A Forrester Total Economic Impact™
Study Commissioned By Smart
Communications
July 2019

The Total Economic Impact™ Of Smart Communications

Cost Savings And Business Benefits
Enabled By SmartCOMM

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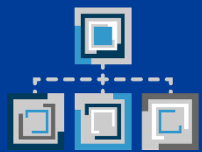
ABOUT FORRESTER CONSULTING

Forrester Consulting provides independent and objective research-based consulting to help leaders succeed in their organizations. Ranging in scope from a short strategy session to custom projects, Forrester's Consulting services connect you directly with research analysts who apply expert insight to your specific business challenges. For more information, visit forrester.com/consulting.

Benefits And Costs



Template management savings:
$254,775

Labor savings from reduced templates:
$697,645

Legacy on-premises environment savings:
$386,388

Paper and postage savings:
$518,048

Executive Summary

Smart Communications provides a customer communications management (CCM) platform that helps its users simplify and control their customer and business communications at an enterprise scale.

Smart Communications commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential ROI enterprises may realize by deploying SmartCOMM.

Smart Communications is headquartered in London and serves its customers from offices located in North America, Europe, and Asia Pacific. The company offers a range of solutions including SmartCOMM, SmartCOMM for Salesforce, SmartDX, Conversation Cloud, and Margin Xchange.

The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of the SmartCOMM platform on their organizations.

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed one customer with several years of experience using SmartCOMM. Prior to using SmartCOMM, the interviewed customer *Organization* used a combination of business intelligence applications, home-grown document processors, and manual document templates — deployed on-premises — to manage their business and customer communications.

The *Organization* found that their prior solutions failed to provide the tools they needed to successfully manage customer and business communications. As a result, the *Organization* experienced a myriad of issues: lack of consistent messaging; an abundance of duplicate templates; time-consuming production cycles; costly hardware maintenance; an inability to support customer channel preferences; poor integration with core systems; ineffective end user capabilities (especially with claims correspondence); and limited on-demand document generation capabilities.

Key Findings

Quantified benefits. The interviewed *Organization* experienced the following risk-adjusted present value (PV) quantified benefits:

- **Template management savings ($254,775).** SmartCOMM enabled the *Organization* to streamline its template change processes and halve the labor hours required to make edits. Furthermore, with a simplified and streamlined process the *Organization* pushed template editing work from its IT staff to line-of-business workers.
- **Labor savings from reduced templates ($697,645).** The *Organization* consolidated their inventory of letter templates, from roughly 1,700 to 300, and provided claim and policy specialists with general templates which could be populated on demand. Furthermore, the *Organization* reduced the number of policy documents from roughly 1,700 to 1,400. Minimizing the amount of policy templates and providing policy specialists with dynamic forms greatly reduced time spent on finding and/or creating ad hoc policy forms.
- **Legacy on-premises environment savings ($386,388).** In moving to a cloud-based application, the *Organization* eliminated the need for on-premises infrastructure and support.

ROI
139%

Benefits PV
$1.86 million

NPV
$1.08 million

Payback
<6 months

- **Paper and postage savings ($518,048).** With SmartCOMM, the *Organization* enabled agents to archive communications and policy statements as PDFs and deliver these electronically to customers. Moving to digital communications greatly reduced spending on paper and postage.

Unquantified benefits. The interviewed *Organization* experienced the following benefits, which are not quantified for this study:

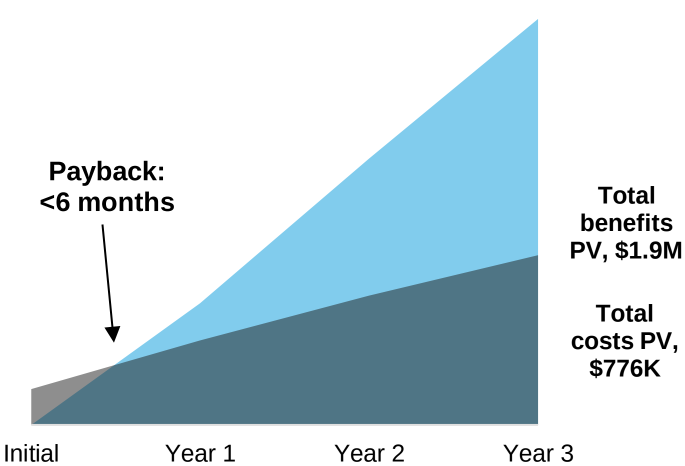
- **Contact center savings.** Agents could electronically send updates to customers regarding their policies — at a far greater speed than traditional mail — which mitigated customers contacting the *Organization* for updates.
- **Faster time-to-market.** SmartCOMM accelerated the *Organization's* ability to make policy document changes and remain in compliance with state and federal regulations. This aided the *Organization* in avoiding potential fines, while increasing independent agent and customer satisfaction.

Costs. The interviewed *Organization* experienced the following risk-adjusted PV costs:

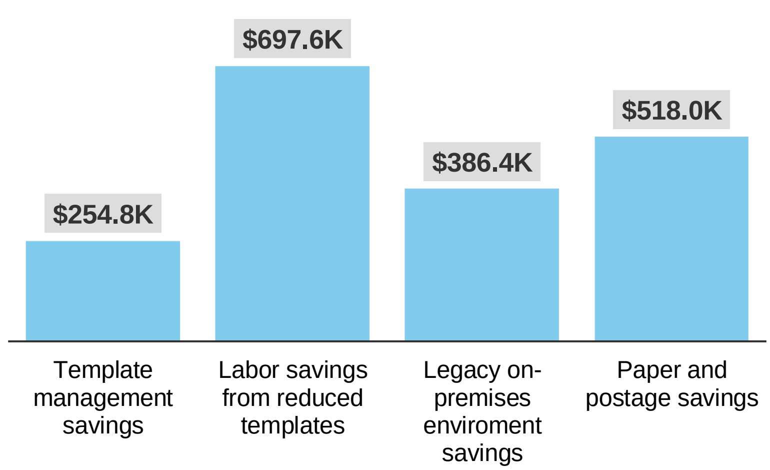
- **Annual SmartCOMM fees ($443,903).** This represents the total annual license and usage fees paid to Smart Communications over a three-year period.
- **Implementation costs ($162,750).** This includes the internal labor and professional service fees paid during implementation.
- **Ongoing management costs ($169,728).** This represents the internal labor costs incurred to manage the *Organization's* SmartCOMM deployment.

Forrester's interview with an existing customer and subsequent financial analysis found that the interviewed organization experienced benefits of $1,856,856 over three years versus costs of $776,381, adding up to a net present value (NPV) of $1,080,475 and an ROI of 139%.

Financial Summary



Benefits (Three-Year)



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TEI Framework And Methodology

From the information provided in the interview, Forrester has constructed a Total Economic Impact™ (TEI) framework for those organizations considering implementing the SmartCOMM platform from Smart Communications.

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 Smart Communications can have on an organization:

The TEI methodology helps companies demonstrate, justify, and realize the tangible value of IT initiatives to both senior management and other key business stakeholders.

DUE DILIGENCE
Interviewed Smart Communications stakeholders and Forrester analysts to gather data relative to SmartCOMM.

CUSTOMER INTERVIEW
Interviewed one organization using SmartCOMM to obtain data with respect to costs, benefits, and risks.

FINANCIAL MODEL FRAMEWORK
Constructed a financial model representative of the interview using the TEI methodology and risk-adjusted the financial model based on issues and concerns of the interviewed organization.

CASE STUDY
Employed four fundamental elements of TEI in modeling Smart Communications SmartCOMM's impact: benefits, costs, flexibility, and risks. Given the increasing sophistication that enterprises have regarding ROI analyses related to IT investments, Forrester's TEI methodology serves to provide a complete picture of the total economic impact of purchase decisions. Please see Appendix A for additional information on the TEI methodology.

DISCLOSURES

Readers should be aware of the following:

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

Forrester makes no assumptions as to the potential ROI that other organizations will receive. Forrester strongly advises that readers use their own estimates within the framework provided in the report to determine the appropriateness of an investment in Smart Communications SmartCOMM.

Smart Communications 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.

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

The SmartCOMM Customer Journey

BEFORE AND AFTER THE SMARTCOMM INVESTMENT

Interviewed *Organization*

For this study, Forrester interviewed a Smart Communications SmartCOMM customer:

- It is a medium-sized insurance firm in the United States with over $200 million in direct premiums written annually.
- It has been using a cloud-based deployment of SmartCOMM for two years for point of service document generation and template management.
- It used an in-house document processor to bundle and produce form sets. Policy documents were populated by a business intelligence application, drawing information from SQL back ends. End users also maintained word processing templates which could not be entered in the system which could be manually populated on an ad hoc basis.
- It transitioned from on-premises to the cloud in Year 1. During this transitional period the organization recognized 75% of the normal annual benefits.
- It implemented a policy, claim, and billing administration system at the same time as SmartCOMM.

"Before we went to SmartCOMM, consistent messages weren't sent out to customers. Everybody had the ability to add a letter and everybody was using their own templates. In our commercial lines we did an inventory and we uncovered 1,000 different letters with various branding and people not having the right logos."

Software engineer, insurance

Key Challenges

The *Organization* shared the following issues, drivers, challenges, goals, and opportunities:

- **Reduce total customer communication templates.** Prior to SmartCOMM, the *Organization* used several tools to create and maintain: communication templates; an in-house document creator; a business intelligence application to find data and populate forms; and various ad hoc word templates maintained by individual agents. This siloed approach led to a surplus of templates.
- **Replace outdated legacy system.** The *Organization* aimed to replace their outdated system which was causing several issues: missing forms; significant hardware maintenance; and the necessity for IT staff to make template changes.
- **Decrease time-to-market for template changes.** The *Organization's* prior solution required IT staff to make all template changes. Due to headcount and production schedules, this meant a simple template change took an average of six to eight weeks. Furthermore, the *Organization* needed to ensure that they could stay in compliance with changing state and federal laws, maintaining business continuity and avoiding fines.
- **Transition from paper to electronic communications.** The *Organization* desired to transition some of their communications from paper to electronic to increase communication speed and reduce spending on postage and paper. The *Organization's* annual paper and postage budget averaged $700,000.

"[Before SmartCOMM] sometimes from beginning to end it could take six to eight weeks to get something into production when it came to forms for policy documents. There was nothing on the business side that could be done, it was all IT resources that were needed to develop and deploy."

Software engineering manager, insurance

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- **Maintain consistent branding standards across all communications.** The *Organization* found that their old system failed to create a consistent branding environment — agents produced their own letters with various logos, fonts, and formatting.
- **Fuel a larger digital transformation.** At the time the *Organization* evaluated SmartCOMM, it was implementing a new digital experience platform. The Organization sought a CCM that would seamlessly integrate with and augment their new policy administration system.

> "What intrigued us the most about SmartCOMM was that we didn't have to have an IT developer go and do a lot of the configuration. We could actually have a person outside IT be able to do it."
>
> *Software engineer, insurance*

Key Results

The interview revealed that key results from the SmartCOMM investment include:

- **Deployed SmartCOMM functionality and tools.** The *Organization* is able to take advantage of the following SmartCOMM functionality: design tools for its template authoring environment; interactive tools for on-demand templates used by agents and claims specialists, and batch processing capabilities for back-office customer notifications.
- **Consistent enterprise customer communications standards.** Using SmartCOMM, the *Organization* now has a defined enterprise-level customer communication standard. SmartCOMM provides agents, and policy-and-claims associates with dynamic communication templates that adhere to branding and messaging standards, eliminating the ad hoc manual process which led to confusion regarding messaging and logos.
- **Replaced some paper communications with electronic messaging.** The *Organization* established an archive system, where employees could store electronic copies of all policy statements which could easily be re-sent to customers electronically or accessed through self-service. Furthermore, the *Organization* replaced non-sensitive correspondences with email updates. In all, the *Organization* reduced their spend on paper and postage by over 25%.
- **Faster time-to-market.** With SmartCOMM, the organization has consistency in branding and usability of templates. Furthermore, by eliminating their reliance on IT employees for all template changes, the organization greatly reduced the time needed to make changes, which had averaged six to eight weeks. The ability to send some communications via email further reduced the time to get communications to customers.
- **Migrated customer communications management to the cloud**. SmartCOMM is a software-as-a-solution (SaaS) application, offering a number of different hybrid and cloud deployment options. When the *Organization* migrated from their legacy on-premises solution to SmartCOMM, it eliminated the need for costly support infrastructure.
- **Greatly reduced number of templates.** SmartCOMM enabled the *Organization* to develop dynamic and reusable templates, eliminating their reliance on ad hoc template creation. Prior to SmartCOMM, the *Organization* maintained roughly 1,700 communication templates, which it reduced to 300.

> "There were about 1,000 letters just from the commercial lines side of loans and we got that down to about 150. We were able to eliminate a lot of them because everybody was making their own letters. Now if they are requesting information they can enter that and then choose from a few different bodies. We now have only one template versus 20 different templates for every scenario."
>
> *Software engineer, insurance*

> "We don't have to support the application anymore in house. When we went to SmartCOMM we were able to get all updates automatically and we didn't have to do it ourselves. We don't have to maintain servers, the only thing we have on-premises now is the database where we hold our data for reports and query purposes."
>
> *Software engineer, insurance*

Analysis Of Benefits

QUANTIFIED BENEFIT DATA

Total Benefits

REF.	BENEFIT	YEAR 1	YEAR 2	YEAR 3	TOTAL	PRESENT VALUE
Atr	Template management savings	$84,565	$112,753	$112,753	$310,071	$254,775
Btr	Labor savings from reduced templates	$231,563	$308,750	$308,750	$849,063	$697,645
Ctr	Legacy on-premises environment savings	$128,250	$171,000	$171,000	$470,250	$386,388
Dtr	Paper and postage savings	$166,250	$207,813	$259,766	$633,828	$518,048
	Total benefits (risk-adjusted)	$610,627	$800,316	$852,269	$2,263,212	$1,856,856

The table above shows the total of all benefits across the areas listed below, as well as present values (PVs) discounted at 10%. Over three years, the interviewed organization expects risk-adjusted total benefits to be a PV of more than $1.8 million.

Template Management Savings

One of the key factors in the *Organization* choosing SmartCOMM to replace their legacy solution was the ease of making template changes and the ability to delegate template changes to business employees.

› Prior to SmartCOMM, the *Organization* required 5 labor hours to make changes to templates. With SmartCOMM, this was reduced by 50%.

› SmartCOMM's ease of use allowed the IT staff to delegate changes to business workers, further enhancing the hourly savings.

› "With SmartCOMM, you can pull up a local copy and see exactly how it is going to look and work. We've cut the fat and made the deployment process leaner where we are using a deployment tool or SmartCOMM to deploy into all environments including production. You don't have to go through IT personnel to have deployments."

50% reduction in labor hours required for template changes

Modeling and assumptions: The *Organization* uses $62.50 per hour when allocating IT staff charges and $19.50 when computing business staff involved in template design and management. The *Organization* recognizes 75% of benefits in Year 1 as it was not fully transitioned from its legacy solution.

Forrester recognizes that readers are likely to experience a wide range of results based on several risk factors. Specific risk considerations include:

› Location and prevalent labor rates.

› Organizational agility and speed of transition from legacy solution.

To account for these risks, Forrester adjusted this benefit downward by 5%, yielding a three-year, risk-adjusted total PV of $254,775.

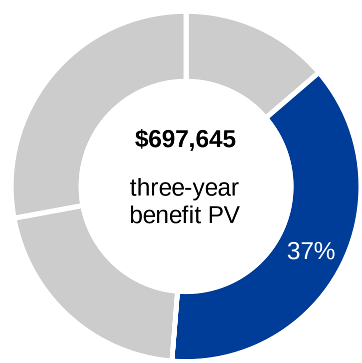
Impact risk is the risk that the business or technology needs of the organization may not be met by the investment, resulting in lower overall total benefits. The greater the uncertainty, the wider the potential range of outcomes for benefit estimates.

Template Management Savings: Calculation Table

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3
A1	Number of document template changes that IT manages	75% Y1 due to transition	338	450	450
A2	IT labor hours to change one document template with SmartCOMM		5.0	5.0	5.0
A3	IT cost per hour	$130K/2,080	$62.50	$62.50	$62.50
A4	Total IT cost to manage document templates without SmartCOMM	A1*A2*A3	$105,469	$140,625	$140,625
A5	Business labor hours to change one document template with SmartCOMM		2.5	2.5	2.5
A6	Business staff cost per hour	$40.5K/2,080	$19.50	$19.50	$19.50
A7	Total business staff cost to manage document templates with SmartCOMM	A1*A5*A6	$16,453	$21,938	$21,938
At	Template management savings	A4-A7	$89,016	$118,688	$118,688
	Risk adjustment	↓5%			
Atr	Template management savings (risk-adjusted)		$84,565	$112,753	$112,753

Labor Savings From Reduced Templates

SmartCOMM allowed the *Organization* to provide employees with dynamic letter templates, eliminating the need for ad hoc letter creation and template maintenance for each communication scenario. The *Organization* audited their template collection when migrating to SmartCOMM and found that it had over 1,700 letter templates, which the *Organization* was able to pare down to 300.



Labor savings from reduced templates: **37%** of total benefits

Prior to having SmartCOMM, employees would have to search for an existing letter template or create a new one for each unique customer interaction. Furthermore, the legacy platform was unreliable and forms frequently went missing. With SmartCOMM, employees could generate communications on demand with easy access to relevant, standardized communications that adhered to established company communications policies.

- The *Organization* employs 40 policy and claims specialists, reviewing claims, policies, and communicating with affected parties. The ability to generate relevant communications on demand saved these specialists an average of 2 hours per day.

Modeling and assumptions: The *Organization* recognizes 75% of benefits in Year 1 due to its transition from the legacy system. Policy and claims specialists earn an effective hourly rate of $31.25. A 50% productivity recapture is applied to all earned hours as employees will not use all extra time in a productive manner.

Labor savings will vary based on:

- Number of employees and frequency of communications.
- Prevailing local labor rates.
- Baseline productivity and number of templates.

To account for these risks, Forrester adjusted this benefit downward by

5%, yielding a three-year, risk-adjusted total PV of $697,645.

Labor Savings From Reduced Templates: Calculation Table

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3
B1	Policy and claims specialists		40	40	40
B2	Hours saved per specialist per day		2	2	2
B3	Annual time savings	B1*B2*260 (75% in Y1 due to transition)	15,600	20,800	20,800
B4	Claims specialist hourly rate	$65K/2,080	$31.25	$31.25	$31.25
B5	Productivity recapture		50%	50%	50%
Bt	Labor savings from reduced templates	B3*B4*B5	$243,750	$325,000	$325,000
	Risk adjustment	↓5%			
Btr	Labor savings from reduced templates (risk-adjusted)		$231,563	$308,750	$308,750

Legacy On-Premises Environment Savings

Prior to deploying the SmartCOMM cloud platform, the *Organization* relied on an on-premises legacy system. The legacy system required eight environments, each with storage. Furthermore, these environments required an equivalent of one FTE to maintain and update.

After moving to SmartCOMM, the *Organization* retired their on-premises system, eliminating the associated hardware spending and support costs. Furthermore, all future updates and/or upgrades are performed in the cloud and do not require additional expenditures from the *Organization*.

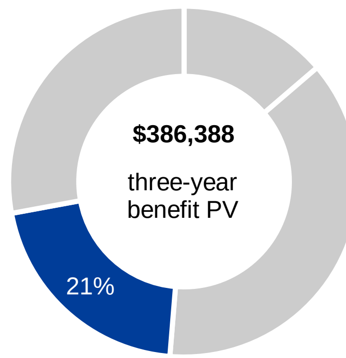
- The *Organization* saves $50,000 a year in hardware and software expenditures related to their legacy platform.
- The *Organization* is able to reallocate the equivalent of one FTE who had previously maintained the on-premises deployment.

Modeling and assumptions: The *Organization* recognizes 75% of benefits in Year 1 due to ongoing migration. IT staff supporting the on-premises deployment have a fully burdened annual salary of $130,000.

On-premises environment savings will vary based on:

- Size, scope, and system requirements of retired deployment.
- Prevailing local labor rates.

To account for these risks, Forrester adjusted this benefit downward by 5%, yielding a three-year risk-adjusted total PV of $386,388.



Legacy on-premises environment savings: **21%** of total benefits

Legacy On-Premises Environment Savings: Calculation Table					
REF.	**METRIC**	**CALC.**	**YEAR 1**	**YEAR 2**	**YEAR 3**
C1	Legacy hardware/software savings	75% in Y1 due to transition	$37,500	$50,000	$50,000
C2	IT FTEs reallocated due to reduced system complexity		1	1	1
C3	Fully burdened IT FTE salary		$130,000	$130,000	$130,000
C4	IT FTE savings	C2* C3 (75% in Y1)	$97,500	$130,000	$130,000
Ct	Legacy on-premises environment savings	C1+C4	$135,000	$180,000	$180,000
	Risk adjustment	↓5%			
Ctr	Legacy on-premises environment savings (risk-adjusted)		$128,250	$171,000	$171,000

Paper And Postage Savings

SmartCOMM enabled employees within the *Organization* to save electronic copies of policies, eliminating the need to resend this information via standard mail. Furthermore, correspondences with customers regarding the status of their policies or claims were shifted to email.

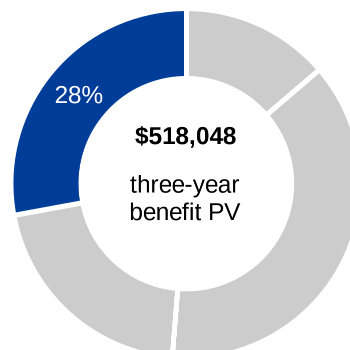
- The *Organization* reduced their annual paper and postage spend by 25% in Year 1 and forecast this to continue as customers become more comfortable with electronic communications. Furthermore, the *Organization* will continue to evaluate communications that can be shifted to electronic forms.
- The *Organization's* average annual spend on paper and postage is $700,000.

Modeling and assumptions: A 25% growth rate in savings is assumed, as the *Organization* plans to continue shifting communications to electronic forms.

Paper and postage savings will vary based on:

- Customer preferences and the willingness to adopt electronic correspondence.
- Volume of customer communications.

To account for these risks, Forrester adjusted this benefit downward by 5%, yielding a three-year, risk-adjusted total PV of $518,048.



Paper and postage savings:
28% of total benefits

25% reduction in annual paper and postage spend

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Paper And Postage Savings: Calculation Table

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3
D1	Annual paper and postage spend		$700,000	$700,000	$700,000
D2	Reduction in paper and postage spending	Assumption of 25% growth rate	25%	31%	39%
Dt	Paper and postage savings	D1*D2	$175,000	$218,750	$273,438
	Risk adjustment	↓5%			
Dtr	Paper and postage savings (risk-adjusted)		$166,250	$207,813	$259,766

Unquantified Benefits

The interviewed *Organization* experienced the following benefits, which are not quantified for this study:

- **Contact center savings.** Agents mitigated customer calls by sending electronic updates on policies. Reduced call volume saved the organization on contact center wages and phone costs.
- **Improved independent agent satisfaction.** Staying in compliance with changes in local and federal regulations at an accelerated speed diminished the likelihood that independent agents would experience an interruption in operations.
- **Reduced exposure to compliance failure.** The *Organization* now has better control over document production, ensuring that the correct regulatory elements, including the right version of legal disclaimers, are used throughout the company's correspondence.
- **Improved brand recognition.** With SmartCOMM, the *Organization* established a consistent look and feel across all its customer communications. This consistency in all offline and online communications improves brand recognition.

"On our personal line side, a lot of our policies can go straight through without talking to an agent. We send out emails to customers to let them know we've received their information, their policy has been issued, and they have coverage. So now, we don't get calls in house asking us where their policy is or if they have coverage. It's eliminated some calls from that aspect."

Software engineer, insurance

Flexibility

The value of flexibility is clearly unique to each customer, and the measure of its value varies from organization to organization. There are multiple scenarios in which a customer might choose to implement SmartCOMM and later realize additional uses and business opportunities, including:

- **Expand email to claims center.** The *Organization* plans to expand email capabilities to their claims center, further reducing their reliance on traditional mail and accelerating time-to-communication for customers.

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

Flexibility, as defined by TEI, represents an investment in additional capacity or capability that could be turned into business benefit for a future additional investment. This provides an organization with the "right" or the ability to engage in future initiatives but not the obligation to do so.

Analysis Of Costs

QUANTIFIED COST DATA

Total Costs

REF.	COST	INITIAL	YEAR 1	YEAR 2	YEAR 3	TOTAL	PRESENT VALUE
Etr	Annual SmartCOMM license	$0	$178,500	$178,500	$178,500	$535,500	$443,903
Ftr	Implementation costs	$162,750	$0	$0	$0	$162,750	$162,750
Gtr	Ongoing management costs	$0	$68,250	$68,250	$68,250	$204,750	$169,728
	Total costs (risk-adjusted)	$162,750	$246,750	$246,750	$246,750	$903,000	$776,381

The table above shows the total of all costs across the areas listed below, as well as present values (PVs) discounted at 10%. Over three years, the interviewed organization expects risk-adjusted total costs to be a PV of more than $776K.

Annual SmartCOMM License

The *Organization* pays an annual license for their cloud-deployed version of SmartCOMM. The *Organization's* total annual expenditure on SmartCOMM is $170,000.

Readers may experience varying SmartCOMM fees based on license type and usage. Smart Communications offers a number of deployment options as well as variable discounts.

To account for these risks, Forrester adjusted this cost upward by 5%, yielding a three-year, risk-adjusted total PV of $443,903.

Annual SmartCOMM License: Calculation Table

REF.	METRIC	CALC.	INITIAL	YEAR 1	YEAR 2	YEAR 3
E1	Annual SmartCOMM license			$170,000	$170,000	$170,000
Et	Annual SmartCOMM license	D1	$0	$170,000	$170,000	$170,000
	Risk adjustment	↑5%				
Etr	Annual SmartCOMM license (risk-adjusted)		$0	$178,500	$178,500	$178,500

Implementation Costs

The *Organization* spent twelve months fully migrating from their legacy on-premises solution to SmartCOMM. However, during that time the *Organization* did recognize benefits as it gradually rolled over functionality to its new solution.

The *Organization* paid $25,000 to a third-party professional services firm for aid in the migration process.

The *Organization* required one FTE to manage the migration to SmartCOMM. The FTE was able to automate many of the deployments, and as such dedicated 5% of their time during the year to implementation.

While the organization migrated their legacy platform to the cloud, it retains customer information on-premises for analysis and queries.

Modeling and assumptions: In modeling this cost, a fully burdened salary of $130,000 is assumed for the FTE managing implementation.

Implementation time and recognition of benefits may vary based on an organization's size, number of systems being migrated, and the compatibility of legacy technology. Professional services fees may vary based on length and complexity of implementation.

To account for these risks, Forrester adjusted this cost upward by 5%, yielding a three-year, risk-adjusted total PV of $162,750.

Implementation risk is the risk that a proposed investment may deviate from the original or expected requirements, resulting in higher costs than anticipated. The greater the uncertainty, the wider the potential range of outcomes for cost estimates.

Implementation Costs: Calculation Table

REF.	METRIC	CALC.	INITIAL	YEAR 1	YEAR 2	YEAR 3
F1	IT FTEs dedicated to Smart Comm implementation		1			
F2	% of time spent managing implementation		100%			
F3	Fully burdened IT FTE annual salary		$130,000			
F4	Professional services fees		$25,000			
Ft	Implementation costs	(F1*F2*F3)+F4	$155,000	$0	$0	$0
	Risk adjustment	↑5%				
Ftr	Implementation costs (risk-adjusted)		$162,750	$0	$0	$0

Ongoing Management Costs

The *Organization* has one FTE dedicated to the management of their SmartCOMM deployment. The FTE spends 50% of their time solely on SmartCOMM-related tasks.

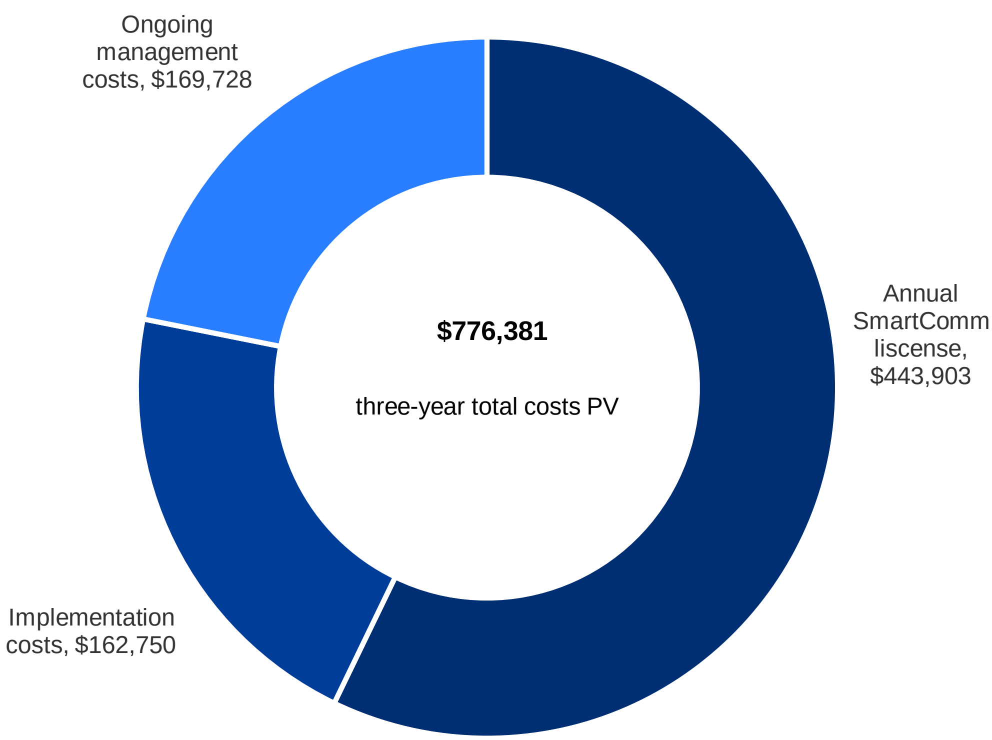
In modeling this cost, it is assumed that the fully burdened annually salary for the IT FTE managing the SmartCOMM deployment is $130,000.

Readers of this study may experience varying management costs, based on organizational needs and prevailing labor rates.

To account for these risks, Forrester adjusted this cost upward by 5%, yielding a three-year, risk-adjusted total PV of $169,728.

One FTE
spends 50% of their time on ongoing management of SmartCOMM.

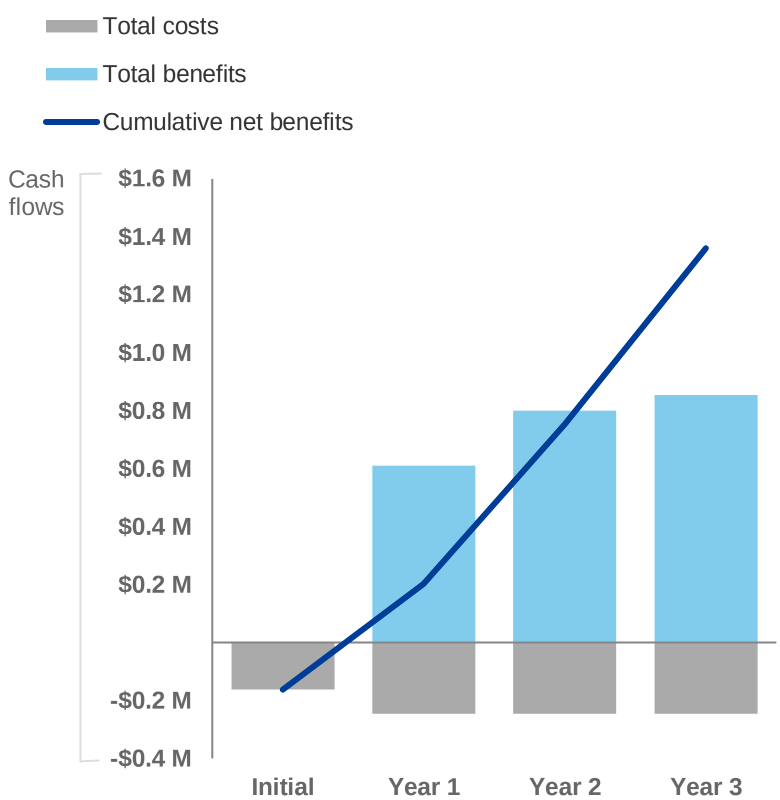
Ongoing Management Costs: Calculation Table						
REF.	**METRIC**	**CALC.**	**INITIAL**	**YEAR 1**	**YEAR 2**	**YEAR 3**
G1	FTEs overseeing SmartCOMM deployment			1	1	1
G2	Percent of time dedicated solely to SmartCOMM			50%	50%	50%
G3	Fully burdened IT FTE annual salary			$130,000	$130,000	$130,000
Gt	Ongoing management costs	G1*G2*G3		$65,000	$65,000	$65,000
	Risk adjustment	↑5%				
Gtr	Ongoing management costs (risk-adjusted)		$0	$68,250	$68,250	$68,250



Financial Summary

CONSOLIDATED THREE-YEAR RISK-ADJUSTED METRICS

Cash Flow Chart (Risk-Adjusted)



The financial results calculated in the Benefits and Costs sections can be used to determine the ROI, NPV, and payback period for the interviewed organization's investment. Forrester assumes a yearly discount rate of 10% for this analysis.

These risk-adjusted ROI, NPV, and payback period values are determined by applying risk-adjustment factors to the unadjusted results in each Benefit and Cost section.

Cash Flow Table (Risk-Adjusted)

	INITIAL	YEAR 1	YEAR 2	YEAR 3	TOTAL	PRESENT VALUE
Total costs	($162,750)	($246,750)	($246,750)	($246,750)	($903,000)	($776,381)
Total benefits	$0	$610,627	$800,316	$852,269	$2,263,212	$1,856,856
Net benefits	($162,750)	$363,877	$553,566	$605,519	$1,360,212	$1,080,475
ROI						139%
Payback period						<6 months

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Smart Communications SmartCOMM: Overview

The following information is provided by Smart Communications. Forrester has not validated any claims and does not endorse Smart Communications or its offerings.

Smart Communications is the leading cloud-based platform for enterprise customer communications. More than 350 global brands — many in the world's most highly regulated industries — rely on Smart Communications to make multichannel customer communications more meaningful, more compliant with regulators, while also helping them simplify their processes and operate more efficiently. This is what it means to scale the conversation.

Smart Communications' range of solutions have been designed to meet the needs of the 21st century digital customer, delivering the most advanced customer communications more efficiently and securely than ever. With Smart Communications, you'll collaborate better with stakeholders, gain greater flexibility in deployment, and lower your total cost of owning an enterprise CCM solution. We bring distinct and tangible benefits to business users, communications designers, and IT teams who manage and generate customer communications for the world's leading enterprises. Smart Communication delivers:

- Customer centricity – Making communications relevant, accurate, and personal and delivering them via the channels customers prefer.
- Business User Control – Offering control over content and communications for the people who drive your communications strategy.
- Deployment flexibility – Options to deploy as pure-cloud (AWS option available) or hybrid-cloud solution to reduce costs, respond faster, and scale operations effectively — without sacrificing security or compliance.
- Improved agility – Allowing for businesses to shorten the time to develop new products and their associated communications.
- Cost savings – From reduced IT infrastructure needed to support CCM operations.
- Flexibility – Enterprise-class communications can easily be distributed to many parts of your business from a single unified solution.
- Efficiency – Reduced time and complexity for communications template design, content management, and process workflow.
- Compliance – Audit, tracking, and management processes ensure communications meet local, national, and industry regulations.
- Innovation – As the only company that's 100% focused on enterprise CCM you have the confidence that we'll continue to future-proof your communications with innovative upgrades designed to respond to the changing communication landscape.

Smart Communications' unique Conversation Cloud framework is designed to help enterprises easily integrate Smart Communications' customer communications management tools with other key pieces of their technology ecosystem. This approach helps companies collect and act on a tremendous amount of valuable customer data, providing a more complete view of each customer.

Smart Communications is headquartered in London and New York and serves its customers from offices located across North America, Europe, and Asia Pacific. The company offers a range of solutions including SmartCOMM, SmartCOMM for Salesforce, and SmartDX. To learn more, visit smartcommunications.com.

Appendix A: Total Economic Impact

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

Total Economic Impact Approach

Benefits represent the value delivered to the business by the product. The TEI methodology places equal weight on the measure of benefits and the measure of costs, allowing for a full examination of the effect of the technology on the entire organization.

Costs consider all expenses necessary to deliver the proposed value, or benefits, of the product. The cost category within TEI captures incremental costs over the existing environment for ongoing costs associated with the solution.

Flexibility represents the strategic value that can be obtained for some future additional investment building on top of the initial investment already made. Having the ability to capture that benefit has a PV that can be estimated.

Risks measure the uncertainty of benefit and cost estimates given: 1) the likelihood that estimates will meet original projections and 2) the likelihood that estimates will be tracked over time. TEI risk factors are based on "triangular distribution."

The initial investment column contains costs incurred at "time 0" or at the beginning of Year 1 that are not discounted. All other cash flows are discounted using the discount rate at the end of the year. PV calculations are calculated for each total cost and benefit estimate. NPV calculations in the summary tables are the sum of the initial investment and the discounted cash flows in each year. Sums and present value calculations of the Total Benefits, Total Costs, and Cash Flow tables may not exactly add up, as some rounding may occur.

Present value (PV)

The present or current value of (discounted) cost and benefit estimates given at an interest rate (the discount rate). The PV of costs and benefits feed into the total NPV of cash flows.

Net present value (NPV)

The present or current value of (discounted) future net cash flows given an interest rate (the discount rate). A positive project NPV normally indicates that the investment should be made, unless other projects have higher NPVs.

Return on investment (ROI)

A project's expected return in percentage terms. ROI is calculated by dividing net benefits (benefits less costs) by costs.

Discount rate

The interest rate used in cash flow analysis to take into account the time value of money. Organizations typically use discount rates between 8% and 16%.

Payback period

The breakeven point for an investment. This is the point in time at which net benefits (benefits minus costs) equal initial investment or cost.