Sales Lighting Drives Productivity Gains And Reduces Development And Support Costs

Transition Pattern: New Salesforce Instance

Lightning is a collection of tools and technologies that is the next generation of the Salesforce platform. It includes a new user experience, a component-based application framework on the Salesforce platform, and an update of the Salesforce ecosystem to take advantage of the Lightning application framework. To better understand the benefits, costs, and risks associated with a Lightning deployment, Forrester Consulting conducted a Total Economic Impact™ (TEI) study based on interviews with several customers. This summary is based on a full TEI study, which can be downloaded here.

New Salesforce Instance Deployment Approach

Organizations interviewed that chose to deploy Lightning with a new Salesforce instance identified the drivers behind their decision:

- **Ability to align deployment with major business transformation initiative.** Major sales transformation projects were the main catalyst for several companies’ Lightning deployments. As a result, there was no pushback for Lightning deployment funding as funding was tied to business transformation.

- **Access to modern collaboration tools with a new CRM install.** One mid-market organization that did not have a CRM prior to its Salesforce investment chose to go live with a new Salesforce instance on Lightning instead of Classic, largely due to the collaborative features of the new platform. The interviewee at this organization noted: “We have a younger workforce. They don’t have time for anything clunky. They need everything in one view, with no scroll.”

The organizations also provided guidelines to a successful deployment:

- **Drive adoption by developing new apps on the Lightning Platform.** One company created a tool on Lightning to sell the newly launched product versions to incentivize its sales organization to move to Lightning.

- **Minimize or do not recreate customizations.** One multinational organization rolled out a global Salesforce instance and minimized customization to move to a more global focus. Another organization with a 12-year-old Salesforce implementation chose to re-implement a new Salesforce instance and not recreate customizations. Its strategy was to go back to a more standard platform rather than justify customizations that might no longer be needed in its current business environment.

Results

Based on the TEI analysis, a representative organization deploying Salesforce Lightning has the following three-year financial impact: $3,371,834 in benefits versus costs of $764,860, resulting in a net present value (NPV) of $2,606,974 million and an ROI of 341%. The per user benefit for the representative organization is $1,405.
Quantified benefits. The following risk-adjusted quantified benefits reflect the financial analysis associated with the composite organization:

› **Sales efficiency savings due to improved user experience and increased productivity with Lightning Experience was 47% of total benefits.** With the Lightning deployment, organizations revamped Salesforce processes and optimized user interfaces (UIs) for a better user experience. Average productivity for the sales organization increased by 3%, equivalent to an hour a week.

› **Time savings for business sponsors and power users with Lightning Experience was 11% of total benefits.** Power users such as business sponsors and project managers also gained additional time savings from improved dashboard capabilities and analytics. These power users saved an additional 2 hours a week, on average.

› **Lower development and support costs with Lightning Platform was 37% of total benefits.** Lightning’s component-based framework also enabled organizations to deploy customizations without writing code, leverage base components for reuse, and deploy applications faster.

› **Savings from an eighty percent reduction in application developer turnover rates with the Lightning Platform comprised 5% of total benefits.** The deployment of Lightning also increased developer engagement; the composite organization saw an 80% reduction in developer turnover rates, resulting in hiring cost avoidance savings of $169,106.

Unquantified benefits. Examples of additional benefits that the interviewed organizations mentioned as significant but were not quantified in the study include:

› **Faster time-to-market with 50% faster application deployment.** Organizations cited faster time-to-market as a benefit, as they could develop and deliver applications faster with the Lightning platform. In certain cases, applications were developed and delivered 50% faster.

› **Improved process efficiency and application quality.** Lightning allowed IT teams to spend less time on process standardization and developer training. Additionally, developers could reuse application components resulting in fewer errors, less reliance on user experience (UX) and UI resources to deliver applications, and increased application quality.

› **Increased innovation with ability to quickly bring applications to new channels like mobile.** Organizations could bring applications to previously unreachable channels such as mobile, which will drive future projects for users. Organizations noted that the ability to leverage base components for reuse with Lightning enabled their Salesforce development teams to quickly innovate and deliver needed applications to the business.

› **Increased collaboration and better business results.** Several organizations saw increased collaboration due to improvements in their reporting capabilities and ability to deliver to clients. Additionally, when coupled with sales transformation, Lightning deployment led to increased adoption and active usage of Salesforce.

“The way to get true adoption is if you give your users a better use case. It’s about refining the processes — cleaning them up to make them more user-friendly, really thinking about the user perspective. That’s the one power of Lightning: It gives you the ability to have a real focus on the user experience.”

— Salesforce automation architect, software development company
The Salesforce Lightning Customer Journey

For this study, Forrester conducted interviews with seven Salesforce Lightning customers. Interviewed customers include the following:

<table>
<thead>
<tr>
<th>INDUSTRY</th>
<th>REGION</th>
<th>INTERVIEWEE(S)</th>
<th>NUMBER OF USERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Network and enterprise security</td>
<td>Headquartered on West Coast</td>
<td>VP of enterprise applications</td>
<td>2,000 Sales Cloud users</td>
</tr>
<tr>
<td>Storage</td>
<td>Headquartered on West Coast</td>
<td>IT director for CRM applications</td>
<td>1,000 Sales Cloud users</td>
</tr>
<tr>
<td>Professional services and consulting</td>
<td>Headquartered in U.K.</td>
<td>Engagement director</td>
<td>47,000 Salesforce users</td>
</tr>
<tr>
<td>Software development</td>
<td>Headquartered on West Coast</td>
<td>VP enterprise architecture and business applications</td>
<td>1,200 Sales Cloud users</td>
</tr>
<tr>
<td>Professional services and investment management</td>
<td>Headquartered in Midwest</td>
<td>SVP, IT solutions VP, senior Salesforce administrator</td>
<td>400 Salesforce users</td>
</tr>
<tr>
<td>IT staffing services</td>
<td>Headquartered in Midwest</td>
<td>President</td>
<td>250 Sales Cloud users 200 Salesforce for Employee Engagement users</td>
</tr>
<tr>
<td>Software development</td>
<td>Headquartered on West Coast</td>
<td>Director, sales automation and analytics Sales automation architect</td>
<td>2,000 Sales Cloud users 400 Service Cloud users</td>
</tr>
</tbody>
</table>

Key Investment Drivers And Results

The interviewed organizations shared the following challenges prior to investing in Salesforce Lightning:

- **Need to improve user experience.** Improving user experience was a common driver for the interviewed organizations, as Lightning enabled these organizations to provide a more modern and seamless user experience than their previous Salesforce iteration. One VP of IT enterprise applications noted: “One of the key pain points of our sales organization was the amount of productivity loss from the repeated data entry they had to do. It was very frustrating for them. We had not done cleanup of the Sales object in years.” One SVP of IT solutions added: “User experience is something we really wanted to focus on. As our world changed, we wanted to make sure that our use of the Salesforce platform remained relevant.”

- **Need to innovate and access new features and capabilities.** Organizations also highlighted that any future innovation for Salesforce was going to be on the Lightning platform, so it was inevitable that they would transition to Lightning to gain access to new features and capabilities, such as low-code app development, improved dashboards, and mobile framework for app building.

The interviewed organizations achieved key investment results:

- **Improved user experience and better reporting capabilities with Lightning Experience, leading to user productivity savings.** Companies with longstanding Salesforce implementations redefined processes and optimized their UI to facilitate efficiency. Other reported sales efficiency drivers from Lightning deployments included an improved mobile experience and the ability to embed Einstein Analytics directly into the user experience. In addition to general end user productivity savings, power users such as business sponsors and project managers saw time savings from improved dashboard capabilities.

“We have faster app development on the Lightning platform because we are now developing in a simpler, cleaner environment. Before we had to develop around customizations. Now there is less complexity overall.”

— VP, enterprise architecture and business solutions, software company
Improved processes, better application quality, and faster application deployment with Lightning Platform, leading to lower development and support costs. Lightning’s component-based framework also enabled organizations to deploy customizations without writing code, leverage base components for reuse, and deploy applications faster. Several organizations reported increased efficiency for their Salesforce development teams but also cautioned that there was a learning curve before that time was saved.

Innovation and faster time-to-market. The Lightning Platform enabled development teams to quickly bring applications to new channels, like mobile. One software organization highlighted the new mobile experience that it delivered through Lightning as one of the biggest areas of benefit. This cross-platform flexibility allowed organizations to have a faster time-to-market on all platforms.

Composite Organization

Based on the interviews, Forrester constructed a TEI framework, a composite company, and an ROI analysis that illustrates the areas financially affected, covered in greater detail in the full study. The composite organization has the following characteristics:

Description of composite: The composite organization is a multinational organization headquartered in the United States. It has $3B in annual revenue and 5,000 employees. The organization has 2,000 Sales Cloud users, which include field sales, channel sales, and sales support. The organization also has 400 Service Cloud users. The organization has been using Salesforce for 10 years and has built approximately 100 custom applications on the platform.

Deployment characteristics: The need to improve the sales user experience drove the composite organization’s Lightning deployment. The Salesforce Lightning deployment was part of a business transformation initiative for the sales organization.

Salesforce Lightning Improves User Experience And Reduces Development And Support Costs

The interviewed organizations needed to improve their sales users experience with a platform that provided easy access to new and innovative features and capabilities. Firms sought a solution that could align with their ongoing major business transformation initiatives and provided access to collaborative ways of engaging with customers — leading them to Salesforce. Salesforce Lightning is an enterprise platform for indirect sales. It connects partners, dealers, distributors, brokers, or franchisees directly to the information, apps, and experts that they need to sell. Salesforce Lightning enables organizations to improve the productivity of their sales teams, lower the cost of developing and supporting applications leading to faster deployment, lower the turnover rate of their development team, and increase time savings for power users engaging in the improved dashboard capabilities when compared with their legacy systems.

The benefit impact experienced by the composite organization is based on the past and current experiences of the seven interviewees. Over three years, the composite organization expects risk-adjusted total benefits to be a present value (PV) of $3.37 million.
The Total Economic Impact Of Salesforce Lightning

Sales productivity has significantly increased. They’ve gone from massive screens with 1,000 objects that cannot even be rendered on a mobile device to one screen with a dozen fields that they [field sales personnel] can quickly go through.” — VP for enterprise architecture and business applications, enterprise software company

Salesforce Lightning Costs Include Implementation Costs, Professional Services, And Ongoing Training

The composite organization experienced three categories of cost associated with the Salesforce Lightning investment. Over three years, the composite organization expects risk-adjusted total costs to be a PV of $764,860. Based on cost calculations for 2,400 users over a three-year analysis, the total deployment and support cost of a Lightning deployment is $319 per user for the composite organization.
The organization undertook a phased implementation, allocating resources from the Salesforce development and support team during the initial four-month phase and for approximately three months for each subsequent year. Implementation costs over the three-year analysis are estimated at $443,655.

- **Implementation costs of $443,655.**
- **Professional services fees of $232,955.** The organization also worked with an SI (systems integrator) to supplement its internal Salesforce team during the implementation process. Total professional services fees over the three-year analysis are estimated at $232,955 with the bulk of these fees incurred during the initial deployment phase.
- **Planning and training support costs of $88,250.** Internal resources were used for planning and user testing prior to the Lightning deployment, in addition to training and ongoing change management support over the three-year analysis. Total planning and training support costs are estimated at $88,250.

## A Salesforce Lightning Investment Today Can Create Future Opportunities

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 Lightning and later realize additional uses and business opportunities, including the following:

- **Additional end user productivity savings.** As organizations with phased Lightning deployments expand the number of users on Lightning, organizations can expect to see additional end user productivity savings. Examples of this could include productivity savings for call center agents and help desk personnel.

- **Revenue from faster time-to-market for revenue-generating, business-focused applications.** As organizations see faster deployment of applications that are customer-facing and focused on revenue generation, these companies will benefit from the additional revenue and incremental profit that getting these projects to market earlier may generate.

- **Increased access to ongoing innovation.** Organizations gain access to ongoing innovation with Salesforce’s three-release schedule each year. New capabilities introduced by Salesforce, such as Einstein, which is a layer of artificial intelligence that delivers predictions and customer data based on an organization’s business processes and actions, would benefit these organizations.
Savings from faster onboarding process. One software organization noted that its Lightning deployment gave it access to a wider set of developers. This company found that it was easier to onboard a managed service provider, and these resources could be more productive in a week versus a month in the pre-Lightning environment. For this organization, faster onboarding of a 10-person team from a managed service provider every year generates $200,861 in value over a three-year analysis.
Financial Summary

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 in Salesforce Lightning. Forrester assumes a yearly discount rate of 10% for this analysis.

![Diagram showing cash flows, total benefits, total costs, and cumulative net benefits over years]

For more information, you can download the full Salesforce Lightning TEI analysis [here](https://go.forrester.com/consulting/content-marketing-consulting/).

Disclosures

The reader should be aware of the following:

- The study is commissioned by Salesforce and delivered by Forrester Consulting. It is not meant to be 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 Lightning.
- Salesforce reviewed and provided feedback to Forrester. 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.
- Salesforce provided the customer names for the interviews but did not participate in the interviews.

ABOUT FORRESTER CONSULTING

Forrester Consulting provides independent and objective research-based consulting to help leaders succeed in their organizations. Ranging in scope from a short strategy session to custom projects, Forrester’s Consulting services connect you directly with research analysts who apply expert insight to your specific business challenges. [https://go.forrester.com/consulting/](https://go.forrester.com/consulting/)

ABOUT TEI

Total Economic Impact™ (TEI) 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. The TEI methodology consists of four components to evaluate investment value: benefits, costs, risks, and flexibility. [https://go.forrester.com/consulting/content-marketing-consulting/](https://go.forrester.com/consulting/content-marketing-consulting/)

© 2018, Forrester Research, Inc. All rights reserved. Unauthorized reproduction is strictly prohibited. Information is based on best available resources. Opinions reflect judgment at the time and are subject to change. Forrester®, Technographics®, Forrester Wave, RoleView, TechRadar, and Total Economic Impact are trademarks of Forrester Research, Inc. All other trademarks are the property of their respective companies. For additional information, go to forrester.com