The Total Economic Impact™ Of Workfront

Cost Savings And Business Benefits
Enabled By Workfront

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Table Of Contents

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Benefits And Costs

Productivity benefits experienced by the composite:
$22,644,452

Savings due to decreased project duration:
$4,259,955

License and implementation fees:
$6,796,661

"Workfront is becoming our operational system of record."

Director of global program management, healthcare manufacturer

Workfront is an enterprise work management application platform that enables companies to dedicate people and investments to the right work, increase efficiency, and gain visibility and control to deliver measurable outcomes. Workfront commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) enterprises may realize by deploying the platform. The purpose of this study is to provide readers with a framework to evaluate the potential financial impact Workfront could have on their organizations.

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed representatives of four large enterprise organizations with more than a year of experience using the platform. Prior to using Workfront, the interviewed customers lacked a single place to plan, manage, and measure complex and cross-functional work. They relied on manual project tracking and reporting tools (e.g., spreadsheets, presentation tools, and legacy task management apps) that were either too narrowly focused on a workstream or simply ineffective. The interviewees said their organizations were unable to move beyond managing tasks, and they desired a collaborative work management system. They also wanted to gain visibility into available resources and the work products produced that were ideally tied to strategic outcomes they delivered.

In the race to digitalize, the companies barreled forward with their work. But their efforts were often uncoordinated and left executives flying blind about how this work was linked to strategic initiatives. After adopting Workfront, the organizations focused on operational excellence by breaking down and tearing apart business processes and building systems of work that allowed teams to manage larger workloads with fewer resources. Employee productivity increased due to better ability to manage work portfolios with more focus, agility, quality, and speed.

In addition to increasing visibility and enabling noteworthy productivity gains, Workfront improved employee experience (EX) by eliminating "squeaky wheel" arguments. The interviewees said their company cultures became more positive, especially during budget season, because employees no longer felt like they had to battle for resources. The consulting director for a chemical manufacturing organization said: "We appreciate how quickly we can get approval on business cases and how easy it is to provide the narrative on our activities and diffuse rumors and assumptions. We're able to provide transparency to a level we know executives appreciate because it is timely and factual."

Key Findings

The interviewees' organizations are representative of Workfront's user base, and each company uses Workfront in a different business department. Forrester created a composite organization based on the four departmental use cases: marketing, IT program management, product development, and strategic programs. The financial model is based on data from the interviews, and the case study is the financial story of the composite organization.

Quantified benefits. All four departmental use cases realized sweeping

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ROI
285%

Benefits PV
$26.9 million

NPV
$19.9 million

Payback
< 3 months

productivity improvements, delivering more than $26 million in savings to the composite organization. In addition, Workfront enabled cost savings such as improved operating margins for marketing campaigns and the ability to avoid hiring excess administrative staffers tasked with tracking work.

The following risk-adjusted present value (PV) quantified benefits are representative of those experienced by the composite use cases:

› **Increased productivity for the IT program management office (PMO) produces benefits of $13,784,760 over three years**. Productivity increases due to the reduction of meetings and preparing pre-meeting work like slideshow presentations with data pulled from disparate systems allowed team members to address critical work as it arose; it no longer sat in a cue of backlogged requests. Workfront allowed a healthcare organization's IT PMO to address time-tracking and billing challenges associated with a complex business model.

› **Reduced project length and increased productivity results in product development office savings of $11,067,505 over two years.** Using Workfront, the composite organization's product development group shortens its overall project completion. By visualizing work, breaking it down, and analyzing it, the team of 400 identifies key attributes that cause delays and rework, which ultimately shortens project durations by two weeks.

› **Avoided operational losses and increased productivity allows marketing to experience benefits of $1,784,261 over two years.** The composite organization's marketing department can create an ecosystem of applications used in cross-functional campaigns due to the API integrations that Workfront enables. Reduced time to prepare and execute more than 12,000 marketing campaigns leads to significant productivity increases. By improving quality control processes, the organization can reduce operational losses per campaign by 94%, saving more than $1.5 million over two years.

› **Streamlined management of the strategic program office leads to benefits of $267,971 in one year.** The composite organization's strategic program office is able to avoid the cost of three hires, (which is a large percentage when the team consists of 25 FTEs) due to the visibility and accountability Workfront offers. In addition, this team experiences increased productivity by nearly eliminating status meetings and the corresponding preparation required, saving more than $112,000 per year.

Unquantified benefits. The following benefits were not quantified for this study because interviewees could not share all the key metrics required for the financial model. However, the interviewed organizations did experience the following key value-enabling benefits:

› **API capabilities make Workfront the central hub where work gets done.** The native API capabilities in Workfront allow easy integration with crucial tools needed to do work. For example, before using Workfront, employees often pulled data from multiple unconnected systems to execute on a campaign. By integrating with other business-critical systems, Workfront simplifies processes, reduces errors, and enhances productivity.
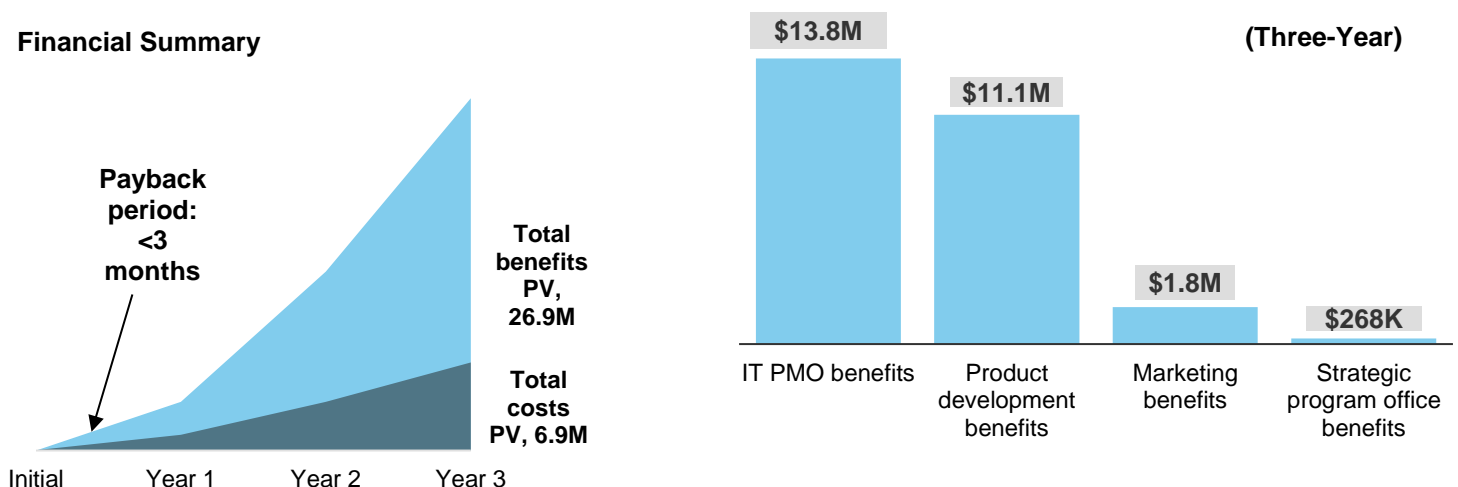
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› **Analytics drive best practice discovery.** Workfront enables the standardization of work and related tasks, and the platform's analytics tools allow for data analysis. For example, organizations can study variations from project to project. Teams use this functionality to hone their practices and to better understand where, when, and why work slips. They use predictive modeling to identify where project churn and slippage occur, which allows them to take proactive corrective steps.

› **Visualizing work allows for accurate priority setting.** Workfront gives teams a centralized view of all their current workstream efforts to facilitate capacity planning. Teams can develop scorecards and assign an "importance score" to projects based on how they align to company goals.

› **Workfront provides business agility in response to crisis.** Workfront enables teams the flexibility to adapt their workflows quickly by empowering users to configure the platform how and when they need it. For example, the healthcare organization's IT PMO was able to quickly react to the COVID-19 pandemic. The team created a time-tracking task for anything related to COVID-19 and applied it to more than 100 workflows in just one day. This allowed leaders to have nearly real-time reports about how work was being reallocated and the true cost of the crisis response.

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

› **Subscription and implementation costs.** Workfront uses a tiered subscription-based model that requires organizations to pay for "work level" and "plan level" licenses. The interviewed organizations also leveraged integration support. The total the composite organization pays for all four business units over three years is $6,796,661.

› **Ongoing support resource costs.** Organizations use ongoing support for technical support, customer support, and training. The composite organization pays $196,483 for ongoing support over three years.

Forrester's interviews with four Workfront customers and subsequent financial analysis found that the composite organization based on the interviewed organizations would experience benefits of $26,904,497 over three years versus costs of $6,993,144, adding up to a net present value (NPV) of $19,911,353 and an ROI of 285%.

Financial Summary

Payback period: <3 months

Total benefits PV, 26.9M

Total costs PV, 6.9M

Initial   Year 1   Year 2   Year 3

(Three-Year)

$13.8M — IT PMO benefits
$11.1M — Product development benefits
$1.8M — Marketing benefits
$268K — Strategic program office benefits

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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 Workfront.

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 Workfront can have on an organization:

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

DUE DILIGENCE
Interviewed Workfront stakeholders and Forrester analysts to gather data relative to enterprise work management.

CUSTOMER INTERVIEWS
Interviewed four organizations using Workfront 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 Workfront'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 Workfront 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 Workfront.

Workfront 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.

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

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The Workfront Customer Journey

BEFORE AND AFTER THE WORKFRONT INVESTMENT

Interviewed Organizations

For this study, Forrester conducted four interviews with Workfront customers. Interviewed customers include the following:

INDUSTRY	REGION	INTERVIEWEE	NUMBER OF EMPLOYEES
Healthcare manufacturer	Headquartered in Florida, US	Director of global program management	4,000 employees
Financial services	Headquartered in Connecticut, US	VP of marketing solutions	16,500 employees
Healthcare	Headquartered in Massachusetts, US	Team lead, IT PMO	74,000 employees
Chemical manufacturing	Headquartered in Germany	Consulting director	117,000 employees

Key Challenges

Prior to adopting Workfront as their operational system of record for enterprise work management, the interviewees told Forrester that their organizations were challenged because employees:

> **Lacked the right tools to track and communicate work progress.** Interviewees described universal communication challenges with gaining visibility into what work employees were doing in their organizations, how they were doing it, and what they needed to move projects forward. The traditional method of gathering all relevant parties with spreadsheets into a conference room for a "meeting of the minds" was time-consuming and inefficient. They were seeking a technology to serve as a single source of truth for project status with good reporting functionality. The director of global program management at the healthcare manufacturer said: "Before Workfront, you couldn't get a meeting room because they were always booked with status meetings. To understand what was blocking a project, there was just no standard approach but to get in a room and hash it out."

> **Needed marketing resource management (MRM) tools that would integrate with end-to-end collaborators.** The VP of marketing solutions for a financial services firm described a use case in which their organization's performance marketing team needed to replace its legacy MRM tool. The team previously implemented it to serve simply as a task-tracking tool, but team members later realized they needed technology built for people — something that would engage employees and allow them to truly manage end-to-end campaign execution. In addition, they wanted to collect data to enhance capacity forecasting and resource management. The VP said, "The issue we were looking to solve was having advanced technology for work management, marketing management, resource management, and reporting."

> "Previously, everyone learned how to get things done by making mistakes. But we should only make those mistakes once, minimize their impact, and not do them with every engineer, every single time."
>
> *Director of global program management, healthcare manufacturer*

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› **Used existing time-tracking tools that lacked flexibility to meet the needs of multiple business functions.** Interviewees described spreadsheets, traditional task-management tools, and even "modern" project tools as clunky and difficult to use. These tools did not provide the level of flexibility required to meet the needs of different departments or varied business models. The IT PMO team lead for the healthcare organization said: "We need to answer to the [healthcare facility] for all the work that we do to report the amount of time and resources spent on the maintenance of the [records] system. Separately, we need to account for time spent on enterprisewide projects, innovation projects, and those projects that individual [health sites] have funded. The highly configurable nature of Workfront enabled us to allocate the work to reflect our complicated business model."

Key Results

The interviews revealed these key results from the Workfront investment:

› **Workfront lets you do the right work the first time.** The interviewees said implementing Workfront provided their organizations with the opportunity to break down the sequence of work to establish consistent methods for completing workflows. By focusing on process improvement, the companies could understand where breakdowns and inconsistent practices disrupted work, slowed it down, or led to costly errors. The director of global program management said their organization used Workfront to create efficiencies and to improve corporate culture by relieving pressure points and finger pointing. They said: "We worked backwards to build the right plan by discussing what went wrong so we could stop it. We got rid of the negative churn. We continue to evolve our workstreams by asking the right questions and becoming more predictable because we know the downstream impact of every task." By adopting a culture of continuous improvement, the companies achieved savings by creating measurable and repeatable best practices.

› **Workfront becomes the undisputed single source of truth.** Adoption of Workfront and consistent, accurate upkeep of data is key to accelerating results. By adopting Workfront as the centralized hub of work planning and tracking, teams can rely on it to report out accurate project status, which saves hours of time preparing for and participating in meetings. At the same time, executives can track the progress of the key work being executed against their strategic priorities for business acceleration.

› **Workfront provides business growth without headcount growth.** The interviewees said implementing Workfront allowed their companies to take on more project work without adding FTEs to support the growing business. By creating focus on operational excellence, organizations can handle more work because the responsibility for tracking work is a shared effort. This newfound time allows program managers to spend time planning work instead of executing work, which is a much higher-value exercise. One interviewee said their company was able to support 10% to 15% business growth without adding substantial headcount. They said, "Our throughput by standardizing the work and launching projects went up 215% in three years."

"It helps compliance to have really strong executive support. I took away [our presentation program], so now our executive business reviews are driven by data in Workfront. In one meeting, our company president said: 'I heard a status update from a product manager, but Workfront shows you are six months later than that. I believe Workfront over you. If you want me to believe you, make Workfront align to you.'"

Director of global program management, healthcare manufacturer

"My budget is well-received because it is developed on facts and data collected over a significant period of time. Workfront allows me to quantify the number of projects and the utilization of my resources. If my team is being overly leveraged, the data gives me an opportunity to articulate a sound business case."

Consulting director, chemical manufacturing industry

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> › **Workfront lets data-driven decisions replace emotional arguments.** Organizations continually face economic pressure to reduce costs, and that can lead to groups jockeying for additional resources. Managers must justify the impact of their resource requests by demonstrating quantifiable value and by bringing data to the discussion to support their asks. Interviewees said their organizations previously suffered from "squeaky wheel gets the grease" syndrome. The healthcare PMO team lead said: "He or she who brings their data wins. I like having leverage in every one of those discussions, and that leverage is created by facts — not feelings and assumptions."

Composite Organization

The composite organization is representative of the four companies that Forrester interviewed and is used to present the aggregate financial analysis in the next section. The composite organization that Forrester synthesized has the following characteristics:

Description of composite. The global, multibillion-dollar B2C organization provides sales, marketing, and customer support, and it is constantly innovating and creating new products. The organization has a strong brand and global operations with 20,000 employees.

Deployment characteristics. The first deployment of Workfront in the organization was the IT PMO office, which funded 350 licenses in the first and second years. In the third year, the IT PMO expanded its footprint to 800 licenses. In Year 2, both the product development and marketing departments decided to deploy Workfront for their unique goals and bought 400 and 700 licenses. In Year 3, the strategic programs office (which explores new business development and M&A opportunities) bought 25 licenses. These groups deployed a mix of license types based on the needs of each individual user.

Key assumptions

✔ B2C company

✔ Global presence

✔ 20,000 employees

✔ Steady 10% to 15% business growth

✔ New business units adopt Workfront over time

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Analysis Of Benefits

QUANTIFIED BENEFIT DATA AS APPLIED TO THE COMPOSITE

Total Benefits

Ref.	Benefit	Initial	Year 1	Year 2	Year 3	Total	Present Value
Atr	IT PMO benefits	$0	$3,992,310	$3,992,310	$9,125,280	$17,109,900	$13,784,760
Btr	Product development benefits	$0	$0	$7,014,690	$7,014,690	$14,029,380	$11,067,505
Ctr	Marketing benefits	$0	$0	$1,130,882	$1,130,882	$2,261,763	$1,784,261
Dtr	Strategic program office benefits	$0	$0	$0	$356,670	$356,670	$267,971
	Total benefits (risk-adjusted)	$0	$3,992,310	$12,137,882	$17,627,522	$33,757,713	$26,904,497

> 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 more than $26 million.

IT PMO Benefits

The modern program management office brings transparency across multiple workstreams and identifies the value of program outcomes. Programs and projects derail when everyone isn't on the same page.[1] Traditionally, IT PMOs are responsible for project intake work planning. The project manager usually owns the work and is responsible for it, but following this model places the burden squarely on them. By distributing tracking and accountability and enabling employees to accurately record their taskwork, Workfront unlocks the opportunity to increase PMO productivity without increasing headcount.

The IT PMO team lead at the healthcare organization described their company's previous struggle to capture all the relevant information from different sources to provide an accurate real-time readout of project updates. By organizing everything within Workfront, all parties have the latest updates from the same tool. The team lead said: "Because we have the information in Workfront, I don't even have to report out anymore. We just have the report sent every week versus us trying to manipulate data into [slideshows], which has saved quite a bit of time."

Three-year benefit PV

$13.8 million

51%
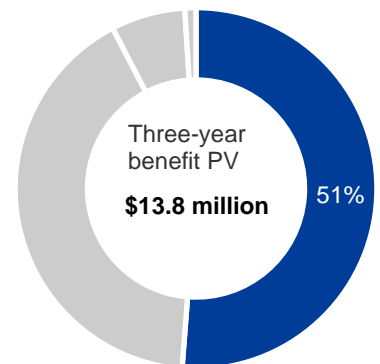
IT PMO benefits: 51% of total benefits

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For the composite organization, Forrester assumes:

> There are 48 working weeks per year.

> The fully burdened salary is $55 per hour.

> Workfront eliminates two hours of pre-meeting work required to develop pre-readout documents in preparation for status meetings.

> Forrester's best practice when measuring productivity increases is to apply a percentage recapture because not all time saved is spent working. In this case, Forrester applied an 80% recapture because interviewees said Workfront allows project managers to handle more work with fewer people.

> Interviewees reported significantly reduced time spent in weekly meetings. Reporting meetings that previously lasted 90 minutes are now 10-minute check-ins. In some cases, organizations could eliminate the meeting entirely. Forrester conservatively modeled this meeting time reduction by eliminating one hour of meetings per Workfront user and five meeting participants.

> Forrester utilized a productivity recapture as explained above.

The productivity benefits that IT PMO offices may experience will vary with:

> The number of users and projects.

> The fully loaded compensation of IT PMO employees.

To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year risk-adjusted total PV of $13,784,760.

"Our executive champion is the executive director of finance and administration. He and the C-suite are endorsing the use of Workfront with the aim of having holistic reporting. That's what allowed this organization to significantly reduce the number of meetings: They trusted Workfront as opposed to needing to massage the data."

ITO PMO team lead, healthcare

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IT PMO Benefits: Calculation Table

Ref.	Metric	Calculation	Initial	Year 1	Year 2	Year 3
A1	Number of licensed users (project owners and managers)	350 paid users in Years 1 and 2, 800 in Year 3		350	350	800
A2	Fully burdened hourly salary per PMO professional	Salary.com		$55	$55	$55
A3	Hours saved due to streamlining data analysis and reporting	2 hours per week for 48 weeks per year		96	96	96
A4	Productivity recapture	Forrester best practice		80%	80%	80%
A5	**Dollars saved due to streamlining data analysis and reporting**	**A1*A2*A3*A4**		**$1,478,400**	**$1,478,400**	**$3,379,200**
A6	Number of meeting participants in addition to the licensed user	Assumption: 5		1,750	1,750	4,000
A7	Average fully burdened hourly salary per meeting participants	Salary.com		$50	$50	$50
A8	Time in meetings before Workfront	Customer interview		90	90	90
A9	Time in meetings after Workfront	Customer interview		30	30	30
A10	Productivity recapture for program managers	Forrester best practice		80%	80%	80%
A11	Productivity recapture for meeting participants	Forrester best practice		50%	50%	50%
A12	Annual time saved in meetings by program managers	(A1*A2*A4)*50 weeks per year		$770,000	$770,000	$1,760,000
A13	Annual time saved in meetings by participants	(A6*A7*A11)*50 weeks per year		$2,187,500	$2,187,500	$5,000,000
A14	**Time saved in meetings annually**	**A12+A13**		**$2,957,500**	**$2,957,500**	**$6,760,000**
At	IT PMO benefits	A5+A14	$0	$4,435,900	$4,435,900	$10,139,200
	Risk adjustment	↓10%				
Atr	IT PMO benefits (risk-adjusted)		$0	$3,992,310	$3,992,310	$9,125,280

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Product Development Benefits

The interviewee from the healthcare manufacturer said their company wanted to prioritize its most important work and create new revenue opportunities. To do this, leaders focused on getting employees to talk about what work is important, how work is being done, where there are roadblocks, and how to fix them. But they first needed to identify and track that work. Previously, the organization lacked standard workflow approaches, and everyone learned how to get things done by trial and error.

The team began its Workfront implementation by identifying and breaking down processes. The director of global program management described Workfront as an empowering technology: "Workfront allows you to model things and hold people accountable. Ninety percent of the up-front effort is the standardization of the processes. Once you get those processes and you align everybody through the right reports and communications styles, that's the sweet spot of moving forward faster." By standardizing common processes, the composite organization increases its project throughput by 215% over three years while only increasing headcount by 4%.

› The organization realizes productivity benefits by reducing time spent in meetings and creating ad hoc planning and reporting documents based on disparate spreadsheets. It pulls unaltered and trusted data from Workfront into business intelligence tools, which allows for transparency in executive business reviews.

› The composite organization is able to save an average of two weeks in its project delivery times due to the identification of choke points in work. It identifies one crucial juncture when it orders parts at the completion of product design, followed by verification and validation testing. By breaking apart the process steps involved with delivering a completed project, such as finalizing the raw material components, the organization is able to address each step individually, allowing it to order raw material components earlier in the process. By doing this, the organization is able to communicate in terms that everyone understands and gets silos to talk.

The productivity benefits in the model assume:

› There are 400 employees saving two hours per week at a fully burdened salary of $125 per hour.

› Forrester's best practice when measuring productivity increases is to apply a percentage recapture because not all time saved is spent working. In this case, Forrester applied an 80% recapture because interviewees said project teams increased their throughput as much as 215% with Workfront.

› Interviewees reported significantly reduced time spent in weekly meetings. Reporting meetings that previously lasted 90 minutes are now 10-minute check-ins. In some cases, organizations could eliminate the meeting entirely. Forrester conservatively modeled this meeting time reduction by eliminating one hour of meetings per Workfront user and five meeting participants per week for 50 weeks.

› Forrester utilized a productivity recapture as explained above.

Forrester figured the dollars saved due to shortened project duration as follows:[2]

> "Teams were holding hours of project meetings. Then you would have the individual project breakouts, which took hours. It was a mess. Now those meetings are 10 minutes per portfolio. So, my total time that I'm out is [90 minutes] per week. We've really been able to focus."

Director of global program management, healthcare manufacturer

> "Workfront is making us more intelligent and better communicators, and it allows us to save weeks on overall product development and delivery."

Director of global program management, healthcare manufacturer

Three-year benefit PV
$11 million
41%
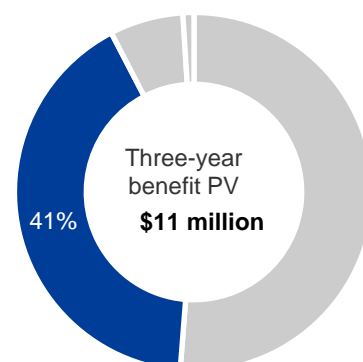
Product development benefits: 41% of total benefits

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- Employees making $125 per hour save two weeks of working time.

- This is multiplied by the 300 projects the composite organization completes.

The productivity benefits that product development offices may experience will vary with:

- The number of users and projects.

- The fully loaded compensation of product development employees.

- The compliance of the company to adopt the platform allowing Workfront to be the single source of truth.

To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year risk-adjusted total PV of $11,067,505.

> "There is an element of time to market that provides an increase in sales depending on the type of product and how it enters the market. It can increase the lifespan of the product on the market and potentially reach a higher sales plateau."
>
> *Director of global program management, healthcare manufacturer*

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Product Development Benefits: Calculation Table

Ref.	Metric	Calculation	Initial	Year 1	Year 2	Year 3
B1	Number of users	Customer interview			400	400
B2	Fully burdened salary per PMO professional per hour	Salary.com			$65	$65
B3	Hours saved due to streamlining data analysis and reporting	2 hours per week			2	2
B4	Productivity recapture	Forrester best practice			80%	80%
B5	**Dollars saved due to streamlining data analysis and reporting**	**B1*B2*B3*B4**			**$41,600**	**$41,600**
B6	Time in weekly status meetings before Workfront	1.5 hours			1.5	1.5
B7	Time in weekly status meetings after Workfront	.5 hours			0.5	0.5
B8	Productivity recapture for product development professionals	Forrester best practice			80%	80%
B9	Number of meeting participants	Assumption			2,000	2,000
B10	Fully burdened salary per project participant	Assumption			$50	$50
B11	Productivity recapture for meeting participants	Customer interview			50%	50%
B12	Time saved in meetings by participants annually	(B9*B10*B6)-(B9*B7*B6)*B11*50 weeks			$3,712,500	$3,712,500
B13	Time saved in meetings annually	(B1*B2*B6)-(B1*B2*B7)*B8*50 weeks			$1,040,000	$1,040,000
B14	**Time saved in meetings annually**	**B12 +B13**			**$4,752,500**	**$4,752,500**
B15	Number of projects	Customer interview			300	300
B16	Fully burdened salary per PMO professional per hour	Salary.com			$125	$125
B17	Time saved in product duration	2 weeks or 80 hours			80	80
B18	**Dollars saved due to shortened project delivery times**	**B15*B16*B17**			**$3,000,000**	**$3,000,000**
Bt	Product development benefits	B5+B14+B18			$7,794,100	$7,794,100
	Risk adjustment	↓10%				
Btr	Product development benefits (risk-adjusted)		$0	$0	$7,014,690	$7,014,690

Marketing Benefits

The financial services organization was able to create efficiencies in its marketing department by breaking down workflows and improving automation, which resulted in savings in multiple ways. For example, the campaign execution team automated the repetitious steps of its marketing program execution. By doing this, the team saved 15 minutes per project, resulting in savings of more than $220,000 per year. The marketing team also saved 23 minutes per campaign with Workfront's automation of email launch reporting. Better productivity allowed the campaign marketing team to handle a higher volume of campaigns without increasing staff.

In addition to the time savings, the organization also improved project accuracy. The VP of marketing said: "Users will make mistakes creating contradicting information in projects. By doing this automation, we facilitated people saving time and created accuracy on how the components of the project are put together."

Improved accuracy equals a direct correlation to avoidance of marketing ops losses that occur when an organization sends out a campaign with uncaught errors. For example, if a company does not include all discount exclusions in the fine print of a campaign or does not properly disclose rules about applying more than one promotion to the same sale, the company must honor those mistakes, which could result in millions of lost dollars. Interviewees reported that, before Workfront, they lost an average of a $520 per campaign. After instituting control processes and incorporating checkpoints with a QA team in addition to legal reviews, they were able to reduce that average operational loss to $30 per campaign.

The VP of marketing at the financial services firm said: "The loyalty review board (LRB) oversees the review process, and it has three days to review and approve content. In the past, its process lived outside Workfront. It is part of Workfront now and has visibility. Nothing can escape because everything is required to go through the LRB. Plus, the board can check that there are no campaigns being executed outside its realm."

The model considers the following productivity benefits:

› **Dollars saved per project by automation of campaign creation in MRM tool.** Forrester calculated this by multiplying:
  - Fully burdened marketing employee salary of $75 per hour.
  - Campaigns per year totaling 12,000.
  - Savings of 15 minutes per campaign.

› **Dollars saved automating email launch reporting.** Forrester calculated this by multiplying:
  - An hourly salary of $75 with savings of 23 minutes.
  - Email marketing campaigns totaling 3,900 per year.

› **Savings of $80,000 by resetting passwords with SSO enablement.** Due to Workfront's capability for SSO enablement, marketing employees no longer respond to an average of 260 password change requests. This creates a productivity savings of $80,000.

$1.8 million

three-year benefit PV
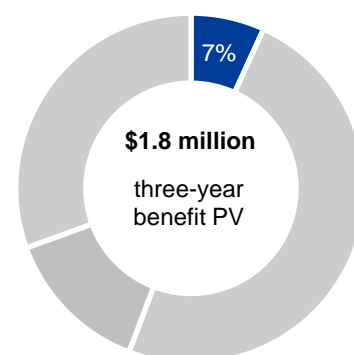
Marketing benefits: 7% of total benefits

The VP of marketing solutions described additional ways in which improved operational processes positively impacted their business:

✓ An improved fair lending checklist reduced approval times from three days or more to less than one day.

✓ By improving intake forms for marketing campaign requests, the organization reduced midstream change requests by 50%.

✓ By building a mandatory (lower cost) printer and carrier into the marketing workflow, the marketing team was able to reduce printing and postage costs.

After calculating these individual benefits, Forrester followed its best practice and applied a 90% recapture to all three productivity benefits because not 100% of the time gained is spent working.

The model also considered the benefit of operational loss avoidance. This was calculated based upon these assumptions:

› Before Workfront, operational losses were $520 per campaign.

› After Workfront, operational losses were $30 per campaign.

› Based on the reduction of operational losses, the composite organization saves revenue of $490 per campaign after applying an operating margin of 15%, leading to a $882,000 reduction in operational losses annually since implementing Workfront.

Benefits will vary based on the following:

› The number of campaigns run annually.

› The values of offers, which will impact potential operational loss avoidance.

› Differing salaries based on an organization's demographics.

To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year risk-adjusted total PV of $1,784,261.

"Workfront removes repetitious tasks from marketers and creates increased capacity within the team to handle more campaigns with an accurate extraction of information."

VP of marketing solutions, financial services

"In the Workfront environment, the loyalty review board (LRB) is part of your timeline, so you can't escape it. You cannot cancel. You cannot jump over. If you try, the LRB has a report that shows all the campaigns being executed, and it knows when someone has not attended the review. Now there is full transparency of everything that is happening."

VP of marketing solutions, financial services.

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Marketing Benefits: Calculation Table						
Ref.	Metric	Calculation	Initial	Year 1	Year 2	Year 3
C1	Employee cost per hour	Customer interview			$75	$75
C2	Number of campaign projects	Customer interview			12,000	12,000
C3	Hours saved per project (15 minutes)	Customer interview			0.25	0.25
C4	**Dollars saved per project by automation of campaign creation in MRM tool**	**C1*C2*C3**			**$225,000**	**$225,000**
C5	Number of email marketing campaigns	Customer interview			3,900	3,900
C6	Hours saved automating email launch reports (23 minutes)	Customer interview			0.38	0.38
C7	**Dollars saved automating email launch reporting**	**C5*C6*C1**			**$111,150**	**$111,150**
C8	**Time saved resetting passwords by enabling SSO**	**Customer interview**			**$80,000**	**$80,000**
C9	Productivity recapture	Forrester best practice			90%	90%
C10	Marketing productivity gains	C4+C7+C8*C9			$374,535	$374,535
C11	Dollars lost per campaign due to errors before Workfront	Customer interview			$520	$520
C12	Dollars lost per campaign due to errors after Workfront	Customer interview			$30	$30
C13	Operating margin	15%			15%	15%
C14	**Operations losses avoided**	**(C11*C2) - (C12*C2) *C13**			**$882,000**	**$882,000**
Ct	Marketing benefits	C10+C14	$0	$0	$1,256,535	$1,256,535
	Risk adjustment	↓10%				
Ctr	Marketing benefits (risk-adjusted)		$0	$0	$1,130,882	$1,130,882

Strategic Program Office Benefits

The composite organization's strategic program office is a highly visible team that evaluates both existing processes with the goal of ferreting out waste and explores how to bring innovation to the organization. To do this without a system of record, the office needs to track and manage all related programs, projects, and tasks. With Workfront, the organization is able to redeploy three positions previously responsible for project administration. The consulting director for the chemical manufacturing organization said: "Quite frankly, I couldn't be accountable for this type of portfolio if our organization didn't commit to a digital solution. I would have needed three additional [FTEs]."

In addition to the FTE savings, Workfront becomes the trusted system of record for work, so organizations significantly reduce time to prepare for and conduct status meetings. Interviewees universally said that before using Workfront, complex planning and program status documentation was a time-consuming yet crucial part of the work management process. The consulting director explained how Workfront increased productivity: "Pre-meeting work goes from significant to basically nothing."

The model considers the following:

› The budget for three project administration positions is eliminated.

› For the 25 team members in this group, Forrester modeled a conservative 30-minute reduction in weekly status meeting time per project. Interviewees said they reduced meeting times to 10 minutes or eliminated meetings altogether.

An organization's ability to experience a similar productivity increase will vary based on:

› The size, scope, and demographics of the organization.

› The number of projects and meetings the team conducts monthly.

› The salaries of each demographic group.

To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year risk-adjusted total PV of $267,971.

"As a leader, you must have a system of record to manage a large portfolio with the dollars associated and the number of staff members and stakeholders. If I didn't have it, I would need — in addition to myself — an admin and three other people just to keep the operating model together. With Workfront, you eliminate the need for any of these supporting positions. At any time, I can check in and see the status of the portfolio I'm responsible for."

Consulting director, chemical manufacturing industry

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.

Strategic Program Office Benefits: Calculation Table

Ref.	Metric	Calculation	Initial	Year 1	Year 2	Year 3
D1	Avoided hires	Customer interview				3
D2	Fully burdened salaries	$94,500				$94,500
D3	**Total avoided hires**	**D1*D2**				**283,500**
D4	Number of program managers					25
D5	Number of projects each					4
D6	Number of meetings per year (1 hour each without Workfront)	(D4 *D5)*48 weeks				4,800
D7	**Savings by reduced meeting time**	**(D6*50%) *$47 per hour salary**				**$112,800**
Dt	Strategic program office benefits	D3+D7	$0	$0	$0	$396,300
	Risk adjustment	↓10%				
Dtr	Strategic program office benefits (risk-adjusted)		$0	$0	$0	$356,670

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Unquantified Benefits

> **API capabilities enable Workfront to become the central hub where work gets done.** Planning, managing, and executing work happens in the Workfront platform. The native API capabilities allow easy integration with crucial tools, and organizations that choose to purchase Workfront Fusion can easily extend their integrations to almost any web-based application. Utilizing Workfront Fusion, data is synced in one place, which allows insight into the status of work happening across different tools and teams. For example, before using Workfront, marketers needed to use multiple separate systems to execute a campaign. The process was clunky and cumbersome. The VP of marketing solutions for the financial services organization said: "When we initially chose Workfront, we wanted to build an ecosystem of applications that interact with each other. We wanted to connect the applications required to execute on campaigns to simplify our user process and reduce the duplication of information being entered in multiple applications."

> **Analytics drives best practice discovery.** Workfront enables a standard sequence of work and captures where a task exists on hundreds of different workstreams through templates. Its analytics tools allow for data analysis on study variation from project to project. The director of global program management for the healthcare manufacturer described how they use this functionality to hone practices and to better understand where, when, and why projects slip: "Inside of my business intelligence tool, I'm asking the question, 'What is the average execution time for that task? Where are the variations? What are the dimensions and attributes that matter?' Now that we have so much data, we have a large analytics initiative going on to try to help figure out how to predict where churn and slippage occurs at each step in a project."

> **Visualizing helps with prioritizing work.** Workfront allows a centralized view of all the work efforts in progress. Because teams can see this, they can better facilitate capacity planning. The IT PMO team lead for the healthcare organization said: "Once we brought the work in one spot, so it was visual, we realized there was too much work in the pipeline and sidelined a bunch of nonvaluable projects." Another interviewee described the concept of a scorecard that allows their team to aggregate project details into a single "importance score" based on company goals. The global program management director for the healthcare manufacturer said their team honed this practice over time. They said, "Now we're flat-out rejecting projects that don't meet a certain threshold."

> **Workfront provides business agility in response to crisis.** The IT PMO team lead for the healthcare organization described how their company built up its response to the COVID-19 pandemic. It quickly created a time-tracking task for anything related to COVID-19. The team lead said: "We were able to add that task for every single person on the task list. We have nearly 100 portfolios and programs that needed to be implemented, and it was awesome to complete that within one business day." Because the organization was able to easily incorporate this time-tracking task into its workflows, it allowed the leadership team to quickly assess and react to the actual numbers about how much work the organization had done in the crisis response, and which projects were deprioritized due to resource reallocation.

Integrations allow for seamless application communication.

"We recently had a cyberattack [that forced us to focus on] business continuity planning. Some of our users were without Workfront for a week, and by Day 3, they were begging to have Workfront back to help them plan their work and get it done."

Director of global program management, healthcare manufacturer

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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 Workfront and later realize additional uses and business opportunities, including:

› **Using predictive modeling to anticipate project delays.** Interviewees described modeling projections based on past project behaviors and key triggers that drive delays. For example, when a program manager delays a project, the model may predict that the project will hit a roadblock in three weeks because of the downstream effects of a delay today. Having this analysis helps program managers take proactive measures to get ahead of the problem and reduce overall project slippage. The director of global program management for the healthcare manufacturer calls this effort "PMO 2.0." They said: "PMO 2.0 is [built] around these prediction intervals. It's being able to detect project anomalies, communicating with the operational system of record and tying additional systems into it. This is an exciting time to really start harmonizing tech and processes and people."

› **Breaking down operational silos.** Interviewees said that a benefit of Workfront is providing a window into where work is completed in the organizational structure. This visually identifies where cross-functional collaboration occurs. However, many organizational structures are still very siloed, so Workfront designs reflect that reality. Interviewees described working on an overhaul or recalibrating their Workfront instances to encourage efficient cross-collaboration. The IT PMO team lead for the healthcare organization said: "Our recalibration project is examining and agreeing upon more streamlined processes, then we can have that reflected or emulated within Workfront to enable those processes. Our goal is to work more efficiently and seamlessly together so that we can increase our output."

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

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

Analysis Of Costs

QUANTIFIED COST DATA AS APPLIED TO THE COMPOSITE

Total Costs						
Ref.	Cost	Initial	Year 1	Year 2	Year 3	Total	Present Value
Etr	License and implementation fees	$30,000	$1,338,600	$3,082,200	$3,996,300	$8,447,100	$6,796,661
Ftr	Ongoing support resource costs	$0	$0	$98,208	$153,490	$251,698	$196,483
	Total costs (risk-adjusted)	$30,000	$1,338,600	$3,180,408	$4,149,790	$8,698,798	$6,993,144

License And Implementation Fees

Workfront customers pay a subscription fee based on the number of users with two different levels of license investment: plan and work levels. In addition, there is a collaborator license available that allows for viewing and, with permission, editing access as part of an approval process. This collaborator license is available at little to no cost. Each of the interviewees said their firms started using Workfront within a single group or division, then additional organizations began using it as the success of that initial group was apparent.

Forrester modeled this growth in the following ways:

> The progression of implementation starts in the IT PMO in Year 1, followed by the product development and marketing departments in Year 2. Then, in Year 3, the strategic program office rolls out its implementation.

> There are two levels of investment for licenses. Plan licenses cost $2,450 and work licenses cost $1,250 annually.

> The typical ratio between plan and work licenses are 40% (plan) and 60% (work).

> The model breaks out plan and work licenses in the years they were deployed.

The interviewees indicated that their organizations utilized different resources for the implementation of Workfront. Buyers used either Workfront resources or other third-party consultants to assist with configuration and training. Most took a "train the trainer" approach to onboarding their users and teams.

> Implementation fees are assessed in the initial phase or before the first year of paying license fees.

> The implementation fees vary based on the level of services. For example, the financial service organization paid $450,000 in license fees, and that included a considerable amount of business process consulting and integration with third-party applications.

The costs could vary based upon the following factors:

> The license cost based on volume discounts or deviation from a 40/60 work-to-plan level ratio of licenses.

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 more than $5.7 million.

Licenses have two levels of investment: plan and work levels.

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.

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> Implementation fees based on project scope.

To account for these risks, Forrester adjusted this cost upward by 20%, yielding a three-year risk-adjusted total PV of $6,796,661.

Ref.	Metric	Calculation	Initial	Year 1	Year 2	Year 3
License And Implementation Fees: Calculation Table						
E1	IT PMO plan licenses	Assumption	0	140	140	320
E2	IT PMO work licenses	Assumption	0	210	210	480
E3	IT PMO implementation fees	Interview	0	$60,000		
E4	Marketing plan licenses	Assumption	0		280	280
E5	Marketing work licenses	Assumption	0		420	420
E6	Marketing implementation fees	Interview	0	$450,000		
E7	Product development plan licenses	Assumption	0		160	160
E8	Product development work licenses	Assumption	0		240	240
E9	Product development Implementation fees	Interview	0		$60,000	
E10	Strategic office plan licenses	Assumption	0			10
E11	Strategic office work licenses	Assumption	0			15
E12	Strategic office implementation fees	Interview	$25,000			
E13	Plan license fees	$2,450		$2,450	$2,450	$2,450
E14	Work license fees	$1,250		$1,250	$1,250	$1,250
E15	IT PMO license fees	(E1*E13)+(E2*E14)		$605,500	$605,500	$1,384,000
E16	Marketing license fees	(E4*E13)+(E5*E14)			$1,211,000	$1,211,000
E17	Product development license fees	(E7*E13)+(E8*E14)			$692,000	$692,000
E18	Strategic office license fees	(E10*E13)+(E11*E14)				$43,250
E19	Total license fees	E15+E16+E17+E18		$605,500	$2,508,500	$3,330,250
E20	Total implementation fees	E3+E6+E9+E12	$25,000	$510,000	$60,000	
Et	License and implementation fees	E19+E20	$25,000	$1,115,500	$2,568,500	$3,330,250
	Risk adjustment	↑20%				
Etr	License and implementation fees (risk-adjusted)		$30,000	$1,338,600	$3,082,200	$3,996,300

Ongoing Support Resources Costs

Workfront is a configurable product, which allows organizations to hone the processes captured within the platform. This does require ongoing maintenance and support of the system. Forrester configured the costs using the following assumptions:

> Because the number of licenses in the composite organization's strategic program office are lower, the weekly administration time is significantly less at one hour per week.

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- The marketing team utilizes two resources for one day a week.
- The IT PMO uses 1.5 resources for one day a week.
- The product development group uses one resource for one day per week.
- The calculations are based on 48 working weeks per year.

Costs will vary for the implementation fees based upon:

- The fully burdened salaries based on role and geography.
- The number of resources required based on the team and the size of the organization.

To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year risk-adjusted total PV of $196,483.

Ref.	Metric	Calculation	Initial	Year 1	Year 2	Year 3
	Ongoing Support Resource Costs: Calculation Table					
F1	IT PMO program resource cost	$55 per hour			$55	$55
F2	Number of resources	1.5*1 day per week			1.5	1.5
F3	**Costs for ongoing management of Workfront in IT PMO**	**F1*F2*8 hours *F13**			**$31,680**	**$31,680**
F4	Marketing program resource costs	$75 per hour			$75	$75
F5	Number of resources	2*1 day per week			2	2
F6	**Costs to ongoing management of Workfront in marketing**	**F4*F5*8 hours*F13**			**$57,600**	**$57,600**
F7	Product development resource cost	$125 per hour				$125
F8	Number of resources	1*1 day per week				1
F9	**Costs to ongoing management of Workfront in product development**	**F7*F8*8 hours*F13**				**$48,000**
F10	Strategic program resource cost	$47 per hour				$47
F11	Number of resources	1*1 hour per week				1
F12	**Costs to ongoing management of Workfront in strategic program office**	**F10*F11*F13**		**$0**	**$0**	**$2,256**
F13	Number of working weeks	48		48	48	48
Ft	Ongoing support resource costs	F3+F6+F9+F12		$0	$89,280	$139,536
	Risk adjustment	↑10%				
Ftr	Ongoing support resource costs (risk-adjusted)		$0	$0	$98,208	$153,490

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Financial Summary

CONSOLIDATED THREE-YEAR RISK-ADJUSTED METRICS

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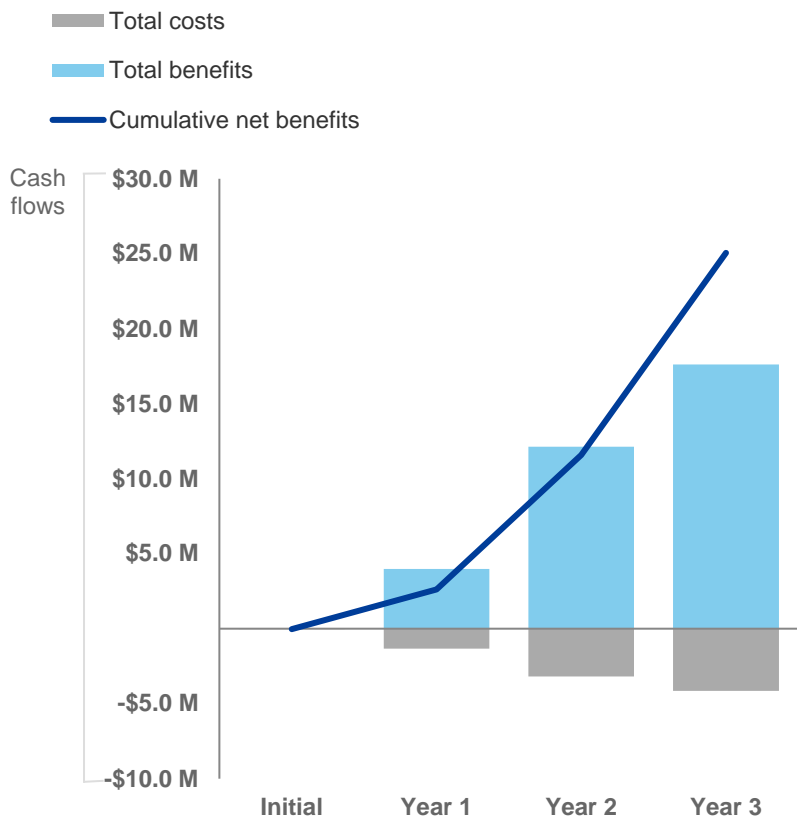
The financial results calculated in the Benefits and Costs sections can be used to determine the ROI, NPV, and payback period for the composite organization's investment. Forrester assumes a yearly discount rate of 10% for this analysis.

- ▬ Total costs
- ▬ Total benefits
- ▬ Cumulative net benefits

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 Analysis (risk-adjusted estimates)

	Initial	Year 1	Year 2	Year 3	Total	Present Value
Total costs	($30,000)	($1,338,600)	($3,180,408)	($4,149,790)	($8,698,798)	($6,993,144)
Total benefits	$0	$3,992,310	$12,137,882	$17,627,522	$33,757,713	$26,904,497
Net benefits	($30,000)	$2,653,710	$8,957,474	$13,477,732	$25,058,915	$19,911,353
ROI						285%
Payback period (months)						<3

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Workfront: Overview

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

Workfront is the leader in enterprise work management. Over 3,000 companies, 10 out of 10 of the world's top brands, and 1 million users worldwide use Workfront to connect strategy to delivery, integrate people and data across the enterprise, and manage work from start to finish to deliver measurable outcomes.

Work today is more complex than ever, and just completing tasks isn't enough. Businesses have to keep their employees aligned and engaged in the right work while quickly adapting to changing markets and embracing new perspectives on how to operate to stay competitive. Workfront provides enterprise scale technology that helps people work from anywhere, using their favorite methodologies, with extensive integrations to the systems they already use. And with enterprise-class expertise, professional services, and proven partnership, Workfront is committed to helping customers achieve their goals.

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.

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Appendix B: Supplemental Material

Related Forrester Research

"Defining The Online Marketing Suite," Forrester Research, Inc., October 17, 2007.

Appendix C: Endnotes

[1] Source: "Agile Organizations Need Modern Governance Structures," Forrester Research, Inc., August 23, 2019.

[2] To determine the figure for project duration savings, Forrester used the following calculations:

Dollars Saved Due To Decreased Project Duration: Calculation Table								
Ref.	**Metric**	**Calculation**	**Initial**	**Year 1**	**Year 2**	**Year 3**	**Total**	**Present Value**
X1	Number of projects	Customer interview			300	300		
X2	Fully burdened Salary per PMO professional per hour	Salary.com			$125	$125		
X3	Time saved in product duration	2 weeks or 80 hours			80	80		
Xt	Dollars saved due to decreased project duration	**X1*X2*X3**	$0	$0	3,000,000	$3,000,000	$6,000,000	$4,733,283
	Risk adjustment	↓10%						
Xtr	Dollars saved due to decreased project duration (risk-adjusted)		$0	$0	$2,700,000	$2,700,000	$5,400,000	$4,259,955

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