

FORRESTER®

The Total Economic Impact™ Of The Sendoso Sending Platform

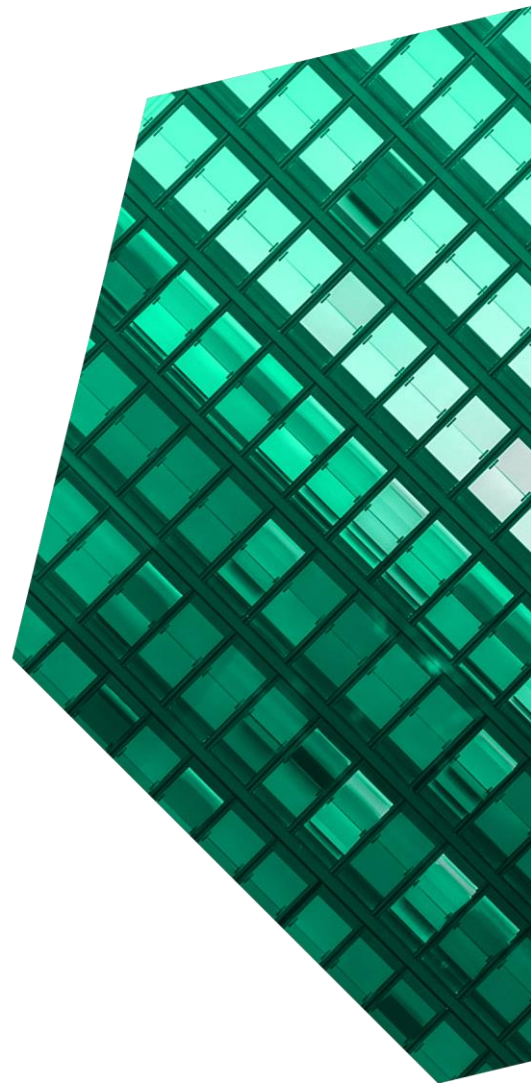
Cost Savings And Business Benefits
Enabled By Sending Platform

MAY 2021

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Consulting Team: *Stephanie Slate
Liz Witherspoon
Sam Sexton*



ABOUT FORRESTER CONSULTING

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Executive Summary

Direct mail is having a renaissance moment. Companies have been reviving this sending strategy to break through digital noise and connect authentically with their customers. And in the wake of the COVID-19 pandemic, it's become a critical channel as B2B organizations choreograph the steps sales and marketing teams must take to guide prospects through the funnel. By integrating direct mail in account-based marketing initiatives, companies are forging memorable customer experiences that deliver quantifiable results.

How do people create deep and genuine human connection in an increasingly digital world? Companies bombard consumers with phone calls, emails, social posts, videos, podcasts, and other ways to capture their attention. Inboxes are already overwhelmed, and Forrester predicts email and mobile message volume will increase by 40% in 2021.¹

Companies can't break away from their digital systems entirely, and Forrester data shows that customers prefer hybrid (digital and human) experiences.² Sendoso's Sending Platform combines direct mail and gifting with email marketing and marketing automation to help marketing and sales teams cut through the clutter by incorporating strategic sending into the customer experience. As a result, companies can create more authentic connections with their target audiences. As marketers look to increase the performance of their nurturing campaigns and accelerate sales cycles, Sendoso provides a way to humanize and personalize customer journeys.

Sendoso commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) enterprises may realize by deploying the [Sending Platform](#). The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of adding the Sendoso Sending Platform into their organizations' greater marketing strategies.

KEY STATISTICS



Return on investment (ROI)
212%



Net present value (NPV)
\$462K

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed four customers with experience using the Sendoso Sending Platform. For the purposes of this study, Forrester aggregated the experiences of the interviewed customers and combined the results into a single [composite organization](#).

Prior to using Sendoso, the customers relied on internal manpower to keep up with direct mail demands. Sending direct mail was chaotic and expensive, and customers could not connect its impact back to their pipeline or revenue.

After the investment in the Sendoso Sending Platform, the interviewees' organizations integrated the platform throughout their marketing tech stacks and customer relationship management (CRM) systems, which allowed teams to improve their account-based marketing (ABM) outcomes and drive more pipeline revenue. Moreover, the interviewees noted that their organizations saved money by

improving the efficiency of their direct mail campaigns, including a reduction in returned packages.

“Our meeting acceptance rate was about 75% prior to us integrating Sendoso, and now it’s at 93%. Our sales velocity cycle decreased by 15% to an average of a 60-day sales cycle. For our fiscal year last year, of our 972 opportunities, Sendoso was a factor in 352 deals.”

Senior director of marketing, SaaS ABM company

KEY FINDINGS

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

- **Increased incremental profit attributed to Sendoso investment.** Interviewees reported an increase in their meeting acceptance rates and in

their deal close rates after incorporating sending touchpoints into their nurturing campaigns. This led to an increase in their pipeline and revenue influenced. One interviewee said Sendoso increased the organization’s sales velocity, resulting in a 15% drop in the average sales cycle.

- **Improved efficiency of direct mail campaigns.** After using the Sendoso Sending Platform, marketers saw improved efficiency of their direct mail campaigns. A 90% reduction of labor cost for the average direct mail sending project allowed marketers and salespeople to spend their time on other priorities.
- **Avoided cost on returned direct mail packages.** By using Sendoso’s Address Confirmation tool, organizations ensured recipients received packages no matter where they were working. It allowed customers to confirm their address before a shipment and sent a delivery confirmation to the sender once they received their package.

“Sendoso helped us bring in an extra \$1M in revenue into our organization.”

— Senior director of marketing, SaaS ABM company

Unquantified benefits. Benefits that are not quantified for this study include:

- **Increased retention through e-gifting.** As the new virtual landscape took shape in 2020, Sendoso e-gift offers were one of the main levers marketers and sales used to engage with prospects and customers. Interviewees also attributed the tangible sends to preserving opportunities that otherwise might have gone away.
- **Provided flexibility around campaign sends and offerings, allowing brands opportunities to highlight their brand voices.** Companies are often beholden to a sending vendor's product offerings. Because Sendoso works with multiple suppliers, interviewees noted that they could be more creative in what they could and could not do.
- **Allowed effective sending campaigns to continue despite the inability to access office space.** With the COVID-19 pandemic, companies closed their offices, and employees were suddenly working from home. By having access to Sendoso's warehouses for free, organizations had continued access to everything they needed to maintain their sending and ABM initiatives.
- **Improved alignment between sales teams and marketing, allowing for greater visibility and collaboration in different lead-nurturing stages.** After using Sendoso, interviewees said that the integration of the platform into their marketing and sales tech stacks improved the collaboration on key accounts between their teams. For target ABM accounts, sales teams had access to pre-agreed sending opportunities and items, which allowed for seamless execution of sending campaigns and nurturing touchpoints.
- **Helped with brand building and brand awareness.** Sendoso allowed the interviewees' companies to separate their brands from the

digital noise and gain mindshare through unique ways to delight customers. As customers received items, they regularly shared pictures on social media, which led to even more brand awareness and increased organic traffic to brand websites.

- **Sharpened finance's visibility into department spend.** Sendoso allowed interviewees to track expenses by department. This enabled finance to close the books on time by understanding the team and individual source for each spend.
- **Deepened relationships with employees and channel partners, allowing employees to differentiate themselves through personalized gifts.** Interviewees used Sendoso to send congratulatory gifts to their employees and partners to celebrate both professional and personal milestones. As a result, employees formed deeper relationships with these partners and stayed at their organizations longer because of these strong partnerships.
- **Built trust with prospects and customers by fulfilling promised items.** Interviewees said that customers were afraid to sign up for their offers initially because those customers experienced similar offers from other organizations that were fraudulent. Sendoso allows employees to fulfill these promised items, and as a result, interviewees said Sendoso enabled them to build trust with their clientele.
- **Allowed companies to scale without adding additional costs.** Sendoso's Sending Platform helped organizations perform hundreds of thousands of sends a year. Without Sendoso's platform and support for fulfillment, organizations would need to add expenses, including additional headcount.

Costs. Risk-adjusted PV costs include:

- **Cost of Sendoso solution.** This figure represents the average sum organizations paid

for Sendoso’s annual solution fee. For this study, Forrester assumes that [a representative organization](#) uses the Sendoso Pro plan, which includes a \$45,000 annual platform fee and 50 initial users, with each user seat costing \$29 per month on top of the platform fee. This cost also includes five integrations to different platforms in their marketing and tech stacks (e.g., Marketo, Salesforce, Outreach). However, the scope and cost for other companies will vary widely depending on the solution plan and the number of users.

- **Cost to send customer-branded swag.**
Sendoso allows customers to store their branded marketing swag in Sendoso warehouses at no cost. While most sends are e-gifts cards and other nonbranded items, Forrester assumes that the representative organization will pay \$8.25 per four-item package as part of Sendoso’s pick-and-pack service, which has Sendoso employees prepare, pack, and send company-branded shipments on the company’s behalf.

“The best thing for us about Sendoso is the visibility it provides.”

Senior manager, demand generation, cybersecurity

The customer interviews and financial analysis found that a composite organization experiences benefits of \$619K over three years versus costs of \$219K, adding up to a net present value (NPV) of \$401K and an ROI of 212%.



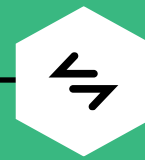
ROI
212%



BENEFITS PV
\$619K



NPV
\$462K



PAYBACK
< 6 months

Benefits by category



- Incremental profit attributed to Sendoso investment
- Improved efficiency of direct mail campaigns
- Cost avoidance on returned direct mail packages

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 the Sendoso Sending Platform.

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 the Sendoso Sending Platform can have on an organization.

DISCLOSURES

Readers should be aware of the following:

This study is commissioned by Sendoso 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 the Sendoso Sending Platform.

Sendoso 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.

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



DUE DILIGENCE

Interviewed Sendoso stakeholders and Forrester analysts to gather data relative to the Sendoso Sending Platform.



CUSTOMER INTERVIEWS

Interviewed four decision-makers at organizations using the Sendoso Sending Platform to obtain data with respect to costs, benefits, and risks.



COMPOSITE ORGANIZATION

Designed a composite organization based on characteristics of the interviewed organizations.



FINANCIAL MODEL FRAMEWORK

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



CASE STUDY

Employed four fundamental elements of TEI in modeling 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 Sendoso Sending Platform Customer Journey

Drivers leading to the Sending Platform investment

Interviewed Organizations			
Industry	Region	Interviewee	Revenue
Cybersecurity	Headquartered in US, with six US offices and one in Canada	Senior manager, demand generation	\$100M
SaaS connected planning	Headquartered in US, with regional offices across the globe, including EMEA and APAC	Senior manager of ABM	\$500M
SaaS IT security	Headquartered in US with 30% of workforce remote nationwide	CMO	\$20M
SaaS ABM	Headquartered in US, with three offices nationwide	Senior director of marketing	\$44M

KEY CHALLENGES

Like most B2B organizations, the interviewees' companies were trying to stay top-of-mind with customers, convert leads faster, and break through to target accounts. However, the COVID-19 pandemic exacerbated the need to escape the digital noise: Companies could no longer meet with prospects face-to-face or at in-person events.

Decision-makers wanted another avenue to create authentic connections with prospects and preserve those same connections with customers. Despite their sophisticated marketing stacks and strategies, they knew they needed an integrated sending strategy to deliver personalized experiences at scale.

The interviewed organizations struggled with common challenges, including:

- **Lack of real-time, automated processes for sending that integrate into other marketing and sales initiatives.** Before using Sendoso's Sending Platform, interviewees commented that their companies treated any form of sending as a "standalone" campaign. This made it difficult to integrate sending as a touchpoint, such as after a demo or when a prospect becomes a customer. Moreover, interviewees commented that while they had nurture campaigns and criteria in place, the number of sales opportunities in the pipeline

made it difficult to follow up with all the prospects in real time. The manual processes prevented sales from making authentic connections and potentially shortening their sales cycles.

- **Inability to scale direct mail sending processes and track shipments efficiently.** Prior to using the Sendoso Sending Platform, companies would plan, prepare, pack, track, and ship any packages themselves. Dubbed the "assembly line" shipping method, teams would lay materials out across an area of their respective offices, and several team members would take time out of their day to prepare the shipments. Sales teams constantly requested last-minute recipient changes and updates that marketers would need to manage.

Moreover, interviewees described the process of uploading each package's tracking information into a shipping service's website, which could take almost a day's work. As a result, the whole processing from planning to shipping took a full two weeks of three marketing coordinators' time, which they could have spent on other priorities.

- **Lack of in-person events to connect authentically with prospects and customers.** With the amount of digital noise consumers receive, companies struggled to find a way to

stay top-of-mind with buyers. In the wake of COVID-19, organizations paused in-person events and conferences. As a result, companies lost valuable face time with prospects without the opportunity to connect at these tradeshows and needed to find new ways to make connections and break into target accounts.

“The pandemic forced us to get creative with what we wanted to do with the events money, and we put it into direct mail.”

CMO, SaaS IT security

- **Failure to create a consistent brand experience throughout the customer lifecycle at scale.** The customer lifecycle no longer ends at the sale; customer marketing leaders say creating a holistic customer engagement experience is their top challenge.³ As customer marketing continues to become the focus for organizations, interviewees commented that ad hoc approaches fail to create consistent post-sale customer experiences and holistic customer engagement at scale. As a result, companies missed the opportunities to engage with customer stakeholders who yielded the most influence and could act as ambassadors for the brand.

SOLUTION REQUIREMENTS

The interviewed organizations searched for a solution that could:

- Measure the outcomes of sending and tie these efforts back to sales results.
- Provide a user-friendly solution that salespeople could easily integrate into their day-to-day activities and complement existing processes, allowing them to automate sending into their current workflows, processes, and tools.
- Scale shipping fulfillment and tracking to keep up with customer and company growth.
- Navigate changes in the market due to COVID-19 to ensure their companies stayed top-of-mind with prospects and customers.
- Increase engagement across the entire customer lifecycle by including touchpoints and automated sends to increase sales and retention.
- Send gifts and touchpoints at key stages in the sales cycle to carry buyers across the finish line.
- Track expenses appropriately for finance by attributing direct mail, e-gifts, and other engagements to the right department and employee.
- Provide access to more vendors and products without having to manage them individually.

Decision-makers chose the Sendoso Sending Platform and implemented it as follows:

- Three out of four interviewees said their firms took a phased approach to deployment, starting with an individual team within sales (field, inside sales, etc.) or a small group of salespeople and marketers to pilot the program. After the initial group, interviewees commented that they quickly added more users, with two interviewees stating their organizations scaled to three times more Sendoso users within two years.
- Organizations deployed the Sendoso Sending Platform across teams and functions. While 90% of Sendoso users were members of the sales and marketing departments, some companies expanded users to include customer success, employee experience, and human resources.

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

Description of composite. The US-based, multimillion-dollar business-to-business organization provides customer data for sales, marketing, and customer support teams. The organization has a strong brand, seven locations (including an office in London), a large customer base of about 1,000 customers, and a strong online and offline presence. Their average deal size is roughly \$100,000.

Deployment characteristics. Upon purchase of the Sendoso Sending Platform, the composite organization selects 50 employees to become users and adds 20 additional users every year to match its customer growth. Users can select recipients for campaigns at the click of a button as the composite organization implements integrations with already existing platforms, such as Salesforce, Marketo, and Outreach.

Marketers at the composite organization create “triggered sends” to utilize Sendoso e-gifting touchpoints, allowing sales to entice prospects to join meetings in exchange for a gift card. For example, a prospect might receive a request to get a “cup of coffee for their thoughts,” and upon completion of the meeting, a salesperson can use Sendoso to send an e-gift card in real time.

As the composite organization sees success in the platform’s ability to create authentic connections, its employees begin to explore other features and consider offering unique experiences (fishing boat tour, etc.) when the pandemic ends. For any campaign that includes physical packages, the composite organization has access to Sendoso’s five

global warehouses and fulfillment centers. Access to the Peterborough, United Kingdom, warehouse is key as the composite organization hopes to grow its European customer base over the course of the first year of the analysis. Because Sendoso does not charge a storage fee for its warehouse space, the company stores items and materials for customer welcome kits and other key touchpoints.

Key assumptions

- **\$200M in annual revenue**
- **\$100K for an average deal size**
- **US-based company with an office location in London**

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	Incremental profit attributed to Sendoso investment	\$71,400	\$98,175	\$133,493	\$303,068	\$246,340
Btr	Improved efficiency of direct mail campaigns	\$85,050	\$149,405	\$256,500	\$490,955	\$393,505
Ctr	Cost avoidance on returned direct mail packages	\$9,000	\$15,120	\$27,000	\$51,120	\$40,963
	Total benefits (risk-adjusted)	\$165,450	\$262,700	\$416,993	\$845,142	\$680,808

INCREMENTAL PROFIT ATTRIBUTED TO SENDOSO INVESTMENT

Evidence and data. Today’s attention economy makes it harder to cut through the digital noise.⁴ Each interviewee believed that sending was key to break through the advertising racket and connect authentically with prospects and clients, thus rendering it an important marketing tactic.

Interviewees said the personalized sends and experiences at different touchpoints (offered and tracked through Sendoso) increased their meeting acceptance rates and their deal close rates, which led to an increase in incremental profit. Because Sendoso integrated seamlessly into their current sales and marketing workflows, it provided their organizations with triggered send opportunities, allowing them to see the impact of their sending campaigns for key accounts.

- Interviewees reported a positive increase in incremental profit after incorporating sending opportunities into their nurturing campaigns, something that they were not able to do programmatically before Sendoso. The CMO at a software-as-a-service (SaaS) IT security company shared with Forrester: “We wanted to match the sending up with the stages the prospects were in. We didn’t want to manually

send gifts out to prospects every single time, and we wanted to set it up so that Salesforce and Sendoso would talk to each other. If the prospect moved from one stage to the next, Sendoso would ‘hear it from Salesforce’ and automatically send a particular piece of swag out. With Sendoso, I know everyone who received a hat from us is closed-won, and we now can more accurately track how direct mail impacts our bookings.”

- The touchpoints enabled the organizations to see an increase in sales velocity and acceleration, including from previously dormant accounts, and get customers to the goal line faster.

The senior manager of ABM for a SaaS connected planning company said: “Buying new technology can get pushed to the side. Especially with what we just went through with COVID, it was easy for prospects to say, ‘It’s not a good time. Call me in six months.’ And so, you take that list of people you haven’t had a good conversation with in the last six months and use [Sendoso] as a ‘wake the dead’ type of tactic. And it works. The opportunity is there, and I can’t think of a better channel to get them back into a buyer’s discussion.” At this organization, the interviewee told Forrester that a \$200K spend in Sendoso

has accelerated \$120M in active opportunities with 19% closing in the last 12 months.

- Finding an excuse to reach out to a contact or prospect was easy for the salespeople at the organizations. “The sales rep is aware of where each prospect is in the campaign status,” said the CMO for a SaaS IT security company. “Sendoso tracks and notifies the sales representatives when the gift has been received. They can follow up and say, ‘Hey, so you got the gift. Do you want to talk now?’” Because of this, the CMO has seen a lift in revenue due to gifting: “Gifts are influencing at least 40% of our revenue, and Sendoso is making it easier for me to do gifting.”
- Sendoso integrated with the organizations’ ABM initiatives and allowed them to track who received what and when they received it in their respective CRM platforms. More importantly, companies could expand these programs as they could now show marketing attribution because people opted into receiving sends.

The senior manager of ABM at a SaaS connected planning company shared that Sendoso reinvigorated a holiday gift program: “Before Sendoso’s Marketo integration, it was difficult to show marketing attribution resulting from deal-velocity direct mail programs. Our 2019 program targeted 300 executives with assumed business addresses but lacked an official opt-in process. We learned from qualitative feedback that the packages make an impact in some deals, but without Marketo scoring to back up the stories, it was impossible to report results at scale. That was solved once we integrated with Marketo. Our 2020 holiday program started with an opt-in Marketo form, and we confidently reported to helping influence those opportunities. Both programs targeted 300 executives, but in 2020, we were able to pull a broader list of 800 executives tied to deals. Results were off the charts: 35% opted-in, resulting in our best

performing marketing campaign of the year, influencing \$65M in pipeline with 22% closed and still growing. Now that Sendoso has a Marketo integration, it’s business-critical — a must-have — for any marketing program to measure and report the impact of direct mail, and we are now modeling all premium direct mail sends using this method. You’ll elevate your sending program once Sendoso is integrated to your marketing automation platform.”

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

- The average deal size for the composite organization is \$100,000.
- Through its ABM marketing efforts, the composite organization targets 50 account deal opportunities in Year 1, 55 in Year 2, and 60 in Year 3.
- Prior to using the platform, the composite organization had a meeting acceptance rate of 58%. After, with the sending opportunities integrated with the requests, it grows to 85% in Year 1, 90% in Year 2, and 93% in Year 3.
- Prior to the using Sendoso, the composite organization had an opportunity-to-deal close rate of 10%. After using the platform, this doubles to 20% in Year 1, rises to 22% in Year 2, and grows to 25% in Year 3.
- The composite organization, as a B2B SaaS company, has a profit margin of 15%.

“We now source about half of our opportunities through direct mail. Before Sendoso, it was only 25%.”

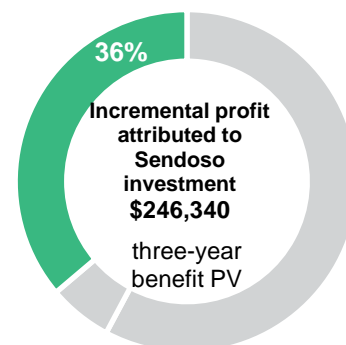
Senior manager, demand generation, cybersecurity

Incremental Profit Attributed To Sendoso Investment					
Ref.	Metric	Calculation	Year 1	Year 2	Year 3
A1	Number of strategic ABM targeted account deal opportunities annually	Composite + organic growth	50	55	60
A2	Average deal size	Composite	\$100,000	\$100,000	\$100,000
A3	Annual pipeline value	A1*A2	\$5,000,000	\$5,500,000	\$6,000,000
A4	Meeting acceptance rate prior to Sendoso	Interviews	58%	58%	58%
A5	Deal closed rate prior to Sendoso	Interviews	10%	10%	10%
A6	Subtotal: Potential pipeline value before Sendoso	A3*A4*A5	\$290,000	\$319,000	\$348,000
A7	Meeting acceptance rate after Sendoso	Interviews	85%	90%	93%
A8	Deal closed rate with Sendoso	Interviews	20%	22%	25%
A9	Subtotal: Potential pipeline value with Sendoso	A3*A7*A8	\$850,000	\$1,089,000	\$1,395,000
A10	Incremental revenue closed with Sendoso	A9-A6	\$560,000	\$770,000	\$1,047,000
A11	Revenue attributed to Sendoso	Assumption	100%	100%	100%
A12	Profit margin	Assumption	15%	15%	15%
At	Incremental profit attributed to Sendoso investment	A10*A11*A12	\$84,000	\$115,500	\$157,050
	Risk adjustment	↓15%			
Atr	Incremental profit attributed to Sendoso investment (risk-adjusted)		\$71,400	\$98,175	\$133,493
Three-year total: \$303,068			Three-year present value: \$246,340		

Risks. The following risks can impact the incremental profit attributed to Sendoso investment:

- Companies in different industries may see different results from the example shown.
- Differing product offers (a cup of coffee vs. a gift card) will impact the meeting acceptance rate and deal close rates as individuals' preferences will vary.

Results. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV of \$246,340.



IMPROVED EFFICIENCY OF DIRECT MAIL CAMPAIGNS

Evidence and data. Marketers interviewed for this study shared that, after working with Sendoso, their organizations gained the ability to scale shipping fulfillment and tracking. This included time savings throughout the sending process, including planning each campaign and sourcing more creative products to send; pulling a list of recipients and making additions without impacting the timeline; packing the materials for each shipment; and tracking and confirming deliveries. As a result, this led to a more efficient, programmatic, and coordinated use of their direct mail sending budgets.

- Before using Sendoso, companies tasked a group of employees (usually in marketing) with collecting names, preparing packages, printing labels, updating the tracking information, and dropping off the packages to a shipping facility.

One interviewee commented that the company had to recruit and enlist two to three people every time the company sent direct mail. This senior manager of demand generation explained: “We would plan our outfits. I told the recruits to wear tennis shoes and clothes that would get dirty because they would be lifting boxes.”

By investing in the platform, the organizations outsourced most of the process to Sendoso, allowing the organizations to scale as they grew. The CMO of a SaaS IT security company said: “The time savings costs were huge. For marketing to do the sending, it was below-average leverage work — the boxing, the packaging, the printing of labels, the getting it to a shipping center — that’s part of the ability to scale.”

- Sales and marketing departments have a variety of channels and means to engage the customer. Any person can send social media messages and emails at the click of a button. However, as business management author Patrick Lencioni

describes, it’s imperative for everyone to row in the same direction; then “you could dominate any industry, in any market, against any competition, at any time.”⁵

By using Sendoso’s sending platform, companies could programmatically engage customers and prospects seamlessly, replacing their old manual methods. For example, if a prospect participated in a demo, a salesperson could click a button in the platform and send them a previously agreed-upon thank-you gift. With Sendoso’s integration to Salesforce, Outreach, and other internal systems, sales and marketing drove a consistent approach and allowed companies to easily adopt the platform as a part of greater marketing strategies.

The senior director of marketing at an ABM SaaS company said: “We were spending a long time trying to track things just because it wasn’t dynamically flowing into Salesforce. Anything that got in there, we had to manually put in there, and that was a challenge of importing, changing statuses and Salesforce campaigns. It was a very manual process, and it was a mess to try to figure out. Now, with Sendoso, everything flows into a Salesforce campaign and all of the data is easily reportable and easy to track.”

- Prior to using Sendoso, interviewees described in detail the direct mail sending process for their internal teams and the time commitment it entailed. The senior manager of demand generation described the process for creating shipping alerts on packages: “If you had a campaign for 1,000 people, I would have to set up an alert, and you can only do 12 at a time. If you’re good, you could do 12 alerts in 3 minutes. And I had to create 1,000 alerts, so that’s about 4 hours if you’re fast. Realistically, you are looking at 5 to 6 hours or a whole day of one person’s time to create shipping alerts.”

Through Sendoso's sending platform, not only is tracking embedded in its system, but companies' users receive an email when a recipient receives their package. This allows sales and marketing to reach out in real time and continue personalized engagement.

- All the interviewees commented that they wanted to be more creative in their sends and stand out from their competition. However, sourcing new products and vendors made each sending experience more cumbersome and left the interviewees overwhelmed. A senior director of marketing at an ABM SaaS company commented, "We had to look to either existing vendors or other vendors to find a product, and we didn't get a lot of assistance on ideas." Sendoso allowed the companies to access more vendors and products without managing them individually.
- Sendoso's warehouse storage allowed the companies to execute new campaigns quickly. By storing items across the country and internationally at different fulfillment centers, employees used the inventory to their advantage. The senior manager of demand generation at a cybersecurity company commented: "Before Sendoso, we weren't doing anything. If it wasn't in the plan and we didn't have inventory ready to go, it would take six weeks for us to execute. For e-gifts, the best case was we would be able to send it out in about 10 days. Now, we can turn these campaigns out today."
- Each of the interviewees noted the cost savings that the Sendoso warehouses provided them. Unlike other vendors, Sendoso does not charge for warehouse space, which is an added cost of ownership savings. This was a differentiator during the vendor selection process for the senior manager of ABM at a SaaS connected planning company, who said: "Another vendor was going to charge us for space in their warehouses and

couldn't give us good numbers to go by. Another vendor was only US based. The ability to have all of our swag, all of our content, and all of our inventory at three global warehouses was priceless."

- By using Sendoso, companies could give time back to their marketing and sales teams. Rather than unrolling tape and waiting at the post office, employees could work on other priorities and initiatives. The senior director of marketing at an ABM SaaS company expressed: "Overall, the number one benefit of Sendoso is the ease of end-to-end shipping. From the procurement of the items to the shipping and dealing with [a postal service], just the ease of that process and that time consolidation has been my favorite benefit. I know how long things were taking and how much manual labor was going into sending packages, and getting the time back allows us to work on other more important things than packing boxes."

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

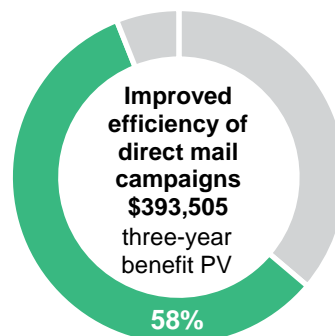
- The composite organization executes five to 10 direct mail campaigns annually, starting with five campaigns in Year 1, scaling to seven in Year 2, and rounding out to 10 in Year 3.
- Prior to using Sendoso, the composite organization staffed three marketing coordinators to prepare, plan, pack, track, and ship materials. Depending on the number of campaigns, this could take upwards of 2,400 hours annually. The organization also staffed a large salesforce that needed 5 hours to review and submit lists to marketing.
- The fully burdened hourly rate for a marketing coordinator is \$31.25.
- The fully burdened hourly rate for a salesperson is \$60.

- As Sendoso takes over these labor tasks, the composite organization avoids 90% of these costs.

Risks. The following risks can impact the efficiency of direct mail campaigns:

- The number of direct mail campaigns decision-makers send annually may vary.
- Forrester assumes that the composite organization was doing all parts of the shipping logistics on its own prior to using Sendoso. These savings could vary if any part of the previous process were outsourced.

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 \$393,505.



“Overall, our whole team has gained more time back in the process. Everything was very manual, and now we have a good bit of this process automated. We have our team trained, and we don’t have to waste a lot of time trying to make things happen and getting the gifts sent.”

Senior director of marketing, ABM SaaS company

Improved Efficiency Of Direct Mail Campaigns

Ref.	Metric	Calculation	Year 1	Year 2	Year 3
B1	Number of campaigns annually	Composite + organic growth	5	7	10
B2	Number of weeks per campaign to prepare, plan, pack, track, and ship materials before Sendoso	Composite	2	2	2
B3	Number of marketing coordinators preparing shipments	Composite	3	3	3
B4	Amount of hours to ship materials annually before Sendoso	$B1*B2*B3*40$ hours	1,200	1,680	2,400
B5	Fully burdened hourly rate of marketing coordinators	Composite	\$31.25	\$31.25	\$31.25
B6	Number of salespeople at organization submitting shipments	Composite	45	60	75
B7	Number of hours by salespeople to submit lists to marketing	Composite	5	5	5
B8	Fully burdened hourly rate of a salesperson	Composite	\$60	\$60	\$60
B9	Subtotal: Labor cost to ship materials prior to using Sendoso	$(B4*B5)+(B1*B6*B7*B8)$	\$105,000	\$178,500	\$300,000
B10	Improved speed of sending campaigns with Sendoso	Interviews	90%	93%	95%
Bt	Improved efficiency of direct mail campaigns	$B9*B10$	\$94,500	\$166,005	\$285,000
	Risk adjustment	↓10%			
Btr	Improved efficiency of direct mail campaigns (risk-adjusted)		\$85,050	\$149,405	\$256,500
Three-year total: \$490,955			Three-year present value: \$393,505		

COST AVOIDANCE ON RETURNED DIRECT MAIL PACKAGES

Evidence and data. The ability to send a package to its intended recipients is difficult, and, unlike email bounces, direct mail returns have a real cost.⁶ Marketers interviewed for this study said that Sendoso not only helped them create strong, targeted lists, but it also allowed them to verify addresses prior to sending.

- While a single returned package may not be a huge expense, the total cost of returned packages quickly adds up. The senior manager of demand generation told Forrester: “If I would send out 1,000 items, I knew I was going to get 100 back. I didn’t want to handle those boxes as they came back dirty and damaged. Sometimes

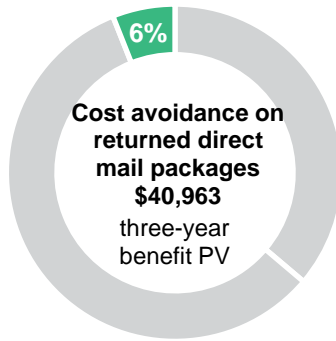
we didn’t even know if the contents were still in them! Our team had to throw away addresses, find new ones, relabel the package, and bring it back to [the postal service]. It was a mess.” By using Sendoso’s Address Confirmation tool, organizations could confirm recipients’ addresses via email before shipping, dramatically reducing the number of returned packages.

- In one example, an interviewee shared that before using Sendoso, 60% to 65% of packages were delivered to the right person at the right address. Sendoso’s Address Confirmation helped the same organization reach 100% success and deliver to newly formed home offices.
- With the COVID-19 pandemic, many employees found themselves suddenly working from home

and office mail sat orphaned, never being delivered to its intended party. Sendoso's Address Confirmation tool allowed companies to continue using direct mail regardless of where in the world their customers found themselves working.

The senior director of marketing at an ABM SaaS company voiced appreciation for this feature: "The ability for our prospects to determine where they want something sent has been great. If we didn't have that feature, we probably wouldn't have been doing any type of physical direct mail sends this year."

Moreover, interviewees said that even though they saw an inclination to engage with vendors and share personal information, their companies



needed to protect it. With the rise of GDPR and other privacy initiatives, Sendoso's Address Confirmation tool made it clear to recipients that their address would only be used for this particular send and not saved for anything else.

The CMO for a SaaS IT security company told Forrester: "There was a silver lining to sending to some extent with COVID because people became accustomed to the fact that they're not in an office and we're trying to send something. So they can verify the right address for us."

"Before Sendoso, I would say that maybe 60% to 65% of our direct mail got to the right person at the right address. Now, I don't have to worry."

CMO, SaaS IT security company

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

- The composite organization executes five to 10 direct mail campaigns annually, starting with five campaigns in Year 1, scaling to seven in Year 2 and rounding out to 10 in Year 3.
- The composite organization has a large prospect and customer base and sends 1,000 direct mail packages in Year 1, scaling to 1,200 packages in Year 2 and 1,500 packages in Year 3.
- Due to errors, prior to using Sendoso Address Confirmation tool, 10% of bulk direct mail packages were returned.
- The cost to ship a package domestically is \$20.

Risks. The following risk can impact the cost avoidance on returned direct mail packages:

- While the composite organization in this example sent packages domestically, the cost would vary for international packages.
- The number of returned packages will vary depending on the quality of the company's data.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV of \$40,963.

Cost Avoidance On Returned Direct Mail Packages

Ref.	Metric	Calculation	Year 1	Year 2	Year 3
C1	Number of campaigns annually	Composite	5	7	10
C2	Number of direct mail packages shipped by organization per campaign	Composite	1,000	1,200	1,500
C3	Cost of shipping per package	Composite	\$20	\$20	\$20
C4	Percentage of returned packages prior to using Sendoso due to errors	Interviews	10%	10%	10%
C5	Number of packages returned before using Sendoso annually	C1*C2*C4	500	840	1,500
C7	Cost to reship returned packages	C3*C5	\$10,000	\$16,800	\$30,000
Ct	Cost avoidance on returned direct mail packages	C6	\$10,000	\$16,800	\$30,000
	Risk adjustment	↓10%			
Ctr	Cost avoidance on returned direct mail packages (risk-adjusted)		\$9,000	\$15,120	\$27,000
Three-year total: \$51,120			Three-year present value: \$40,963		

UNQUANTIFIED BENEFITS

Additional benefits that customers experienced but were not able to quantify include:

- Increased retention and preserved opportunities that might have gone away through e-gifting.** The COVID-19 pandemic caused the in-person event landscape to disappear overnight. Without the ability to connect with prospects face-to-face, the interviewees found their organizations searching for new ways to stay top-of-mind. E-gifts provided a way to keep engagement up.

The senior manager of demand generation at a cybersecurity company remarked: “Sendoso didn’t replace new opportunities; it preserved opportunities that might have gone away if we didn’t have the e-gifts. In the beginning, it was kind of a stopgap for that transition between in-person and virtual events, and now we still use it

in conjunction with our virtual events. It gives us a little bit more staying power and opens the door to do a natural follow-up conversation.”

- Provided flexibility around campaign sends and offerings, enabling brands to highlight their voices.** Because Sendoso works with a variety of suppliers, firms could be creative with their sends and offerings. Sending perishable items, personalized gear, and alcoholic beverages were just the tip of the iceberg in terms of what organizations could offer.

“There’s flexibility to try different offers and different campaigns,” the senior manager of demand generation said. “Sendoso, because of how it’s set up, allows us to take more swings at the plate in terms of what we offer. We probably wouldn’t even consider doing what we are doing without the platform. I mean, we would never ship perishable items like a steak because it’s terrifying for several reasons. Without Sendoso,

we wouldn't even dream of offering that. We are far more creative in what we can and cannot do."

Differentiating a brand from a competitor is difficult, and the ability to engage buyers through sends gave the brands an opportunity to stand out. The senior manager of ABM at a SaaS connected planning company commented: "At the end of the day, my job is to educate my buyers and help them accelerate their decision-making if they are going to buy the product or not. By giving them different gift options (and being able to set that up easily and still get the marketing attribution around that!), it enhances my performance and gets me to my ROI goals a lot faster."

- **Allowed effective sending campaigns to continue despite the inability to access office space.** With offices shut down and employees working from home, interviewees said that they had no way to get access to their companies' branded items and allow their sending campaigns to continue. The senior manager of ABM for a SaaS connected planning company told Forrester: "Through Sendoso's warehouses, I have everything I need in stock, and it's ready to go whenever I need it. Outside of having Sendoso, that's not a reality. [With the pandemic], we don't have the storage space. I'm not even in the office right now, so where would I put these items? My already cluttered home office in the corner of my living room? It's not even a possibility to not have Sendoso do this for me." By having access to Sendoso's warehouse of company-branded items, the interviewees could continue their sending touchpoints — even during a global pandemic.
- **Improved alignment between sales teams and marketing, allowing for greater visibility and collaboration in different lead-nurturing stages.** Because Sendoso integrates with sales enablement platforms and CRMs and the

platform is easy to understand and straightforward, all interviewees said they all saw greater alignment between their sales and marketing teams. A CMO for a SaaS IT security company shared: "The technology works. Everyone has access to it. The sales reps can send whatever they want, whenever they want. They don't even have to ask marketing."

- **Helped with brand building and brand awareness.** Brand awareness is a big priority for any company, especially younger ones. By using direct mail early in the purchasing decision, the organizations were able to enhance, surprise, and delight their customers in ways they wouldn't get through other marketing channels.

The senior manager of demand generation at a cybersecurity company commented on how important a physical touchpoint is, especially in the pandemic with the lack of in-person events: "I think it's still really critical to building your brand identity and to have your customer identify with your brand. I think gifts can make up for some of that gap that might continue to see in a more hybrid work environment." Moreover, the impact that direct mail had on the brand didn't end when customers received the items. Often, customers shared pictures online, which led to greater brand awareness and engagement in their social channels.

The CMO for a SaaS IT security company talked about excitement in these customer-led moments: "It's exciting to see the pictures customers take with our swag! They are sending pictures, tagging us on [social media]. Since they just became customers, it's worth its weight in gold."

- **Sharpened finance's visibility into department spend.** Sendoso allowed the interviewees' organizations to track expenses and help finance understand the source for each spend. Prior to Sendoso, some teams used a marketing credit

card, and it took time to reconcile each spend as it was difficult to track down receipts. Through Sendoso, companies can set each team, their funding source, and the budget allotment, and the accounting team knows the source and which team to bill.

- **Deepened relationships with employees and channel partners, allowing employees to differentiate themselves through personalized gifts.** The pandemic has blurred the lines between personal and professional relationships, and many people stay at organizations because of client and partner relationships. Video calls allowed employees to see into the window of their customers', partners', and coworkers' lives. As a result, the organizations used Sendoso to find ways to increase engagement between their employees and partners. Common examples were anniversary and onboarding gifts for employees.

One senior manager used Sendoso to send a gift card for wine when a longtime channel partner became engaged. However, there is a line between cool versus creepy, and the interviewees warned that they tried to toe that line. The senior director of marketing said: "For a lot of items, our sales team would take a snippet of information. They don't go all the way and stalk somebody's [social media], but if they see ... their alma mater ... they might send something from the school. They keep it pretty high-level so it's still personalized, but it's not creepy personalized."

- **Built trust with prospects and customers by fulfilling promised items.** The news cycle is full of stories about people who signed up for something but didn't receive it or provided their personal information to a fraudulent enterprise that promised an item. The senior manager of demand generation at a cybersecurity company warned: "You will destroy trust if you don't fulfill

the order a prospect came in the door for. We don't want to trick people. With Sendoso, we can fulfill these things and maintain trust with our clients."

- **Allowed companies to scale without adding additional costs.** Without a platform like Sendoso, companies would not be able to execute on all the e-gifts and direct mail sends they offer. As previously discussed, the logistics savings meant that organizations gained time back and therefore did not need to hire additional employees to complete the sending activities. The senior director of marketing of an ABM SaaS company said: "We spent a lot of time tracking the ROI of our campaigns. We had to manually add contacts to campaigns and upload lists. Now? It's very minimal. We have a Salesforce integration and an Outreach integration, as that is where our sales team lives. With one click, they can add people and do some type of direct mail, and the data will automatically flow into Salesforce. I think the team would be very hard-pressed if it went away."

FLEXIBILITY

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

- **Connecting with prospects and customers through unique product enhancements.** Sendoso continually rolls out new product enhancements and offerings. From sending a delicious, chef-inspired meal to offering top-shelf alcohol instead of basic wine, interviewees commented that there are always new features to learn more about and incorporate into their campaigns.
- **Using sustainable offers and adapting to environmentally friendly demands.** Climate change is becoming a major focus for businesses, and while people enjoy receiving

direct mail, some customers see the amount of packaging as wasteful. While Sendoso does offer recyclable materials, some companies may opt to only sending e-gifts to reduce their carbon footprint.

- **Highlighting local charities and nonprofit organizations in the community.** Many companies are now limiting what types of gifts employees can receive and are enforcing a total cost threshold. With Sendoso's charity option, organizations were able to offer a donation to a local dog shelter if the prospect took the meeting. Through these types of efforts, companies can stay engaged in their local communities and share their fundraising impacts on their social media channels.

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

Analysis Of Costs

■ Quantified cost data as applied to the composite

Total Costs							
Ref.	Cost	Initial	Year 1	Year 2	Year 3	Total	Present Value
Dtr	Total cost of Sendoso solution	\$0	\$68,640	\$76,296	\$83,952	\$228,888	\$188,529
Etr	Cost to send Sendoso-sourced swag	\$0	\$9,900	\$11,880	\$14,850	\$36,630	\$29,975
	Total costs (risk-adjusted)	\$0	\$78,540	\$88,176	\$98,802	\$265,518	\$218,504

TOTAL COST OF SENDOSO SOLUTION

Evidence and data. The interviewees explained that their organizations pay both an annual license fee and a monthly fee to operate Sendoso at their current capacity. The annual Sendoso Pro fee is a flat fee while the monthly fee is per user and varies based on how many “seats” are purchased. This Pro plan also includes:

- Domestic and International sending and warehouse access.
- Five integrations with other sales and marketing tools, such as Salesforce and Marketo.
- Preferred shipping service-level agreements (SLAs) and customized packing options.
- Unlimited access to a project manager and dedicated customer service manager.
- Unlimited message templates and a meeting scheduler.
- Advanced security options.

Modeling and assumptions. For the composite analysis, Forrester assumes that:

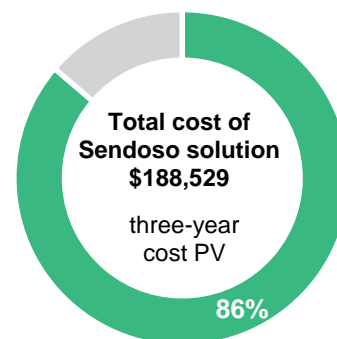
- The composite organization spends \$45,000 as a flat fee per year for pro-level membership.
- The per-seat price at signing is \$29 per month.

- The number of Sendoso users starts at 50 in Year 1, rises to 70 in Year 2, and rises again to 90 in Year 3.

Risks. This cost will vary among organizations based on:

- The total number of employees using Sendoso.
- The seat price at signing. The composite organization purchases its seats at signing; there is a higher fee of \$39 per seat if companies add additional seats ad hoc throughout the year.
- Membership level. As of the publication of the study, there are four plans to choose from, each varying in cost and scope.

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 \$188,529.



Total Cost Of Sendoso Solution						
Ref.	Metric	Calculation	Initial	Year 1	Year 2	Year 3
D1	Annual subscription fee for Sendoso Pro	Composite		\$45,000	\$45,000	\$45,000
D2	Total number of users using Sendoso annually	Composite		50	70	90
D3	Monthly cost per seat at signing	Composite		\$29	\$29	\$29
D4	Subtotal: Cost per users annually	D2*D3*12 months		\$17,400	\$24,360	\$31,320
Dt	Total cost of Sendoso solution	D1+D4	\$0	\$62,400	\$69,360	\$76,320
	Risk adjustment	↑10%				
Dtr	Total cost of Sendoso solution ((risk-adjusted)		\$0	\$68,640	\$76,296	\$83,952
Three-year total: \$228,888			Three-year present value: \$188,529			

COST TO SEND SENDOSO-SOURCED SWAG

Evidence and data. Sendoso offers a variety of types of sends, including e-gifts (digital gift cards around the globe), direct gifts (unique and personalized physical gifts from a large selection of Sendoso global partners), and Sendoso-sourced or company-sourced gifts, which can include customized swag and other gifts that can be stored in the Sendoso warehouse at no additional cost.

There is, however, an additional cost associated with sourcing, prepping, packaging ,and sending shipment from the warehouse; this is what Sendoso refers to as “pick-and-pack” fees. This means Sendoso would go into the company’s designated area, find the items to include in each package, prepare the package, and ship them. Since these sourced campaigns cost an extra fee, the interviewees said that sometimes they preferred to not incur the cost.

The CMO for a SaaS IT security company explained, “If I run a campaign and I need to send out, say, 50 [earbuds], I would not want to source those through Sendoso and have them pick and pack them,

because there’s a cost for that and to have them send it out.” Some of the interviewees said that they worked with outside vendors to prepare and pack shipments on their behalf and sent those prepared packages to Sendoso’s warehouses to have Sendoso complete the shipping. While this process avoided the pick-and-pack fee, the organizations still relied on Sendoso to complete their shipments so they could track their delivery and impact within the platform as well as within their sales and marketing workflows and tools.

“The only thing we pay Sendoso for is the monthly platform fee and what they call pick-and-pack fees. Those are a sliding scale depending on how many items they’re putting in your package and how many packages you are ordering.”

Senior director of marketing, ABM SaaS company

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

- The composite organization runs two physical direct mail campaigns each year, and, of those, one is a Sendoso-sourced campaign.
- The campaign starts with Sendoso sourcing shipping for 1,000 items for ABM campaigns,

increasing organically each year to account for growth.

- Sending fees are based on the number of items included. For this package, Forrester assumes a total of \$8.25.

Risks. This cost will vary among organizations based on:

- The number of Sendoso-sourced campaigns organizations run per year.
- The number of prospects and customers organizations have.
- The number of items shipped in these Sendoso-sourced campaigns.

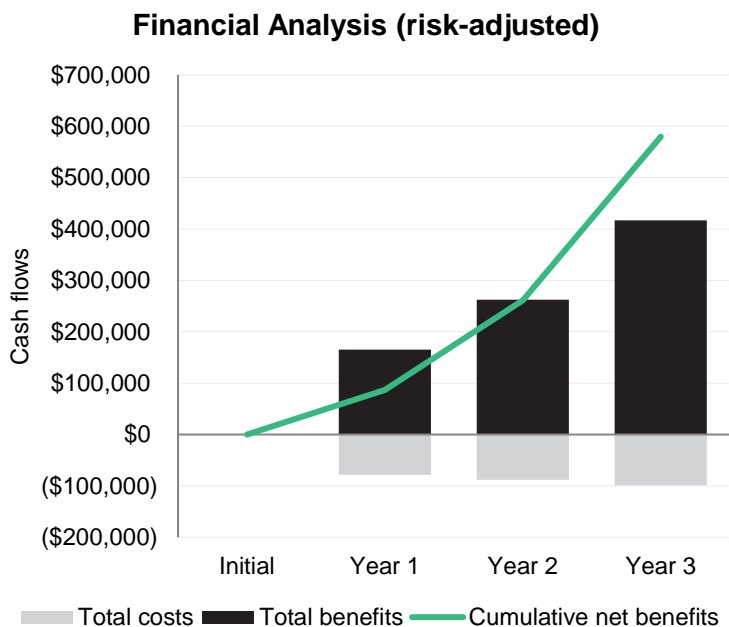
Results. To account for these risks, Forrester adjusted this cost upward by 20%, yielding a three-year, risk-adjusted total PV of \$29,975.

Cost To Send Sendoso-Sourced Swag

Ref.	Metric	Calculation	Initial	Year 1	Year 2	Year 3
E1	Number of physical direct mail Sendoso-sourced campaigns annually for a triggered event	Composite		1	1	1
E2	Number of physical direct mail packages shipped by organization sourced by Sendoso for ABM campaigns	Composite + organic customer growth		1,000	1,200	1,500
E3	Cost for Sendoso to pick-and-pack service for four items	Sendoso		\$8.25	\$8.25	\$8.25
Et	Cost to send Sendoso-sourced swag	$E1 \times E2 \times E3$	\$0	\$8,250	\$9,900	\$12,375
	Risk adjustment	↑20%				
Etr	Cost to send Sendoso-sourced swag (risk-adjusted)		\$0	\$9,900	\$11,880	\$14,850
Three-year total: \$36,630			Three-year present value: \$29,975			

Financial Summary

CONSOLIDATED THREE-YEAR RISK-ADJUSTED METRICS



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	\$0	(\$78,540)	(\$88,176)	(\$98,802)	(\$265,518)	(\$218,504)
Total benefits	\$0	\$165,450	\$262,700	\$416,993	\$845,142	\$680,808
Net benefits	\$0	\$86,910	\$174,524	\$318,191	\$579,624	\$462,304
ROI						212%
Payback period (months)						< 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 C: Endnotes

¹ Source: "Predictions 2021: B2C Marketing," Forrester Research, Inc., October 23, 2020.

² Source: "Expectations And Experiences: The Impact Of Your Customers' Expectations On CX Quality," Forrester Research, Inc., May 26, 2020.

³ Source: "Customer Marketing Elevates B2B Post-Sale Experiences And Buyer Value," Forrester Research, Inc., March 31, 2020.

⁴ Source: "Direct Mail Captures The Attention Of Buyers Overwhelmed By Digital Tactics" Forrester Research, Inc., March 12, 2019.

⁵ Source: Patrick Lencioni, *The Five Dysfunctions of a Team*, Jossey-Bass, 2002.

⁶ Source: "Direct Mail Captures The Attention Of Buyers Overwhelmed By Digital Tactics" Forrester Research, Inc., March 12, 2019.

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