



FORRESTER®

The Total Economic Impact™ Of Salesloft

Cost Savings And Business Benefits
Enabled By Salesloft

SEPTEMBER 2022

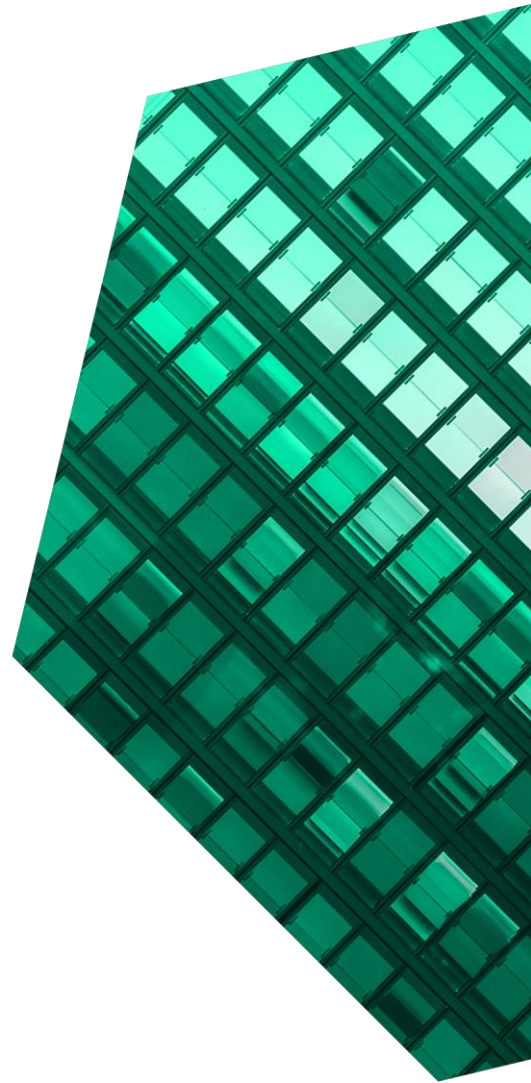
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ABOUT FORRESTER CONSULTING

Forrester provides independent and objective research-based consulting to help leaders deliver key transformation outcomes. Fueled by our customer-obsessed research, Forrester's seasoned consultants partner with leaders to execute on their priorities using a unique engagement model that tailors to diverse needs and ensures lasting impact. For more information, visit forrester.com/consulting.

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Executive Summary

In an increasingly competitive market, many organizations are looking into sales engagement technologies to not only drive better efficiencies and effectiveness, but also to drive better insights to improve their approaches. Forrester found that insights-driven businesses were seven times more likely to report a 20% revenue growth rate or higher.¹ Sales engagement platforms enable sales and revenue development teams to automate multitouch pursuit of active prospects and customers to progress opportunities.

Salesloft is a sales engagement platform with various functionalities that can be used by the entire revenue organization. This includes managing sales performance, automating workflows, managing pipeline health, forecasting sales, tracking customer engagements, and recording and transcribing calls. There are also AI-based analytics and reporting capabilities to look into the sales process and understand what is working across the revenue cycle.

Salesloft commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) enterprises may realize by deploying Salesloft.² The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of Salesloft on their organizations.

Improvement in closed won rate due to better sales training with Salesloft

30%



To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed four representatives with experience using Salesloft. For the purposes of this study, Forrester aggregated the interviewees' experiences and combined the results into a single composite organization that is a

KEY STATISTICS



Return on investment (ROI)
394%



Net present value (NPV)
\$9.66M

global organization with \$3.3 billion in annual revenue, 650 people in the revenue organization, an average deal size of \$50,000, and a 15% net margin.

These interviewees noted that prior to using Salesloft, their organizations often worked with various tools to support their revenue organizations without any unifying process. This often resulted in confusion about which tool to use or process to follow, which led to low adoption and, by extension, a lack of understanding of success attribution or opportunities for improvement in the sales process.

After the investment in Salesloft, the interviewees' organizations were able to eliminate manual work related to sales activities, have a better understanding of where members of the revenue organization can improve their approaches to prospect and customer engagements, recapture time from faster onboarding for new hires, and discontinue legacy tech stacks related to sales engagement. Key results from the investment include being able to do

more prospecting activities, being more effective in each prospect and customer engagement, increasing productivity, and seeing cost savings that can be repurposed elsewhere.

KEY FINDINGS

Quantified benefits. Three-year, risk-adjusted present value (PV) quantified benefits for the composite organization include:

- **50% increase in annual prospecting activities.** By using Salesloft, the composite organization is able to automate and streamline its prospecting touchpoints. This means the sales team members at the composite organization who target new business are able to do 50% more prospecting activities (e.g., make cold calls, send emails) in a year. Over three years, this drives \$3.3 million in incremental profits from the 50% additional annual prospecting activities.
- **60% improvement in response to opportunity rate and 30% improvement in closed won rate.** Down funnel, Salesloft also allows sales team members at the composite organization to better craft its messaging and improve its approach from knowing what to train and who to target, which leads to improvement in the conversion rates from prospecting to response, response to opportunity, and opportunity to closed deals. Over three years, the conversion rate improvements of responses that are turned into opportunity, as well as improvement in the actual closed won rate generates \$4.6 million in incremental profit to the composite organization.
- **\$1.6 million in profit growth from customer renewal rate improvements over three years.** The composite organization applies improvements in its touchpoint delivery and better sales engagement not only limited to prospects, but also to its existing customers. As a result, Salesloft plays a role in retaining the customers of the composite organization when it comes to contract renewals. Over three years,

the number of additional customers renewing their contracts brings \$1.6 million to the composite organization.

- **10% productivity gain from reduction in administrative activities.** The benefits related to time savings and productivity increase are not limited to sales team members who are engaging prospects or renewing customers. Other roles within the revenue organization, including account managers and customer success managers, realize the automation of previously manual work. Over three years, the 10% additional productivity from the time savings equals \$1.4 million from recaptured time.
- **25% reduction in time spent onboarding new hires.** The composite organization is also able to reduce the time to onboard new hires in the revenue organization. Ease of turning sales recordings into training materials allows sales managers to easily compile best practices that new hires can pick up and quickly put into practice. Over three years, the 25% time savings in faster onboarding amounts to \$333,000 for the composite organization.
- **More than \$700,000 in cost savings from retiring legacy sales engagement tools over three years.** By adopting Salesloft, the composite organization is also able to retire and discontinue parts of its sales engagement tech stack, such as its legacy dialer, call recording system, and 1-to-1 email automation platform that sales reps often used. Over three years, the composite saves \$744,000 by discontinuing these sales engagement tools.

Unquantified benefits. Benefits that provide value for the composite organization but are not quantified in this study include:

- **Visibility and transparency into the health of the overall revenue organization.** By using Salesloft, the composite organization realizes a

level of transparency into the performance of its revenue team that it did not have before. It is able to understand sales activity for each of its employees, who is performing well, and what needs to be improved.

- **Insight generation and improvement in sales forecast ability.** In addition to the visibility into current and past performance of the revenue organization, the composite uses Salesloft to take one step further by using the information and data collected to generate insights that inform future actions. Because these insights are collected in one platform, the composite can use Salesloft to forecast future sales more accurately.
- **Partnership with strong Salesloft customer success team.** The composite organization benefits from Salesloft's approach of being an advisor on sales engagement best practices rather than being a software seller. Best practice advisory from the Salesloft team brings confidence in adoption.
- **Future-proofing both the revenue organization and the entire company moving forward.** By having Salesloft as part of its revenue organization, the composite organization standardizes analytics and data insights into its decision-making process. Additionally, Salesloft's ability to integrate well with various other tools and platforms means the composite organization does not have to worry about Salesloft compatibility with any future changes to its tech stack.

Costs. Three-year, risk-adjusted PV costs for the composite organization include:

- **Salesloft licensing cost.** Salesloft subscription and professional services efforts total \$1.5 million over three years to the composite organization.
- **Internal costs related to implementation and training.** Internal effort related to setting up Salesloft, planning deployment, and training

users as part of its proof of concept (POC) total \$505,000 over three years to the composite organization.

- **Internal costs related to ongoing support and management.** Internal effort related to ongoing support and management includes IT effort to integrate Salesloft with other solutions in the organization, such as the composite organization's main customer relationship management (CRM) platform. A contributor from the sales enablement team is tasked with extracting insights from Salesloft to support content creation, template creation, and cadence development. Over three years, this costs the composite organization \$355,000.

The representative interviews and financial analysis found that a composite organization experiences benefits of \$12.10 million over three years versus costs of \$2.45 million, adding up to a net present value (NPV) of \$9.66 million and an ROI of 394%.

Forrester's Perspective: Automation Is A Differentiator And Optimized Cadences Are The Competitive Edge

Many organizations use sales engagement platforms (SEPs) to help sales/revenue development reps (XDRs) do what they've always done, but more efficiently. SEPs can easily execute a cadence across multiple delivery mechanisms (i.e., methods used to engage customers). To unlock any meaningful interactions, organizations must identify the best combination of cadence elements to successfully engage targeted prospects and customers.³



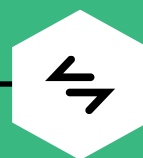
ROI
394%



BENEFITS PV
\$12.10M

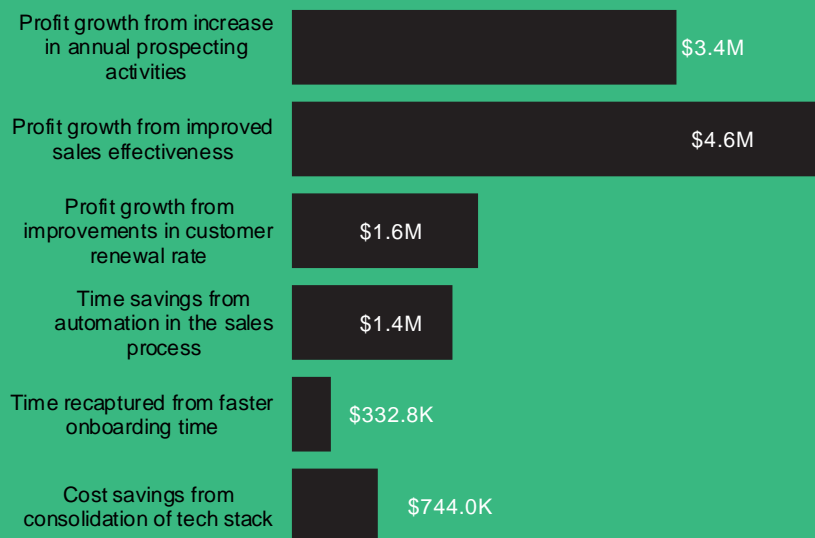


NPV
\$9.66M



PAYBACK
<6 months

Benefits (Three-Year)



“Transparency is the biggest endorsement I can give Salesloft — whether it’s transparency on the customer journey and nurturing, transparency on what is being said to customers through call recordings, and transparency on deals to give you the ability to forecast future performance.”

— Manager of sales system, telecommunication

TEI FRAMEWORK AND METHODOLOGY

From the information provided in the interviews, Forrester constructed a Total Economic Impact™ framework for those organizations considering an investment in Salesloft.

The objective of the framework is to identify the cost, benefit, flexibility, and risk factors that affect the investment decision. Forrester took a multistep approach to evaluate the impact that Salesloft can have on an organization.

DISCLOSURES

Readers should be aware of the following:

This study is commissioned by Salesloft 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 study to determine the appropriateness of an investment in Salesloft.

Salesloft 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.

Salesloft provided the customer names for the interviews but did not participate in the interviews.



DUE DILIGENCE

Interviewed Salesloft stakeholders and Forrester analysts to gather data relative to Salesloft.



INTERVIEWS

Interviewed five representatives at four organizations using Salesloft to obtain data with respect to costs, benefits, and risks.



COMPOSITE ORGANIZATION

Designed a composite organization based on characteristics of the interviewees' organizations.



FINANCIAL MODEL FRAMEWORK

Constructed a financial model representative of the interviews using the TEI methodology and risk-adjusted the financial model based on issues and concerns of the interviewees.



CASE STUDY

Employed four fundamental elements of TEI in modeling the investment impact: benefits, costs, flexibility, and risks. Given the increasing sophistication of ROI analyses related to IT investments, Forrester's TEI methodology provides a complete picture of the total economic impact of purchase decisions. Please see Appendix A for additional information on the TEI methodology.

The Salesloft Customer Journey

■ Drivers leading to the Salesloft investment

Interviews			
Role	Industry	Region	Size of revenue organization
Manager of sales systems	Telecommunication	North America	300 to 400 people
Data analyst	Telecommunication	North America	300 to 400 people
Director of sales enablement	Software	Global	400 people
SVP of global revenue operations	Analytics	Global	4,000 people
Director of sales operations	Consumer goods	Global	700 people

KEY CHALLENGES

Interviewees shared that prior to using Salesloft, there were a number of different scenarios in terms of what their organizations' previous sales engagement environments were like. Some organizations did not use any sales engagement or enablement tool and let their salespeople keep track of their own activities without any uniformity and standardization. Other organizations equipped their sales team with legacy dialers, call recording systems, and tracking solutions. However, none of the tools were comprehensive enough to cover the end-to-end sales process, nor did they integrate well with other solutions. As a result, interviewees from organizations with this prior environment shared that the tools were often not widely adopted by salespeople.

Even with the different prior environment scenarios, the interviewees noted how their organizations struggled with common challenges, including:

- **Lack of visibility into pipeline health and sales performance.** Interviewees shared that the lack of structure and uniformity around their organizations' sales activity meant they had no idea who was doing what. If there were any areas for improvement, nobody knew what they were,

“We needed more consistency. I want to take the ‘people’ component out of the forecasting process. Salesloft has the tools to help us standardize how our deals are managed and what stage they are in to create a forecast that is more believable and accurate.”

Director of sales enablement, software

and thus, as an organization, it was extremely difficult to improve sales performance. A manager of sales systems at a telecommunication company said: “I refer to my previous tech stack as rocks and sticks. You were your own sales engagement tool. Our sales leaders just had to trust whatever the sales team were telling them. When we missed our sales

target, heads would roll, but then behaviors wouldn't necessarily change."

- **Disparate tools means no uniformity in tools and process used by the revenue organization.** Some interviewees from organizations that had adopted some form of a sales engagement or sales enablement tool shared that many of those tools were limited to certain parts of the sales process. The number of tools to be adopted created confusion among users and, as a result, the tools were often abandoned, resulting in low adoption. An SVP of global revenue operations at an analytics firm explained: "We previously invested too fast and too small in a whole host of sales enablement and engagement platforms. People didn't know what to do or what to use. We didn't have good change management to support it, so adoption was low."
- **Operational inefficiency throughout the revenue organization.** Interviewees shared that without a comprehensive sales engagement tool, it was hard for their organizations' salespeople to efficiently use their time. An SVP of global revenue operations at an analytics firm told Forrester: "We identified that 40% of sellers' time was spent on nonvalue-add, noncustomer-facing sales activities. This could be billing and evidence delivery, but [more worryingly] could also be not knowing where to go hunt, who to talk to, and how to effectively reach customers at scale."

SOLUTION REQUIREMENTS

The interviewees' organizations searched for a partner that provides:

- **A comprehensive, easy-to-use tool where seller can start and end their day.** Interviewees shared specific features that their organizations were looking for when comparing different sales engagement tools. A manager of sales system in telecommunication said: "Recording of activity

"The fact that Salesloft can support end-to-end comprehensive sales engagement, yet also can break them into pieces if needed was a big pull for us."

Director of sales enablement, software

was a big challenge for us, so any way we can make that easier was a huge selling point for us."

An SVP of global revenue operations at an analytics firm added, "There were other strong contenders, but Salesloft offered everything our sellers needed to be efficient with their time and more effective with their outreach."

- **A solution that easily integrates with other tools, such as CRM.** On the flip side, while interviewees' organizations were attracted to Salesloft due to its end-to-end capabilities related to the sales engagement process, some did not want a complete overhaul of their sales engagement tech stacks. Thus, these organizations were attracted by Salesloft's ease of integration with other tools. A manager of sales system in telecommunication said: "[This tool] needs to be a native code to our current CRM. It can't be a bolt-on, third-party, nonsupported, custom development to integrate it with our CRM."
- **A consultative approach with technology and services backed by a deep understanding of what it takes to be successful.** Some interviewees described an appreciation of Salesloft's consultative approach, as opposed to just selling. The fact that there is a lot of evidence

and research behind Salesloft's technology and approach was also a differentiator to some interviewees' organizations in deciding to work with and invest in Salesloft. A director of sales enablement at a software company told Forrester: "We wanted to work with a company that has been around long enough and is big enough. Salesloft was very consultative in their approach and was backed by a ton of research and analytics in terms of what really gets results when it comes to prospecting."

COMPOSITE ORGANIZATION

Based on the interviews, Forrester constructed a TEI framework, a composite company, and an ROI analysis that illustrates the areas financially affected. The composite organization is representative of the five interviewees at four organizations, and it is used to present the aggregate financial analysis in the next section. The composite organization has the following characteristics:

Description of composite. The composite organization is a global company with \$3.3 billion in annual revenue. Its revenue organization consists of 650 people. Fifteen percent of them are "new-business hunters" who do prospecting activities, 5% of them are sales managers who manage other salespeople and train new hires, and the remaining 80% are a combination of various roles involved in managing and growing relationships with different customer accounts. The composite organization's average deal size is \$50,000 and works on a 15% net margin.

Deployment characteristics. The composite organization starts its Salesloft deployment by testing 40 people as a pilot, each spending 20 hours in total. Then, for the first year, 50% of the 650-people revenue organization receive their Salesloft licenses. This licensing deployment grows to 75% of the revenue organization in Year 2, and to 90% in Year 3.

Key Assumptions

- **\$3.3 billion in annual revenue**
- **650 people in the revenue organization**
- **\$50,000 average deal size, 15% net margin**
- **50% Salesloft licensing deployment rate in Year 1, 75% in Year 2, and 90% in Year 3**

Analysis Of Benefits

■ Quantified benefit data as applied to the composite

Total Benefits						
Ref.	Benefit	Year 1	Year 2	Year 3	Total	Present Value
Atr	Profit growth from increase in annual prospecting activities	\$959,766	\$1,439,648	\$1,727,578	\$4,126,992	\$3,360,261
Btr	Profit growth from improved sales effectiveness	\$1,323,105	\$1,984,658	\$2,381,590	\$5,689,354	\$4,632,360
Ctr	Profit growth from improvements in customer renewal rate	\$464,063	\$696,094	\$835,313	\$1,995,469	\$1,624,742
Dtr	Time savings from automation in the sales process	\$402,714	\$604,071	\$724,885	\$1,731,670	\$1,409,953
Etr	Time recaptured from faster onboarding time	\$95,064	\$142,596	\$171,115	\$408,776	\$332,832
Ftr	Cost savings from consolidation of tech stack	\$212,500	\$318,750	\$382,500	\$913,750	\$743,989
Total benefits (risk-adjusted)		\$3,457,212	\$5,185,818	\$6,222,981	\$14,866,011	\$12,104,137

PROFIT GROWTH FROM INCREASE IN ANNUAL PROSPECTING ACTIVITIES

Evidence and data. Interviewees shared that by using Salesloft, their organizations were able to introduce automation to the sales process, recouping back time that sellers could put elsewhere. For new-business hunters, this often translates into recaptured time that can be used to do more prospecting activities (e.g., making cold calls and sending cold emails). As a result, the amount of top-of-the-funnel/early-stage sales prospecting activity they can do each year increases compared to before Salesloft.

- A manager of sales systems in telecommunication said: “The amount of activity that my frontline salespeople have been able to get into the pipeline has definitely increased [with Salesloft]. Today, they are doing hundreds of calls and hundreds of emails each month. I don’t think they were doing that previously or, if they were, it’s really hard to prove [due to the lack of visibility into sales activity].”

“We saw call and email activities increase by 50% in three to four months. Salespeople hate manually inputting activities into the CRM. Thus, they love that Salesloft automatically records these activities while they are doing the tasks.”

Director of sales enablement, software

- A director of sales operations at a consumer goods company shared: “Prior to Salesloft, we did about 600,000 prospecting activities annually. This is all customer-facing emails, value-added calls, all sales conversations, text, and video. Now, we do roughly 1 million prospecting activities annually.”

Improvement in annual prospecting activities with Salesloft

50%



Modeling and assumptions. Based on the interviewees' experiences, Forrester assumes the following about the composite organization:

- 15% of the people in the 650-people revenue organization are new-business hunters.
- Each person conducts 5,000 prospecting activities each year, which include cold calling and cold emailing prospects.
- Using Salesloft increases the volume of annual prospecting activities (i.e., new-business hunting) by 50% each year.
- The conversion rate from prospecting activity into closed deal is 0.14%. This will be elaborated on in the next benefit category.
- The average deal size of each contract won is \$50,000.
- The net margin of the composite organization is 15%.

Risks. Forrester recognizes that these results may not be representative of all experiences. The impact of this benefit will vary depending on:

- The size of the revenue organization.
- The percentage of people whose main responsibility is targeting and prospecting new businesses.
- The amount of prospecting activity each person does in a year.
- The average deal size and net margin of the organization, which can depend on factors such

as industry, geography, and competitive landscape.

Results. To account for these risks, Forrester adjusted this benefit downward by 25%, yielding a three-year, risk-adjusted total PV of \$3.3 million.

“What Salesloft does is allow the right frequency of contact [with prospects] with the right messaging. You’ll have a good feel on which account is worth engaging with from a current size as well as future potential standpoint. You can craft the right messaging with the right frequency.”

*Director of sales operations,
consumer goods*

Profit Growth From Increase In Annual Prospecting Activities					
Ref.	Metric	Source	Year 1	Year 2	Year 3
A1	Number of salespeople	Composite	650	650	650
A2	Percentage that target new business	Composite	15%	15%	15%
A3	Number of prospecting activities per year per person	Assumption	5,000	5,000	5,000
A4	Subtotal: Total annual prospecting activities per year	$A1 \times A2 \times A3$	487,500	487,500	487,500
A5	Salesloft license deployment rate	Composite	50%	75%	90%
A6	Increase in annual prospecting activities due to Salesloft	Interviews	50%	50%	50%
A7	Subtotal: Net new activities due to increase in annual prospecting	$A4 \times A5 \times A6$	121,875	182,813	219,375
A8	Average closed won rate of prospecting activities with Salesloft	$B10 \times B11 \times B12$	0.14%	0.14%	0.14%
A9	Average deal size	Composite	\$50,000	\$50,000	\$50,000
A10	Net margin	Assumption	15%	15%	15%
At	Profit growth from increase in annual prospecting activities	$A7 \times A8 \times A9 \times A10$	\$1,279,688	\$1,919,531	\$2,303,438
	Risk adjustment	↓25%			
Atr	Profit growth from increase in annual prospecting activities (risk-adjusted)		\$959,766	\$1,439,648	\$1,727,578
Three-year total: \$4,126,992			Three-year present value: \$3,360,261		

PROFIT GROWTH FROM IMPROVED SALES EFFECTIVENESS

Evidence and data. In addition to topline growth, interviewees also shared that using Salesloft allowed their organizations' revenue organizations to improve their sales activities down-funnel. This includes conversion rate from prospecting to getting a response, converting a response into an opportunity, and opportunities that salespeople are able to close into won projects. Interviewees attributed this to various features that enabled salespeople to improve and guide their prospecting approaches and leverage insights to deliver more effective, customized messaging.

- A manager of sales systems in telecommunication shared: "If something is not working, [our sales team] can actually dig into the recordings and emails to see what's going on. They have an outlet to review."
- A director of sales enablement at a software company shared with Forrester: "We saw opportunities increase by 87%. [These are] engagements that turn into opportunities, not necessarily closure. We've also seen 30% increase in the created opportunities that we have won (i.e., closed won rates)."
- A director of sales operations in consumer goods added: "Our figures in terms of accounts reaching their first contact is up to 16%. The number of

accounts with created opportunities has gone up 56%.”

Modeling and assumptions. Based on the interviewees’ experiences, Forrester assumes the following about the composite organization:

- The composite organization’s response rate (i.e., the rate at which prospects respond to cold calls and cold emails) prior to using Salesloft was 10% per year. Using Salesloft improves this by 50% each year.
- The composite organization’s conversion rate from response to opportunity (i.e., the rate at which both the salesperson and the prospect have interest in exploring this potential deal) was 8% prior to Salesloft. Using Salesloft improves this by 60% each year.
- The composite organization’s closed won rate (i.e., when a salesperson wins the project and closes the deal) was 5% prior to Salesloft. With Salesloft, this closed won deal rate improves by 30% each year.
- The average deal size of each contract won is \$50,000.
- The net margin of the composite organization is 15%.

Risks. Forrester recognizes that these results may not be representative of all experiences. The impact of this benefit will vary depending on:

- The skill sets and capabilities of the salespeople prospecting new businesses, which impacts the conversion rate from prospecting activity to closed won deal.
- The industry and geography in which the organization is located and competing.
- Other tools built and implemented around to support the revenue organization.

Results. To account for these risks, Forrester adjusted this benefit downward by 25%, yielding a three-year, risk-adjusted total PV of \$4.6 million.

Profit Growth From Improved Sales Effectiveness					
Ref.	Metric	Source	Year 1	Year 2	Year 3
B1	Total annual prospecting activities per year	A4	487,500	487,500	487,500
B2	Salesloft license deployment rate	A5	50%	75%	90%
B3	Response rate (prior to Salesloft)	Assumption	10%	10%	10%
B4	Conversion to opportunity rate (prior to Salesloft)	Assumption	8%	8%	8%
B5	Closed won rate (prior to Salesloft)	Assumption	5%	5%	5%
B6	Subtotal: Cumulative net new customers without Salesloft	$B1*B2*B3*B4*B5$	98	146	176
B7	Improvement in response rate due to Salesloft	Interviews	50%	50%	50%
B8	Improvement in conversion to opportunity rate due to Salesloft	Interviews	60%	60%	60%
B9	Improvement in closed won rate due to Salesloft	Interviews	30%	30%	30%
B10	Response rate with Salesloft	$B3*(1+B7)$	15%	15%	15%
B11	Conversion to opportunity rate with Salesloft	$B4*(1+B8)$	13%	13%	13%
B12	Closed won rate with Salesloft	$B5*(1+B9)$	7%	7%	7%
B13	Subtotal: Cumulative net new customers with Salesloft due to more effective sales cycle	$B1*B2*B10*B11*B12$	333	499	599
B14	Average deal size	A9	\$50,000	\$50,000	\$50,000
B15	Profit margin	A10	15%	15%	15%
Bt	Profit growth from improved sales effectiveness	$(B13-B6)*B14*B15$	\$1,764,141	\$2,646,211	\$3,175,453
	Risk adjustment	↓25%			
Btr	Profit growth from improved sales effectiveness (risk-adjusted)		\$1,323,105	\$1,984,658	\$2,381,590
Three-year total: \$5,689,354			Three-year present value: \$4,632,360		

PROFIT GROWTH FROM IMPROVEMENTS IN CUSTOMER RENEWAL RATE

Evidence and data. Interviewees shared that in the same way Salesloft supported their organizations' sales processes with new prospects, Salesloft also helps them engage existing customers. Periodical outreach and touchpoints can be automated.

Improvement in sales training means salespeople are better equipped to identify pain points with their customers. All this leads to higher-quality delivery and improved customer satisfaction, which can lead to more customers renewing their contracts when the renewal times come.

- A director of sales operations in consumer goods said: “We operate in a business with high erosion rates for customers due to low barrier to entry. Some of our commoditized business see 8% to 10% erosion rate per year. With Salesloft, I would say one- to two-point erosion improvement has been obtained in the last year”
- A director of sales enablement in software shared: “We can use Salesloft with our renewal reps. We can put the same engagement process in front of a customer who is about to renew as we do to get a new customer to engage to buy something.”

Modeling and assumptions. Based on the decision-makers’ experiences, Forrester assumes the following about the composite organization:

- As an organization with \$3.3 billion in annual revenue and \$50,000 average deal size, the composite organization handles 66,000 deals per year on average.
- Each year, 25% of the deals need to be renewed.
- Using Salesloft, the composite organization increases the percentage of customers who renew their contracts by 1% each year.
- The average deal size of each contract won is \$50,000.
- The net margin of the composite organization is 15%.

“We have cadences to help customers renew. We set up reminders at six, nine, [and] 12 months to help follow up and stay engaged. Renewals often slip, so Salesloft definitely helps us here.”

Manager of sales systems, telecommunication

Risks. Forrester recognizes that these results may not be representative of all experiences. The impact of this benefit will vary depending on:

- The skill sets and capabilities of the salespeople managing customer relations and the person managing customer renewals (if different).
- The number deals the organization sells and delivers per year.
- The percentage of deals that are up for renewal each year.
- The industry and geography in which the organization is located and competing.

Results. To account for these risks, Forrester adjusted this benefit downward by 25%, yielding a three-year, risk-adjusted total PV of \$1.6 million.

Profit Growth From Improvements In Customer Renewal Rate					
Ref.	Metric	Source	Year 1	Year 2	Year 3
C1	Total number of deals at start of year	Composite	66,000	66,000	66,000
C2	Percentage of deals up for renewal, per year	Composite	25%	25%	25%
C3	Subtotal: Accounts up for renewal annually (rounded)	C1*C2	16,500	16,500	16,500
C4	Salesloft license deployment rate	A5	50%	75%	90%
C5	Additional percentage of customers who renew after using Salesloft	Interviews	1%	1%	1%
C6	Subtotal: Increase in retained customers	C3*C4*C5	83	124	149
C7	Average deal size	A9	\$50,000	\$50,000	\$50,000
C8	Profit margin	A10	15%	15%	15%
Ct	Profit growth from improvements in customer renewal rate	C6*C7*C8	\$618,750	\$928,125	\$1,113,750
	Risk adjustment	↓25%			
Ctr	Profit growth from improvements in customer renewal rate (risk-adjusted)		\$464,063	\$696,094	\$835,313
Three-year total: \$1,995,469			Three-year present value: \$1,624,742		

TIME SAVINGS FROM AUTOMATION IN THE SALES PROCESS

Evidence and data. Salespeople working with prospects for new business and those managing customer renewals are not the only members of the revenue organization that benefit from automation being introduced in the sales process from using Salesloft. Other roles including (but not limited to) account managers, customer success managers, sales engineers, and sales operations workers can all benefit from knowing that everything throughout the sales process is captured and automated in Salesloft. This translates to time recaptured in various other activities throughout the revenue organization that can be reintroduced as further employee productivity.

- A manager of sales systems in telecommunication shared: “Right now, 20% of our workforce is responsible for 60% of the [total business won]. With Salesloft, they could be

responsible for 70% to 80% of the [total business won]. Even better, the remaining 80% should improve as well with Salesloft. I would probably say anywhere between 10% to 15% in time [is] recaptured, which means improvements to their output [because of using Salesloft].”

- A director of sales enablement in software said: “We’ve had a significant decrease in our number of salespeople even if our number of accounts stayed the same. This means each person handled more accounts. With Salesloft, we found the time that can be repurposed averages out to three weeks per person per year.”
- A director of sales operations for a consumer goods company added: “I would attribute about 10% time recapture because our SDRs (sales development representatives) no longer have to do AM (account manager) work, and AMs no longer have to do SDR work.”

Modeling and assumptions. Based on the interviewees' experiences, Forrester assumes the following about the composite organization:

- 320 people in the 650-people revenue organization are involved in managing and growing relationships with various customer accounts.
- Salesloft introduces 10% productivity gain from recaptured time due to automation.
- A 50% productivity recapture is introduced with the assumption that the employee will not use 100% of the newly gained time into further productivity.
- The average fully loaded annual salary of a person in the revenue organization involved in growing and managing customer accounts is \$67,119.⁴

Risks. Forrester recognizes that these results may not be representative of all experiences. The impact of this benefit will vary depending on:

- The skills and capabilities of people in the revenue organization.
- The industry and geography in which the company operates, which can impact the average annual salary of the employee involved.

Results. To account for these risks, Forrester adjusted this benefit downward by 25%, yielding a three-year, risk-adjusted total PV of \$1.4 million.

“We calculated the additional revenue and operational efficiency generated by Salesloft to be equivalent to four FTEs. These are four hypothetical employees [who are] 100% focused on lead generation. With this improvement, Salesloft will accelerate half a million dollars per month.”

SVP of global revenue operations, analytics

Forrester’s Perspective: Help Deliver A Broad And Deep Range Of Actionable Insights

B2B organizations need insights that identify risks, patterns, trends, and correlations as well as the impact of these on business outcomes for everything from buyer preferences to rep behavior, and from pipeline management to forecasting. Reps need guidance on what deals to prioritize and the next best actions to take to make progress on those deals, and managers need to know where to focus their coaching.⁵

Time Savings From Automation In The Sales Process					
Ref.	Metric	Source	Year 1	Year 2	Year 3
D1	Number of people growing and managing customer accounts	Composite	320	320	320
D2	Salesloft license deployment rate	A5	50%	75%	90%
D3	Productivity gain for reduction in sales administrative activities	Interviews	10%	10%	10%
D4	Average fully loaded annual salary (rounded)	TEI standard	\$67,119	\$67,119	\$67,119
D5	Productivity recapture	Assumption	50%	50%	50%
Dt	Time savings from automation in the sales process	$D1 \cdot D2 \cdot D3 \cdot D4 \cdot D5$	\$536,952	\$805,428	\$966,514
	Risk adjustment	↓25%			
Dtr	Time savings from automation in the sales process (risk-adjusted)		\$402,714	\$604,071	\$724,885
Three-year total: \$1,731,670			Three-year present value: \$1,409,953		

TIME RECAPTURED FROM FASTER ONBOARDING TIME

Evidence and data. Interviewees shared that the recording of sales activity using Salesloft allowed their organizations to quickly compile best-practice videos that can be used as sales training materials for new hires. They said that prior to Salesloft, it could take three months for a new sales representative to understand the product and process before they could start doing outreach. Interviewees shared that by using Salesloft, new-hire onboarding could be completed faster, which put the new hires into productivity much sooner and opened time for both the new hires and the sales managers leading the training.

- A director of sales enablement in software said: “We wouldn’t ascribe it 100% to Salesloft, but, yes, we have seen reduction in our time to onboard new reps. I estimate it to be 10% to 15% faster now.”
- The improvement in understanding was also not limited to new hires, but also to underperforming reps. A manager of sales systems in telecommunication shared: “Reps that habitually

underperform (i.e., hit 20% to 60% of their quota) are also ramping up to hit 100% of their targets in the next three months after using Salesloft.”

Modeling and assumptions. Based on the interviewees’ experiences, Forrester assumes the following about the composite organization:

- Prior to Salesloft, new-hire onboarding took three months.
- The number of new hires onboarded each year is the equivalent of 50% of the new-business hunters, or 49 people each year.
- The average fully loaded annual salary for a new hire is \$59,638.⁶
- 5% of the people in the revenue organization are sales managers.
- The average fully loaded annual salary for a sales manager is \$82,078.⁷
- 10% of the sales managers’ time is dedicated to new-hire onboarding.
- By using Salesloft, onboarding time is reduced by 25%.

“Salesloft helps with turnover. Once you get all the right setup in the right places, if somebody leaves, the next individual is quickly up to speed. We’ve seen our ramp-up time cut in half, and that is 100% due to Salesloft.”

*Director of sales operations,
consumer goods*

Risks. Forrester recognizes that these results may not be representative of all experiences. The impact of this benefit will vary depending on:

- The average time to onboard new hires.
- The number of new hires onboarded each year.
- The average annual salary of each new hire.
- The number of sales managers/new-hire trainers employed by the company.
- The average annual salary of the sales manager/new-hire trainer.
- The percentage of time dedicated for new-hire training/onboarding.

Results. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV of \$332,000.

Time Recaptured From Faster Onboarding Time					
Ref.	Metric	Source	Year 1	Year 2	Year 3
E1	Time spent for onboarding new sales reps (years)	Interviews	0.25	0.25	0.25
E2	Number of new hires onboarded each year	Composite	49	49	49
E3	Average fully loaded annual salary for new hire	TEI standard	\$59,638	\$59,638	\$59,638
E4	Subtotal: Total time commitment from new hires	$E1 \times E2 \times E3$	\$730,566	\$730,566	\$730,566
E5	Number of sales managers	Composite	20	20	20
E6	Average fully loaded annual salary for sales manager	TEI standard	\$82,078	\$82,078	\$82,078
E7	Percentage of sales manager's time dedicated to onboarding	Assumptions	10%	10%	10%
E8	Subtotal: Total time commitment from sales managers	$E5 \times E6 \times E7$	\$164,156	\$164,156	\$164,156
E9	Percentage of time recaptured due to Salesloft	Interviews	25%	25%	25%
E10	Salesloft license deployment rate	A5	50%	75%	90%
Et	Time recaptured from faster onboarding time	$E1 \times E2 \times E7 \times E10$	\$111,840	\$167,760	\$201,312
	Risk adjustment	↓15%			
Etr	Time recaptured from faster onboarding time (risk-adjusted)		\$95,064	\$142,596	\$171,115
Three-year total: \$408,776			Three-year present value: \$332,832		

COST SAVINGS FROM CONSOLIDATION OF TECH STACK

Evidence and data. Interviewees shared that with Salesloft being a comprehensive, end-to-end sales engagement platform, their organizations were able to retire certain tools that were part of their legacy tech stacks and became redundant in functionality. As a result, this translated into cost savings that can be reallocated for other purposes.

- A director of sales enablement at a software company said: “By using Salesloft, we were able to retire our dialer, our call recording system, and various point email automation [used by sales reps].”
- The same interviewee said: “We had a separate agreement with a sales coaching and sales recording platform, which we have now cancelled because we have Salesloft. The annual contract value of that tool was around \$2,500 per user. With Salesloft, that technology is embedded, plus [we have] cadence and customer success support, and we still pay less per user.”

Modeling and assumptions. Based on the interviewees’ experiences, Forrester assumes the following about the composite organization:

- The combined annual cost of the different legacy tools is \$500,000.
- The retirement and discontinuation of the legacy tools is in line with the Salesloft license deployment rate, which is 50% in Year 1, 75% in Year 2, and 90% in Year 3.

Risks. Forrester recognizes that these results may not be representative of all experiences. The impact of this benefit will vary depending on:

- The type of sales enablement and sales engagement tools used before Salesloft.
- The contractual agreement with the legacy vendor on how quick the tools can be retired.
- The effort to ramp up and deploy Salesloft throughout the organization.

Results. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV of \$744,000.

Cost Savings From Consolidation Of Tech Stack

Ref.	Metric	Source	Year 1	Year 2	Year 3
F1	Annual cost for legacy dialer tool	Assumption	\$500,000	\$500,000	\$500,000
F2	Salesloft license deployment rate	A5	50%	75%	90%
Ft	Cost savings from consolidation of tech stack	F1*F2	\$250,000	\$375,000	\$450,000
	Risk adjustment	↓15%			
Ftr	Cost savings from consolidation of tech stack (risk-adjusted)		\$212,500	\$318,750	\$382,500
Three-year total: \$913,750			Three-year present value: \$743,989		

UNQUANTIFIED BENEFITS

Interviewees mentioned the following additional benefits that their organizations experienced but were not able to quantify:

- **Visibility and transparency into the health of the overall revenue organization.** Interviewees shared that using Salesloft introduced a level of visibility and transparency into their organizations' revenue organizations that they did not have before. This shed light into areas of improvements in their organizations' sales processes that they did not know they had before. A manager of sales systems in telecommunication shared: "Deal summary helps us give visibility into pipeline health. It gives us days in stage with charts. It's a single sheet and easy to use. Salesloft does a great job in making things transparent to us. Is this person doing the work? Yes or no. It is now easy to know that."
- **Insight generation and improvement in sales forecast ability.** Interviewees shared that by using Salesloft, they were able to introduce actionable insights into their sales decision-making processes. They noted that by using Salesloft, they are forced to evaluate their go-to-market (GTM) strategies and have added the use of data and insight into their selling processes. A director of sales operations at a consumer goods company said: "More than the productivity gain, Salesloft is also an insight-generation tool. It allows reps and managers to easily surface insights to know why activities of a certain rep are down. 'What's going on?' They can literally follow a bunny trail, identify the problem, and diagnose the next-best course of action."
- **Partnership with a strong Salesloft customer success team.** Interviewees shared that part of the reason their organizations were able to fully maximize the benefit of implementing Salesloft was the partnership with Salesloft's team. A director of sales enablement at a software

company said: "Technology like Salesloft isn't effective unless you have the processes and best practices in place. I feel that Salesloft's customer-success function is very strong [in ensuring we as the customer implementing their technology knows that]."

FLEXIBILITY

The value of flexibility is unique to each customer. There are multiple scenarios in which a customer might implement Salesloft and later realize additional uses and business opportunities, including:

- **Future-proofing both the revenue organization and the entire company moving forward.** Interviewees highlighted that Salesloft easily integrates with other tools in their organizations' tech stacks, such as their CRM. This means they would not need to worry about adding additional capabilities to support their sales processes in the future. A manager of sales systems at a telecommunication company told Forrester: "Salesloft gives us the visibility, but we want to take the next step further to help our salespeople become better. Long term, we want to integrate Salesloft more into the fabric of how we do things, unlocking more lightbulbs in our sales minds to truly realize the value."

Flexibility would also be quantified when evaluated as part of a specific project (described in more detail in [Appendix A](#)).

"We are launching a new operating rhythm. To do so, we need our funnel activity to inform our forecast. Salesloft is our primary tool for this, and we're embedding the platform in everything we do."

SVP of global revenue operations, analytics

Analysis Of Costs

■ Quantified cost data as applied to the composite

Total Costs							
Ref.	Cost	Initial	Year 1	Year 2	Year 3	Total	Present Value
Gtr	Salesloft licensing cost	\$85,800	\$429,000	\$644,160	\$772,200	\$1,931,160	\$1,588,329
Htr	Internal costs related to implementation and training	\$219,792	\$143,756	\$124,153	\$69,264	\$556,965	\$505,124
ltr	Internal costs related to ongoing support and management	\$0	\$142,773	\$142,773	\$142,773	\$428,318	\$355,054
	Total costs (risk-adjusted)	\$305,592	\$715,529	\$911,086	\$984,237	\$2,916,443	\$2,448,507

SALESLOFT LICENSING COST

Evidence and data. Interviewees shared that their organizations paid licensing fees to Salesloft for use of the platform. The cost can vary depending on the size of the organization as well as the complexity of its sales process. Organizations have the option of using Salesloft's professional services to help implement the solution, although some interviewees shared that their organization used an external implementation partner. These professional service partners help optimize configurations, build out integrations, and assist with best practices on utilizing the platform.

- A manager of sales systems at a telecommunication company said: "We got licenses for our sales leaders, salespeople for SMB (small and medium-sized business) and enterprise, plus a couple admins and support people. We had an external party help us with CRM integration, which also help ensure it was a relatively low lift on our end."
- An SVP for revenue business operations at an analytics company said: "We leveraged a CRM expert for a one-time support to create integrations between Salesloft and our CRM."

Modeling and assumptions. Based on the interviewees' experiences, Forrester assumes the following about the composite organization:

- The annual licensing cost of Salesloft is \$390,000 in Year 1, \$585,600 in Year 2, and \$702,000 in Year 3, in line with the Salesloft licensing deployment rate.
- Professional services are 20% of the annual licensing cost.
- Pricing may vary. Contact Salesloft for additional details.

Risks. Forrester recognizes that these results may not be representative of all experiences. The impact of this cost will vary depending on:

- The size of the organization (e.g., SMB, enterprise).
- The complexity of the sales process.
- The skill sets and knowledge within the sales enablement organization, which impacts the degree of involvement from the implementation partner.

Results. To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year, risk-adjusted total PV of \$1.5 million.

Salesloft Licensing Cost						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
G1	Annual licensing cost	Salesloft		390,000	585,600	702,000
G2	Add-on (professional service)	Assumption	\$78,000			
Gt	Salesloft licensing cost	G1+G2	\$78,000	\$390,000	\$585,600	\$702,000
	Risk adjustment	↑10%				
Gtr	Salesloft licensing cost (risk-adjusted)		\$85,800	\$429,000	\$644,160	\$772,200
Three-year total: \$1,931,160			Three-year present value: \$1,588,329			

INTERNAL COSTS RELATED TO IMPLEMENTATION AND TRAINING

Evidence and data. Interviewees shared that setting up Salesloft involved a number of phases. They would spend some time understanding the different use cases of Salesloft, how to strategically use the platform, and understand the technical configuration and enablement they would have to do. Then, they would move into configuration, which would involve setting up the technical foundation, CRM integration, conferencing platform, dialer, etc. Once that was set up, there would be an enablement phase, where the implementing organization would train on Salesloft for its specific use case. Finally, there would be a deployment phase for the platform to be live in production.

- A manager of sales systems at a telecommunication company explained: “It took us a couple months to do the administrative setup and some preliminary user training and implementation. It took two people managing the process from our side.”
- A director of sales enablement at a software firm said: “The pilot and setting up the environment took three to four months and, as we add users,

user training would take a week. Once the three to four-months pilot is done, the structure of the system is there, so it’s just replicating cadence and the licenses. We had five people setting everything up, totaling to maybe one to two FTEs.”

- An SVP of global revenue operations in analytics shared: “We have two FTEs dedicated to Salesloft, covering training, technical enablement, technical administration, and overarching view of our sales technology strategy. The roles are a business admin and a product owner or tech staff leader.”
- A director of sales operations at a consumer goods company added, “It took us a year to set everything up, involving five people spending the equivalent of 3.5 FTEs.”

Modeling and assumptions. Based on the interviewees’ experiences, Forrester assumes the following about the composite organization:

- The time for implementation is six months.
- Two internal employees are involved in managing the implementation process: a director of sales

enablement and an IT admin. Both dedicate 100% of their time to Salesloft setup.

- The average annual salary of each of the two employees is \$163,150.
- Internal labor costs for evaluation and pilot/POC is assumed to involve 40 employees tested as pilot users who spend 20 hours each at an average hourly rate of \$35.
- In terms of ongoing training, 325 new users are trained Year 1, 163 are trained in Year 2, and 98 are trained in Year 3. The initial training for new users is 8 hours.

- After going through initial training, training refreshes are held every quarter (i.e., four times per year) in 1-hour sessions.

Risks. Forrester recognizes that these results may not be representative of all experiences. The impact of this cost will vary depending on:

- The complexity of the tech stack that Salesloft is integrated into.
- The skills and capabilities of the internal staff involved in setup and user training of Salesloft.

Results. To account for these risks, Forrester adjusted this cost upward by 15%, yielding a three-year, risk-adjusted total PV of \$505,000.

Internal Costs Related To Implementation And Training

Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
H1	Time for implementation	Composite	0.50			
H2	Number of internal employees managing implementation process	Interviews	2			
H3	Percentage of time dedicated for implementation	Interviews	100%			
H4	Average fully burdened salary of involved internal employees	Assumption	\$163,150			
H5	Internal labor costs for evaluation and pilot/POC	Composite	\$27,973			
H6	Subtotal: Total cost related to setup	$H1*H2*H3*H4$	\$191,123	\$0	\$0	\$0
H7	Number of new users being trained	Composite		325	163	98
H8	Time for initial training (hours)	Interviews		11	11	11
H9	Number of users trained for refresh/update	Composite		0	325	163
H10	Time for refresher/update training	Interviews		4	4	4
H11	Average fully burdened salary of trained users	Assumption		\$35	\$35	\$35
H12	Subtotal: Total cost related to training	$((H7*H8)+(H9*H10))*H11$	0	\$125,005	\$107,959	\$60,230
Ht	Internal costs related to implementation and training	$H6+H12$	\$191,123	\$125,005	\$107,959	\$60,230
	Risk adjustment	↑15%				
Htr	Internal costs related to implementation and training (risk-adjusted)		\$219,792	\$143,756	\$124,153	\$69,264
Three-year total: \$556,965			Three-year present value: \$505,124			

INTERNAL COSTS RELATED TO ONGOING SUPPORT AND MANAGEMENT

Evidence and data. Interviewees shared that once the platform is set up, ongoing management could involve IT management to support integration and sales enablement to do ongoing content creation, template creation, cadence development, or other activities that require pulling data and information from the platform.

- A manager of sales systems at a telecommunication company said: “For ongoing support, there are just two of us. For me, it’s a lot of the change management piece and conversation interviews. One of us spends about 60% of our time dedicated to Salesloft, and the other maybe spends 10% to 15% of their time. This work is to onboard people, establish how we can do that, and look into some of our CRM issues if any arise.”
- A director of sales enablement at a software company shared: “We’re meeting with our CSM on a weekly basis. That’s included in what we pay to use the software. We routinely have them join our management meetings [and] meetings with individual sales reps. They are almost an extension of our sales enablement group in terms what the best practices are we should follow.”
- A director of sales operations in consumer goods added: “I have the equivalent of 3.5 FTEs ongoing support cost. They were added specifically for Salesloft.”

Modeling and assumptions. Based on the interviewees’ experiences, Forrester assumes the following about the composite organization:

- Ongoing management of Salesloft involves one IT admin who helps with IT management, admin,

and support, and one sales enablement employee involved in ongoing content creation, cadence development, and template creation.

- The average annual fully burdened salary of the IT person is \$156,000.⁹
- The IT person dedicates 25% of their time for work related to Salesloft.
- The average fully burdened salary of the sales enablement person is \$170,300.¹⁰
- The sales enablement person dedicates 50% of their time for work related to Salesloft.

Risks. Forrester recognizes that these results may not be representative of all experiences. The impact of this cost will vary depending on:

- The complexity of the tech stack that Salesloft would be integrated into.
- The skills and capabilities of the internal staff involved in setup and user training of Salesloft.

Results. To account for these risks, Forrester adjusted this cost upward by 15%, yielding a three-year, risk-adjusted total PV of \$355,000.

Forrester’s Perspective: Structure Delivery Content To Stimulate Immediate Buyer Action

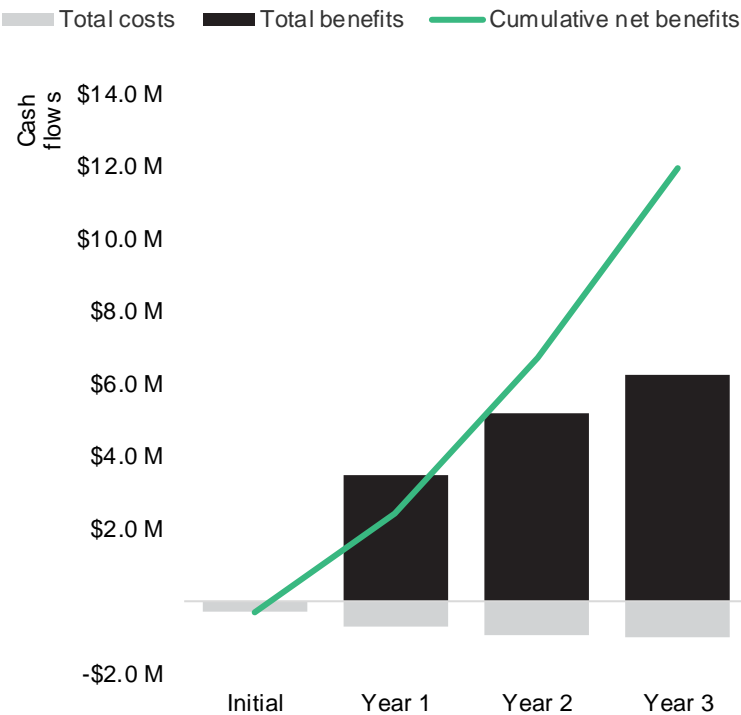
Companies invest large amounts of time and money to get potential buyers to this point, so the delivery content must be created by professionals who understand how to motivate action at different stages of a sales process. Buyers have different preferences when it comes to delivery mechanisms. Use of multiple variables enables messaging to meet buyers where they prefer to communicate. Delivery content is the only cadence element used to optimize action.⁸

Internal Costs Related To Ongoing Support And Management						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
I1	Number of people involved in ongoing IT management, admin, and support	Interviews		1	1	1
I2	Average annual fully burdened salary	TEI standard		\$156,000	\$156,000	\$156,000
I3	Percentage of time dedicated for implementation	Interviews		25%	25%	25%
I4	Number of people involved in ongoing content creation, cadence development, and template creation	Interviews		1	1	1
I5	Average annual fully burdened salary	TEI standard		\$170,300	\$170,300	\$170,300
I6	Percentage of time dedicated for implementation	Interviews		50%	50%	50%
I _t	Internal costs related to ongoing support and management	$I1 \cdot I2 \cdot I3 + I4 \cdot I5 \cdot I6$	\$0	\$124,150	\$124,150	\$124,150
	Risk adjustment	↑15%				
I _{tr}	Internal costs related to ongoing support and management (risk-adjusted)		\$0	\$142,773	\$142,773	\$142,773
Three-year total: \$428,318			Three-year present value: \$355,054			

Financial Summary

CONSOLIDATED THREE-YEAR RISK-ADJUSTED METRICS

Cash Flow Chart (Risk-Adjusted)



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.

Cash Flow Analysis (Risk-Adjusted Estimates)

	Initial	Year 1	Year 2	Year 3	Total	Present Value
Total costs	(\$305,592)	(\$715,529)	(\$911,086)	(\$984,237)	(\$2,916,443)	(\$2,448,507)
Total benefits	\$0	\$3,457,212	\$5,185,818	\$6,222,981	\$14,866,011	\$12,104,137
Net benefits	(\$305,592)	\$2,741,683	\$4,274,732	\$5,238,744	\$11,949,568	\$9,655,630
ROI						394%
Payback						<6 months

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. Sums and present value calculations of the Total Benefits, Total Costs, and Cash Flow tables may not exactly add up, as some rounding may occur.



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.

Appendix B: Supplemental Material

Related Forrester Research

“The Forrester Wave™: Sales Engagement, Q3 2020,” Forrester Research, Inc., September 9, 2020

“Now Tech: Sales Enablement Automation, Q2 2020,” Forrester Research, Inc., May 27, 2020

Appendix C: Endnotes

¹ Source: “New Tech: Conversation Intelligence For B2B Revenue, Q3 2021,” Forrester Research, Inc. August 19, 2021.

² 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.

³ Source: “Sales Cadence Optimization: A Structured Approach To Revising Cadences To Drive Meaningful Interaction,” Forrester Research, Inc., November 15, 2021.

⁵ Fully burdened salary includes both the direct wages and indirect costs of hiring and employment. Burden rate refers to indirect costs of employment beyond direct compensation, including, but not limited to: hiring costs, training costs, financial services, paid time off, sick leave, expenses, retirement contributions, payroll taxes, and incremental technology and workplace costs for the employee.

⁵ Source: “The Forrester Wave™: Revenue Operations And intelligence, Q1 2022,” Forrester Research, Inc. March 28, 2022.

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⁷ Ibid.

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¹⁰ Ibid.

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