

The Total Economic Impact™ Of Lessonly For Sales Enablement

Cost Savings And Business Benefits
Enabled By Lessonly

JULY 2021

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Executive Summary

Lessonly's training, enablement, and coaching software helps companies to quickly and effectively onboard and train their salespeople. With Lessonly, sales enablement teams save time by easily creating and updating training content. Better sales training via Lessonly helps to reduce onboarding time for new salespeople, improve sales team efficiency, and grow the sales pipeline.

Lessonly commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) enterprises may realize by deploying [Lessonly](#).¹ The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of Lessonly on their organizations.

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed an organization with experience using Lessonly. Forrester used this experience to project a three-year financial analysis.

Prior to using Lessonly, the customer trained its sellers using manual methods on an ad hoc basis. Without tools or technology, the sales enablement team struggled to track which training modules salespeople completed. They found that it was cumbersome to update training content. The interviewed organization wanted more consistent sales training and a repeatable certification approach.

After the investment in Lessonly, the company could more quickly train and certify its sales team. It reduced the time required to onboard new salespeople, and thus, its sales enablement team was better positioned to manage and update training materials. Better sales training also led to growth in the sales pipeline.

Easy and faster creation of training content

67% faster



KEY STATISTICS



Return on investment (ROI)
124%



Net present value (NPV)
\$682K

KEY FINDINGS

Quantified benefits. Risk-adjusted present value (PV) quantified benefits include:

- **Increased cross-selling, which drives sales pipeline growth.** The company trains its field sales team on new products and cross-selling best practices. The training adds \$63 million to the sales pipeline.
- **Faster sales team onboarding.** The onboarding of new sales staff is 62.5% faster with Lessonly. The company revamps its new hire onboarding process with the move to Lessonly. The onboarding program is cut down from eight weeks to only three weeks with Lessonly.
- **Decommission legacy learning management solution.** The company is able to decommission its prior learning management solution after successfully deploying Lessonly.

“The content creation is really fast, which is why I love Lessonly. It's so easy.”

— Director, sales readiness, fintech

- **More efficient lesson creation.** The sales enablement team reduces the time that is spent creating training content by 67% per lesson with Lessonly. It is easier now for the sales enablement team to create training lessons that feature more engaging content, using images and videos in addition to written content. The customer organization is also able to create more training modules, and to update its existing content more quickly. With Lessonly, new lesson creation now takes only 30 minutes, as compared to the 1.5 hours previously required.
- **Easier and more accurate tracking of training progress with faster certification.** With Lessonly, the interviewed company certified its sales team on virtual selling and account planning in just one quarter. The Lessonly platform lets salespeople: train and practice key selling skills; present virtually; and receive immediate scoring and feedback on their competency. Without Lessonly, the sales enablement team would have had to manually track the certification process, and it would take longer for sellers to complete their training.

Unquantified benefits. Benefits that are not quantified for this study include:

- **High satisfaction scores.** The sales team at the interviewed company gave Lessonly a 99.2% satisfaction rating. In addition, 98% of the salespeople found that Lessonly training helps them to sell virtually.



Incremental sales pipeline growth

\$63 million

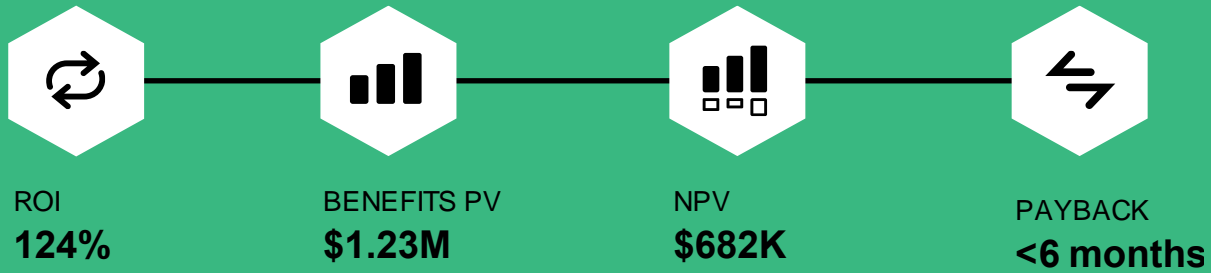
Costs. Risk-adjusted PV costs include:

- **Lessonly platform cost.** The company spends \$110K for the Lessonly platform and professional services in Year 3.
- **Implementation cost.** Lessonly is easy to implement. The interviewed company implemented Lessonly in four weeks. Two employees at the interviewed company worked on the implementation part time in collaboration with the Lessonly Services team.
- **Additional training staff.** The company adds two new trainers to help support the sales training effort; its decision to expand the training team was not directly tied to the investment in Lessonly.

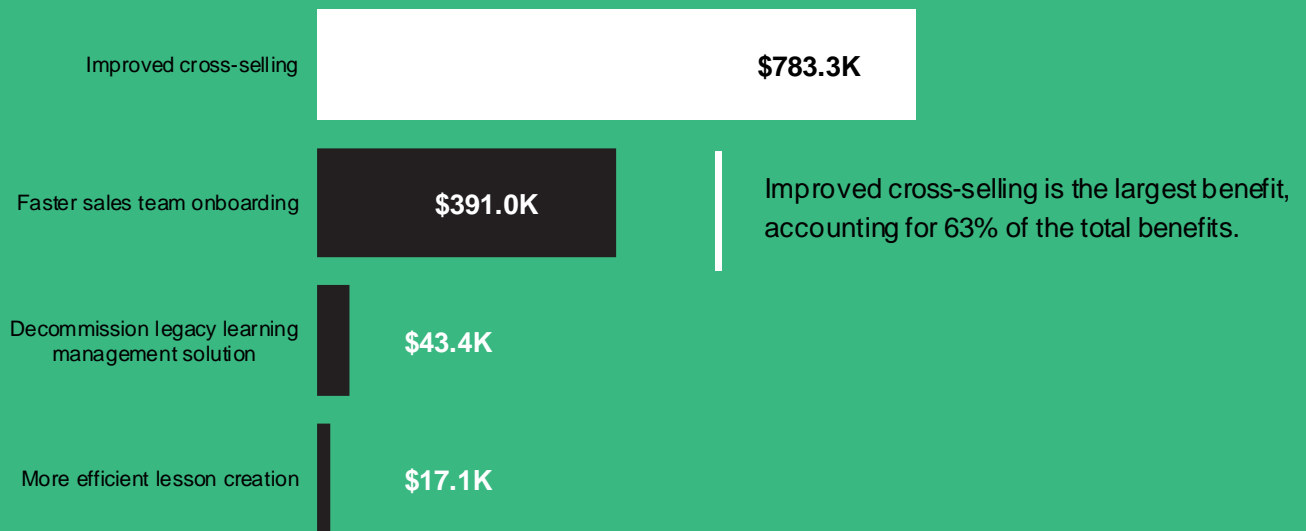
The interview and financial analysis found that this customer experiences benefits of \$1.23M over three years with Lessonly versus expenses of \$552K, adding up to a net present value (NPV) of \$682K and an ROI of 124%.

“[Before Lessonly,] we were doing a lot of manual training. We didn’t have a formal virtual training platform. It was ad hoc. We needed a more refined training and certification approach.”

Director, sales readiness, fintech



Benefits (Three-Year)



TEI FRAMEWORK AND METHODOLOGY

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

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 Lessonly can have on an organization.

DISCLOSURES

Readers should be aware of the following:

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

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

Lessonly 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.

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



DUE DILIGENCE

Interviewed Lessonly stakeholders and Forrester analysts to gather data relative to the Lessonly platform.



CUSTOMER INTERVIEW

Interviewed decision-makers at an organization using Lessonly 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 the investment impact: benefits, costs, flexibility, and risks. Given the increasing sophistication of ROI analyses related to IT investments, Forrester's TEI methodology provides a complete picture of the total economic impact of purchase decisions. Please see Appendix A for additional information on the TEI methodology.

The Lessonly Customer Journey

■ Drivers leading to the Lessonly investment

INTERVIEWED ORGANIZATION

Forrester interviewed a Lessonly customer with the following characteristics:

- US headquartered fintech company.
- A workforce of 6,000 employees.
- \$2 billion in annual revenue.
- Sales staff of 850 salespeople, including 250 field salespeople.

KEY CHALLENGES

Before Lessonly, the interviewed company did not have a consistent approach to sales training. It struggled with the following common challenges:

- **Sales training was manual and ad hoc.** Before Lessonly, the interviewed company used a training platform that was included with their content management system. Because the platform did not meet their needs, it was used infrequently, and the sales enablement team instead conducted most training manually on an ad hoc basis.
- **Creating and maintaining training modules was cumbersome.** Once a training session was created, it was difficult to edit and update. New sellers often ended up listening to prerecorded training sessions which could be out-of-date or include incorrect information.
- **The company lacked a sales certification process.** The sales enablement team used manual processes to track which sellers were trained on different skills. This consumed a lot of the sales enablement team's time and challenged them to complete other more important tasks. The company wanted a more refined training and certification approach.

Key assumptions

- **\$2 billion annual revenue**
- **300 lessons created each year by Year 3**
- **850 salespeople trained with Lessonly by Year 3**

USE CASE DESCRIPTION

The company uses Lessonly to develop a wide range of skills and competencies with product, systems, and tools training, virtual selling training, and new hire onboarding. It keeps its training lessons short, usually 10 minutes maximum, to maintain the salespeople's interest and attention. The microlearning approach provides sellers with information in short and focused modules. During the COVID-19 pandemic, the company found Lessonly to be especially valuable in training sellers on virtual selling techniques.

Lessonly is integrated with the company's CRM and other sales enablement tools. Initially, the Lessonly Services team helped create lesson content to get sales training up and running quickly. Now the company's sales enablement team directly creates most of its training content, and the Lessonly Services team provides content creation support on an as-needed basis. For this use case, Forrester has modeled benefits and costs over three years.

Analysis Of Benefits

■ Quantified benefit data

Total Benefits						
Ref.	Benefit	Year 1	Year 2	Year 3	Total	Present Value
Atr	Improved cross-selling	\$176,400	\$352,800	\$441,000	\$970,200	\$783,264
Btr	Faster sales team onboarding	\$57,600	\$187,200	\$244,800	\$489,600	\$390,996
Ctr	Decommission legacy learning management solution	\$11,875	\$17,813	\$23,750	\$53,438	\$43,360
Dtr	More efficient lesson creation	\$2,268	\$7,938	\$11,340	\$21,546	\$17,142
Total benefits (risk-adjusted)		\$248,143	\$565,751	\$720,890	\$1,534,784	\$1,234,762

IMPROVED CROSS-SELLING

Evidence and data. The company used Lessonly to train its sales team on new products and cross-selling best practices. The company also used Lessonly to introduce its sales team to digital tools that help them sell virtually.

- Each salesperson typically spent a few hours each month on training with Lessonly.
- In early 2020, the company trained their entire field sales team on its corporate brand values with Lessonly. The salespeople were able to practice the new messaging within Lessonly, and the sales enablement team used Lessonly to track and report on training progress.
- In late 2020, the company held an eight-week digital transformation training program to encourage the sales team to adopt digital sales tools. It saw a significant increase in the use of digital sales tools after Lessonly training: a 26% increase in use of the content management platform; a 120% increase in sales enablement tools to send content digitally; and a 2,000% increase in the call planning tool.

- In early 2021, the company used Lessonly to train salespeople on virtual presentation skills. The Lessonly platform led sellers through a self-paced training program that let them practice and apply what they had learned in a simulated sales situation. The program ended with each salesperson giving a mock virtual presentation.

“With the training on virtual presentations, our sellers became better virtual presenters. But it’s really about how we improve the experience for the end customer, which will essentially increase revenue.”

Director, sales readiness, fintech

Modeling and assumptions. For the analysis, Forrester assumes:

- The company rolls out Lessonly to its field sales team. In Year 1, 100 field salespeople are trained with Lessonly, and by Year 3, all 250 field salespeople complete training with Lessonly.
- With Lessonly product training, the sales team can cross-sell more effectively. Each salesperson adds \$252,000 to their sales pipeline annually. This results in \$63 million of incremental sales pipeline by Year 3.
- The company converts 25% of its sales pipeline to closed deals and revenue.
- Both the increased cost of goods sold, and overhead expenses offset the increase in sales. Forrester applies a 17.5% operating margin in line with the historical operating margins of the interviewed company to calculate the net benefit of the incremental sales.

- Additional factors contribute to the growth of the sales pipeline, including compelling product offering and successful sales team execution. The company attributes 20% of the increase in its sales pipeline to Lessonly.

Risks. The benefit of improved cross-selling will vary based on:

- Organization size and the number of salespeople trained with Lessonly.
- The rate of success for sales pipeline to closed deals.
- Operating margin.

Results. To account for these risks, Forrester adjusted this benefit downward by 20%, yielding a three-year, risk-adjusted total PV of \$783,264.

Improved Cross-Selling					
Ref.	Metric	Calculation	Year 1	Year 2	Year 3
A1	Field salespeople trained with Lessonly	Interview	100	200	250
A2	Incremental sales pipeline	Interview	\$25,200,000	\$50,400,000	\$63,000,000
A3	Incremental pipeline per field sales rep	A2/A1	\$252,000	\$252,000	\$252,000
A4	Close rate	TEI standard	25%	25%	25%
A5	Incremental revenue	A2*A4	\$6,300,000	\$12,600,000	\$15,750,000
A6	Operating margin	Company	17.5%	17.5%	17.5%
A7	Incremental operating income	A5*A6	\$1,102,500	\$2,205,000	\$2,756,250
A8	Contribution of improved sales training	Assumption	20%	20%	20%
At	Improved cross-selling	A7*A8	\$220,500	\$441,000	\$551,250
	Risk adjustment	↓20%			
Atr	Improved cross-selling (risk-adjusted)		\$176,400	\$352,800	\$441,000
Three-year total: \$970,200			Three-year present value: \$783,264		

FASTER SALES TEAM ONBOARDING

Evidence and data. Using Lessonly, the company reduced the time required to onboard and train new salespeople.

- The company revamped its salesperson onboarding program to make it faster and more agile.
- The company added new salespeople to support growth and to backfill salesperson departures.

Modeling and assumptions. For the analysis Forrester assumes:

- New salespeople join each year to support growth and to backfill sales positions. In total, 10% of the sales team is onboarded each year. Half of the new hires support growth and half replace departing sellers.
- In Year 1, 20 new salespeople are onboarded with Lessonly training. By Year 3, 85 new salespeople are onboarded with Lessonly.
- New salesperson onboarding time is shortened to three weeks from eight weeks, a 62.5% reduction.
- The average fully burdened salary for a salesperson is \$67,500, or \$32 per hour.
- The salespeople convert 50% of their saved hours into productive time.

Risks. The benefit of faster sales team onboarding will vary based on.

- The number of new salespeople.
- The average time to onboard a new salesperson before Lessonly.
- The average annual fully burdened salary of a sales member.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV of \$390,996.

“When we moved to Lessonly, we revamped our sales onboarding plan. We worked with Lessonly’s services team to [become] really agile and get new hires up and running quickly. We moved it to a three-week program from eight weeks.”

Director, sales readiness fintech

Faster Sales Team Onboarding					
Ref.	Metric	Calculation	Year 1	Year 2	Year 3
B1	Total salespeople trained with Lessononly	Interview	200	650	850
B2	New salespeople onboarded with Lessononly	B1*(5% annual turnover+5% new hires)	20	65	85
B3	Onboarding time before Lessononly (weeks)	Interview	8	8	8
B4	Onboarding time after Lessononly (weeks)	Interview	3	3	3
B5	Time savings per year (hours)	B2*(B3-B4)*40 hours per week	4,000	13,000	17,000
B6	Salesperson annual compensation, fully burdened	TEI standard	\$67,500	\$67,500	\$67,500
B7	Salesperson compensation per hour, fully burdened (rounded)	B6/2,080 hours per year	\$32	\$32	\$32
B8	Faster sales team onboarding	B5*B7	\$128,000	\$416,000	\$544,000
B9	Productivity recapture	TEI standard	50%	50%	50%
Bt	Faster sales team onboarding	B8*B9	\$64,000	\$208,000	\$272,000
	Risk adjustment	↓10%			
Btr	Faster sales team onboarding (risk-adjusted)		\$57,600	\$187,200	\$244,800
Three-year total: \$489,600			Three-year present value: \$390,996		

DECOMMISSION LEGACY LEARNING MANAGEMENT SOLUTION

Evidence and data. The interviewed company decommissioned its prior learning management solution (LMS) after deploying Lessonly.

Modeling and assumptions. For the analysis, Forrester assumes:

- The prior LMS solution cost \$25,000 per year.
- The prior LMS solution was decommissioned over time, and it was fully phased out by Year 3.

Risks. The benefit of decommissioning the legacy LMS will vary based on:

- The cost of the prior solution.
- The speed of decommissioning.

Results. To account for these risks, Forrester adjusted this benefit downward by 5%, yielding a three-year, risk-adjusted total PV of \$43,360.

Decommission Legacy Learning Management Solution

Ref.	Metric	Calculation	Year 1	Year 2	Year 3
C1	Legacy learning management solution cost	Forrester estimate	\$25,000	\$25,000	\$25,000
C2	Phased decommissioning	Interview	50%	75%	100%
Ct	Decommission legacy learning management solution	C1*C2	\$12,500	\$18,750	\$25,000
	Risk adjustment	↓5%			
Ctr	Decommission legacy learning management solution (risk-adjusted)		\$11,875	\$17,813	\$23,750
Three-year total: \$53,438			Three-year present value: \$43,360		

MORE EFFICIENT LESSON CREATION

Evidence and data. The sales enablement team was able to create lessons faster and more easily with Lessonly.

- The sales enablement team used Lessonly to offer a wide variety of training tools and modules to sellers. Beyond training about new products and offerings, sellers received training on systems, such as their company's CRM and content management systems, and on tools including account plans and call plans.
- As the sales team shifted to a new digital sales environment during the COVID-19 pandemic, the use of Lessonly ensured that sales teams were adequately trained on the best practices of virtual selling.
- Before Lessonly, it was difficult for the sales enablement team to update and edit training content because an entire training session might require rerecording if it needed to be updated. This had the potential to steer new employees down the wrong path, if they were consuming training materials that were several months old and lacked the correct information.
- Now with Lessonly, it's easy for the sales enablement team to create new lessons and

update existing ones. Updating training modules without rerecording allowed the sales enablement team to increase the number of lessons they created each year by 400%.

- The director of sales readiness validated this by saying: "Lessonly streamlined our product training immensely. Before we didn't have a way to do it efficiently."
- With Lessonly, the sales enablement team created more interesting and compelling lesson content that now included images and video.
- The sellers can now access training content on demand. While some specific training modules are required, sellers can pick and choose which training topics are the most useful to them. The training library allows experienced sellers to not have to repeat training if they already have the expertise.

Modeling and assumptions. For the analysis Forrester assumes:

- The sales enablement team creates 60 lessons in Year 1. Lessonly helps the sales enablement team scale the sales training program, and by Year 3, the sales enablement team creates 300 lessons.
- With Lessonly, the sales enablement team spends 30 minutes creating a lesson. Prior to the Lessonly deployment, the creation of a lesson would take 1.5 hours; this is a 67% savings.
- The average fully burdened salary for a sales enablement team member is \$87,750, or \$42 per hour.

Risks. The benefit of more efficient lesson creation will vary based on:

- The number of lessons created.
- The average time to create a lesson before Lessonly.

"We love the lesson creation features. Creating is so easy with plug and play, drag and drop. We do a lot of images because our learners really like it."

Director, sales readiness, fintech

- The average annual fully burdened salary of a sales enablement team member.

three-year, risk-adjusted total PV (discounted at 10%) of \$21,546.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a

More Efficient Lesson Creation					
Ref.	Metric	Calculation	Year 1	Year 2	Year 3
D1	Number of lessons created	Interview	60	210	300
D2	Time to create a lesson before Lessonly (hours)	Interview	1.5	1.5	1.5
D3	Time to create a lesson with Lessonly (hours)	Interview	0.5	0.5	0.5
D4	Time savings per year (hours)	$D1 \times (D2 - D3)$	60	210	300
D5	Sales enablement team annual compensation, fully burdened	TEI standard	\$87,750	\$87,750	\$87,750
D6	Sales enablement team compensation per hour, fully burdened (rounded)	$D5 / 2,080$ hours per year	\$42	\$42	\$42
Dt	More efficient lesson creation	$D4 \times D6$	\$2,520	\$8,820	\$12,600
	Risk adjustment	↓10%			
Dtr	More efficient lesson creation (risk-adjusted)		\$2,268	\$7,938	\$11,340
Three-year total: \$21,546			Three-year present value: \$17,142		

UNQUANTIFIED BENEFITS

Additional benefits that the customer experienced but were not quantified for this study include:

- **Salespeople are happy using Lessonly.** The sales team at the interviewed company gave Lessonly a 99.2% satisfaction rating. In addition, 98% of the salespeople found that Lessonly training helps them sell virtually.

“Our sales team’s appetite for training is pretty low, and they’re pretty critical of it. But they have been very happy with Lessonly. The satisfaction rate is 99%.”

Director, sales readiness, fintech

- **Lessonly makes it easier for the sales enablement team to track sales training progress.** Before Lessonly it was difficult for the sales enablement team to track which training modules individual salespeople had completed. The process was manual and time-consuming. Because Lessonly makes it easier to track training, the interviewed company could set up certification tracks to document and certify which salespeople had completed training modules.
- **Lessonly is a key partner for the sales enablement team.** The Lessonly Account Management team worked in close partnership with the company’s sales enablement team to get the platform up and running and share advice on content creation.

FLEXIBILITY

The value of flexibility is unique to each customer. There are multiple scenarios in which a customer

might implement Lessonly and later realize additional uses and business opportunities, including:

- **Additional training use cases.** The Lessonly training platform can support training of many types of employees, not just salespeople. Once a company has deployed Lessonly it’s easy to expand the training offering to other teams, such as customer service representatives.

“Lessonly is easy to work with. They are the most responsive. My account manager makes me feel like we are her only client. They are a tremendous partner, and I can’t say enough good things about working with and trusting them.”

Director, sales readiness fintech

“We track everything in Lessonly. The salespeople upload their call plan, their preconditioning e-mail, their follow-up e-mail. Everything’s tracked, so from an administrative standpoint it’s super easy. We can grade and score them right in the program.”

Director, sales readiness, fintech

Analysis Of Costs

Quantified cost data

Total Costs							
Ref.	Cost	Initial	Year 1	Year 2	Year 3	Total	Present Value
Etr	Lessonly platform cost	\$0	\$49,140	\$88,830	\$106,470	\$244,440	\$198,078
Ftr	Lessonly implementation cost	\$17,892	\$0	\$0	\$0	\$17,892	\$17,892
Gtr	Additional training staff	\$0	\$92,138	\$138,206	\$184,275	\$414,619	\$336,430
	Total costs (risk-adjusted)	\$17,892	\$141,278	\$227,036	\$290,745	\$676,951	\$552,400

LESSONLY PLATFORM COST

Evidence and data. The company pays an annual fee to Lessonly for access to the platform and professional services.

- The interviewed company deployed Lessonly in phases to different sales teams.
- The company's sales enablement team leveraged the Lessonly Services team initially to create content to get them up and running quickly.
- The director of sales readiness at the interviewed company said: "A big game changer was that Lessonly had a services organization. We were resourced-constrained but could develop content quickly because we had an extended arm to our organization that could help us develop content."
- After Lessonly was fully implemented, the company used the Services team to: fill in for the sales enablement team; meet last minute requests; and advise them on new training paths and strategies.

Modeling and assumptions. For the analysis Forrester assumes:

- In Year 1, 200 salespeople train with Lessonly. By Year 3, 850 salespeople train with Lessonly.

- The company uses the Lessonly Services team to help develop training content. The professional services fee is \$30,000 annually.

Risks. The cost of the Lessonly platform will vary based on:

- The number of salespeople trained with Lessonly.
- The extent to which Lessonly professional services are used.

Results. To account for these risks, Forrester adjusted this cost upward by 5%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$198,078.

Lessonly Platform Cost						
Ref.	Metric	Calculation	Initial	Year 1	Year 2	Year 3
E1	Lessonly professional services	Interview		\$30,000	\$30,000	\$30,000
E2	Lessonly subscription	Interview		\$16,800	\$54,600	\$71,400
Et	Lessonly platform cost	E1+E2	\$0	\$46,800	\$84,600	\$101,400
	Risk adjustment	↑5%				
Etr	Lessonly platform cost (risk-adjusted)		\$0	\$49,140	\$88,830	\$106,470
Three-year total: \$244,440			Three-year present value: \$198,078			

LESSONLY IMPLEMENTATION COST

Evidence and data. The company's sales enablement team worked with Lessonly on the installation.

- The company installed Lessonly in only a few weeks.
- The Lessonly Services team collaborated with the company's sales enablement team on the installation.
- Lessonly was integrated with other sales tools including, the company's CRM and sales enablement software.

Modeling and assumptions. For the analysis, Forrester assumes:

- The company pays Lessonly a \$12,000 fee for implementation-related services.
- The Lessonly implementation takes four weeks.
- Two sales enablement team members work on the installation project on a part-time basis.

Risks. The cost to implement Lessonly will vary based on:

- Complexity of the installation.

- The average annual compensation of installation team members.

Results. To account for these risks, Forrester adjusted this cost upward by 5%, yielding a three-year, risk-adjusted total PV of \$17,892.

Lessonly Implementation Cost

Ref.	Metric	Calculation	Initial	Year 1	Year 2	Year 3
F1	Implementation fee and services	Interview	\$12,000			
F2	Implementation time (weeks)	Interview	4			
F3	Sales enablement staff involved	Interview	2			
F4	Percent of time spent on the implementation	Interview	37.5%			
F5	Hours	$F2 \times 40 \text{ hours per week} \times F3 \times F4$	120			
F6	Sales enablement team compensation per hour, fully burdened (rounded)	D6	\$42			
Ft	Lessonly implementation cost	$F1 + (F5 \times F6)$	\$17,040	\$0	\$0	\$0
	Risk adjustment	↑5%				
Ftr	Lessonly implementation cost (risk-adjusted)		\$17,892	\$0	\$0	\$0
Three-year total: \$17,892			Three-year present value: \$17,892			

ADDITIONAL TRAINING STAFF

Evidence and data. The interviewed company expanded its sales training team to support its sales training program.

- The interviewed company initially had two sales trainers. They hired two additional trainers, bringing the sales training team to four trainers in total.
- The decision by the interviewed company to hire two new trainers was independent of the decision to invest in Lessonly. The company would have hired the trainers even if they did not begin using Lessonly.

Modeling and assumptions. For the analysis, Forrester assumes:

- Two new trainers were added to the sales enablement team to support lesson creation and salesperson training. While the interviewed

company did specifically hire additional trainers to support Lessonly, Forrester has included this cost in the analysis to reflect that companies may choose to expand and invest in training staff as part of a broader strategy to improve sales training and enablement.

- The average fully burdened salary for a trainer is \$87,750.

Risks. The cost of additional training staff will vary based on:

- The need to expand the existing sales training team.
- The average fully burdened salary for a trainer.

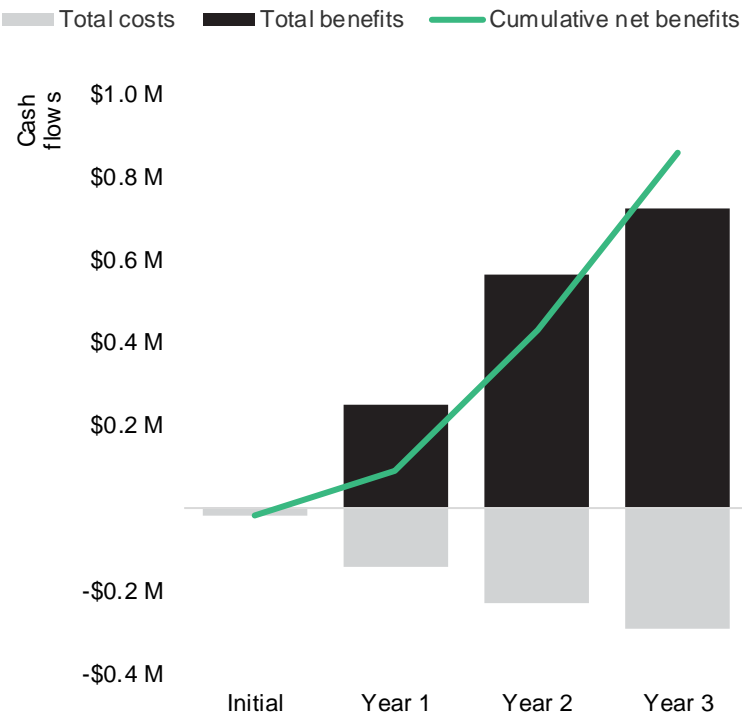
Results. To account for these risks, Forrester adjusted this cost upward by 5%, yielding a three-year, risk-adjusted total PV of \$336,430.

Additional Training Staff						
Ref.	Metric	Calculation	Initial	Year 1	Year 2	Year 3
G1	Training staff new hires	Interview		1.0	1.5	2.0
G2	Sales enablement team annual compensation, fully burdened	D5		\$87,750	\$87,750	\$87,750
G3	Time spent on lesson creation and training (%)	Interview		100%	100%	100%
Gt	Additional training staff	$G1 * G2 * G3$	\$0	\$87,750	\$131,625	\$175,500
	Risk adjustment	↑5%				
Gtr	Additional training staff (risk-adjusted)		\$0	\$92,138	\$138,206	\$184,275
Three-year total: \$414,619			Three-year present value: \$336,430			

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

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

Cash Flow Analysis (Risk-Adjusted Estimates)

	Initial	Year 1	Year 2	Year 3	Total	Present Value
Total costs	(\$17,892)	(\$141,278)	(\$227,036)	(\$290,745)	(\$676,951)	(\$552,400)
Total benefits	\$0	\$248,143	\$565,751	\$720,890	\$1,534,784	\$1,234,762
Net benefits	(\$17,892)	\$106,866	\$338,714	\$430,145	\$857,833	\$682,362
ROI						124%
Payback period						<6 months

Appendix A: Total Economic Impact

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

TOTAL ECONOMIC IMPACT APPROACH

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

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

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

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

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



PRESENT VALUE (PV)

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



NET PRESENT VALUE (NPV)

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



RETURN ON INVESTMENT (ROI)

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



DISCOUNT RATE

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



PAYBACK PERIOD

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

Appendix B: Endnotes

¹ 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.



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