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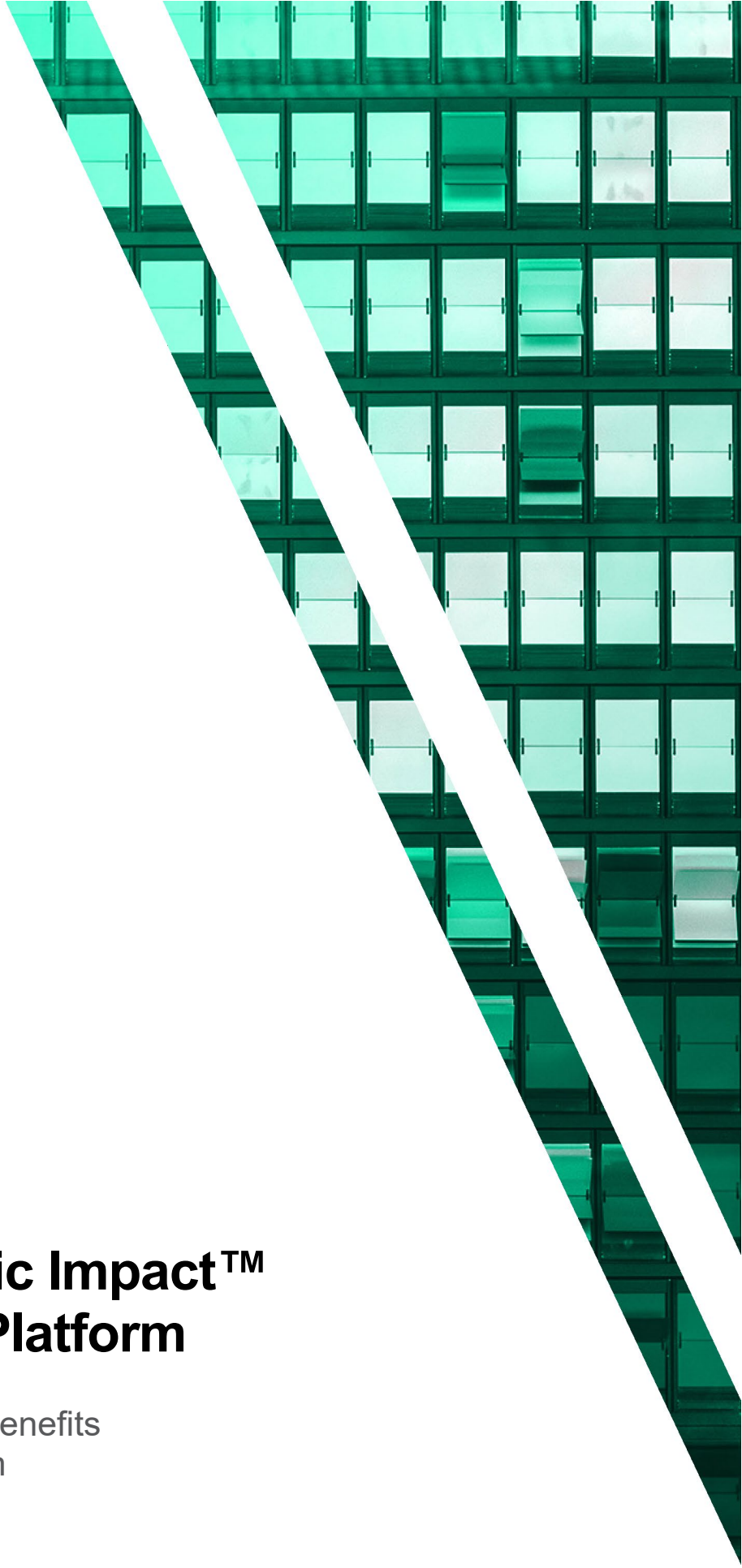

The Total Economic Impact™ Of Clari Revenue Platform

Cost Savings And Business Benefits Enabled By Revenue Platform

JUNE 2022

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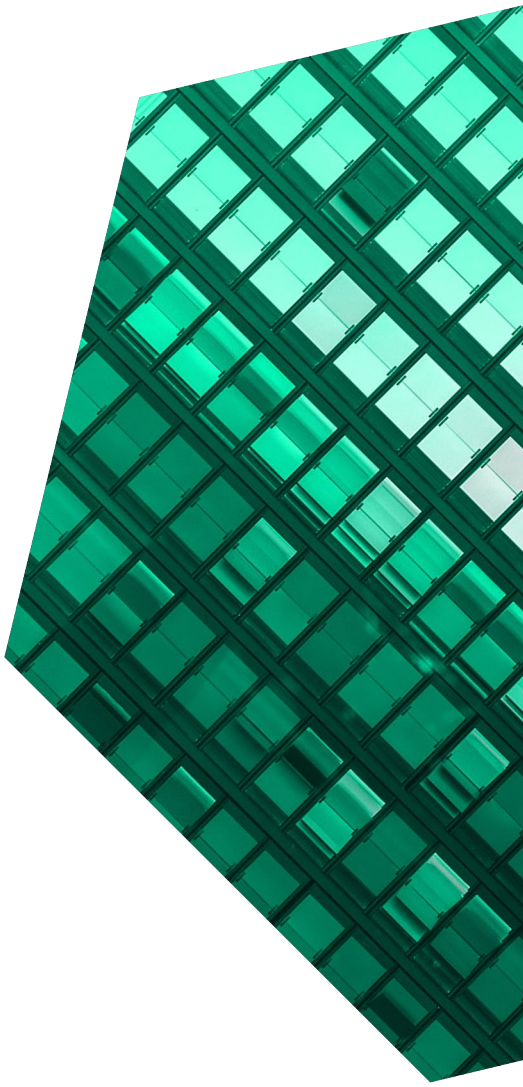
Consulting Team: Jeffrey Yozwiak
Benjamin Corey
Zahra Azzaoui



ABOUT FORRESTER CONSULTING

Forrester Consulting provides independent and objective research-based consulting to help leaders succeed in their organizations. For more information, visit forrester.com/consulting.

Executive Summary

Businesses can leverage a wealth of sales information for making more informed decisions. However, this information is often fragmented across spreadsheets, BI tools, and CRMs, preventing revenue teams from aligning and efficiently extracting insights. A revenue platform aggregates and analyzes these signals to save teams time, improve visibility into their pipelines, and ultimately predict revenue and generate growth.

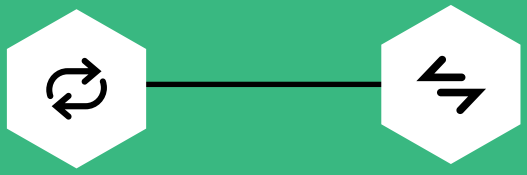
The Clari Revenue Platform provides an enterprise system to run a company's most important business process: revenue. Accurate revenue forecasting requires that all integral data from deals and accounts across an organization be available and compatible. Centralized and real-time data can improve governance and collaboration across all revenue-critical teams — not just sales but also marketing, customer success, customer support, and even functions like finance and operations. The results are improved decision-making at all levels and revenue precision.

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

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed representatives at five organizations with experience using Clari. For the purposes of this study, Forrester aggregated the interviewees' experiences and combined the results into a single composite organization: a fast-growing, enterprise/B2B company with $500 million in revenue.

Prior to using Clari, these interviewees described how revenue teams at their organizations used homegrown systems of spreadsheets and siloed business intelligence (BI) tools to track, manage, and analyze their pipelines and forecasts. Such processes were time-consuming — they detracted from time that sales representative could be spending with prospects and customers — and often led to inaccurate forecasts. Sales managers and leadership had limited visibility into the business, hampering their ability to confidently make strategic decisions.

KEY STATISTICS



Return on investment (ROI)
448%

Payback
<6 months

The organizations invested in Clari with the following objectives:

- Improve sales forecast accuracy.
- Increase revenue team productivity.
- Improve, standardize, and scale revenue-critical processes.
- Grow annual revenue.

After the organizations adopted Clari, their revenue teams operated more efficiently and effectively and collaborated better while running their revenue

processes. Revenue operations team members at the companies spent less time managing forecast data between disparate tools — spreadsheets, customer relationship managers (CRMs), and business intelligence (BI) tools — and more time on higher-level analyses. Sales representatives spent more time selling, and sales managers improved sales processes and coached their reps to close more deals. Improved visibility and insights drove revenue growth, and more precise forecasts as well as greater business predictability helped leadership confidently make strategic decisions.

KEY FINDINGS

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

- **Sales teams increased their win rate by 10%, generating $56.8 million in additional revenue over three years.** After accounting for a standard operating margin, this benefit is worth $7.3 million to the composite organization. The organizations in the study realized this benefit in several ways. First, Clari improved visibility into their pipelines. The sales teams saw deals at risk and rescued them or pulled them forward from future quarters into current quarters. Sales managers also used the enhanced visibility to better coach their reps to success. Finally, some sales teams improved their processes and standardized actions that led to success.
- **Forecast accuracy prevented hundreds of thousands of dollars in wasted investments.** This benefit is worth $437,000 to the composite organization over three years. As forecast accuracy improved with Clari, the predictability of the customer organizations' revenue engines improved, and leadership made better strategic decisions with the funds they had available to invest.
- **Sales managers spent 80% less time on forecasting activities, and sales representatives spent 67% less time on forecasting and administrative activities.** This benefit is worth $2 million to the composite organization. Interviewees noted that Clari's intuitive UI made it easy for sales representatives to update deal statuses and forecasts. In addition, sales managers benefited from better insights and real-time visibility into their pipelines.
- **Revenue operations team members spent 90% less time on forecasting and related activities.** This benefit is worth $4.8 million to the composite organization. Before Clari, team members at the customer organizations manually assembled data from myriad sources to track, manage, and analyze the companies' revenue performance. This was time-consuming, and data was often out-of-date rather than real-time, so forecasts were often inaccurate. This affected leaders at all levels within the organizational hierarchy. The Clari Revenue Platform automated and eliminated this manual work.

Forecast accuracy (difference between forecast and results):

Before Clari	After Clari
>10%	**<5%**

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

- **Better alignment and collaboration across the organization.** Interviewees noted that Clari helped align all the teams contributing to revenue: marketing, sales, solution engineering, professional services, leadership, etc. Interviewees reported that after Clari, meetings became focused on strategy rather than the accuracy of data.

- **Usage by customer success teams in addition to sales teams.** At a successful B2B company, revenue comes from not only new business won (i.e., new logos) but also from customer retention and renewals and from cross-sell and upsell opportunities. Organizations can use Clari to identify accounts at risk in the same way the platform can identify deals at risk. Some organizations that participated in the study had begun to deploy Clari for this use case, and the interviewees expected their customer success teams to realize benefits similar to those of their sales teams.

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

- **Clari licensing fees.** Clari's pricing is based on the number of users and scope of deployment. Basic pricing includes support and professional services (e.g., sales process consulting).
- **Implementation effort.** Interviewees reported deployment within weeks, and the organizations had team members dedicated to ongoing administration of the platform (e.g., customizing it to suit their organizations' unique needs).
- **User training.** Interviewees applauded Clari's UI and noted that training time was relatively light.

The representative interviews and financial analysis found that a composite organization experiences benefits of $14.56 million over three years versus costs of $2.66 million, adding up to a net present value (NPV) of $11.90 million and an ROI of 448%.

"If you combine manager productivity, rep productivity, RevOps productivity — all the soft benefits and the hard benefits of bringing in deals that otherwise would have slipped — it's a no-brainer."

— Chief revenue officer, data technology

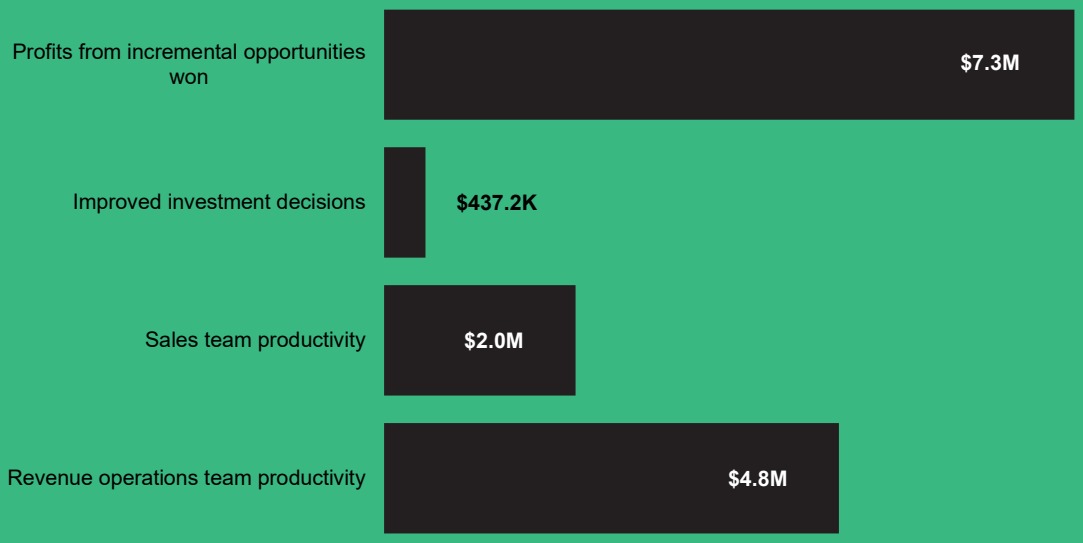
ROI
448%

BENEFITS PV
$14.56M

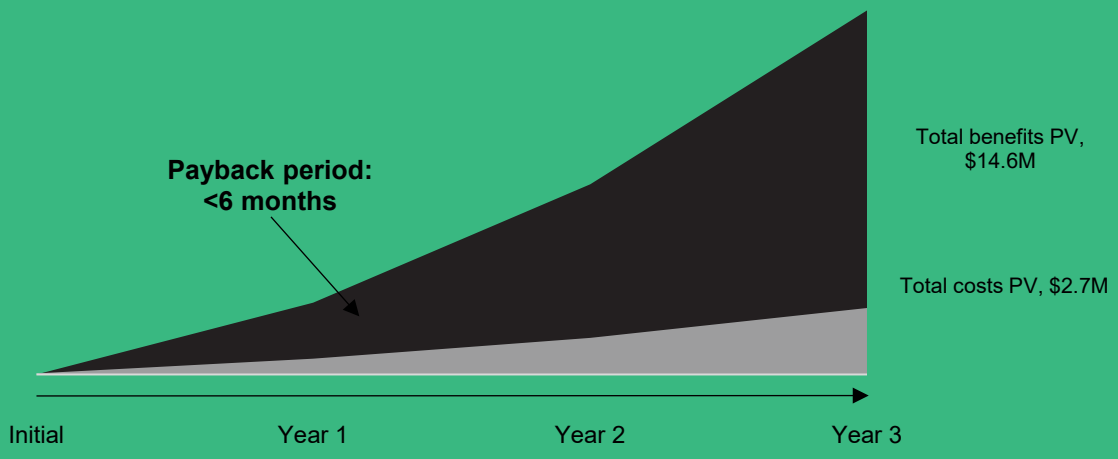
NPV
$11.90M

PAYBACK
<6 months

Benefits (Three-Year)



Financial Summary



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 the Clari Revenue Platform.

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 the Clari Revenue Platform can have on an organization.

DUE DILIGENCE

Interviewed Clari stakeholders and Forrester analysts to gather data relative to the Revenue Platform.

INTERVIEWS

Interviewed seven representatives at five organizations using the Clari Revenue Platform 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 Clari Revenue Platform Customer Journey

Drivers leading to the Revenue Platform investment

Interviews

Role	Industry	Region	Number Of Employees
Chief revenue officer	Communication technology	Headquartered in North America	<1,000
Director of regional sales	Communication technology	Headquartered in North America	<1,000
Director of sales	Data technology	Headquartered in North America, global operations	3,000+
Sales operations analyst	Data technology	Headquartered in North America, global operations	3,000+
Senior director of sales technology	Business technology	Headquartered in North America, global operations	20,000+
Senior manager, sales operations and sales technology	Data technology	Headquartered in North America, global operations	1,500+
Chief revenue officer	Data technology	Headquartered in North America, global operations	<500

KEY CHALLENGES

Before investing in the Clari Revenue Platform, the decision-makers' organizations managed their revenue operations using homegrown systems of spreadsheets, business intelligence tools, customer relationship managers, and other applications. However, these homegrown systems created several common challenges, including:

- **Time-consuming and error-prone manual processes.** At the communication technology organization, each sales team member spent dozens of hours per week collecting, managing, and analyzing sales data. While some organizations had produced reasonably accurate forecasts before Clari — forecasts with margins of error of 10% — that relative accuracy came at the cost of huge amounts of manual work.
- **Poor employee experiences.** Because sales reps had to manually enter large volumes of data in tools with poor UIs, they often avoided logging information altogether. From the employees' perspective, these data systems added overhead without adding value — the systems detracted from the time that the representatives could otherwise spend closing deals. These legacy systems also led to long on-ramp times for new hires.
- **Insufficient visibility into business performance risked poor strategic decisions.** Multiple interviewees reported that meetings at their organizations often focused on whether

> **"Managing forecasting was the main problem for sales operations. They were downloading all the data, putting it into spreadsheets, and running macros and customizations — it was a pretty heavy lift."**
>
> *Senior director of sales technology, business technology*

"We were managing our forecasting in individual spreadsheets and documents. We looked for a RevOps solution to provide more visibility and ultimately drive simplicity and accountability in the process."

Chief revenue officer, communications technology

business data was accurate and current rather than on how their organizations could act strategically. Delayed data and unreliable forecasts often prevented the organizations from making proactive business decisions. Similarly, at the large business technology organization, the sales team lacked alignment and consistent, repeatable methodologies for success because their sales processes varied widely across regions.

INVESTMENT OBJECTIVES

Interviewees recognized that the inefficiencies and inaccuracies in their processes were limiting their organizations: Without more insight into their businesses, growing revenues and strategic decision-making were challenging. The interviewees sought a revenue platform. A Forrester survey of B2B marketing decision-makers from 2022 showed that 17% use a revenue operations and intelligence platform at their organization — more than those who use account-based marketing platforms (16%) or web and content personalization solutions (15%).[2]

By adopting Clari, the interviewees' organizations sought to:

- Improve forecast accuracy and precision.
- Increase revenue team productivity and collaboration while improving employee experiences.
- Standardize, scale, and improve revenue-critical processes.
- Improve governance and inform business strategies.
- Grow revenue.

Greater predictability would empower leadership to understand the actions to take to manage their organizations, regardless of business cycle conditions.

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 organization is enterprise/B2B focused, based in North America with global operations, and has more than 1,500 total employees. It has 500 sales representatives, 167 sales managers, and 125 sales operations team

"Having all our forecasts and data in one place is valuable. Having confidence in it is huge."

Director of sales, data technology

members. When it adopts Clari, the organization has $500 million in annual revenue and grows at a rate of 20% per year. The number of sales employees at the organization grows at a commensurate rate.

Before Clari, the revenue operations team uses homegrown data systems. These systems are manual, fragmented, and siloed — leading to delays and errors. Insights from sales data are limited, and managers struggle to leverage it to develop long-term business strategies.

Deployment characteristics. The composite organization has multiple business units, and it deploys Clari across them incrementally (as would be typical for such a project): By Year 1, 50% of business units use Clari; by Year 2, 75% use Clari; and by Year 3, 100% use Clari.

Key Assumptions

- **$500 million in revenue**
- **20% growth YOY**
- **B2B business model**
- **Increasing deployment over 3 years**

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	Profits from incremental opportunities won	$1,600,000	$2,880,000	$4,608,000	$9,088,000	$7,296,769
Btr	Improved investment decisions	$93,750	$171,563	$279,750	$545,063	$437,195
Ctr	Sales team productivity	$435,674	$792,335	$1,295,301	$2,523,310	$2,024,068
Dtr	Revenue operations team productivity	$1,033,783	$1,887,064	$3,068,530	$5,989,376	$4,804,791
	Total benefits (risk-adjusted)	$3,163,207	$5,730,961	$9,251,581	$18,145,749	$14,562,823

PROFITS FROM INCREMENTAL OPPORTUNITIES WON

Evidence and data. Interviewees described two ways in which Clari helped them grow revenue. First, Clari drove consistency and governance — i.e., the codification and adoption of best practices — across the revenue organization. Second, Clari provided enhanced, deal-level visibility to prevent revenue leak. That is, Clari surfaced at-risk deals that would have otherwise been lost, enabling sales teams to close additional deals sooner. And because Clari reduced administrative overhead, salespeople spent more time with customers. All these factors contributed to higher win rates.

Revenue leak prevented at a communications technology company:

5% to 10%

"We've been able to bring deals into quarters that otherwise might not have happened and would have slipped because of lack of visibility."

Chief revenue officer, data technology

Interviewees described the following experiences:

- **Improving governance and revenue precision.** The senior director of sales technology in the business technology industry said: "You need to align technology with people, process, and policy. Clari gives us capabilities for forecasting, analytics, and opportunity management — these capabilities give us signals and tools we can use to grow. Clari has been successful here because we aligned all four of those areas; [we didn't] just implement the technology and hope it was a panacea."

They explained: “Universal forecasting in Clari forced sales leaders to abandon their personal ways of doing things to instead use a global standard that was best for the company. Clari was a forcing function to align our teams.”

- **Reducing revenue leak.** The CRO in data technology explained: “We are now able to course-correct on those deals that might be slipping, [and we can] be way more efficient in attacking those things before they’re problems. [The result is shorter sales] cycle times. I can absolutely attribute that to Clari, no doubt.”

  The interviewee provided several examples of such deals that had been rescued and summarized: “[Clari helped] surface a couple of different patterns, which allowed us to diagnose and treat those ailments exactly where the pain was and then course-correct. … I could have never gotten to that [with our CRM].”

  At the organization in communication technology, deals rescued with Clari were 5% to 10% of total sales revenue. The interviewees also cited pipeline cleanliness as a key factor.

Modeling and assumptions. Forrester assumes:

- The composite organization’s annual revenue is $500 million. Revenue comes from both current customers (i.e., recurring revenue streams) and new customers.
- However, the composite organization also has an 80% customer retention rate. There is normally some customer attrition.
- The average opportunity or deal size is $250,000.
- In Year 1, the composite organization’s pipeline includes 4,000 such opportunities. The number of opportunities grows by 20% each year for reasons independent of Clari.
- Before Clari, the revenue team has an opportunity win rate of 20%. Thus, in Year 1, they win 800 opportunities, worth $200 million in new business. (Because of customer attrition, the annual revenue at the composite organization only grows by $100 million.)
- After the composite organization deploys Clari, the opportunity win rate increases by 10%. The new win rate of those business units using Clari is 22%.
- By improving revenue precision and reducing revenue leak, the revenue teams across the composite organization win incrementally more opportunities.
- The operating margin of the composite organization is 20%.[3] Only profits count toward total benefits.

Voice Of The Customer

“Clari provided heightened visibility into [deals] and their momentum for both prospects and existing accounts. It allows sales and marketing to partner more closely to plan campaigns and motions to get people engaged.”

Chief revenue officer, communication technology

“We’re huge fans — it’s super helpful across the board. … Clari gives us better process[es] and simplicity; it saves people time; and it provides visibility so we can [take better actions].”

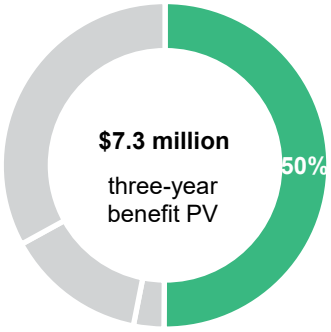
Chief revenue officer, communication technology

Risks. This benefit may vary across organizations for reasons such as:

- Pipeline: average opportunity size, number of opportunities, etc.
- Prior win rate as well as win rate improvement, which may vary based on sales approach, other revenue technology, etc.
- Firmographics: e.g., operating margin will vary by industry.
- Extent and speed of the Clari deployment (i.e., number of business units using Clari).

Forrester encourages readers to customize the model calculations to evaluate the potential financial impact of Clari at their own organizations.

Results. To account for these risks, Forrester adjusted this benefit downward by 20%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of $7.3 million.



“Clari is the catalyst in our transformation to make a global view of sales.”

Senior director of sales technology, business technology

Profits From Incremental Opportunities Won

Ref.	Metric	Source	Year 1	Year 2	Year 3
A1	Revenue	Y1: Assumption Y2 and Y3: $A1_{PY}$*$A2_{PY}$+$A7_{PY}$+$A14_{PY}$	$500,000,000	$610,000,000	$746,000,000
A2	Before Clari: customer retention rate	Assumption	80%	80%	80%
A3	Average opportunity size	Assumption	$250,000	$250,000	$250,000
A4	New opportunities	Assumption (including 20% growth)	4,000	4,800	5,760
A5	Before Clari: opportunity win rate	Assumption	20%	20%	20%
A6	Before Clari: opportunities won	A4*A5	800	960	1,152
A7	Before Clari: revenue from new business	A3*A6	$200,000,000	$240,000,000	$288,000,000
A8	Percentage of business units using Clari	Assumption	50%	75%	100%
A9	Opportunities in pipelines of business units using Clari	A4*A8	2,000	3,600	5,760
A10	After Clari: increase in opportunity win rate	Interviews	10%	10%	10%
A11	After Clari: opportunity win rate	(A5*A10)+A5	22%	22%	22%
A12	After Clari: opportunities won at business units using Clari	A9*A11	440	792	1,267
A13	After Clari: incremental opportunities won	(A11*A9)-(A5*A9)	40	72	115
A14	After Clari: revenue from incremental opportunities won	A3*A13	$10,000,000	$18,000,000	$28,800,000
A15	Operating margin	Assumption	20%	20%	20%
At	Profits from incremental opportunities won	A14*A15	$2,000,000	$3,600,000	$5,760,000
	Risk adjustment	↓20%			
Atr	Profits from incremental opportunities won (risk-adjusted)		$1,600,000	$2,880,000	$4,608,000
	Three-year total: $9,088,000		**Three-year present value: $7,296,769**		

IMPROVED INVESTMENT DECISIONS

Evidence and data. Interviewees said that using Clari improved the accuracy of their forecasts to within a few percentage points of actual results. For some organizations, this was a significant improvement: Before Clari, their forecasts had been off by more than 10%; after Clari, their forecasts were less than 5% off. One organization's forecasts improved from deviations of 5% to 10% to less than 5%. Forrester's research shows that forecasts within 5% are the gold standard.[4] Clari enabled the organizations to achieve that benchmark.

Accurate forecasts meant greater business predictability, which enabled the organizations to better make investment decisions. The interviewees explained:

- The director of sales in data technology explained that insights from Clari were used when making multiple types of strategic decisions. These included decisions about budgets, growth, investments, and resource allocations.
- The chief revenue officer in communications technology said, "You feel more comfortable and confident in the decisions you're making around investments and what [actions] you are going to [take] — whether that's marketing investments, hiring investments, or scaling."

  The interviewee added: "Clari's simplicity and aggregate rollups of deals help cascade [data] from forecasting calls with managers [up] to directors, VPs, and the CRO. When you first log in and do your first forecast calls, [Clari] gives you seamless ability to aggregate data with account-level detail and analytics. It becomes readily apparent within the first couple uses that [Clari] is unlocking a lot of power and visibility that previously was not there."

> **"Better accuracy allows you to predict the business, which also means you can be more confident in the investments that you're making."**
>
> *Chief revenue officer, communications technology*

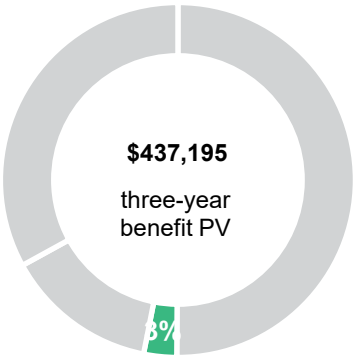
Modeling and assumptions. Forrester assumes:

- Leaders at the composite organization allocate 25% of the organization's annual revenue toward long-term investments (e.g., product development, hiring, etc.).
- Of those investment funds, 10% are misallocated each year (e.g., unsuccessful products).
- Of the misallocated investment funds, 2% are misallocated due poor forecast guidance (e.g., budgeting, hiring, and other investments do not align with business needs).
- Business units using Clari have accurate forecasts and so avoid poor investment decisions stemming from forecast guidance.
- Overall, the composite organization avoids losses from poor investment decisions.

Risks. This benefit may vary across organizations for reasons such as:

- Firmographics (e.g., annual revenue).
- Funds available for investment and percentage of those funds misallocated.
- Accuracy of prior forecasting efforts.

Results. To account for these risks, Forrester adjusted this benefit downward by 25%, yielding a three-year, risk-adjusted total PV of $437,000.



Improved Investment Decisions

Ref.	Metric	Source	Year 1	Year 2	Year 3
B1	Funds available for investment	Assumption: A1*25%	$125,000,000	$152,500,000	$186,500,000
B2	Percentage of investment misallocated	Assumption	10%	10%	10%
B3	Investment funds misallocated	B1*B2	$12,500,000	$15,250,000	$18,650,000
B4	Before Clari: percentage of misallocated investment due to forecast guidance	Assumption	2.0%	2.0%	2.0%
B5	Before Clari: investment misallocated due to forecast guidance	B3*B4	$250,000	$305,000	$373,000
B6	Percentage of business units using Clari	A8	50%	75%	100%
B7	After Clari: percentage of misallocated investment due to forecast guidance	B4*(1-B6)	1.00%	0.50%	0.00%
B8	After Clari: investment misallocated due to forecast guidance	B3*B7	$125,000	$76,250	$0
Bt	Improved investment decisions	B5-B8	$125,000	$228,750	$373,000
	Risk adjustment	↓25%			
Btr	Improved investment decisions (risk-adjusted)		$93,750	$171,563	$279,750
	Three-year total: $545,063			**Three-year present value: $437,195**	

SALES TEAM PRODUCTIVITY

Evidence and data. Interviewees said that sales representatives and managers also realized productivity gains. While revenue operations team members saved time managing, processing, and analyzing sales data, the sales team members saved time inputting and interpreting that data.

Before Clari, the sales teams had struggled with their homegrown systems. Because these systems were hard to use, sales representatives and managers did not update the data frequently enough. Moreover, processes lacked standardization and coordination — there was no consistency across teams.

However, because Clari was easier to use than the prior systems, sales representatives adhered to processes and best practices, and the data going into the organizations' revenue platforms was complete and clean. With this better process governance, sales managers found it easier and less time-consuming to assemble and interpret forecasts, giving them confidence and control over their parts of the business. Clari drove alignment and collaboration, and everyone on the revenue team could efficiently see and manage their overall contributions to team performance.

Interviewees described the experience for sales representatives as follows:

- The chief revenue officer in the data technology industry said: "The reps who have used Clari before say, 'Oh, it's the best. It's so easy.' For reps who haven't used it, it's a very short learning curve, and then they say, 'Oh my God, this is so much easier than before. You don't even need to [nag] me anymore. I have no problem doing this. It's a heck of a lot easier to get all this done for you. Oh, and by the way, I actually see benefits for myself now.' Before, they had spent all their time fighting with the CRM to update it, and they didn't even have the dashboards or reports to make their lives useful."

Voice Of The Customer

"Everyone wanted to start using Clari. Field sellers hated going into [our CRM], but they liked Clari. Clari nailed the workflow — the way that a salesperson thinks, including how they want to input notes and manage opportunities."

Senior director of sales technology, business technology

"Running meetings is a tighter process through Clari because it's managing the data, bubbling up the highlights, and creating simplicity."

Chief revenue officer, communication technology

- The senior director of sales technology in business technology said: "The user experience out of the box with Clari is really good and well thought-out. … Sales reps used to log in to [our CRM] 1.2 to 1.4 times per week. With Clari, they log in almost every day."
- The senior manager of sales operations and sales technology in data technology said: "Everyone definitely likes inline editing. It's super-helpful for everybody." The senior manager was referring to a Clari feature that enabled sales representatives to input data and update deal statuses faster than they could in their CRM alone.

Interviewees described the experience for sales managers as follows:

- The director of sales in data technology said: "Clari puts all the data that I want to see … right in front of me. [It's] very easy to see, and I can't really think of additional information I'd even want to have. It's just there, built out, color-coded appropriately. [For] anyone [like me] in sales leadership or senior sales leadership, I think the time savings and the ability to switch between what you're doing is one of the biggest [benefits]."

  They continued: "From the manager point of view, the deal-specific data — being able to see very clearly where an opportunity is and the current situation — gives the manager the ability to really efficiently do a quick deal review for every deal that's in a rep's pipeline weekly as opposed to it being like a biweekly thing or a once-a-month thing."

Modeling and assumptions. Forrester assumes:

- The composite organization has approximately one sales manager for every three sales representatives. For simplicity, sales managers in the model include both frontline managers and sales leadership (e.g., VPs, directors, etc.). There are 167 sales managers in Year 1, 203 in Year 2, and 249 in Year 3.
- Each sales representative contributes $1 million in revenue, on average. As the composite organization grows, the number of sales representatives increases from 500 in Year 1 to 746 in Year 3.
- Because the composite organization is large, it deploys Clari incrementally across business units.
- Before Clari, each sales manager spends 2.5 hours per week (130 hours per year) on forecasting and related activities — e.g., manually compiling forecasts and analyses using spreadsheets.

Voice Of The Customer

"Reps … are managing their business better and inputting data, which then flows to [our CRM]. That gives us more accurate and timely data."

Senior director of sales technology, business services technology

"The difference between [our CRM] and Clari is all about the user experience. It's a lot easier to maneuver and change. [Clari] is a best-in-class product, not just another feature."

Director of sales, data technology

- Before Clari, each sales representative spends 1 hour per week (52 hours per year) on forecasting and related activities — e.g., submitting their own forecasts. This also includes time spent on administrative overhead — e.g., inputting or logging data in the CRM.
- After the organization deploys Clari, each sales manager spends 80% less time on forecasting activities.
- Likewise, each sales representative spends 67% less time on forecasting and administrative activities.
- The average fully burdened hourly rate for a sales manager is $65. The average fully burdened hourly rate for a sales representative — excluding commission — is $35.
- Sales managers capture and use 50% of the time they save productively — e.g., coaching reps, improving processes, etc.

- Sales representatives capture and use 75% of the time they save productively — e.g., spending more time with customers and working deals. Reps capture more time than managers because their work involves activities that are shorter but higher volume (e.g., communicating with customers rather than developing regional sales strategies).

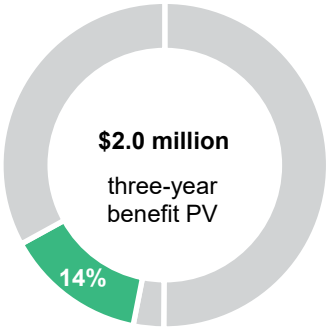
Risks. This benefit may vary across organizations for reasons such as:

- Firmographics (e.g., industry, number of employees, size of sales team, etc.).
- Extent and speed of the Clari deployment (i.e., number of business units using Clari).
- Prior forecasting cadence and effort.
- User adoption and change management.

Results. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV of $2 million.

“Clari makes it very easy to just go in and know what’s happening right away.”

Director of regional sales, communication technology



Sales Team Productivity

Ref.	Metric	Source	Year 1	Year 2	Year 3
C1	Sales managers	Assumption (including 20% growth)	167	203	249
C2	Percentage of business units using Clari	A8	50%	75%	100%
C3	Sales managers using Clari	C1*C2	84	152	249
C4	Before Clari: time per sales manager spent on forecasting activities (hours per year)	Interviews	130	130	130
C5	After Clari: percent reduction in forecasting activity time	Interviews	80%	80%	80%
C6	After Clari: total sales manager time saved (hours per year)	C3*C4*C5	8,736	15,808	25,896
C7	Sales manager fully burdened hourly rate	Assumption	$65	$65	$65
C8	Percentage of time captured for productive activities	TEI standard	50%	50%	50%
C9	Subtotal: sales manager productivity	C6*C7*C8	$283,920	$513,760	$841,620
C10	Sales representatives	Assumption	500	610	746
C11	Sales representatives using Clari	C10*C2	250	458	746
C12	Before Clari: time per sales representative spent on forecasting and administrative activities (hours per year)	Interviews	52	52	52
C13	After Clari: percent reduction in forecasting and administrative activity time	Interviews	67%	67%	67%
C14	After Clari: total sales representative time saved (hours per year)	C11*C12*C13	8,710	15,939	25,991
C15	Sales representative fully burdened hourly rate (excluding commission)	Assumption	$35	$35	$35
C16	Percentage of time captured for value-added activities	TEI standard	75%	75%	75%
C17	Subtotal: sales representative productivity	C14*C15*C16	$228,638	$418,399	$682,264
Ct	Sales team productivity	C9+C17	$512,558	$932,159	$1,523,884
	Risk adjustment	↓15%			
Ctr	Sales team productivity (risk-adjusted)		$435,674	$792,335	$1,295,301
	Three-year total: $2,523,310			**Three-year present value: $2,024,068**	

REVENUE OPERATIONS TEAM PRODUCTIVITY

Evidence and data. Before Clari, revenue operations team members spent hours each week assembling forecasts. The senior director of sales technology in the business technology industry said that before Clari, revenue operations managers each spent more than 10 hours per week — 25% of their time — just preparing the data for forecasts. The organization used a homegrown system of spreadsheets, and some spreadsheets took more than 50 minutes to open. Moreover, this had downstream effects on the sales managers who relied on those forecasts — managers had little visibility into pipelines and processes. Clari reduced the strain on operations. The senior director of sales technology said that revenue operations personnel no longer spent meetings explaining the data because sales managers could perform the forecasting themselves.

Modeling and assumptions. Forrester assumes:

- The composite organization has one revenue operations team member for every four salespeople. As the composite organization grows, the revenue operations team increases from 125 members in Year 1 to 180 members in Year 3.
- Because the composite organization is large, it deploys Clari incrementally across business units.
- Before Clari, each revenue operations team member spends, on average, 15 hours per week (780 hours per year) on forecasting and related activities — e.g., managing sales data, creating reports, etc. These activities are highly manual and error-prone.
- After the organization deploys Clari, each revenue operations team member spends 90% less time on these forecasting activities. (Clari eliminates most of the effort, but some tasks still remain.)

Voice Of The Customer

"Sales operations managers can now focus on senior-level forecasting calls to play a more strategic role in closing deals and pursuing business opportunities. It's been pretty transformative."

Senior director of sales technology, business technology

"When people trust the data, you can spend a lot more time talking about the impact of the data rather than if it is right or accurate."

Director of sales, data technology

"It's super easy to forecast with the analytics tools. It's super intuitive."

Senior operations analyst, data technology

"[Clari] is easier to use — the process is easier. You have better data [and] a more high-fidelity signal. … We certainly have a lot better visibility."

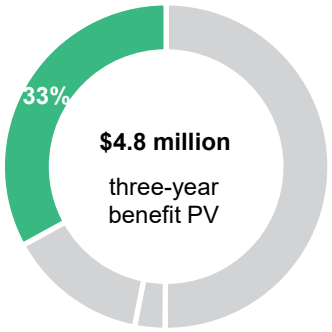
Chief revenue officer, data technology

- Revenue operations team members capture and use 50% of the time they save productively — e.g., performing higher-level analyses. (Some time is lost because knowledge workers are not productive 100% of the time.)
- The average fully burdened hourly rate for a sales operations team member is $55.

Risks. This benefit may vary across organizations for reasons such as:

- Firmographics (e.g., industry, number of employees, number of revenue operations or sales operations team members. etc.).
- Extent and speed of the Clari deployment (i.e., number of business units using Clari).
- Prior forecasting cadence and effort.

Results. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV of $4.8 million.



Revenue Operations Team Productivity

Ref.	Metric	Source	Year 1	Year 2	Year 3
D1	Revenue operations team members	Assumption	125	153	187
D2	Percentage of business units using Clari	A8	50%	75%	100%
D3	Revenue operations team members using Clari	D1*D2	63	115	187
D4	Before Clari: time per revenue operations team member spent on forecasting activities (hours per year)	Interviews	780	780	780
D5	After Clari: percent reduction in forecasting activity time	Interviews	90%	90%	90%
D6	After Clari: time per revenue operations team member spent on forecasting activities (hours per year)	D4*(1-D5)	78	78	78
D7	After Clari: total revenue operations team time saved (hours per year)	D3*(D4-D6)	44,226	80,730	131,274
D8	Revenue operations team member fully burdened hourly rate	Assumption	$55	$55	$55
D9	Percentage captured for productive activities	TEI standard	50%	50%	50%
Dt	Revenue operations team productivity	D7*D8*D9	$1,216,215	$2,220,075	$3,610,035
	Risk adjustment	↓15%			
Dtr	Revenue operations team productivity (risk-adjusted)		$1,033,783	$1,887,064	$3,068,530
	Three-year total: $5,989,376			**Three-year present value: $4,804,791**	

UNQUANTIFIED BENEFITS

Additional benefits that customers experienced but were not able to quantify include:

- **Better alignment, collaboration, and accountability across the revenue team.** Interviewees noted that Clari helped align all the teams contributing to revenue: marketing, sales, solution engineering, professional services, leadership, etc. Interviewees also said that meetings were more productive due to the enhanced visibility that Clari provided.

FLEXIBILITY

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

- **Usage by customer success teams in addition to sales teams.** Clari can provide visibility not only into opportunity pipelines but also into the health of current accounts. Customer success teams can thus leverage Clari in the same ways that sales teams can and realize similar benefits: e.g., productivity gains, reduced customer churn, and better investment decisions. Some organizations that participated in the study plan to deploy Clari in this manner in the future.

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

"As we've standardized on different tools, we have used those tools as ways to create additional signals that we feed into Clari to improve visibility and predictability of closing deals."

Senior director of sales technology, business technology

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**
Etr	Clari licensing fees	$0	$502,935	$877,920	$1,432,300	$2,813,156	$2,258,876
Ftr	Implementation effort	$47,520	$31,680	$31,680	$31,680	$142,560	$126,303
Gtr	User training	$0	$111,353	$91,618	$128,284	$331,254	$273,328
	Total costs (risk-adjusted)	$47,520	$645,968	$1,001,218	$1,592,264	$3,286,970	$2,658,507

CLARI LICENSING FEES

Evidence and data. Clari's pricing is based on the number of users and scope of the deployment. Professional services (e.g., for implementation and support) are included in the pricing.

Modeling and assumptions. Forrester assumes that the composite organization's size and use case would determine the licensing fees shown. Costs increase as the number of users increases across the organization.

Risks. This cost may vary across organizations for reasons such as:

- The scale of an organization's Clari deployment (i.e., number of users) and intended use cases.

"Clari is our most responsive vendor. We have a good cadence with them, and they understand our business. … We've been really satisfied with the post-sales support at Clari and how the product has grown."

Director of sales, data technology

Results. To account for these risks, Forrester adjusted this cost upward by 20%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of $2.3 million.

Clari Licensing Fees						
Ref.	**Metric**	**Source**	**Initial**	**Year 1**	**Year 2**	**Year 3**
E1	Clari Revenue Platform licensing fees	Assumption	$0	$419,113	$731,600	$1,193,584
Et	Clari licensing fees	E1	$0	$419,113	$731,600	$1,193,584
	Risk adjustment	↑20%				
Etr	Clari licensing fees (risk-adjusted)		$0	$502,935	$877,920	$1,432,300
	Three-year total: $2,813,156			**Three-year present value: $2,258,876**		

IMPLEMENTATION EFFORT

Evidence and data. Interviewees said that implementing Clari required integrating it with their current systems and customizing it to meet the unique needs of their businesses. This work was typically done over several weeks. Interviewees also reported regularly spending time changing and updating their Clari deployments as business needs changed (e.g., as the platform was rolled out to new business units).

Modeling and assumptions. Forrester assumes:

- A team of three employees (or the full-time equivalents) oversees and supports the composite organization's Clari deployment.
- This team spends six weeks (240 hours) initially deploying the Clari Revenue Platform at the composite organization. This a one-time investment for initial setup. This process occurs in partnership with the Clari team.
- The team spends about four weeks (160 hours) per year maintaining the composite organization's Clari deployment. This time is spread over the course of an entire year (e.g., one week per quarter). During this time, the team deploys Clari to new business units within the composite organization and partners with the Clari team to update their Revenue Platform configuration in line with changing business needs.

Risks. This cost may vary across organizations for reasons such as:

- Firmographics (e.g., size of the organization, growth rate, industry, business model, etc.):
  - Larger organizations may require larger teams to support their Clari installations.
  - Fast-growing organizations with frequently changing business models and business needs may need to update their Clari deployments more frequently.
- Speed and scope of deployment: Organizations may wish to roll out Clari throughout their organizations faster than modeled for the composite organization.

Results. To account for these risks, Forrester adjusted this cost upward by 20%, yielding a three-year, risk-adjusted total PV of $243,000.

Implementation Effort

Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
F1	FTEs supporting Clari Revenue Platform	Interviews	3	3	3	3
F2	Deployment effort (hours per year)	Interviews	240	0	0	0
F3	Ongoing administration effort (hours per year)	Interviews	0	160	160	160
F4	Average FTE fully burdened hourly rate	Assumption	$55	$55	$55	$55
Ft	Implementation effort	F1*(F2+F3)*F4	$39,600	$26,400	$26,400	$26,400
	Risk adjustment	↑20%				
Ftr	Implementation effort (risk-adjusted)		$47,520	$31,680	$31,680	$31,680
	Three-year total: $142,560			**Three-year present value: $126,303**		

USER TRAINING

Evidence and data. All organizations participating in the study had training programs in place for new Clari users. Interviewees also reported costs for change management, e.g., teaching and encouraging new processes and workflows.

Modeling and assumptions. Forrester assumes:

- As Clari is rolled out to new business units across the organization, every new user receives 6 hours of training on Clari at their corresponding fully burdened hourly rate.

Risks. This cost may vary across organizations for reasons such as:

- Number of revenue team members and their fully burdened hourly rates.
- Rates of employee turnover and hiring.

Results. To account for these risks, Forrester adjusted this cost upward by 5%, yielding a three-year, risk-adjusted total PV of $273,000.

> **"Clari is a joy to use — it's a pleasure."**
>
> *Chief revenue officer, data technology*

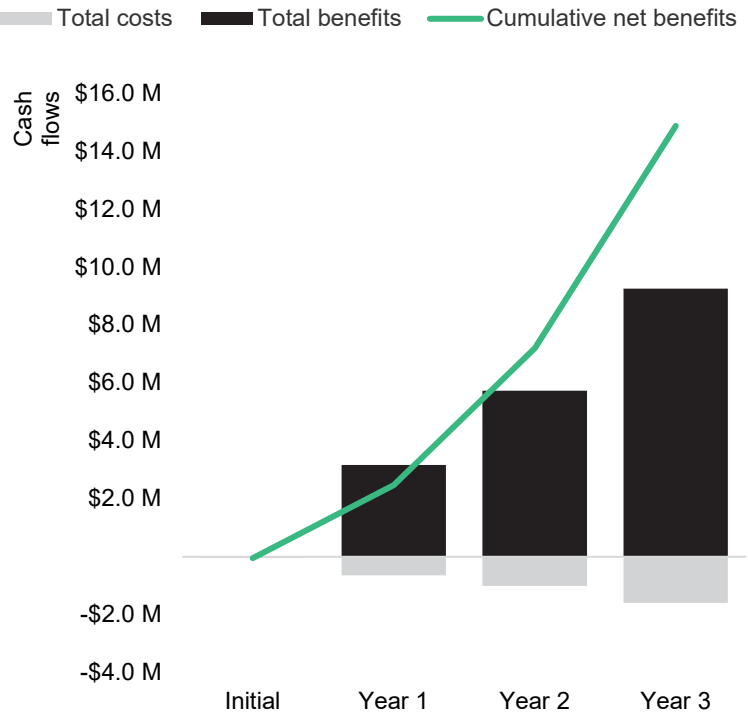
User Training

Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
G1	Revenue operations team members to train	D3-($G1_{PY}$+$G1_{PY-1}$)		63	52	72
G2	Revenue operations team member fully burdened hourly rate	D8		$55	$55	$55
G3	Sales managers to train	C3-($G3_{PY}$+$G3_{PY-1}$)		84	68	97
G4	Sales manager fully burdened hourly rate	C7		$65	$65	$65
G5	Sales representatives to train	C11-($G5_{PY}$*+$G5_{PY-1}$)		250	208	289
G6	Sales representative fully burdened hourly rate (excluding commission)	C15		$35	$35	$35
G7	Training time per user (hours per year)	Interviews		6	6	6
Gt	User training	(G5*G6+G3*G4+G1*G2)*G7	$0	$106,050	$87,255	$122,175
	Risk adjustment	↑5%				
Gtr	User training (risk-adjusted)		$0	$111,353	$91,618	$128,284
	Three-year total: $331,254			**Three-year present value: $273,328**		

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	($47,520)	($645,968)	($1,001,218)	($1,592,264)	($3,286,970)	($2,658,507)
Total benefits	$0	$3,163,207	$5,730,961	$9,251,581	$18,145,749	$14,562,823
Net benefits	($47,520)	$2,517,239	$4,729,743	$7,659,317	$14,858,779	$11,904,316
ROI						448%
Payback period (months)						<6

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

"New Tech: Revenue Operations And Intelligence, Q4 2021," Forrester Research, Inc., October 18, 2021.

"The Forrester Wave™: Revenue Operations And Intelligence, Q1 2022," Forrester Research, Inc., March 28, 2022.

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: Forrester Global Marketing Survey, 2022 (B2B), January 2022.

[3] Source: "Margins by Sector (US)," NYU Stern School of Business, January 2021 (http://pages.stern.nyu.edu/~adamodar/New_Home_Page/datafile/margin.html). Industries with B2B business models often have operating margins between 10% and 30%.

[4] Source: "Revenue Operations And Intelligence Delivers Predictable Growth," a commissioned study conducted by Forrester Consulting on behalf of Clari, August 2021.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