

A Forrester Total Economic Impact™
Study Commissioned By Salesforce
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The Total Economic Impact™ Of Salesforce Case Management Solutions For Government

Cost Savings And Business Benefits
Enabled By Case Management For
Government

Table Of Contents

Executive Summary	1
Key Findings	2
TEI Framework And Methodology	4
The Case Management Journey For Government Organizations	5
Interviewed Organizations	5
Key Challenges	6
Why Salesforce?	6
Composite Organization	8
Analysis Of Benefits	9
Call Deflection Savings	9
Faster Case Resolution For Service Requests	11
Workforce Optimization	12
Avoided Legacy System Maintenance Cost Savings	13
Unquantified Benefits For Secondary Use Cases	15
Unquantified Benefits On Mission Success	16
Forrester's Perspective On Government CX Improvements	17
Flexibility	18
Analysis Of Costs	19
Internal Implementation And Ongoing Administration	19
Training Costs	21
Professional Services Costs	22
Salesforce Subscription	23
Financial Summary	24
Salesforce Case Management For Government: Overview	25
Appendix A: Total Economic Impact	26
Appendix B: Endnotes	27

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Executive Summary

Key Benefits



Call deflection savings between 35% and 63% to digital channels:
\$7.0 million



Faster case resolution for 37,500 service requests annually:
\$6.7 million



Avoided legacy system maintenance cost savings:
\$4.4 million

The need to improve customer service and customer experience (CX) has never been more important, especially for the public sector. Government organizations around the world are turning their intentions toward delivering experiences that stakeholders come to expect from the commercial sector.¹

Salesforce provides case management solutions that integrate core Salesforce software-as-a-service (SaaS) products: Service Cloud, Community Cloud, and Einstein Analytics. Unified digital workspaces combine workflow apps, self-service, and insights into a searchable platform to move cases to positive outcomes faster. Government organizations are using Salesforce to manage the full case management lifecycle for a wide variety of use cases, including contact center, inspections, grants management, talent management, and health and human services.

Salesforce commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study to examine the potential ROI government organizations may realize by deploying the Salesforce case management solution. The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of this investment.

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed six government customers with years of experience using Salesforce case management solutions. The customers represent national, state, and local governments from the United States, Europe, and Asia Pacific.

Prior to using Salesforce, customers lacked solutions to effectively manage an increasingly mobile-enabled, responsive, and innovative customer experience. One interviewee described his prior environment as notepads, spreadsheets, word processing, and blood, sweat, and tears. The interviewed organizations were unable to meet stakeholder expectations and needs with transparency and agility on legacy systems that were rigid, unscalable, and expensive to maintain.

Composite. Forrester developed a composite government organization based on data gathered from customer interviews to reflect the Total Economic Impact that Salesforce could have on case management. The composite is representative of the organizations that Forrester interviewed and is used to present the aggregate financial analysis in this study. All values are reported in a risk-adjusted, three-year present value (PV) unless otherwise indicated. The composite organization in this study has these characteristics:

- **Budget:** \$10 billion.
- **Primary use case (external-facing):** Contact service center solution where constituents request information and services.
- **Secondary use case (internal-facing):** Intranet to manage internal funding and procurement submissions for new technology.
- **Salesforce products:** Service Cloud, Community Cloud, and Einstein Analytics.



“Salesforce is a tool that we’re using, and I love to promote it because it absolutely is an enabler to our success.”

Chief strategy officer for IT, state-level IT and shared services organization



“The value of Salesforce is around the **flexibility** of the architecture and our **ability to adapt** to changing business process to deliver innovative solutions to government quickly.”

Enterprise collaboration service manager, national defense department

Key Findings

Quantified benefits. The following risk-adjusted, present value (PV) quantified benefits are representative of those experienced by the government organizations interviewed:

- › **New, lower-cost digital channels divert 35% to 63% of call volume, saving \$3.40 per redirected call.** Using Salesforce tools such as chatbots and self-service across digital channels help government customers find the information and services they need faster. Call deflections result in more efficient management of high-volume cases. Over three years and a cumulative total of 2.96 million calls, the reduction in call volume is worth more than \$6.9 million to the composite organization.
- › **Improved, real-time data reduces field response redundancies and rework for service teams, saving 2.5 hours for 27,500 cases every year.** Service requests made through Salesforce include location data and images, which allows field teams to complete requests faster and more efficiently. A cumulative total of 281,250 redundant labor hours is avoided over three years, which is worth more than \$6.7 million to the composite organization.
- › **Centralizing IT functions provides workforce optimization by 15%.** Interviewees cite the ability to centralize IT efforts and streamline processes for case management. With a team of 100 IT resources, the composite organization experiences a 15% lift on workforce optimization over three years, worth more than \$1.3 million.
- › **Retirement and consolidation of legacy systems save \$500K per system retired.** As a result of their investment in Salesforce, interviewees no longer need to maintain the costly infrastructure of their previous environment. Over three years and five retired systems, the value of retired infrastructure is worth more than \$4.4 million to the composite organization.

Unquantified benefits for secondary use cases. The interviewed organizations had a wide array of use cases empowered by Salesforce for case management. Those organizations noted some unique benefits which were not quantified for this study:

- › **Ability to consolidate efforts and scale using insights and improved collaboration saves \$36M in taxpayer dollars.** One interviewee highlighted Salesforce as an enabler for the better use of taxpayer funds as its organization centralized technology procurement across the state, creating \$36 million dollars in savings.
- › **Streamlined workflows enable greater volume of casework increasing program impact.** When managing grant requests, a national defense department was able to expand its reach, increase the volume of requests processed and provide relevant services to its government customers.
- › **Community “digital front doors” provide services in a streamlined, efficient manner.** A federal civilian agency noted its Salesforce community portal increased customer interaction with the agency and collaboration with neighbors, driving greater community safety and satisfaction.



ROI
169%



Benefits PV
\$19.4 million



NPV
\$12.2 million



Payback
<6 months

Unquantified benefits for mission success. The interviewed organizations experienced the following benefits, which were not quantified for this study:

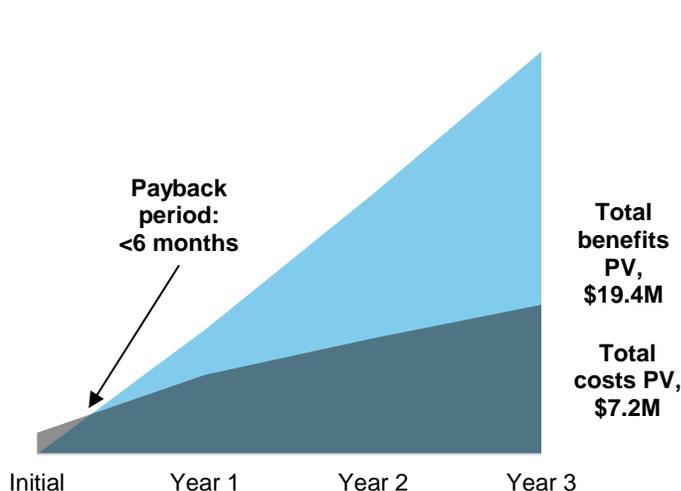
- › **Transparent case management throughout lifecycle.** Increased transparency for submitted cases, as well as case status updates helped set customer expectations and improve overall customer satisfaction.
- › **Increased customer satisfaction.** Even small increases in customer satisfaction rates showed improvements to compliance, higher levels of engagement, positive sentiment, and greater public trust.²

Costs. The composite experienced the following risk-adjusted PV costs:

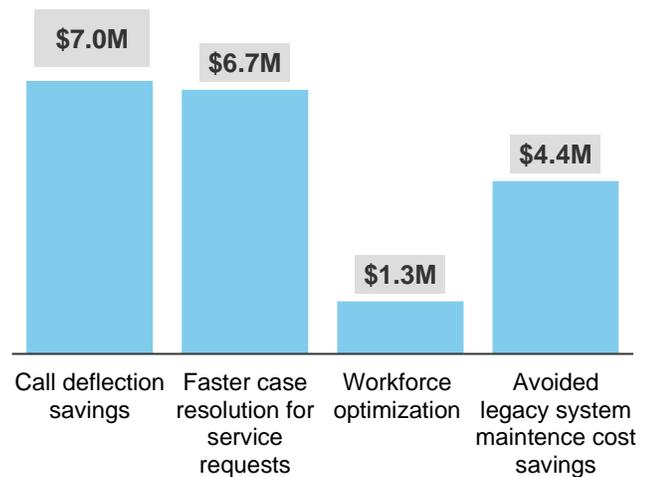
- › **Internal labor for implementation and ongoing administration of \$2.0M.** The composite organization deployed the Salesforce case management solution over twelve months using eight internal IT staff. Ongoing administration is conducted by four Salesforce administrators.
- › **General and advanced training for 200 employees and four administrators costs less than \$50K.** Advanced training for administrators included a nine-day certification program, while general training for caseworkers was 8 hours.
- › **One million dollars of professional services cost for implementation and \$50K annually for ongoing consulting.** A third-party professional services engagement aids the composite with implementation and provides ongoing consulting in Years 2 and 3.
- › **Salesforce subscription of \$4.1M over three years.** Subscription is based on use of Service Cloud, Community Cloud, and Einstein Analytics.

Synopsis. Forrester's interviews with six existing customers and subsequent financial analysis found that an organization based on these interviewed organizations experienced benefits of \$19.4M over three years versus costs of \$7.2M adding up to a net present value (NPV) of \$12.2M and an ROI of 169%.

Financial Summary



Benefits (Three-Year)



TEI Framework And Methodology

From the information provided in the interviews, Forrester has constructed a Total Economic Impact™ (TEI) framework for government organizations considering implementing Salesforce case management solutions.

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 Salesforce case management solutions can have on a government organization:

The TEI methodology helps companies demonstrate, justify, and realize the tangible value of IT initiatives to both senior management and other key business stakeholders.



DUE DILIGENCE

Interviewed Salesforce stakeholders and Forrester analysts to gather data relative to Salesforce case management solutions.



CUSTOMER INTERVIEWS

Interviewed six government organizations using Salesforce case management solutions 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 to measure the impact of Salesforce government case management solutions: benefits, costs, flexibility, and risks. Given the increasing sophistication that enterprises have regarding ROI analyses related to IT investments, Forrester's TEI methodology serves to provide a complete picture of the total economic impact of purchase decisions. Please see Appendix A for additional information on the TEI methodology.

DISCLOSURES

Readers should be aware of the following:

This study is commissioned by Salesforce 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 Salesforce case management solutions.

Salesforce 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.

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

The Case Management Journey For Government Organizations

BEFORE AND AFTER THE INVESTMENT IN THE SALESFORCE CASE MANAGEMENT SOLUTION

Interviewed Organizations

For this study, Forrester conducted six interviews with government customers using Salesforce case management solutions. Interviewed customers include the following:

ORGANIZATION TYPE	REGION	INTERVIEWEE	BUDGET
Regional transportation department	Asia Pacific (AP)	CRM practice manager	\$20B
City innovation and technology department	USA	Managing deputy CIO	\$36M
National defense department	Europe	Enterprise collaboration service manager	\$45M
Federal civilian agency	USA	Tech lead	\$29B
State-level IT and shared services organization	USA	Chief strategy officer for IT	\$10B
City government	USA	CTO	\$330M

What Is Case Management?

Case management is defined as any solution that helps government organizations manage cases through a lifecycle. Typically, the phases include intake; a workflow or set of workflows for a government program or service; and resolution. With a 360-degree view of every case, diverse teams effectively manage cases using insights to drive impactful, personalized services.

Case management applies broadly across government agencies. Examples include: 311; contact center; correspondence management; facilities management; health and human services; HR service desk; grants management; inspections; licensing and permitting; service center; supplier relationship management; talent management, and more.

The Salesforce case management solution comprises a set of Salesforce cloud products that often are integrated with legacy systems and data. Interviewees in this study utilized the following Salesforce products: Service Cloud, Community Cloud, and Einstein Analytics.

Key Challenges

The interviewed organizations cited several challenges that motivated them to search for a new case management solution. Common issues are as follows:

- › **Previous case management methods resulted in poor customer experiences.** Legacy tools were not constructed to provide visibility into cases during the case lifecycle, leaving government customers and employees alike uninformed on current status, next steps, or expected completion time. Processes relied heavily on face-to-face or phone interactions, failing to meet the needs of stakeholders. Customer experience was slow and time-intensive, and processes lacked transparency.
- › **Talent management and government employee engagement struggled in a tech-driven economy.** Interviewees expressed concerns around the ability to hire the skill sets needed to maintain legacy solutions, as well as satisfying the incoming workforce that has been shaped by high tech. Meanwhile, IT solutions were not empowering program staff. Interviewees described how agents were tiring from answering routine questions and feeling like they lacked the right information to effectively respond to service requests. Redundancies in effort and rising backlogs only served to compound these issues.
- › **Legacy systems were costly, unsustainable, and obsolete.** Previous case management systems were highly customized, prone to breaking, and carried high maintenance costs amidst a growing concern about disappearing technical expertise. Interviewees were particularly concerned about the rigidity of the older systems and the inability to adapt to changing mission and support needs.
- › **Deficient reporting and visibility into cases.** The variety of previous case management tools and siloed departments meant there was no standardized means of handling cases across tools and departments, making it difficult to extract consolidated information for analysis or strategic planning. The interviewed organizations had no way of reporting feedback or making insight-driven decisions to help meet mission goals.

Why Salesforce?

Criteria for investment. Interviewees cited the following reasons for choosing Salesforce as their case management solution.

- › **Salesforce is a government partner with precedence.** Organizations described Salesforce as the safe choice for a tech-driven organization because other government agencies already publicly use and endorse Salesforce.
- › **Salesforce has an established reputation.** Interviewees noted that Salesforce's best-in-class reputation and demonstrated compliance with best practices in cloud security were major components in their decision making.
- › **The Salesforce platform has a modern UX and offers innovation at scale.** Interviewees also noted that Salesforce has an easy interface for users, offering flexibility to add channels (like mobile) to meet customer preferences and growing and adapting to the needs of the agencies.

“Before Salesforce we could not tell you how long the service request was going to take. That was the No. 1 complaint. Constituents didn't know where their service requests were and how long they would take. We've been able to flip that situation and now we're able to communicate an estimated timeline.”

Managing deputy CIO, city innovation and technology department



“Our previous tool evolved over approximately five years from our predecessor organization and it didn't really fit our purposes anymore. It was pretty inflexible so we couldn't make on-the-fly changes ourselves. We were dealing with a legacy supplier that had all of the control. We needed a more flexible, more secure solution going forward.”

Enterprise collaboration service manager, national defense department



- › **A cloud-based solution reduces overhead and maintenance costs, while increasing connectivity options.** Cloud innovation was highlighted as a reason that interviewees chose Salesforce for their case management solution. The CRM practice manager of an AP-based regional transportation department described: “By having this solution in the cloud, we can easily and selectively open up channels into the tool, have those channels protected by security, and allow hundreds of apps to provide feedback in one second. So, we open up the system.”

“The long-term goal here is to have a platform that supports business processes from beginning to end.”

*Enterprise collaboration
service manager, national
defense department*



Objective Of Investment

- › Improve user experience of customer, employee, and IT staff.
- › Have a single platform that supports business processes and case management from beginning to end.
- › Gain flexibility to add new channels, enable the internet of things (IoT), and increase the ease of use for users.
- › Make low-code technical changes, reducing reliance on technical resources.
- › Gain efficiencies and increase productivity for employees.
- › Decrease reliance on call centers, driving cost savings.
- › Improve service response times and reduce service backlogs.

Composite Organization

Based on the interviews, Forrester constructed a TEI framework, a composite government organization, and an associated ROI analysis that illustrates the areas financially affected. The composite is representative of the six organizations that Forrester interviewed and is used to present the aggregate financial analysis in the next section. The composite organization that Forrester synthesized has the following characteristics.

Description of composite. The composite has a \$10 billion annual budget and provides a variety of public services to stakeholders in the United States. Part of the mission of the organization is to innovate consistently and at scale in order to provide the best experience to stakeholders. The composite strives to be a “government of the future,” by embracing IT modernization and cloud adoption across the enterprise with a focus on great customer experience.

Previous environment. Before implementing the Salesforce case management solution, the composite organization had five separate departments with five separate sets of technologies performing customer-facing case management.

- › Each department had its own solution or legacy tool with varying degrees of adoption and use.
- › Each tool was heavily customized, and changes required IT resources for coding.
- › To supplement the tools, each department relied heavily on office productivity tools such as email, spreadsheets, word processing, and presentation software.
- › Customer service requests were submitted through high-cost contact centers, face-to-face office visits, or email.
- › The secondary case management use case process was manual, decentralized, slow, and unscalable.

Deployment characteristics. The composite uses Salesforce for two distinct case management use cases:

- › **Primary use case.** Citizen-centric contact service center solution where constituents can request service and information.
- › **Secondary use case.** Intranet for internal customers, agencies, and departments to submit funding and/or procurement requests.

The Salesforce products licenses to support these use cases are: Service Cloud, Community Cloud, and Einstein Analytics.

“It was the scalability of the application that was very attractive. It was also the ease of use for the end users, maintenance workers, and operators. Salesforce was the one that was the easiest to use.”

Managing deputy CIO, city innovation and technology department



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	Call deflection savings	\$2,023,000	\$2,890,000	\$3,641,400	\$8,554,400	\$6,963,358
Btr	Faster case resolution for service requests	\$2,709,375	\$2,709,375	\$2,709,375	\$8,128,125	\$6,737,815
Ctr	Workforce optimization	\$540,000	\$540,000	\$540,000	\$1,620,000	\$1,342,900
Dtr	Avoided legacy system maintenance cost savings	\$1,350,000	\$1,800,000	\$2,250,000	\$5,400,000	\$4,405,334
	Total benefits (risk-adjusted)	\$6,622,375	\$7,939,375	\$9,140,775	\$23,702,525	\$19,449,407

Call Deflection Savings

Three of the six interviewees had similar use cases centered around customer-facing contact centers with a high volume of requests such as infrastructure maintenance, requests for information, or transportation complaints. These organizations used Salesforce to unify multiple departments responsible for managing cases, as well as to align teams, aggregate interdependent data into one place, and automate workflows.

Before implementing the Salesforce case management solution, interviewees received requests for information and service primarily through inbound contact centers. Interviewees understood this created a gap in customer experience for mobile-enabled, tech-savvy customers. Former solutions also failed to keep customers updated on the status of their requests and made it difficult to coordinate efforts across departments. In general, contact centers fell short of meeting customer expectations.

After deployment of the Salesforce case management solution, the interviewed organizations were able to introduce new channels, such as digital “front doors,” mobile apps, and self-service chatbots to take service requests. The CRM practice manager of a regional transportation department described his success by stating: “Salesforce has enabled us to open new channels for our customers to provide feedback in a way they’re most comfortable. And that is something we wouldn’t have been able to do with older solutions.” Interviewees cited reductions between 30% and 40% in call volumes as customers selected self-service channels or lower-cost digital channels. One city government’s expansion into mobile service requests resulted in 35,000 mobile downloads in a single year.

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 be a PV of more than \$19 million.

To capture the impact on the composite organization, Forrester modeled the financial benefit of call deflection rates using the following assumptions:

- › The total volume of cases per year is 2.5M across all channels.
- › In the legacy environment, 80% of cases were handled by phone.
- › As a result of expanding digital channels, the composite call center experienced reduced volumes of 35%, 50%, and 63% in Years 1, 2, and 3, respectively.
- › The average cost per call is \$3.90.
- › The average cost per digital channel interaction is \$0.50.

Forrester uncovered several risks that may impact the financial impact of this benefit, including:

- › Organization's intention to deploy digital channels to offset call volumes and number of digital channels deployed.
- › Volume of calls in prior environment.
- › Other unforeseen factors that may potentially increase calls, such as a new campaign or need that increases questions by customers.
- › Actual cost-per-call and cost-per-digital-channel-interaction.
- › Savings per call will depend on operation costs, technology licenses, and other variables.

Impact risk is the risk that the business or technology needs of the organization may not be met by the investment, resulting in lower overall total benefits. The greater the uncertainty, the wider the potential range of outcomes for benefit estimates.

To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV of \$6,963,358.

Call Deflection Savings: Calculation Table

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3
A1	Total volume of cases – all channels	Composite	2,500,000	2,500,000	2,500,000
A2	Percentage handled by phone prior to Salesforce	Interviews	80%	80%	80%
A3	Volume of cases managed through contact centers before Salesforce	A1*A2	2,000,000	2,000,000	2,000,000
A4	Reduction in call volume as a result of expanding digital channels	Interviews	35%	50%	63%
A5	Calls redirected to digital channels	A3*A4	700,000	1,000,000	1,260,000
A6	Average cost per call	Industry	\$3.90	\$3.90	\$3.90
A7	Average cost per digital channel (chat, portal, app, email)	Industry	\$0.50	\$0.50	\$0.50
A8	Savings per redirected call	A6-A7	\$3.40	\$3.40	\$3.40
At	Call deflection savings	A5*A8	\$2,380,000	\$3,400,000	\$4,284,000
	Risk adjustment	↓15%			
Atr	Call deflection savings (risk-adjusted)		\$2,023,000	\$2,890,000	\$3,641,400

Faster Case Resolution For Service Requests

By nature, case management is data dense, and successful outcomes are highly dependent on teams' ability to have the correct information at the right place, at the right time.

Before Salesforce, service requests lacked critical information required to deliver proper resolutions. Interviewees gave examples where missing data resulted in service teams duplicating efforts because customer complaints lacked adequate information. Service teams would arrive at a service site without the correct equipment to complete a job, driving up the per service average cost, increasing already heavy backlogs, and failing to meet customer needs in a timely manner. The managing deputy CIO of a city innovation and technology department noted: "We didn't have a mobile application, so our constituents were not able to communicate on the run. They did not have the capacity to attach pictures, which was really problematic for our workforce."

After deployment of the Salesforce case management solution, government customers were able to submit requests using a mobile app with the added capability to include pictures and geocoding. Work orders could be directed more quickly than the previous environment giving service teams up-to-date information to complete tasks, increasing close rates and decreasing back orders. Teams now consistently are armed with the information they need to complete work orders. The managing deputy CIO said, "Our closure rate has increased across the board."

For the composite organization, Forrester assumes that:

- › The composite organization develops mobile integrations during the initial deployment for customers.
- › The total volume of cases per year is 2.5M across all channels.
- › Thirty percent of cases are related to service requests.
- › Of the total service request volume, 5% of requests were previously submitted with insufficient information to complete service requests in a single effort.
- › Additional efforts to resolve the insufficient requests added an additional 2.5 hours of labor to complete the request.
- › The field response service team average burdened hourly rate is \$34.

The faster case resolution for service requests benefit will vary with:

- › Volume and type of annual service requests.
- › Redundant efforts potentially avoided by having complete and accurate data.

To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV of \$6,737,815.

Faster Case Resolution For Service Requests: Calculation Table

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3
B1	Total number of cases across channels	Composite	2,500,000	2,500,000	2,500,000
B2	Percent of cases related to service requests		30%	30%	30%
B3	Percent of requests without sufficient information		5%	5%	5%
B4	Total number of service requests lacking sufficient information	$B1*B2*B3$	37,500	37,500	37,500
B5	Average hours saved per request		2.5	2.5	2.5
B6	Average burdened hourly rate of field response staff	$\$70,000/2,080$ (rounded)	\$34	\$34	\$34
Bt	Faster case resolution for service requests	$B4*B5*B6$	\$3,187,500	\$3,187,500	\$3,187,500
	Risk adjustment	↓15%			
Btr	Faster case resolution for service requests (risk-adjusted)		\$2,709,375	\$2,709,375	\$2,709,375

Workforce Optimization

Several of the interviewed organizations were able to unify efforts across teams using the Salesforce case management solution.

Before implementing the Salesforce case management solution, the organizations often relied upon disparate legacy systems that required dedicated staff to maintain. Interviewees cited anywhere from five to 25 different departments brought together under one case management umbrella.

After deployment of the Salesforce case management solution, the chief strategy officer for a state-level IT and shared services organization told Forrester: “To do the same exact thing, we were using only a portion of the workforce, leaving me with 15 people to reallocate tasks. I was absolutely able to streamline how and what we do using Salesforce and I could get a little more strategic about functions and roles within the team.” The CTO of a city government noted: “No one lost their job during the process, but we have centralized IT. We’ve been taking distributed processes and centralizing them, but I would feel comfortable saying that 10 to 15 FTEs, that were doing clerical duty, are no longer doing that same clerical duty.”

To capture this value for the composite organization, Forrester assumes:

- › The total number of IT staff at the composite organization is 100 FTEs.
- › As a result of streamlining and centralizing disparate systems, 15% of the IT staff previously dedicated to maintaining legacy systems are reallocated to other value-added tasks.
- › The average burdened salary of an IT staff is \$80,000.
- › Forrester recaptures 50% of this productivity for other value-added tasks.

When estimating the impact of the Salesforce case management solution, consider the following:

- › Some government organizations may partially or fully outsource their IT services, which may result in hard cost savings rather than workforce optimization.

- › The number of internal IT staff may vary by government organizations, as well as the burdened cost of IT resource.

To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV of \$1,342,900.

Workforce Optimization: Calculation Table					
REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3
C1	Number of IT staff		100	100	100
C2	Percent of staff reallocated to other value-added tasks		15%	15%	15%
C3	Burdened salary of staff		\$80,000	\$80,000	\$80,000
C4	Productivity recapture	Assumption	50%	50%	50%
Ct	Workforce optimization	$C1 * C2 * C3 * C4$	\$600,000	\$600,000	\$600,000
	Risk adjustment	↓10%			
Ctr	Workforce optimization (risk-adjusted)		\$540,000	\$540,000	\$540,000

Avoided Legacy System Maintenance Cost Savings

As described in the Key Challenges section of this study, interviewees faced problems with rigid legacy systems, high costs associated with new configurations, and impending obsolescence. These challenges significantly hindered mission outcomes and created poor customer experiences. All flavors of case management benefit from technical flexibility because data and processes need to adapt to policy and program changes in a cost effective, low-code manner.

Before implementing the Salesforce case management solution, the interviewed organizations used several legacy tools. The CRM practice manager of a regional transportation department described: “We had five separate systems, some of them advanced, some of them non-advanced, all doing their own things. Since they were on-premises, they needed to be managed by specialists using different technology skill sets. Now we’ve come up with a centrally managed platform using Salesforce.”

After deployment of the Salesforce case management solution, interviewees were able to retire their legacy systems, saving both licensing fees and the annual maintenance costs, including labor and outsourced expenses.

To capture the benefit of diminishing reliance on legacy systems, Forrester assumes:

- › In Year 1 of the Salesforce case management deployment, the composite organization retires three legacy systems.
- › The average annual licensing and maintenance costs for each system is \$500,000.
- › For Years 2 and 3, one additional legacy system is retired in each year.

Forrester uncovered several risks that may impact the financial impact of this benefit, including:

- › Agencies may have additional legacy systems that may be replaced by Salesforce, resulting in greater savings (or vice-versa).
- › The average license and maintenance costs will vary by system.
- › Agencies may be able to retire systems more aggressively than the composite organization (or more slowly) which may affect the payback period of the Salesforce investment.

To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV of \$4,405,334.

Avoided Legacy System Maintenance Cost Savings: Calculation Table

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3
D1	Number of legacy systems retired		3	4	5
D2	Average license and maintenance costs (hard costs and labor) per system		\$500,000	\$500,000	\$500,000
Dt	Avoided legacy system maintenance cost savings	D1*D2	\$1,500,000	\$2,000,000	\$2,500,000
	Risk adjustment	↓10%			
Dtr	Avoided legacy system maintenance cost savings (risk-adjusted)		\$1,350,000	\$1,800,000	\$2,250,000

Unquantified Benefits For Secondary Use Cases

Call deflection savings (benefit 1) and faster case resolution for service requests (benefit 2) capture the distinct value experienced by three of the interviewed customers who utilize Salesforce for their customer-facing contact centers. However, this is not the only use case for case management that interviewees have deployed. The remaining three interviewees use Salesforce for unique case management, and the benefits experienced therein have their own financial impacts which have not been captured for this study.

- › **Salesforce case management solutions provide better insights and collaboration savings on behalf of state and taxpayers.** The chief strategy officer for a state-level IT and shared services organization described how its organization uses Salesforce to manage the entire state's technology purchases through a centralized online portal: "We're treating every agency as one of our customers, and therefore they all have different account records. This helps us, not only keep track of opportunities, activities, and strategic initiatives, but also to collaborate with each other and make sure we're not stepping on each other's toes. We're all leveraging the same information." Centralizing the data for this use case has had a tremendous impact on the interviewee's organization. The chief security officer continued: "We're at a point now where once the data is in the system, we have dashboards built that are giving us real-time updates of how things are trending. That has been invaluable for us in the sense that this team has been able to now save up to \$36 million."
- › **Streamlined workflows and consolidated efforts enable greater volume of casework increasing program impact and growth.** The national defense department interviewed uses Salesforce to manage a grant request process through an online portal. As a result of deploying Salesforce, the organization was able to increase the volume of grant requests it processes, increasing overall mission impact. The enterprise collaboration service manager said: "We wouldn't have been able to grow the way we have been and deliver the service we now deliver on the legacy platform. We have a lot more customers from within government coming and asking for our help simply because we have a flexible platform that enables us to ask the right questions to the right people, relevant to the needs of those government customers. We just could not do that before." Through this centralized portal, the national defense department streamlined its internal workflow and received positive feedback on the resulting improved employee experience.
- › **Community "digital front doors" drive increased customer interaction and collaboration.** The federal civilian agency interviewed for this study employs the use of Salesforce Communities to allow customer interaction and collaboration, resulting in greater community safety and increased satisfaction. The tech lead shared with Forrester: "Salesforce is not replacing anything that we are doing, it's more enhancing what we're doing. We still have individuals who are going to communities who are engaging, with local, state, tribal, federal, government, and international partners. Salesforce is the tool we're using to sync everything up in a streamlined, efficient manner. Our Net Promoter Score has been steadily improving as we've enhanced our knowledge and our methodology. So, that's a direct relationship to the user experience."³

"The ability to provide analytics, routing, and automated processes means that we can send feedback from our customers to the right people quickly, we can track that, we can audit that feedback process. We're not losing feedback and we can also use the rolled-up analytics to determine if we're spending money in the right areas and using our tax dollars correctly."

CRM practice manager, regional transportation department



"Our Net Promoter Score has been steadily improving as we've enhanced our knowledge and our methodology. So, that's a direct relationship to the user experience."

Tech lead, federal civilian agency



Unquantified Benefits On Mission Success

Interviewees also identified benefits achieved by investing in the Salesforce case management solution which could not be quantified in this study but were important factors in determining success.

- › **Transparent case management throughout lifecycle.** The interviewed organizations struggled with transparency using legacy case management systems and processes. In fact, the managing deputy CIO of a city innovation and technology department admitted that the No. 1 complaint from city constituents who submitted service requests was that they had no visibility into the status of their request, no estimated time of completion, and no communication with the department after the initial request was submitted. The managing deputy CIO explained: “Before Salesforce, we could not tell you how long the service request was going to take. We’ve been able to flip that situation and we’re able to tell you the estimated timeline and we have two-way push notifications. Now, the No. 1 compliment is that constituents feel like they’re being communicated with. They know what’s going on and they know what to expect. We couldn’t do that in the last system.”
- › **Increased customer satisfaction scores.** Interviewed organizations that actively track and measure customer and employee sentiment found that after deploying the Salesforce case management solution they measured a trending rise in customer satisfaction. The CTO of a city government told Forrester: “We just completed our last citizen survey a few months ago and what we’ve seen is an increase in satisfaction on transparency and availability of government to the citizens. It’s just a simple scale of 1 to 10, but we saw a two-point uptake in the score.”

“So, I think that visibility collaboration between users doing similar work is definitely enhanced by the virtue of having implemented the Salesforce platform.”

Enterprise collaboration service manager, national defense department



Forrester's Perspective On Government CX Improvements

There is a measurable impact from increasing customer experience in the public sector that goes beyond financial results. In a Forrester study titled, "Why And How To Improve Government CX," analysts deliver 11 ways that CX quality drives mission success in the public sector.⁴ Forrester's CX index is a way to measure customer experience. The Forrester study found that even a 1-point improvement on the 100-point scale drives mission-critical results such as better compliance, higher levels of engagement, positive sentiment, greater levels of trust, and forgiveness of errors. These factors all help government agencies perform their mission more effectively.

A 1-POINT INCREASE ON FORRESTER'S CX INDEX™ YIELDS MISSION-CRITICAL RESULTS

COMPLIANCE



2% more customers do what the organization asks of them.

ENGAGEMENT



2.5% more customers are likely to seek advice or expertise, and **3%** more customers are willing to sign up for benefits and services that aren't mandatory.

ADVOCACY



4.4% more customers will say positive things about the organization.

TRUST



2.8% more customers will trust the organization.

FORGIVENESS



2.7% more customers are willing to forgive the organization when it makes mistakes.

Source: Forrester Analytics Customer Experience Index Online Survey, US Consumers 2017

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Source: Forrester Research, Inc. Unauthorized reproduction, citation, or distribution prohibited.

Not only does improving customer experience improve customer behaviors, but excellent CX also helps governments to both operate more cost effectively and run more smoothly. And finally, great customer experience and positive public sentiment drives greater faith in the government itself. Happy customers expressed greater pride in their government, optimism of the future, and held a belief that the government can function well. The report goes on to say, "Governments that embrace a systematic approach to CX across all their departments will reap the greatest benefits from focus on customers."

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 government organization might choose to implement the Salesforce case management solution and later realize additional uses and business opportunities, including:

- › **Expand digital access channels to support a “no wrong door” mentality.** The Salesforce platform gives government organizations the flexibility to develop and evolve with the changing sentiments of their customers. For example, the CRM practice manager of a regional transportation department commented: “We’re constantly adding new channels. We want a solution which is flexible and able to add new ways to engage, like chatbot.” One interviewee called this the “no wrong door” mentality, where they focus solely on customers by creating several channels for them to choose from that all point to the same unified set of services.
- › **Integration with other systems.** The tech lead of a federal civilian agency highlighted Salesforce’s flexibility to integrate with other software systems through prebuilt connectors, as well as integrate with other parts of her department. They told Forrester, “I think that the capabilities for integration with other systems and sites has been one of those things that has been really unique to us.”

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	Internal implementation and ongoing administration	\$439,982	\$879,982	\$440,000	\$440,000	\$2,199,965	\$1,934,181
Ftr	Training costs	\$48,646	\$0	\$0	\$0	\$48,646	\$48,646
Gtr	Professional services costs	\$550,000	\$550,000	\$55,000	\$55,000	\$1,210,000	\$1,136,777
Htr	Salesforce subscription	\$0	\$1,650,000	\$1,650,000	\$1,650,000	\$4,950,000	\$4,103,306
	Total costs (risk-adjusted)	\$1,038,629	\$3,079,982	\$2,145,000	\$2,145,000	\$8,408,611	\$7,222,910

Internal Implementation And Ongoing Administration

Internal implementation. The time required for implementation varied across the interviewed organizations from eight and a half months to 18 months. Organizations typically began their implementation journey by forming a dedicated team of internal implementers and defining the goals and scope of the implementation. The enterprise collaboration service manager of the national defense department observed: “We had some challenges in the implementation in terms of delays, but we had a working minimum viable product very quickly. And to my mind, it was a very good initial solution to get to in terms of being a success.”

Forrester makes the following assumptions for the internal implementation for the composite organization.

- › The composite organization conducts an agile implementation over 12 months including six months of business process gathering and six months of agile development and testing cycles.
- › The internal team is composed of eight IT staff, fully dedicated to the implementation.
- › IT staff have an average burdened salary of \$100,000.

Implementation risk. There were several risks that impacted each unique implementation for the interviewed organizations. When estimating implementation duration, consider:

- › The number of disparate agencies, departments, or teams coming together and the scope of business processes.
- › The number of stakeholders involved in the implementation.
- › The level of dedication and burdened rate of IT implementers.

The table above shows the total of all costs across the areas listed below, as well as present values (PVs) discounted at 10%. Over three years, the composite organization expects risk-adjusted total costs to be a PV of more than \$7.2 million.



Twelve months of total implementation and deployment time for the Salesforce case management solution.

Ongoing administration. After implementation, the interviewed organizations still require continued support of at least one Salesforce administrator.

The composite organization maintains a team of four Salesforce administrators to support its case management use cases. To capture the cost of these staff, Forrester assumes:

- › Administrators have an average burdened salary of \$100,000.
- › There are four fully dedicated administrators in Years 1, 2, and 3.

Ongoing administration risk. When estimating the cost of ongoing administration, organizations might consider:

- › Technical capabilities of existing staff and availability of existing resources to absorb additional responsibilities. It may be necessary to hire additional resources.
- › Some of the interviewed organizations had fewer administrators than the composite organization, which would reduce costs, while others had larger support teams. The size of the support team will vary by organization and the unique needs of that organization.

To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year, risk-adjusted total PV of \$1,934,181.



Four FTEs
spend 100% of their time on ongoing management of Salesforce.

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.

Internal Implementation And Ongoing Administration: Calculation Table

REF.	METRIC	CALC.	INITIAL	YEAR 1	YEAR 2	YEAR 3
E1	Internal IT staff dedicated to implementation		8	8		
E2	Burdened monthly salary of IT staff	\$100,000/12 (rounded)	\$8,333	\$8,333		
E3	Number of implementation months		6	6		
E4	Subtotal: Internal implementation	E1*E2*E3	\$399,984	\$399,984		
E5	Salesforce administrators			4	4	4
E6	Burdened salary of Salesforce administrators			\$100,000	\$100,000	\$100,000
E7	Subtotal: Ongoing administration	E5*E6	\$0	\$400,000	\$400,000	\$400,000
Et	Internal implementation and ongoing administration	E4+E7	\$399,984	\$799,984	\$400,000	\$400,000
	Risk adjustment	↑10%				
Etr	Internal implementation and ongoing administration (risk-adjusted)		\$439,982	\$879,982	\$440,000	\$440,000

Training Costs

Interviewees described training for two categories of employees: Salesforce administrators and general users. The necessary training time for each category understandably differed, e.g., administrators require a deeper level of understanding of the Salesforce platform, while users need an introduction to Salesforce solutions and then the experience of frequent use to gain familiarity.

General training. In a contact center implementation, service licenses are divided into the actual contact center reps and business users that are handling the workflows and business processes. There are many variables that impact training, but if the system is set up correctly and of average complexity then the time required to train a contact center rep/business process user would be in the 4 to 8 hour range. An Einstein Analytics user requires different training, which can be accomplished via Trailhead or Salesforce University. The Einstein Analytics Beginner Trailmix takes about 4 hours to complete.

- › Forrester assumes 200 employees undergo general training at the composite organization for 4 hours.
- › The average burdened salary for employees participating in general training is \$80,000.

Advanced training. Salesforce recommends that senior Salesforce administrators receive a formal certification. Two courses are required to receive certification: Administration Essentials for New Admins (ADM 201) and Administration Essentials for Experienced Admins (ADM 211). Together, they take about nine days to complete.

To capture the cost of administrator training, Forrester assumes that the composite organization's four Salesforce administrators each undergo the certification program and receive 72 hours of advanced training.

Training risk. The cost of training varied greatly among the interviewed organizations. On the high side, the managing deputy CIO of a city innovation and technology department cited training costs for 1,600 people to be \$2.3M through an outsourced partner. Costs included online training videos and an in-residence training. On the opposite end of the spectrum, another organization simply trained 45 people for 4 hours each. When considering the costs of training on your organization, consider:

- › How many employees require training, and what type of training.
- › Internal training through Salesforce courses versus outsourced training through a partner.
- › Hourly cost of employees and opportunity cost.
- › Complexity of deployment and number of use cases.

To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year, risk-adjusted total PV of \$48,646.

Training Costs: Calculation Table

REF.	METRIC	CALC.	INITIAL	YEAR 1	YEAR 2	YEAR 3
F1	Number of employees participating in general training		200			
F2	Hours of general training		4			
F3	Average burdened hourly rate of trained employees	\$80,000/2,080 (rounded)	\$38			
F4	Subtotal: general training	F1*F2*F3	\$30,400			
F5	Number of administrators participating in advanced training		4			
F6	Hours of advanced training		72			
F7	Burdened hourly salary of Salesforce administrators	\$100,000/2,080 hours (rounded)	\$48			
F8	Subtotal: advanced training	F5*F6*F7	\$13,824			
Ft	Training costs	F4+F8	\$44,224	\$0	\$0	\$0
	Risk adjustment	↑10%				
Ftr	Training costs (risk-adjusted)		\$48,646	\$0	\$0	\$0

Professional Services Costs

Interviewees cited implementation partners cost between \$400K and \$1.5M depending on scope of professional service involvement and length of time they were involved with the implementation.

Forrester captures professional services costs for both the implementation and on an ongoing basis for the composite organization.

- › Upfront implementation costs total \$1 million and are incurred during the 12 months of program implementation.
- › Each subsequent year, the composite also engages professional services to satisfy growth demands to the tune of \$50K per year.

The best way to estimate anticipated professional services costs is to receive an estimate from Salesforce that is tailored to the particular needs of an organization, the scope of Salesforce deployment, and current technical skills.

To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year, risk-adjusted total PV of \$1,136,777.

Professional Services Costs: Calculation Table

REF.	METRIC	CALC.	INITIAL	YEAR 1	YEAR 2	YEAR 3
G1	Implementation professional services fees		\$500,000	\$500,000		
G2	Ongoing professional services and tools			\$0	\$50,000	\$50,000
Gt	Professional services costs	G1+G2	\$500,000	\$500,000	\$50,000	\$50,000
	Risk adjustment	↑10%				
Gtr	Professional services costs (risk-adjusted)		\$550,000	\$550,000	\$55,000	\$55,000

Salesforce Subscription

The Salesforce subscription is the largest portion of costs incurred by the composite organization at 57% of total costs. Subscription value is based on use of Service Cloud, Community Cloud, and Einstein Analytics. Subscription costs will vary depending on use case, level of Salesforce support, and contract duration. When estimating the cost of Salesforce subscriptions for government case management solutions, consider:

- › As contracts and subscription levels are highly customized, contact a Salesforce representative to receive a more exact pricing schedule.
- › Negotiations and longer-term contracts could lower subscription costs.

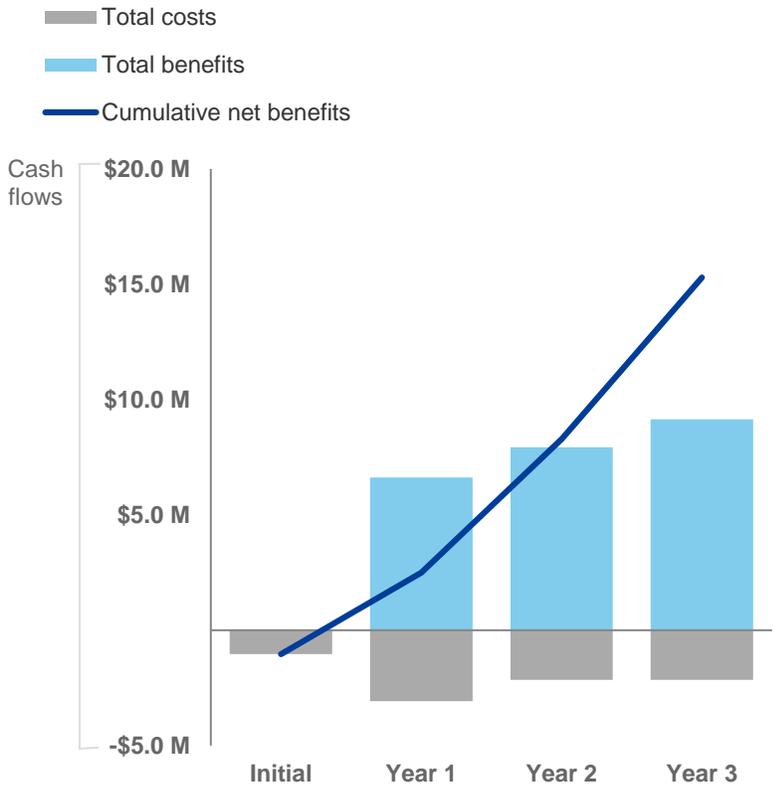
To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year, risk-adjusted total PV of \$4,103,306.

Salesforce Subscription: Calculation Table						
REF.	METRIC	CALC.	INITIAL	YEAR 1	YEAR 2	YEAR 3
H1	Salesforce subscription cost			\$1,500,000	\$1,500,000	\$1,500,000
Ht	Salesforce subscription	H1	\$0	\$1,500,000	\$1,500,000	\$1,500,000
	Risk adjustment	↑10%				
Htr	Salesforce subscription (risk-adjusted)		\$0	\$1,650,000	\$1,650,000	\$1,650,000

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 Table (Risk-Adjusted)

	INITIAL	YEAR 1	YEAR 2	YEAR 3	TOTAL	PRESENT VALUE
Total costs	(\$1,038,629)	(\$3,079,982)	(\$2,145,000)	(\$2,145,000)	(\$8,408,611)	(\$7,222,910)
Total benefits	\$0	\$6,622,375	\$7,939,375	\$9,140,775	\$23,702,525	\$19,449,407
Net benefits	(\$1,038,629)	\$3,542,393	\$5,794,375	\$6,995,775	\$15,293,914	\$12,226,497
ROI						169%
Payback period						<6 months

Salesforce Case Management For Government:

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

Resolve cases faster than ever before.

Delivering exceptional service experiences starts with access to the right data, tools, and processes.

The Salesforce Case Management solution helps government agencies view all case data and related interactions in a searchable, secure platform. It supports the full case management lifecycle by integrating critical data points from multiple systems into a single location. With a 360-degree view of every case, service agents can effectively streamline and manage resolution workflows. Constituents have the option to self-serve, finding answers they need without ever having to pick up the phone.

Examples of Salesforce Case Management solutions include correspondence management, facilities management, grants management, licensing and permitting, inspection management, complaints management, HR service desk, investigative case management, fraud management, and program management.

WELCOME TO SALESFORCE FOR GOVERNMENT CASE MANAGEMENT



Appendix A: Total Economic Impact

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

Total Economic Impact Approach



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



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



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



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

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



Present value (PV)

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



Net present value (NPV)

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



Return on investment (ROI)

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



Discount rate

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



Payback period

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

Appendix B: Endnotes

1 Source: “Why And How To Improve Government CX,” Forrester Research, Inc., May 31, 2018.

2 Ibid.

3 Net Promoter and NPS are registered service marks, and Net Promoter Score is a service mark, of Bain & Company, Inc., Satmetrix Systems, Inc., and Fred Reichheld.