The Total Economic Impact™ Of Smartsheet

Cost Savings And Business Benefits Enabled By Smartsheet
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ABOUT FORRESTER CONSULTING

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Executive Summary

To succeed in today’s rapidly evolving digital world, businesses are increasingly looking to technology to help them improve their internal processes, increase worker productivity, and create business value and competitive differentiation. Smartsheet is an enterprise-scale work management platform that organizations can use to plan, track, automate, and report on work processes and projects. Smartsheet commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study that examines the potential return on investment (ROI) enterprises may realize by deploying Smartsheet. The purpose of this study is to provide readers with a framework for evaluating the potential financial impact of Smartsheet on their organizations.

To better understand the benefits, costs, and risks associated with this investment, Forrester conducted an online survey of 281 enterprise Smartsheet users and conducted in-depth interviews with three experienced enterprise customers. These organizations use Smartsheet to address a wide variety of use cases. The common denominator across these use cases is the need to manage business processes and projects that involve many stakeholders, both internal and external to the organization.

Prior to using Smartsheet, these customers used a variety of tools and systems to help them manage their work but reported dissatisfaction with limited visibility into data and a lack of effective collaboration across teams. These limitations led to project delays, a proliferation of often unproductive meetings and emails, and dissatisfaction with the outcomes for both employees and customers. By implementing Smartsheet, the organizations eliminated multiple inhibitors that slowed their projects and improved productivity, collaboration, and the speed and quality of business decisions.

Key Findings

Quantified benefits. The following risk-adjusted quantified benefits are representative of those experienced by the companies interviewed:

› Smartsheet helps business leaders make better decisions faster, saving them 1.5 hours a week. With flexible dashboards that allow business leaders to gain real-time visibility into their most important data, Smartsheet decreases the time business leaders spend analyzing data by 78 hours a year, allowing them to make better business decisions, faster.

› Smartsheet improves the productivity of business leaders by 15%, saving them more than 300 hours each year. Smartsheet helps business leaders save a significant amount of time by streamlining processes, easing access to and insights from data, decreasing the number of unnecessary emails and meetings, and reducing the time needed to create and update reports.

› Overall productivity is improved due to increased collaboration across internal and external stakeholders, saving the average user 26 hours annually. Not only do business leaders realize improved productivity, but the internal and external stakeholders that support them also save time, due to improved collaboration made possible with Smartsheet. These gains are mostly attributed to the ease of providing updates and the simple, intuitive interface for seeing and entering data.
Time-to-market is reduced by 15%, leading to greater incremental revenue. Smartsheet streamlines key business processes, reducing the amount of time it takes to complete projects, so more projects can be taken on each year. Smartsheet enables organizations to realize the incremental revenue impact of each project faster compared to their previous approach.

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

- **Enterprise user licensing fees, add-ons, and internal implementation and ongoing management**: These include a mix of internal and external fees associated with licensing, add-ons, and the cost of internal resources for initial setup and ongoing management.

- **Training**: While Smartsheet was universally seen as easy to learn and implement, organizations incurred costs associated with training their key business leads, as well as internal and external stakeholders.

- **Center of excellence**: While not a required cost, several organizations felt that in order to maximize the value and benefits of their Smartsheet deployment, a team was useful to help educate and drive adoption across all departments and key stakeholders who would be utilizing the solution.

Forrester’s detailed interviews with three existing enterprise customers, combined with a survey of 281 enterprise users, and subsequent financial analysis produced a composite organization that experienced present value (PV) benefits of $15.7 million over three years versus PV costs of $2.7 million, adding up to a net present value (NPV) of $12.9 million and an ROI of 482%.

### Benefits (Three-Year)

<table>
<thead>
<tr>
<th>Benefits</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Better, faster decision making</td>
<td>$1.2M</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improved productivity of key business leaders</td>
<td>$11.1M</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improved productivity due to increased collaboration across internal and external stakeholders</td>
<td>$1.7M</td>
<td>$1.7M</td>
<td></td>
</tr>
<tr>
<td>Faster time to roll out</td>
<td></td>
<td></td>
<td>$1.7M</td>
</tr>
</tbody>
</table>

### Financial Summary

- **Payback**: 6 months
- **Total benefits PV**: $15.7M
- **Total costs PV**: $2.7M
- **Initial**: $1.2M
- **Year 1**: $11.1M
- **Year 2**: $1.7M
- **Year 3**: $1.7M
The TEI methodology helps companies demonstrate, justify, and realize the tangible value of IT initiatives to both senior management and other key business stakeholders.

**TEI Framework And Methodology**

From the information provided in the interviews, Forrester has constructed a Total Economic Impact™ (TEI) framework for those organizations considering implementing Smartsheet.

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 Smartsheet can have on an organization:

- **DUE DILIGENCE**
  Interviewed Smartsheet stakeholders and Forrester analysts to gather data relative to Smartsheet.

- **CUSTOMER INTERVIEWS**
  Interviewed three organizations and conducted an online survey of 281 enterprises using Smartsheet 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 Smartsheet's impact: benefits, costs, flexibility, and risks. Given the increasing sophistication that enterprises have regarding ROI analyses related to IT investments, Forrester’s TEI methodology serves to provide a complete picture of the total economic impact of purchase decisions. Please see Appendix A for additional information on the TEI methodology.

**DISCLOSURES**

Readers should be aware of the following:

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

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

Smartsheet 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.

Smartsheet provided the customer names for the interviews and anonymous survey but did not participate in the interviews.
The Smartsheet Customer Journey

BEFORE AND AFTER THE SMARTSHEET INVESTMENT

Interviewed Organizations

For this study, Forrester conducted detailed interviews with three Smartsheet enterprise customers. In addition, Forrester conducted an online survey of 281 enterprise users of Smartsheet. Interviewed customers include the following:

<table>
<thead>
<tr>
<th>INDUSTRY</th>
<th>INTERVIEWEE</th>
<th>TOTAL EMPLOYEES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apparel</td>
<td>Senior director of capital projects</td>
<td>62,000</td>
</tr>
<tr>
<td></td>
<td>and center of excellence</td>
<td></td>
</tr>
<tr>
<td>Facilities and food services</td>
<td>Leader of strategy, process improvement, projects</td>
<td>420,000</td>
</tr>
<tr>
<td>conglomerate</td>
<td>and people</td>
<td></td>
</tr>
<tr>
<td>Software</td>
<td>Manager of global advanced technologies</td>
<td>9,000</td>
</tr>
</tbody>
</table>

Survey respondents all came from large organizations with more than 20,000 employees, across a wide variety of industries, including information technology, education, nonprofits, retail, manufacturing, business and consumer services, healthcare, and telecommunications. Respondents held a variety of roles across marketing, sales, IT, human resources, product development, business operations, and project management.

Key Challenges

While the companies interviewed and surveyed came from many different industries representing a wide variety of use cases, each faced similar challenges that led them to implement Smartsheet.

› Organizations were increasingly frustrated by current rigid processes and information silos. In their previous environments, organizations reported that there was little consistency in how work was being done. One interviewee said: “We had absolutely no consistency or benchmark for what we were doing. It was completely invisible because it was buried inside a project. So I needed something that made for some level of transparency because I have a lot of stakeholders who are looking at this across the world.” Within these companies, work was being managed in many different ways, using many different solutions. The senior director at the apparel company told us, “We had a number of people who knew what they needed to do to get their job done, and each one of them did everything differently.”
Teams across functional groups needed to work together, but found it difficult to collaborate easily because their current processes and information silos did not easily lend themselves to productive, collaborative work. Muddled collaboration between internal and external (i.e., partners and vendors) stakeholders made it challenging to coordinate the large number of individuals and teams required to complete these processes. In some cases, this led to a destructive atmosphere of finger-pointing, blame, and lack of accountability when key projects were not completed as desired. Not only were processes challenging and inconsistent, but they were often too rigid to allow for needed changes.

This lack of collaboration resulted in project delays, a proliferation of unproductive meetings and email chains, multiple versions of the truth, and a misalignment of goals and outcomes. The result: loss of productivity and dissatisfaction among both employees and customers. Organizations sought a solution that empowered them to execute with greater agility, speed, collaboration, and accountability, and resulted in more consistent and easily replicated outcomes.

Difficulty in managing processes was compounded by poor data visibility across the information silos. The organizations often found that teams were working within multiple unconnected applications, creating a large amount of unstructured data across email applications, documents, spreadsheets, presentations, and file sharing. The manager from the software organization explained, “We were using calendar apps, spreadsheets, Word documents — and just having everybody see everything was hard.” With much of the core work managed in inconsistent and unstructured ways, it was extremely difficult to get visibility into the existing data.

Business-critical data could not easily be gathered, analyzed, or shared at the right time or level of detail necessary to support timely, effective decision making. The senior director at the apparel organization told us, “We needed to simplify the level of transparency around our data to successfully get work done.” Key data necessary to make smart decisions was buried deep in unstructured work, emails, and spreadsheets; retrieving it was time-consuming, disruptive, and frustrating. Business leaders were spending too much time digging up the data they needed to build reports. Ultimately, poor data visibility hampered efforts to improve work processes and to make quick and confident business decisions.

“We have people, projects all over the world. So the visibility and the single source of truth was really important.”

Senior director, apparel organization
Organizations required a solution that supported better agility, consistency, and collaboration across stakeholders and enabled better decision making. The organizations needed a solution that would help them improve collaboration, make their teams more productive, and enable them to quickly adapt to changing business needs. Business leaders required better visibility into data to make better decisions. With the correct visibility into data, organizations hoped to improve team collaboration, decision making, and, ultimately, the quality of their outputs.

Solution Requirements
The interviewed organizations searched for a solution that could:
› Create greater business flexibility to support the changing conditions of their businesses.
› Generate visibility into existing data, processes, and projects and improve accountability.
› Bring together many different functional areas on one platform.
› Enable teams to be more productive and efficient.
› Support many different use cases and technical abilities.

The organizations selected Smartsheet because:
› It’s easy to implement and use and flexible enough to support the various business needs and processes across a wide variety of functional groups within their organizations.
› It enables teams to easily plan, track, automate, and report on key processes and projects.
› It requires very limited training for both business users and collaborators across the organization, resulting in high adoption.
› It integrates well with existing enterprise applications, pulling in key data to provide a complete view and break down information silos.
› It met their IT departments’ stringent requirements for security, administrative control, and governance to protect data and access and mitigate risk across the organization.
› It’s easy to deploy and scales easily to support many users and varying processes in a cost-effective manner.
› It provides a seamless experience across devices and supports the mobile requirements of the organizations.

Key Results
While each company interviewed and surveyed used Smartsheet to support many different types of projects and processes, each realized similar high-level results from deploying Smartsheet at the enterprise level:

“For our general mass of users that are not technical, Smartsheet really was an easy start-up learning process, and through the numerous opportunities Smartsheet provides to the users to self-train, it’s been very easy to roll out without having to have a heavy-duty training process in place on our end.”

Leader of strategy, process improvement, projects, and people, facilities and food services conglomerate

“We work with IT and information security to know that this solution is secure and is abiding by our security measures. And the built-in regulations and compliance measures and all these things make my life easy because I know Smartsheet meets our standards.”

Manager of global advanced technologies, software organization
Deploying Smartsheet helped to eliminate significant issues that were slowing down progress on critical projects, improving both productivity and business agility. Smartsheet removed roadblocks such as disparate data, poor visibility into data, and low accountability within processes to improve the organizations’ ability to get work done. As we heard from one interviewee: “Smartsheet is a better way to complete work for everyone involved. No matter how many people are working on a project or process, they have access to the people and content they need. They can easily see updates and understand a project’s status.”

Collaboration increased across the organizations. Teams could easily share information amongst internal and external stakeholders, quickly make business decisions, and collaborate more effectively. The senior director at the apparel organization said that, with Smartsheet: “. . all of our program managers and outside vendors are managing projects in the same tool, with the same outcomes. Our reporting is so much better that we could actually be audited, and we’d be in good shape.” Smartsheet’s flexibility and capacity to support a multitude of use cases across a large organization enabled large-scale collaboration. A representative of the software organization described the breadth of the collaboration: “People working in departments all over the company — IT and information security, sales and training, marketing enablement, product developers and web developers — are all using Smartsheet.” With improved collaboration, stakeholders felt more confident and productive and successfully completed projects more quickly than before.

Work became faster, more consistent, and more repeatable. By automating key steps of their processes and projects, the organizations found they improved the consistency of operations across the organization, while also decreasing the time it took to complete each step of the process. One interviewee stated, “We needed a set of standards, we needed a set way to deliver things, and we needed to be able to report consistently across all our projects.” By improving consistency, the organization created easily repeatable steps within their projects — and that enabled teams to complete projects faster. The manager at the software organization explained: “Smartsheet has been a strong solution for us. It has helped me, my whole team, and the teams they work with save time each week, work more efficiently, and do more work in the same amount of time.” By completing projects faster, teams were able to take on more projects without the need for additional hires, increasing revenue for the organization.
Business leaders could make better, faster business decisions, and the organizations had more agility to react to changing needs. With improved visibility, real-time access to data, and better reporting, Smartsheet enabled business leaders to better manage and monitor key projects and processes across the organization. The senior director at the apparel organization reported: “[Smartsheet] is working well for decision making. It provides [our workers] with visibility so they can understand what needs to change and why.” Smartsheet provides a dashboard for business leaders that highlights the key data that each individual requires for smarter, better decision making. The business leaders, in real time, can drill down to a task level, understand the source of an issue they may be facing, and make a change at that time. The ability to drill down creates speed in decision making and unlocks potential for organizations to take advantage of opportunities and resolve issues faster. The leader at the facilities and food services conglomerate told us: “It’s a common portal. And our executives like the dashboard where they can easily see current status or current totals, or whatever they need, in the way they like [to see it].” Additionally, Smartsheet provided the organizations with a flexible solution that quickly adapted to their business needs, increasing their business agility. This ultimately resulted in quicker, more confident decision making that directly aligned with key goals of the business and improved the overall management of the companies.

Employees and customers alike were more satisfied. Employees enjoyed a solution that enabled them to collaborate more effectively; support their individual needs for data, work style, and mobility; work easily within an intuitive interface; and ultimately make them more successful at their jobs. Customers valued the organizations’ ability to quickly respond to their needs, complete projects more efficiently, and deliver high-quality results. By offering Smartsheet to their teams, the organizations provided them with a tool that improved both their satisfaction and that of their customers.

In addition, our survey respondents (see figure below) reported that Smartsheet:

- Enabled them to quickly solve business problems.
- Increased participation among team members.
- Was easy to deploy and easy to use.

**Figure: Benefits Of Smartsheet**

<table>
<thead>
<tr>
<th>Statement</th>
<th>4 - Agree</th>
<th>5 - Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Smartsheet is easy to use</td>
<td>43%</td>
<td>52%</td>
</tr>
<tr>
<td>Smartsheet is easy to deploy</td>
<td>43%</td>
<td>49%</td>
</tr>
<tr>
<td>Smartsheet has helped deploy solutions to business problems faster</td>
<td>59%</td>
<td>23%</td>
</tr>
<tr>
<td>Smartsheet has helped increase the level of participation among team members</td>
<td>46%</td>
<td>26%</td>
</tr>
<tr>
<td>Smartsheet has helped improve resource planning</td>
<td>41%</td>
<td>22%</td>
</tr>
<tr>
<td>Smartsheet has helped reduce the number of “fire drills” that happen each week</td>
<td>48%</td>
<td>15%</td>
</tr>
</tbody>
</table>

We spend less time every day, every week to manage our projects, and this allows me to have more projects be tackled by my team, using the same timeframe.”

Manager of global advanced technologies, software organization
Composite Organization

Based on the interviews and survey analysis, Forrester constructed a TEI framework, a composite company, and an associated ROI analysis that illustrates the areas financially affected. The composite organization is representative of the three companies that Forrester interviewed and the 281 enterprise users surveyed and is used to present the aggregate financial analysis in the next section. It is a hypothetical organization based on the interview and survey responses, and the results show their average results. Following is an outline of the characteristics of the composite organization synthesized by Forrester from the customer interviews and survey.

Description of composite. A US-based organization with global operations and a total of 25,000 employees dispersed around the globe. Prior to deploying Smartsheet, the organization was using many disparate solutions to manage a wide variety of processes and projects, with little integration among them. However, several small pockets of the organization were already using Smartsheet. The organization’s leaders realized they could gain more collaboration and visibility if Smartsheet was used enterprisewide, especially since it is an enterprise IT-approved platform with built-in security and governance, reducing the risk associated with shadow IT platforms. The organization selected Smartsheet because it could serve the many different use cases within the organization, satisfying the needs of thousands of licensed users and collaborators, without requiring a significant investment in licenses, technology labor, or infrastructure. The tool satisfies both “consumer” expectations for use and flexibility and enterprise security requirements to pass muster with the CIO. Furthermore, Smartsheet’s familiar user interface meant that it was easy and intuitive to use and could be adopted quickly. Additionally, though licensed users have paid licenses, internal and external colleagues, customers, and partners can collaborate within the Smartsheet solution without having to pay for a license.

Deployment characteristics. The organization uses Smartsheet for a variety of processes, including events management, real estate and budget management, human capital resourcing, facilities management, and other projects. Smartsheet enables the organization to bring together multiple functional groups and external partners, and key documentation and data, to ensure processes run smoothly.

Smartsheet was originally deployed to 250 licensed users and 5,000 collaborators. The initial rollout took 60 total hours. By Year 3, the organization had expanded its Smartsheet usage to 1,500 licensed users and 7,000 collaborators and had also purchased several add-ons.

Key assumptions
1,500 licensed users
7,000 collaborators
Supported a multitude of use cases and functional groups across the organization
Financial Analysis

QUANTIFIED BENEFIT AND COST DATA AS APPLIED TO THE COMPOSITE

<table>
<thead>
<tr>
<th>REF.</th>
<th>Benefit</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Total</th>
<th>Present Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Atr</td>
<td>Better, faster decision making</td>
<td>$414,375</td>
<td>$497,250</td>
<td>$580,125</td>
<td>$1,491,750</td>
<td>$1,223,511</td>
</tr>
<tr>
<td>Btr</td>
<td>Improved productivity of key business leaders</td>
<td>$1,062,500</td>
<td>$3,570,000</td>
<td>$9,562,500</td>
<td>$14,195,000</td>
<td>$11,100,770</td>
</tr>
<tr>
<td>Ctr</td>
<td>Improved productivity due to increased collaboration across internal and external stakeholders</td>
<td>$570,732</td>
<td>$684,878</td>
<td>$799,024</td>
<td>$2,054,634</td>
<td>$1,685,181</td>
</tr>
<tr>
<td>Dtr</td>
<td>Improved revenue due to faster time-to-market</td>
<td>$460,308</td>
<td>$650,250</td>
<td>$939,577</td>
<td>$2,050,135</td>
<td>$1,661,776</td>
</tr>
<tr>
<td></td>
<td>Total benefits (risk-adjusted)</td>
<td>$2,507,914</td>
<td>$5,402,378</td>
<td>$11,881,226</td>
<td>$19,791,519</td>
<td>$15,671,239</td>
</tr>
</tbody>
</table>

Better, Faster Decision Making

Our first benefit looks at how Smartsheet impacts business leaders across the organization. Interviewed organizations reported that their business leaders are now able to make better, faster decisions due to Smartsheet’s improved access to information and visibility into data. Previously, business leaders had to hunt down data from multiple sources and were often forced to make decisions without full confidence in that data. As one interviewee told us: “We now spend a lot less time digging through the same stuff over and over and over again to find the data. With Smartsheet, if somebody is looking for information, it’s all there. All our benchmarking, all the metrics that we use, it all feeds into Smartsheet automatically.”

Smartsheet provides these business leaders with dashboards that improve not only the visibility into the data, but also the flexibility to view the data in multiple ways. We heard that “our stakeholders and decision makers have a much clearer picture of our work now.” Another interviewee told us that “Smartsheet removes barriers from projects when we need to make decisions around budgets and things like that, because people really understand what they see, and they have the flexibility to see it in the way they want.” These dashboards enable business leaders to drill down to a task level to better understand the source of an issue and allow them to make changes in real time. This enables business leaders to quickly, accurately, and confidently make decisions that directly improve the bottom line.

For the composite organization, Forrester assumes that:

› About 5% of users are business leaders.
› With Smartsheet, business leaders analyze project data to make important business decisions more quickly (whether those leaders are licensed or unlicensed Smartsheet users).
› The average fully loaded salary for business leaders is $100,000 a year, which is about $50 an hour, based on 2,050 hours worked per year.
› To be conservative, Forrester assumes that only half of this saved time is captured for productive use.
It is important to note that this is a conservative look at the benefit of improved decision making; while this specifically looks at the time saved during analysis in the decision-making process, readers should also consider the potential value their company could realize from the outcome of these decisions, such as cost reductions or increased revenue.

Time savings from better, faster decision making with Smartsheet can vary based on:

- The number of business leaders affected.
- The average annual salary of these business leaders.
- Their specific use of Smartsheet, which can impact the level of time savings achieved.

To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year risk-adjusted total PV of $1.2 million.

**Improved Productivity Of Key Business Leaders**

Another key benefit cited by Smartsheet customers was the significant time saved by Smartsheet-licensed business leaders who manage important projects and processes. These users are ultimately responsible for the success of a given project and previously spent a significant amount of time using email, spreadsheets, and phone calls to keep track of project progress and provide updates and reports to stakeholders. With Smartsheet, they can spend less time on “busy” tasks and more time on value-add tasks. Specifically, surveyed and interviewed organizations reported that, with Smartsheet, they could:

- Streamline processes across the projects, reducing the time spent on these processes.
- Create better visibility into data, reducing the time to collect and process data.
- Reduce the number of previously necessary meetings and emails, since the required information was now managed in Smartsheet.
- Spend less time creating and updating reports, since they were now automated in Smartsheet.

### Better, Faster Decision Making: Calculation Table

<table>
<thead>
<tr>
<th>Ref.</th>
<th>Metric</th>
<th>Calculation</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>A1</td>
<td>Number of decision makers</td>
<td>5% of users</td>
<td>250</td>
<td>300</td>
<td>350</td>
</tr>
<tr>
<td>A2</td>
<td>Time saved annually analyzing project data</td>
<td>1.5 hours per week*52 weeks</td>
<td>78</td>
<td>78</td>
<td>78</td>
</tr>
<tr>
<td>A3</td>
<td>Hourly wage</td>
<td>$50</td>
<td>$50</td>
<td>$50</td>
<td>$50</td>
</tr>
<tr>
<td>A4</td>
<td>Percent captured</td>
<td>50%</td>
<td>50%</td>
<td>50%</td>
<td>50%</td>
</tr>
<tr>
<td>Atr</td>
<td>Better, faster decision making</td>
<td>A1<em>A2</em>A3*A4</td>
<td>$487,500</td>
<td>$585,000</td>
<td>$682,500</td>
</tr>
<tr>
<td></td>
<td>Risk adjustment</td>
<td>↓15%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Improved Productivity Of Key Business Leaders**

Another key benefit cited by Smartsheet customers was the significant time saved by Smartsheet-licensed business leaders who manage important projects and processes. These users are ultimately responsible for the success of a given project and previously spent a significant amount of time using email, spreadsheets, and phone calls to keep track of project progress and provide updates and reports to stakeholders. With Smartsheet, they can spend less time on “busy” tasks and more time on value-add tasks. Specifically, surveyed and interviewed organizations reported that, with Smartsheet, they could:

- Streamline processes across the projects, reducing the time spent on these processes.
- Create better visibility into data, reducing the time to collect and process data.
- Reduce the number of previously necessary meetings and emails, since the required information was now managed in Smartsheet.
- Spend less time creating and updating reports, since they were now automated in Smartsheet.
Our survey found that these productivity gains are attributed to the following:

These findings were supported by our interviews.

For the composite organization, Forrester assumes that:

› Initially, Smartsheet is rolled out to 250 business leaders who are licensed users of the platform, increasing to 1,500 by Year 3.
› These resources have an average fully loaded salary of $100,000.
› Initially, their productivity improves by 10%, increasing to 15% as they identify additional ways of using Smartsheet to support their day-to-day tasks.
› Fifty percent of this productivity is used for additional work.

Improved productivity of business leaders may vary based on:

› The number of business leaders.
› The average annual salary of these key business leaders.
› Differing use of Smartsheet, which can impact the level of productivity savings achieved.

To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year risk-adjusted total PV of $11.1 million.
Improved Productivity Due To Increased Collaboration Across Internal And External Stakeholders

Not only do business leaders realize improved productivity, but the entire team that supports each project or process — including both internal and external stakeholders — saves time due to improved collaboration. These productivity gains are mostly attributed to the ease of providing updates and the simple, intuitive nature of seeing and entering data. In addition, our interviews uncovered that mobile access to Smartsheet was seen as a main driver behind the improved productivity for these internal and external stakeholders; Smartsheet provided the ability for the teams to work anytime, anywhere. The organizations also found that the limited training required for the users meant they could quickly get up and running on the tool and benefit from the productivity increases from Smartsheet.

For the composite organization, Forrester assumes that:

› Initially, Smartsheet is rolled out to 5,000 internal and external stakeholders, increasing to 7,000 by Year 3.
› On average, around 33% of users access Smartsheet on a daily basis.
› Fifty percent of this productivity is used for additional work.

Improved productivity across teams and partners may vary based on:

› The number of total users.
› The average annual salary of these users.
› Differing use of Smartsheet, which can impact the level of productivity savings achieved.

To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year risk-adjusted total PV of $1.7 million.
The Total Economic Impact™ Of Smartsheet

Improved Revenue Due To Faster Time-To-Market

The final benefit of the Smartsheet deployment for the interviewed organizations was improved revenue due to faster time-to-market for their projects/processes. Organizations found that Smartsheet helps to eliminate key factors that slow projects down and inhibit productivity, such as siloed information, unproductive meetings and email chains, time-consuming reporting, and slow decision making. Smartsheet connects the people, information, and processes needed to create clear, easily repeatable workflows, enabling the organization to complete projects faster. With Smartsheet, organizations can receive the incremental revenue impact of each project more quickly, compared to their previous approach. By increasing process speed, the same number of people are able to do more work, increasing the number of projects that can be taken on each year. The senior director at the apparel organization said, "I can now do [projects] faster with the same number of people — this is the way to go for us!" Additionally, managing projects in Smartsheet provides deeper visibility into the expenses associated with each project and allows the team to better manage their expenses across projects.

For the composite organization, Forrester assumes that:

› Initially, the organization completes 80 projects each year. By Year 3, as project time is reduced, the organization can complete 120 projects without increasing staff.

› Prior to Smartsheet, it took 25 weeks to complete a project.

› With Smartsheet, initially the organization can complete projects 12% faster. As the organization increases and deepens interactions within Smartsheet and the platform is adopted by more teams, the organization can complete projects 15% faster by Year 3, reducing project duration by an average of 3.75 weeks.

› Additionally, the organization uses Smartsheet to manage and track expenses across projects. With greater visibility into how expenses are used, the organization reduced expenses by 10% by Year 3.

The revenue improvement seen will vary with:

Improved Productivity Due To Increased Collaboration Across Internal And External Stakeholders: Calculation Table

<table>
<thead>
<tr>
<th>Ref.</th>
<th>Metric</th>
<th>Calculation</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>C1  Total number of collaborators</td>
<td></td>
<td>5,000</td>
<td>6,000</td>
<td>7,000</td>
</tr>
<tr>
<td></td>
<td>C2  Number of users on annual basis</td>
<td>C1*33%</td>
<td>1,667</td>
<td>2,000</td>
<td>2,333</td>
</tr>
<tr>
<td></td>
<td>C3  Average hourly costs</td>
<td>$60,000/2050</td>
<td>29</td>
<td>29</td>
<td>29</td>
</tr>
<tr>
<td></td>
<td>C4  Average hours saved per week</td>
<td>30 minutes/week</td>
<td>26</td>
<td>26</td>
<td>26</td>
</tr>
<tr>
<td></td>
<td>C5  Percent captured</td>
<td></td>
<td>50%</td>
<td>50%</td>
<td>50%</td>
</tr>
<tr>
<td></td>
<td>Ct  Improved productivity due to increased collaboration across internal and external stakeholders</td>
<td>C2<em>C3</em>C4*C5</td>
<td>$634,146</td>
<td>$760,976</td>
<td>$887,805</td>
</tr>
<tr>
<td></td>
<td>Risk adjustment</td>
<td>↓10%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ctr</td>
<td>Improved productivity due to increased collaboration across internal and external stakeholders (risk-adjusted)</td>
<td></td>
<td>$570,732</td>
<td>$684,878</td>
<td>$799,024</td>
</tr>
</tbody>
</table>

Reduced time-to-market by 15%
The number of projects/processes undertaken each year.
The average revenue of each of these projects/processes.
The percent reduction in rollout and expenses may vary.

To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year risk-adjusted total PV of $1.7 million.

### Improved Revenue Due To Faster Time-To-Market: Calculation Table

<table>
<thead>
<tr>
<th>Ref.</th>
<th>Metric</th>
<th>Calculation</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>D1</td>
<td>Number of new projects each year</td>
<td></td>
<td>80</td>
<td>100</td>
<td>120</td>
</tr>
<tr>
<td>D2</td>
<td>Average annual revenue per project</td>
<td>$250,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>D3</td>
<td>Average weekly revenue per project</td>
<td>D2/52</td>
<td>$4,807.69</td>
<td>$4,807.69</td>
<td>$4,807.69</td>
</tr>
<tr>
<td>D4</td>
<td>Time to roll out project prior to Smartsheet years</td>
<td></td>
<td>25</td>
<td>25</td>
<td>25</td>
</tr>
<tr>
<td>D5</td>
<td>Percent reduction with Smartsheet</td>
<td>12%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>D6</td>
<td>Weeks reduced with Smartsheet</td>
<td>D4*D5</td>
<td>3.00</td>
<td>3.25</td>
<td>3.75</td>
</tr>
<tr>
<td>D7</td>
<td>Faster time-to-market incremental revenue per project</td>
<td>D3*D6</td>
<td>$14,423</td>
<td>$15,625</td>
<td>$18,029</td>
</tr>
<tr>
<td>D8</td>
<td>Expenses per project</td>
<td>$20,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>D9</td>
<td>Percent reduction with Smartsheet</td>
<td>5%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>D10</td>
<td>Expenses saved per project</td>
<td>D8*D9</td>
<td>$1,000</td>
<td>$1,400</td>
<td>$2,000</td>
</tr>
<tr>
<td>D11</td>
<td>Profit margin</td>
<td>40%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dt</td>
<td>Improved revenue due to faster time-to-market</td>
<td>D1((D7*D11)+D10)</td>
<td>$541,538.4</td>
<td>$765,000.0</td>
<td>$1,105,384.6</td>
</tr>
<tr>
<td>Dtr</td>
<td>Improved revenue due to faster time-to-market (risk-adjusted)</td>
<td>↓15%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Flexibility

The value of flexibility is clearly unique to each customer, and the measure of its value varies from organization to organization. There are multiple scenarios in which a customer might choose to implement Smartsheet and later realize additional uses and business opportunities, including:

- **Scaling to new projects, processes, and people.** Smartsheet can easily deploy and scale to support different projects or processes and easily add more licensed users and collaborators to gain additional benefits.

- **Implementing Smartsheet Control Center and other add-ons.** Smartsheet supports a variety of add-ons that create additional benefits for organizations. For example, the Smartsheet Control Center add-on helps to simplify how users can manage repeatable operations at scale. It enables users to create a flexible work environment while creating process efficiency. Similarly, other add-ons offered by Smartsheet can create additional benefits or magnify existing benefits to the organization.

Flexibility would also be quantified when evaluated as part of a specific project (described in more detail in Appendix A).
The table above shows the total of all costs across the areas listed below, as well as present values (PVs) discounted at 10%. Over three years, the composite organization expects risk-adjusted total costs to be a PV of nearly $2.7 million.

**Understanding Of Costs**

The composite organization incurred costs in several categories, including:

- **Enterprise user licensing fees, add-ons, and internal implementation and ongoing management.** These represent the mix of internal and external fees associated with licensing, add-ons, and cost of internal resources for initial setup and ongoing management. Initial fees were paid prior to Year 1, with additional fees accounted for in years 2 and 3.

- **Training.** Training for both business leaders (who are considered “power users”) and internal and external stakeholders (collaborators) was conducted. Note that while Forrester included the cost of training for collaborators, not all organizations required training and therefore would not incur this cost. The composite organization spent 8 hours training business leaders and 2 hours training collaborators. Initial training was done prior to deployment, with training for new users in years 2 and 3.

- **Center of excellence.** Several organizations we spoke with felt that, in order to maximize the value and benefits of their Smartsheet deployment, a team was useful to help educate and drive adoption across all departments and key stakeholders who would be utilizing the solution. While not every organization will incur this cost, many interviewed organizations felt this was a best practice.

Costs can vary with:

- Different licensing agreements.
- Scope of deployment.
- Complexity of use.

To account for these risks, Forrester adjusted these costs upward by 10% to 15%, yielding a three-year risk-adjusted total PV of $2.7 million.
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 Table (Risk-Adjusted)

<table>
<thead>
<tr>
<th></th>
<th>INITIAL</th>
<th>YEAR 1</th>
<th>YEAR 2</th>
<th>YEAR 3</th>
<th>TOTAL</th>
<th>PRESENT VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total costs</td>
<td>($722,901)</td>
<td>($345,000)</td>
<td>($849,465)</td>
<td>($1,268,965)</td>
<td>($3,186,332)</td>
<td>($2,691,967)</td>
</tr>
<tr>
<td>Total benefits</td>
<td>$0</td>
<td>$2,507,914</td>
<td>$5,402,378</td>
<td>$11,881,226</td>
<td>$19,791,519</td>
<td>$15,671,239</td>
</tr>
<tr>
<td>Net benefits</td>
<td>($722,901)</td>
<td>$2,162,914</td>
<td>$4,552,913</td>
<td>$10,612,261</td>
<td>$16,605,187</td>
<td>$12,979,271</td>
</tr>
<tr>
<td>ROI</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>482%</td>
</tr>
<tr>
<td>Payback period</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>6 months</td>
</tr>
</tbody>
</table>
**Smartsheet Overview**

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

Smartsheet is the world’s leading software-as-a-service (SaaS) enterprise work management platform for managing and automating collaborative work. More than 71,000 brands and millions of information workers trust Smartsheet to help them accelerate business execution and address the volume and velocity of today’s collaborative work.

Sound hard? It’s not. In fact, according to Forrester, more than 90% of our customers say that Smartsheet is easy to deploy and use, and 96% of them would recommend Smartsheet to a colleague.

Named to the Forbes “Cloud 100” list of the best private companies in cloud computing and by Gartner as a “Cool Vendor,” Smartsheet is used by more than 50% of the Fortune 500 and maintains rich data integrations with mission-critical applications from Microsoft, Google, Salesforce, Atlassian, and many others.
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.
Appendix B: Supplemental Material

Related Forrester Research