

A Forrester New Technology:  
Projected Total Economic Impact™  
Study Commissioned By Microsoft  
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# New Technology: The Projected Total Economic Impact™ Of The Microsoft Teams Platform

Business Benefits And Cost Savings  
Enabled By Microsoft

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## ABOUT FORRESTER CONSULTING

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# Executive Summary

Collaboration has become a key piece of any successful organization and is essential to driving better business results.<sup>1</sup> But with an increase in collaboration comes the need for technology to provide employees with easy access to information, tools to perform daily tasks, and the ability to quickly collaborate with colleagues to improve daily work experiences and achieve better business outcomes.<sup>2</sup>

When using Microsoft Teams as a platform, customers acquire a hub for workplace collaboration, where developers and users can leverage the native platform capabilities of Microsoft Teams to integrate custom solutions and traditional full-code and low-code technology to create apps, automate processes, and foster a data-driven culture. Microsoft commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (PROI) enterprises may realize by rolling out Microsoft Teams platform. The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of the Microsoft Teams platform on their organizations.

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed six customers and two partners with up to two years of experience using Microsoft Teams platform.

Prior to leveraging the Microsoft Teams platform, IT organizations at the interviewed companies struggled to drive adoption for productivity and data visualization tools already available to employees. Employees constantly switched between applications and tools throughout the day, losing time and momentum. To collaborate more efficiently with their colleagues, employees sometimes chose publicly available third-party communication applications, increasing risks for data security for the organizations.

Using the Microsoft Teams platform as a hub for teamwork enabled organizations to reduce disruptions to employee productivity, helped IT and security teams strengthen protection against data leaks, and contributed to a culture of citizen developers that, in turn, accelerated business digitization and innovation.

## Key Findings

**Quantified projected benefits.** The following present value (PV) quantified benefits are representative of those experienced by the companies interviewed:

- › **Productivity growth enabled by Microsoft Teams platform leads to \$8.8 million to \$21.7 million savings in labor costs over three years.** Prior to using Microsoft Teams platform, organizations found that employees frequently switched between applications throughout a workday, including their email, instant messaging, and other tools needed to complete their daily tasks. The Teams platform transforms the experience by providing a central hub for existing tools and inspires the creation of new workflows and automations. This empowers workers to reduce app switching and be more efficient and saves each employee, on average, 15 to 25 minutes per day.

## Projected Benefits



Productivity savings from using Microsoft Teams platform:  
**\$8.8M to \$21.7M**



Savings from reducing burden on help desk and HR:  
**\$525K to \$787K**



Application development savings:  
**\$231K to \$363K**

## Key Outcomes (Three-Year)



**PROI**  
**393% to 1,085%**



**Projected  
benefits PV**  
**\$9.5 million to  
\$22.9 million**



**Projected NPV**  
**\$7.6 million to  
\$21.0 million**



**Total costs**  
**\$1.9 million**

- › **Use of bots to handle employee questions reduces the number of IT and HR support tickets by 10% to 15%.** Prior to the Microsoft Teams platform, employees frequently contacted the help desk, HR, or other dedicated resources for guidance on simple tasks. The Microsoft Teams platform allows the use of automated chatbots to deliver answers, which saves \$525K to \$787K over three years.
- › **Development cost savings of \$231K to \$363K result from shifting internal application development to citizen developers in place of professional and IT developers.** The Microsoft Teams platform supports low-code authoring so business users can take on application projects. This shortens development timelines and reduces the total cost to develop applications.
- › **The chance of a major security breach decreases.** Working with the Microsoft Teams platform delivers a 1% to 5% reduction in the likelihood of a major data breach, which can cause damage in the form of brand reputation, stock price, and cost of remediation efforts.

**Unquantified benefits.** The interviewed organizations experienced the following benefits, which are not quantified for this study:

- › **Increased employee engagement.** Before using the Teams platform, employees frequently switched between apps and tools to complete daily tasks. This interrupted employees' flow and contributed to their frustration. The easy-to-use productivity apps collaboration platform has become a landing zone for many daily activities, enabling more productive work and leading to a better employee experience (EX).
- › **Improved insights to influence decision making.** The Teams platform enables integration with data visualization tools that help present real-time data in an easy-to-digest visual format. Simultaneous access to data in Teams channels or chats empowers users to access and analyze the information they need to make decisions quickly.
- › **Better business outcomes.** As a hub for workplace collaboration, the Microsoft Teams platform creates opportunities to serve customers more efficiently and contributes to cost savings and new previously untapped revenue streams.

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

- › **Enablement, training, and ongoing management.** A core group of IT and developers set up the Microsoft Teams platform, built custom tools, and enabled integrations with chosen applications (both Microsoft and third-party) over the course of six months, on average. At the same time, two change management FTEs (on average) ensured that the end users were familiar with the new platform capabilities. Two IT and development FTEs were dedicated to managing the platform. The time of all employees involved in the rollout and further platform management sums to a risk-adjusted, three-year PV of \$1.9M.
- › **Low-code development costs.** The interviewed organizations incurred ongoing costs of application development by business users, which amounted to a risk-adjusted three-year PV of \$76,390.

Forrester modeled a range of projected low-, medium-, and high-impact outcomes based on evaluated risk. This financial analysis projects that the composite organization accrues the following three-year net present value (NPV) for each scenario by enabling Microsoft Teams platform:

- › Projected high impact of a \$21.0 million NPV and projected ROI of 1,085%.
- › Projected medium impact of a \$14.0 million NPV and projected ROI of 723%.
- › Projected low impact of a \$7.6 million NPV and projected ROI of 393%.

The New Tech TEI methodology helps companies demonstrate and justify the projected tangible value of technology initiatives to both senior management and other key business stakeholders.

## New Tech TEI Framework And Methodology

From the information provided in the interviews, Forrester has constructed a New Technology: Projected Total Economic Impact™ (New Tech TEI) framework for those organizations considering implementing the Microsoft Teams platform.

The objective of the framework is to identify the potential cost, benefit, flexibility, and risk factors that affect the investment decision. Forrester took a multistep approach to evaluate the projected impact the Microsoft Teams platform may have on an organization:



### DUE DILIGENCE

Interviewed Microsoft stakeholders and Forrester analysts to gather data relative to Microsoft Teams platform.



### EARLY-IMPLEMENTATION CUSTOMER INTERVIEWS

Interviewed two Microsoft partners and six organizations using Microsoft Teams platform in a pilot or beta stage to obtain data with respect to projected costs, benefits, and risks.



### COMPOSITE ORGANIZATION

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



### PROJECTED FINANCIAL MODEL FRAMEWORK

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



### CASE STUDY

Employed four fundamental elements of New Tech TEI in modeling Microsoft Teams platform's potential 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 project a complete picture of the total economic impact of purchase decisions. Please see Appendix A for additional information on the New Tech TEI methodology.

## DISCLOSURES

Readers should be aware of the following:

This study is commissioned by Microsoft 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 the Microsoft Teams platform.

Microsoft 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.

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

# The Microsoft Teams Platform Customer Journey

## BEFORE AND AFTER IMPLEMENTING TEAMS PLATFORM

### Interviewed Organizations

For this study, Forrester conducted six interviews with Microsoft Teams platform customers and two interviews with Microsoft partners\*.

Interviewed organizations include the following:

INDUSTRY	REGION	INTERVIEWEE(S)	NUMBER OF EMPLOYEES
Telecommunications	Global	Business alignment manager, HR solutions	45,000 employees
Financial services	North America	Collaboration advisor Product owner, modern workplace and AI	23,000 employees
Healthcare	North America	Chief innovation officer	70,000 employees
Telecommunications	Global	Field digitization principal	26,000 employees
Professional services	Global	Platform customer success manager	300,000 employees
Oil services	Global	Senior applications analyst	55,000 employees,
Professional services*	APAC	Marketing director Head of technical services Managing director of business	30 employees
Professional services*	Global	Principal architect VP of business development	500 employees

\*partner

### Key Challenges

Prior to using the Microsoft Teams platform as a hub for teamwork, companies experienced the following challenges:

- › **Fragmented tools created inefficiency for users.** With Microsoft 365, organizations had access to tools to increase efficiency, obtain better insights, and improve EX, but no easy way to deliver these tools to employees' fingertips. "We were looking for a platform to build all of our operating systems around whether it would be our project management or reporting for projects," said the business alignment manager.
- › **App switching resulted in loss of productivity.** Interviewed customer highlighted that employees struggled with constantly moving between applications and tools throughout the day. "While people were happy with the opportunity to use different tools, a lot of end users were raising the issue of not knowing what tool to use when, and it sometimes got complicated to go to multiple places to get the information, depending on which team is using which platform," said the collaboration advisor at a financial services company. Companies looked to move away from siloed solutions into a centralized companywide environment.

"There were questions around 'why do I need to go in all these different platforms to work on pretty much the same use cases; why can't we just have one?' That's when we started to evaluate if Teams could be an answer to all those questions."

*Collaboration advisor, financial services*



- › **Use of unsanctioned third-party communication applications posed security threats.** Due to lack of an enterprise communication tool that answered their needs for features, mobility, and convenience, many end users utilized public third-party applications for business purposes. Organizations could not properly control the information shared via these communication apps and ensure compliance with industry regulations. The chief innovation officer at a healthcare company told Forrester: “We wanted to give [users] a safe environment where they wouldn’t have to think twice about what they were doing and what information was being shared. We wanted to start giving them a platform that was secure to promote a peace of mind for our employees.”

“Discoveries aren’t leveraged if you are not able to seamlessly work as part of a team.”

*Platform customer success manager, professional services*



## Key Results

The interviews revealed that key results from the Microsoft Teams platform investment include:

- › **Accelerated business digitization and innovation.** Organizations leveraged the Microsoft Teams platform to 1) automate manual workflows, improving employee productivity, and 2) make real-time insights readily available to end users, empowering them to innovate. Organizations have seen a surge in citizen development and a reduction in application development timelines. As a result, new apps and workflow automations become available to end users in a matter of weeks rather than months, allowing companies to reap their benefits faster.
- › **Fewer disruptions to employees’ productivity.** All employees working on a team have access to exactly the same information — often pulled together from multiple sources — eliminating the need for superfluous meetings and lengthy email exchanges. Employees can therefore find relevant work-related data with no disruption to their workflow.
- › **Improved protection against data leaks.** By providing the tools that help employees succeed in their daily jobs, organizations have converted users from public third-party communication apps to enterprise ones, reducing risks of data leaks. The principal architect at a professional services company said: “With Teams, you know that you are in a professional environment. It’s all on the network. It just provides that extra level of security.”

“Teams provides to the employee a comfort zone for his or her day-to-day activity. Employees have fewer interfaces, and it’s easier for them to complete their day-to-day tasks. They are more confident about their ability to navigate this massive load of information that is shared through a big organization.”

*Collaboration advisor, financial services*



## Composite Organization

Based on the interviews, 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 companies of the six customers that Forrester interviewed and is used to present the aggregate financial analysis in the next section. The composite organization that Forrester synthesized from the customer interviews has the following characteristics:

**Description of composite.** The composite organization is a global, multibillion-dollar company with a strong brand and a large customer base. Of the 30,000 employees spread across many business lines, 10% to 15% are active users of the Microsoft Teams platform. Active users rely on the platform to perform their daily tasks. The remaining employees are currently using Teams for communication purposes only.

“Making sure every single team member is aware of every single change that’s going on across that entire lifecycle is no longer as big of a problem as it used to be because everyone updates it in one Teams site that says, ‘This is what’s happening.’ And at least, whoever needs to know can say, ‘Oh, OK, that’s that relevant to my job,’ and give some input as to whether you go forward with the change or not. It breaks down the silos of how we operated previously.”

*Senior applications analyst, oil services*



**Deployment characteristics.** The organization is a Microsoft 365 customer and had been using Teams for chat, audio-, and videoconferencing. The organization has access to Microsoft Power Platform (Power BI, Power Apps, and Power Automate) as well as SharePoint, Exchange, Office Apps, and OneDrive. The organization realizes a need to maximize the value of the Microsoft 365 suite and drive business digitization. In pursuit of this outcome, the organization decides to use Microsoft Teams platform as a hub for teamwork and applications and begins a gradual rollout.



**Key assumptions:**

- \$10B in revenue
- 30,000 employees
- Worldwide operations
- Microsoft 365 customer with access to Teams platform

# Analysis Of Benefits

## QUANTIFIED BENEFIT DATA AS APPLIED TO THE COMPOSITE

### Total Projected Benefits

PROJECTED BENEFITS	YEAR 1	YEAR 2	YEAR 3	TOTAL	PRESENT VALUE
Total projected benefits (low)	\$2,291,018	\$3,724,396	\$5,840,289	\$11,855,703	\$9,548,652
Total projected benefits (mid)	\$3,907,805	\$6,168,339	\$9,689,973	\$19,766,117	\$15,930,571
Total projected benefits (high)	\$5,550,512	\$8,913,301	\$14,004,697	\$28,468,510	\$22,934,221

## Productivity Savings From Using Microsoft Teams Platform

According to Forrester's Employee Experience Index, employees are more likely to be engaged when they believe their IT department is focusing on helping them be productive.<sup>3</sup> Technology available to employees at their workplace needs to create conditions for them to succeed and make progress in their work, and nothing saps the brain's ability to complete complex knowledge work more than multitasking.<sup>4</sup>

Prior to using the Teams platform, most interviewed companies found that employees' attention was indeed pulled in different directions as they needed to frequently switch between tools throughout a workday, including their email, instant messaging, and tools needed to complete their daily tasks. The Teams platform enables companies to create a central hub for most employee needs, empowering workers to collaborate effectively and seamlessly access tools needed to perform their tasks. "[The] Teams platform gives us a venue to bring all our apps together in one place. Employees use Teams as a single sign-on for many, many apps," said chief technology innovation officer with a healthcare company.

- › In a Forrester survey, nearly 90% of respondents indicated that a workspace where employees can message, share content, and manage projects increases productivity.<sup>5</sup> Along these lines, a healthcare company used Teams as a space for doctors and nurses to collaborate in real time on treatment at a patient level. The organization built a chatbot within Teams that pulls patient information and test results into a Teams group, making it immediately available to clinicians. The bot also sends alerts to doctors when their patients' test results are ready, avoiding delays in care as clinicians can react to results as soon as they become available. The company relied on Microsoft Power Platform technologies to build an app used from Teams for tracking patient care plans created during patient rounds and ensure that relevant information is available to every member of the care team, replacing a paper-based process. The approach enables physicians and nurses to save between 30 and 90 minutes per day by streamlining processes and eliminating inefficiencies. The chief technology officer explained to Forrester, "We see increased productivity because when you have access to information where and when you want it, you are not wasting your time trying to hunt that information."

The table above shows the total of all benefits across the areas listed below, as well as present values (PVs) discounted at 10%. Over three years, the composite organization expects risk-adjusted total benefits to have a projected PV range of \$9.5 million to \$22.9 million.



Employees earn back on average **65 to 108 hours per year** with the Microsoft Teams platform.

- › A telecom company used a combination of Teams and Power Platform to enable its field employees to collaborate and access tools and applications they needed to serve their customers in one place, accessible from any device. “Previously you would have to print or download a Word document and fill it in [and] send or email it to somebody; there were just so many manual processes. Now this takes 3 minutes,” said the field digitization principal.
- › Another telecom organization heavily relied on manual reporting and sharing results in in-person meetings prior to using Teams. Using Power BI within Teams, the company eliminated manual reporting and reviews, with automated reports available through Teams.

Based on the customer interviews, Forrester modeled the financial impact for the composite organization with the following estimates:

- › The composite organization has 30,000 employees.
- › When the Microsoft Teams platform becomes available, between 10% and 15% of all employees start using it as a hub for daily work with many productivity-enhancing tools and apps. Each year thereafter, adoption grows by 20% as word of mouth spreads and the organization educates employees on the Microsoft Teams platforms’ availability and capabilities.
- › Using the efficiencies delivered with Microsoft Teams platform allows employees to save, on average, 15 to 25 minutes per day.
- › An average business user’s hourly burdened rate is \$36.
- › Thirty percent of the total time saved per user is applied directly back to revenue-generating tasks and is therefore included in the benefit calculation. Individual users may apply additional time savings toward professional development, networking, and work-life activities, which are not included in the benefit.

This yields a three-year projected PV ranging from \$8.8 million to \$21.7 million.

“Using Teams and Power Apps feels like we are creating with a piece of clay with punching it around and shaping it and moving it, adding bits. It’s more kind of like creating a piece of arts together.”

*Field digitization principal,  
telecommunications*



## Productivity Savings From Using Teams Platform: Calculation Table

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3
A1	Number of employees	Includes 1% YoY growth	30,000	30,300	30,603
A2 <sub>LOW</sub>			10.0%	12.0%	14.4%
A2 <sub>MID</sub>	Microsoft Teams platform active users	Increases by 20% YoY (rounded)	13.0%	15.6%	18.7%
A2 <sub>HIGH</sub>			15.0%	18.0%	21.6%
A3	Average number of workdays per year		260	260	260
A4 <sub>LOW</sub>			15	20	26
A4 <sub>MID</sub>	Time saved with Teams platform per day (minutes)	Increases by 30% YoY (rounded)	20	26	34
A4 <sub>HIGH</sub>			25	33	43
A5 <sub>LOW</sub>			<b>65</b>	<b>87</b>	<b>113</b>
A5 <sub>MID</sub>	<b>Subtotal: Hours saved per user with Teams platform</b>	<b>A3*A4/60 (rounded)</b>	<b>87</b>	<b>113</b>	<b>147</b>
A5 <sub>HIGH</sub>			<b>108</b>	<b>143</b>	<b>186</b>
A6	Average user hourly burdened rate	\$75,000/2,080 hours (rounded)	\$36	\$36	\$36
A7	Productivity recapture		30%	30%	30%
A8 <sub>LOW</sub>			\$702	\$940	\$1,220
A8 <sub>MID</sub>	Productivity savings per Teams platform active user	A5*A6*A7	\$940	\$1,220	\$1,588
A8 <sub>HIGH</sub>			\$1,166	\$1,544	\$2,009
At <sub>LOW</sub>			<b>\$2,106,000</b>	<b>\$3,416,386</b>	<b>\$5,378,098</b>
At <sub>MID</sub>	<b>Productivity savings from using Teams platform</b>	<b>A1*A2*A8</b>	<b>\$3,664,440</b>	<b>\$5,768,587</b>	<b>\$9,095,172</b>
At <sub>HIGH</sub>			<b>\$5,248,800</b>	<b>\$8,423,158</b>	<b>\$13,278,666</b>

## Savings From Reducing Burden On Help Desk And HR

Interviewed organizations saw an opportunity to improve the way they support employees after they activated the Microsoft Teams platform. Prior to Teams, the easiest way to find answers to work-related questions, such as resetting a password or finding a corporate holiday calendar, was to call the help desk, HR, or other dedicated resources for answers.

- › A financial services company developed a bot within Teams that served as a personal assistant, helping employees find information to support their day-to-day activities. “If it is HR- or IT-related, if it’s product-related, having all the organizational knowledge shared through a Q&A in the bot is something that is key for us to deliver the full power of the information within the organization,” said the collaboration advisor. The organization saw an opportunity for the bot to handle up to 30% of employee questions over time, leading to significant cost savings for the internal call centers.



Employees’ reliance on bots within Microsoft Teams to supply answers can reduce the number of requests for assistance by up to 34%.

- › An audit company used a bot within Teams to answer employee questions about Teams platform capabilities specifically. Initially, the organization received, on average, 400 questions per day, with the bot successfully answering 30% of these questions. The company continued to improve the bot based on the questions received from employees, and eventually the successful answer rate went up to 60% to 70%.

Based on the customer interviews, Forrester modeled the financial impact for the composite organization with the following estimates:

- › While the use of Microsoft Teams platform can eliminate multiple types of requests, at the time of these interviews, the organizations primarily saw a reduction in the number of HR and help desk tickets; therefore, the model relies only on these types of tickets. Readers can use other types of support requests in their analysis.
- › Each employee contacts the HR or help desk, on average, three times per year.
- › With the Microsoft Teams platform, the organization sets up a bot to triage employee questions, answer the known questions, and deliver the new ones to the appropriate support staff. The bot eliminates 10% to 15% of the tickets in the first year and 50% more each of the following years as it becomes more sophisticated.
- › The average cost per handling of an HR or help desk ticket is \$15.

This yields a three-year projected PV ranging from \$524,555 to \$787,351.

#### Savings From Reducing Burden On Help Desk And HR: Calculation Table

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3
B1	Number of employees	Includes 1% YoY growth	30,000	30,300	30,603
B2	Number of times an average employee contacts the help desk or HR		3	3	3
B3 <sub>LOW</sub>	Reduction in number of times an average employee contacts IT/HR due to Teams platform	Increases by 50% YoY (rounded)	10.0%	15.0%	22.5%
B3 <sub>MID</sub>			12.5%	18.8%	28.2%
B3 <sub>HIGH</sub>			15.0%	22.5%	33.8%
B4 <sub>LOW</sub>	<b>Subtotal: Number of IT/HR tickets eliminated with Microsoft Teams platform</b>	B1*B2*B3	9,000	13,635	20,657
B4 <sub>MID</sub>			11,250	17,089	25,890
B4 <sub>HIGH</sub>			13,500	20,453	31,031
B5	Average cost per ticket		\$15	\$15	\$15
Bt <sub>LOW</sub>	<b>Savings from reducing burden on help desk and HR</b>	B4*B5	<b>\$135,000</b>	<b>\$204,525</b>	<b>\$309,855</b>
Bt <sub>MID</sub>			<b>\$168,750</b>	<b>\$256,335</b>	<b>\$388,350</b>
Bt <sub>HIGH</sub>			<b>\$202,500</b>	<b>\$306,795</b>	<b>\$465,465</b>

## Application Development Savings

Organizations focused on digital transformation need to automate

hundreds or thousands of operating processes.<sup>6</sup> And this work is best led by process owners, if not completed by them. Low-code development capabilities within the Teams platform and low-code dev tools integrated with Teams became readily available to interested employees who set out to automate manual tasks and repetitive workflows. The Teams platform is the environment where work is getting done, so using low-code development tools to automate and streamline workflows is a natural fit to observe and capture key use cases. Teams also serves as the collaboration space for citizen developers to do low-code application development work.

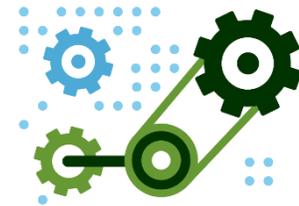
Organizations recognized the opportunity to provide space for citizen developers to tackle manual processes and day-to-day inefficiencies. Several interviewed companies formed centers of excellence (CoEs) or dedicated IT resources to provide oversight, maintain quality, and ensure compliance standards for the work done by citizen developers.

- › A telecom company saw a surge of citizen developer activity and, as a result, quickly introduced many new applications into the workplace. “Previously, we used to look at three to six months to do something, just the natural progression of documenting, having meetings, explaining, engaging, developing, and testing. Today, we could get something done in a day. Having access to Teams and Power Apps stops the constraints of ideas, and suddenly you’ve got these beautiful solutions that solve all these issues for you,” said the digitization principal.
- › Similarly, for an oil company, to develop a new application, “you could face weeks or months of requirement gathering meetings, based on the scope, before you even started work,” said the senior application analyst. And it could take more than six months to get an application deployed. “Now, with Power Apps, whether it’s IT developing it or the business, it’s way quicker. Recently, from the day I got the requirements, it took seven days until the app was deployed,” said the interviewee.

For the composite organization, Forrester assumes:

- › In Year 1 of using the Microsoft Teams platform, the organization develops five new internal applications. As business users become more familiar with low-code development and Teams adoption grows, the number of new apps increases to 10 and 15 in Years 2 and 3, respectively.
- › Redistributing the development process from IT to citizen developers frees up two to three weeks of IT time.
- › While most of the IT involvement is eliminated, IT pros still dedicate some time to project oversight and guidance as needed.
- › There was an average of two IT FTEs per project prior to Teams.
- › The IT FTE fully burdened annual salary is \$120,000.
- › With work being done by people closely familiar with processes and workflows, the organization saves between one and two weeks per project on creating requirement and advocating for the project.
- › A business user fully burdened annual salary is \$75,000.

This yields a three-year projected PV ranging from \$230,605 to \$363,273.



Prior to using Teams with Power Apps, it could take three to six months for a business group to get its application built by developers. With low-code, they can have it live in a week.

## Application Development Savings: Calculation Table

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3
C1	Internal applications developed each year		5	10	15
C2 <sub>LOW</sub>			2.0	2.0	2.0
C2 <sub>MID</sub>	Average number of weeks saved due to Teams platform		2.5	2.5	2.5
C2 <sub>HIGH</sub>			3.0	3.0	3.0
C3	Average team size, FTEs		2	2	2
C4	Development by “citizen developers”		80%	90%	90%
C5	Average fully loaded weekly compensation, IT	\$120,000/52 weeks (rounded)	\$2,308	\$2,308	\$2,308
C6 <sub>LOW</sub>			1.0	1.0	1.0
C6 <sub>MID</sub>	Average number of weeks of business users’ time due to Teams platform		1.5	1.5	1.5
C6 <sub>HIGH</sub>			2.0	2.0	2.0
C7	Number of business users managing dev projects		1	1	1
C8	Average fully loaded weekly compensation, business users	\$75,000/52 weeks (rounded)	\$1,442	\$1,442	\$1,442
Ct <sub>LOW</sub>			<b>\$44,138</b>	<b>\$97,511</b>	<b>\$146,267</b>
Ct <sub>MID</sub>	<b>Application development savings</b>	<b>(C1*C2*C3*C4*C5)+ (C1*C6*C7*C8)</b>	<b>\$56,975</b>	<b>\$125,495</b>	<b>\$188,242</b>
Ct <sub>HIGH</sub>			<b>\$69,812</b>	<b>\$153,478</b>	<b>\$230,217</b>

## Improved Organizational Security

Prior to introducing the Teams platform as a central hub to call on other apps, the enterprise security teams did not have the desired level of control over the tools and apps used by employees for work, such as communication or task-tracking apps. By offering convenient and secure tools easily accessible from the Teams platform, the security team could ensure that users followed the required security and compliance policies to reduce the risk of a data leak via unsupported third-party apps while enabling employees to work from anywhere and on any mobile device. “It was hard to convince people to enroll in multifactor authentication. But once users started seeing the benefits of using Teams on their phones, enrollment in multifactor authentication went up, strengthening our security posture,” said the senior application analyst at an oil company.

For the composite organization, Forrester assumes:

- › The average cost of a security breach is \$3.92 million per the 2019 Ponemon Institute survey.<sup>7</sup> The average cost of a data breach increases at 1.6% per year.
- › The risk of a breach is 15%.
- › The use of the Microsoft Teams platform provides the organization with the enterprise-grade security and advanced IT controls to secure confidential information and enforce data encryption and compliance, decreasing the probability of a breach by 1% to 5%, depending on level of adoption.

This yields a three-year projected PV ranging from \$14,843 to \$74,215.

## Savings From Retiring Former Enterprise Search Solutions: Calculation Table

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3
D1	Average cost of a data breach	Increases by 1.6% YoY	\$3,920,000	\$3,982,720	\$4,046,444
D2	Risk of experiencing a data breach		15%	15%	15%
D3 <sub>LOW</sub>	Decrease in risk of a data breach with Teams platform		1%	1%	1%
D3 <sub>MID</sub>			3%	3%	3%
D3 <sub>HIGH</sub>			5%	5%	5%
<b>Dt<sub>LOW</sub></b>			<b>\$5,880</b>	<b>\$5,974</b>	<b>\$6,070</b>
<b>Dt<sub>MID</sub></b>	<b>Improved organizational security</b>	<b>D1*D2*D3</b>	<b>\$17,640</b>	<b>\$17,922</b>	<b>\$18,209</b>
<b>Dt<sub>HIGH</sub></b>			<b>\$29,400</b>	<b>\$29,870</b>	<b>\$30,348</b>

## Unquantified Benefits

Through the interviews with Microsoft Teams platform customers, Forrester identified the following unquantified benefits:

- › **Increased employee engagement.** Before using Teams as a hub for business applications, employees often jumped between work applications and communication tools. This lack of continuity disrupted their flow, often leading to frustration among employees. Better aligned functionality in one consolidated, easy-to-use platform reduced the efforts for employees to accomplish their daily tasks, leading to a better EX. The field digitization principal at a telecom company reported: “The platform is seamless, and that allows users to just concentrate on what the action and the activities they need to take. Simplicity is huge for us, and it empowers our users, especially team leaders who have spread-out teams. They can use Teams to get them all onto a video chat and share a file right on the call. They can look at a report together. It makes the experience more fun, more engaging, and more productive.”
- › **Improved insights to influence decision making.** The Teams platform presents real-time data in an easy-to-digest format through integration with data visualization tools, enabling organizations to act on insights. “We created the reports that display the situation in real time and are integrated with Teams, so all the right people have access to the reports immediately. Now we can make decisions faster because the data is readily available versus before [when] we only updated them once a week,” said senior applications analyst at an oil services company. A telecom company relied on Power BI reports delivered via Teams platform to inform optimal project allocation. “[The Teams platform has enabled customers to] really accelerate time-to-arrive to a decision, and that’s so critical for cross-boundary collaboration in companies where people need to get together and make decisions very, very quickly. That ability to accelerate decision making is invaluable,” said the marketing director at a professional services company.
- › **Better business outcomes.** Certain applications integrated into the Teams platform support business functions instead of back-end operations and open previously untapped revenue streams. A healthcare company used Teams together with Power Platform to ensure timely patient discharge from hospitals. By streamlining the communication between physicians and supporting staff and pulling the necessary data into each patient’s channel, the organization reduced inefficiencies in the patient care process. “Because we make decisions faster, the time a patient has to spend with us can be reduced. The time spent waiting for results or waiting for somebody to arrive or to leave can be reduced. This costs the healthcare system a lot, the patient a lot, and us a lot, because there’s another patient in the waiting room until this person leaves.”

“We can see across our entire organization every day, how did everybody feel, how did different teams feel, how did people feel about different products, and what did people say about them? We are very focused on how our customers feel about our service, but this allows us to see how our own people feel about the service we’re giving and react accordingly. It’s a pretty cool insight.”

*Field digitization principal,  
telecommunications*



## 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 Microsoft Teams and later realize additional uses and business opportunities, including:

- › **Driving further employee adoption.** All interviewees agree that high adoption levels are key to seeing the Microsoft Teams platform’s full potential. Bringing new employee groups to use the platform would inevitably lead to new use cases and better business outcomes.
- › **Nourishing citizen developers.** Digital businesses demand for more automation, at a faster pace, which requires more minds and hands producing applications.<sup>8</sup> Creating a nourishing collaboration environment for citizen developers across the organization will remove a bottleneck from innovation efforts.
- › **Expanding integrations.** Integrating the Microsoft Teams platform with other tools or data sources is the next step for most interviewees. Making these new types of information usable within Teams could have a big impact on utilizing the existing knowledge within each organization.

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

Flexibility, as defined by TEI, represents an investment in additional capacity or capability that could be turned into business benefit for a future additional investment. This provides an organization with the “right” or the ability to engage in future initiatives but not the obligation to do so.

# Analysis Of Costs

## QUANTIFIED COST DATA AS APPLIED TO THE COMPOSITE

### Total Costs

REF.	COST	INITIAL	YEAR 1	YEAR 2	YEAR 3	TOTAL	PRESENT VALUE
Etr	Enablement and ongoing management costs	\$604,406	\$535,500	\$496,125	\$476,438	\$2,112,469	\$1,859,200
Ftr	Low-code development costs	\$0	\$15,862	\$31,724	\$47,586	\$95,172	\$76,390
	Total costs (risk-adjusted)	\$604,406	\$551,362	\$527,849	\$524,024	\$2,207,641	\$1,935,590

### Rollout And Ongoing Management Costs

Interviewed organizations noted the costs of rolling out, managing, and promoting Microsoft Teams platform.

Based on the customer interviews and the composite organization's deployment size, Forrester modeled the financial impact for the composite organization with the following estimates:

- › A core group of six IT and developer FTEs, including representatives from the SharePoint and application development teams, is involved in setting up and enabling Microsoft Teams as a platform, building custom tools, and providing integrations with chosen applications (both Microsoft and third-party) for six months. Beyond the initial rollout, growing adoption requires limited effort.
- › The organization selects a collection of power users to set up initial groups within Teams, build initial workflows, test, and champion Teams with Power Platform within their respective business units. After the initial rollout, business users still periodically provide feedback and drive platform improvements and adoption.
- › Two FTEs from a change management group are initially engaged to prepare training materials and bots to educate employees on how to use Teams with Power Platform with Power Apps. The organization continues to drive awareness about platform capabilities and share the ways groups in the organization have used Teams.
- › Two IT and development FTEs are dedicated to ongoing platform management and additional integrations.

The cost will vary based on:

- › The complexity of organizing and preparing the introduction of Teams as a platform.
- › The number and salaries of FTEs dedicated to rollout, management, and driving adoption.

To account for these risks, Forrester adjusted this cost upward by 5%, yielding a three-year, risk-adjusted total PV of \$1.9 million.

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 have a PV of \$1.9 million.

Implementation risk is the risk that a proposed investment may deviate from the original or expected requirements, resulting in higher costs than anticipated. The greater the uncertainty, the wider the potential range of outcomes for cost estimates.

## Enablement And Ongoing Management Costs: Calculation Table

REF.	METRIC	CALC.	INITIAL	YEAR 1	YEAR 2	YEAR 3
E1	FTEs in a dedicated cross-functional team managing Teams platform enablement		6	1	1	1
E2	IT and developer FTE average monthly burdened salary		\$10,000	\$10,000	\$10,000	\$10,000
E3	Business power users involved in Teams platform enablement		25	20	10	5
E4	Supporting FTEs' time dedicated to Teams platform enablement		15%	5%	5%	5%
E5	Ongoing change management and training (FTEs)		2	1	1	1
E6	Average business FTE monthly burdened salary		\$6,250	\$6,250	\$6,250	\$6,250
E7	Ongoing Teams platform management (FTEs)		0	2	2	2
E8	Number of months		6	12	12	12
Et	Rollout and ongoing management costs	$(E1 \cdot E2 \cdot E8) + (E3 \cdot E4 \cdot E6 \cdot E8) + (E5 \cdot E6 \cdot E8) + (E7 \cdot E2 \cdot E8)$	\$575,625	\$510,000	\$472,500	\$453,750
	Risk adjustment	↑5%				
Etr	Enablement and ongoing management costs (risk-adjusted)		\$604,406	\$535,500	\$496,125	\$476,438

## Low-Code Development Costs

The organization supported business users' enthusiasm in automating workflows and manual tasks. "People feel like they are really contributing to organizational improvements. Building new things is no longer locked and hidden away in the IT world," said the digitization principal at a telecom company.

In modeling citizen developer resource costs, Forrester assumes:

- › In Year 1 of using the Microsoft Teams platform, the organization develops five new internal applications. As business users become more familiar with low-code development, and Teams platform adoption grows, the number of new apps increases to 10 and 15 in Years 2 and 3, respectively.
- › With Teams or any integrated low-code tools, it takes one week, on average, to produce a working application.
- › On average, two citizen developers are involved in the creation of each application.

The cost will vary based on:

- › The number of dev initiatives led by the organization and the number of business users required to support these efforts.
- › The salaries of citizen developers participating in building applications.

To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year, risk-adjusted total PV of \$76,390.

"I would say majority of users are super excited about it, to the point where they're like, 'When can I get into a training class? Are you going to ever have a training class? OK, I'm just going to go watch these YouTube videos and figure it out and then I'll come ask you more specific questions.'"

*Senior applications analyst, oil services company*



## Low-Code Development Costs: Calculation Table

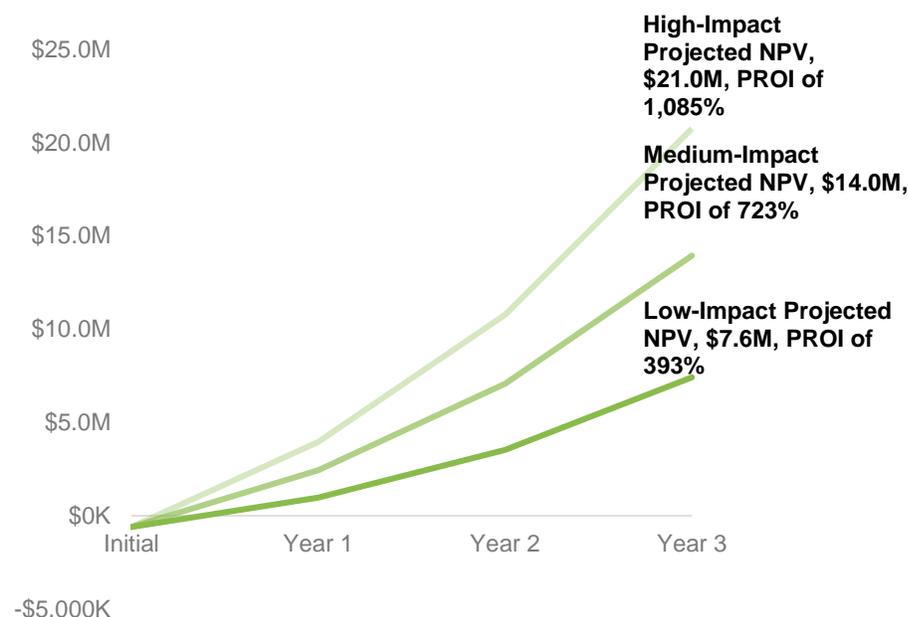
REF.	METRIC	CALC.	INITIAL	YEAR 1	YEAR 2	YEAR 3
F1	Internal applications developed each year	C1	0	5	10	15
F2	Average time needed to develop, test, and launch an internal application (weeks)		0	1	1	1
F3	Average team size		0	2	2	2
F4	Average fully loaded weekly compensation, citizen developers	$\frac{\$75,000}{52}$ weeks (rounded)	\$1,442	\$1,442	\$1,442	\$1,442
Ft	Low-code development costs	$F1 * F2 * F3 * F4$	\$0	\$14,420	\$28,840	\$43,260
	Risk adjustment	↑10%				
Ftr	Low-code development costs (risk-adjusted)		\$0	\$15,862	\$31,724	\$47,586

# Financial Summary

## CONSOLIDATED THREE-YEAR RISK-ADJUSTED METRICS

### Cash Flow Chart (Risk-Adjusted)

#### Three-Year Projected Financial Analysis For The Composite Organization



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



These risk-adjusted PROI and NPV are determined by applying risk-adjustment factors to the results in each Benefit and Cost section.

### Cash Flow Table (Risk-Adjusted)

	INITIAL	YEAR 1	YEAR 2	YEAR 3	TOTAL	PRESENT VALUE
Total costs	(\$604,406)	(\$551,362)	(\$527,849)	(\$524,024)	(\$2,207,641)	(\$1,935,590)
Total benefits (Low)	\$0	\$2,291,018	\$3,724,396	\$5,840,289	\$11,855,703	\$9,548,652
Total benefits (Mid)	\$0	\$3,907,805	\$6,168,339	\$9,689,973	\$19,766,117	\$15,930,571
Total benefits (High)	\$0	\$5,550,512	\$8,913,301	\$14,004,697	\$28,468,510	\$22,934,221
Net benefits (Low)	(\$604,406)	\$1,739,656	\$3,196,547	\$5,316,266	\$9,648,062	\$7,613,062
Net benefits (Mid)	(\$604,406)	\$3,356,443	\$5,640,490	\$9,165,950	\$17,558,476	\$13,994,981
Net benefits (High)	(\$604,406)	\$4,999,150	\$8,385,452	\$13,480,673	\$26,260,869	\$20,998,631
PROI (Low)						393%
PROI (Mid)						723%
PROI (High)						1,085%

# Microsoft Teams Platform: Overview

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

## Microsoft Teams platform

### Create a single hub for your work to maximize time-to-value



Find ready-to-use packaged apps

**+400** apps available in the Teams store

**+3,500** partner apps for Microsoft 365

### Deploy apps from AppSource in a few clicks



### Empower everyone to innovate in Teams



Build faster with low/no-code tools



Citizen developers



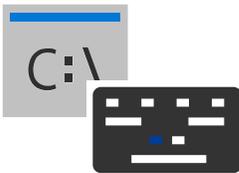
IT admins/developers



Pro developers

**Microsoft Power Platform: Build faster with low/no-code tools**

### Connect your existing apps to Teams



Create custom integrations



Find apps for HR, support, DevOps, project management, and more

### Build something new in Teams



Start with familiar tools: software development kits, templates, samples. Find developer support: community, certified developers, SI partners.

# Appendix A: New Technology: Projected Total Economic Impact

New Technology: Projected Total Economic Impact (New Tech TEI) 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 New Tech TEI methodology helps companies demonstrate and justify the projected tangible value of IT initiatives to both senior management and other key business stakeholders.

## Total Economic Impact Approach



**Projected Benefits** represent the projected value to be delivered to the business by the product. The New Tech TEI methodology places equal weight on the measure of projected benefits and the measure of projected costs, allowing for a full examination of the effect of the technology on the entire organization.



**Projected Costs** consider all expenses necessary to deliver the proposed value, or benefits, of the product. The projected cost category within New Tech 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.

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.



### Projected return on investment (PROI)

A project's expected return in percentage terms. PROI is calculated by dividing net projected benefits (projected benefits less costs) by projected 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%. A 10% discount rate is used for this analysis.

## Appendix B: Endnotes

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<sup>1</sup> Source: “Forrester’s EX Index: A Deeper Look At The Data,” Forrester Inc., March 4, 2020.

<sup>2</sup> Source: “The CIO’s Guide To Employee Experience,” Forrester Research, Inc., April 8, 2019.

<sup>3</sup> Source: “The Employee Experience Technology Ecosystem,” Forrester Research, Inc., February 14, 2019.

<sup>4</sup> Source: Sophie Leroy, “Why is it so hard to do my work? The challenge of attention residue when switching between work tasks,” Organizational Behavior and Human Decision Processes, Elsevier, July 2009 (<https://www.sciencedirect.com/science/article/pii/S0749597809000399>).

<sup>5</sup> Source: Forrester’s Q3 2017 North American Enterprise Collaboration Tech Tide Online Survey.

<sup>6</sup> Source: “Refocus Process Automation To Rescue Your Digital Transformation,” Forrester Research, Inc., May 17, 2018.

<sup>7</sup> Source: “2019 Cost of a Data Breach Report,” Ponemon Institute, 2019 (<https://www.ibm.com/security/data-breach>).

<sup>8</sup> Source: “The Forrester Wave™: Low-Code Platforms For Business Developers, Q2 2019,” Forrester Research, Inc., June 20, 2019.