FORRESTER®

The Total Economic Impact™ Of Salesforce Education Cloud

Cost Savings And Business Benefits Enabled By Education Cloud

OCTOBER 2020
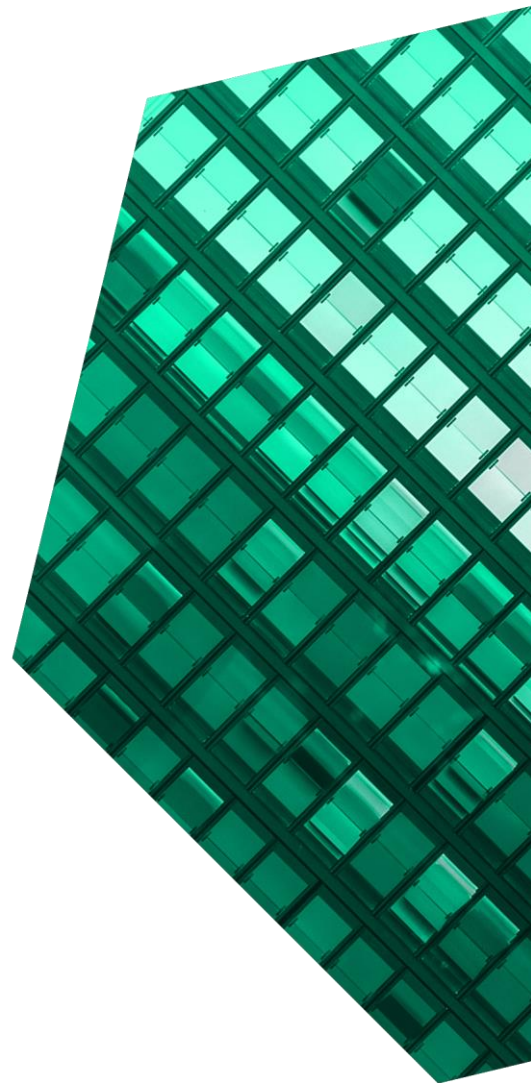
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Executive Summary

> "There are great recruiting and admissions tools. There are adequate tools to manage partnerships and sponsorships. There are even some good solutions for dealing with alumni relations. But we felt that Salesforce was the only vendor that provided a single platform across all of those areas. Salesforce allowed us to weave the 360-degree view of our constituents across the various systems that we work with."
> – CIO, public research university

Salesforce commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) higher education institutions may realize by deploying Education Cloud. The purpose of this study is to provide a framework to evaluate the potential financial impact of Education Cloud on higher education and postsecondary institutions.

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed heads of marketing, alumni engagement, and technology innovation from four colleges and universities that use Education Cloud. For the purposes of this study, Forrester aggregated the experiences of the interviewed organizational leaders and combined the results into a single composite institution.

Prior to using Education Cloud, the interviewed institutions had no single view of the student journey from prospective student to alumnus. This impeded consistent, compelling, and targeted communications to constituents across the learner lifecycle. The result was inefficient recruitment and admissions practices, lowered retention rates, less optimal management of alumni and corporate giving, and more work for administrative staff across the institutions.

After the investment in Education Cloud, the institutions centralized and consolidated their constituent relationship management, gained economies of scale and cost across departments and

KEY STATISTICS

Return on investment (ROI)
195%

Net present value (NPV)
$7.8 million

schools, and unified communications to constituents that now embody and protect the brand of the institution. The results include increased enrollment and retention rates, decreased technology costs, and increased administration efficiencies across the institution from admissions to student engagement to alumni management. For all, it resulted in a single, 360-degree view of a constituent that was never possible before.

KEY FINDINGS

Quantified benefits. Risk-adjusted present value (PV) quantified benefits include:

- **Exceeded enrollment goals by 7% to 11%.** Institutions were able to better connect with prospective students, build brand awareness, perform targeted communications, increase recruiter productivity, and harness the information these efforts gather to drive strategy that results in surpassing enrollment goals. Over three years and a cumulative total of 4,027 additional

students enrolled, this leads to a bottom-line impact of more than $2.1 million to the composite institution.

- **Better student experiences resulted in higher retention rates.** By sending more effective communications, removing barriers to information, and streamlining support services, the interviewed institutions reported higher engagement rates, more equitable access to opportunities, and increased student retention. Over three years, the present value of incremental student retention is worth more than $500,000 to the composite institution.

- **Salesforce enabled administrative and academic teams to work more efficiently and effectively, increasing productivity to 12%.** With use cases spanning from admissions to student experience to alumni engagement and fundraising, users experienced varying degrees of productivity lifts and hard savings depending on their unique implementations. Over three years, the improved productivity is worth more than $6.7 million to the composite institution.

- **Tech stack consolidation drove legacy solution savings.** The interviewed institutions consolidated and decommissioned numerous legacy communication, enrollment, and alumni management tools. That drove hard savings in the form of avoided licensing and soft savings of reassigning headcount away from maintaining the old solutions. Over three years and a cumulative total of eight decommissioned tools, the legacy savings are worth more than $2.4 million to the composite institution.

Unquantified benefits. Benefits that are not quantified for this study include:
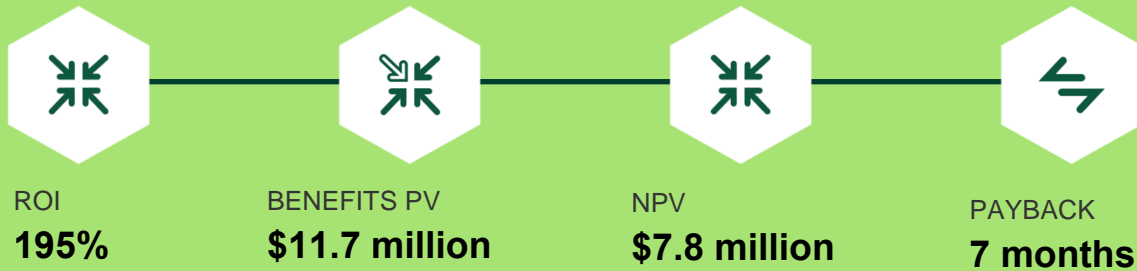
- Marketing capabilities enabled brand consistency across the university.

- Marketing automation drove cost and productivity savings.

- Having a single source of information created an institutionwide "golden record" of a student.

- Data accuracy and ease of reporting enabled better decision making.

- Constituent 360 helped improve alumni relationships and enabled record-breaking fundraising.

- The ability to track and nurture corporate relationships drove sponsorships.

- The launch of Work.com, a suite of products on the Salesforce platform, enabled the institution to respond to the COVID-19 pandemic with a health-care approach, allowing students to return to campus.[1]

Costs. Risk-adjusted present value (PV) costs include:

- **Professional services and use case deployment costs of $1.1 million.** Both internal resources and a system integrator are involved with implementing the Salesforce platform and expanding use cases over three years.

- **Licensing and add on costs total $2.0 million over three years.** As use cases expand across the institution to include admissions and enrollment, marketing, fundraising, and student experience the composite institution adds users and add-on products to the Salesforce platform.

- **Change management and training costs of $854,000.** The composite institution dedicates change managers and adoption advocates to shepherd the platform's success, and it provides 20 hours of training to power users each year.

The customer interviews and financial analysis found that the composite institution would experience benefits of $11.7 million over three years versus costs of $4.0 million, adding up to a net present value (NPV) of $7.8 million and an ROI of 195%.

ROI	BENEFITS PV	NPV	PAYBACK
195%	**$11.7 million**	**$7.8 million**	**7 months**

Benefits (Three-Year)

Improved recruitment, admissions, and enrollment contribution	$2.1M
Improved student experience and retention contribution	$500K
Administrative, operational, and process productivity savings	$6.7M
Legacy environment savings	$2.4M
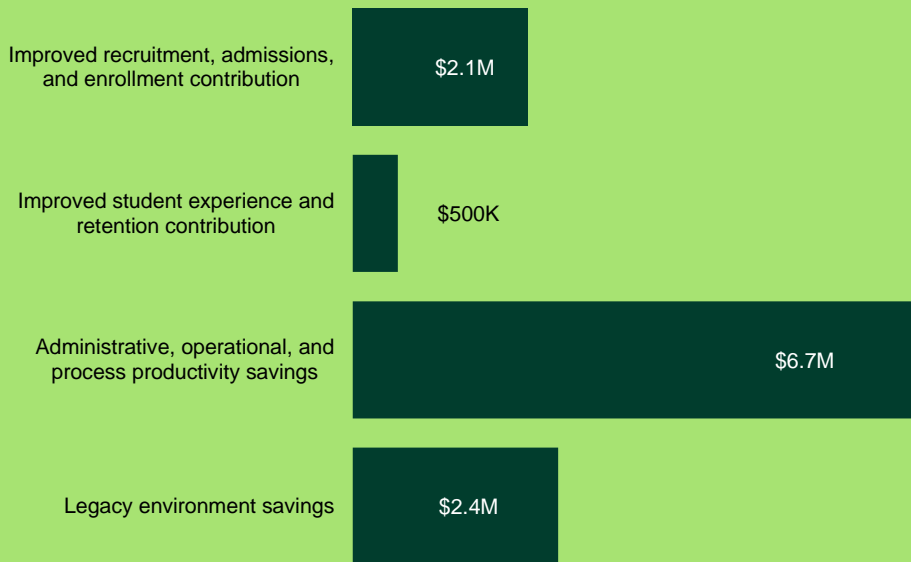
> **" We saw some early successes in admissions and enrollment: We had the largest summer enrollment in the history of the university. We would not have been able to have that level of engagement and promotion of summer programs without Salesforce. I don't think our peer institutions are saying the same thing. "**
>
> —CIO, public research university

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 Education Cloud.

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 Education Cloud can have on a higher education institution.

DISCLOSURES

Readers should be aware of the following:

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

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

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

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

DUE DILIGENCE
Interviewed Salesforce stakeholders and Forrester analysts to gather data relative to Education Cloud.

CUSTOMER INTERVIEWS
Interviewed four decision makers at organizations using Education Cloud to obtain data with respect to costs, benefits, and risks.

COMPOSITE INSTITUTION
Designed a composite institution based on characteristics of the interviewed institutions.

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 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.

Interviewed Organizations

Industry	Interviewee	Description	Challenges before Salesforce	Initial Use Case
Public research university	CIO	$3.7B budget 8,700 faculty/staff 90,000 students	Siloed ownership of constituent lifecycle. Poorly working CRM, sets of disparate solutions by campus, 25 different email solutions.	Recruitment and admissions
Private research university	Technology innovation officer	$4B budget 9,000 faculty/staff 24,000 students	Had 20+ instances of Salesforce used across the institution for workflow automation purposes but did not result in a global view of constituents. Used spreadsheets and disparate departmental solution and email systems for engagement, constituent tracking, and communication.	Student experience
Private liberal arts college	CIO	$85M budget 310 faculty/staff 1,500 students	Had no CRM, used an ERP system and spreadsheets.	Alumni engagement and fundraising
Public research university	CMO	$4.2B budget 14,000 faculty/staff 30,000 students	Used multiple email and communications systems.	Student experience, recruitment, and admissions

KEY CHALLENGES

Before the Salesforce Education Cloud investment, the interviewees' higher education institutions had decentralized approaches to managing the student journey, which resulted in the admissions, student experience, and alumni areas using disparate communications and operational tools. This impacted the overall efficiency of the institutions and created a more disjointed student experience for prospective and current students along with alumni. A description of each institution's specific environment before implementing Education Cloud is noted in the table above. Interviewees noted the following pain points in their legacy environments:

- **Prior efforts to deploy an enterprise CRM had failed.** Internal organization culture, politics, and legacy behaviors made it difficult for change. One institution's previous attempt to roll out an enterprise CRM failed for several reasons. The public research institution CIO shared: "Our first CRM initiative focused on the admissions side of

the funnel. And three things really did not work out: The technology was not mature enough for what we needed, our organization was not mature enough to move beyond tribalism, and we started in the middle of the great recession."

- **Student attrition was an indicator of a poor constituent journey.** It was challenging to understand the holistic lifecycle of the student journey across the silos of the universities. Failure to address weaknesses resulted in student attrition, lack of engagement, and falling enrollment, and it impacted students' ability to graduate on time. The CIO of a public research university said: "Part of our challenge was to develop a constituent journey that would allow us to send relevant communications, minimize enrollment melt, and drive a much higher degree of returning students."

> **"The struggle within a university is that individual units and colleges each deploy a separate tool that meets their needs perfectly. So we end up with hundreds of unique systems, none of which can scale to meet the needs of the university as a whole."**
>
> *Technology innovation officer, private research university*

- **Siloed systems harbor disconnected data and redundant systems.** Decentralized purchasing led to an indeterminate number of tools and solutions distributed across the interviewed institutions and created barriers to collaboration and inefficient technology spending. The technology innovation officer said: "The university saw the growing costs of decentralized tools that should have really been replaced by enterprise technology. Departments have tried to fix the situation on their own, but it is expensive to hire vendors for support, and it's happening 20 times over by departments that aren't technologists. We were creating an unwieldy infrastructure and we needed to figure out how to best rein it in."

- **Inconsistent branding and communications.** Without an enterprise CRM layer, marketing teams across the institutions published materials with inconsistent branding, look, and feel. The quality and inefficiency of constituent communications did not reflect well on the size or reputation of the institutions. One CMO of a public research institution said: "It is a risk for an institution of our size to *not* have a centralized marketing and communications platform. The expectation from a constituent is that we are not a small 'fly by night' kind of operation. An operation of our size should have a very

thoughtful approach with everything that we put forward to create continuity of messaging."

- **Interactions with university systems created poor experiences for students.** Without a digital experience platform, students struggled to navigate institution offerings and find necessary information. The public research university CIO shared: **"**We really thought a lot about how we could make interactions with the university better. So, if the student was dealing with the registrar or dealing with housing, those interactions were all built from a functional departmental perspective and they were just not friendly to interact with. So we understood how important it is to build digital experiences for constituent journeys."

Point solutions were not flexible. Aging technology and cumbersome tech stacks were not dynamic or agile enough to meet changing or urgent needs. When the private liberal arts college was struck with a natural disaster, decision makers had an urgent need to ramp up fundraising capabilities to support alumni and corporate outreach. And, in light of pandemic, interviewees scrambled to get students online with legacy solutions.

" **To not understand your customers is a really hard place to be. There's not a company in the world that would have 20,000 high-paying customers and not have CRM technology.** "

— Technology innovation officer, private research university

INVESTMENT OBJECTIVE

The interviewees noted several goals they hoped the Salesforce Education Cloud investment would help them achieve:

- Create a 360-degree view of any constituent, including students, alumni, and business partners.

- Reduce silos by using Salesforce as the enterprise CRM across all campuses, departments, and different parts of the constituent lifecycle.

- Drive cost efficiencies by centralizing resources and paying for Salesforce through a central IT function.

- Use Salesforce as the marketing system of record and improve brand integrity and communications.

- Attract competitive candidates and streamline communications targeted for prospective students so it reaches them at the right time with right message.

> **"Our goal is to have a 360-degree view of constituents, whether it's a student, an alumnus, or a business partner. We want to have a complete picture of our relationship with those constituents across all the areas of the university."**
>
> *CIO, public research university*

WHY SALESFORCE?

Interviewees evaluated potential vendors and point solution providers and cited the following reasons for selecting the Salesforce Education Cloud:

- **A centralized platform would provide holistic reporting and macro level perspectives.** Historically, higher education institutions have had point solutions fulfill their technology needs and they were optimized for particular use cases. Salesforce offered an unprecedented opportunity to leverage one platform for the delivery of a unified view of constituents across the institution's disparate tools and organizational silos.

- **Salesforce was already the established institution preference.** Across the private research university, departments of the university had organically selected Salesforce for local experimentation. When choosing an enterprise CRM, decision makers chose to cooperate with the already-established preference for Salesforce. The technology innovation officer said: "Central IT is driven to rationalize and optimize the use of technology across the university, and we chose Salesforce because everyone else already had. We had enterprise resource planning (ERP) systems, we had financial systems, we had HR systems, but we did not have a true CRM. So when it came to choosing, we chose what the departments were already leaning towards."

- **Future opportunities of Salesforce surpass the status quo capabilities of point solutions.** When evaluating investment options, the CIO of a private liberal arts college evaluated well-established point solutions against the relatively new Salesforce platform. He noted: "Salesforce is in the first 10% of their innovative capacity in the higher education industry. I recommended that we partner with Salesforce because I'm confident

they are going to come up with things that will help the college succeed."

- **Constituent journey mapping would allow institutions to create great experiences.** Interviewees were drawn to Education Cloud because of its capability to create constituent journey mapping to help with know your customer or know your constituent (KYC) efforts. The CIO of a public research university shared: "By using Salesforce, we're adding a layer that thinks about the macro and micro journeys that a student or alum might go through." These journey maps then help the organizations reduce friction and create great digital experiences.

> **"We're not a small business. We can't use a mini CRM. We need an enterprise platform, and Salesforce is the leader in that space."**
>
> *Technology innovation officer, private research university*

COMPOSITE INSTITUTION

Based on the interviews, Forrester constructed a TEI framework, a composite institution, and an ROI analysis that illustrates the areas financially affected. The composite institution is representative of the four institutions that Forrester interviewed and is used to present the aggregate financial analysis in the next section. The composite institution has the following characteristics:

Description of composite. The public research university has a $4 billion budget, 10,000 faculty and staff, and a total student count of 60,000. The undergraduate program makes up 75% or 45,000 of the total student body, and the remaining 25% or 15,000 students are in the graduate program. The university offers a hybrid program delivery mechanism, offering both virtual and in-person learning opportunities, and it has a main campus and several smaller satellite campuses. The average net tuition per student is $13,000.

Deployment characteristics. The institution's technology spending and approach is decentralized, with purchases made according to the needs of specific departments, geographies, or college. The university has a culture of independent silos and, as a result, the Salesforce deployment requires significant change management efforts to garner institutionwide acceptance. The composite institution focuses on creating successful Education Cloud implementations for admissions and recruitment, followed by student experience. Each year, the institution expands its use case to other areas of the university, including fundraising and marketing.

Key assumptions
- **$4 billion budget**
- **60,000 undergraduate and graduate students**
- **10,000 faculty and staff**
- **Hybrid delivery mechanism**

Analysis Of Benefits

Quantified benefit data as applied to the composite

Total Benefits

REF.	BENEFIT	YEAR 1	YEAR 2	YEAR 3	TOTAL	PRESENT VALUE
Atr	Improved recruitment, admissions, and enrollment contribution	$648,375	$837,596	$1,029,253	$2,515,224	$2,054,953
Btr	Improved student experience and retention contribution	$173,826	$225,147	$246,605	$645,578	$529,374
Ctr	Administrative, operational, and process productivity savings	$548,625	$2,743,125	$5,266,800	$8,558,550	$6,722,820
Dtr	Legacy environment savings	$567,000	$945,000	$1,512,000	$3,024,000	$2,432,434
	Total benefits (risk-adjusted)	$1,937,826	$4,750,868	$8,054,658	$14,743,352	$11,739,581

IMPROVED RECRUITMENT, ADMISSIONS, AND ENROLLMENT CONTRIBUTION

Salesforce helped the interviewed organizations find and connect with prospective students, build brand awareness, perform targeted communications, increase recruiter productivity, and harness the information these efforts gathered to drive new student recruitment strategies. After their Salesforce investments, the interviewed institutions measured the success of their endeavors by exceeding enrollment goals. Interviewees cited several ways that Salesforce contributed to increased enrollment:

- **Personalized and measurable enrollment communications enable communication at the right time and place.** Like other consumer-focused industries, higher education institutions interviewed for this study target communications to land the right message at the right time. The CIO of a public research university said: **"**Salesforce enables us to clearly deliver personalized communications and improve the prospect enrollment process. We are able to track and measure our communications more effectively, like which ones get through and which ones generate further activities." Additionally, the technology innovation officer said: "Constituents

want the right message at the right time in the right place. Right? I think the users are starting to see that, with Salesforce, this can happen. I think it has given us more intelligence about what we're doing, and we can assess the things that are working and not working."

- **Better understanding of the constituent journey.** With journey mapping capabilities, the institutions visualized the lifecycle of constituents and emphasized important touch points. The CIO of a public research university shared: "Our admissions office has seen enrollment increase. And although it's difficult to measure, we certainly believe it was related to our Salesforce investment."

- **Ability to agilely react to changing needs.** Education Cloud customers described the benefits of the platform's communications templates that foster both speed and personalization. The CMO told Forrester: "We are nimbler and quicker to respond to changes in our admissions process now. The enrollment cycle is a living, breathing thing. You have to pivot, move, and communicate very quickly. And our prior CRM was incredibly slow and clunky."

Modeling and assumptions. Based on interviewee results, Forrester assumes for the financial model:

- The new student enrollment goal for both graduate and undergraduate programs is 15,000 in Year 1. The university experiences organic enrollment shrinkage of 0.5% each year.

- As a result of the Salesforce investment, the composite institution exceeds its enrollment goals by 7%, 9%, and 11% in Years 1,2, and 3, respectively.

- The average net revenue per student is $13,000 in Year 1, and it increases by 1% each year.

- Forrester applies a net position margin of 5% to capture the bottom-line impact of incremental enrollment.[2]

+11% enrollment after three years

> **"Good tools, good leadership, and hard work equals success. For the first year in quite some time, we dramatically exceeded enrollment goals. And right now, we're set to enroll the largest class in the 84-year history of the college."**
>
> *CIO, private liberal arts college*

Risks. Forrester recognizes that these results may not be representative of all experiences and the benefit will vary based on how well institutions utilize the features noted above, an institution's before state, as well as uncontrollable macroeconomic and microeconomic factors. The institution's contribution to net position margin and the average net tuition per student will also impact the overall value of the benefit.

To account for these risks, Forrester adjusted this benefit downward by 5%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of $2.1 mi

Improved Recruitment, Admissions, And Enrollment Contribution: Calculation Table

REF.	METRIC	CALCULATION	YEAR 1	YEAR 2	YEAR 3
A1	New student (both graduate and undergraduate) enrollment goals before Salesforce	Composite: 0.5% year-over-year organic shrink	15,000	14,925	14,850
A2	Enrollment goal overperformance driven by improved communications, marketing, and constituent experience	Interviews	7%	9%	11%
A3	Incremental constituents enrolled (showing rounded value)	A1*A2	1,050	1,343	1,634
A4	Average revenue per student (including tuition and fees, net of allowances) (showing rounded value)	1% organic increase annually	$13,000	$13,130	$13,261
A5	Higher education institution net position margin	Interviews	5%	5%	5%
At	Improved recruitment, admissions, and enrollment contribution (showing rounded value)	A3*A4*A5	$682,500	$881,680	$1,083,424
	Risk adjustment	↓5%			
Atr	Improved recruitment, admissions, and enrollment contribution (risk-adjusted)		$648,375	$837,596	$1,029,253
	Three-year total: $2,515,224		**Three-year present value: $2,054,953**		

IMPROVED STUDENT EXPERIENCE AND RETENTION CONTRIBUTION

The interviewed institutions struggled to create great digital experiences for students with legacy tools. Students also struggled to find relevant information across institution websites, and they navigated friction when interacting with different offices. One negative side effect of these poor experiences was that student attrition rates were rising, particularly between freshman and sophomore years. Salesforce helped enable interviewees to streamline experiences, maximize engagement and deliver "on-brand" experiences. After their Salesforce investments, the interviewed institutions saw increased retention rates with some attribution to the Salesforce investment. Interviewees cited several ways that Salesforce contributed to better retention:

- **Reduced silos and centralized information increased equitable access to opportunities.** The technology innovation officer shared that prior to the enterprise CRM investment: "Students often thought of the university experience as a treasure hunt where you're lucky if you stumble onto something. It was all word of mouth. Now students can go to a central place and find things easily. That improves the equity of availability of programs, resources, and services to everyone. Programs are getting more interest and more questions than in the past. It's a soft measure of engagement, and it is important that more students are exposed to more opportunities equally."

- More **frequent and effective communication with constituents**. The CMO of a 30,000-student university said: "One of the biggest transformations for us was, for the first time, we brought together the marketing team, the branding team, and the writing team, and they started working together on a daily newsletter. It was a daunting task to go from an email platform that just services prospective students and current students. Now we're creating a whole PR

marketing machine to use Salesforce on a daily basis, and the student daily email newsletter has 50% or 60% read rates."

> **"Now students have a place to go to see these opportunities and submit applications to participate. We saw a pretty sharp increase in engagement once we started focusing on experience."**
>
> *CMO, public research university*

- **Personalized messaging through preferred channel.** The CIO of a public research university said: **"**Personalization is certainly top of mind and something that we are doing with Salesforce Marketing Cloud. We absolutely could not do this at scale before Salesforce." Interviewees also added new communication channels like SMS text to deliver messages to students through their desired method.

- **Streamlined services and insights enabled delivery of relevant student support.** Interviewees were able to use data insights to determine if a student needed support, advising, or career services assistance based on real-time triggers like repeated missing attendance or lack of engagement in class. Students were able to answer questions themselves by engaging in forums and Salesforce-created communities. Furthermore, they could use Education Cloud to schedule and track academic support and counseling services in one place.

Modeling and assumptions. Based on interviewee results, Forrester assumes for the financial model:

- In Year 1, there are approximately 11,250 freshman students who are at a higher risk of attrition than their upperclassman and postgraduate peers. In subsequent years, the

number of freshman students includes 75%* of the incremental new enrolled students calculated at A3. *75% of students are undergraduate, while 25% are graduate students.*

- The average retention rate is 88% before Salesforce.

- After the Salesforce investment, retention rises to 93%, 94%, and 94% in Years 1,2, and 3, respectively. This translates to 2,067 more students retained over three years.

- The average net revenue per student is $13,000 in Year 1, and it increases by 1% each year.

- Forrester recognizes that technology investments do not happen in a vacuum, and there are other factors at play that likely also have an impact on retention rates. Therefore, 50% of the benefit is attributed to Salesforce.

- Forrester applies a net position margin of 5% to capture the bottom-line impact of incremental student retention. [3]

Increase in retention rates after 3 years 6.8%

Risks. Forrester recognizes that these results may not be representative of all experiences, and the benefit will vary based on how well institutions utilize the features noted above, an institution's retention rate before the Salesforce investment, and uncontrollable macroeconomic and microeconomic factors. The institution's contribution to net position margin and the average revenue per student will also impact the overall value of the benefit. Organizations may choose to attribute a higher or lower percentage of the impact to the investment in Salesforce.

To account for these risks, Forrester adjusted this benefit downward by 5%, yielding a three-year, risk-adjusted total PV of $500,000.

REF.	METRIC	CALCULATION	YEAR 1	YEAR 2	YEAR 3
Improved Student Experience And Retention Contribution: Calculation Table					
B1	Number of freshman students	Composite + 75% of A3	11,250	12,038	13,045
B2	Average retention rate	Industry	88%	88%	88%
B3	Retention rates after Salesforce investment	Interviews	93%	94%	94%
B4	Incremental students retained (showing rounded value)	(B1*B3) - (B1*B2)	563	722	783
B5	Average revenue per student (includes tuition and fees, net of allowances)	1% organic increase annually	$13,000	$13,130	$13,261
B6	Attribution to improved experience due to Salesforce-created student experiences	Interviews	50%	50%	50%
B7	Institution net position margin	Interviews	5%	5%	5%
Bt	Improved student experience and retention contribution (showing rounded value)	B4*B5*B6*B7	$182,975	$236,997	$259,584
	Risk adjustment	↓5%			
Btr	Improved student experience and retention incremental contribution (risk-adjusted)		$173,826	$225,147	$246,605
	Three-year total: $645,578		**Three-year present value: $529,374**		

ADMINISTRATIVE, OPERATIONAL, AND PROCESS PRODUCTIVITY SAVINGS

Before using Education Cloud, the composite institution's environment was riddled with inefficiencies, leaving administrative staff with highly manual processes, duplicative efforts, and redundant staff across departments and campuses. While each of the interviewed institutions utilized Salesforce Education Cloud in slightly different ways, Salesforce enabled operations and administrative teams to work more efficiently and effectively. With use cases spanning from admissions to student experience to alumni engagement and fundraising, each area impacted by Salesforce yielded varying degrees of user productivity lifts and hard savings. Interviewees cited several ways that Salesforce contributed to productivity improvements:

- **Salesforce CRM increased data accessibility and consumption.** More administrators, marketers, IT staff, and operations support staff were able to access and effectively use information using Salesforce. The CIO of a private liberal arts college noted: "Salesforce makes it easy to find and use data. We've just seen huge utilization among the full-time staff from admins all the way up to my president, who is in the Salesforce platform. Never in a million years would he have been in the ERP [enterprise resource planning tool]."

- **Templates ensured consistent execution and business continuity.** Tools and templates simplified administrative efforts and enabled proactive work. The CMO shared: "In Salesforce, the enrollment team can prepare a lot of work in advance, like set up templates, so that they're ready to go when needed. It gives the team the ability to execute with consistency and excellence, and it's pretty easy for them to use. Now somebody can be on vacation and somebody else can step in and take over for them and there is not a loss of business continuity."

> **"Most of the tactics that come out of an enrolment or retention meeting are communication-, marketing-, and engagement-related. I don't think that the admissions professionals could come out of those meetings and be able to execute those ideas without Salesforce."**
>
> *CMO, public research university*

- **Back-end automation and centralized processes consolidated labor.** With fewer systems and silos, institutions streamlined processes. The CIO of a public research university told Forrester: "We have centralized back-end processing and took away the need to staff our smaller campuses. So, we put five FTEs in place instead of 15 or 20 that would have been required if every campus tried to staff an office."

- **Staff were more impactful.** Removing mundane tasks freed staff to focus on strategic planning and to spend more time on student-related activities. The CIO of a private liberal arts college said: "Before Salesforce, I had an administrative person who was trapped just doing linear tasks in the ERP. Now they work more like a knowledge worker and an analyst. I'm able to appoint more of my resources to asking for money and still have a fantastically run back office, which you must have in admissions and in fundraising. Salesforce has allowed me to hire people who have a more direct impact on the money raised by the college."

- **Salesforce used for HR case management increased efficiency.** The ability to record, track, and solve issues increased speed to resolution and improved the employee experience. The CIO of a public research university shared: "Our HR department implemented Salesforce and put a

service center in place, and it is using Salesforce to manage cases. It makes sure that cases get into the right queues and to the right people who can answer the questions. They did this without increasing staff."

- **Enabled more effective communication with staff and faculty.** Interviewees also turned their new and improved communication capabilities toward staff and faculty. The CIO of a public research university told Forrester: **"**We've also begun using Salesforce Marketing Cloud to communicate with employees. So, we can track the emails, the views, the reads, the click-throughs — all the areas we need to understand to get better responses from employees on certain communications. I think that was a clear win, and they're really happy with the product."

Modeling and assumptions. Based on interviewee results, Forrester assumes for the financial model:

- The composite institution has 10,000 faculty and staff.

- In year 1, 1,000 faculty and staff are given access to Salesforce. In Years 2 and 3, that number increases to 2,500 and 4,000, respectively. These roles are predominately administrative staff.

- Staff using Salesforce spend approximately a third of their time on tasks that involve using Salesforce Education Cloud.

- The staff experiences an average productivity lift of 5%, 10%, and 12% in Years 1, 2, and 3, respectively. The increasing number of use cases and increasing automation spur increased productivity.

- The burdened cost of an administrative staff member is $70,000.

- Forrester recognizes that technology investments do not happen in a vacuum, and there are other factors at play that likely also have an impact on

productivity. Therefore, 50% of the benefit is attributed to Salesforce.

Increase in productivity savings after 3 years
12%

Risks. Forrester recognizes that these results may not be representative of all experiences and the benefit will vary based on what use cases are deployed, how many Salesforce users are impacted by automation and other efficiencies, how well institutions utilize the features noted above, and the burdened cost of staff. Organizations may choose to attribute a higher or lower percentage of the impact to the investment in Salesforce.

To account for these risks, Forrester adjusted this benefit downward by 5%, yielding a three-year, risk-adjusted total PV of $6.7 million.

$6.7 million
three-year
benefit PV

57%
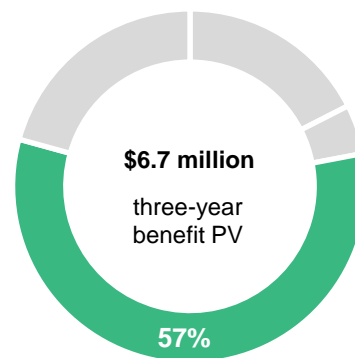
Administrative, Operational, And Process Productivity Savings: Calculation Table

REF.	METRIC	CALCULATION	YEAR 1	YEAR 2	YEAR 3
C1	Total staff and faculty	Composite	10,000	10,000	10,000
C2	Percent of staff and faculty that uses Salesforce	Composite	10%	25%	40%
C3	Number of staff with administrative roles impacted by Salesforce	C1*C2	1,000	2,500	4,000
C4	Average percent of time spent on tasks that are Salesforce-related	Assumption	33%	33%	33%
C5	Productivity improvement	Assumption	5%	10%	12%
C6	Burdened cost of administrative resource	Composite	$70,000	$70,000	$70,000
C7	Productivity recapture	Assumption	50%	50%	50%
Ct	Administrative, operational, and process productivity savings	C3*C4*C5*C6*C7	$577,500	$2,887,500	$5,544,000
	Risk adjustment	↓5%			
Ctr	Administrative, operational, and process productivity savings (risk-adjusted)		$548,625	$2,743,125	$5,266,800
	Three-year total: $8,558,550		**Three-year present value: $6,722,820**		

LEGACY ENVIRONMENT SAVINGS

Typical of higher education technology stacks, the interviewed institutions had a sprawl of point solutions across the departments and colleges. One outcome of the Salesforce investment was the ability to consolidate and decommission several of these tools, driving hard savings in the form of avoided licensing costs and soft savings by reassigning headcount away from maintaining the old solutions. Interviewees cited several examples:

- **Gained economies of scale from an enterprise platform.** The CMO shared: "There are economies of scale when working with a single vendor. We've gotten a lot more bang for our buck with Salesforce. And for smaller departments with fewer resources, they are now able to tap into a university-driven resource, which is more economical than using a one-off system."

- **Single implementation avoided recurring professional service expenses.** A public research university had previously deployed over 20 instances of Salesforce across the institution, resulting in redundant implementation costs. With the move to an enterprise deployment of Education Cloud, the institution avoided those duplicate expenses. The technology innovation officer said: **"**One way we are tangibly saving money is through avoiding the external expenses that come with setting up the platform, the data models, and getting security features in place. We hope that over time, if we implement Salesforce once, then we don't have to repeat those expenses."

> **"In admissions, we spend approximately $70,000 each year on the third-party license, and that will go to zero."**
>
> *CIO, liberal arts college*

- **Process and tools consolidation proved early success.** To gain institutionwide acceptance of the Salesforce deployment, interviewees set intentions of quick wins that demonstrated value. The CIO of a public research university said: "The most important thing was the early wins that demonstrated value. We consolidated a bunch of disparate processes and tools for student housing and got about 30 of those cleaned up and consolidated into one."

Avoided licensing costs per retired legacy tool: $30,000 ↗

Modeling and assumptions. Based on interviewee results, Forrester assumes for the financial model:

- The composite institution consolidates and decommissions three, five, and eight unique tools in Years 1, 2, and 3, respectively.

- The average annual operations and maintenance costs of these tools are $30,000 each.

- With the consolidation of each tool, 1.5 FTEs are reallocated to other areas of the institution.

- The burdened cost of a resource managing a tool is $120,000.

Risks. Forrester recognizes that these results may not be representative of all experiences and the benefit will vary based on how aggressively an institution chooses to consolidate and decommission legacy tools. Other considerations that may impact the value of this benefit are the annual cost of maintaining the legacy solutions and the number and cost of resources maintaining the tools.

To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV of $2.4 million.

Legacy Environment Savings: Calculation Table

REF.	METRIC	CALCULATION	YEAR 1	YEAR 2	YEAR 3
D1	Number of legacy tools retired as a result of the Salesforce investment	Interviews	3	5	8
D2	Average licensing and maintenance costs	Interviews	$30,000	$30,000	$30,000
D3	Number of IT resources per legacy tool maintenance	Composite	1.5	1.5	1.5
D4	Burdened cost of IT resource	Composite	$120,000	$120,000	$120,000
Dt	Legacy environment savings	(D1*D2) + (D1*D3*D4)	$630,000	$1,050,000	$1,680,000
	Risk adjustment	↓10%			
Dtr	Legacy environment savings (risk-adjusted)		$567,000	$945,000	$1,512,000
	Three-year total: $3,024,000		**Three-year present value: $2,432,434**		

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UNQUANTIFIED BENEFITS

In addition to the four benefits quantified above, the customers experienced additional benefits that were not quantified for the study:

- **Marketing platform enabled brand consistency across the university.** Through email templates and centralized communications, Education Cloud enabled institutions to control branding centrally. One CMO shared: "One of the risks to an institution that doesn't have a centralized marketing and communications platform is, of course, just the look and feel. As a marketing tool, Salesforce has given us a real opportunity to execute the brand with more consistency and continuity. It's easier to cascade that information to the people who are using the system more widely as opposed to when we had disparate systems."

> **"Salesforce has preserved the integrity of our university brand by centralizing our constituent data. When we rolled out a new brand, we were able to bring it to life. From a branding perspective, Salesforce is critical to us."**
>
> *CMO, public research university*

- **Marketing automation drives cost and productivity savings.** The CIO of a public research university noted that his institution was able to use the constituent journeys to create personalized marketing efforts and reduce spending on low-effective marketing. He shared: "We've deployed heavy automation in the marketing space and certainly we've seen lower marketing costs and time savings. Because our constituent journeys and the digital engagement are so powerful, we've stopped doing more of the high-cost things like less print materials and billboards and those types of things that were high cost, low effectiveness, and then transition into more of these personalized journeys."

- **Having a single source of information created a universitywide golden record.** Like consumer-oriented organizations in retail or financial services, postsecondary institutions recognize the importance of having one constituent record. It reduces marketing costs, improves targeting, and creates efficiency when sharing constituent data across the institution. The CMO said: "One of the advantages of Salesforce is that it allows us to take all these disparate data sources across the university and bring them together into one location. And what we found is that different colleges talk to the same corporations, but they have their own data sources and their own tracking mechanisms. So, the advantage here is when we bring it all together, we remove duplicity and come up with really good golden records where things are accurate."

- **Data accuracy and ease of reporting enabled better decision making.** With macro- and micro-level views into the state of the institution, decision makers were armed with the information to make data-informed choices. The CIO of a private liberal arts college shared: "Our data is now really strong and accurate because it can be updated easily. And then people who are in decision-making roles are making better decisions because they have the data at their fingertips in a way that they haven't had before."

- **Constituent 360 helped improve relationships with alumni and enabled record-breaking fundraising.** Armed with context and history notes of constituents, the CIO of a private liberal arts college said their organization was able to cultivate deeper relationships with alumni. They shared: "If we're going to meet for dinner to talk about a gift to the college, I can look up your

profile. Then when I walk into the restaurant, I've got the relational information necessary to build trust with you, and I can recount your history. After the meeting, I speak into my phone and transcribe my notes, Salesforce creates a contact report, and we build a history of our relationship with you. I couldn't do that before. Salesforce allowed us to embed a series of key processes to ask for money more predictably and in a way that the research told us would be successful if we just followed the plan. And then the CRM was designed to support and track data to match that plan. We ended up raising the most money in the history of the college and have increased that on an annual basis. We raised about five times more than what the department had raised historically on an annual basis."

- **Gained the ability to track and nurture corporate relationships in CRM.** Like the relationships with alumni noted above, universities used the same contextual and historical information for corporate relationships. The CIO of a public research university described how Salesforce has helped his organization better monitor corporate interactions with his

university. He said: "One of the things we didn't have was a complete picture of how a corporation interacts with the university. And now we're beginning to provide that level of reporting to our executives. Now if they meet with a company, they have a picture of the relationship. They can see that they've given us money for a research activity, they hire our students and provide internships, and they may be a donor outright in other philanthropic activities."

- **Had better resiliency for smaller campuses during market contraction.** Interviewees noted that satellite or regional campuses face their own challenges and economic downtrends often impact these smaller campuses more heavily. The CIO of a public research university said: "With the demographic cliff coming up and now COVID upon us, there is pressure on higher institutions. But with Salesforce, we feel much better about our long-term ability to keep our smaller campuses sustainable. They have much smaller staffs than other institutions, but now they have access to tools and ways to engage constituents that comparable institutions don't."

SALESFORCE INCUBATOR CREATED CAREER OPPORTUNITIES FOR STUDENTS.

One private liberal arts college found a creative way to affordably build Salesforce extensions while helping students develop valuable skillsets. The CIO described the program:

"We're an educational institution. We've got brilliant young people. So instead of hiring a consulting partner, I started an incubator program. Right now, I have 19 students working for the college full time during the summer. They build enterprise extensions to the Salesforce platform, and they get it to a strong beta before they go back to class, and then my team takes it to completion. This group of students has actually built millions of dollars-worth of IP for us, and that is now core to how we function as an institution."

The program is cleverly structured to fund itself and provide career opportunities for students. The CIO said: "I go out and I meet with businesses that want Salesforce developers, architects, and administrators, and they make gifts. Then I use those gifts to pay for the costs in the summer, and these employers have first shot at hiring the students when they graduate."

- **Gained the ability to respond to a crisis, such as a pandemic.** The launch of Salesforce Work.com enabled one institution to respond to the pandemic with a health-care approach, allowing students to return to campus with better tracking and case management. Without Salesforce, the institution would not have been able to respond with the agility required for this 30,000-student organization. The CMO credits the efficiency of enrollment and retention communications with Education Cloud as freeing the resources to focus on preparedness. They said: "I don't think we would have been able to rise to the challenge cognitively and timewise with this [Work.com] maneuver if we didn't have the coverage to say, 'Okay, we don't need the same people on the enrollment and retention.'" The institution hopes to expand Work.com one day to encompass all of the health care systems records — from its research hospital to student health centers.

FLEXIBILTY

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

- **Add more users and use cases.** The adoption of Salesforce in higher education is a slow burn, and interviewees shared intentions to expand the platform. The technology innovation officer said: "One of our goals is to get more users on the platform, not necessarily to come up with more bells and whistles and features. We want to create the core functionality and then get everybody using it." Roles that may use Education Cloud include administrative staff, marketing staff, enrollment and admissions staff, campus life and activity staff, fundraisers, and corporate engagement staff.

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

HOW SALESFORCE HELPED INSTITUTIONS RESPOND TO COVID-19

In the fall of 2020, higher education institutions faced a unique challenge: They needed to determine how to continue to serve and educate students during a pandemic. Technology plays a key role in reacting to the changing environment, and the interviewed institutions reacted quickly by using Salesforce to support their campus reactivation plans. Salesforce even released Work.com to help protect the health and safety of employees and students. Interviewees shared examples of how they used Salesforce to respond to the pandemic.

- **Accelerated adoption to provide virtual options.** The technology innovation officer shared: "We had the Salesforce platform in place, and we were slowly bringing colleges onboard to support students through more modern technology. And then the COVID-19 virus hit, and within about three weeks, we were able to add video chats and meeting formats when students were making appointments."

- **Communicated new policies and procedures daily.** The technology innovation officer noted: "As part of our campus reactivation, we've used Salesforce to set up communications about daily requirements that people have to follow through to be able to be back on campus. It's another example of how we're able to leverage what is already put in place."

- **Adapted student journeys to new reality.** The CIO of a public research university said: "During the COVID-19 crisis, we have seen the ability to engage with our students across the university in a different way. We have 90,000 students returning for the fall, and there is a lot of information that we need to convey to them right now in preparation. What will the face mask policy look like? What are classes going to look like? Having the tools and the data to build out those journeys has been pretty impactful for us."

- **Coordinated and managed all incoming questions.** The CIO of a public research university said: "We put an office in place that coordinated online offerings and managed questions that came in. We needed a tool that would allow a single intake point and integrate across 200 programs that are part of the office of online education. We would have needed an army of individuals to make that happen without Salesforce. So, in many ways, Salesforce is the infrastructure for the office of online education to do its work, and that has been incredible. The move to online has been incredibly successful, and we've been able to do that at a cost much lower than other schools."

- **Added new communication methods.** The technology innovation officer said: "We've added live chat as a way for students to engage. So, I think just having the ability to pivot and reach out to students who aren't physically on campus was greatly enhanced by having Salesforce already in place."

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	Professional services and use case deployment costs	$675,675	$193,050	$177,767	$177,767	$1,224,258	$1,131,648
Ftr	Salesforce licensing	$0	$332,750	$838,310	$1,320,000	$2,491,060	$1,987,054
Gtr	Change management and training	$2,992	$227,480	$352,440	$469,920	$1,052,832	$854,123
	Total costs (risk-adjusted)	$678,667	$753,280	$1,368,517	$1,967,687	$4,768,150	$3,972,825

PROFESSIONAL SERVICES AND USE CASE DEPLOYMENT COSTS

Interviewees said their organizations relied heavily on assistance from system integrators (SIs) for the primary implementation of Salesforce as they had not yet allocated internal resources to assist. The interviewed institutions focused their initial deployments on different use cases: recruiting and admissions, fundraising, marketing, or student experience. As these initial use cases proved successful, they rolled out Salesforce to other areas of the institutions and dedicated internal resources to the success of the platform, eclipsing the need for SI support.

- The technology innovation officer said: "We started out with a single Salesforce developer and a partner. Then, over time, we grew to probably four FTEs to support the central org. And then we also had a director or an associate director involved. It wasn't in Year 1, but probably in Years 2 to 3 that we became more fully staffed. In a way, we traded off the partner for the FTE. We no longer needed the partner because we're backfilling with internal talent."

Modeling and assumptions. Based on interviewee results, Forrester assumes for the financial model:

- The composite institution relies heavily on a SI partner for the initial Salesforce deployment. The initial cost of the partner is around $600,000. As the success of the platform is proven, the institution dedicates internal resources to additional use case deployments, decreasing the reliance on the SI. Professional services total $175,500, $87,750, and $87,750 in Years 1,2, and 3, respectively.

- Four internal resources perform additional use case deployments over the course of eight weeks.

- The burdened weekly cost of a technical resource performing additional deployments is $2,308.

Risks. Implementation costs and duration vary widely, depending on system requirements, necessary integrations and security requirements, the ability to dedicate internal resources, the capabilities and effectiveness of the chosen SI, and the burdened cost of resources. To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of $1.1 million.

Professional Services And Use Case Deployment Costs: Calculation Table

REF.	METRIC	CALCULATION	INITIAL	YEAR 1	YEAR 2	YEAR 3
E1	Professional services fees for implementation and consulting		$614,250	$175,500	$87,750	$87,750
E2	Technical IT resources performing additional use case deployments		0	0	4	4
E3	Weeks for additional use deployments		0	0	8	8
E4	Weekly burdened cost of IT resource (showing rounded values)	$120,000/ 52 weeks	$2,308	$2,308	$2,308	$2,308
Et	Professional services and use case deployment costs	E1+ (E2*E3*E4)	$614,250	$175,500	$161,606	$161,606
	Risk adjustment	↑10%				
Etr	Professional services and use case deployment costs (risk-adjusted)		$675,675	$193,050	$177,767	$177,767
	Three-year total: $1,224,258			Three-year present value: $1,131,648		

A TYPICAL IMPLEMENTATION OF EDUCATION CLOUD HAS FOUR KEY PHASES:

- **Discovery.** During discovery, a consulting partner works alongside customer subject matter experts to map business processes and to determine how materials are going to materialize in the system. This might take a few weeks to a few months depending on the complexity of requirements and deadline pressures.

- **Build.** The build phase is an iterative development of the solution. Organizations can conduct this phase in the traditional waterfall approach with a project plan and milestones or performed it in line with an agile methodology. Customers usually perform a hybrid build over several months. Subject matter experts test, validate, and gather feedback for the next iteration.

- **Quality assurance (QA).** In this phase, customers perform user acceptance testing by entering artificial or real data into the system and proof the build for functionality.

- **Handoff and training**. The final phase may take two forms: train the trainer and train the administrator. Proper training is key to a successful deployment of Salesforce, and these training methods help users feel more confident about how to use the system, make changes, take ownership, and adjust the platform to business needs.

SALESFORCE LICENSING

The interviewed institutions licensed between 100 and 4,000 user seats, depending on use case and the size of the institution. Salesforce licenses Education Cloud on a per-user per-month model.

Interviewees also utilize various add-on products from the Salesforce product set and AppExchange, including MapAnything, Datorama, Return Path, Mobile Publisher, Sandbox, and Einstein Analytics.

Modeling and assumptions. Based on interviewee results, Forrester assumes for the financial model:

- The composite institution increases licenses and the number of user seats each year, with licensing costs totaling $293,000, $737,000, and $1.2 million in Years 1, 2, and 3, respectively.

- Add-ons cost $10,000, $25,000, and $30,000 in Years 1, 2, and 3, respectively.

Risks. Forrester recognizes that Salesforce licensing costs will vary by institution, depending on the number of seats, the contract length, products purchased, and discounts applied. Customers may license additional add-on products beyond those accounted for here. The interviewed organizations utilized other areas of the Salesforce solution set and

products, including Marketing Cloud, Lightning CRM, and Service Cloud. The product licensing mix will impact the total cost to institutions. The best way to determine licensing cost is to speak with a Salesforce representative who can estimate licensing specific to an organization's needs.

To account for these risks, Forrester adjusted this cost upward by 5%, yielding a three-year, risk-adjusted total PV of $5.5 million.

$2.0 million

three-year
cost PV

50%
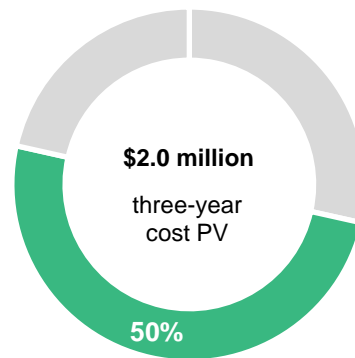
Salesforce Licensing: Calculation Table						
REF.	METRIC	CALCULATION	INITIAL	YEAR 1	YEAR 2	YEAR 3
F1	Education Cloud licensing	Composite		292,500	737,100	1,170,000
F2	Add-on products licenses	Composite		$10,000	$25,000	$30,000
Ft	Salesforce licensing	F1+F2	$0	$302,500	$762,100	$1,200,000
	Risk adjustment	↑10%				
Ftr	Salesforce licensing (risk-adjusted)		$0	$332,750	$838,310	$1,320,000
	Three-year total: $2,491,060			**Three-year present value: $1,987,054**		

CHANGE MANAGEMENT AND TRAINING

Change management was a key component to the success of deploying an enterprise software across a culturally diverse and distributed organization. Several interviewed organizations had dozens of geographically dispersed schools and satellite locations, each with unique needs and cultures. Starting small, proving success, and collaborating with stakeholders resulted in higher adoption and wider success.

- **Early successes earned confidence and acceptance.** Demonstrating value from small wins helped establish Salesforce as a real contender for future success. The CIO of a public research university said: "So we started to grow a coalition from the ground up and we worked together to get Salesforce rolling. I think the early success helped us gain enough confidence in the maturity of the technology and ensured that the organization was ripe enough, that we really could go for our goal of building lifetime engagement with a CRM across the whole of the University."

- **Slow and steady implementation wins the race.** The CIO of a public research university also shared: "We'd watched other institutions that implemented too quickly, got a few years down the road, and they had to back up and redo a whole bunch of things. So we took some pain in going more slowly, but it enabled us to win more people over when they saw what the platform could do and how their piece could fit in."

Training was also key to ensure a successful deployment of Salesforce. Interviewees noted that the initial training was most significantly delivered by their partner as part of the initial implementation. Salesforce also provided training resources through its Trailhead program. Typically partner-provided training was on a customer's specific use case, while Trailhead lessons are broader.

Modeling and assumptions. Based on interviewee results, Forrester assumes for the financial model:

- Change management and adoption advocation is actively performed by 2,3, and 4 FTEs in Years 1,2, and 3, respectively.

- The burdened cost of a resource performing change management and adoption advocation is $100,000.

- The institution provides 20 hours of training to power users each year. 4, 10, 30 and 40 power users participate in training in the initial period, years 1,2 and 3, respectively.

- The average hourly cost of a resource participating in training is $34.

### THE IMPORTANCE OF CHANGE MANAGEMENT IN HIGHER EDUCATION

Change management is key to the success of an Education Cloud deployment. Without proper management, solution adoption will stagnate, and the big purchase will sit on the shelf unused.

A successful deployment requires alignment from many stakeholders. It is key to communicate the business value that the solution delivers, to show all stakeholders how to use the CRM, and to make sure every stakeholder has input that is heard, considered, and delivered.

To win the acceptance of Education users, the CRM investment needs to prove a measurable benefit very quickly. A strong change management program lets you configure and customize the deployment to remove friction and better support end goals like student onboarding, retention, alumni engagement.

Risks. Forrester recognizes that the number and type of resources dedicated to change management will vary by institution. The number of power users will vary as well. Organizations may choose to provide formal training opportunities to all Salesforce users, in which case this cost category would be higher.

To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year, risk-adjusted total PV of $854.1K.

22%

$854,123

three-year
cost PV
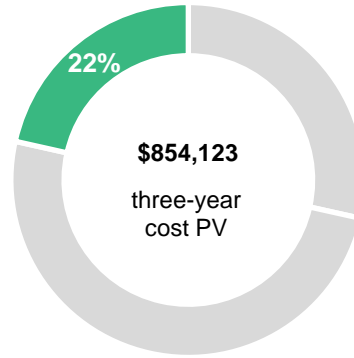
Change Management And Training: Calculation Table						
REF.	METRIC	CALCULATION	INITIAL	YEAR 1	YEAR 2	YEAR 3
G1	FTE Salesforce administrators and adoption advocate/change managers	Interviews		2	3	4
G2	Burdened cost of Salesforce administrator	Composite		$100,000	$100,000	$100,000
G3	Number of power users participating in training	Composite	4	10	30	40
G4	Training hours	Composite	20	20	20	20
G5	Burdened cost of trained resources (showing rounded values)	$70,000/2,080 hours	$34	$34	$34	$34
Gt	Change management and training	(G1*G2) + (G3*G4*G5)	$2,720	$206,800	$320,400	$427,200
	Risk adjustment	↑10%				
Gtr	Change management and training (risk-adjusted)		$2,992	$227,480	$352,440	$469,920
	Three-year total: $1,052,832			**Three-year present value: $854,123**		

Financial Summary

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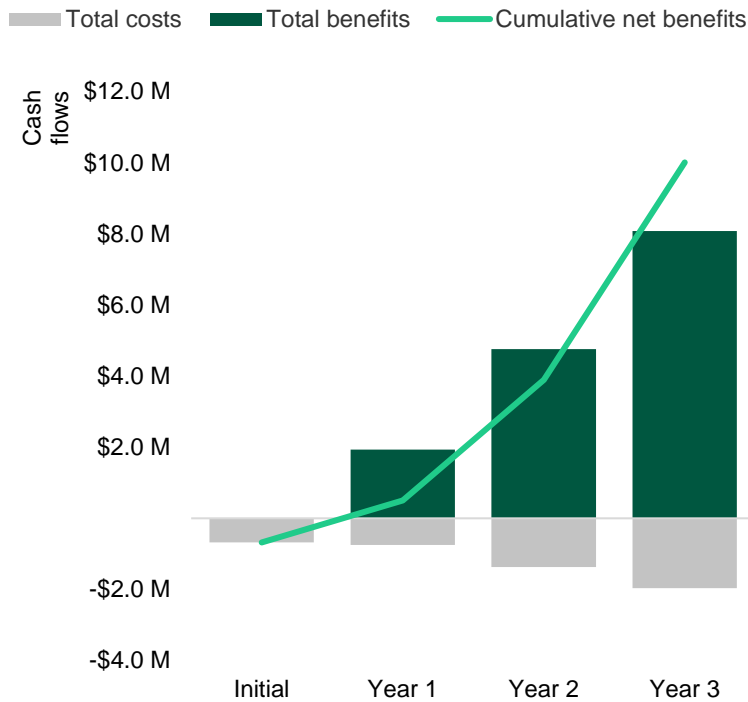
The financial results calculated in the Benefits and Costs sections can be used to determine the ROI, NPV, and payback period for the composite organization's investment. Forrester assumes a yearly discount rate of 10% for this analysis.

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

Cash Flow Analysis (Risk-Adjusted Estimates)						
	INITIAL	**YEAR 1**	**YEAR 2**	**YEAR 3**	**TOTAL**	**PRESENT VALUE**
Total costs	($678,667)	($753,280)	($1,368,517)	($1,967,687)	($4,768,150)	($3,972,825)
Total benefits	$0	$1,937,826	$4,750,868	$8,054,658	$14,743,352	$11,739,581
Net benefits	($678,667)	$1,184,546	$3,382,352	$6,086,971	$9,975,202	$7,766,756
ROI						195%
Payback period						7 months

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."

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] Salesforce Work.com is a suite of products to help institutions safely reopen amidst a pandemic.

[2] Net position margin is similar to a corporation's net income margin, and it is calculated by taking all operation and nonoperating revenues minus operating and nonoperating expenses divided by operating revenues.

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