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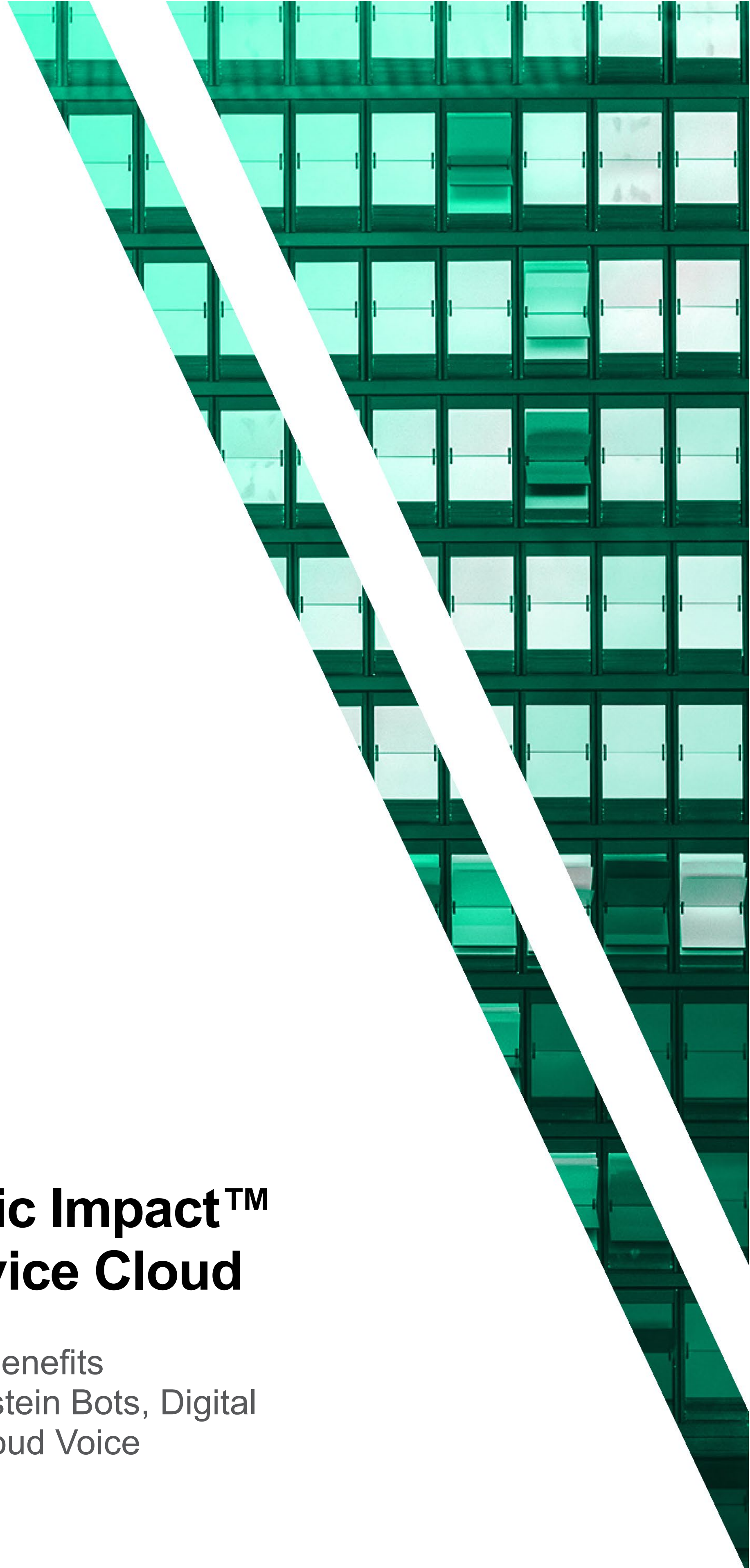

The Total Economic Impact™ Of Salesforce Service Cloud

Cost Savings And Business Benefits Enabled By Self-Service, Einstein Bots, Digital Engagement, And Service Cloud Voice

FEBRUARY 2024

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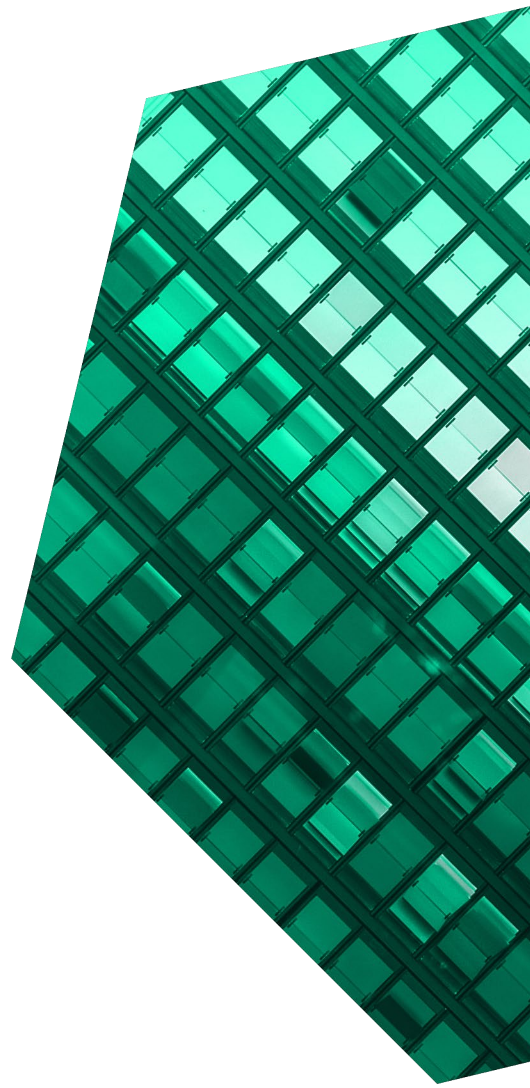


ABOUT FORRESTER CONSULTING

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

Executive Summary

Salesforce Service Cloud as a customer service platform unifies the contact center with a single view of the customer and empowers service agents to meet customer expectations, create positive interactions, and deliver seamless digital experiences. Customers used Service Cloud to deflect cases, reduce workforce volatility, improve agent retention, reduce agents' time to value, and consolidate legacy technologies.

KEY STATISTICS

Return on investment (ROI)
125%

Net present value (NPV)
$12.42M

Service Cloud empowers agents to deliver personalized customer service at scale, combine support needs into a unified platform, and connect with customers across voice and digital channels.

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 Service Cloud.[1] The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of Service Cloud on their organizations.

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

Prior to using Service Cloud, interviewees noted how their organizations relied on traditional call center technologies and emails for customer service. Agents used several disparate tools to serve a customer interaction and struggled with siloed information. To better serve customers with omnichannel options and seamless experiences, the interviewees and their organizations turned to Salesforce for its Einstein 1 Platform.[2]

After the investment in Service Cloud, the interviewees were able to add new digital channels connected to its most popular channel, Voice, for customer service, unify customer information, and give agents a better experience, thus impacting turnover and accelerating agent time to value.

KEY FINDINGS

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

- **Shifted 33% to 50% of cases to lower-cost digital channels.** The composite organization uses Service Cloud to integrate new digital channels to their existing telephony and email channels for customer service. As a result, cases are deflected from the more expensive telephony channel and customer experience (CX) improves as customers are offered additional channels to engage through. Over three years, the case deflections are worth $5.3 million to the composite organization.

- **Reduced volatility of agent workforce by 80% to 90%, avoiding approximately 770 temporary agent hires over three years.** Service Cloud makes service agents more efficient and enhances their capacity. As a result, the composite organization avoids hiring seasonal agents or outsourcing during times of high volume. Reducing agent workforce volatility by up to 90% enables the organization to avoid hiring approximately 770 agents. Over three years, the savings are worth $7.8 million to the composite organization.
- **Enhanced agent experience, improving retention by 40%.** Retention rates in the composite organization's customer service department improve with Salesforce Service Cloud as technology plays a huge role in employee job satisfaction and agent retention. Over three years, the retention improvements are worth more than $4.6 million to the composite organization.
- **Accelerated time to value for new agents by 20% to 30% by focusing on a single platform.** New agents onboard more effectively when only learning a single system, enabling them to provide value sooner. Service Cloud also provides better visibility into agent performance as it highlights areas to improve training. Over three years, the shorter onboarding cycle is worth $1.7 million to the composite organization.
- **Decommissioned and consolidated up to 80% of legacy technology environment and improved reporting capabilities.** The composite organization trims excess technology costs each year. Over three years, the smaller technology footprint is worth $3 million to the composite organization.

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

- **Revenue generation from cross-sell or upsell use cases.**
- **Revenue generation from improved customer loyalty.**
- **Added value from the improved efficiency of DevOps.**
- **Customer experience improvements.**
- **Contact center KPI improvements: first call resolution (FCR).**
- **Contact center KPI improvements: Reduced call handling time.**
- **Enabled business continuity with cloud software as a service (SaaS) model.**

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

- **Salesforce and add-on licensing fees, totaling $4.8 million over three years.**
- **System integrator and internal labor costs to implement Service Cloud, totaling $4.9 million over three years.**
- **Ongoing management labor costs, totaling $298,000 over three years.**

Summary. The representative interviews and financial analysis found that a composite organization experiences benefits of $22.4 million over three years versus costs of $9.9 million, adding up to a net present value (NPV) of $12.4 million and an ROI of 125%.

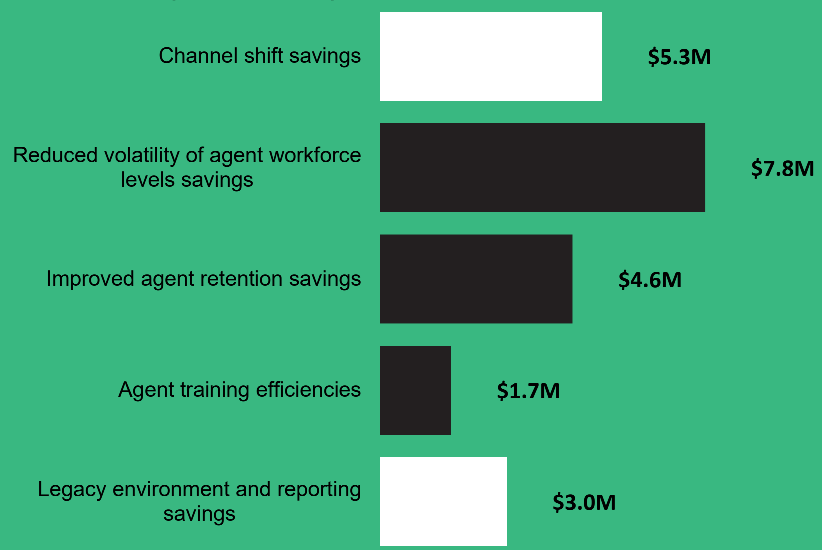
ROI
125%

BENEFITS PV
$22.4M

NPV
$12.4M

PAYBACK
11 months

Benefits (Three-Year)



Agent experience benefits total $14.1 million.

Cost savings benefits total $8.3 million.

"Our digital transformation simplifies the employee experience by consolidating member information into a common system. … This will improve and streamline the member experience by allowing employees to focus on customer service more efficiently over technology."

— Vice president of automotive services, automotive services

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 Service Cloud.

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 Service Cloud can have on an organization.

DUE DILIGENCE

Interviewed Salesforce stakeholders and Forrester analysts to gather data relative to Service Cloud.

INTERVIEWS

Interviewed six representatives at four organizations using Service Cloud 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.

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 study to determine the appropriateness of an investment in Service Cloud.

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.

The Salesforce Service Cloud Customer Journey

Drivers leading to the Service Cloud investment

Interviews				
Role	**Industry**	**Region**	**Revenue**	**Number Of Employees**
Senior director of IT	Pharmaceuticals	US headquarters, global operations	$60 billion	83,000
• Executive director of global consumer care • Vice president of global consumer care	Cosmetics	US headquarters, global operations	$16 billion	63,000
VP, automotive services	Automotive services	US headquarters, US operations	Not for profit	Undisclosed
• Director of Salesforce Center of Excellence (COE) • Senior product manager	Financial services	US headquarters, US operations	$200 million	400

KEY CHALLENGES

Before investing in Salesforce Service Cloud, the interviewees' organizations provided customer service through traditional email and telephony channels and one organization had a fledgling chat program in place.

For each customer service interaction, agents swiveled between several siloed systems and point solutions. The service and IT teams would repurpose existing bolted-on technology, tools, and solutions for agents and supervisors, including CRM systems, enterprise resource planning (ERP) systems, ticketing systems, case manager applications, content manager solutions, and project manager tools. Use of tools and processes differed between business units and geographies, creating inconsistent views of the customer, duplicate records, and technical debt. Furthermore, the legacy environment solutions were not purpose-designed around the customer, and therefore, CX was slow, inconsistent, and incomplete.

The interviewees noted how their organizations struggled with common challenges, including:

- **Customer service toolsets were built on aging technology.** Interviewees noted that the prior environment was a legacy technology stack of homegrown solutions and proprietary solutions that varied between business units and business geographies. The tools did not integrate well, and were not flexible enough to adapt to rapidly-changing business needs. The VP of automotive services at an automotive services company shared: "Prior to our journey with Salesforce, we were leveraging two-decade-old proprietary legacy applications. We recognized this technology was near end-of-life and no longer sustainable in meeting the evolving needs of our members."
- **Disparate solutions caused poor visibility into case information.** With the wide variety of disparate tools used for customer service use cases, the interviewees' organizations struggled to create a single view of the customer. The senior director of IT at a pharmaceutical company said, "[Our prior environment was] the Wild West — we didn't have visibility [between departments]."

- **Silos created bad CX.** The legacy tools and processes created friction in the customer service journey, leading to long wait times while agents searched for relevant knowledge, frustrating routing and escalation processes, and a lack of personalization. The senior director of IT at a pharmaceutical organization shared, “In our legacy state, it was hard to even grasp how to guarantee a satisfactory experience, let alone a good customer experience.”
- **Legacy tools lacked holistic reporting capabilities, which limited insights.** Interviewees shared that gathering data and manipulating it to create reporting was time-consuming and incomplete. Without comprehensive dashboards that represented data across systems, they struggled to meaningfully track call center KPIs or gain insights across departments and geographies. The vice president of global consumer care at a cosmetics organization shared: “We were unable to capture consumer feedback consistently and use that in real time and do proper reporting on voice of the customer or even on performance.”
- **Basic customer service call center lacked an omnichannel strategy.** Interviewees identified the need to adapt to shifting consumer preferences for digital channels like chat and messaging, while also creating seamless and consistent experiences across the customer journey. The executive director of global consumer care at a cosmetics company said: “We did not have chat; we did not have telephony. We only had our internal phone system. We did not have any sort of contact center in the true sense.”
- **Customer service culture struggled to align.** Without a single tool to drive uniformity across departments and geographies, the interviewees noted that their organization struggled to align around objectives, around a customer profile, and around processes and experiences. The senior director of IT at a pharmaceutical company shared: “We have the sales folks on one side, and all the individual brand marketing teams on the other side. There’s great stratification, with different objectives and different styles of working depending on the product they’re responsible for.”

“We identified pain points where procedures required extra touchpoints involving humans that could be improved, from scheduling policies to geocoded-on-location timestamps to the visibility of our 360-degree view of our members to optimize our handling times in our call centers.”

VP of automotive services, automotive services

INVESTMENT OBJECTIVES

The interviewees' organizations searched for a solution that could help them:

- **Adapt to changing customer expectations.** Interviewees realized that to stay competitive and offer relevant experiences to their customers, they needed a technology partner that would enable them to adapt with ease. The VP of automotive services at an automotive services company said: "We recognized that consumer expectations were changing as adjacent industries shaped the way people expect companies to do business in a more contemporary and elegant way. We [partnered with Service Cloud] to define our future-state journey map for our members, our call center employees, and our service technicians."

- **Improve CX with a 360-degree view of the customer.** Interviewees wanted a solution that was data-centric, enabling them to track, measure, report, and act on insights that were not readily accessible. The vice president of global consumer care at a cosmetics organization shared: "[Our goal was to] improve consumer experience because our teams could see more information on the consumer and all the contact history and be able to deliver a more joined-up, more informed, and more personalized experience."

- **Deepen relationship with customers.** Interviewees identified that a great customer experience throughout the customer journey is key to retaining customers and increasing their lifetime value. The senior director of IT at a pharmaceutical company identified Salesforce as a partner to help their organization deepen relationships with their customers. They shared: "Through the pandemic, we realized that just focusing on a sales and marketing capacity with our customers is not fulfilling the value we could be providing to them. If we want to continue to maintain relationships with them, we need to broaden our value proposition. So we're no longer here just to sell you something. Now, we're here to answer questions, put you in contact with the right people, fix problems, and get feedback. But you really need the technology and processes to be able to do that."

- **Drive consistency across a global customer service program.** Breaking down silos, creating uniform processes, and unifying CX across a global brand were key goals. The executive director for global consumer care at a cosmetics organization shared: "One of the reasons why [we chose Service Cloud] was to globalize our consumer care operation. The consumer care ecosystem was set up specifically to get that consistency and bring everything together."

> **"Our primary objective was to enhance the member experience, with a secondary objective to enhance the employee experience. We wanted to reduce handling times, accelerate response times, have fewer human touchpoints, and streamline [how we] provide omnichannel solutions for our members so we can be there for them wherever, whenever, and however they choose to do business with us."**
>
> *Executive director of global consumer care, cosmetics*

WHY SALESFORCE?

After evaluating multiple vendors, the interviewees' organizations chose Salesforce Service Cloud because:

- **Service Cloud is built natively on the Salesforce platform.** Interviewees whose organizations already had Salesforce implemented in pockets of the organization noted that they preferred extending their investment to include Service Cloud as they could take advantage of existing skill sets, reduce the number of vendors, and utilize CRM data integrations. The director of Salesforce COE at a financial services organization shared: "We were already invested with the Salesforce CRM, so it was a natural fit to add Service Cloud so that everything can be linked back to the customer because our goal was to have a single pane of glass view."
- **Service Cloud is a global offering.** To best unify tools, processes, and experiences globally, interviewees needed a tool that could be used in any geography. The vice president of global consumer care at a cosmetics company said: "I think there was an acknowledgement that the service we were delivering to our consumer was not in line with our brand's promises. That was why a decision was made to invest [in Salesforce], and part of the investment was to have a consistent CRM system in place everywhere."
- **Service Cloud can tap into existing Salesforce skill sets.** The senior director of IT at a pharmaceutical company noted that existing Salesforce skill sets could be utilized for the Service Cloud investment. They said, "We were planning to form a Salesforce platform team at the enterprise level because our use of Salesforce has spread, and we don't want everybody reinventing the wheel."
- **Service Cloud met compliance requirements for highly regulated industries.** The senior director of IT at a pharmaceutical company noted that Salesforce checked boxes related to auditability and compliance standards that are necessary for their industry. The interviewee shared: "We're in a heavily regulated industry, so everything we do is hard. Salesforce is able to offer us what we need to act compliantly, which we don't take for granted."

> **"We did a complete assessment of various tools against those criteria and that capability, and Salesforce Service Cloud either had the most built-in capability or the most flexibility to adapt the existing tool to meet our needs."**
>
> *Executive director of global consumer care, cosmetics*

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 six 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 global, $20 billion-dollar B2C organization is in a highly regulated industry and provides sales and customer support for its consumer products and services in high volume. The composite organization has a strong brand, global operations, and a large customer base.

Deployment characteristics. The composite organization has global operations across several contact centers and 550 agents. It adds seasonal agents to meet demand. Before the investment in Service Cloud, the composite organization offered customer support through two traditional channels: phone calls and email. The investment in Service Cloud is focused on a global deployment that drives a more sophisticated telephony program, adds self-service channels with Einstein Bots, and centralizes customer data in one platform.

Key Assumptions

- **$20 billion in revenue**
- **550 agents**
- **150,000 monthly interactions**
- **Highly regulated industry**

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	Channel shift savings	$1,693,613	$2,206,829	$2,566,080	$6,466,522	$5,291,407
Btr	Reduced volatility of agent workforce levels savings	$2,944,874	$3,128,928	$3,312,983	$9,386,785	$7,752,142
Ctr	Improved agent retention savings	$1,347,746	$2,133,932	$2,133,932	$5,615,610	$4,592,059
Dtr	Agent training efficiencies	$776,880	$627,120	$627,120	$2,031,120	$1,695,700
Etr	Legacy environment and reporting savings	$328,776	$1,183,776	$2,323,776	$3,836,328	$3,023,102
	Total benefits (risk-adjusted)	$7,091,889	$9,280,585	$10,963,891	$27,336,365	$22,354,410

CHANNEL SHIFT SAVINGS

Evidence and data. The interviewees' organizations used Service Cloud to integrate new digital channels to their existing telephony and email channels for customer service. As a result, cases were deflected from the more expensive telephony channel and CX improved as they were offered additional channels. Interviewees shared several stories of success:

- **Digital channels improved CX and business outcomes.** Two of the interviewees said their organization offered digital channels to connect with their customers including live chat and messages on an instant messaging platform as well as self-service automation with chatbots. This strategy increased cost savings and improved the experience for the customers as they could engage in their channel of choice. The VP of automotive services at an automotive services company said, "By increasing our customer's channel and self-service options, we make being a customer easy and seamless."

- **A single view of the customer enabled a consistent experience regardless of channel.** Agents armed with comprehensive customer information had more informed and personalized interactions with the customer, regardless of engagement channel. Additionally, if a customer chose to move between channels, agents could pick up the interaction at the point of the channel switch. This was important to interviewees, as enabling customers to seamlessly transition from one channel to another with little friction was key to keep pace with customer behavior. The senior director of IT at a pharmaceutical company said: "We now have the capability to engage in and manage our various customer experiences consistently in a quality manner across channels, and across the lifecycle of our engagement with the customer."

- **Telephony cases were deflected to digital channels.** The phone was the most expensive channel for customer service interactions, where an agent is required to have a one-to-one interaction with a customer. Digital channels are more cost-effective — either from removing the agent interaction entirely (e.g., self-service bots), gathering information upfront for more efficient routing — to drive agent efficiency or enable agents to handle many customer interactions at once (i.e., via both chat and messaging). Depending on the channels activated, maturity curve of the offering, and type of interaction with customers, interviewees measured deflections to those channels:
  - The executive director for global consumer care at the cosmetics company said, “We’ve seen between 5% and 10% deflection rate through our bots now that we’ve got them.”
  - They further elaborated: “The [channel] mix has changed over time depending on the different regions and the preferences of the consumers in those regions. But overall, it used to be a 50-50 split between phones and emails. Now we have seen our email contacts reduce by about 30% as we deliberately try to switch people away from that [channel] to chat and [instant messaging].”
  - The VP of automotive services at an automotive services company said, “After the full deployment of our end-to-end Salesforce Service Cloud, we have been able to achieve a 40% digital take rate for member self-service.”
- The interviewees from two organizations shared that they do not have a strong case deflection use case.
  - The director of Salesforce COE at a financial services organization noted that their customers tend to be from an older demographic and although digital channels such as chat were offered, they have not been readily adopted.
  - The senior director of IT of a pharmaceutical company highlighted deflection and related cost savings are future priorities and noted that they plan to leverage Service Cloud Einstein and live chat in their call center.

Modeling and assumptions. Based on the interviews, Forrester assumes the following about the composite organization:

- The composite organization’s customer service agents field 150,000 monthly interactions, 90% of which are through phone interactions.
- With the investment in Salesforce Service Cloud, 33%, 43%, and 50% of low complexity interactions are deflected to lower-cost digital channels in Years 1, 2, and 3, respectively.
- The composite has an average cost per telephony interaction of $7.16, whereas a digital

“Being able to see a customer across lines of business will help us understand our customers best at any touchpoint.”

VP of automotive services, automotive services

Case deflection rates to digital channels

33% to 50%

interaction costs $3.64, as agents can handle multiple chat interactions at once, or the interaction is fully automated using a customer-facing bot.

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

- Cost per call and digital interaction will vary depending on the channel, complexity of business, time to resolution, cost of agents, and assigned overhead.
- Consumer preferences and adoption of digital channels.
- Maturity curve of the offering.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of $5.3 million.

Channel Shift Savings

Ref.	Metric	Source	Year 1	Year 2	Year 3
A1	Telephony interactions	150,000*90%* 12 months	1,620,000	1,620,000	1,620,000
A2	Deflection rate of telephony cases to lower-cost digital channels	Interviews	33%	43%	50%
A3	Interactions deflected to lower-cost digital channels	A1*A2	534,600	696,600	810,000
A4	Average cost of a telephony interaction	Composite	$7.16	$7.16	$7.16
A5	Average cost of a digital interaction	Composite	$3.64	$3.64	$3.64
A6	Cost savings for deflected interactions	A4-A5	$3.52	$3.52	$3.52
At	Channel shift savings	A3*A6	$1,881,792	$2,452,032	$2,851,200
	Risk adjustment	↓10%			
Atr	Channel shift savings (risk-adjusted)		$1,693,613	$2,206,829	$2,566,080
	Three-year total: $6,466,522		**Three-year present value: $5,291,407**		

REDUCED VOLATILITY OF AGENT WORKFORCE LEVELS SAVINGS

Evidence and data. Another benefit of Salesforce Service Cloud that customers shared was the normalization of their agent workforce levels. As agent capacity increased from process automation and efficiencies, the need for seasonal outsourced agents was reduced. Interviewees shared several stories of success:

- **More efficiency gave agents additional capacity to handle overflow**. Interviewees noted the need to hire or outsource additional agents during peak seasons to keep up with customer demand. In the prior environment, the in-house agents were at capacity and could not meet the increased demand levels. With Service Cloud, the in-house agents gained additional bandwidth due to the deflection to digital channels and process automation within the platform, enabling them to absorb higher levels of customer service interactions. The senior director of IT of a pharmaceutical company shared: “We had teams that were either inbound or outbound in the past and we realized they had [additional] bandwidth. We could be more efficient with these agents and now those traditionally outbound teams are able to work inbound into their schedule by managing their workload and their bandwidth.”

- **Avoided seasonal agent hiring or outsourcing.** As additional agent capacity enabled them to absorb overflow, the interviewees’ organizations were able to reduce the number of agents hired or outsourced during peak times. The senior director of IT at the pharmaceutical company said, “So far, [we’ve avoided] between 500 and 1,000 peak people or contracted call center vendors that we would have had to bring in. Avoiding having to hire them in the first place and being able to leverage bandwidth we have in internal teams because of the efficiency we have now. That’s a big win.”

Modeling and assumptions. Based on the interviews, Forrester assumes the following about the composite organization:

- The composite organization has 550 agents.
- In times of high demand, like releasing a new product or during high sales seasons, the organization onboards 55%, or 303 more agents, to handle seasonal workloads.
- The average contract duration for a seasonal agent is three months.
- With the investment in Salesforce Service Cloud, the composite is able to tap into additional capacity within its core agent force and reduces the number of temporary agents hired during high demand. The volatility reduces by 80%, 85%, and 90% in Years 1, 2, and 3, respectively.
- The monthly cost of an outsourced agent is $4,507 and is based on an unburdened rate of $26 per hour.

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

- Type and cost of outsourced agents will vary by their education, experience, location, and specific industry.

> **“The overflow goes to teams that have been trained and have bandwidth. That’s a huge efficiency boost for us in terms of workload management.”**
>
> *Senior director of IT, pharmaceuticals*

- Prior environment seasonality and number of agents needed to meet demand during peak periods.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV of $7.8 million.

Reduced Volatility Of Agent Workforce Levels Savings					
Ref.	**Metric**	**Source**	**Year 1**	**Year 2**	**Year 3**
B1	Agents	Composite	550	550	550
B2	Percentage of additional headcount onboarded to handle seasonal workloads	Interviews	55%	55%	55%
B3	Additional agents onboarded for seasonal workloads	B1*B2	302.5	302.5	302.5
B4	Duration of a seasonal agent contract (months)	Composite	3	3	3
B5	Reduced volatility of agent workforce levels	Interviews	80%	85%	90%
B6	Monthly cost of an outsourced agent	$26 per hour	$4,507	$4,507	$4,507
Bt	Reduced volatility of agent workforce levels savings (rounded)	B3*B4*B5*B6	$3,272,082	$3,476,587	$3,681,092
	Risk adjustment	↓10%			
Btr	Reduced volatility of agent workforce levels savings (risk-adjusted)		$2,944,874	$3,128,928	$3,312,983
	Three-year total: $9,386,785		**Three-year present value: $7,752,142**		

IMPROVED AGENT RETENTION SAVINGS

Evidence and data. Interviewees noted that their customer service departments, which historically had high rates of turnover, were positively impacted by the investment in Salesforce Service Cloud as technology plays a huge role in employee job satisfaction and agent retention. Interviewees shared several stories of success:

- **Modern tools and automations improved agent experience.** Interviewees correlated agent experience with customer satisfaction. Agents who had the tools and support to provide great CX enjoyed higher levels of happiness in their role and therefore were less likely to leave. Driving consistency in the tools and support provided to agents with Salesforce Service Cloud improved retention across the organization. The executive director for consumer care at a cosmetics organization shared: “From the point of view [of agent retention], the ability to service our global consumers in a consistent manner across policies, processes, and training has enabled us to deliver things in exactly the same way.”
- **More efficient onboarding reduced the barrier to entry and improved the chances of success for new agents.** The interviewees’ organizations enjoyed streamlined onboarding for their agents, finding it easier for agents to learn a single system. The ability for agents to begin providing value sooner to customers rather than spending weeks or months doing training was a benefit for the interviewees. The VP of automotive services at an automotive services company said, “Simplifying employees' work enables them to spend time to best supporting customers rather than navigating systems.”

Modeling and assumptions. Based on the interviews, Forrester assumes the following about the composite organization:

- The composite organization has 550 agents.
- The average turnover rate of agents in the previous environment was 48%.
- After investing in Salesforce Service Cloud, the composite organization measures an improvement to retention of 25% in Year 1 and 40% in Years 2 and 3, respectively.
- The average cost of onboarding a new customer service agent is 16% of an agent’s annual salary for hiring costs, and the process takes 2.7 months.

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

- Cost of a call center agent will vary by their education, experience, location, and specific industry.
- Turnover for call center agents is high and will vary depending on company culture, competitiveness of pay, and agent experience.

Results. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV of $4.6 million.

Improved Agent Retention Savings					
Ref.	**Metric**	**Source**	**Year 1**	**Year 2**	**Year 3**
C1	Agents	Composite	550	550	550
C2	Average turnover of agents in prior environment	Interviews	48%	48%	48%
C3	Improvement to retention with Salesforce Service Cloud	Interviews	25%	40%	40%
C4	Average turnover of agents with Salesforce Service Cloud (rounded)	C2*(1-C3)	36%	29%	29%
C5	New agents onboarded each year in prior environment	C1*C2	264	264	264
C6	New agents onboarded each year with Salesforce Service Cloud	C1*C4	198	160	160
C7	Avoided hires from reduced turnover rate	C5-C6	66	104.5	104.5
C8	Average cost of onboarding a new agent	($5,200*2.7)+16% of annual salary	$24,024	$24,024	$24,024
Ct	Improved agent retention savings	C7*C8	$1,585,584	$2,510,508	$2,510,508
	Risk adjustment	↓15%			
Ctr	Improved agent retention savings (risk-adjusted)		$1,347,746	$2,133,932	$2,133,932
	Three-year total: $5,615,610		**Three-year present value: $4,592,059**		

AGENT TRAINING EFFICIENCIES

Evidence and data. Consolidating contact center and customer service tools into a single platform enabled the interviewees' organizations to realize efficiencies related to training agents. With fewer tools and systems to learn, and processes embedded within Salesforce workflows, agents (e.g., employees and contractors) reduced their time to value for delivering high quality customer interactions. Furthermore, insights into the agent performance using dashboards enabled supervisors to understand agent performance and step in when the agent or situation required additional mentoring or management. Interviewees shared the following stories of success:

- **Learning a single platform accelerates time to value for new agents.** Interviewees estimated that the time to value for new agents or agents switching roles accelerated by 10% to 30% after investing in Service Cloud. The senior director of IT at a pharmaceutical company said: "We're early on our maturity curve but we've already seen baseline improvements [to agent onboarding]. The time it takes for someone to onboard and become valuable in their role has been greatly reduced because they don't have to learn 20 different ways of getting things done. It's all in one place. They just have to raise the case properly and it'll get to where it needs to go."
- **Visibility into agent performance highlighted areas to improve training.** Dashboards enabled managers to observe agent performance metrics and gave insights into what agents or teams needed additional training and support in. The senior director of IT at a pharmaceutical company shared: "Now, we have consistent levels of feedback and information. What's more powerful is seeing it across all the different brands, queues, and use cases and identifying the positive cases versus the laggards, which helps us to identify [what's working well and what isn't]. Like, why their first call resolution, rate of transfer, or time to answer is not good. I think the consistency, transparency, and visibility is the first thing we've noticed and we're benefiting from now."

> **"In the legacy world, depending on the business unit, the [time to onboard] was really long. [Now,] they're getting people up to speed very, very quickly — like within three weeks to a month, they're producing and meeting their quotas."**
>
> *Senior director of IT, pharmaceuticals*

Modeling and assumptions. Based on the interviews, Forrester assumes the following about the composite organization:

- The composite organization has 550 agents.
- Before investing in Service Cloud, the turnover rate within the agent pool was high, at 36% annually.
- One cohort of agents — 20% of the total agent pool — is dedicated to responding to complex customer issues and therefore, these employees have a longer onboarding time of six months.
- The second cohort — 80% of the total agent pool — is trained to respond to simple issues and only requires three months of training in the prior environment.
- Salesforce Service Cloud accelerates the speed to value for both cohorts. The group of agents handling simple issues accelerates its time to

value by 30%, and the group handling complex issues accelerates its time to value by 10%.

- The hourly cost of each agent is $30, or $5,200 a month.

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

- Heavily regulated industries may have longer onboarding windows than organizations in nonregulated industries.
- The degree to which time to value and onboarding time accelerate will depend on the complexity of the interaction that agents are trained to respond to.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV of $1.7 million.

Agent Training Efficiencies

Ref.	Metric	Source	Year 1	Year 2	Year 3
D1	Agents	Composite	550	550	550
D2	Average turnover rate of agents with Salesforce Service Cloud	C4	36%	29%	29%
D3	New agents onboarded each year	D1*D2	198	159.5	159.5
D4	Percentage of new hires dedicated to complex interaction training	Composite	20%	20%	20%
D5	Time to value for new agents in prior environment for simple interactions (months)	Interviews	3	3	3
D6	Accelerated time to value for agents trained for simple interactions	Interviews	30%	30%	30%
D7	Time to value for new agents in prior environment for complex interactions (months)	Interviews	6	6	6
D8	Accelerated time to value for agents trained for complex interactions	Interviews	10%	10%	10%
D9	Months of onboarding training avoided with Salesforce Service Cloud (rounded)	(D3*D4*D7*D8) + (D3*(1-D4) *D5*D6	166	134	134
D10	Monthly cost of a contact center agent	$30 per hour	$5,200	$5,200	$5,200
Dt	Agent training efficiencies	D9*D10	$863,200	$696,800	$696,800
	Risk adjustment	↓10%			
Dtr	Agent training efficiencies (risk-adjusted)		$776,880	$627,120	$627,120
	Three-year total: $2,031,120		**Three-year present value: $1,695,700**		

LEGACY ENVIRONMENT AND REPORTING SAVINGS

Evidence and data. The interviewee's organizations had legacy customer service tools with siloed systems and disconnected data, which made reporting challenging and time-consuming. After investing in Salesforce Service Cloud, the interviewees' organizations began to decommission their legacy technology ecosystems, consolidate maintenance efforts, remove outsourced contracts, and reduce their technology bloat. Furthermore, with case and customer data within a single platform, manual reporting was replaced by Salesforce-generated reporting capabilities. Interviewees shared the following success stories :

- **Streamlined reporting which provided a better understanding of service operations.** Reporting in the legacy environment required days of manual data gathering and manipulation across multiple tools. The senior product manager at a financial services organization shared: "Before Salesforce Service Cloud, our reporting capabilities were done in multiple different solutions because the information that they were looking for couldn't be captured in one solution. We had to go to multiple areas to gather as much data as we possibly could on any particular thing that they were looking for. It would take me weeks. I had to pull reports for each branch, like how many accounts were opened within a given month and then a given year based by product type, what was new money, what was existing money, and I'd have to pull those reports together to look at branch profitability and sustainability. It would just take a long time. After the investment in Salesforce, these manual efforts were eliminated."

- **Improved ability to turn insights into actions enabled in the moment.** Instead of waiting weeks to review historical reporting, interviewees said that Salesforce Service Cloud enabled near-real-time access to their information in visual dashboards, empowering them to make decisions in the moment to address areas of concern. The ability to react in near real time to emerging trends and insights reduces risk to the business. The executive director of global consumer care at a cosmetics organization said: "The other outcome of decent reporting is risk mitigation. It enables us to identify risky situations impacting the consumer and address them in real time rather than wait for them to become an issue to the brands or reputation of the company."

> **"We are consolidating the technology and the processes used to satisfy the value proposition to our customers, the services, and the information that we offer them."**
>
> *Vice president of global consumer care, cosmetics*

- **Consolidation of tools and unification of data across the organization.** Interviewees said that consolidating and decommissioning legacy tools was a daunting but important change management requirement of their Service Cloud investment. Aligning tools and processes across the organizations was slow but necessary to ensure that all customer interactions and corresponding data were tracked in one place and for customers to receive consistent experiences regardless of location or department they contacted. The senior director of IT at a pharmaceutical company said: "As you can imagine with the size of our product portfolio, we had very disparate approaches all over the place. But we've started consolidating that with the help of Service Cloud and Service Cloud Voice."

- **Insights enabled targeted investments into CX.** Interviewees spoke glowingly about how Service Cloud provided actionable insights that were not available in their prior environments. With these new insights, decision-makers felt empowered to make changes that directly impacted CX.
  - The vice president of global consumer care at the cosmetics company shared: "[The insights help us] prioritize fixes and enhancements. We're able to tell our internal stakeholders where the biggest issues are, the issues driving the highest number of contacts … and then that enables them to prioritize where they invest to improve the consumer experience."
  - The executive director for global consumer care at the cosmetics company added: "We've been able to hold the mirror up to people in supply chain and say failures in the supply chain or issues with the website are driving [a certain] amount of contacts. From a product point of view, there's an opportunity here because consumers are consistently telling us that they don't like the consistency of the new formula or are upset we discontinued something they loved. Insights like that really provide value."
- **Unified data provided global comparability.** Interviewees noted that without sophisticated reporting capabilities in the prior environment, relying on key performance metrics or comparing performance over time or across geographies was challenging and often impossible. The executive director for global consumer care at a cosmetics organization said: "Having data consistency globally enables us to know that the top reason for contact in the UK is tracking an order and the top reason for contact in China is to do with loyalty. Because we're doing that consistently now, when we present that data to very senior stakeholders, they know that they're comparing apples with apples — whereas previously, we didn't have that."

> **"Our data is all in one place now and it's consistent in terms of what's captured. That makes it much easier to analyze and pull out insights as it's all in the same format."**
>
> *Vice president of global consumer care, cosmetics*

Modeling and assumptions. Based on the interviews, Forrester assumes the following about the composite organization:

- The composite organization expends $3 million to run the legacy customer service environment, including tool licensing, technology bloat, and maintenance costs.
- After investing in Service Cloud, the organization makes a global effort to consolidate and decommission legacy tools while unifying processes. This effort requires significant change management efforts, and the composite organization is not successful in removing all legacy tools and applications. The organization decommissions 10%, 40%, and 80% of legacy applications in Years 1, 2, and 3, respectively.
- Reporting efforts in the composite organization's prior environment required 80 hours of manual

data aggregation and manipulation. This was done on a monthly basis.

- The fully burdened hourly cost of a Salesforce administrator is $48.

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

- Hidden technical debt may increase the run costs of the legacy program.
- An organization's ability to effectively consolidate and decommission legacy technology will depend on company culture, appetite for risk, and levels of change management to ensure adoption of the Service Cloud platform and processes.

Results. To account for these risks, Forrester adjusted this benefit downward by 5%, yielding a three-year, risk-adjusted total PV of $3.0 million.

Legacy Environment And Reporting Savings

Ref.	Metric	Source	Year 1	Year 2	Year 3
E1	Legacy system application run costs	Composite	$3,000,000	$3,000,000	$3,000,000
E2	Percentage of legacy applications decommissioned	Interviews	10%	40%	80%
E3	Subtotal: Legacy environment savings	E1*E2	$300,000	$1,200,000	$2,400,000
E4	Hours of manual reporting avoided with Salesforce Service Cloud	Interviews	80	80	80
E5	Frequency of reporting (months)	Interviews	12	12	12
E6	Fully burdened hourly cost of a Salesforce administrator	Composite	$48	$48	$48
E7	Subtotal: Reporting savings	E4*E5*E6	$46,080	$46,080	$46,080
Et	Legacy environment and reporting savings	E3+E7	$346,080	$1,246,080	$2,446,080
	Risk adjustment	↓5%			
Etr	Legacy environment and reporting savings (risk-adjusted)		$328,776	$1,183,776	$2,323,776
	Three-year total: $3,836,328		**Three-year present value: $3,023,102**		

UNQUANTIFIED BENEFITS

In addition to the benefits quantified above, the interviewees' organizations realized benefits that were not quantified for this study. These benefits include:

- **Revenue generation from cross-sell/upsell use cases.** Service agents are perfectly positioned to offer timely suggestions to customers in need without giving them a sales pitch. Two interviewees noted that they had blossoming use cases with revenue-generating potential:
  - The senior director of IT at a pharmaceutical company shared, "We've already recognized a tremendous amount of additional value we can provide to customers more easily and that's provided us with enhanced sales and marketing promotional opportunities."
  - The vice president of global consumer care at a cosmetics company said: "The frontline team has a better view of the consumers, so they're able to personalize recommendations and make proposals of products in a better, more personal way. I think it's probably enabled us to drive more revenue."
- **Revenue generation from improved customer loyalty.** Positive experiences foster customer loyalty. The executive director for global consumer care at a cosmetics company shared that when they create great CX, they are deepening the relationship with their customers, which turns into more loyalty. They said, "And then the knock-on of [a good customer service interaction], is increased loyalty because customers are either going, "Actually, this is really painful, I'm never going to deal with you again," or "This is a good experience, and I'm much more likely to order again." It's difficult to put numbers around those things but there are definitely loyalty benefits."
- **Additional value from the improved efficiency of DevOps.** Interviewees noted that agile development and release cycles as well as declarative coding helped both developers and business users be more productive and have more control over features. Interviewees shared:
  - The VP of automotive services at an automotive services company shared: "The Salesforce platform works very well with agile delivery systems. Making the change from legacy/waterfall releases has allowed us to not only be more responsive but add more value to our providers and members."
  - The senior product manager of a financial services company said: "There is a lot more of self-management within the platform so we can cater and update the solution in response to the direction that we're moving in. We're not stuck in a box. We can customize it."
- **Customer experience improvements.** Interviewees shared several ways that they measured the improvement in CX and its impact on their organizations:
  - The senior product manager of a financial services company said: "Generally, when you call a contact center, when you finally get somebody on the phone, they should be able to answer your question if you've gone through the prompts the way that you should have. [With Service Cloud,] it's a better customer experience because the customer is not getting bounced around."
- **Contact center KPI improvements — FCR.** Improvements to FCR saved resource time as customers did not have to follow up multiple times to resolve a case. Better resolution also improves CX. Interviewees noted that after their organization invested in Salesforce Service Cloud, agents were readily able to find relevant

knowledge needed to resolve the case and information about the customer, such as order number and a record of previous interactions that enabled them to improve FCR.

  - The senior product manager at a financial services company said, “I don’t have the numbers, but because we’re now handling the calls internally, the first contact resolution is definitely something we’re leading with and I can say without a doubt, that that number has gone up.”
  - The VP of automotive services at an automotive services company shared: “We are leveraging a variety of knowledge articles integrated within our flows. We have not yet defined savings and improvements attributed to these.”

- **Contact center KPI improvements — reduced call handling time.** Interviewees shared that although average handling time can be a misleading metric because a lower call handling time is not necessarily a good thing), they still measure it with Service Cloud. In theory, as simple interactions are deflected to chatbots, the more complex interactions are handled by an agent. As the mix of simple and complex interactions shifts, the average call handling time increases. Capturing the nuance of call handling time can be challenging, and for the cosmetics company — there was no comparable measurement in the prior environment. The executive director for global consumer care from the cosmetics company shared: “Our handling time went up because [previously], we didn’t have a CRM system in lots of places. For a lot of contact types, we couldn’t track cases, track the consumer journey, or track that a customer had phoned us five times about the same problem. [With Service Cloud], the handling time definitely went up, but it has definitely improved, and we know this because of the overall satisfaction.”

- **Enabled business continuity with cloud SaaS model.** In early 2020, markets around the world shut down in response to the COVID-19 pandemic. For the interviewees, the investment in Salesforce Service Cloud enabled them to rapidly shift their service agents to remote work and continue offering customer support. In the legacy environment, a monumental shift like this would have required months of effort. The executive director for global consumer care at a cosmetics company said: “When COVID hit, everybody picked up their laptops, went home, and carried on. Obviously, lots of things unraveled around us in our wider business world, but from a service delivery point of view, that was brilliant.”

FLEXIBILITY

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

- **Extend use cases to include additional business process automation.** Interviewees noted that a future strategic value of their Salesforce investments is to continuously experiment with new use cases for the platform. Interviewees noted roadmaps will focus on agile releases and getting quick wins, so they can demonstrate value and garner greater adoption of the platform, which will increase their ROI.
- **Tap into business intelligence and visualization tools.** Salesforce's AppExchange service offers organizations the opportunity to select applications and plug-ins to amplify their investments. Interviewees noted that this option helped future-proof their investments, as future business requirements or requested features and functionality can be built internally or found on AppExchange. Interviewees noted roadmaps included AI and Einstein for Service capabilities. The VP of automotive services at an automotive services company shared: "We are at the early stage of piloting AI capabilities. It's too soon to tell, but we are optimistic this will add another layer of efficiency."
- **Provide a foundation for future strategic changes.** Interviewees said that the foundation they built with Salesforce enables them to readily adapt to future needs. The senior director of IT at a pharmaceutical company said: "This is a better foundation. It has yet to be realized, but Salesforce puts us in a better position to do more future facing and across the broader ecosystem."

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

"The platform's flexibility puts us in control so that we can make an update versus having to wait for a feature from a vendor that isn't on the roadmap. We have the capability to iterate at our own pace."

Director of Salesforce COE, financial services

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
Ftr	Salesforce subscription	$0	$1,753,500	$1,926,750	$2,100,000	$5,780,250	$4,764,207
Gtr	Implementation	$2,794,000	$2,288,000	$0	$0	$5,082,000	$4,874,000
Htr	Ongoing management	$0	$0	$189,000	$189,000	$378,000	$298,197
	Total costs (risk-adjusted)	$2,794,000	$4,041,500	$2,115,750	$2,289,000	$11,240,250	$9,936,404

SALESFORCE SUBSCRIPTION

Evidence and data. The interviewees' organizations incurred licensing and subscription costs for their Salesforce Service Cloud investment.

- **Service Cloud subscription.** Salesforce markets five editions of Service Cloud, Starter Suite, Professional, Enterprise, Unlimited, and Einstein 1 Service Edition.[3] Each edition offers varying levels of features and is priced on a per-user, per-month basis, ranging from $25 to $500.
- **Add-on costs.** In addition, the interviewees' organizations extended their Service Cloud investment to include related apps and add-ons like Einstein for Service, Field Service, Self-Service, Digital Engagement, Service Cloud Voice, and Service Intelligence. Extensions and add-ons were typically calculated by user licenses, number of log ins, or number of messages.

Modeling and assumptions. Based on the interviews, Forrester assumes the following about the composite organization:

- The composite organization pays for the Einstein 1 Service edition of Salesforce Service Cloud and includes Self-Service, Feedback Management, Service Intelligence, Einstein for Service, Slack, Data Cloud, Digital Engagement and Service Cloud Voice. The subscription totals $1. 7 million, $1.8 million, and $2 .0million in Years 1, 2, and 3, respectively.
- Pricing may vary. Contact Salesforce 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 following:

- The size of the service organization and the number of add-on products purchased to complement Service Cloud.

Results. To account for these risks, Forrester adjusted this cost upward by 5%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of $4.8 million.

Salesforce Subscription						
Ref.	**Metric**	**Source**	**Initial**	**Year 1**	**Year 2**	**Year 3**
F1	Salesforce Service Cloud subscription	Composite	$0	$1,670,000	$1,835,000	$2,000,000
Ft	Salesforce subscription	F1	$0	$1,670,000	$1,835,000	$2,000,000
	Risk adjustment	↑5%				
Ftr	Salesforce subscription (risk-adjusted)		$0	$1,753,500	$1,926,750	$2,100,000
	Three-year total: $5,780,250			**Three-year present value: $4,764,207**		

IMPLEMENTATION

Evidence and data. Interviewees noted incurred external and internal costs for the implementation of Service Cloud.

- **Internal implementation team.** Business and technical resources both participated in the implementation of Service Cloud. Project managers, developers, change managers, product owners, solutions architects, administrators, and executive sponsors were included in these efforts. Interviewees said that it took their organizations between seven months and two years to implement Service Cloud.
- **System integrator.** All but one organization engaged a system integrator (SI) partner to aid in the implementation of Service Cloud. The engagement cost varied across organizations, depending most significantly on the implementation complexity, internal skill sets, and the size of the service organizations.

Modeling and assumptions. Based on the interviews, Forrester assumes the following about the composite organization:

- The composite organization undergoes a global implementation of Service Cloud. The overall implementation takes 18 months. The first six months focus on one region and optimizing a minimum viable product (MVP).
- Thirty business and technical resources are involved in implementation, and each dedicated an average of 30% of their time to implementation tasks.
- The average fully burdened monthly cost of a business and technical resource is $10,000.
- The SI costs a total of $3 million.

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

- Small and midsize businesses with simpler deployments can leverage Salesforce's out-of-the-box presets to simplify implementation requirements and shorten implementation timelines.
- Implementation timelines will be impacted by the degree of customization, the use of templates, the number and complexity of integrations and APIs. Organizational culture and change management will also impact implementation timelines and adoption of the platform.

Results. To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year, risk-adjusted total PV of $4.9 million.

> **"Our transformation office worked closely with our internal operations responsible for our implementation including our business operations, architecture, IT, infrastructure, and learning and development. We worked with two system integrators over the course of this project."**
>
> *VP of automotive services, automotive services*

Implementation Costs						
Ref.	**Metric**	**Source**	**Initial**	**Year 1**	**Year 2**	**Year 3**
G1	Months required for implementation	Composite	6	12	0	0
G2	Internal business and technical resources required for implementation	Composite	30	30	0	0
G3	Percentage of time dedicated by implementation resources on average	Composite	30%	30%	0%	0%
G4	Average monthly fully burdened cost of a business and technical resource	$120,000/ 12 months	$10,000	$10,000	$0	$0
G5	Subtotal: Internal implementation labor costs	G1*G2*G3*G4	$540,000	$1,080,000	$0	$0
G6	SI engagement cost	Composite	$2,000,000	$1,000,000	$0	$0
Gt	Implementation costs	G5+G6	$2,540,000	$2,080,000	$0	$0
	Risk adjustment	↑10%				
Gtr	Implementation costs (risk-adjusted)		$2,794,000	$2,288,000	$0	$0
	Three-year total: $5,082,000			**Three-year present value: $4,874,000**		

ONGOING MANAGEMENT

Evidence and data. Enacting large-scale transformation across a business is like replacing the engine of an airplane while it is still flying. Businesses must operate as usual while simultaneously and seamlessly undergoing a momentous shift. More specifically, contact centers are often limited by budget constrictions, so when the funding is secured, it is critical that the investment is rolled out successfully.

To ensure that the Salesforce investment would be successful, interviewees continued to dedicate internal resources to managing their organization's Service Cloud environments, driving ongoing optimization, and aiding with change management.

Modeling and assumptions. Based on the interviews, Forrester assumes the following about the composite organization:

- Beginning in Year 2, six Salesforce administrators spend 30% of their time focused on supporting Service Cloud. These administrative resources are shared across other areas of the business and Salesforce platform.
- The annual fully burdened cost of a Salesforce administrator is $100,000.

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

- Organizations without the internal expertise needed to administer the Salesforce platform may choose to engage a SI for ongoing professional services.
- Additional internal resources may be allocated to the Service Cloud (e.g., architects, developers, and program managers). This depends on an organization's reliance on a third-party SI or professional services organization.

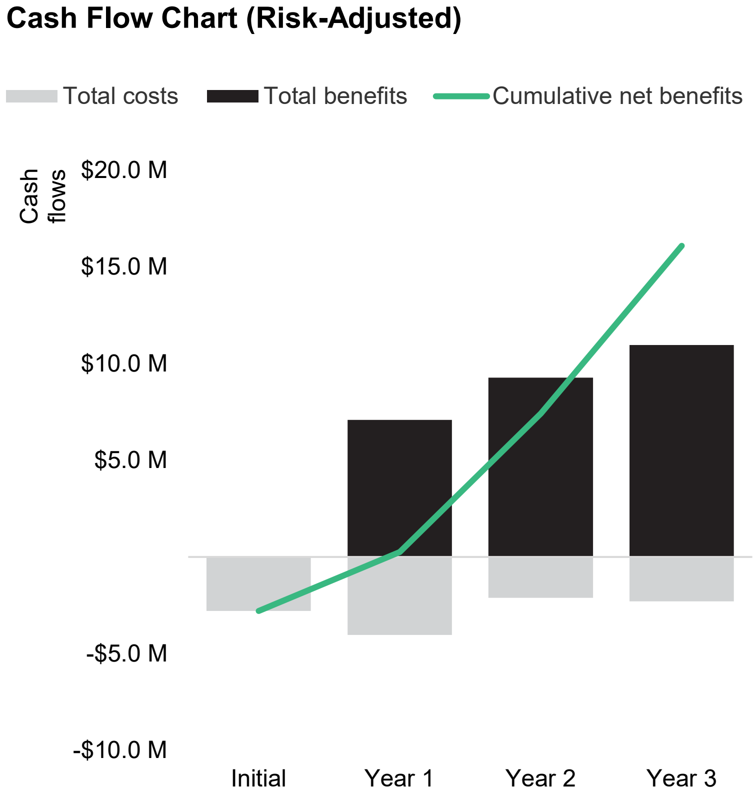
Results. To account for these risks, Forrester adjusted this cost upward by 5%, yielding a three-year, risk-adjusted total PV of $298,000.

Ongoing Management

Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
H1	Internal Salesforce Service Cloud administrators	Composite	0	0	6	6
H2	Percentage of time spent supporting Service Cloud	Composite	0%	0%	30%	30%
H3	Fully burdened annual cost of a Salesforce Service Cloud administrator	Composite	$0	$0	$100,000	$100,000
Ht	Ongoing management	H1*H2*H3	$0	$0	$180,000	$180,000
	Risk adjustment	↑5%				
Htr	Ongoing management (risk-adjusted)		$0	$0	$189,000	$189,000
	Three-year total: $378,000			Three-year present value: $298,197		

Financial Summary

CONSOLIDATED THREE-YEAR RISK-ADJUSTED METRICS



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	($2,794,000)	($4,041,500)	($2,115,750)	($2,289,000)	($11,240,250)	($9,936,404)
Total benefits	$0	$7,091,889	$9,280,585	$10,963,891	$27,336,365	$22,354,410
Net benefits	($2,794,000)	$3,050,389	$7,164,835	$8,674,891	$16,096,115	$12,418,006
ROI						125%
Payback						11 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: Endnotes

[1] 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.

[2] "Einstein 1 Platform" is the current branding of a product that was formerly known as the "Customer 360 Platform."

[3] "Einstein 1 Service Edition" is the current branding of a package that was formerly known as "Unlimited+."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