

# The Total Economic Impact™ Of RingCentral Contact Centre And MVP

Cost Savings And Business Benefits  
Enabled By Contact Centre And MVP

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## Executive Summary

An emerging trend shows that unified-communications-as-a-service (UCaaS) platforms will merge with the contact-centre-as-a-service (CCaaS) market in the next one to three years.<sup>1</sup> The reason is straightforward: UCaaS and CCaaS solutions combined can create better customer experiences and save costs. RingCentral provides an integrated UCaaS and CCaaS solution with more reliable and efficient internal and external communication, delivering more business benefits compared to siloed UCaaS and CCaaS.

Organisations deploy contact centre systems to provide differentiated customer service. Efficient contact centres can provide significant savings by driving efficiencies, as well as improving customer experience (CX).<sup>2</sup> While contact centres serve as the system to manage communication between customers or vendors with internal agents, UCaaS provides connections among internal employees as well as external stakeholders. As they embrace hybrid work environments and prioritise employee experience (EX) and CX, organisations are seeing the joint value of contact centre and UCaaS solutions, which includes one vendor to manage all communication systems. A single vendor makes the process of setting up and running operations while mitigating risks easier and more efficient compared to an environment in which multiple vendors manage several components.<sup>3</sup> Tight UCaaS and contact centre solution integration provides seamless communication for the entire organisation to not only communicate with customers, but to resolve customer issues quickly by leveraging more internal resources and injecting extra efficiency into the process.

### KEY STATISTICS



Return on investment (ROI)  
**211%**



Net present value (NPV)  
**\$11.96M**

[RingCentral Contact Centre](#) is an omnichannel solution that lets customers contact a company on their communication channel of choice, including but not limited to voice, messaging, web chat, social media, video and bots, while providing supervisors integrated workforce management that includes scheduling, coaching and training agents.

[RingCentral MVP](#) is a cloud-based phone system that streamlines operations with unified communications.

RingCentral commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) enterprises may realise by deploying RingCentral Contact Centre and MVP.<sup>4</sup> The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of Contact Centre and MVP on their organisations.

To better understand the benefits, costs and risks associated with this investment, Forrester interviewed five representatives with experience using

Call handling time  
reduction with integrated  
Contact Centre and MVP

**45%**



RingCentral Contact Centre and MVP. For the purposes of this study, Forrester aggregated the interviewees' experiences and combined the results into a single [composite organisation](#), which has 5000 employees and 300 contact centre agents operating in the US and UK.

Prior to using Contact Centre and MVP, interviewees shared that they had access to on-premises contact centre solutions as well as several different UCaaS systems. But in these prior environments, the contact centres were unable to scale to meet business growing demand and adapt to a hybrid working environment and had high maintenance costs. The disparate UCaaS systems fractured communication and wasted time for meeting participants. Finally, the contact centre and UCaaS systems were not integrated, which ultimately couldn't meet the communication demands of customers.

After the investment in RingCentral Contact Centre and MVP, the interviewees' organisations enjoyed more scalable and reliable systems since the cloud-based systems provide five 9s availability. The new features came with solutions that met customers' communication demands. Key results from the investment include a 45% reduction on contact centre call handling time, a notable decrease in IT support time, reduced reliance on legacy systems, training cost savings, travel cost reductions, and internal management efficiency and meeting efficiency lift.

## KEY FINDINGS

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

- **A 20% reduction in call handling time with RingCentral Contact Centre and up to a 45% reduction with the use of UCaaS.** The cloud-based RingCentral Contact Centre provides interactive voice response (IVR) capabilities, which allows the composite organisations to set up its own routing rules so that the calls are connected to the agents who are the most equipped to handle specific issues. Integration with CRM systems enables the agents to manage a call from one screen, instead of having to bounce from one window and tool to another. With the integrated UCaaS system, customers can share screens with agents via a special link to solve issues faster. If an issue is beyond an agent's capabilities, they can quickly transfer a call via the UCaaS solution to the proper internal team members. Over three years, the reduction of call handling time is equal to \$10.8 million savings for the composite organisation.
- **A 30% decrease in internal contact centre and UCaaS IT support tickets and a 60% decrease in the time to close each ticket.** RingCentral provides a dashboard to report issues and runs a simple diagnosis to identify the issues and provide solutions. If the composite organisation's internal IT support can't resolve the issues, RingCentral assists with troubleshooting support, reducing the number of support tickets and the time needed to close each ticket. The three-year savings from reduced internal IT support costs are \$195,000.
- **A saving of \$2.68 million of avoided legacy system costs over three years.** By deploying RingCentral Contact Centre and MVP solutions, the composite organisation reduces or retires older technology solutions and services that don't meet business requirements. The avoided cost is relocated to other purposes.
- **A 25% time savings of contact centre supervisors' time on monthly agent performance auditing processes.** The Workforce Engagement Management and Quality Management modules embedded in RingCentral Contact Centre provide real-time tracking of the contact centre agents' performance. Supervisors spend less time conducting reviews during the monthly auditing process. The three-year savings equals \$76,000 for the composite organisation.

- **An eight-hour reduction in performance training for agents due to the data and analytic capability of RingCentral Contact Centre.** The deployment of the RingCentral Contact Centre enables more targeted training with agents due to the data and analytics capability. Supervisors can identify issues and opportunities with particular agents. Targeted training improves on previous training sessions that were very generic and fills specific skill gaps for more skilled and well-rounded agents. The composite organisation saves over \$139,000 in three years.
- **A saving of \$3.67 million in travel costs with the deployment of RingCentral MVP system over three years.** The COVID-19 pandemic has shifted the landscape of business travel and accelerated the adoption of UCaaS systems in organisations. The composite organisation sees a 20% reduction in the number of business trips as a result of RingCentral MVP deployment. In three years, the composite organisation saves \$3.67 million in travel costs.
- **A saving of 15 minutes before each meeting with the unified RingCentral MVP solution.** Participants no longer need to use multiple UCaaS systems or download different meeting software. The unified conference call system enables a saving of \$48,000 for the composite organisation over three years.

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

- **Positive impact on revenue.** For an outbound or sales-generation contact centre, RingCentral enables organisations to achieve higher agent efficiency and better customer service, which translates to higher revenue. The composite has the ability to work with just one vendor to procure, deploy, manage and monitor all communication systems with significant cost savings.
- **Contact centre process standardisation.** Contact Centre provides a standardised process from call handling to agent performance auditing to data analytics. It injects not only efficiency to contact centres but also process standardisation to the composite organisation.
- **Better decision-making capabilities.** Both MVP and Contact Centre provide strong data analytics capabilities, which give the composite organisation the ability to track performance, identify issues and work out solutions. This data helps management make clearer decisions.
- **Improved CX with callback function.** With RingCentral's callback function, the composite organisation can return calls to customers during long queue times. Rather than wait on the line, the customer hangs up and receives a callback once an agent is available, freeing up customers' time.

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

- **RingCentral licencing fee of \$5 million.** The composite is charged monthly for RingCentral MVP and Contact Centre based on the number of licences it needs. Licence requirements are based on several factors including the number of agents and employees. Over three years, the licencing cost of MVP and Contact Centre is \$5 million for the composite organisation.
- **The implementation cost of \$400,000, including internal implementation efforts and a professional service fee to RingCentral.** RingCentral charges a professional service fee billed over the course of three years. Internally, the composite organisation assembles a team of six members to support the implementation.

- **Training cost of \$239,000.** Agents take an eight-hour training session to learn the new RingCentral contact centre solution. Also, RingCentral MVP users take a half-hour, self-paced session to familiarise themselves with the solution. Contact centre agents also continue with a half-hour, system-related training each quarter to cover any new features.

The representative interviews and financial analysis found that a composite organisation experiences benefits of \$17.62 million over three years versus costs of \$5.66 million, adding up to a net present value (NPV) of \$11.96 million and an ROI of 211%, with a payback period less than six months.





ROI  
**211%**



BENEFITS PV  
**\$17.62M**

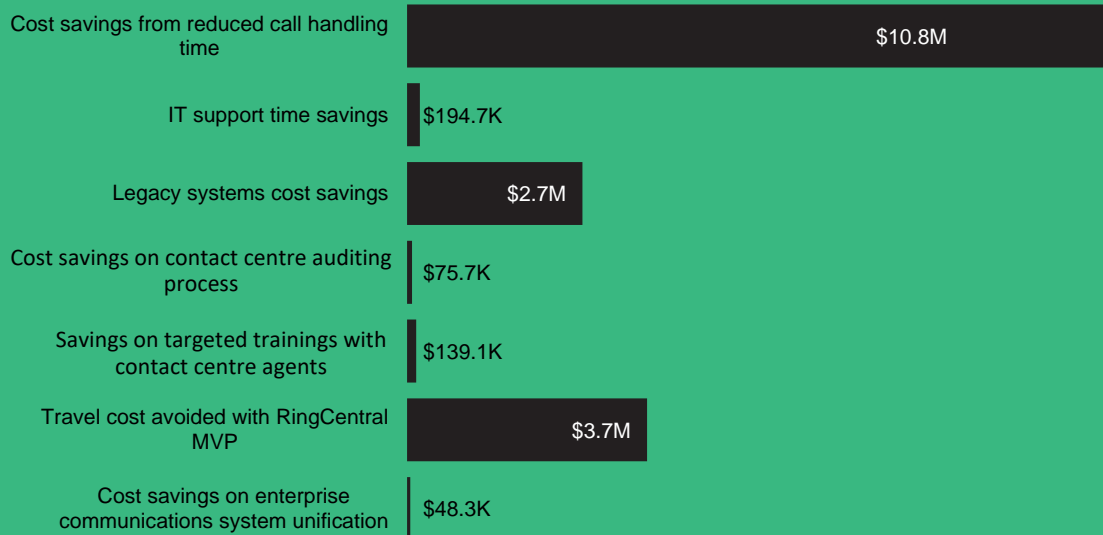


NPV  
**\$11.96M**



PAYBACK  
**<6 months**

### Benefits (Three-Year)



**"[We chose RingCentral because] it provided a single point of contact. The other piece is that their professional services was very robust as well as their overall network. If they couldn't meet demands from a professional service perspective, they had a lot of partners to help meet the demands of their customers."**

— Senior director, workforce planning, technology

## TEI FRAMEWORK AND METHODOLOGY

From the information provided in the interviews, Forrester constructed a Total Economic Impact™ framework for those organisations considering an investment in RingCentral Contact Centre and MVP.

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 RingCentral Contact Centre and MVP can have on an organisation.

### DISCLOSURES

Readers should be aware of the following:

This study is commissioned by RingCentral 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 organisations 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 Contact Centre and MVP.

RingCentral 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.

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



### DUE DILIGENCE

Interviewed RingCentral stakeholders and Forrester analysts to gather data relative to Contact Centre and MVP.



### INTERVIEWS

Interviewed five representatives at organisations using Contact Centre and MVP to obtain data with respect to costs, benefits and risks.



### COMPOSITE ORGANISATION

Designed a composite organisation based on characteristics of the interviewees' organisations.



### 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 modelling 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 RingCentral Contact Centre And MVP Customer Journey

## Drivers leading to the Contact Centre and MVP investment

Interviews					
Role	Industry	Region	Total employees	Total MVP licences	Total contact centre agents
Director of IT infrastructure and operation Unified communications manager	Healthcare	US operations	14,000	9000	240
Global IT operations director	Financial technology	Headquartered in the UK, global operations	3500	1100	300
Manager, infrastructure and support services	Automobile	Canadian operations	1000+	1000+	95
Senior director, workforce planning	Technology	Headquartered in the US, global operations	15,000+	10,000+	2500

## KEY CHALLENGES

Before implementing RingCentral Contact Centre and MVP, interviewees shared that their organisations used on-premises contact centres and multiple UCaaS solutions at the same time. The on-premises contact centre solutions couldn't meet business demand due to limited functionalities. Interviewees' organisations had to continuously add different layers of technology to contact centres, which caused instability. There were also interoperability issues with different solution packages and the on-prem system; there was no interoperability between the contact centre and UCaaS solutions, which limited the agents' ability to seek help internally to solve customer inquiries more efficiently.

Interviewees noted how their organisations struggled with common challenges, including:

- **The existing contact centre and UCaaS introduced extra challenges to a hybrid working environment.** The pandemic changed the workforce environment overnight. Old communication solutions couldn't meet customer demands and adapt to hybrid work environments. The global IT operations director from the financial technology organisation said:

"The legacy on-prem solutions were hugely restrictive in a true hybrid workforce. You need to take your desk phone, put that in your bag, you might need to have a [session initiation protocol] (SIP) adapter or power-over-ethernet adapter, and then you need to take that kit with you."

- **Old systems couldn't meet internal and external communication needs.** As business grew, internal and external communication needs became complicated. Contact centre agents dealt with complex customer inquiries through multiple systems that needed support from larger extended team members. Lack of interoperability led to disjointed, time-consuming experiences for agents and customers. More and more conference calls and video calls were scheduled internally and externally with different meeting scenarios (e.g. one-on-one meetings, round-robin meetings and webinars). With on-premises contact centres and isolated UCaaS systems, business needs couldn't be fulfilled.
- **The previous solutions were unable to scale and adding new features was limited.** Scalability was a common challenge of on-premises systems. Interviewees' organisations

were experiencing business growth and the contact centre needed to be staffed. On-premises system made it harder to add new features developed for contact centres. The senior director of workforce planning from the technology organisation said: "We were running probably about 300 users [at the beginning]. We amped up to about 600 users and we just saw some scalability issues at the time. That's why we were looking for another vendor to help us get to the next level. Not necessarily just from an end-user perspective but also from feature functionality sets. We also wanted to be on one platform versus the hybrid model that we were on previously."

- **Legacy systems lacked reporting capabilities, which led to a poor decision-making process.** Analytics and reporting capabilities in the legacy system were siloed and outdated. Interviewees' organisations were unable to retrieve comprehensive and real-time data to help leadership make decisions. The manager of infrastructure and support services with an automobile organisation said: "We wanted those numbers. We just couldn't get them easily from [the previous solutions]. It took months and months to get a report and it wasn't easily changeable. Then you'd have to wait another couple of months if you wanted to tweak it or something."

## INVESTMENT OBJECTIVES

The interviewees' organisations searched for a solution that could:

- Support the true hybrid workforce environment, including the ability to let employees work seamlessly at home or in the office and fulfil different meeting requirements.
- Be scalable and reliable, providing a cloud platform with infrastructure in place to allow organisations to scale up and scale down to accommodate seasonality and growth.

- Improve the agents' ability to address customer needs quickly and effectively via a single platform with extensive functionalities, such as ability to integrate with CRM software and agility to forward calls to extended team members.
- Provide centralised analytics and reporting capability.

## COMPOSITE ORGANISATION

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

**Description of composite.** It is a US-based organisation with six regional offices and three contact centres. The total number of employees is 5000 in Year 1 and there are 300 contact centre agents in total. The organisation has a 10% annual growth rate in its number of employees.

**Deployment characteristics.** The composite organisation purchased RingCentral Contact Centre licences to support all agents. The package includes integration with CRM system, the Workforce Engagement Management Module and the Quality Management Module. The composite organisation also purchases MVP licences for all employees. With the purchase of both Contact Centre and MVP, the composite organisation gets free unlimited domestic calls from RingCentral.

### Key Assumptions

- **Five thousand total employees and 300 agents in Year 1**
- **Six calls per agent per hour, eight minutes per call**

# 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	Cost savings from reduced call handling time	\$3,965,760	\$4,362,349	\$4,798,569	\$13,126,678	\$10,815,719
Btr	IT support time savings	\$71,591	\$78,764	\$85,935	\$236,290	\$194,741
Ctr	Legacy systems cost savings	\$990,000	\$1,080,000	\$1,179,000	\$3,249,000	\$2,678,362
Dtr	Cost savings on contact centre auditing process	\$27,675	\$30,996	\$33,210	\$91,881	\$75,727
Etr	Savings on targeted trainings with contact centre agents	\$51,000	\$56,100	\$61,710	\$168,810	\$139,091
Ftr	Travel cost avoided with RingCentral MVP	\$1,344,000	\$1,478,400	\$1,626,400	\$4,448,800	\$3,665,575
Gtr	Cost savings on enterprise communications system unification	\$45,000	\$4500	\$4950	\$54,450	\$48,347
Total benefits (risk-adjusted)		\$6,495,026	\$7,091,108	\$7,789,774	\$21,375,908	\$17,617,562

## COST SAVINGS FROM REDUCED CALL HANDLING TIME

**Evidence and data.** By leveraging a combination of RingCentral Contact Centre and MVP, interviewees reported extending the boundary of customer interaction. The IVR allowed the calls to be transferred to the most equipped agents to deal with particular issues. The integration with CRM gave agents information about the customers right away. The integration with MVP allowed customers to be transferred seamlessly to other internal team members who could better assist them. The solution provided more points of interaction to customers for better solutions.

- The interviewees' prior on-premises contact centres couldn't provide features that met customer demand. By switching to the RingCentral Contact Centre, interviewees'

organisations gained advanced contact centre features like IVR, callbacks, waiting time estimation, API integrations with other systems and analytics function, increasing agent efficiency and customer satisfaction. The director of IT infrastructure and operation from the healthcare organisation said: "No one likes waiting on the phone, or worse, being hung up on. The faster they get transferred or processed, the better and happier they are. And as [we] started implementing the new contact centre with RingCentral, the average handle time went from 7.5 minutes to 4.5 minutes [per call] after they had done the enhancements."

- The integration of Contact Centre and MVP provided flexibility to agents when serving customers. The interviewees from a healthcare organisation noted their agents received patient calls and used their MVP system to transfer to

the specific clinics the patient belonged to for billing processing and appointment scheduling, which avoided miscommunication and further shortened the call handling time.

**"From a patient's standpoint, it is an efficiency thing. We're efficiently able to route a call but on the other side of it, it goes back to that patient's satisfaction in willing to be our patient the next time."**

*Director of IT infrastructure and operation, healthcare*

- Besides the call transfer function, the integration of RingCentral Contact Centre and MVP further extended the boundary of customer communication. When assisting customers to solve technical issues, the senior director of workforce planning at a technology firm noted their agents sent a link enabled by MVP to the customers, which allowed them to share screens while on the call. With the visual assistant, the agents helped customers solve issues more efficiently than with only verbal descriptions. This interviewee noted, "Of those screen-sharing calls, we saw a 10% reduction in average handling time."
- The interviewees' organisations were able to set up the IVR routing based on business needs. RingCentral provided open APIs to integrate with other systems. The interviewees at the healthcare organisation noted the firm integrated its CRM system with RingCentral, resulting in a marked efficiency lift. The director of IT infrastructure and operation said: "The efficiency

side was that they were able to do screen pops and everything within Salesforce and pull in data and information. It introduced the efficiency of having that screen pulled from that site instead of having to bounce around a couple of windows within it, finding the client etc. There was a huge efficiency which drove that patient satisfaction."

**Modelling and assumptions.** To calculate the value of this benefit, Forrester assumes the following for the composite organisation:

- Each agent takes six calls per hour. The contact centre operates 12 hours per day, 6 days a week. With 300 agents, there are 6,220,800 calls in Year 1. The number of agents grows by 10% per year.
- Previously, the average call handling time was eight minutes. With the deployment of RingCentral Contact Centre, the call handling time is reduced by 20%.
- 10% of the calls need the use of integrated MVP. There is another 25% reduction in the call handling time.
- The average fully loaded hourly rate for a contact centre agent is \$25.

**Risks.** Risks that could impact the realisation of this benefit include:

- The number of calls received by the contact centre and the percentage of the calls that needed the support of MVP.
- The setup of the IVR routing and the integration with CRM systems.

**Results.** To account for these risks, Forrester adjusted this benefit downwards by 15%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$10.8 million.

Cost Savings From Reduced Call Handling Time					
Ref.	Metric	Source	Year 1	Year 2	Year 3
A1	Number of calls received by the contact centre per year	Composite	6,220,800	6,842,880	7,527,168
A2	Average call handling time per call before RingCentral deployment (in minutes)	Composite	8	8	8
A3	Call handling time reduction with RingCentral Contact Centre deployment (in minutes)	Interviews	20%	20%	20%
A4	Average time saved per call with RingCentral Contact Centre system	A2*A3	1.6	1.6	1.6
A5	Subtotal: hours avoided with RingCentral Contact Centre system	A1*A4/60min	165,888	182,477	200,724
A6	Percentage of the calls requiring the use of integrated MVP	Interviews	10%	10%	10%
A7	Total number of calls requiring the use of integrated MVP	A1*A6	622,080	684,288	752,717
A8	Call handling time reduction due to integrated MVP	Interviews	25%	25%	25%
A9	Average time saved per call due to integrated MVP (in min)	A2*A8	2.0	2.0	2.0
A10	Subtotal: Number of hours avoided after RingCentral Contact Centre and MVP deployment	A7*A9/60 minutes	20,736	22,810	25,091
A11	Total hours avoided with RingCentral Contact Centre and MVP systems	A5+A10	186,624	205,287	225,815
A12	Average fully loaded hourly compensation of contact centre agents	TEI standard	\$25	\$25	\$25
At	Cost savings from reduced call handling time	A11*A12	\$4,665,600	\$5,132,175	\$5,645,375
	Risk adjustment	↓15%			
Atr	Cost savings from reduced call handling time (risk-adjusted)		\$3,965,760	\$4,362,349	\$4,798,569
Three-year total: \$13,126,678			Three-year present value: \$10,815,719		

## IT SUPPORT TIME SAVINGS

**Evidence and data.** Most organisations had a designated IT support team to manage the communication stacks, including contact centres and UCaaS. Interviewees noted that by switching to RingCentral systems, they experienced a decrease in the number of support tickets received and the time to close each ticket.

- RingCentral Contact Centre was more reliable than the old on-premises systems. The director of IT infrastructure operation at the healthcare organisation said: "[With] the old system, there was constantly breakdown within the hardware side, analogies on the Smart Portable Automatic Transfer (ST) switches. There were also breakdowns within the circuits themselves that were supporting the voice logs."
- RingCentral provided professional assistance to manage the systems. The manager of infrastructure and support services at the automobile organisation said: "The administration of the whole system has reduced. We are relying on RingCentral to provide that. They constantly manage our upgrades, upgrade servers, build servers and install new versions. All that shifted over to RingCentral to manage force."
- The integration of Contact Centre and MVP made it easier for the internal IT support team members to diagnose issues since everything was under one roof. The senior director of workforce planning at the technology organisation said: "It is under one roof, which meant I could diagnose certain things very clearly where we weren't able to do that before. We had to get multiple parties in. ... I would say it's probably about 15% faster in respect of this scope and scale where we are. ... We haven't added any additional technical staff to service all these additional users because of how quick and easy it is to upload new users."

**Modelling and assumptions.** To calculate the value of this benefit, Forrester assumes the following for the composite organisation:

- The number of IT tickets in the previous environment related to the contact centre and the UCaaS solution received by the IT support team was 30 per day. On average, each ticket needed 20 minutes to close.
- With RingCentral systems, the number of tickets decreases by 30%. The time to close each ticket reduces by 60%.
- The total hours of IT support time avoided is 2246 hours in Year 1, 2471 hours in Year 2 and 2696 hours in Year 3.
- With a 75% productivity recapture rate and fully loaded hourly compensation of \$50, the total saving in Year 1 is \$84,225 for the composite organisation.

**Risks.** Risks that could impact the realisation of this benefit include:

- The reliability of previous solutions.
- The professional level of internal IT support team members.

**Results.** To account for these risks, Forrester adjusted this benefit downwards by 15%, yielding a three-year, risk-adjusted total PV of \$195,000.

Time reduction to close  
RingCentral-related IT tickets

60%



IT Support Time Savings					
Ref.	Metric	Source	Year 1	Year 2	Year 3
B1	Number of IT support tickets received each day related to contact centre and MVP solution in prior environment	Composite	30	33	36
B2	Number of tickets each year	B1*312 days	9360	10,296	11,232
B3	Average time to close each IT ticket in the prior environment (in minutes)	Composite	20	20	20
B4	Total IT support time in the prior environment (in minutes)	B2*B3	187,200	205,920	224,640
B5	Percentage of decrease of IT support tickets related to Contact Centre and MVP with RingCentral deployment	Interviews	30%	30%	30%
B6	Total number of IT support tickets related to Contact Centre and MVP with RingCentral deployment	B2*(1-B5)	6552	7207	7862
B7	Percentage of time decreased to close each IT ticket with RingCentral deployment	Interviews	60%	60%	60%
B8	Time to close each IT ticket with RingCentral deployment (in minutes)	B3*(1-B7)	8	8	8
B9	Total IT support time (in minutes)	B6*B8	52,416	57,656	62,896
B10	Total hours of IT support time avoided	(B4-B9)/60 minutes	2246	2471	2696
B11	Productivity recapture rate	TEI standard	75%	75%	75%
B12	Average fully loaded hourly compensation of IT staff	TEI standard	\$50	\$50	\$50
Bt	IT support time savings	B10*B11*B12	\$84,225	\$92,663	\$101,100
	Risk adjustment	↓15%			
Btr	IT support time savings (risk-adjusted)		\$71,591	\$78,764	\$85,935
Three-year total: \$236,290			Three-year present value: \$194,741		

## LEGACY SYSTEMS COST SAVINGS

**Evidence and data.** By moving to RingCentral, the interviewees' organisations were able to retire their previous on-premises contact centre solutions and multiple UCaaS systems. This eliminated the ongoing cost of infrastructure and licencing fees.

- The ongoing cost of infrastructure associated with on-premises contact centres was a huge burden for the interviewees' organisations. The global IT operation director at the financial technology organisation said: "In FY19, we were spending around between \$2.1 million and \$2.4 million on running our legacy phone system. We've projected an annualised saving over three years of \$1.25 million [by switching to RingCentral]."
- The different UCaaS systems had different licencing fees depending on included packages. Interviewees organisations with multiple UCaaS systems often had no corporate contact with some vendors so they couldn't get the best price. The cost of popular UCaaS systems ranged from \$10 to \$25 per user per seat.
- Interviewees noted that an administration fee was required to be paid for prior contact centre solutions. The director of IT infrastructure and operation at a healthcare firm said: "There was one group that was doing our administration [of the contact centre system]. The spending was roughly about \$100,000 trying to keep the environment afloat."

**Modelling and assumptions.** To calculate the value of this benefit, Forrester assumes the following for the composite organisation:

- The avoided legacy system cost of the contact centre is \$400,000 in Year 1. With a 10% growth

rate, the avoided cost is \$440,000 in Year 2 and \$484,000 in Year 3.

- The avoided cost of the legacy UCaaS systems is \$600,000 in Year 1.
- The administration cost associated with the legacy systems is \$100,000 avoided per year.

**Risks.** Risks that could impact the realisation of this benefit include:

- The amount of infrastructure an organisation has and needs for ongoing operations.
- The level of dependency on third-party services.
- The size of the contact centre and number of UCaaS licences needed.

**Results.** To account for these risks, Forrester adjusted this benefit downwards by 10%, yielding a three-year, risk-adjusted total PV of \$2.68 million.

Legacy Systems Cost Savings					
Ref.	Metric	Source	Year 1	Year 2	Year 3
C1	Legacy system cost of contact centre	Interviews	\$400,000	\$440,000	\$484,000
C2	Monthly licence fee of UCaaS legacy system	Interviews	\$10	\$10	\$10
C3	Number of UCaaS licences	Composite	5000	5500	6050
C4	Legacy system cost of UCaaS	C2*12 months*C3	\$600,000	\$660,000	\$726,000
C5	Administration cost associated with legacy systems	Interviews	\$100,000	\$100,000	\$100,000
Ct	Legacy systems cost savings	C1+C4+C5	\$1,100,000	\$1,200,000	\$1,310,000
	Risk adjustment	↓10%			
Ctr	Legacy systems cost savings (risk-adjusted)		\$990,000	\$1,080,000	\$1,179,000
Three-year total: \$3,249,000			Three-year present value: \$2,678,362		

## **COST SAVINGS ON CONTACT CENTRE AUDITING PROCESS**

**Evidence and data.** Interviewees noted that the analytics and reporting capability enabled by RingCentral had a significant impact on organisations. The richness of the data changed the way organisations manage contact centres. The system provided not only usage data but also performance data, which helped management track individual performance more easily.

- The Workforce Engagement Management Module and the Quality Management Module embedded in the RingCentral Contact Centre provided an insightful level of agent performance data. The global IT operations director of the financial technology organisation said: "The quality management components of the RingCentral solution can give you interesting statistics, almost down to context-sensitive conversations. We can tag specific words to see how many times those words are captured. ... We're able to understand how an agent is managing a particular call or the time they spent on the particular call."
- From a management perspective, more data collected yielded more effective management decisions. The manager of infrastructure and support services from the automobile organisation said: "More visibility into the calls and more analytics available creates a better user experience from the supervisory standpoint and manager standpoint. [Before having the Workforce Engagement Management Module] management had to rely on gut feel or pulling some sort of reports on calls by hour, by day. Now, this product gives them that visibility and they can tweak their workforce accordingly."
- The most direct impact was the time reduction on the monthly agent auditing process for contact centre supervisors. The supervisors had more available data to evaluate the agents'

performances and saved time on data analysis as well. The global IT operations director of the financial technology organisation said: "[The deployment of RingCentral Contact Centre enabled supervisors to spend] less time conducting those reviews and have a more targeted focus on specific agents. And it's about 25% in terms of reduction in their time having to commit to doing that review, which is significant."

**Modelling and assumptions.** To calculate the value of this benefit, Forrester assumes the following for the composite organisation:

- Each supervisor manages 12 agents. In the prior environment, supervisors spent 20 hours on the agent auditing process per month, including gathering performance data, running reports, reviewing individual performance and conducting interviews with agents.
- With the RingCentral Contact Centre deployment, supervisors save 25% of their time on the auditing process due to rich data and robust reporting capability enabled by the Workforce Engagement Management Module and Quality Management Module.
- All the supervisors save 1500 hours in Year 1, 1680 hours in Year 2 and 1800 hours in Year 3.
- The fully loaded hourly rate of a supervisor is \$41 and the productivity recapture rate is 50%.

**Risks.** Risks that could impact the realisation of this benefit include:

- The cadence of agent auditing in the organisation.
- The previous tasks related to agent auditing.
- The time spent by the supervisors on the auditing process in the prior environment.

**Results.** To account for these risks, Forrester adjusted this benefit downwards by 10%, yielding a three-year, risk-adjusted total PV of \$76,000.

Cost Savings On Contact Centre Auditing Process					
Ref.	Metric	Source	Year 1	Year 2	Year 3
D1	Number of contact centre supervisors	Composite	25	28	30
D2	Hours spent on the monthly contact centre audit by each supervisor in prior environment	Composite	20	20	20
D3	Percentage of time saved with RingCentral Contact Centre System	Interview	25%	25%	25%
D4	Hours saved on monthly auditing with RingCentral Contact Centre system	D2*D3	5	5	5
D5	Total auditing hours saved each year	D1*D4*12 months	1500	1680	1800
D6	Productivity recapture rate	TEI standard	50%	50%	50%
D7	Fully loaded hourly rate of supervisors	Composite	\$41	\$41	\$41
Dt	Cost savings on contact centre auditing process	D5*D6*D7	\$30,750	\$34,440	\$36,900
	Risk adjustment	↓10%			
Dtr	Cost savings on contact centre auditing process (risk-adjusted)		\$27,675	\$30,996	\$33,210
Three-year total: \$91,881		Three-year present value: \$75,727			

## SAVINGS ON TARGETED TRAINING WITH CONTACT CENTRE AGENTS

**Evidence and data.** While the data and analytics functions helped supervisors at the interviewees' organisations save time on auditing processes, agents also took less time in general training, taking advantage of more targeted training to improve their performance.

- Interviewees noted that with the deployment of the RingCentral Contact Centre, they gained visibility into the agents' performance, which proved useful for designing more useful targeted training instead of generic training that was only somewhat relevant to most employees. The global IT operations director from the financial technology organisation said: "The ability to know an agent's performance now is a lot easier through the information that is served up through the reports. There is more targeted training to address specific gaps of skills."
- With the RingCentral Contact Centre system, agents were more easily onboarded after more focused training. The system captured individual performance more accurately and saved time for

onboarding training related to the performance lift.

**Modelling and assumptions.** To calculate the value of this benefit, Forrester assumes the following for the composite organisation:

- For all contact centre agents, the reduction of time in annual training is eight hours on average.
- The average fully loaded hourly salary of an agent is \$25.

**Risks.** Risks that could impact the realisation of this benefit include:

- The number of agents in the contact centre.
- The training sessions provided by the organisation in the previous environment.
- The utilisation of RingCentral data and analytics capability.

**Results.** To account for these risks, Forrester adjusted this benefit downwards by 15%, yielding a three-year, risk-adjusted total PV of \$139,000.

Savings On Targeted Training With Contact Centre Agents					
Ref.	Metric	Source	Year 1	Year 2	Year 3
E1	Number of contact centre agents	Composite	300	330	363
E2	Avoided training hours per agent with RingCentral	Interviews	8	8	8
E3	Average fully loaded hourly salary of contact centre agents	TEI standard	\$25	\$25	\$25
Et	Savings on targeted training with contact centre agents	$E1 \times E2 \times E3$	\$60,000	\$66,000	\$72,600
	Risk adjustment	↓15%			
Etr	Savings on targeted training with contact centre agents (risk-adjusted)		\$51,000	\$56,100	\$61,710
Three-year total: \$168,810			Three-year present value: \$139,091		



## TRAVEL COST AVOIDED WITH RINGCENTRAL MVP

**Evidence and data.** Before the pandemic, organisations defaulted to face-to-face meetings and business travel. Since the pandemic, organisations have sought out travel replacements. As the interviewees' organisations adopted hybrid work environments, communications via UCaaS systems became the new normal for many employees. RingCentral MVP provided interviewees with video conference, telephony, messages, file sharing and more functions that enabled their organisations to adapt to the hybrid work environment.

- Interviewees noted that business travel was significantly reduced after the pandemic. With RingCentral MVP, organisations could host virtual meetings in almost any setting. The director of IT infrastructure and operation at the healthcare organisation said: "We were getting to the point where UCaaS is becoming prevalent and people are looking at it for travel replacement. So, that cut down on travel. Implementing UCaaS changed perceptions. A video call was sufficient sometimes or at least a replacement for having to be on-site everywhere."
- Interviewees across practice areas estimated that using RingCentral MVP in a hybrid work environment also contributed to travel reduction. Between 10% to 30% of future travel was avoided due to RingCentral MVP, depending on the industry.

**Modelling and assumptions.** To calculate the value of this benefit, Forrester assumes the following for the composite organisation:

- Before the pandemic and the deployment of RingCentral MVP solution, the number of in-person meetings was 8400 in Year 1, 9240 in Year 2 and 10,164 in Year 3. On average, each meeting had three participants and at least two

participants needed to travel to join the meeting. The cost of each domestic trip was \$1000.

- The percentage of travel reduction due to the pandemic is 50%. With RingCentral MVP deployment, 20% more domestic trips are avoided.
- In total, 1680 trips are avoided in Year 1, 1848 trips in Year 2 and 2033 trips in Year 3.

**Risks.** Risks that could impact the realisation of this benefit include:

- The number of trips taken by the organisation's employees in the previous environment and the perception of business travel based on business culture.
- Business travel requirements in the post-pandemic environment.
- The internal travel policy of the organisation.

**Results.** To account for these risks, Forrester adjusted this benefit downwards by 20%, yielding a three-year, risk-adjusted total PV of \$3.67 million.

Travel Cost Avoided With RingCentral MVP					
Ref.	Metric	Source	Year 1	Year 2	Year 3
F1	Number of in-person meetings before RingCentral MVP	Composite	8400	9240	10,164
F2	Average number of participants in each meeting	Composite	3	3	3
F3	Total number of trips required	$F1 \times (F2 - 1)$	16,800	18,480	20,328
F4	Percentage reduction of the meetings requiring travel after the COVID-19 pandemic	Interviews	50%	50%	50%
F5	Percentage of in-person meetings avoided due to RingCentral MVP deployment	Interviews	20%	20%	20%
F6	Total trips avoided	$F3 \times F4 \times F5$	1680	1848	2033
F7	Average travel cost per trip	Interviews	\$1000	\$1000	\$1000
Ft	Travel cost avoided with RingCentral MVP	$F6 \times F7$	\$1,680,000	\$1,848,000	\$2,033,000
	Risk adjustment	↓20%			
Ftr	Travel cost avoided with RingCentral MVP (risk-adjusted)		\$1,344,000	\$1,478,400	\$1,626,400
Three-year total: \$4,448,800		Three-year present value: \$3,665,575			

## **COST SAVINGS ON ENTERPRISE COMMUNICATION SYSTEM UNIFICATION**

**Evidence and data.** With a UCaaS system within their organisations, interviewees noted a time-saving benefit while joining meetings, as well as efficiency in joining ad-hoc meetings. With the deployment of RingCentral MVP, meeting participants didn't need to figure out the meeting software before joining meetings. With MVP comprehensive solution bundles, which included conference rooms and telephony, the ability to host ad-hoc meetings was increased. The director of IT infrastructure and operation from the healthcare organisation said: "There's the operational side of efficiencies of being able to set up a group message and exploit that to a video call, and then join things in your calendar and through conference rooms so that unified ability to go and do meetings ad-hoc saves time."

**Modelling and assumptions.** To calculate the value of this benefit, Forrester assumes the following for the composite organisation:

- Prior to RingCentral, the employees at the composite organisation used three popular UCaaS solutions to host meetings. Participants often needed to download and install software to join meetings hosted on a different platform. On average, the download and installation took 15 minutes.
- The total wasted time avoided is 2500 hours in Year 1 for all employees. In Years 2 and 3, only the newly joined employees need to spend time on downloads and installations. There are 250 hours wasted time avoided in Year 2 and 275 hours in Year 3.
- The average fully loaded hourly salary of US employees is \$40 with a productivity recapture rate of 50%.

**Risks.** Risks that could impact the realisation of this benefit include:

- The number of UCaaS systems used by the employees in the prior environment.
- The IT protocol in the organisation.

**Results.** To account for these risks, Forrester adjusted this benefit downwards by 10%, yielding a three-year, risk-adjusted total PV of \$48,000.

Cost Savings On Enterprise Communications System Unification					
Ref.	Metric	Source	Year 1	Year 2	Year 3
G1	Number of different UCaaS systems frequently used in the previous environment	Interviews	3	3	3
G2	Number of users with only one UCaaS system installed	Composite	5000	500	550
G3	Time to install a different UCaaS (in minutes)	Interviews	15	15	15
G4	Number of times a different UCaaS system was installed before the meeting	G1-1	2	2	2
G5	Time savings on enterprise communications system unification (in hours)	$G2 \times G3 \times G4 / 60$ minutes	2500	250	275
G6	Average fully loaded hourly salary of employees	TEI standard	\$40	\$40	\$40
G7	Productivity recapture rate	TEI standard	50%	50%	50%
Gt	Cost savings on enterprise communications system unification	$G5 \times G6 \times G7$	\$50,000	\$5000	\$5500
	Risk adjustment	↓10%			
Gtr	Cost savings on enterprise communications system unification (risk-adjusted)		\$45,000	\$4500	\$4950
Three-year total: \$54,450			Three-year present value: \$48,347		

## UNQUANTIFIED BENEFITS

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

- **Positive impact on revenue.** For outbound or sales-oriented contact centres, the cloud-based RingCentral Contact Centre solution had a significant positive impact on revenue. Compared to on-premises solutions, RingCentral Contact Centre provided a better customer experience through IVR, better reliability and improved connectivity. The RingCentral Contact Centre also provided a better employee experience to agents with the flexibility to work from anywhere, higher call quality and better access to customer information with CRM integration. These functions helped agents more easily manage customers in the sales process.

From the management perspective, the analytic capabilities enabled by RingCentral provided the data support needed to evaluate any call trends and capture keywords for more effective sales calls. The manager of infrastructure and support services from the automobile organisation said: "The better you serve your customers and dealers, [the better] you build loyalty, future purchases, word-of-mouth referrals etc. I believe our agents can better serve our customers and give a better experience by speed to answer, fewer abandoned calls, call-me-back features, voicemails, return to the queue and more."

- **Contact centre process standardisation.** The RingCentral Contact Centre streamlined the interviewees organisations by building business processes into the solution. From call handling to agent performance auditing to data analytics, RingCentral provided standard checkpoints, data and reporting mechanisms to the interviewees' organisations. The director of IT infrastructure and operation from the healthcare organisation said: "RingCentral provided the internal team

standardised processes and organised documentation. As the internal team went through the implementation, they had to do a lot of the build-outs and protocols to handle phone calls. It was a cleaning of the house on how we handled our contact centre."

- **Better decision-making capabilities.** Both MVP and Contact Centre provided strong analytics capabilities. Interviewees' management had more data and reports to support their decision-making process. The senior director of workforce planning from the technology organisation said, "I will say it's improved visibility as well as improved the decision-making process on how efficient or inefficient we are in certain areas, which has helped executive management make clear decisions."
- **Improved CX with callback function.** The senior director of workforce planning in the technology industry noted that their organisation made use of RingCentral's callback function during periods of extended queue times. The use of the callback function enabled customers to hold their place in line without waiting for an agent. Instead, the customers simply received a call back when an agent became available. This freed customers to tend to other activities in the meantime.

## FLEXIBILITY

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

- **Potential to integrate with an enterprise resource planning (ERP) system.** RingCentral systems had APIs that could potentially integrate with the interviewees' other technology platforms. Interviewees looked for more data richness beyond communication stacks or CRM systems. The global IT operations director at the financial

technology organisation said: "We're looking into ways to integrate RingCentral into our global ERP system and provide an increased richness of data at the fingertips of the agents. So, you can serve up a customer effectively, like from a bank, their install base, their last open call, their most current open call."

- **Room for growth to manage a global contact centre.** Interviewees' organisations looked for the most effective and efficient way to manage contact centres. Lowering the human capital cost was one ongoing goal. Moving to a global contact centre workforce helped the interviewees' organisations achieve that, with RingCentral enabling a global workforce. The global IT operations director from the financial technology organisation said: "I think we've also looked at implementing a global contact centre, take our regional contact centres now, to have a global contact centre follow the sun. We would need to leverage Workforce Engagement Management to be able to do that. You can have person X coming on shift, person Y going off shift and you manage your global workforce."

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



# 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
Htr	RingCentral licencing cost	\$0	\$1,839,600	\$2,023,560	\$2,225,916	\$6,089,076	\$5,017,091
Itr	Implementation cost	\$119,600	\$113,045	\$113,045	\$113,045	\$458,735	\$400,726
Jtr	Training cost	\$176,000	\$16,500	\$29,150	\$32,065	\$253,715	\$239,182
	Total costs (risk-adjusted)	\$295,600	\$1,969,145	\$2,165,755	\$2,371,026	\$6,801,526	\$5,656,999

## RINGCENTRAL LICENCING COST

**Evidence and data.** For RingCentral MVP, licencing fees for the interviewees were based on the number of employees who had MVP access. For RingCentral Contact Centre, licencing fees were based on the number of contact centre agents and the number of supervisors, including everyone who had access to the Contact Centre system.

**Modelling and assumptions.** To calculate this cost, Forrester assumes the following for the composite organisation:

- The total annual licencing fee for 5000 RingCentral MVP users is \$1.32 million in Year 1. With the growth in employee numbers, the licencing fee in Year 2 is \$1.45 million and \$1.6 million in Year 3.

- The licencing fee for RingCentral Contact Centre is \$432,000 in the first year, \$475,000 in the second year and \$523,000 in the third year.
- Pricing may vary. Contact RingCentral for additional details.

**Risks.** The total cost of RingCentral licencing will vary with:

- The total number of RingCentral MVP users and contact centre users.
- The discount provided by RingCentral.
- Price strategy of RingCentral.

**Results.** To account for these risks, Forrester adjusted this cost upwards by 5%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$5.02 million.

RingCentral Licencing Cost						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
H1	Annual RingCentral MVP licencing fee	Composite		\$1,320,000	\$1,452,000	\$1,597,200
H2	Annual RingCentral Contact Centre licencing fee	Composite		\$432,000	\$475,200	\$522,720
Ht	RingCentral licencing cost	H1+H2		\$1,752,000	\$1,927,200	\$2,119,920
	Risk adjustment	↑5%				
Htr	RingCentral licencing cost (risk-adjusted)		\$0	\$1,839,600	\$2,023,560	\$2,225,916
Three-year total: \$6,089,076				Three-year present value: \$5,017,091		

## IMPLEMENTATION COST

**Evidence and data.** Estimates for the time required to implement RingCentral MVP and Contact Centre varied from interviewee to interviewee mostly due to internal operating practices and deployment size. RingCentral also charged a professional service fee for implementation, billed in the annual invoices instead of a one-time payment to RingCentral.

- The global IT operations director from the financial technology firm said their implementation phase lasted for eight weeks with three internal FTEs to support. Each FTE dedicated 50% of their time during the eight weeks.
- The manager of infrastructure and support services at the automobile organisation noted it took a team of eight internal FTEs to support the six-month implementation phase with a 20% time dedication.
- For the technology services organisation, the implementation took six months with six internal team members at 50% time dedication.
- **Modelling and assumptions.** To calculate this cost, Forrester assumes the following for the composite organisation:

- Four months to implement and deploy RingCentral MVP and Contact Centre to all 5000 MVP users and 300 contact centre agents.
- Six internal employees to implement and deploy RingCentral services working 50% of their time on RingCentral implementation with a monthly fully loaded salary of \$8667.
- RingCentral's professional services fee is \$98,300 per year for the composite organisation.

**Risks.** The total cost of implementation and deployment may vary with:

- The number of RingCentral MVP licences and Contact Centre seats.
- The number of employees engaged and their fully loaded salary rate in implementation and deployment.
- The complexity of the implementation and deployment.

**Results.** To account for these risks, Forrester adjusted this cost upwards by 15%, yielding a three-year, risk-adjusted total PV of \$401,000.

Implementation Cost						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
I1	Professional service fee	Composite		\$98,300	\$98,300	\$98,300
I2	Number of months for implementation	Interview	4			
I3	Number of internal implementation staff needed	Interview	6			
I4	Percentage of effort dedicated to RingCentral implementation	Interview	50%			
I5	Fully loaded monthly salary of programme manager	TEI standard	\$8667			
I6	Total internal effort of implementation cost	I2*I3*I4*I5	\$104,000			
It	Implementation cost	I1+I6	\$104,000	\$98,300	\$98,300	\$98,300
	Risk adjustment	↑15%				
Itr	Implementation cost (risk-adjusted)		\$119,600	\$113,045	\$113,045	\$113,045
Three-year total: \$458,735			Three-year present value: \$400,726			

## TRAINING COST

**Evidence and data.** For RingCentral Contact Centre, an up-front, eight-hour training session was required for the interviewees' contact centre agents who migrated from the previous systems. Every agent took system-related training to learn about new features, equalling two hours of training time per year. For RingCentral MVP, employees took a one-time, half-hour, self-paced and video-based training.

**Modelling and assumptions.** To calculate this cost, Forrester assumes the following for the composite organisation:

- Three hundred contact centre agents take the initial eight-hour system-related training when switching to the RingCentral Contact Centre system.
- All contact centre agents take two hours of system-related training every year.

- The 5000 MVP users during the initial period take the half-hour, system-related training. Each year any new MVP employees also take this training.
- The fully loaded hourly salary for a contact centre agent is \$25 and the average fully loaded hourly salary for all employees is \$40.

**Risks.** The total cost of training may vary with:

- Any potential investment to upgrade the RingCentral solutions.
- The total number of employees requiring training and their average fully loaded hourly rate.

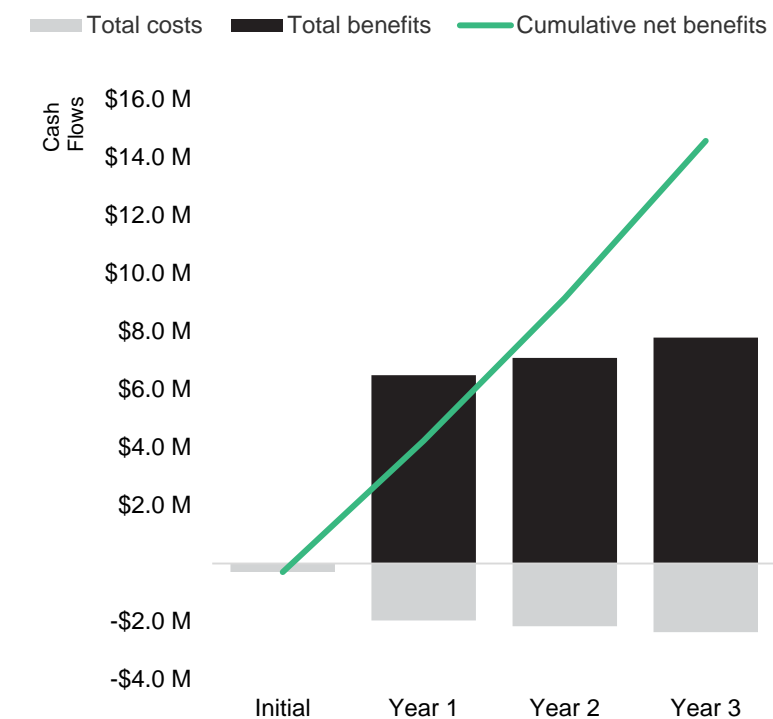
**Results.** To account for these risks, Forrester adjusted this cost upwards by 10%, yielding a three-year, risk-adjusted total PV of \$239,000.

Training Cost						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
J1	Number of contact centre agents to receive training	Composite	300	300	330	363
J2	Length of training upon switching to RingCentral Contact Centre System (in hours)	Interviews	8			
J3	Length of continuous training	Interviews		2	2	2
J4	Fully loaded hourly salary of contact centre agents	TEI standard	\$25	\$25	\$25	\$25
J5	Subtotal: Contact centre agent training cost	$J1 \times (J2 + J3) \times J4$	\$60,000	\$15,000	\$16,500	\$18,150
J6	Number of MVP users requiring training	Composite	5000	0	500	550
J7	Hours of training on MVP	Interviews	0.5	0.5	0.5	0.5
J8	Fully loaded hourly salary of all employees	TEI standard	\$40	\$40	\$40	\$40
J9	Subtotal: MVP users training cost	$J6 \times J7 \times J8$	\$100,000	\$0	\$10,000	\$11,000
Jt	Training cost	$J5 + J9$	\$160,000	\$15,000	\$26,500	\$29,150
	Risk adjustment	↑10%				
Jtr	Training cost (risk-adjusted)		\$176,000	\$16,500	\$29,150	\$32,065
Three-year total: \$253,715			Three-year present value: \$239,182			

# 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 organisation'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	(\$295,600)	(\$1,969,145)	(\$2,165,755)	(\$2,371,026)	(\$6,801,526)	(\$5,656,999)
Total benefits	\$0	\$6,495,026	\$7,091,108	\$7,789,774	\$21,375,908	\$17,617,562
Net benefits	(\$295,600)	\$4,525,881	\$4,925,353	\$5,418,748	\$14,574,382	\$11,960,563
ROI						211%
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 realise 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 organisation.

**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. Organisations 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

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<sup>1</sup> Source: "The Future Of UCaaS", Forrester Research, Inc., 20 January 2023.

<sup>2</sup> Source: "The Contact Centre As A Service Landscape, Q4 2022", Forrester Research, Inc., 29 December 2022.

<sup>3</sup> Source: "The State Of Unified Communications As A Service, 2022", Forrester Research, Inc., 19 August 2022.

<sup>4</sup> 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 realise the tangible value of IT initiatives to both senior management and other key business stakeholders.

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