FORRESTER®

The Total Economic Impact™ Of Workvivo

Cost Savings And Business Benefits Enabled By Workvivo

A Forrester Total Economic Impact™ Study
Commissioned By Workvivo, August 2024

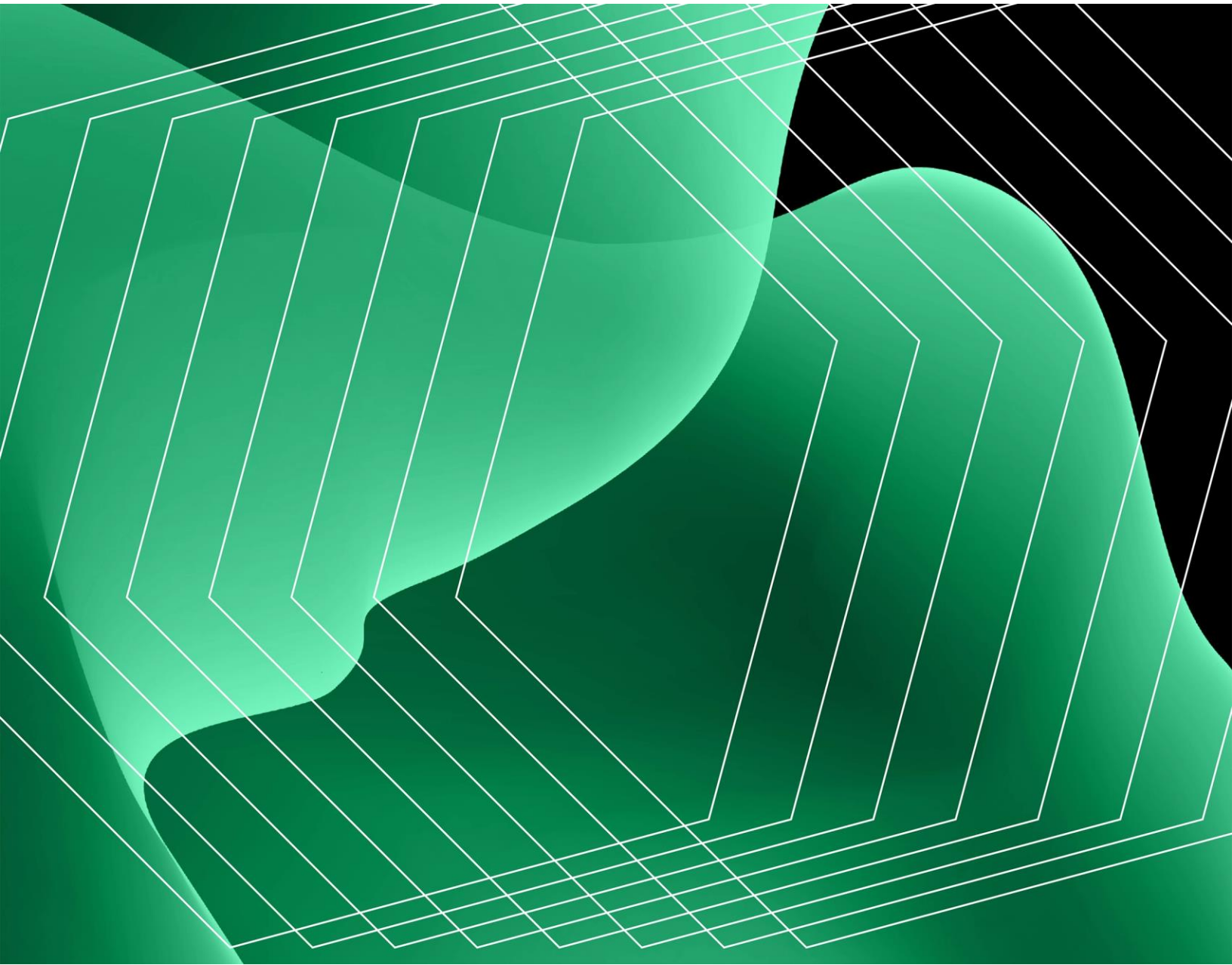


Table Of Contents

Executive Summary	3
The Workvivo Customer Journey	9
Analysis Of Benefits	12
Analysis Of Costs	28
Financial Summary	32

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ABOUT FORRESTER CONSULTING

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

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Executive Summary

According to Forrester research, an intranet platform is "a trusted digital source of corporate communication and content designed to educate and empower employees and improve their digital workplace experiences."[1] The proliferation of hybrid work accelerated the need for organizations to deploy technology that enables direct asynchronous communication to keep employees connected to the organization and to each other no matter where they work. Workvivo, a digital-first employee experience platform (EXP), can simplify internal communication, foster engagement, and digitally revive a company's culture, ensuring employees feel included and valued regardless of their workplace.

Workvivo is an EXP that elevates communication capabilities and allows organizations to reach and engage their entire workforces, which subsequently engenders a more connected and inclusive work culture. By replacing outdated intranets with a modern EXP, Workvivo enables seamless integration with various productivity, collaboration, and HR tools. Its analytics tools facilitate fast feedback loops by identifying employee engagement patterns. This enhances the EXP, ensures content relevance, and enables data-driven decisions.

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

Return on investment (ROI)
228%

Net present value (NPV)
$8.40M

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed four representatives with experience using Workvivo. For the purposes of this study, Forrester aggregated the interviewees' experiences and combined the results into a single composite organization that is a global retail

organization with revenue of $10 billion. The composite has 60,000 employees, and 75% are frontline workers (i.e., non-desk workers).

Interviewees said that prior to using Workvivo, their organizations had collections of disparate tools and systems that were difficult to navigate, leading to inefficiencies and poor employee experience (EX). Moreover, the interviewees' organizations had difficulty with effective companywide communication because frontline employees had inequitable access to information. Mass communication was encumbered by dated and ineffective methods, with language barriers often inhibiting its efficacy. These limitations led to disconnected workforces and low employee engagement, and they left executives without a temperature gauge on employee sentiment.

Interviewees shared that after the investment in Workvivo, their organizations elevated communication and employee engagement which, in turn, fostered a sense of community, common culture, and shared values. Key results from the investment include streamlined and more effective communication, enhanced productivity, having easier and equitable access to information for all employees, and cost savings from the ability to retire legacy intranets and homegrown tools.

KEY FINDINGS

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

- **Cost savings from elimination of legacy systems and processes worth $7.8 million.** The retirement of outdated legacy intranets, translation services, survey tools, and inefficient processes results in improved communication and connectivity among its frontline and desktop employees. Moreover, the composite benefits from Workvivo's integrated translation capabilities and live-streaming functionalities while saving on licensing and translation costs from legacy systems.
- **HR, IT, and internal communication efficiencies worth $1.7 million.** By streamlining processes for company message formation and dissemination, the composite organization's HR and communications teams see 50% time savings. Additionally, reducing the effort of managing legacy systems lessens the workload of the composite's IT team.

- **Improved frontline staff retention worth $2.4 million.** Because Workvivo helps the composite organization improve its employee experience, it enables nearly a 0.5% retention rate improvement. Workvivo's engagement tools also allows the composite's frontline workers to feel more connected and included in the wider organization, leading to higher company loyalty.
- **Increased productivity of senior directors worth $232,000.** Senior directors at the composite who oversee frontline leaders save an average of 2.5 hours per week by streamlining the frontline activity auditing process. They can instantly access Workvivo's content repositories instead of relying on multiple email attachments that are sent daily by frontline leaders.

Unquantified benefits. Benefits that provide value for the composite organization but are not quantified for this study include:

- **Increased company culture and employee advocacy.** Employees across the composite organization feel included, appreciated, and engaged because, as an EXP, Workvivo enhances the organization's culture digitally and provides visibility into the organization's values. The shoutout feature plays a crucial role in creating a sense of community at the composite by allowing employees to recognize and praise each other and tie their behavior with the organization's values. Consequently, this leads to a more cohesive company culture.
- **Increased collaboration and connection.** Workvivo streamlines the composite's internal communication, thereby enhancing employee engagement. Teams can collaborate and share innovative initiatives across departments and geographies, which fosters a sense of connection and knowledge-sharing. This improved employee experience ultimately contributes to increased loyalty and retention at the composite organization.
- **Improved employee onboarding process.** While the composite uses Workvivo alongside other onboarding tools, Workvivo provides access to relevant information and checklists for new employees. This results in faster orientation processes and overall improved onboarding experiences.
- **Improved search and information accessibility.** The composite organization realizes improvements in accessibility, search, and navigation. This reduces the time needed to search for information and increases employee productivity.

Pivoting to governed communications on an intranet platform rather than cascading information ensures that all of the composite's employees receive messages first-hand, which leaves less room for misunderstandings.

- **Improved analytics.** The composite's communication team gains visibility into employee activity and sentiment on the Workvivo EX platform, making it easier to manage performance and to make data-driven decisions. The composite finds Workvivo's content analytics to be particularly valuable in tracking employee engagement and, as a result, it can optimize employee communication.
- **Improved industrial communication.** The composite organization's ability to monitor employee sentiment has an impact on maintaining positive industrial relations and driving business change where necessary. With discontent employees, there is a higher likelihood of strikes, and that could negatively impact the organization's reputation and customer satisfaction.

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

- **Ongoing costs.** For the composite organization — which is a global retail company that operates in 40 countries and has an employee base of 60,000 of which 75% are frontline workers — the three-year risk-adjusted present value of Workvivo's licenses comes to $3.6 million.
- **Up-front costs.** The composite's up-front costs of implementing Workvivo consist of modest implementation fees and the internal effort required for deployment. The organization deploys Workvivo in phases over three months at a cost of $68,000.

The representative interviews and financial analysis found that a composite organization experiences benefits of $12.1 million over three years versus costs of $3.7 million, adding up to a net present value (NPV) of $8.4 million and an ROI of 228%.

> "Our board shared that they've seen a real, marked focus and improvement on internal communications. Workvivo's contribution here is absolutely fantastic."
>
> DIRECTOR OF TALENT, AVIATION

Return on investment (ROI)

228%

Benefits PV

$12.1M

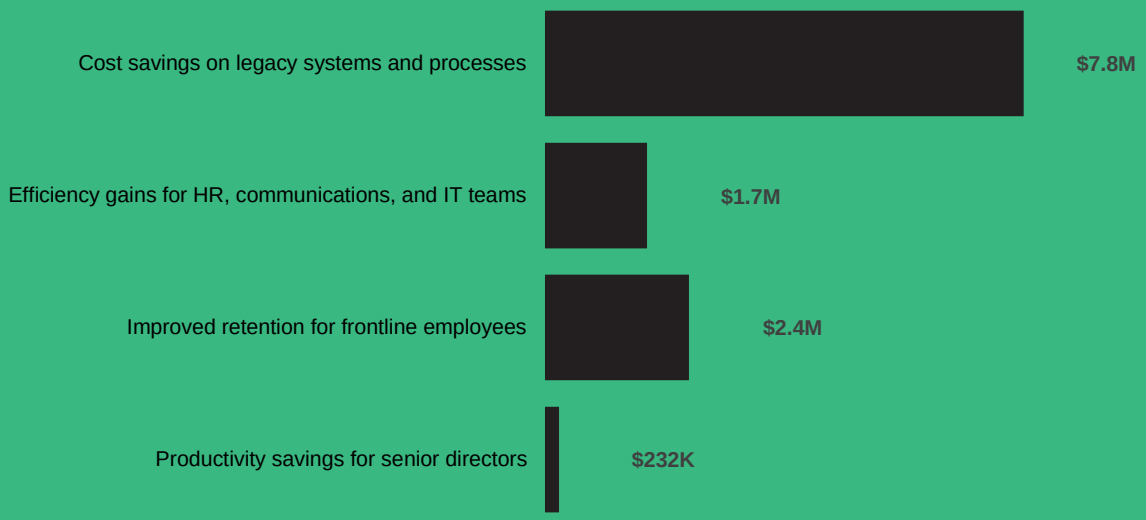
Net present value (NPV)

$8.4M

Payback

<6 months

Benefits (Three-Year)



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 Workvivo.

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 Workvivo can have on an organization.

DISCLOSURES
Readers should be aware of the following:

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

Forrester makes no assumptions as to the potential ROI that other organizations will receive. Forrester strongly advises that readers use their own estimates within the framework provided in the study to determine the appropriateness of an investment in Workvivo. For the interactive functionality using Configure Data/Custom Data, the intent is for the questions to solicit inputs specific to a prospect's business. Forrester believes that this analysis is representative of what companies may achieve with Workvivo based on the inputs provided and any assumptions made. Forrester does not endorse Workvivo or its offerings. Although great care has been taken to ensure the accuracy and completeness of this model, Workvivo and Forrester Research are unable to accept any legal responsibility for any actions taken on the basis of the information contained herein. The interactive tool is provided 'AS IS,' and Forrester and Workvivo make no warranties of any kind.

Workvivo 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.

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

Due Diligence
Interviewed Workvivo stakeholders and Forrester analysts to gather data relative to Workvivo.

Interviews
Interviewed four representatives at organizations using Workvivo to obtain data about costs, benefits, and risks.

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

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

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

The Workvivo Customer Journey

Drivers leading to the Workvivo investment

Interviews			
Role	**Industry**	**Region**	**Number of employees**
Global fulfillment engagement manager	Apparel	Global	45,000
Director of talent	Aviation	Europe and North Africa	28,000
Technology director for employee experience	Consumer Goods	Global	80,000
Communication channel manager	Manufacturing	Global	200,000

KEY CHALLENGES

Interviewees said that prior to using Workvivo, their organizations had ineffective companywide communications that were only one way (top-down) and heavily relied on verbal methods. Because frontline employees had inequitable and indirect access to information, it left room for miscommunication and the use of informal, non-company communication channels the organizations could not monitor.

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

- **Disparate systems.** Interviewees' organizations had collections of disparate tools and systems that were difficult to navigate, leading to inefficiencies and poor employee experiences.
- **Inefficient communication channels.** Employees had inequitable access to information. Receipt of company information for non-desk workers happened through bulletin boards, verbal meetings via team leads, or — less commonly —

through a dated company device in a physical office location. Leadership could not be confident that all employees received important messages.

- **Disconnected workforce.** An absence of a centralized, easily accessible source for information reinforced company silos. Frontline employees had limited connection to their organization, which often led to low employee engagement.
- **Language barriers.** Important company communication needed to be translated for a globally diverse population of employees, subsequently engendering the need for high translation budgets or the trade-off of limiting the communication requiring translation, which further inhibited connectivity across the business.

SOLUTION REQUIREMENTS

The interviewees' organizations searched for a solution that could:

- Enable equitable access to information, especially for frontline employees to receive company information directly.
- Improve internal communication, including the facilitation of peer-to-peer posts alongside top-down communication.
- Build a more connected workforce.
- Unify communications by bringing all employees into the same corporate platform.
- Improve employee engagement by introducing content personalization.

> "Workvivo is an engaging app-based solution that has allowed us to unlock access for everybody. There is equitable access, and the multilingual translations unlock the same information for everybody, which is a top benefit."
>
> GLOBAL FULFILLMENT MANAGER, APPAREL

COMPOSITE ORGANIZATION

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

Description of composite. The composite is a global retail organization with revenue of $10 billion. The organization has a strong brand and global operations across 40 locations. It also has a large employee base of 60,000 with 75% frontline workers and 25% desk workers.

Deployment characteristics. The composite organization begins using the solution in Year 1 following a three-month phased implementation period across the 40 locations. The rollout covers 100% of the workforce across all geographies.

Key Assumptions

$10 billion revenue

60,000 employees

45,000 frontline employees

15,000 desk employees

Analysis Of Benefits

Quantified benefit data as applied to the composite

Total Benefits						
Ref	**Benefit**	**Year 1**	**Year 2**	**Year 3**	**Total**	**Present Value**
Atr	Cost savings on legacy systems and processes	$1,926,000	$3,852,000	$3,852,000	$9,630,000	$7,828,445
Btr	Efficiency gains for HR, communications, and IT teams	$671,034	$671,034	$671,034	$2,013,101	$1,668,761
Ctr	Improved retention for frontline employees	$946,485	$946,485	$946,485	$2,839,455	$2,353,768
Dtr	Productivity savings for senior directors	$93,234	$93,234	$93,234	$279,703	$231,860
	Total benefits (risk-adjusted)	$3,321,258	$5,247,258	$5,247,258	$13,815,774	$12,082,834

COST SAVINGS ON LEGACY SYSTEMS AND PROCESSES

Evidence and data. Interviewees found that adopting Workvivo enabled their organizations to remove systems and processes that no longer suited their needs. Namely, they said their organizations removed legacy intranets and internal communication platforms because Workvivo provides a more accessible and visible platform for employees to communicate with one another and to directly receive companywide messages.

- Interviewees consistently reported that Workvivo facilitated their organization's transition from having a disconnected workforce with inefficient and disparate communication channels — particularly for frontline employees — to an employee base with equal access to company information through a consolidated digital hub. Such improvement to employee communication and connectivity led the organizations to decommission intranets and web-based collaboration platforms that had further reinforced silos in their previous environments.
- The removal of legacy systems and processes led to cost savings. Interviewees said their organizations no longer had the expense of licensing multiple communication and collaborative platforms, and this was especially the case for

organizations that have grown via acquisitions. The communication channel manager at a manufacturing company shared that because of deploying Workvivo, their organization removed 20 to 25 legacy platforms, allowing it to save on licensing fees and the cost of upkeep for these systems. The interviewee also shared that Workvivo assisted in archiving outdated information to ensure information was not lost in the transition to the Workvivo platform.

- The technology director for employee experience at a consumer goods company and the communication channel manager at a manufacturing company each highlighted that Workvivo enabled their organization to save on translation costs. Because they are multinational organizations with employees located globally, company messaging often needed to be translated into various languages, which resulted in fees in the high thousands of dollars and low millions. The technology director said Workvivo's integrated translation capabilities for all posts automatically removed the need for their organization to pay these high translation costs and also removed the need for internal translation expenses entirely for the consumer goods company.
- Lastly, the same interviewee said Workvivo's live-streaming functionality eliminated third-party broadcast costs for their organization because it previously used a different vendor for this capability.

Modeling and assumptions. Based on the interviews, Forrester assumes the following about the composite organization:

- The composite removes 10 legacy systems as a result of adopting Workvivo. These are former intranets-per-acquisition as well as web-based communication platforms.
- The composite eliminates 90% of its translation expenses, with a small portion of its translation budget remaining for ad hoc formal translation needs.

90%

Translation cost reduction

Risks. The extent to which an organization realizes this benefit can vary due to the following factors:

- The number of systems and processes removed as a result of investment in Workvivo.
- The cost of the organization's current translation expenses.
- The cost of the organization's live-streaming expenses.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of $7.8 million.

> "Removing the need to pay for translations with external vendors pays for our Workvivo investment. Here, Workvivo saves us time and millions of dollars."
>
> TECHNOLOGY DIRECTOR FOR EMPLOYEE EXPERIENCE, CONSUMER GOODS

Cost Savings On Legacy Systems And Processes					
Ref	**Metric**	**Source**	**Year 1**	**Year 2**	**Year 3**
A1	License cost for global web-based communication systems	Interviews	$540,000	$540,000	$540,000
A2	License cost for local web-based communication systems	Interviews	$264,000	$264,000	$264,000
A3	Legacy communication systems	Composite	10	10	10
A4	Subtotal: Cost savings on removal of web-based communication systems	A1+(A2*A3)	$3,180,000	$3,180,000	$3,180,000
A5	Cost of translations	Composite	$1,000,000	$1,000,000	$1,000,000
A6	Reduction in cost of translations	Interviews	90%	90%	90%
A7	Subtotal: Cost savings on reduction in translation costs	A5*A6	$900,000	$900,000	$900,000
A8	Subtotal: Cost savings on removing live-streaming vendor	Composite	$200,000	$200,000	$200,000
A9	Value realization	Composite	50%	100%	100%
At	Cost savings on legacy systems and processes	(A4+A7+A8)*A9	$2,140,000	$4,280,000	$4,280,000
	Risk adjustment	↓10%			
Atr	Cost savings on legacy systems and processes (risk-adjusted)		$1,926,000	$3,852,000	$3,852,000
	Three-year total: $9,630,000			**Three-year present value: $7,828,445**	

EFFICIENCY GAINS FOR HR, COMMUNICATIONS, AND IT TEAMS

Evidence and data. Interviewees said their organization's HR, communications, and IT teams became more efficient as a result of Workvivo. In particular, HR and communications teams benefitted from streamlining processes regarding the formation and dissemination of company messages while IT resources involved in supporting legacy systems and processes were able to pivot to focus on different business needs.

- Multiple interviewees shared that Workvivo made their organization's HR and communications teams up to 50% more efficient in their communication activities. They said that in their previous environments, teams would spend anywhere between 5 and 20 hours per week on top-down communications, depending on demand. But this time was halved with Workvivo. They explained that having the ability to coordinate and schedule messages and post in one central hub with confidence the content will be visible to the intended audience contributed to time savings.

- The communication channel manager in manufacturing shared that Workvivo contributed to the reduction of duplicative efforts for their organization's HR team. They said that global and local HR teams sometimes repeated tasks such as delivering company communication to ensure the messages reached all intended employees and that this was a challenge further exacerbated by frontline employees not having a direct line to corporate communications.
- Many interviewees expressed that Workvivo opened the door for new forms of communication. The director of talent at an aviation institution said that without Workvivo, their large organization would have needed 30 people for the type of communication it's able to execute. With Workvivo, the organization needs just four.
- Additionally, the same interviewee expressed that Workvivo alleviated the workload of the IT team. They said that the introduction of Workvivo meant that internal IT workers no longer needed to maintain specific systems and platforms or resolve related technical issues. They also described using and supporting Workvivo as a light lift and said the solution could be managed by a few employees on the communications team along with Workvivo representatives in the event of any technical difficulties.

Modeling and assumptions. Based on the interviews, Forrester assumes the following about the composite organization:

- There are a total of 90 IT resources who provided support and maintenance of legacy systems, and each saves 0.25 hours per week with Workvivo.
- The fully burdened hourly salary for an HR and communications specialist is $29.
- The fully burdened hourly salary for an IT resource is $47.

> **50%**
>
> Time savings on communications distribution

Risks. The extent to which an organization realizes this benefit can vary due to the following factors:

- The level of effort the organization required in its previous environment to communicate effectively and the level of support required to maintain the technology and channels that facilitate this.
- Whether or not teams that save time via efficiency gains apportion that time to value-add activities.

Results. To account for these risks, Forrester adjusted this benefit downward by 5%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of $1.7 million.

> "Workvivo allows us to stay up to date with the modern world and communicate with our workforce in the way [employees] want to be communicated with. As our workforce includes more generations, we need to stay up to date with how they consume information. In this case, it is digital and enables us to stay relevant."
>
> COMMUNICATION CHANNEL MANAGER, MANUFACTURING

Efficiency Gains For HR, Communications, And IT Teams					
Ref	**Metric**	**Source**	**Year 1**	**Year 2**	**Year 3**
B1	HR and communications team members	Composite	200	200	200
B2	Weekly time spent on communications distribution pre-Workvivo (hours)	Interviews	10	10	10
B3	Percentage of time saved on communications distribution with Workvivo	Interviews	50%	50%	50%
B4	Weekly time saved on communications distribution with Workvivo (hours)	B2*B3	5	5	5
B5	Fully burdened hourly salary for an HR and communications specialist	TEI standard	$29	$29	$29
B6	Subtotal: Efficiency gains for HR and communications teams	(B1*B4*B5*47)* B11	$681,500	$681,500	$681,500
B7	IT resources who supported the maintenance of the legacy systems	Composite	90	90	90
B8	Weekly time saved on IT support and maintenance (hours)	Composite	0.25	0.25	0.25
B9	Fully burdened hourly salary for an IT resource	TEI standard	$47	$47	$47
B10	Subtotal: Efficiency gains for IT support	(B7*B8*47*B9)* B11	$24,851	$24,851	$24,851
B11	Productivity recapture rate	Assumption	50%	50%	50%
Bt	Efficiency gains for HR, communications, and IT teams	B6+B10	$706,351	$706,351	$706,351
	Risk adjustment	↓5%			
Btr	Efficiency gains for HR, communications, and IT teams (risk-adjusted)		$671,034	$671,034	$671,034
	Three-year total: $2,013,100			**Three-year present value: $1,668,761**	

IMPROVED RETENTION FOR FRONTLINE EMPLOYEES

Evidence and data. Interviewees said using Workvivo as a digital hub for all employees enabled their organizations to expand their reach and engage their workforces and that this led to increased retention of frontline employees. Many of the interviewees explained that Workvivo enabled frontline employees to feel connected to the wider organization and more included, often for the first time. They also said it elevated the employee experiences for both frontline and desk workers by creating a sense of community and enabling easy, asynchronous communication that removes language and geographical barriers when connecting. Especially for frontline employees, this often led to augmented internal mobility and lower attrition.

- Interviewees recognized that Workvivo's facilitation of intra-company communication (both top-down and peer-to-peer interaction) gave frontline employees new, broader insight into the organization and that such exposure facilitated increased internal job mobility. Interviewees shared that all employees having equitable access to a centralized EXP amplified the visibility of job opportunities to the employee ecosystem, leading to more internal applications. Consequently, their organizations saved on recruitment costs and benefitted from higher levels of retention with overall attrition rates falling anywhere between 5% and 20%.
- The technology director for employee experience at a consumer goods organization said Workvivo was crucial to reestablishing the frontline to the corporate talent pipeline. This had been lost through previous high levels of attrition. The interviewee said reaching and reengaging frontline employees through Workvivo was crucial to the efforts employed to reactivate frontline worker interest in pursuing other corporate roles, particularly as leadership recognized the value of nurturing a consistent flow of non-desk worker talent into corporate roles. The director explained that these employees tended to be more passionate and connected to the brand, and that they often worked their ways up to senior levels of management and provided invaluable holistic perspectives of the organization while in these roles.
- Interviewees shared that since implementing Workvivo, employee engagement figures have increased by an average of 15 percentage points. They often cited having an activity feed through which short-form content can be liked, commented on, and reposted as a contributor. Their organizations' analytics show that the number of weekly active users on Workvivo is often above 90% based on employee interaction data for both top-down content and peer-to-peer posts. Forrester research shows that enterprise collaboration technology levels the playing field for employees — desk workers or otherwise — to create, exchange, and consume information, and that this fundamentally contributes to positive or negative digital employee experiences.[3] As a result, happier, more connected employees are more likely to remain with their organization.
- The director of talent at an aviation institution expressed that Workvivo provided them with a platform through which they could share industry news and positive

PR about the company with the workforce. For example, they could post accolades such as a “best place to work” on Workvivo, and this had a positive influence on attrition.

Modeling and assumptions. Based on the interviews, Forrester assumes the following about the composite organization:

- Because the composite is a retail organization, it experiences relatively higher levels of attrition compared to organizations in other industries.
- The average cost of recruiting, hiring, and onboarding a frontline employee in retail is 20% of their fully burdened salary.

Risks. The extent to which an organization realizes this benefit can vary due to the following factors:

- The organization’s industry and attrition rates relative to the industry and the organization itself.
- The cost per hire to replace an employee lost through voluntary attrition.

Results. To account for these risks, Forrester adjusted this benefit downward by 5%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of $2.4 million.

15 percentage points

Increase in employee engagement

> "Since implementing Workvivo, attrition rate has fallen off a cliff. People feel a lot more connected to the company through Workvivo, whereas previously, they might have just thought that they work for their specific department. Workvivo has allowed us to really bring that family of people together."
>
> DIRECTOR OF TALENT, AVIATION

Improved Retention For Frontline Employees					
Ref	**Metric**	**Source**	**Year 1**	**Year 2**	**Year 3**
C1	Frontline employees	Composite	45,000	45,000	45,000
C2	Voluntary attrition rate	Composite	60%	60%	60%
C3	Frontline employees who leave	C1*C2	27,000	27,000	27,000
C4	Reduction in attrition rate for frontline employees due to Workvivo	Interviews	0.45%	0.45%	0.45%
C5	Average fully burdened salary for a frontline employee	TEI standard	$41,000	$41,000	$41,000
C6	Average cost of recruiting, hiring, and onboarding a frontline employee	C5*20%	$8,200	$8,200	$8,200
Ct	Improved retention for frontline employees	C3*C4*C6	$996,300	$996,300	$996,300
	Risk adjustment	↓5%			
Ctr	Improved retention for frontline employees (risk-adjusted)		$946,485	$946,485	$946,485
	Three-year total: $2,839,455		**Three-year present value: $2,353,768**		

PRODUCTIVITY SAVINGS FOR SENIOR DIRECTORS

Evidence and data. Senior directors who manage frontline leaders particularly benefited from Workvivo, in so far as they saved time on checking reports on frontline activity. Interviewees shared that department leads with responsibility over frontline employees previously needed to write reports for senior management to review. Senior management therefore had to dedicate time each day to reviewing the mass of emails they would receive from the frontline leaders who reported to them. However, interviewees said that by leveraging the document storage capabilities within Workvivo, senior directors could refer to a single report rather than multiple emails.

- The global fulfillment engagement manager in apparel shared that in their organization's previous environment, 20 senior directors who managed frontline leaders would have to review approximately 60 emails per day regarding departmental frontline activity. But they said that as a result of the structure enabled through Workvivo's document storage functionality, senior directors now review a single report, saving them approximately 30 minutes per day.
- The same interviewee also mentioned that Workvivo's digital workplace enabled a straightforward procedure for senior directors to reach, inform, and track teams while having to reply on fewer emails and chats.

Modeling and assumptions. Based on the interviews, Forrester assumes the following about the composite organization:

- The composite has 25 senior directors who have frontline leaders as direct reports.
- Although senior directors save 30 minutes per day, 50% of that is reappropriated to work activity.

> **62.5 hours**
>
> Combined weekly time savings for all senior directors

Risks. The extent to which an organization realizes this benefit can vary due to the following factors:

- Industry and organizational preferences.
- Whether or not senior directors beyond the frontline leader review frontline reports.

Results. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of $232,000.

> "The leadership team is not getting 60 emails per day anymore. If they need to reference a report for one shift or one day or one department, they can just go into the file structure on Workvivo and access the relevant reports in that way."
>
> GLOBAL FULFILLMENT ENGAGEMENT MANAGER, APPAREL

Productivity Savings For Senior Directors					
Ref	**Metric**	**Source**	**Year 1**	**Year 2**	**Year 3**
D1	Senior directors who check departmental frontline reports	Composite	25	25	25
D2	Daily time saved per manager checking frontline team reports (minutes)	Interviews	30	30	30
D3	Fully burdened hourly salary for a senior director	TEI standard	$77	$77	$77
D4	Cost to business to check frontline reports per day	(D2/60)*D3	$39	$39	$39
D5	Days worked	Assumption	225	225	225
D6	Productivity recapture rate	Assumption	50%	50%	50%
Dt	Productivity savings for senior directors	D1*D4*D5*D6	$109,688	$109,688	$109,688
	Risk adjustment	↓15%			
Dtr	Productivity savings for senior directors (risk-adjusted)		$93,234	$93,234	$93,234
	Three-year total: $279,704			**Three-year present value: $231,861**	

UNQUANTIFIED BENEFITS

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

- **Enhanced company culture and employee advocacy.** Several interviewees noted that Workvivo brought company culture to life digitally, helping employees across the organization feel included, appreciated, and engaged. The global fulfillment engagement manager at an apparel organization explained that Workvivo's "shout-out" feature facilitated the feeling of community by recognizing employees. The interviewee noted: "The shout-out feature is phenomenal. [It] allows [employees] to tag individuals or teams and share words of recognition to praise. We see over 200 shout-outs per month. [Moreover,] Workvivo allows us to tag employee posts to a specific company value. This means that employees are instinctively tying their behavior with our company values and posting it on the platform, which leads to a more cohesive company culture." The interviewee further said: "Our employee surveys show that prior to [implementing] Workvivo, there was a sentiment of disconnection to the company. We have recently seen an increase of the employee sentiment score."

  Similarly, the technology director for employee experience at a consumer goods company stated that implementing Workvivo had an impact on value recognition across the organization. They said, "[Prior to implementing Workvivo,] most employees didn't know our company values [because] they had no visibility of them."

- **Increased collaboration and engagement.** Each interviewee mentioned that Workvivo enabled collaboration and simplified internal communication and that this led to higher employee engagement. The communication channel manager at a manufacturing organization noted: "Workvivo enabled internal collaboration for entirely separate teams. [For example,] one team can hear about an innovative initiative that another team has done and reach out to find out more. Previously, this wasn't possible.

  The global fulfillment engagement manager at an apparel company told Forrester: "A top benefit for us is fun. Our employees have jumped in with both

feet and leveraged the more social and engagement sides of Workvivo EXP, and it's amazing to see people making connections not just at their physical location but with their colleagues globally."

According to Forrester research, improved employee experience ultimately impacts employees' loyalty and retention.[4]

- **Employee onboarding efficiencies.** Interviewees highlighted the impact Workvivo had on their organizations' onboarding processes. The global fulfillment engagement manager at an apparel organization explained: "Workvivo is part of the onboarding process, but it is not the only tool to onboard employees. Workvivo allows access to relevant information and checklists for new joiners. [It] has allowed an expedited orientation and improved our onboarding process and experience."
- **Improved search and information accessibility.** The improvements in accessibility, search, and navigation enabled by Workvivo allowed increased productivity of employees by reducing time spent searching for information. The communication channel manager at a manufacturing firm noted: "There are time savings of employees en masse. Workvivo's search function enables general savings."
- **Improved analytics.** Workvivo's analytics platform provides communication teams with the ability to track and measure employee data and insights to have visibility into their activity on the platform. This makes it easier to manage performance and to make informed, data-driven decisions. The global fulfilment manager at an apparel organization explained: "Workvivo's content analytics showed us the best ways to communicate. Employees tend to watch some content multiple times; they repeatedly go back to it. This insight allowed us to pivot and invest in our team, get training, [and] get equipment so that we could produce engaging video content. We now understand this is how our workforce wants to receive information."

Interviewees across all industries further added that Workvivo allows their organizations to track employee sentiment by analyzing data about their engagement. The technology director for employee experience at a consumer

goods organization said: “Comments and likes are the most typical way we see people engaging. We posted a video message from our senior leaders in response to our most recent employee poll survey [in which they talked] through what their action plans were going to be. The video had been liked by approximately a third of our employee base. When we looked at the analytics, we saw that almost 95% of our employee base had watched it at least once.”

- **Improved industrial communication.** The director of talent at an aviation institution emphasized the importance of tracking employee sentiment to maintain good industrial relations. The interviewee said: “Workvivo has allowed us to track employee sentiment, [which] is crucial for us. From an industrial relations perspective, if our staff is not happy and we consequently end up having strikes, that’s going to impact our customers, it’s going to impact our share price, and it’s going to impact our passengers’ confidence. … There hasn’t been a strike in a long time. For us, that’s a measure of Workvivo’s success.”

65% to 80%

Employee engagement increase

“The shout-out feature was a game-changer for us. Lack of recognition was a theme that had previously shown up strongly on employee pulse surveys in the past, especially within the distribution network. Bringing Workvivo in has made a huge difference in moving the needle in that area.”

GLOBAL FULFILMENT ENGAGEMENT MANAGER, RETAIL

FLEXIBILITY

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

- **Branding and customization options.** Workvivo's functionality features are flexible and customizable, and several interviewees told us about Workvivo's personalized branding options. The global fulfillment engagement manager at an apparel company noted: "As part of the initial setup, we could choose to rebrand the EXP. … At the back end, we can change the color scheme and branding if needed without having to rely on asking Workvivo."
  The technology director for employee experience at a consumer goods organization added, "The customization options are a key differentiator of Workvivo, as [it] enables the look and feel of the EXP to be entirely reflective of the brand."

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

> "Prior to implementing Workvivo, there was a demonstrated gap in communications, engagement, and recognition within the distribution workforce at [my organization]."
>
> GLOBAL FULFILMENT ENGAGEMENT MANAGER, APPAREL

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	Ongoing costs	$0	$1,386,000	$1,457,280	$1,528,560	$4,371,840	$3,612,793
Ftr	Up-front costs	$48,965	$20,680	$0	$0	$69,645	$67,765
	Total costs (risk-adjusted)	$48,965	$1,406,680	$1,457,280	$1,528,560	$4,441,485	$3,680,558

ONGOING COSTS

Evidence and data. Licensing costs are informed by volume. Pricing may vary. Contact Workvivo for additional details.

Modeling and assumptions. Based on the interviews, Forrester assumes the following about the composite organization:

- This composite is a retail organization with annual revenue of $10 billion. It operates across 40 locations globally.
- The composite has 60,000 employees with 75% frontline workers and 25% desk workers.
- The composite rolls out Workvivo across 100% of the workforce globally.

Results. To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of $3.6 million.

> “Employees were good to go in 10 minutes. Honestly, [Workvivo] is intuitive and straightforward.”
>
> GLOBAL FULFILMENT ENGAGEMENT MANAGER, APPAREL

Ongoing Costs						
Ref	**Metric**	**Source**	**Initial**	**Year 1**	**Year 2**	**Year 3**
E1	Licensing costs	Workvivo	$0	$1,260,000	$1,324,800	$1,389,600
Et	Ongoing costs	E1	$0	$1,260,000	$1,324,800	$1,389,600
	Risk adjustment	↑10%				
Etr	Ongoing costs (risk-adjusted)		$0	$1,386,000	$1,457,280	$1,528,560
Three-year total: $4,371,840			**Three-year present value: $3,612,793**			

UP-FRONT COSTS

Evidence and data. Up-front costs are focused on implementation fees and the internal effort required to deploy Workvivo. In general, interviewees from enterprise organizations said they deployed Workvivo in phases.

- Interviewees referenced that Workvivo could be implemented in a relatively short timeframe. Duration of implementation is typically dependent on the pace of change management within the organization itself.
- Among those interviewed, implementation of Workvivo lasted anywhere between six weeks to five months. With the consumer good interviewee highlighting that go-live for the first phase was one week.

> "Workvivo was up and running in six weeks, which, to me is quick."
>
> DIRECTOR OF TALENT, AVIATION

Modeling and assumptions. Based on the interviews, Forrester assumes the following about the composite organization:

- The composite adopts a phased approach to its Workvivo implementation over three months.
- Resources involved in implementation are from the following internal teams: HR, global IT, and legal.
- Implementation costs also include a one-time implementation fee.

Risks. The impact of this cost can vary due to the following factors:

- The deployment cadence of the solution and subsequent change management and data governance requirements.
- The agility and pace the organization moves during technology implementations.
- The average hourly rates of implementation team members.

Results. To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of $68,000.

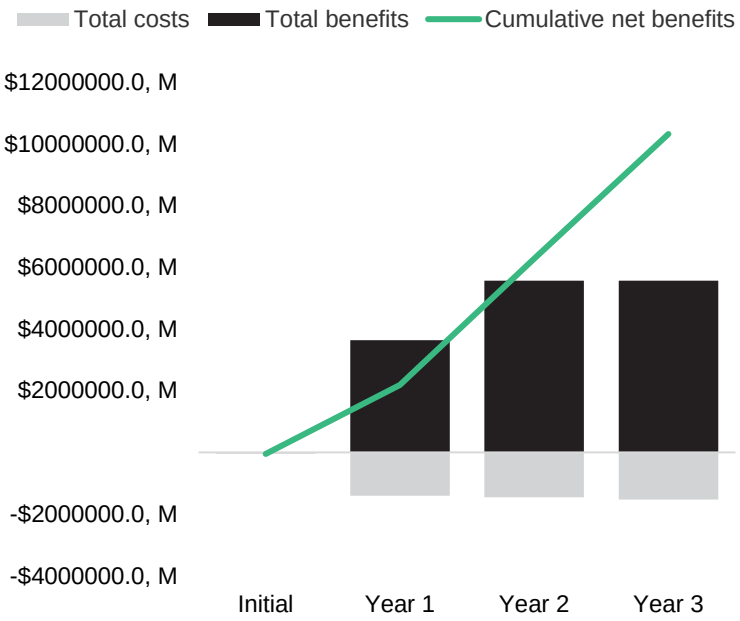
> “The first training on Workvivo takes an hour or less. Ongoing training is minimal, as it’s very intuitive.”
>
> TECHNOLOGY DIRECTOR FOR EMPLOYEE EXPERIENCE, CONSUMER GOODS

Up-Front Costs						
Ref	**Metric**	**Source**	**Initial**	**Year 1**	**Year 2**	**Year 3**
F1	Implementation fee	Interviews	$5,000			
F2	HR or communications manager implementation time (hours)	Interviews	160			
F3	Average fully burdened hourly salary for a communications manager	TEI standard	$35			
F4	HR or communications generalist implementation time (hours)	Interviews	160			
F5	Average fully burdened hourly salary for a communications generalist	TEI standard	$29			
F6	Global IT implementation time (hours)	Interviews	78			
F7	Average fully burdened hourly salary for global IT worker	TEI standard	$58			
F8	Legal counsel implementation time (hours)	Interviews	70			
F9	Average fully burdened hourly salary for legal counsel	TEI standard	$85			
F10	Time IT resource spends decommissioning legacy systems (hours)	Assumption	400	400		
F11	Average fully burdened hourly salary for an IT network and infrastructure worker	TEI standard	$47	$47		
Ft	Up-front costs	(F1+(F2*F3)+(F4 *F5)+(F6*F7)+ (F8*F9))+(F10* F11)	$44,514	$18,800	$0	$0
	Risk adjustment	↑10%				
Ftr	Up-front costs (risk-adjusted)		$48,965	$20,680	$0	$0
	Three-year total: $69,645			**Three-year present value: $67,765**		

Financial Summary

Consolidated Three-Year Risk-Adjusted Metrics

Cash Flow Chart (Risk-Adjusted)



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

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

Cash Flow Analysis (Risk-Adjusted Estimates)

	Initial	Year 1	Year 2	Year 3	Total	Present Value
Total costs	($48,965)	($1,406,680)	($1,457,280)	($1,528,560)	($4,441,485)	($3,680,558)
Total benefits	$0	$3,636,753	$5,562,753	$5,562,753	$14,762,259	$12,082,834
Net benefits	($48,965)	$2,230,073	$4,105,473	$4,034,193	$10,320,774	$8,402,276
ROI						228%
Payback						<6 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.

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.

APPENDIX B: ENDNOTES

[1] Source: The Intranet Platforms Landscape, Q1 2024, Forrester Research, Inc., January 29, 2024.

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

[3] Source: The Forrester Tech Tide™: Enterprise Collaboration Technologies, Q3 2022, Forrester Research, Inc, September 19, 2022.

[4] Source: Make Digital Employee Experience The Centerpiece Of Your Digital Workplace Strategy, Forrester Research, Inc., November 15, 2022.

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