

A Forrester Total Economic Impact™
Study Commissioned By Dialpad
May 2019

The Total Economic Impact™ Of Dialpad

Cost Savings And Business Benefits
Enabled By Dialpad

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Benefit Highlights



Reduction in time to deploy communication systems to new offices:

Over 90% reduction



Average yearly cost reduction due to retired PBX solution:

\$300K



Percent efficiency improvement due to Dialpad integrations:

15%

Executive Summary

Dialpad provides a cloud-based, AI-powered phone system that supports voice, video, and messages from any device, helping its customers reduce costs and upkeep associated with legacy private branch exchange (PBX) phone systems while bringing enterprise-grade productivity capabilities to improve communication across the organization. Dialpad commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) enterprises may realize by deploying Dialpad. The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of Dialpad on their organizations.

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed a customer with experience using Dialpad. Prior to using Dialpad, the organization was using a legacy on-premises PBX system at each of its existing offices. The legacy on-premises environment was extremely labor-intensive to set up and maintain, and it suffered from regular outages. As the organization approached a period of significant expansion, it recognized a need for a more scalable, easy-to-deploy phone system that supported productivity across the organization.

With Dialpad Talk, the organization has seen improved scalability, reliability, and cost savings within its existing offices and for its continuing international expansion. Additionally, Dialpad's productivity capabilities have improved the efficiency and effectiveness of core processes across the organization; in particular, Dialpad Support has made large improvements within the customer call center.

Key Findings

Quantified benefits. The interviewed organization experienced the following risk-adjusted present value (PV) quantified benefits:

- › **Avoided costs of nearly \$300K per year by retiring legacy PBX solution.** Prior to its investment in Dialpad, the interviewed organization had an on-premises PBX environment at each of its office locations, each requiring separate software, maintenance, and labor. With Dialpad, the organization no longer incurs the costs associated with the upkeep and maintenance of this solution, resulting in three-year risk-adjusted total PV savings of \$744,639.
- › **Reduced the time spent on setting up a new office by over 90%.** Dialpad has eliminated the organization's scalability issues and supports the organization's international expansion with significant time and cost savings, equating to a three-year risk-adjusted total PV savings of \$301,937.
- › **Improved uptime to 99%, eliminating five downtime events each year.** The organization's previous PBX environment suffered from significant downtime, resulting in customer and employee dissatisfaction. With Dialpad, the organization has seen an uptime of 99%, ensuring that employees are not dropping important client calls. The elimination of five downtime events per employee each year results in a three-year risk-adjusted total PV benefit of \$67,612.
- › **Improved call center efficiency by 15% with Dialpad CRM and productivity suite integrations.** Dialpad Support has helped the



ROI
202%



Benefits PV
\$2.4 million



NPV
\$1.6 million



Payback
Less than 3 months

organization significantly improve processes within the call center. With the CRM and productivity suite integrations, Dialpad proactively recognizes a client number, pulls up pertinent information, and automatically tracks calls and inquiries. This has improved the day-to-day productivity of the call center agents, resulting in a three-year risk-adjusted total PV benefit of over \$1.1 million.

- › **Improved ramp-up time for call center agents by 50%.** Dialpad Support's features enable agents to listen in on experienced agents' client inquiries and also enables supervisors to easily listen in on new agent calls and offer real-time coaching, reducing the time to ramp a new call center agent from one month to two weeks. This has resulted in a three-year risk-adjusted total PV benefit of \$170,529.
- › **Improved HR process of confirming interviews by 90%.** The HR team at the interviewed organization uses Dialpad's texting capabilities to reach out and confirm interview slots for job candidates, greatly reducing a time-consuming task for HR employees and increasing the attendance rate of job candidates. This has resulted in a three-year risk-adjusted total PV benefit of \$11,385.

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

- › **Improved employee satisfaction.** Dialpad creates a more efficient environment, allowing employees to work anytime, anywhere. In addition, employees are pleased that they are better able to serve customers.
- › **Improved customer satisfaction.** Customers now receive the level of support and service they have come to expect from an enterprise, no longer subjected to the outages and dropped calls the organization experienced before Dialpad.
- › **Improved coaching and management.** Dialpad provides visibility into key analytics and KPIs within the call center, and the organization can leverage that knowledge to better staff its call center and better coach its employees.

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

- › **Dialpad license costs.** These represent fees paid to Dialpad for licensing.
- › **Internal planning, implementation, and training costs.** These represent the cost of internal resources for the initial planning that went into the Dialpad deployment, the actual hours spent on deploying Dialpad, and initial training on the Dialpad platform.

Forrester's interview with an existing customer and subsequent financial analysis found that the interviewed organization experiences benefits of \$2.4M over three years versus costs of \$808,282, adding up to a net present value (NPV) of \$1.6M and an ROI of 202%.

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

TEI Framework And Methodology

From the information provided in the interview, Forrester has constructed a Total Economic Impact™ (TEI) framework for those organizations considering implementing Dialpad.

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 Dialpad can have on an organization:



DUE DILIGENCE

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



CUSTOMER INTERVIEW

Interviewed one organization using Dialpad to obtain data with respect to costs, benefits, and risks.



FINANCIAL MODEL FRAMEWORK

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



CASE STUDY

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

DISCLOSURES

Readers should be aware of the following:

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

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

Dialpad 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.

Dialpad provided the customer name for the interview but did not participate in the interview.

The Dialpad Customer Journey

BEFORE AND AFTER THE DIALPAD INVESTMENT

Interviewed Organization

For this study, Forrester interviewed a Dialpad customer, a global business services organization based in the US that:

- › Provides business services software to a wide variety of industries, currently serving over 3,000 customers.
- › Has nearly 1,400 employees across multiple global offices and an annual revenue of about \$245 million.
- › Is undergoing tremendous growth from a revenue perspective as well as expansion internationally.

Key Challenges

As the interviewed organization saw continued success and growth of its business, it realized its phone system hindered its ability to scale and support the needs of the business. Specifically, Forrester heard:

- › **The legacy on-premises environment was extremely labor-intensive to set up and maintain.** Prior to investing in Dialpad, the interviewed organization used a legacy on-premises PBX system at each of its existing offices. The interviewee, a software-as-a-service (SaaS) operations engineer, explained what it took to get up and running at each office: “We have to purchase the actual server. We have to do a significant amount of programming to get the PBX software onto the server and get it running and getting the call routes correctly going in the right places. We then have to purchase several thousand dollars’ worth of desk phones. Then, we run network cables throughout the entire office to hardwire them in. Once we got all the infrastructure in place, there’s probably a team of five people that would handle the networking and routing requirements and work with the team to understand how they want to route the calls. Finally, just to acquire the local numbers can be a pain of a process.”

Maintaining the environment was also laborious: “Before, we had one full-time person who had a strong understanding of the phone infrastructure. It took 30% to 40% of his entire workload to keep the phone lines up and running.”

While this employee primarily managed the phone systems, an employee at each office location had to manually fix the system when something was not working. The system was complex and required too much hands-on support to be flexible and scalable.

- › **Onboarding new employees was difficult and required a significant amount of hands-on IT support for low-value tasks.** Like setting up an office, getting a new employee’s phone online was filled with time-consuming, repetitious tasks that took IT time away from higher-value work. “If we have five new hires, we would have to go into the server and set up each person’s account and then also configure their DID (direct inward dialing) and all the phone things before they could even use the phone, and someone had to physically

“Our legacy on-premises PBX system was very fragile. Getting it set up was a very frustrating process at times, and not a timely one at all.”

*SaaS operations engineer,
business services organization*



“There’s just a lot of monotonous tasks that go into the PBX system just from an onboarding or offboarding an employee perspective.”

*SaaS operations engineer,
business services organization*



go plug in the phone to a specific port. The PBX phones are hard to use from a functionality perspective, so we would spend a significant amount of time training them on how to use the desk phone.” This process was not compatible with the expected growth of the organization and did not create an impressive perception of the technology landscape for new employees.

- › **Expansion, particularly internationally, was expensive and difficult.** The interviewed organization was growing within its existing offices as new employees onboarded, and it was expanding its presence internationally at new office locations across Asia Pacific and Europe. The organization faced additional pressure to find a better way of bringing communication systems to employees after quickly learning three valuable lessons from one international on-premise deployment: 1) On-premise deployments internationally were inefficient and costly; 2) working with international telephone vendors required a different knowledge set than working with US-based vendors; and 3) troubleshooting issues internationally was even more difficult than in the States.

The organization’s first international deployment involved preparing everything locally, shipping it internationally, and then having IT employees travel internationally to deploy the system. This hindered both the agility and scalability of the organization. The organization also struggled with setting up international phone systems with international carriers: “It was difficult just communicating with the international telephone vendors; they’re using different lingo, and we end up having to spend more time trying to adapt to them. We are also trying to accommodate our security standards, and having a full understanding of the differences between the States and Europe was very difficult at times.”

Finally, the organization struggled to efficiently support international offices when a problem occurred with the deployed phone system: “We don’t have a dedicated technical person in every office. When things would break, it’s not as easy as having the technicians go into the server closet and take a look. It’s, ‘Well, let’s try to find the most technical person in the office.’ So, it was a lot of troubleshooting. And sometimes, there was a couple of times where we just had to send someone [to the international office] to fix things if we cannot figure it out.” The lessons learned from this international deployment were a key tipping point for a more scalable solution.

- › **The organization needed to support higher productivity and efficiency standards as it grew.** The organization had many clear concerns from the IT point of view with the legacy on-premises PBX system. The organization suffered from severe downtime, and customer service suffered from dropped calls. The organization also wanted to create a communications environment that supported productivity and efficiency across the organization, looking for a solution that would enable worker flexibility and increase efficiency across key business processes, such as within HR, sales, and the call center. “We wanted to improve the overall end user experience and flexibility. Sometimes people work from home, and we had no good solution for them because, at that time, we just had the PBX desk phone on their desk and not a good way for them to take customer

“We had to deploy one office in Europe with an on-prem phone system. We had to prepare all the hardware and the configurations and everything in the States, and then ship everything over there, which took a couple of weeks. Then we had to pay for a couple of engineers to go out to the office and set up the phone system.”

*SaaS operations engineer,
business services organization*



“Our international offices needed solutions to easily and quickly accommodate requests for local phone numbers for different countries across Europe. We needed a solution that would easily accommodate these kinds of scenarios.”

*SaaS operations engineer,
business services organization*



“Our customers are the most important thing to us, and our customer success managers are on the phone with them, and the call gets dropped. That negatively impacts our business.”

*SaaS operations engineer,
business services organization*



calls or whatever if they work from home or on a mobile device.”
Finding a solution that met the needs of the business was critical.

Solution Requirements

The interviewed organization searched for a solution that could eliminate the challenges associated with international growth, scalability, and usability. The organization looked for a cloud communications provider that would help it quickly meet its needs, lower costs and person hours required for support, and deliver IT and line-of-business productivity improvements. After researching a variety of vendors, the interviewed organization chose Dialpad and began deployment:

- › The organization switched all its existing offices to Dialpad Talk. It currently has about 550 Dialpad users, primarily customer service and sales representatives, plus administrative assistants and office managers.
- › The customer service employees use Dialpad Support.
- › Any new office, whether based in the US or internationally, will use Dialpad instead of on-premises PBX phone lines and will only use softphones.

Key Results

The interview revealed that key results from the Dialpad investment include:

- › **Improved scalability and cost savings.** Through its investment in Dialpad, the organization reduced the costs associated with its previous PBX solution and was able to scale with its growth. The time and cost to set up, deploy and manage offices on the legacy system impacted their ability to grow internationally and add more employees both within the US and new international offices. “Just understanding where we’re at as a company and needing to be able to support the employees whatever way we go, we needed to be able to scale better”. With Dialpad, they were able to greatly reduce the costs of the legacy solution: “We have reduced our spend on physical hardware infrastructure. We have reduced the time allocated for engineers to be focusing on something more productive than the phone system. We’ve avoided the overall costs associated with the legacy phone system calls.”

In addition, with Dialpad, support requests declined, and IT support staff could use that time on higher-value tasks: “Dialpad is a very, very easy interface to use from an end user and administrative standpoint. Sometimes, the PBX phones would just lose their configuration and quit working. Or voicemail password wasn’t working and would need to be manually reset. We don’t face that anymore.”

Finally, the time it took to set up new offices went from weeks to less than a few hours, estimated at over 90% time savings for setting up a new office: “For us to set up a new office, compared to the old way, it just takes nothing. We’re at the point now where we don’t even support desk phones. Now, we just do a network test with Dialpad’s program to make sure the network is reliable. From there, we just give new employees in the office their Dialpad login, and they’re good to go.”

“As we grow as a company, as we grow internationally, we knew this on-premises local solution was not very scalable, and we were going to have to figure something else out.”

*SaaS operations engineer,
business services organization*



“We needed improved scalability. Say, for example, we were going to hire a bunch of people; can we easily and quickly give those people what they need? And this simple onboarding question: ‘When will our desk phones be ready?’ Well, it would take a week and a half to prepare a hundred desk phones, and that wasn’t acceptable to us.”

*SaaS operations engineer,
business services organization*



- › **Improved reliability, leading to improved employee and customer satisfaction.** With Dialpad, the organization has increased its uptime to 99%, ensuring that employees do not drop important client calls. “We were having a lot of problems with uptime and dependability of our phone systems. Either a vendor was out, or there was some kind of outage, or one of our servers was having a problem; we kept running into trust issues with our phone systems.” With Dialpad, the organization provides a solution that is dependable and trustworthy for its customers and employees alike. Customers no longer face the frustration of dropped calls or not being able to connect with the organization, and the organization no longer suffers the consequences of poor customer experience on the phone. With Dialpad, employees now have a reliable tool that also offers the flexibility to work from any device at any time — they no longer are locked to their desk phones and can ensure they can work how they want from anywhere.
- › **Improved efficiency and effectiveness across key functional groups.** Dialpad has brought new levels of productivity and usability to various processes within the organization, specifically the call center and human resources. Within the call center, Dialpad’s integrations with key systems like the organization’s CRM and the productivity tool suite have greatly improved the efficiency and productivity of the team. “Dialpad recognizes a number that is calling in to the call center and essentially looks it up and gives us the pertinent information before we even pick up the phone. It also helps us keep track of customer calls and inquiries, and it’s made a big impact on our productivity.”

The organization has also found that Dialpad enables significant time savings around training call center hires as it creates an easier environment for shadowing calls and better real-time coaching. It has also helped the organization better understand its call center, such as how to staff during peak and nonpeak call times. The organization has gained new visibility into its customers and the types of questions they have, and into KPIs like first-call resolution.

Within the human resources team, the organization is using the text functionality within Dialpad to confirm candidate interviews, which greatly reduces the time HR spends on the phone and increases the likelihood of candidates attending their interview timeslots: “Rather than calling candidates, they would text information about their interview to confirm timeslots, and they’ve seen a much better response rate by having the ability to text within Dialpad to potential job candidates.” Through using Dialpad, the organization has been able to take advantage of features and functionality that make Dialpad not merely a phone system, but a collaboration and productivity application for the organization.

“Setting up a new office went from weeks to not even hours. From the IT side of things, Dialpad is a breeze. We hardly have to do anything from the onboarding perspective. From an administrative overhead perspective, it’s just so much time and stress we don’t have to worry about at all.”

*SaaS operations engineer,
business services organization*



“Another big productivity win for us was the integrations with our productivity apps and CRM systems.”

*SaaS operations engineer,
business services organization*



“Having Dialpad in place gives our employees a tool they can trust and count on to always be available; that was very important to us.”

*SaaS operations engineer,
business services organization*



Analysis Of Benefits

QUANTIFIED BENEFIT DATA

Total Benefits

Ref.	Benefit	Year 1	Year 2	Year 3	Total	Present Value
Atr	Avoided costs from previous PBX solution	\$299,431	\$299,431	\$299,431	\$898,292	\$744,639
Btr	New office configuration savings	\$123,583	\$120,163	\$120,163	\$363,909	\$301,937
Ctr	Reduced downtime	\$21,656	\$27,563	\$33,469	\$82,688	\$67,612
Dtr	Call center efficiency gains with Dialpad integrations	\$421,200	\$463,320	\$505,440	\$1,389,960	\$1,145,563
Etr	Faster ramp-up time in the call center	\$62,700	\$68,970	\$75,240	\$206,910	\$170,529
Ftr	HR time savings	\$4,175	\$4,592	\$5,051	\$13,818	\$11,385
Total benefits (risk-adjusted)		\$932,744	\$984,038	\$1,038,794	\$2,955,576	\$2,441,665

Avoided Costs From Previous PBX Solution

A primary benefit for the interviewed organization was the reduction in costs associated with its previous on-premises PBX solution. Prior to investing in Dialpad, the interviewed organization had an on-premises PBX environment at each of its office locations, each requiring separate software, maintenance, and labor. By switching to Dialpad, the organization no longer incurs the costs associated with upkeep and maintenance of the PBX solution. In addition, the organization faced a number of PBX-related support tickets each week that required IT support and remediation; Dialpad's easy-to-use interface has greatly decreased the support required. With Dialpad, the organization has deployed an easy-to-use, easy-to-maintain cloud-based communication solution.

For the financial analysis, Forrester assumes that:

- › The organization retired its previous on-premises PBX software, no longer needing to support the software and server maintenance fees at each of its existing offices and reducing related long-distance and telephony costs.
- › By retiring the PBX systems, the organization eliminated the need for its technicians to maintain the PBX system and deploy desk phones for new employees, equivalent to 40% of one IT FTE at an average fully loaded salary of \$93,600.
- › In addition, the organization no longer receives support tickets related to the PBX system, which the organization estimated at 10 tickets each week; a minor incident, such as a voicemail password reset, could take 5 to 10 minutes to remediate, though a larger incident could take significantly more time, forcing the support staff to reconfigure the server. Forrester estimates an average of 30 minutes remediation per ticket to account for this variance.

The costs an organization avoids by implementing Dialpad in the place of an on-premises PBX solution may vary with:

- › The number of required PBX servers.

The table above shows the total of all benefits across the areas listed below, as well as present values (PVs) discounted at 10%. Over three years, the interviewed organization expects risk-adjusted total benefits to be a PV of over \$2.4 million.



Average yearly cost reduction due to retired PBX solution: \$300K

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

- › Average telephony costs associated with the organization.
- › The time required by IT to support and maintain the on-premises PBX solution.

To account for these risks, Forrester adjusted this benefit downward by 5%, yielding a three-year risk-adjusted total PV of \$744,639.

Avoided Costs From Previous PBX Solution: Calculation Table

Ref.	Metric	Calculation	Year 1	Year 2	Year 3
A1	Avoided PBX software and hardware maintenance costs	Software+15% maintenance on servers (1 at each office)	\$102,850	\$102,850	\$102,850
A2	Avoided long-distance and telephony costs	\$800 per month per office	\$163,200	\$163,200	\$163,200
A3	Avoided IT FTE for support and maintenance of previous solution	40% of time*fully loaded IT FTE salary of \$93,600	\$37,440	\$37,440	\$37,440
A4	Avoided costs of IT tickets related to PBX phone system	10 tickets per week*average of 30 minutes each*\$45/hr salary	\$11,700	\$11,700	\$11,700
At	Avoided costs from previous PBX solution	A1+A2+A3+A4	\$315,190	\$315,190	\$315,190
	Risk adjustment	↓5%			
Atr	Avoided costs from previous PBX solution (risk-adjusted)		\$299,431	\$299,431	\$299,431

New Office Configuration Savings

Dialpad ensures a much faster, easier, and more efficient deployment process for the organization's communication systems than its previous on-premises PBX solution. With Dialpad, the organization benefits from a cloud-based deployment; as the organization expands its international footprint, it no longer requires new on-premises hardware for each new office site, international travel for deployment, management of international phone vendors, and lengthy training on the old, complex desk phones. With Dialpad, the organization has seen an over 90% reduction in the time it takes to set up a new office, plus significant cost savings.

For the financial analysis, Forrester assumes that the interviewed organization:

- › Will open three new offices each year, each with an average of 50 employees.
- › Will avoid purchasing a new server and desk phones at each office with Dialpad. The organization can also avoid providing computer headsets for about 50% of new employees, as many employees already own these and prefer to use their own.
- › Reduces the expected long-distance and telephony costs associated with each of these offices.
- › Previously sent two FTEs to each office to manage the configuration and setup of the on-premises PBX solution. This took, on average, two weeks of time to implement. Forrester assumes an average of \$3,000 in expenses per employee for travel, lodging, and food.



Over 90% reduction in
time to set up a new office

- › Avoids training each of the new employees on the legacy system, a savings of 15 minutes per employee. The blended rate of each employee's fully loaded hourly salary is \$35.

The new office configuration savings will vary with:

- › The number of offices opened.
- › The cost associated with hardware for each office.
- › The location and associated travel costs for a given office.
- › The fully loaded compensation of IT employees.

To account for these risks, Forrester adjusted this benefit downward by 5%, yielding a three-year risk-adjusted total PV of \$301,937.

New Office Configuration Savings: Calculation Table

Ref.	Metric	Calculation	Year 1	Year 2	Year 3
B1	New offices opened per year		3	3	3
B2	Avoided cost of on-prem server per office		\$7,000	\$7,000	\$7,000
B3	Avoided desk phone costs per office	\$250*50 people per office	\$12,500	\$12,500	\$12,500
B4	Avoided headset costs per office	\$25*25 people per office	\$625	\$625	\$625
B5	Total hardware savings	(B1*B2)+(B1*B3)+(B1*B4)	\$60,375	\$60,375	\$60,375
B6	Avoided telephony costs	\$800 per month per office	\$28,800	\$25,200	\$25,200
B7	Avoided travel costs for international office setup per office	2 FTEs*\$3,000 cost of travel	\$6,000	\$6,000	\$6,000
B8	Total person hours required to configure new office per office	2 FTEs*2 weeks (in hours)	160	160	160
B9	Fully loaded FTE hourly salary		\$45	\$45	\$45
B10	Total avoided costs associated with travel and office setup	B1*(B7+(B8*B9))	\$39,600	\$39,600	\$39,600
B11	Time to train employees on legacy PBX phone	Hours	0.25	0.25	0.25
B12	Number of employees per office		50	50	50
B13	Blended hourly salary		\$35	\$35	\$35
B14	Total avoided training costs per office	B1*(B11*B12*B13)	\$1,312.50	\$1,312.50	\$1,312.50
Bt	New office configuration savings	B5+B6+B10+B14	\$130,088	\$126,488	\$126,488
	Risk adjustment	↓5%			
Btr	New office configuration savings (risk-adjusted)		\$123,583	\$120,163	\$120,163

Reduced Downtime

With its previous PBX environment, the interviewed organization suffered from a fair amount of downtime, resulting from issues like outages with a specific vendor or problems with a server at one of its offices. This resulted in customer dissatisfaction and employee frustration. With Dialpad, the organization has increased uptime to 99%, ensuring that employees do not drop important client calls. Employees feel that Dialpad is more dependable and trustworthy than the previous

environment and that Dialpad has created better experiences for customers and employees alike.

To better understand the financial impact of downtime for the organization, Forrester assumes that:

- › Each of Dialpad's users, the total number of whom grows by 150 per year due to international growth, experienced five annual downtime events with the previous PBX solution. The average length of downtime was 15 minutes; this is relatively conservative and assumes a quick fix, which was not always the case. Dialpad has eliminated this downtime.

- › Impacted employees have an average blended hourly salary of \$35.

The benefit calculation focuses specifically on the impact of the downtime to a given employee; however, readers should consider the impact this has on customers, their satisfaction, and the revenue impacts tied to that.

The impact of downtime can vary with:

- › The number and severity of downtime events each year.
- › The number of employees and their salaries.

To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year risk-adjusted total PV of \$67,612.



Eliminated downtime events with Dialpad: 5 events per year

Reduced Downtime: Calculation Table

Ref.	Metric	Calculation	Year 1	Year 2	Year 3
C1	Number of Dialpad users		550	700	850
C2	Number of downtime events eliminated per year with Dialpad		5	5	5
C3	Average length of downtime	Minutes	15	15	15
C4	Avoided minutes of downtime	$C1 * C2 * C3$	41,250	52,500	63,750
C5	Average blended hourly salary		\$35	\$35	\$35
Ct	Reduced downtime	$(C4 / 60 \text{ minutes}) * C5$	\$24,063	\$30,625	\$37,188
	Risk adjustment	↓ 10%			
Ctr	Reduced downtime (risk-adjusted)		\$21,656	\$27,563	\$33,469

Call Center Efficiency Gains With Dialpad Integrations

By investing in Dialpad, the organization has significantly improved processes within its call center. The organization's previous solution did not track key analytics or support the call agents in any way beyond a regular phone solution; with Dialpad Support, the organization has access to new features and functionality that improve how they do business. Dialpad's integrations with key systems like the organization's CRM and productivity tool suite have greatly improved the efficiency and productivity of the call center team. With this integration, Dialpad proactively recognizes a call-in number, pulls up pertinent information, and automatically tracks customer calls and inquiries directly into the CRM. In addition, call center agents are able to easily connect with customers across the productivity suite, so the information they need to



Percent efficiency improvement due to Dialpad integrations: 15%

provide superior customer experiences is readily available. With Dialpad, the organization saves time and improves the call agents' productivity before and after customer calls.

To better understand the financial impact of Dialpad Support within the call center, Forrester assumes that:

- › Each of the call center agents, the total number of whom grows each year, spends about 75% of their daily working hours on calls, or 360 minutes per day per agent.
- › With Dialpad Support integrations, the call center agents save time at the beginning and end of calls, both getting access to pertinent information and logging information from the call itself, resulting in a 15% time savings, at an average cost of support per minute of \$0.75.

The impact of call center efficiency gains can vary with:

- › The number of agents and the number of minutes spent on the phone.
- › How they use Dialpad Support integrations to impact their processes.
- › The average cost of support.

To account for these risks, Forrester adjusted this benefit downward by 20%, yielding a three-year risk-adjusted total PV of \$1,145,563.

Call Center Efficiency Gains With Dialpad Integrations: Calculation Table

Ref.	Metric	Calculation	Year 1	Year 2	Year 3
D1	Number of call center agents		50	55	60
D2	Total minutes per year on calls per agent	360 minutes per day on call*260 workdays per year	93,600	93,600	93,600
D3	Percent improvement in efficiency due to Dialpad integrations		15%	15%	15%
D4	Average cost of support per minute		\$0.75	\$0.75	\$0.75
Dt	Call center efficiency gains with Dialpad integrations	$D1 \times D2 \times D3 \times D4$	\$526,500	\$579,150	\$631,800
	Risk adjustment	↓20%			
Dtr	Call center efficiency gains with Dialpad integrations (risk-adjusted)		\$421,200	\$463,320	\$505,440

Faster Ramp-Up Time In The Call Center

Dialpad Support has also enabled the organization to cut down training time by 50% for call center agents. Dialpad Support makes it possible for a new agent to listen in on calls with an experienced agent and for a supervisor to listen in on new agent calls and offer real-time coaching; this has greatly reduced ramp-up time for the organization while creating improved customer service agents. With Dialpad, the organization has reduced the time to get an agent proficient at handling calls on their own from one month to two weeks.

To calculate this benefit, Forrester assumes that:

- › There is an average of 30% turnover year over year in the call center, resulting in new employees who need to be trained each year.



Decrease in call center agent ramp-up time: 50%

- › Prior to the investment in Dialpad, it took one month, or 160 hours, to train a new call center hire. Dialpad has reduced this time by 50%, requiring only two weeks for the hire to be fully ramped.

The model considers the average hourly salary of the call center agent, as well as the manager responsible for training the new employee.

The impact of training savings can vary with:

- › The number of agents and average turnover.
- › Average ramp-up time.
- › Average hourly salaries of call center agents and managers.

To account for these risks, Forrester adjusted this benefit downward by 5%, yielding a three-year risk-adjusted total PV of \$170,529.

Faster Ramp-Up Time In The Call Center: Calculation Table

Ref.	Metric	Calculation	Year 1	Year 2	Year 3
E1	Number of call center agents	D1	50	55	60
E2	Turnover	Industry average	30%	30%	30%
E3	New hire onboarding time	Hours	160	160	160
E4	Percent reduction in training with Dialpad	Interview/hours	50%	50%	50%
E5	New call center agent time saved on training with Dialpad	$E1 * E2 * E3 * E4$	1,200	1,320	1,440
E6	Fully loaded call center agent hourly salary		\$25	\$25	\$25
E7	Fully loaded call center manager hourly salary		\$30	\$30	\$30
Et	Faster ramp-up time in the call center	$(E5 * E6) + (E5 * E7)$	\$66,000	\$72,600	\$79,200
	Risk adjustment	↓5%			
Etr	Faster ramp-up time in the call center (risk-adjusted)		\$62,700	\$68,970	\$75,240

HR Time Savings

The HR team at the interviewed organization creatively uses the features of Dialpad to improve their processes and remove hassle from their day. The HR team began using the texting capabilities within Dialpad to reach out to and confirm interview slots for job candidates, instead of individually calling each candidate to confirm day and time. HR employees often interview five or more candidates for any given job opening and have to subsequently call and confirm times for any candidates that move to the next phase of interviews. For a growing organization of nearly 1,400 employees with an average turnover rate of 15%, that is between 200 and 300 roles per year that HR needs to fill, resulting in over 2,000 total interviews each year. By using the texting capabilities within Dialpad, the HR team frees up time for higher-value tasks and also sees a higher rate of attendance at interviews.

To calculate this benefit, Forrester assumes that:



Percent reduction in time spent confirming interview times:
90%

- › There is an average of 15% turnover year over year across the organization, resulting in 210 open roles in Year 1, growing to 254 open roles by Year 3.
- › Each role begins with five candidates, three of whom are called for follow-up interviews. Of those three, one is called for a final interview, resulting in at least nine interviews per open position. This leads to 1,890 interviews in Year 1, growing to 2,287 by Year 3.
- › The average confirmation call takes an HR employee 5 minutes. Dialpad reduces the time to confirm an interview by 90%.
- › HR employees earn an average fully loaded hourly salary of \$31.

The impact of HR time savings can vary with:

- › The number of employees and average turnover.
- › The number of candidates who are interviewed per role.
- › Previous methods of confirming candidate calls.
- › Average hourly salaries of HR employees.

To account for these risks, Forrester adjusted this benefit downward by 5%, yielding a three-year risk-adjusted total PV of \$11,385.

HR Time Savings: Calculation Table

Ref.	Metric	Calculation	Year 1	Year 2	Year 3
F1	Number of employees	Includes 10% growth YoY	1,400	1,540	1,694
F2	Number of open roles per year	F1*15% average turnover	210	231	254
F3	Number of interviews per role	F2*average of 9 interviews per open position	1,890	2,079	2,287
F4	Average time spent calling candidates to confirm interviews (in minutes)	F3*5 minutes	9,450	10,395	11,435
F5	Percent reduction with texting confirmations instead of calling		90%	90%	90%
F6	Average fully loaded HR hourly salary		\$31	\$31	\$31
Ft	HR time savings	F4/60 minutes*F5*F6	\$4,394.25	\$4,833.68	\$5,317.04
	Risk adjustment	↓5%			
Ftr	HR time savings (risk-adjusted)		\$4,175	\$4,592	\$5,051

Unquantified Benefits

In addition to the benefits quantified in the previous section, Forrester documented additional benefits that, while impactful, were not able to be quantified. These include:

- › **Improved employee satisfaction.** Employees have noted their satisfaction with Dialpad, as it creates a more efficient environment for them to work within and allows for increased productivity through mobile integrations, allowing them to work anytime, anywhere. In addition, they are pleased that they are better able to serve customers.
- › **Improved customer satisfaction.** Just as the employees are pleased with access to the tools that allow them to do their jobs well, customers are now getting the level of support and service they have come to expect from an enterprise, no longer subjected to outages and



- Improved employee satisfaction
- Improved customer

dropped calls. Customers who have higher-quality service transactions with employees are more likely to continue to be customers, impacting brand perception and overall revenues.

- › **Improved coaching and management.** With Dialpad, the organization has better access to key analytics and KPIs within the call center and can leverage that knowledge to better staff its call center and better coach its employees.

Flexibility

The value of flexibility is clearly unique to each customer, and the measure of its value varies from organization to organization. Currently, the interviewed organization is looking at how to use Dialpad to support its entire customer success and experience life cycle. There are multiple scenarios in which a customer might choose to implement Dialpad and later realize additional uses and business opportunities, including:

- › **Leveraging Dialpad AI capabilities.** The AI capabilities within Dialpad Talk and Dialpad Support bring advanced capabilities to an organization. With AI in Dialpad Talk, organizations can automatically record transcripts and next steps based on real-time conversations, generate comprehensive call summaries after every call, and save important call highlights to share with the team. With AI in Dialpad Support, the organization can get the same transcriptions and auto-generated notes, but also can leverage sentiment analysis, which automatically detects how a customer is reacting on a call and allows action to be taken before escalation is required.
- › **Investing in other Dialpad technologies, like Dialpad Sell.** Dialpad Sell helps sales teams improve sales productivity; have more meaningful, efficient conversations; and close more deals. It helps managers get a better picture of the sales pipeline and creates opportunities to coach sales teams for better outcomes.

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

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

Analysis Of Costs

QUANTIFIED COST DATA

Total Costs

Ref.	Cost	Initial	Year 1	Year 2	Year 3	Total	Present Value
Gtr	Dialpad license costs	\$0	\$255,000	\$320,400	\$385,800	\$961,200	\$786,469
Htr	Internal planning, implementation, and training costs	\$4,950	\$7,453	\$6,394	\$6,394	\$25,190	\$21,813
	Total costs (risk-adjusted)	\$4,950	\$262,453	\$326,794	\$392,194	\$986,390	\$808,282

Dialpad License Costs

These represent fees paid to Dialpad for licensing.

- › The organization purchases 620 total licenses in Year 1; the number of licenses grows year over year due to growth and expansion.
- › The organization purchases Dialpad Talk licenses at a list price of \$35 per user per month.
- › The organization purchases Dialpad Support licenses at a list price of \$75 per month for their call center agents.
- › As list pricing was used, this calculation was not risk-adjusted. The total PV risk-adjusted cost incurred over the three-year period is \$786,469.

The table above shows the total of all costs across the areas listed below, as well as present values (PVs) discounted at 10%. Over three years, the interviewed organization expects risk-adjusted total costs to be a PV of \$808,282.

Dialpad License Costs: Calculation Table

Ref.	Metric	Calculation	Initial	Year 1	Year 2	Year 3
G1	Number of Dialpad Support licenses	D1		50	55	60
G2	Cost of license	\$75 per user per month		\$900	\$900	\$900
G3	Number of Dialpad Talk licenses	C1 - G1		500	645	790
G4	Cost of license	\$35 per user per month		\$420	\$420	\$420
Gt	Dialpad license costs	(G1*G2)+(G3*G4)		\$255,000	\$320,400	\$385,800
	Risk adjustment	0%				
Gtr	Dialpad license costs (risk-adjusted)		\$0	\$255,000	\$320,400	\$385,800

Internal Planning, Implementation, And Training Costs

These represent the cost of internal resources for the initial planning that went into the Dialpad deployment, the actual hours spent on deploying Dialpad, and initial training on the Dialpad platform.

- › The organization found the rollout to be extremely easy and straightforward. However, planning the best timing and way to roll it out to employees, etc. required a time investment. The organization

estimates that it spent 80 person hours on the rollout process, with 20 person hours spent on the actual deployment. While different roles may have been involved in the planning and deployment, Forrester assumes an average hourly salary of \$45.

- › In the following years, the organization spends an average of 10 hours a month supporting and maintaining the program, including training new employees, as well as any support tickets.
- › On average, it takes about 5 minutes to train a new employee on the Dialpad system. The organization finds the user interface to be extremely straightforward. Additional specific call center training is not included as new hires would have technology training as part of their training program with or without Dialpad.

These costs can vary with:

- › Scope and complexity of deployment.
- › Number of employees to be trained.

To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year risk-adjusted total PV of \$21,813.

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

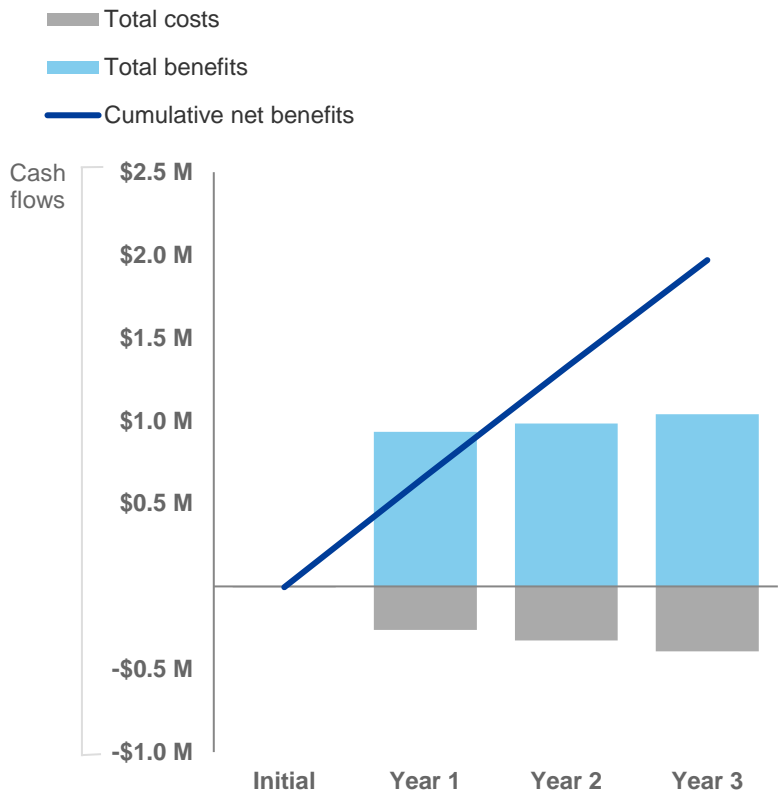
Internal Planning, Implementation, And Training Costs: Calculation Table

Ref.	Metric	Calculation	Initial	Year 1	Year 2	Year 3
H1	Person hours spent on planning rollout		80			
H2	Person hours spent on implementation		20			
H3	Ongoing support	10 hours per month		120	120	120
H4	Average fully loaded hourly salary		\$45	\$45	\$45	\$45
H5	Total cost of ongoing support	H3*H4		\$5,400	\$5,400	\$5,400
H6	New employee training on Dialpad	Minutes		5	5	5
H7	Number of new employees trained per year			500	150	150
H8	Blended hourly salary			\$33	\$33	\$33
H9	Total cost to train employees	H6/60 minutes *H7*H8		\$1,375	\$412.50	\$412.50
Ht	Internal planning, implementation and training costs	((H1+H2)*H4)+H5+H9	\$4,500	\$6,775	\$5,813	\$5,813
	Risk adjustment	↑10%				
Htr	Internal planning, implementation and training costs (risk-adjusted)		\$4,950	\$7,453	\$6,394	\$6,394

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 interviewed organization's investment. Forrester assumes a yearly discount rate of 10% for this analysis.



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

Cash Flow Table (Risk-Adjusted)

	INITIAL	YEAR 1	YEAR 2	YEAR 3	TOTAL	PRESENT VALUE
Total costs	(\$4,950)	(\$262,453)	(\$326,794)	(\$392,194)	(\$986,390)	(\$808,282)
Total benefits	\$0	\$932,744	\$984,038	\$1,038,794	\$2,955,576	\$2,441,665
Net benefits	(\$4,950)	\$670,292	\$657,244	\$646,600	\$1,969,186	\$1,633,383
ROI						202%
Payback period						< 3 months

Dialpad: Overview

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

Dialpad builds software for better communications at work. It empowers today's anywhere worker to talk, text, make video calls, and meet online with customers and colleagues on any device.

- › **Dialpad Talk** is a cloud-based, AI-powered business phone system that supports voice, video, and messages all from your existing devices. Regardless of company size, Dialpad replaces aging PBX systems and scales with ease. Dialpad natively integrates with your other cloud-based tools like G Suite, Microsoft Office 365, Salesforce, Zendesk, and more.
- › **UberConference** is an enterprise webconferencing solution that offers voice, video, and messaging, which integrate into the productivity tools you use every day. With Uberconference, meetings are effortless, allowing your teams to focus on collaboration with their teammates or customers.
- › **Dialpad Support** is an AI-powered, cloud-based platform built for support organizations. With Dialpad Support, supervisors and managers can make data-driven decisions that increase customer satisfaction while driving down cost.
- › **Dialpad Sell** is the cloud-based sales platform built for sales teams. With Dialpad Sell, sales managers can provide real-time coaching and get the full picture of their pipeline, thanks to native integrations with sales and coaching tools.

Appendix A: Total Economic Impact

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

Total Economic Impact Approach



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



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



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



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

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



Present value (PV)

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



Net present value (NPV)

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



Return on investment (ROI)

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



Discount rate

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



Payback period

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