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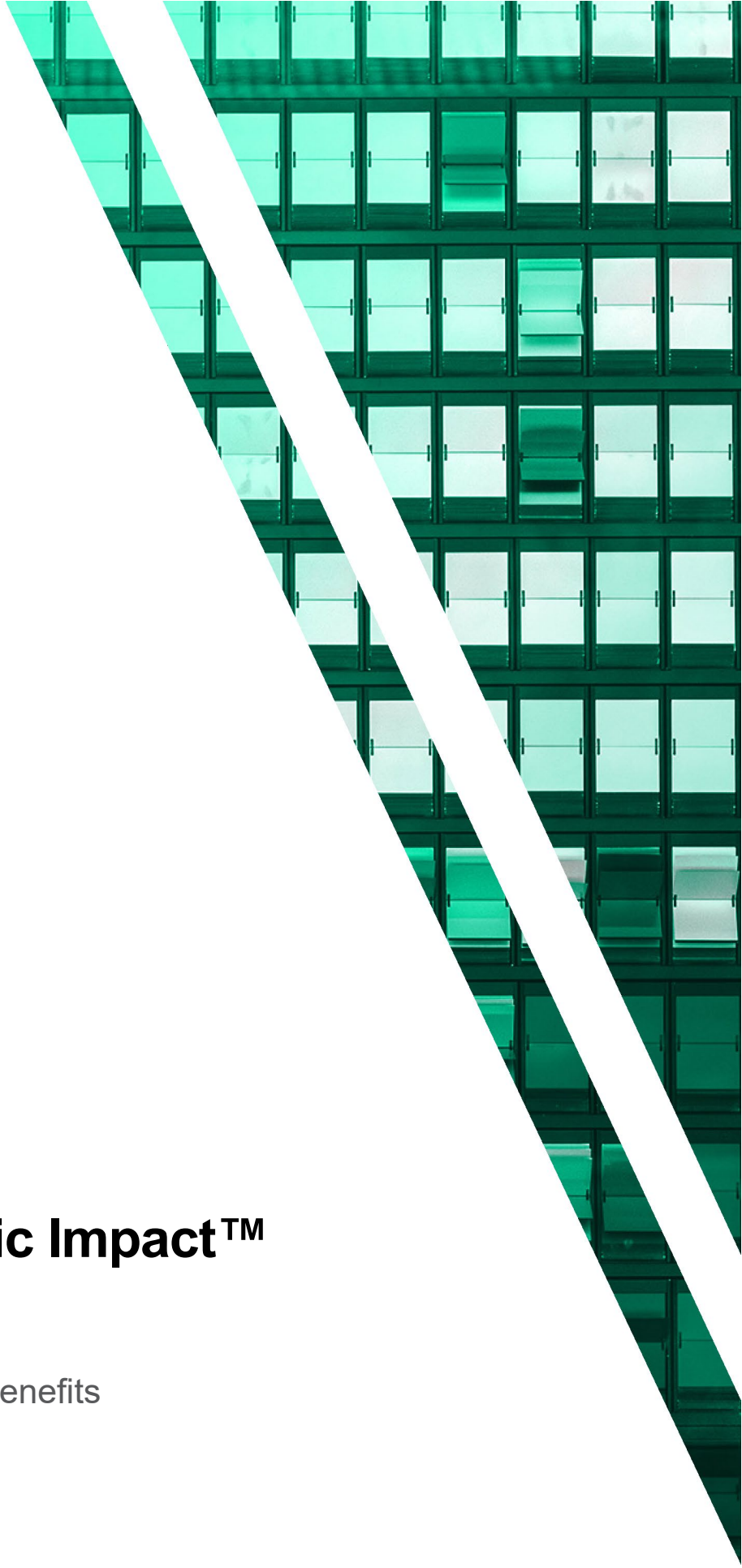

The Total Economic Impact™ Of AgilePoint

Cost Savings And Business Benefits Enabled By AgilePoint

FEBRUARY 2023

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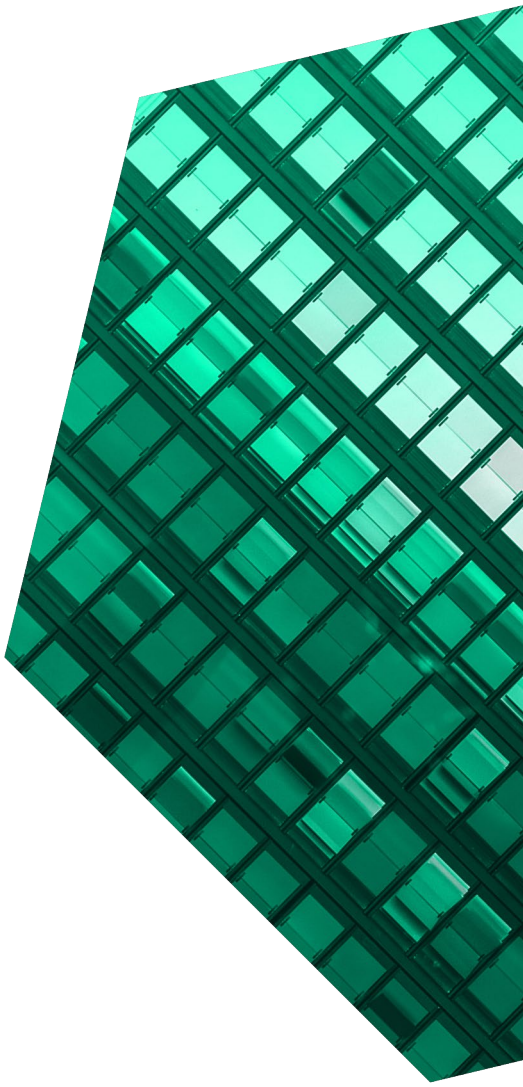


ABOUT FORRESTER CONSULTING

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

Executive Summary

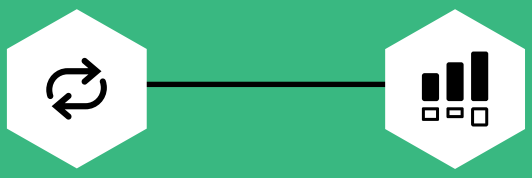
Organizations adapt to changing business conditions and technologies by using AgilePoint's low-code/no-code automation platform to rapidly develop complex, cross-functional, business-critical applications. AgilePoint empowers professional and citizen developers alike, and it supports collaboration across previously siloed IT and business teams. Automating processes with AgilePoint reduces complexities, costs, and risks, and it increased innovation. The solutions frequently generate value for a decade or more.

AgilePoint is a low-code/no-code digital process automation (DPA) platform designed to replace traditional coding and application development methods. AgilePoint offers an easy-to-use, collaborative, and governed automation development environment that empowers citizen developers (i.e., businesspeople without traditional programming backgrounds) and those closest to the business to fully participate in application development. By engaging users outside of IT, organizations can rapidly automate business processes at scale. AgilePoint enables flexible, future-proof solutions by decoupling business logic from technical systems. This architecture means that automations developed in AgilePoint can be readily deployed into existing technology stacks and are adaptable, embeddable, scalable, extensible, and secure.

AgilePoint commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) enterprises may realize by deploying AgilePoint.[1] The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of AgilePoint on their organizations.

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed nine representatives of four organizations with experience using AgilePoint. For the purposes of this study, Forrester aggregated the interviewees' experiences and combined the results into a composite organization with revenues of $5 billion annually and 20,000 employees. While the composite organization is representative of the interviewees' organizations, other organizations may find the analysis to be equally resonant.

KEY STATISTICS



Return on investment (ROI)
416%

Net present value (NPV)
$26.42M

Before deploying AgilePoint, the interviewees' organizations struggled with the following key challenges:

- Business processes were complex, cross-functional, and sensitive.
- Manually completing processes was slow.
- Errors in processes could violate regulations and lead to fines.
- Business users (i.e., the employees who performed and managed these processes) lacked visibility into the processes.

- Legacy IT solution development was too slow and too costly to support the speed with which business requirements changed.

Interviewees said investing in AgilePoint led to organizationwide digital transformations. Their organizations quickly automated both simple business processes and their most complex business processes, which were workflows they were unable to automate before. These processes were cross-functional and involved multiple, previously siloed business units. And the impact was enterprisewide: Automation saved business users substantial amounts of time and prevented errors in critical processes. Moreover, the organizations realized benefits over the long term as their AgilePoint solutions proved adaptable (e.g., easy to update and easy to reuse by new business units, departments, divisions, subsidiaries, product lines, etc.).

The interviewees' organizations that have been most successful with AgilePoint democratized, decentralized, and scaled solution development to include and empower business users and citizen developers alike. Because the organizations could rapidly build and continuously change, adapt, and improve their applications to suit any business needs, they became more agile.

Reduction in IT solution development time

12x

KEY FINDINGS

Quantified benefits. The composite organization realizes the following benefits from its investment:

- **92% decrease in development times for new IT solutions.** With AgilePoint, the composite organization dramatically cuts its IT automation efforts. It automates simple processes in two to three weeks and complex processes in eight to nine weeks.
- **AgilePoint usage growth of 200% to 300% per year.** The processes the composite develops with AgilePoint span multiple business units (e.g., divisions, subsidiaries, departments, product lines, etc.) and they can easily be adapted to new ones.
- **95% time savings by automating manual processes.** The composite can complete a process that takes 60 business days to perform manually in just three days once digitally automated with AgilePoint.

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

- Simple process automation saves the composite organization's business users 240,160 hours of time, which is equal to 87 FTEs.
- Complex process automation saves the composite's business users more than 90 million hours of time, which is equal to almost 600 FTEs.
- Process automation prevents the composite from making more than 800 errors in complex, cross-functional, and business-critical workflows. This saves it $12.7 million in costs for regulatory fines and rework.
- The adaptability of processes and applications built with AgilePoint extends the typical lifespan of an IT solution at the composite organization from four years to 10 years. This saves it almost $600,000 in development costs alone.

- Rapid process development led by the composite's business users creates multiple new business opportunities, and these incremental, additional projects lead to millions in topline revenue.

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

- **Visibility into complex, cross-functional processes.** Before using AgilePoint, the composite organization lacked insight into its most sophisticated processes. But automating those processes with AgilePoint enables analytics and reporting, and this visibility leads to further process improvements and optimization.
- **Flexibility to leverage citizen developers.** AgilePoint empowers businesspeople without traditional programming backgrounds to contribute to process development. This can increase both capacity and velocity.
- **Avoided cost of replatforming.** While not quantified for this study, this is another potential source of additional savings.

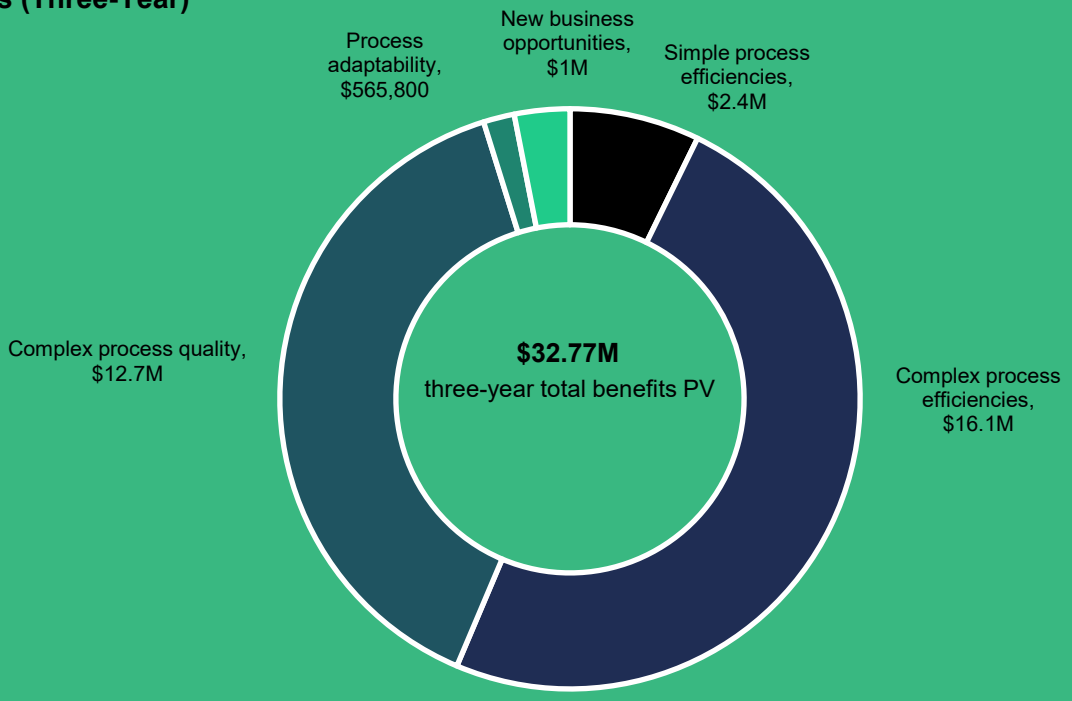
Costs. Three-year, risk-adjusted PV costs for the composite organization include:

- **Digital transformation team costs totaling $4.5 million.** The composite uses a team of four professional developers, two to four citizen developers, and four to eight support staff members (e.g., business analysts, project managers, tech support specialists, etc.). The salaries of this team make up 71% of the composite's total costs.
- **AgilePoint licensing costs totaling $1.5 million.** In Year 1, the composite organization pays $281,000 to support 1,200 business users under AgilePoint's dynamic concurrent user licensing model. In Years 2 and 3 and as the composite organization's needs grow, it switches to AgilePoint's CPU core licensing model. In Year 2, costs are $479,000 for one server supporting around 4,600 business users. In Year 3, costs are $958,000 for two servers supporting nearly 16,000 business users. In total, AgilePoint licensing makes up 24% of all the composite's costs.
- **Professional services fees totaling around $300,000.** The composite organization does not require professional services to start using AgilePoint. Rather, it selectively uses professional services from AgilePoint and AgilePoint-certified partners to supplement its internal development work and to support its most challenging projects. The composite organization uses fewer professional services over time as it improves its internal capabilities, and the fees for those services make up just 4% of its total costs.

The representative interviews and financial analysis found that a composite organization experiences benefits of $32.77 million over three years versus costs of $6.34 million, adding up to a net present value (NPV) of $26.42 million and an ROI of 416%.

ROI	BENEFITS PV	NPV	PAYBACK
416%	**$32.77M**	**$26.42M**	**<6 months**

Benefits (Three-Year)



“If a project is two years long, then we can’t spend six months building an application. We need to build it in two to three weeks. [With AgilePoint, we can.]”

— Director of business systems and application delivery, engineering

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 AgilePoint.

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 AgilePoint can have on an organization.

DUE DILIGENCE

Interviewed AgilePoint stakeholders and Forrester analyst to gather data relative to AgilePoint.

INTERVIEWS

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

COMPOSITE ORGANIZATION

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

FINANCIAL MODEL FRAMEWORK

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

CASE STUDY

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

The AgilePoint Customer Journey

Drivers leading to the AgilePoint investment

Interviews

Role	Industry	Region	Revenue	Employees
Business process manager and information systems specialist	Nonprofit	Headquartered in North America with global operations	$225 million	322,000
Business data analyst and citizen developer	Nonprofit	Headquartered in North America with global operations	$225 million	322,000
Director of business systems and application delivery	Engineering	Headquartered in North America with global operations	$6 billion	53,000
Manager of process automation and collaboration	Engineering	Headquartered in North America with global operations	$6 billion	53,000
Vice president of corporate projects and processes	Media	Headquartered in Europe with regional operations	$2 billion	13,000
Senior manager of corporate projects and processes	Media	Headquartered in Europe with regional operations	$2 billion	13,000
Manager of corporate projects and processes	Media	Headquartered in Europe with regional operations	$2 billion	13,000
Group leader and product manager, automation and integration	Engineering	Headquartered in Europe with global operations	$6 billion	18,000
Team leader and manager, collaboration	Engineering	Headquartered in Europe with global operations	$6 billion	18,000

KEY CHALLENGES

Before investing in AgilePoint, the interviewees' organizations primarily relied on their internal IT teams of professional developers to build applications and automate business processes. One of the organizations had other low-code/no-code tools in place, but its usage was siloed (i.e., different business units used different tools) and minimal.

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

- **Prior IT development was too slow, IT could not adapt quickly when business needs changed, and IT solutions were not versatile.** The interviewees reported that in their organizations and industries, business requirements change often and quickly. For example, new regulations or new market conditions could necessitate changing operations. Similarly, technological change might require integrating solutions with new platforms and technologies. The interviewees said that their organizations' old IT development processes — traditional coding methods — were too slow and that their legacy solutions were insufficiently flexible to keep pace with changes. A business process manager and information systems specialist in the nonprofit industry said, "We needed to adapt to changing business needs in a timely fashion."

> **"Every project is different and has different requirements. And that is the strength of AgilePoint."**
>
> *Director of business systems and application delivery, engineering*

Summary Of AgilePoint Implementations At Interviewees' Organizations

Industry	Years implemented	Development team	Processes	Business users
Nonprofit	10 years	2 citizen developers, 2 nondevelopers	10 simple and complex processes	800
Engineering	14 years	14 professional developers, 9 nondevelopers	145 simple and complex processes	8,000
Media	2 years	3 professional developers, 9 nondevelopers	10 to 15 simple processes, 5 to10 complex processes	1,900
Engineering	17 years	6 professional developers, 2+ nondevelopers	100+ simple and complex processes	15,000 to 16,000

The interviewees hoped that a low-code/no-code environment and a declarative, model-driven architecture (i.e., a platform that does more than simply accelerate traditional coding through code generation) would enable faster development and faster changes.

- **Manual processes — especially complex, highly sensitive, business-critical, and cross-functional processes — were slow, error-prone, and opaque.** A team leader and manager in the engineering industry reported that one of the first processes their organization wanted to automate was "highly regulated and involve[d] a lot of different roles in the company." Before using AgilePoint, the organization conducted an internal investigation that found the process was taking too long to perform manually. The interviewee said: "We found out that there was a lot of time lost in two ways. One, [the process] cycle was very long. … [And two, the business users] didn't have control of where anything stood. … We found that a lot of our processes did not follow the official and approved procedures. … [We were completing] a high volume without the proper approvals and without following regulations."
- **Because prior solutions were expensive both in terms of licensing costs and internal IT resources, interviewees' organizations were unable to design processes on their own.** A vice president of corporate projects and processes in the media industry explained: "[Our old platform] was very expensive for us because we didn't have developers for it. So, no business was able to design processes on [its] own. We always needed an implementation partner, meaning that we had to pay both the partner and for the licenses [for our old automation platform]."

Other interviewees reported that their organization's in-house development team was similarly constrained.

> **"Visibility is crucial in a big organization, especially for processes that require a fast SLA (service-level agreement)."**
>
> *Team leader and manager, collaboration, engineering*

INVESTMENT OBJECTIVES

The interviewees' organizations searched for a solution that could:

- **Support modernization and digital transformation.** A vice president of corporate projects and processes in the media industry said: "Our software system was a lot of different, old systems. We [wanted] to modernize our

whole infrastructure." Similarly, interviewees from the nonprofit and engineering industries said their organizations adopted AgilePoint while undertaking digital transformation initiatives (e.g., switching from paper filing to digital filing) more than 10 years ago.

- **Automate business processes — especially complex, critical, and highly regulated processes — to increase efficiency, gain visibility, and improve quality.** The team leader and manager in the engineering industry explained: "We actually weren't looking for a BPM (business process management) solution. I don't think the term was even defined at the time. We were looking for what we called a workflow solution. … Our main objectives were to take manual processes and [subject them] to regulations and the procedures of the company. [We wanted to provide] visibility … and enforce the correct procedures."
- **Empower citizen developers to design and test processes through extensive low-code/no-code features.** The vice president of corporate projects and processes in the media industry said, "With a low-code/no-code platform, [business users] who have no developers or no development experience can design processes on their own."

  A director of business systems and application delivery in the engineering industry said AgilePoint offered their organization more flexibility and was easier to implement and troubleshoot than other platforms it had considered. The interviewee said business users described AgilePoint's user interface as "beautiful" and "easy to use."
- **Reduce costs by replacing more expensive platforms.** The director of business systems and application delivery in the engineering industry said, "We were paying tons of money for other systems."

"We came [at the problem] from a development perspective. We're not the regulation team; we're a development team. And from that perspective, we looked for a simple implementation [that would be] open to customization or adaptation. … Unlike other solutions or platforms at the time, AgilePoint was very open. … We looked for an environment that [offered] a reusable, service-level implementation so that we could create components that we could reuse in other processes."

Team leader and manager, collaboration, engineering

- **Integrate with current technology stacks.** A business data analyst and citizen developer in the nonprofit industry explained, "There are just so many other applications that you can connect [AgilePoint] to." The team leader and manager in the engineering industry added: "AgilePoint [uses] baseline infrastructures and technologies in common with us, so it was easy for us to adopt it. … The skill set that our teams had was already sufficient [for] working with AgilePoint, [whereas] with other tools, we would have needed some technical and learning phases to get the required skill sets." The interviewee also praised AgilePoint's orchestration capabilities.
- **Sustain the investment value over the long term (e.g., 10 years or more).** The business process manager and information systems

specialist in the nonprofit industry said: "Many of the other vendors we looked at were not advancing or improving their products. … Something that is very important for us is that the vendor will make sure their product works with the constant changes in technology. … If [a major technology platform] or [another major technology platform] changes something, that's not our worry. AgilePoint takes that on." The director of business systems and application delivery in the engineering industry added, "[AgilePoint] helped us as well because the technology advanced fast."

Some of the interviewees' organizations conducted proofs of concept before investing in AgilePoint. For example, interviewees at a media organization said their company built its first simple process in three days. These proofs of concept showed that process development with AgilePoint was significantly faster and easier than it had been with the organization's prior solutions.

"AgilePoint was really interesting from a cost perspective — the licenses were much cheaper than [our old platform]."

Vice president of corporate projects and processes, media

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 nine interviewees, and it is used to present the aggregate financial analysis in the next section. The composite organization is not representative of all AgilePoint customers, and it is not intended to suggest the types of organizations most likely to benefit from AgilePoint. Organizations unlike the composite organization (e.g., smaller companies) have the potential to benefit from AgilePoint as well. The composite organization has the following characteristics:

Description of composite. The composite organization has $5 billion in annual revenue and 20,000 employees. The organization has sophisticated, global operations and dozens of business units (e.g., divisions, subsidiaries, departments, product lines, etc.). For example, some business units are smaller companies that the composite organization acquired.

The composite organization faces several key challenges:

- Typical business processes are sophisticated and complex.
- Processes often span multiple business units (e.g., processes in the finance department must coordinate with other departments, subsidiaries, and product lines).
- Error tolerance is low, and regulatory violations could risk fines.
- Manually performing processes is slow and inefficient.
- Legacy IT is slow, IT costs are high, development resources are tight, and business requirements can change quickly.

These challenges are common in industries such as engineering, manufacturing, defense, energy, finance, professional services, public sector/government, and more.

Deployment characteristics. Forrester makes the following assumptions about the composite organization (see Appendix B for more details):

- The composite organization automates two types of business processes: simple processes (e.g., basic workflows like approving requests and managing documents) and complex processes (sophisticated, cross-functional, and end-to-end workflows or applications for business-critical operations like procedures in departments such as finance, legal, human resources, etc.) Complex processes consist of both main processes and subprocesses.
- Processes are comprised of activities (e.g., discrete steps, actions, decisions, etc.).
- A process instance is a single occurrence of a process (e.g., the process runs/executes or is performed) and completes.
- Before processes are automated end-to-end, business users perform them manually or with siloes of partial automation.
- To develop new processes, the composite organization creates a digital transformation team comprised of professional developers, citizen developers, and nondevelopers (e.g., project managers, IT support staff, etc.). The team spends 50% of its time developing simple processes and 50% of its time developing complex processes.
- Each year, the composite organization develops new processes in less time, and the digital transformation team improves and matures its methods for developing new processes (e.g., the team gains experience with AgilePoint, creates reusable process elements, automates development steps, improves collaboration with business stakeholders, etc.).
- Each year, more business units at the composite organization use the processes developed. Business units include departments, subsidiaries, projects, product lines, etc. Processes span multiple business units and, due to AgilePoint's declarative, model-driven architecture and low-code/no-code features, new units easily adopt and adapt to the processes (e.g., the processes become cross-functional and processes are quickly customized to new business units without needing dedicated new implementations).
- 80% of the composite organization's complex processes are primarily cost-saving processes (e.g., the automation saves time or creates other efficiencies.) The remaining 20% are revenue-generating processes. These processes create new business opportunities (e.g., brand-new services or products, etc.).

"[Our first project with AgilePoint] proved that the solution can handle and support sophisticated or complex processes with high governance requirements and high positions in the company."

Team leader and manager, collaboration, engineering

Appendix B contains detailed modeling of the composite organization. The graph on the next page also illustrates the composite organization's digital transformation over the three-year analysis period.

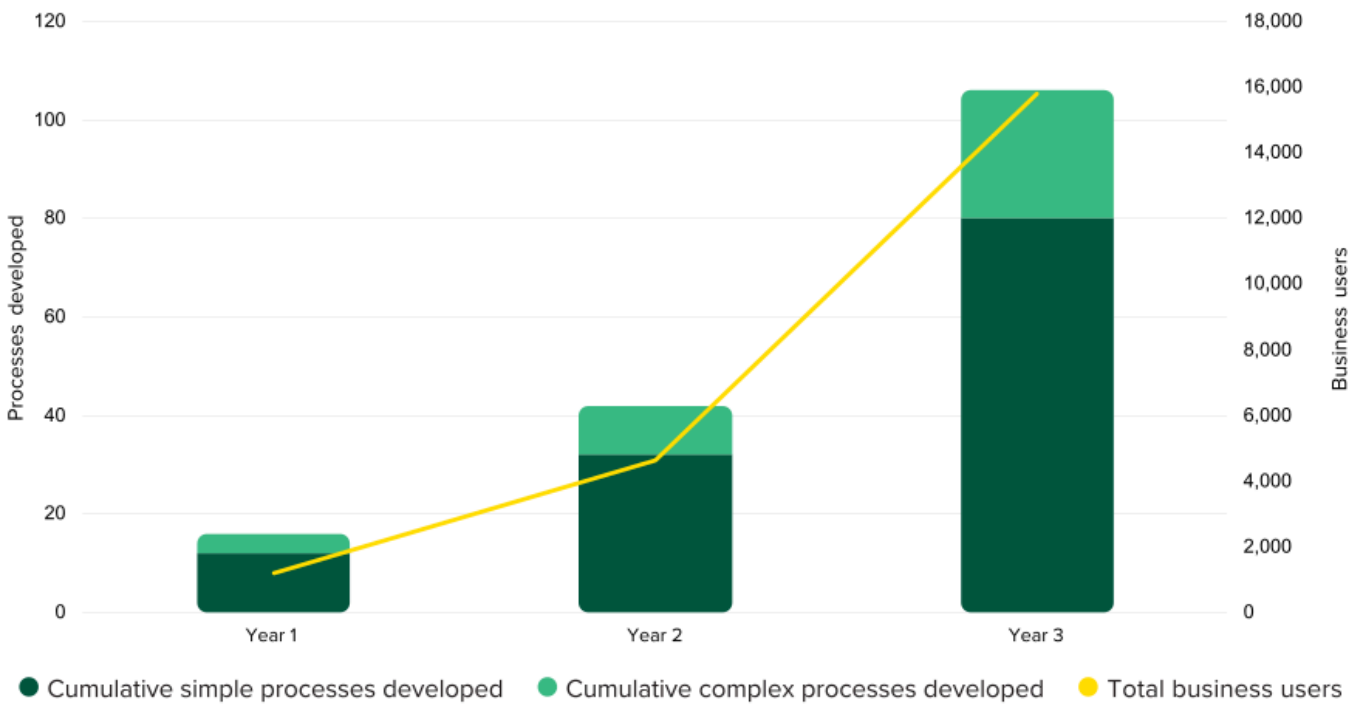
Key Assumptions

- **$5 billion in revenue**
- **20,000 employees**
- **Automates simple and complex processes with AgilePoint**
- **AgilePoint users include professional and citizen developers**

"The strength of AgilePoint is that you can adapt fast. You give it to the business, and then they want more. They trust us to ask for more."

Director of business systems and application delivery, engineering

Process Development And Business Users At The Composite Organization



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	Simple process efficiencies	$116,736	$622,592	$2,334,720	$3,074,048	$2,374,772
Btr	Complex process efficiencies	$1,340,640	$4,596,480	$14,747,040	$20,684,160	$16,097,177
Ctr	Complex process quality	$1,060,000	$3,640,000	$11,640,000	$16,340,000	$12,717,205
Dtr	Process adaptability	$188,813	$230,138	$271,463	$690,413	$565,798
Etr	New business opportunities	$160,000	$320,000	$800,000	$1,280,000	$1,010,969
	Total benefits (risk-adjusted)	$2,866,189	$9,409,210	$29,793,223	$42,068,621	$32,765,921

SIMPLE PROCESS EFFICIENCIES

Evidence and data. The interviewees said their organizations used AgilePoint to rapidly automate business processes. Before using AgilePoint, the organizations' businesspeople manually performed these processes (e.g., by emailing spreadsheets around). With AgilePoint, the organizations quickly developed custom IT solutions and applications, and these automated processes created tremendous efficiencies — most noticeably and directly by saving business users' time. Process automation also improved visibility: Unlike workflows relying on spreadsheets and email, processes automated with AgilePoint could be governed as needed.

Time To Develop A Simple Process With AgilePoint

2 to 3 weeks

"It's night and day from when we started."

Business data analyst and citizen developer, nonprofit

Ultimately, this led to organizationwide digital transformations. Interviewees reported that their organizations could build new processes in AgilePoint exceedingly faster than with alternatives They said their organizations built core processes in weeks or months instead of years. The organizations released new processes and then quickly scaled them into cross-functional processes that touch multiple business units, and low-code/no-code development features empowered business users. As process automation expanded throughout the organizations, they became more agile businesses.

The business process manager and information systems specialist at a nonprofit organization said: "We went from just two processes in the beginning …

to now [having] about 10 processes that we're constantly actively using. … I would say about 50% of what we used to do [manually], we no longer have as a function in our department. … We used AgilePoint to retire a number of systems and a number of paper processes because … we were looking to just totally revamp."

The manager described the outcomes from an HR process to approve vacation requests. They said: "It used to take four months, and [with AgilePoint,] it has switched down to about two weeks to get approvals done, and sometimes [they're approved the] same day. … We are probably processing over a thousand entries every quarter."

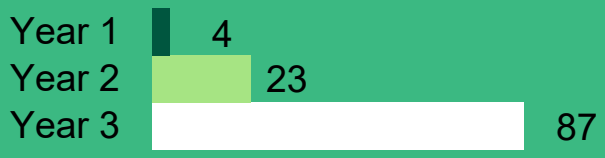
"AgilePoint made it possible for us to stay up to date with the changing digital transformation that's going on around the globe. … AgilePoint has made it possible for us to do things that we wouldn't have thought of."

Business process manager and information systems specialist, nonprofit

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

- Each year, the composite organization uses AgilePoint to automate new simple processes.
- The average instances per process (i.e., the number of times that a process occurs) increases each year as more business units use the processes.

FTEs Saved By Simple Process Efficiencies



- The average simple process takes 2 hours to manually complete.
- Once a process is automated with AgilePoint, business users complete it in 95% less time than before.
- The average annual base salary of a business user is $50,000. The fully burdened hourly rate is $32.
- Business users capture and productively use 50% of the time they save. No knowledge worker is productive 100% of the time.

Risks. In general, the benefits of process automation vary widely both within and across organizations. This is because the benefits depend on the specifics of the processes automated, and business processes vary widely for countless reasons.

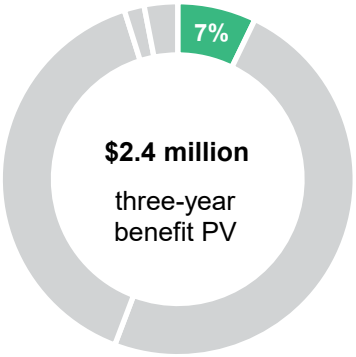
For this benefit, several metrics are process-specific and will likely be organization-specific (i.e., they will differ across organizations):[2] The impact of this benefit will vary by organization based on the following factors:

- Average process instances per year.
- Average process durations before automation.
- Average salaries of business users.

Forrester's Total Economic Impact analysis is a framework for readers to consider the potential economic impact of AgilePoint on their own organizations. Some simplification is useful and even

necessary for modeling purposes. Forrester invites readers to construct their own business cases for AgilePoint by customizing assumptions to suit their own organizations.

Results. To account for these risks, Forrester adjusted this benefit downward by 20%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of $2.4 million.



"Process automation is the future. We tell the [business users], 'Just take one process and see how [AgilePoint] works.' When they start using one process, they want more. [Processes developed in AgilePoint are] adaptable, flexible, and supported very well. [The business gets] project independence within budget. It's fast."

Director of business systems and application delivery, engineering

Simple Process Efficiencies

Ref.	Metric	Source	Year 1	Year 2	Year 3
A1	Cumulative simple processes developed	R22	12	32	80
A2	Average instances per simple process	R12	400	800	1,200
A3	Average activities per simple process instance	R8	100	100	100
A4	Average activity duration before automation (hours)	R1	0.02	0.02	0.02
A5	Average simple process duration before automation (hours)	A3*A4	2.00	2.00	2.00
A6	**Total process instances automated**	**A1*A2**	**4,800**	**25,600**	**96,000**
A7	**Total activities automated**	**A1*A2*A3**	**480,000**	**2,560,000**	**9,600,000**
A8	Process instance time saved by automation	Interviews	95%	95%	95%
A9	Average simple process duration after automation (hours)	A5*(100%-A8)	0.10	0.10	0.10
A10	Subtotal: Time saved by automation (hours)	A6*(A5-A9)	9,120	48,640	182,400
A11	Productivity recapture rate	TEI standard	50%	50%	50%
A12	Average business user fully burdened hourly rate	TEI standard	$32	$32	$32
At	Simple process efficiencies	A10*A11*A12	$145,920	$778,240	$2,918,400
	Risk adjustment	↓20%			
Atr	Simple process efficiencies (risk-adjusted)		$116,736	$622,592	$2,334,720
	Three-year total: $3,074,048			**Three-year present value: $2,374,772**	

COMPLEX PROCESSES EFFICIENCIES

Evidence and data. The interviewees said that their organizations used AgilePoint to automate their most complex, business-critical processes from end to end. Automation saved business users' time and shortened process and project durations. Because business units could reliably offer better ETAs both to other business units and to customers, service-level SLAs improved.

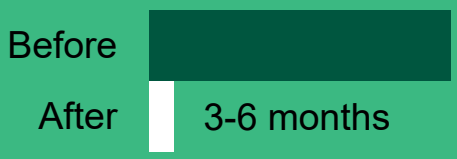
The interviewees also reported that AgilePoint enabled newfound visibility into processes. Often, the organizations automated processes that were so complex that before AgilePoint, businesspeople lacked any insight into them. For example, one organization is a large, multinational conglomerate with a history of mergers and acquisitions. In such an organization, business units tend to be siloed, and it's especially difficult to oversee processes spanning multiple business units. Several interviewees reported that their organization's business users often spent inordinate amounts of time simply determining the statuses of processes.

With AgilePoint, the organizations gained transparency and governance. Business users not only measured these complex, cross-functional processes, but they also used AgilePoint's low-code/no-code features to improve the processes. This created further efficiencies and additional benefits.

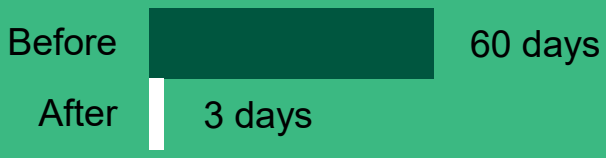
Time To Develop A Complex Process With AgilePoint

8 to 9 weeks

IT Project Times At A Nonprofit Organization



Complex Process Instance Times At An Engineering Organization



- The director of business systems and application delivery in the engineering industry said their organization's finance department automated client invoicing with AgilePoint more than a decade ago.

  The director explained: "If we don't bill the client, then nobody has a job. Every single project manager within the organization touched this process. It's super complicated, highly critical, and highly visible."

  The director said: " [Before using AgilePoint, the process] was very manual. There was a spreadsheet sent around via email from a project manager." The work was outsourced to foreign contractors, and the process took about 60 business days to complete.

  Automating the process with AgilePoint brought the work in-house and completion time dropped to just three days (a 95% reduction).

The finance department alone built 22 more processes with AgilePoint — many completed in weeks — and it launched 60,000 process instances per year. Four other departments use AgilePoint similarly, thereby creating massive savings across the entire organization.

- A group leader and product manager in the engineering industry said: "The basic thing [was that we avoided] a lot of pain. Manual work was costing the organization. That could have been time spent, or it could have been that the process was a mess [and people] didn't know what the process was or who was involved with it. … The feedback from customers, of course, [is that processes] are much shorter after automation."

  The group leader added: "But I think another benefit is the visibility and how everything is organized. Now each key user can … make a KPI about [a process] and check to see if it's getting better. … They can see where a problem is and how to fix it."

  The team leader at the same organization clarified: "The first [benefit] is the automation of the process, and the second [benefit] is the visibility. The visibility can have a lot of value [because then business users] can make decisions. But those decisions are different according to the processes and the KPIs they're trying to achieve."

"That's the great thing about AgilePoint: Whatever you want to build and whatever vision you have to build it, you can do it."

Business data analyst and citizen developer, nonprofit

"It's the visibility of the processes. For many of our [end users], it is very important to not just automate a process, but to analyze it [afterwards] and see the bottlenecks."

Group leader and product manager, automation and integration, engineering

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

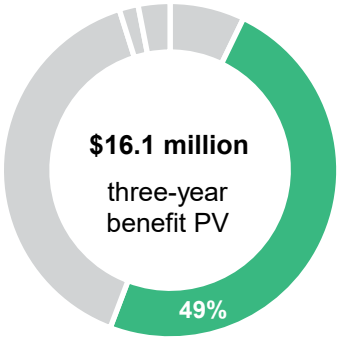
- Each year, the composite organization uses AgilePoint to automate new complex processes. Only complex processes that are primarily cost-saving contribute to this benefit.
- The average instances per process (i.e., the number of times that a process occurs) increases each year as more business units use the processes.
- The average complex process takes 14 hours to complete manually.
- Once a process is automated with AgilePoint, business users complete it in 95% less time than before.
- The average annual base salary of a business user is $50,000. The fully burdened hourly rate is $32.
- Business users capture and productively use 50% of the time they save. No knowledge worker is productive 100% of the time.

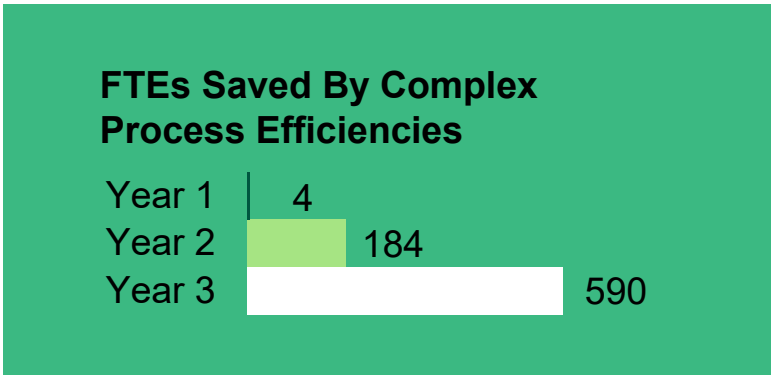
Risks. For this benefit, several metrics are process-specific and thus likely to differ across organizations:

- Average process instances per year.
- Average process durations before automation.
- Average business user salaries.

To model the effects of AgilePoint on the composite organization, Forrester assumes average metrics that are representative of the interview data. In practice, some of the interviewees' organizations had a few AgilePoint processes with metrics substantially higher than the organizationwide averages (i.e., a few processes were exponentially more valuable than typical processes). Forrester invites readers to construct their own business cases for AgilePoint by customizing assumptions to suit their own organizations.

Results. To account for these risks, Forrester adjusted this benefit downward by 25%, yielding a three-year, risk-adjusted total PV of $16.1 million.





Complex Process Efficiencies

Ref.	Metric	Source	Year 1	Year 2	Year 3
B1	Cumulative complex processes developed that are primarily cost-saving	R26	3	8	21
B2	Average instances per complex process	R17	2,800	3,600	4,400
B3	Average activities per complex process	R13	700	700	700
B4	Average activity duration before automation (hours)	R1	0.02	0.02	0.02
B5	Average complex process duration before automation (hours)	B3*B4	14.00	14.00	14.00
B6	**Total process instances automated**	**B1*B2**	**8,400**	**28,800**	**92,400**
B7	**Total activities automated**	**B1*B2*B3**	**5,880,000**	**20,160,000**	**64,680,000**
B8	Process instance time saved by automation	A8	95%	95%	95%
B9	Average complex process duration after automation (hours)	B5*(100%-B8)	0.70	0.70	0.70
B10	Subtotal: Time saved by automation (hours)	B6*(B5-B9)	111,720	383,040	1,228,920
B11	Productivity recapture rate	A11	50%	50%	50%
B12	Average business user fully burdened hourly rate	A12	$32	$32	$32
Bt	Complex process efficiencies	B10*B11*B12	$1,787,520	$6,128,640	$19,662,720
	Risk adjustment	↓25%			
Btr	Complex process efficiencies (risk-adjusted)		$1,340,640	$4,596,480	$14,747,040
	Three-year total: $20,684,160			**Three-year present value: $16,097,177**	

COMPLEX PROCESS QUALITY

Evidence and data. Interviewees said that automating complex, business-critical processes with AgilePoint reduced the risks their businesses faced. This was because errors in such processes were costly: Regulatory violations could result in large fines, and fixing issues was time-consuming. Automation ensured that critical processes remained error-free and created auditable trails to ensure that proper procedures were followed.

AgilePoint offered the organizations another unique advantage: Business teams could easily update processes when regulations or other business conditions changed. Before using AgilePoint, changing IT solutions was slow. However, with AgilePoint, regulatory compliance went from being costly to a competitive advantage.

- The team leader and manager in the engineering industry said: “The unit that controls our regulations — [the one that] checks and validates that we work according to procedures — looks at [AgilePoint] as necessary to enforce the workflow implementation of almost all main processes. … I don’t want to be soft about it. [They require that AgilePoint is used for all workflows that have a major] impact on the company because of regulations. … They believe that [AgilePoint] has a major effect on the accuracy of the work. … Also, this unit relies on the [AgilePoint] workflow information [as] one of the main data sources to check [compliance].”
- The group leader and product manager at the same organization in the engineering industry added: “If we introduce a new process to the organization or if we make changes — if the regulation board decides to change a process — then the implementation is immediate. They don’t need to … train all the users on the new process. … The adoption of updated processes is immediate. That’s another benefit for the organization: the flexibility.”

> **“It enhanced the quality of every process we have.”**
>
> *Director of business systems and application delivery, engineering*

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

- Each year, the composite organization uses AgilePoint to automate new complex processes. Only complex processes that are primarily cost-saving contribute to this benefit.
- An error in a complex process costs the composite organization $25,000. For example, if the organization performs a complex process incorrectly, it both risks fines for violating regulations and incurs costs to fix the issue (e.g., labor costs, materials costs, etc.).
- When a process is manual, each activity that comprises it has a 0.001% chance of an error. Complex processes include many, many activities, so the chance of an entire process instance having an error increases as process complexity increases. Before automation, complex processes at the composite organization have a 0.7% error rate on average.
- Once a process is automated, each activity has a 0.0001% chance of having an error. The chance of an entire complex process having an error falls to 0.07%.[3]
- Because of the lower error rate after process automation, the composite organization avoids hundreds of defective process instances.

Risks. For this benefit, several metrics are process-specific and thus likely to differ across organizations:

- Process complexity (i.e., activities per process).
- Error rate before automation.
- Cost of an error.

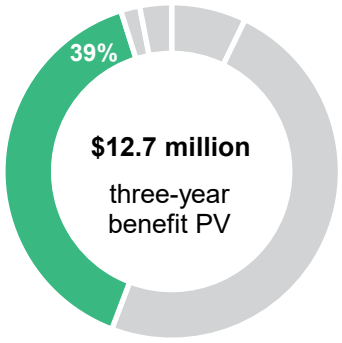
In practice, some of the interviewees' organizations had a few AgilePoint processes for which these metrics were substantially higher than organizationwide averages (i.e., a few processes were exponentially more valuable than typical processes).

Organizations are likely to realize greater benefits than the composite organization if:

- Process complexity is higher (i.e., there are more activities per process).
- Costs of errors are higher (e.g., higher fines due to regulations).

Forrester invites readers to construct their own business cases for AgilePoint by customizing assumptions to suit their own organizations.

Results. To account for these risks, Forrester adjusted this benefit downward by 20%, yielding a three-year, risk-adjusted total PV of $12.7 million.



Complex Process Quality

Ref.	Metric	Source	Year 1	Year 2	Year 3
C1	Cumulative complex processes developed that are primarily cost-saving	R26	3	8	21
C2	Average activities per complex process	R13	700	700	700
C3	Average instances per complex process	R17	2,800	3,600	4,400
C4	Probability of an activity having an error before automation	Composite	0.001%	0.001%	0.001%
C5	Probability of a complex process instance having an error before automation	C4*C2	0.7%	0.7%	0.7%
C6	Complex process instances with errors before automation	C1*C3*C5	59	202	647
C7	Probability of an activity having an error after automation	C4*10%	0.0001%	0.0001%	0.0001%
C8	Probability of a complex process instance having an error after automation	C7*C2	0.07%	0.07%	0.07%
C9	Complex process instances with errors after automation	C1*C3*C8	6	20	65
C10	Subtotal: Avoided complex process instances with errors	C6-C9	53	182	582
C11	Cost of a complex process instance with an error	Composite	$25,000	$25,000	$25,000
Ct	Complex process quality	C10*C11	$1,325,000	$4,550,000	$14,550,000
	Risk adjustment	↓20%			
Ctr	Complex process quality (risk-adjusted)		$1,060,000	$3,640,000	$11,640,000
	Three-year total: $16,340,000			**Three-year present value: $12,717,205**	

PROCESS ADAPTABILITY

Evidence and data. According to the interviewees, AgilePoint empowered their organizations' teams to rapidly change and update processes after development. This was key because the business requirements for solutions often changed. There were a myriad of reasons for this including market and industry dynamics, technology changes over time, mergers and acquisitions, etc. With AgilePoint, the interviewees' organizations not only deployed IT solutions quickly, but they also maintained solutions (i.e., updated them to meet the latest business requirements and integrated with the latest technology systems) with less effort.

As a result, the organizations' solutions had exceptional flexibility, adaptability, and longevity. Interviewees from three of the organizations said processes developed 10 to 15 years ago were still supporting modern business-critical operations. Despite the tremendous changes in business and technology during the past decade, the organizations had easily kept the processes current. The interviewees said that before using AgilePoint, the IT solutions their organizations had developed typically became outdated within a few years. In contrast, the solutions developed with AgilePoint sustained their value over the long term, so the organizations' initial investments of IT resources were not wasted.

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

- The cost of process development is equal to the annual salaries of the digital transformation team plus any professional services in that year.
    - Each year, the composite organization invests IT resources to automate its business processes. The main resource invested is the time of the employees who design, develop, and support processes. At the composite organization, the digital transformation team performs this work and supplements its efforts with professional services.
    - The composite organization devotes the same resources to process automation and digital transformation that it would have even if it did not use AgilePoint (i.e., the digital transformation team would

Voice Of The Customer

"Changes are needed because we are a project company. [The business] changes all the time [and] the rules and people change all the time. So, we needed something flexible."

Director of business systems and application delivery, engineering

"Up to today, [AgilePoint] still supports our flexibility. We still use components that were created a while ago. We upgraded them and adapted them into new frameworks and new solutions and new technologies, but the concepts have remained [the same]. That's one of the aspects that helped us."

Team leader and manager of collaboration, engineering

Voice Of The Customer

"It took about five years from start to finish to get any project completed prior to [using] AgilePoint. That was because of the challenges with business requirements: collecting them and translating them in way that our IT [staff] could understand. … A big plus with AgilePoint is that [you can] understand your business needs and quickly provide solutions instead of spending two to three years with business-requirement collection and technical documentation."

"We used to have a lot of back and forth with users, where something would be developed, and it wouldn't quite hit the mark. And by the time you went two or three rounds like that, your business needs changed, and everyone was frustrated. So, we quickly figured out that we needed to build solutions in three to six months instead of three to six years."

Business process manager and information systems specialist, nonprofit

simply automate processes using different tools). The composite organization benefits the longer that its investments in process automation last and continue to provide value.

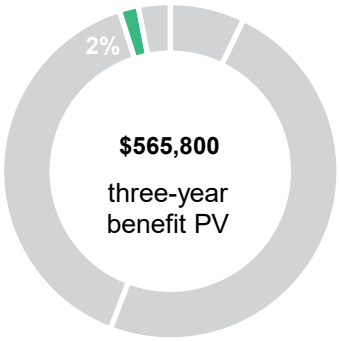
- A process or application developed without AgilePoint lasts four years on average. A process or application developed with AgilePoint lasts 10 years on average.[4] Interviewees said AgilePoint processes have longer lifespans because they are easier to change (e.g., they are more adaptable).
- Processes with shorter lifespans have higher annual maintenance costs.
    - Since all IT solutions have active lifespans, the composite organization has two options: 1) retire and replace solutions at the end of their lifespans, or 2) regularly maintain solutions to extend their lifespans (e.g., update solutions as requirements change, refactor to pay down technical debt, etc.).
    - Replacing solutions costs the same as developing them. Assuming the composite organization incurs replacement costs evenly over the lifespan of a solution, then the annual maintenance costs of the solution are the total development costs divided by the solution's lifespan.
- The lower annual costs to maintain AgilePoint processes benefit the composite organization, which has limited IT resources. The composite organization redeploys the time it saves on maintenance towards new development and innovation.

Risks. For this benefit, two metrics are process-specific and thus likely to differ across organizations:

- Cost of process development.
- Average lifespan of processes developed before using AgilePoint.

In addition, Forrester's model does not account for other costs associated with replatforming (e.g., researching new products, migrating to new platforms, retraining business users and managing change, retiring old solutions, etc.). Interviewees did not provide enough data about these potential ancillary costs for Forrester to quantify and include them in its composite model. Thus, organizations may realize greater benefits than the composite organization does if the costs of replatforming are considered.

Results. To account for these risks, Forrester adjusted this benefit downward by 5%, yielding a three-year, risk-adjusted total PV of $565,800.



Process Adaptability

Ref.	Metric	Source	Year 1	Year 2	Year 3
D1	Cost of process development	Ft+Ht	$1,325,000	$1,615,000	$1,905,000
D2	Average lifespan of processes developed before using AgilePoint (years)	Interviews	4	4	4
D3	Percentage of annual development costs devoted to maintenance before using AgilePoint	1/D2*100%	25%	25%	25%
D4	Subtotal: Development costs to maintain processes before AgilePoint	D1*D3	$331,250	$403,750	$476,250
D5	Average lifespan of processes developed with AgilePoint (years)	Interviews	10	10	10
D6	Percentage of annual development costs devoted to maintenance with AgilePoint	1/D5*100%	10%	10%	10%
D7	Subtotal: Development costs to maintain processes with AgilePoint	D1*D6	$132,500	$161,500	$190,500
Dt	Process adaptability	D4-D7	$198,750	$242,250	$285,750
	Risk adjustment	↓5%			
Dtr	Process adaptability (risk-adjusted)		$188,813	$230,138	$271,463
	Three-year total: $690,413			**Three-year present value: $565,798**	

NEW BUSINESS OPPORTUNITIES

Evidence and data. Several interviewees said the capabilities AgilePoint enabled (e.g., rapid and cost-effective development and scaling of IT solutions) contributed to new business opportunities for their organizations. For two organizations, process automation was a competitive advantage. When bidding for projects, the organizations could guarantee speed and quality. The two interviewees from the nonprofit organization also said that AgilePoint enabled their company to operate as if it had the resources of a larger organization.

- The director in the engineering industry said: "We use AgilePoint for marketing. If the client asks for a colorful dropdown, we can provide that."

  The director also said that process automation helped ensure on-time delivery, which was key to securing government contracts. Some projects even won awards.

  The organization had a mature AgilePoint implementation and had even automated aspects of new process development. The director said: "It's more of a business for us. Every single hour we spend on development has to be billed to the [client], [and] every project wants to keep their revenue." The director said rapid IT solution development increased margins.
- The group leader and product manager in the engineering industry said that process automation had shortened project durations at their organization. They said: "I can tell from customers that [automation] makes [processes] a lot shorter. The feedback from customers has been that [processes] are much shorter."

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

- The composite organization has hundreds of revenue-generating projects (e.g., contracts to deliver new products and services). On average, a project generates $20 million in revenue per year.
- The composite organization has a backlog of such projects (i.e., demand for the composite organization's products and services is robust).
- Each project involves only one complex process. Additionally, only 10% of a project's revenue and success comes from that complex process.
- Process automation supports the composite organization's core business, and automation enables it to deliver its products and services faster and with a higher level of quality. However, process automation is not the organization's core business.
- Because the composite organization develops complex processes faster than it could before, it starts projects in current years that it would have otherwise deferred. This creates incremental revenues.
- The composite organization has an operating margin of 10%.[5] While project revenues are significant, only profits count toward the benefit.

> **"When we bid on projects, we present automation. And we win projects because of automation. AgilePoint is a very known platform. People trust it as an environment."**
>
> *Director of business systems and application delivery, engineering*

Risks. For this benefit, several metrics are process-specific and thus likely to differ across organizations:

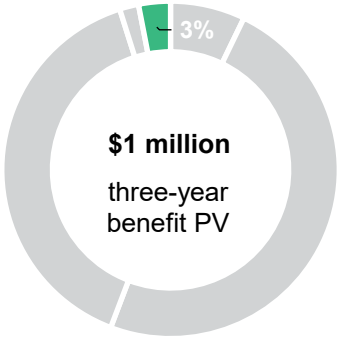
- Project revenue.
- Number of complex processes per project.
- Contribution of complex processes to project revenue (e.g., complex processes could be larger or smaller parts of projects).

In addition, some metrics are organization-specific:

- Operating margin, which varies by organization and industry.
- Resources allocated to processes that are primarily revenue-generating rather than cost-saving.

Forrester invites readers to construct their own business cases for AgilePoint by customizing assumptions to suit their own organizations.

Results. To account for these risks, Forrester adjusted this benefit downward by 20%, yielding a three-year, risk-adjusted total PV of $1 million.



New Business Opportunities

Ref.	Metric	Source	Year 1	Year 2	Year 3
E1	Average revenue per project	Composite	$20,000,000	$20,000,000	$20,000,000
E2	Revenue-generating complex processes per project	Composite	1	1	1
E3	Cumulative complex processes developed that are primarily revenue-generating	R27	1	2	5
E4	Incremental new projects undertaken because of improved complex process development with AgilePoint	E3/E2	1	2	5
E5	Revenue from incremental new projects	E1*E4	$20,000,000	$40,000,000	$100,000,000
E6	Percentage of project revenue contributed by a revenue-generating complex process	Composite	10%	10%	10%
E7	Subtotal: Project revenue contributed by revenue-generating complex processes	E5*E6	$2,000,000	$4,000,000	$10,000,000
E8	Operating margin	Composite	10%	10%	10%
Et	New business opportunities	E5*E6*E8	$200,000	$400,000	$1,000,000
	Risk adjustment	↓20%			
Etr	New business opportunities (risk-adjusted)		$160,000	$320,000	$800,000
	Three-year total: $1,280,000			**Three-year present value: $1,010,969**	

UNQUANTIFIED BENEFITS

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

- **Flexibility to leverage citizen developers.** Interviewees attested that users without traditional or professional programming backgrounds (e.g., those without degrees in computer science) found AgilePoint easy to learn. Users who had business backgrounds but were still technical "citizen developers" could use AgilePoint to contribute to process development. Interviewees said AgilePoint empowered these users and supported their participation within the organizations' IT governance requirements. One interviewee said their organization's digital transformation team had no professional developers and only had citizen developers. And although interviewees from the other three organizations said their companies relied on professional developers, they said they are still excited about the potential of citizen development with AgilePoint and that they hope to add citizen developers to their teams.
    - The business data analyst in the nonprofit industry said: "I'm very excited about citizen developers. After I joined the team, [AgilePoint] began … to actually do certifications for citizen developers. That's something we're now looking into because [as] with everything, your own knowledge is power. The more you learn, the more you can build, and the more you can end up supporting the people [who] use [your organization's apps] every day."
    - The manager of corporate projects and processes in the media industry said: "We look forward to having citizen developers. That's the next project we want to start. … AgilePoint is a low-code/no-code platform, so it's easy for people who don't have IT backgrounds but are motivated to do something. [It's easy for them] to create an e-form or a little app or something like that. It's easy to show people how it works."

      The vice president of corporate projects and processes in the media industry added: "[AgilePoint] is easy to learn. … I think [a lot of the work] can be done by project managers [and] people who are interested in technology. It's not really difficult. And it's cool that you can do everything. There are so many tutorials and videos [that] are really good for learning."
    - The group leader and product manager in the engineering industry said: "[Citizen development is] one thing that we are now examining and trying to achieve because … before today, [we've had] only [professional] developers. … I think [citizen development] will make our velocity higher and [enable us] to answer more needs for our organization. So, we are not there yet, but we feel that our organization needs [citizen development], and that [AgilePoint] has what it takes."

“This was actually my first and foremost experience with automated business-process software. To me, it was wonderful [using] the tools that were available to us as end users. [I’m] a hybrid — somebody who works with both the business and the IT sides, and I kind of … look at things from those two perspectives. Having that blend [of skills] and then having a tool powerful enough to be able to build … whatever vision I have as a user … was amazing from day one.”

Business data analyst and citizen developer, nonprofit

Analysis Of Costs

Quantified cost data as applied to the composite

Total Costs							
Ref.	**Cost**	**Initial**	**Year 1**	**Year 2**	**Year 3**	**Total**	**Present Value**
Ftr	Digital transformation team	$72,000	$1,440,000	$1,818,000	$2,196,000	$5,526,000	$4,533,458
Gtr	AgilePoint license	$0	$308,880	$526,680	$1,053,360	$1,888,920	$1,507,478
Htr	Professional services	$0	$150,000	$120,000	$90,000	$360,000	$303,156
	Total costs (risk-adjusted)	$72,000	$1,898,880	$2,464,680	$3,339,360	$7,774,920	$6,344,092

DIGITAL TRANSFORMATION TEAM

Evidence and data. The interviewees' organizations all had central teams responsible for process development and their organizations' AgilePoint implementations. These teams consisted of professional developers, citizen developers, and nondevelopers (e.g., project managers, business specialists, technical support staff). AgilePoint enabled technical and business team members to collaborate as a cohesive team.

These central digital transformation teams fulfilled requests for automation from throughout their organizations. This involved:

- Partnering with business users to identify and prioritize targets for automation and to define business requirements.
- Using AgilePoint to automate processes at multiple levels of complexity.
- Partnering with business users to test the processes.
- Iterating as necessary and supporting solutions after release.

Interviewees from organizations with mature AgilePoint implementations said the central digital transformation teams focused not just on fulfilling automation requests, but on scaling efforts by empowering business users to build and optimize processes themselves. The teams then became centralized resources (e.g., they created reusable components in AgilePoint, supported the use of AgilePoint by other departments, and even automated many process-development steps). These organizations made rapid IT solution development standard, and they became unconstrained by scarce IT resources. These digital transformation teams

> **"We supply [the departments] with resources so that they can build themselves. They're doing everything themselves with AgilePoint. When they're able to build and deliver, they're proud. Our team is proud, too."**
>
> *Director of business systems and application delivery, engineering*

focused on scaling their capabilities, improving existing processes, and enabling business users to innovate.

- The team leader and manager in the engineering industry said: “Positioning of the technical team that’s responsible for AgilePoint within the group that manages the integration platforms … and knowledge management made it feasible for us to achieve better solutions because workflow is very highly integrated into these aspects. … That allowed us to jump to a higher level of implementation.”
- The director of business systems and application delivery in the engineering industry said: “Corporate would occasionally check off-the-shelf solutions, and they find that [those solutions] would take years to implement, plus the costs of whatever companies we’d pay to implement them. … We had no choice but to automate [process] creation just to have a foot within corporate [and] be successful.”

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

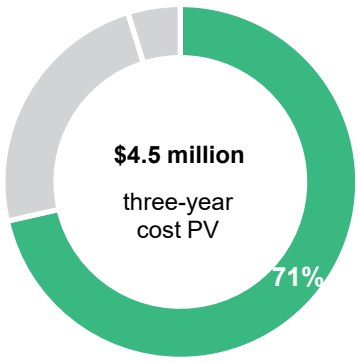
- The composite’s digital transformation team consists of professional developers from the IT department, citizen developers from business teams, and other nondevelopers (e.g., IT support staff, business specialists, project managers, etc.).
- The number of professional developers remains constant.[6] However, the number of citizen developers and nondevelopers increases as AgilePoint usage within the composite organization grows. The number of nondevelopers equals the total number of developers (both professional and citizen developers).
- A professional developer earns a base salary around $150,000, a citizen developer earns a base salary around $85,000, and a nondeveloper earns a base salary around $75,000. (Fully burdened salaries include benefits and are higher than base salaries.)
- The digital transformation team initially spends two to three weeks becoming proficient with AgilePoint.
- Afterwards, professional developers and nondevelopers work on digital transformation with AgilePoint full time. Citizen developers contribute part time.

Risks. For this cost, several metrics are organization-specific:

- Composition of the digital transformation team (e.g., numbers of developers, nondevelopers, etc.). For example, an organization might leverage citizen developers more than the composite organization does. Such teams are still likely to be successful with AgilePoint.
- The number of developers. For example, an organization would likely realize greater benefits than the composite organization if it increases its number of developers over time. This would increase the number of processes automated.
- Salaries, which vary by organization, industry, geography, etc.

Forrester invites readers construct their own business cases for AgilePoint by customizing assumptions to suit their own organizations.

Results. To account for these risks, Forrester adjusted this cost upward by 20%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of $4.5 million.



Digital Transformation Team

Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
F1	Professional developers	Composite	4	4	4	4
F2	Professional developer fully burdened salary	TEI standard	$200,000	$200,000	$200,000	$200,000
F3	Percentage of time professional developers spend on digital transformation with AgilePoint	Interviews	5%	100%	100%	100%
F4	Citizen developers	Composite	0	0	2	4
F5	Citizen developer fully burdened salary	TEI standard	$115,000	$115,000	$115,000	$115,000
F6	Percentage of time citizen developers spend on digital transformation with AgilePoint	Interviews	0%	50%	50%	50%
F7	Nondevelopers (e.g., business specialists, project managers, IT support staff, etc.)	F1+F4	4	4	6	8
F8	Nondeveloper fully burdened salary	TEI standard	$100,000	$100,000	$100,000	$100,000
F9	Percentage of time nondevelopers spend on digital transformation with AgilePoint	Interviews	5%	100%	100%	100%
Ft	Digital transformation team	F1*F2*F3+F4*F5 *F6+F7*F8*F9	$60,000	$1,200,000	$1,515,000	$1,830,000
	Risk adjustment	↑20%				
Ftr	Digital transformation team (risk-adjusted)		$72,000	$1,440,000	$1,818,000	$2,196,000
	Three-year total: $5,526,000			**Three-year present value: $4,533,458**		

AGILEPOINT LICENSE

Evidence and data. Interviewees described AgilePoint's licensing model as cost-effective. Many software vendors use named licensing in which there's one license for each user. In contrast, AgilePoint uses a dynamic concurrent user licensing model in which one license can support multiple users. Organizations with thousands of users can also opt for CPU core-based licensing. Interviewees described AgilePoint's licensing models as cost-effective no matter their organization's level of usage, and they said their companies' relationships with AgilePoint are supportive and like partnerships.

- The vice president of corporate media projects in the media industry said: "We decided to [use] AgilePoint [for] really three [reasons]: the cost, the usability, and the connections [integrations] with other systems."
- A senior manager of corporate projects and processes in the media industry said, "Compared to bigger solutions, [the AgilePoint licensing costs] are not too much."

"In my entire IT and business experience, I think AgilePoint was one of the best decisions that our organization ever made. And if I were to work with any other organization, I would always start with, 'Number one: We need to set up AgilePoint to get work done.'"

Business process manager and information systems specialist, nonprofit

"[Deploying AgilePoint was] definitely the best business decision that we could have made. … I love how empowering [it is] to people such as myself who are hybrid users between business and tech. [It's helpful] just having an arena to be able to build out what we need or [to] work on whatever visions we have. [With AgilePoint, we] actually have a tool powerful enough to do that."

Business data analyst and citizen developer, nonprofit

- The business process manager and information systems specialist in the nonprofit industry said: "AgilePoint has bent over backwards in their finance model [and] in their support model, and even in the product that they provide. [AgilePoint updates] it to accommodate our needs."
- The director of business systems and application delivery in the engineering industry said: "I think the license is expensive, but it's worth it from the perspective of a long-term investment. … The support team is very good; they answer right away."

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

- The number of business end users of AgilePoint processes increases from 1,200 in Year 1 to 4,620 in Year 2 and to 15,780 in Year 3. (See Appendix B.)

- One AgilePoint dynamic concurrent user license supports 10 business users on average.
- In Year 2, once the composite organization begins to approach 5,000 total business users, it becomes more cost-effective to switch from user-based licensing to CPU core-based licensing with AgilePoint.
- In Year 2, one server is sufficient to support the composite organization's AgilePoint usage. In Year 3, the composite organization adds a second server.
- The list price for an AgilePoint dynamic concurrent user license is $195 per month ($2,340 per year).
- The list price for an AgilePoint CPU core-based license for one server with two CPU cores is $39,900 per month ($478,800 per year).

"The downtime has been almost zero on [the] AgilePoint side. They're very much [aware] of making sure their product is accessible around the globe at any given time. And as we've seen, countries change their rules and regulations. Again, we can rely on AgilePoint to partner with us to bring us into compliance with GDPR (General Data Protection Regulation) or other privacy regulations. So, we have just been extremely happy."

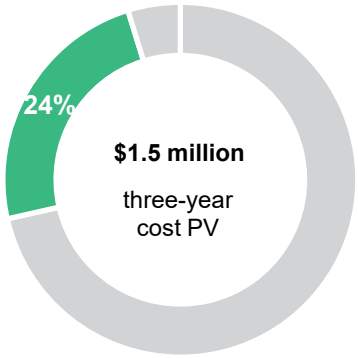
Business data analyst and citizen developer, nonprofit

Risks. For this cost, several metrics are process-specific and thus likely to differ across organizations:

- Business users per process.
- Business users supported by one dynamic concurrent user license.
- Servers and CPU cores required to support AgilePoint usage, which may vary based on the number of processes, volume of process instances, etc.

Forrester invites readers to construct their own business cases for AgilePoint by customizing assumptions to suit their own organizations.

Results. To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year, risk-adjusted total PV of $1.5 million.



AgilePoint License

Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
G1	Total business users	R11*R22+R16* R24	0	1,200	4,620	15,780
G2	Average business users supported by an AgilePoint dynamic concurrent user license	Composite	0	10	10	10
G3	Dynamic concurrent user licenses required	Year 1: G1/G2; Years 2 and 3: 0	0	120	0	0
G4	List price for a dynamic concurrent user license	Composite	$0	$2,340	$2,340	$2,340
G5	Subtotal: AgilePoint licensing costs with concurrent user licensing	G3*G4	$0	$280,800	$0	$0
G6	Servers (with 2 CPU cores) required	Composite	0	0	1	2
G7	List price for a server (with 2 CPU cores)	Composite	$0	$478,800	$478,800	$478,800
G8	Subtotal: AgilePoint licensing costs with CPU core licensing	G6*G7	$0	$0	$478,800	$957,600
Gt	AgilePoint license	G5+G8	$0	$280,800	$478,800	$957,600
	Risk adjustment	↑10%				
Gtr	AgilePoint license (risk-adjusted)		$0	$308,880	$526,680	$1,053,360
	Three-year total: $1,888,920			**Three-year present value: $1,507,478**		

PROFESSIONAL SERVICES

Evidence and data. Interviewees from two organizations said their companies occasionally took advantage of professional services from AgilePoint, and one interviewee said their organization used professional services from a third party. Interviewees' organizations utilized professional services when initially implementing AgilePoint, later on to help with their most complex projects, and as needed to augment their internal capacity. Interviewees said their organizations used professional services less often over time as their organizations' process-development methods matured.

- The business process manager and information systems specialist in the nonprofit industry said: "Whenever we have a project with AgilePoint, it is done on time and under budget. … With AgilePoint, you drive the projects. You're able to identify where you want [AgilePoint] to put their energy and attention."

  The business process manager explained: "If we know that we're doing a huge project, we plan for maybe 200 to 250 hours for that particular year. If we know that we're basically doing smaller projects or just transitioning — wanting to have some stability or a cool-off period — then we'll go with 100 hours [per year] on average.

  They continued: "Because AgilePoint works with other vendors and other organizations, it seems that we've benefited from their knowledge, and [AgilePoint] can quickly offer ideas or solutions that we might not have thought of."

  The business process manager concluded: "We started with AgilePoint, but we've continued the journey because we're growing together and they're constantly looking for ways to enhance the product."

  The business data analyst at the same organization added: "[AgilePoint] actually understood our corporation and our complex way of doing things. We're a nonprofit, and we've got all this terminology or slang. … And they took the time to actually understand all of that. So, when we talk to [AgilePoint], they understand our business [and] they understand the people that we serve: our end clients. … You're exposed to such a high quality of knowledge across the business industry of best standards."

- The director of business systems and application delivery in the engineering industry appreciated AgilePoint's guidance as their organization's usage grew. They said that for 10 years, the organization ran AgilePoint from a single server on-premises and that it only experienced load capacity issues when its usage reached 10,000 activities per day. The director said: "It was too much for any server to take. We met with AgilePoint to determine the best route." AgilePoint helped the organization change some of its processes to reduce the load, and it provided other technical assistance to solve the problem.

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

- The composite organization contracts professional services from AgilePoint.
- The composite organization purchases 500 hours of professional services in Year 1, 400 hours in Year 2, and 300 hours in Year 3. The composite organization uses fewer hours of professional services as its internal methods of process development mature.
- Professional services from AgilePoint cost $250 per hour.

Risks. For this cost, several metrics are organization-specific:

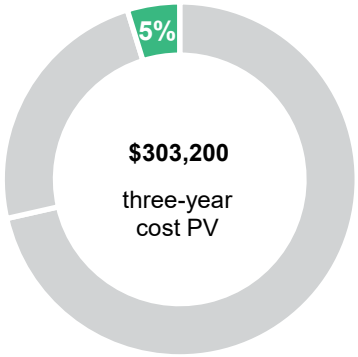
- Hours of professional services contracted.
- Cost per hour.

Organizations may have higher costs than the composite organization if:

- They contract more professional services than usual when undertaking especially complex projects.
- They use professional services to supplement internal development capacity.

However, organizations may still find professional services to be a relatively small cost in comparison to other costs (e.g., internal digital transformation teams).

Results. To account for these risks, Forrester adjusted this cost upward by 20%, yielding a three-year, risk-adjusted total PV of $303,200.



"[AgilePoint's] professional services team, their leadership [team], [and] their product support team are always extremely responsive, and that's important. [It's important] to have a vendor that will listen and provide real solutions for your needs. … [AgilePoint] believes in what we do … and they're always happy to go out of their way to support us."

Business process manager and information systems specialist, nonprofit

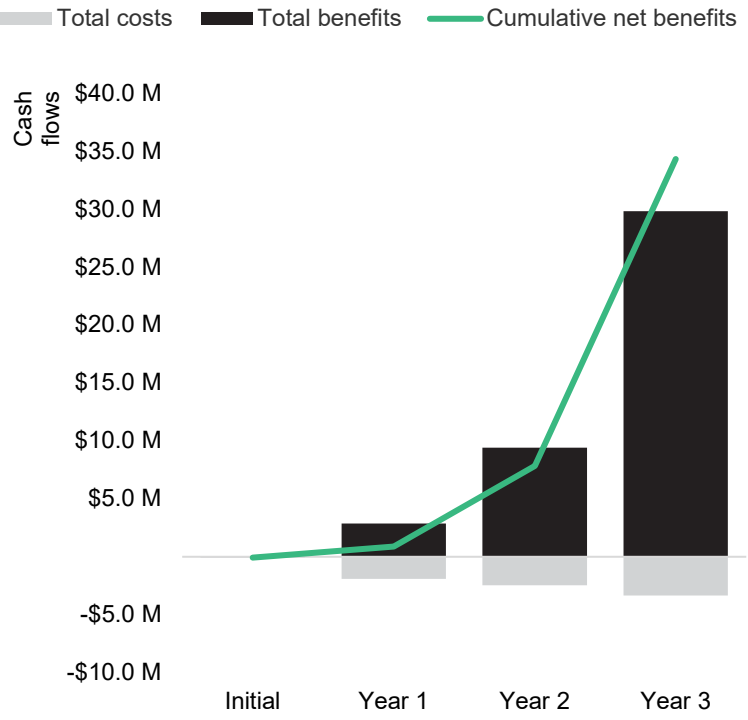
Professional Services

Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
H1	Hours of professional services contracted	Composite	0	500	400	300
H2	Professional services hourly rate	Composite	$0	$250	$250	$250
Ht	Professional services	H1*H2	$0	$125,000	$100,000	$75,000
	Risk adjustment	↑20%				
Htr	Professional services (risk-adjusted)		$0	$150,000	$120,000	$90,000
	Three-year total: $360,000				**Three-year present value: $303,156**	

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 calculated present value figures by applying a yearly discount rate of 10% to account for the time value of money.

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	($72,000)	($1,898,880)	($2,464,680)	($3,339,360)	($7,774,920)	($6,344,092)
Total benefits	$0	$2,866,189	$9,409,210	$29,793,223	$42,068,621	$32,765,921
Net benefits	($72,000)	$967,309	$6,944,530	$26,453,863	$34,293,701	$26,421,829
ROI						416%
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."

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

PRESENT VALUE (PV)

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

NET PRESENT VALUE (NPV)

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

RETURN ON INVESTMENT (ROI)

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

DISCOUNT RATE

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

PAYBACK PERIOD

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

Appendix B: Detailed Composite Organization Modeling

Based on the interview data, Forrester makes the assumptions in the following tables about the composite organization and its processes. These assumptions are often conservative.

Global Assumptions About Processes At The Composite Organization					
Ref.	**Metric**	**Source**	**Year 1**	**Year 2**	**Year 3**
R1	Average activity duration before automation (hours)	Composite	0.02	0.02	0.02
R2	Average users per business unit	Composite	30	30	30
R3	Average process instances per business unit	Composite	400	400	400
R4	Annual improvement (decrease) in process development time	Interviews	25%	50%	0%
R5	Annual increase in number of business units using processes	Composite	25%	25%	0%
R6	Ratio of process complexity (complex vs. simple processes)	Assumption	7	7	7
R7	Ratio of process development time (complex vs. simple processes)	Interviews	3	3	3

Definition Of Simple Processes At The Composite Organization					
Ref.	**Metric**	**Source**	**Year 1**	**Year 2**	**Year 3**
R8	Average activities per simple process instance	Composite	100	100	100
R9	Average simple process duration before automation (hours)	R8*R1	2	2	2
R10	Average business units per simple process	$R10_{PY}*(100\%+R5_{PY})$	1	2	3
R11	Average users per simple process	R10*R2	30	60	90
R12	Average instances per simple process	R10*R3	400	800	1,200

Definition Of Complex Processes At The Composite Organization					
Ref.	**Metric**	**Source**	**Year 1**	**Year 2**	**Year 3**
R13	Average activities per complex process	R8*R6	700	700	700
R14	Average complex process duration before automation (hours)	R13*R1 or (R9*R6)	14	14	14
R15	Average business units per complex process	Year 1: R10*R6; Years 2 and 3: $R15_{PY}*(100\%+R5_{PY})$	7	9	11
R16	Average users per complex process	R15*R2	210	270	330
R17	Average instances per complex process	R15*R3	2,800	3,600	4,400

Process Development At The Composite Organization					
Ref.	**Metric**	**Source**	**Year 1**	**Year 2**	**Year 3**
R18	Simple process development time (person-months)	Interviews; $R18_{PY}$*(100%-$R4_{PY}$)	2.00	1.50	0.75
R19	Complex process development time (person-months)	Interviews; R18*R7	6.00	4.50	2.25
R20	Percent of digital transformation team's time allocated to simple processes (vs. complex processes)	Composite	50%	50%	50%
R21	New simple processes developed	(F1*F3+F4*F6)* 12*R20/R18	12	20	48
R22	Subtotal: Cumulative simple processes developed	$R22_{PY}$+R21	12	32	80
R23	New complex processes developed	(F1*F3+F4*F6)* 12*R20/R19	4	6	16
R24	Subtotal: Cumulative complex processes developed	$R24_{PY}$+R23	4	10	26
R25	Percentage of complex processes that are primarily cost-saving (vs. revenue-generating)	Composite	80%	80%	80%
R26	Subtotal: Cumulative complex processes developed that are primarily cost-saving	R24*R25	3	8	21
R27	Subtotal: Cumulative complex processes developed that are primarily revenue-generating	R24*(100%-R25)	1	2	5

Appendix C: Endnotes

[1] 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.

[2] The number of processes an organization develops and risk adjustment could be other sources of variability. However, the rates of process development at the interviewees' organizations were remarkably consistent, and so the process-specific characteristics are a far greater source of risk.

[3] The composite organization's processes can be evaluated according to the Six Sigma methodologies for measuring and improving process quality. Before automation, the composite organization's complex processes had 7,000 errors per 1 million instances, which is about a sigma level of four. This is a high quality level. Because the processes are business-critical, the composite organization has already invested in making them as error-free as possible (e.g., with time-consuming manual procedures, partial automation, etc.). However, after automation, the processes yield 700 errors per 1 million process instances, which is closer to a sigma level of five. By automating processes with AgilePoint, the composite organization achieves the next level of process quality.

[4] The lifespan of an IT solution is the period during which an organization uses it and when it provides value. At the end of its lifespan, the solution is no longer useful. There are multiple reasons why an IT solution reaches the end of its lifespan (e.g., business needs change and solutions built to outdated business requirements lose relevance, technical debt accumulates, solutions become too costly to support and update, etc.).

[5] Source: "Margins by Sector (US)," NYU Stern, January 2021.

[6] Forrester assumes the composite organization's development resources remain mostly constant. Reducing the number of variables in the model better isolates and illustrates the effects of adopting AgilePoint at the composite organization. However, in practice, an organization might allocate more development resources to AgilePoint over time. For the composite organization, increasing the number of developers increases development capacity. The composite organization could release a greater number of new processes each year and realize a higher ROI.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