FORRESTER®

The Total Economic Impact™ Of Salesforce Customer 360 For Financial Services And Insurance (FSI) Organisations

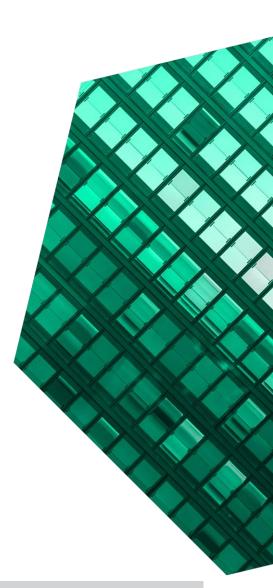A Benefits Analysis Of A Service, Sales, And Marketing Cloud Configuration

JANUARY 2023

Table Of Contents

Consulting Team: Leon Zhang
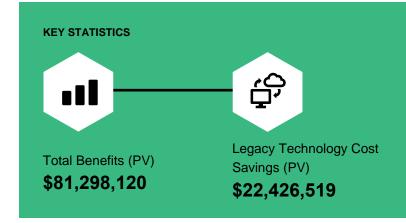*Travis McMullen*

Executive Summary

> To meet customer expectations head on, financial services and insurance organisations need to evolve their approach to technology solutions. Heavily customised and unconsolidated technology solutions are not only expensive, but also limit growth potential. Having a product and software suite on one unified platform, such as Salesforce Customer 360, is critical to driving growth by enabling new capabilities and stronger customer experiences, while maintaining both cost-efficiency and flexibility.

Today's customers expect more from their financial services and insurance organisations. Yet slowed by legacy processes, practices, technology, and growing regulatory requirements — many financial services and insurance organisations are paralysed to act. To deliver on growing customer expectations, particularly around personalised experiences, financial services and insurance organisations need a change.

Salesforce Customer 360 is the breadth of Salesforce technology — bringing together Salesforce's complete product and software suite on one unified platform. Indeed, by connecting the wealth of Salesforce capabilities (i.e., servicing, sales, marketing, and more) on one platform, Salesforce Customer 360 offers a holistic solution that connects employees with customer interactions across the organisation — driving stronger customer outcomes, greater cost-efficiency, and better flexibility for financial services and insurance organisations.

KEY STATISTICS

Total Benefits (PV)
$81,298,120

Legacy Technology Cost Savings (PV)
$22,426,519

Salesforce Customer 360 also enables enterprise agility through easy deployment of their low-code and no-code tooling, process automation and out-of-the-box functionality. This accelerates improvements and time-to-value. Supported by secure and common data management, Salesforce Customer 360's connected ecosystem provides an extensible foundation for enhancing customer experience (CX).

Salesforce commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential benefits financial services and insurance organisations may realise by deploying Salesforce Customer 360.[1] The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of Salesforce Customer 360 on their organisations.

In this study, we focus on a specific Salesforce Customer 360 configuration, which includes the

> **"Salesforce Customer 360 costs half as much to run and maintain when compared with our previous technology environment."**
>
> *Chief information officer, insurance*

deployment of Salesforce Service Cloud, Salesforce Sales Cloud, and Salesforce Marketing Cloud.

To better understand the benefits and risks associated with this investment, Forrester interviewed three representatives from financial services and/or insurance organisations with experience using this Salesforce Customer 360 configuration.[2] For the purposes of this study, Forrester aggregated the interviewees' experiences and combined the results into a single composite organisation that is a financial services and insurance organisation with 4,000 employees and revenue of $1.2 billion per year.

Prior to using Salesforce Customer 360, these interviewees noted how their organisations were using classically customised and unconsolidated solutions, and spreadsheets; to service customers, organise customer data, and deliver marketing campaigns. Interviewees noted how this resulted in legacy tools that did not support growth ambitions, reduced employee productivity and efficiency, and a legacy environment that was expensive to maintain.

After the investment in Salesforce Customer 360, the interviewees realised technological cost efficiencies, increased organisational interconnectivity, and flexibility to pursue their growth ambitions.

> **"Maintenance and upgrades used to cost our organisation millions each year. With Salesforce, we can run this process much more frequently, and at a fraction of the cost."**
>
> *Chief information officer, insurance*

KEY FINDINGS

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

- **Improved outcomes across service, sales, and marketing.** The implementation of Salesforce Service Cloud accelerates call centre average handling time by 25% and improves agent time to competency by 66%. Salesforce Sales Cloud further enhances the efficiency of completing administrative tasks by 10% while also contributing to a 10% increase in overall revenue. Salesforce Marketing Cloud also boosts marketing outcomes with a 60% improvement in efficiency in delivering marketing campaigns. This accumulates to $55 million to the composite organisation.

- **Savings from retiring legacy technology solutions.** Consolidation of the legacy technology stack reduces spending on the overall licensing and customisation of legacy technology solutions by $22 million.

- **Operational efficiencies borne from a unified technology suite.** Consolidating service, sales, and marketing capabilities on one platform improves the efficiency of application and upgrade development and deployment by 50%,

Application and upgrade development and deployment efficiency improved by up to:

80%

and improves the efficiency of managing security, compliance, and regulation items by 50%. The improvement in efficiency is worth close to $4 million to the composite organisation.

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

- Salesforce Service Cloud's self-service capabilities reduces inbound service centre call volume.

- Salesforce Marketing Cloud captures data on discontinued customer journeys that help generate additional revenue.

- Salesforce Marketing Cloud boosts marketing campaign effectiveness.

- Salesforce Customer 360 creates network room cost savings.

- Salesforce Customer 360 improves employee engagement.

- Salesforce Customer 360 enhances the efficiency and effectiveness of working with partners.

- Salesforce Customer 360 drives cross-departmental customer discussion through improved reporting and insights.

The representative interviews and financial analysis found that a composite organisation experiences benefits of $81.3 million over three years.

> **"Salesforce Customer 360 has helped us come together as a business by opening conversations focused on our customers."**
>
> *Chief data officer, financial services*

Cash Flow Chart (Risk-Adjusted)

■ Total benefits   — Cumulative net benefits

Cash flows

$120.0 M	
$100.0 M	
$80.0 M	
$60.0 M	
$40.0 M	
$20.0 M	

Initial   Year 1   Year 2   Year 3

Benefits (Three-Year)

Category	Value
Benefits recognized from individual Salesforce applications	$55,099,793
Legacy technology cost savings	$22,426,519
Improved operational efficiency	$3,771,808

TEI FRAMEWORK AND METHODOLOGY

From the information provided in the interviews, Forrester constructed a Total Economic Impact™ framework for those financial services and insurance organisations considering an investment in Salesforce Customer 360.

The objective of the framework is to identify the benefit, flexibility, and risk factors that affect the investment decision. Forrester took a multistep approach to evaluate the impact that Salesforce Customer 360 can have on a financial services and insurance organisation.

DISCLOSURES

Readers should be aware of the following:

This study is commissioned by Salesforce and delivered by Forrester Consulting. It is not meant to be used as a competitive analysis.

Though all due care was taken to ensure the accuracy of data provided, Forrester was only able to conduct three customer interviews where Forrester's Total Economic Impact™ framework recommends a minimum of four.

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 Salesforce Customer 360.

Salesforce reviewed and provided feedback to Forrester, but Forrester maintains editorial control over the study and its findings and does not accept changes to the study that contradict Forrester's findings or obscure the meaning of the study.

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

DUE DILIGENCE
Interviewed Salesforce stakeholders and Forrester analysts to gather data relative to Salesforce Customer 360.

INTERVIEWS
Interviewed three representatives at financial services and/or insurance organisations using Salesforce Customer 360 to obtain data with respect to 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 three fundamental elements of TEI in modelling the investment impact: benefits, 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 Salesforce Customer 360 Customer Journey

■ Drivers leading to the Salesforce Customer 360 investment

Interviews				
Name	**Role**	**Industry**	**Region**	**Number Of Employees**
-	Chief data officer	Financial services	Australia	4,500
Abhishek Sharma	Head of CRM	Insurance	Singapore	1,000
-	Chief information officer	Insurance	Australia	3,500

KEY CHALLENGES

Before investing in Salesforce Customer 360, the interviewees' organisations relied heavily on a mix of customised and unconsolidated solutions, and spreadsheets; to service customers, organise customer data, and deliver marketing campaigns.

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

- **Legacy tools did not support growth ambitions.** Within their legacy environments, heavily customised and unconsolidated solutions required significant costs and efforts to upgrade. These solutions slowed the development of new capabilities and were not conducive in providing a single view of customer. This prevented the implementation of more customer-centric capabilities that would boost service, sales, and marketing effectiveness at the interviewees' organisations.

- **Employees had to swivel between multiple applications, reducing productivity and efficiency across several departments.** Interviewees described legacy environments that were unevenly sewn together to meet the fluctuating needs of their service, sales, and marketing teams. Service centre agents operated multiple applications for each call, while relationship managers and marketing analysts struggled to piece together customer data from various applications in use at their organisation.

- **Legacy tools were expensive to maintain.** The development and maintenance, including upgrades to meet new security, privacy, and/or regulatory requirements of multiple heavily customised solutions was costly for interviewees' organisations. This legacy environment also required interviewees' organisations to invest in and maintain ancillary tools to connect different solutions — amplifying upgrade and ongoing maintenance costs.

> **"We were using classically monolithic and heavily customised products. In today's environment, these were no longer fit-for-purpose."**
>
> *Chief information officer, insurance*

WHY SALESFORCE

The interviewees' organisations searched for a solution that could help them operate more flexibly and intelligently to become more experience-driven as an organisation. After evaluating several options, interviewees cited the following reasons for ultimately selecting Salesforce Customer 360:

- **Holistic platform as a service offering.** Interviewees wanted the flexibility of a cloud solution that would enable them to scale costs, but also allow them to seamlessly connect and potentially add more capabilities in the future. Having the ability to consolidate applications on one platform would also improve the speed of deployment, and ease of integration — thus improving time to value and cost optimisation.

- **Strong upgrade and developer capability.** Interviewees cited the frequency and quality of Salesforce upgrades, and strong customisation capabilities as compelling drivers for investment.

- **Focus on data.** Interviewees noted the importance of having a single source of truth for customer data and were impressed by Salesforce Customer 360's commitment to this.

> **"Salesforce's developer environment is incredibly robust. With Salesforce, we are 5 times more efficient in developing and deploying applications and upgrades."**
>
> *Abhishek Sharma*
> *Head of CRM, insurance*

Strong user experience. Interviewees reflected that Salesforce Customer 360 was easy to use and mobile-enabled. Interviewees also noted that both existing and potential employees were more likely to already be familiar with the Salesforce ecosystem, which would lead to increased employee competency in using various Salesforce applications.

After a request for proposal (RFP) and business case process evaluating multiple vendors, the interviewees' organisations chose Salesforce Customer 360 and began deployment:

- Interviewees' organisations chose a phased approach to deployment, starting with one Salesforce application targeted at a specific pain point before progressively expanding their implementation to address more challenges with different Salesforce applications.

> **"Salesforce applications sit on the same infrastructure, same cloud, and have the same security protocols — this makes planning for and implementing additional Salesforce applications easier."**
>
> *Chief data officer, financial services*

COMPOSITE ORGANISATION

Based on the interviews, Forrester constructed a TEI framework, a composite company, and a benefits analysis that illustrates the areas financially affected. The composite organisation is representative of the three 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. The financial services and insurance organisation based in the APAC region provides personal banking, wealth management, business banking, and insurance products and services to retail clients, advisers, brokers, and business clients. The composite organisation has a strong brand, with a strong online and offline presence, and earns roughly $1.2 billion in revenue a year with 4,000 employees.

Deployment characteristics. The composite organisation experiences the same business challenges as the interviewed organisations. It consecutively implements Salesforce Service Cloud, Salesforce Sales Cloud, and Salesforce Marketing Cloud one year after another. Salesforce decision-makers also plan to implement Salesforce Experience Cloud in the future.

Key Assumptions

- **$1.2 billion annual revenue**
- **4,000 employees**
- **2,000 Service Cloud users, with Service Cloud deployed in Year 1**
- **800 Sales Cloud users, with Sales Cloud deployed in Year 2**
- **Marketing Cloud deployed in Year 3**

Analysis Of Benefits

Quantified benefit data as applied to the composite

Total Benefits

Ref.	Benefit	Year 1	Year 2	Year 3	Total	Present Value
Atr	Benefits recognised from individual Salesforce applications	$19,280,295	$23,408,465	$24,259,356	$66,948,116	$55,099,793
Btr	Legacy technology cost savings	$5,932,800	$9,166,176	$12,588,215	$27,687,191	$22,426,519
Ctr	Improved operational efficiency	$1,152,162	$1,534,332	$1,938,395	$4,624,890	$3,771,808
	Total benefits (risk-adjusted)	$26,365,257	$34,108,973	$38,785,967	$99,260,196	$81,298,120

BENEFITS RECOGNISED FROM INDIVIDUAL SALESFORCE APPLICATIONS

Interviewees recognised several examples of benefits attributed to individual Salesforce applications after deploying Salesforce Service Cloud, Salesforce Sales Cloud, and Salesforce Marketing Cloud.

Though every effort was made, this study is not able to quantify every benefit recognised from interviewees' implementation of Salesforce Service Cloud, Salesforce Sales Cloud, or Salesforce Marketing Cloud.

For a comprehensive analysis and ROI of Salesforce Service Cloud, please refer to: The Total Economic Impact™ Of Salesforce Service Cloud.

For a comprehensive analysis and ROI of Salesforce Sales Cloud, please refer to: The Total Economic Impact™ Of Salesforce Sales Cloud.

Benefits that were recognised and quantified as part of this study however, included:

- **Cost savings from improved average call handling time with Salesforce Service Cloud.** In the prior environment, agents swivelled between several applications to find information, service customers, and complete post-call administration work. This work was prone to error, generated poor reporting capabilities, and increased average call handling time per agent. Since deploying Salesforce Service Cloud, the composite organisation was able to improve average call handling time by 25%.

- **Cost savings from improved service centre agent time to competency with Salesforce Service Cloud.** Agents onboarded in the prior environment were required to learn to use several applications, while also building

> **"Before Salesforce Service Cloud, a single call would take 15 to 20 minutes on average, and we would also have limited reporting and dashboard capabilities. Salesforce Service Cloud has brought significant improvement on both fronts."**
>
> *Abhishek Sharma,*
> *Head of CRM, Insurance*

competency around a disjointed service centre workflow process. Since implementing Salesforce Service Cloud, the composite organisation has simplified its service centre processes, practices, and technology to improve average agent time to competency by 66%.

- **Cost savings from improved efficiency in completing administrative tasks with Salesforce Sales Cloud.** Previously, relationship managers had to search for and enter customer data across multiple unconsolidated applications. Without a centralised solution, this introduced error and inefficiencies when adding, collecting, and updating customer information. With Salesforce Sales Cloud, the composite organisation was able to improve relationship manager administrative task efficiency by 10%.

Integrating Service and Sales Cloud helped interviewees deliver stronger CX, **boosting customer satisfaction and NPS.**

- **Additional revenue generated with Salesforce Sales Cloud empowered by Salesforce Service Cloud.** Having customer information consolidated on Salesforce Sales Cloud and integrated with data from Salesforce Service Cloud increased visibility of relationship managers into individual account and customer needs — enabling them to deliver more personalised CX. The integration between Salesforce Service Cloud and Salesforce Sales Cloud also allowed service centre agents to seamlessly transfer customers as appropriate to

relationship managers within a cohesive and consistent experience. Together, these capabilities boosted their Net Promoter Score (NPS), deal close rates, and cross-sell and upsell effectiveness to increase revenue generated by relationship managers by 10%.[3]

- **Cost savings from improved efficiency in designing and delivering marketing campaigns with Salesforce Marketing Cloud.** Implementing Salesforce Marketing Cloud simplified workflow processes to enable marketing specialists to work more effectively and efficiently. With Salesforce Marketing Cloud, marketing specialists were able to reuse and repurpose existing marketing materials with ease, and work more effectively and efficiently with stakeholders to design and deliver marketing campaigns. Through this, marketing specialists at the composite organisation were able to realise 60% more efficiency in designing and delivering

"Salesforce Service and Sales Cloud together, have given our employees a deeper and richer system of customer management. This has given our customers a more rewarding experience engaging with us — but it has also opened new abilities to engage, cross-sell, and upsell."
Chief information officer, insurance

marketing campaigns with Salesforce Marketing Cloud.

Modelling and assumptions. To reflect the interviewees' experiences, Forrester assumes the following about the composite organisation:

- The composite organisation has 2,000 service centre agents using Salesforce Service Cloud.

- In the legacy environment, each agent takes 12,000 calls a year, each call requiring 9 minutes total, including post-call administration.

- The composite organisation onboards 250 service centre agents each year.

- In the legacy environment, service centre agents require 1.5 months to reach full competency.

- The hourly burdened cost of a service centre agent is $30. This grows each year, assuming an inflation rate of 3%.

- Service centre agents recapture 75% of any time saved using Salesforce Service Cloud. The remaining time is allocated to nonwork activities (e.g., socialising, personal time).

- The composite organisation has 800 relationship managers using Salesforce Sales Cloud.

- In the legacy environment, each relationship manager spends an average 1 hour a day on administrative tasks.

- In the legacy environment, relationship managers generate an average $100 million a year. This grows each year, assuming an inflation rate of 3%.

- Forrester understands that increased revenue is not entirely attributable to the Salesforce investment, as new products, consumer trends, market shifts, and other factors impact revenue. Therefore, only 33% of the financial impact has been included in this economic analysis and calculation.

- The hourly burdened cost of a relationship manager is $56. This grows each year, assuming an inflation rate of 3%.

- Relationship managers recapture 50% of any time saved using Salesforce Sales Cloud. The remaining time is allocated to nonwork activities (e.g., socialising. personal time).

- In the legacy environment, the composite organisation delivers 80 marketing campaigns each year, each requiring 130 FTE hours to design and deliver.

- The hourly burdened cost of a marketing specialist is $42. This grows each year assuming an inflation rate of 3%.

- Marketing specialists recapture 50% of any time saved using Salesforce Marketing Cloud. The remaining time is allocated to nonwork activities (e.g., socialising, personal time).

> **"Salesforce Marketing Cloud enables us to deliver more personalised and intelligent marketing campaigns. At the same time, it has also helped us significantly reduce execution timelines as existing assets, processes, and practices are well-consolidated on the application."**
>
> *Abhishek Sharma*
> *Head of CRM, insurance*

Risks. Forrester recognises that these results may not be representative of all experiences, and the benefit will vary depending on:

- The number of service centre agents using Salesforce Service Cloud.

- The time required for each service centre call, including post-call administration.

- The number of service centre agents onboarded each year.

- The number of relationship managers using Salesforce Sales Cloud.

- The amount of time each relationship manager spends on administrative tasks.

- The amount of revenue generated by relationship managers.

- The number of marketing campaigns designed and delivered each year.

- The amount of time required by marketing specialists to design and deliver a marketing campaign.

Results. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of $55 million.

Benefits Recognised From Individual Salesforce Applications					
Ref.	**Metric**	**Source**	**Year 1**	**Year 2**	**Year 3**
A1	Number of calls per service centre agent yearly before Salesforce Service Cloud	Composite	12,480	12,480	12,480
A2	Average Handling Time (AHT) per service centre agent before Salesforce Service Cloud (hours)	Composite	0.15	0.15	0.15
A3	Number of service centre agents	Composite	2,000	2,000	2,000
A4	Average service centre agent salary (hourly)	TEI standard	$31	$32	$33
A5	Improved call handling time efficiency with Salesforce Service Cloud	Composite	25%	25%	25%
A6	Productivity conversion	Composite	75%	75%	75%
A7	Cost savings from improved average call handling time with Salesforce Service Cloud	A1*A2*A3*A4*A5*A6	$21,762,000	$22,464,000	$23,166,000
A8	Number of service centre agents onboarded per year	Composite	250	250	250
A9	Average service centre agent time to competency before Service Cloud (hours)	Composite	240	240	240
A10	Improved time to competency efficiency with Salesforce Service Cloud	Composite	66%	66%	66%
A11	Productivity conversion	Composite	75%	75%	75%
A12	Cost savings from improved service centre agent time to competency with Salesforce Service Cloud	A8*A9*A4*A10*A11	$920,700	$950,400	$980,100

Benefits Recognised From Individual Salesforce Applications (Continued)

Ref.	Metric	Source	Year 1	Year 2	Year 3
A13	Average time spent per relationship manager on administrative tasks before Salesforce Sales Cloud (hours)	Composite	0	260	260
A14	Number of relationship managers using Salesforce Sales Cloud	Composite	0	800	800
A15	Improved efficiency in completing administrative tasks after Salesforce Sales Cloud	Composite	0	10%	10%
A16	Average relationship manager salary (hourly)	TEI standard	0	$60	$62
A17	Productivity conversion	Composite	0	50%	50%
A18	Cost savings from improved efficiency in completing administrative tasks with Salesforce Sales Cloud	A13*A14*A15*A16*A17	0	$624,000	$644,800
A19	Revenue generated by relationship managers before Salesforce Sales Cloud	Composite	0	$106,090,000	$109,272,700
A20	Improvement in generated revenue after Salesforce Sales Cloud	Composite	0	10%	10%
A21	Attribution ratio	Composite	0	33%	33%
A22	Additional revenue generated with Salesforce Sales Cloud	A19*A20*A21	0	$3,500,970	$3,605,999
A23	Number of marketing campaigns delivered each year	Composite	0	0	80
A24	Average time spent by the overall marketing team to deliver a marketing campaign before Marketing Cloud (hours)	Composite	0	0	130
A25	Improved efficiency in delivering a marketing campaign after Salesforce Marketing Cloud	Composite	0	0	60%
A26	Average marketing specialist salary (hourly)	TEI standard	0	0	$46
A27	Productivity conversion	Composite	0	0	50%
A28	Savings through improved efficiency in delivering marketing campaigns with Marketing Cloud	A23*A24*A25*A26*A27	0	0	$143,520
At	Benefits recognised from individual Salesforce applications	A7+A12+A18+A22+A28	$22,682,700	$27,539,370	$28,540,419
	Risk adjustment	↓15%			
Atr	Benefits recognised from individual Salesforce applications (risk-adjusted)		$19,280,295	$23,408,465	$24,259,356
	Three-year total: $66,948,116		**Three-year present value: $55,099,793**		

LEGACY TECHNOLOGY COST SAVINGS

The interviewees described legacy technology environments as being weighed by heavily customised and unconsolidated solutions, and spreadsheets.

With the investment in Salesforce Customer 360, interviewees' organisations were able to consolidate and retire numerous legacy tools. This resulted in:

- **Cost savings from retiring legacy technology solutions.** The interviewees' organisations incurred heavy costs for the licensing and customisation of legacy technology solutions. After the investment in Salesforce Customer 360, capabilities enabled by individual Salesforce applications and the connectivity of Salesforce's unified platform caused these legacy solutions to be made redundant and phased out over time.

Modelling and assumptions. To reflect the interviewees' experiences, Forrester assumes the following for the composite organisation:

- Considering contract cycles and time for full implementation of Salesforce Customer 360, legacy technology solutions are retired over three years. The average annual total cost of these legacy technology solutions is $14.4 million.

Risks. Forrester recognises that these results may not be representative of all experiences, and the benefit will vary depending on:

- The organisation's prior technology debt.

- The speed of and ability to retire legacy technology solutions.

Results. To account for these risks, Forrester adjusted this benefit downward by 20%, yielding a three-year, risk-adjusted total PV of $22 million.

> **"Salesforce Customer 360 costs half as much to run and maintain when compared with our previous technology environment."**
>
> *Chief information officer, insurance*

Legacy Technology Cost Savings

Ref.	Metric	Source	Year 1	Year 2	Year 3
B1	Savings from retiring legacy technology solutions	Composite	$7,416,000	$11,457,720	$15,735,269
Bt	Legacy technology cost savings	B1	$7,416,000	$11,457,720	$15,735,269
	Risk adjustment	↓20%			
Btr	Legacy technology cost savings (risk-adjusted)		$5,932,800	$9,166,176	$12,588,215
	Three-year total: $27,687,191			Three-year present value: $22,426,519	

IMPROVED OPERATIONAL EFFICIENCY

Interviewees described that legacy processes, practices, and technology affected employee productivity, decision-making and ultimately, customer outcomes.

With the investment in Salesforce Customer 360, interviewees' organisations were able to consolidate processes, practices, and technology to increase both the speed and effectiveness of several operational tasks.

- **Cost savings from improved efficiency in developing and deploying applications and upgrades.** Previously, developing and deploying an application and/or upgrade required hours of developer overtime, and significant disruption to employees within business hours to deploy. Since implementing Salesforce Customer 360, this process had been dramatically simplified: It required no developer overtime, and little to no disruption to employees within business hours. This has resulted in efficiencies of up to 80% at the composite organisation.

> **"Maintenance and upgrades used to cost our organisation millions each year. With Salesforce, we can run this process much more frequently, and at a fraction of the cost."**
>
> *Chief information officer, insurance*

- **Cost savings from improved efficiency in managing security, compliance, and regulation items.** Managing security, compliance, and regulation items (i.e., customer complaints, reporting, and more) required

navigating a complex web of processes, practices, and technology in the prior environment. Since investing in Salesforce Customer 360, this process had been dramatically simplified and improved with data being more accessible and accurate, increasing trust in the platform and enabling efficiencies of up to 75% at the composite organisation.

> **"Salesforce as a platform is very easy to manage — with Salesforce itself taking on a lot of our privacy and data security responsibilities."**
>
> *Chief data officer, financial services*

Modelling and assumptions. To reflect the interviewees' experiences, Forrester assumes the following for the composite organisation:

- Annual application and upgrade development and deployment costs in the prior environment were $4.8 million per year. This grows each year, assuming an inflation rate of 3%.

- Efficiency in developing and deploying applications and upgrades with Salesforce Customer 360 grows as more Salesforce applications are deployed, and more application and upgrade requirements are contained within the Salesforce ecosystem. This enables increased efficiencies of 50%, 60%, and 85% in Years 1, 2, and 3, respectively.

- Developers recapture 50% of any time saved using Salesforce Customer 360. The remaining time is allocated to nonwork activities (e.g., socialising, personal time).

- The composite organisation has five full-time employees managing regulatory and compliance items.

- The annual burdened cost of a regulatory and compliance analyst is $159,000. This grows each year, assuming an inflation rate of 3%.

- Efficiency in managing security, compliance, and regulation items with Customer 360 grows as more Salesforce applications are deployed, and more data, processes, and practices are consolidated and accessible within the Salesforce ecosystem. This enables increased efficiencies of 50%, 63%, and 75% in Years 1, 2, and 3, respectively.

- Regulatory compliance analysts recapture 50% of any time saved using Salesforce Customer 360. The remaining time is allocated to nonwork activities (e.g., socialising, personal time).

Risks. Forrester recognises that these results may not be representative of all experiences, and the benefit will vary depending on:

- Annual application and upgrade development, and deployment cost.

- The number of regulatory compliance analysts employed.

- How well an organisation implements this study's Salesforce Customer 360 configuration.

Results. To account for these risks, Forrester adjusted this benefit downward by 20%, yielding a three-year, risk-adjusted total PV of $3.8 million.

Improved Operational Efficiency

Ref.	Metric	Source	Year 1	Year 2	Year 3
C1	Application and/or upgrade development and deployment cost per year before Salesforce	Composite	$4,944,000	$5,092,320	$5,245,090
C2	Improved efficiency in developing and deploying applications and/or upgrades after Salesforce	Composite	50%	65%	80%
C3	Productivity conversion	Composite	50%	50%	50%
C4	Cost savings from improved efficiency in developing and deploying applications and/or upgrades	C1*C2*C3	$1,236,000	$1,655,004	$2,098,036
C5	Number of regulatory compliance analysts	Composite	5	5	5
C6	Average regulatory compliance analyst salary	TEI standard	$163,362	$168,263	$173,311
C7	Improved efficiency in managing security, compliance, and regulation items with Salesforce	Composite	50%	63%	75%
C8	Productivity conversion	Composite	50%	50%	50%
C9	Cost savings from improved efficiency in managing security, compliance, and regulation items	C5*C6*C7*C8	$204,203	$262,911	$324,958
Ct	Improved operational efficiency	C4+C9	$1,440,203	$1,917,915	$2,422,994
	Risk adjustment	↓20%			
Ctr	Improved operational efficiency (risk-adjusted)		$1,152,162	$1,534,332	$1,938,395
	Three-year total: $4,624,890			**Three-year present value: $3,771,808**	

UNQUANTIFIED BENEFITS

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

- **Salesforce Service Cloud's self-service capabilities reduced inbound service centre call volume.** Salesforce Service Cloud enabled interviewees' organisations to evolve their service programs to include more channels (e.g., chat and self-service options) for customers to interact with. This not only provided customers with more choices but had the added effect of reducing inbound service centre call volume, as more customers were able to resolve their own inquiries.

- **Salesforce Marketing Cloud captured data on discontinued customer journeys that helped generate additional revenue.** Marketing Cloud was able to recognise and capture information on discontinued customer journeys, which service centre agents and relationship managers were then able to leverage as a prompt to follow-up with customers. This reduced the volume of discontinued customer journeys and generated additional revenue at interviewees' organisations.

> **"Salesforce Service, Sales, and Marketing Cloud together enabled us to deliver a true omnichannel experience — with experiences seamless and well-orchestrated from both an interaction and data perspective."**
>
> *Chief data officer, financial services*

- **Salesforce Marketing Cloud improved marketing campaign effectiveness.** Interviewees shared that Salesforce Marketing Cloud enabled their organisations to design more personalised and targeted marketing campaigns. This improved digital sales and the quality of leads provided by marketing to relationship managers.

- **Salesforce Customer 360's connected ecosystem drove stronger CX.** Interviewees shared experiences of increased employee oversight of customer interactions across the organisation, particularly across functions, helping them to better meet and exceed CX with more attuned and personalised interactions. Interviewees were able to recognise improvements in NPS at their organisations as a result.

- **Salesforce Customer 360 created network room cost savings.** Interviewees shifting from heavily customised and unconsolidated on-premises solutions shared that implementing Salesforce Customer 360 as a cloud solution enabled them to realise significant network room cost savings. This included cost savings across network room space requirements, power, cabling, cooling, and more.

- **Salesforce Customer 360 improved employee engagement.** Interviewees shared that Salesforce Customer 360 applications were easy and intuitive to use, and that processes and practices had been dramatically simplified since its implementation. This empowered employees to spend less time on operational tasks and more time on meaningful work. Through this, employees were more engaged at work, validated by improvements in employee engagement scores attributable to Salesforce Customer 360.

- **Salesforce Customer 360 improved the efficiency and effectiveness of working with partners.** Interviewees found that having Salesforce Customer 360 enabled their organisations to work more efficiently and effectively with partners. Having data, processes, and practices consolidated on one platform made data more accessible, less prone to error, and dramatically simplified and improved communication and workflows with partners.

> **"Salesforce Customer 360 has enabled our organisation to reimagine specific processes and practices, for example, our sales and quote process. Employee feedback on these changes has been very positive so far."**
>
> *Chief information officer, insurance*

- **Salesforce Customer 360 drove cross-departmental customer discussion through improved reporting and insights.** Having data from across departments consolidated on the Salesforce Customer 360 platform simplified reporting and enabled richer insights to be gleaned from a holistic pool of data. Interviewees' organisations were equipped with new insights that spanned across multiple departments — breaking silos to begin fostering discussion and collaboration across their organisation, focused on the customer.

FLEXIBILITY

The value of flexibility is unique to each customer. There are multiple scenarios in which a customer might implement Salesforce Customer 360 and later realise additional uses and business opportunities, including:

- **Increased adaptivity.** Interviewees that had already deployed one Salesforce application, found planning for a new Salesforce application much simpler and cheaper to implement. Adding or removing capabilities from a consistent platform with Customer 360 afforded interviewees increased adaptivity to respond to future requirements, growth ambitions, and market changes.

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

> **"Salesforce Customer 360 has helped us come together as a business by opening conversations focused on our customers."**
>
> *Chief data officer, financial services*

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. This was not included in this benefits analysis study.

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."

All 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. Sums and present value calculations of the Total Benefits 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).

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%.

Appendix B: Endnotes

[1] Total Economic Impact is a methodology developed by Forrester Research that enhances a company's technology decision-making processes and assists vendors in communicating the value proposition of their products and services to clients. The TEI methodology helps companies demonstrate, justify, and realise the tangible value of IT initiatives to both senior management and other key business stakeholders.

[2] This study is focused on the benefits of using a Salesforce Customer 360 configuration of: Salesforce Service Cloud, Salesforce Sales Cloud, and Salesforce Marketing Cloud.

[3] Net Promoter and NPS are registered service marks, and Net Promoter Score is a service mark of Bain & Company, Inc., Satmetrix Systems, Inc., and Fred Reichheld.

FORRESTER®