%</td>
<td>33%</td>
<td></td>
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<tr>
<td>D3</td>
<td>Hours saved with faster common tasks (average per employee per week)</td>
<td>1.0</td>
<td>1.0</td>
<td>1.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>D4</td>
<td>Average employee salary per hour (fully burdened)</td>
<td>$20</td>
<td>$20</td>
<td>$20</td>
<td></td>
<td></td>
</tr>
<tr>
<td>D5</td>
<td>Productivity captured</td>
<td>50%</td>
<td>50%</td>
<td>50%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dt</td>
<td>Improved workforce collaboration and employee productivity savings</td>
<td>D1<em>D2</em>D3<em>D4</em> D5/52 weeks</td>
<td>$5,200,000</td>
<td>$10,400,000</td>
<td>$13,000,000</td>
<td>33,000</td>
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<td></td>
<td>Risk adjustment</td>
<td>↓20%</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Dtr</td>
<td>Improved workforce collaboration and employee productivity savings (risk-adjusted)</td>
<td></td>
<td>$4,160,000</td>
<td>$8,320,000</td>
<td>$10,400,000</td>
<td>$3,060,000</td>
</tr>
</tbody>
</table>

### Business Value From Faster Time-To-Market For Employee Application Delivery

“We leverage Salesforce functionality to speed up execution times and deliver business value in a faster way. We deploy applications faster and processes work better. For example, when our customers request financing, we have an application to enter the data, get approval, and...”

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Forrester Logo

Business Value From Faster Time-To-Market For Applications on Salesforce

$1.9 million
three-year benefit PV

Risk adjustment ↓20%

Dtr Improved workforce collaboration and employee productivity savings (risk-adjusted) $4,160,000 $8,320,000 $10,400,000 $3,060,000
application to enter the data, get approval through the bank, and everything else. It used to take around three weeks. Now it takes one week or less,” said the IT director at a technology services firm.

For the composite organization, Forrester estimates:

» The financing application was developed and launched in the first year of the Salesforce for Employee Engagement deployment. Prior to the financing application launch, the organization averaged 50 financed deals a year.

» The benefits enabled by the improved finance application streamlined the financing process and resulted in 40% more deals financed.

» The average deal size is $7.5 million dollars.

» The profit margin on these deals is 10%.

» Without Salesforce for Employee Engagement, developing this project would have entailed at least a 15-week development project. By developing this application on the Salesforce platform, the organization has saved 9 weeks, or the equivalent of two months. This translates to two months of additional revenue from these deals.

» Business value from faster time-to-market for employee application delivery is measured in this analysis by incremental profit on additional revenue. Business value may also be measured in terms cost savings, operational efficiency, or reduced risk. Readers of this study are encouraged to evaluate the values specific to their organizations when quantifying the benefit of faster time-to-market.

Benefits from faster time-to-market can vary by:

» An organization’s pre-Salesforce for Employee Engagement environment.

» The applications developed on Salesforce for Employee Engagement and corresponding business value gained from the implementation.

To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year risk-adjusted total PV of $1.9 million.
**Business Value From Salesforce For Employee Engagement**

<table>
<thead>
<tr>
<th>REF.</th>
<th>METRIC</th>
<th>CALC.</th>
<th>YEAR 1</th>
<th>YEAR 2</th>
<th>YEAR 3</th>
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<tbody>
<tr>
<td>E1</td>
<td>Number of organization-financed enterprise product and service deals per year</td>
<td></td>
<td>50</td>
<td></td>
<td></td>
</tr>
<tr>
<td>E2</td>
<td>Increase in total financed deals and/or deal size enabled by improved financing app</td>
<td></td>
<td>40%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>E3</td>
<td>Number of new organization-financed enterprise product and service deals per year</td>
<td>$E1 \times E2$</td>
<td>20</td>
<td></td>
<td></td>
</tr>
<tr>
<td>E4</td>
<td>Average enterprise product and service deal size</td>
<td>$\text{E1} \times \text{E2}$</td>
<td>$7,500,000$</td>
<td></td>
<td></td>
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<tr>
<td>E5</td>
<td>Total revenue from additional financed deals (per year)</td>
<td>$\text{E3} \times \text{E4}$</td>
<td>$150,000,000$</td>
<td></td>
<td></td>
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<tr>
<td>E6</td>
<td>Monthly revenue from additional financed deals</td>
<td>$\text{E5}/12$</td>
<td>$12,500,000$</td>
<td></td>
<td></td>
</tr>
<tr>
<td>E7</td>
<td>Number of months gained with faster launch of applications with Salesforce for Employee Engagement</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>E8</td>
<td>Additional revenue from faster time-to-market</td>
<td>$\text{E6} \times \text{E7}$</td>
<td>$25,000,000$</td>
<td></td>
<td></td>
</tr>
<tr>
<td>E9</td>
<td>Profit margin</td>
<td>10%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Et</td>
<td>Business value from faster time-to-market with Salesforce for Employee Engagement</td>
<td>$\text{E8} \times \text{E9}$</td>
<td>$2,500,000$</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Etr</td>
<td>Business value from Salesforce for Employee Engagement (risk-adjusted)</td>
<td>$\text{E8} \times \text{E9}$</td>
<td>$2,125,000$</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Unquantified Benefits

In addition to the quantified benefits outlined above, interviewed organizations identified several benefits that were thought to be very positive, but had not yet been measured. These include:

› **Improved ability to deliver engaging employee experiences.** With Salesforce for Employee Engagement, organizations had a single platform with a shared data store to surface and recommend relevant content for employees. "We just didn’t have a clear way to search for information, so people were dissatisfied," said the global director at a financial services organization, when discussing their pre-Salesforce for Employee Engagement environment. Organizations used Salesforce for their intranet, Employee Community, and employee applications such as performance tracking, relocation requests, helpdesk ticket creation, employee recognition, learning management, among others that were streamlined and provided a marked improvement in user experience for their employees.

One organization noted that Salesforce for Employee Engagement gave them the ability to develop more of these (often relatively simple) applications quickly, which in turn made processes more efficient and easier for employees. "We set up hackathons for anybody in the to come up with written ideas and team them with developers to see which applications will be most valuable to the organization, and we can then deploy immediately," said the IT director of a technology services firm.

› **Increased employee satisfaction, including faster and better speed of service to employees.** One organization that merged multiple systems into one case list in Employee Community and created one central Employee Helpdesk with one ticket (versus their legacy intranet where employees could go to five different places to log a ticket) noted their employees gained faster and better service, because of Salesforce for Employee Engagement. This organization also saw a growth in Chatter groups, not just for projects or clients but for extracurricular clubs. As one IT Director observed, "They are quickly adopting it [Salesforce] and wanting to use it."

Another organization targeted employee recognition as a key focus. "We’ve seen a lot of adoption around our recognition program," said the global director at a financial services organization, specifically mentioning increased integration and simplification as key enablers. With the Salesforce Platform, the organization was able to implement simple processes where someone could recognize one of their own employees or a colleague from another team for a "shout out" or nominate them for a special bonus award (with all the appropriate notifications and approvals automated). Once complete, employees see a new badge in their Chatter profile recognizing their hard work, and any additional reward (like a gift card or monetary reward) is routed to HR and payroll.

One organization that undertook an application rationalization of 300+ applications which included 40+ internally developed custom applications and moved these applications to the Salesforce platform as well as started a Citizen Development Program noted that after their Salesforce for Employee Engagement deployment, a survey to

Employee satisfaction survey results improved by 40%.

Applications are easily deployed globally, reducing scale costs.

Applications deployed more quickly means users can take advantage of benefits sooner.

"Salesforce for Employee Engagement has helped drive cultural change. We are a global company and Salesforce gives us access to 21,000 people across the world. Salesforce is the one place where people can collaborate across all regions."

Global Director, Financial Services Organization
measure employee satisfaction with IT services saw a 40% improvement.

- **Applications are easily deployed globally.** Leveraging the Salesforce platform, you can put an application in the hands of every employee in a global enterprise with the click of a button – no additional infrastructure or datacenter resources required. One executive noted, “When we deploy an application now to the Salesforce platform, it is available everywhere in the world and accessible by mobile, laptop, tablet, everywhere.”

- **The speed of implementation and employee app delivery.** The companies Forrester interviewed shared how easy the Salesforce Platform was to implement. They were able to quickly migrate employee apps onto the platform and get the workforce trained on how to use the tools. Trailhead was called out as integral to adoption. IT teams and business developers could quickly develop employee apps on the Salesforce platform. The ease of integration with Sales Cloud and Service Cloud also contributed the quicker app delivery at lower costs. One executive noted, “With our application rationalization initiative, we decided to move to the Salesforce platform – it was easy for all employees, we have all our enterprise data integrated with Salesforce – employee data, customer data, so we don’t have to reinvest money on building new integrations.”

### Flexibility

The value of flexibility is clearly unique to each customer, and the measure of its value varies from organization to organization. There are multiple scenarios in which a customer might choose to implement Salesforce for Employee Engagement and later realize additional uses and business opportunities, by making further technology investments that can unlock new benefits, including:

- **New revenue-generating, business-process focused applications.** More tools and applications deployed to Salesforce for Employee Engagement for customer-facing and revenue-generating roles can help unlock new revenue opportunities, including new and larger sales, as well as new service offerings.

- **Additional use cases for Salesforce for Employee Engagement.** Organizations that initially deployed Salesforce for Employee Engagement for Employee Community and Employee Helpdesk may see additional benefits as they expand their use cases to areas such as recruiting, onboarding, learning and growth, performance management, alumni relations, and other areas. These benefits should be evaluated with the cost of developing these additional employee applications or purchasing these tools from the AppExchange.

- **Integrations with other systems.** Investing in additional points of integration with other back-end systems and tools will help drive greater efficiencies that can not only save costs, but also improve employee and customer satisfaction.

- **Salesforce innovation.** Flexibility would also be quantified when evaluated as part of a specific project (described in more detail in Appendix A).
Analysis Of Costs

QUANTIFIED COST DATA AS APPLIED TO THE COMPOSITE

Total Costs

<table>
<thead>
<tr>
<th>REF.</th>
<th>COST</th>
<th>INITIAL</th>
<th>YEAR 1</th>
<th>YEAR 2</th>
<th>YEAR 3</th>
<th>TOTAL</th>
<th>PRESENT VALUE</th>
</tr>
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<tbody>
<tr>
<td>Gtr</td>
<td>Salesforce Employee</td>
<td>$0</td>
<td>$792,000</td>
<td>$2,232,000</td>
<td>$2,952,000</td>
<td>$5,976,000</td>
<td>$4,782,509</td>
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<tr>
<td></td>
<td>Engagement License costs</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Htr</td>
<td>Ongoing IT costs</td>
<td>$0</td>
<td>$1,773,450</td>
<td>$1,799,700</td>
<td>$1,825,950</td>
<td>$5,399,100</td>
<td>$4,471,446</td>
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<tr>
<td>itr</td>
<td>Implementation costs</td>
<td>$586,500</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$586,500</td>
<td>$586,500</td>
</tr>
<tr>
<td></td>
<td>Total costs (risk-adjusted)</td>
<td>$586,500</td>
<td>$2,565,450</td>
<td>$4,031,700</td>
<td>$4,777,950</td>
<td>$11,961,600</td>
<td>$9,840,455</td>
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</tbody>
</table>

Salesforce for Employee Engagement Licenses

Salesforce for Employee Engagement is a platform-as-a-service solution licensed as a monthly or annual subscription based on employee usage or as a volume agreement. Current Salesforce Platform licensing comes in different editions – Lightning Platform Starter, Lightning Platform Plus, Heroku Enterprise Starter and Platform Unlimited with varying prices. Individual licensing needs and details will differ for each organization, but for the composite organization it is estimated:

- As the organization had licenses for Sales Cloud and Service Cloud prior to the Salesforce for Employee Engagement deployment, the cost of Sales Cloud and Service Cloud licenses are not included in this analysis.
- The organization purchased Salesforce Platform licenses for 11,000 employees in year 1. In years 2 and 3, Salesforce Platform users rose to 31,000 and 41,000 respectively, outside of users with Sales and Service Cloud licenses.

End user license costs and volume licensing agreements may be underestimated. To account for these risks, Forrester adjusted this cost upward by 20%. The three-year risk-adjusted total PV of $4.78 million.

Salesforce Platform License Costs: Calculation Table

<table>
<thead>
<tr>
<th>REF.</th>
<th>METRIC</th>
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</thead>
<tbody>
<tr>
<td>G1</td>
<td>Salesforce for Employee Engagement license</td>
<td>$55,000</td>
<td>$155,000</td>
<td>$205,000</td>
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<tr>
<td></td>
<td>costs (per month)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G2</td>
<td>Number of months</td>
<td>12</td>
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<td>12</td>
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<td>Gt</td>
<td>Salesforce Employee Engagement license costs</td>
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<td>$0</td>
<td>$660,000</td>
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<tr>
<td></td>
<td>Risk adjustment</td>
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<td></td>
</tr>
<tr>
<td>Gtr</td>
<td>Salesforce Employee Engagement license costs (risk-adjusted)</td>
<td>$0</td>
<td>$792,000</td>
<td>$2,232,000</td>
</tr>
</tbody>
</table>

The table above shows the total of all costs across the areas listed below, as well as present values (PVs) discounted at 10%. Over three years, the composite organization expects risk-adjusted total costs to be a PV of more than $9.8 million.

Implementation risk is the risk that a proposed investment may deviate from the original or expected requirements, resulting in higher costs than anticipated.
Ongoing Application Development And IT Costs

Included in the investment costs for the Salesforce is the ongoing focus on application development, as well as some new IT tasks specific to the platform.

› The team of 20 application developers remains in place, though (as discussed above) is much more productive and able to keep up with increased platform use.

› The average, fully-burdened rate for developers is the same as above, $40 per hour.

› While IT costs are reduced overall, there are some new tasks specific to the Salesforce Platform. However, this is relatively minimal estimated to be $25,000 per year.

IT costs and application development needs may be underestimated (for example, more developers may need to be hired in the future).

To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year risk-adjusted total PV of $4.7 million.

### Ongoing Application Development And IT Costs: Calculation Table

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<tr>
<th>REF.</th>
<th>METRIC</th>
<th>CALC.</th>
<th>INITIAL</th>
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<th>YEAR 2</th>
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<td>Application developers</td>
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<td>20</td>
<td>20</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>H2</td>
<td>Application developer average hourly salary (fully burdened)</td>
<td>$40</td>
<td>$40</td>
<td>$40</td>
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<td></td>
</tr>
<tr>
<td>H3</td>
<td>Additional ongoing administration and management costs</td>
<td>$25,000</td>
<td>$50,000</td>
<td>$75,000</td>
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<tr>
<td>Ht</td>
<td>Ongoing application development and IT costs H1<em>H2</em>2080+H3</td>
<td>$0</td>
<td>$1,689,000</td>
<td>$1,714,000</td>
<td>$1,739,000</td>
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</tr>
<tr>
<td>Htr</td>
<td>Ongoing application development and IT costs (risk-adjusted)</td>
<td>$0</td>
<td>$1,857,900</td>
<td>$1,885,400</td>
<td>$1,912,900</td>
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</table>

Implementation Costs

Implementation of the Salesforce Platform is simplified because, as service, no new hardware and little or no additional software is required to turn on the solution. But preparation time is still required to consolidate, clean, and migrate data and information, and to manage employee expectations and communication through the change process. Change management is also an integral part of this process. As one interviewee noted, “We really did a good job for change management on the front-end. We did it early in the year with drip marketing campaigns. We ran employee contests, we gave away televisions, ipads, about a $25K investment. Change management isn’t something that should be thought about at the end of the process.”

For the composite organization, Forrester estimated that:

› Planning and migration took about 20 weeks and involved about five full-time equivalents (FTEs) with an average fully-burdened salary of $40 per hour.

› $100,000 was invested in change management, including taking time for communication, writing how-to articles, and preparing self-service training videos.

Five FTEs
20 weeks on implementation
Outside assistance also added
Instead of adding more people to the process, third-party resources were brought in, at a cost of $250,000.

No additional costs for training (such as developer training on the platform) was added, as training was included in the Salesforce Platform license.

Implementation time and change management needs may be underestimated. To account for this, Forrester adjusted this cost upward by 10%, yielding a one-time initial cost of $561,000.

### Implementation Costs: Calculation Table

<table>
<thead>
<tr>
<th>REF.</th>
<th>METRIC</th>
<th>CALC.</th>
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<th>YEAR 2</th>
<th>YEAR 3</th>
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<td>I1</td>
<td>Implementation weeks</td>
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<td>20</td>
<td></td>
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<tr>
<td>I2</td>
<td>Implementation resources</td>
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<td></td>
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<td></td>
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<tr>
<td>I3</td>
<td>Implementation resource hourly salary (average)</td>
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<td>$40</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>I4</td>
<td>Change management costs</td>
<td></td>
<td>$100,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I5</td>
<td>Third party services costs</td>
<td></td>
<td>$250,000</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>I6</td>
<td>Implementation costs</td>
<td>I2<em>I3</em>I4*I5</td>
<td>$510,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Risk adjustment</td>
<td>↑10%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Itr</td>
<td>Implementation costs (risk-adjusted)</td>
<td></td>
<td>$561,000</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The financial results calculated in the Benefits and Costs sections can be used to determine the ROI, NPV, and payback period for the composite organization’s investment. Forrester assumes a yearly discount rate of 10% for this analysis.

These risk-adjusted ROI, NPV, and payback period values are determined by applying risk-adjustment factors to the unadjusted results in each Benefit and Cost section.

### Financial Summary

#### CONSOLIDATED THREE-YEAR RISK-ADJUSTED METRICS

### Cash Flow Chart (Risk-Adjusted)

![Cash Flow Chart](chart.png)

### Cash Flow Table (Risk-Adjusted)

<table>
<thead>
<tr>
<th></th>
<th>INITIAL</th>
<th>YEAR 1</th>
<th>YEAR 2</th>
<th>YEAR 3</th>
<th>TOTAL</th>
<th>PRESENT VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total costs</td>
<td>($586,500)</td>
<td>($2,565,450)</td>
<td>($4,031,700)</td>
<td>($4,777,950)</td>
<td>($11,961,600)</td>
<td>($9,840,455)</td>
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<tr>
<td>Total benefits</td>
<td>$0</td>
<td>$11,588,400</td>
<td>$15,907,400</td>
<td>$20,497,400</td>
<td>$47,993,200</td>
<td>$39,081,521</td>
</tr>
<tr>
<td>Net benefits</td>
<td>($586,500)</td>
<td>$9,022,950</td>
<td>$11,875,700</td>
<td>$15,719,450</td>
<td>$36,031,600</td>
<td>$29,241,066</td>
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<tr>
<td>ROI</td>
<td>297%</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>
Salesforce for Employee Engagement: Overview

The following information is provided by Salesforce. Forrester has not validated any claims and does not endorse Salesforce or its offerings.

About the Salesforce Employee Community

Delivering engaging employee experiences and applications is a core focus for Salesforce. Its Employee Community cloud is critical to enabling productivity and collaboration, which are key to successfully delivering engaging employee experiences. To help raise awareness, Salesforce seeks to showcase how customers are using its platform to deliver engaging employee experiences.

You Can Engage Every Employee with Salesforce

Intranet Community
- Foster collaboration with Employee Communities

Mobile mySalesforce
- Deliver a branded mobile experience with mySalesforce

Collaboration Chatter
- Collaborate, learn, and take action in Chatter

IT Helpdesk Concierge
- Deliver best-in-class employee service with Concierge

Develop Content Quip
- Develop and share content with Quip

Build Your Own Lightning
- Build Employee Apps with Lightning

Connect Every Employee with Salesforce

Engage employees on the world’s #1 enterprise platform

Connected Apps
- Deploy apps for every team

Connected Experience
- Create an engaging user experience

Connected Platform
- Extend Salesforce and empower developers to build apps, faster
Appendix A: Total Economic Impact

Total Economic Impact is a methodology developed by Forrester Research that enhances a company’s technology decision-making processes and assists vendors in communicating the value proposition of their products and services to clients. The TEI methodology helps companies demonstrate, justify, and realize the tangible value of IT initiatives to both senior management and other key business stakeholders.

Total Economic Impact Approach

Benefits represent the value delivered to the business by the product. The TEI methodology places equal weight on the measure of benefits and the measure of costs, allowing for a full examination of the effect of the technology on the entire organization.

Costs consider all expenses necessary to deliver the proposed value, or benefits, of the product. The cost category within TEI captures incremental costs over the existing environment for ongoing costs associated with the solution.

Flexibility represents the strategic value that can be obtained for some future additional investment building on top of the initial investment already made. Having the ability to capture that benefit has a PV that can be estimated.

Risks measure the uncertainty of benefit and cost estimates given: 1) the likelihood that estimates will meet original projections and 2) the likelihood that estimates will be tracked over time. TEI risk factors are based on “triangular distribution.”

The initial investment column contains costs incurred at “time 0” or at the beginning of Year 1 that are not discounted. All other cash flows are discounted using the discount rate at the end of the year. PV calculations are calculated for each total cost and benefit estimate. NPV calculations in the summary tables are the sum of the initial investment and the discounted cash flows in each year.
Present value (PV)
The present or current value of (discounted) cost and benefit estimates given at an interest rate (the discount rate). The PV of costs and benefits feed into the total NPV of cash flows.

Net present value (NPV)
The present or current value of (discounted) future net cash flows given an interest rate (the discount rate). A positive project NPV normally indicates that the investment should be made, unless other projects have higher NPVs.

Return on investment (ROI)
A project’s expected return in percentage terms. ROI is calculated by dividing net benefits (benefits less costs) by costs.

Discount rate
The interest rate used in cash flow analysis to take into account the time value of money. Organizations typically use discount rates between 8% and 16%.

Payback period
The breakeven point for an investment. This is the point in time at which net benefits (benefits minus costs) equal initial investment or cost.