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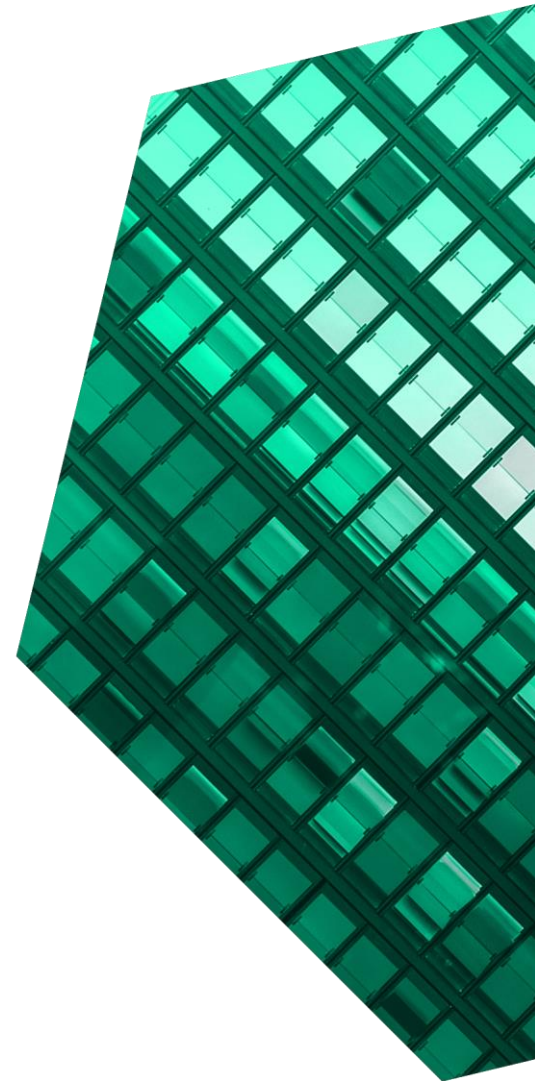
The Total Economic Impact™ Of Microsoft Teams

Cost Savings And Business Benefits
Enabled By Teams As A Unified Platform For
Communication And Collaboration

APRIL 2023

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Executive Summary

Following a period of accelerated adoption of collaboration technologies, organizations are looking to consolidate these scattered capabilities onto a single platform to reduce costs, improve the flow of work, and drive better outcomes. Microsoft Teams provides a versatile, feature-rich integration platform for enterprises to streamline workflows, digitize and automate processes, and connect and empower employees across departments and locations, which strengthens strategic alignment, engagement, and productivity.

Collaboration tools are critical business enablers, but many organizations now find themselves with multiple duplicative internal solutions. This proliferation comes at the cost of both money and work fragmentation. During an economically fraught time when organizations must do more with less while finding meaningful ways to engage and empower employees across a broad array of hybrid workplace environments, the value of consolidating collaboration tools to a common collaboration and communication platform becomes more evident not only to reduce expenditure, but also to enable efficient information and knowledge sharing and quicker collaboration with stakeholders, and — most importantly — to streamline completion of routine tasks aided by automation.

Using [Microsoft Teams](#), organizations acquire a ready-built, robust hub for workplace and remote communication, collaboration, and engagement that empowers employees to stay connected and productive regardless of whether they work at home or in the office. Now employees can quickly and easily switch from a chat to a voice or video call, or a team meeting, all from one platform. New experiences like those provided by Microsoft Teams Rooms help organizations create more productive and equitable spaces out of traditional office conference rooms. In addition, developers and users can leverage the native platform capabilities of Microsoft Teams to integrate custom solutions and traditional full-code and low-code technology to more

KEY STATISTICS



Return on investment (ROI)
291%



Net present value (NPV)
\$35.04M

efficiently create apps, automate processes, and foster data-driven cultures.

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

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed five representatives with experience using Teams. For the purposes of this study, Forrester aggregated the interviewees' experiences and combined the results into a single [composite organization](#) that is a global company with 80,000 employees and annual revenues of \$18 billion. The composite provides goods and services to millions of customers around the world, and it maintains a hybrid work environment for its 16,000 office and knowledge workers who

sometimes work at a handful of central, regional offices. The organization also operates 240 customer-facing locations that are staffed by 56,000 frontline employees, and most have direct and frequent contact with customers. These employees are managed by 8,000 frontline supervisors who work alongside them.

The interviewees uniformly noted that prior to leveraging Microsoft Teams as a platform, their organizations struggled with the time and expense of managing multiple, disconnected platforms to share information and knowledge and to communicate and collaborate. Without a unified collaboration environment on which to work, employees were forced to constantly switch between applications and platforms, which led to lost time and momentum.

In addition, many of the organizations were unable to capture time-sensitive insights from the field due to inadequate frontline communication channels and missing connections between headquarters-based management and in-the-field employees. Employees seeking to work remotely from home often found it difficult to collaborate and communicate effectively across multiple platforms. Similarly, those who chose to go into the office often found themselves in conference rooms equipped with outdated conference-room technology.

In a common scenario, frontline workers and supervisors struggled with a plethora of disconnected, standalone tools and solutions to manage schedules and accomplish tasks on-site. In addition to being inefficient, using multiple communication tools proved to be difficult and costly to maintain, and it created myriad ongoing data security challenges for these organizations.

Using Microsoft Teams as a platform enabled the interviewees' organizations to reduce workflow friction, streamline and automate routine tasks, save money, improve flexibility, and reduce risk by eliminating redundant tools and inefficient paper-based processes. Office and knowledge workers

collaborated faster and more spontaneously to get more done and stay productive regardless of their physical location.

Informed and activated frontline workers spent less time seeking information and instead could focus on engaging with customers more effectively. Clear, streamlined communications from headquarters reduced frustration for store managers and ensured better consistency in store-product merchandizing. After shifting task and schedule management to Microsoft Teams, frontline supervisors found more time to work alongside their customer-facing associates to deliver superior customer experiences.

Interviewees from organizations using Teams Rooms technology said their firms were able to provide employees with more engaging and equitable team meeting experiences than traditional conference rooms. Those from firms using Teams Webinars said employees could more efficiently and effectively communicate in forums with large groups, which allowed for two-way dialogue.

KEY FINDINGS

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

- **Office/knowledge worker efficiencies from increased collaboration within Microsoft Teams.** Using Microsoft Teams as a central, enterprisewide platform makes it easier for the

“The global nature of sharing that’s available through Teams has made things more efficient for everybody. As [you] learn how to use it and learn how it’s tied together, you just become better at what you do, and you get things done faster.”

Senior director of digital workplace, manufacturing

composite organization's office and knowledge workers to find information and track down colleagues for quick, time-sensitive, and often impromptu collaborations. Working within the Teams platform also enables these workers to stay in the flow of work for longer periods of time. In addition, Teams allows the composite's users to more seamlessly resolve pressing business issues often by moving from a chat to a Teams phone call or a Teams meeting, all within the same unified platform. Forrester conservatively estimates the reduction in time spent writing emails and attending formal, scheduled meetings saves the composite organization \$19.6 million.

- **Frontline worker efficiencies from communicating and collaborating through Microsoft Teams.** Teams functionality bundled on mobile devices which includes easy-to-access tasks, scheduling, and other critical information makes the composite organization's frontline workers more efficient and effective at serving customers, and Forrester conservatively estimates this saves the composite \$14.3 million.
- **Administrative efficiencies enabled by Microsoft Teams.** Employees at the composite organization leverage apps within Teams to streamline and automate workflows. This reduces the time required to spend on rote administrative tasks, improves turnaround times and customer responsiveness, and eliminates needless paperwork. These efficiencies add up to \$8.1 million for the composite organization.
- **Efficiencies using Microsoft Teams as an announcements platform.** The composite organization transitions to using Teams as an announcements platform, and it is able to share time-sensitive information with users and connect them with e-learning systems. Training content and constantly changing information about new developments and promotions, changes in work guidelines, and FAQs are instantly shared in

Teams. These efficiencies are worth more than \$3.3 million to the composite organization.

- **Cost savings from retiring legacy solutions and equipment.** The composite organization retires its legacy collaboration platform and consolidates equipment frontline workers use on-site. This benefit is worth more than \$1.1 million to the composite organization.
- **Reduced number of service tickets due to chatbot usage in Microsoft Teams.** Implementation of chatbots in Teams enables the composite organization to deflect common queries to a more cost-efficient channel for faster first-issue resolution, and it leads to a reduction in the number of service tickets opened. As a result, the composite organization improves its user experience and saves \$645,000 in the total cost of ownership.

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

- **Centers of excellence for developing custom apps and automated workflows in Teams.** The composite organization sets up a center of excellence for the purpose of developing automations for its Teams environment and collaborates with Microsoft on the development of custom apps and integrations to streamline workflows for office and knowledge workers and frontline workers.
- **Ease of integration.** Developers at the composite organization appreciate how easy it is to integrate applications within Teams. The developers quickly learn to work with Microsoft Graph API, which Teams uses to connect with and exchange data with other applications, including future generative capabilities.
- **Improved data security.** Using Teams as a platform pushes the composite organization to shore up its governance and identity practices,

which indirectly enhances data security in the process. Consolidating collaboration and communication apps on the Teams platform reduces the organization's surface-area risk, which reduces the risk of data leaks via unsupported third-party apps while still enabling employees to work from anywhere and on any mobile device. Enrollment in multifactor authentication (MFA) goes up, which strengthens the organization's security posture.

The composite organization also actively explores using Teams Premium, which Microsoft specifically designed to provide enhanced security and manageability to organizations.

- **Cultural change.** The composite organization's culture changes as a result of adopting Teams as its unified communication and collaboration platform. The firm reduces the number of organizational silos, relies less on email and scheduled meetings, and increases impromptu collaboration. And the ease and accessibility of integrated communication capabilities like Teams Webinars allows the organization to more easily reach and communicate with internal employee audiences, external partners, and customers.
- **Increased collaboration with clients.** The composite organization finds it easier to collaborate with clients using Teams due to integrated and accessible chat, meeting, and phone functionality along with SharePoint. This results in a faster cadence of work and added credibility.
- **Increased collaboration with partners.** The composite organization also finds collaboration with partners to be more accessible through Teams.
- **Improved employee engagement.** Teams proves to be a popular platform for the composite organization's knowledge workers and frontline employees to inspire and recognize each other

“With [Teams], we are able to reach out to everyone, and everyone is able to create and share information.”

Head of IT, retail, consumer goods

for teamwork on customer deliverables or outstanding customer service and to exchange ideas and to share best practices in an easy-to-access channel. The improved team communication, collaboration, and cohesion contributes to increased employee satisfaction, and it reduces employee turnover.

- **Microsoft support.** The composite organization benefits from a close, collaborative relationship with Microsoft's account and product teams.

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

- **Microsoft Teams licenses for frontline workers.** The composite organization already has Microsoft Office 365 E3 licenses for its office and knowledge workers. As a result, the only additional licenses it needs to purchase are F licenses, which are versions of Microsoft 365 licenses designed for frontline workers. The costs of licenses add up to \$3.0 million for the composite organization.
- **Planning and change management.** The composite organization devotes a fair amount of time to planning before deploying Teams, and it provides 2 hours of Teams training and familiarization time to frontline workers and their supervisors. These costs total \$3.7 million for the composite organization.

- **Implementation and administration, including app development and integration.** The composite organization finds ongoing maintenance and support for Teams to be minimal, and it instead spends time building out Teams capabilities. These activities cost the composite organization a total of \$961,000 over three years.
- **Communication equipment upgrade costs.** Prior to deploying Teams to its frontline workers, the composite organization upgrades the network and Wi-Fi infrastructure at its frontline locations, and it purchases mobile devices for its frontline supervisors. This investment adds up to \$4.4 million for the composite organization.

The representative interviews and financial analysis found that a composite organization experiences benefits of \$47.10 million over three years versus costs of \$12.06 million, adding up to a net present value (NPV) of \$35.04 million and an ROI of 291%.

Microsoft Teams In The Hybrid Workplace

Sixty percent of offices will move to an office plus anywhere hybrid environment where fewer employees work in the office and many more work remotely on any given day.² By providing a secure and intuitive way for people to digitally meet, collaborate, and create across time and space on a unified platform, Microsoft Teams enables the composite organization to save time and money while empowering its employees to build deeper connections to colleagues, partners, and customers.



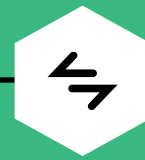
ROI
291%



BENEFITS PV
\$47.10M

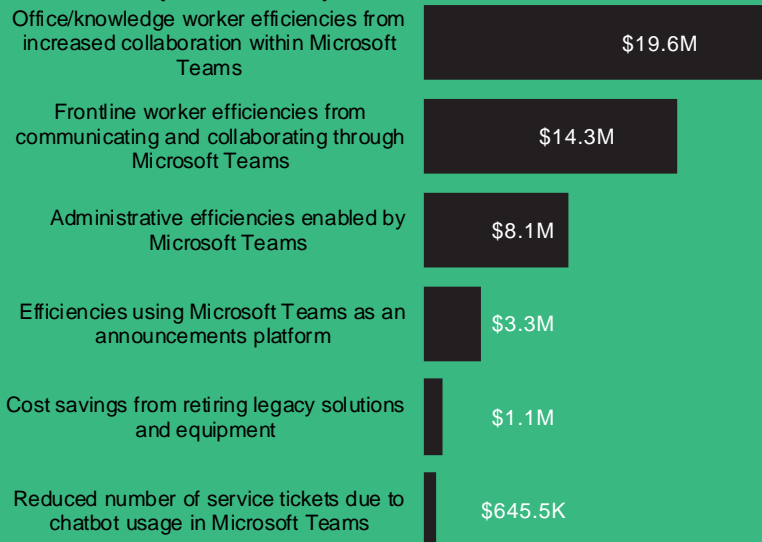


NPV
\$35.04M



PAYBACK
<6 months

Benefits (Three-Year)



“Teams ... is a super app because it does so many things. It’s not just [for] voice calls. It’s not just [for] video conferencing. It’s a true collaboration tool. Everything that you need is there ... and now it’s integrating to all sorts of things, which makes it even more useful and powerful.”

— Senior director of digital workplace, manufacturing

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 Microsoft Teams.

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 Microsoft Teams can have on an organization.

DISCLOSURES

Readers should be aware of the following:

This study is commissioned by Microsoft 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 Microsoft Teams.

Microsoft 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.

Microsoft provided the customer names for the interviews but did not participate in the interviews.



DUE DILIGENCE

Interviewed Microsoft stakeholders and Forrester analysts to gather data relative to Teams.



INTERVIEWS

Interviewed five representatives at organizations using Microsoft Teams to obtain data with respect to costs, benefits, and risks.



COMPOSITE ORGANIZATION

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



FINANCIAL MODEL FRAMEWORK

Constructed a financial model representative of the interviews using the TEI methodology and risk-adjusted the financial model based on issues and concerns of the interviewees.



CASE STUDY

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

The Microsoft Teams Customer Journey

■ Drivers leading to the Teams investment

Interviews				
Role	Industry	Region	Revenue	Number of Employees
Head of digital workplace	Retail	Global (HQ in Europe)	\$25B - \$50B	>100,000
Senior director of digital workplace	Manufacturing	Global (HQ in US)	\$25B - \$50B	50,000 - 100,000
Head of IT, retail	Consumer goods	Global (HQ in Europe)	\$25B - \$50B	50,000 - 100,000
Senior consultant, digital workspace solutions group	Technology	Global (HQ in US)	<\$5B	10,000 - 25,000
Director of technology operations	Retail	Global (HQ in UK)	\$5B	<10,000

KEY CHALLENGES

Interviewees noted that prior to using Microsoft Teams as a platform, their organizations struggled to efficiently manage multiple disconnected platforms. Basic workflow and communication suffered because separate systems were not conducive to sharing information. Common challenges included:

- **Lack of a unified collaboration and communication platform.** Without a central place to work together, employees switched between disparate applications constantly, which led to lost time and momentum. Awareness of these inefficiencies drove more than one of the interviewees' organizations to consolidate onto the Teams platform. The head of digital workplace for a company in the retail industry said, "We saw that collaboration and communication had started to become a bit scattered, and we wanted to consolidate this from a user-experience perspective."

A senior consultant in the digital workspace solutions group for a technology firm also noted the detrimental impact that juggling multiple tools had on employees. They said: "One of the pain points we heard from associates was knowing which platform to use. They may be chatting in

"People wanted just one unified place to do all their collaboration, and that's where Microsoft Teams really stepped in."

Senior consultant, digital workspace solutions group, technology

one platform but collaborating in another. The two systems didn't have [a] unified presence, either. You may be in a call in one, but offline in the other. It was hard to collaborate with people because there were two different systems."

- **Redundant or antiquated tools and paper-based processes.** Knowledge workers commuting into the office wanted technology to be as good or better than what they had at home. They had less patience with outdated conference-room technology. Similarly, organizations saddled with legacy desk phones and mobile channels needed a simpler, more integrated way for employees to connect with colleagues or customers. Whether employees worked at home or in the office, they expected

technology to simplify their experiences regardless of location.

Frontline workers and supervisors frequently struggled with antiquated tools and paper-based processes to manage schedules and accomplish tasks on-site. Email attachment sharing led to version control issues. Likewise, office workers lost time chasing down signatures for approval processes and managing documentation for shared projects.

The head of digital workplace at a retailer looking said sustainability was an important issue for their organization and that it wanted to incorporate more environmentally conscious business practices. The interviewee said, “What we’re doing is very much about getting away from papers and printing and those kinds of things.”

- **Poor connectivity between the front line and headquarters.** Inefficient channels for communicating and sharing information and knowledge among frontline workers and between frontline and headquarters-based employees meant the organizations failed to capture and capitalize on timely insights from the field.

The head of IT for the retail division of a consumer goods company described how challenging it was to keep robust lines of communication between frontline workers and headquarters, especially in a retail context. They said: “Retail is a unique case because it’s a domain where people are working in the stores [and] interacting with customers but having no connections with the brand or with headquarters. Retailers and brands across the world are facing this kind of issue. The more points of sale you have, the more challenging it is to reconcile and integrate people.”

- **Need for cost savings.** The proliferation of disparate and, in some cases, unsanctioned communication and collaboration solutions was

costly to maintain and created challenges for the organizations’ data security teams. The director of technology operations for a retailer said that before their organization implemented Microsoft Teams, store managers used a variety of third-party communication tools to distribute schedules or follow up with employees about open shifts, and this led to the rise of a shadow IT organization to support these applications. Moving communications to Microsoft Teams had the two-fold benefit of reducing costs while ensuring a uniform approach to keeping employees’ communications secure.

Interviewees said the opportunity to save direct and ongoing maintenance costs was also a key motivation for their organizations to implement Teams. The senior consultant in the digital workspace solutions group for the technology firm said: “[My organization] was running two platforms for chatting and collaboration. Obviously, moving to one would give us some cost savings.”

“The frontline coworker today has approximately 16 apps for 40 workflows. We try to eliminate the friction in all of these workflows [and bring] more and more into Teams for the frontline workers.”

Head of digital workplace, retail

KEY OBJECTIVES

Most interviewees said using Microsoft Teams as a platform represented a natural next step in their organization's journey toward a more modernized work environment. Most of the interviewees' organizations had already deployed Microsoft Teams Rooms to provide updated conference experiences and to ensure access and equity for in-office and remote workers, and they had also simplified their employee communications, consolidating multiple (desk and mobile) phone solutions with Teams Phone. The COVID-19 pandemic also acted as a catalyst.

- **Natural next step.** The senior director of digital workplace for a manufacturer said: “[Microsoft Teams] was the natural evolution of where we were going as an organization, and where Microsoft was going with its capabilities. We’re an enterprise organization [and] a worldwide organization, so we’re collaborating with people around the world 24 hours a day. As Teams became available, that was just the next natural progression for us to get to a more sophisticated level of collaboration.”

Based on the organizations' success in using Microsoft Teams with knowledge workers at their headquarters, some interviewees said using Teams with retail employees represented a natural extension. The head of IT in retail at a consumer goods company noted: “[In the context of enabling frontline workers to communicate digitally,] Teams is already adopted by every user in headquarters. It’s on every laptop [and] on every computer of everyone working in the office, and that makes a fantastic network or community. Introducing another tool just to collaborate with the people in the stores would be complicated.”

- **Cloud capabilities.** The senior director of digital workplace for a manufacturer said utilizing Microsoft Team’s cloud capabilities was a side

“We saw the value right away. It wasn’t a one-dimensional thing. It had so many different facets and attributes to it that we could take advantage of in the future. We saw the consolidation of all the phones right into a Teams platform. Working with a hybrid workforce, it’s essential.”

Senior director of digital workspace, manufacturing

benefit of extending the platform throughout their organization. They said: “The cloud aspect of Teams [is] nice. By default, we apply a ‘follow the sun’ approach where updates to documents are happening 24/7 as the sun follows where our team is.”

- **Licensing arrangement.** Interviewees said that Microsoft’s licensing arrangements for Teams, bundling it in Office 365 for office and knowledge workers, and offering lower-cost licenses for frontline workers made Teams attractive to their organizations.

The senior consultant in the digital workspace solutions group for the technology firm remarked: “We spend a lot of money with Microsoft on our E3 and E5 licensing. [Teams] has always been available to us [as part of our E3 and E5 licenses], and hearing that feedback [from employees] really drove the change to consolidating onto Microsoft Teams.”

The head of digital workplace for a retail company echoed this sentiment. They said: “We wanted to leverage Microsoft’s product suite more. Microsoft 365 offered a highly secure platform that didn’t require extensive IT management or upgrades.”

- **Remote work during the COVID-19 pandemic.** The director of technology operations for a

retailer said their organization was in the process of exploring the use of Microsoft Teams for its office workers when the COVID-19 pandemic created an urgent need to deploy a unified communications solution to its entire workforce. They said: “The catalyst for us truly moving to Teams was the push with [the pandemic]. Changing working habits meant that the organization that was somewhat reliant on face-to-face interaction had to move to a remote position, and Teams was the tool that we had in our arsenal to achieve that.”

COMPOSITE ORGANIZATION

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

Description of composite. The composite organization is a \$18 billion company with 80,000 employees in multiple countries. The organization maintains a hybrid work environment for its 16,000 office and knowledge workers who work at a handful of central regional offices at times. The organization also operates 240 customer-facing locations staffed by 56,000 frontline employees, and most of those workers have direct and frequent contact with customers. Eight thousand frontline supervisors manage these employees and work alongside them.

The composite organization already used Microsoft 365 and previously deployed Microsoft Teams to its office and knowledge workers for chat, Teams Phone, webinars, audioconferencing and videoconferencing including Teams Rooms, and collaboration spaces and conference rooms equipped with Teams devices. The organization has access to the Microsoft Power Platform (including Power BI,

Power Apps, and Power Automate) as well as SharePoint, Exchange, Office Apps, and OneDrive.

Deployment characteristics. The organization recognizes it needs to connect and coordinate more closely with its frontline workforce, and it makes Microsoft Teams the main platform for communication, teamwork, and administrative workflow for the entire organization. The organization deploys Microsoft Teams to 20% of its frontline workers in Year 1, then to an additional 20% in Year 2, and to the remaining 60% in Year 3.

Key Assumptions

- **\$18B in revenue**
- **80,000 employees**
- **16,000 office and knowledge workers**
- **56,000 frontline workers**
- **8,000 frontline supervisors**
- **240 customer-facing locations**

Analysis Of Benefits

■ Quantified benefit data as applied to the composite

Total Benefits						
Ref.	Benefit	Year 1	Year 2	Year 3	Total	Present Value
Atr	Office/knowledge worker efficiencies from increased collaboration within Microsoft Teams	\$2,873,000	\$8,044,400	\$13,790,400	\$24,707,800	\$19,621,014
Btr	Frontline worker efficiencies from communicating and collaborating through Microsoft Teams	\$1,164,800	\$3,144,960	\$14,196,000	\$18,505,760	\$14,323,715
Ctr	Administrative efficiencies enabled by Microsoft Teams	\$810,333	\$2,598,960	\$7,001,280	\$10,410,573	\$8,144,733
Dtr	Efficiencies using Microsoft Teams as an announcements platform	\$365,387	\$886,947	\$2,954,033	\$4,206,367	\$3,284,593
Etr	Cost savings from retiring legacy solutions and equipment	\$345,950	\$415,650	\$561,000	\$1,322,600	\$1,079,500
Ftr	Reduced number of service tickets due to chatbot usage in Microsoft Teams	\$162,000	\$259,200	\$378,000	\$799,200	\$645,485
Total benefits (risk-adjusted)		\$5,721,470	\$15,350,117	\$38,880,713	\$59,952,300	\$47,099,040

OFFICE/KNOWLEDGE WORKER EFFICIENCIES FROM INCREASED COLLABORATION WITHIN MICROSOFT TEAMS

Evidence and data. Interviewees said using Microsoft Teams as a central, enterprisewide platform made it easier to locate information and to track down colleagues for quick, impromptu collaborations, and that this reduced email traffic and time spent in formal, scheduled meetings. Residing in one tool for most daily tasks enabled office workers to stay focused and in the flow of work. Channels set up in Teams kept work teams organized, communicating, and collaborating efficiently.

The senior consultant in the digital workspace solutions group for the technology firm said: “We’ve seen a big cultural change. People [are] changing their mindsets on where and how they collaborate with information. At the start, there were a lot of scheduled meetings: regular 1-hour slots happening daily [and] maybe 2-hour team meetings. The

“Not having to recreate information all the time and reinvent the wheel every time we do a project [has] been a big part of the benefit.”

Senior consultant, digital workspace solutions group, technology

scheduled meetings were by far the most numerous thing that was happening in the business. Once we switched over to Teams, [we] could see scheduled meetings dropping off and ad hoc meetings rising. ... It turns into an evolved chat rather than a scheduled meeting. Before, the mindset used to be knowing [when] a meeting could have been an email. Now, it’s knowing [when] that meeting could have been an ad hoc chat.”

The interviewee continued: “We saw a lot of email-attachment sharing previously, or people would email out documents and there’d be six different versions being emailed around. Now, people just drop a message and talk to someone rather than send an email out to 50 people and wait for a response.”

The senior consultant also remarked about how Teams made it easier to stay organized on projects. They said: “Now that [we’re] using Teams sites to host [project] data, we’re seeing people spending less time searching for information. From a communication point of view, it’s much easier to look for a Team name for a particular project.”

The interviewee also noted that Teams improved employees’ multitasking abilities. They said: “Across the board — and that includes leadership — just the way you’re able to get together in an ad hoc way if you need to [is useful]. It’s really easier to find somebody on Teams than it would have been before when [we] were in the office. Somebody could chat with me right now while we’re talking, and I could probably respond to them, and you wouldn’t know. The multitasking aspect of it is so efficient.”

Modeling and assumptions. Forrester assumes the following about the composite organization:

- The composite organization has 16,000 office and knowledge workers, and half are active users of Microsoft Teams in Year 1. This percentage grows to 80% by Year 3 as more office and knowledge workers become familiar with Microsoft Teams.
- The office and knowledge workers who use Microsoft Teams initially save an average of 5 minutes per day or 25 minutes per week. These time savings grow over time as more functionality is added to Microsoft Teams and office and knowledge workers increasingly adopt ad hoc communication and collaboration styles.

“Ad hoc chat is the virtual version of bumping into someone in the corridor, which we don’t do as much now because we’re not in offices. Even though you are remote, you can drop a message to someone and have 5 or 10 minutes with them, and maybe drop a document in there and work on it, and then it’s done — rather than [holding] half-hour meetings and [having] attachments going everywhere.”

Senior consultant, digital workspace solutions group, technology

- The average fully burdened salary for an office or knowledge worker at the composite organization is \$65 per hour.
- These workers reapply 30% of the time they save to their daily or weekly tasks.

Risks. Operational differences that may impact the financial benefit associated with office and knowledge worker efficiencies from increased collaboration within Microsoft Teams include:

- The number and maturity level of the organization’s office and knowledge workers, including their experience, capabilities, and effective use of Microsoft Teams for collaboration. These time savings can be even greater for users who leverage the Teams platform more proficiently.

- The extent to which the organization can encourage additional adoption of Microsoft Teams by office and knowledge workers. Organizations with strong change-management programs may experience much higher adoption rates.
- Prevailing local compensation rates for office and knowledge workers.

Results. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$19.6 million.

Office/Knowledge Worker Efficiencies From Increased Collaboration Within Microsoft Teams					
Ref.	Metric	Source	Year 1	Year 2	Year 3
A1	Number of office/knowledge workers	Composite	16,000	16,000	16,000
A2	Percentage of office/knowledge workers who actively use Teams	Interviews	50%	70%	80%
A3	Minutes saved per day staying within Teams for collaborations	Interviews	5	10	15
A4	Average fully burdened hourly salary of an office/knowledge worker	TEI standard	\$65	\$65	\$65
A5	Percentage of time recaptured	TEI standard	30%	30%	30%
At	Office/knowledge worker efficiencies from increased collaboration within Microsoft Teams	$A1 * A2 * A3 * (260/60) * A4 * A5$	\$3,380,000	\$9,464,000	\$16,224,000
	Risk adjustment	↓15%			
Atr	Office/knowledge worker efficiencies from increased collaboration within Microsoft Teams (risk-adjusted)		\$2,873,000	\$8,044,400	\$13,790,400
Three-year total: \$24,707,800			Three-year present value: \$19,621,014		

FRONTLINE WORKER EFFICIENCIES FROM COMMUNICATING AND COLLABORATING THROUGH MICROSOFT TEAMS

Evidence and data. While several interviewees said the need for better communication was a prime driver for their organization to extend Teams to its frontlines, they said additional Teams functionality bundled on mobile devices made frontline workers even more effective at serving customers. Some frontlines used the Walkie Talkie functionality in Teams to communicate with coworkers on-site, while others relied on traditional chat and voice calling features to connect with peers. Apps in Teams also provided supervisors with an overview of who is on the floor at any given time.

- The director of technology operations for a company in the retail industry told Forrester: “We

“It’s definitely about store operations in Teams. Joining Teams up to store ops is where we see opportunities to do things.”

Director of technology operations, retail

decided that [the mobile] device would become a ‘store in your pocket’ kind of thing, whereby the workers should be able to do all the functions from that handheld [device]. We use Teams for group communication, chat, video inclusive of Walkie Talkie, Team Shifts, and Teams Tasks. There’s a good bundle of activity in there that the stores use.”

“Our coworkers are pretty much working within Teams for pure communication and collaboration.”

Head of digital workplace, retail

This interviewee continued: “What’s been very successful is the Walkie Talkie capability, which plays a star role in store communications. In a retail environment, a walkie talkie is really important, because if you want to talk to your person in the stockroom, you just press a button and talk to them. The Walkie Talkie [feature in Teams] was great to be able to replace and move that [function] off of a separate communication device onto the same device. It became part of the license, so we definitely took advantage of it.”

- The senior consultant in the digital workspace solutions group for the technology company said: “Because of the nature of our business, we’re all frontline workers. One of our newest use cases [for Teams] is where we provide field services. We’ll have engineers on-site looking at things [and] fixing issues. ... Having them be frontline workers while still having access to chat and calls [means] team leaders are able to contact them while they’re on-site, particularly when they’re working in buildings where there’s no cell signal but there’s Wi-Fi. That’s broken boundaries because they’re on a corporate network. They’re actually more contactable now that they’ve got Microsoft Teams on their devices rather than [on] their cell phones.”
- The head of IT for the retail division of the consumer goods company drew a connection between their organization’s implementation of Teams for frontline workers and its improved sales performance. They said: “Recently, we implemented Teams for the [frontline workers] of

one of our US retailers and created channels for all of them. The feedback from the US team was really interesting because they said thanks to the implementation of Teams, they have seen a significant increase in sales.” The interviewee could not explain the reason for the increase, but they consider it to be remarkable given the flat business model typically used in the retail industry.

Modeling and assumptions. Forrester assumes the following about the composite organization:

- The composite organization has 56,000 frontline workers.
- The composite organization deploys Microsoft Teams to 20% of these workers in Year 1, then to an additional 20% in Year 2, and to the remaining 60% in Year 3.
- Initial adoption of Microsoft Teams by frontline workers is 40% in Year 1. This percentage grows to 65% as more frontline workers become familiar with Microsoft Teams.
- Frontline workers who use Microsoft Teams initially save an average of 10 minutes per day. These time savings grow over time as more functionality is added to Microsoft Teams.
- The average fully burdened salary for a frontline worker at the composite organization is \$25 per hour.

“Teams definitely increases the image of [my organization] as a digital company: a modern company providing the right tools [and] efficient tools for the staff. That has definitely improved team cohesion for the retail staff.”

Head of IT, retail, consumer goods

- The frontline workers reapply 30% of the time they save to their daily or weekly tasks.

Risks. Operational differences that may impact the financial benefit associated with frontline worker efficiencies from communicating and collaborating through Microsoft Teams include:

- The number and maturity level of the organization’s frontline workers, including their experience, capabilities, and effective use of Microsoft Teams for communication and collaboration. These time savings can be even greater for users who leverage the Teams platform more proficiently.

- The extent to which the organization can encourage additional adoption of Microsoft Teams by frontline workers. Organizations with strong change management programs may experience much higher adoption rates.
- Prevailing local compensation rates for frontline workers.

Results. To account for these risks, Forrester adjusted this benefit downward by 20%, yielding a three-year, risk-adjusted total PV of \$14.3 million.

Frontline Worker Efficiencies From Communicating And Collaborating Through Microsoft Teams					
Ref.	Metric	Source	Year 1	Year 2	Year 3
B1	Number of frontline workers	Composite	56,000	56,000	56,000
B2	Percentage of frontline workers on Teams	Composite	20%	40%	100%
B3	Percentage of frontline workers who actively use Teams	Interviews	40%	45%	65%
B4	Minutes saved per day using Teams	Interviews	10	12	15
B5	Average fully burdened hourly salary of a frontline worker	TEI standard	\$25	\$25	\$25
B6	Percentage of time recaptured	TEI standard	30%	30%	30%
Bt	Frontline worker efficiencies from communicating and collaborating through Microsoft Teams	$B1*B2*B3*B4*(260/60)*B5*B6$	\$1,456,000	\$3,931,200	\$17,745,000
	Risk adjustment	↓20%			
Btr	Frontline worker efficiencies from communicating and collaborating through Microsoft Teams (risk-adjusted)		\$1,164,800	\$3,144,960	\$14,196,000
Three-year total: \$18,505,760			Three-year present value: \$14,323,715		

ADMINISTRATIVE EFFICIENCIES ENABLED BY MICROSOFT TEAMS

Evidence and data. The interviewees’ organizations leveraged apps within Teams to streamline and automate manual workflows, which reduced time spent on administrative tasks, improved turnaround times, and eliminated paperwork.

- The director of technology operations for a company in the retail industry described how their organization’s retail operations used a multistep process to assign tasks at the store level through a legacy intranet site. They said: “[The legacy site] was very old and archaic [when] tracking task activity from central operations down to the stores. That’s moved to Teams, and [it] is very good. Now, the head office just points that task to

“Thanks to Teams, we did a step up in terms of the digitization of processes related to administrative and back-end operations. It’s a fantastic innovation for retail workers because they have [that information] anytime [and] anywhere, [including] their schedules, their payroll [details], [and] their short-term objectives.”

Head of IT, retail, consumer goods

the store, and the store manager then allocates the task to the individuals who are on shift at that point in time based on identity. There’s a single screen of management that the store managers have. It’s easier and has saved time.”

- The head of IT for the retail division of the consumer goods company told Forrester the second app their organization embedded in Teams was an HR solution that hosts payroll information, including schedules. They said: “That’s a significant and fantastic capability because, for the last 20 years, our retail workforce didn’t have digital access to that information ... and their only human relationships were with the store managers.”
- The head of digital workplace for another company in the retail industry said store managers in their company’s largest store previously coordinated schedules for workers who requested shift changes or called in sick using paper forms. However, after piloting the Shifts App in Teams, the team calculated it could save close to \$40,000 by replacing its paper-based processes for just that store alone.
- The senior director of digital workplace for a manufacturer relayed how some groups in their organization used the Resource Planning Guide

in Teams to share documents and files. They said: “That’s a big one: the organizational aspects of sharing documents and files. That’s huge. That’s made everybody more efficient. [We’re] sending links instead of documents.”

- The senior consultant in the digital workspace solutions group for the technology firm spoke about the value of Teams in streamlining administrative work. They said: “We’ve seen a shift in how we do document production for project documentation, building designs, and things like that. A lot of the collaboration now is done solely inside Teams. Just being able to talk to people live in documents rather than [sending] things around ... [is] where we see value.”

This interviewee added: “We’ve started using the Approvals app as well for documents. When you think of the time spent sending an email to three people and you [couldn’t] track it, it’s now streamlined. ... Being able to use that to get multiple approvals from [a] single [person] or multiple people saves time and streamlines that workflow [of] creating documents [from] start to finish. It also creates an audit trail. So, when changes have been made, if six people are collaborating on a document, we have version control set up [which gives us] an audit trail of who changed what at what time. Our legal

“There was an original study done before we got into this looking at these aspects and extending it to the stores. The number of store hours saved was reasonably high. It worked out to be a couple million in store-hour savings once [we] took all the archaic processes and put them into Teams.”

Director of technology operations, retail

department and their knowledge workers have been using this and not releasing documents until they've been reviewed.”

Modeling and assumptions. Forrester assumes the following about the composite organization:

- The composite organization has 16,000 office and knowledge workers, and half are active users of Microsoft Teams in Year 1. This percentage grows to 80% by Year 3 as more office and knowledge workers become familiar with Microsoft Teams.
- The office and knowledge workers who use Microsoft Teams initially save an average of 5 minutes per day on administrative tasks. These time savings grow over time as more functionality is added to Microsoft Teams.
- The average fully burdened salary for an office or knowledge worker at the composite organization is \$65 per hour.
- These office and knowledge workers reapply 30% of the time they save to their daily or weekly tasks.
- The composite organization also has 8,000 supervisors for its frontline workforce.
- The composite organization deploys Microsoft Teams to 20% of these supervisors in Year 1, then to an additional 20% in Year 2, and to the remaining 60% in Year 3.
- Initial adoption of Microsoft Teams by frontline worker supervisors is 50% in Year 1. This percentage grows to 80% by Year 3 as more supervisors become familiar with Microsoft Teams.
- The supervisors using Microsoft Teams initially save an average of 20 minutes per day on administrative tasks. These time savings grow over time as more functionality is added to Microsoft Teams.

“It’s [on] the admin side of things where we’ve seen the savings. You still have to do the actual document creation, but [using Teams has eliminated] the bit in between: going back and forth, sending an email out, and waiting two days for an answer. ... [Now, by] doing it through an approval with instant notification popping up in Teams and it all being together, that’s where we’re seeing the time savings. I’m not going out looking for emails. It’s all been consolidated into one place for me.”

Senior consultant, digital workspace solutions group, technology

- The average fully burdened salary for a supervisor of frontline workers at the composite organization is \$40 per hour.
- These supervisors reapply 50% of the time they save to their daily or weekly tasks.

Risks. Operational differences that may impact the financial benefit associated with administrative efficiencies enabled by Microsoft Teams include:

- The number and maturity level of the organization’s office and knowledge workers and frontline worker supervisors, including their experience, capabilities, and effective use of Microsoft Teams for administrative tasks. These time savings can be even greater for users who leverage the Teams platform more proficiently.
- The extent to which the organization can encourage additional adoption of Microsoft Teams by these workers. Organizations with strong change-management programs can experience much higher high adoption rates.

- The extent to which the organization introduces custom apps within Teams to streamline and automate administrative processes and workflows. The time savings can be even greater depending on the number and scope of labor-saving applications introduced.
 - Prevailing local compensation rates for office and knowledge workers and frontline worker supervisors.
- Results.** To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV of \$8.1 million.

Administrative Efficiencies Enabled By Microsoft Teams					
Ref.	Metric	Source	Year 1	Year 2	Year 3
C1	Number of office/knowledge workers	Composite	16,000	16,000	16,000
C2	Percentage of office/knowledge workers actively using Teams	Interviews	50%	70%	80%
C3	Minutes saved per week using Teams for administrative tasks	Interviews	5	10	15
C4	Average fully burdened hourly salary of an office/knowledge worker	TEI standard	\$65	\$65	\$65
C5	Percentage of time recaptured	TEI standard	30%	30%	30%
C6	Subtotal: Office/knowledge worker administrative efficiencies	$C1 * C2 * C3 * (52/60) * C4 * C5$	676,000	1,892,800	3,244,800
C7	Number of frontline worker supervisors	Composite	8,000	8,000	8,000
C8	Percentage of frontline worker supervisors on Teams	Composite	20%	40%	100%
C9	Percentage of frontline worker supervisors who actively use Teams	Interviews	50%	70%	80%
C10	Minutes saved per week using Teams for administrative tasks	Interviews	20	30	45
C11	Average fully burdened hourly salary of a frontline worker supervisor	TEI standard	\$40	\$40	\$40
C12	Percentage of time recaptured	TEI standard	50%	50%	50%
C13	Subtotal: Frontline worker supervisor administrative efficiencies	$C7 * C8 * C9 * C10 * (52/60) * C11 * C12$	277,333	1,164,800	4,992,000
Ct	Administrative efficiencies enabled by Microsoft Teams	C6+C13	\$953,333	\$3,057,600	\$8,236,800
	Risk adjustment	↓15%			
Ctr	Administrative efficiencies enabled by Microsoft Teams (risk-adjusted)		\$810,333	\$2,598,960	\$7,001,280
Three-year total: \$10,410,573			Three-year present value: \$8,144,733		

EFFICIENCIES USING MICROSOFT TEAMS AS AN ANNOUNCEMENTS PLATFORM

Evidence and data. Several of the interviewees' organizations put Teams to work as an announcements platform and connected users with their e-learning systems for webinars delivered via Teams. The organizations used Teams to instantly share training content as well as information on new developments and promotions, changes in work guidelines, and FAQs, and they pushed out notifications to the right groups automatically, based on identity.

- The head of IT for the retail division of the consumer goods company said their organization's e-learning platform was a key enabler and fostered engagement among frontline workers across all brand categories. They said: "Eighteen months ago, we made our e-learning platform directly accessible through Teams as a fully integrated app. The e-learning platform provides content related to new product launches to animate [frontline workers], especially those not directly on our payroll. But it also includes learning content such as ethics training, which is mandatory for all employees."

By combining Teams and Azure Active Directory, the organization was able to streamline its onboarding experience, and new joiners are automatically given a digital identity that unlocks access to everything they need for the onboarding process.

- The director of technology operations for a company in the retail industry said that Teams has made webinar-driven training much easier. They said: "Training is now done via Teams ... because you can record it and deploy it very easily. The document repositories make it very easy to share with the store channels. Everyone has access to everything. The documents are there [along with] recordings of people going on training. So, if someone new turns up, it's not

"We've got a large [cache] of training material with video calling now, whereas that wasn't available to the stores previously. This came as part of the Teams deployment to the stores."

Director of technology operations, retail

down to central training to do any of the training. If the materials there are still current, they can watch the video [via Teams]."

This interviewee also related a recent instance of having great results using webinars in Teams to deliver training following a companywide change to point-of-sale (POS) systems. They said: "Rather than struggling to deliver training to a couple stores at a time, we used Teams to create a consistent learning experience that we could record and make available to people to review at any time."

- The senior consultant in the digital workspace solutions group for the technology firm said their organization utilized Teams as its platform for change management. They said: "One thing that we employed right from the start was a custom Teams app that we created and pinned in Microsoft Teams, which fronted a SharePoint site with all of the project information and all of the training materials. Whenever we sent out any communication to people, we could refer them back to this site for all the latest information on Teams. If you needed training on Teams, it directed you to the information app. This meant that people stayed inside the tool. They didn't need to look for an email with a URL in it to find training. It was in Teams. We still use that now. It's updated frequently with information. That was a big part of the change management."

Modeling and assumptions. Forrester assumes the following about the composite organization:

- The composite organization uses Teams as an announcement platform for its frontline workers only.
- The composite organization has 56,000 frontline workers and 8,000 supervisors.
- The composite organization deploys Microsoft Teams to 20% of these workers in Year 1, then to an additional 20% in Year 2, and to the remaining 60% in Year 3.
- Initial adoption of Microsoft Teams by frontline workers is 40% in Year 1, and this grows to 65% by Year 3.
- Initial adoption of Microsoft Teams by supervisors is 50% in Year 1, and this grows to 80% by Year 3.
- Frontline workers and supervisors who use Microsoft Teams to keep up with training, new developments, promotions, and changes in work guidelines save an average of 10 minutes per week.
- The average fully burdened salary for a frontline worker at the composite organization is \$25 per hour, while the average fully burdened salary for a supervisor is \$40 per hour.
- These frontline workers reapply 30% of the time they save to daily or weekly tasks while

supervisors reapply 50% to their daily or weekly tasks.

Risks. Operational differences that may impact the financial benefit associated with frontline workers and supervisors using Microsoft Teams as a unified communication platform include:

- The extent to which the organization deploys and uses Microsoft Teams as a unified platform for communication. This model does not consider office and knowledge workers in this calculation; however, organizations can leverage these same capabilities for all employees.
- The number and maturity level of the organization's frontline workers and supervisors, including their experience, capabilities, and effective use of Microsoft Teams for e-learning and communication. These time savings can be even greater depending on the effectiveness of the communications platform.
- The extent to which the organization can encourage additional adoption of Microsoft Teams by frontline workers. Organizations with strong change-management programs can experience much higher high adoption rates.
- Prevailing local compensation rates for frontline workers and supervisors.

Results. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV of \$3.3 million.

Efficiencies Using Microsoft Teams As An Announcements Platform					
Ref.	Metric	Source	Year 1	Year 2	Year 3
D1	Number of frontline workers	Composite	56,000	56,000	56,000
D2	Percentage of frontline workers on Teams	Composite	20%	40%	100%
D3	Percentage of frontline workers who actively use Teams	Interviews	40%	45%	65%
D4	Minutes saved per week using Teams as an announcements platform	Interviews	10	10	10
D5	Average fully hourly salary of a burdened frontline worker	TEI standard	\$25	\$25	\$25
D6	Percentage of time recaptured	TEI standard	30%	30%	30%
D7	Subtotal: Frontline worker efficiencies using Teams as an announcements platform	$D1 * D2 * D3 * D4 * (52/60) * D5 * D6$	291,200	655,200	2,366,000
D8	Number of frontline worker supervisors	Composite	8,000	8,000	8,000
D9	Percentage of frontline worker supervisors on Teams	Composite	20%	40%	100%
D10	Percentage of frontline worker supervisors who actively use Teams	Interviews	50%	70%	80%
D11	Minutes saved per week using Teams as an announcements platform	Interviews	10	10	10
D12	Average fully burdened hourly salary of a frontline worker supervisor	TEI standard	\$40	\$40	\$40
D13	Percentage of time recaptured	TEI standard	50%	50%	50%
D14	Subtotal: Frontline worker supervisor efficiencies using Teams as an announcements platform	$D8 * D9 * D10 * D11 * (52/60) * D12 * D13$	138,667	388,267	1,109,333
Dt	Efficiencies using Microsoft Teams as an announcements platform	D7+D14	\$429,867	\$1,043,467	\$3,475,333
	Risk adjustment	↓15%			
Dtr	Efficiencies using Microsoft Teams as an announcements platform (risk-adjusted)		\$365,387	\$886,947	\$2,954,033
Three-year total: \$4,206,367			Three-year present value: \$3,284,593		

COST SAVINGS FROM RETIRING LEGACY SOLUTIONS

Evidence and data. Most of the interviewees said their organization retired or dramatically reduced its use of legacy collaboration solutions after embracing Teams as a platform. This included consolidation of equipment used that frontline workers use on-site, such as badge radio systems, walkie talkies, and bar-code scanners.

- The senior consultant in the digital workspace solutions group for the technology firm estimated their organization probably saved around half a million dollars after retiring one of its legacy collaboration solutions, and it reduced use of the other legacy solution significantly. They said: “Whereas everyone before had a license for it, that was resolved for 99% of the organization. People had to reapply if they needed it, and we’d reinstate it on an ad hoc basis. Maybe only 5%

are using the legacy platform now, and that's purely because their clients demand it."

This interviewee noted their organization saw further cost reductions from not having to support dual platforms. They said: "The support to run two platforms requires two different skill sets for the service desk, so being able to ramp down usage of one of those platforms helps us to reassign resources to other parts of the business."

- The senior director of digital workplace for the manufacturer said their organization saved money by moving to Teams Voice. They said: "We were on a [legacy] platform that we were getting rid of, and Teams offered that functionality. So, we moved to that. If you think about an organization with over 100,000 people with desk phones, and all of that went away and everybody went to the Teams Phone, millions of dollars were saved."

This interviewee also noted: "Not everybody got a Teams phone. If we've already given you a cell phone, you probably don't need a Teams phone number. But just getting onto Teams got rid of all of the desk phones and all of the lines. [We did the] same thing with our branch offices, so that was a huge savings. I'm working off of a Teams-enabled monitor. I have a sound bar and the video and the audio. I don't have to have a headset or anything."

- The director of technology operations for a company in the retail industry told Forrester that frontline workers used the Walkie Talkie app in Teams in lieu of cumbersome badge radios and that their organization retired a separate barcode-scanning device after adding a smart data capture app to their devices. They said: "We've got 3,500 devices with Teams on them. We use

an identity-driven approach to devices, so the frontline worker comes in and logs into a device using their identity. That creates their profile on the device, and they use it for the day."

This interviewee estimated that if their organization had to replace its old badge radios with standard radio-frequency (RF) badge radios, the investment would run more than \$200,000 plus \$50,000 a year in support costs.

Modeling and assumptions. Forrester assumes the following about the composite organization:

- After implementing Microsoft Teams, the composite organization begins transitioning employees off its legacy collaboration platforms. The savings from these retirements come to \$375,000 in Year 1, \$425,000 in Year 2, and \$500,000 by Year 3.
- The composite organization also retires in-store communication devices that frontline supervisors use as they transition to Microsoft Teams. The savings from these retirements add up to \$32,000 in Year 1, \$64,000 in Year 2, and \$160,000 in Year 3.

Risks. Operational differences that may impact the financial benefit associated with cost savings from retiring legacy solutions and equipment include:

- The organization's prior use of other collaboration solutions and communication equipment.
- The lifecycle costs associated with these solutions and equipment.
- The rate at which the organization retires these solutions and equipment.

Results. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV of \$1.1 million.

Cost Savings From Retiring Legacy Solutions					
Ref.	Metric	Source	Year 1	Year 2	Year 3
E1	Total annual savings from reduction of redundant collaboration platforms	Interviews	\$375,000	\$425,000	\$500,000
E2	Total annual savings from retirement of in-store communication devices	Interviews	\$32,000	\$64,000	\$160,000
Et	Cost savings from retiring legacy solutions and equipment	E1+E2	\$407,000	\$489,000	\$660,000
	Risk adjustment	↓15%			
Etr	Cost savings from retiring legacy solutions and equipment (risk-adjusted)		\$345,950	\$415,650	\$561,000
Three-year total: \$1,322,600			Three-year present value: \$1,079,500		

REDUCED NUMBER OF SERVICE TICKETS DUE TO CHATBOT USAGE IN MICROSOFT TEAMS

Evidence and data. Interviewees said implementing chatbots in Teams to resolve common queries led to a reduction in the number of service tickets opened. One said their organization used Teams’ scheduling and resource-management capabilities to schedule small teams of support specialists spread around the world. Service agents in this organization used the chat function in Teams to instantly connect to users, which led to resolving tickets faster.

- The senior director of digital workplace for the manufacturer described how their organization integrated a virtual agent into Teams and used it for self-help on easy queries. They said: “We didn’t want people to call into the help desk. We wanted them to go to this chatbot that is integrated into Teams. It helps with simple questions like, ‘How do I change my password?’ [and,] ‘How do I set up a meeting in Teams?’ Usually, the answers are right there. We reduced our ticket counts by 80%. Our service desk averaged about 26,000 tickets a month, and now that’s down to under 7,000 a month.”

Behind the chatbot, the manufacturing organization stood up small teams of support specialists and used the resource-management feature in Teams to schedule the staffing for

“The first thing we started to do quite early on was build in IT support. The chatbot or the virtual agent was brought into Teams quite early from the service-desk organization. Today, that is pretty much the only embedded product that is not a Microsoft product.”

Head of digital workplace, retail

those agents. The interviewee said: “We were looking for a scheduling tool to help with these small groups, and we stumbled across this and utilized it. It was pretty helpful.”

- The director of technology operations for a company in the retail industry indicated their organization explored opportunities to use chatbots within Teams for in-store support on break-fix issues. They said: “It is very early on, with an uptake of 10% so far as part of the trial, and the reduction in tickets from them is about 30%. This was something we needed to do to alleviate pressure. Some of the hardware in stores is pretty archaic and breaks quite a lot, and it’s just churning the same problem over and over again. So, automating that was definitely where we wanted to go. We are very much as a

“One thing I noticed since we moved over to Microsoft Teams is our increased agility with the service desk. When something is logged, my first point of contact now is not an email back from the service desk. It’s an IM on Teams saying, ‘I’ve picked up your ticket’ and asking if I can share my screen so they can address my problem. We didn’t have that before.”

Senior consultant, digital workspace solutions group, technology

business looking at automation to simplify our processes so they’re very easy to resolve with self-help and self-fix.”

Modeling and assumptions. Forrester assumes the following about the composite organization:

- Employees at the composite organization submit an average of three low-level or Tier 1 support requests per year.
- The organization implements chatbots that enable users to resolve common queries themselves, and it adds the application to

Microsoft Teams. The use of chatbots reduces the percentage of services tickets received by 30% in Year 1, and half of that can be attributed to increased visibility in Microsoft Teams.

- As more employees use Microsoft Teams and come across the chatbot, the number of service tickets opened decreases over time. The average cost associated with Tier 1 support requests resolved through the chatbot is \$5.

Risks. Operational differences that may impact the financial benefit associated with reduced number of service tickets due to chatbot usage in Microsoft Teams include:

- The size and average number of service tickets the organization opens per year.
- The ability of the chatbot to resolve queries, which will vary significantly based on the organization and the knowledge quality and language processing functionality of the underlying chatbot.
- Prevailing local compensation rates for help desk staff who normally handle service tickets.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV of \$645,500.

Reduced Number Of Service Tickets Due To Chatbot Usage In Microsoft Teams					
Ref.	Metric	Source	Year 1	Year 2	Year 3
F1	Average number of service tickets opened per year	Composite	240,000	240,000	240,000
F2	Percentage reduction in number of service tickets opened due to automation	Interviews	30%	40%	50%
F3	Reduction attributed to Teams after introducing chatbots	Interviews	50%	60%	70%
F4	Average cost per service ticket	TEI standard	\$5	\$5	\$5
Ft	Reduced number of service tickets due to chatbot usage in Microsoft Teams	$F1 * F2 * F3 * F4$	\$180,000	\$288,000	\$420,000
	Risk adjustment	↓10%			
Ftr	Reduced number of service tickets due to chatbot usage in Microsoft Teams (risk-adjusted)		\$162,000	\$259,200	\$378,000
Three-year total: \$799,200			Three-year present value: \$645,485		

UNQUANTIFIED BENEFITS

Interviewees mentioned the following additional benefits that their organizations experienced but were not able to quantify:

- **Centers of excellence for developing custom apps and automated workflows in Teams.**

Interviewees indicated their organizations were in the early stages of developing custom apps to streamline workflows within the Teams platform, but some had set up centers of excellence for the purpose of developing automations for the Teams environment and were collaborating with Microsoft on the development of more apps and integrations for office and knowledge workers and frontline workers.

The senior consultant in the digital workspace solutions group for the technology firm characterized their organization's custom Teams application development efforts as still in its infancy. They said: "The citizen-developer side of things is something that really interests us as a service provider. We're working with Microsoft on apps for the frontline worker, using low code, and empowering these citizen developers to do their own thing. We're early on that journey at the moment."

The senior director of digital workplace for the manufacturer indicated their organization is further along in developing custom apps for the Teams platform. They said: "We have an automation center of excellence that is utilizing those capabilities, for sure. We have a vetting process to determine the place to build your automation, whether it's in Power BI or Power Apps or whatever. We'll direct people along that route and get it going."

The head of digital workplace for a company in the retail industry told Forrester their organization worked with Microsoft to set up a Power Automate center of excellence. They said: "We created a team of three to four core enthusiasts:

senior developers in Power Automate who were interested in automation. We reached out to our markets and countries to say, 'Hey, we are here to coach, mentor, and support you. We have licenses for Power Automate, and if you have an interest to do this on your own, we are there to support you in this journey. This has really just skyrocketed, to be honest. Some markets have created their own Power Automate organizations with developers creating workflows and automating tasks."

- **Ease of integration.** Interviewees said they appreciate how easy it is to integrate applications within Teams. The senior director of digital workplace for the manufacturer said: "There are so many different things that we do outside of Teams that have an integration to it, and we've started to use that. We have a ton of apps that we use through Teams now, including Power BI, Viva Insights, and Power Automate."

The director of technology operations for a company in the retail industry said Microsoft Graph (which Teams uses) took some learning but that once the organization's developers understood it, they had no problems controlling and posting to Teams via APIs. The interviewee said: "Teams is very much a presentation layer where we post to Teams and present information in Teams. If there are Teams tools that make sense to use, especially from our store

"More work gets done faster. I don't know that we've been able to say we got two more weeks as a result, but things probably happen faster and better and cheaper by a little bit."

Senior director of digital workplace, manufacturing

standpoint, then we'll utilize them. If you want to communicate, even if it's not written in Teams, it's posted into Teams."

- **Improved data security.** Use of Teams as a platform pushed interviewees' organizations to shore up their governance and identity management practices, which indirectly enhanced security in the process. By consolidating collaboration and communication apps on the Teams platform, security teams could ensure that users followed security and compliance policies to reduce the risk of a data leak via unsupported third-party apps while still enabling employees to work anywhere and on any mobile device. Enrollment in multifactor authentication went up and strengthened these organizations' security postures.

The senior consultant in the digital workspace solutions group for a technology firm observed: "Fewer systems equal less risk because there's less opportunity for people to share information. The big thing we did at the start of the project in terms of security and engaging security really early on was to build up and demonstrate the capability of Teams, its governance, and the extra layers of security that the other platform couldn't provide that well."

The director of technology operations for a company in the retail industry emphasized the need for strong governance around identity when using Teams: "What has made us more secure was moving to Teams and getting our identity right. Identity was the thing that made us more secure. ... To get to Teams meant that we needed to be clear in identity. And our identity effort was what tightened up our organization, ensuring MFA across all accounts down to the frontline workers. That in itself was huge from a footprint standpoint because we weren't going to put Teams in without doing the right thing around identity."

"Consolidating from two platforms to one will always reduce your surface risk area."

Senior consultant, digital workspace solutions group, technology

The senior director of digital workplace for the manufacturer told Forrester their organization experienced situations in which employees failed to set up teams in Microsoft Teams with the appropriate levels of privacy, which led to situations in which some people gained access to information they shouldn't have seen. The interviewee said: "Along with the power and capability, you have to have good governance and, really more so than governance [and] training because an individual user can do anything and set up things. You've got to understand what you're doing."

This interviewee continued: "It hasn't been a big problem, but there have been a couple things, so we're working through how we educate folks to pay attention to what they're doing when they set something up. [We ask:] 'Should this be public or does it need to be private? What kinds of documents are you going to be keeping there? Are they really shareable with everybody or not? If not, then you need to keep it private [and] manage your team appropriately.' All of that."

- **Cultural change.** The interviewees said their organizations' cultures changed as a result of adopting Teams as a unified communication and collaboration platform.

The senior consultant in the digital workspace solutions group for the technology firm said: "With us being a global operation, [Microsoft Teams has] broken down barriers in terms of time zones

“Nobody does anything if it’s not on Teams. We are working on policies now. We don’t specify time in the office. If you choose to go in, you work in the office and there’s a Teams Room set up. If you want to work from home, you work on Teams. It’s as simple as that. There’s organization. There’s culture. We are not forced to be in a location at any point in time.”

Director of technology operations, retail

and contacting people. ... There is less reliance on email now. That ad hoc ‘drop in an IM, have a quick conversation, and it’s done and off my plate’ [approach] is becoming more prominent now, and it’s ultimately made our execs more accessible to us. We’ve been told that if we ever want to speak to one of our execs, [we should] drop them an IM. Five years ago, I never would have dreamt of sending an IM to one of our execs.”

The senior director of digital workplace for the manufacturer was more circumspect and said: “I don’t know if [Microsoft Teams] changed the nature of work, but we found capabilities to do more things. People have found ways to use the calendar or the workforce management piece of it. My team keeps track of our tasks and plans and all the individual things that we’re doing. It just helps people be more organized.”

This interviewee offered advice for organizations contemplating the use of Teams. They said: “Don’t be too prescriptive. If frontline workers want to ping the CEO, let them ping the CEO. Why would you make that off-limits? The whole point of having a collaboration tool is that you

collaborate. Nobody’s off-limits. Regulations should be around protection and security as in identity, not restrictions on roles and on how someone operates with it. Give people the tools they need to do their job and they do their job. Let people form teams. Don’t try and dictate Teams to them. You can’t say that you care about your employees and want everyone to feel enriched and empowered if you don’t give them a voice. We found that’s been pretty good — just to give people absolute freedom to do this stuff.”

- **Increased collaboration with clients.** The senior director of digital workplace for the manufacturer told Forrester: “It’s way easier to collaborate. They’re just part of the team. I’m on calls all day long with people from outside the organization. It’s fast. It’s efficient. We share content. So, it works well.”

The senior consultant in the digital workspace solutions group for the technology firm said: “Overall, we’ve seen more of our clients now sharing items through SharePoint. We’ll have those Teams sites built up, and we’ll invite clients to collaborate on Teams, which we [did not do] before. Traditionally, you would send a document out and wait for clarification, comments, or sign-off. Whereas, now it’s just in one place, and you share it out, and I [get] it.”

This interviewee also explained that their organization’s experience using Teams gave it added credibility with clients. They said: “Clients see that we do a lot of Microsoft 365 work, and they see that we use it internally as well, which is a positive for them. Because whenever we roll out Microsoft Teams with a client, we make sure that we use Microsoft Teams from day one. We set up channels with them, give them access, and let them know this is how we’re doing it from now on. And that helps with adoption.”

The interviewee also described how their organization’s clients had begun to use Teams to contact field service agents directly. They said: “Instead of the traditional way of raising a ticket with the service desk and waiting for someone to turn up, our customers are now just contacting field services directly on Teams. This is not always great for process. But, [for] a customer, making field support more accessible through Microsoft Teams is a bonus for them, and we want to try and incorporate that into the support experience.”

The head of IT for the retail division of the consumer goods company said their organization had not yet directly collaborated with customers on Microsoft Teams, but they noted this was an important directive in the firm’s future roadmap.

- **Increased collaboration with partners.** Interviewees said collaborating with partners is also easier through Teams. The senior director of digital workspace for the manufacturing firm said: “There’s roughly 100,000 people using Teams [at my organization] today. Many of them interact with suppliers at one point or another just through meetings or Voice or whatever the channel might be.”
- **Improved employee engagement.** Interviewees gave examples of coworkers using Teams to inspire each other, give spontaneous shout-outs to recognize outstanding customer service, and wish associates a happy birthday through chat.

The head of IT for the retail division of the consumer goods company described how Teams unlocked a friendly spirit of competition among frontline workers from their organization’s different stores. They said: “Each store wanted to show the others what they did in terms of merchandising, innovation, [and] new ideas. All those good ideas went into Teams channels so everyone could benefit from them. ... That’s something we didn’t control. ... We said [to the

“[Microsoft Teams] is one platform [and] one place to be for all our coworkers to do peer-to-peer [and] team collaboration and communication. It’s also a seamless and natural integration with the main Microsoft Office suite products that our coworkers are using. That’s the key value: that we’re starting to bring everything in [to] one place in a very natural way.”

Head of digital workplace, retail

store managers] that if you can master that, you can really do something incredible because you can stimulate your team and leverage collective intelligence between hundreds of collaborators.”

- **Microsoft support.** Interviewees had positive things to say about Microsoft service and support. The director of technology operations for a company in the retail industry said: “The account team is really good. We’re not the most structured company, but because of the work we’ve done with Teams, we also developed a close relationship with the product team that works for Teams. We were able to provide feedback on some enhancements we needed for Teams to be really slick for the in-store team rather than [for] the account team. We’re very fortunate to have that voice inside Microsoft.”

The senior director of digital workplace for the manufacturing company spoke about their organization’s close relationship with Microsoft. They said: “We are very engaged with Microsoft. I meet with [Microsoft service and support] probably two to three times a week on various things. Due to the scale and scope and cost of the relationship that we have with them, we get some credits so they bring other partners to bear that could help in a particular place as we evolve

and find better ways to use the capabilities that they have in their tools.”

FLEXIBILITY

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

- **Integration with other products.** Each interviewee said their organization was exploring opportunities to integrate other applications within Teams after first determining whether they would work better within Teams or as standalone apps.

The senior consultant in the digital workspace solutions group for the technology firm noted: “There are other things in the pipeline that are being considered, like integrating Power Apps in our ITSM (IT service management) tool. For example, [we’re] looking at how we can integrate a chatbot into Microsoft Teams to support our users that way.”

The head of digital workplace for a company in retail said their organization is looking for ways to leverage more of the Microsoft product suite, especially for frontline workers. They said: “We have offered the organization a smorgasbord of opportunities. So far, we are just at the beginning of trying to eat more than just one thing at this smorgasbord. That’s an untapped opportunity for us.”

“At some point, we make assessments as to whether things work better as separate apps or work better in Teams. There will be limitations. We’re not on a crusade to put everything in Teams. If it makes sense to do so, then we will push it into Teams.”

Director of technology operations, retail

The director of technology operations for another company in retail said their organization is also focused on the frontline. They said: “It’s definitely about store operations in Teams. Joining Teams up to store ops is where we see opportunities to do things. Our smart fitting-room service is an example. We’ve got a number of stores where we have smart fitting rooms where you can walk in and hang your clothes up and, because of the RFID (radio-frequency identification) tags, it populates a screen of what you’ve got in there, and you can ask the store staff for an item in a different size, and it will show up in an app on their device. Teams will push notifications to say, ‘This cubicle requires this dress in this size.’ A store associate can acknowledge [it], and it comes up on a screen in the cubicle, letting the shopper know the associate by name will be with [them] in a minute.”

- **Automation.** The senior consultant in the digital workspace solutions group at a technology organization said automation was on the roadmap for their firm. They said: “We’re investing quite heavily in automation. [Microsoft] Power Platform will play a role in that, and Teams will probably be the conduit to deliver some of that to those frontline workers and end users.”
- **New Teams functionality, including Teams Premium.** Microsoft introduced more than 450 new Teams capabilities in the past year alone, and that did not go unnoticed by the interviewees. In particular, they said they appreciate the enhanced security and manageability features in Teams Premium. The senior director of digital workplace for the manufacturer told Forrester: “We’re looking at future releases of Teams and what they’re going to do from a Teams Premium perspective. One of the things I was given access to is intelligent recap, which integrates OpenAI’s GPT (generative pretrained transformer) into Teams. So, in this crazy world of too many meetings, I’ll

have the ability to pick and choose a little bit more, [like] which meetings I go to and which ones I won't go to, and I can go back and look at Intelligent Recap on my own time and have all the information I need without having to attend the meeting.”

The head of digital workplace for a company in the retail industry mentioned Microsoft's Viva Connect, and they said: “We haven't really put our foot down on Viva Connect yet. We are looking at it and testing it a little bit, but it's in another part of the organization, so I cannot speak for them on this.”

- **Opportunities unlocked following network upgrades for Teams.** The director of technology operations for a company in the retail industry explained how network upgrades to accommodate Teams led their organization to modernize its store environment. They said: “We had a Teams platform for communication. But when you wanted to use things like Walkie Talkie, you had to communicate back to Microsoft and then back to the device. Quite a few stores didn't have the bandwidth to run it, so that's what drove the original use case. Then there were all these other things that were fast follows off the back of this use case. Store strategy dictates that we put a lot more modern tech in stores, and infrastructure is a key enabler of that. [One store]

“I personally would like to see a lot more automation of mundane tasks done through Teams. [For] all of those tasks that are repetitive, I want to see all of that automation put into Teams.”

Senior consultant, digital workspace solutions group, technology

“We don't think there'll ever be a consideration not to renew Teams. Should we do something different or just turn it off and work really old school? It's just not going to happen. It enables everything else. It's the enabler in my mind.”

Director of technology operations, retail

has now moved to fully RFID-driven sales, including self-checkout.”

- **Customer engagement through Teams.** The head of IT for the retail division of the consumer goods company said a key pillar in their organization's roadmap was extending in-store interactions with consumers to the online world to keep them engaged when they're not physically present in the stores. The interviewee said: “We want to pursue and continue the interaction between the [frontline worker] and the consumer even if the consumer is at home. That's something we are thinking about. It's very exciting. It's just the beginning. We haven't explored the entire scope [or] the entire possibility and potential. It's tremendous.”

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

Analysis Of Costs

■ Quantified cost data as applied to the composite

Total Costs							
Ref.	Cost	Initial	Year 1	Year 2	Year 3	Total	Present Value
Gtr	Microsoft Teams licenses for frontline workers	\$0	\$478,800	\$957,600	\$2,394,000	\$3,830,400	\$3,025,325
Htr	Planning and change management costs	\$40,020	\$951,280	\$951,280	\$2,693,760	\$4,636,340	\$3,714,864
Itr	Implementation and administration, including app development and integration	\$267,720	\$279,036	\$279,036	\$279,036	\$1,104,828	\$961,641
Jtr	Communication equipment upgrade costs	\$0	\$1,091,200	\$1,091,200	\$3,273,600	\$5,456,000	\$4,353,322
	Total costs (risk-adjusted)	\$307,740	\$2,800,316	\$3,279,116	\$8,640,396	\$15,027,568	\$12,055,152

MICROSOFT TEAMS LICENSES FOR FRONTLINE WORKERS

Evidence and data. The interviewees’ organizations already had Microsoft Office 365 licenses for their office and knowledge workers, and they previously deployed Microsoft Teams Rooms, collaboration spaces, and conference rooms equipped with Teams devices. As a result, the only additional licenses they needed to purchase were F-licenses, which are Microsoft 365 licenses designed for frontline workers. The F1 license provides access to Teams, but it offers more limited access to other applications in the Microsoft 365 suite. Meanwhile, F3 licenses provide broad access at a higher price point.

The director of technology operations for a company in the retail industry told Forrester their organization worked out a special licensing agreement with Microsoft to accommodate the seasonal variability of its frontline workforce. They said: “We set up an EA (enterprise agreement) with a base number representing our minimum commitment of 4,500 frontline workers, and [we] had a separate agreement

“Being in retail is very difficult. We don’t have a static number of employees — especially frontline worker employees — throughout the year. That was definitely one challenge that we overcame with [Microsoft Teams].”

Director of technology operations, retail

for an additional 2,000 users that could be activated at a given time and would go on our account for the three months.”

Modeling and assumptions. Forrester assumes the following about the composite organization:

- The composite organization already licenses Microsoft Office 365 for its office and knowledge workers.

- The organization adds F3 licenses for its 8,000 frontline supervisors, and it adds F1 licenses for its 56,000 direct reports as Microsoft Teams is deployed over three years.
- The organization pays \$8 per month per user for the F3 licenses and \$2.25 per month per user for the F1 licenses.
- While the price of the licenses includes more than access to Teams, Forrester used the full price of the licenses to be conservative.
- Pricing may vary. Contact Microsoft for additional details.

Risks. Organizational differences that may impact the costs associated with Microsoft Teams licensing for frontline workers include:

- The size of the organization and its frontline workforce.
- The mix of license types contracted.
- Availability of Microsoft licensing agreements and other volume discounts.

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 \$3.0 million.

Microsoft Teams Licenses For Frontline Workers						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
G1	F3 annual license cost per user	Microsoft	\$0	\$96	\$96	\$96
G2	Number of frontline worker supervisors	Composite	0	8,000	8,000	8,000
G3	Percentage of frontline worker supervisors on Teams	Composite	0%	20%	40%	100%
G4	Subtotal: F3 annual license costs	$G1 * G2 * G3$	\$0	\$153,600	\$307,200	\$768,000
G5	F1 annual license cost per user	Microsoft	\$0	\$27	\$27	\$27
G6	Number of frontline workers	Composite	0	56,000	56,000	56,000
G7	Percentage of frontline workers on Teams	Composite	0%	20%	40%	100%
G8	Subtotal: F1 annual license costs	$G5 * G6 * G7$	\$0	\$302,400	\$604,800	\$1,512,000
Gt	Microsoft Teams licenses for frontline workers	$G4 + G8$	\$0	\$456,000	\$912,000	\$2,280,000
	Risk adjustment	↑5%				
Gtr	Microsoft Teams licenses for frontline workers (risk-adjusted)		\$0	\$478,800	\$957,600	\$2,394,000
Three-year total: \$3,830,400			Three-year present value: \$3,025,325			

PLANNING AND CHANGE MANAGEMENT COSTS

Evidence and data. Interviewees said planning and change management efforts at their organizations varied based on their individual circumstances and needs. Pandemic-induced shutdowns also influenced how some of the organizations deployed Teams.

Some organizations had previously deployed Microsoft Office 365 with Teams to their office and knowledge workers, so they focused planning and change management on deploying Teams to frontline workers. Other organizations deployed Teams to replace multiple legacy collaboration platforms, so planning and change management efforts were geared toward the entire organizations.

Some interviewees' organizations did extensive planning and ran monthslong pilots before deploying Teams, while others pushed the platform out to frontline workers with little advance planning.

- The senior director of digital workplace for the manufacturer said their organization's pilot phase for Teams lasted approximately 18 months and that several pilot projects involved 500 to 1,000 employees. Their organization progressed as far as rolling out Teams to 20,000 employees when the pandemic forced management to accelerate deployment to the rest of the organization in just three weeks' time. Asked about that accelerated effort, the interviewee said, "It was about 15 people putting together documentation and updating SharePoint sites that they could direct people to where they could understand the features and functions of Teams versus the collaboration platform they were using before."
- The senior consultant in the digital workspace solutions group for the technology firm said their organization operated under a strict deadline once it decided to migrate to Teams. They said: "It was quite a challenging timeline [and there was] a lot to do in six months in terms of change management and adoption. We had executive-level sponsorship and senior stakeholders in

each of our global operations. We had 50 to 60 people either on the project board gathering requirements from the business, deciding on the solution, and putting policies in place or conducting workshops to manage adoption. Probably one quarter of those people were involved daily [and worked] 10 to 12 hours a week for six months as part of the project-management office and technical team."

This interviewee also described the work involved in setting up governance for Teams. They said: "There's a lot of governance around who can create a team and ... naming conventions for that team [and] things that create a lot of churn for an administrator looking after Teams. [They can track] how many teams have got one or more owners in case someone leaves and things like that. We track that through Power Suite. We put a lot of safeguards in place, so our support team doesn't have to worry about it."

- Interviewees said change-management activities also ranged widely in scope and sophistication. The senior director of digital workplace for the manufacturer said: "We formed a group of digital champions that [includes] over 500 people now. They work as guinea pigs on the adoption of products we're using and help develop training curriculums. We developed a modern workplace SharePoint site where we have this great library of information on all the different things that we're using, like Teams, and we give demos. We have an IT-expert session every week or two that people can join featuring a new product like Teams Phone or PowerPoint Live. We also have a weekly newsletter that goes out through our IT communications group featuring new capabilities and products, and [it provides] links to where you can find training for them. We've tried to hit people up in all sorts of different ways. I would say that one of the better and more successful ones has been our digital champions [program]. We give them material to take back into the

organization so it can be disseminated at a more personal level.”

In contrast, the head of digital workplace for a company in the retail industry said their organization simply included Teams in its rollout of Office 365 to frontline workers. They said: “We had to get out of [a competing solution], and since we [were] doing this Office 365 rollout, we decided to put Teams into the rollout as well. It was very much a Big Bang. Let's just roll it out.”

Modeling and assumptions. Forrester assumes the following about the composite organization:

- Five business leaders are involved in planning during the composite’s initial implementation phase of Microsoft Teams, and they invest 10 hours per week for 12 weeks into the effort.
- As the organization deploys Microsoft Teams to frontline workers in years 1 and 2, it deploys 20 power users to help with change management efforts. They spend 10 hours per month on the project.
- In Year 3, the number of business leaders and power users involved in change management efforts grows to 40 people to accommodate the deployment of Microsoft Teams to the balance of frontline workers and supervisors.
- Frontline workers and supervisors receive an hour of training on the job and take another hour to become familiar with Microsoft Teams.
- The average fully burdened salary for a business leader and power user involved in planning and change management is \$58 per hour.

“From a knowledge-worker perspective, you move from [a competing solution] to Teams. It’s not rocket science. It was pretty much just putting it out there. [However,] if you go out to the stores, there is no common knowledge of how to set up and use channels in Teams.”

Head of digital workplace, retail

- The average fully burdened salary for a frontline worker at the composite organization is \$25 per hour, while the average fully loaded salary for a supervisor is \$40 per hour.

Risks. Organizational differences that may impact the costs associated with planning and change management include:

- The amount of time the organization needs for up-front planning and development of training materials.
- The amount of training and familiarization time the organization provides to frontline workers.
- Prevailing local compensation rates for business leaders, power users, frontline workers, and supervisors.

Results. To account for these risks, Forrester adjusted this cost upward by 15%, yielding a three-year, risk-adjusted total PV of \$3.7 million.

Planning And Change Management Costs						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
H1	Number of business leaders/power users involved in planning and change management	Composite	5	20	20	40
H2	Planning and change-management hours per person	Interviews	120	120	120	120
H3	Average fully burdened salary for a business leader/power user involved in planning and change management	TEI standard	\$58	\$58	\$58	\$58
H4	Subtotal: Business-leader/power-user planning and change-management costs	H1*H2*H3	\$34,800	\$139,200	\$139,200	\$278,400
H5	Number of frontline workers	Composite	0	56,000	56,000	56,000
H6	Percentage of frontline workers added to Teams	Composite	0%	20%	20%	60%
H7	Teams training and familiarization hours per person	Interviews	0	2	2	2
H8	Average fully burdened hourly wage for a frontline worker	TEI standard	\$0	\$25	\$25	\$25
H9	Subtotal: Teams training and familiarization costs for frontline workers	H5*H6*H7*H8	\$0	\$560,000	\$560,000	\$1,680,000
H10	Number of frontline worker supervisors	Composite	0	8,000	8,000	8,000
H11	Percentage of frontline worker supervisors added to Teams	Composite	0%	20%	20%	60%
H12	Teams training and familiarization hours per person	Interviews	0	2	2	2
H13	Average fully burdened hourly salary of a frontline worker supervisor	TEI standard	\$0	\$40	\$40	\$40
H14	Subtotal: Teams training and familiarization costs for frontline worker supervisors	H10*H11*H12*H13	\$0	\$128,000	\$128,000	\$384,000
Ht	Planning and change management costs	H4+H9+H14	\$34,800	\$827,200	\$827,200	\$2,342,400
	Risk adjustment	↑15%				
Htr	Planning and change management costs (risk-adjusted)		\$40,020	\$951,280	\$951,280	\$2,693,760
Three-year total: \$4,636,340			Three-year present value: \$3,714,864			

IMPLEMENTATION AND ADMINISTRATION, INCLUDING APP DEVELOPMENT AND INTEGRATION

Evidence and data. Some interviewees said deploying Teams to frontline workers required them to change how they handled identity management. While they said ongoing maintenance and support for Teams was minimal, their organizations devoted more time to building out Teams capabilities and, at times, they contracted professional services to supplement this work.

- The head of IT for the retail division of a consumer goods company said: “Implementing Teams was quite straightforward because it was the same Microsoft tenant we used for office workers, but the retail-specific requirements were more complicated. [We had to] create a digital identity for each [frontline worker]. From that, we could assign capabilities such as Teams.”

The interviewee added: “We had to change the business process for new arrivals. Managers now fill out a form to create a digital identity in

Microsoft Active Directory so that a user account can be provided. Any new arrival to or departure from the company is automatically provisioned in our information system. Thanks to digital identity, we can provision Teams on any device for our [frontline workers].”

- The director of technology operations for a company in the retail industry also discussed how their organization needed to change its identity management before it could deploy Teams to frontline workers. They said: “Once that was done, Microsoft gave [the technology operations team] instructions for downloading the Teams client, which they pushed to the frontline workers. The process has been refined since. But to get it out the door, it took two sprints of two weeks each to get it into position and then another sprint for the deployment. So, [it took] six weeks from the point of conception through integration, identity creation, communications write-up, and then communication itself.”

The same interviewee said ongoing maintenance and support for Teams was minimal. They said: “For Teams specifically, there is pretty much no or very little maintenance. It’s software as a service (SaaS). We have a few coworkers who are working with the whole Microsoft 365 suite. The biggest issue where we spend our time is probably license management, but that’s not exclusive to Teams. We have hardly any maintenance.”

- Some interviewees said their organization maintained a central team tasked with building out Teams capabilities. Others said their firm left Teams experimentation to local markets and lines of business. The director of technology operations for a retailer said their organization is working on turning Shifts into a more complete solution for the attendance process in which work gets assigned and then comes back in to update payroll. They said: “We’ve been a bit stuck on

“Teams is one of those things that doesn’t keep me awake at night. From my perspective, it works. It does what it’s supposed to do.”

Head of digital workplace, retail

that last part [and have been] trying to get ourselves into a better place with it. It’s not working the way that we want it to. It’s not Teams’ fault. It’s getting through an audit of the way we work and requiring some reengineering and integrating data back into [the HR system].”

Modeling and assumptions. Forrester assumes the following about the composite organization:

- The composite’s initial deployment of Microsoft Teams to frontline workers requires an IT team of five people working 20 hours per week for eight weeks.
- In subsequent years, the IT team spends 10% of its time on ongoing administration and application development and integration related to Microsoft Teams.
- The average fully burdened salary for an IT team member involved in ongoing administration and application development and integration related to Microsoft Teams is \$41 per hour.
- To supplement the time and expertise of this team, the composite organization spends \$200,000 per year on external consultants for Teams-related application development and integration work.

Risks. Organizational differences that may impact the costs associated with implementation and administration, including app development and integration, include:

- The amount of time the organization’s IT team needs to prepare for the implementation of Teams to frontline workers.
- The amount of time the organization’s IT team members spend performing ongoing Teams-related administration, including application development and integration.
- Prevailing local compensation rates for IT team members responsible for Teams administration.
- The use and cost of external professional services to supplement internal application development and integration work.

Results. To account for these risks, Forrester adjusted this cost upward by 15%, yielding a three-year, risk-adjusted total PV of \$961,600.

Implementation And Administration, Including App Development And Integration						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
I1	Number of IT members on the team involved in Teams implementation and administration	Interviews	5	5	5	5
I2	Teams implementation, administration, and related app development hours per person	Interviews	160	208	208	208
I3	Average fully burdened salary for an IT team member involved in ongoing administration and development	TEI standard	\$41	\$41	\$41	\$41
I4	Professional services fees related to Teams implementation, app development, and integration	Interviews	\$200,000	\$200,000	\$200,000	\$200,000
I _t	Implementation and administration, including app development and integration	(I1*I2*I3)+I4	\$232,800	\$242,640	\$242,640	\$242,640
	Risk adjustment	↑15%				
I _{tr}	Implementation and administration, including app development and integration (risk-adjusted)		\$267,720	\$279,036	\$279,036	\$279,036
Three-year total: \$1,104,828			Three-year present value: \$961,641			

COMMUNICATION EQUIPMENT UPGRADE COSTS

Evidence and data. The director of technology operations for a retail organization discussed their firm’s costs to upgrade its network and Wi-Fi infrastructure in its stores and to provide mobile devices to frontline workers to take advantage of the Walkie Talkie function in Teams.

The interviewee said: “It cost about £1 million [US\$1.25 million] to upgrade the networks for their stores, [and] some ... required investment in Wi-Fi. Ten years ago, the only thing [the retail industry] really cared about from a bandwidth standpoint was getting transactions through. Everything was localized to the site, and the network was only there to provide transactions. Moving to a more modern

setup — a SaaS environment — meant we needed the infrastructure in place. So, part of the rollout was to resolve low-bandwidth locations that required investment in the actual infrastructure itself.”

The interviewee added: “When stores reopened, they upgraded their in-store hardware [and moved] from hand-held devices to a state-of-the-art device with [the] Android operating system to take advantage of Teams.”

Modeling and assumptions. Forrester assumes the following about the composite organization:

- The composite organization purchases mobile devices for the frontline supervisors who receive access to Microsoft Teams.

- The average cost per device is \$300.
- The composite organization spends an average of \$4,000 per location to upgrade the network and Wi-Fi infrastructure in its stores.

Risks. Organizational differences that may impact the costs associated with communication equipment upgrades include.

- The number and cost of mobile devices the organization provides to employees.
- The number of customer-facing locations and the state of network and Wi-Fi infrastructure in those locations.

“We have a BYOD (bring-your-own-device) approach for many reasons. First, it’s economical because if we had to equip 20,000 [frontline workers] with professional devices, that would be a significant cost.”

Head of IT, retail, consumer goods

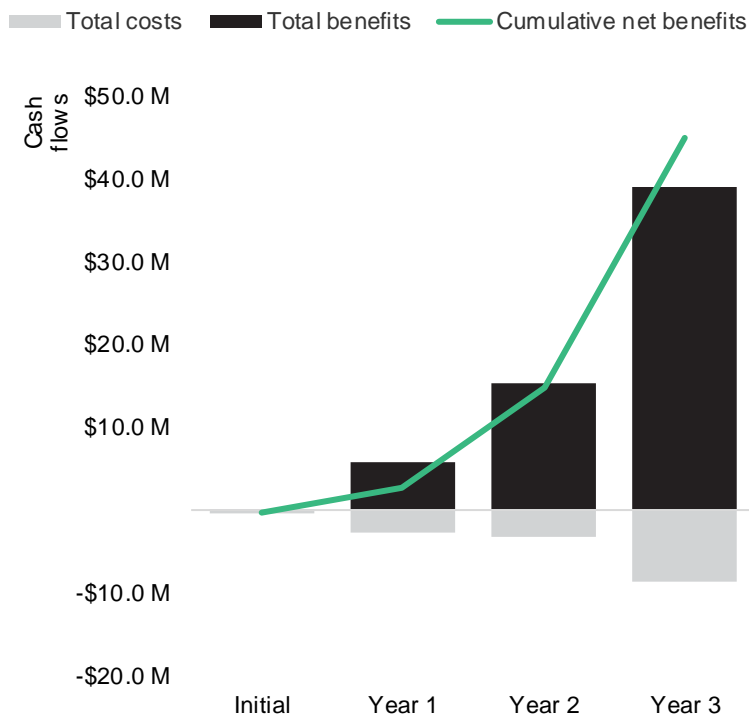
Results. To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year, risk-adjusted total PV of \$4.4 million.

Communication Equipment Upgrade Costs						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
J1	Number of frontline worker supervisors	Composite	0	8,000	8,000	8,000
J2	Percentage of frontline worker supervisors added to Teams	Composite	0%	20%	20%	60%
J3	Average cost per mobile device	Interviews	\$0	\$300	\$300	\$300
J4	Subtotal: Mobile device costs	J1*J2*J3	\$0	\$480,000	\$480,000	\$1,440,000
J5	Average cost per network upgrade	Interviews	\$0	\$4,000	\$4,000	\$4,000
J6	Number of locations upgraded	Composite	0	128	128	384
J7	Subtotal: Network upgrade costs	J5*J6	\$0	\$512,000	\$512,000	\$1,536,000
Jt	Communication equipment upgrade costs	J4+J7	\$0	\$992,000	\$992,000	\$2,976,000
	Risk adjustment	↑10%				
Jtr	Communication equipment upgrade costs (risk-adjusted)		\$0	\$1,091,200	\$1,091,200	\$3,273,600
Three-year total: \$5,456,000			Three-year present value: \$4,353,322			

Financial Summary

CONSOLIDATED THREE-YEAR RISK-ADJUSTED METRICS

Cash Flow Chart (Risk-Adjusted)



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

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

Cash Flow Analysis (Risk-Adjusted Estimates)

	Initial	Year 1	Year 2	Year 3	Total	Present Value
Total costs	(\$307,740)	(\$2,800,316)	(\$3,279,116)	(\$8,640,396)	(\$15,027,568)	(\$12,055,152)
Total benefits	\$0	\$5,721,470	\$15,350,117	\$38,880,713	\$59,952,300	\$47,099,040
Net benefits	(\$307,740)	\$2,921,154	\$12,071,001	\$30,240,317	\$44,924,732	\$35,043,888
ROI						291%
Payback						<6 months

Appendix A: Total Economic Impact

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

TOTAL ECONOMIC IMPACT APPROACH

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

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

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

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

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: Supplemental Material

Related Forrester Research

“Harness ChatOps To Accelerate Remote Collaboration,” Forrester Research, Inc., February 28, 2023

“Digital Workplace Trends To Watch Out For In 2023,” Forrester Research, Inc., December 9, 2022

“The Forrester Tech Tide™: Enterprise Collaboration Technologies, Q3 2022,” Forrester Research, Inc., September 19, 2022

“Digital CX And Design Trends, 2022,” Forrester Research, Inc., May 5, 2022

How To Make Hybrid Work,” Forrester Research, Inc., November 16, 2021

“How A Platform Business Model Changes A Financial Services Firm,” Forrester Research, Inc., August 9, 2021

“Four Steps For Building A Platform Business,” Forrester Research, Inc., August 2, 2021

“A Solid Enterprise Collaboration Roadmap Reduces Risk And Drives Adoption,” Forrester Research, Inc., April 2, 2021

“Seize The Anywhere-Work Opportunity By Taking Calculated Risks,” Forrester Research, Inc., March 29, 2021

“Building A Platform For Company Communicators To Drive Business Impact,” Forrester Research, Inc., January 26, 2021

“Knowing The Enterprise Collaboration Landscape Is Essential To Digital Transformation,” Forrester Research, Inc., August 21, 2020

Appendix C: 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 .

² Source: “How To Make Hybrid Work”, Forrester Research, Inc., November 16, 2021.

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