

The Total Economic Impact™ Of Forrester Decisions

Business Strategy, Speed, Efficiency, And Growth
Enabled By Forrester Decisions

A FORRESTER TOTAL ECONOMIC IMPACT™ STUDY, FEBRUARY 2023

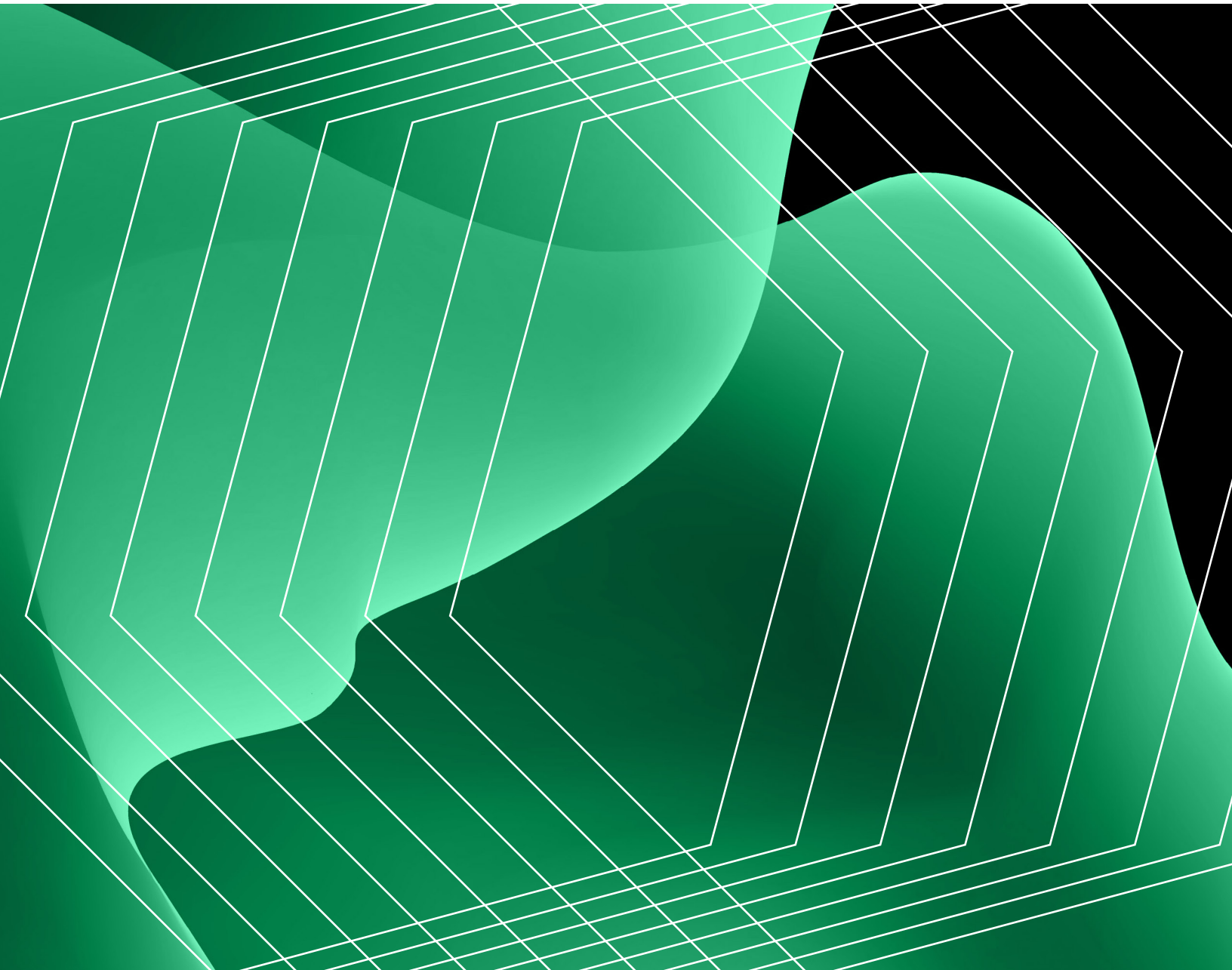


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ABOUT FORRESTER

Forrester provides independent and objective research-based consulting to help leaders succeed in their organizations. For more information, visit forrester.com/consulting.

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Executive Summary

Business and technology decision-makers operate in high-risk environments where their decisions can impact thousands of roles and hundreds of millions of dollars. Interviewed and surveyed decision-makers found that leveraging Forrester Decisions provided the resources and guidance to successfully lead organizational change and gain confidence of stakeholders. Key benefits of Forrester Decisions include a 26% higher success rate for transformational initiatives, 50% faster time to value, and 4% extra revenue growth.

[Forrester Decisions](#) is a portfolio of research services that helps executives, functional leaders, and their teams plan and execute their most pressing initiatives. The portfolio combines research-based insights, models, and frameworks with hands-on guidance to ensure that leaders and their teams have what they need to solve problems, make decisions, and take action to deliver results.

Forrester conducted a Total Economic Impact™ (TEI) study to examine the potential return on investment (ROI) organizations may realize by investing in Forrester Decisions.¹ The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of Forrester Decisions on their organizations.

“Forrester was a major factor in our success and helped us to understand the problem we were facing. They had seen it before, they had the analysis, they connected us with peers who had gone through it already, and they showed us the right processes and technologies. We continue to see the value today.”

Chief enterprise architect, global recruitment, staffing, and professional services

KEY STATISTICS



Return on investment (ROI)

259%



Net present value (NPV)

\$1.83M

To better understand the benefits, costs, and risks associated with this investment, Forrester’s interviewed four decision-makers and surveyed 42 respondents with experience using Forrester Decisions. For the purposes of this study, the interview and survey data were aggregated to form a financial analysis for a representative [composite organization](#) headquartered in North America that earns \$10 billion in revenue.

Interviewees were responsible for driving major change; however, without guidance and sufficient research, time and resources were wasted in the decision-making process. In some cases, this resulted in lost stakeholder confidence. By investing in Forrester Decisions, interviewees gained confidence in their decisions, aligned teams, boosted the likelihood of success, and accelerated results — driving cost savings and business growth.

KEY FINDINGS

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

- **Improves success rate of transformational initiatives by 26%.** Deep engagement with analysts, ongoing discussions with other industry experts, and relevant frameworks and research through Forrester Decisions improve the success rate of transformational initiatives by 26%. With three initiatives per year, this is worth \$1.1 million to the composite organization over three years.
- **Accelerates time to value for transformational initiatives by 50%.** Leveraging proven frameworks and processes from Forrester Decisions, in addition to guidance during key pivotal decision points, enables transformational initiatives to be completed up to 50% faster, or 13 weeks sooner, than otherwise possible. This saves the composite organization \$406,000 in labor that can be reinvested in higher-priority work over a three-year period.
- **Optimizes market expansion, accelerating revenue growth by an extra 4%.** The composite organization grows revenue for its new product by an extra 4% annually because of analyst guidance, data, and research provided through the Forrester Decisions platform. The guidance and information help the composite organization to target key market subsegments and successfully complete new entrances and expansions with reduced risk. This provides an additional \$884,000 in profit over a three-year period.
- **Gains operational efficiency, saving each employee 1.3 hours per month.** Employees use frameworks and process improvements from Forrester Decisions during their initial onboarding as well as in day-to-day activities. Saved labor is worth \$170,000 to the composite organization.

“Forrester has been my principal partner in evolving my practice. I credit them with this because of their help in an advisory capacity to make sure I’m thinking correctly and am not off base.”

Vice president of enterprise and business architecture, financial services

“I would not have done this transformation without Forrester. There would have been a lot more insecurity and guessing whether the structure we are trying to build is the right one.”

Senior director of revenue marketing, industrial office equipment

Unquantified benefits. Qualitative benefits for the composite organization include:

- **Improve confidence from key stakeholders to secure their support.** Decision-makers in the composite organization leverage Forrester’s proven frameworks and research to add weight and authority to their proposed solutions. In addition, they meet with analysts and peer groups to hone their pitches before presenting to their own executive leadership.
- **Provide an “insurance policy” to reduce risk in technology and other investments.** While garnering support among executives, decision-makers in the composite organization also use expertise and research from Forrester Decisions to thoroughly vet major investments such as new

technology. This mitigates the risk of wasting resources and losing confidence of stakeholders by making a bad investment.

- **Facilitate deep, long-term relationships and networking opportunities.** License holders in the composite organization form relationships with analysts, peers, and industry experts through Forrester Decisions. Some of these relationships provide additional value both in terms of personal networking and professional growth.
- **Broaden thought processes and provide alternative perspectives.** Forrester Decisions provides license holders in the composite organization with new predictive research, industry vision, resources, and experiences not available to them internally. This in turn allows key decision-makers to broaden their thought processes and consider new and alternative approaches to their problems. This diversity of perspective ultimately results in improved decision-making.
- **Deliver personalized and proactive advice.** Robust, regular engagement with analysts provides access to a deeper understanding of subject matter for license holders in the composite organization. This allows license holders to act more strategically and provide longer-term value to the composite organization beyond any single initiative. In addition, as Forrester analysts learn more about the unique environment within the composite organization and opportunities for improved alignment across groups, they proactively recommend future initiatives and investments. This also provides longer-term benefit to the composite organization not possible before its investment in Forrester Decisions.

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

- **Forrester Decisions license costs.** Forrester charges fees for license holders depending on their access needs. The composite organization

“If I could do it all over again, I would absolutely insist on having Forrester at the table for this initiative and the next one.”

Senior director of revenue marketing, industrial office equipment

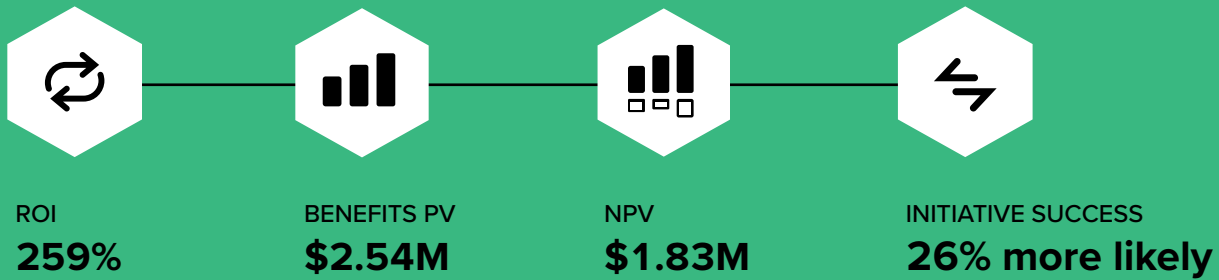
“A challenge we had in alignment for many, many decades, even before I joined the company, was solved through the Forrester Decisions program. They walked us through the framework process and adjusted it to meet our business needs.”

Chief enterprise architect, global recruitment, staffing, and professional services

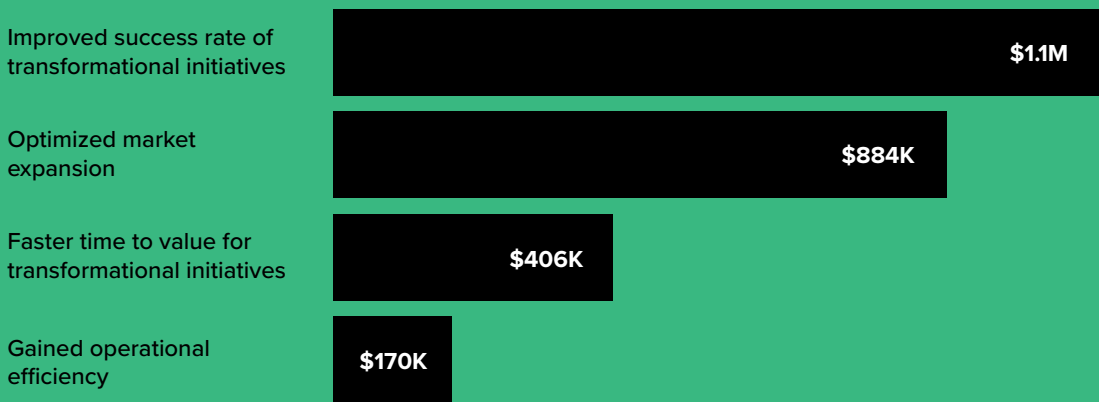
pays for four license holders, including a leadership-level role, and expands to six licenses by Year 3. This costs a total of \$424,000 over three years.

- **Labor to leverage Forrester resources.** License holders spend an average of 14 hours per month on an ongoing basis utilizing the resources included in Forrester Decisions, including engaging with analysts and other experts, reading research, completing certification courses, and leveraging other resources. Some of this time is not fully incremental and would have otherwise been spent on transformational initiatives. This combined labor costs the composite organization \$283,000 over three years.

Synopsis. The composite organization invests \$710,000 in costs and experiences \$2.54 million in benefits over three years, adding up to a net present value (NPV) of \$1.83 million and an ROI of 259%.



Three-Year Benefits For The Composite Organization



“In the face of budget cuts, I chose Forrester because I found them more unbiased, more engaging, and able to provide insights I can act on. ... I doubled down on Forrester for better ROI.”

Vice president of enterprise and business architecture, financial services

TEI FRAMEWORK AND METHODOLOGY

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

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 Forrester Decisions can have on an organization.

DISCLOSURES

Readers should be aware of the following:

This study 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 Forrester Decisions.

Forrester interviewed the Forrester Decisions customers and fielded the survey using a third-party survey partner.



DUE DILIGENCE

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



CUSTOMER INTERVIEWS

Interviewed four representatives and surveyed 42 respondents at organizations using Forrester Decisions to obtain data with respect to benefits, costs, and risks.



COMPOSITE ORGANIZATION

Designed a composite organization based on characteristics of the interviewed organizations.



FINANCIAL MODEL FRAMEWORK

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



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 Forrester Decisions Customer Journey

Drivers leading to the Forrester Decisions investment

KEY CHALLENGES

Forrester interviewed four representatives and surveyed 42 respondents with experience using Forrester Decisions at their organizations. For more details on these individuals and the organizations they represent, see [Appendix B](#).

Prior to their investment in Forrester Decisions, interviewees and surveyed respondents included a mixture of those who used alternative research and advisory services, engaged alternative consulting firms, and/or attempted to build the research capabilities internally.

Interviewees' and survey respondents' organizations struggled with common challenges, including:

- **Difficulty gaining trust while driving organizational change.** Prior to integrating Forrester Decisions, interviewees struggled to secure stakeholder trust as they sought to drive major organizational change. This was often due to executives and those directly impacted by change being hesitant to alter existing strategies and processes. Gaining trust was especially difficult when interviewees faced a novel problem or situation and needed to develop an approach that did not yet have the benefit of being tested in their own environment.
- **Longer-than-desired time to value.** Some interviewees noted that change took significantly longer to accomplish as stakeholders lacked confidence in the approach. This required several rounds of iterative pilot groups, significantly delaying the benefit of a decision, and created weighty opportunity costs for the organization.

“Our technology investments weren’t enabling business strategy, driving revenue, or providing a better customer experience. We attacked these issues with just technology replacements and upgrades rather than looking at how we are operating and leading.”

**Chief enterprise architect,
global recruitment, staffing, and
professional services**

Challenges Leading To Investments In Forrester Decisions



Base: 38 organization decision-makers and Forrester Decisions license holders.
Note: Responses of "Poor employee morale or engagement," "Other," or "Don't know" are not shown.
Source: A study conducted by Forrester, December 2022

- Significant amounts of wasted resources.**
 An additional risk that interviewees experienced prior to investing in Forrester Decisions was wasted time and resources. This often resulted from the lack of access to proven frameworks or experts who had successfully achieved similar goals. The types of decisions interviewees faced required major investment and resources, meaning that a misstep could be quite costly.

INVESTMENT OBJECTIVES

The interviewees and survey respondents selected Forrester Decisions after searching for a solution that could:

- Provide access to proven frameworks, guidance, and experts that were relevant to their own industry, function, and challenges.
- Allow for alignment of strategy across multiple functions, rather than being limited to just one group.
- Be a partner in facilitating change throughout the decision-making process.

Top Three Goals For Forrester Decisions



Base: 42 organization decision-makers and Forrester Decisions license holders. Source: A study conducted by Forrester, December 2022

“Driving change is a fickle thing. If you get it wrong too early, you lose trust; accepting change is all about trust. Forrester Decisions helped provide a framework that I was able to feel confident in as I built my own version.”

Senior director of revenue marketing, industrial office equipment

COMPOSITE ORGANIZATION

Based on the interviews and survey, Forrester constructed a TEI framework, a composite organization, and an ROI analysis that illustrates the areas financially affected. The composite organization is representative of the four interviewees and the 42 survey respondents, 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 organization earns \$10 billion in revenue per year and employs 12,000 full-time employees (FTEs). It is headquartered in North America and operates globally. The business function that invests in Forrester Decisions undergoes an average of three transformational initiatives each year, impacting most of the organization. These initiatives include digital transformation, customer experience, technology investments, and interdepartmental alignment. In addition, the business function utilizing Forrester Decisions has recently expanded into a new vertical where it generates \$100 million annually, growing at about 10% per year.

Deployment characteristics. The composite organization invests in Forrester Decisions to help the business successfully complete transformational initiatives (such as CX, technology, marketing, sales, or product transformation). Four Forrester Decisions licenses are purchased in the first year: two for leadership personas (such as director) and two additional licenses for supporting roles. An additional team member license is purchased each year as usage of Forrester Decisions deepens.

Key assumptions

- \$10 billion revenue
- \$100 million new product
- 3 transformational initiatives
- 4 to 6 license holders

Analysis Of Benefits

Quantified benefit data as applied to the composite

Total Benefits						
Ref	Benefit	6 Months	12 Months	18 Months	Total	Present Value
Atr	Improved success rate of transformational initiatives	\$201,600	\$403,200	\$748,800	\$1,353,600	\$1,079,080
Btr	Faster time to value for transformational initiatives	\$77,835	\$175,128	\$252,963	\$505,926	\$405,548
Ctr	Optimized market expansion	\$255,000	\$384,200	\$445,672	\$1,084,872	\$884,179
Dtr	Gained operational efficiency	\$51,300	\$69,563	\$87,364	\$208,227	\$169,764
	Total benefits (risk-adjusted)	\$585,735	\$1,032,091	\$1,534,799	\$3,152,625	\$2,538,571

IMPROVED SUCCESS RATE OF TRANSFORMATIONAL INITIATIVES

Evidence and data. Forrester Decisions helped leaders set better strategy, gain alignment, and activate on initiatives — increasing the likelihood of success for their transformational initiatives.

- Forrester account teams and Forrester analysts coached leaders through every step of initiative processes: building understanding; evaluating needs; setting strategy; and gaining alignment, activation, and measurement.
- Leaders used Forrester’s research resources to learn about business imperatives, explore key themes, and self-evaluate using benchmarks and maturity assessments. They learned to activate their strategy by using research resources such as best practices, frameworks, models, and measurement tools.
- Leaders built authority and gained support for initiatives by sharing research with peers and inviting them to join guidance sessions, by learning to communicate strategy and business cases more effectively, and by citing Forrester for essential third-party validation.

Common Transformational Initiatives Where Customers Leveraged Forrester Decisions:

- Marketing optimization
- Sales growth strategy
- Digital transformation
- Customer experience
- Technology investments
- Interdepartmental alignment

Some customers also used Forrester Decisions to guide their market expansion initiatives. This has been calculated separately in this analysis as optimized market expansion.

Interviewees and survey respondents described their transformational initiatives as including several layers of change as well as goals across the organization. However, to be considered “successful,” core areas of transformation had to be completed and adopted and key metrics needed to be met. In this context, they described how Forrester Decisions increased the likelihood of success for their transformational initiatives, especially by addressing these core factors:

- The vice president of enterprise and business architecture at a financial services firm found that after implementing process improvement through Forrester Decisions, code refactoring rates for transformational initiatives decreased from 70% to 40%. It was expected that Forrester Decisions would continue to improve the initiative success rate toward a code refactoring rate of only 10%.
- The senior director of revenue marketing at an industrial office equipment organization described how Forrester Decisions provided frameworks, training, and resources that enabled better alignment between sales and marketing organizations. This transformation was expected to have not been possible at the same scale and timeline without Forrester Decisions, which was a major factor in its success.
- The senior manager of sales enablement at a software company utilized Forrester Decisions to vet software vendors before making a \$2 million investment. The interviewee noted that Forrester Decisions allowed them to ensure the success of the initiative by mitigating risk.
- The chief enterprise architect of a global recruitment, staffing, and professional services organization said: “Forrester was able to connect us with peers in the industry. This was a major contribution to our initiatives because we were able to speak with others facing similar challenges, and some who had already gone through multiple iterations.”

“We chose Forrester because their sweet spot is business and technology. They’ve got great materials and subject matter experts. But what we didn’t realize is they have the skills to help us execute as well.”

Chief enterprise architect, global recruitment, staffing, and professional services

“When our practice first started three years ago, our code refactoring rate was 70%. We’ve since lessened that to 40%, and I hope to get to 10%. Rich content from Forrester Decisions has helped us in how we’ve evolved, and [will help] where I see us going forward.”

Vice president of enterprise and business architecture, financial services

- Two survey respondents indicated that their average initiative success rate was 87.5% as compared to a 70% success rate prior to investing in Forrester Decisions.²

Modeling and assumptions. Forrester leveraged interview and survey data to model the financial impact for the composite organization, assuming that:

- The composite organization conducts three major internal transformational initiatives each year. Each initiative has a business value of \$1.2 million to the composite organization if fully successful.
- Initiatives are initially 7% more likely to be successful due to guidance, processes, and other resources from Forrester Decisions. This scales to 26% in Year 3 as improvements from Forrester Decisions become more established.

Initiatives may still have value when partially successful. This has been accounted for by multiplying the business value of a successful initiative by the likelihood of success due to Forrester Decisions, measuring the additional business value captured that otherwise would have been lost.

Risks. Results may not be representative of all experiences, and the benefit will vary among organizations depending on the following factors:

- While customers indicated that Forrester Decisions had been used across a wide variety of transformational initiatives, it is possible that some types of initiatives would be less likely to benefit from Forrester Decisions than others. For example, initiatives where the organization already has strong expertise or where there is less risk of failure may not see the same magnitude of improvement or chance of success.
- As the business value of a transformational initiative is likely to vary widely among industries, organizations, and types of initiatives, it is possible that organizations may see a higher or lower

value in improving the likelihood of success.

- Some organizations may not attempt as many transformational initiatives as others. Improving the likelihood of success on fewer initiatives may not provide as much business value.

Results. To account for these risks, Forrester adjusted this benefit downward by 20%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$1.1 million.

“We learned not to force our decisions on the organization but instead brought in real experts from Forrester who had life experience implementing and delivering technology. They have knocked it out of the park amongst their peers.”

Chief enterprise architect, global recruitment, staffing, and professional services

Improved Success Rate Of Transformational Initiatives

Ref.	Metric	Source	Year 1	Year 2	Year 3
A1	Number of transformational marketing, sales, CX, digital, and IT initiatives using Forrester Decisions	Interviews	3	3	3
A2	Improved success rate of strategic initiatives due to Forrester Decisions (relative percentage)	Survey and interviews	7%	14%	26%
A3	Business value of each transformational initiative	Interviews	\$1,200,000	\$1,200,000	\$1,200,000
At	Improved success rate of transformational initiatives	A1*A2*A3	\$252,000	\$504,000	\$936,000
	Risk adjustment	↓20%			
Atr	Improved success rate of transformational initiatives (risk-adjusted)		\$201,600	\$403,200	\$748,800
Three-year total: \$1,353,600			Three-year present value: \$1,079,080		

FASTER TIME TO VALUE FOR TRANSFORMATIONAL INITIATIVES

Evidence and data. Forrester Decisions also enabled leaders to complete transformation initiatives faster than would have been otherwise possible. Leaders and their teams more quickly built knowledge, set strategy, aligned key stakeholders, secured approvals, and jump-started work with best practices and frameworks. Further, with the knowledge and guidance from Forrester Decisions, teams were more likely to do things right the first time rather than wasting time and needing to do rework afterward.

Interviewees and survey respondents described how Forrester Decisions helped accelerate initiatives.

- The chief enterprise architect of a global recruitment, staffing, and professional services described how improving alignment between teams helped create agility. He said, “[Forrester Decisions] also provided visibility into the work itself, and this gives us better collaboration and engagement between teams working in silos.”
- The vice president of enterprise and business architecture of a financial services organization noted that Forrester has enabled them to reach time to value at least 50% faster than otherwise possible across most domains. He described: “Forrester 100% saved us a lot of time across customer, event, and business strategy work. When we had choices to make and reached pivot points, Forrester gave us an understanding of our options and what we should be doing.”
- The senior director of revenue marketing at an industrial office equipment company said: “Forrester allowed us to overperform. I’m certain it would have taken us longer to complete our transformation without Forrester Decisions.”
- A surveyed B2B marketing director at a technology company said: “Forrester Decisions has been a great help in establishing our charter and action plan as we build our Customer Marketing team. We can make decisions faster

“I saw a 50% or more initiative speed improvement because there is so much available from Forrester and the advice is so guided. Most of our domains have seen this improvement, which is why it’s been so great to have Forrester Decisions.”

Vice president of enterprise and business architecture, financial services

“Forrester Decisions has given the ability to make more informed decisions from a single source of truth, and this created agility in our process.”

Chief enterprise architect, global recruitment, staffing, and professional services

regarding planning and prioritizing based on what we believe are best practices.”

- When asked, 21 out of 26 surveyed organization decision-makers and Forrester Decisions license holders said that Forrester Decisions had helped them save time or accelerate results for their organization.³
- Two survey respondents indicated that their timelines for new initiatives had been reduced by between 5% and 10%. An additional respondent had seen a 15% to 25% reduction.⁴

Modeling and assumptions. Forrester leveraged interview and survey data to model the financial impact for the composite organization, assuming that:

- The composite organization attempts a total of three transformational initiatives each year, each of which takes 24 FTEs a combined total of 347 labor hours, or about nine weeks.

- Initiatives are shortened by an average of four weeks in the first year, which improves to a reduction of 13 weeks per initiative by Year 3.

Risks. Results may not be representative of all experiences, and the benefit will vary among organizations depending on the following factors:

- Interviewees noted that Forrester Decisions had been especially helpful in initiatives where many decisions had to be made and team alignment was a crucial factor. Initiatives where these

factors are not prominent may not see as much acceleration from Forrester Decisions.

- Initiatives that have already been optimized for speed or share similarities to initiatives that have previously been completed quickly in the past may have less potential to be further accelerated.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV of nearly \$406,000.

Faster Time To Value For Transformational Initiatives					
Ref.	Metric	Source	Year 1	Year 2	Year 3
B1	Number of FTEs supporting each transformational initiative and using resources from Forrester Decisions	Interviews	24	24	24
B2	Labor hours per FTE per transformational initiative	Interviews	347	347	347
B3	Average FTE hourly salary (fully burdened)	TEI standard	\$45	\$45	\$45
B4	Subtotal: Labor cost per transformational initiative	$B1*B2*B3$	\$374,760	\$374,760	\$374,760
B5	Number of transformational CX, digital, and IT initiatives using Forrester Decisions	A1	3	3	3
B6	Reduced initiative length due to Forrester Decisions (weeks)	Interviews and survey	4	9	13
Bt	Faster time to value for transformational initiatives	$B4*B5*B6/52$	\$86,483	\$194,587	\$281,070
	Risk adjustment	↓10%			
Btr	Faster time to value for transformational initiatives (risk-adjusted)		\$77,835	\$175,128	\$252,963
Three-year total: \$505,926			Three-year present value: \$405,548		

OPTIMIZED MARKET EXPANSION

Evidence and data. Forrester Decisions also helped interviewed leaders to drive new revenue through market expansion. Driving new revenue tended to result from two major types of improvements made through Forrester Decisions. First, as inter-departmental alignment improved, revenue was generated more efficiently and through new opportunities. Second, expansion into new verticals was optimized using analysts and Forrester Decisions research to guide key decisions and prioritization of market segments.

Interviewees and survey respondents described how Forrester Decisions enabled market expansion:

- The senior director of revenue marketing at an industrial office equipment company was able to significantly increase revenue for their entire organization by utilizing Forrester Decisions in transitioning to a hub-and-spoke model and in aligning sales and marketing groups. While some improvement could likely have been made without Forrester Decisions, the interviewee stated it would have been significantly smaller and taken much longer to accomplish.
- A new product and vertical expansion in a global recruitment, staffing, and professional services company was guided by working closely with Forrester analysts, who guided segment prioritization. The chief enterprise architect observed that this helped enable hundreds of millions of dollars in revenue.
- A surveyed B2B marketing manager of a technology company said, “We have been able to align the sales and marketing teams for the demand waterfall - this is a vast improvement. Now we will be working on next iterations with Forrester Decisions to level up our teams for revenue waterfall and improve our tech stack. The guidance and best practice information we have received from the Forrester Decisions team has been extremely helpful.”

“Our sister company is using Forrester Decisions for a strategic initiative, worth hundreds of millions of dollars, to enter new industries. Forrester is definitely a major player in the success by providing market analysis, frameworks for organizations, tech recommendations, and helping us avoid the wrong subsegments.”

Chief enterprise architect, global recruitment, staffing, and professional services

“Forrester Decisions played a significant role in helping us to double our revenue goal with our transformation. Without them, we would have started much, much smaller, and the scale of the entire initiative would not be as big as it was.”

Senior director of revenue marketing, industrial office equipment

- Out of 22 survey respondents who listed enhancing customer experience and boosting revenue one of their top three goals for their investment in Forrester Decisions, 21 said they had been between “somewhat successful” and “very successful” in achieving that goal.⁵

Modeling and assumptions. Forrester leveraged interview and survey data to model the financial impact for the composite organization, assuming that:

- The composite organization uses Forrester Decisions research and guidance sessions to assist with a new product which initially generates \$100 million in revenue.
- Without Forrester Decisions, the new product revenue would increase by approximately 10%

per year. Optimization made possible through Forrester Decisions enables an additional 3 to 4 percentage points of growth each year.

- The net profit margin for the new product is 10%.

Risks. Results may not be representative of all experiences, and the benefit will vary between organizations depending on the following factors:

- Organizations that are not currently able to expand into new verticals due to factors such as capacity limitations or legal restrictions may not benefit as quickly from the research and guidance from Forrester Decisions.
- In cases where alignment between revenue-affecting groups is already close to optimal, there may be less room for growth from improvements

from Forrester Decisions, meaning revenue may not see as much lift.

- Expansion into verticals or subsegments that are already close to the core competencies of an organization may have a lower risk of failure or less need for additional insight. In these cases, optimization made through Forrester Decisions may be limited.

Results. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV of more than \$884,000.

Optimized Market Expansion					
Ref.	Metric	Source	Year 1	Year 2	Year 3
C1	Product revenue without benefit of Forrester Decisions	Interviews	\$100,000,000	\$113,000,000	\$131,080,000
C2	Incremental revenue made possible through research and guidance from Forrester Decisions (percentage of product revenue)	Interviews	3%	4%	4%
C3	Subtotal: Additional revenue gained from optimized market expansion	C1*C2	\$3,000,000	\$4,520,000	\$5,243,200
C4	Profit margin	Interviews	10%	10%	10%
Ct	Optimized market expansion	C1*C2*C4	\$300,000	\$452,000	\$524,320
	Risk adjustment	↓15%			
Ctr	Optimized market expansion (risk-adjusted)		\$255,000	\$384,200	\$445,672
Three-year total: \$1,084,872			Three-year present value: \$884,179		

GAINED OPERATIONAL EFFICIENCY

Evidence and data. Forrester Decisions enabled customers to make organizational changes that saved employees time in their everyday work.

- Interviewees described how improving alignment among groups using frameworks from Forrester Decisions enabled better ongoing prioritization of requests and projects. This saved time for the employees providing support by providing clear directions and understanding of appropriate processes and resources. Employees making requests were also able to work more efficiently as high-priority resources were more likely to be available when needed.
- Executives and leaders aligned on priorities and North Star metrics. Having common frameworks and understanding helped individual contributors prioritize their own work and reduce rework, further increasing employee efficiency.
- Survey respondents saved an average of 17 hours per employee during their onboarding due to training resources from Forrester Decisions.⁶
- Surveyed decision-makers indicated that they saved an average of 28 hours each time they began a new initiative.⁷

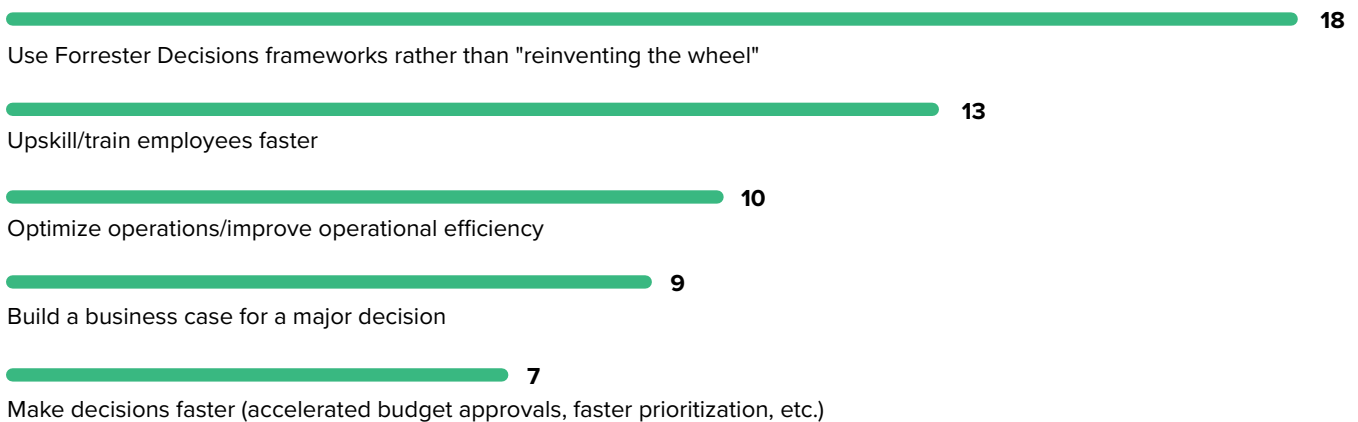
“Forrester Decisions gave our IT group visibility into the business strategy: how we can best understand as opposed to just shoving new technologies at them. From the business side, Forrester gave them visibility into our capabilities, so they can better prioritize requests.”

Chief enterprise architect, global recruitment, staffing, and professional services

“Organizations such as ours tend to have a variety of priorities across leadership. The Forrester team provides a North Star for everyone and shows us where change is needed.”

Senior director of revenue marketing, industrial office equipment

Top Five Ways Forrester Decisions Saved Time Or Accelerated Results



Base: 21 organization decision-makers and Forrester Decisions license holders.
 Note: Top five responses shown.
 Source: A study conducted by Forrester, December 2022

Modeling and assumptions. Forrester leveraged interview and survey data to model the financial impact for the composite organization, assuming that:

- A total of 200 employees regularly save time through Forrester Decisions each year. This includes new employees and employees for whom alignment and priorities have been optimized. This grows to 262 employees by Year 3.
- The average employee saves 1 hour per month, increasing to 1.3 hours by Year 3. Half of this time can be reinvested in a way that provides value to the composite organization.
- The average employee earns \$45 per hour in fully burdened pay.
- Half of employee time saved is recaptured and provides value for the composite organization.

Risks. Results may not be representative of all experiences, and the benefit will vary among organizations depending on the following factors:

- If resources from Forrester Decisions are not incorporated into new employee onboarding or regular tasks, they are less likely to save labor.
- If departments are already well-aligned, there may be less room for improvement from incorporating Forrester Decisions, and therefore less potential for saved labor.

Results. To account for these risks, Forrester adjusted this benefit downward by 5%, yielding a three-year, risk-adjusted total PV of \$170,000.

Gained Operational Efficiency					
Ref.	Metric	Source	Year 1	Year 2	Year 3
D1	Employees gaining efficiency from improved onboarding, alignment, and collaboration	Interviews	200	226	262
D2	Hours saved per employee per month from using Forrester Decisions templates and training	Survey	1.0	1.2	1.3
D3	Average FTE hourly salary (fully burdened)	TEI standard	\$45	\$45	\$45
D4	Time recapture	TEI standard	50%	50%	50%
Dt	Gained operational efficiency	$D1 \times D2 \times 12 \times D3 \times D4$	\$54,000	\$73,224	\$91,962
	Risk adjustment	↓5%			
Dtr	Gained operational efficiency (risk-adjusted)		\$51,300	\$69,563	\$87,364
Three-year total: \$208,227			Three-year present value: \$169,764		

UNQUANTIFIED BENEFITS

Forrester Decisions also enabled the following additional qualitative benefits for interviewees and survey respondents that their organizations experienced but were not able to quantify:

- **Improved confidence from key stakeholders to secure support.** Interviewees often used Forrester Decisions analyst and peer groups to practice for executive pitches to secure support from key decision-makers.

The senior director of revenue marketing of an industrial office equipment organization said: “We came into a situation where we had to reclaim trust in the organization, and Forrester’s support helped us to establish that trust for ourselves. Along the way, Forrester itself earned the trust of our executive team.”

A surveyed B2B manager of a technology company said: “The relationship with Forrester Decisions has backed up a lot of the notions and assumptions that we had been operating under with credible and researched-based proof. This has helped secure more funding for larger initiatives and drive cross-functional alignment.”

- **Provided an “insurance policy” to reduce risk in technology and other investments.** Interviewees mentioned that a major use case for Forrester Decisions was allowing them to more thoroughly vet major investments, such as new technology or processes. This reduced the risk of making decisions that would not only waste time and resources but also harm the reputation of decision-makers.
- **Benefited from strong analyst engagement.** Forrester analysts conducted and published research, provided guidance sessions for license holders, and planned and delivered strategy sessions. Interviewees consistently mentioned the strength of their engagement with analysts as a key factor in the success of their initiatives.

“Without Forrester Decisions, I might have made a costly mistake while trying to establish credibility. With Forrester, I feel like I had more confidence in the decisions and directions I wanted to go.”

Senior manager of sales enablement, software

“[My direct Forrester partner] makes the relationship even sweeter. These relationships last a lifetime, and I feel that way about almost everybody I’ve come across within the Forrester family. That makes a big difference. The Forrester Decisions program is great, but the people make it greater.”

Chief enterprise architect, global recruitment, staffing, and professional services

- **Broadened thought processes and provided alternative perspectives.** Forrester Decisions license holders had access to expert and outside perspectives that often provided them with new ways of thinking not available to them internally. Many interviewees noted that this was a major source of value in their relationship with Forrester as it had been difficult to address new problems with a limited set of approaches.
- **Formed deep, long-term relationships and networking opportunities.** Forrester Decisions provided license holders with a network of analysts and peers who had similar experience. Interviewees noted that these relationships provided deep value to them not just on an initiative-by-initiative basis but also for long-term professional and personal development.

Top Words Used By Current Forrester Clients To Describe The Forrester Decisions Experience:



EDUCATIONAL



CREDIBLE



ACTIONABLE

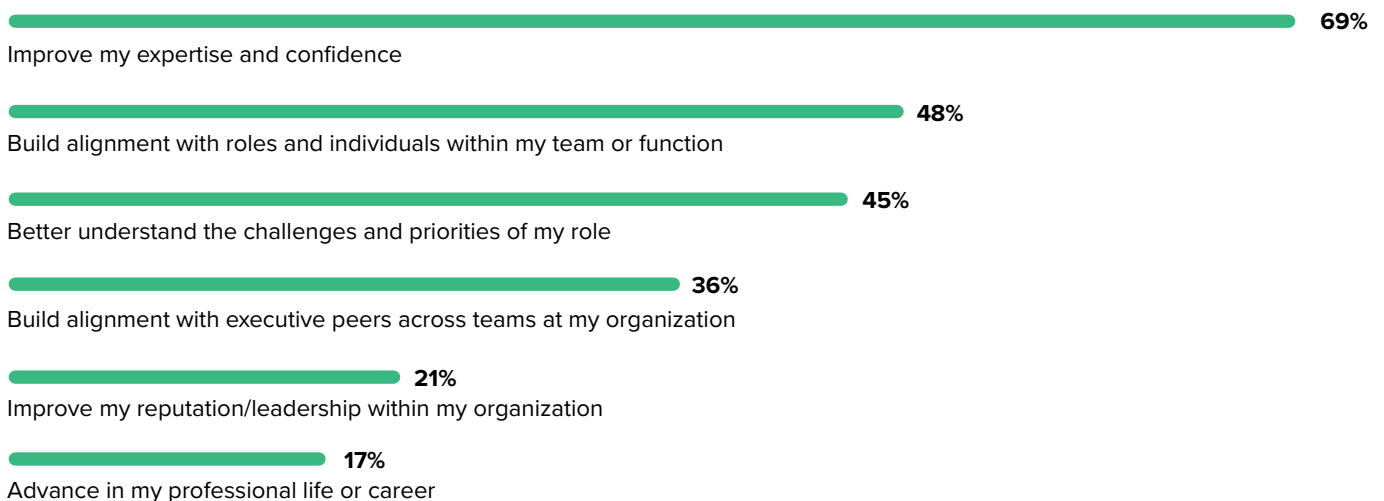


ENGAGING

Base: 40 organization decision-makers and Forrester Decisions license holders. Top four responses shown.
Source: A study conducted by Forrester, December 2022

- Broadened thought processes and provided alternative perspectives.** Forrester Decisions license holders had access to expert and outside perspectives that often provided them with new ways of thinking not available to them internally. Many interviewees noted that this was a major source of value in their relationship with Forrester as it had been difficult to address new problems with a limited set of approaches.
- Formed deep, long-term relationships and networking opportunities.** Forrester Decisions provided license holders with a network of analysts and peers who had similar experience. Interviewees noted that these relationships provided deep value to them not just on an initiative-by-initiative basis but also for long-term professional and personal development.

Forrester Decisions Impact



Base: 42 organization decision-makers and Forrester Decisions license holders.
Note: Responses of "Other" or "Don't know" are not shown.
Source: A study conducted by Forrester, December 2022

FLEXIBILITY

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

- **Ongoing cost savings from lean operations.**
Leveraging Forrester Decisions allowed decision-makers to focus their teams and key resources on other priorities. In the long term, this allowed the organizations to operate leaner and prioritize resources toward areas of higher return.
- **Adoption of customer-centric philosophy.**
Customers mentioned that becoming a customer-obsessed organization is important for their strategy and that Forrester Decisions enabled that shift. Changing this direction provided additional options and opportunities for the organization long after initially adopting Forrester Decisions.

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

“Forrester provides us with vetted and balanced opinions, backed up with substance. Without that, I would need four to five additional people at minimum dedicated to research, and I would still struggle to reach the same level of understanding.”

Vice president of enterprise and business architecture, financial services

“We considered other advisory services, but Forrester seems to have much more breadth and depth of analysis around customer-centric views. That’s what drove us to add Forrester Decisions around our key value stream activities.”

Chief enterprise architect, global recruitment, staffing, and professional 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
Etr	Forrester Decisions license costs	\$0	\$154,000	\$169,400	\$191,400	\$514,800	\$423,802
Ftr	Labor To leverage Forrester resources	\$0	\$105,101	\$108,192	\$129,830	\$343,123	\$282,505
	Total costs (risk-adjusted)	\$0	\$259,101	\$277,592	\$321,230	\$857,923	\$706,307

FORRESTER DECISIONS LICENSE COSTS

Evidence and data. Interviewed decision-makers and license holders noted that they paid Forrester a fee based on the number and types of license holders who had access to the Forrester Decisions service.

- Typically, groups designated an executive or leadership-level role as the main license holder. This license provided full access to analysts, research, and other resources within the Forrester Decisions platform.
- Additional team licenses for other employees were often added, and these licenses provided features such as access to research and relevant materials needed for these roles.

Modeling and assumptions. Forrester leveraged interview and survey data to model the financial impact for the composite organization, assuming that:

- The composite organization has two leader-level licenses for Forrester Decisions in addition to two team-level licenses.
- Additional team licenses are added in Years 2 and 3 as usage of Forrester Decisions grows.
- Pricing will vary by roles, desired services, and scale. Contact Forrester for additional details.

“I have two other Forrester Decisions licenses aside from my own. ... My other license holders coordinate all the big conversations and help plan on building our practice out.”

Vice president of enterprise and business architecture, financial services

Risks. Results may not be representative of all experiences, and the cost will vary among organizations depending on the following factors:

- Organizations that require more team members to have access or have additional leadership license holders may have a higher cost.
- As usage of Forrester Decisions grows, and more roles or teams are added, costs may differ from the assumptions used in this analysis.

Results. To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of less than \$424,000.

Forrester Decisions License Costs						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
E1	Forrester Decisions license costs	Interviews	0	\$140,000	\$154,000	\$174,000
Et	Forrester Decisions license costs	E1	\$0	\$140,000	\$154,000	\$174,000
	Risk adjustment	↑10%				
Etr	Forrester Decisions license costs (risk-adjusted)		\$0	\$154,000	\$169,400	\$191,400
Three-year total: \$514,800			Three-year present value: \$423,802			

LABOR TO LEVERAGE FORRESTER RESOURCES

Evidence and data. In addition to the annual cost of Forrester Decisions licenses, interviewees noted that an investment in time and labor was required for their transformational and market expansion initiatives to be successful. During this time, some of their team’s labor was spent engaging with Forrester.

- Interviewees tended to spend the most time reading research, engaging with analysts, and meeting with peers made accessible through Forrester Decisions.
- Additional license-holder time was spent attending supplemental workshops to help strengthen understanding of core concepts and frameworks.
- Key decision-makers typically spend several hours per week during a transformational initiative engaging with Forrester Decisions. Their team members also spent time each week supporting the Forrester relationship.

Modeling and assumptions. Forrester leveraged interview and survey data to model the financial impact for the composite organization, assuming that:

- The composite organization has a total of four Forrester Decisions license holders in Year 1, which grows to six license holders in Year 3.

- Each license holder spends an average of 14 hours each month engaging with Forrester Decisions. This time includes preparing for and attending guidance sessions, reading research, completing certification programs, and participating in additional activities.
- License holders each spend an additional 3 hours per month during the first year. This time is to use and adopt information, research, frameworks, guidance, training, and other resources from Forrester Decisions into business units and the broader organization. This effort improves the success of future transformational initiatives and guides the long-term direction of the business. Leaders with Forrester Decisions licenses spend this time directing their team’s efforts leveraging Forrester resources. Team members with licenses spend this time gathering materials and research from Forrester Decisions and implementing process changes.

Risks. Results may not be representative of all experiences, and the cost will vary among organizations depending on the following factors:

- Depending on the size and number of initiatives, some license holders may find additional engagement with Forrester Decisions helpful.

While this would also provide additional value to the organization than assumed in this analysis, the cost of labor may also be higher.

- Additional time may be required during the very beginning of a Forrester Decisions relationship, as new processes, and connections would need to be established.

Results. To account for these risks, Forrester adjusted this cost upward by 15%, yielding a three-year, risk-adjusted total PV of \$283,000.

“To get the best use out of Forrester Decisions, you have to make a commitment to review the materials and spend time with the analysts, including their hands-on sessions. To get real value from your decisions, you have to be engaged, and it is a time commitment you have to make on a regular basis.”

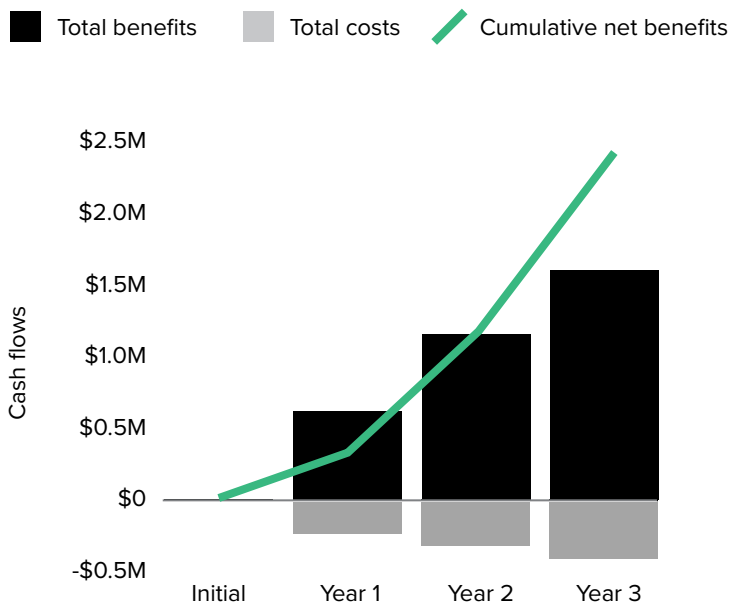
Chief enterprise architect, global recruitment, staffing, and professional services

Labor To Leverage Forrester Resources						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
F1	Ongoing hours for advisory sessions (monthly)	Interviews	0	2	2	2
F2	Ongoing hours reading Forrester research (monthly)	Interviews	0	6	6	6
F3	Ongoing hours for Forrester certification programs (monthly)	Interviews	0	2	2	2
F4	Ongoing hours for additional Forrester engagement related to ongoing initiatives (monthly)	Interviews	0	4	4	4
F5	Hours to use and adopt Forrester resources with existing initiatives, training, and strategy (monthly)	Interviews	0	3	0	0
F6	Subtotal: Time spent engaging with Forrester per month per license holder	F1+F2+F3+F4	0	17	14	14
F7	Number of Forrester Decisions license holders	Interviews	4	4	5	6
F8	Average hourly salary per license holder	TEI standard	\$112	\$112	\$112	\$112
Ft	Incremental labor for Forrester engagement	(F6*12 months)*F7*F8	\$0	\$91,392	\$94,080	\$112,896
	Risk adjustment	↑15%				
Ftr	Incremental labor for Forrester engagement (risk-adjusted)		\$0	\$105,101	\$108,192	\$129,830
Three-year total: \$343,123			Three-year present value: \$282,505			

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	6 Months	12 Months	18 Months	Total	Present Value
Total costs	\$0	(\$259,101)	(\$277,592)	(\$321,230)	(\$857,923)	(\$706,307)
Total benefits	\$0	\$585,735	\$1,032,091	\$1,534,799	\$3,152,625	\$2,538,571
Net benefits	\$0	\$326,634	\$754,499	\$1,213,569	\$2,294,702	\$1,832,264
ROI						259%
Payback period (months)						<6

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: Interviews And Survey Demographics

Interviews			
Role	Industry	Region	Revenue
Senior director of revenue marketing	Industrial office equipment	North America	\$4 billion
Senior manager of sales enablement	Software	EMEA	\$3 billion
Vice president of enterprise and business architecture	Financial services	North America	\$23 billion
Chief enterprise architect	Global recruitment, staffing, and professional services	North America	\$16 billion

Survey Demographics

“Using your best estimate, how many employees work for your company worldwide?”

100 to 499 employees	7%
500 to 999 employees	14%
1,000 to 4,999 employees	29%
5,000 to 19,999 employees	21%
20,000 or more employees	29%

“Which of the following best describes the department you currently work in at your organization?”

B2C marketing	5%
B2B marketing	45%
Other	4%
Customer experience	31%
Product or product management	10%
Sales	5%

“Which of the following best describes your position at your organization?”

Project manager	5%
Manager	26%
Director	55%
Vice president	14%

“Using your best estimate, what is your organization’s annual revenue (USD)?”

\$10M to less than \$50M	2%
\$50M to less than \$250M	14%
\$250M to less than \$500M	2%
\$500M to less than \$1B	17%
\$1B to less than \$10B	48%
\$10B or greater	17%

“Which of the following best describes the industry to which your company belongs?”

Technology or technological services	43%
Financial services	14%
Healthcare	14%
Insurance	10%
Manufacturing and materials	7%
Advertising and/or marketing	2%
Consumer packaged goods	2%
Energy, utilities, or waste management	2%
Telecommunications services	2%
Other	2%

Base: 42 organization decision-makers and Forrester Decisions license holders.
 Note: Percentages may not total 100 due to rounding.
 Source: A study conducted by Forrester, December 2022

Appendix C: Supplemental Information

Online Resources

Abbott Ikeler, "[The Under-Examined Public: Making Sense of Industry Analysts and Analyst Relations](#)," Journal of Promotion Management, October 11, 2008

Abbott Ikeler, "Managing and Measuring Industry Analyst Relations," Research Yearbook, 2006

Jianlei Hou, "[Quantification of Firm-Analyst Relationship: Evidence from China](#)," Open Journal of Business Management, July 2022

Learn more about the [Forrester Decisions](#) portfolio.

[Forrester Unveils Forrester Decisions, A New Research Portfolio To Help Firms Achieve Business Outcomes Faster](#), Forrester press release, May 3, 2021

Appendix D: 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 These figures are based on one organization decision-maker and Forrester Decisions license holder responding to the question "Please estimate your average success rate for initiatives before and after Forrester Decisions," and two organization decision-makers and Forrester Decisions license holders responding to the question, "Please estimate your average success rate for initiatives before and after Forrester Decisions."

³ These figures are based on 26 organization decision-makers and Forrester Decisions license holders responding to the question "Has using Forrester Decisions helped you or your organization achieve any of the following benefits? Forrester Decisions has helped me ..." with 21 respondents selecting "Save time or accelerate results."

⁴ These figures are based on three organization decision-makers and Forrester Decisions license holders responding to the question "Please estimate the percentage that Forrester Decisions has shortened the planning timeline for new initiatives."

⁵ These figures are based on 22 organization decision-makers and Forrester Decisions license holders responding to the question "Overall, how successful have you been in achieving the top goals you had for your Forrester Decisions investment?" with the response "Enhance customer experience and boost revenue."

⁶ These figures are based on six organization decision-makers and Forrester Decisions license holders responding to the question "Please estimate much time each new employee or employee in a new role saves on average by using Forrester Decisions training resources."

⁷ These figures are based on 13 organization decision-makers and Forrester Decisions license holders responding to the question "Please estimate how much time on average you have personally saved by using a Forrester Decisions framework to guide your thinking when working on each new initiative."

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