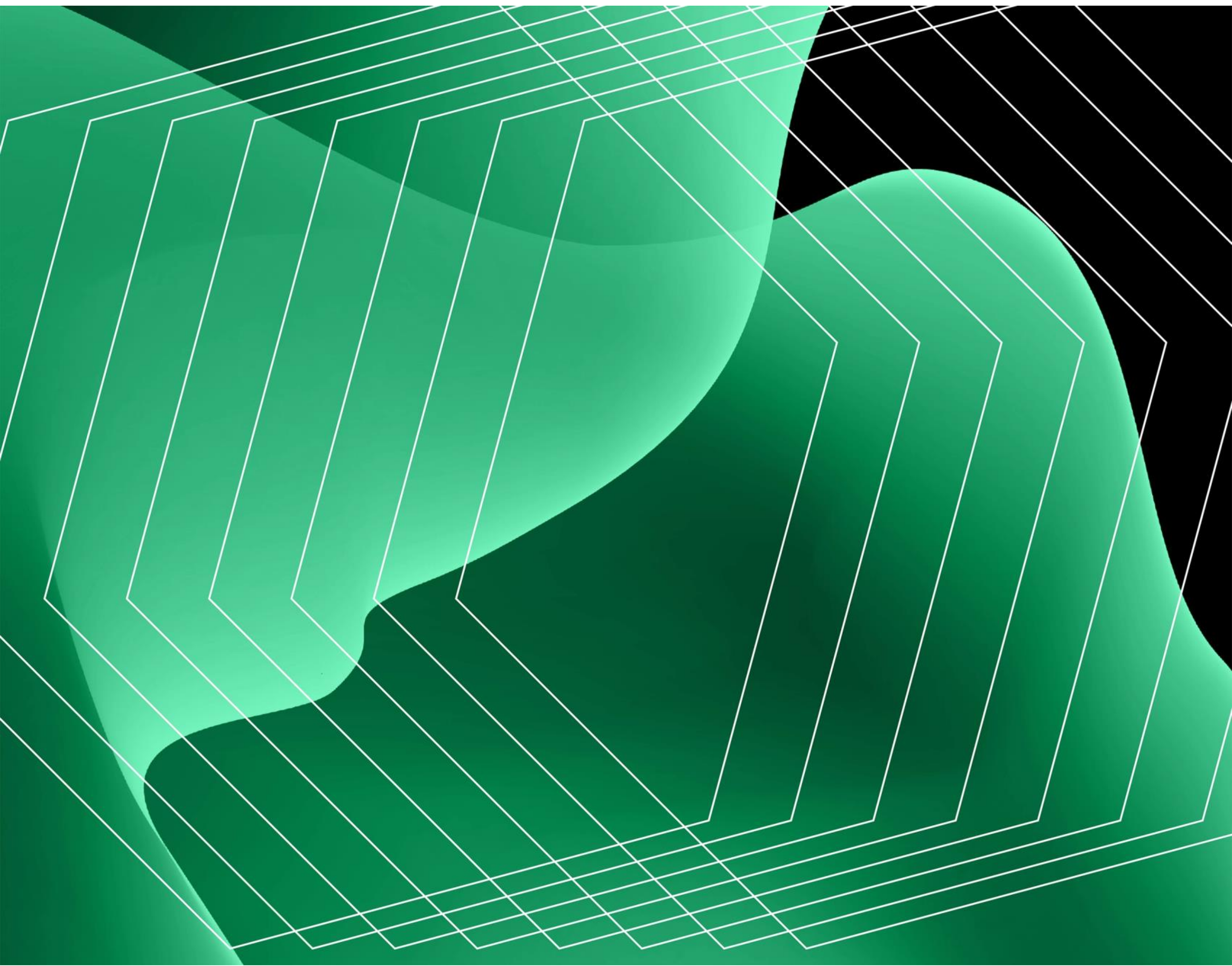
The Total Economic Impact™ Of Salesforce For Manufacturing

Cost Savings And Business Benefits Enabled By Salesforce For Manufacturing Companies

A Forrester Total Economic ImpactTM Study
Commissioned By Salesforce, July 2024



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ABOUT FORRESTER CONSULTING

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

Executive Summary

Return on investment (ROI)
354%

Net present value (NPV)
$27.17M

Manufacturers use Salesforce to focus on improving customer experiences, streamlining operations, and leveraging AI technology advances. The Salesforce platform helps manufacturers drive business growth, automate tasks for customer-facing personnel, and better connect global data.

Salesforce offers a verticalized customer relationship management (CRM) solution that enables manufacturers to leverage industry-specific best practices, focus scarce technology resources on innovation and differentiation, and improve time to value.[1]

Salesforce commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) enterprises may realize by deploying Salesforce for manufacturing.[2] The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of Salesforce for manufacturing on their organizations.

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed five representatives from manufacturing organizations with experience using Salesforce. For the purposes of this study, Forrester aggregated the interviewees' experiences and combined the results into a single composite organization that is a $2.3 billion global manufacturer.

Interviewees said that prior to using Salesforce, their organizations had expansive corporate structures with many business units and product lines that relied on monolithic ERP systems; these were not flexible enough to adapt to changing business needs.

After the investment in Salesforce for manufacturing, the interviewees empowered consistent global sales strategies, unified customer profiles, automations to improve customer-facing personnel effectiveness, and robust data and insights.

KEY FINDINGS

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

- **An increase of up to 5% in topline revenue growth.** Manufacturing revenue is commonly generated from relationships with existing customers, so manufacturers need to develop strong relationships based on a deep understanding of customer needs to secure and expand revenue. Salesforce drives topline revenue growth for the composite organization by enabling unified global sales processes, empowering sales reps with a single view of the customer, providing trusted insights for informed decision-making, and improving customer lifecycle management. The composite manufacturer generates revenue by identifying when customers have an asset but have not purchased additional support or parts; it also creates a better customer experience by helping them avoid counterfeit parts. Over three years and a cumulative total of $207 million additional revenue, the incremental profit to the composite organization is worth $14.8 million.
- **Each sales rep saves 490 hours per year with generative AI outreach and reporting automations.** Salesforce drives productivity lifts for sales reps who use it to personalize their interactions with customers and automate daily reporting efforts. The automation of manual efforts saves each rep at the composite organization 490 hours per year and enables the agents to prioritize higher-value activities. The sales process efficiencies are worth $12.5 million to the composite organization.
- **Service and support team personnel gain 25% additional capacity.** Salesforce empowers customer service agents with the right data, information, and insights about their customers and their needs — at the right time in the engagement journey and in the context of their actions so that they can best focus on nurturing relationships. The comprehensive view of customer and multichannel service interactions enables service agents to be more effective and provide better customer experiences. Product teams use service trends to address product issues and resolve problems at the source. Support staff use process automation to scale without adding additional headcount. Over three

years, the impact on customer service and support team personnel is worth $6.1 million to the composite organization.

- **Each field service technician avoids 54 hours of rework each year.** Manufacturers are integrating their CRM systems with internet-of-things (IoT) devices and AI technologies to gain insights into customer behavior, predict maintenance needs, and optimize production processes. This helps them improve product quality, reduce downtime, and increase efficiency. Furthermore, the Salesforce mobile app has become increasingly popular for technicians in the field in the manufacturing industry, as it enables teams to access customer data and interact with customers from anywhere at any time, even in offline environments. This helps manufacturers improve their sales processes and better serve their customers. Salesforce provides technicians with relevant, complete, and timely information related to each field service case. This enables the field service technicians to work with greater efficiency and reduce rework. Over three years, the reduced downtime and increased efficiency is worth $638,000 to the composite organization.

- **Up to 50% of the legacy technology environment is decommissioned and consolidated.** Many manufacturers are moving their CRM systems to the cloud to take advantage of the scalability, flexibility, and cost savings that cloud-based solutions offer. This allows them to quickly adapt to changing market conditions and scale their operations as needed. With Salesforce, the composite organization is able to decommission legacy integrations, consolidate point solutions, avoid hardware refreshes, digitize spreadsheet-based processes, and focus on innovation. Over three years, the technology savings are worth $798,000 to the composite organization.

Unquantified benefits. Benefits that provide value for the composite organization but are not quantified for this study include:

- **Forecasting and inventory management benefits.** Forecasting capabilities lead to better prediction of order demand, lower inventory positions, and lower carrying costs.

- **Warranty processing benefits.** Customers are happier with the new warranty process because they can complete their claims more easily and receive payment for their claims more quickly. AI-powered automations improve employee productivity and increase the number of claims processed each year.

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

- **Salesforce and add-on subscription costs of $3.6 million over three years.** The composite organization licenses several Salesforce products and chooses to integrate an add-on solution from the AppExchange to support its environment.
- **Implementation and integration costs that total $2.0 million over three years.** The composite organization undergoes a multicloud implementation with a system integrator and the integration of multiple data sources.
- **Change management, training, and ongoing administration costs that total $2.1 million over three years.** Change management efforts are key to the composite organization's successful adoption of the Salesforce technology. After the initial implementations, the composite organization continues to develop additional use cases for its Salesforce environment, prompting further investment in the platform.

The representative interviews and financial analysis found that the composite organization experiences benefits of $34.84M over three years versus costs of $7.67M, adding up to a net present value (NPV) of $27.17M and an ROI of 354%.

> "We're paying a million dollars to Salesforce because they've helped us raise our customer sentiment score to 80%, which in the history of this company we've never had. And with all of the time savings and innovations that we've been able to introduce, we've saved well over that cost in staffing and development."
>
> SENIOR MANAGER OF IT BUSINESS STRATEGY, AUTO AND ENGINEERED PARTS

> “Our expertise is not technology. We’re manufacturers, we’re distributors, we’re out there selling products. We want to lean on the experts, and Salesforce lets us do that by hosting the software, keeping it up to date, letting us be compliant and secure. But at the same time, Salesforce allows us to do customizations when necessary to make something work better for our business with our small and agile internal technology team. I don’t think there’s any other platform that can compete in that way to let us do those changes internally.”
>
> **CIO, CHEMICALS AND MATERIALS**

> “Our sales are going up, the demand for our product is going up, and we’re able to respond much more effectively to those demands on our business. The teams here have the data that they need at their fingertips.”
>
> **SENIOR MANAGER OF IT BUSINESS STRATEGY, AUTO AND ENGINEERED PARTS**

Market Overview

Spotlight On Manufacturing

Technology is poised to play a significant role in supporting manufacturers in taking on the challenges they may face in 2024. With a persistent search for efficiency and a focus on building resilience across the organization, many manufacturers continue to pursue their digital transformation objectives — even as some may be considering pausing investments because of the challenging business environment.[3] Manufacturers are more pragmatic about their digital transformation projects and look for a clear ROI. According to Forrester's research, vertical CRM will be the preferred CRM choice as organizations aim to boost customer engagement and empower front-office personnel with modern technologies and data access to help with decision-making: 76% of global CRM software decision-makers note that their manufacturing organization is adopting customer service CRM software, 65% are adopting B2C marketing automation CRM software, 63% are adopting field service CRM software, and 70% are adopting sales force automation CRM software.[4] As manufacturers sell to established accounts, they require a 360-degree view of their customers to better understand them and deliver great experiences; they need data about these accounts to understand their cross-sell/upsell opportunities; and they need data about their assets to better manage repairs, returns, warranties, and claims.

Return on investment (ROI)

354%

Benefits PV

$34.84M

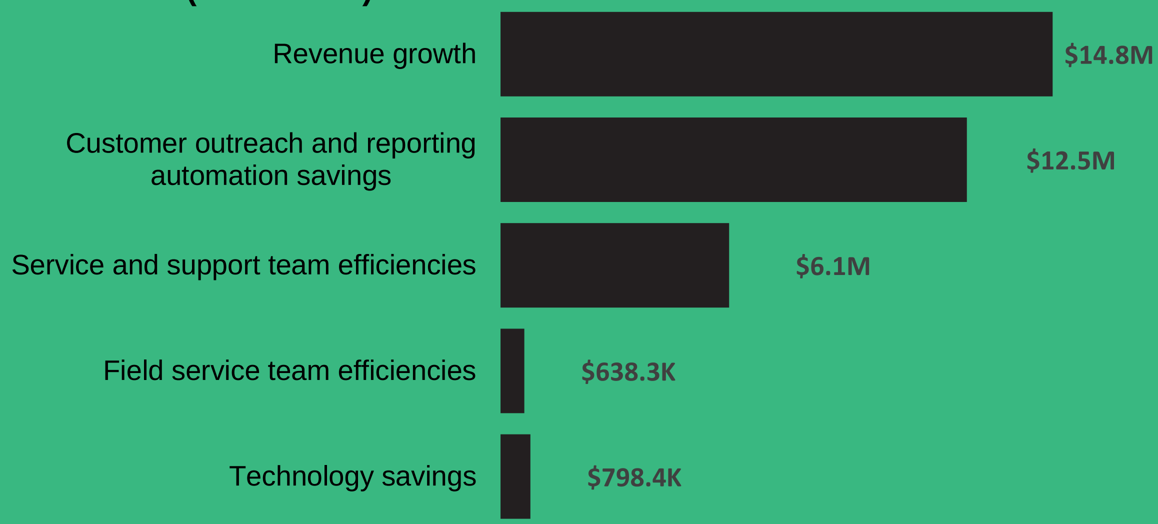
Net present value (NPV)

$27.17M

Payback

<6 months

Benefits (Three-Year)



TEI FRAMEWORK AND METHODOLOGY

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

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 can have on a manufacturing organization.

Due Diligence
Interviewed Salesforce stakeholders and Forrester analysts to gather data relative to Salesforce for manufacturing.

Interviews
Interviewed five representatives at manufacturing organizations using Salesforce to obtain data about costs, benefits, and risks.

Composite Organization
Designed a composite organization based on characteristics of the interviewees' 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 interviewees.

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.

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 study to determine the appropriateness of an investment in Salesforce for manufacturing.

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 Salesforce For Manufacturing Customer Journey

Drivers leading to the Salesforce for manufacturing investment

Interviews				
Role	**Manufacturer Type**	**Region**	**Revenue**	**Employees**
Senior manager of IT business strategy	Auto and engineered parts	US HQ, global operations	$4.5 billion	400
Enterprise architect	Equipment	US only	$45 million	70
CIO	Chemicals and materials	US only	$250 million	350
VP of digital transformation	Climate technology products	US HQ, 100+ countries	$5 billion	18,000
Chief revenue officer	Chemicals	US HQ, 50+ countries	$2.3 billion	4,500

KEY CHALLENGES

Before adopting Salesforce, the interviewees' manufacturing organizations relied heavily on traditional paper-based processes and simple office productivity tools. Data was accessible in filing cabinets and spreadsheets, and communications took place over the phone, email, fax, and "snail mail."

The interviewees noted how their organizations struggled with common challenges, including the following:

- **They underutilized the significant volume of data stored within multiple ERP systems.** Growth through acquisition left the manufacturers with multiple tools from each acquisition. The most significant technology solutions supporting the manufacturing companies were many enterprise resource planning (ERP) systems that aligned with business units, regions, or subsidiaries. All the data about invoices, orders, line items, and purchase history asset history resided in the organization's ERP but was not readily available to front-office personnel like sales, marketers, and service agents. Each organization had vast amounts of data related to supply chain, products, plants, and customers but did not have a layer that would bring the information together to create valuable insights. The monolithic nature of the solutions and their rigid architecture made it prohibitively costly to innovate to support customer-facing use cases.

- **They were losing tribal knowledge as an aging workforce retired.** Tribal knowledge is the unwritten expertise and practices held in the minds of long-term employees. Interviewees noted that as a generation of employees ages out of the workforce, their organizations were losing these valuable insights and best practices. The senior manager of IT business strategy at an auto and engineered parts manufacturer said: “We have people that have been here for 25 to 30 years, and they have all the tribal knowledge of the organization. So, there was a desire to make sure we could capture that knowledge and those processes in a more modern platform.”

- **Legacy customer service processes could no longer support a growing organization.** Interviewees noted that their customers expected more from their communications with the manufacturing organization, so they needed to expand from single-channel to multichannel customer service. Without a way for customer service personnel to see a customer’s history or effectively manage cases, their existing customer service methods were unscalable. The enterprise architect at an equipment manufacturer shared: “There’s a certain point of scale at which you cannot manage without having an actual system in place. The email inbox is a great way to do it when you have somebody who is going to pick up the phone or reply to an email. But once you have more channels, using an email inbox is not physically scalable. [Without a software solution in place] we’d have to have a dedicated account rep that’s available to pick up each separate customer’s call. We’d have to double or triple the number of support reps so that when a customer calls in, they’re going to get the same person. But that’s not realistic if you want to be flexible with your resources.”

- **Disparate sales processes across the globe created barriers to collaboration.** Without a globally centralized pipeline tracking system or access to customer information across siloed business units, the organizations struggled to create unified sales processes that consistently managed quotas. This resulted in inconsistent KPIs, reporting, and revenue projections. The chief revenue officer at a chemicals manufacturer said: “The first [pain point] was that we had vastly different sales processes, expectations, and standards for our salespeople. The process disparity was just nasty. That led to sales management methodologies that were very, very different in terms of the way that we tracked customers and understood what was going on within the pipeline. We had a disparate set of vocabularies to describe very common customer lifecycle activities and events. Our compensation plans were all over the map in terms of the methods and philosophies behind why we compensated salespeople in different ways.”

- **A lack of modern technology created poor customer experiences.** Interviewees noted that whether it was paper-based processes, manual payments, legacy call centers, or batch-processed inventory management, the aging technologies that supported their organizations were not enabling them to create the customer experiences that today’s customers expect. For example, the senior manager of IT business strategy at an auto and engineered parts manufacturer said: “The original warranty system was on our ERP and did not score highly with customer sentiment. The last time that it went through a survey, it scored in the low 20 percents; the issue was that there were many pages of information that needed to be filled out, and it took our customers an inordinate amount of time to get it completed. Once the paperwork was completed, it still wasn’t finished. It would go through a manual review process and the payment of the claim could take months.”

> “The sales pipelines were being managed by spreadsheets. Customer history lived in people’s inboxes. It was all a black hole. These were inhibitors to being able to unify, harmonize, and scale a business.”
>
> CHIEF REVENUE OFFICER, CHEMICALS

WHY SALESFORCE?

The interviewees' organizations searched for a solution to address their key challenges and selected Salesforce because it offered:

- **Industry-specific offerings for manufacturers.** Manufacturers required core CRM capabilities to support customer-facing capabilities across marketing, sales, and service. They also needed extended industry-specific capabilities, such as eCommerce (for direct-to-consumer sales), CPQ, contract management, real-time pricing, and order management. As the manufacturing organizations collaborate with and sell through channel partners and resellers, they also required partner relationship management (PRM) capabilities for partner management and channel inventory tracking that provides visibility into the inventories that channel partners hold — including quantity, product, price, sell date, partner location, end customer, and point-of-sale data.[5] Interviewees noted that Salesforce offered the features and functionalities that their organizations needed for a successful digital transformation.

- **A unified view of the customer.** Interviewees noted that they would be able to provide a better customer experience and be better sales partners if they could consolidate information about all their customers, their products, and their history. The VP of digital transformation at a climate technology products manufacturer said: "If one of my presidents goes to visit a customer, they should have all the information in their hand: where and how many products were shipped, what we are pitching to them, what services we are offering, what tickets are outstanding, what warranty issues they have, how the shipping is completed. They need all this information to have the right context. That's the North Star we are working towards."

- **Out-of-the-box capabilities for manufacturers and an AppExchange of partner solutions that accelerate time to value.** The industry data model that Salesforce offers for manufacturers is a valuable starting point for organizations looking for a faster time to market than that gained by building or customizing a solution. The VP of digital transformation at a climate technology products manufacturer considered a build vs. buy scenario and decided that Salesforce was the preferred route. They said: [With Salesforce] you have the standard features, right out of the box. And then we can build use cases across the board.

And then on top of the out-of-the-box features, you have all these apps that sit on top of the Salesforce ecosystem developed by different partners."

> "Salesforce helps increase the sales team's productivity, helps them increase revenue because they are using their time to be with their customers and can spend less time on trying to upkeep the tool. That's why I bought Salesforce."
>
> **VP OF DIGITAL TRANSFORMATION, CLIMATE TECHNOLOGY PRODUCTS**

> "The goal for Salesforce was to get away from rock, paper, notebooks, and pencils; increase the collaboration and communication; and be more effective with the decades of data that we have collected on our products, our product performance, and our customers."
>
> **SENIOR MANAGER OF IT BUSINESS STRATEGY, AUTO AND ENGINEERED PARTS**

COMPOSITE ORGANIZATION

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

Description of composite. The manufacturing organization was established in the United States several decades ago and has since grown internationally organically and through acquisition. The composite generates $2.3 billion in annual revenues and has 4,300 employees worldwide. The organization provides sales, customer support, and service/warranty support for high volumes of its manufactured products.

Deployment characteristics. Salesforce is among the first technology investments planned on the organization's digital transformation journey. The composite begins with a Sales and Service Cloud implementation to transform the way it serves its customers. The organization adds additional product SKUs after the initial implementations, including Field Service and Manufacturing Cloud. Three years after the initial Salesforce deployment, 25% of employees are licensed to use Salesforce as part of their daily activities.

Manufacturing use cases. The composite organization uses Salesforce for advanced forecasting; managing the lifecycle of an asset through warranty claims, work orders, and cases for issues; connecting internet-of-things devices; and inventory visibility for sales and service reps.

Key Assumptions

$2.3 billion revenue

4,300 employees

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	Revenue growth	$2,070,000	$6,210,000	$10,350,000	$18,630,000	$14,790,158
Btr	Customer outreach and reporting automation savings	$2,382,380	$4,737,688	$8,527,838	$15,647,905	$12,488,335
Ctr	Service and support team efficiencies	$1,170,450	$2,323,688	$4,182,638	$7,676,775	$6,126,926
Dtr	Field service team efficiencies	$121,306	$242,611	$435,942	$799,859	$638,313
Etr	Technology savings	$108,000	$356,400	$540,000	$1,004,400	$798,437
	Total benefits (risk-adjusted)	$5,852,136	$13,870,386	$24,036,417	$43,758,939	$34,842,169

REVENUE GROWTH

Evidence and data. The most financially significant benefit that the interviewees' organizations experienced was the increase in topline revenue measured after the Salesforce investment. Interviewees shared several ways that Salesforce helped improve their sales organizations and sales outcomes, including the following:

- **Customer lifecycle management enabled the recovery of lost revenues and a better customer experience.** Manufacturers must stay connected to their customers throughout their lifecycle to ensure customers get value out of using the asset. This includes parts, service contracts, extended warranty, and special commercial contracts. Before Salesforce, the interviewees' organizations struggled to have visibility across the customer lifecycle. One downside of this was shared by the enterprise architect at an equipment manufacturer, who noted that the organization was losing parts revenue because customers were going to off-brand suppliers. With Salesforce, they were able to look at customer behavior and identify where this was the case. They shared: "We have a list that shows there are customers that have a machine but have not bought anything from us in the last year. That's a red flag because every customer that has one of our machines should be spending at least $5,000 on parts throughout the year. All in all, it's a 6% [of revenues] range of lost revenue identified that we could capture in the future year." The organization used these insights to connect with these customers and re-establish purchasing behaviors for machine parts.

Beyond recapturing lost revenue, another positive benefit of uncovering this purchasing behavior was that the organization was able to improve its customer experience by making sure customers were purchasing the manufacturer's parts. The enterprise architect went on to say: "We found that the customers that we identified were buying counterfeit parts and were having issues with the reliability of the counterfeit parts. They were actually spending the same amount because the parts were lower quality. Now the customers end up happier because they realized they were not getting a better deal — they were just getting the ability to buy the parts more often because they break."

> "With our ability to report on our aftermarket sales and services, we can identify the customers who bought a machine but we haven't sold parts to them in two years. That's a really big red flag."
>
> ENTERPRISE ARCHITECT, EQUIPMENT

- **They created unified global sales processes and a global coaching framework with insights that enabled tailored coaching for sales reps.** Salesforce's reporting capabilities enabled sales managers to have a more granular understanding of their reps' performance. Using these insights, managers were able to have higher-quality coaching conversations with sales reps and monitor how well they were adhering to sales processes and methodologies. A standardized sales process contributed to better reporting and made quota attainment easier.

The chief revenue officer at a chemicals manufacturer said: “Salesforce is a great platform to bring to life the methodologies and processes that you want your salespeople to follow. If reps follow the right processes, if they’re using the methodologies to sell, you’re going to generate revenue and then you can manage areas that are underperforming.”

They went on to say: “The key was process first, tools second. We mapped out our sales process before we implemented Salesforce to make sure that we were implementing a global set of standards that salespeople would follow. We trained all the salespeople on it and had an entire management coaching framework so that managers could coach in a standard way around the world. And Salesforce was the platform that allowed us to really bring that to life.”

- **Sales reps were more productive with accurate, timely, and complete customer profiles.** In the prior environments, sales reps struggled to find relevant customer information because it was decentralized and informally managed. They spent time searching for information from colleagues and validating the accuracy of the information they found. When the sales organizations adopted Salesforce as their formal CRM, they had a single source of truth for all customer interactions and were able to readily surface data from the ERP system, including orders, invoices, and service contracts. Furthermore, field reps and technicians who were previously disconnected for much of the day were able to access and update customer information in a mobile app. As a result, interviewees noted that their sales teams were more productive and better informed when speaking with customers.

  The VP of digital transformation at a climate technology products manufacturer shared: “We know the data is up to date and we know what actions and tasks are assigned. And even when we don’t have connectivity, now we have the mobile app and can get information updated. All these factors are increasing the sales team’s productivity.”

  The senior manager of IT business strategy at an auto and engineered parts manufacturer shared: “The teams here have the data that they need at their fingertips. They know where it’s at, they know how to get to it, they’re not fumbling around through network drives or flash drives or piles of paperwork. They're working much more effectively now through these systems that we've transformed for them."

- **Reporting and insights based on trusted data empowered informed decision-making.** The previous environments left sales leaders with "garbage in, garbage out" insights that were likely to be inaccurate or incomplete. Leaders were wary of relying on this information for decision-making or for confidently forming a sales strategy. With Salesforce, they improved data quality by automatically capturing customer and interaction data in real time, providing the organization with insights based on higher-quality data inputs that were readily available in reports, dashboards, and data visualizations. The VP of digital transformation at a climate technology products manufacturer shared: "[With Salesforce reporting capabilities] I can make sure that the strategic objectives that I have committed to are in the green. By looking at this data month over month, year over year, opportunity by opportunity, we're able to make data-driven decisions, which directly translates to the sales team's productivity."

- **Visibility into the global pipeline helped sales prioritize.** Before adopting Salesforce technology and processes in their sales organizations, the interviewees' sales reps and leaders lacked a holistic view of opportunities. This made it challenging to collaborate and forecast revenue; it also put the organizations at a greater risk of losing valuable contracts. Reps often duplicated efforts by chasing the same customer or completely ignored prospects that fell off their radars.

  The chief revenue officer at a chemicals manufacturer shared: "[Before Salesforce] we had no consolidated picture of the opportunities that we couldn't afford to lose. So, the first benefit was getting a real-time global picture of all the opportunities that we're chasing around the world and which of those were likely to give us the greatest amount of revenue growth and margin growth impact in the business."

  The VP of digital transformation at a climate technology products manufacturer shared: "In our organization we say, 'If it is not in Salesforce, it's not an opportunity.' Our sales leaders are looking at activity through the lens of

Salesforce.com. In the old world, the loudest [customer] used to get the most attention. But now we're able to prioritize better and identify the 10 opportunities that have to get done and prioritize our limited resources."

> "We more than doubled the size of the sales pipeline over seven years. We more than doubled the number of opportunities that we were pursuing at any given time without adding net new sales headcount. And we more than tripled the amount of new business revenue every year. We couldn't run the company without Salesforce. Seriously, it is that vital to us."
>
> CHIEF REVENUE OFFICER, CHEMICALS

- **The organizations were able to measure their successes.** The previous environments' disparate sales processes and methodologies made it impossible to measure large global sales departments. The manufacturing companies faced the well-known challenge: "You can't improve what you can't measure." Interviewees noted that Salesforce enabled their organizations to measure the impact of changes to their sales methodologies and global efforts more accurately and robustly. The chief revenue officer at a chemicals manufacturer shared: "We have several metrics that fall into three categories: creating pipeline, winning and converting opportunities, and customer retention and growth. And in all three of those categories, Salesforce has really helped us quantify the improvements. It wasn't just because of the tool, but because we had the tool and the initiatives that we implemented to drive better, healthier pipeline, better opportunity conversion rates, and better long-range customer renewals and upsell opportunities. Because of the tool, we were able to measure that we made significant improvements in each of those areas."

> "What we have seen is our sales are going up, the demand for our product is going up, and we're able to respond much more effectively to those demands on our business."
>
> SENIOR MANAGER OF IT BUSINESS STRATEGY, AUTO AND ENGINEERED PARTS

Modeling and assumptions. Based on the interviews, Forrester assumes the following about the composite organization:

- The composite organization generates $2.3 billion in annual revenues before the Salesforce investment.
- After the Salesforce investment, the organization implements new sales methodologies and processes with Salesforce as the supporting technology. The adoption of these processes, a single view of the customer, and robust reporting enable more sales production. The organization measures an increase to topline growth directly impacted by Salesforce of 1%, 3%, and 5% Years 1, 2, and 3, respectively.
- The organization has a profit margin of 10%.

Risks. Forrester recognizes that these results may not be representative of all experiences. The impact of this benefit will vary depending on the following:

- The volume of revenue created will depend on the size of an organization.
- The effectiveness of change management for reps adopting the new technology and processes to support using Salesforce and the extent to which Salesforce technology and sales processes drive greater sales efficacy.
- Margins in the prior environment and the type of manufacturer.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of $14.8 million.

$207 million

Additional topline revenue over three years

Revenue Growth					
Ref.	**Metric**	**Source**	**Year 1**	**Year 2**	**Year 3**
A1	Revenues before Salesforce	Composite	$2,300,000,000	$2,300,000,000	$2,300,000,000
A2	Topline growth attributed to Salesforce	Interviews	1%	3%	5%
A3	Incremental revenue driven by Salesforce	A1*A2	$23,000,000	$69,000,000	$115,000,000
A4	Profit margin	Composite	10%	10%	10%
At	Revenue growth	A3*A4	$2,300,000	$6,900,000	$11,500,000
	Risk adjustment	↓10%			
Atr	Revenue growth (risk-adjusted)		$2,070,000	$6,210,000	$10,350,000
	Three-year total: $18,630,000		**Three-year present value: $14,790,158**		

CUSTOMER OUTREACH AND REPORTING AUTOMATION SAVINGS

Evidence and data. Salesforce had an impact on automating sales processes and providing uplift for the sales reps. Interviewees shared several ways that Salesforce helped improve their sales reps' productivity:

- **Daily reporting using generative AI saved reps 35 to 45 minutes per day.** Interviewees shared that in their prior environments, reps consolidated their daily activity and summarized it for their manager; this took from 35 to 45 minutes per day for the rep and manager to prepare and review. With Salesforce, they improved the visibility between sales and sales management by keeping the relevant information in dashboards and autogenerated reports. The enterprise architect at an equipment manufacturer said: "Instead of making a salesperson spend time keeping track of tasks, emails, and events and then writing recap emails at the end of every day, let's automate all that using Salesforce AI. Let's have it grab all their tasks and their emails and summarize the highlights of it and then automatically add that to a report."

- **Streamlining customer outreach with automated emails saved reps hours per day.** Interviewees shared that their sales reps spent a significant amount of their time crafting communications with clients and prospects, with each email taking 20 minutes to tailor with a personal touch. After the investment in Salesforce, the sales reps used templates and automation to streamline their communications. The templates enabled the sales reps to review a draft email instead of writing one from scratch, saving them hours per day. The enterprise architect at an equipment manufacturer shared: "Our goal is to make it feel like a rep just spent 25 minutes writing an email when really it's just a matter of clicking the button. It's generated, and then a salesperson skims over to verify that it feels right and then clicks send. So, it takes a 20-minute custom email and turns it into a 2-minute activity, which is a really big, powerful thing."
- **The speed of information transfer between sales reps accelerated.** In their prior environments, the reliance on paper-based processes and a culture of tribal knowledge meant that sales reps had to search for information in multiple systems and across coworkers. This meant delays in action and frequently resulted in duplicative efforts by salespeople. The chief revenue officer at a chemicals manufacturer said: "Salespeople now have access to real-time information about who's working with which account anywhere in the world. Otherwise, they had to send a bunch of emails and wait and go into a black hole and keep pinging somebody." After the Salesforce investment, interviewees noted that there were obvious productivity gains from better visibility and the availability of real-time information about who was working on which accounts. The chief revenue officer at a chemicals manufacturer shared: "We finally have a single source of truth of what's going on around the world with big customers. Now we're not chasing people down or waiting to get information because somebody's on an airplane. We've seen productivity gains."
- **Modern technology tools improved the sales rep employee experience.** Research shows that employees are more likely to be engaged when they have the information, tools, and technology they need to do their jobs.[6] Engaged employees are more likely to create better customer experiences and have

longer tenure with their employer. A culture of engaged employees may also create an environment that is easier to staff and attracts higher-quality candidates. Interviewees noted that introducing Salesforce provided sales reps with the information and tools they needed to do their job; this resulted in an improved employee experience. The CIO of a chemicals and materials manufacturer said: “We’ve grown a lot on our sales side, and every single person has commented on our modern technology and how it makes their job easier. That’s been awesome. Now our sales team has been telling us that they’re able to hire better because of the tools we put in place.”

- **A single source of truth accelerated the time to value for sales leaders.** Losing sales members with extensive tribal knowledge of the business created black holes in the interviewees’ sales organizations. New leaders and sales reps faced steep learning curves to become proficient in their new roles. By keeping customer information in Salesforce, new employees were able to accelerate their time to proficiency and begin adding value to their customers sooner. The VP of digital transformation at a climate technology products manufacturer said: “In the past, when we lost a sales leader, it would take six to eight months for that new person to know the customers, where they are, what they have purchased. My head of business in India gave a powerful example where he recently lost somebody and in three weeks the new leader was up and running and was meeting customers because he knew everything, because it was in Salesforce.”

490 hours saved each year

Per sales rep using Salesforce automations

Modeling and assumptions. Based on the interviews, Forrester assumes the following about the composite organization:

- The composite organization has 350 sales reps. Adoption of Salesforce is rolled out across the organization over the three years, resulting in adoption rates by reps of 25%, 50%, and 90% in Years 1, 2, and 3, respectively.
- The reps using Salesforce save 420 hours per year by automating customer outreach emails.
- The reps using Salesforce save a further 70 hours a year by automating daily internal reports.
- The average fully burdened hourly cost for a sales rep is $65.

Risks. Forrester recognizes that these results may not be representative of all experiences. The impact of this benefit will vary depending on the following:

- The number and type of processes automated.
- The number of sales reps performing the tasks.
- The average fully burdened cost of sales reps. The mix of roles, location of the employees, and employee seniority will all factor into the average fully burdened cost of the rep performing the tasks.
- The effectiveness of change management for reps adopting the new technology and processes that support using Salesforce.

Results. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of $12.5 million.

Customer Outreach And Reporting Automation Savings					
Ref.	**Metric**	**Source**	**Year 1**	**Year 2**	**Year 3**
B1	Sales reps	Composite	350	350	350
B2	Sales reps adopting Salesforce	Composite	25%	50%	90%
B3	Sales reps using Salesforce (rounded)	B1*B2	88	175	315
B4	Hours saved with customer outreach automations per rep	Interviews	420	420	420
B5	Hours saved with reporting automations with Salesforce AI per rep	Interviews	70	70	70
B6	Fully burdened hourly cost of a sales rep	Composite	$65	$65	$65
Bt	Customer outreach and reporting automation savings	(B4+B5)*B3*B6	$2,802,800	$5,573,750	$10,032,750
	Risk adjustment	↓15%			
Btr	Customer outreach and reporting automation savings (risk-adjusted)		$2,382,380	$4,737,688	$8,527,838
	Three-year total: $15,647,905		**Three-year present value: $12,488,335**		

SERVICE AND SUPPORT TEAM EFFICIENCIES

Evidence and data. The previous benefit quantifies the impact of process automation on the sales team. This benefit captures the impact that Salesforce had on interviewees' service and support personnel. Interviewees shared several ways that Salesforce empowered front-office personnel:

- **The service organization could scale to meet growing customer service needs.** Interviewees noted that before Salesforce, their service and support teams relied on a shared email inbox or a single telephone line to manage customer service requests. These processes were error-prone, hard to scale, didn't connect the issue data with a customer's account, and lacked reporting or insights capabilities. With Salesforce, the interviewees' organizations moved to a case-based environment and added additional channels like chat and text, which enabled agents to handle 3x more cases. Interviewees noted that without Salesforce, they would have needed to double the number of service agents to support their customer service needs.

- **The customer service experience improved by aligning people and processes.** Interviewees noted that their customers were frequently frustrated by the low-tech service department. Inefficiencies and disjointed experiences created a poor customer experience. The enterprise architect at an equipment manufacturer said: “We scaled from having a phone number and a shared inbox. You’d have one email come in and you’d have three people start to try and address it. Customers were getting frustrated. They don’t like it when it feels like nothing’s coordinated.” With Salesforce and a case-based service department, the organizations’ service departments were able to follow consistent service processes, reduce manual rework, and provide a more modern service experience to their customers.

- **Service departments decreased their average handle time and improved their first call resolution rates.** In prior environments, customer service requests were handled on a first-in/first-out basis. With Salesforce, the interviewees’ service organizations were able to aggregate requests and add automation using AI and machine learning. As a result, the relevant information would surface to the service agent. Using Salesforce as the single source of truth for customer information, service agents were able to easily see a customer’s history of cases, products purchased, and maintenance performed. With this information, agents could provide more informed advice, recommend the right action, or easily escalate the issue through the appropriate channel. Interviewees’ organizations also had a much better way to track typical call center metrics and could track improvements. The enterprise architect at an equipment manufacturer shared: “As we’ve been improving how we use Service Cloud, we’ve seen a decrease in overall average handle time.”

- **Product teams used trend analytics to identify common problems and resolve issues at the source.** Insights provided through Salesforce revealed the root causes of service cases. As a result, overall service volumes for identified product issues were reduced and cases deflected.

  The VP of digital transformation at a climate technology product manufacturer said: “We were able to take the service data and feed it into our product management. What are the things that are bothering customers? How can we add improvements to our products so that we can serve our customers better?”

The enterprise architect at an equipment manufacturer shared: "One of the big benefits of Service Cloud is having traceability and trackability into cases. We started to report on cases and found two parts that we needed to address because we were having a high volume of related issues. We reduced our overall service cases by identifying bugs in our software as well as hardware things that we needed to change to improve our reliability."

- **Service and support staff were able to prioritize strategic initiatives.** In addition to the added capacity for sales agents, internal support staff roles also realized lifts from Salesforce. The senior manager of IT business strategy at an auto and engineered parts manufacturer said: "We're becoming more collaborative. We're operating from a single customer record instead of everybody having their own version and trying to maintain it on the network. We're reducing the number of attachments that our organization is using, which is freeing up space and allowing us to have more time to be effective. We're having more time to deal with the high-priority and complex issues that are coming to us from our customers, our distributors, and our OEMs."
- **Growing order volumes did not require hiring additional headcount to support order processing.** Interviewees noted that Salesforce and the processes put in place to support the adoption of the platform created a data environment that was less prone to error, more streamlined, and more consistent. As a result, manual efforts around data entry, quality assurance, and document review were reduced. The CIO of a chemicals and materials manufacturer shared: "We have a whole support team that processes our orders and looks for mistakes like 'This is a truck delivery, but we didn't charge shipping.' And that department kept growing and growing along with the number of orders. And now our order volume is still growing but we were able to not hire anyone. That's been a really visible benefit from using Salesforce."
- **Customer service CSAT scores improved.** With Salesforce, the interviewees' organizations were able to improve their ability to measure customer satisfaction with automated surveys and more sophisticated KPI measurements. The improvements to the customer service processes resulted in higher CSAT scores. The enterprise architect at an equipment manufacturer said: "We have an

email survey that goes out for cases that aren't [conducted] over the phone. Normally, we sit at 4.5 out of 5, which is good, on average. But we ended up with a 5 out of 5 for last December, which was awesome."

- **Service and support team personnel provided value sooner due to faster employee onboarding.** In the prior environments, new hires faced a steep onboarding process that focused on learning the nuances of paper-based processes and switching between multiple point solutions. With the investment in Salesforce, the organizations were able to help capture institutional knowledge from seasoned employees and reduce the number of systems that new employees needed to learn, which accelerated their time to productivity.

25% additional capacity

Needed to support the organization without Salesforce

"Through the Salesforce platform, we've enabled chat and text-based messaging. It used to be that agents could only accept one phone call at a time, process whatever documentation they needed to, and then move on to the next call. Now they're able to take a phone call and handle a text-based live chat through the portal or text-based messaging through smartphones all at the same time. They're really handling three different issues instead of just one."

SENIOR MANAGER OF IT BUSINESS STRATEGY, AUTO AND ENGINEERED PARTS

Modeling and assumptions. Based on the interviews, Forrester assumes the following about the composite organization:

- The composite organization has 270 service and support team members; this excludes sales reps and field service technicians. Salesforce is rolled out across the organization over the three years, resulting in adoption rates by the service and support team members of 25%, 50%, and 90% in Years 1, 2, and 3, respectively.
- The additional efficiency and capacity created by Salesforce enables the organization to grow without adding additional headcount. Without the Salesforce investment, the organization would have needed to hire 25% more headcount to support the growing organization.
- The average fully burdened annual cost of a service and support team resource is $81,000.

Risks. Forrester recognizes that these results may not be representative of all experiences. The impact of this benefit will vary depending on the following:

- The number and type of processes automated.
- The number of service and support team members performing the tasks.
- The average fully burdened annual cost of service and support team resources. The mix of roles, location of the employees, and employee seniority will all factor into the average fully burdened annual cost of the resource performing the tasks.
- The effectiveness of change management for service and support team adoption of the new technology and processes that support using Salesforce.

Results. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of $638,000.

Service And Support Team Efficiencies					
Ref.	**Metric**	**Source**	**Year 1**	**Year 2**	**Year 3**
C1	Service and support team members	Composite	270	270	270
C2	Service and support team adopting Salesforce	Composite	25%	50%	90%
C3	Service and support team using Salesforce (rounded)	C1*C2	68	135	243
C4	Additional capacity needed to support organization without Salesforce	Interviews	25%	25%	25%
C5	Fully burdened annual salary of a service and support team resource	Composite	$81,000	$81,000	$81,000
Ct	Service and support team efficiencies	C3*C4*C5	$1,377,000	$2,733,750	$4,920,750
	Risk adjustment	↓15%			
Ctr	Service and support team efficiencies (risk-adjusted)		$1,170,450	$2,323,688	$4,182,638
	Three-year total: $7,676,775		**Three-year present value: $6,126,926**		

FIELD SERVICE TEAM EFFICIENCIES

Evidence and data. Manufacturing organizations' customer needs are often complex and varied, requiring a range of expertise and skills across several hybrid touchpoints. As a result, customer service is evolving to include many personas outside the contact center, such as field service.[7] Interviewees shared several ways that Salesforce impacted their field service operations, including the following:

- **Interviewees used Salesforce to scale their field service department to meet growing demand without hiring headcount.** The interviewees noted that the demand for field service is constantly increasing. However, because field service technicians are expensive resources and in high demand, the manufacturing companies needed technology to make their existing technician force more efficient rather than hiring more personnel. The enterprise architect at an equipment manufacturer said: "As machines in the field get older, they break down more. If you think about a car, if the car is one year old, you're probably not going to have a lot go wrong and it's under warranty. Once you hit five years, you're going to have more stuff going wrong; and once you're at 10 years, your engine or transmission might go out. So, we have an exponentially increasing number of machines in the field and as they get older, more issues happen."

- **Augmented reality (AR) and virtual reality (VR) improved field agent capacity.** Salesforce enabled the auto and engineered parts manufacturer to deploy AR and VR technology to provide remote assistance to field service technicians, allowing them to see what the technician is seeing in real time and guide them through complex repairs or installations. The senior manager of IT business strategy shared: "Within the next two months we are going to enable visual remote assistance. Technicians will send out a magic link to our customers and then be able to have a video conference call or see their desktop to help them through filing a warranty claim. If they have a cellphone, the dealer can take the technician with them, and the technician can see the engine that's being repaired. They can use augmented reality to document where the technician needs to focus. It's almost like being in the shop on site; they're just doing it remotely so we can reach more customers this way."
- **A single source of truth improved the success of field service visits.** Field service technicians caught in the field with inaccurate information created expensive inefficiencies. For example, a technician that traveled several hours to service an asset in a rural area needed to bring the correct parts and tools to effectively complete the service. Before Salesforce, there was a risk that the information related to the case or asset was incomplete, which increased the likelihood that the technician would fail to come prepared. With Salesforce, interviewees noted that technicians had the right information and customer history to properly prepare for and execute the required service.

  The senior manager of IT business strategy at an auto and engineered parts manufacturer said: "Our data is far more accurate because we have a single source and we're able to remove a lot of the redundant data and human error that was being introduced."

  The chief revenue officer at a chemicals manufacturer said: "[Salesforce helps with] reducing the time to solve [an issue] because we can prepare the service rep so that they're equipped to do the job effectively, which lowers the time on-site and increases the number of services visits a technician can perform."

- **Interviewees connected field services with IoT.** IoT sensors and enabling technologies allow machines to report diagnostic information back to the manufacturer, increasing the chances of completing maintenance tasks successfully on the first visit as well as providing pre-emptive service to fix an asset before it fails. The VP of digital transformation at a climate technology products manufacturer said: “We not only attend to phone calls; we also manage alerts coming in from supermarkets as we monitor their cold aisles. We get millions of alarms coming from all over the world. Before, we used to funnel alerts to service people. But now, using Salesforce, we are able to aggregate and add automation to provide the right information and context to service people. We are able to provide the right information to the agent, reduce headcount, and at the end of the day, it’s an opex saving for us.”
- **Trend analytics improved products and training.** Analytics of field service trends, technician behavior, and service KPIs enabled the interviewees’ organizations to make informed decisions on technician training and product enhancements. The chief revenue officer at a chemicals manufacturer said: “We can track the downtime, the nature of the visits, the trending issues. We’re able to evaluate based on the trending of types of visits if an issue is a training problem or a product problem.”

> “We’ve experienced tremendous efficiencies for our service team with the concept of the single source of truth for the customer, more efficient ticket management, more efficient task management, and more efficient troubleshooting when they understand the nature of the case better and we have all the knowledge articles to support how we’ve solved this problem for a customer in the past.”
>
> CHIEF REVENUE OFFICER, CHEMICALS

> "Our services are on-site, hands on, high touch, high value add. A 'We keep you running regularly and efficiently' type of service. We needed technology to make sure that we understood what our service technicians were doing with customers every day. Before Salesforce, that was a whole bunch of disparate databases and homegrown systems and internal email communication. Getting all that into Salesforce was a really big deal."
>
> CHIEF REVENUE OFFICER, CHEMICALS

54 hours

Avoided rework per field service technician each year

Modeling and assumptions. Based on the interviews, Forrester assumes the following about the composite organization:

- The composite organization has 255 field service technicians. Salesforce is rolled out across the organization over the three years, resulting in adoption rates by the field service technicians of 25%, 50%, and 90% in Years 1, 2, and 3, respectively.
- Salesforce provides technicians with relevant, complete, and timely information related to each field service case. This enables the field service technicians to

work with greater efficiency and reduce rework. Each service technician using Salesforce avoids 54 hours of rework per year.

- The average fully burdened hourly cost of a field service technician is $39.

Risks. Forrester recognizes that these results may not be representative of all experiences. The impact of this benefit will vary depending on the following:

- The existence of a field service department. The business model of a manufacturer may not include field service, in which case this benefit would not be quantified.
- The number of field service technicians.
- The average fully burdened cost of service technicians. The type of technician, location of the employees, and employee seniority will all factor into the average fully burdened cost of a technician.
- The effectiveness of change management for field service team adoption of the new technology and processes that support using Salesforce.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of $638,000.

Field Service Team Efficiencies					
Ref.	**Metric**	**Source**	**Year 1**	**Year 2**	**Year 3**
D1	Field service reps	Composite	255	255	255
D2	Field service reps adopting Salesforce	Composite	25%	50%	90%
D3	Field service reps using Salesforce (rounded)	D1*D2	64	128	230
D4	Avoided hours of rework per field service rep using Salesforce	Composite	54	54	54
D5	Fully burdened hourly cost of a field service rep	Composite	$39	$39	$39
Dt	Field service team efficiencies	D3*D4*D5	$134,784	$269,568	$484,380
	Risk adjustment	↓10%			
Dtr	Field service team efficiencies (risk-adjusted)		$121,306	$242,611	$435,942
	Three-year total: $799,859			**Three-year present value: $638,313**	

TECHNOLOGY SAVINGS

Evidence and data. The interviewee’s organizations had legacy point solution tools with siloed systems and disconnected data. Processes were paper heavy, and spreadsheets were the most common source of customer information. After investing in Salesforce, the interviewees’ organizations began to decommission their legacy integrations, consolidate maintenance efforts, replace spreadsheet-based processes, and reduce their technology bloat. With case and customer data within a single platform, manual reporting was replaced by Salesforce-generated reporting capabilities. Interviewees shared several ways that Salesforce impacted their IT environment, including:

- **Decommissioned legacy integrations.** In the legacy environments, the manufacturing organizations built integrations to connect their ERP systems to front-end point solutions. These integrations were costly to build and maintain, especially for manufacturing organizations with multiple ERP systems. With Salesforce, the interviewees were able to decommission legacy ERP integrations and replace them with Salesforce connectors. The integrations through Salesforce were easier to maintain and build. The CIO of a chemicals and materials manufacturer said: “We were spending over a million dollars a year for our ERP integration, and it wasn’t a very sophisticated product. But with Salesforce, we don’t have to host servers and it has a lot of out-of-the-box functionality that we take advantage of.”

- **Consolidated point solutions.** As manufacturing companies grew through acquisition and business units found their own technology solutions to solve discrete problems, interviewees found that technology purchases abounded. IT teams managed increasing technology bloat and decentralized purchasing decisions for point solutions. After the Salesforce investment, the global CRM and consistent processes enabled IT to begin decommissioning point solutions and consolidating tech bloat. The chief revenue officer at a chemicals manufacturer shared: “We had multiple instances of Salesforce and a few homegrown CRM applications. We had disparate and homegrown service database tracking applications. Some were built on Lotus Notes, some were built on SharePoint. We put in Salesforce, and it was a total global rip and replace.”

- **Avoided hardware refreshes.** Interviewees noted that moving to a SaaS solution enabled them to reduce their capital expenses for hardware purchases. The senior manager of IT business strategy at an auto and engineered parts manufacturer said: “We are removing redundant legacy systems. We’re reducing the technical debt of those systems because we’re using a cloud-based system that is running in a browser. We don’t have to maintain our mainframes and large legacy server systems. We’re reducing our spend on hardware because Salesforce can be run on a tablet or a lower-end PC. We don’t need to spend money on RAM, video cards, or high-end processors.”

- **Digitized spreadsheet-based processes.** Moving away from paper-based processes improved productivity, reduced human error, and provided a lift for IT. The senior manager of IT business strategy said: “We have a trophy case of the spreadsheets that we have killed off. We’ve got about 20 different business processes previously handled through spreadsheets that we’ve been able to move into Salesforce. We’re using Flow and Process Builder within Salesforce to automate processes. We have automated purchase order reviews and compliance user reviews. We automated the manufacturing cloud business plan that was built in a spreadsheet. And we are continuing to identify more and more business operations done through either email or spreadsheets, and we can eliminate them by using products like Quip or other Salesforce products."

- **Accelerated experimentation and focused energy on innovation.** Technical debt and the inflexibility of existing applications slowed the rate of innovation. Interviewees noted that the Salesforce declarative architecture unlocked the ability to innovate and create applications that would have been constrained in their prior environments. The senior manager of IT business strategy at an auto and engineered parts manufacturer said: "It simply boils down to how easy it is to develop applications on Salesforce. Our ERP has a framework language, and it takes an entire team of six to eight people [to support it]. If they were to develop the same types of applications that we've developed in Salesforce, they would still be working on requests from two or three years ago. It takes approximately one to three months for them to conceive an idea, develop it, test it, and issue it to production. Availability is an issue. Now with my team, I have a Salesforce architect, developer, and help desk analyst. The architect and the Salesforce developer working together can develop and deploy an application in Salesforce within minutes, if not hours, depending on the complexity of it."

> "Salesforce is one of our two strategic software platforms. Our system of record is maintained within our ERP, and we tie that data to Salesforce using a middleware component. This way, we keep the data synchronized between the two systems as it relates to sales history, customer information, and warranty claims. We have continued to move more and more business operations out of the ERP framework and onto Salesforce."
>
> SENIOR MANAGER OF IT BUSINESS STRATEGY, AUTO AND ENGINEERED PARTS

50%

Consolidation of legacy environment after three years

Modeling and assumptions. Based on the interviews, Forrester assumes the following about the composite organization:

- The composite's legacy environment run cost is $1.2 million. The legacy environment includes point solution licensing, on-premises infrastructure refresh costs, and labor costs for solution maintenance.

Risks. Forrester recognizes that these results may not be representative of all experiences. The impact of this benefit will vary depending on the following:

- Hidden technical debt may increase the run costs of the legacy program.
- An organization's ability to effectively consolidate and decommission legacy technology will depend on company culture, appetite for risk, and levels of change management to ensure the adoption of the Salesforce platform and processes.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of $798,000.

Technology Savings

Ref.	Metric	Source	Year 1	Year 2	Year 3
E1	Legacy environment run cost	Composite	$1,200,000	$1,200,000	$1,200,000
E2	Rate of legacy environment decommissioning and consolidation due to Salesforce	Interviews	10%	33%	50%
Et	Technology savings	E1*E2	$120,000	$396,000	$600,000
	Risk adjustment	↓10%			
Etr	Technology savings (risk-adjusted)		$108,000	$356,400	$540,000
	Three-year total: $1,004,400		**Three-year present value: $798,437**		

UNQUANTIFIED BENEFITS

Interviewees mentioned the following additional benefits that their organizations experienced but were not quantified for this study:

- **Forecasting and inventory management benefits.** Manufacturing Cloud uses an industry-specific framework that includes demand planning and inventory management features that go beyond the standard Salesforce forecasting capabilities. Interviewees using the forecasting features noted that they were able to better predict order demand, lower inventory positions, and lower carrying costs as a result of better forecasting.

  The senior manager of IT business strategy at an auto and engineered parts manufacturer said: “Our OEM team has taken a very extensive and expansive spreadsheet that has been used for 25 years and replicated all the functionality and visuals into Manufacturing Cloud. Now we have this centralized view of our forecasting, our demand planning for all the OEMs and all the products that we offer to our customers.”

  The enterprise architect at an equipment manufacturer said: “We’re doing purchasing forecasting powered by elements of Einstein Discovery to take our historical usage of an item and then extrapolate out what we think we’re going to use next month, the following month, and the one after.”

  The CIO of a materials and chemicals manufacturer said: “Salesforce is helping our purchasing team be smarter and keep less inventory on hand. Because we can better forecast, we can lean on our supply chain vendors more to just do everything better. Our inventory is down 25% of what we used to hold because we didn’t know if we’d need it or not.”

  The chief revenue officer at a chemicals manufacturer said: “Because the pipeline is much more accurate, later-stage opportunities have a higher probability of closing and production can do demand planning better.”

- **Warranty processing benefits.** Service functions specific to Manufacturing Cloud include a warranty solution that coexists with field service. Interviewees noted that customers were happier with the new warranty process, could complete their claims more easily, and could receive payment for their claims more quickly. AI-powered automations improved employee productivity and increased the number of claims processed each year.

The senior manager of IT business strategy at an auto and engineered parts manufacturer said: “In nine months, we implemented a totally new warranty system on Salesforce. After it was used for about a year, we did some feedback sessions and our customers told us that they were very happy with the new system. They were able to complete the warranty claim easier and quicker, saving them time. But they were also getting paid within 24 hours after the automated system processing. The last customer sentiment score went from 20% to the mid-80s. The customer sentiment score increased by 166%.”

They went on to describe the impact of the new warranty system on their team: “We did some additional surveys and found that we were processing 65% of the incoming claims through automated rule sets. We estimated the amount of time that was saved by this system was over 600 hours of manual workload because it would take about 3 minutes to manually process each claim. When we started manually, we were doing about 3,500 claims per year. With the Salesforce warranty system, we’re now processing over 8,000 claims.”

FLEXIBILITY

The value of flexibility is unique to each customer. There are multiple scenarios in which a manufacturer might implement Salesforce and later realize additional uses and business opportunities, including:

- **The ability to take advantage of Salesforce’s robust partner ecosystem to adapt quickly to changing business needs.** Interviewees noted that the AppExchange partner ecosystem offers solution extensibility to partners with extensive industry expertise that can help them focus on differentiating experiences, reducing time to market, and helping achieve success in complex scenarios.

- **The option to adopt Manufacturing Cloud's industry-specific capabilities.** The manufacturers interviewed for this study used a mix of Salesforce products, both individually packaged and bundled. During their tenure as Salesforce customers, they participated in the product development and beta testing of Manufacturing Cloud, a vertical CRM for manufacturers looking to implement Salesforce with out-of-the-box industry-specific capabilities. In addition to core Salesforce CRM functionalities, Manufacturing Cloud has prepackaged forecasting, warranty management, and industry best practices. Manufacturers with existing Salesforce deployments or new implementations may realize faster time to market when implementing out-of-the-box Manufacturing Cloud capabilities.
- **The ability to build out AI use cases.** With the rise in generative AI capabilities, Salesforce customers are amplifying the value of their CRM with use cases powered by AI. Interviewees noted that expanding their adoption of Einstein and Salesforce AI capabilities is part of their continuing investment in Salesforce and is expected to empower even greater automation and productivity improvements in the future. The enterprise architect at an equipment manufacturer said: "One of our goals for 2024 is to drive more efficiency through automations that we're building out on the sales side with generative AI."

> "I have a whole roadmap of how we're going to use generative AI for our sales team. One of the first things is really beefing up our generative AI emails with Prompt Builder. We'll be creating custom, bespoke emails based on unique information from our CRM data."
>
> ENTERPRISE ARCHITECT, EQUIPMENT

- **The ability to further amplify ROI with more investment in the Salesforce platform.** Salesforce is best suited for enterprises that view Salesforce as a strategic partner to their customer transformation efforts.[8] Because of its large and growing platform, manufacturers can add additional functionality without adding a new vendor into their tech stack or introducing complex integration needs. The senior manager of IT business strategy at an auto and engineered parts manufacturer said: "In the future, we're looking at adding Commerce Cloud, MuleSoft, and expanding into the Heroku platform, so we'll be able to create more real-time applications for our teams, completely revamp our e-commerce platform, and offer our customers a more personalized experience."
- **The ability to improve relationship management with resellers and partner seller enablement.** Manufacturers have extensive relationships with distributors, resellers, partners, and supply chain vendors. Interviewees noted that future investments might include connecting with their ecosystem stakeholders. The chief revenue officer at a chemicals manufacturer said: "We might bring distributor agents into our Salesforce instance if they are a high enough tier. We could have them follow our selling process so that we could know their opportunities are at the same level of management and criteria and confidence as the ones our direct reps are working. [This would create] better relationship management with our highest-tier distributors and resellers."

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

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**
Ftr	Salesforce and add-on subscriptions	$0	$1,386,000	$1,449,800	$1,516,790	$4,352,590	$3,597,769
Gtr	Implementation and integration costs	$1,170,700	$883,200	$20,700	$20,700	$2,095,300	$2,006,269
Htr	Training and ongoing management	$186,138	$542,362	$728,499	$1,044,050	$2,501,048	$2,065,669
	Total costs (risk-adjusted)	$1,356,838	$2,811,562	$2,198,999	$2,581,540	$8,948,938	$7,669,707

SALESFORCE AND ADD-ON SUBSCRIPTIONS

Evidence and data. The interviewees noted their organizations incurred external costs in the following categories as part of their Salesforce investments:

- **Salesforce licensing.** Interviewees subscribed to a variety of Salesforce products, including Sales Cloud, Service Cloud, Marketing Cloud, and Manufacturing Cloud. Actual licensing costs varied between $200,000 to $1.2 million per year and were tailored to each organization. Licensing costs for each product vary and are determined based on multiple factors, such as volumes of cases or gross merchandizing value (GMV), the number of external and internal user licenses, and the number of additional components utilized.

- **Add-on costs.** Interviewees noted that their organizations purchased additional software products from the Salesforce AppExchange, which is an online marketplace where organizations can find, download, and install applications, components, and services that extend the functionality of their Salesforce environments. Interviewees integrated third-party technologies, such as payment gateways, analytics tools, warranty solutions, tax calculations, marketing automation and ERPs, to enhance their experience.

Modeling and assumptions. Based on the interviews, Forrester assumes the following about the composite organization:

- The composite organization licenses multiple Salesforce products. The annual contract value is $1.2 million, $1.2 million, and $1.3 million in Years 1, 2, and 3, respectively.
- This composite organization licenses several partner applications through the Salesforce AppExchange. The licensing for the add-on products is $100,000 each year.

Risks. Forrester recognizes that these results may not be representative of all experiences. The impact of this cost will vary depending on the following:

- The number and mix of Salesforce solutions licensed, the factors that determine the license price (volume of transactions, GMV, number of seats, etc.), any existing Salesforce footprint, discounts negotiated, level of ongoing support, and terms of contract.
- The number, type and cost of add-on products integrated from the AppExchange marketplace and the needs of an organization.

Results. To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of $3.6 million.

Salesforce And Add-On Subscriptions

Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
F1	Salesforce licensing	Composite	$0	$1,160,000	$1,218,000	$1,278,900
F2	Add-on costs	Composite	$0	$100,000	$100,000	$100,000
Ft	Salesforce and add-on subscriptions	F1+F2	$0	$1,260,000	$1,318,000	$1,378,900
	Risk adjustment	↑10%				
Ftr	Salesforce and add-on subscriptions (risk-adjusted)		$0	$1,386,000	$1,449,800	$1,516,790
	Three-year total: $4,352,590			**Three-year present value: $3,597,769**		

IMPLEMENTATION AND INTEGRATION COSTS

Evidence and data. The interviewees noted their organizations incurred external costs in the following categories as part of their Salesforce implementations:

- **Implementation costs.** The interviewees' organizations most frequently began their Salesforce journeys by implementing Sales and Service Clouds. These implementations took place typically over seven to 24 months and included many internal resources dedicated to the implementation as well as third-party system integrators (SIs) or design consultants. Interviewees cited budgets for implementations ranging from $100,000 to $1 million.

  Interviewees noted that they took advantage of many out-of-the-box Salesforce capabilities to accelerate their implementation but had the ability to easily customize components when needed. The CIO of a chemicals and materials manufacturer said: "We got CRM with no customization needed; that's great. But then if we do want to get a little bit more sophistication, we have the power to customize Salesforce and build on top of what they've already given us. Being able to do that internally without a huge development team is powerful."

- **Integration costs.** The manufacturers incurred additional expenses related to the integration of data into their Salesforce environments. Growth through acquisition, large data estates, and multiple ERP systems added complexity to the integrations. Interviewees noted that the most important integrations were for orders and customer records. Interviewees kept their original systems of record and used Salesforce as an engagement layer to enrich existing data sources.

Modeling and assumptions. Based on the interviews, Forrester assumes the following about the composite organization:

- The composite organization engages the help of a system integrator to guide its implementation of Sales and Service Clouds. The total implementation for these products costs the organization $1.75 million.

- The composite organization integrates many data sources into its Salesforce environment. Labor costs to support these integrations totals $18,000 each year.

Risks. Forrester recognizes that these results may not be representative of all experiences. The impact of this cost will vary depending on the following:

- Scope of implementation. Organizations aiming to deploy Salesforce with an incremental approach will have a shorter initial implementation and begin realizing value sooner than an organization that aims to have an enterprisewide implementation. Organizations deploying Salesforce across multiple geographies will have a longer implementation, as global stakeholder alignment takes longer.
- The maturity of the digital team, existing skill sets with software frameworks, and familiarity with the Salesforce platform will determine how steep a learning curve the organization will face and impact the implementation timeline.
- Size and capacity of the engineering team. There will be a trade-off for organizations that rely more heavily on internal engineering resources versus outsourcing development work to a system integrator.
- The fully burdened cost of resources. The mix of roles, location of the employees, and employee seniority will all factor into the fully burdened cost of the resources participating in implementation.
- Existing relationships with system integrator partners. Organizations may have existing relationships with an SI partner or need to find a new system integrator. There may be additional periphery costs related to the sourcing and managing of the SI partner.
- Number of integrations. Consider the sources of product data, pricing, inventory, and the APIs or integrations required to support the Salesforce investment. Each integration will drive cost and complexity. Furthermore, organizations with a history of acquisitions may have more catalogs, business units, and processes to consider when defining the purchasing journey.

Results. To account for these risks, Forrester adjusted this cost upward by 15%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of $2.0 million.

Implementation And Integration Costs						
Ref.	**Metric**	**Source**	**Initial**	**Year 1**	**Year 2**	**Year 3**
G1	Implementation costs	Composite	$1,000,000	$750,000		
G2	Integration costs	Composite	$18,000	$18,000	$18,000	$18,000
Gt	Implementation and integration costs	G1+G2	$1,018,000	$768,000	$18,000	$18,000
	Risk adjustment	↑15%				
Gtr	Implementation and integration costs (risk-adjusted)		$1,170,700	$883,200	$20,700	$20,700
	Three-year total: $2,095,300		**Three-year present value: $2,006,269**			

TRAINING AND ONGOING MANAGEMENT

Evidence and data. As part of their Salesforce investments, the interviewees' organizations dedicated internal labor to training and ongoing management of the platform:

- **Training efforts.** Change management efforts were key to the manufacturers' employees successfully adopting the Salesforce technology. Interviewees noted that internal resources participated in training on how to use the new Salesforce tools and how to adopt the new processes that accompanied the digital transformation. The interviewees' marketing teams created training materials; they also utilized formal learning sessions and Trailhead training for both technical users and business users. The level of training depended on the type of role — for example, sales representative training was different from field service technician training.

  The chief revenue officer at a chemicals manufacturer shared their advice for a successful Salesforce implementation: "It's process first, tools second. If you do it the other way around, you're more than likely going to fail. Second, change management, change management, change management. You can't put enough resources, time, and emphasis on change management. And then number three is all about management, leadership, and coaching around use of the tools. If you don't make adherence to the processes a condition of employment for your salespeople and your managers, then you're just leaving it out there for people to interpret the adoption standards."

- **Ongoing administration and optimization.** After the initial implementations, the interviewees' organizations continued to develop additional use cases for their Salesforce environments, prompting further investment in the platform. The senior manager of IT business strategy shared that the demand for Salesforce exploded after the initial implementation project ended. They shared: "The sole intent of our implementation was to have a modern customer management software package. But what we found is that Salesforce wasn't just a CRM. After going to Dreamforce that year, and then going through the process of standing up those two products, we very quickly added Conga for sending out electronic documents and getting e-signatures, and we implemented Map Anything for territory management planning. Then we got involved with Manufacturing Cloud, and we just continued to add products. Last year, the latest product that we added was the Heroku platform, and we're starting to develop apps now on that platform and tying it into our dealer portal and our end-user portal."

Modeling and assumptions. Based on the interviews, Forrester assumes the following about the composite organization:

- The organization has 4,300 employees, 25% of whom are licensed to use Salesforce in their roles by year 3 of the investment. In Year 1, 25% of users adopt Salesforce, followed by 50%, and then 90% by Year 3.
- During the initial implementation, 43 power users participate in training on the Salesforce platform. These users receive 16 hours of training on average. A further 226, 312, and 656 users participate in 8 hours of training in Years 1, 2, and 3, respectively.
- The fully burdened average hourly rate of Salesforce users is $57.
- The composite organization grows its team of Salesforce administrators each year as the investments in Salesforce continue. During the initial implementation, the organization has one administrator. This team grows to five by Year 3 and focuses on building out a center of excellence.
- The fully burdened average annual rate of the Salesforce administrator resources dedicated to ongoing platform support and expansion is $130,000.

Risks. Forrester recognizes that these results may not be representative of all experiences. The impact of this cost will vary depending on the following:

- The extent of secondary implementations and optimization of use cases. Organizations taking the “crawl, walk, run” approach to implementing Salesforce will dedicate varying levels of effort to the ongoing expansion of their Salesforce use cases. The level of internal effort and prioritization of growth to support these efforts will need to align with the organization’s strategy.
- The structure and size of teams that will receive training like the sales and service teams. An organization may choose to upskill a variety of roles or focus training within certain roles. This will impact the number of people receiving training as well as the type (and therefore length) of the training received.
- Peripheral training costs. Organizations may incur additional internal or external costs for items like training materials, travel and entertainment for in-person sessions, or additional costs for third-party trainers. Organizations may also incur costs for backfilling roles.
- Internal culture around adopting new technologies and employees’ appetite for change. The extent of change management efforts required for internal employees and an organization’s customers will depend on its culture and appetite for change. Readers should evaluate the need for a full-time change manager role or change management professional service engagement to assist with internal adoption.
- Fully burdened cost of resources. The mix of roles, location of the employees, and employee seniority will all factor into the fully burdened cost of the resources noted in the table below.

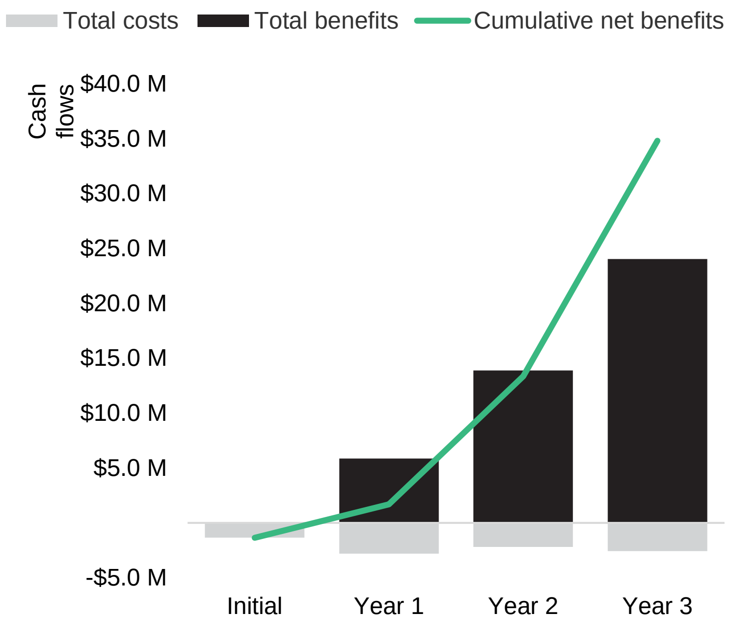
Results. To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of $2.1 million.

Training And Ongoing Management						
Ref.	**Metric**	**Source**	**Initial**	**Year 1**	**Year 2**	**Year 3**
H1	Number of Salesforce users	Composite	43	226	312	656
H2	Hours of training per Salesforce user	Composite	16	8	8	8
H3	Fully burdened hourly cost of all Salesforce users (rounded)	Composite	$57	$57	$57	$57
H4	Number of Salesforce administrators	Composite	1	3	4	5
H5	Fully burdened annual cost of a Salesforce administrator	Composite	$130,000	$130,000	$130,000	$130,000
Ht	Training and ongoing management	(H1*H2*H3) + (H4*H5)	$169,216	$493,056	$662,272	$949,136
	Risk adjustment	↑10%				
Htr	Training and ongoing management (risk-adjusted)		$186,138	$542,362	$728,499	$1,044,050
	Three-year total: $2,501,049			**Three-year present value: $2,065,669**		

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	($1,356,838)	($2,811,562)	($2,198,999)	($2,581,540)	($8,948,938)	($7,669,707)
Total benefits	$0	$5,852,136	$13,870,386	$24,036,417	$43,758,939	$34,842,169
Net benefits	($1,356,838)	$3,040,574	$11,671,387	$21,454,877	$34,810,001	$27,172,462
ROI						354%
Payback						<6 months

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.

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

APPENDIX C: ENDNOTES

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[1] Source: CRM Goes Vertical In The Age Of The Customer, Forrester Research, Inc., February 25, 2021.

[2] 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.

[3] Source: 2024 manufacturing industry outlook, Deloitte Research Center for Energy & Industrials, October 30, 2023.

[4] Source: The Forrester Wave™: Customer Service Solutions, Q1 2024, Forrester Research, Inc., March 6, 2024.

[5] Source: CRM Goes Vertical In The Age Of The Customer, Forrester Research, Inc., February 25, 2021.

[6] Source: Digital Employee Experience (DEX) Makes Engagement Likely, Forrester Research, Inc., January 9, 2024.

[7] Source: The Three Customer Service Megatrends In 2023, Forrester Research, Inc., March 20, 2023.

[8] Source: The Forrester Wave™: Customer Service Solutions, Q1 2024, Forrester Research, Inc., March 6, 2024.

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