

A Forrester Total Economic Impact™
Study Commissioned By Microsoft
February 2019

New Tech TEI: The Total Economic Impact™ Of Microsoft 365 AI For Knowledge Workers

Projected Cost Savings And Business
Benefits Enabled By Microsoft 365 AI
Capabilities For Knowledge Workers

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Project Director:
Joe Branca

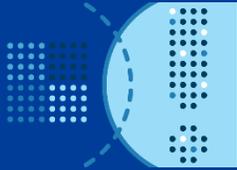
Project Contributors:
Connor Maguire
Caitlyn Hoeflin

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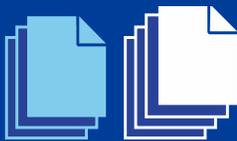
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Benefits Of Microsoft 365 AI For Knowledge Workers: Highlights From This Customer-Focused Case Study



Time savings

through automation and insights into human behavior



Better collaboration

through the instant availability of content and expertise



Organizational management

decisions supported by rich data from across organizations

Executive Summary

To propel their companies forward, employees need time to focus and engage with their work. However, the modern workplace is filled with distractions, leaving knowledge workers with little time for high-value activities like planning and problem solving.¹ Workers are overloaded with information. Emails and instant messages compete for their attention. Schedules are packed with meetings that don't advance individual or team goals. This combination of factors can slow workers down, induce burnout, and most importantly inhibit their ability to satisfy customers.²

According to Microsoft, an AI-infused Microsoft 365 supports knowledge workers and organizations in amplifying skills, fostering teamwork, uncovering hidden insights, and proactively managing threats to protect data. Underlying these capabilities is the Microsoft Graph, an interconnected data set of world knowledge, organizational knowledge, and individual knowledge. It is the largest graph ever created of human activity at work.³ The following are key graph-powered AI capabilities embedded in Microsoft 365:

- › **Microsoft Search.** Helps employees quickly find content and people across the Microsoft 365 ecosystem.
- › **MyAnalytics.** Helps employees understand how and with whom they spend their time at work through personalized feedback.
- › **Workplace Analytics.** Identifies organizational collaboration patterns that impact productivity, workforce effectiveness, and employee engagement.
- › **Ideas and Designer in PowerPoint.** Help employees create impactful presentations in minutes with design, layout, and image recommendations.
- › **Ideas in Excel.** Assists Excel users to identify trends, patterns, and outliers in a data set, helping them to better understand their data.

Microsoft commissioned Forrester to study and examine the potential impact enterprises may realize by deploying Microsoft 365 AI capabilities to support knowledge workers. To better understand how Microsoft 365 AI capabilities will impact organizations, Forrester interviewed information technology (IT) leaders at seven global organizations who are piloting or have broadly deployed these capabilities.

The interviewees selected for this study are responsible for enabling productivity, collaboration, and employee engagement at their firms through workforce technology. Since the interviewees' firms are early on in their journey with Microsoft 365 AI capabilities, this analysis is forward-looking. It draws heavily on the interviewees' expert viewpoints of the future of AI and productivity at their organizations.

Microsoft customers discussed the direct, financial impact of these technologies with respect to the following areas of their business:

- › Productivity gains from personalized, intelligent search across Microsoft 365.
- › Productivity gains from personalized, data-driven recommendations for time management.
- › Efficiency gains from top-down recommendations and policies to improve time utilization.

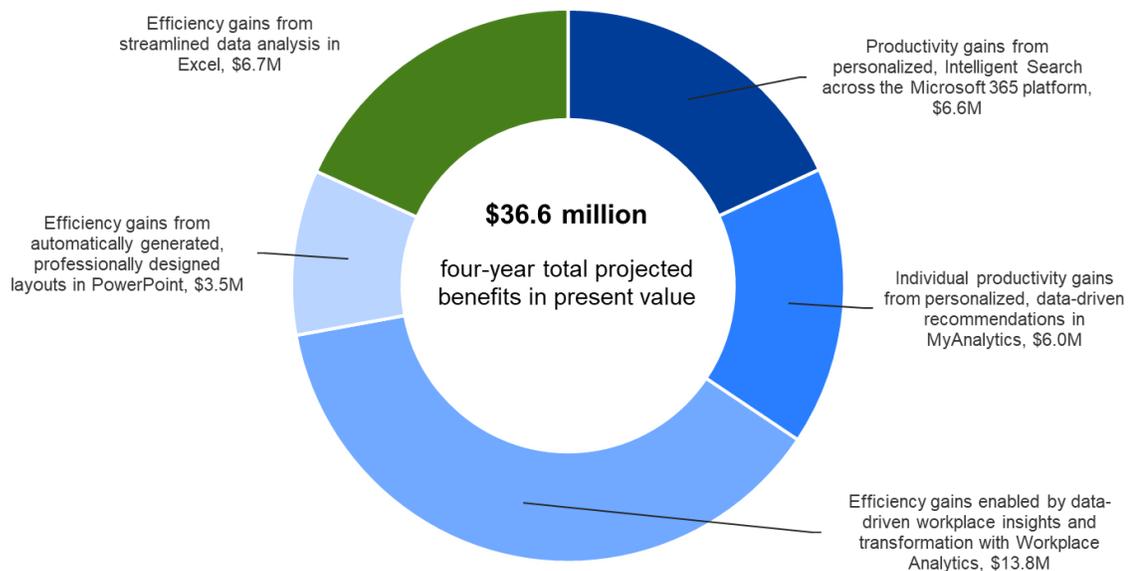
- › Productivity gains from automatically generated and professionally designed layouts and documents.
- › Efficiency gains from AI-assisted data analysis.

The customers also discussed how the technologies will impact their organizations in ways that are less easy to quantify at this early stage. They cited the following benefits of Microsoft 365 AI capabilities as ones they expect to see in the near-to-medium future:

- › More effective collaboration across teams and geographies.
- › Better quality of life at work and improved employee satisfaction.
- › More time for focused, value-added work.
- › The ability to support organizational management decisions with empirical data.
- › More frequent, more effective communication of data and insights across the organization.

To ensure they see the full benefits of graph-powered AI capabilities in Microsoft 365, their organizations are investing heavily in education and training. Some of the capabilities — such as Microsoft Search, PowerPoint Designer, and Ideas in PowerPoint and Excel — will naturally integrate into knowledge workers’ daily workflows. Others will require deliberate action, either on the part of individuals or their organizations. While tools such as MyAnalytics and Workplace Analytics have the power to inform broad shifts in the way companies work, organizations must be open to rethinking long-established assumptions and routines.

SUMMARY OF MID-RANGE PROJECTIONS OVER FOUR YEARS



The TEI methodology helps companies demonstrate, justify, and realize the tangible value of IT initiatives to both senior management and other key business stakeholders.

New Tech TEI: TEI Framework And Methodology

From the information provided in the interviews, Forrester has constructed a New Tech TEI (Total Economic Impact™) framework for those organizations considering implementing Microsoft 365 AI capabilities for knowledge workers.

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 365 AI capabilities for knowledge workers can have on an organization:



DUE DILIGENCE

Interviewed Microsoft stakeholders and Forrester analysts to gather data about Microsoft 365 AI capabilities for knowledge workers.



CUSTOMER INTERVIEWS

Interviewed seven organizations using Microsoft 365 AI capabilities to obtain data about costs, projected benefits, and risks.



COMPOSITE ORGANIZATION

Designed a composite organization based on characteristics of the interviewed 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 interviewed organizations.



CASE STUDY

Employed four fundamental elements of TEI in modeling Microsoft 365 AI capabilities' impact: benefits, costs, flexibility, and risks. Given the increasing sophistication that enterprises have regarding ROI analyses related to IT investments, Forrester's TEI methodology serves to provide a complete picture of the total economic impact of purchase decisions. Please see Appendix A for additional information on the TEI methodology.

DISCLOSURES

Readers should be aware of the following:

This study is commissioned by 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 report to determine the appropriateness of an investment in Microsoft 365 AI capabilities for knowledge workers.

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.

The Microsoft 365 AI Customer Journey

Interviewed Organizations

For this study, Forrester conducted seven interviews with Microsoft customers that have broadly deployed or launched pilots around the AI capabilities embedded in Microsoft 365. The following high-level metrics describe the customer organizations:

INDUSTRY	REGION	INTERVIEWEE	KNOWLEDGE WORKERS
Equipment manufacturing	Headquartered in Western Europe	Information systems regional partner	8,000 (19,000 overall)
Transportation	Headquartered in North America	Enterprise program management	1,800 (20,000 overall)
IT services	Headquartered in North America	Finance manager	200 (800 overall)
IT services	Headquartered in Africa	<ul style="list-style-type: none"> Senior director, IT operations and security Group online systems manager 	24,000 (30,000 overall)
Materials manufacturing	Headquartered in Latin America	Collaboration and end-user services manager	13,000 (40,000 overall)
Technology manufacturing	Headquartered in Asia Pacific	Consultant, cloud-based software and business development	325 (500 overall)
Apparel manufacturing	Headquartered in North America	Senior vice president of business solutions	4,000 (30,000 overall)

Key Challenges

The following key drivers prompted customer organizations to explore the value of Microsoft 365 AI capabilities for knowledge workers:

- Content management.** Enterprise content management poses a significant challenge for companies today.⁴ The Microsoft customers interviewed for this study are no exception. Interviewees told Forrester that they are struggling to manage the wealth of content that their organizations create and to do so in a way that enables collaboration across teams, functional areas, and geographies. “One of the biggest challenges in the organization — which spans multiple time zones, countries, and languages — is the fact that documents are not well linked, integrated, or catalogued,” said the group online systems manager for an IT services company. Employees throughout these organizations are spending an increasingly significant part of their day trying to identify the data sources they need to do their jobs.

“We all have more information coming at us than we can possibly process. If I look for something for a few minutes, and I don’t find it, I’ll move on. So, if something doesn’t get found, maybe something doesn’t get done.”

Vice president of enterprise program management, transportation company



- › **Understanding how people spend their time.** The interviewed organizations are only beginning to understand how employees spend their time at work. About half of organizations use rudimentary measures such as self-reported time sheets to track employee utilization. However, they haven't standardized the way they track productivity across roles and geographies. If the data they collect has any value at all, it is at the team level. Others aren't doing anything at all. (As discussed later in this study, technology and human resources (HR) leaders see significant potential in aggregating insights about how employees work across their organizations. They aim to identify collaboration patterns and their impact on productivity and employee satisfaction, among other business outcomes, without encroaching on individual privacy.)
- › **An unproductive meeting culture.** Identifying and eliminating unnecessary meetings was by far the most oft-cited challenge among the interviewed organizations. As reported by the multinational industrial equipment manufacturer: "There are meetings that don't have clear agendas or decisions being made. You end up with meetings on top of meetings on top of meetings." Since knowledge workers sometimes have to travel up to 40 minutes between meetings, the time waste begins before the meetings start and continues on after they conclude.
- › **Staying focused and delivering results.** Unnecessary meetings and frequent interruptions due to email increase stress and prevent information workers from accomplishing important tasks.⁵ The collaboration and end-user services manager for an industrial materials manufacturer explained, "We need to be more focused during office hours to achieve our daily goals so that we don't spend too much time after hours at work."

"Microsoft has a good vision of what enterprise collaboration and an enterprise network should look like, and what kinds of tools should be provided to knowledge workers to help them do their jobs more effectively and efficiently."

Senior vice president of business solutions, global apparel manufacturing company



"This type of AI isn't replacing the employee — it's enhancing productivity and making people more effective."

Collaboration and end-user services manager, industrial materials manufacturing company



Why Organizations Adopted Microsoft's Approach To AI For Knowledge Workers

The organizations interviewed for this study reported the following benefits of working with Microsoft on AI-focused initiatives:

- › **Personalized, context-aware results enabled by a broad graph.** Graph databases help organizations ask and answer complex questions without undertaking complex technical projects.⁶ According to Microsoft, the Microsoft Graph is the largest graph ever created of human activity at work.⁷ Tapping into data across world knowledge, organizational knowledge, and individual knowledge, it provides knowledge workers with valuable insights and experiences across the Microsoft 365 ecosystem. Whether users access Microsoft Search within SharePoint, Outlook, or other Office apps, searches draw on the same Graph and the same data set. (Organizations own their data and have full control over it.)
- › **Extensibility.** The Microsoft Graph API allows developers to source data and intelligence from Microsoft 365 for use in custom-built applications, whether they run for Windows or other platforms. For example, developers can automate the import, export, cleaning, and analysis of data in Excel to ensure that employees always have the most up-to-date data. One organization leveraged this capability to deliver custom data views to the sales support team, saving the team a considerable amount of time in responding to customer inquiries.

- › **Forward-thinking.** According to interviewees, the value of working with Microsoft to deliver AI capabilities to knowledge workers lies in the company's vision. "Microsoft has a good vision of what enterprise collaboration and an enterprise network should look like, and what kinds of tools should be provided to knowledge workers to help them do their jobs more effectively and efficiently," said the senior vice president of business solutions for a global apparel manufacturer.

Key Feedback

The interviewed organizations discussed Microsoft 365 AI capabilities in terms of their potential impact on discrete workflows as well as broad organizational and cultural changes. The following is a high-level summary of where these organizations believe they will see the greatest impact of AI on knowledge workers:

- › **Data-driven organizational management decisions.** According to multiple interviewees, having an aggregate view of how organizations spend their time will enable more proactive management decisions. For example, knowing which teams meet most frequently can improve collocation decisions, reducing the time wasted in transit between meetings. The information systems regional partner for an industrial equipment manufacturer said: "We've become a data support organization for human resources (HR). We go to HR and present the data that we have, and then it's a matter of figuring out how to work with them to enable productivity with new functionalities and new solutions."
- › **Cultivating more effective managers.** Solutions such as MyAnalytics and Workplace Analytics can help organizations cultivate better managers, said one interviewee whose organization is currently conducting a pilot project among 150 of its leaders. The idea is to measure what they do against how they perform: "We aim to take the top 10% of our managers and look into what they do differently than the others using the Microsoft platform. Do they interact with people outside their teams more often? Do they use email a lot? Do they use Skype a lot? From there, we'll try to set up best practices for everyone else to reach that same level."
- › **Fewer unfocused, unproductive meetings.** These organizations recognize that many meetings are unproductive, and they view AI-enabled insights as a catalyst for change. In an early pilot of MyAnalytics, the global IT services company studied how much time employees spent multitasking in meetings. They found that time spent on emails and other tasks was significant, presenting an opportunity to both eliminate unnecessary meetings and prompt employees to refocus their attention in the meetings they do attend.

"The efficiency [enabled by the Microsoft 365 AI capabilities] will mean that the company size stays the same in terms of people, but that we still grow our business."

Information systems regional partner, industrial equipment manufacturing company



"The repetitive tasks that we do on a daily basis can be automated. So, in the end, knowledge workers can focus on decision-making or strategy-oriented tasks."

Collaboration and end-user services manager, industrial materials manufacturing company



› **Better, more succinct communication of data and insights.**

Interviewees highlighted the potential for capabilities such as PowerPoint Designer and Ideas in PowerPoint and Excel to improve sharing of data and insights. Among those who discussed this topic was the finance manager for a mid-size IT services company, whose direct reports include 35 to 40 business analysts. According to the manager, the analysts' role is as an information broker, but skill levels vary across the team when it comes to presenting data to the business. The functionality that PowerPoint offers with Design Ideas will, "allow [the team] to put things in a format that is more accessible and reviewable by others; to create PowerPoints more often to tell stories and basically become better communicators."

Composite Organization

The composite organization is representative of the seven companies that Forrester interviewed for this case study and is used to present the aggregate financial analysis in the next section.

The composite organization is a global organization with most of its operations in North America and Europe, and some offices in Asia Pacific and South America. The organization has 17,500 employees, 8,500 of whom are considered knowledge or information workers. The remainder of the employees are frontline workers. All employees within the organization are covered by E3 licenses and some employees are covered by Workplace Analytics licenses.



Key assumptions:

- 17,500 employees
- 8,500 information workers
- All employees covered by E3 licenses

Financial Model Framework

FRAMEWORK FOR PROJECTING BENEFITS AND COSTS

Making decisions based on projections of future benefits and costs inherently introduces more risk than actual, realized benefits and costs. Therefore, the New Tech TEI methodology includes an adjustment of projections to account for risk factors.

For benefit calculations, Forrester accounts for risk by providing a range of projected outcomes, which are based on data gathered during customer interviews. Low, mid-range, and high-point estimates are included for each key metric in benefit calculations.

On the cost side, customers reported the actual costs associated with launching pilot programs and building education and awareness programs to encourage uptake of new technologies. To account for variance among organizations, and to arrive at a more realistic assessment of costs, Forrester adjusts all costs upward.



Low, mid-range, and high-point estimates are included for each key metric in benefit calculations.

Impact risk is the risk that the business or technology needs of the organization may not be met by the investment, resulting in a range of overall total benefits. The greater the uncertainty, the wider the potential range of outcomes for benefit estimates.

Implementation risk is the risk that a proposed investment may deviate from the original or expected requirements, resulting in higher costs than anticipated. The greater the uncertainty, the wider the potential range of outcomes for cost estimates.

Benefits Of Microsoft 365 AI For Knowledge Workers

Productivity Gains From Personalized, Intelligent Search Across The Microsoft 365 Platform

Customers described the challenge that knowledge workers face in finding information that's relevant to their jobs as well as the potential impact that AI may have in helping to more effectively locate that information.

The amount of content that Microsoft customers generate and store today is significant. One interviewee reported that their organization has more than 3.5 petabytes of information stored in OneDrive. Another reported that their organization recently migrated more than 10 million collaboration documents to SharePoint.

Interviewees told Forrester that they are struggling to manage the wealth of content that their organizations create and to do so in a way that enables collaboration across teams, functional areas, and geographies. "One of the biggest challenges in the organization — which spans multiple time zones, countries, and languages — is the fact that documents are not well linked, integrated, or catalogued," said the group online systems manager for an IT services company. Employees throughout these organizations are spending an increasingly significant part of their day trying to identify the data sources they need to do their jobs. The senior director of IT operations and security for that same IT services company explained, "If a sales person is looking for a particular presentation or document to distribute to a client, it could take up to half a day for them to email colleagues, wait for a response, and then send off that client email."

According to one customer, Microsoft Search has the potential to save knowledge workers 5 or 6 hours each week by helping them to retrieve content that's relevant to tasks at hand. Other estimates were more modest. However, even at the low end of the spectrum, the potential impact is still significant when applied across a large organization.

Based on the data gathered during the customer interviews, the following table shows a mid-range projection of the impact of Microsoft Search capabilities for the composite organization. The calculation table assumes the following:

- › On average, knowledge workers spend a modest 2.5 hours each week searching for content and expertise relevant to their jobs.
- › Microsoft Search, which is available to users in productivity solutions such as SharePoint without the need to switch context, has the potential to reduce time spent searching for job-related content and expertise by 30% or 0.75 hours per week.
- › Knowledge workers will integrate Microsoft Search into daily workflows over time: To produce a conservative estimate of the impact of this technology, the calculation table assumes that 35% of users will do so by Year 4 of the analysis.

"With these capabilities, we can find content or expertise or the right individual to talk to at the organization. We see this as the next step in using AI to improve collaboration."

*Group online systems manager,
global IT services company*



"[This technology] means we're going to be able to get back to our clients more quickly, potentially close sales deals more quickly, and ultimately this will translate to more revenue."

*Senior director of IT operations and
security, global IT services
company*



"If we can provide AI technology that gets employees the right file — the latest version — right away, you're potentially saving 2 or 3 hours for them in every instance."

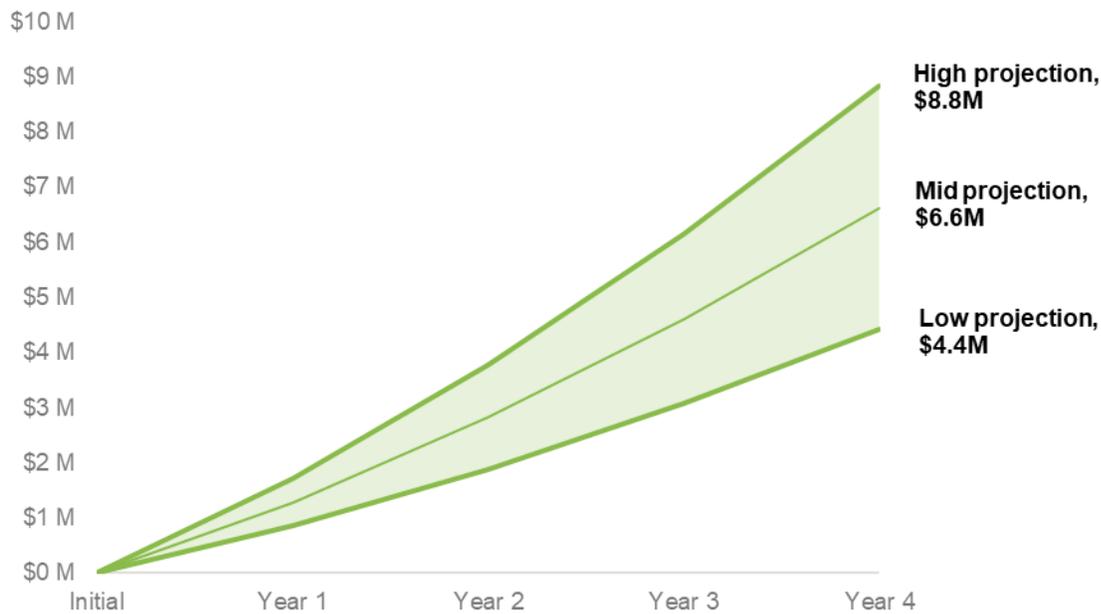
*Group online systems manager,
global IT services company*



Productivity Gains From Personalized, Intelligent Search: Calculation Table

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3	YEAR 4
A1	Knowledge workers	10% YoY growth	8,500	8,725	8,950	9,175
A2	Percentage of knowledge workers using Microsoft Search in daily workflows		20%	25%	30%	35%
A3	Hours saved per knowledge worker, per week	2.5 hours * 30%	0.75	0.75	0.75	0.75
A4	Total annual knowledge worker hours saved	$A1 * A2 * A3 * 52$	66,300	85,069	104,715	125,239
A5	Average hourly fully burdened knowledge worker cost	$\$88,400 / 2080$	\$42.50	\$44.00	\$45.50	\$47.00
A6	Percentage of time saved rededicated to productive tasks		50%	50%	50%	50%
At	Productivity gains from personalized, intelligent search (mid-range)	$A4 * A5 * A6$	\$1,408,875	\$1,871,513	\$2,382,266	\$2,943,111

Microsoft Search: Range Of Cumulative Impact, PV



UNQUANTIFIED BENEFITS

Microsoft customers discussed the following benefits of personalized, intelligent search across the Microsoft 365 platform. However, these benefits were not quantified as part of the analysis.

- › **Better collaboration across teams, business units, and geographies.** According to interviewees, having a centralized platform encourages collaboration. Enabling employees to quickly identify content that's relevant to their work will help improve it even more. For example, one regional office in a global organization might create content that's useful for another. Though employees might not think to check the knowledge base of an office abroad, Microsoft Search has the potential to surface content that might be useful for those individuals, interviewees told Forrester.
- › **Easier content management.** Since Microsoft Search allows knowledge workers to find content even if it's not properly tagged, it eliminates the overhead associated with tagging and organizing content. Getting knowledge workers to tag and properly organize content is a "massive endeavor" in itself, said one interviewee.
- › **Better business results.** Employees spend a significant amount of time searching for information; having access to it earlier will enable them to do their jobs more effectively. "[This technology] means we're going to be able to get back to our clients more quickly, potentially close sales deals more quickly, and ultimately this will translate to more revenue," said the senior director of IT operations and security for the global IT services provider.

Individual Productivity Gains From Personalized, Data-Driven Recommendations In MyAnalytics

Customers described inefficiencies in the modern workplace and the potential for personalized, AI-enabled recommendations to assist knowledge workers in managing their time.

The modern workplace is full of interruptions that diminish knowledge workers' productivity.⁸ Email and meetings top the list, according to interviewees. The collaboration and end-user services manager for the industrial materials manufacturing company explained that while there are established best practices on these topics, employees don't necessarily embrace them.

Early pilots of MyAnalytics have shown strong results, interviewees told Forrester. By showing the amount of time that employees spend on emails and in meetings, MyAnalytics encourages users to optimize their time. "We know that people are using MyAnalytics and changing the way they organize their time," said the end-user services manager.

Thinking about the ways that employees spend their time today, one interviewee estimated that personalized, data-driven recommendations in MyAnalytics could improve the productivity of knowledge workers by up to 30%. Other estimates were more modest at 10% of total working hours or about 45 minutes per day.

Based on the data gathered during the customer interviews, the table below shows the mid-range projection of the impact of MyAnalytics for the composite organization. The following assumptions inform the financial calculations show below:

- › On average, knowledge workers spend about 40% of their time on emails, meetings, and document creation.⁹ This provides a baseline for this assessment, since time spent in client-facing meetings, for example, is less easily optimized.
- › MyAnalytics, which provides users with personalized, data-driven feedback on the way they work, has the potential to free up 1.5 hours for each user of the technology on a weekly basis. This is roughly 10% of the time spent on emails, meetings, and document creation.
- › MyAnalytics will be adopted in some parts of the organization before others, owing to personal and team preferences as well as the applicability of the technology to certain roles and workflows. (Starting this year, Microsoft will make key MyAnalytics capabilities available to everyone using Office 365 and Microsoft 365 Enterprise and Business suites that include Exchange Online. Previously, these capabilities were only available with an Enterprise E5 plan or as an add-on.) Developers or data analysts, for example, may spend all of their time within a single context, making it more advantageous to measure productivity in other ways. To produce a conservative estimate of the impact MyAnalytics may have for the composite organization, the calculation table assumes that by Year 4 up to 20% of all knowledge workers are benefiting from the technology.

"We know that people are using MyAnalytics and changing the way they organize their time . . . I think that this particular tool is helping us identify where we need to be more focused during the day."

Collaboration and end-user services manager, global materials manufacturing company



"We aim to take the top 10% of our managers and look into what they do differently than the others using the Microsoft platform. Do they interact with people outside their teams more often? Do they use email a lot? Do they use Skype a lot? From there, we'll try to set up best practices for everyone else to reach that same level."

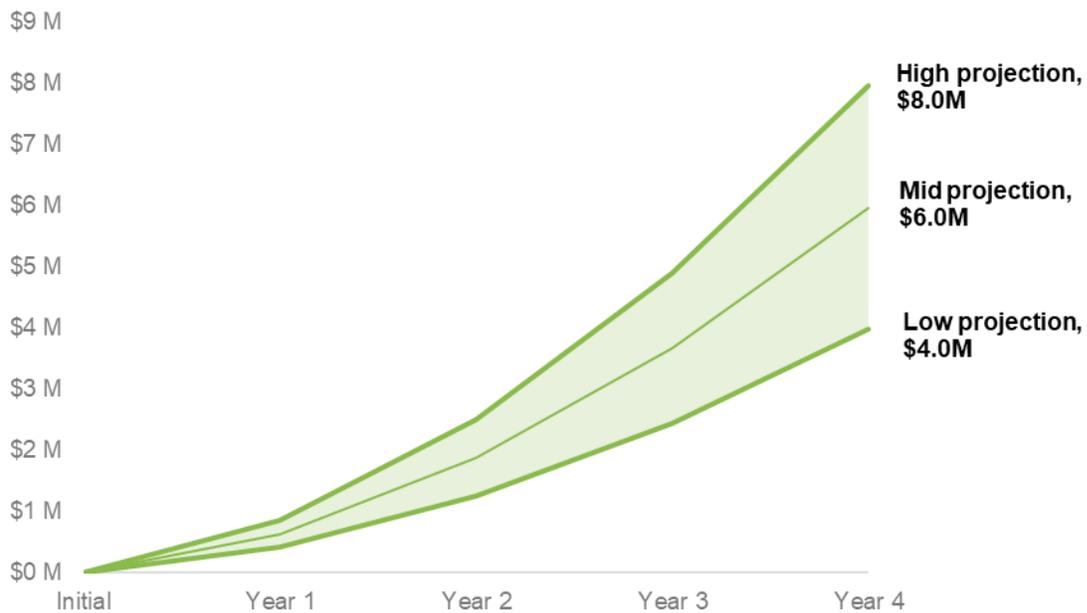
Information systems regional partner, industrial equipment manufacturing firm



Productivity Gains From Personalized, Data-Driven Recommendations In MyAnalytics: Calculation Table

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3	YEAR 4
B1	Knowledge workers		8,500	8,725	8,950	9,175
B2	Percentage of knowledge workers utilizing MyAnalytics		5%	10%	15%	20%
B3	Time savings per knowledge worker, per week (hours)	40 hours * 40% * 10% savings	1.5	1.5	1.5	1.5
B4	Total annual knowledge worker hours saved	$B1 * B2 * B3 * 52$	33,150	68,055	104,715	143,130
B5	Average hourly fully burdened knowledge worker cost	$\$88,400 / 2080$	\$42.50	\$44.00	\$45.50	\$47.00
B6	Percentage of time saved rededicated to productive tasks		50%	50%	50%	50%
Bt	Individual productivity gains from personalized, data-driven recommendations in MyAnalytics (mid-range)	$B4 * B5 * B6$	\$704,438	\$1,497,210	\$2,382,266	\$3,363,555

MyAnalytics: Range Of Cumulative Impact, PV



UNQUANTIFIED BENEFITS

Microsoft customers discussed the following benefits of personalized, data-driven recommendations in MyAnalytics. However, these benefits were not quantified as part of the analysis.

- › **Data-driven management best practices.** One interviewee, whose organization is piloting MyAnalytics, explained how it plans to use the tool to cultivate better leaders. The organization is currently conducting a pilot project among 150 of its leaders and aims to measure what they do against how they perform: “We aim to take the top 10% of our managers and look into what they do differently than the others using the Microsoft platform. Do they interact with people outside their teams more often? Do they use email a lot? Do they use Skype a lot? From there, we’ll try to set up best practices for everyone else to reach that same level.”
- › **Better work-life balance.** One organization aims to coach employees toward achieving a better work-life balance. It already provides MyAnalytics to its staff. Moving forward, it also plans to provide guidance on how to best leverage the data to improve personal time management.
- › **More time for strategic, value-added tasks.** According to interviewees, MyAnalytics frees up time for knowledge workers to focus on decision making or strategy-oriented tasks. They reported that employees who are too busy to step back and evaluate how they spend their time will be among those who benefit most.



Technology and HR leaders see significant potential in aggregating insights about how employees work across their organizations. They aim to identify collaboration patterns and their impact on business outcomes without encroaching on individual privacy.

Efficiency Gains Enabled By Data-Driven Workplace Insights And Transformation With Workplace Analytics

Customers described the potential impact of data-driven, top-down changes to workplace culture and time management best practices enabled by Workplace Analytics.

While MyAnalytics provides insights to individuals seeking to optimize their routines, technology and human resources (HR) leaders are looking to Workplace Analytics for aggregated data to support broader shifts in organizational behaviors. According to multiple interviewees, organizations recognize the need to rethink their approach to meetings. They said that too much time is spent traveling to meetings, attending meetings, and trying to regain focus after meetings. Given the amount of multitasking that takes place during meetings, organizations know that meetings aren't always productive. With MyAnalytics and Workplace Analytics, organizations can now track the amount of time spent on email and other tasks during meetings.

Thinking about the ways that employees spend their time today, the group online systems manager for the global IT services company estimates that rethinking time management best practices could free up as much as 2 hours per day for the average knowledge worker. This is a best-case scenario, and other estimates were more modest. Nonetheless, multiple interviewees told Forrester that they see Workplace Analytics as an enabler of broad organizational changes.

Based on the data gathered during the customer interviews, the table below shows a mid-range projection of the impact of Workplace Analytics for the composite organization. The following assumptions inform the financial calculations shown below:

- › Over half of all knowledge workers spend more than 2 hours per day in meetings.¹⁰ Assuming that not all meetings are productive, this represents a significant baseline from which organizations can improve.
- › Top-down policies and recommendations that target unproductive meetings and other inefficient workplace behaviors can free up approximately 2.5 hours each week for the average knowledge worker. This estimate is based on customer feedback which in turn was informed by early pilot projects at their organizations.
- › To produce a conservative estimate of the impact of Workplace Analytics on the composite organization, the calculation table assumes that 35% of the organization will rely on the technology by Year 4 of the analysis.

“We’ve become a data support organization for human resources (HR). We go to HR and present the data that we have, and then it’s a matter of figuring out how to work with them to enable productivity with new functionalities and new solutions.”

Information systems regional partner, global equipment manufacturing company



“There are often meetings that don’t have a clear agenda, where there are no decisions being made — you end up with meetings on top of meetings. This technology can help us to surface behaviors around meetings, and improve productivity and save time.”

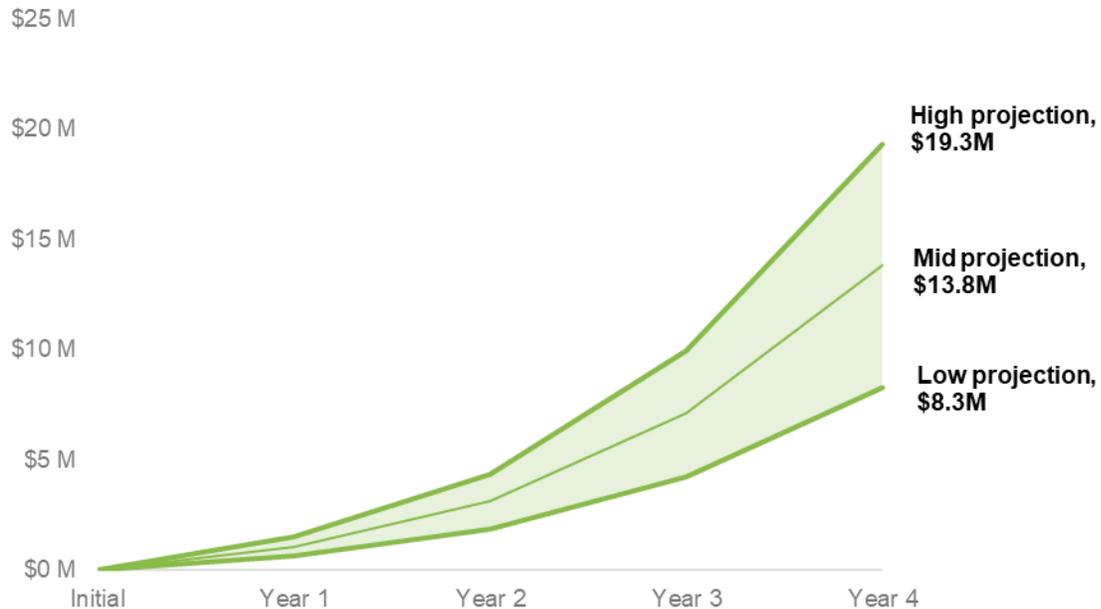
Group online systems manager, global IT services firm



Productivity Gains Enabled By Data-Driven Workplace Insights And Transformation With Workplace Analytics: Calculation Table

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3	YEAR 4
C1	Knowledge workers		8,500	8,725	8,950	9,175
C2	Percentage of employees licensed for coverage		5%	10%	20%	35%
C3	Time saved owing to improved top-down time management practices (weekly)		2.5	2.5	2.5	2.5
C4	Total annual knowledge worker hours saved	$C1 * C2 * C3 * 52$	55,250	113,425	232,700	417,463
C5	Average hourly fully burdened knowledge worker cost	$\$88,400 / 2080$	\$42.50	\$44.00	\$45.50	\$47.00
C6	Percentage of time saved rededicated to productive tasks		50%	50%	50%	50%
Ct	Productivity gains enabled by data-driven workplace insights and transformation (mid-range)	$C4 * C5 * C6$	\$1,174,063	\$2,495,350	\$5,293,925	\$9,810,369

Workplace Analytics: Range Of Cumulative Impact, PV



UNQUANTIFIED BENEFITS

Microsoft customers discussed the following benefits of data-driven, top-down changes to workplace culture and time management best practices enabled by Workplace Analytics. However, these benefits were not quantified as part of the analysis.

- › **Data-driven management best practices.** Workplace Analytics helps to identify collaboration patterns that impact productivity, workforce effectiveness, and employee engagement, enabling technology and HR leaders to shift from a reactive to a proactive stance on organizational management. The information systems regional partner told Forrester that the collaboration team now has data to support proactive recommendations to HR, which represents a marked shift from the past.
- › **Tracking and improving employee satisfaction.** Workplace Analytics provides a high-level view on how organizations work and how employees spend their time. These insights can be used to identify and track the impact of collaboration patterns on business outcomes such as employee engagement, workforce productivity, and sales effectiveness.

Efficiency Gains From Automatically Generated, Professionally Designed Layouts In PowerPoint

Customers described how Design Ideas in PowerPoint benefit their organizations by saving time for knowledge workers and improving their ability to communicate.

Most knowledge workers use presentation tools during the course of a normal week.¹¹ According to interviewees, PowerPoint Designer will benefit frequent and infrequent users alike, but individuals whose roles require them to spend a significant part of the workweek in PowerPoint will stand to benefit the most. (On average, knowledge workers spend roughly 12% of their time creating presentations and other collaboration documents.¹²)

Since PowerPoint Designer automatically generates layouts and minimizes the time end users spend on formatting adjustments, it has the potential to reduce the time required to develop high-quality presentations. According to one interviewee, the time savings could be as great as 20%.

Based on the data gathered during the customer interviews, the table below shows a mid-range projection of the impact of PowerPoint Designer for the composite organization. The following assumptions inform the financial calculations show below:

- › PowerPoint Designer is a core part of PowerPoint, and it will naturally integrate into users' workflows. However, this analysis assumes that a core group of end users, owing to their role in the organization and the amount of time they spend in PowerPoint, will benefit more than others (D2). (Forrester assumes that users who rely on PowerPoint less frequently will also benefit from these new capabilities.)
- › On average, heavy users of PowerPoint often spend 15 hours a week working in the software.
- › To produce a conservative estimate of the impact of PowerPoint Designer on the composite organization, the calculation table assumes that 35% of the heavy PowerPoint users will rely on this functionality by Year 4 of the analysis.

“PowerPoint Designer will allow the team to put things in a format that is more accessible and reviewable by others; to create PowerPoints more often to tell stories and basically become better communicators.”

Finance manager, IT services firm



“One of the things that we're working on as a team — and we're focused on people who manage some of the most complicated projects — is creating beautiful pictures to tell stories and doing that on a single slide, if possible, because we get limited time with the executive team.”

Vice president of enterprise program management, transportation company

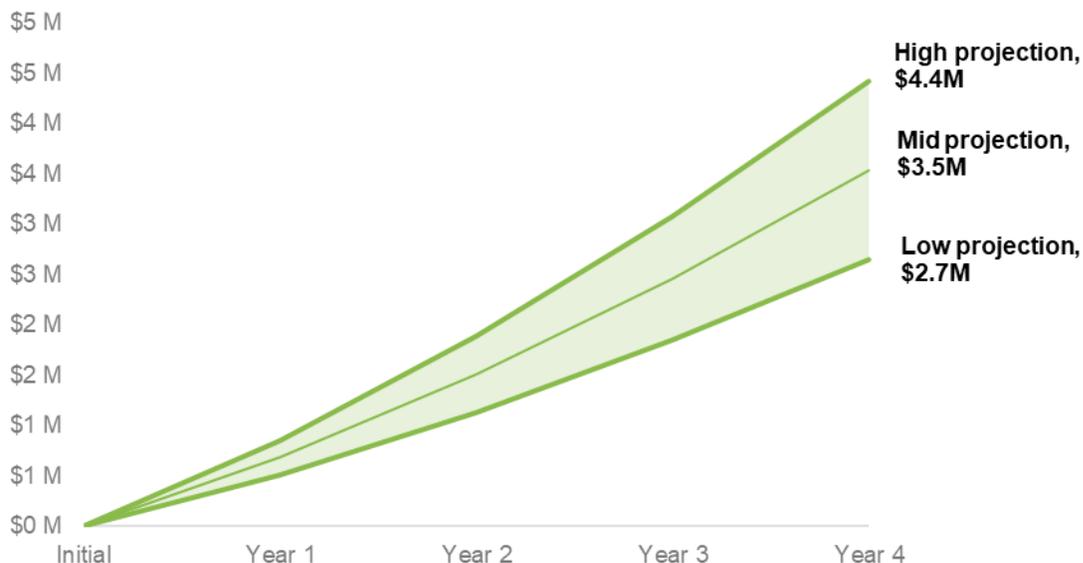


Productivity Gains From Automatically Generated, Professionally Designed Layouts In PowerPoint: Calculation Table*

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3	YEAR 4
D1	Knowledge workers		8,500	8,725	8,950	9,175
D2	Percentage of knowledge workers that qualify as heavy users of PowerPoint		10%	10%	10%	10%
D3	Percentage of heavy users adopting PowerPoint Designer in daily workflows		20%	25%	30%	35%
D4	Weekly time savings (hours)		4	4	4	4
D5	Total annual knowledge worker hours saved	$D1 * D2 * D3 * D4 * 52$	35,360	45,370	55,848	66,794
D6	Average hourly fully burdened knowledge worker cost	$\$88,400 / 2080$	\$42.50	\$44.00	\$45.50	\$47.00
D7	Percentage of time saved rededicated to productive tasks		50%	50%	50%	50%
Dt	Efficiency gains from automatically generated and professionally designed layouts in PowerPoint (mid-range)	$D5 * D6 * D7$	\$751,400	\$998,140	\$1,270,542	\$1,569,659

*Note: PowerPoint Designer is a core part of PowerPoint, and it will naturally integrate into users' workflows. However, this analysis assumes that a core group of end users, owing to their role in the organization and the amount of time they spend in PowerPoint, will benefit more than others (D2). In addition, Forrester assumes that users who rely on PowerPoint less frequently will also benefit from these new capabilities.

Design Ideas In PowerPoint: Range Of Cumulative Impact, PV



UNQUANTIFIED BENEFITS

Microsoft customers discussed the following benefits of automatically generated, professionally designed layouts in PowerPoint. However, these benefits were not quantified as part of the analysis.

- › **Better quality presentations.** Though interviewees found it easiest to quantify the time-savings benefits of PowerPoint Designer, they also emphasized the quality improvements it has the potential to deliver. The vice president of enterprise program management for the transportation company explained why capabilities like those PowerPoint Designer offers are so valuable to the company: “One of the things that we’re working on as a team — and we’re focused on people who manage some of the most complicated projects — is creating beautiful pictures to tell stories and doing that on a single slide, if possible, because we get limited time with the executive team.”
- › **Improved communication.** Since it makes presentations easier to create, PowerPoint Designer enables knowledge workers to communicate more frequently and effectively. “PowerPoint Designer will allow the team to put things in a format that is more accessible and reviewable by others; to create PowerPoints more often to tell stories and basically become better communicators,” said the finance manager for the mid-size IT services firm.

Efficiency Gains From Streamlined Data Analysis In Excel

Customers discussed efficiencies in the data exploration process enabled by Ideas in Excel. They also discussed how these capabilities will reduce repetitive work and free up time for higher-value activities.

Among those with whom Forrester discussed the impact of Ideas in Excel was the finance manager for the mid-size IT services company. The manager's direct reports include 35 to 40 business analysts, whose collective role is as an information broker to the organization.

According to the finance manager, Ideas in Excel speeds up data discovery for analysts. Overall, time savings could amount to several hours each week, for each analyst.

Based on the data gathered during the customer interviews, the table below shows a mid-range projection of the impact of Ideas in Excel for the composite organization. The following assumptions inform the financial calculations:

- › This analysis assumes that a core group of end users will benefit more than others, owing to their role in the organization and the amount of time they spend in Excel (E2). (Forrester assumes that users who rely on Excel less frequently will also benefit from these new capabilities.)
- › On average, heavy users of Excel often spend approximately 28 hours each week working in the software. Namely, these users are business and finance analysts within the organization.
- › Ideas in Excel will benefit end users most in the data exploration phase of their analysis.
- › Automatic trend analysis and data visualization have the potential to free up 3 hours of time on a weekly basis for heavy users of Excel. This estimate is based on customer feedback, which in turn was informed by early experiments with the technology at their organizations.



Ideas in Excel assists users in understanding tabular data in Excel through automatic analysis, identifying patterns and trends and returning charts that describe the data.

“A big part of our job is understanding the data and delivering it to folks in ways that will help them to utilize it.”

Finance manager, IT services firm

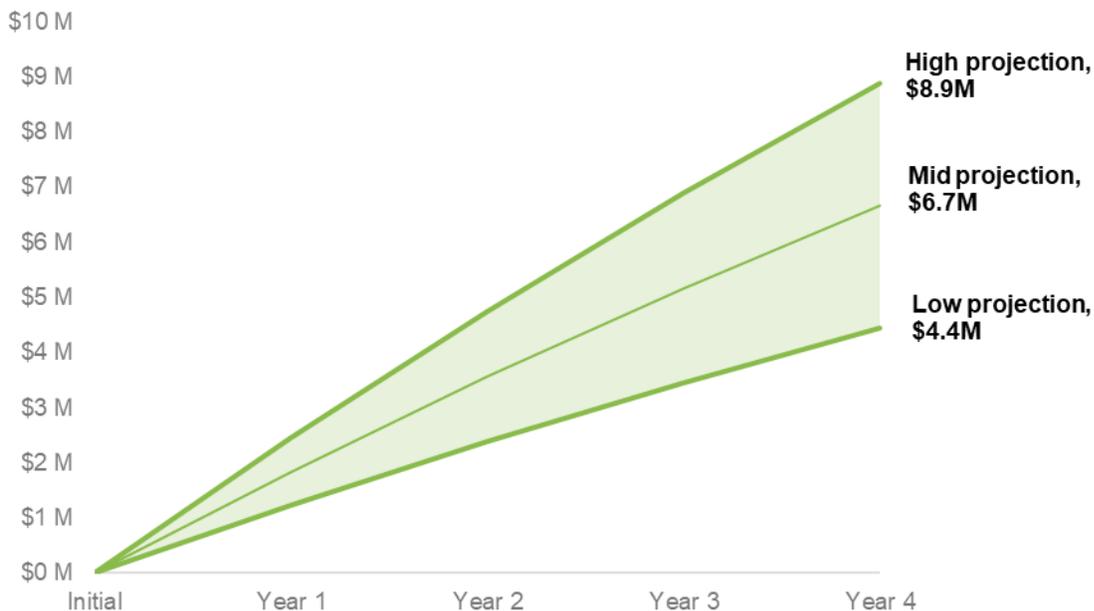


Efficiency Gains From Streamlined Data Analysis In Excel: Calculation Table

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3	YEAR 4
E1	Knowledge workers		8,500	8,725	8,950	9,175
E2	Percentage of knowledge workers that qualify as heavy Excel users		6%	6%	6%	6%
E3	Time spent creating Excel-based analysis on a weekly basis (hours)		28	28	28	28
E4	Weekly time savings		3	3	3	3
E5	Total annual analyst hours saved	$E1 * E2 * E4 * 52$	79,560	81,666	83,772	85,878
E6	Average hourly fully burdened analyst cost	$\$106,080 / 2080$	\$51.00	\$51.00	\$51.00	\$51.00
E7	Percentage of time saved rededicated to productive tasks		50%	50%	50%	50%
Et	Efficiency gains from streamlined data analysis in Excel (mid-range)	$E5 * E6 * E7$	\$2,028,780	\$2,082,483	\$2,136,186	\$2,189,889

*Note: This analysis assumes that a core group of end users, owing to their role in the organization and the amount of time they spend in Excel and on data exploration, will benefit more than others (E2). In addition, Forrester assumes that users who rely on Excel less frequently will also benefit from these new capabilities.

Ideas In Excel: Range Of Cumulative Impact, PV



UNQUANTIFIED BENEFITS

Microsoft customers discussed the following benefits of streamlined data analysis in Excel. However, these benefits were not quantified as part of the analysis.

- › **Better decision making.** In addition to efficiency, interviewees discussed how Ideas in Excel can improve quality of insight and decision making. “A big part of our job is understanding the data and delivering it to folks in ways that will help them to utilize it,” said the finance manager for the mid-size IT services firm. Ideas in Excel allows analysts to quickly explore data sets and communicate insights to other parts of the organization.
- › **Higher employee satisfaction.** Meaningful work leads to a better employee experience.¹³ According to the finance manager for the mid-size IT services firm, automating repetitive tasks like data manipulation frees up time for analysts to diversify their roles. This in turn will improve job satisfaction.
- › **More time for strategic, value-added tasks.** According to interviewees, automating repetitive workflows will free up employees’ time for higher-value tasks, which will benefit their organizations. At the mid-size IT services firm, the finance manager anticipates employees spending more time on sales forecasts and addressing important but often delayed operational issues.

Analysis Of Costs

FRAMEWORK FOR PROJECTING COSTS ASSOCIATED WITH MICROSOFT 365 AI CAPABILITIES

The composite organization, which is outlined earlier, provides E3 and Workplace Analytics licenses to all users. With these licenses, employees have access to all of the Microsoft 365 AI capabilities discussed in this study. Organizations that do not provide E3 licenses to all employees will have access to a subset of these AI capabilities.

Developing Education And Awareness Programs To Encourage Uptake Of AI Capabilities

While some Microsoft 365 AI capabilities will integrate naturally into users' workflows, capturing value from others will require education and awareness, interviewees told Forrester.

The technology and human resources (HR) leaders that Forrester interviewed take varying approaches to encouraging technology adoption and best practices at their organizations. Most programs are centered on eLearning and tutorials. However, the industrial materials manufacturer, which employs more than 13,000 knowledge workers, described a three-tiered program that includes: 1) eLearning modules; 2) a champions program, which encourages early adopters and power users to assist peers with new technologies; and 3) a collaboration forum where more than 1,000 employees (who also have primary roles) attend to answer questions from the broader organization. The total program costs about \$500,000 per year to execute.

The following table illustrates costs associated with a comprehensive user education program, such as the ones described by study participants.

- › The composite organization takes a two-fold approach to ensuring the successful rollout of Microsoft 365 AI capabilities as well as other technologies to support its knowledge workers: 1) it sponsors a "champions" program, in which volunteers coach other employees in forums on technology best practices and 2) it has a team of five individuals that develop technology education programs.
- › Staff members enrolled in the champions program spend roughly 45 minutes each week answering questions and promoting technology adoption via companywide forums.
- › In Year 1, the technology change management team spends 20% of its time developing documentation (e.g., SharePoint guides and videos) to promote adoption of Microsoft 365 AI capabilities. In subsequent years, it spends only 10% of its time developing and updating documentation related to this initiative.

Costs other organizations incur for user education and awareness programs will likely vary with respect to the following:

- › The sophistication of an organization's existing content development capabilities and the extent to which it outsources content development to eLearning developers.



With the E3 license and Workplace Analytics, employees have access to all of the Microsoft 365 AI capabilities discussed in this study.

Implementation risk is the risk that a proposed investment may deviate from the original or expected requirements, resulting in higher costs than anticipated. The greater the uncertainty, the wider the potential range of outcomes for cost estimates.

- › The type of content an organization seeks to develop — for example, video-based content may cost more to produce than text-based tutorials.

To account for variance among organizations, and to provide a more conservative view of potential costs associated with developing education and awareness programs, Forrester risk-adjusted costs upward by 10%.

Forrester estimates total costs for the composite organizations training and awareness program at \$857,925 over four years.

Developing Education And Awareness Programs To Encourage Adoption Of Microsoft 365 AI Capabilities: Calculation Table

REF	METRIC	CALC.	INITIAL	YEAR 1	YEAR 2	YEAR 3	YEAR 4
F1	Knowledge workers participating in champions program			100	100	100	100
F2	Time spent per employee answering forum questions (weekly) (hours)			0.75	0.75	0.75	0.75
F3	Total staff hours champions spend answering forum questions	$F1 * F2 * 52 / 60$ minutes		3,900	3,900	3,900	3,900
F4	Average fully burdened cost of staff time (hourly)	$\$88,400 / 2080$		\$42.50	\$42.50	\$42.50	\$42.50
F5	Incremental cost of champions program	$F3 * F4$		\$165,750	\$165,750	\$165,750	\$165,750
F6	Staff overseeing technology change management program			5	5	5	5
F7	Hours dedicated to creating documentation, communications, and training			416	208	208	208
F8	Average hourly fully burdened staff cost	$\$124,800 / 2080$		\$60.00	\$60.00	\$60.00	\$60.00
F9	Incremental cost of technology change management program	$F6 * F7 * F8$		\$124,800	\$62,400	\$62,400	\$62,400
Ft	Developing education and awareness programs to encourage uptake of AI capabilities			\$290,550	\$228,150	\$228,150	\$228,150
	Risk adjustment	↑10%					
Ftr	Developing education and awareness programs to encourage uptake of AI capabilities (risk-adjusted)			\$319,605	\$250,965	\$250,965	\$250,965

Pilot Program Management

To better understand Microsoft 365 AI capabilities, and to build best practices around them, customers are conducting pilot programs among segments of users within their organizations. This cost category encompasses costs associated with managing a pilot project.

Since they view insights from MyAnalytics and Workplace Analytics as valuable for increasing productivity of knowledge workers, organizations are investing heavily in pilot projects around these solutions. For MyAnalytics, they seek to better understand best practices and KPIs for employees. For Workplace Analytics, they aim to better understand how to drive human resources decisions, including collocation, with data.

The following table illustrates costs associated with dedicating technology and human resources (HR) leaders to the management of pilot programs, such as the ones described by study participants.

- › There are three technology and human resources (HR) leaders dedicated to managing a pilot program focused on understanding MyAnalytics and best practices for the organization.
- › There are two technology and human resources (HR) leaders dedicated to managing a pilot program focused on understanding Workplace Analytics and its potential applications for the organizational management.
- › Though all staff members dedicated to pilot program management have primary responsibilities, they dedicate 40% of their time these tasks.

Costs other organizations incur for pilot program roll out and management will likely vary with respect to the following:

- › The size and scope of pilot program initiatives.
- › Outcomes an organization is driving toward — for example, if an organization seeks to understand how data generated by Workplace Analytics may translate into better collocation decisions, it may need to invest more significant resources into a pilot program and subsequent analysis of the data.

To account for variance among organizations, and to provide a more conservative view of potential costs associated with managing a pilot program, Forrester risk-adjusted costs upward by 10%.

Forrester estimates total costs for the composite organization's pilot program rollout and management at \$264,000 over four years.



Since they view intelligence from MyAnalytics and Workplace Analytics as valuable for **increasing productivity of knowledge workers**, organizations are investing heavily in pilot projects around these solutions.

Pilot Program Management: Calculation Table

REF	METRIC	CALC.	INITIAL	YEAR 1	YEAR 2	YEAR 3	YEAR 4
G1	Technology and HR leaders dedicated to Workplace Analytics pilot program management		3				
G2	Percentage of time spent on pilot program management		40%				
G3	Fully burdened annual rate of compensation		\$120,000				
G4	Total cost of managing Workplace Analytics pilot program	$G1 * G2 * G3$	\$144,000				
G5	Technology and HR leaders dedicated to MyAnalytics pilot program management		2				
G6	Percentage of time spent on pilot program management		40%				
G7	Fully burdened annual rate of compensation		\$120,000				
G8	Total cost of managing MyAnalytics pilot program	$G5 * G6 * G7$	\$96,000				
Gt	Pilot program management	$G4 + G8$	\$240,000	\$0	\$0	\$0	\$0
	Risk adjustment	↑10%					
Gtr	Pilot program management (risk-adjusted)		\$264,000	\$0	\$0	\$0	\$0

Incremental Costs For Workplace Analytics

With the E3 license, the composite organization pays incremental costs to aggregate workplace insights with Workplace Analytics.

The following table shows the per user and aggregate incremental costs for Workplace Analytics over the period of analysis. The calculations assume that the composite organization pays Workplace Analytics license fees only for those employees in parts of the business where the solution is deployed (See C2).

Forrester estimates total incremental costs for the composite organization's use of Workplace Analytics at \$334,485 over four years.

Incremental Cost For Workplace Analytics: Calculation Table

REF	METRIC	CALC.	INITIAL	YEAR 1	YEAR 2	YEAR 3	YEAR 4
H1	Knowledge workers			8,500	8,725	8,950	9,175
H2	Percentage of the organization where solution is deployed			5%	10%	20%	35%
H3	Monthly incremental cost for Workplace Analytics			\$6.00	\$6.00	\$6.00	\$6.00
Ht	Incremental cost for Workplace Analytics	$H1*H2*H3*12$		\$30,600	\$62,820	\$128,880	\$231,210
	Risk adjustment	0%					
Htr	Incremental cost for Workplace Analytics (risk-adjusted)		\$0	\$30,600	\$62,820	\$128,880	\$231,210

Everyday AI In Microsoft 365: Overview

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

Microsoft 365 Enterprise is a complete, intelligent solution that brings together the best of Office 365, Windows 10 Enterprise, and Enterprise Mobility + Security, and empowers everyone to be creative and work together, securely. With Microsoft 365, organizations can leverage AI in existing workflows to amplify the skills of individuals and teams and to uncover hidden insights, and actively monitor and secure against modern threats and the risks caused by the proliferation of devices and workplace flexibility.

With a strong focus on innovation, Microsoft is constantly pushing the boundaries of AI to create fast, agile, and powerful tools for the enterprise. Our advancements in vision, speech, machine reading, and translation in just the last few years are helping us fulfill our mission of helping every person and organization to achieve more by enabling us to develop a road map that takes AI out of the lab and infuses it into our products as quickly as we can.

AI requires data to work, and the Microsoft Graph is the largest data set of human activity at work ever created. The scale that Microsoft can attain enables us to generate relevant insights about everything from security to workplace productivity to help organizations optimize the way they manage their business. The Microsoft Graph connects data from 2.5B entities in Bing, 700M Windows 10 devices, 500M LinkedIn members, and 135M monthly active commercial Office 365 users.

Microsoft believes that the development and deployment of AI must be guided by a strong ethical framework. Our work around AI is guided by the four core principles of fairness, reliability and safety, privacy and security, and inclusiveness. And these principles are underpinned by the two foundational principles of transparency and accountability.

Bring AI to every employee with Microsoft 365

AMPLIFY SKILLS AND FOSTER TEAMWORK

- › Transform presentations and documents in less time
- › Streamline your inbox and meetings

UNCOVER HIDDEN INSIGHTS AND IMPROVE DECISIONS

- › Find content and expertise relevant to your work
- › Quickly turn complex data into action

PROACTIVELY SECURE YOUR DATA AND DEVICES

- › Actively monitor threats
- › Secure your business data

Visit aka.ms/EverydayAI to learn more.

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: Financial Model Framework

The tables included in the body of this document show the mid-range projections for all benefit categories. The following tables show the low and high-level projections for those same benefit categories.

BENEFITS (LOW PROJECTIONS)

Productivity Gains From Personalized, Intelligent Search: Calculation Table

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3	YEAR 4
A1 _{LOW}	Knowledge workers	10% YoY growth	8,500	8,725	8,950	9,175
A2 _{LOW}	Percentage of knowledge workers using Microsoft Search in daily workflows		20%	25%	30%	35%
A3 _{LOW}	Hours saved per knowledge worker, per week	2.5 hours * 20%	0.5	0.5	0.5	0.5
A4 _{LOW}	Total annual knowledge worker hours saved	$A1 * A2 * A3 * 52$	44,200	56,713	69,810	83,493
A5 _{LOW}	Average hourly fully burdened knowledge worker cost	\$88,400 / 2080	\$42.50	\$44.00	\$45.50	\$47.00
A6 _{LOW}	Percentage of time saved rededicated to productive tasks		50%	50%	50%	50%
At _{LOW}	Productivity gains from personalized, intelligent search (mid-range)	$A4 * A5 * A6$	\$939,250	\$1,247,675	\$1,588,178	\$1,962,074

Productivity Gains From Personalized, Data-Driven Recommendations In MyAnalytics: Calculation Table

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3	YEAR 4
B1 _{LOW}	Knowledge workers		8,500	8,725	8,950	9,175
B2 _{LOW}	Percentage of knowledge workers utilizing MyAnalytics		5%	10%	15%	20%
B3 _{LOW}	Time savings per knowledge worker, per week (hours)	40 hours * 40% * 6% savings	1.0	1.0	1.0	1.0
B4 _{LOW}	Total annual knowledge worker hours saved	$B1 * B2 * B3 * 52$	22,100	45,370	69,810	95,420
B5 _{LOW}	Average hourly fully burdened knowledge worker cost	\$88,400 / 2080	\$42.50	\$44.00	\$45.50	\$47.00
B6 _{LOW}	Percentage of time saved rededicated to productive tasks		50%	50%	50%	50%
Bt _{LOW}	Individual productivity gains from personalized, data-driven recommendations in MyAnalytics (mid-range)	$B4 * B5 * B6$	\$469,625	\$998,140	\$1,588,178	\$2,242,370

Productivity Gains Enabled By Data-Driven Workplace Insights And Transformation With Workplace Analytics: Calculation Table

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3	YEAR 4
C1 _{LOW}	Knowledge workers		8,500	8,725	8,950	9,175
C2 _{LOW}	Percentage of the organization analyzed with Workplace Analytics		5%	10%	20%	35%
C3 _{LOW}	Time saved owing to improved top-down time management practices (weekly)		1.5	1.5	1.5	1.5
C4 _{LOW}	Total annual knowledge worker hours saved	$C1 * C2 * C3 * 52$	33,150	68,055	139,620	250,478
C5 _{LOW}	Average hourly fully burdened knowledge worker cost	$\$88,400 / 2080$	\$42.50	\$44.00	\$45.50	\$47.00
C6 _{LOW}	Percentage of time saved rededicated to productive tasks		50%	50%	50%	50%
Ct _{LOW}	Productivity gains enabled by data-driven workplace insights and transformation (mid-range)	$C4 * C5 * C6$	\$704,438	\$1,497,210	\$3,176,355	\$5,886,221

Productivity Gains From Automatically Generated, Professionally Designed Layouts In PowerPoint: Calculation Table*

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3	YEAR 4
D1 _{LOW}	Knowledge workers		8,500	8,725	8,950	9,175
D2 _{LOW}	Percentage of knowledge workers that qualify as heavy users of PowerPoint		10%	10%	10%	10%
D3 _{LOW}	Percentage of heavy users adopting PowerPoint Designer in daily workflows		20%	25%	30%	35%
D4 _{LOW}	Weekly time savings (hours)		3	3	3	3
D5 _{LOW}	Total annual knowledge worker hours saved	$D1 * D2 * D3 * D4 * 52$	26,520	34,028	41,886	50,096
D6 _{LOW}	Average hourly fully burdened knowledge worker cost	$\$88,400 / 2080$	\$42.50	\$44.00	\$45.50	\$47.00
D7 _{LOW}	Percentage of time saved rededicated to productive tasks		50%	50%	50%	50%
Dt _{LOW}	Efficiency gains from automatically generated and professionally designed layouts in PowerPoint (mid-range)	$D5 * D6 * D7$	\$563,550	\$748,605	\$952,907	\$1,177,244

Efficiency Gains From Streamlined Data Analysis In Excel: Calculation Table

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3	YEAR 4
E1 _{LOW}	Knowledge workers		8,500	8,725	8,950	9,175
E2 _{LOW}	Percentage of knowledge workers that qualify as heavy Excel users		6%	6%	6%	6%
E3 _{LOW}	Time spent creating Excel-based analysis on a weekly basis (hours)		28	28	28	28
E4 _{LOW}	Weekly time savings		2	2	2	2
E5 _{LOW}	Total annual analyst hours saved	$E1 * E2 * E4 * 52$	53,040	54,444	55,848	57,252
E6 _{LOW}	Average hourly fully burdened analyst cost	$\$106,080 / 2080$	\$51.00	\$51.00	\$51.00	\$51.00
E7 _{LOW}	Percentage of time saved rededicated to productive tasks		50%	50%	50%	50%
E _{tLOW}	Efficiency gains from streamlined data analysis in Excel (mid-range)	$E5 * E6 * E7$	\$1,352,520	\$1,388,322	\$1,424,124	\$1,459,926

BENEFITS (HIGH PROJECTIONS)

Productivity Gains From Personalized, Intelligent Search: Calculation Table

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3	YEAR 4
A1 _{HIGH}	Knowledge workers	10% YoY growth	8,500	8,725	8,950	9,175
A2 _{HIGH}	Percentage of knowledge workers using Microsoft Search in daily workflows		20%	25%	30%	35%
A3 _{HIGH}	Hours saved per knowledge worker, per week	2.5 hours * 40%	1.0	1.0	1.0	1.0
A4 _{HIGH}	Total annual knowledge worker hours saved	$A1 * A2 * A3 * 52$	88,400	113,425	139,620	166,985
A5 _{HIGH}	Average hourly fully burdened knowledge worker cost	$\$88,400 / 2080$	\$42.50	\$44.00	\$45.50	\$47.00
A6 _{HIGH}	Percentage of time saved rededicated to productive tasks		50%	50%	50%	50%
At _{HIGH}	Productivity gains from personalized, intelligent search (mid-range)	$A4 * A5 * A6$	\$1,878,500	\$2,495,350	\$3,176,355	\$3,924,148

Productivity Gains From Personalized, Data-Driven Recommendations In MyAnalytics: Calculation Table

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3	YEAR 4
B1 _{HIGH}	Knowledge workers		8,500	8,725	8,950	9,175
B2 _{HIGH}	Percentage of knowledge workers utilizing MyAnalytics		5%	10%	15%	20%
B3 _{HIGH}	Time savings per knowledge worker, per week (hours)	40 hours * 40% * 13% savings	2.0	2.0	2.0	2.0
B4 _{HIGH}	Total annual knowledge worker hours saved	$B1 * B2 * B3 * 52$	44,200	90,740	139,620	190,840
B5 _{HIGH}	Average hourly fully burdened knowledge worker cost	$\$88,400 / 2080$	\$42.50	\$44.00	\$45.50	\$47.00
B6 _{HIGH}	Percentage of time saved rededicated to productive tasks		50%	50%	50%	50%
Bt _{HIGH}	Individual productivity gains from personalized, data-driven recommendations in MyAnalytics (mid-range)	$B4 * B5 * B6$	\$939,250	\$1,996,280	\$3,176,355	\$4,484,740

Productivity Gains Enabled By Data-Driven Workplace Insights And Transformation With Workplace Analytics: Calculation Table

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3	YEAR 4
C1 _{HIGH}	Knowledge workers		8,500	8,725	8,950	9,175
C2 _{HIGH}	Percentage of the organization analyzed with Workplace Analytics		5%	10%	20%	35%
C3 _{HIGH}	Time saved owing to improved top-down time management practices (weekly)		3.5	3.5	3.5	3.5
C4 _{HIGH}	Total annual knowledge worker hours saved	$C1 * C2 * C3 * 52$	77,350	158,795	325,780	584,448
C5 _{HIGH}	Average hourly fully burdened knowledge worker cost	$\$88,400 / 2080$	\$42.50	\$44.00	\$45.50	\$47.00
C6 _{HIGH}	Percentage of time saved rededicated to productive tasks		50%	50%	50%	50%
Ct _{HIGH}	Productivity gains enabled by data-driven workplace insights and transformation (mid-range)	$C4 * C5 * C6$	\$1,643,688	\$3,493,490	\$7,411,495	\$13,734,516

Productivity Gains From Automatically Generated, Professionally Designed Layouts In PowerPoint: Calculation Table*

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3	YEAR 4
D1 _{HIGH}	Knowledge workers		8,500	8,725	8,950	9,175
D2 _{HIGH}	Percentage of knowledge workers that qualify as heavy users of PowerPoint		10%	10%	10%	10%
D3 _{HIGH}	Percentage of heavy users adopting PowerPoint Designer in daily workflows		20%	25%	30%	35%
D4 _{HIGH}	Weekly time savings (hours)		5	5	5	5
D5 _{HIGH}	Total annual knowledge worker hours saved	$D1 * D2 * D3 * D4 * 52$	44,200	56,713	69,810	83,493
D6 _{HIGH}	Average hourly fully burdened knowledge worker cost	$\$88,400 / 2080$	\$42.50	\$44.00	\$45.50	\$47.00
D7 _{HIGH}	Percentage of time saved rededicated to productive tasks		50%	50%	50%	50%
Dt _{HIGH}	Efficiency gains from automatically generated and professionally designed layouts in PowerPoint (mid-range)	$D5 * D6 * D7$	\$939,250	\$1,247,675	\$1,588,178	\$1,962,074

Efficiency Gains From Streamlined Data Analysis In Excel: Calculation Table

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3	YEAR 4
E1 _{HIGH}	Knowledge workers		8,500	8,725	8,950	9,175
E2 _{HIGH}	Percentage of knowledge workers that qualify as heavy Excel users		6%	6%	6%	6%
E3 _{HIGH}	Time spent creating Excel-based analysis on a weekly basis (hours)		28	28	28	28
E4 _{HIGH}	Weekly time savings		4	4	4	4
E5 _{HIGH}	Total annual analyst hours saved	$E1 * E2 * E4 * 52$	106,080	108,888	111,696	114,504
E6 _{HIGH}	Average hourly fully burdened analyst cost	$\$106,080 / 2080$	\$51.00	\$51.00	\$51.00	\$51.00
E7 _{HIGH}	Percentage of time saved rededicated to productive tasks		50%	50%	50%	50%
E _{t HIGH}	Efficiency gains from streamlined data analysis in Excel (mid-range)	$E5 * E6 * E7$	\$2,705,040	\$2,776,644	\$2,848,248	\$2,919,852

Appendix C: Supplemental Material

Related Forrester Research

“Automation, AI, And Robotics Aren’t Quick Wins,” Forrester Research, Inc., October 29, 2018.

“Extending The Value Of AI To Knowledge Workers,” a commissioned study by Forrester Consulting on behalf of Microsoft, February 2019.

Appendix D: Endnotes

¹ Source: “Engineer Your Technology Environment To Improve Employee Productivity And Flow,” Forrester Research, Inc., December 15, 2017.

² Source: “Focus On Employees’ Daily Journeys To Improve Employee Experience,” Forrester Research, Inc., April 20, 2018.

³ Source: “Everyday AI in Microsoft 365,” Microsoft Corporation, 2019 (<https://query.prod.cms.rt.microsoft.com/cms/api/am/binary/RWpbwD>).

⁴ More than 37% of large enterprises store more than 100 terabytes of unstructured data. Source: “Vendor Landscape: File Analytics,” Forrester Research, Inc., August 3, 2017.

⁵ Source: “Engineer Your Technology Environment To Improve Employee Productivity And Flow,” Forrester Research, Inc., December 15, 2017.

⁶ Source: “Vendor Landscape: Graph Databases,” Forrester Research, Inc., October 6, 2017.

⁷ Source: “Everyday AI in Microsoft 365,” Microsoft Corporation, 2019 (<https://query.prod.cms.rt.microsoft.com/cms/api/am/binary/RWpbwD>).

⁸ Source: “Engineer Your Technology Environment To Improve Employee Productivity And Flow,” Forrester Research, Inc., December 15, 2017.

⁹ Source: Forrester Analytics Global Business Technographics® Workforce Benchmark Recontact Survey, 2018.

¹⁰ Ibid.

¹¹ Source: Forrester Analytics Global Business Technographics® Workforce Benchmark Survey, 2017.

¹² Source: Forrester Analytics Global Business Technographics® Workforce Benchmark Recontact Survey, 2018.

¹³ Source: “The Technology-Augmented Employee,” Forrester Research, Inc., February 13, 2018.