The Total Economic Impact™ Of Salesforce Einstein Analytics

Actionable Insight, Productivity Savings, and Business Value Enabled By Einstein Analytics
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**ABOUT FORRESTER CONSULTING**

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**Executive Summary**

Salesforce Einstein Analytics provides a business analytics tool on the Salesforce platform that helps its customers unlock critical sales and service insights and act at the point of insight. 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 Einstein Analytics. The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of Einstein Analytics on their organizations.

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed one customer with two years of experience using Einstein Analytics.

The winners in the digital economy will be those that are able to gain insights the fastest and take appropriate action. To do so, companies need a solid data and analytics foundation, and modern cloud-based BI platforms are an essential part of this foundation. The interviewed organization wanted to gain in-depth business insight and quickly act on this insight for sales pipeline management for its commercial banking businesses. The organization realized that it wanted to bring in third-party data easily and compile that with data from Sales Cloud; at the same time, it also needed the flexibility to easily provide different versions of this data set to its different users and its lines of business (LOBs) with their varying performance metrics. After evaluating different business intelligence (BI) vendors, the organization chose Einstein Analytics, which provided the flexibility and scalability to provide customized and relevant insights to different LOBs, as well as a seamless experience with the Salesforce ecosystem.

Prior to using Einstein Analytics, the interviewed customer was using spreadsheets, data exports, legacy BI software, and manual processes to create reports. These processes were time-consuming and had the added challenge of working with stale data given the time needed to manually produce these reports. With Einstein Analytics, the organization could save time for managers, reporting support staff, and business analysts as well as support revenue generation with better insight and coordination for the sales teams.

**Key Findings**

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

- **Manager productivity savings of $2.95 million with improved business user experience and actionability of insight.** Managers at the bank can now manage their teams’ sales pipelines directly from dashboards enabled by Einstein Analytics. This has resulted in increased efficiency and time savings for the organization’s 250 managers, improving each manager’s productivity by an average of 5% per year.

- **Administrative assistant and reporting support staff productivity savings of $1.18 million with increased automation.** By moving to Einstein Analytics, 200 administrative assistants and reporting support staff now save an average of 4 hours a week on data collection, consolidation, and report creation.
Increased business analyst efficiency by 50% with better customization. With the improved ability to develop dashboards for different lines of business in the organization and automation of previously manual tasks through Einstein Analytics, one business analyst has improved productivity by 50%, resulting in savings of $64,949 over three years.

Improved business insight and coordination supporting incremental profit of $6.2 million. Einstein Analytics has enabled better business insight and improved coordination for the organization for sales pipeline management, calling management, and account profitability. The revenue supported by better business insight and coordination through Einstein Analytics is quantified at approximately $57.27 million over three years. At a profit margin of 15%, this translates to an incremental profit of $6,247,934 supported by Einstein Analytics. To be conservative, this business value supported by Einstein Analytics is not included in the ROI analysis.

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

- Improved business user experience.
- Faster time from data to insights to execution.
- Better customization and faster speed of implementation.
- Higher level of innovation with iterative development.

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

- Einstein Analytics fees of $587,519 over three years. The organization has secured licenses for 250 users.
- Professional services fees of $140,300 over three years. The organization worked with a system integrator (SI) and used some Salesforce support services for deployment of its use cases with Einstein Analytics. Data cleansing and data management costs are not included as these tasks were completed prior to the Einstein Analytics implementation.
- Implementation and training costs of $73,717. The reporting and analytics lead spent 50% of his time over the course of six months on the Einstein Analytics implementation and rollout of the first use cases for pipeline management. Approximately 450 employees were trained on the tool.
- Administrative costs of $71,808. The reporting and analytics lead spends 25% of his time on tool administration and strategy and planning for future projects using Einstein Analytics.

Forrester’s interview with an existing customer and subsequent financial analysis found that the interviewed organization experienced operational benefits of $4,199,436 over three years versus costs of $870,580, adding up to a net present value (NPV) of $3,328,856 and an operational ROI of 382%. 
Financial Summary

Payback: <3 months

Total benefits PV, $4.2M

Total costs PV, $871K

Initial Year 1 Year 2 Year 3

Productivity savings - administrators, $1,181,330

Productivity savings - managers, $2,953,137

Improved business analyst efficiency, $64,969

$4.2 million

three-year total benefits PV
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 Salesforce Einstein Analytics.

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 Einstein Analytics can have on an organization:

- **DUE DILIGENCE**
  Interviewed Salesforce stakeholders and Forrester analysts to gather data relative to Einstein Analytics.

- **CUSTOMER INTERVIEW**
  Interviewed one organization using Einstein Analytics 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 Salesforce Einstein Analytics’ 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 Salesforce and delivered by Forrester Consulting. It is not meant to be used as a competitive analysis.

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

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 Einstein Analytics Customer Journey

BEFORE AND AFTER THE EINSTEIN ANALYTICS INVESTMENT

Interviewed Organization

For this study, Forrester interviewed a Salesforce Einstein Analytics customer:

› This customer is a leading Fortune 500 regional bank.
› It is one of the largest banks in the United States, with over $5B in annual revenue.
› The bank implemented Sales Cloud to its commercial banking division 14 months prior to it Einstein Analytics deployment.
› It has been an Einstein Analytics customer since June 2016.
› The Sales Analytics app, part of Einstein Analytics, is currently used by the commercial banking division, which includes investment banking, real estate, payments, leasing, and the commercial business for the community bank. In the future, the organization is considering implementing Service Cloud and the Service Analytics app.

Key Challenges

When considering Einstein Analytics, the interviewed organization had many diverse reasons to explore the product. The major challenges cited by the organization included:

› **Need for more flexibility.** The organization stated that it needed more flexibility in its reporting tools. It wanted to bring more third-party data in and have more flexibility in generating output. The organization’s reporting and analytics team found that it was spending more time generating separate reports for different teams, and it needed a more efficient way to take a data set and filter out the required information for different audiences. The team needed a solution that would scale for the different businesses in the commercial banking division and that had the flexibility to integrate the different key performance indicators (KPIs) of each business unit (BU) in reports. For example, where one BU sets goals based on lending commitments, another may use high-value fees, while another looks at the net present value of leases.

› **Need for actionable insight.** The organization wanted to move from static reports to a more modern and scalable BI platform that could drive actionable insight. As one reporting and analytics lead noted, “We wanted to go from passing around a spreadsheet online to giving more actionable insight to managers. By having that goal data, where they can see where they are relative to the year’s target, managers see deals that are stale or stalled out and can make a decision to pursue the deal, or if their direct report needs help, or analyze if there was a snag along the way to closing out this deal.”

“The main benefit of Einstein Analytics is that it’s been a big coordination and collaboration tool for the company.”

*Reporting and analytics lead, commercial CRM, leading US bank*

“We were turning into a report factory, stamping out separate reports because Team A wanted something different from Team B. What really caught my eye was the flexibility. Einstein Analytics provides that strategic use of filters for data. We can really scale it for the business.”

*Reporting and analytics lead, commercial CRM, leading US bank*
Replacement of manual and other legacy reporting processes. Before implementing Einstein Analytics, the organization relied on spreadsheets exported from Salesforce, as well as classic reports and dashboards. One executive remarked, “Our classic reports and dashboards took us pretty far, but not all the way there, especially when we were trying to pan different data sets that wouldn’t play well in the Salesforce environment.” These processes also meant that support staff and the reporting and analytics team each spent a lot of time on manual report generation.

Key Results
The interview revealed that key results from the Einstein Analytics investment include:

- **Productivity savings and increased operational efficiency.** Einstein Analytics has improved laborious manual consolidation and reporting processes and increased visibility into sales pipeline and profitability. This increase in efficiency through automation and elimination of data collection, consolidation, and reporting tasks has driven improved productivity for business analysts and administrative assistants. Automating manual processes also saves time and increases productivity for managers reliant on this sales pipeline data.

- **Business value from better insight and coordination.** The organization uses Einstein Analytics via the Sales Analytics app for pipeline management and prospecting/calling management, as well as to provide high-level insight into account profitability. As a result, the organization has gained better insight and can better coordinate sales efforts. These benefits supported additional revenue and business value for the bank. In this analysis, this business value is quantified in terms of incremental profit supported by Einstein Analytics by enabling increased visibility and better business decisions.

- **Improved business user experience, with analytics native to the applications used.** The organization’s managers have gained an improved user experience, due to the dashboards and other data visualizations available through Einstein Analytics, as well as Salesforce’s mobile-first approach to interface design. A significant factor in this experience is that the analytics is native to the applications used — seamlessly integrated. When discussing the decision to implement Einstein Analytics, one executive noted, “We didn’t want to send the sales managers to another place. The Einstein Analytics tool was already a part of Salesforce and the organization’s ecosystem, so it made sense in terms of our organization’s growth and user consistency.”

- **Faster time from insights to execution.** Increased actionability of BI insights is a major benefit of the Einstein Analytics implementation. The organization has eliminated wait times, can make decisions based on the latest data, and manages sales pipelines directly from the dashboards with its Einstein Analytics deployment. This means that managers and members of the sales team for the commercial banking division can make timely decisions on pipeline and profitability with better results.

“[With Einstein Analytics], our managers can now manage pipelines directly out of the dashboard. From the initial steps, it takes 2 minutes. Before, they’d need an hour meeting with their reports to look into and manage all their team’s opportunities.”

*Reporting and analytics lead, commercial CRM, leading US bank*
Better customization and increased speed of deployment. The reporting and analytics lead also noted that the organization has better customization capabilities with Einstein Analytics. Einstein Analytics has improved the speed of deployment post-implementation. The latest use case implemented by the reporting team on Einstein Analytics took only a month of development, which was a reduction from initial use case implementation time of four months. The reporting team has also found it easier to develop dashboards and anticipates easier development for future line-of-business BI applications. The reporting and analytics lead noted, “Einstein Analytics gives us secure data exploration, and it’s easier to bring data together with the growing number of plug-ins. We knew when we purchased the tool it could do so much, and now you can see with each subsequent release it becomes more flexible and easier to edit steps in the dashboard. Salesforce is all about ‘clicks not code,’ and I don’t need a technical resource to edit a dashboard in Einstein Analytics.”

Higher level of innovation with iterative development. Einstein Analytics’ iterative development model has also driven a higher level of innovation around BI. The organization found that it can make changes to quickly respond to its users’ changing needs. This required a bit of a cultural shift in development as the organization had a habit of extending product release dates with scope expansion. The iterative development model has allowed the organization to take advantage of capabilities/dashboards in production while also improving these capabilities/dashboards for the next iteration and innovating at each step. One reporting and analytics lead remarked, “By viewing the dashboards and taking an iterative approach, we knew we could get a first version out there. We were didn’t have to be stuck in a testing phase where the business kept adding things. We could go into production with the initial scope, take user feedback, and put it into version 2.”

“From a coordination effort, Einstein Analytics has been huge. Before, there was a dashboard for everything and I spent a lot of time helping people navigate the system. Now with less dashboards for each business on the tool, I save time. It’s also easier for people to navigate the system when they get on the tool and gives people the ability to go on a journey depending on their use case.”

Reporting and analytics lead, commercial CRM, leading US bank
Analysis Of Benefits

QUANTIFIED BENEFIT DATA

Manager Productivity Savings From Better Reporting And Increased Actionability of Business Intelligence Insights

Einstein Analytics has brought the organization an improved business user experience, with analytics native to the applications used. It also means that the organization can move faster from insights to execution, as it is now easier for business users to act on insight derived from BI. One of the main use cases for Einstein Analytics for the interviewed organization was for pipeline reporting. Through Einstein Analytics, the organization can create dashboards and generate reports that give the organization more actionable insight on pipeline reporting and revenue attribution for the bank’s managers. Prior to Einstein Analytics, the organization relied on spreadsheets, data exported from Salesforce, and manual processes to get pipeline data. The lead for reporting and analytics noted, “We were using classic reports and dashboards, and that was a problem because we had different data sets that wouldn’t play well together.”

With Einstein Analytics, managers at the bank can manage their sales pipelines directly from dashboards enabled by Einstein Analytics. This saves the organization’s managers hours spent in meetings and sifting through disparate reports to manage sales opportunities. When discussing the benefits of Einstein Analytics, the organization said, “The dashboards brought huge time savings for the managers. It’s a better coaching tool. It’s easy to use, and managers can see the team’s goals in real time.”

For the organization, Forrester assumes that:

› Better reporting and increased actionability of business intelligence insights through Einstein Analytics improves productivity for 250 bank managers by 5%.
› Only 50% of these time savings are captured for productive work.
› The average fully loaded annual compensation of a manager in the commercial banking division is $200,000.

The improvement in manager efficiency will vary with:

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.

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 operational benefits to be a PV of nearly $4.2 million.
The extent to which Einstein Analytics is implemented across teams.

The number of managers and variability in compensation.

The organization’s ability to capture additional productivity from freed time.

To account for these risks, Forrester adjusted this benefit downward by 5%, yielding a three-year risk-adjusted total PV of $2,953,137.

### Productivity Savings — Managers: Calculation Table

<table>
<thead>
<tr>
<th>REF.</th>
<th>METRIC</th>
<th>CALC.</th>
<th>YEAR 1</th>
<th>YEAR 2</th>
<th>YEAR 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>A1</td>
<td>Number of managers</td>
<td></td>
<td>250</td>
<td>250</td>
<td>250</td>
</tr>
<tr>
<td>A2</td>
<td>Annual fully loaded compensation per person</td>
<td>$200,000</td>
<td>$200,000</td>
<td>$200,000</td>
<td></td>
</tr>
<tr>
<td>A3</td>
<td>Percentage of time saved due to better reporting and increased actionability of business insights</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>A4</td>
<td>Percent captured</td>
<td></td>
<td>50%</td>
<td>50%</td>
<td>50%</td>
</tr>
<tr>
<td>At</td>
<td>Productivity savings — managers</td>
<td>A1<em>A2</em>A3*A4</td>
<td>$1,250,000</td>
<td>$1,250,000</td>
<td>$1,250,000</td>
</tr>
<tr>
<td></td>
<td>Risk adjustment</td>
<td></td>
<td>↓5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Atr</td>
<td>Productivity savings — managers (risk-adjusted)</td>
<td></td>
<td>$1,187,500</td>
<td>$1,187,500</td>
<td>$1,187,500</td>
</tr>
</tbody>
</table>

### Administrator Productivity Savings From Automation And Improved Efficiency

The organization also benefits from time savings for administrative assistants who were collecting and consolidating data into reports. Dashboards provided by Einstein Analytics replace classic reports and save time for the administrative assistants, who compile reports for their managers.

For the interviewed organization, Forrester assumes that:

- By moving to Einstein Analytics, administrators save an average of 4 hours a week on data collection, consolidation, and report creation for the managers in the bank’s commercial business.

- Only 50% of these time savings are captured for productive work.

- The average fully loaded annual compensation of administrative staff in the commercial banking division is $50,000.

The improvement in administrator productivity will vary with:

- An organization’s pre-Einstein Analytics environment and the reporting requirements in that environment.

- The number of administrators and variability in compensation.

- The organization’s ability to capture additional productivity from freed time.

To account for these risks, Forrester adjusted this benefit downward by 5%, yielding a three-year risk-adjusted total PV of $1,181,330.
### Improved Business Analyst Efficiency

Einstein Analytics has also improved efficiency for business analysts who were previously working on building reports for the bank. The lead for reporting and analytics noted, "I’ve saved a lot of my time spent building out classic reports for the management team. I no longer have to create five different flavors of the same set of data with each request.” Einstein Analytics makes it easier to bring data together; the organization noted that the growing number of available plug-ins from Salesforce, coupled with graphs and visualization capabilities, mobile-first design, and the contextual dashboards, are all valuable features contributing to increased efficiency.

For the interviewed organization, Forrester assumes that:

- With the automation and efficiency enabled by Einstein Analytics, one business analyst improves productivity by 50% as this business analyst no longer spends time building classic reports, with multiple variations of these reports tailored for the management team.
- Only 50% of these time savings are captured for productive work.
- The average fully loaded annual compensation of a business analyst in the organization’s reporting and analytics team is $110,000.

The improvement in business analyst productivity will vary with:

- An organization’s pre-Einstein Analytics environment and the reporting requirements in that environment.
- The number of business analysts who use Einstein Analytics to replace previous tasks.
- The organization’s ability to capture additional productivity from freed time.

To account for these risks, Forrester adjusted this benefit downward by 5%, yielding a three-year risk-adjusted total PV of $64,969.

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### Productivity Savings — Administrators: Calculation Table

<table>
<thead>
<tr>
<th>REF.</th>
<th>METRIC</th>
<th>CALC.</th>
<th>YEAR 1</th>
<th>YEAR 2</th>
<th>YEAR 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>B1</td>
<td>Number of administrators</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td></td>
</tr>
<tr>
<td>B2</td>
<td>Hourly rate per person (rounded)</td>
<td>$50,000/2,080 hours</td>
<td>$24.04</td>
<td>$24.04</td>
<td>$24.04</td>
</tr>
<tr>
<td>B3</td>
<td>Number of hours saved per year</td>
<td>4 hrs*52 weeks</td>
<td>208</td>
<td>208</td>
<td>208</td>
</tr>
<tr>
<td>B4</td>
<td>Percent captured</td>
<td>50%</td>
<td>50%</td>
<td>50%</td>
<td></td>
</tr>
<tr>
<td>Bt</td>
<td>Productivity savings — administrators</td>
<td>B1<em>B2</em>B3*B4</td>
<td>$500,032</td>
<td>$500,032</td>
<td>$500,032</td>
</tr>
<tr>
<td></td>
<td>Risk adjustment</td>
<td>↓5%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Btr</td>
<td>Productivity savings — administrators (risk-adjusted)</td>
<td>$475,030</td>
<td>$475,030</td>
<td>$475,030</td>
<td></td>
</tr>
</tbody>
</table>
The organization currently uses Einstein Analytics’ Sales Analytics app for pipeline management, calling management, and high-level profitability assessments. The organization’s reporting and analytics lead remarked, “We use Einstein Analytics to track information such as open deals, closed deals, calling activity, what role our bank plays in the transaction. We can marry all different types of contract and to the user their sales pipeline with geography. If you are going somewhere for a conference, Einstein Analytics will show you how to maximize the value of that trip." Einstein Analytics has driven faster time from insights to execution for the organization as well as supported improved coordination and decision making for the organization in areas such as pipeline and calling management, as well as account profitability.

The leader of the bank’s investment banking arm has been a big proponent of Einstein Analytics. The solution has enabled better pipeline management for the team, as well as improved performance with better visibility into their goals. To drive this performance, compensation was tied into Salesforce scorecards through Einstein Analytics. Improved coordination through Einstein Analytics has also benefited the capital markets team. Data from Einstein Analytics drives goal awareness, so team members can take the necessary steps to meet those goals. Managers use information from Einstein Analytics to provide coaching for their teams to improve sales. As one interviewee noted, “With Einstein Analytics, we created a forecast dashboard. You can see your goal, you can see and manage deals in the pipeline, and bring in deals from next quarter, so you know if you need to bring in another 10% or 40%.” Prior to Einstein Analytics, the organization had to manually pull and align data, resulting in reports that were no longer relevant as, by the time these processes were complete, the data was stale.

The organization estimated that this improved business insight and increased coordination enabled by Einstein Analytics helped the investment banking division meet its revenue goals and supported 10% of revenue for the team that year. The organization also estimated that Einstein Analytics brought improved coordination and supported 5% to 10% of revenue for the equipment finance team and the community banking team.

A sample calculation is shown in the table below to illustrate how to
quantify the business value gained from revenue supported by the better business insight and coordination enabled by Einstein Analytics. This sample calculation assumes that:

- The benefit of increased business insight and better decision making and coordination enabled by Einstein Analytics is quantified for two divisions at the bank — investment banking and equipment finance. Only 5% of the annual revenue of these two divisions is supported by the Einstein Analytics deployment.

- To be conservative, this revenue supported by Einstein Analytics occurs in Year 2, after a full year of deployment of Einstein Analytics in these teams.

- Total revenue supported by Einstein Analytics over the three-year analysis is $33 million.

- The profit margin used to capture incremental profit from this increased revenue with better business insight and coordination supported by Einstein Analytics is 15%.

The organization also considered several impact risks that could potentially reduce anticipated additional revenue driven by Einstein Analytics:

- Shifting market conditions leading to variability in revenue.

- Variability in adoption and use of insights from Einstein Analytics to drive business decisions.

- Variability in revenue increase depending on an organization’s pre-Einstein Analytics environment.

To account for these risks, Forrester adjusted this benefit downward by 20%, yielding a three-year risk-adjusted total PV of $6,247,934 of incremental profit from revenue supported by Einstein Analytics.

### Incremental Profit Supported By Better Business Insight And Coordination: Calculation Table

<table>
<thead>
<tr>
<th>REF.</th>
<th>METRIC</th>
<th>CALC.</th>
<th>YEAR 1</th>
<th>YEAR 2</th>
<th>YEAR 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>D1</td>
<td>Revenue</td>
<td>$660,000,000</td>
<td>$660,000,000</td>
<td>$660,000,000</td>
<td></td>
</tr>
<tr>
<td>D2</td>
<td>Percentage revenue supported by insight and coordination via Einstein Analytics</td>
<td>0%</td>
<td>5%</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>D3</td>
<td>Profit margin</td>
<td>Net margin</td>
<td>15%</td>
<td>15%</td>
<td>15%</td>
</tr>
<tr>
<td>Dt</td>
<td>Incremental profit supported by better business insight and coordination</td>
<td>D1<em>D2</em>D3</td>
<td>$0</td>
<td>$4,950,000</td>
<td>$4,950,000</td>
</tr>
<tr>
<td>Dtr</td>
<td>Incremental profit supported by better business insight and coordination (risk-adjusted)</td>
<td>$0</td>
<td>$3,960,000</td>
<td>$3,960,000</td>
<td></td>
</tr>
</tbody>
</table>

To be conservative, Forrester does not include this incremental profit in the final ROI analysis.
Flexibility

The value of flexibility is clearly unique to each customer, and the measure of its value varies from organization to organization. There are multiple scenarios in which a customer might choose to implement Einstein Analytics and later realize additional uses and business opportunities, including:

› **Additional use cases and development around Einstein Analytics capabilities.** As the organization expands its use of Einstein Analytics capabilities, it expects benefits around automated discovery of patterns with artificial intelligence (AI) that will lead to optimized value. Benefits from this expansion could include faster and more in-depth results, as well as exposure to previously hidden trends in the business. Solution add-ons, such as event monitoring, could also potentially bring additional benefits on improved user experience and business value.

› **Increasing number of users of Einstein Analytics.** Increasing the number of users would bring additional productivity savings and increased operational efficiency. The organization noted, “We currently only have Einstein Analytics licenses for the managers. And the managers now want their entire team to have this, not just them, as they see the value in it.”

› **Expanding Einstein Analytics into new business functions.** As other business functions within the bank use Einstein Analytics, for other use cases apart from pipeline management and prospecting, the organization may also benefit from increased revenue due to better coordination and actionability of business insights. One executive noted that once the consumer side of the bank implements Sales Cloud and other bank divisions do the same, Einstein Analytics would provide a way to look across all the different Salesforce instances to bring this data together.

› **Bringing in more third-party data.** The organization is currently in the pilot phase for two projects that bring in third-party data — in this case, loan underwriting data — into the business process. The organization noted that use of Einstein Analytics, Salesforce, and this third-party data for the loan origination process and the treasury onboarding process will bring better client service and possibly increase revenue opportunities for the bank.

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

### Total Costs

<table>
<thead>
<tr>
<th>REF.</th>
<th>COST</th>
<th>INITIAL</th>
<th>YEAR 1</th>
<th>YEAR 2</th>
<th>YEAR 3</th>
<th>TOTAL</th>
<th>PRESENT VALUE</th>
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<tr>
<td>Etr</td>
<td>Einstein Analytics fees</td>
<td>$0</td>
<td>$236,250</td>
<td>$236,250</td>
<td>$236,250</td>
<td>$708,750</td>
<td>$587,519</td>
</tr>
<tr>
<td>Ftr</td>
<td>Professional services fees</td>
<td>$140,300</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$140,300</td>
<td>$140,300</td>
</tr>
<tr>
<td>Gtr</td>
<td>Implementation and training costs</td>
<td>$31,622</td>
<td>$43,264</td>
<td>$0</td>
<td>$0</td>
<td>$77,927</td>
<td>$73,717</td>
</tr>
<tr>
<td>Htr</td>
<td>Administrative costs</td>
<td>$0</td>
<td>$28,875</td>
<td>$28,875</td>
<td>$28,875</td>
<td>$86,625</td>
<td>$71,808</td>
</tr>
</tbody>
</table>

**Total costs (risk-adjusted)**: $171,922, $308,389, $265,125, $265,125, $1,010,561, $870,580

---

### Einstein Analytics Fees

Einstein Analytics fees are based on the number of users or monthly logins per contract. The organization implemented Einstein Analytics after it had deployed Sales Cloud, so fees for Sales Cloud are not included in this analysis.

- Total Einstein Analytics fees for the organization are $225,000 per year.
- Because Salesforce fees will vary, consult with Salesforce when estimating total software-as-a-service (SaaS) fees for your organization.

The following risk could affect this cost:

- Solution fees vary from organization to organization, considering different use cases, number of users, and implementation scope.

To account for this risk, Forrester adjusted this cost upward by 5%, yielding a three-year risk-adjusted total PV of $587,519.

---

### Einstein Analytics Fees: Calculation Table

<table>
<thead>
<tr>
<th>REF.</th>
<th>METRIC</th>
<th>CALC.</th>
<th>INITIAL</th>
<th>YEAR 1</th>
<th>YEAR 2</th>
<th>YEAR 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>E1</td>
<td>Einstein Analytics fees (monthly)</td>
<td></td>
<td>$18,750</td>
<td>$18,750</td>
<td>$18,750</td>
<td></td>
</tr>
<tr>
<td>E2</td>
<td>Number of months</td>
<td></td>
<td>12</td>
<td>12</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>Ee</td>
<td>Einstein Analytics fees</td>
<td>E1*E2</td>
<td>$0</td>
<td>$225,000</td>
<td>$225,000</td>
<td>$225,000</td>
</tr>
<tr>
<td>Et</td>
<td>Risk adjustment</td>
<td></td>
<td>↑5%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Etr</td>
<td>Einstein Analytics fees (risk-adjusted)</td>
<td></td>
<td>$0</td>
<td>$236,250</td>
<td>$236,250</td>
<td>$236,250</td>
</tr>
</tbody>
</table>
Professional Services Fees

The organization worked with a system integrator to implement Einstein Analytics. Because the SI was new to the tool, the organization found it helpful to tap Salesforce support services to assist in its Einstein Analytics implementation. The organization noted, “Salesforce helped us immensely, particularly on broader issues such as questions on security predicates, enterprise architecture, data architecture, and also figuring out what’s coming in the future.”

In a typical BI solution implementation, organizations may also incur additional costs for data cleansing, data integration, master data management, and reference data management. Depending on the organization’s pre-Einstein Analytics state, these costs may be significant. As the interviewed organization had already done the data cleansing and management work prior to its evaluation and implementation of Einstein Analytics, these costs are not included in the analysis.

Professional services costs for the organization were as follows:

› The organization spent $30,000 on Salesforce consulting fees for the implementation.

› The organization signed an SI implementation contract for $92,000 and worked with an implementation partner for approximately five months.

Risks that may affect these costs include the following factors:

› Size and scope of the Einstein Analytics implementation. Extensive report customization requirements may require additional costs.

› Data cleansing, data integration, and data management requirements based on a pre-Einstein Analytics environment.

› Appetite of the firm to use internal versus external resources for implementation.

To account for these risks, Forrester adjusted this cost upward by 15%, yielding a three-year risk-adjusted total PV of $140,300.

<table>
<thead>
<tr>
<th>REF.</th>
<th>METRIC</th>
<th>CALC.</th>
<th>INITIAL</th>
<th>YEAR 1</th>
<th>YEAR 2</th>
<th>YEAR 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>F1</td>
<td>Salesforce consulting fees</td>
<td>$30,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>F2</td>
<td>System integrator implementation fees</td>
<td>$92,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ft</td>
<td>Professional services fees</td>
<td>F1+F2</td>
<td>$122,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Risk adjustment</td>
<td>↑15%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ftr</td>
<td>Professional services fees (risk-adjusted)</td>
<td></td>
<td>$140,300</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Implementation And Training Costs

Implementation costs for Einstein Analytics include time spent by internal resources on internal planning and coordination, development and integration, and deployment. Implementation costs may also include data cleaning, data integration, master data management, and reference data
management. In this case, the organization’s data did not require any additional data cleaning, data management, and other similar tasks, as these were done prior for separate projects.

Implementation costs were modeled using the following:

- One business analyst spent 50% of his time over six months, or the equivalent of 520 hours, on the Einstein Analytics implementation.
- This reporting and analytics lead also trained 80% of the bank’s managers in one-on-one sessions. The rest of the users were trained in groups. Total hours spent by the lead on training and rollout was 200 hours.
- All 450 Einstein Analytics users spent an average of 1 hour in training. The average fully loaded hourly compensation for these 450 people, which includes managers and administrative assistants, is $60.10 per hour.

The following factors may affect the actual implementation cost and timeline experienced by other organizations:

- Number of Einstein Analytics users and associated fully loaded compensation.
- Size and scope of the Einstein Analytics implementation and training.
- Data cleansing, data integration, and data management requirements based on a pre-Einstein Analytics environment.

To account for these risks, Forrester adjusted this cost upward by 15%, yielding a three-year risk-adjusted total PV of $70,953.

**Implementation And Training Costs: Calculation Table**

<table>
<thead>
<tr>
<th>REF.</th>
<th>METRIC</th>
<th>CALC.</th>
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<th>YEAR 1</th>
<th>YEAR 2</th>
<th>YEAR 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>G1</td>
<td>Number of trainers</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G2</td>
<td>Fully loaded hourly rate</td>
<td>$52.88</td>
<td>$52.88</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G3</td>
<td>Hours spent on training and</td>
<td>520</td>
<td>200</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>implementation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4</td>
<td>Number of people trained</td>
<td>450</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G5</td>
<td>Average fully loaded hourly rate</td>
<td></td>
<td>$60.10</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>per person</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G6</td>
<td>Hours spent in training</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gt</td>
<td>Implementation and training costs</td>
<td>(G1<em>G2</em>G3)+</td>
<td>$27,498</td>
<td>$37,621</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(G4<em>G5</em>G6)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gtr</td>
<td>Implementation and training costs</td>
<td></td>
<td>$31,622</td>
<td>$43,264</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(risk-adjusted)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Administrative Costs

For the interviewed organization, one business analyst full-time equivalent (FTE) spends 25% of his time on ongoing administration of Einstein Analytics. The reporting and analytics lead noted, “This quarter of my time doesn't include just basic admin work, but also time spent thinking strategically on what our organization can do with Einstein Analytics in the future.” At a fully loaded annual compensation of $110,000 for the FTE, the administration cost of Einstein Analytics is $27,500 per year. The administration costs will vary for each organization depending on the use cases and scope for Einstein Analytics, and each company’s compensation structure. These administration costs may increase with the number of use cases and future report requirements. To account for this variability, the ongoing administration cost was risk-adjusted and raised by 5% in this analysis.

### Administrative Costs: Calculation Table

<table>
<thead>
<tr>
<th>REF.</th>
<th>METRIC</th>
<th>CALC.</th>
<th>INITIAL</th>
<th>YEAR 1</th>
<th>YEAR 2</th>
<th>YEAR 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>Number of people</td>
<td></td>
<td>1</td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>H2</td>
<td>Annual fully loaded compensation per person</td>
<td></td>
<td>$110,000</td>
<td>$110,000</td>
<td>$110,000</td>
<td></td>
</tr>
<tr>
<td>H3</td>
<td>Percentage of time spent on ongoing administration</td>
<td></td>
<td>25%</td>
<td>25%</td>
<td>25%</td>
<td></td>
</tr>
<tr>
<td>Ht</td>
<td>Administrative costs</td>
<td></td>
<td>$0</td>
<td>$27,500</td>
<td>$27,500</td>
<td>$27,500</td>
</tr>
<tr>
<td></td>
<td>Risk adjustment</td>
<td></td>
<td>↑5%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Htr</td>
<td>Administrative costs (risk-adjusted)</td>
<td></td>
<td>$0</td>
<td>$28,875</td>
<td>$28,875</td>
<td>$28,875</td>
</tr>
</tbody>
</table>
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.
Salesforce Einstein Analytics: Overview

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

Einstein Analytics is a robust analytics platform that delivers actionable, intelligent insights to everyone in your company. It’s native to Salesforce’s No. 1 trusted cloud platform, meaning it’s enterprise-ready and benefits from the same security and innovation that Salesforce customers have come to expect. It’s always connected, allowing you to analyze data from any source and act on insights without ever leaving your CRM. Einstein Analytics gives you complete analytics for the entire company, offering custom and prebuilt apps that help both business users and analysts get answers faster. And it’s more intelligent than ever with Einstein, providing AI-powered explanations of what might happen and recommendations on what to do about it.

With Einstein Analytics, you can:

**Explore all your data from any source, quickly and easily.**
See all your data from both internal and external sources in prebuilt apps and dashboards. When you find an answer, you can assign a sales task, close a service case, and more, all within the Salesforce ecosystem.

**Get smarter and more connected.**
Native integration with Salesforce makes it easy to connect right to your Sales Cloud and Service Cloud data. Now you can dynamically explore any information to spot trends and visualize key performance indicators.

**Work from any device.**
Give your team the power to slice and dice data, no matter where they’re working — Einstein Analytics was designed mobile-first and optimized for tablets, phones, and watches.

**Get contextual answers.**
Unlock the full power of Salesforce data with the suite of analytics apps. Give your sales and service teams the tools to instantly find the relevant answers that lead to smarter deals and happier customers.

**Know what's happening now, and what will happen next.**
Get AI-powered answers, explanations, and recommendations with Einstein Discovery. Analyze millions of data combinations in minutes so you can understand what happened, why it happened, and what will happen in the future.

**Find the perfect app for your business.**
Use the power of analytics to connect sales, service, marketing, HR, and IT. The Einstein Analytics products suite includes 19 industry-leading partners with analytics apps for every function, in every industry.

For more information on Einstein Analytics, visit [https://www.salesforce.com/products/einstein-analytics/overview/](https://www.salesforce.com/products/einstein-analytics/overview/).
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

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

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

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

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.
Appendix B: Supplemental Material

Related Forrester Research
“Quantify The Tangible Business Value of BI,” Forrester Research, Inc., January 10, 2018

Appendix C: Endnotes