

FORRESTER®

The Total Economic Impact™ Of Glance Guided CX

Cost Savings And Business Benefits
Enabled By Glance

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Table Of Contents

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- Executive Summary 1**
- The Glance Customer Journey..... 5**
 - Key Challenges 5
 - Investment Objectives 6
 - Composite Organization 6
- Analysis Of Benefits 7**
 - Cost Savings From Reduction In Average Handle Time Enabled By Glance..... 7
 - Savings From Improved First-Time Interaction Resolution Enabled By Glance 9
 - Unquantified Benefits 12
 - Flexibility 12
- Analysis Of Costs 13**
 - Licensing 13
 - Professional Services, Implementation, And Training..... 14
 - Internal Ongoing Management And Training 15
- Financial Summary 16**
- Appendix A: Total Economic Impact 17**
- Appendix B: Endnotes 18**



ABOUT FORRESTER CONSULTING

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

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Executive Summary

When the COVID-19 pandemic sent contact center agents home, the flexibility and agility of contact-center-as-a-service (CCaaS) systems dramatically eased the pain of this change, cementing the technology's role as the norm for resilient contact centers.¹ Glance augments CCaaS technologies to address the needs of customer service centers. It offers Guided Customer Experience (CX) solutions to deliver a personal, guided experience in the digital world.

Glance provides companies with the ability to deliver a personal, human-to-human customer experience for service and sales interactions in digital environments. Glance's Guided CX platform has a breadth of "do it together" capabilities such as cobrowse, screen share, and video that enable in-the-moment web and mobile device interactions to increase customer satisfaction during service and sales engagements, improve brand loyalty, and drive revenue.

Glance commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) enterprises may realize by deploying Glance.² The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of Glance on their organizations.

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed four individuals at organizations that have implemented Glance. For the purposes of this study,

Reduction in average handle time

20%



KEY STATISTICS



Return on investment (ROI)

394%



Net present value (NPV)

\$5.39M

Forrester aggregated the interviewees' experiences and combined the results into a single composite organization that has \$500 million in annual revenue and a large customer service center of 1,000 agents.

These interviewees noted how, prior to using Glance, their organizations utilized standard customer interaction solutions including phone calls, emails, and chatbots. However, existing methods yielded limited success, leaving them with frustrated customers and employees. These limitations led to long handle times and customer follow-ups that were costly to the customer service centers.

After the investment in Glance, the interviewees were able to transform their company's website or mobile app into an entry point for immersive, human-assisted interactions, allowing their representatives to help customers resolve their issues, complete transactions, and achieve their goals more efficiently. Key results from the investment include improved

agent productivity, higher customer satisfaction, and improved agent and customer experiences.

KEY FINDINGS

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

- **Reduced average handle time by 20%.** The reduction in average handle time results in significant cost savings for the composite organization. Agents who utilize Glance are more likely to resolve customer issues faster by joining them in their moment of need in a focused and intentional visual collaboration space, increasing overall agent productivity. Over three years, the cost savings from reduction in average handle time enabled by Glance is worth more than \$6.1 million to the composite organization.
- **Improved first-time contact resolution by 2%.** The improvement in first-time contact resolution from 88% prior to Glance to 90% with Glance results in cost savings for the composite organization. The user experience for both customers and agents is positively impacted by the human interaction that Glance enables over a digital environment, leaving customers satisfied and less likely to follow up a second time. Over three years, the savings from improved first-time interaction resolution is worth more than \$614,000 to the composite organization.

Unquantified benefits. Benefits that provide value for the interviewees' organizations but are not quantified in this study include:

- **Increased customer satisfaction.** Interviewees highlighted the impact that Glance had on increasing customer satisfaction through customer satisfaction (CSAT) scores and customer feedback. One interviewee attributed an increase of 2 percentage points in their CSAT score to Glance.

- **Improved employee experience.** Interviewees highlighted the positive feedback from employees using Glance. Agents who used the solution were better equipped to handle customer interactions and had an overall better user experience.

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

- **Cross-selling and upselling opportunities.** Interviewees highlighted the potential impact that Glance could have as a revenue driver. With higher customer satisfaction and overall positive user experiences, the opportunity for cross-selling and upselling could result in an increase in customer conversion rates.

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

- **Licensing costs of \$1.3 million.** Licensing costs are structured on a monthly subscription based on the average number of active Glance users for the composite organization.
- **Professional services, implementation, and training costs of \$57,000.** Upfront costs include Glance professional services, internal implementation time, and training time for Glance users.
- **Internal ongoing management and training costs of less than \$23,000.** Internal ongoing management includes support and maintenance, including user setup and site maintenance. New hire training is also included.

The representative interviews and financial analysis found that a composite organization experiences benefits of \$6.75 million over three years versus costs of \$1.37 million, adding up to a net present value (NPV) of \$5.39 million and an ROI of 394%.



ROI
394%



BENEFITS PV
\$6.75M



NPV
\$5.39M

Benefits (Three-Year)

Cost savings from reduction in average handle time enabled by Glance

\$6.1M

Savings from improved first-time interaction resolution

\$614.0K

“If you have an organization that is trying to strategically utilize your customer support team in a way that is pushing the business forward through the success of customers, then Glance is a great tool to utilize and have as part of the basic toolkit for reps. The customer impact is very positive. If you want happy customers that are successful, then Glance is a great product.”

— Senior director of customer operations, online marketing

TEI FRAMEWORK AND METHODOLOGY

From the information provided in the interviews, Forrester constructed a Total Economic Impact™ framework for those organizations considering an investment in Glance.

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 Glance can have on an organization.

DISCLOSURES

Readers should be aware of the following:

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

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

Glance 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.

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



DUE DILIGENCE

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



INTERVIEWS

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



COMPOSITE ORGANIZATION

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



FINANCIAL MODEL FRAMEWORK

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



CASE STUDY

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

The Glance Customer Journey

■ Drivers leading to the Glance investment

Interviews				
Role	Industry	Region	Size	Customer Service Interactions/Year
Senior director of service operations	Financial services	United States	\$412 million in annual revenue 500 customer service agents	2 million
Principal product owner	Banking	United States	\$24.3 billion in annual revenue 15,000 customer service agents	5.4 million
Senior director of customer operations	Online marketing	Canada	\$66.3 million in annual revenue 150 customer service agents	600,000
Customer experience group manager	Financial services	HQ in United States, global operations	\$14.4 billion in annual revenue 25,000 customer service agents	26.7 million

KEY CHALLENGES

Interviewees described the standard processes in their customer service centers, which included phone calls, email support, and chatbots. The interviewees described the inefficiency with these forms of interactions. They noted phone calls were lengthy, often leading to frustrated customers who could not easily describe the issue they were experiencing when using the company's digital property and who could not resolve the issue without assistance from an employee. Emails were inefficient, since they relied on sharing screenshots between customers and agents, and chatbots were only capable of addressing minor customer questions, leaving customers to phone in, email, or take the time to go in-person to the organization's locations to get the issue resolved.

Inefficient processes often led to a high abandonment rate from customers, especially during the first point of contact. Customers lost patience if their requests and questions were not answered within a timely manner. This was costly for organizations, as the interviewees described the challenge of meeting high

“Glance is a crucial component of the customer and expert experience. Customer success is not a cost center — it’s a revenue driver.”

Customer experience group manager, financial services

customer interaction demand with their current number of agents. The inefficiencies and high abandonment rates were amplified with the COVID-19 pandemic as companies shifted from brick-and-mortar locations to an online presence. While customers grew used to technologies helping them in a digital environment, they now wanted and expected a clear path from digital experiences to human help.

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

- **Processes to solve customer issues that weren't efficient.** The senior director of customer operations at an online marketing organization described: "We were having a really hard time to meet service levels just because the nature of calls was difficult and challenging. Prior processes weren't working well and that was one of the big things that we were trying to solve for."
- **High abandonment rate from customers.** The principal product owner at a bank noted: "Without Glance, the customer's ability to complete their objectives was low. They would abandon conversations because we were on the phone for a long time, or they would take time to come into the bank."
- **Pandemic created work-from-home challenges.** The principal product owner at a bank shared: "During COVID-19, our lobbies were not open for several months so there was no option for customers to come in and talk to a person. You could go to the drive-through, but you can't have a complex conversation with a banker in the drive-through."

INVESTMENT OBJECTIVES

The interviewees' organizations searched for a solution that:

- Is an industry leader in the cobrowsing and screenshare space.
- Provides a human-guided and easy user experience to address meaningful customer interactions inside digital environments.
- Scales easily across a growing customer service and sales centers.

COMPOSITE ORGANIZATION

Based on the interviews, Forrester constructed a TEI framework, a composite company, and an ROI analysis that illustrates the areas financially affected. The composite organization is representative of the four interviewees, and it is used to present the

"Glance was targeted for two reasons. One, to give us a differentiation against our competitors ... I think we were one of the first in our field to use it. And then the second reason was to help try and train people to self-service on the web."

Senior director of service operations, financial services

aggregate financial analysis in the next section. The composite organization has the following characteristics:

Description of composite and deployment characteristics.

The composite organization is headquartered in the United States and has \$500 million in annual revenue. The composite has a large customer service center with 1,000 customer service agents. On average, each agent has 15 meaningful — and thus more time-consuming — customer interactions per day across 260 working days per year. This results in 3.9 million customer service interactions per year. The average cost of support per minute is \$0.95. At first, Glance is used to address 20% of customer interactions. It then scales to 25% in the second year and 30% in the third year.

Key Assumptions

- **\$500 million in annual revenue**
- **1,000 customer service agents**
- **3.9 million customer interactions per year**
- **\$0.95 average cost of support per minute**

Analysis Of Benefits

■ Quantified benefit data as applied to the composite

Total Benefits						
Ref.	Benefit	Year 1	Year 2	Year 3	Total	Present Value
Atr	Cost savings from reduction in average handle time enabled by Glance	\$2,000,700	\$2,500,875	\$3,001,050	\$7,502,625	\$6,140,390
Btr	Savings from improved first-time interaction resolution	\$200,070	\$250,088	\$300,105	\$750,263	\$614,039
	Total benefits (risk-adjusted)	\$2,200,770	\$2,750,963	\$3,301,155	\$8,252,888	\$6,754,429

COST SAVINGS FROM REDUCTION IN AVERAGE HANDLE TIME ENABLED BY GLANCE

Evidence and data. Interviewees described inefficiencies in their prior environment, including lengthy customer phone calls and email exchanges, that led to higher customer interaction handle times. These interactions were burdensome for both customers and agents when trying to address issues as agents had no visibility into what customers were seeing or navigating on their end.

With Glance, interviewees highlighted the benefits of cobrowsing to improve inefficiencies across their organizations' customer service centers. Agents who utilized Glance were more likely to resolve customer issues faster with visibility of their customer's screen, ultimately leading to a reduction in average handle time.

- The senior director of customer operations at an online marketing organization commented on the reduction in average handle time with Glance, saying: "We would have users sometimes using Glance for 75% of their calls. For those reps, they were really good at the disclosures, the conversation, keeping the boundaries set appropriately with the customer, and we would see a decrease in their handle time."

Improved Agent Productivity

Typical customer interaction use cases described by interviewees included:

- Entry and authentication to log in to accounts.
- Navigating across websites and applications.
- Helping customers perform basic functions.

Interviewees highlighted that Glance enabled the agents who use it to quickly address these interactions and reduce their average handle time, resulting in a 20% improvement in agent productivity.

- The customer experience group manager at a financial services organization highlighted the improvement in customer interactions from reducing the need for non-value-add conversations, saying: "The efficiencies that you get from not having to describe what you see now manifests in many, many minutes or dozens

“With Glance, it’s an improvement in the customer experience and a reduction of expenses, which is rare when you have both of those things happen at the same time.”

Customer experience group manager, financial services

of seconds of non-value-add conversation. The impact is an about 15% to 20% reduction in average handle time.”

- The senior director of service operations at a financial services organization highlighted the impact that Glance had on overall call center costs, commenting: “Call center reps are one of the biggest cost drivers. Everything we do is to reduce costs in the call center. I think that really drove our investment in Glance. Then when we flip that to the clients, it’s like we have this great service for people. When they’re struggling on the web, we’re going to be able to take over their browser and show them how to do it.”

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

- There are 3.9 million customer interactions per year. Glance is utilized by customer service representatives for 20% of interactions in Year 1, 25% of interactions in Year 2, 30% of interactions in Year 3.
- Prior to Glance, the average number of minutes per meaningful interaction was 15 minutes.
- With Glance, average handle time is reduced by 20%.
- The average cost of support per minute is \$0.95.

Risks. Forrester recognizes that these results may not be representative of all experiences and that results will vary depending on the following factors:

- Total number of annual customer interactions.
- Percentage of Glance interactions.
- Average handle time.
- Average cost of support per minute.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$6.1 million.

Cost Savings From Reduction In Average Handle Time Enabled By Glance					
Ref.	Metric	Source	Year 1	Year 2	Year 3
A1	Total number of customer interactions (annual)	Composite	3,900,000	3,900,000	3,900,000
A2	Percentage of Glance interactions	Composite	20%	25%	30%
A3	Average number of minutes per interaction before Glance	Composite	15	15	15
A4	Percent interaction time reduction with Glance	Interviews	20%	20%	20%
A5	Subtotal: Total minutes saved on interactions with Glance (annual)	$A1 \cdot A2 \cdot A3 \cdot A4$	2,340,000	2,925,000	3,510,000
A6	Average cost of support per minute	Composite	\$0.95	\$0.95	\$0.95
At	Cost savings from reduction in average handle time enabled by Glance	$A5 \cdot A6$	\$2,223,000	\$2,778,750	\$3,334,500
	Risk adjustment	↓10%			
Atr	Cost savings from reduction in average handle time enabled by Glance (risk-adjusted)		\$2,000,700	\$2,500,875	\$3,001,050
Three-year total: \$7,502,625			Three-year present value: \$6,140,390		

SAVINGS FROM IMPROVED FIRST-TIME INTERACTION RESOLUTION

Evidence and data. Interviewees described the difficulty in improving their first-time interaction resolution in their prior environment as many interactions were meaningful in nature and sometimes emotionally charged. Customers would often follow up through second interactions if they were unsatisfied with their initial contact. These second-time interactions were costly to customer service centers; therefore, finding a way to improve first-time resolution was a critical driver in finding a better solution to assist customers and improve overall customer satisfaction.

With Glance, interviewees highlighted the impact on first-time resolution as customer issues were easier to solve through human interaction and visibility into the customer’s screen. This led to higher customer satisfaction and resulted in significant savings from improved first-time interaction resolution.

- The senior director of customer operations at an online marketing organization highlighted the improvement in customer satisfaction with Glance interactions that reduced the number of second-time interactions, sharing: “With Glance, we did see an increase in things like first-call resolution as well as some decreases in customer outreach afterwards. The service is a little bit more tailored and customized and

“Our first-time resolution rate has been improved significantly. It doubled or tripled, and we have seen a reduction of escalations.”

Principal product owner, banking

guided. Glance calls went so much better where the customer was feeling confident instead of frustrated. Those types of interactions would definitely be reduced.”

- The principal product owner at a bank commented on the speed of addressing customer interactions on the first-time interaction, saying: “The bankers and call center agents love having that ability to use Glance. They’re able to answer their customers’ questions and their customers are so satisfied that they got their questions answered quickly and accurately.”
- The senior director of customer operations at an online marketing organization described the improvement in first-time interaction, citing: “Prior to Glance, we were in the 80% to 90% range for first-time contact resolution. With Glance, those cobrowse calls we were looking a little bit higher in the 90% range.”

“The service is a little bit more tailored and customized and guided. Glance calls went so much better where the customer was feeling confident instead of frustrated.”

Senior director of customer operations, online marketing

First-time contact resolution

Before	After
88%	90%

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

- There are 780,000 Glance interactions in Year 1, 975,000 in Year 2, and 1.17 million in Year 3.
- The average cost of support per interaction is \$14.25.
- Prior to Glance, 88% of interactions were resolved on the first interaction. Of these, 12% required a second interaction with an agent.
- With Glance, first-time interaction resolution is improved by 2%.

Risks. Forrester recognizes that these results may not be representative of all experiences and that results will vary depending on the following factors:

- The number of Glance interactions.

“We’ve run satisfaction surveys with customers and with bankers. We have a 97% satisfaction rating with Glance.”

Principal product owner, banking

- The percent of interactions resolved on first-time interaction.
- The average cost of support per interaction.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV of \$614,000.

Savings From Improved First-Time Interaction Resolution

Ref.	Metric	Source	Year 1	Year 2	Year 3
B1	Number of Glance interactions (annual)	A1*A2	780,000	975,000	1,170,000
B2	Percent of interactions resolved on first interaction before Glance	Composite	88%	88%	88%
B3	Percent of interactions requiring second interaction before Glance	1-B2	12%	12%	12%
B4	Average cost of support per interaction	A3*A6	\$14.25	\$14.25	\$14.25
B5	Subtotal: Previous cost of supporting second-time interactions before Glance (annual)	B1*B3*B4	\$1,333,800	\$1,667,250	\$2,000,700
B6	Improvement in first-time interaction resolution with Glance	Interviews	2%	2%	2%
B7	Percent of interactions resolved on first interaction with Glance	B2+B6	90%	90%	90%
B8	Percent of interactions requiring second interaction with Glance	1-B7	10%	10%	10%
B9	Subtotal: Cost of supporting second-time interactions with Glance (annual)	B1*B4*B8	\$1,111,500	\$1,389,375	\$1,667,250
Bt	Savings from improved first-time interaction resolution	B5-B9	\$222,300	\$277,875	\$333,450
	Risk adjustment	↓10%			
Btr	Savings from improved first-time interaction resolution (risk-adjusted)		\$200,070	\$250,088	\$300,105
Three-year total: \$750,263			Three-year present value: \$614,039		

UNQUANTIFIED BENEFITS

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

- **Increased customer satisfaction.** Interviewees highlighted the impact that Glance had on increasing customer satisfaction through customer satisfaction (CSAT) scores and customer feedback.

The senior director of customer operations at an online marketing organization attributed the increase in CSAT score to Glance, citing: “From the customer satisfaction standpoint, we were able to consistently quantify about a 2-percentage point increase in CSAT for anybody that uses Glance. That really took us from a 97% type range to more of a 99% range.”

The customer experience group manager at a financial services organization attributed higher customer satisfaction with Glance interactions, sharing: “We did a predictive analysis using speech analytics of all of the behaviors an expert does on a call (brand the greeting, share their professional credentials and years of experience, initiate Glance, confirm resolution, etc.). The biggest predictor of customer satisfaction on the call as measured by our speech analytics’ ‘sentiment score’ was initiation of Glance.”

- **Improved employee experience.** Interviewees also highlighted the positive feedback from employees using Glance. Agents who used the solution were better equipped to handle customer interactions and had an overall better user experience. The principal product owner at a bank shared, “Bankers have a very high satisfaction with the product because it allows them to service their customers better and their customers think they’re rock stars.”

“Customers would be so happy. Bankers have gotten chocolate, flowers, pictures, and a ton of thank-you notes. Customers are so thrilled with this service that it’s just been just an outstanding benefit to our brand.”

Principal product owner, banking

FLEXIBILITY

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

- **Cross-selling and upselling opportunities.** Interviewees highlighted the potential impact that Glance could have as a revenue driver. With higher customer satisfaction and overall positive user experiences, the opportunity for cross-selling and upselling could result in an increase in customer conversion rates. The principal product owner at a bank commented, “When Glance was here a couple of weeks ago, we did talk to the ability to find some places where we could have cross-sell/upsell opportunities that make logical sense and would benefit the customer.”

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

Analysis Of Costs

■ Quantified cost data as applied to the composite

Total Costs							
Ref.	Cost	Initial	Year 1	Year 2	Year 3	Total	Present Value
Ctr	Licensing	\$0	\$485,100	\$519,750	\$554,400	\$1,559,250	\$1,287,074
Dtr	Professional services, implementation, and training	\$57,200	\$0	\$0	\$0	\$57,200	\$57,200
Etr	Internal ongoing management and training	\$0	\$9,240	\$9,240	\$9,240	\$27,720	\$22,979
	Total costs (risk-adjusted)	\$57,200	\$494,340	\$528,990	\$563,640	\$1,644,170	\$1,367,253

LICENSING

Evidence and data. Interviewees noted that licensing costs were structured on a monthly subscription that was based on the average number of active Glance users. Glance adoption varied across interviewees' organizations depending on their internal processes. Some required all agents to use Glance while others offered an opt-in usage of the solution.

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

- Licensing costs are \$462,000 in Year 1, \$495,000 in Year 2, and \$528,000 in Year 3.

- Pricing may vary. Contact Glance for additional details.

Risks. Forrester recognizes that these results may not be representative of all experiences and that results will vary depending on Glance usage per month across customer service agents.

Results. To account for these risks, Forrester adjusted this cost upward by 5%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$1.3 million.

Licensing

Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3	
C1	Licensing	Composite		\$462,000	\$495,000	\$528,000	
Ct	Licensing	C1		\$462,000	\$495,000	\$528,000	
	Risk adjustment	↑5%					
Ctr	Licensing (risk-adjusted)		\$0	\$485,100	\$519,750	\$554,400	
Three-year total: \$1,559,250				Three-year present value: \$1,287,074			

PROFESSIONAL SERVICES, IMPLEMENTATION, AND TRAINING

Evidence and data. Interviewees highlighted a smooth integration process throughout customer service centers as Glance could integrate with existing applications and platforms. Depending on the size of the contact center, implementation took interviewees about a month. Initial training was also highlighted as simple and easy, taking users about an hour to feel comfortable using the solution.

The senior director of service operations at a financial services organization commented: “It’s very easy to use. It’s very simple. I think that it can be plugged in and used very, very quickly. We just implemented it on the other side of our business with no training issues. It went very smooth.”

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

- Glance service fees of \$20,000.

- One product owner spends 160 hours on implementation. The average fully burdened product owner hourly rate is \$50.
- The composite has 1,000 customer service agents, all of whom go through 1 hour of training. The average fully burdened customer service agent hourly rate is \$24.

Risks. Forrester recognizes that these results may not be representative of all experiences and that results will vary depending on the following factors:

- Implementation hours.
- The number of agents.
- Training hours.
- Average fully burdened rates of product owners and agents.

Results. To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year, risk-adjusted total PV of \$57,000.

Professional Services, Implementation, And Training						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
D1	Glance services	Composite	\$20,000			
D2	Customer implementation hours	Composite	160			
D3	Average fully burdened product owner rate (hourly)	TEI standard	\$50			
D4	Subtotal: Implementation costs	D2*D3	\$8,000			
D5	Number of agents	Composite	1,000			
D6	Training hours	Composite	1			
D7	Average fully burdened customer service agent rate (hourly)	TEI standard	\$24			
D8	Subtotal: Training costs	D5*D6*D7	\$24,000			
Dt	Professional services, implementation, and training	D1+D4+D8	\$52,000	\$0	\$0	\$0
	Risk adjustment	↑10%				
Dtr	Professional services, implementation, and training (risk-adjusted)		\$57,200	\$0	\$0	\$0
Three-year total: \$57,200			Three-year present value: \$57,200			

INTERNAL ONGOING MANAGEMENT AND TRAINING

Evidence and data. Interviewees highlighted spending a few hours per month on ongoing management for the solution. This included support and maintenance, such as user setup and site maintenance. New hire training was also highlighted as many customer service centers have a high turnover rate.

The senior director of customer operations at an online marketing organization noted: “For new hire training, we just set up two reps and they would practice back and forth. Depending upon kind of the savviness of the agent, we’re talking maybe 30 to 60 minutes for that practice period.”

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

- A product owner spends 24 hours per year on ongoing management. The average fully burdened product owner hourly rate is \$50.

- The composite has a 30% agent turnover with 1 hour of training spent per new hire. The average fully burdened customer service agent hourly rate is \$24.

Risks. Forrester recognizes that these results may not be representative of all experiences and that results will vary depending on the following factors:

- Ongoing management hours.
- Agent turnover.
- Training hours.
- Average fully burdened rates of product owners and agents.

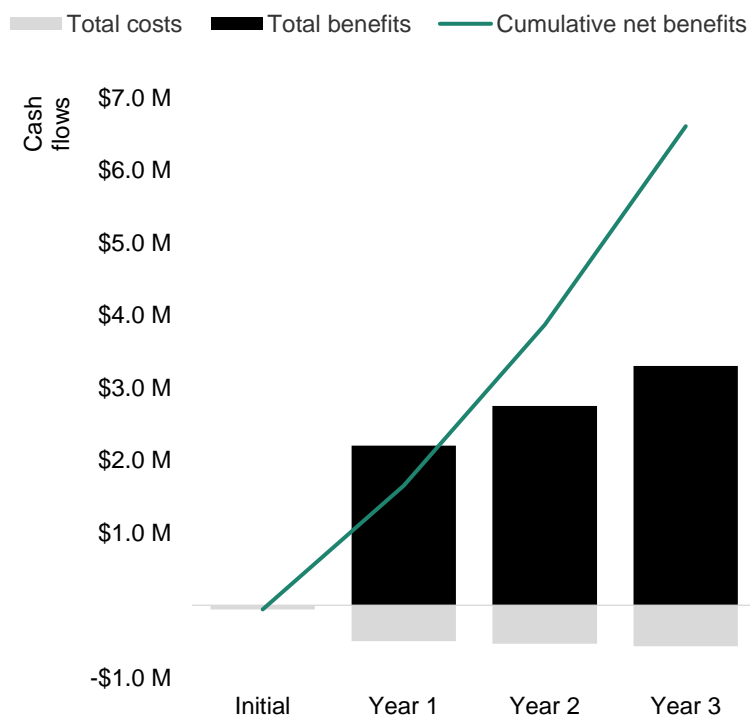
Results. To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year, risk-adjusted total PV of \$23,000.

Internal Ongoing Management And Training						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
E1	Ongoing management hours (annual)	Composite		24	24	24
E2	Average fully burdened product owner rate (hourly)	TEI standard		\$50	\$50	\$50
E3	Subtotal: Internal ongoing management costs	E1*E2		\$1,200	\$1,200	\$1,200
E4	Agent turnover	D5*30%		300	300	300
E5	Training hours	Composite		1	1	1
E6	Average fully burdened customer service agent rate (hourly)	TEI standard		\$24	\$24	\$24
E7	Subtotal: Internal ongoing training costs	E4*E5*E6		\$7,200	\$7,200	\$7,200
Et	Internal ongoing management and training	E3+E7		\$8,400	\$8,400	\$8,400
	Risk adjustment	↑10%				
Etr	Internal ongoing management and training (risk-adjusted)		\$0	\$9,240	\$9,240	\$9,240
Three-year total: \$27,720			Three-year present value: \$22,979			

Financial Summary

CONSOLIDATED THREE-YEAR RISK-ADJUSTED METRICS

Cash Flow Chart (Risk-Adjusted)



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

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

Cash Flow Analysis (Risk-Adjusted Estimates)

	Initial	Year 1	Year 2	Year 3	Total	Present Value
Total costs	(\$57,200)	(\$494,340)	(\$528,990)	(\$563,640)	(\$1,644,170)	(\$1,367,253)
Total benefits	\$0	\$2,200,770	\$2,750,963	\$3,301,155	\$8,252,888	\$6,754,429
Net benefits	(\$57,200)	\$1,706,430	\$2,221,973	\$2,737,515	\$6,608,718	\$5,387,176
ROI						394%

Appendix A: Total Economic Impact

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

TOTAL ECONOMIC IMPACT APPROACH

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

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

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

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

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



PRESENT VALUE (PV)

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



NET PRESENT VALUE (NPV)

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



RETURN ON INVESTMENT (ROI)

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



DISCOUNT RATE

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



PAYBACK PERIOD

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

Appendix B: Endnotes

¹ Source: "[The Forrester Wave™: Contact Center As a Service, Q1 2023](#)," Forrester Research, Inc., March 27, 2023.

² Total Economic Impact is a methodology developed by Forrester Research that enhances a company's technology decision-making processes and assists vendors in communicating the value proposition of their products and services to clients. The TEI methodology helps companies demonstrate, justify, and realize the tangible value of IT initiatives to both senior management and other key business stakeholders.

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