

A Forrester Total Economic Impact™  
Study Commissioned By Salesforce  
June 2018

# The Total Economic Impact™ Of Salesforce Lightning

Cost Savings And Business Benefits  
Enabled By Lightning Experience And The  
Lightning Platform

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## ABOUT FORRESTER CONSULTING

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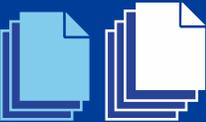
# Executive Summary

## Benefits



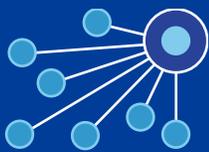
Sales productivity benefits with Lightning Experience

**\$1.59 million**



Power user productivity benefits with Lightning Experience

**\$365,815**



Application development resource savings with Lightning Platform

**\$1.24 million**



Reduction in developer turnover rate with Lightning Platform

**\$169,106**

Lightning is a collection of tools and technologies that is the next generation of the Salesforce platform. It includes a new user experience, a component-based application framework on the Salesforce platform and an update of the Salesforce ecosystem to take advantage of the Lightning application framework. Salesforce commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) enterprises may realize by deploying Lightning. The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of Lightning on their organizations.

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed several Salesforce customers that had deployed Lightning in the past two years. These organizations benefited from improved user experience and productivity savings with their transition to Lightning. They also experienced faster time-to-market for application deployment and lower development costs as these organizations leveraged the Lightning framework and built applications on the Lightning platform.

Prior to using Lightning, most customers had used Salesforce Classic for several years. Several organizations tied their Lightning transitions to major business transformation initiatives or the launch of a new sales program. Key drivers of their decision to move to Lightning included delivering a better user experience, gaining access to new features and capabilities, and achieving ongoing innovation on Lightning.

Forrester aggregated customer interview information and data in this study into a composite organization to reflect the total economic impact that deploying Lightning could have on an organization.

## Key Findings

**Quantified benefits.** The following risk-adjusted present value (PV) quantified benefits are representative of those experienced by the companies interviewed:

- › **Improved user experience and increased end user productivity with sales efficiency savings of \$1.59 million with Lightning Experience.** With the Lightning deployment, organizations revamped Salesforce processes and optimized user interfaces (UIs) for a better user experience. This better user experience drove increased productivity for end users. Average productivity for the sales organization increased by 3%, equivalent to an hour a week. This increase in sales efficiency translates to \$1,594,426 in savings over three years.
- › **Time savings for business sponsors and power users of approximately \$366K with Lightning Experience.** Power users such as business sponsors and project managers also gained additional time savings from the Lightning deployment, such as improved dashboard capabilities and analytics. These power users saved an additional 2 hours a week. For the composite organization, this benefit is quantified as \$365,815, representing additional savings of 2 hours a week, on average.



**ROI**  
**341%**



**Benefits PV**  
**\$3.37 million**



**NPV**  
**\$2.6 million**



**Payback**  
**14 months**

- › **Lower development and support costs, totaling \$1,242,487 in savings, with Lightning Platform.** Lightning's component-based framework also enabled organizations to deploy customizations without writing code, leverage base components for reuse, and deploy applications faster.
- › **Eighty percent reduction in application developer turnover rates, totaling \$169,106 in savings, with Lightning Platform.** The deployment of Lightning also increased developer engagement; the composite organization saw an 80% reduction in developer turnover rates, resulting in hiring cost avoidance savings of \$169,106.

Based on benefit calculations for 2,400 users over a three-year analysis, the total benefit of a Lightning deployment is \$1,405 per user for the composite organization.

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

- › Faster time-to-market with 50% faster application deployment.
- › Improved process efficiency.
- › Improved application quality.
- › Increased collaboration.
- › Increased innovation with ability to quickly bring applications to new channels like mobile.
- › Better business results.

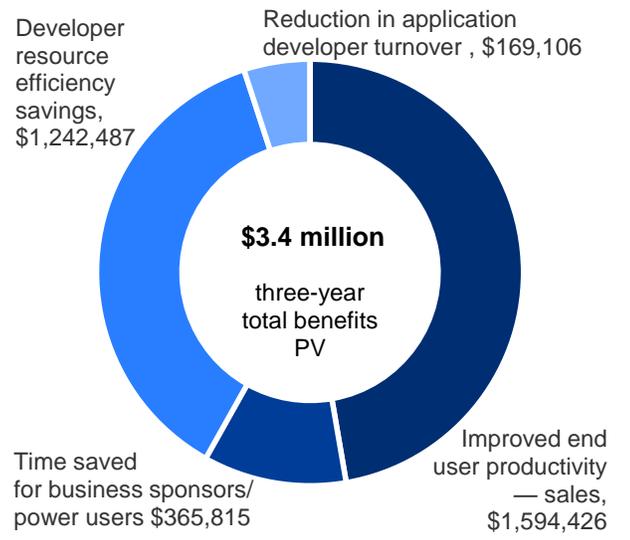
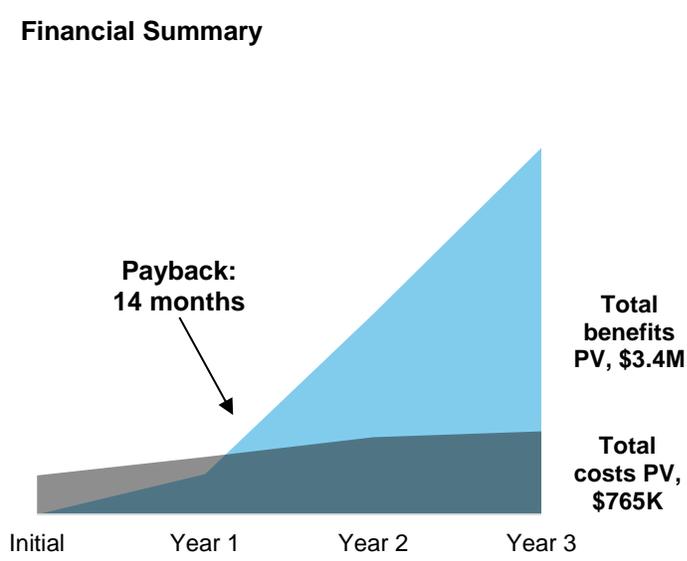
**Costs.** The composite organization experienced the following risk-adjusted PV costs:

- › **Implementation costs.** The organization undertook a phased implementation, allocating resources from the Salesforce development and support team during the initial four-month phase and for approximately three months for each subsequent year. Implementation cost over the three-year analysis is estimated at \$443,655.
- › **Professional services fees.** The organization also worked with an SI (systems integrator) to supplement its internal Salesforce team during the implementation process. Total professional services fees over the three-year analysis are estimated at \$232,955 with the bulk of these fees incurred during the initial deployment phase.
- › **Planning and training support costs.** The organization also needed internal resources for planning and user testing prior to the Lightning deployment, in addition to training and ongoing change management support over the three-year analysis. Total planning and training support costs are estimated at \$88,250.

Based on cost calculations for 2,400 users over a three-year analysis, the total deployment and support cost of a Lightning deployment is \$319 per user for the composite organization.

Forrester's interviews with seven existing customers and subsequent financial analysis found that an organization based on these interviewed organizations experienced benefits of \$3,371,834 over three years versus costs of \$764,860, adding up to a net present value (NPV) of \$2,606,974 and an ROI of 341%.

## Financial Summary



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

## TEI Framework And Methodology

From the information provided in the interviews, Forrester has constructed a Total Economic Impact™ (TEI) framework for those organizations considering implementing Salesforce Lightning.

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 Salesforce Lightning can have on an organization:



### **DUE DILIGENCE**

Interviewed Salesforce stakeholders and Forrester analysts to gather data relative to Lightning.



### **CUSTOMER INTERVIEWS**

Interviewed seven organizations using Lightning to obtain data with respect to costs, benefits, and risks.



### **COMPOSITE ORGANIZATION**

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



### **FINANCIAL MODEL FRAMEWORK**

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



### **CASE STUDY**

Employed four fundamental elements of TEI in modeling Salesforce Lightning'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 Salesforce 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 Salesforce Lightning.

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.

# The Lightning Customer Journey

## BEFORE AND AFTER THE LIGHTNING INVESTMENT

### Interviewed Organizations

For this study, Forrester conducted seven interviews with Salesforce Lightning customers. Interviewed customers include the following:

| INDUSTRY  | REGION                      | INTERVIEWEE  | NUMBER OF USERS   |
|---|-----------------------------|--|---|
| Network and enterprise security                 | Headquartered on West Coast | VP of enterprise applications  | 2,000 Sales Cloud users   |
| Storage   | Headquartered on West Coast | IT director for CRM applications                                       | 1,000 Sales Cloud users<br>300 Service Cloud users                    |
| Professional services and consulting            | Headquartered in U.K.       | Engagement director  | 47,000 Salesforce users   |
| Software development                            | Headquartered on West Coast | VP enterprise architecture and business applications                   | 1,200 Sales Cloud users<br>600 Service Cloud users                    |
| Professional services and investment management | Headquartered in Midwest    | SVP, IT solutions<br>VP, senior Salesforce administrator               | 400 Salesforce users  |
| IT staffing services                            | Headquartered in Midwest    | President  | 250 Sales Cloud users<br>200 Salesforce for Employee Engagement users |
| Software development                            | Headquartered on West Coast | Director, sales automation and analytics<br>Sales automation architect | 2,000 Sales Cloud users<br>400 Service Cloud users                    |

### Key Challenges

The major drivers cited by the interviewees for their Lightning deployment included:

- › **Improved user experience.** Improving user experience was a common driver for the interviewed organizations that were Salesforce customers for more than eight years. Lightning enabled these organizations to provide a more modern and seamless user experience than their previous Salesforce iteration. One VP of IT enterprise applications noted: “One of the key pain points of our sales organization was the amount of productivity loss from the repeated data entry they had to do. It was very frustrating for them. We had not done clean up of the Sales object in years.” One SVP of IT Solutions added: “User experience is something we really wanted to focus on. As our world changed, we wanted to make sure that our use of the Salesforce platform remained relevant. We wanted to make sure that it looked right for our teams — a good UI with dashboards and analytics.”
- › **Innovation and access to new features and capabilities.** Organizations also highlighted that any future innovation for Salesforce was going to be on the Lightning platform, so it was inevitable that they would transition to Lightning to gain access to new features and capabilities, such as low-code app development, improved dashboards, and mobile framework for app building.

“We’ve seen better efficiency with Lightning. As an admin with some developer tendencies, the Lightning interface provides me with much more ability to customize, to develop without code or engaging a developer.”

*VP, senior Salesforce administrator, professional services organization*



- › **Ability to align deployment with major business transformation initiative.** Several organizations noted that the main catalyst for their Lightning deployment was major sales transformation projects in their companies. One executive at a software development company stated: “We had just launched multiple new products over the past year, and we were trying to drive our 2,000-member sales organization to sell the new version of our products. In order to get access to the new tool to sell these products, you had to be on Lightning.” The VP of enterprise architecture and business applications at another company said: “We did not have to convince our business constituents to move to Lightning because the push was to transform the business and implement the new sales organization. We had a budget to implement a new sales organization, and the Lightning implementation came with it.”
- › **Access to modern collaboration tools with a new CRM install.** One mid-market organization that did not have a CRM prior to its Salesforce investment chose to go live on Lightning instead of Classic, largely due to the collaborative features of the new platform. The company’s president noted: “Lightning is far better for collaboration than Classic. In Classic, Chatter sits at the top of the page and pushes all the relevant information down and off the page. With Lightning, everything is there. You get a 360-degree view of the client.” He added: “We have a younger workforce. They don’t have time for anything clunky. They need everything in one view, with no scroll.”

## Key Results

The interviews revealed that key results from the Lightning investment include:

- › **Improved user experience leading to end user productivity savings with Lightning Experience.** The Lightning deployment brought improved end user experience to the organizations interviewed. Companies with longstanding Salesforce implementations redefined processes and optimized their UI (which included using Path and reducing the number of fields and data entry requirements) to facilitate efficiency. Different page layouts could be tailored to different personas; one Salesforce administrator noted, “People with dual roles, such as if they sell and manage accounts, now they can look at the same account, with different metrics and components on that page, depending on their view.” The VP of IT enterprise applications at another organization noted: “We’ve delivered a richer user experience with Lightning. For example, our reps can now create an influence map for each account, not the general hierarchy but identifying who the key influencer is in a sale.” Other reported sales efficiency drivers from Lightning deployments included an improved mobile experience and the ability to embed Einstein Analytics directly into the user experience. Interviewees estimated time savings to their sales organizations from 1 to 10 hours a week after switching to Lightning from Classic.

“With Lightning we’ve been able to create a page for our sales team with a 360-degree customer view. It has fewer clicks, it’s more visually appealing, and shows salespeople the right metrics.”

*Director, sales automation and analytics, software company*



“Lightning is light years ahead and more in line with what we see with the cooler apps people use today. Classic was like living in the 19<sup>th</sup> century.”

*VP, enterprise applications, network and enterprise security*



“Sales productivity has significantly increased. They’ve gone from massive screens with 1,000 objects that cannot even be rendered on a mobile device to one screen with a dozen fields that they [field sales personnel] can quickly go through.”

*VP for enterprise architecture and business applications, enterprise software company*



- › **Improved reporting and time savings for business sponsors and power users with Lightning Experience.** In addition to general end user productivity savings, power users such as business sponsors and project managers saw time savings from improved dashboard capabilities. One IT VP remarked: “From a customer satisfaction standpoint, it’s been a success. Now that we’re on Lightning, our CEO and executive team are using Salesforce through the dashboards when they weren’t before. We’ve seen savings on creating custom reports, and our execs have a higher degree of confidence in the information.”
- › **Lower development and support costs due to improved processes and faster application deployment with Lightning Platform.** Lightning’s component-based framework also enabled organizations to deploy customizations without writing code, leverage base components for reuse, and deploy applications faster. Several organizations reported increased efficiency for their Salesforce development teams but also cautioned that there was a learning curve before that time was saved. Other organizations that were still in their phased implementation process anticipated that increased developer and support efficiency would come later in the process once full deployment was complete.
- › **Lower developer turnover rate with Lightning Platform.** With the transition to Lightning, one organization noted increased employee engagement as its development team gained new skills. The turnover rate for this organization decreased by 80%, resulting in hiring cost savings for the organization.

Quantifiable benefits are discussed in more detail starting in the Analysis Of Benefits section below. The interviews also revealed several significant but unquantified results, which are detailed in the Unquantified Benefits section further in the report.

## Composite Organization

Based on the interviews, Forrester constructed a TEI framework, a composite company, and an associated ROI analysis that illustrates the areas financially affected. The composite organization is representative of the seven companies that Forrester interviewed and is used to present the aggregate financial analysis in the next section. The composite organization that Forrester synthesized from the customer interviews has the following characteristics:

**Description of composite.** The company is a multinational organization headquartered in the United States. It has \$3B in annual revenue and 5,000 employees. The organization has 2,000 Sales Cloud users, which include field sales, channel sales, and sales support. The organization also has 400 Service Cloud users. The organization has been using Salesforce for 10 years and has built approximately 100 custom applications on the platform.

**Deployment characteristics.** Improving the sales user experience drove the organization’s Lightning deployment. The organization chose to do a phased deployment, with a deployment to 1,000 field sales personnel in the first year and moving to the full 2,000 sales organization by Year 2. The organization went live with a Lightning deployment for Service Cloud users in Year 3. Going forward, all new applications will be

“The way to get true adoption is if you give your users a better use case. It’s about refining the processes — cleaning them up to make them more user-friendly, really thinking about the user perspective. That’s the one power of Lightning, it gives you the ability to have a real focus on the user experience.”

*Salesforce automation architect,  
software development company*



### Key assumptions

Phased Lightning deployment

2,000 Sales Cloud users

400 Service Cloud users

built on the Lightning platform. Migration projects for current applications are ongoing each year with a concerted effort to use more out-of-the-box applications where applicable. The Salesforce Lightning deployment was part of a business transformation initiative for the sales organization, where the organization exerted extensive effort to reorganize and align sales processes and teams to strategic objectives. The organization extensively revamped processes that determined the shape of the processes transitioned from Classic to Lightning.

# 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  | Improved end user productivity — sales         | \$249,375 | \$748,125   | \$997,500   | \$1,995,000 | \$1,594,426   |
| Btr  | Time savings for business sponsors/power users | \$90,000  | \$180,000   | \$180,000   | \$450,000   | \$365,815     |
| Ctr  | Developer resource efficiency savings          | \$0       | \$787,500   | \$787,500   | \$1,575,000 | \$1,242,487   |
| Dtr  | Reduction in application developer turnover    | \$68,000  | \$68,000    | \$68,000    | \$204,000   | \$169,106     |
|      | Total benefits (risk-adjusted)                 | \$407,375 | \$1,783,625 | \$2,033,000 | \$4,224,000 | \$3,371,834   |

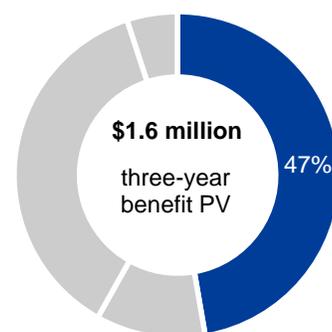
Based on benefit calculations for 2,400 users over a three-year analysis, the total benefit of a Lightning deployment is \$1,405 per user for the composite organization.

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 composite organization expects risk-adjusted total benefits to be a PV of nearly \$3.37 million.

## Lightning Experience: Improved End User Productivity — Sales

Organizations reported that their Lightning Experience deployment improved the end user experience, reduced the time spent on administrative tasks, and increased end user productivity. Interviewees estimated time savings for their sales organizations ranging from 1 to 10 hours a week after switching to Lightning from Classic.

- › One network and enterprise security company noted that the biggest benefit of its transition to Lightning was the better user experience. Previously, repeated data entry was onerous for the sales organization. With Lightning, the organization reduced the number of fields/objects commonly used by 60%. One executive stated that by his most conservative estimate, this saved the company’s salespeople at least 15 minutes a day.
- › One software company estimated that, based on its initial phased rollout, Lightning Experience would improve sales team productivity by 5%.
- › One VP for enterprise architecture and business applications reported that sales productivity significantly increased after the organization’s Lightning deployment, as it provided a better mobile experience and implemented CPQ (configure-price-quote) software. This VP noted: “It’s better to ask them to do three things in the moment than 300 things the next day. We are empowering our field.” This better user experience coupled with increased mobile capability saved the field sales team between 5 and 10 hours a week.



Improved end user productivity — sales: **47%** of total benefits

- › One storage organization that had some challenges with full adoption of Salesforce by the sales team noted that active users of Salesforce increased by 70% after its Lightning deployment. An executive observed: “We’re starting to see more lead gen flowing from our channel business, more traction and higher volume. Adoption is also a lot quicker and easier.” He estimated that capabilities gained with the Lightning deployment increased productivity for the sales team by an hour a week.
- › Organizations undertaking phased deployments noted that they expected to also see time savings and productivity improvements for users outside of the sales organization (for example, call center personnel on Service Cloud) but could not definitively quantify these savings at the time of the interview.

For the composite organization, Forrester assumes that:

- › The organization transitioned 1,000 field sales personnel to Lightning in the first year of deployment. The rest of the sales organization transitioned in Year 2.
- › Improvement in user experience through the Lightning deployment saved each user in the sales organization an average of 1 hour a week. Productivity saving estimates of the organizations interviewed ranged from one hour to 10 hours, equivalent to 3% to 25% productivity improvement. The financial analysis uses a 3% improvement for calculating productivity savings.
- › To be conservative, only 25% of these time savings were captured for productive work.
- › Users fully realized productivity savings after six months of working on the Lightning Platform. This translated to ramp-up percentages of 50% in Year 1 and 75% in Year 2.
- › While there was potential for additional end user productivity savings once Lightning was deployed for Service Cloud personas in Year 3, these were not included in this analysis.

Forrester also considered several impact risks that could potentially reduce anticipated end user productivity savings:

- › Variability in the user experience of an organization’s pre-Lightning environment and the time spent on administrative tasks on the platform.
- › Variability in size and scope of Lightning deployment.

To account for these risks, Forrester adjusted this benefit downward by 5%, yielding a three-year risk-adjusted total PV of \$1,594,426.

“Lightning has gotten our Salesforce user community excited. [After the Lightning deployment,] Salesforce is now a much more inviting experience — to look at a customer, to look at an opportunity, and consume all that information. Instead of a flat file, sales now has a smarter view into the object.”

*Sales automation architect,  
software company*



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.

## Improved End User Productivity — Sales: Calculation Table

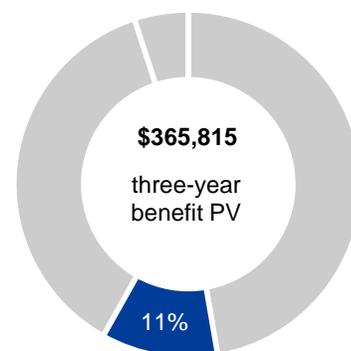
| REF. | METRIC   | CALC.                                    | YEAR 1    | YEAR 2    | YEAR 3      |
|------|--|--|-----------|-----------|-------------|
| A1   | Number of salespeople                                  |  | 1,000     | 2,000     | 2,000       |
| A2   | Annual fully loaded compensation                       |  | \$70,000  | \$70,000  | \$70,000    |
| A3   | Percent productivity improvement                       |  | 3%        | 3%        | 3%          |
| A4   | Percent captured                                       |  | 25%       | 25%       | 25%         |
| A5   | Ramp percentage  |  | 50%       | 75%       | 100%        |
| At   | Improved end user productivity — sales                 | $A1 \cdot A2 \cdot A3 \cdot A4 \cdot A5$ | \$262,500 | \$787,500 | \$1,050,000 |
|      | Risk adjustment  | ↓5%                                      |           |           |             |
| Atr  | Improved end-user productivity — sales (risk-adjusted) |  | \$249,375 | \$748,125 | \$997,500   |

## Lightning Experience: Time Savings For Business Sponsors/Power Users

In addition to general end user productivity savings from the Lightning deployments, organizations saw time savings for users who relied heavily on reporting and the dashboard capabilities of Salesforce. Users such as business sponsors decreased time spent on managing pipelines and creating reports and benefited from improved processes. One SVP for IT solutions remarked: “Our project managers love Lightning. They really have to monitor their projects, monitor financial performance, and now with Lightning they are getting all the dashboard information that is important to them.” This organization credited the increased productivity and efficiency for Salesforce power users to a number of Lightning features: improved dashboarding capabilities, the ability to show different page layouts to different personas, and reporting capabilities like the ability to show when a project is over on budget.

For the composite organization, Forrester assumes that:

- › Apart from the average 3% improved productivity for the sales organization, project managers who were power users of Salesforce saw additional time savings because of the improved reporting capabilities of Lightning.



Time savings for business sponsors/power users:  
**11% of total benefits**

- › The 50-person team of project managers saved an additional 2 hours a week with the Lightning deployment.
- › To be conservative, the analysis considers that these 2-hour a week time savings were fully realized six months after the initial Lightning deployment
- › The fully loaded annual compensation of project managers was \$80,000, equivalent to \$38.46 an hour

The time savings for business sponsors/power users will be affected by:

- › Variability in the user experience of an organization’s pre-Lightning environment and the time spent on administrative tasks on the platform.
- › Variability in the number and roles of “power users” of Salesforce within an organization.
- › The fully loaded compensation of power users.

To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year risk-adjusted total PV of \$365,815.

“Dashboard functionality has really improved with Lightning. Some of our accounts are massive and instead of time pulling data and getting our reports together, now our meeting with account teams and business units can focus on real live data.”

*Engagement director, professional services and consulting*



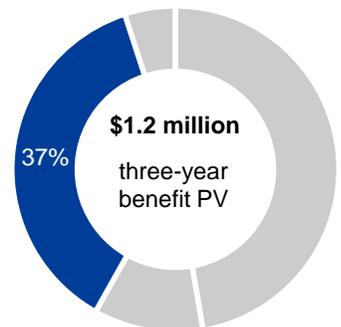
**Time Savings For Business Sponsors/Power Users: Calculation Table**

| REF. | METRIC   | CALC.    | YEAR 1    | YEAR 2    | YEAR 3    |
|------|--|----------|-----------|-----------|-----------|
| B1   | Number of project managers   |          | 50        | 50        | 50        |
| B2   | Hourly rate per project manager  |          | \$38.46   | \$38.46   | \$38.46   |
| B3   | Number of hours saved  |          | 52        | 104       | 104       |
| Bt   | Time savings for business sponsors/power users (rounded to nearest thousand) | B1*B2*B3 | \$100,000 | \$200,000 | \$200,000 |
|      | Risk adjustment  | ↓10%     |           |           |           |
| Btr  | Time savings for business sponsors/power users (risk-adjusted)               |          | \$90,000  | \$180,000 | \$180,000 |

## Lightning Platform: Developer Resource Efficiency Savings

Interviewed organizations consistently cited low-code app development with the Lightning Platform as one of the most valuable features of their Lightning deployments. Development was easier with the Lightning Platform’s component-based framework, and organizations could now easily deploy customizations to Salesforce without writing code. Several organizations explained that faster app development on the Lightning platform led to faster project deployment.

- › One storage organization reported a “dramatic” improvement in application quality with the transition to the Lightning platform. This organization also saw a 50% reduction in time-to-launch for Salesforce application development projects. Development went from 12 weeks to six weeks.



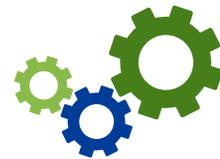
**Developer resource efficiency savings: 37% of total benefits**

- › One IT director noted that his organization expected significant reductions in IT costs while managing the same application portfolio. His company reduced its 20-person team supporting Sales Cloud and Marketing Cloud by 50% after the Lightning deployment. This organization has been using Salesforce for 15 years and had built more than 120 custom applications. With its transition to Lightning, it chose to establish a framework with a consistent UI design, so the organization could build things more quickly with fewer support costs. The director added, “We had less customization and less development work because defaults with Lightning got us to 90% of what we needed.”
- › The SVP of IT solutions of one organization reported time savings of 25% for its Salesforce application development team, adding: “With utility bars, Lightning components, charts — Lightning gives us things we couldn’t have done in the past. We developed a revenue forecasting engine, and this was a task that we used to do manually.” With low-code app development, this organization could rely less on external developers. The organization also reported reduced IT backlog with the increase in data quality and data accuracy from its Lightning deployment as practice leads for each group now had data quality elements on their dashboards. The SVP reported that the application developers quickly adapted to Lightning and deployed needed functionality for line-of-business projects.
- › Application development savings are not immediate as developers adjust to the new platform. Companies should expect some hesitance to change. One interviewee observed: “I’ve been a Salesforce admin for 12 years, and I was frightened by Lightning since I knew everything in Classic. So, we played around [with] it, sat in a conference room, figured out where the buttons and actions show up, little things like that that are very different in Classic — once we mastered that, everything else became easy.” This organization estimated it had a three- to six-month learning curve to ramp up its Salesforce Classic developers to Lightning. But one VP for enterprise architecture and business applications also noted, “We will see significant support savings in the future because, from a tech standpoint, Lightning has simplified what we do.”
- › Organizations also gained access to a wider set of developers with their Lightning deployments. While the composite organization scenario concentrates on IT efficiency cost savings, Forrester has included a sample calculation for valuing the benefit of faster onboarding of additional resources in the Flexibility section.

For the composite organization, Forrester assumes that:

- › The organization maintained a team of 25 Salesforce developers.
- › Fully loaded compensation for a Salesforce developer was \$140,000 per year.
- › Improved process efficiency, faster application development, and new capabilities with the Lightning deployment enabled the organization to reallocate 25% of its developer resources.
- › This 25% improvement in developer resource efficiency was only fully realized in Year 2 after the initial deployment.

Savings from lower Salesforce development and support costs will vary with:



25% improvement in  
developer efficiency

- › Size and average compensation of Salesforce development and support team.
- › Scope of Salesforce implementation and an organization’s pre-Lightning environment.

To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year risk-adjusted total PV of \$1,242,487.

### Developer Resource Efficiency Savings: Calculation Table

| REF. | METRIC  | CALC.          | YEAR 1    | YEAR 2    | YEAR 3    |
|------|---|----------------|-----------|-----------|-----------|
| C1   | Number of Salesforce developers                       |                | 25        | 25        | 25        |
| C2   | Annual fully loaded compensation                      |                | \$140,000 | \$140,000 | \$140,000 |
| C3   | Percentage reallocation of development resources      |                | 0%        | 25%       | 25%       |
| Ct   | Developer resource efficiency savings                 | $C1 * C2 * C3$ | \$0       | \$875,000 | \$875,000 |
|      | Risk adjustment                                       | ↓10%           |           |           |           |
| Ctr  | Developer resource efficiency savings (risk-adjusted) |                | \$0       | \$787,500 | \$787,500 |

## Lightning Platform: Reduction In Application Developer Turnover

Interviewees benefited from increased employee engagement and motivation of their application developers as they gained new skills with the Lightning deployment. One executive noted: “We’ve seen benefits from a career engagement standpoint. They’re learning new things, enhancing their own skills and their resume. The team is motivated because they are learning new stuff with Lightning, the kind of skills that can transform careers.” This organization reported that application developer turnover prior to its Lightning deployment was 20%; this decreased to less than 3%.

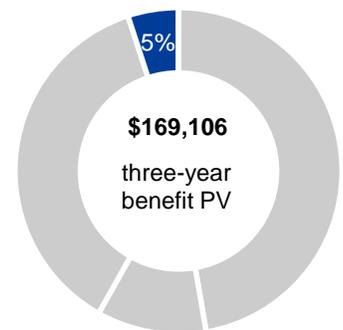
For the composite organization, Forrester assumes that:

- › The 25-person application development team that supported Salesforce saw an 80% reduction in turnover rate after the Lightning deployment.
- › Attrition rate before the Lightning deployment was at 20%.
- › Average hiring costs for a Salesforce developer were \$20,000.

The reduction in application developer turnover will vary with:

- › Size and average compensation of Salesforce development and support team.
- › An organization’s pre-Lightning environment, including attrition rates.

To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year risk-adjusted total PV of \$169,106.



Reduction in application developer turnover: **5%** of total benefits

**Reduction In Application Developer Turnover: Calculation Table**

| REF. | METRIC  | CALC.               | YEAR 1   | YEAR 2   | YEAR 3   |
|------|---|---------------------|----------|----------|----------|
| D1   | Number of people on team                                    |                     | 25       | 25       | 25       |
| D2   | Attrition   |                     | 20%      | 20%      | 20%      |
| D3   | Reduction in attrition                                      |                     | 80%      | 80%      | 80%      |
| D4   | Hiring costs  |                     | \$20,000 | \$20,000 | \$20,000 |
| Dt   | Reduction in application developer turnover                 | $D1 * D2 * D3 * D4$ | \$80,000 | \$80,000 | \$80,000 |
|      | Risk adjustment   | ↓15%                |          |          |          |
| Dtr  | Reduction in application developer turnover (risk-adjusted) |                     | \$68,000 | \$68,000 | \$68,000 |

## Unquantified Benefits

In addition to the quantified benefits outlined above, interviewed organizations identified several benefits that were thought to be very positive, but had not yet been measured. These include:

- › **Faster time-to-market.** Several organizations cited faster time-to-market as a benefit, as they could develop and deliver applications faster with the Lightning platform. One organization reported that it could develop mobile projects 50% faster with Lightning versus Classic. One IT director for CRM applications said: “Traditionally, we had a lot of customizations to work around Classic. We don’t need to do that anymore with Lightning because we are doing things out of the box.” This organization’s IT team also saw more business power users “doing things on their own” with Lightning’s low-code capabilities and the more out-of-the-box direction of the Lightning deployment. One engagement director at a consulting firm affirmed, “Lightning has made it faster for us to respond and deploy projects within our organization.”
- › **Improved process efficiency.** The Lightning deployment also brought increased efficiency for IT and business processes. Improved dashboard functionality led to faster reporting and more efficient meetings. With less customization and a more out-of-the-box approach with Lightning, IT teams could spend less time on process standardization and developer training and reduce their IT backlog. One organization cited improved processes resulting in better data quality as another factor in its reduced IT backlog. A senior Salesforce administrator at one company noted that after her company’s Lightning deployment, it was easier for her to provide information needed during the due diligence process for acquisitions, adding, “We can quickly adapt and deploy functionality as needed.”
- › **Improved application quality.** Several organizations also discussed the improved application quality that the Lightning Platform enabled as their developers could reuse components and see fewer errors in their applications. One IT director for sales automation mentioned improved stability, process design, and workflow as benefits of Lightning, calling out the integrated email and calendaring feature as one of the functional benefits of the company’s Lightning deployment. One IT director for CRM applications remarked, “The benefit of Lightning has been dramatic in terms of applications quality.” As this global organization deployed Lightning throughout its offices, it found that its developers did not have to do as much work, as developers could reuse components and rely less on UX and UI resources to deliver applications.
- › **Enabled innovation with ability to quickly bring applications to new channels like mobile.** With Lightning, organizations could now bring applications to new channels like mobile that were not previously supported in the old platform. One software organization highlighted the new mobile experience that it delivered through Lightning as one of the biggest areas of benefit, noting the good feedback that it received from that innovation. Another organization noted that the ability to leverage base components for reuse with Lightning enabled its Salesforce development team to quickly innovate and deliver needed applications to the business.



50% faster time-to-market

“We have faster app development on the Lightning platform because we are now developing in a simpler, cleaner environment. Before we had to develop around customizations. Now there is less complexity overall.”

*VP, enterprise architecture and business solutions, software company*



“The benefit of the Lightning Platform has been dramatic in terms of applications quality.”

*IT director for CRM applications, storage company*



One Salesforce administrator called out Lightning App Builder, which is a point-and-click tool for creating custom pages for Salesforce mobile app and Lightning Experience. The admin called it a “fabulous feature” that will help drive innovative projects for her team. However, a sales automation architect did note a potential challenge of establishing a new role within the company’s Salesforce development and admin teams with these new low-code capabilities, saying: “We’re an enterprise so we have different specialized roles. We are still struggling with the question of how to build out a position between the role of advanced administrator and noncoding developer.”



## Innovation Collaboration Business results

- › **Increased collaboration.** Several organizations saw increased collaboration after their Lightning deployments, largely due to improved reporting capabilities with Lightning. One engagement director at a global consulting firm said: “Collaboration has been a differentiator of Salesforce; prior to that, many of our territories saw CRM as an admin tool. After our Lightning deployment and broader organizational alignment, we can now leverage technology to be much more. There’s been great success for account team collaboration. They can take quick action and respond. It’s much more than pipeline management.” One staffing services organization that did not have a CRM solution prior to going live with Salesforce Classic over two years ago saw increased internal collaboration and improved ability to deliver to its clients after deployment. This company’s president noted: “We had no collaboration before. We had 20 different companies, and it was like herding cats. Now we are one well-oiled machine working together to get to point-of-sale.”
- › **Better business results.** While most of the interviewed organizations did note that it was too early in their Lightning deployments to directly quantify business results from Lightning, one company did point out that its sales transformation initiative coupled with the Lightning deployment increased adoption and increased active usage of Salesforce by 70% within its sales organization. An executive noted: “We’re starting to see more lead gen flowing in from our channel business. We’ve seen more traction on the channel side, with higher volume coming in on our smaller channels.”

## 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 Lightning and later realize additional uses and business opportunities, including:

- › **Additional end user productivity savings.** As organizations with phased Lightning deployments expand the number of users on Lightning, organizations can expect to see additional end user productivity savings. Examples of this could include productivity savings for call center agents, help desk personnel, and others.
- › **Revenue from faster time-to-market for revenue-generating, business-focused applications.** As organizations see faster deployment of applications that are customer-facing and focused on revenue generation, these companies will benefit from the additional revenue and incremental profit that getting these projects to market earlier may generate.

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.

- › **Increased access to ongoing innovation.** Organizations gain access to ongoing innovation with Salesforce’s three-release schedule each year. New capabilities introduced by Salesforce, such as Einstein, which is a layer of artificial intelligence that delivers predictions and customer data based on an organization’s business processes and actions, would benefit these organizations.
- › **Savings from faster onboarding process.** One software organization noted that its Lightning deployment gave it access to a wider set of developers. This company found that it was easier to onboard a managed service provider, and these resources could be more productive in a week versus a month in the pre-Lightning environment. A sample calculation for quantifying the value for a faster onboarding process for additional full-time equivalents (FTEs) is listed below. For this organization, faster onboarding of a 10-person team from a managed service provider every year generates \$200,861 in value over a three-year analysis.

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

#### Value From Faster Onboarding Process: Calculation Table

| REF. | METRIC  | CALC.                    | YEAR 1   | YEAR 2   | YEAR 3   | Total     | Present Value |
|------|---|--------------------------|----------|----------|----------|-----------|---------------|
| E1   | Number of FTEs  |                          | 10       | 10       | 10       |           |               |
| E2   | Hourly rate per FTE (rounded)                               | \$140,000/<br>2,080 ours | \$67.31  | \$67.31  | \$67.31  |           |               |
| E3   | Number of hours saved for onboarding/increased productivity | 3 weeks                  | 120      | 120      | 120      |           |               |
| Et   | Value from faster onboarding process                        | E1*E2*E3                 | \$80,769 | \$80,769 | \$80,769 | \$242,308 | \$200,861     |

# 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 |
| Ftr         | Implementation costs — internal labor | \$171,733 | \$128,800 | \$128,800 | \$64,400 | \$493,733 | \$443,655     |
| Gtr         | Professional services                 | \$137,500 | \$55,000  | \$55,000  | \$0      | \$247,500 | \$232,955     |
| Htr         | Planning and ongoing training support | \$49,095  | \$5,750   | \$35,826  | \$5,750  | \$96,421  | \$88,250      |
|             | Total costs (risk-adjusted)           | \$358,328 | \$189,550 | \$219,626 | \$70,150 | \$837,654 | \$764,860     |

Based on the composite organization with 2,400 users, the total deployment and support cost of a Lightning deployment is \$319 per user.

### Implementation Costs — Internal Labor

The organizations interviewed had different implementation approaches for Lightning. Most chose a phased implementation, with a gradual rollout of Lightning to different user groups. Other implementation approaches included a “Big Bang” deployment and a new Salesforce instance deployment.

- › Several companies chose a “Big Bang” approach, where Lightning was deployed to all Salesforce users at once. One professional services and investment management company used internal resources to deploy Lightning to 400 users over a period of one week with five different user training sessions for that week. Before going live, IT administrators spent two months, while beta users spent one month, in the system. The project team chose to leave Classic on so users could switch back and forth if needed.
- › Customers that had a “Big Bang” approach typically did not dramatically change their business processes or, as in one case, did not have a traditional CRM solution in place prior to Lightning. One executive at an interviewed company that had Classic before its Lightning deployment stated: “We don’t do a lot of coding in Visual Force. The declarative development that we did have in the system migrated really well.”

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 composite organization expects risk-adjusted total costs to be a PV of nearly \$765K.



**Four months**  
Phase 1 initial  
implementation period

- › One organization chose to implement Lightning with a new Salesforce instance as part of a large business transformation initiative. This organization worked with an SI and deployed a new Salesforce instance for opportunity management in 81 days. When asked about what drove this choice, the VP enterprise architecture and business applications remarked: “If you are sitting on a 10- to 12-year-old implementation, you are better off reimplementing rather than trying to justify all the customizations that you’ve made. There are decisions the company made back in the day that don’t translate to the business environment now.” He also acknowledged, “It’s hard to ask for money for a UI upgrade, but if you marry it with a business transformation or change management initiative, if there is a business-level imperative to hang off on, then it’s easier to get your constituents to agree to the project.”
- › When asked about tools and support that were beneficial to their Lightning transition, interviewees listed the readiness assessment tool, a standard UI design framework, Trailhead training, and user champions, among others. The VP of IT enterprise applications of one organization that chose a phased approach noted that what helped the organization was a “very closely managed scope. We only moved four objects over — Account, Opportunity, Lead, and Contact and each associated flow.”

For the composite organization, Forrester assumes that:

- › The initial deployment phase had four internal Salesforce resources working 80% of the time over a period of four months on the Lightning deployment.
- › The next phases of deployment required four internal Salesforce resources working 80% of the time over three months for the first and second year after the initial deployment.
- › Two internal resources were allocated at 80% of their time over three months to deployment activities, which included moving previously developed custom applications to Lightning.
- › The fully loaded annual compensation of project managers was \$80,000, equivalent to \$38.46 an hour.

Implementation costs for internal labor can vary by:

- › The deployment approach for Lightning.
- › The degree of customization in the pre-Lightning environment and the appetite for replicating these customizations in Lightning.
- › The size and scope of the implementation, including the number of users, integrations, and phases.

To account for these risks, Forrester adjusted this cost upward by 15%, yielding a three-year risk-adjusted total PV of \$443,655.

“Trailhead trails were really good starting off points. But the Trailhead community itself has been very helpful. The ability to go in and ask a question and 10 minutes later, you’ll have seven different answers — you don’t get that kind of community from any other application or product.”

*SVP, IT solutions, professional services organization*



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.

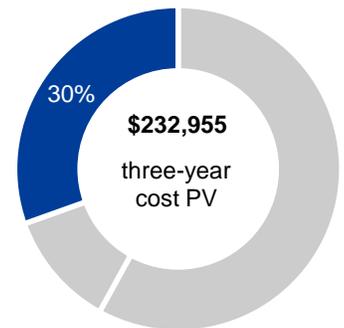
## Implementation Costs — Internal Labor: Calculation Table

| REF. | METRIC  | CALC.              | INITIAL   | YEAR 1    | YEAR 2    | YEAR 3    |
|------|---|--------------------|-----------|-----------|-----------|-----------|
| F1   | Number of Salesforce developers                       |                    | 4         | 4         | 4         | 2         |
| F2   | Annual fully loaded compensation                      |                    | \$140,000 | \$140,000 | \$140,000 | \$140,000 |
| F3   | Number of months                                      |                    | 4         | 3         | 3         | 3         |
| F4   | Percentage of time spent                              |                    | 80%       | 80%       | 80%       | 80%       |
| Ft   | Implementation costs — internal labor                 | $F1*(F2/12)*F3*F4$ | \$149,333 | \$112,000 | \$112,000 | \$56,000  |
|      | Risk adjustment                                       | ↑15%               |           |           |           |           |
| Ftr  | Implementation costs — internal labor (risk-adjusted) |                    | \$171,733 | \$128,800 | \$128,800 | \$64,400  |

## Professional Services

Organizations may choose either to use the services of a systems integrator and partner in their Lightning deployment or to deploy Lightning with internal resources. Almost half of the interviewees chose to work with an SI to deploy Lightning. The composite organization worked with an SI and spent professional fees of \$125,000 for the initial Lightning deployment. The composite organization also incurred additional professional services fees of \$50,000 in years 1 and 2 of its phased deployment of Lightning.

The extent of professional services required may vary with the size and scope of each Lightning deployment. To account for this variability, Forrester risk-adjusted this cost up by 10%. This yields a three-year risk-adjusted total PV of \$232,955.



**Professional services:  
30% of total costs**

## Professional Services: Calculation Table

| REF. | METRIC                                | CALC. | INITIAL   | YEAR 1   | YEAR 2   | YEAR 3 |
|------|---------------------------------------|-------|-----------|----------|----------|--------|
| G1   | Systems integrator fees               |       | \$125,000 | \$50,000 | \$50,000 | \$0    |
| Gt   | Professional services                 | G1    | \$125,000 | \$50,000 | \$50,000 | \$0    |
|      | Risk adjustment                       | ↑10%  |           |          |          |        |
| Gtr  | Professional services (risk-adjusted) |       | \$137,500 | \$55,000 | \$55,000 | \$0    |

## Planning And Ongoing Training Support

Organizations deploying Lightning also had cross-functional representatives, such as marketing and sales, working during the planning and pilot stages of their implementation process. User acceptance testing was part of this process. Organizations also had resources allocated for training and change management support. In some cases, the sales enablement team carried out this training and support. In others, training and change management was the responsibility of the IT organization's Salesforce team.

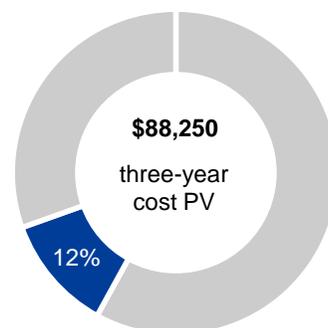
For the composite organization, Forrester assumes:

- › In the initial implementation phase, the organization had 10 people from the sales and marketing organization spend a total of 85 hours on planning and user acceptance testing over a period of four months.
- › As the phased Lightning deployment continued, the organization had eight cross-functional representatives from the business spend another 85 hours on planning and user acceptance testing in Year 2.
- › The average fully loaded compensation of business users participating in the planning and pilot process was \$80,000 per year, equivalent to \$38.46 an hour.
- › The organization allocated internal resources to training and change management support, totaling \$10,000 in the first year and \$5,000 annually.

Planning and ongoing training support costs can vary by:

- › The size and scope of the implementation, including the number of user groups and phases.
- › Amount of change management support needed, as determined by the variation in the pre- and post-Lightning environment.

To account for these risks, Forrester adjusted this cost upward by 15%, yielding a three-year risk-adjusted total PV of \$88,250.



Planning and ongoing training support: **12%** of total costs



**10 FTEs** spent 85 hours on user testing for initial phase

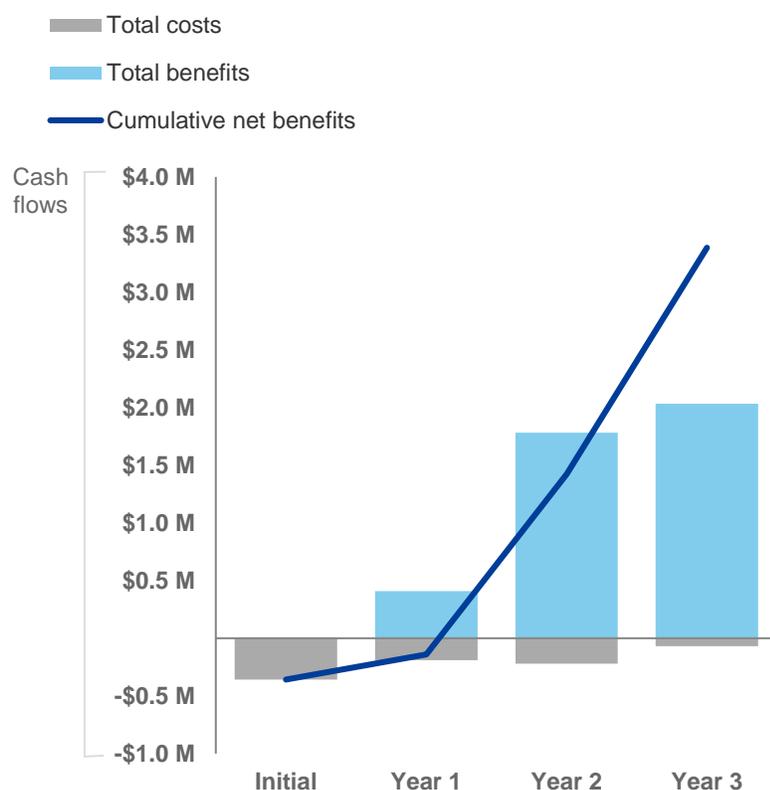
**Planning And Ongoing Training Support: Calculation Table**

| REF. | METRIC  | CALC.                    | INITIAL  | YEAR 1  | YEAR 2   | YEAR 3  |
|------|---|--------------------------|----------|---------|----------|---------|
| H1   | Number of people                                      |                          | 10       |         | 8        |         |
| H2   | Hourly fully loaded compensation (rounded)            | \$80,000/<br>2,080 hours | \$38.46  |         | \$38.46  |         |
| H3   | Number of hours                                       |                          | 85       |         | 85       |         |
| H4   | Training and support costs                            |                          | \$10,000 | \$5,000 | \$5,000  | \$5,000 |
| Ht   | Planning and ongoing training support                 | (H1*H2*H3)+H4            | \$42,691 | \$5,000 | \$31,153 | \$5,000 |
|      | Risk adjustment                                       | ↑15%                     |          |         |          |         |
| Htr  | Planning and ongoing training support (risk-adjusted) |                          | \$49,095 | \$5,750 | \$35,826 | \$5,750 |

# Financial Summary

## CONSOLIDATED THREE-YEAR RISK-ADJUSTED METRICS

### Cash Flow Chart (Risk-Adjusted)



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



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

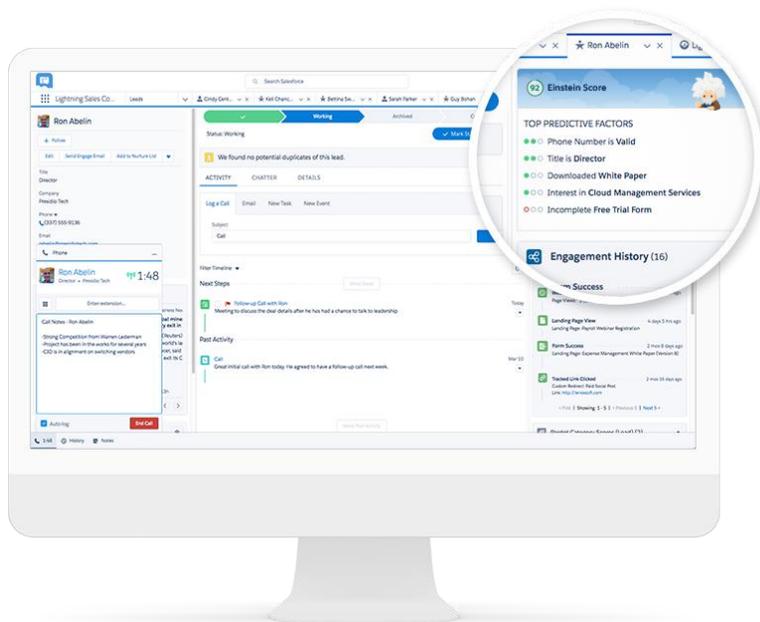
### Cash Flow Table (Risk-Adjusted)

|                | INITIAL     | YEAR 1      | YEAR 2      | YEAR 3      | TOTAL       | PRESENT VALUE |
|----------------|-------------|-------------|-------------|-------------|-------------|---------------|
| Total costs    | (\$358,328) | (\$189,550) | (\$219,626) | (\$70,150)  | (\$837,654) | (\$764,860)   |
| Total benefits | \$0         | \$407,375   | \$1,783,625 | \$2,033,000 | \$4,224,000 | \$3,371,834   |
| Net benefits   | (\$358,328) | \$217,825   | \$1,563,999 | \$1,962,850 | \$3,386,346 | \$2,606,974   |
| ROI            |             |             |             |             |             | 341%          |
| Payback period |             |             |             |             |             | 14 months     |

# Salesforce Lightning: Overview

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

The next level of faster, simpler CRM is here: [Salesforce Lightning](#).



## Boost Productivity With Lightning Experience

Selling fast comes naturally on Lightning. Show reps how to manage pipelines and projects in just a few clicks. Lead them to focus on what's next with Sales Path. Dial up the speed of calls with Lightning Dialer.

Get a quick look new Lightning features in action [here](#).

## Develop Apps Faster With The Lightning Platform

Spin up apps for anything, fast, with easy-to-reuse code across

components. Set new app development speed records, without breaking customizations. Get a quick look new Lightning features in action [here](#).

## Do More With The Appexchange

Perfect your CRM. Customize with apps, components, and your can-do spirit.

Get 300+ components and 1,600+ apps to extend CRM for everyone. Install in minutes.

Customize with clicks for your unique business needs.

## Work Smarter With Artificial Intelligence

Salesforce Einstein — everyone's personal data scientist.

Get AI on your side. Focus on the best leads first with Lead Scoring, uncover the winning

sales move with Opportunity Insights, and skip the data entry using Activity Capture.

Get a quick look new Lightning features in action [here](#).

# Appendix A: Total Economic Impact

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

## Total Economic Impact Approach



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



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



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



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

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



### Present value (PV)

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



### Net present value (NPV)

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



### Return on investment (ROI)

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



### Discount rate

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



### Payback period

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

# Appendix B: Supplemental Material

## Related Forrester Research

“The Forrester Wave™: Low-Code Development Platforms For AD&D Pros, Q4 2017,” Forrester Research, Inc., October 12, 2017.

“The Forrester Wave™: Mobile Low-Code Development Platforms, Q1 2017,” Forrester Research, Inc., March 27, 2017.

“The Forrester Wave™: Development-Only Public Cloud Platforms, North America, Q2 2018,” Forrester Research, Inc., April 9, 2018.