

FORRESTER®

The Total Economic Impact™ Of Moveworks

Business Benefits And Cost Savings
Enabled By Moveworks Conversational AI For The
Enterprise

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

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Executive Summary

Moveworks enables organizations with conversational AI to automate processes across all departments. While Moveworks' solutions have potential for widespread applications, this report primarily focuses on the tangible benefits observed in IT and HR departments — which include reduced support costs, enhanced support resolution times, heightened end-user productivity, and an improved employee experience.

According to Forrester research, 66% of employees prefer a self-service mechanism for password resets, and more than a third have problems their organization's service desk can't fix.¹ Companies across verticals are seeking easily adoptable solutions to automate tasks, meet their employees' rising expectations for quality service in a chatbot, and drive productivity in the wake of discovered time savings.²

Moveworks provides a conversational AI interface that allows employees to surface information and resolve issues across enterprise systems. Moveworks commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) enterprises may realize by deploying Moveworks.³ The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of Moveworks on their organizations.

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed five representatives with experience using Moveworks. For the purposes of this study, Forrester aggregated the interviewees' experiences and combined the results into a single composite organization that generates \$7.5 billion in annual revenue and has 30,000 employees.

Before deploying Moveworks, the interviewees' companies struggled to manage support desk volume across their organizations amid growth. Employee

KEY STATISTICS



Return on investment (ROI)

256%



Net present value (NPV)

\$8.25M

self-service capabilities to triage this increasing support volume was limited and contributed to escalating costs and lost productivity on both sides of the ticket.

Interviewees said that by implementing Moveworks, their organizations' employees were enabled with conversational AI required to simplify management of many common support requests across several functional areas independently and instantly, which helped them avoid service desk interactions and drove down support volume and costs. Affected employees also benefited from increased productivity, improved employee experiences, and newfound visibility into organizational knowledge.

KEY FINDINGS

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

- **Instant resolution of up to 60% of common IT issues, which drives nearly \$3.7 million in service desk cost savings.** With Moveworks for IT, the composite organization's IT support ticket and call volume decrease dramatically because common IT issues are instantly resolvable through automation. The time to resolve more complicated tickets also improves. This saves the composite organization nearly \$3.7 million over three years in avoided support desk costs.
- **Cost savings from avoided internal HR services worth \$2.2 million.** Moveworks improves the composite's employee self-service through automation for HR support requests, which drives nearly \$2.2 million over three years in cost savings through avoided HR interactions.
- **Reclamation of up to 90,000 end-user hours annually, driving productivity savings of \$3.6 million.** Through automation and instant and/or accelerated support, the composite organization's end users across several functional areas avoid lengthy interactions or self-directed searches that distract them from their core responsibilities. Across IT, HR, finance, and approval use cases, the composite's users reclaim nearly 90,000 productive hours annually by Year 3, which leads to nearly \$3.6 million in productivity savings over three years.
- **Improved employee communication and accelerated approvals of \$2.1 million.** The composite organization leverages Moveworks functionality to promote employee behaviors that support organizational initiatives, which drives additional user efficiencies and improves business results. The composite organization recognizes nearly \$2.1 million over three years through productivity savings for employees

“[Moveworks] has accelerated approvals, resolution rates, and our overall ability to add value to projects instead of operations. That’s the biggest thing: We can focus outside of ticket work and more on planning and project work.”

IT manager, energy

targeted by employee communications campaigns and accelerated approvals across key business processes.

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

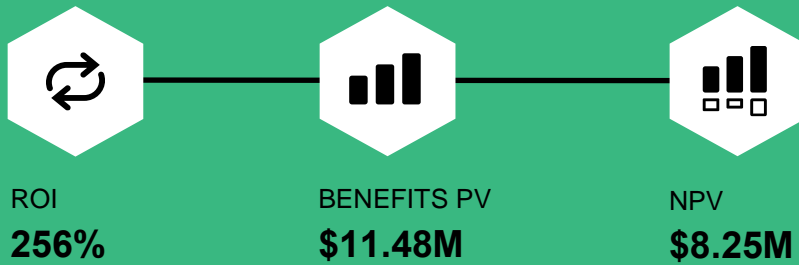
- **Enhanced employee experience.** Moveworks fosters a better employee experience for the composite organization's users through improved support, decreased wait time for issue resolution, better internal communication, and an easily navigable user interface.
- **Increased employee proactivity.** Moveworks' bot enables users at the composite organization to take actionable steps toward combatting issues before they arise. This proactivity prevents support teams from being inundated with requests and allows employees to seek solutions for easily resolvable issues.
- **Scalability while avoiding costs.** Moveworks saves the composite organization from spending money on third-party support resources and additional headcount as it grows.

- **Improved knowledge visibility.** Moveworks' Performance Insights Dashboards increases visibility into key issues impacting the composite organization. These dashboards allow knowledge teams to evaluate the robustness of solution content across subject matters and issue types.
- **Potential for increased revenue.** Enterprise conversational AI removes the composite's barriers to sales processes (e.g., approvals) and improves employees' visibility across the enterprise. This supports revenue-increasing deals and/or initiatives.

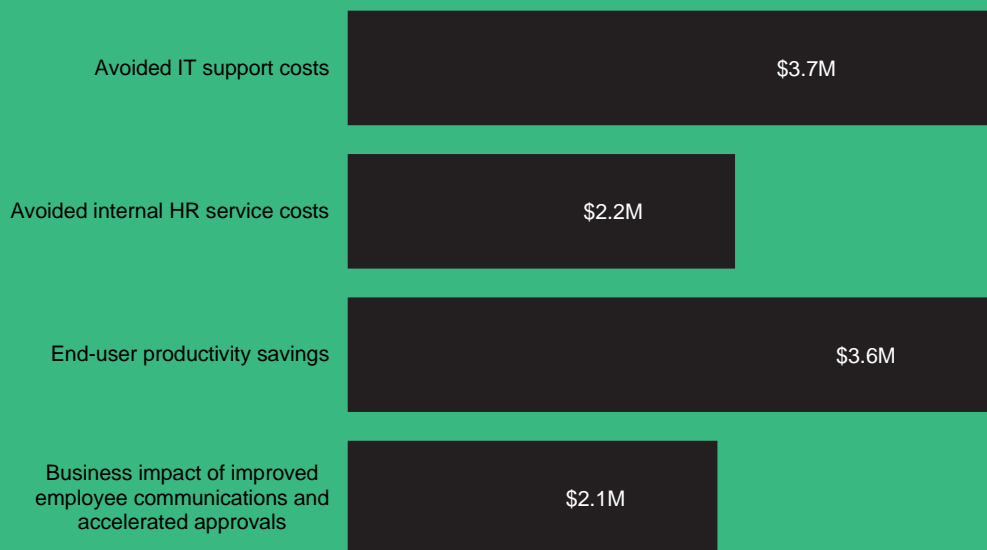
Costs. Three-year, risk-adjusted PV costs for the composite organization include:

- **Annual fees paid to Moveworks.** The annual fees paid to Moveworks vary depending on the number of users and the departments and/or use cases to which the organization deploys Moveworks. The composite organization pays just over \$2.5 million over three years to utilize Moveworks across several functional areas and use cases.
- **Internal Moveworks development personnel costs.** The composite organization dedicates personnel on a part-time basis to support knowledge creation/curation for Moveworks. These internal development activities cost the composite \$688,000 over three years.

The representative interviews and financial analysis found that a composite organization experiences benefits of \$11.48 million over three years versus costs of \$3.23 million, adding up to a net present value (NPV) of \$8.25 million and an ROI of 256%.



Benefits (Three-Year)



“Since [implementing Moveworks], we’ve doubled in total number of employees, but we did not need to add a single headcount to the [IT] service desk.”

— IT head, technology/manufacturing

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 Moveworks.

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 Moveworks can have on an organization.

DISCLOSURES

Readers should be aware of the following:

This study is commissioned by Moveworks 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 Moveworks.

Moveworks 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.

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



DUE DILIGENCE

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



INTERVIEWS

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



COMPOSITE ORGANIZATION

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



FINANCIAL MODEL FRAMEWORK

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



CASE STUDY

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

The Moveworks Customer Journey

Drivers leading to the Moveworks investment

Interviews				
Role	Industry	Revenue	Employees	Moveworks usage
Senior IT manager	Manufacturing	\$35B	100,000	Users: More than 95% Departments served: IT, HR, finance, legal
IT head	Technology/manufacturing	\$33B	20,000	Users: 60% Departments served: IT, HR
IT manager	Energy	\$7B	8,000	Users: 75% Departments served: IT, HR
Executive director	Healthcare	\$4B	20,000	Users: N/A Departments served: IT/HR
Senior IT manager	Biotechnology	\$2B	3,000	Users: More than 95% Departments served: IT, facilities, HR

KEY CHALLENGES

Prior to adopting Moveworks, the interviewees’ organizations relied on a range of disparate avenues for servicing and supporting their employees, including email, phone, and department-specific portals. Some organizations also had existing knowledge content catalogs. However, because they were rapidly scaling their workforces, the organizations’ employee support setups fell short of the needs of the businesses and did not have the technology or personnel needed internally to support the organizations’ growth.

The interviewees organizations struggled with several shared challenges, including:

- **Escalating service desk costs and inefficiencies.** As the interviewees’ organizations grew, their service desks received more requests than they could respond to. This resulted in high request drop rates and extended response times, which delayed resolutions and dragged down employee productivity. The senior IT manager at a biotechnology company explained: “At some point, there were just too

many requests for us to reasonably answer. It frustrated both our service desk teams and the employees waiting on a response.”

Additionally, having a patchwork of employee support avenues meant an employee could submit a request in multiple channels. There was no communication between these channels to determine if the request was already resolved, which often resulted in duplicative effort.

“The main question was, ‘How do we drive a better user experience when it comes to employee support?’”

Senior IT manager, manufacturing

- **Lack of self-service.** To decrease the load on service teams, interviewees' organizations created knowledge catalogs so employees could resolve issues on their own. However, the IT manager at an energy organization said: "Having a catalog is all well and good. But, if it's too big, how is an employee supposed to find what they need with someone or something pointing it out for them?"

Oftentimes, submitted service tickets in the organizations' legacy environments were related to simple requests, such as finding parental leave policies or resetting a password. In fact, the executive director at a healthcare organization said that in their company's legacy environment, 60,000 (or 62%) of the service calls the IT team received were for password resets. The interviewee said: "It was so hard to get responses to simple questions ... that our employees could potentially answer themselves with something guiding them to the solution."

"Our CEO turned to me in a meeting and said, 'Hey, I've been getting a lot of complaints about our help desk. Our employees call it the helpless desk. They want something more efficient.'"

IT head, technology/manufacturing

- **Tedious manual processes.** Interviewees said employees were often frustrated by how long it took them to accomplish common tasks that involve a human to accelerate the process, such as ticket routing and approval. The senior IT manager at a manufacturing organization said:

"We did a 'voice of the employee' survey and had found that the biggest blocker to our employees doing their jobs was approvals. There were always too many approvals, and approvals took too long. We needed a solution that could integrate into multiple systems to centralize enterprise approvals."

- **Costly legacy environments that would not scale to meet growth expectations.** Several interviewees indicated that their organization was experiencing unprecedented growth and needed employee support. However, they relied on older means of support channels such as phone contacts instead of moving into newer, more cost-effective channels that are easier for employees to use and less resource-intensive for the organizations. The executive director of a healthcare organization said: "We had to hire 50 contractors in the service desk last year just to keep up with demand. That was on top of the 40 full-time people we already had. Continuing to do that was just infeasible."
- **Hindered employee experiences.** Ineffective employee support ultimately impacted job satisfaction, productivity, operations, and the businesses overall.

"Our CIO saw [using] Moveworks as an opportunity to scale IT in a way that supports our rate of growth and help our agents manage any backlog."

Senior IT manager, biotechnology

INVESTMENT OBJECTIVES

The interviewees' organizations searched for a solution that could:

- Drive self-service and reduce the dependency on the service desk.
- Introduce automation to speed up manual processes.
- Support growth at large scale while limiting costs.
- Uplift the employee experience across service teams and end users.
- Be flexible, customizable, and easily accessible based on organizational and employee needs.
- Accelerate time to value by being easy to implement and integrate.
- Integrate with the organization's other commonly used software applications.

“Moveworks runs across all enterprise functions to provide support, self-service, automation, and guidance. It’s almost like a concierge to our users, focused around areas like IT, HR, finance, and legal.”

Senior IT manager, manufacturing

WHY MOVEWORKS?

After reviewing the landscape of potential providers and exploring the idea of building solutions themselves, interviewees indicated that Moveworks emerged as an industry leader. They said their organizations selected Moveworks as their conversational AI platform because of its technical capabilities and ability to deliver quality support, fast

deployment, and ultimately accelerated time to value. Key drivers for choosing Moveworks included:

- **Fast time to value.** The senior IT manager at a manufacturing organization said, “We were live with 13 to 15 use cases right out of the box within six weeks.” And the senior IT manager at a biotechnology organization said, “After just one year, we were engaging nearly 95% of our employees.”

The IT manager at an energy organization stated: “We reviewed four or five solutions, but [we would have] to build [our] own conversations for all of them. That would take too long to set up, [wouldn't be] scalable, and would be too hard to manage. We also looked at building a solution, but there's always hidden costs and technical debt. And, again, it would take way too long to get started with.”

The IT head at a technology/manufacturing organization said: “The problem with other solutions was we [would have] to configure the bot, teach the bot, do all the intent, [and] implement all the features and functionality. Everything needed to be done yourself, [and] I don't have enough people to do that. With Moveworks, they do all the intent [and] all the skills and maintain everything.”

- **Ease of accessibility.** The senior IT manager at a manufacturing organization said: “We wanted a chatbot that could be easily embedded where users live and breathe, which is [on] our messaging platform. The power to get notifications directly in chat was extremely important, and Moveworks was the only solution that had that capability at the time we were looking. Through integrations, we are able to provide notifications for things like approvals and campaigns.”

The same interviewee said, “Moveworks is a solution that can understand many different

languages, including language and abbreviations specific to our organization.”

- **Ease of reducing the burden on IT.** The senior IT manager of a manufacturing organization shared, “I didn’t have to have a team of 15 developers to support a chatbot that really should be [useable] out of the box.”

The senior IT manager at a biotechnology organization said: “Moveworks really stood out as a solution that could drive self-help in our organization. People could really get a quick answer when they needed it.”

COMPOSITE ORGANIZATION

Based on the interviews, Forrester constructed a TEI framework, a composite company, and an ROI analysis that illustrates the areas financially affected. The composite organization is representative of the five interviewees, 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 multibillion-dollar business-to-consumer organization has 30,000 employees and grows by 3% annually. The organization is headquartered in North America, but it has a distributed workforce.

Prior to using Moveworks, the composite organization didn’t have a conversational AI tool or a tool to introduce self-service into its support workstreams. The composite organization looks to reduce service desk volume by increasing self-service and improving employee experience with a solution that is easy to implement and scale.

Deployment characteristics. The composite organization deploys Moveworks in an agile, land-and-expand fashion with a brief, early deployment period of one month. In Year 1, the composite organization deploys Moveworks for use cases within

the IT, HR, finance, facilities, and communications departments. Over time and as usage of the solution increases and its back-end analytics provide more feedback on user needs, the composite scales the solution to support more use cases within these departments and, in turn, more users. In Year 1, 40% of the organization’s employees adopt Moveworks, and this number increases to 70% by Year 3.

Key Assumptions

- **\$7.5 billion annual revenue**
- **30,000 employees with 3% year-over-year growth**
- **Use cases for IT, HR, finance, facilities, communications**
- **40% Moveworks adoption of 40% in Year 1 and 70% by Year 3**

“It took me longer to get two servers stood up in our environment than it took Moveworks to ingest our entire knowledge base and stand up all of its integrations.”

IT manager, energy

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	Avoided IT support costs	\$945,000	\$1,472,192	\$2,105,356	\$4,522,548	\$3,657,564
Btr	Avoided internal HR service costs	\$580,500	\$876,942	\$1,221,441	\$2,678,883	\$2,170,159
Ctr	End-user productivity savings	\$975,056	\$1,445,273	\$2,003,186	\$4,423,515	\$3,585,879
Dtr	Business impact of improved employee communications and accelerated approvals	\$728,875	\$857,990	\$931,072	\$2,517,937	\$2,071,225
Total benefits (risk-adjusted)		\$3,229,431	\$4,652,397	\$6,261,056	\$14,142,883	\$11,484,827

AVOIDED IT SUPPORT COSTS

Evidence and data. Interviewees said that with Moveworks, their organizations gained the ability to instantly and remotely resolve easy-to-fix IT issues such as password resets and account unlocks — often without human intervention — directly from a chat conversation using the bot. As a result, IT ticket volumes dropped dramatically, and they continue to drop as more employees adopt Moveworks into their digital environments.

Additionally, interviewees said their organizations used Moveworks to automate ticket-triaging and assignment workstreams, which accelerated ticket resolution for the remaining IT tickets and improved efficiencies for IT teams overall.

- The executive director in the healthcare industry said their organization was able to reduce the percentage of IT tickets related to password resets from 62% to 28%. They said: “We’ve also been able to make the instructions for VPN resets and unlocking an account easy to find using any device, [which drove the number of] those calls down to close to nothing.”

- The same interviewee said their organization used Moveworks to route and assign tickets. Overall, the organization saved \$6,000 per month through automatic triaging and \$7,000 per month through automatic ticket assignment.
- The senior IT manager in the manufacturing industry said that prior to using Moveworks, their organization received an average of 140,000 contacts per year for tier one support, which included requests for issues that could be solved through self-service documents. With Moveworks, the organization reduced the percentage of calls that go to tier one support by 65% in one year by addressing tickets with the most volume that could be resolved with automation. The interviewee said, “We expect this to increase to 80% in the next few months, so the service desk only has to face 20% of the volume [it was] previously dealing with.” The interviewee noted their organization’s IT service desk saw savings of \$2.2 million in the first year alone and that this number grows annually.
- The same interviewee said Moveworks has the ability to continue to improve and provide more value for IT teams over time. They said: “With the

analytics built into the back end of Moveworks, we can run a knowledge-gap assessment regularly to see what the bot [is] unable to answer but could with the correct content. This way, we [can] continuously fix our content to fit the needs of our employees. Through this method, we have brought our bot’s resolution rate up to 60% over three years.”

- The IT manager at an energy organization said their company reduced its IT ticket volume from 130,000 to 60,000 in three years since implementing Moveworks. As a result, the organization reduced its timeline to resolve a ticket from 5.2 days to 3.1 days.
- The IT lead in the technology/manufacturing industry said that by reducing the burden on the IT help desk with Moveworks, their organization repurposed 19 outsourced service desk FTEs to other functions because monthly IT support call volume decreased by 95% after several years on Moveworks.

- The percentage of employees who leverage Moveworks for support requests in Year 1 is 40%. This percentage increases to 70% by Year 3 as more use cases and users are onboarded.
- Employees submit an average of one IT ticket per month.
- Moveworks automation automatically resolves 50% of these IT tickets, which diverts them from IT resources. The avoided tickets are primarily for password resets, but they also include requests for account unlocks, functionality resets, and other tasks that can be avoided through self-service. This percentage increases by 5% annually as Moveworks continues to learn and improve in efficacy over time.
- The average ticket handling time is 25 minutes.
- The average hourly rate of an IT resource is \$35.

Risks. Avoided internal IT support costs may vary depending on the following:

- The number of employees and the speed of the Moveworks adoption.
- The use cases covered by Moveworks.
- The number of IT tickets received and the number that can be solved through self-service.
- The average handling time of an IT ticket.
- The hourly rate of an IT resource.

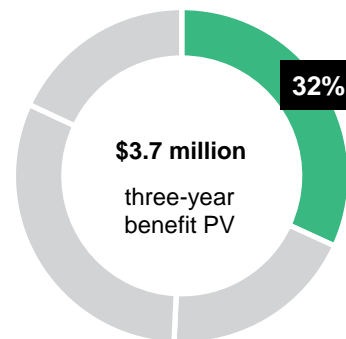
Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$3.7 million.

“Fifteen percent of our IT ticket volume every year used to be password resets. That has reduced to 4%, and we get those from field workers who do not necessarily have connectivity all the time.”

IT manager, energy

Modeling and assumptions. For the composite organization, Forrester assumes:

- The composite has 30,000 employees and grows 3% annually.



Avoided IT Support Costs					
Ref.	Metric	Source	Year 1	Year 2	Year 3
A1	Total number of employees	Composite	30,000	30,900	31,827
A2	Percentage of employees who leverage Moveworks for support requests	Interviews	40%	55%	70%
A3	Average number of IT tickets per employee	Composite	12	12	12
A4	Average number of IT support tickets with Moveworks	A1*A2*A3	144,000	203,940	267,347
A5	Instant ticket-resolution rate with Moveworks	Interviews	50%	55%	60%
A6	Subtotal: Avoided IT tickets with Moveworks	A4*A5	72,000	112,167	160,408
A7	Average ticket handling time (minutes)	Interviews	25	25	25
A8	Average hourly rate of an IT resource (rounded)	TEI standard	\$35	\$35	\$35
A9	Subtotal: Cost per ticket	A7*A8/60 minutes	\$14.58	\$14.58	\$14.58
At	Avoided IT support costs	A6*A9	\$1,050,000	\$1,635,769	\$2,339,285
	Risk adjustment	↓10%			
Atr	Avoided IT support costs (risk-adjusted)		\$945,000	\$1,472,192	\$2,105,356
Three-year total: \$4,552,548			Three-year present value: \$3,657,564		

AVOIDED INTERNAL HR SERVICE COSTS

Evidence and data. Interviewees said Moveworks improved employee self-service through automation for HR support requests, which drove additional cost savings through avoided HR interactions.

The executive director of a healthcare organization noted: “Prior to us using Moveworks, if you wanted to ask a simple question like a list of our paydays, you had two options: You could either write to your HR consultant if you even knew who that was considering it changed weekly [or] you could find out on the internet. Good luck with that one. Now, an employee can just ask our bot and get the answer in seconds.”

As bot adoption increased at the organizations, the number of requests that went to the IT service desk decreased significantly.

“The bot is smart enough to know when to route a question to HR versus IT. We don’t have to have separate support solutions for the two departments.”

IT head, technology/manufacturing

Modeling and assumptions. For the composite organization, Forrester assumes:

- The composite has 30,000 employees and grows 3% annually.

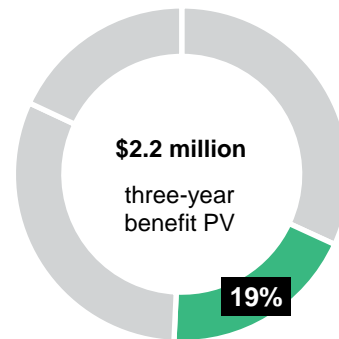
- The percentage of employees who leverage Moveworks for support requests in Year 1 is 40%. This percentage increases to 70% by Year 3 as more use cases and users are onboarded.
- Employees submit an average of four HR support requests per year.
- Moveworks automation automatically resolves 75% of these HR requests, which diverts them from HR resources. The avoided support requests are for those with answers that can be found in the organization’s knowledge catalog (e.g., questions about benefits) or that can be avoided through self-service. This percentage increases by 5% annually as Moveworks continues to improve in efficacy.
- The HR time savings per interaction is 25 minutes.

- The average hourly rate of an HR resource is \$43.

Risks. Avoided internal HR service costs may vary depending on the following:

- The number of employees and the speed of the Moveworks adoption.
- The use cases covered by Moveworks.
- The number of HR support requests received and the number that can be solved through self-service.
- The average time spent on an HR interaction.
- The average hourly rate of an HR resource.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV of \$2.2 million.



Avoided Internal HR Service Costs					
Ref.	Metric	Source	Year 1	Year 2	Year 3
B1	Total number of employees	A1	30,000	30,900	31,827
B2	Percentage of employees who leverage Moveworks for support requests	A2	40%	55%	70%
B3	Average number of HR support requests per employee	Interviews	4	4	4
B4	Average number of HR support conversations through Moveworks	B1*B2*B3	48,000	67,980	89,116
B5	HR support request avoidance with Moveworks	Interviews	75%	80%	85%
B6	Subtotal: Avoided HR personnel interactions	B4*B5	36,000	54,384	75,748
B7	HR time savings per interaction (minutes)	Interviews	25	25	25
B8	Average hourly rate of an HR resource (rounded)	Assumption	\$43	\$43	\$43
B9	Subtotal: Cost per HR interaction	B7*B8/60 minutes	\$18	\$18	\$18
Bt	Avoided internal HR service costs	B6*B9	\$645,000	\$974,380	\$1,357,156
	Risk adjustment	↓10%			
Btr	Avoided internal HR service costs (risk-adjusted)		\$580,500	\$876,942	\$1,221,441
Three-year total: \$2,678,883			Three-year present value: \$2,170,159		

END-USER PRODUCTIVITY SAVINGS

Evidence and data. Interviewees said that with automation and instant and/or accelerated support through Moveworks, end users across several functional areas were able to avoid lengthy interactions or self-directed searches that distract them from their core responsibilities.

Interviewees primarily described end-user productivity savings in the four following areas:

IT: The IT head at the technology/manufacturing organization explained: “An average incident ticket, which are [for] minor issues, would typically take 20 to 30 minutes of an employee’s time to actively deal with because they have to pick up the call, explain to the agent what’s happening, do the troubleshooting, etc. But now, that turnaround time is 5 minutes.”

The senior IT manager at a biotechnology organization said: “Every time a ticket is accelerated, we are saving an employee at least 5 minutes of their time through not having to deal with trying to get a hold of someone to try and figure out the status of their ticket because they could resolve the issue themselves or [because] the ticket was routed and tracked automatically.”

HR: Interviewees said their organizations avoided HR interactions by onboarding knowledge documentation into Moveworks and that this made it easy for employees to find what they need themselves rather than spending time scouring internal documentation and/or engaging with HR representatives.

Finance: End users were also able to save time when it came to finance lookups. The IT manager at an energy organization stated: “Finance is our biggest use case after IT and HR. When it comes to things like purchase orders, sales orders, and contracts, employees can look up what they need directly in the bot.” Employees at the organization perform this type of search two to four times per month, and they save 15 minutes searching for one of these documents with Moveworks.

Approvals: Interviewees said that with Moveworks, their organizations accelerated approval processes without sacrificing compliance. For approvals such as IT spend, paid time off (PTO), or service requests, Moveworks provided approval notifications, next-step actions, and lookups directly through chat in a secure environment.

- The executive director of a healthcare organization said their company saw \$7,000 in time savings on ticket approvals by processing tickets more quickly. The interviewee said: “One of our biggest issues was getting managers to approve tickets because the tickets were going through email, and no one was seeing [them]. Now, our bot can send the manager a message saying they have an approval. They can approve it, and the bot automatically routes it.”
- Similarly, the IT manager at an energy organization stated: “Previously, the application we used for approvals would send out one email. That was it. [It sent] no reminders. Then you [would] have to chase your managers, and they [would] see that they have five or 10 approvals in their queue. It used to take a week. Now, our managers get prompted right in chat and, in one click, it’s done.”
- The senior IT manager at a biotechnology organization noted, “We can accelerate the approval process by 24 to 48 hours with Moveworks.”

“Previously, it took 4.8 days on average to process an approval. Now, it takes less than 10 hours. Last year, we conducted 680,000 approvals using Moveworks.”

Senior IT manager, manufacturing

Modeling and assumptions. For the composite organization, Forrester assumes:

- The composite has 30,000 employees and grows 3% annually.
- The percentage of employees who leverage Moveworks for support requests in Year 1 is 40%. This percentage increases to 70% by Year 3 as more use cases and users are onboarded.
- Employees save 25 minutes per IT ticket defected with Moveworks due to avoided IT FTE/end-user interaction and faster resolution with automation and self-service.
- Employees save 10 minutes per IT support request defected with Moveworks due to faster resolution with automation and self-service.
- 10% of the organization’s employees leverage Moveworks for a finance inquiry (e.g., contract lookup). Employees typically make 12 finance inquiries per year.
- Moveworks automation and self-service accelerates 75% of finance inquiries.
- Employees avoid 15 minutes of search time per finance inquiry with Moveworks.
- Employees require two approvals per year.
- Employees save 5 minutes per approval with Moveworks. This is “hands on keyboard” time per

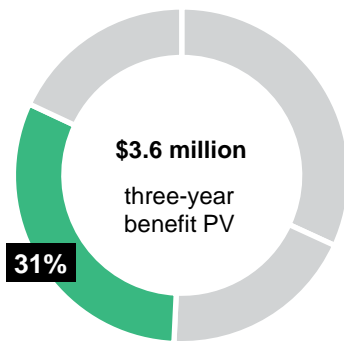
approval, rather than the time the approval sits unresolved.

- The average blended hourly rate of an end-user employee is \$35.
- FTE employees apply 75% of the total time saved directly back to value-generating tasks (e.g., professional development, training, work-life activities).

Risks. End-user productivity savings may vary depending on the following:

- The number of employees and the speed of the Moveworks adoption.
- The use cases covered by Moveworks.
- The number of IT tickets, HR support requests, finance inquiries, and approval actions, and the number of these that can be solved through self-service.
- The average time previously spent on each action.
- The hourly rate of affected end users.
- The percentage of productivity that affected FTEs capture.

Results. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV of \$3.6 million.



End-User Productivity Savings					
Ref.	Metric	Source	Year 1	Year 2	Year 3
C1	Total number of employees	A1	30,000	30,900	31,827
C2	Percentage of employees who leverage Moveworks for support requests	A2	40%	55%	70%
C3	Subtotal: Total number of employees who leverage Moveworks	C1*C2	12,000	16,995	22,279
C4	Moveworks-enabled IT tickets	A6	72,000	112,167	160,408
C5	Employee productivity savings per IT ticket from improved resolution times and automation (minutes)	Interviews	25	25	25
C6	Subtotal: End-user time savings for improved IT resolution rates (hours)	C4*C5/60 minutes	30,000	46,736	66,837
C7	Avoided HR personnel interactions	B6	36,000	54,384	75,748
C8	Employee time savings per avoided HR conversations (minutes)	Assumption	10	10	10
C9	Subtotal: End-user time savings for avoided HR interactions (hours)	C7*C8/60	6,000	9,064	12,625
C10	Percentage of employees who leverage Moveworks for a finance inquiry	Composite	10%	10%	10%
C11	Average number of finance inquiries per employee	Assumption	12	12	12
C12	Finance inquiries routed through Moveworks	C3*C10*C11	14,400	20,394	26,735
C13	Finance inquiries accelerated with Moveworks	Interviews	75%	75%	75%
C14	Avoided search time per inquiry (minutes)	Assumption	15	15	15
C15	Subtotal: End-user time savings for avoided finance lookups (hours)	C12*C13*C14/60 minutes	2,700	3,824	5,013
C16	Required approvals per employee	Assumption	2	2	2
C17	Time savings per accelerated approval in Moveworks (minutes)	Interviews	5	5	5
C18	Time savings per accelerated approvals (hours)	C1*C16*C17/60 minutes	5,000	5,150	5,305
C19	Subtotal: End-user productivity hours reclaimed	C6+C9+C15+C18	43,700	64,774	89,779
C20	Average blended hourly rate for an end user (rounded)	TEI standard	\$35	\$35	\$35
C21	Productivity recapture	Assumption	75%	75%	75%
Ct	End-user productivity savings	C19*C20*C21	\$1,147,125	\$1,700,321	\$2,356,690
	Risk adjustment	↓15%			
Ctr	End-user productivity savings (risk-adjusted)		\$975,056	\$1,445,273	\$2,003,186
Three-year total: \$4,423,515			Three-year present value: \$3,585,879		

BUSINESS IMPACT OF IMPROVED EMPLOYEE COMMUNICATIONS AND ACCELERATED APPROVALS

Evidence and data. Interviewees said their organizations leveraged Moveworks to promote employee behaviors that support organizational initiatives and that this drove further productivity for users and improved business results. Specifically, they said Moveworks employee communications gave their organizations the ability to rapidly communicate organizational initiatives or messages to the right employees at the right times while also giving them an avenue to follow up via the bot.

- The executive director of the healthcare organization said that with Moveworks employee communications, their company is able to promote productivity-enhancing behaviors via frequent learning campaigns for employees across the healthcare network. They said campaigns that promote employee collaboration, HR best practices for managers, HR benefits, and other campaigns that require employee engagement drive productivity for users and improve the likelihood of success for the initiative.
- The IT manager of an energy organization said that through a Moveworks employee communications-led campaign, their company was able to reclaim nearly \$600,000 worth of software licenses by surveying employees and their software-usage habits to promote license-free software while allocating the paid licenses to users who need the functionality.

Although Forrester quantified the value of improving the productivity of employees who manage employee approvals in benefit C, interviewees said employees who require these approvals also benefit from having faster access to these approvals in their daily workflows.

The senior IT manager at a manufacturing organization noted that approvals are frequently

needed in the sales process and that by accelerating time to approval for these salespeople, some deals may be accelerated over time and yield an improved close rate and an increase in revenue. The interviewee summarized: “With the acceleration of approvals, we are removing barriers, providing a better user [sales] experience, and saving a potential deal from delays.”

Modeling and assumptions. For the composite organization, Forrester assumes:

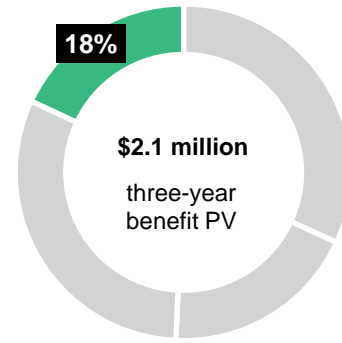
- The composite conducts two employee communication campaigns through Moveworks in Year 1, and this number increases to four in Year 3 as Moveworks usage continues to expand.
- Employees save an average of 5 minutes per campaign through learnings.
- The average blended hourly rate of an end-user employee is \$35.
- Prior to implementing Moveworks, approvals were left unresolved for an average of 10 hours.
- Approval time improves by 75% due to accelerated communications through notifications with Moveworks.
- End users who benefit from accelerated approvals reclaim 5% of the total approval acceleration duration as productivity savings because reducing the duration of critical path approvals enables them to do their jobs more efficiently over time.

Risks. The business impact of improved employee communications and accelerated approvals may vary depending on the following:

- The number of communications campaigns created through Moveworks and the number of employees targeted.
- The time savings per employee per campaign.
- The number of required approvals and average approval time pre-Moveworks.

- The hourly rates of the affected end users.
- The percentage of productivity that affected FTEs capture.

Results. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV of \$2.1 million.



Business Impact Of Improved Employee Communications And Accelerated Approvals					
Ref.	Metric	Source	Year 1	Year 2	Year 3
D1	Employee communications campaigns through Moveworks	Composite	2	4	4
D2	Employees targeted by Moveworks campaign	C3	12,000	16,995	22,279
D3	Campaign outcome (minutes saved per employee)	Interviews	5	5	5
D4	Campaign outcome hours saved across all employees	D2*D3/60 minutes	1,000	1,416	1,857
D5	Average blended hourly rate for an end-user	TEI standard	\$35	\$35	\$35
D6	Average value of campaign	Interviews	\$35,000	\$49,569	\$64,980
D7	Subtotal: Value from employee Moveworks employee communications campaign	D1*D6	\$70,000	\$198,275	\$259,921
D8	Number of required employee approvals	C1*C16	60,000	61,800	63,654
D9	Average approval time pre-Moveworks (hours)	Interviews	10	10	10
D10	Accelerated approval time with Moveworks (percentage)	Interviews	75%	75%	75%
D11	Accelerated approval time with Moveworks (hours)	D6*D7	7.5	7.5	7.5
D12	Productivity impact of approvals reclaimed for end users	Assumption	5%	5%	5%
D13	Productivity improvement through accelerated approvals (hours)	D8*D11*D12	22,500	23,175	23,870
D14	Subtotal: Productivity improvement through accelerated approvals	D5*D13	\$787,500	\$811,125	\$835,459
Dt	Business impact of improved employee communications and accelerated approvals	D7+D14	\$857,500	\$1,009,400	\$1,095,379
	Risk adjustment	↓15%			
Dtr	Business impact of improved employee communications and accelerated approvals (risk-adjusted)		\$728,875	\$857,990	\$931,072
Three-year total: \$2,517,937			Three-year present value: \$2,071,225		

UNQUANTIFIED BENEFITS

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

- **Enhanced employee experience.** Each interviewee said Moveworks provided their organization's employees with an easy-to-use interface that generally improved employee support and satisfaction.
 - The executive director at a healthcare organization highlighted the flexibility of the solution. They said: "Clinical folks, physicians, and nurse practitioners are extremely mobile. Therefore, [they] want to use their phones and not have to be tied to any kind of device. With Moveworks, we are able to meet them where they are using chat and feed them information through their phones."
 - The same interviewee also explained how Moveworks improved communication throughout their organization. They said: "There is a class that all management has to take every year for compliance. Our learning team originally sent out emails as a reminder to sign up for the class, but a good amount of our employees never read them. So, the information was never getting to them. I told the team about Moveworks and volunteered to send out a campaign through it. In the first campaign, 300 people signed up. When we sent it out again, 500 people signed up. The head of the learning team wrote back to me and said, 'This has been the most successful way of being able to get people to join these calls that I have seen in my 10 years of being here.'"
 - The IT head at the technology/manufacturing organization

said, "We no longer receive complaints about the service desk being a 'helpless desk.' Also, our service desk satisfaction score is consistently around 3.9 out of 4, [which is] higher than it's ever been."

"Moveworks provides a better employee experience by automatically answering common questions. The benefit of this has spread through our organization, and we are now engaging 95% or more of our employees."

Senior IT manager, biotechnology

- **Increased employee proactivity.** Interviewees agreed that the best way to keep support teams from being overwhelmed by a surge in demand is to anticipate issues and reach out with assistance before users need it. They said that with Moveworks, the bot can send targeted communications that offer actionable next steps.
 - The IT manager in the energy industry said their organization uses this capability to proactively prompt employees to order new PCs when their existing ones are reaching the end of their lifecycles. The interviewee said: "It will tell your manager to approve it, and then you get it. It's all automated on the back end. Also, Moveworks prompts you to complete technical validations within a change window, [which ensures] we are not out of compliance. Especially with our operational technology team. They are critical for supporting our electric and gas

systems, and they have many different people between the state and federal [levels] looking at them for compliant changes and what they've done."

- The same interviewee said their organization uses this within its onboarding process. They said: "If I submit a request for a new employee, the bot will prompt me to do the access request, so they have system access the day they start. Historically, we couldn't do it until the employee was here in person, which resulted in three days of wasted time to set up access. Now, they can get in on day one."

- The senior IT manager at a manufacturing organization explained: "Our tier one service was under a third-party vendor. We were able to reduce that contract by almost \$2.2 million in one year."
- The senior IT manager at a biotechnology organization stated: "We had 12 people on our service desk in 2019. With the growth we've seen in the past few years, we would've needed at least 20 people on our service team. But we still have 12."
- The IT head in the technology/manufacturing industry said their organization recently acquired several companies and stated: "When you acquire new companies, your service-call volume shoots up. We just told everyone to go through the bot, and we didn't have to increase temporary headcount. I was also able to repurpose 19 help desk agents to work on knowledge curation and identifying areas for automation companywide."

"When it comes to ordering IT assets, our Moveworks bot reminds [us] two weeks prior to [the] employee start date. That way, the PCs are built and shipped well in time before their start date, so they can be productive on day one."

IT manager, energy

- **Scalability while avoiding costs.** Moveworks saved interviewees' organizations from spending money on third-party resources and additional headcount as they grew.
 - The executive director of a healthcare organization said: "In 2021, we had hired 50 contractors for our IT service desk just to keep up with demand. We have since dropped all those contractors."

"About 30 or so people have been able to transfer out of operational roles into something else. And when people leave, we have been able to not rehire for some of those roles. [Maintaining the same level of effectiveness,] we have not backfilled those roles in the last two years."

IT manager, energy

- **Improved knowledge visibility.** Interviewees said Moveworks Performance Insights Dashboards provided a clear view into knowledge-base gaps at their organizations and that knowledge teams were able to prioritize which articles to create next and which needed to be revised further. This further supports a self-service support environment. The IT manager at an energy organization said, “Instead of having to build out our own dashboards to identify our gaps, Moveworks gives a holistic view, and we can pinpoint by area and issue type. No other vendor had that.”
- **Potential for increased revenue.** Interviewees said enterprise conversational AI removes barriers to sales processes (e.g., approvals) and improves employees’ visibility across their organizations, which in turn may support revenue-generating deals and/or initiatives.

healthcare organization stated, “We’re kicking off projects to expand Moveworks into more systems so a bigger contingent of people can use its capabilities.”

Some interviewees also mentioned expanding the knowledge content available to use through the bot. The executive director explained: “With some of the ways the knowledge articles are written, our bot can’t respond effectively. We’re working on that to drive even more self-service out of our bot than we currently have.”

Other interviewees said they look forward to implementing additional Moveworks capabilities at their organizations. The senior IT manager of a biotechnology organization noted: “We are going to be rolling out the ability for the bot to speak multiple languages in the next month or so. That way, we can use this bot in all the countries

“Instead of having to have multiple help desks — one for each country — the bot can actually do multilanguage support.”

IT head, technology/manufacturing

FLEXIBILITY

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

- **Expanding use.** Interviewees expressed interest in expanding their organization’s use of Moveworks. Some described this in terms of onboarding additional use cases and systems to increase its exposure. The executive director of a

“Our vision is ultimately if somebody has a question about anything in the company, they’ll go to the Moveworks bot first, and the bot will either have the answer or be able to point them to a resource that has the answer.”

Senior IT manager, biotechnology

where we have offices, which is going to be pretty awesome.”

- **Reorganizing the service desk.** Several interviewees highlighted the opportunity to reorganize their organization’s IT service desk to fully focus on tier two requests, rather than needing to employ personnel solely for tier one

requests. Meanwhile, the senior IT manager in the manufacturing industry said their organization looked to replicate the success it experienced with reducing the contacts for its tier one service with its tier two service. The interviewee said: “We want to reduce the dependency on our tier two support by 50%. Tier two tends to be more expensive because it includes more people in engineering roles [and] people actually doing things on some portal or back-end system to resolve something. Based on some deep dives we have done; we think there is an opportunity to resolve some of these issues through automation with Moveworks.”

- **Streamlining support channels.** Interviewees said their organizations aspired to have a single point of entry when it came to support. The senior IT manager at a manufacturing organization explained: “We had four channels for support: the bot, the IT portal, phone, and email. Within one month of implementing the bot, we were able to stop supporting email. Today, we’re in the process of shutting down the IT portal and phone, as well. We want everything to come through the bot.”

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

“We’ve quadrupled the number of use cases we deliver monthly. We now deploy 13 on average per month.”

Senior IT manager, manufacturing

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	Annual fees paid to Moveworks	\$0	\$1,022,164	\$1,022,164	\$1,022,164	\$3,066,492	\$2,541,971
Ftr	Internal Moveworks development personnel costs	\$31,680	\$264,000	\$264,000	\$264,000	\$823,680	\$688,209
	Total costs (risk-adjusted)	\$31,680	\$1,286,164	\$1,286,164	\$1,286,164	\$3,890,172	\$3,230,180

ANNUAL FEES PAID TO MOVEWORKS

Evidence and data. Organizations pay an annual subscription fee for Moveworks. Pricing is based on the number of potential users/employees and functionality in use. Moveworks also offers consumption-based contracts for organizations looking for a lower point of entry.

Modeling and assumptions. For the composite organization, Forrester assumes:

- The composite has 30,000 employees and grows 3% annually.
- The organization contracts for Moveworks for IT, HR, Employee Communications, Employee Answers, and Employee Insights.
- Pricing may vary. Contact Moveworks for additional details.

Risks. Fees to Moveworks may vary depending on the following:

- The number of employees.
- The use cases and/or features of Moveworks in use.

Results. Despite these potential variances, Forrester did not risk-adjust this cost upward because Moveworks provided estimated pricing for the composite organization. This yields a three-year total PV (discounted at 10%) of \$2.5 million.

“Using the analysis Moveworks provides on the back end, we can identify what other articles need to be created to ramp up resolution rate and meet the needs of the users.”

IT manager, energy

Annual Fees Paid To Moveworks						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
E1	Cost of Moveworks for IT	Composite	\$0	\$474,289	\$474,289	\$474,289
E2	Cost of Moveworks for HR	Composite	\$0	\$173,853	\$173,853	\$173,853
E3	Cost of Moveworks for Employee Communications	Composite	\$0	\$110,883	\$110,883	\$110,883
E4	Cost of Moveworks for Employee Answers	Composite	\$0	\$144,268	\$144,268	\$144,268
E5	Cost of Moveworks Employee Experience Insights	Composite	\$0	\$118,871	\$118,871	\$118,871
Et	Annual fees paid to Moveworks	Composite	\$0	\$400,000	\$400,000	\$400,000
	Risk adjustment	0%				
Etr	Annual fees paid to Moveworks (risk-adjusted)		\$0	\$440,000	\$440,000	\$440,000
Three-year total: \$3,066,492			Three-year present value: \$2,541,971			

INTERNAL MOVEWORKS DEVELOPMENT PERSONNEL COSTS

Evidence and data. Interviewees noted that the personnel costs associated with Moveworks are primarily related to improving the functionality and ramping up usage of the solution through knowledge creation and curation. Across each of the organizations, the required level of personnel involvement for knowledge curation and creation varied based on Moveworks adoption and use cases (from less than one FTE to several FTEs).

- The executive director at a healthcare organization said: “We started pulling knowledge documents we had, and Moveworks worked with us to quickly ramp up articles in the correct format to start off with. Then, we moved into a pattern of waiting and seeing what people needed and then writing subsequent articles to help optimize our virtual assistant.” The organization has one full time person on their knowledge creation team.
- The senior IT manager at a manufacturing company noted: “We were able to take one year of ticket data and dump it into the machine

learning for Moveworks. It took about six weeks to set up and two months to get the robustness and accuracy we were looking for.” The organization now has five employees fully staffed on Moveworks development, including knowledge owners, developers, and a delivery leader.

- The senior IT manager at a biotechnology organization said it took their company two months to get up and running with Moveworks. The interviewee stated: “We didn’t have much content in-house when we started, which is why our bot was only getting a 5% resolution rate at best in the beginning. However, our outsourced IT team had a lot. So, we had our knowledge manager and a few other people rewrite that content for Moveworks and, suddenly, we have 600 articles in six weeks. Then, we would constantly review what the bot could and couldn’t answer and continue to create articles. Now, we have more than 1,300 articles.” The organization now has five people who assist with content creation on an ongoing basis.

- The IT manager at an energy organization shared: “We had to build out the integrations with other applications initially and ingest 100,000 records of data for the bot to get some context on our company, but that was it. It was really quick.” The organization now has a team of three employees who are dedicated to ongoing documentation creation.
- The IT head at the technology/manufacturing organization explained: “Integrations take less than two weeks. From contracting to go-live, it only took us six weeks. Moveworks configures everything, so my team can actually spend time on getting users to use it instead of the back-end setup.”

Risks. Internal development personnel costs may vary depending on the following:

- The size of the organization and its total interaction volume with the platform.
- The complexity of operations and use cases associated with Moveworks.
- The breadth of the Moveworks deployment across business units.
- The available capacity and skill sets of employees involved in Moveworks development.
- Range of salaries, which is typically associated with geographical location and skill levels.

“Moveworks is amazing with us. They had knowledge experts on their side sit with us and explain how things should be written in the beginning.”

Executive director, healthcare

Modeling and assumptions. For the composite organization, Forrester assumes:

- Two FTEs are involved in the composite’s initial Moveworks implementation and development for one month.
- Four FTE dedicate 50% of their time on an ongoing basis to supporting development and knowledge creation and curation for Moveworks.
- The average fully burdened annual salary of a tier one or tier two service tech is \$120,000.

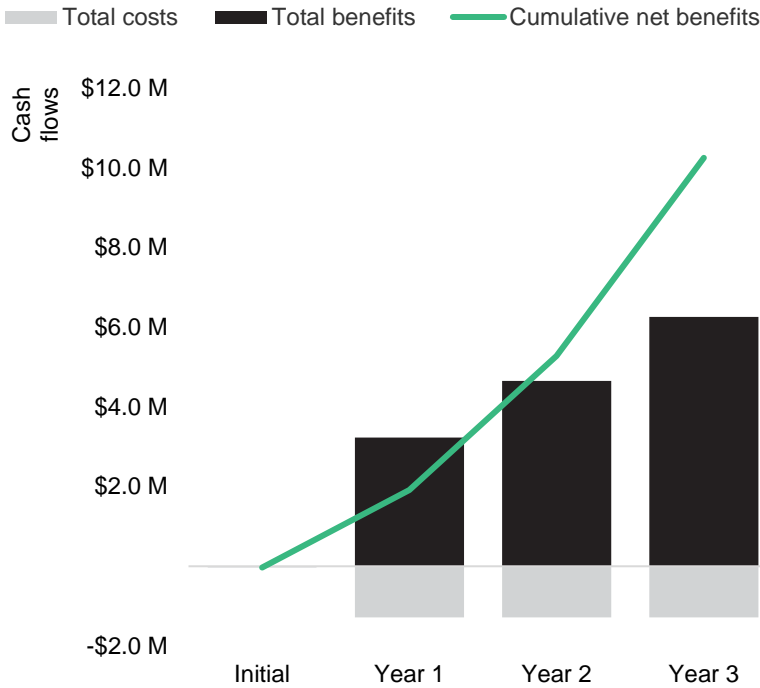
Results. To account for these risks, Forrester adjusted this cost upward by 5%, yielding a three-year, risk-adjusted total PV of \$688,000.

Internal Moveworks Development Personnel Costs						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
F1	Total number of FTEs who support Moveworks knowledge creation/curation	Composite	0	4	4	4
F2	Percentage of working hours dedicated to Moveworks knowledge creation	Interviews	0%	50%	50%	50%
F3	Average annual salary of a tier one or tier two service tech	TEI standard	\$0	\$120,000	\$120,000	\$120,000
Ft	Internal Moveworks development personnel costs	F1*F2*F3	\$28,800	\$240,000	\$240,000	\$240,000
	Risk adjustment	↑10%				
Ftr	Internal Moveworks development personnel costs (risk-adjusted)		\$31,680	\$264,000	\$264,000	\$264,000
Three-year total: \$823,680			Three-year present value: \$688,209			

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 and NPV for the composite organization's investment. Forrester assumes a yearly discount rate of 10% for this analysis.

These risk-adjusted ROI and NPV 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	(\$483,000)	(\$3,588,000)	(\$3,588,000)	(\$3,588,000)	(\$11,247,000)	(\$9,405,825)
Total benefits	\$0	\$17,218,457	\$19,879,504	\$22,504,592	\$59,602,553	\$48,990,518
Net benefits	(\$483,000)	\$13,630,457	\$16,291,504	\$18,916,592	\$48,355,553	\$39,584,693

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 Source: Forrester's Future Of Work Survey, 2022, August 2022.

² Source: "The Chatbots For IT Operations Landscape, Q3 2022," Forrester Research, Inc., July 29, 2022.

³ 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.

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