



FORRESTER®

The Total Economic Impact™ Of Slack For Service Teams

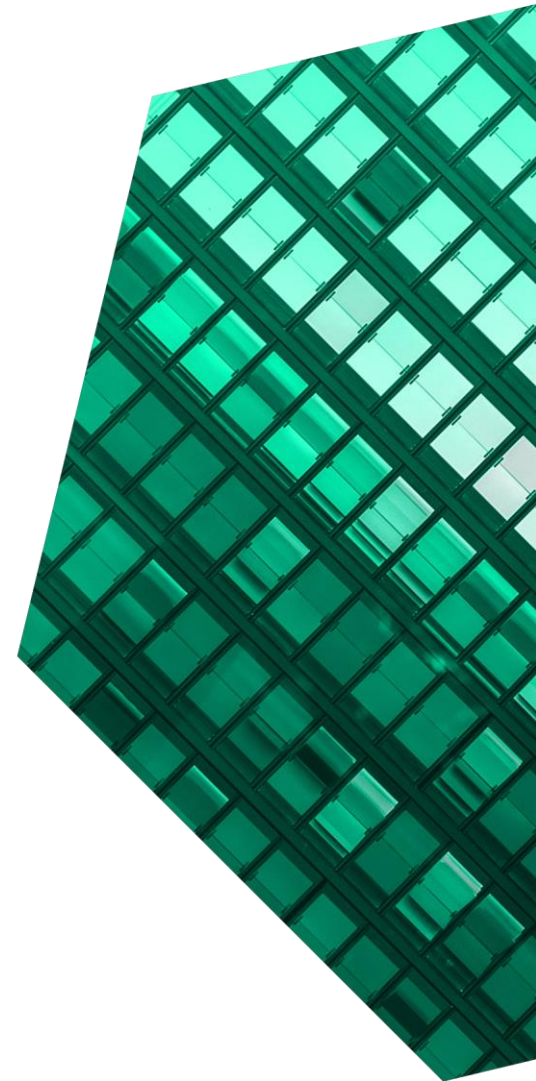
Cost Savings And Business Benefits
Enabled By Slack For Service Teams

DECEMBER 2023

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ABOUT FORRESTER CONSULTING

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

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Executive Summary

Delivering exceptional customer service can be hindered by traditional communication methods, tool proliferation, and dispersed workforces. Productivity and collaboration platforms capable of integrating core applications and seamlessly connecting service agents to knowledge bases, team members, and other key stakeholders can generate significant improvements in critical performance and customer satisfaction metrics, culminating in substantial revenue growth.

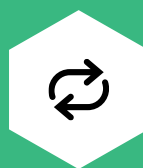
Slack commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) enterprises may realize by deploying Slack for their service teams.¹ The purpose of this study is to provide readers with a framework to evaluate the potential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

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed four representatives and surveyed 262 global Slack users with experience using Slack for their service teams.

Prior to using Slack, the interviewees' service teams relied on a large mix of ticketing tools, knowledge bases, and reporting solutions. However, the interviewees' companies struggled to bridge the gap between the tools, information, and experts needed to resolve customer issues, and looked for ways to improve their customer service, customer experience, cost efficiency, and overall organizational culture.

The interviewed and surveyed representatives decided to deploy Slack for their service teams instead of alternative solutions due to Slack's flexibility, customizability with tool integrations onto the Slack platform, and enterprise-grade security. With Slack, interviewees noted their organizations reduced the cost of customer service tickets and increased revenue from improved customer satisfaction.

KEY STATISTICS



Return on investment (ROI)
325%



Net present value (NPV)
\$2.30M

For the purposes of this study, Forrester aggregated the experiences of the interviewed representatives and surveyed Slack users and combined the results into a single composite organization that is a global organization with \$500 million in annual revenue and 300 employees on the service team. All values are reported in risk-adjusted three-year present value (PV) unless otherwise indicated.

KEY FINDINGS

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

- **Reduced cost of customer service tickets, totaling \$2.2 million.** The composite organization's service teams integrate and automate service workflows into Slack, allowing them to more efficiently view and access relevant information within Slack and reducing the amount of application and window switching. A variety of

KPI Improvements



- 17% reduction in average handle time
- 24% reduction in escalations
- 13% increase in correct ticket routing
- 16% increase in first contact resolution
- 16% in reduction in resolution time
- 9% reduction of backlog tickets
- 22% increase in tickets resolved
- 11% reduction in SLA breaches
- 16% reduction in cost per ticket
- 15% increase in CES
- 15% increase in CSAT
- 7.7 increase in NPS
- 6% increase in customer lifetime value

KPIs are improved, resulting in lower costs accrued to resolve service tickets.

- **Increased revenue from improved customer satisfaction, totaling \$843,000.** With better information flow and collaboration across cross-functional teams and subject matter experts (SMEs), customer service employees reduce average handle time and escalations, and improve ticket routing and first contact resolution. This serves to improve the customer experience and customer satisfaction levels, leading to higher customer lifetime value and increased revenue.

Unquantified benefits. Benefits that provide value for the interviewees' organizations but are not quantified for this study include:

- **Improved employee satisfaction.** Using Slack empowered service teams to not only achieve more successful outcomes for customers, but fostered a sense of connection, and reduced isolation for dispersed teams, leading to improved employee satisfaction and connection.
- **Reduced onboarding time.** Slack's capacity to collect and organize information in dedicated channels and provide quick access to knowledge resulted in a reduction in onboarding time for new service agents.
- **Improved coaching.** Slack facilitated more direct and timely feedback, contributing to enhanced coaching for service teams through improved communication and collaboration capabilities.
- **Enhanced security.** Slack provided increased visibility and enabled rapid response to security incidents that were detected by other solutions integrated into Slack.

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

- **Slack subscription costs.** Slack subscriptions cost \$150 per user per year. For the composite organization, this cost totals \$118,000 over three years.
- **Internal labor for implementation and maintenance.** Internal staff effort in the implementation of Slack is minimal. Subsequent to the initial implementation, the composite organization conducts ongoing internal efforts to build, support, and maintain Slack integrations, channels, and automations. Over three years, these efforts cost \$590,000 for the composite organization.

The financial analysis which is based on the interviews and survey found that a composite organization experiences benefits of \$3.0 million over three years versus costs of \$707,000, adding up to a net present value (NPV) of \$2.3 million and an ROI of 325%.

“Thinking about the impact of Slack on your organization's customer support teams, to what extent do you agree or disagree with the following statements?”



Base: 262 worldwide decision-making technology or business stakeholders involved in implementing Slack at their organization
Source: A commissioned study conducted by Forrester Consulting on behalf of Slack, July 2023

“Thinking about the impact of Slack on your organization's support metrics, to what extent do you agree or disagree with the following statements?”



Base: 262 worldwide decision-making technology or business stakeholders involved in implementing Slack at their organization
Source: A commissioned study conducted by Forrester Consulting on behalf of Slack, July 2023



ROI
325%



BENEFITS PV
\$3.01M



NPV
\$2.30M

Benefits (Three-Year)

Reduced cost of customer
service tickets

\$2.2M

Increased net revenue from
improved customer satisfaction

\$842.8K

“We are able to help when there’s a problem or a question ... [and] get that information to the agent when they need it. Our employee feels supported and, in turn, the customer has a better, more transformational experience.”

— Operations manager, e-commerce

TEI FRAMEWORK AND METHODOLOGY

From the information provided in the interviews and survey, Forrester constructed a Total Economic Impact™ framework for those organizations considering an investment in Slack for service teams.

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 Slack for service teams can have on an organization.

DISCLOSURES

Readers should be aware of the following:

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

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

Slack 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.

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

Forrester fielded the double-blind survey using a third-party survey partner.



DUE DILIGENCE

Interviewed Slack stakeholders and Forrester analysts to gather data relative to Slack for service teams.



INTERVIEWS AND SURVEY

Interviewed four representatives and surveyed 262 respondents at organizations using Slack for service teams to obtain data with respect to costs, benefits, and risks.



COMPOSITE ORGANIZATION

Designed a composite organization based on characteristics of the interviewees and survey respondents.



FINANCIAL MODEL FRAMEWORK

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



CASE STUDY

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

The Slack For Service Teams Customer Journey

■ Drivers leading to the Slack for service teams investment

KEY CHALLENGES

Forrester interviewed four representatives and surveyed 262 global Slack users with experience using Slack for their service teams. For more details on the organizations that participated in this study, see [Appendix B](#).

Prior to deploying Slack, interviewees and survey respondents noted that their organizations relied on email and a wide variety of messaging and communications tools to connect employees and static information repositories to serve as knowledge centers.

The interviewees' organizations struggled with common challenges and the interviewees discussed a need to better connect service teams to each other and other departments. In some cases, service teams used different communication and chat tools compared to other teams. The disparate use of tools and communication internally generally led to poor customer support experiences as many tickets required longer handling times and escalations. It also reduced likelihood of first contact resolution.

“We didn’t really have a platform that acted as a tool to optimize business processes to allow smooth and easy collaboration.”

Senior director of global business operations, technology

The interviewees' organizations struggled to bridge the gap between the tools, information, and experts needed to resolve customer issues, and were looking to improve productivity, efficiency, communication, cost efficiency, customer experience, and organizational culture.

“Was there a specific catalyst that drove the adoption of Slack within your group?”



Base: 131 worldwide decision-making technology or business stakeholders involved in implementing Slack at their organization who noted there was a specific catalyst for Slack adoption
Source: A commissioned study conducted by Forrester Consulting on behalf of Slack, July 2023

COMPOSITE ORGANIZATION

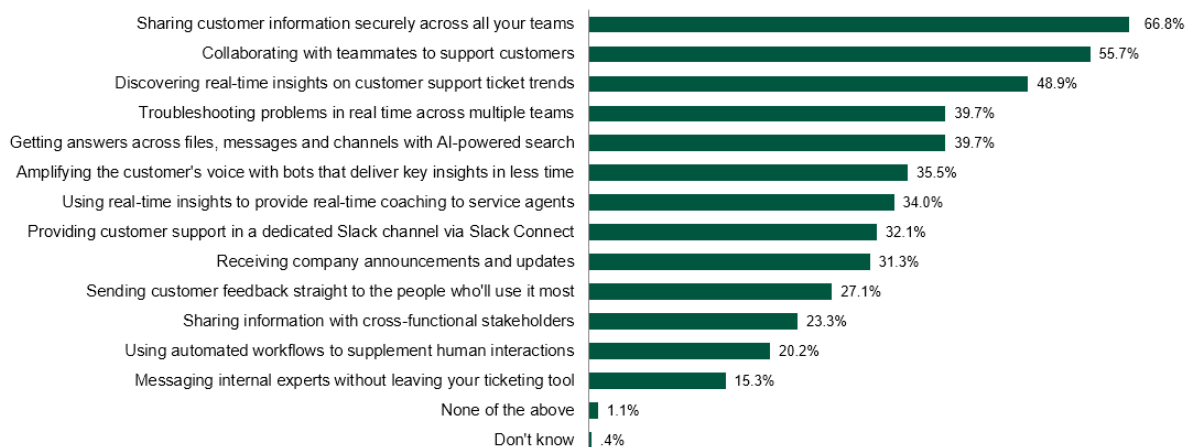
Based on the interviews and survey, Forrester constructed a TEI framework, a composite company, and a ROI analysis that illustrates the areas financially affected. The composite organization is used to present the aggregate financial analysis in the next section and has the following characteristics:

- Global organization with \$500 million in annual revenue and 2,000 employees.
- A customer service team with 300 members.
- Slack is deployed in Year 1 across the organization and integrates more tools over time.

Key Assumptions

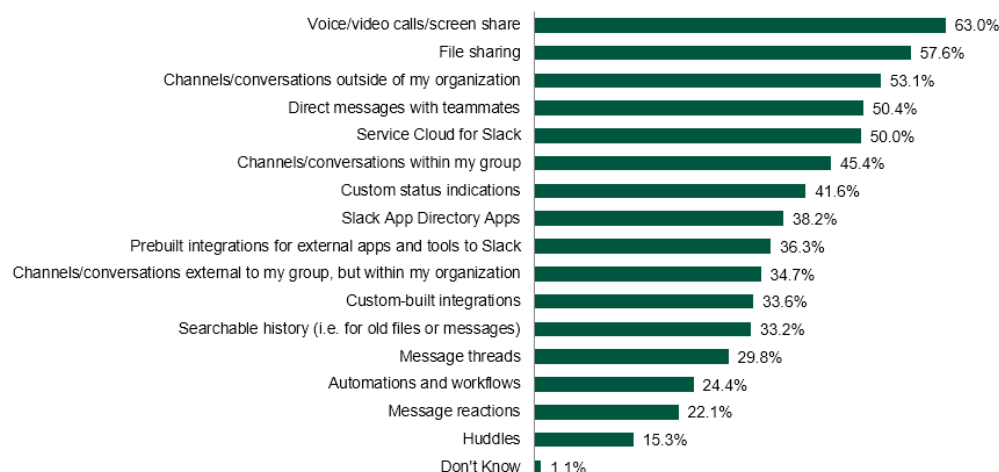
- **Global organization**
- **\$500 million annual revenue**
- **2,000 employees**
- **300 service users of Slack**

“Which of the following use cases is your organization using Slack for?”



Base: 262 worldwide decision-making technology or business stakeholders involved in implementing Slack at their organization
Source: A commissioned study conducted by Forrester Consulting on behalf of Slack, July 2023

“What elements of Slack are you currently using?”



Base: 262 worldwide decision-making technology or business stakeholders involved in implementing Slack at their organization
Source: A commissioned study conducted by Forrester Consulting on behalf of Slack, July 2023

Analysis Of Benefits

■ Quantified benefit data as applied to the composite

| Total Benefits | | | | | | |
|--------------------------------|---|-----------|-------------|-------------|-------------|---------------|
| Ref. | Benefit | Year 1 | Year 2 | Year 3 | Total | Present Value |
| Atr | Reduced cost of customer service tickets | \$436,050 | \$872,100 | \$1,395,360 | \$2,703,510 | \$2,165,508 |
| Btr | Increased revenue from improved customer satisfaction | \$175,000 | \$350,000 | \$525,000 | \$1,050,000 | \$842,787 |
| Total benefits (risk-adjusted) | | \$611,050 | \$1,222,100 | \$1,920,360 | \$3,753,510 | \$3,008,295 |

REDUCED COST OF CUSTOMER SERVICE TICKETS

Evidence and data. Interviewees and survey respondents discussed time savings for service teams and improvements across many KPIs. Service teams were able to integrate and automate service workflows into Slack, allowing them to view and access relevant information within Slack more efficiently and reducing the amount of switching between applications and windows. Slack also allowed service team members to contact relevant SMEs more quickly (without context-switching) to receive cross-functional support and to work asynchronously with SMEs in different regions.

- The operations manager at an e-commerce organization said: “Slack just truly is my favorite because it is robust, accessible, and easy to use. ... It makes our day-to-day communication and ability to bring people together from five different worksites in three different states and three different time zones together instantaneously, and we can cross collaborate very fast.”

The operation manager added: “When I need to find something, Slack is the first place I go. I don’t go to our internal company website. I don’t go to [document storage solutions]. I’m going to search Slack and chances are somebody’s probably

uploaded the file that I’m looking for and I can just go get it.”

- The senior director of global business operations at a technology company explained how Slack helped service teams and the impact of integrating Salesforce Service Cloud for Slack: “We adopted swarming within our global support organization and being able to pull in resources to bounce ideas off and troubleshoot issues has [led to] some great benefits for the customers and also the support personnel. They know that there are people there to help them. It’s more fluid.”

This interviewee continued: “The most recent iteration [of Salesforce Service Cloud for Slack is] the reason why we’ve had some great success this year. ... We’ve stripped away manual processes [and] got rid of the dispatcher role so that person is now utilized to better support customers. We got rid of a whole load of custom code ... from a tech deck perspective and we’ve adopted the [Salesforce] Omni-Channel product, [which has] given us much better automated case routing visibility ... allowing us to reduce friction between support agents getting colleagues to help them resolve problems, keeping cases up to date and allows us to produce much better

metrics on the use of swarming and to resolve customer cases.”

- Survey respondents reported that agents save an average of 36 minutes a day with Slack.
- Survey respondents also reported that the integration of Salesforce Service Cloud saves agents 24 minutes a day.
- Survey respondents reported a broad range of KPI improvements, including:
 - An average handle time reduction of 17%.
 - A reduction in escalations of 24%.
 - An increase in correct ticket routing rate of 13%.
 - An increase in first contact resolution of 16%.
 - A reduction in resolution time of 16%.
 - A reduction in backlog tickets of 9%.
 - An increase in tickets resolved of 22%.
 - A reduction in cost per ticket of 16%.
 - A reduction in SLA breaches of 11%.

Modeling and assumptions. Forrester assumes the following for the composite organization:

- It has 300 customer service employees.
- Each customer service employee averages 190 tickets per month.
- The average cost per ticket before Slack was \$15.00; with Slack, this cost is reduced by 5% in Year 1. This reduction increases to 16% by Year 3 as the composite organization integrates more tools and improves its processes for working with Slack.

Risks. This benefit can vary due to differences in:

- Number of customer service employees and tickets managed per month.
- Average cost per ticket.
- Reduction in ticket cost with Slack.

Results. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$2.2 million.

Reduced Cost Of Customer Service Tickets

| Ref. | Metric | Source | Year 1 | Year 2 | Year 3 |
|-------------------------------|---|--------------------------|---------------------------------------|-------------|-------------|
| A1 | Number of customer service employees | Composite | 300 | 300 | 300 |
| A2 | Average number of tickets per month per customer service employee | Composite | 190 | 190 | 190 |
| A3 | Subtotal: Tickets per year | $A1 \times A2 \times 12$ | 684,000 | 684,000 | 684,000 |
| A4 | Average cost per ticket before Slack | Composite | \$15.00 | \$15.00 | \$15.00 |
| A5 | Reduction in cost per ticket with Slack | Survey | 5.0% | 10.0% | 16.0% |
| A6 | Subtotal: Average cost per ticket with Slack (rounded) | $A4 \times (1 - A5)$ | \$14.25 | \$13.50 | \$12.60 |
| At | Reduced cost of customer service tickets | $A3 \times (A4 - A6)$ | \$513,000 | \$1,026,000 | \$1,641,600 |
| | Risk adjustment | ↓15% | | | |
| Atr | Reduced cost of customer service tickets (risk-adjusted) | | \$436,050 | \$872,100 | \$1,395,360 |
| Three-year total: \$2,703,510 | | | Three-year present value: \$2,165,508 | | |

INCREASED REVENUE FROM IMPROVED CUSTOMER SATISFACTION

Evidence and data. With better information flow and collaboration across cross-functional teams and subject matter experts, the interviewees and survey respondents noted their customer service employees reduced the number of handoffs and ticket transfers. This reduced a common source of friction with customers and contributed to KPI improvements. Interviewees and survey respondents noted increased customer satisfaction and the connection between customer experience and financial results.

- The operations manager at an e-commerce company described a situation where a service disruption was quickly resolved using Slack: “We had a momentary blip in service where incidents weren’t routing to our agents. Within seconds of noticing the issue on their end, they started [alerting the team that] something’s going on. ... We start ... getting organized in a Slack huddle, activate as a group of leaders ... and start delegating responsibilities. [Someone] hops over into the agent channel to make sure that our agents feel supported that they know that we’re working on this for them and to keep them warm with their customers. ... Our voice teams [and] email teams are doing the same thing. ... Within maybe 8 minutes or so, work was routing again to the point where nothing ever queued, no customer ever felt what we call an abandoned or where you request a chat, and it didn’t route through so no customers were left behind”
- The vice president of customer support a technology organization said: “Slack moves the [asynchronous] conversation around troubleshooting to a real-time, engaged model with the customer. ... It can really be just a real-time conversation over Slack, and I maintain the ticket integrity. ... We’re an extension of their team and accessible.”
- The senior director of global business operations said: “Swarming using Slack, alongside ... [improvements to] our internal knowledge base, has really helped the customers. ... Slack is [also] really powerful [in] the mobile experience. ... If you’re a support manager, you can always interject and get involved. ... Having such a strong mobile offering does help companies provide better customer experience and more rapid response when needed for escalations or issues.”
- Survey respondents reported an average increase in customer lifetime value of 6% as well as the following improvements across customer experience metrics:
 - Net Promoter ScoreSM (NPS) increased by an average of 7.7.²
 - Customer satisfaction (CSAT) increased by an average of 15%.

“We were able to identify what needed to happen, how we could mitigate the impact to our customers and to our employees, and make the right decisions from a customer service perspective and also from a financial perspective. ... [Slack] has an impact on our agents and our agents are why customers stay with us when they have a problem.”

Operations manager, e-commerce

- Customer effort score (CES) increased by an average of 15%.

Modeling and assumptions. Forrester assumes the following for the composite organization:

- Total annual revenue without Slack is \$500 million.
- Improved customer satisfaction from using Slack drives revenue growth of 0.5% in Year 1. This increases to 1.5% by Year 3 as the composite organization integrates more tools and improves their processes for working with Slack.

Risks. This benefit can vary across organizations due to differences in:

- The correlation between customer service effectiveness and customer satisfaction metrics.
- The relationship between customer satisfaction and sales and the ability of the organization to increase sales.

Results. To account for these risks, Forrester adjusted this benefit downward by 30%, yielding a three-year, risk-adjusted total PV of \$843,000.

“When there’s a problem, we can get organized in a channel and communicate very rapidly ... mobilize very quickly, and [stay] organized. ... And if I’m not in front of my laptop, I’ve got [Slack on] my iPad [and] my phone. I can stay dialed in wherever I go and help guide my team through navigating a problem.”

Operations manager, e-commerce

| Increased Revenue From Improved Customer Satisfaction | | | | | |
|---|---|------------|-------------------------------------|---------------|---------------|
| Ref. | Metric | Source | Year 1 | Year 2 | Year 3 |
| B1 | Annual revenue without Slack | Composite | \$500,000,000 | \$500,000,000 | \$500,000,000 |
| B2 | Increase in revenue from improved customer satisfaction | Interviews | 0.5% | 1.0% | 1.5% |
| B3 | Subtotal: Incremental revenue | B1*B2 | \$2,500,000 | \$5,000,000 | \$7,500,000 |
| B4 | Profit margin | Composite | 10.0% | 10.0% | 10.0% |
| Bt | Increased revenue from improved customer satisfaction | B3*B4 | \$250,000 | \$500,000 | \$750,000 |
| | Risk adjustment | ↓30% | | | |
| Btr | Increased revenue from improved customer satisfaction (risk-adjusted) | | \$175,000 | \$350,000 | \$525,000 |
| Three-year total: \$1,050,000 | | | Three-year present value: \$842,787 | | |

UNQUANTIFIED BENEFITS

- **Improved employee satisfaction.** The interviewees and survey respondents noted that using Slack for their service teams and their company overall played a role in improving overall employee satisfaction. Sixty-five percent of survey respondents reported improvements in employee satisfaction since deploying Slack. In addition to Slack empowering service personnel to do their jobs more effectively, the operations manager at an e-commerce company told Forrester about the effect of working in Slack on dispersed teams: “We’re in a remote environment. [Slack] helps you not feel alone ... [and] facilitates that really, really well because you can communicate business, you can communicate fun — it feels like an office.”
- **Reduced onboarding time.** Interviewees noted that the ability to collect data and information in relevant channels and pinning important information enabled them to reduce the onboarding time for newly hired service agents. The senior director of global business operations at a technology company explained: “We’ve built into [Salesforce] Service Cloud a knowledge management system and a lot of the team have gone through the process of getting [knowledge-centered service] trained. ... When people onboard into the support organization, they’ve got access to materials that allow them to accelerate their learning of our own products and allows them to provide better service. ... When you start your tenure as a support agent, there’s an awful lot to take on board so I think the quality of that knowledge base system coupled with the rigor around how it’s maintained and updated has brought some benefit.”
- **Improved coaching.** Interviewees stated that Slack helped them improve coaching for the service teams, as they’re able to get more direct

and timely feedback through the communication and collaboration enabled by Slack.

- **Enhanced security.** The senior director of global business operations at a technology company explained how Slack enhances the security posture of the organization: “[From] an IT security perspective, the integration with some of our third-party security tools and the ability to get alerts quickly, consume them rapidly, and do that when you’re out and about on your phone extends our security coverage as well.”

“There is overwhelming positive sentiment about what Slack brings to the table.”

Operations manager, e-commerce

“We would struggle to operate as a business if we didn’t have Slack.”

Senior director of global business operations, technology

FLEXIBILITY

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

- **Collaborate directly with customers, partners, and other external stakeholders.** Interviewees talked about the impact of sending proactive and personalized messages to their customers, letting

them know about updates to their service ticket. While this was a typical feature for many ticketing tools, service teams were also able to message customers directly via Slack Connect, which adds a person touch to direct communication in a controlled and scalable manner while also maintaining context. The result is an improvement to the overall customer experience.

The senior director of global business operations at a technology company explained how Slack Connect has enabled their organization to work directly with external stakeholders in Slack: “That ability to safely connect and transfer messages and documents with partners, customers, prospects — that is super powerful. Obviously, we know email has its place, the backwards and forwards approach, but to have more real-time, threaded discussions and be able to make decisions quickly — email has never been the platform for that. But I think Slack is and can be. We have a lot of connections with other businesses using Slack Connect and 100%, that

has helped break down barriers to decision-making, made some processes more frictionless, probably helped close business as well.”

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

“Using the native Slack Service Cloud app in combination with Omni-Channel [has] enriched the amounts of metrics and information available to our support leaders and allows them to better target how they resource and manage.”

— Senior director of global business operations, technology

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 |
| Ctr | Slack subscription costs | \$0 | \$47,250 | \$47,250 | \$47,250 | \$141,750 | \$117,504 |
| Dtr | Internal costs for implementation and maintenance | \$31,104 | \$224,640 | \$224,640 | \$224,640 | \$705,024 | \$589,750 |
| | Total costs (risk-adjusted) | \$31,104 | \$271,890 | \$271,890 | \$271,890 | \$846,774 | \$707,254 |

SLACK SUBSCRIPTION COSTS

Evidence and data. Interviewees noted that their organizations paid a Slack subscription fee of \$150 per user per year.

Modeling and assumptions. Forrester assumes the following for the composite organization:

- Slack is deployed to 300 service users.
- Subscriptions cost \$150 per user per year.

Risks. Annual fees to Slack will vary based on the number of users and the type of plan selected.

Results. To account for risks, Forrester adjusted this cost upward by 5%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$118,000.

“We see Slack as an integration foundation between various platforms ... [and] a glue across our organization.”

Senior director of global business operations, technology

| Slack Subscription Costs | | | | | | |
|-----------------------------|--|------------|-------------------------------------|----------|----------|----------|
| Ref. | Metric | Source | Initial | Year 1 | Year 2 | Year 3 |
| C1 | Slack users | Composite | 0 | 300 | 300 | 300 |
| C2 | Subscription cost per user | Interviews | \$0 | \$150 | \$150 | \$150 |
| Ct | Slack subscription costs | C1*C2 | \$0 | \$45,000 | \$45,000 | \$45,000 |
| | Risk adjustment | ↑5% | | | | |
| Ctr | Slack subscription costs (risk-adjusted) | | \$0 | \$47,250 | \$47,250 | \$47,250 |
| Three-year total: \$141,750 | | | Three-year present value: \$117,504 | | | |

INTERNAL COSTS FOR IMPLEMENTATION AND MAINTENANCE

Evidence and data. Interviewees and survey respondents indicated that there were internal efforts around planning, implementation, and ongoing maintenance. These efforts included the development of best practices, such as the number of channels and naming conventions, access rights, data migration, change management, as well as periodic maintenance and support of channels, and building and supporting new integrations and automations into Slack.

Modeling and assumptions. Forrester assumes the following for the composite organization:

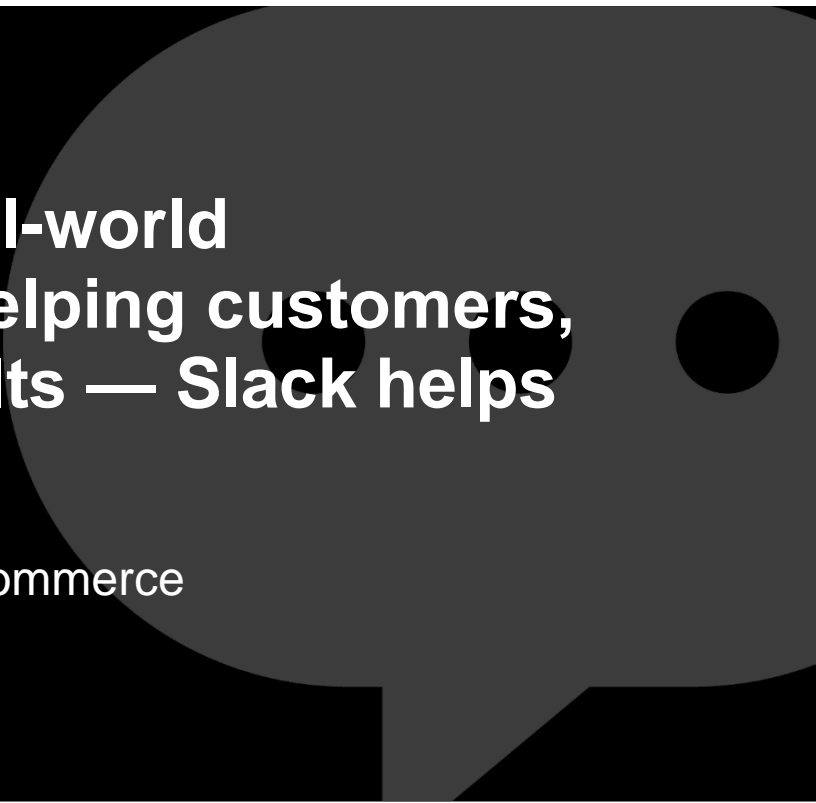
- The planning phase takes two months and includes three IT staff spending 20% of their time on planning.
- Implementation takes two months and includes one IT staff spending 75% of their time on implementation.

- The fully burdened monthly cost for IT staff is \$9,600.
- Multiple people are involved in building and maintaining integrations and Slack channels, totaling 1.5 FTEs.
- The fully burdened annual cost for an IT FTE is \$124,800.

Risks. This cost can vary across organizations due to differences in:

- The size and structure of service teams.
- The number of integrated applications.

Results. To account for these risks, Forrester adjusted this cost upward by 20%, yielding a three-year, risk-adjusted total PV of \$590,000.



“We’re solving real-world problems, we’re helping customers, we’re driving results — Slack helps us do that.”

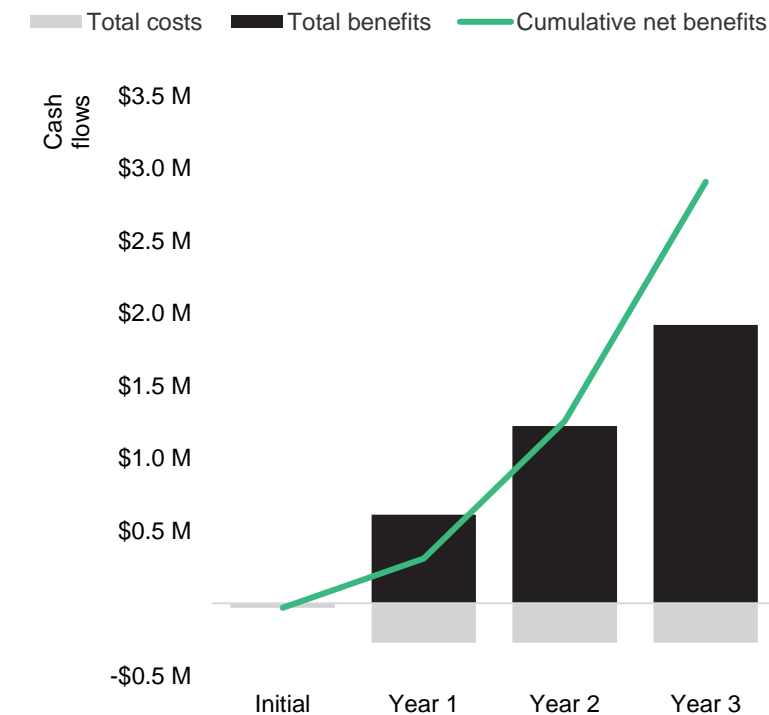
— Operations manager, e-commerce

| Internal Costs For Implementation And Maintenance | | | | | | |
|---|--|--------------|-------------------------------------|-----------|-----------|-----------|
| Ref. | Metric | Source | Initial | Year 1 | Year 2 | Year 3 |
| D1 | Time required for planning implementation (months) | Interview | 2 | | | |
| D2 | Number of IT staff involved in planning implementation | Interview | 3 | | | |
| D3 | Percentage of IT staff time allocated to planning implementation | Interview | 20% | | | |
| D4 | Fully burdened monthly cost of an IT FTE | TEI standard | \$9,600 | | | |
| D5 | Subtotal: Costs for planning implementation | D1*D2*D3*D4 | \$11,520 | | | |
| D6 | Time required for conducting implementation (months) | Interview | 2 | | | |
| D7 | Number of IT FTEs conducting implementation | Interview | 1 | | | |
| D8 | Percentage of IT FTE's time allocated to conducting implementation | Interview | 75% | | | |
| D9 | Fully burdened monthly cost of an IT FTE | TEI standard | \$9,600 | | | |
| D10 | Subtotal: Costs for conducting implementation | D6*D7*D8*D9 | \$14,400 | | | |
| D11 | Number of IT FTEs building and maintaining integrations and maintaining Slack channels | Interviews | | 1.5 | 1.5 | 1.5 |
| D12 | Fully burdened annual salary for developer and engineer | TEI standard | | \$124,800 | \$124,800 | \$124,800 |
| D13 | Subtotal: Maintenance costs | D11*D12 | | \$187,200 | \$187,200 | \$187,200 |
| Dt | Internal costs for implementation and maintenance | D5+D10+D13 | \$25,920 | \$187,200 | \$187,200 | \$187,200 |
| | Risk adjustment | ↑20% | | | | |
| Dtr | Internal costs for implementation and maintenance (risk-adjusted) | | \$31,104 | \$224,640 | \$224,640 | \$224,640 |
| Three-year total: \$705,024 | | | Three-year present value: \$589,750 | | | |

Financial Summary

CONSOLIDATED THREE-YEAR RISK-ADJUSTED METRICS

Cash Flow Chart (Risk-Adjusted)



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

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

| Cash Flow Analysis (Risk-Adjusted Estimates) | | | | | | |
|--|------------|-------------|-------------|-------------|-------------|---------------|
| | Initial | Year 1 | Year 2 | Year 3 | Total | Present Value |
| Total costs | (\$31,104) | (\$271,890) | (\$271,890) | (\$271,890) | (\$846,774) | (\$707,254) |
| Total benefits | \$0 | \$611,050 | \$1,222,100 | \$1,920,360 | \$3,753,510 | \$3,008,295 |
| Net benefits | (\$31,104) | \$339,160 | \$950,210 | \$1,648,470 | \$2,906,736 | \$2,301,041 |
| ROI | | | | | | 325% |

Appendix A: Total Economic Impact

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

TOTAL ECONOMIC IMPACT APPROACH

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

Costs consider all expenses necessary to deliver the proposed value, or benefits, of the product. The cost category within TEI captures incremental costs over the existing environment for ongoing costs associated with the solution.

Flexibility represents the strategic value that can be obtained for some future additional investment building on top of the initial investment already made. Having the ability to capture that benefit has a PV that can be estimated.

Risks measure the uncertainty of benefit and cost estimates given: 1) the likelihood that estimates will meet original projections and 2) the likelihood that estimates will be tracked over time. TEI risk factors are based on "triangular distribution."

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



PRESENT VALUE (PV)

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



NET PRESENT VALUE (NPV)

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



RETURN ON INVESTMENT (ROI)

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



DISCOUNT RATE

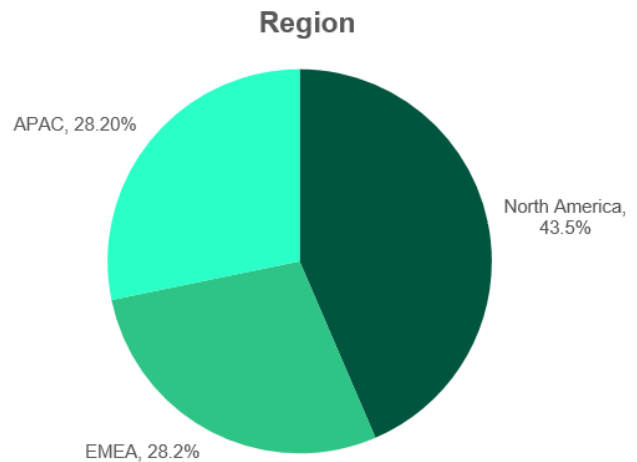
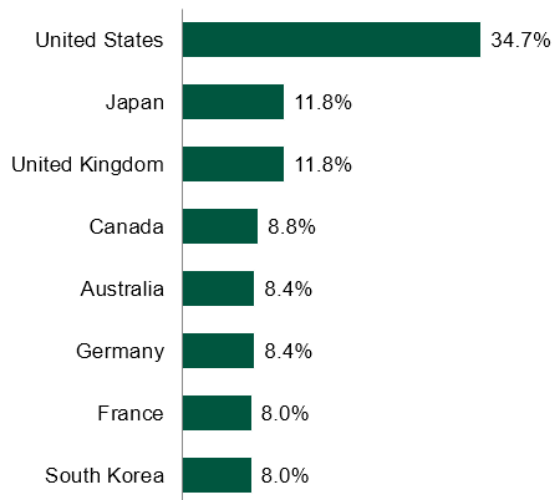
The interest rate used in cash flow analysis to take into account the time value of money. Organizations typically use discount rates between 8% and 16%.

Appendix B: Interview And Survey Demographics

| Interviews | | | | | |
|---|------------|--|----------------|-----------------|--------------|
| Role | Sector | Region | Annual Revenue | Total Employees | Service Team |
| Operations manager | E-commerce | Global; headquartered in North America | \$10B | 19,000 | 2,500 |
| Head of customer success | Technology | Global; headquartered in North America | \$5B | 18,000 | 1,000 |
| Vice president of customer support | Technology | Global; headquartered in North America | \$468M | 1,500 | 250 |
| Senior director of global business operations | Technology | Global; headquartered in North America | \$16M | 1,000 | 80 |

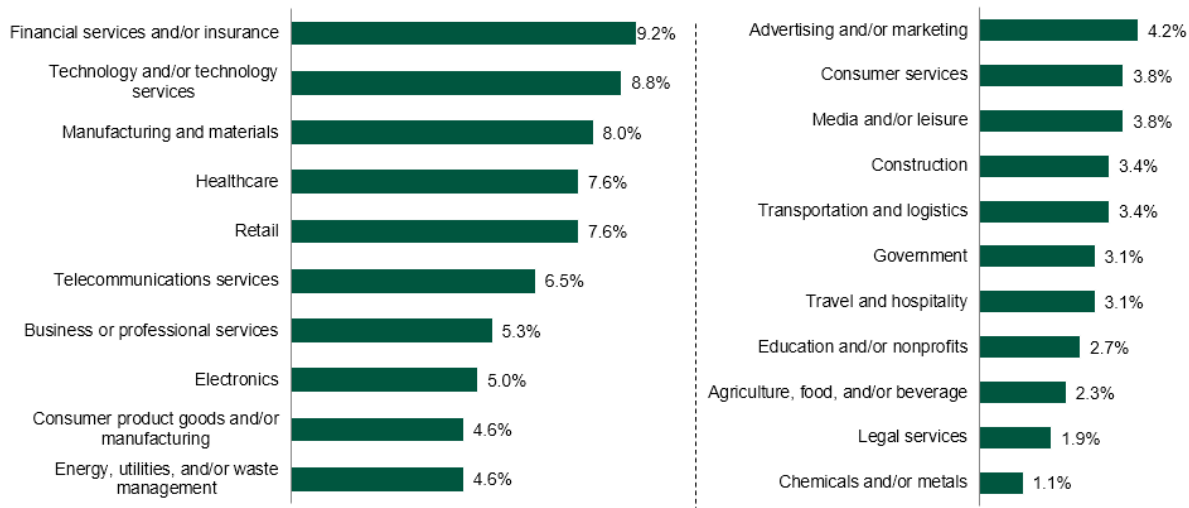
Survey Demographics

“In which country are you located?”



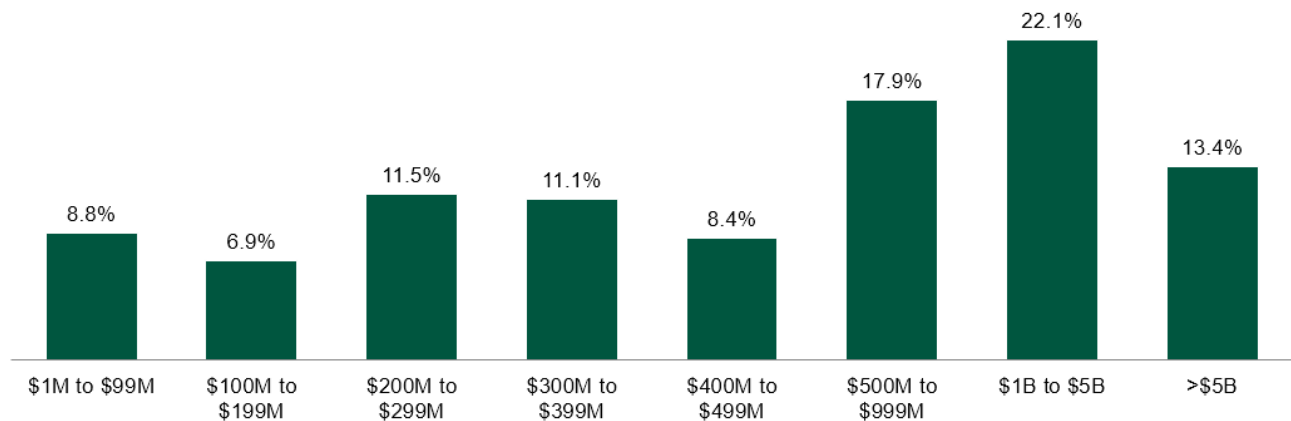
Base: 262 worldwide decision-making technology or business stakeholders involved in implementing Slack at their organization
Source: A commissioned study conducted by Forrester Consulting on behalf of Slack, July 2023

“Which of the following best describes the industry to which your company belongs?”



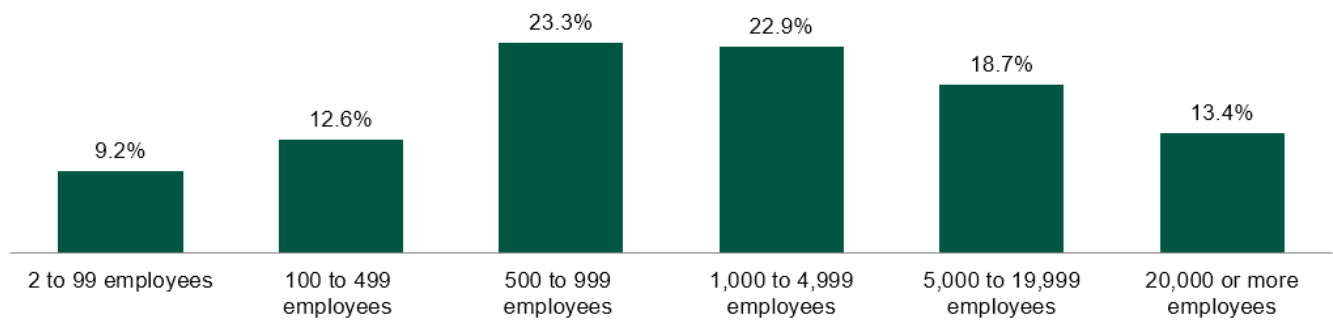
Base: 262 worldwide decision-making technology or business stakeholders involved in implementing Slack at their organization
Source: A commissioned study conducted by Forrester Consulting on behalf of Slack, July 2023

“Using your best estimate, what is your organization’s annual revenue (USD)?”



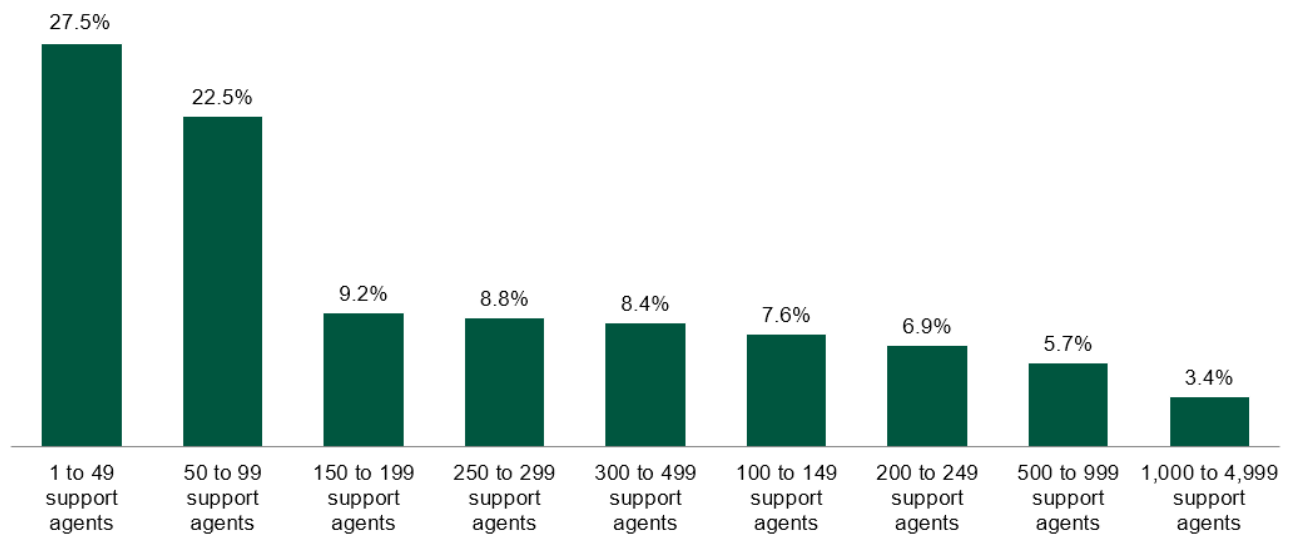
Base: 262 worldwide decision-making technology or business stakeholders involved in implementing Slack at their organization
Source: A commissioned study conducted by Forrester Consulting on behalf of Slack, July 2023

“Using your best estimate, how many employees work for your firm/organization worldwide?”



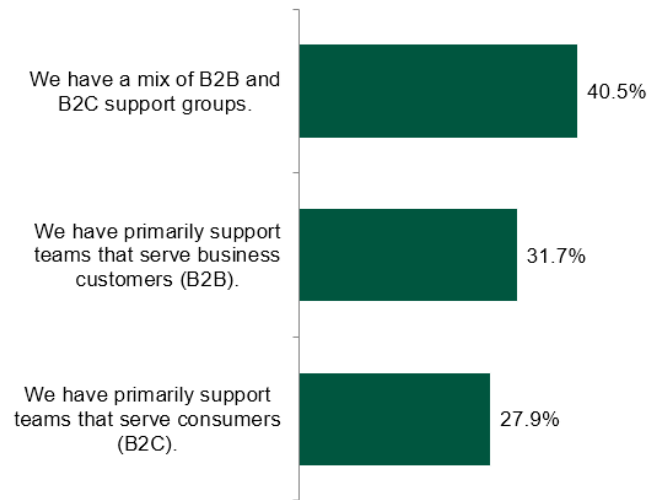
Base: 262 worldwide decision-making technology or business stakeholders involved in implementing Slack at their organization
Source: A commissioned study conducted by Forrester Consulting on behalf of Slack, July 2023

“Using your best estimate, how many support agents work for your firm/organization worldwide?”



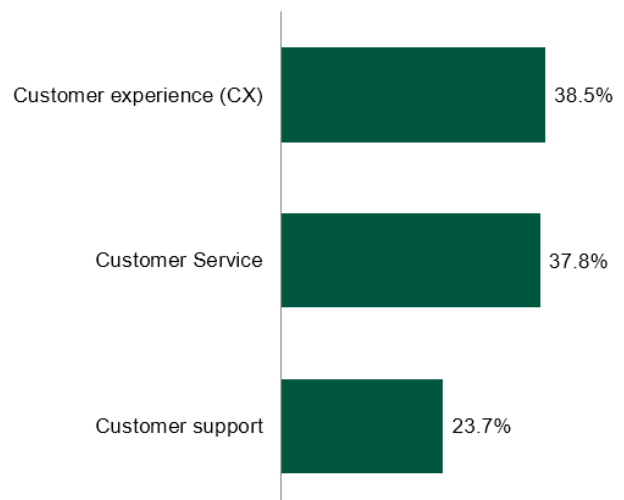
Base: 262 worldwide decision-making technology or business stakeholders involved in implementing Slack at their organization
Source: A commissioned study conducted by Forrester Consulting on behalf of Slack, July 2023

“Thinking about the support team(s) within your organization, how would you describe them?”



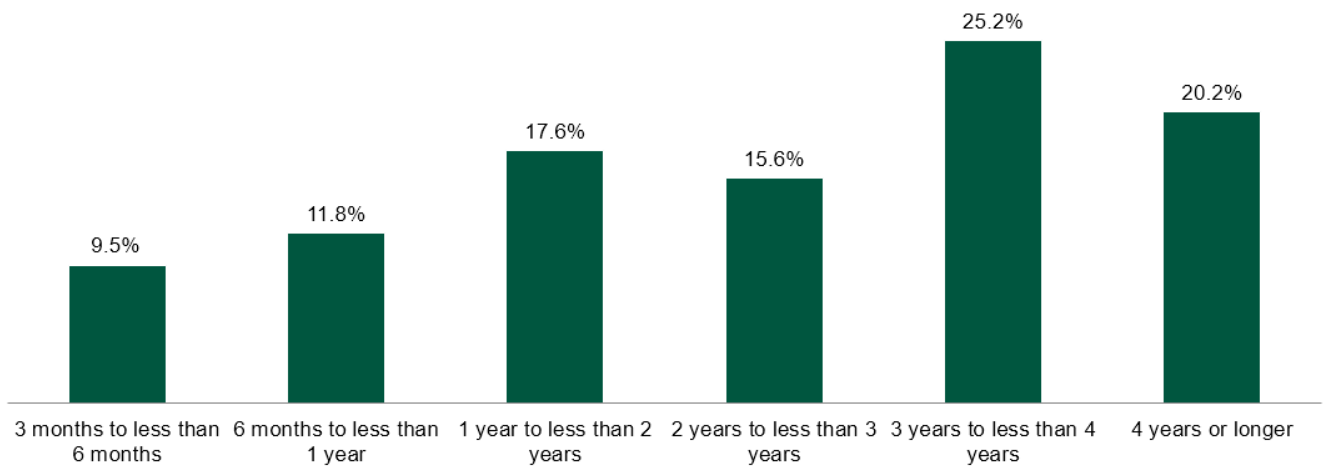
Base: 262 worldwide decision-making technology or business stakeholders involved in implementing Slack at their organization
Source: A commissioned study conducted by Forrester Consulting on behalf of Slack, July 2023

“Which of the following best describes the department you work in?”



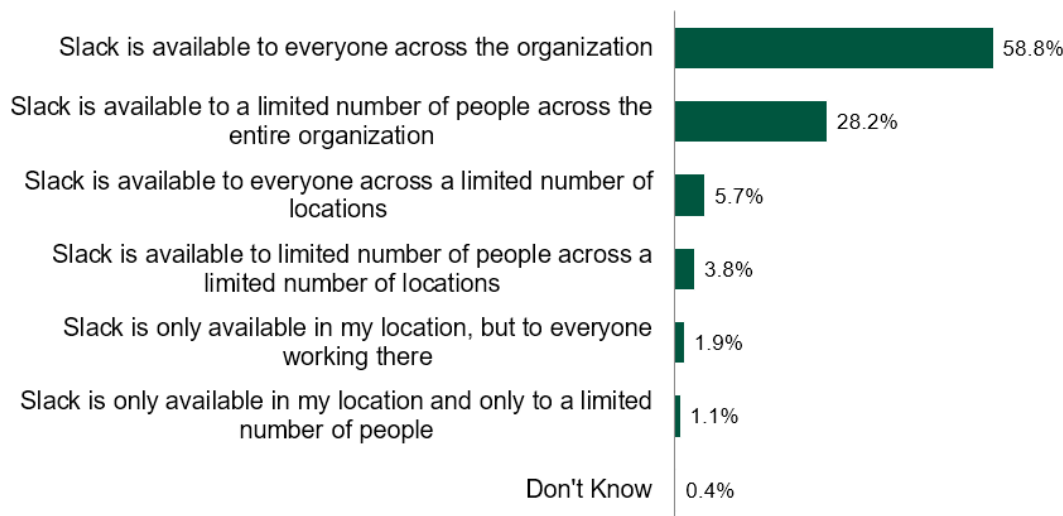
Base: 262 worldwide decision-making technology or business stakeholders involved in implementing Slack at their organization
Source: A commissioned study conducted by Forrester Consulting on behalf of Slack, July 2023

“How long has your organization been using Slack for customer service?”



Base: 262 worldwide decision-making technology or business stakeholders involved in implementing Slack at their organization
Source: A commissioned study conducted by Forrester Consulting on behalf of Slack, July 2023

“Thinking about all locations your organization has, including its customer support centers, do you think all the locations across the organization have Slack available to them?”



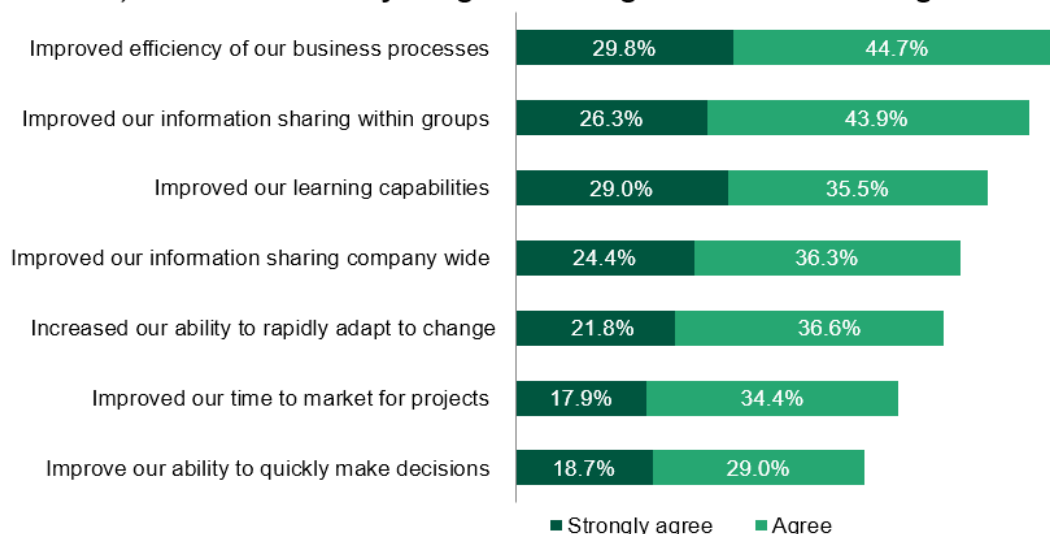
Base: 262 worldwide decision-making technology or business stakeholders involved in implementing Slack at their organization
Source: A commissioned study conducted by Forrester Consulting on behalf of Slack, July 2023

“Thinking about the impact of Slack on your support employees' experience and productivity, to what extent do you agree or disagree with the following statements?”



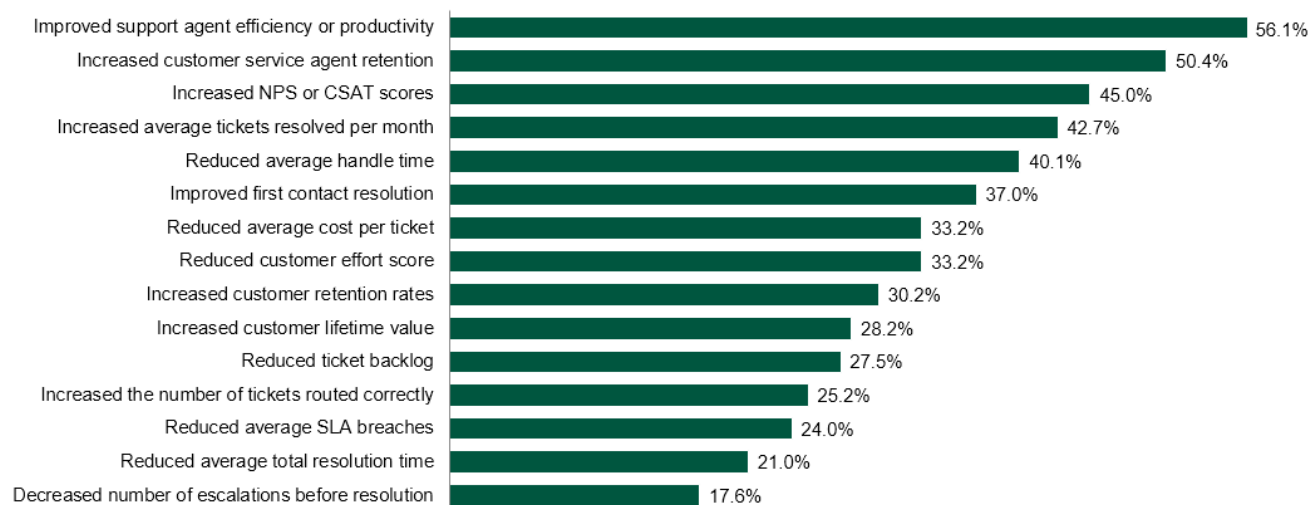
Base: 262 worldwide decision-making technology or business stakeholders involved in implementing Slack at their organization
Source: A commissioned study conducted by Forrester Consulting on behalf of Slack, July 2023

“Thinking about the impact of Slack on your organization's ability to react quickly to changing business needs, to what extent do you agree or disagree with the following statements?”



Base: 262 worldwide decision-making technology or business stakeholders involved in implementing Slack at their organization
 Source: A commissioned study conducted by Forrester Consulting on behalf of Slack, July 2023

“Which of the following tangible / measurable benefits have resulted from using Slack as part of your customer service process?”



Base: 262 worldwide decision-making technology or business stakeholders involved in implementing Slack at their organization
 Source: A commissioned study conducted by Forrester Consulting on behalf of Slack, July 2023

Note: Percentages may not total 100 because of rounding.

Appendix C: Endnotes

¹ Total Economic Impact is a methodology developed by Forrester Research that enhances a company's technology decision-making processes and assists vendors in communicating the value proposition of their products and services to clients. The TEI methodology helps companies demonstrate, justify, and realize the tangible value of IT initiatives to both senior management and other key business stakeholders.

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