

FORRESTER®

The Total Economic Impact™ Of Slack For Technical Teams

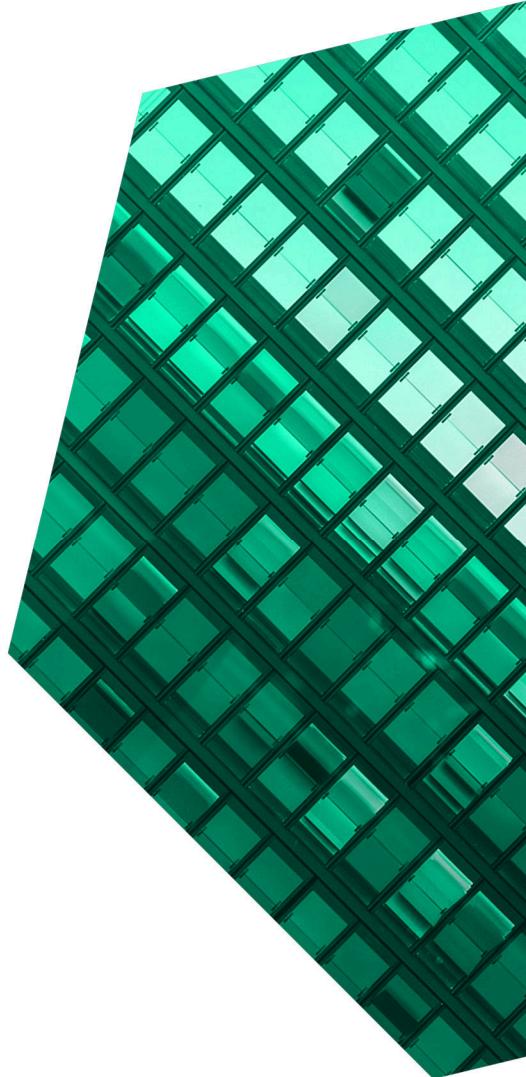
Cost Savings And Business Benefits
Enabled By Slack

September 2020

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Executive Summary

“Slack is now our office. What we did face-to-face, we now do in Slack. And in terms of culture, in some ways it’s better than the water cooler or pop-ins – since Slack can be asynchronous, you won’t be interrupting people while they’re in the middle of focus work, but they can catch up and be included in ongoing conversations after the fact.”

Engineering manager, security technology industry

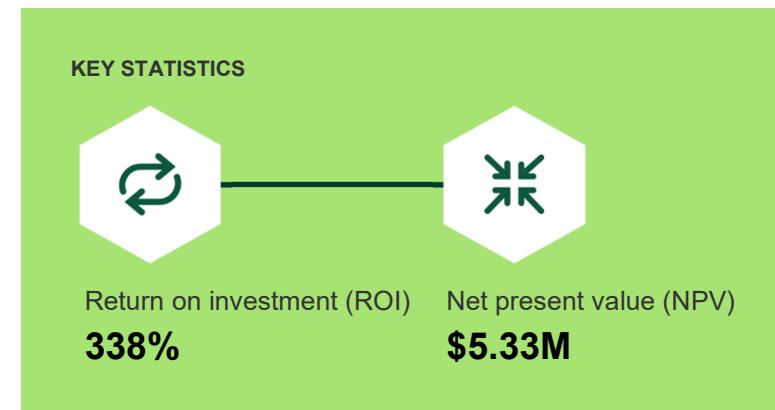
Slack commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) companies may realize by deploying [Slack](#) Plus or Slack Grid. The purpose of this study is to provide readers with a framework to evaluate the potential financial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

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed and surveyed customers with experience using Slack.

Prior to using Slack, the interviewed and surveyed organizations used email and chat tools siloed across business functions. For example, the developer and engineering teams used different communication and chat tools compared to the sales and support teams. Therefore, companies were looking for ways to improve communication, improve productivity and efficiency, and improve organizational culture.

The interviewed and surveyed organizations decided to deploy Slack due to its ability to enable a remote workforce and strong culture (e.g., by making the transition to remote work easier, allowing for synchronous and asynchronous work, and maintaining and improving company culture) and its extensibility and ease of integrating other business and engineering applications.

This resulted in significant benefits, as detailed in this case study. With Slack, organizations improved productivity, saved costs by sunsetting legacy tools,



accelerated revenue, and improved recruiting and retention of employees.

For the purposes of this study, Forrester aggregated the experiences of the interviewed and surveyed customers and combined the results into a single [composite organization](#). All values are reported in risk-adjusted three-year present value (PV) unless otherwise indicated.

KEY FINDINGS

Quantified benefits. The following benefits reflect the financial analysis associated with the composite organization.

- **Improved technical team productivity, totaling \$4.7 million.** Interviewed and surveyed organizations noted that Slack’s extensibility and list of standard integrations allowed developers and DevOps engineers to automate many of their workflows. Slack also eliminated significant

friction in communications due to its ability to organize information into relevant channels, searchable history, and support for both synchronous and asynchronous communication.

- **Improved general productivity for the company, totaling \$2.1 million.** Improved communication via Slack led to a decrease in both emails and status meetings for all employees. Companies also developed specific channels designed to help aggregate subject

matter experts in a single area, allowing them to take advantage of both formal and informal networks within their organization. This led to improved information flow throughout the company.

- **Sunset legacy tools, totaling \$90k in cost savings.** After investing in Slack, companies were able to sunset legacy collaboration tools, resulting in a direct cost savings to the organization.

“ Slack is unique in its space; it’s a tool which the users want to use, rather than one they have to use.”

— Lead engineer, eCommerce industry

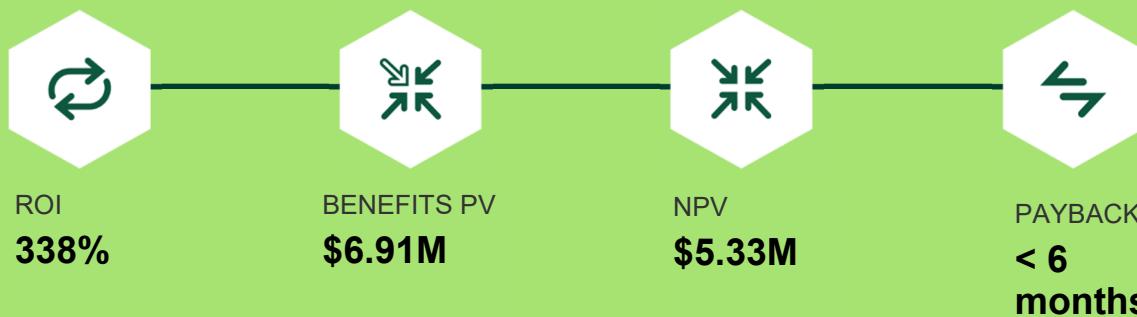
Unquantified benefits. Benefits that are not quantified for this study include:

- **Accelerated revenue.**
- **Improved recruiting and retention.**

Costs. The following costs reflect the financial analysis associated with the composite organization.

- **License costs totaling \$818k.**
- **Internal labor costs for implementation and maintenance totaling \$762k.**

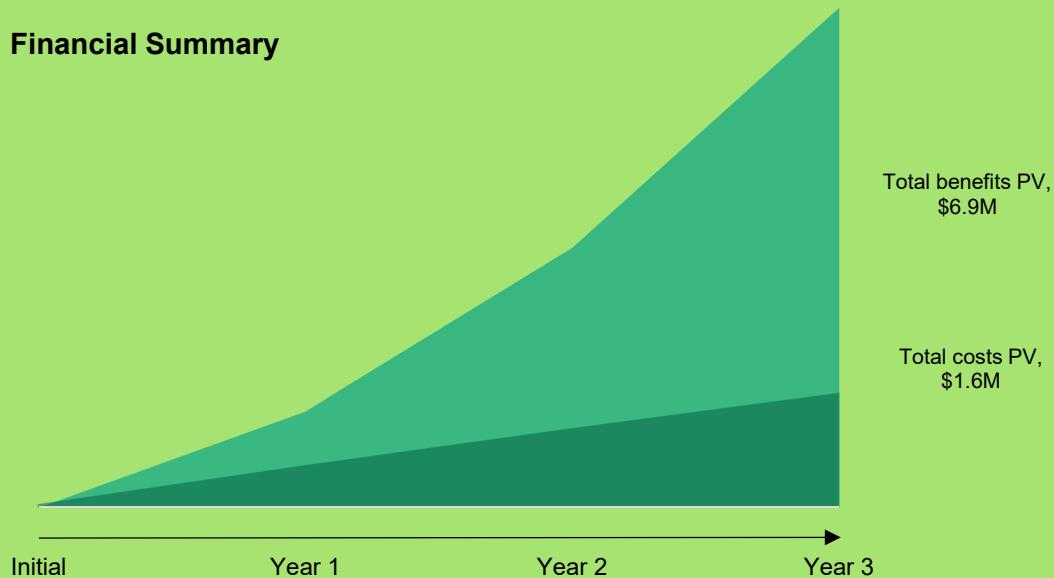
The customer interviews and financial analysis found that a composite organization experiences benefits of \$6.91M over three years versus costs of \$1.58M, adding up to a net present value (NPV) of \$5.33M and an ROI of 338%.



Benefits (Three-Year)



Financial Summary



TEI FRAMEWORK AND METHODOLOGY

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

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 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 report to determine the appropriateness of an investment in Slack.

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.



DUE DILIGENCE

Interviewed Slack stakeholders and Forrester analysts to gather data relative to Slack.



CUSTOMER INTERVIEWS

Interviewed nine decision makers at organizations using Slack to obtain data with respect to costs, benefits, and risks.



COMPOSITE ORGANIZATION

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



FINANCIAL MODEL FRAMEWORK

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



CASE STUDY

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

The Slack Customer Journey

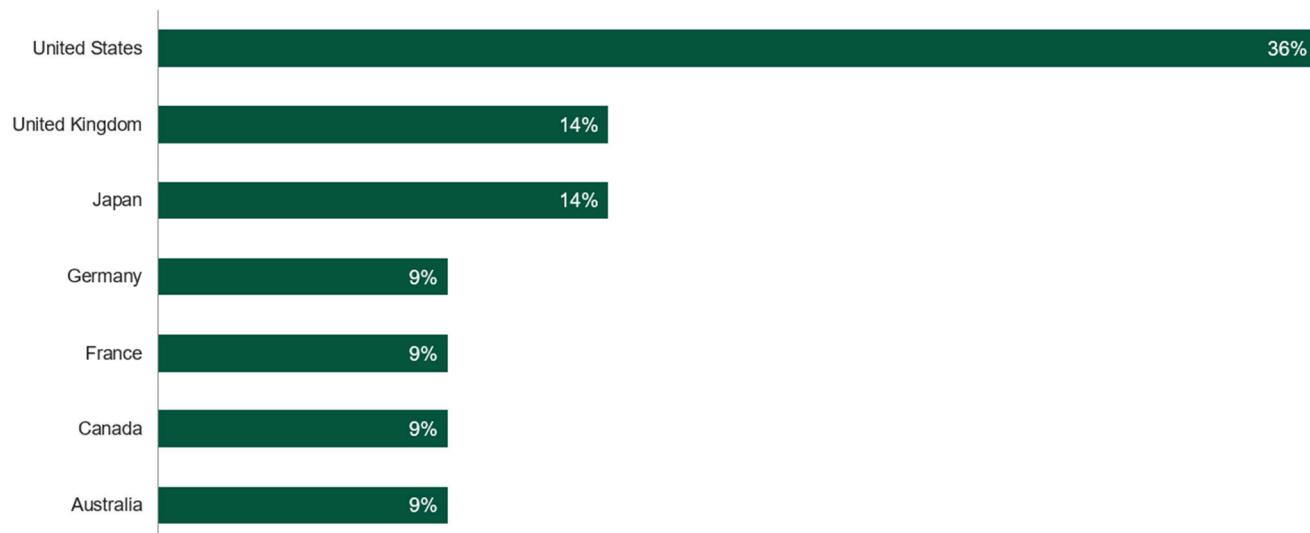
Drivers leading to the Slack investment

Interviewed Organizations			
Industry	Region	Interviewee	Employees
Business technology	Global	Chief technology officer (CTO)	100
Business technology	Global	Director of business resilience	4,000
eCommerce	Global	Lead engineer	6,000
Healthcare technology	North America	DevOps engineer	1,000
Marketing technology	North America	Vice president (VP) operations and enablement	500
Marketing technology	Global	Director of engineering	500
Security technology	Global	DevOps manager, IT Director, and IT manager	2,000
Security technology	North America	Engineering manager	1,000
Technology services	APAC	VP engineering	300

SURVEYED ORGANIZATIONS

Additionally, Forrester surveyed 550 global Slack users (see figures below). Their companies are globally dispersed, and of various sizes and industries. Additionally, the users represent roles across design, development, testing, security, and infrastructure. See Appendix B for more survey findings.

In what country are you located?



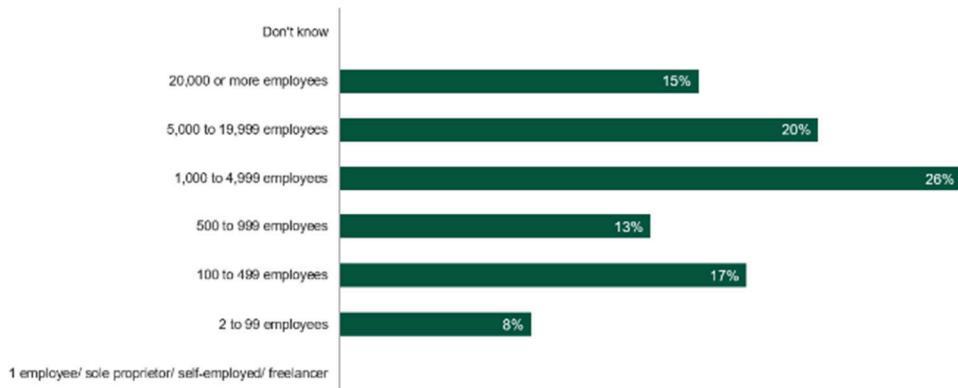
Base: 550 Global Slack DevOps Users

Source: A commissioned study conducted by Forrester Consulting on behalf of Slack, July 2020

THE TOTAL ECONOMIC IMPACT™ OF SLACK FOR TECHNICAL TEAMS

THE SLACK CUSTOMER JOURNEY

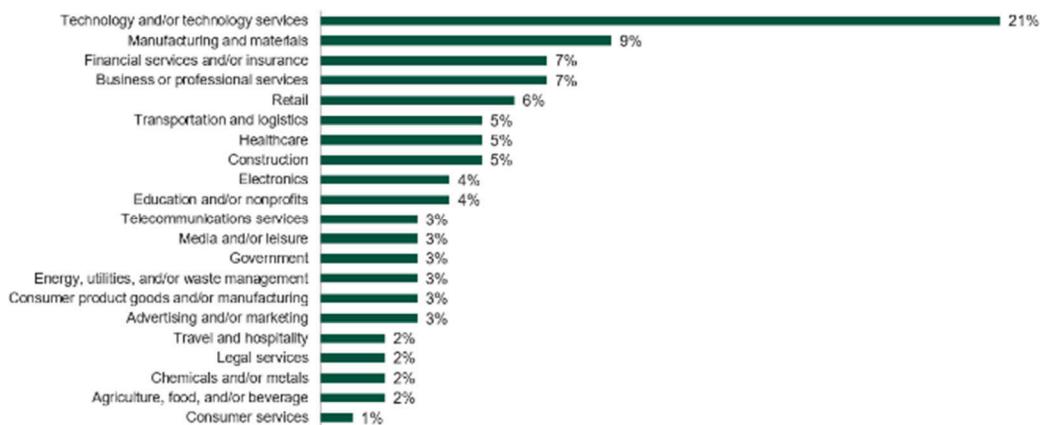
Using your best estimate, how many employees work for your firm/organization worldwide?



Base: 550 Global Slack DevOps Users

Source: A commissioned study conducted by Forrester Consulting on behalf of Slack, July 2020

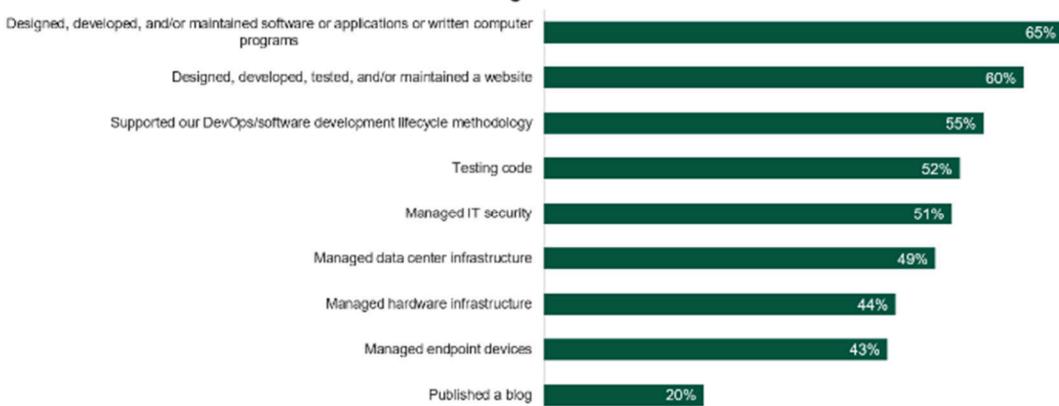
Which of the following best describes the industry to which your company belongs?



Base: 550 Global Slack DevOps Users

Source: A commissioned study conducted by Forrester Consulting on behalf of Slack, July 2020

In the past 12 months, which of the following activities have you done, or has a team you oversee done, for your organization?



Base: 550 Global Slack DevOps Users

Source: A commissioned study conducted by Forrester Consulting on behalf of Slack, July 2020

KEY CHALLENGES

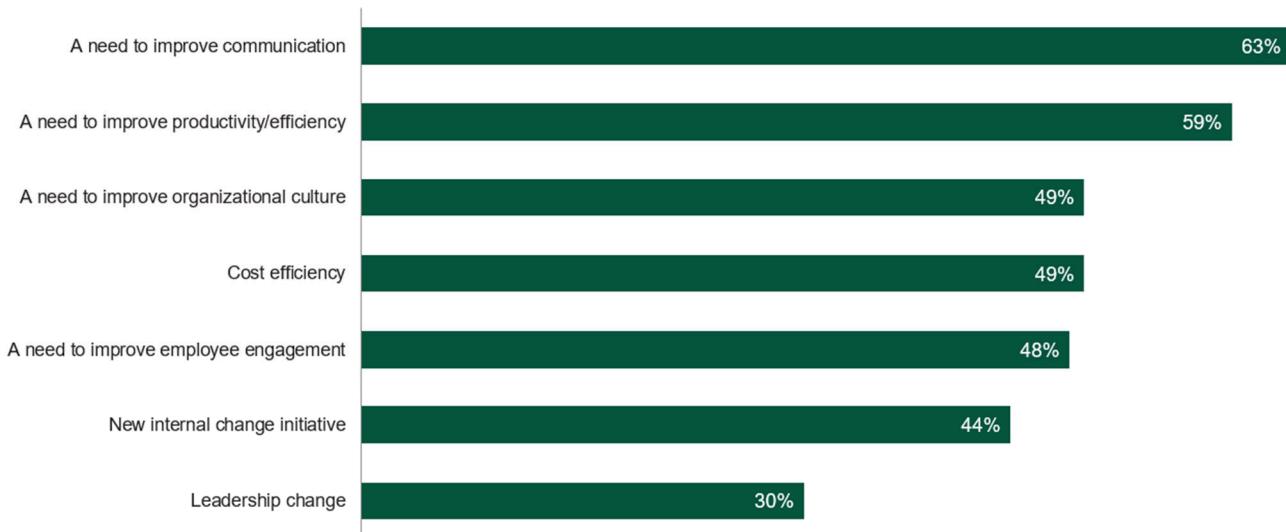
Before investing in Slack, many interviewed and surveyed organizations relied on email in addition to (potentially multiple) chat tools siloed across business functions. For example, the developer and engineering teams would use different communication and chat tools compared to the sales or support teams.

The interviewed and surveyed organizations struggled with common challenges prior to their adoption of Slack, and desired to:

- 1) improve communication,
- 2) improve productivity and efficiency, and
- 3) improve organizational culture,

among other reasons as shown in the chart below.

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



Base: 340 Global Slack DevOps Implementers

Source: A commissioned study conducted by Forrester Consulting on behalf of Slack, July 2020

WHY SLACK

Interviewed and surveyed organizations stated the following reasons on why they chose Slack to address their challenges:

- **Remote workforce and strong culture enabler.** Slack's collaboration platform inherently enables employees to be more effective while working remotely, and even enables a faster transition to remote work in emergency situations.
 - **Transition to remote work.** In fact, a VP of operations and enablement told Forrester: "In response to COVID-19, we were able to transition the entire workforce to remote within two weeks, and Slack made the transition particularly smooth as everyone was already used to working in there – they just use Slack even more now."
 - **Synchronous and asynchronous work.** A significant benefit to Slack is that it now enables both synchronous and asynchronous work for companies, which is especially important for teams located across time zones. A CTO provided an example: "We're a global organization, so what that allows us to do is work on issues around the clock. However, before Slack this required handoffs and meetings with all the teams involved. Now, with Slack, everything we're learning and investigating is going into a Slack channel – we don't have to catch people up separately, and this allows for a much smoother transition of work."
 - **Maintaining and improving company culture.** On top of enabling employees to work more efficiently while remote, Slack is a significant enabler of maintaining office and company culture even when people can't interact in person. A CTO said: "We've stood up Slack channels that

are helping build and maintain our culture. Common interest groups like soccer, home brewing, skiing, etc. It's adding a real human side in getting to know our co-workers."

"Slack is now our office. What we did face-to-face, we now do in Slack. And in terms of culture, in some ways it's better than the water cooler or pop-ins – since Slack can be asynchronous, you won't be interrupting people while they're in the middle of focus work, but they can catch up and be included in ongoing conversations after the fact."

Engineering manager, security technology industry

- **Ease of integrations and extensibility.** Another key Slack value driver is the ease of integrating other applications into Slack and its overall extensibility, thus cutting down on the friction of switching between applications while providing more holistic workflows integrated into a single platform. For example, one customer noted that having their expense management system integrated into Slack meant that expense reports could be approved in 5 seconds instead of 3-5 minutes.

Further, in describing the ease of extensibility of Slack, an engineering manager stated: "Just enabling automations within other collaboration platforms would have increased the price of that platform by 2-3x. And that's not even accounting for the fact that it would take an experienced engineer twice as long to code automations and integrations there compared to within Slack. Slack is much easier to use, manage, and debug."

COMPOSITE ORGANIZATION

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

- Global organization with \$400 million in annual revenue and 2,000 employees, half of whom are either developers or engineers.
- Revenue and number of employees grows 10% year-over-year (YOY).
- Before Slack, the composite used email and chat tools siloed across business functions. For example, the developer and engineering teams used different communication and chat tools compared to the sales and support teams.
- Slack is deployed in Year 1 across the organization, and the composite's legacy collaboration software is phased out by Year 2.

Key assumptions

- **Global organization**
- **\$400 million annual revenue**
- **2,000 employees**
- **50% employees are developers and engineers**
- **10% YOY growth**

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	Technical team productivity improvement	\$1,147,500	\$1,893,375	\$2,776,950	\$5,817,825	\$4,694,318
Btr	Improved general productivity	\$310,781	\$788,906	\$1,590,961	\$2,690,648	\$2,129,830
Ctr	Sunset legacy tools	\$0	\$57,000	\$57,000	\$114,000	\$89,932
Total benefits (risk-adjusted)		\$1,458,281	\$2,739,281	\$4,424,911	\$8,622,473	\$6,914,080

BENEFIT 1: TECHNICAL TEAM PRODUCTIVITY IMPROVEMENT

Evidence and data. Interviewed and surveyed organizations described the following benefits related to technical team productivity:

- Slack's extensibility and list of standard integrations allowed developers and DevOps engineers to automate and optimize many of their workflows and monitoring tasks within the software development lifecycle and CICD pipeline. This also allowed them to view all relevant information within Slack, without having to switch between multiple applications and interfaces.
- Slack eliminated significant friction in communications due to its ability to organize information into relevant channels, searchable history, and support for both synchronous and asynchronous communication. This resulted in a decrease in both emails and status meetings for developers and engineers. *Note: This benefit is quantified separately in Benefit 2: Improved General Productivity for non-developer and non-engineer employees.*
- Companies improved: build speed, deployment frequency, time to market, number of features delivered on time, and overall application uptime.

- Companies decreased: testing and iteration time, mean time to detect bugs, and mean time to resolve bugs.

Modeling and assumptions. Based on the customer interviews and survey, Forrester modeled the financial impact for the composite organization with the following estimates:

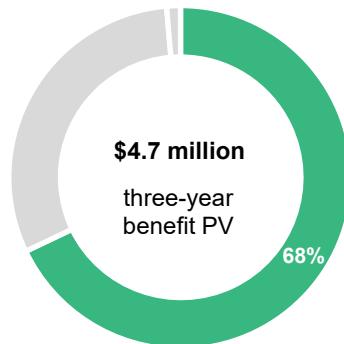
- 1,000 developers and engineers in Year 1, growing 10% each year up to 1,210 in Year 3.
- Each developer and engineer saves one hour per week in Year 1, which increases up to two hours each week by Year 3 as the company becomes more familiar with Slack as a collaboration tool and continues to increase the number of integrated applications to improve workflows and overall productivity output.
- Developers and engineers leverage 50% of the time saved for productive tasks, and have an average fully burdened salary of \$60/hour.

Risks. This benefit can vary due to uncertainty related to:

- Time saved per week by developers and engineers.
- Average fully burdened salary.

- Productivity capture rate.

To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$4.7 million.



Benefit 1: Technical Team Productivity Improvement Calculation Table

Ref.	Metric	Calculation	Year 1	Year 2	Year 3
A1	Number of developers and engineers	Composite organization	1,000	1,100	1,210
A2	Time saved per week per developer and engineer	Composite organization	1.0	1.5	2.0
A3	Fully burdened hourly salary (developer and engineer)	Composite organization	\$60	\$60	\$60
A4	Productivity capture	Composite organization	50%	50%	50%
At	Technical team productivity improvement	$A1 \times A2 \times A3 \times A4$	\$1,350,000	\$2,227,500	\$3,267,000
	Risk adjustment	↓15%			
Atr	Technical team productivity improvement (risk-adjusted)		\$1,147,500	\$1,893,375	\$2,776,950
Three-year total: \$5,817,825			Three-year present value: \$4,694,318		

BENEFIT 2: IMPROVED GENERAL PRODUCTIVITY

Evidence and data. Interviewed and surveyed organizations described the following benefits related to general organizational productivity:

- Slack eliminated significant friction in communications due to its ability to organize information into relevant channels, searchable history, and support for both synchronous and asynchronous communication. This resulted in a decrease in both emails and status meetings for all employees (and not just developers and engineers).
 - One company noted that eliminating a single executive status meeting had a trickle-down effect of then eliminating status meetings at each branch and level of the organization that supported that single executive status meeting.
 - In reducing the email load for employees, companies noted that Slack's effectiveness went beyond that of a simple IM collaboration tool. In addition to getting difficult-to-track bits and pieces of information through individual emails, Slack allows companies and teams to organize and contextualize channels. Employees found it easier to know which messages to pay attention to or to ignore depending on the channel and urgency, whereas before this would require opening and reading each email, and contextualizing information on an individual email basis.
- Companies developed specific channels designed to help aggregate subject matter experts in a single area, allowing them to take advantage of both formal and informal networks within their organization. Employees looking for information or particular expertise posted in these channels and received information much faster compared to emailing individuals, looking through

the company org chart, or walking around the office.

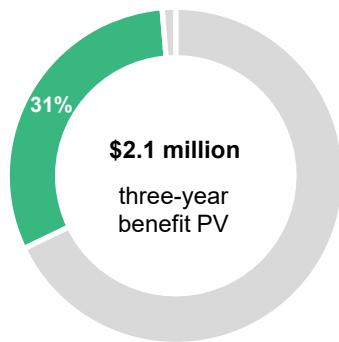
Modeling and assumptions. Based on the customer interviews and survey, Forrester modeled the financial impact for the composite organization with the following estimates:

- 1,000 employees outside of the developer and engineering teams in Year 1, growing 10% each year up to 1,210 in Year 3.
- Each employee saves 0.2 hours per week in Year 1 by communicating via Slack instead of email, which increases up to one hour each week by Year 3 as the company becomes more familiar with Slack as a collaboration tool.
- Likewise, employees avoid 0.5 status meetings per week in Year 1, which increases to 1.5 status meetings per week by Year 3.
- Employees also save 0.2 hours per week in Year 1 in resolving questions or finding the appropriate subject matter expert in the company, which increases each year to one hour per week by Year 3.
- Employees leverage 25% of the time saved for productive tasks, and have an average fully burdened salary of \$50/hour.

Risks. This benefit can vary due to uncertainty related to:

- Time savings from improved information transfer and communication, reduced meetings, and reduced time to resolve questions.
- Average fully burdened salary.
- Productivity capture.

To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$2.1 million.



Benefit 2: Improved General Productivity Calculation Table

Ref.	Metric	Calculation	Year 1	Year 2	Year 3
B1	Number of non-technical employees	Composite organization	1,000	1,100	1,210
B2	Reduced time each week due to more efficient information transfer and communication (hours)	Composite organization	0.2	0.5	1.0
B3	Reduced number of status meetings each week	Composite organization	0.5	1.0	1.5
B4	Average time per meeting (hours)	Composite organization	0.5	0.5	0.5
B5	Reduced time to resolve questions each week (hours)	Composite organization	0.2	0.5	1.0
B6	Fully burdened hourly salary (general)	Composite organization	\$50	\$50	\$50
B7	Productivity capture	Composite organization	25%	25%	25%
Bt	Improved general productivity	$B1*(B2+B3*B4+B5)*45*B6*B7$	\$365,625	\$928,125	\$1,871,719
	Risk adjustment	↓15%			
Btr	Improved general productivity (risk-adjusted)		\$310,781	\$788,906	\$1,590,961
Three-year total: \$2,690,648			Three-year present value: \$2,129,830		

BENEFIT 3: SUNSET LEGACY TOOLS

Evidence and data. After investing in Slack, companies were able to sunset legacy collaboration tools.

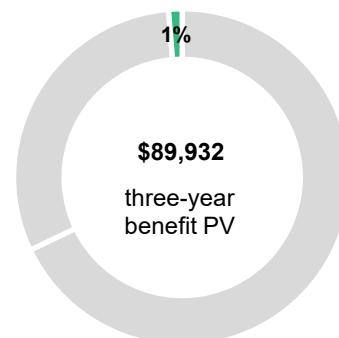
Modeling and assumptions. Based on the customer interviews and survey, Forrester modeled the financial impact for the composite organization with the following estimates:

- \$60,000 is spent annually on collaboration software licenses that can be sunset after investing in Slack.
- The composite retains the prior collaboration software for one year as a transition period, and stops paying for those license fees beginning in Year 2.
- While investing in Slack, the composite does not increase the number of licenses on the prior

collaboration platform, so the reduced cost benefit remains constant on an annual basis.

Risks. This benefit can vary due to uncertainty related to number and cost of prior collaboration tool licenses.

To account for these risks, Forrester adjusted this benefit downward by 5%, yielding a three-year, risk-adjusted total PV of \$89,932.



Benefit 3: Sunset Legacy Tools Calculation Table

Ref.	Metric	Calculation	Year 1	Year 2	Year 3
C1	Sunset legacy tools	Composite organization	\$0	\$60,000	\$60,000
Ct	Sunset legacy tools	C1	\$0	\$60,000	\$60,000
	Risk adjustment	↓5%			
Ctr	Sunset legacy tools (risk-adjusted)		\$0	\$57,000	\$57,000
Three-year total: \$114,000			Three-year present value: \$89,932		

UNQUANTIFIED BENEFITS

While there were strong and quantifiable benefits the interviewed and surveyed organizations observed by using Slack, there were significant qualitative benefits experienced as well. These could potentially be quantified in a financial analysis if given the appropriate data and metrics.

- **Accelerated revenue.** Companies noted that Slack allowed them to improve their time-to-market. This allows them to recognize sales and

revenue sooner, and may help capture larger market share with new and innovative products and features.

- **Improved recruiting and retention.** Additionally, companies mentioned that their use of Slack has an impact on recruiting and retention, both because of its impact on company culture and also due to engineers wanting to work with Slack (and the associated positive impact on workflows and efficiencies).

Analysis Of Costs

■ Quantified cost data as applied to the composite

Total Costs							
Ref.	Cost	Initial	Year 1	Year 2	Year 3	Total	Present Value
Dtr	License costs	\$0	\$300,000	\$330,000	\$363,000	\$993,000	\$818,182
Etr	Internal labor for implementation and maintenance	\$47,840	\$287,040	\$287,040	\$287,040	\$908,960	\$761,666
	Total costs (risk-adjusted)	\$47,840	\$587,040	\$617,040	\$650,040	\$1,901,960	\$1,579,848

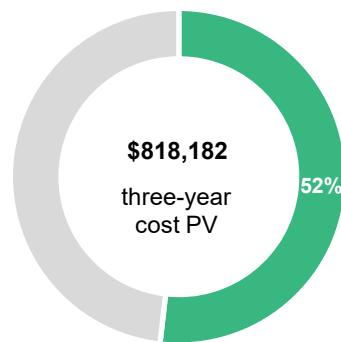
COST 1: LICENSE COSTS

Evidence and data. Interviewed and surveyed companies said they followed a subscription-based pricing model for their use of Slack.

Modeling and assumptions. Forrester modeled the financial impact for the composite organization with the following estimates:

- 2,000 total users in Year 1, which grows 10% year-over-year to 2,420 users in Year 3.
- Subscription costs of \$150/user per year.

This yields a three-year, risk-adjusted total PV (discounted at 10%) of \$818,182.



Cost 1: License Costs Calculation Table

Ref.	Metric	Calculation	Initial	Year 1	Year 2	Year 3
D1	Number of non-technical employees	Composite organization	0	2,000	2,200	2,420
D2	License costs per user per year	Composite organization	\$0	\$150	\$150	\$150
Dt	License costs	D1*D2	\$0	\$300,000	\$330,000	\$363,000
	Risk adjustment	0%				
Dtr	License costs (risk-adjusted)		\$0	\$300,000	\$330,000	\$363,000
Three-year total: \$993,000			Three-year present value: \$818,182			

COST 2: INTERNAL LABOR FOR IMPLEMENTATION AND MAINTENANCE

Evidence and data. Interviewed and surveyed companies described internal costs for labor in implementing and maintaining their Slack solution. Implementation requires planning best practices for the community use of Slack (how many channels, naming conventions, archival process, access rights to users, etc.), and may require data migration, along with change management and the company messaging associated with transitioning to a new collaboration tool like Slack.

However, once implemented, the maintenance associated with Slack is minimal, and limited to periodic maintenance and support of channels, along with building and supporting new integrations into Slack.

Modeling and assumptions. Based on the customer interviews and survey, Forrester modeled the financial impact for the composite organization with the following estimates:

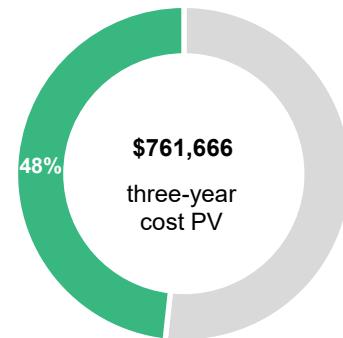
- One IT FTE works on implementation for two months.

- Five staff work on planning for two months, at 20% of their time.
- One FTE effort across the organization is spent on building and supporting integrations.
- One FTE effort across the organization is spent on maintaining and supporting channels.

Risks. This benefit can vary due to uncertainty related to:

- Length and effort required for implementation.
- Ongoing maintenance effort.

To account for these risks, Forrester adjusted this cost upward by 15%, yielding a three-year, risk-adjusted total PV of \$761,666.



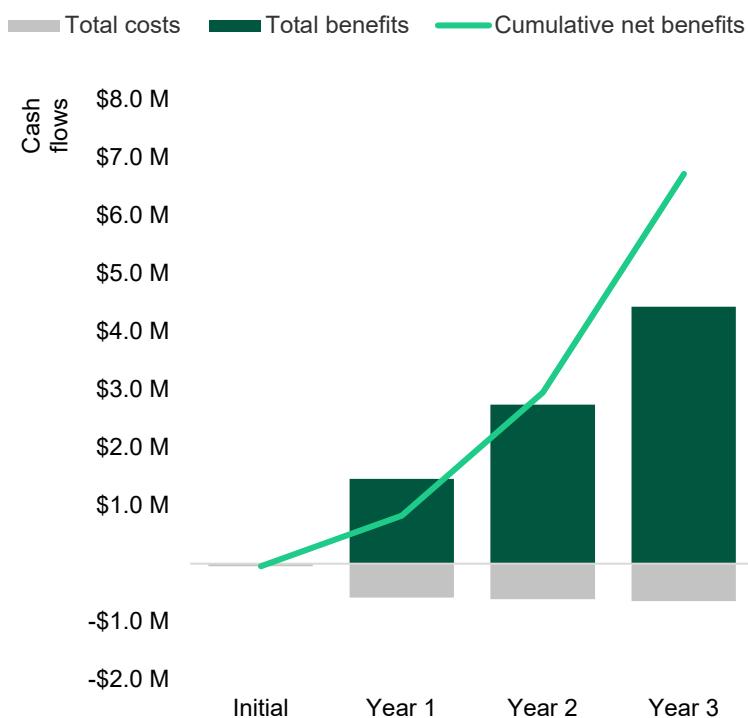
Cost 2: Internal Labor For Implementation And Maintenance Calculation Table

Ref.	Metric	Calculation	Initial	Year 1	Year 2	Year 3
E1	Months for implementation	Composite organization	2			
E2	Internal IT FTEs	Composite organization	1			
E3	Internal staff for planning	Composite organization	5			
E4	Internal staff time allocation for planning	Composite organization	20%			
E5	Internal FTEs building and supporting Slack integrations	Composite organization		1	1	1
E6	Internal FTEs maintaining and supporting channels	Composite organization		1	1	1
E7	Fully burdened annual salary (developer and engineer)	A3*2080	\$124,800	\$124,800	\$124,800	\$124,800
Et	Internal labor for implementation and maintenance	E1/12*(E2+E3*E4)* E7+(E5+E6)*E7	\$41,600	\$249,600	\$249,600	\$249,600
	Risk adjustment	↑15%				
Etr	Internal labor for implementation and maintenance (risk-adjusted)		\$47,840	\$287,040	\$287,040	\$287,040
Three-year total: \$908,960			Three-year present value: \$761,666			

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	(\$47,840)	(\$587,040)	(\$617,040)	(\$650,040)	(\$1,901,960)	(\$1,579,848)
Total benefits	\$0	\$1,458,281	\$2,739,281	\$4,424,911	\$8,622,473	\$6,914,080
Net benefits	(\$47,840)	\$871,241	\$2,122,241	\$3,774,871	\$6,720,513	\$5,334,232
ROI						338%
Payback period (months)						< 6

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."



PRESENT VALUE (PV)

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



NET PRESENT VALUE (NPV)

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



RETURN ON INVESTMENT (ROI)

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



DISCOUNT RATE

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

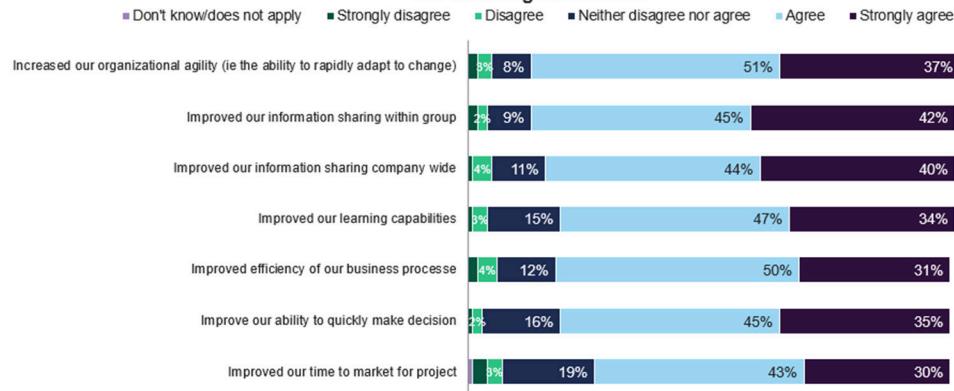


PAYBACK PERIOD

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

Appendix B: Additional Survey Findings

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



Base: 550 Global Slack DevOps Users

Source: A commissioned study conducted by Forrester Consulting on behalf of Slack, July 2020

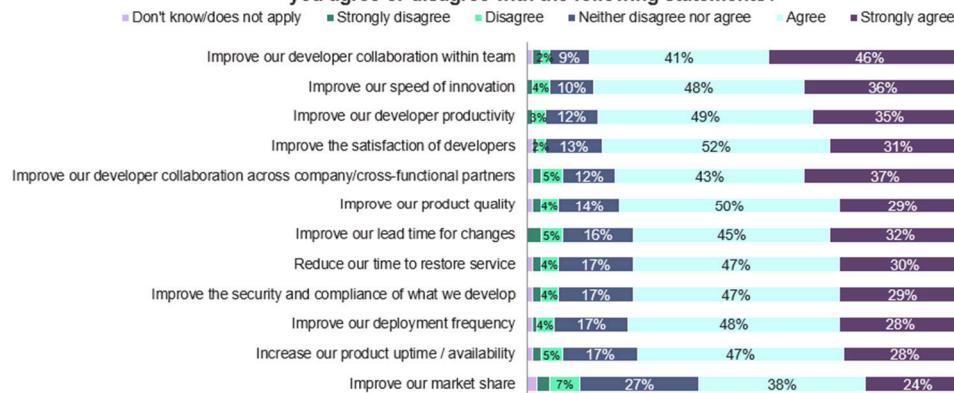
Thinking about the impact of Slack on your organization's employee experience and productivity, to what extent do you agree or disagree with the following statements?



Base: 550 Global Slack DevOps Users

Source: A commissioned study conducted by Forrester Consulting on behalf of Slack, July 2020

Thinking about the impact of Slack on your organization's Technology and Development teams, to what extent do you agree or disagree with the following statements?



Base: 550 Global Slack DevOps Users

Source: A commissioned study conducted by Forrester Consulting on behalf of Slack, July 2020

Thinking about the impact of Slack on your organization's Technology and Development productivity, to what extent do you agree or disagree with the following statements?

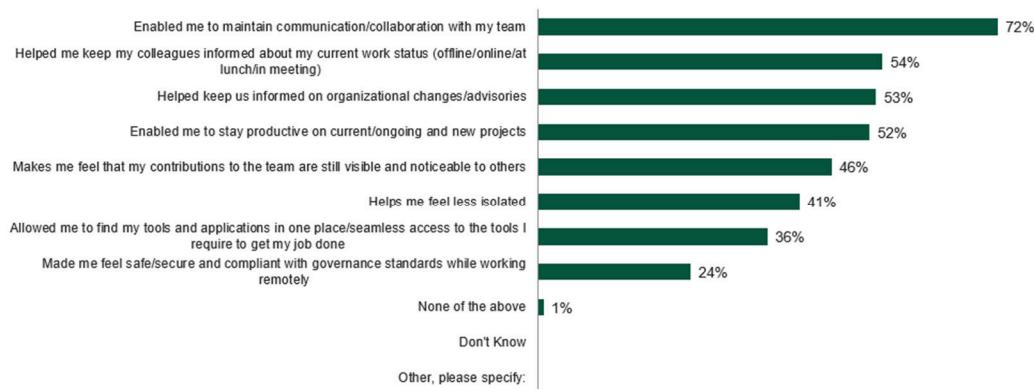
■ Don't know/does not apply ■ Strongly disagree ■ Disagree ■ Neither disagree nor agree ■ Agree ■ Strongly agree



Base: 550 Global Slack DevOps Users

Source: A commissioned study conducted by Forrester Consulting on behalf of Slack, July 2020

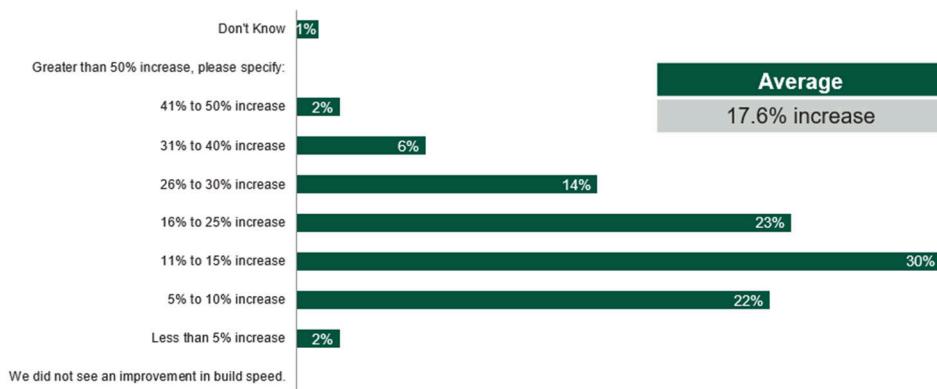
How has Slack improved your organization's ability to work from home?



Base: 550 Global Slack DevOps Users

Source: A commissioned study conducted by Forrester Consulting on behalf of Slack, July 2020

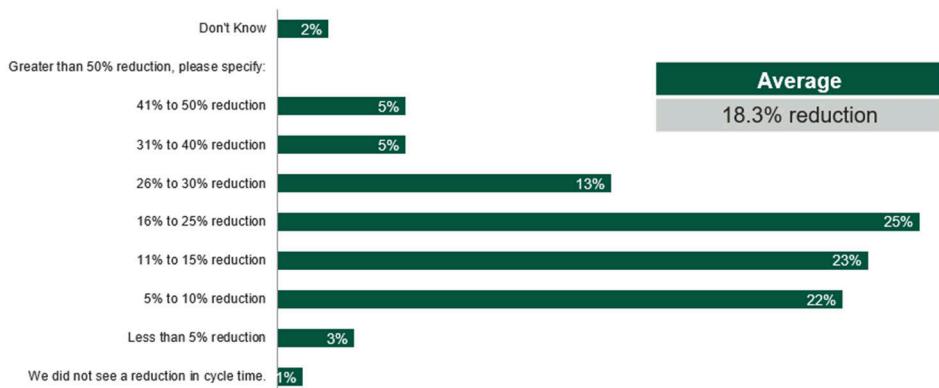
Since implementing Slack, please estimate your percentage improvement in build speed.



Base: 250 Global Slack DevOps Users

Source: A commissioned study conducted by Forrester Consulting on behalf of Slack, July 2020

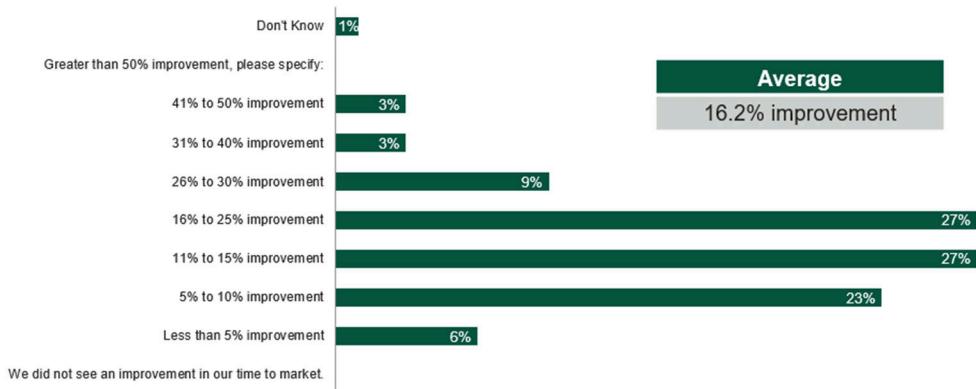
Since implementing Slack, please estimate your percentage reduction in cycle time.



Base: 211 Global Slack DevOps Users

Source: A commissioned study conducted by Forrester Consulting on behalf of Slack, July 2020

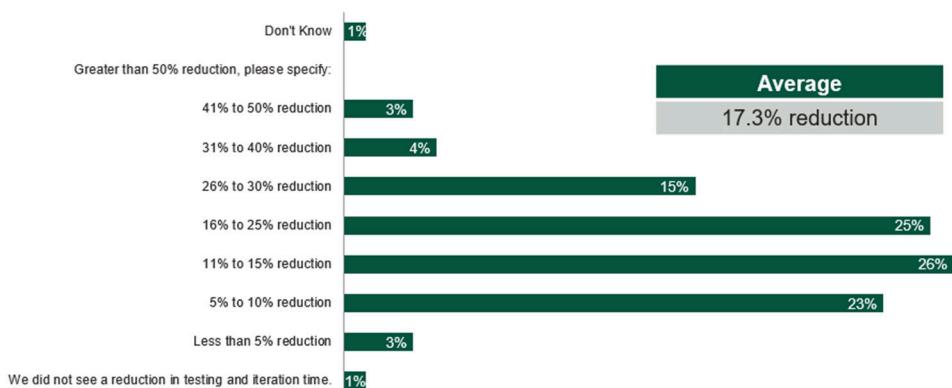
Using your best estimate, how much faster are you able to bring new products to market since implementing Slack?



Base: 202 Global Slack DevOps Users

Source: A commissioned study conducted by Forrester Consulting on behalf of Slack, July 2020

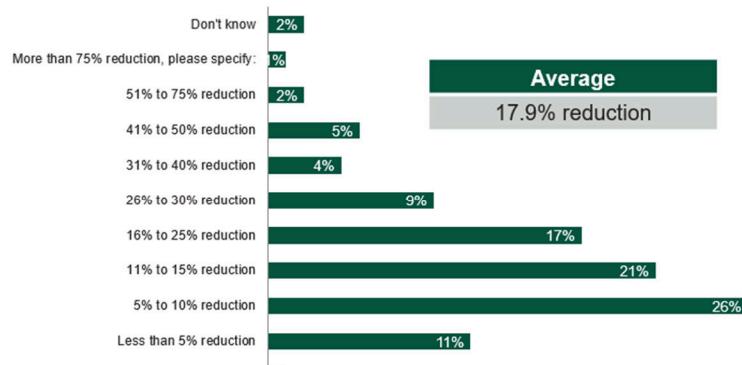
Since implementing Slack, please estimate your percentage reduction in testing and iteration time.



Base: 171 Global Slack DevOps Users

Source: A commissioned study conducted by Forrester Consulting on behalf of Slack, July 2020

With Slack, please estimate the percentage reduction in the number of defects that make it to production per month.

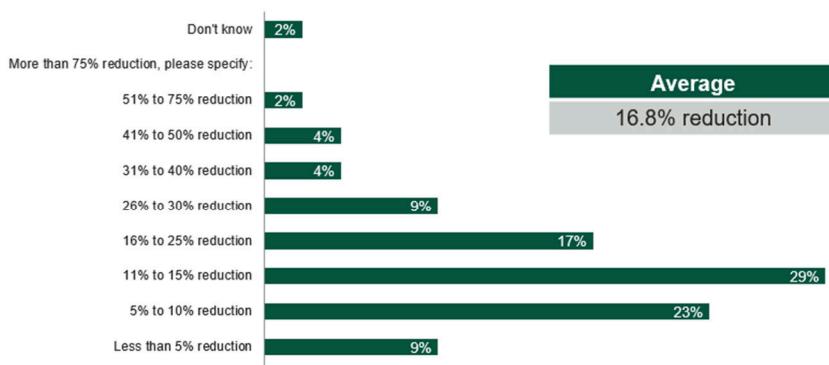


We have not seen a reduction in the number of defects that make it to production 0%

Base: 136 Global Slack DevOps Users

Source: A commissioned study conducted by Forrester Consulting on behalf of Slack, July 2020

Since implementing Slack, please estimate your percentage reduction in mean-time to detect bugs.

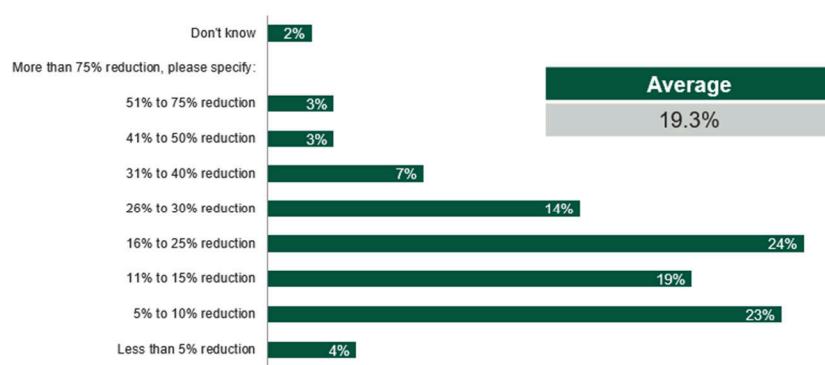


We did not see a reduction in our mean-time to detect bugs. 0%

Base: 184 Global Slack DevOps Users

Source: A commissioned study conducted by Forrester Consulting on behalf of Slack, July 2020

Since implementing Slack, please estimate your percentage reduction in mean-time to resolve bugs.



We did not see a reduction in our mean-time to resolve bugs. 0%

Base: 183 Global Slack DevOps Users

Source: A commissioned study conducted by Forrester Consulting on behalf of Slack, July 2020



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