

Salesforce Lightning Drives Productivity Gains And Reduces Development And Support Costs

Transition Pattern: Big Bang Deployment

Lightning is a collection of tools and technologies that is the next generation of the Salesforce platform. It includes a new user experience, a component-based application framework on the Salesforce platform, and an update of the Salesforce ecosystem to take advantage of the Lightning application framework. To better understand the benefits, costs, and risks associated with a Lightning deployment, Forrester Consulting conducted a Total Economic Impact™ (TEI) study based on interviews with several customers. This summary is based on a full TEI study, which can be downloaded [here](#).

Big Bang Deployment Approach

Organizations interviewed that chose to deploy Salesforce Lightning to all their users at the same time, also known as the Big Bang deployment approach, identified the drivers behind their decision:

- › **Minimal adjustment in business processes.** Interviewees taking the Big Bang approach tailored the new Lightning deployment to different personas and processes within their organizations, ensuring that Lightning enhanced existing processes rather than change them.
- › **Strong business sponsorship.** Organizations taking the Big Bang approach had strong business sponsorship for the endeavor. Interviewees agreed that the process needed to be seen as a critical business value add-on and not a decision driven solely by IT. To gain executive buy-in, organizations tied the Lightning launch to key business and product kickoffs.
- › **Better suited for small and medium companies.** The Big Bang approach is better suited for small and medium organizations, which have a higher level of agility than large organizations with many entrenched business units.
- › **Lower levels of customization and desire to avoid excess technical debt.** Big Bang adopters highlighted the inability to afford, or a mandate from management to avoid, incurring technical debt related to managing and maintaining current and legacy systems. Organization that chose a Big Bang approach typically had low levels of customization in their pre-Lightning environment.
- › **Lack of traditional CRM.** One interviewed organization chose a Big Bang deployment as it did not have a traditional CRM prior to Lightning. It was primed for this deployment approach as less business units would be reliant on a single platform and transition would require less time and effort.
- › **Mergers and acquisitions.** Organizations may also choose a Big Bang approach in cases of a merger or acquisition where two systems are being consolidated, or where one CRM system is being folded into another that's already running Lightning.

SUMMARY

Based on a commissioned study, "The Total Economic Impact Of Salesforce Lightning"

METHODOLOGY

The objective of the TEI 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 of Salesforce Lightning, including interviews with Forrester analysts, Salesforce stakeholders, and seven current Salesforce Lightning customers. Forrester constructed a financial model representative of the interviews using the TEI methodology.

COMPOSITE ORGANIZATION

This analysis uses a composite organization, based on the interviewees, to present the aggregate financial analysis.

RISK ADJUSTMENT

Forrester risk-adjusted the financial model based on issues and concerns of the interviewed organizations to account for uncertainties in benefit and cost estimates.

Results

Based on the TEI analysis, a representative organization deploying Salesforce Lightning has the following three-year financial impact: \$3,371,834 in benefits versus costs of \$764,860, resulting in a net present value (NPV) of \$2,606,974 million and an ROI of 341%. The per user benefit for the representative organization is \$1,405.

Quantified benefits. The following risk-adjusted quantified benefits reflect the financial analysis associated with the composite organization:

- › **Sales efficiency savings due to improved user experience and increased productivity with Lightning Experience was 47% of total benefits.** With the Lightning deployment, organizations revamped Salesforce processes and optimized user interfaces (UIs) for a better user experience. Average productivity for the sales organization increased by 3%, equivalent to an hour a week.
- › **Time savings for business sponsors and power users with Lightning Experience was 11% of total benefits.** Power users such as business sponsors and project managers also gained additional time savings from improved dashboard capabilities and analytics. These power users saved an additional 2 hours a week, on average.
- › **Lower development and support costs with Lightning Platform was 37% of total benefits.** Lightning's component-based framework also enabled organizations to deploy customizations without writing code, leverage base components for reuse, and deploy applications faster.
- › **Savings from an eighty percent reduction in application developer turnover rates with the Lightning Platform comprised 5% of total benefits.** The deployment of Lightning also increased developer engagement; the composite organization saw an 80% reduction in developer turnover rates, resulting in hiring cost avoidance savings of \$169,106.



ROI 341%



**Benefits PV
\$3.37 million**



Costs PV \$765K



**Payback 14
months**

Unquantified benefits. Examples of additional benefits that the interviewed organizations mentioned as significant but were not quantified in the study include:

- › **Faster time-to-market with 50% faster application deployment.** Organizations stated they could develop and deliver applications faster with the Lightning platform.
- › **Improved process efficiency and application quality.** The improved Lightning feature set and out-of-the-box approach reduced the need for time-consuming customization, fueling enhanced developer workflows.
- › **Increased innovation with ability to quickly bring applications to new channels like mobile.** Organizations used Lightning to support new channels, such as mobile, which was previously impossible.
- › **Increased collaboration and better business results.** Improved reporting capabilities drove better business results through improved team collaboration.

"We've seen better efficiency with Lightning. As an admin with some developer tendencies, the Lightning interface provides me with much more ability to customize, to develop without code or engaging a developer."

— Head of global tech strategy, real estate and investment firm



The Salesforce Lightning Customer Journey

For this study, Forrester conducted interviews with seven Salesforce Lightning customers. Interviewed customers include the following:

INDUSTRY	REGION	INTERVIEWEE(S)	NUMBER OF USERS
Network and enterprise security	Headquartered on West Coast	VP of enterprise applications	2,000 Sales Cloud users
Storage	Headquartered on West Coast	IT director for CRM applications	1,000 Sales Cloud users 300 Service Cloud users
Professional services and consulting	Headquartered in UK	Engagement director	47,000 Salesforce users
Software development	Headquartered on West Coast	VP enterprise architecture and business applications	1,200 Sales Cloud users 600 Service Cloud users
Professional services and investment management	Headquartered in Midwest	SVP, IT solutions VP, senior Salesforce administrator	400 Salesforce users
IT staffing services	Headquartered in Midwest	President	250 Sales Cloud users 200 Salesforce for Employee Engagement users
Software development	Headquartered on West Coast	Director, sales automation and analytics Sales automation architect	2,000 Sales Cloud users 400 Service Cloud users

Key Investment Drivers And Results

The interviewed organizations shared the following challenges prior to investing in Salesforce Lightning:

- › **Need to improve user experience.** Improving user experience was a common driver for the interviewed organizations, as Lightning enabled these organizations to provide a more modern and seamless user experience than their previous Salesforce iteration.
- › **Need to innovate and access new features and capabilities.** Organizations also highlighted that investing in Lightning was a gateway to new features and capabilities, such as low-code app development, improved dashboards, and mobile framework for app building.
- › **Access to modern collaboration tools with a new CRM install.** Organizations identified collaboration features as a key priority in improving business efficiencies.

The interviewed organizations achieved key investment results:

- › **Improved user experience and better reporting capabilities with Lightning Experience, leading to user productivity savings.** Companies with longstanding Salesforce implementations redefined processes and optimized their UI to facilitate efficiency. Other reported sales efficiency drivers from Lightning deployments included an improved mobile experience and the ability to embed Einstein Analytics directly into the user experience. In addition to general end user productivity savings, power users such as business sponsors and project managers saw time savings from improved dashboard capabilities.
- › **Improved processes, better application quality, and faster application deployment with Lightning Platform, leading to lower development and support costs.** Lightning's component-based framework also enabled organizations to deploy

"The benefit of the Lightning Platform has been dramatic in terms of application quality."

— IT director for CRM applications, storage company



customizations without writing code, leverage base components for reuse, and deploy applications faster. Several organizations reported increased efficiency for their Salesforce development teams but also cautioned that there was a learning curve before that time was saved.

- › **Innovation and faster time-to-market.** The Lightning Platform enabled organizations to innovate and develop new applications at an accelerated speed. Development teams could quickly bring applications to new channels, like mobile, with cross-platform flexibility as a key driver to this benefit.

Composite Organization

Based on the interviews, Forrester constructed a TEI framework, a composite company, and an ROI analysis that illustrates the areas financially affected, covered in greater detail in the full study. The composite organization has the following characteristics:

- › **Description of composite:** The composite organization is a multinational organization headquartered in the United States. It has \$3B in annual revenue and 5,000 employees. The organization has 2,000 Sales Cloud users, which include field sales, channel sales, and sales support. The organization also has 400 Service Cloud users. The organization has been using Salesforce for 10 years and has built approximately 100 custom applications on the platform.
- › **Deployment characteristics:** The need to improve the sales user experience drove the composite organization's Lightning deployment. All new applications will be built on the Lightning platform while the transition projects for current applications are ongoing. The Salesforce Lightning deployment was part of a business transformation initiative for the sales organization.



Key assumptions
2,000 Sales Cloud users
400 Service Cloud users

Salesforce Lightning Improves User Experience And Reduces Development And Support Costs

The interviewed organizations needed to improve their sales users experience with a platform that provided easy access to new and innovative features and capabilities. Firms sought a solution that could align with their ongoing major business transformation initiatives and provided access to collaborative ways of engaging with customers — leading them to Salesforce. Salesforce Lightning is an enterprise platform for indirect sales. It connects partners, dealers, distributors, brokers, or franchisees directly to the information, apps, and experts that they need to sell. Salesforce Lightning enables organizations to improve the productivity of their sales teams, lower the cost of developing and supporting applications leading to faster deployment, lower the turnover rate of their development team, and increase time savings for power users engaging in the improved dashboard capabilities when compared with their legacy systems.

The benefit impact experienced by the composite organization is based on the past and current experiences of the seven interviewees. Over three years, the composite organization expects risk-adjusted total benefits to be a present value (PV) of \$3.37 million.

Total Benefits

BENEFIT	YEAR 1	YEAR 2	YEAR 3	TOTAL	PRESENT VALUE
Improved end user productivity — sales	\$249,375	\$748,125	\$997,500	\$1,995,000	\$1,594,426
Time savings for business sponsors/power users	\$90,000	\$180,000	\$180,000	\$450,000	\$365,815
Developer resource efficiency savings	\$0	\$787,500	\$787,500	\$1,575,000	\$1,242,487
Reduction in application developer turnover	\$68,000	\$68,000	\$68,000	\$204,000	\$169,106
Total benefits (risk-adjusted)	\$407,375	\$1,783,625	\$2,033,000	\$4,224,000	\$3,371,834

- › **Improved end user productivity.** By deploying Salesforce Lightning, the sales members of the composite organization saw efficiency improvements of 1 hour per week, equivalent to a 3% productivity improvement. Of these time savings, 25% were captured for productive work, equating to a total PV of \$1,594,426 over three years.
- › **Time savings for business sponsors/power users.** In addition to general end user productivity savings, project managers using Lightning saw time savings due to its improved reporting capabilities. These savings accounted for an additional 2 hours per week and were fully realized six months after initial Lightning deployment. The savings over three years were \$365,815.
- › **Developer resource efficiency savings.** Interviewed organizations consistently cited low-code app development with the Lightning Platform as one of the most valuable features. The composite organization maintained a team of 25 developers whose fully loaded salary was \$140,000 annually. Improved efficiency allowed developers to reallocate 25% of their time, which was fully realized in Year 2. This efficiency is quantified at \$1,242,487 over the three-year modeled period.
- › **Reduction in application developer turnover.** With Salesforce Lightning, the composite organization saw an 80% reduction in turnover rate among its 25-person application development team. Prior to deploying Salesforce Lightning, the organization had a 20% attrition rate, and the average cost of hiring a developer was \$20,000. These factors produced a total reduction in turnover of \$169,106 over the modeled period.

“Lightning has gotten our Salesforce user community excited. [After the Lightning deployment,] Salesforce is now a much more inviting experience — to look at a customer, to look at an opportunity, and consume all that information. Instead of a flat file, sales now has a smarter view into the object.”

— Sales automation archi
software company



Salesforce Lightning Costs Include Implementation Costs, Professional Services, And Ongoing Training

The composite organization experienced three categories of cost associated with the Salesforce Lightning investment. Over three years, the composite organization expects risk-adjusted total costs to be a PV of \$764,860.

Total Costs

COST	INITIAL	YEAR 1	YEAR 2	YEAR 3	TOTAL	PRESENT VALUE
Implementation costs — internal labor	\$171,733	\$128,800	\$128,800	\$64,400	\$493,733	\$443,655
Professional services	\$137,500	\$55,000	\$55,000	\$0	\$247,500	\$232,955
Planning and ongoing training support	\$49,095	\$5,750	\$35,826	\$5,750	\$96,421	\$88,250
Total costs (risk-adjusted)	\$358,328	\$189,550	\$219,626	\$70,150	\$837,654	\$764,860

- › **Implementation costs of \$443,655.** The organization allocated resources from the Salesforce development and support team during the initial deployment and for approximately three months for each subsequent year. Implementation costs over the three-year analysis are estimated at \$443,655.
- › **Professional services fees of \$232,955.** The organization also worked with an SI (systems integrator) to supplement its internal Salesforce team during the implementation process. Total professional services fees over the three-year analysis are estimated at \$232,955 with the bulk of these fees incurred during the initial deployment phase.
- › **Planning and training support costs of \$88,250.** Internal resources were used for planning and user testing prior to the Lightning deployment, in addition to training and ongoing change management support over the three-year analysis. Total planning and training support costs are estimated at \$88,250.

A Salesforce Lightning Investment Today Can Create Future Opportunities

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 Salesforce Lightning and later realize additional uses and business opportunities, including the following:

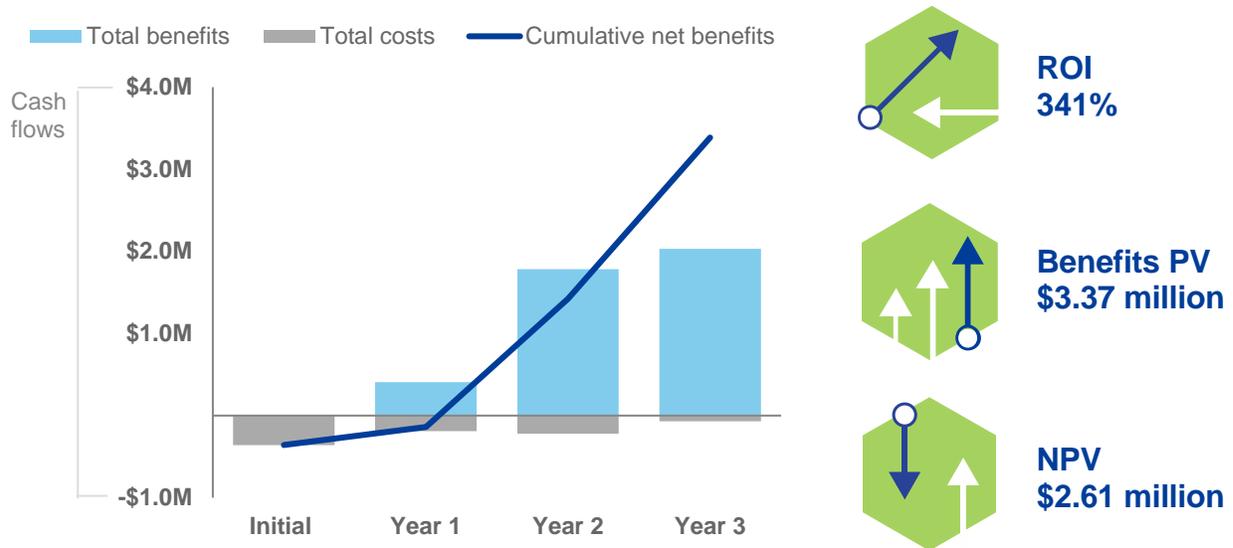
- › **Additional end user productivity savings.** As organizations expand the number of users on Lightning, organizations can expect to see additional end user productivity savings. Examples of this could include productivity savings for call center agents and help desk personnel.
- › **Revenue from faster time-to-market for revenue-generating, business-focused applications.** As organizations see faster deployment of applications that are customer-facing and focused on revenue generation, these companies will benefit from the additional revenue and incremental profit that getting these projects to market earlier may generate.
- › **Increased access to ongoing innovation.** Organizations gain access to ongoing innovation with Salesforce's three-release schedule each year. New capabilities introduced by Salesforce, such as Einstein, which is a layer of artificial intelligence that delivers predictions and customer data based on an organization's business processes and actions, would benefit these organizations.

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.

- › **Savings from faster onboarding process.** One software organization noted that its Lightning deployment gave it access to a wider set of developers. This company found that it was easier to onboard a managed service provider, and these resources could be more productive in a week versus a month in the pre-Lightning environment. For this organization, faster onboarding of a 10-person team from a managed service provider every year generates \$200,861 in value over a three-year analysis.

Financial Summary

The financial results calculated in the Benefits and Costs sections can be used to determine the ROI, NPV, and payback period for the composite organization's investment in Salesforce Lightning. Forrester assumes a yearly discount rate of 10% for this analysis.



For more information, you can download the full Salesforce Lightning TEI analysis [here](#).

Disclosures

The reader should be aware of the following:

- › The study is commissioned by Salesforce and delivered by Forrester Consulting. It is not meant to be 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 Lightning.
- › Salesforce reviewed and provided feedback to Forrester. 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.
- › Salesforce provided the customer names for the interviews but did not participate in the interviews.

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ABOUT TEI

Total Economic Impact™ (TEI) 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. The TEI methodology consists of four components to evaluate investment value: benefits, costs, risks, and flexibility. <https://go.forrester.com/consulting/content-marketing-consulting/>

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