The Total Economic Impact™ Of Slack For Technical Teams

Cost Savings And Business Benefits
Enabled By Slack

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Consultant: *Lori Heckmann*

ABOUT FORRESTER CONSULTING

Forrester provides independent and objective research-based consulting to help leaders deliver key outcomes. Fueled by our customer-obsessed research, Forrester's seasoned consultants partner with leaders to execute their specific priorities using a unique engagement model that ensures lasting impact. For more information, visit forrester.com/consulting.

Executive Summary

Technical teams leverage Slack to enhance overall productivity, taking advantage of its integration with other applications and its ability to create workflows to automate tasks that were previously performed manually. This results in noticeable improvements in productivity, incident management, help desk automation, employee experience, and collaboration. As technical teams become more adept at using Slack, these enhancements continue to expand throughout their working environment.

Slack is a productivity and collaboration application utilized on a daily basis by technical teams, including developers, engineers, and IT staff. By consolidating their tasks within Slack using integrations and native workflows, technical users save themselves time and create a unified interface for their work.

Slack commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) enterprises may realize by deploying Slack to its technical users, including developers, engineers, and IT staff.[1] The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of Slack on their organizations' technical teams.

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed five respondents and surveyed 264 respondents with experience using Slack. For the purposes of this study, Forrester aggregated the experiences of the interviewees and survey respondents and combined the results into a single composite organization that is an organization with 2,000 employees, including 300 technical users, and revenue of $500 million per year.

Before adopting Slack, the interviewees observed that their technical teams relied on separate email, chat, and meeting tools for different communication purposes. This siloed and fragmented approach resulted in limited visibility, making it challenging to track the progress and timing of work. It also led to inefficient workflows, requiring the interviewees to

KEY STATISTICS

Return on investment (ROI)
302%

Net present value (NPV)
$1.52M
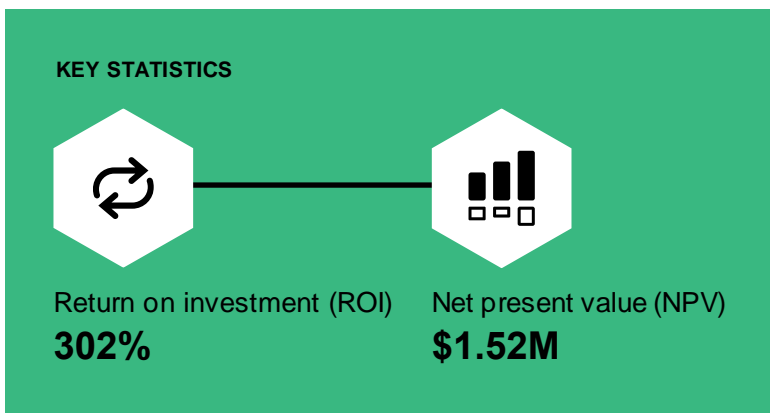
repeat manual tasks and resulting in delayed responses to urgent issues.

After implementing Slack, the interviewees transitioned their communication to Slack channels and began integrating applications and creating workflows within the platform. This investment yielded several significant outcomes, including enhanced technical team productivity, expedited incident management, improved help desk automation and an overall better employee experience.

KEY FINDINGS

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

- **Improved technical team productivity.** Slack boosts the productivity of the composite organization's technical users. Through seamless integration with other tools and the creation of

customized workflows, technical users minimize manual tasks and carry out their work with greater efficiency. Over three years, this enhanced productivity translates into a value of $1.8 million to the composite organization.

- **Incident management and help desk automation efficiencies.** Technical teams leveraging Slack for incident management experience improved efficiencies in incident detection, swarming, and resolution. When it comes to help desk automation, technical teams at the composite organization utilize Slack channels to automate responses to help desk inquiries, resulting in a reduction in the number of help desk tickets generated and associated labor costs. These efficiencies translate to a value of $139,200 over a three-year period.

- **Sunsetting legacy collaboration tools.** After adopting Slack, the composite organization sunsets existing collaboration tools. This consolidation results in cost savings, amounting to nearly $89,400 over three years.

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

- **Increased social benefits.** Technical users at the composite organization utilize Slack to foster enjoyable and meaningful interactions with their colleagues within the technical team and throughout the entire organization.

- **Improved employee experience.** Technical users at the composite organization experience enhanced employee engagement and satisfaction following the implementation of Slack.

- **Provided a single source of truth.** Channels serve as the preferred place to document and store information, conversations, and decision-making processes. The composite organization is implementing a policy mandating technical users

> ## 50% to 75% of survey respondents agree that Slack helps to:
>
> - Improve technical team productivity.
> - Reduce software cycle time.
> - Resolve incidents faster.
> - Resolve help desk tickets faster.
> - Sunset legacy software tools.
>
> Base: 264 decision-making stakeholders involved in implementing Slack at their organization
> Source: A commissioned study conducted by Forrester Consulting on behalf of Slack, July 2023

to summarize and record decisions made outside of Slack in the corresponding Slack channel.

- **Increased transparency and accountability due to public channels.** Technical users experience enhanced transparency and accountability by transitioning their activities from direct messages (DMs) and emails to public channels. This shift allows for greater visibility and traceability of discussions and actions, ensuring that information at the composite organization is shared openly, facilitating a more accountable environment.

- **Improved collaboration across departments.** Technical teams at the composite organization witness enhanced collaboration with users outside their immediate group by leveraging channels for cross-departmental teamwork. They utilize channels to initiate huddles, enabling focused discussions that require thorough exploration.

- **Increased ability to communicate externally in a swift and secure manner.** In addition to enhancing internal collaboration, Slack also improves technical users' ability to engage in fast and secure communication with external partners. This enables efficient and reliable

information exchange, fostering productive interactions with stakeholders outside the organization.

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

- **Slack subscription costs.** Slack structures its annual subscription costs based on a weighted average of its user base and the type of plan selected. At $150 per user, the cost to the composite organization over three years is $117,500.

- **Internal costs for implementation and maintenance.** The composite organization incurs costs to implement and maintain Slack. It takes one IT staff two months to implement Slack for 300 technical users. It takes the equivalent of one full-time IT staff to maintain Slack, including building and maintaining integrations and Slack channels. This cost to the composite organization amounts to $386,700 over three years.

The financial analysis, which is based on the interviews and survey, found that a composite organization experiences benefits of $2.03 million over three years versus costs of $504,200, adding up to a net present value (NPV) of $1.52 million and an ROI of 302%.

KPI Improvements

- 8.5% increase in build speed

- 8.4% reduction in cycle time

- 9.0% reduction in mean time to detect bugs

- 6.4% reduction in mean time to resolve bugs

- 9.2% reduction in defects making it into production

- 9.7% reduction in testing and iteration time

Base: 132 decision-making stakeholders who said that Slack created efficiencies in software development
Source: A commissioned study conducted by Forrester Consulting on behalf of Slack, July 2023

ROI
302%

BENEFITS PV
$2.03M

NPV
$1.52M

PAYBACK
<6 months

Benefits (Three-Year)

Technical team productivity	$1.8M
Incident management and help desk automation efficiencies	$139.2K
Sunsetting legacy collaboration tools	$89.4K

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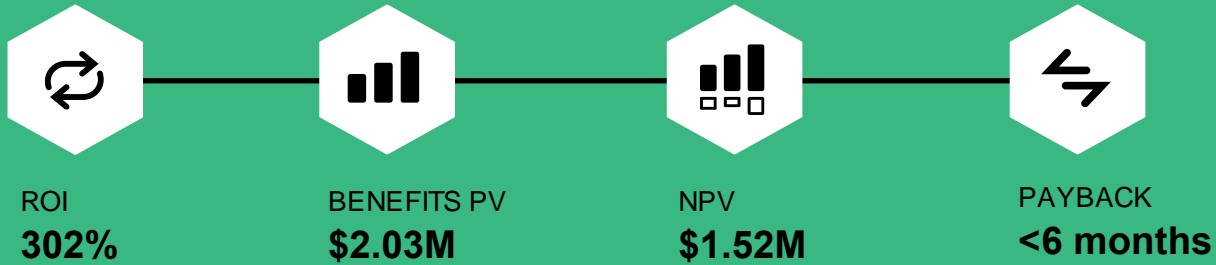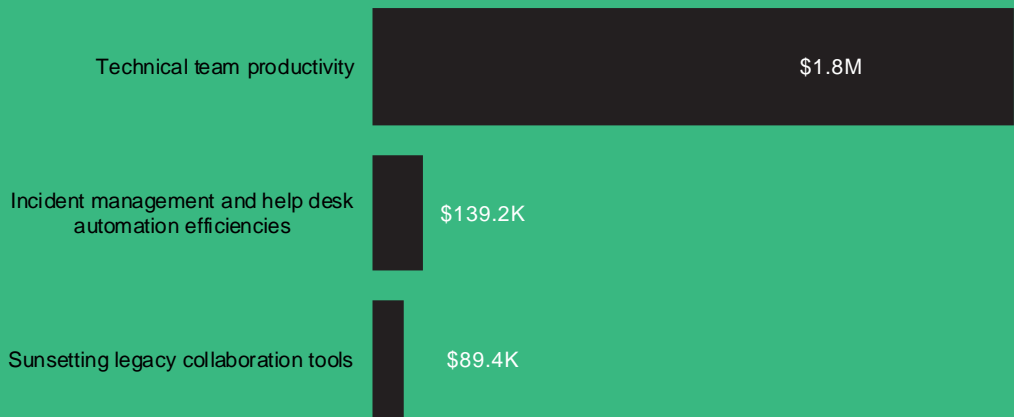
We believe Slack is a valuable tool in our organization as it gives us time back in a well-managed, highly secure way.

— Senior unified communication and collaboration manager, fintech

TEI FRAMEWORK AND METHODOLOGY

From the information provided in the interviews and survey, Forrester constructed a Total Economic Impact™ framework for those organizations considering an investment in Slack for their technical teams.

The objective of the framework is to identify the cost, benefit, flexibility, and risk factors that affect the investment decision. Forrester took a multistep approach to evaluate the impact that Slack can have on an organization's technical teams.

DISCLOSURES

Readers should be aware of the following:

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

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

Slack 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.

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

Forrester fielded the double-blind survey using a third-party survey partner.

DUE DILIGENCE
Interviewed Slack stakeholders and Forrester analysts to gather data relative to Slack's use by technical teams.

INTERVIEWS AND SURVEY
Interviewed five representatives and surveyed 264 respondents at organizations using Slack for their technical teams to obtain data with respect to costs, benefits, and risks.

COMPOSITE ORGANIZATION
Designed a composite organization based on characteristics of the interviewees and survey respondents.

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

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.

KEY CHALLENGES

Forrester interviewed five representatives and surveyed 264 respondents with experience using Slack for the technical teams at their organizations. For more details on these individuals and the organizations they represent, see Appendix B.

Before adopting Slack, interviewees' organizations employed a fragmented approach to communication, relying on separate tools, such as email, chat, and meeting platforms, for specific modes of communication. Email was used for formal written communication, chat tools for informal written exchanges, and meeting tools for virtual meetings. Seventy-one percent of survey respondents were using an alternative collaboration platform tool before choosing to adopt Slack. However, this siloed approach resulted in limited visibility, making it challenging to track the progress and timing of work. It contributed to inefficient workflows, requiring interviewees to repeat manual tasks, and it also led to delayed responses to urgent issues.

The interviewees noted how their organizations struggled with common challenges, including:

- **Limited visibility.** The siloed approach led to limited visibility, making it hard to keep track of how and when work was done. A survey respondent explained, "With communication taking place in disparate tools, it was not easy to keep track of conversations, communicate information, and work effectively due to this dispersion." Another survey respondent noted, "Our processes were not centralized, making it hard for us to exercise control."

- **Inefficient workflows.** Due to the segregation of applications and communication channels, certain tasks had to be manually repeated, leading to inefficiencies. The lack of integration and collaboration between different tools and

platforms created a need for redundant efforts in completing tasks, ultimately wasting time and resources. A survey respondent said, "Our lack of software system integration made processes not flow well."

- **Cumbersome communication.** Interviewees expressed criticism towards email, characterizing it as a manual and unproductive communication tool. They highlighted the labor-intensive nature of email, which often requires significant manual effort for tasks, such as organizing, searching, and managing email threads. The head of technology at the financial services firm said: "If we didn't use Slack, we would be relying heavily on email threads and there's so much more manual setup and maintenance with email. You have to make sure you have the right group, then somebody replies but doesn't hit 'Reply all.' Now, a bunch of people are dropped off the thread and somebody else has to bring them back in. That's the sort of thing that Slack just does so well and automatically."

- **Sluggish responses.** Due to the lack of unified communication threads among members of the interviewees' organizations, there was a delay in coordinating quick responses to urgent issues. Interviewees noted the absence of a centralized platform for communication made it challenging to gather relevant stakeholders promptly and efficiently address time-sensitive matters. This disjointed approach to communication hindered the interviewees' organizations' ability to swiftly rally resources and collaborate effectively during critical situations. A survey respondent said, "We didn't have any good options for sharing ideas and opinions in real time, and that slowed us down."

Another survey respondent noted, "We had difficulty achieving organizational goals because

the execution of the decision-making was done very late."

INVESTMENT OBJECTIVES

The interviewees searched for a solution that could increase productivity and employee engagement and mentioned the following investment objectives:

- Improved communication and collaboration among technical teams through a centralized platform for real-time messaging, file sharing, and collaboration on projects.

- Enhanced productivity of technical teams by streamlining communication, reducing email overload, and enabling efficient information sharing and knowledge transfer.

- Better team coordination and alignment among distributed or remote technical teams so everyone is on the same page and working towards common goals.

- Easily accessible and searchable knowledge for technical teams by preserving discussions, documentation, and shared resources.

> **"It was basically like transitioning from an unorganized environment to a highly governed one."**
>
> *Technical delivery manager, fintech*

The interviewees' organizations selected Slack based on their belief that it would introduce a new and transformative experience for technical users, enabling them to work with greater efficiency. They anticipated that Slack's integration capabilities, workflow automation features, and enhanced collaboration tools would collectively contribute to a more streamlined and productive working environment. The senior unified communication and collaboration manager said, "We wanted the ability to create more than just a chat experience, the ability to create a community, create extensibility, create apps and integrations that allowed the platform to be customized and unlock capabilities."

"Was there a specific catalyst that drove the adoption of Slack within your technical teams?"

A need to improve productivity/efficiency	73.1%
A need to improve employee engagement	62.5%
Cost efficiency	61.9%
A need to improve organizational culture	38.1%
A need to improve communication and collaboration	35.0%
A need to improve the transfer of knowledge	25.6%
Leadership change	23.8%
A need to increase visibility / transparency	20.0%
New internal change initiative	18.8%
A need to communicate with external users or partners	10.0%

Base: 160 worldwide decision-making technology or business stakeholders involved in selecting Slack for implementation
Source: A commissioned study conducted by Forrester Consulting on behalf of Slack, July 2023

COMPOSITE ORGANIZATION

Based on the interviews and survey, 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 the 264 survey respondents, and it is used to present the aggregate financial analysis in the next section.

The composite organization is a global organization with $500 million in annual revenue, 2,000 employees, and 300 technical users of Slack, including developers, engineers, and other IT roles.

Deployment characteristics. In the composite organization, Slack is implemented across all technical users in the first half of Year 1. During Year 1, the technical users embark on building major integrations, leveraging the capabilities of Slack. As the use of Slack matures over time, the composite organization continues constructing integrations and internal workflows with each passing year. By the end of Year 3, the composite organization successfully integrates three to five major tools in addition to internally built applications. Moreover, it recognizes the potential for further integration and workflows across its entire environment in the future.

Key Assumptions

- **Global organization**
- **$500 million annual revenue**
- **2,000 employees**
- **300 technical users of Slack**

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	Technical team productivity	$550,800	$734,400	$918,000	$2,203,200	$1,797,376
Btr	Incident management and help desk automation efficiencies	$48,868	$56,468	$64,068	$169,404	$139,228
Ctr	Sunsetting legacy collaboration tools	$22,000	$44,000	$44,000	$110,000	$89,421
	Total benefits (risk-adjusted)	$621,668	$834,868	$1,026,068	$2,482,604	$2,026,025

TECHNICAL TEAM PRODUCTIVITY

Evidence and data. Technical users in the interviewees' organizations experienced increased productivity after implementing Slack compared to their previous workflows without Slack. The efficiencies they observed included the following:

- **Integrating other applications with Slack increased productivity.** Through the integration of applications in Slack, interviewees noted that technical users witnessed a reduction in context switching and an enhancement in their workflows. By having all the essential tools and services integrated within a unified platform, technical users seamlessly transitioned between different tasks without the need to switch between multiple applications. The head of technology at the financial services said: "We're trying to keep the toolset as minimal as possible. If you're context switching between three different tools, it's still manageable, but more than that, our goal is to move that into a Slack workflow between applications."

- **Technical users automated tasks by building workflows.** Interviewees noted that APIs empowered technical users to develop customized app integrations that provided real-time insights into their cloud environment,

"So many of our tools have been deeply integrated with Slack to the point where if Slack had an outage for an hour or two, everyone would just take the rest of the day off."

Head of technology, financial services

production jobs, and other crucial system statuses. As the main user interface for these applications, Slack consolidated vital system information in one centralized platform. The technical delivery manager at the financial technology (fintech) organization said: "Slack is a prime area where there are APIs. These teams write themselves a bunch of little app integrations to help them with their job. They'll write apps that will give them statuses for what's going on in AWS or what's going on with their production jobs. And Slack is the main user interface for those apps. So, not only are they chatting and collaborating, but they're also getting all the information from their systems in Slack."

- **Using Slack channels for collaboration and knowledge sharing made technical users more efficient.** The interviewees emphasized that technical users saved valuable time by working in Slack channels as it provided a more systematic approach to collaboration and information sharing. The Slack product owner at the software firm said, "In terms of operational efficiency, users can collaborate in a more systematic manner, and all the conversation and file-sharing is all there."

  The same interviewee added: "Slack definitely brought the teams together. Now, technical folks can spin up a channel, add people from other business units, and start collaborating. In the absence of Slack, that would have been in email, and that comes with its own challenges. Once they add a member to the Slack channel, that's where all the collaboration happens. A new person can just go through the entire history of the conversation and then see what was being discussed."

  The head of technology at the financial services firm said: "Slack removes a lot of cognitive overhead for our team. We have our appropriately named channels, so we know where to go to talk about certain subjects. It's all just there, which just creates efficiency for us."

- **The ability to aggregate events in Slack channels saved time.** Interviewees reported that having one channel to aggregate events from various systems facilitated tracking and streamlining software operations. The head of technology at the financial services firm said: "And then for aggregation, we have a lot of different systems running, and we have one channel that's streaming events from these different services, maybe a code change was pushed, or a service has been degraded, or there's an outage with some third party. All of that's happening on one channel. It's really easy

> **"The more tools we move into Slack, the more cognitive overhead is reduced."**
>
> *Head of technology, financial services*

to follow, and it's important for how we operate our software systems."

This interviewee went on to say: "Slack is a really great tool for aggregating all engineering events, both automated system events and various human notifications like letting people know we're taking the application down for an hour to do an upgrade. It just makes more sense in a Slack workspace where it's more asynchronous than email."

- **Software development was more efficient with Slack.** With Slack at the core of their software development practices, the interviewees' organizations were able to streamline and automate processes, allowing for seamless event streaming throughout the software development cycle. The head of technology at the financial services described the integrated flow and emphasized the role of Slack in orchestrating the development process in the following manner:

> **"There's this constant event stream happening in Slack showing how we're moving the work through the workflow pipeline."**
>
> *Head of technology, financial services*

- Planning and ideation discussions occurred in a channel within Slack, involving leadership, key stakeholders, and business stakeholders.

- Ideas were translated into help desk tickets seamlessly integrated with Slack, preserving contextual information.

- Early-stage software development work, such as adding feature ideas or tasks, took place outside of Slack but was consistently tied back to the Slack thread for updates.

- Another Slack channel served as an event stream for the issue tracking tool Slack integrates with, capturing events like ticket creation, comments, description updates, priority changes, and due date modifications.

- Handoff to developers was tracked in Slack with engineers picking up tickets and engaging in conversations within

Slack to provide necessary context and additional notes.

- Real-time collaboration for code reviews took place in Slack, allowing for code sharing, feedback, and discussions.

- Slack acted as the central communication hub during incident response with dedicated channels for discussing incidents and tasks and sharing updates.

- Survey respondents reported an improvement of 8% to 10% in cycle time, build speed, and testing and iteration time.

- **Slack's searchability saved time.** The ability to search in Slack saved time because all relevant information was in one place. The head of technology at the financial services firm said: "The other thing that's great about Slack is search. The fact is that we have this giant historical database of topics. So, if you're new to the team and are trying to set up your computer

"Thinking about the impact of Slack on your organization's software development, to what extent do you agree or disagree with the following statements?"

Statement	Strongly agree	Agree
Increase build speed (for specific user stories)	40.2%	39.4%
Reduce the mean time to resolve bugs	47.0%	22.7%
Improve security and compliance of what we develop	20.5%	46.2%
Reduce cycle time (for sprints/features/products)	22.7%	40.9%
Reduce the mean time to detect bugs	28.8%	33.3%
Reduce testing and iteration time	21.2%	32.6%
Reduce the number of defects in code	6.1%	43.9%
Increase the number of features delivered on time	6.8%	39.4%
Increase the frequency of deployment	16.7%	28.8%

■ Strongly agree ■ Agree

Base: 132 worldwide decision-making stakeholders who said that Slack created efficiencies in software development
Source: A commissioned study conducted by Forrester Consulting on behalf of Slack, July 2023

to use a new code base and it's not working, I can search the error in Slack and, sure enough, somebody else has already encountered this, and there's a whole thread there describing how they fixed it. Those are the sort of efficiencies you don't get with email; you can't search other peoples' email inboxes."

Modeling and assumptions. For the financial model, Forrester assumes the following about the composite organization:

- The organization has 300 technical users like developers, engineers, and IT staff.

- With Slack, each technical user saves on average 1.5 hours per week in Year 1, 2.0 hours per week in Year 2, and 2.5 hours per week in Year 3. This increase in productivity each year is due to the growing number of application integrations, workflows built, and user maturity.

- The fully burdened hourly cost of a technical user is $60.

- Technical users leverage 50% of the time saved for productive tasks.

Risks. The impact of this benefit will vary based on:

- The number of integrated applications each year.

> **"When the change is deployed to production, there is a 'feature announcement' field on the ticket. Its content is automatically posted in a companywide Slack channel, serving as a change log. This process is fully automated, allowing the entire company to stay informed as we release code daily."**
>
> *Head of technology, financial services*

- The total number of technical users in the organization.

Results. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of $1.8 million.

Technical Team Productivity					
Ref.	Metric	Source	Year 1	Year 2	Year 3
A1	Number of technical users	Composite	300	300	300
A2	Time saved per week per technical user (hours)	Interviews and survey	1.5	2.0	2.5
A3	Fully burdened hourly cost of technical user FTEs	TEI standard	$60	$60	$60
A4	Productivity recapture	Composite	50%	50%	50%
At	Technical team productivity	A1*A2*A3*A4*48 weeks	$648,000	$864,000	$1,080,000
	Risk adjustment	↓15%			
Atr	Technical team productivity (risk-adjusted)		$550,800	$734,400	$918,000
	Three-year total: $2,203,200		Three-year present value: $1,797,376		

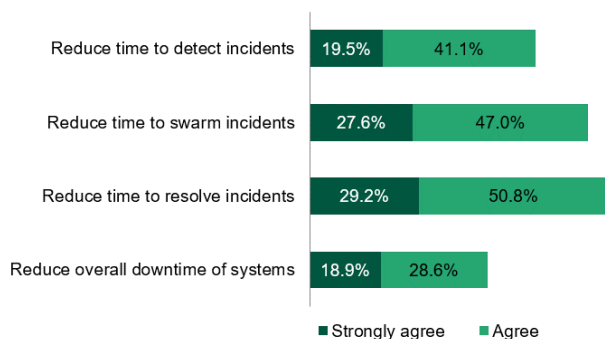## INCIDENT MANAGEMENT AND HELP DESK AUTOMATION EFFICIENCIES

Evidence and data. Interviewees reported that their organizations utilized Slack to collaboratively manage incidents such as major system outages. They also used Slack to automate the response to help desk requests made by end users.

- **Incident management.** Before Slack, incident management involved documenting information in word processing apps and communicating through email, which often led to multiple messages and confusion when adding new team members to the incident management team.

  With Slack, interviewees saved time by streamlining incident management processes through channels. These channels provided a centralized space for exchanging information, documenting plans, triggering workflows, executing actions, and automating previously manual steps. The channels offered the advantage of maintaining an ongoing, permanent record of the incident, facilitating efficient onboarding for new team members to quickly get up to speed.

  Over 50% of survey respondents report a reduction in time to detect, swarm incidents, and resolve incidents:

"Thinking about the impact of Slack on your organization's incident response and management, to what extent do you agree or disagree with the following statements?"

	Strongly agree	Agree
Reduce time to detect incidents	19.5%	41.1%
Reduce time to swarm incidents	27.6%	47.0%
Reduce time to resolve incidents	29.2%	50.8%
Reduce overall downtime of systems	18.9%	28.6%

■ Strongly agree ■ Agree

Base: 185 worldwide decision-making stakeholders who said that Slack helped resolve incidents faster Source: A commissioned study conducted by Forrester Consulting on behalf of Slack, July 2023

The senior IT manager at the software firm said: "By managing incidents in Slack channels, you don't have to worry about informing people there is a problem because everyone is in the channel. You can just work on resolving the issue."

The same interviewee added: "It is a vast improvement from before because it would be done in emails, and then you'd have to wait for someone to reply, acknowledge, and say they understand. On Slack, they can respond back with just a thumbs up. They don't even have to type out words or hit a send button. That adds a lot of value."

This manager noted they use Slack to notify people of the incident through Slack's automation API integrations: "So, we would have other monitoring tools that are monitoring for incidents. What Slack does is notify people of something awry in the monitoring environment that's unlocked through Slack's great automation API integrations that they have available."
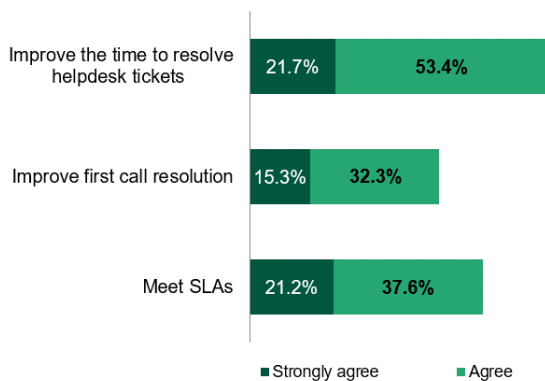
The head of technology at the financial services firm highlighted the convenience of initiating live huddles within Slack to facilitate live conversations and drive progress when immediate discussions were needed: "For incident management, we have a channel called the 'War Room' where any critical issues get posted automatically. We're using a feature in Slack where you can start huddles. So, if we're communicating about an issue and it becomes clear that we need to open a call, you can just click the huddle button, and anybody who is in that channel can jump into the call and help out."

- **Help desk automation.** Before Slack, end users within the interviewees' organizations would submit tickets to the help desk when they required help with a technical issue. The technical support team would then manually open each ticket and work towards resolving the issue.

With Slack, the interviewees' organizations experienced a reduction in labor hours for technical support by implementing automation in response to certain end users' requests. This was achieved through the creation of a help desk support channel in Slack. Users could visit this channel and search for answers to their questions within the database. As more questions were addressed, the channel evolved into a searchable database that end users could access for solutions instead of opening a help desk ticket.

Seventy-five percent of survey respondents reported that Slack improved the time to resolve help desk tickets:

"Thinking about the impact of Slack on your organization's helpdesk services to what extent do you agree or disagree with the following statements?"

Base: 189 worldwide decision-makers who said that Slack helped resolve tickets faster Source: A commissioned study conducted by Forrester Consulting on behalf of Slack, July 2023

The head of technology at the financial services firm said: "Anybody in the company can post their questions or concerns to the channel and technical support will use that channel to triage any IT issues. They usually will respond in threads to each issue, which is helpful because while we do have an IT help desk email address, none of that is public. It becomes sequestered away. And so, in Slack, the Tech Support

channel is helpful because it brings transparency to a lot of that process."

Additionally, the integration of Slack with a bot enabled the automation of help desk tickets. The bot served as a first line of support by providing relevant articles to end users based on their inquiries. The capacity of the bot being able to resolve certain questions resulted in a decrease in the number of help desk tickets opened, leading to saved technical support hours.

The senior IT manager at the software firm said: "There's a Slack channel for the help desk, and you can go in there and ask a question. The first thing that happens is the bot in there will try and see if there's an article related to it, and it'll suggest the article first and foremost. If you don't like that, it'll say, 'Okay, I can open a ticket for you.' If you do like what the bot responded with the knowledge base article and it resolves your question, then you're good. The bot lives inside Slack. It's an add-on integration."

Modeling and assumptions. For the financial model, Forrester assumes the following about the composite organization.

For incident management:

- The composite organization experiences an average of 18 major technical incidents per year.

- The average number of people working on each incident is 12.

- The average number of hours each person spends working per incident is 10.

- The total number of labor hours spent managing incidents is 2,160 per year.

- With Slack, the reduction in time spent managing incidents is 15%. This results in a total of 324 labor hours saved per year.

- The fully burdened hourly cost of developers and engineers is $60.

For help desk automation:

- The organization has a total of 2,000 employees. All 2,000 employees are impacted by the help desk channel searchability and the bot integration with Slack.

- The number of times each employee successfully searches the help desk channel or uses the bot integrated with Slack instead of opening a help desk ticket is on average 2.0 in Year 1, 2.5 in Year 2, and 3.0 in Year 3.

- The number of support tickets avoided per year per employee is due to these automations.

- This results in a total of 4,000 avoided support tickets per year in Year 1, 5,000 in Year 2, and 6,000 in Year 3 due to the use of the support bot integrated into Slack.

- The average cost to resolve a help desk ticket is $16.

- Half of this benefit is attributable to Slack as the delivery interface of the support bot capability and help desk channel.

Risks. The impact of this benefit will vary based on:

- The number of incidents per year.

- The severity of each incident, which drives the number of people working on each incident and the number of hours spent working on each incident.

- The level of productivity gained by using Slack for incident management.

- The degree to which employees use the help desk channel search function and bot instead of opening a help desk ticket.

Results. To account for these risks, Forrester adjusted this benefit downward by 5%, yielding a three-year, risk-adjusted total PV of $139,200.

"The benefit of Slack is its ability to integrate with various tools, processes, procedures, and workflows to further accelerate our ability to resolve an incident by gathering and consolidating data and having workflows trigger various steps in an incident to further automate the manual steps. This allows the team to focus on the more important thing, which is resolving the incident."

*Senior unified communication and collaboration manager, fintech*

Incident Management And Help Desk Automation Efficiencies

Ref.	Metric	Source	Year 1	Year 2	Year 3
B1	Average number of major technical incidents per year	Survey	18	18	18
B2	Average number of people working on each incident	Survey	12	12	12
B3	Average labor hours spent per person per incident	Survey	10	10	10
B4	Total labor hours managing incidents per year	B1*B2*B3	2,160	2,160	2,160
B5	Reduction in time spent managing incidents with Slack	Survey	15%	15%	15%
B6	Total labor hours saved managing incidents with Slack	B4*B5	324	324	324
B7	Fully burdened hourly cost of a developer and engineer FTEs	TEI standard	$60	$60	$60
B8	Subtotal: Cost savings due to incident management efficiencies	B6*B7	$19,440	$19,440	$19,440
B9	Number of employees	Composite	2,000	2,000	2,000
B10	Number of support tickets avoided per year per employee due to the use of the support bot integrated into Slack	Composite	2.0	2.5	3.0
B11	Total number of avoided help desk tickets per year	B9*B10	4,000	5,000	6,000
B12	Average cost of a help desk ticket	Composite	$16	$16	$16
B13	Attribution to Slack as the delivery mechanism	Composite	50%	50%	50%
B14	Subtotal: Cost savings due to help desk automation efficiencies	B11*B12*B13	$32,000	$40,000	$48,000
Bt	Incident management and help desk automation efficiencies	B8+B14	$51,440	$59,440	$67,440
	Risk adjustment	↓5%			
Btr	Incident management and help desk automation efficiencies (risk-adjusted)		$48,868	$56,468	$64,068
	Three-year total: $169,404		**Three-year present value: $139,228**		

SUNSETTING LEGACY COLLABORATION TOOLS

Evidence and data. After implementing Slack, some of the employees' organizations discontinued the use of other collaboration tools.

One-third of survey respondents reported being able to discontinue the use of other software tools:

"When your organization implemented Slack, were you able to discontinue the use of any other software tools or applications that Slack replaced?"
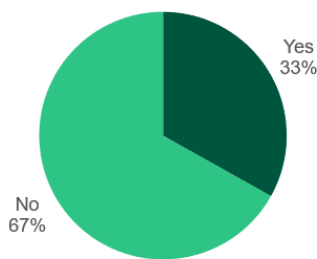
Base: 157 worldwide decision-making technology or business stakeholders   Source: A commissioned study conducted by Forrester Consulting on behalf of Slack, July 2023

Modeling and assumptions. For the financial model, Forrester assumes the following about the composite organization:

- Annually, $55,000 is spent on collaboration software licenses that can be sunset after implementing Slack.

- The cost savings in Year 1 is $27,500 because the organization discontinues the use of the prior tools by the second half of Year 1 after implementing Slack.

- The cost savings in consecutive years is $55,000 per year.

Risks. The impact of this benefit will vary based on the number of collaboration tools used prior to Slack that can be discontinued.

Results. To account for these risks, Forrester adjusted this benefit downward by 20%, yielding a three-year, risk-adjusted total PV of $89,400.

Sunsetting Legacy Collaboration Tools					
Ref.	Metric	Source	Year 1	Year 2	Year 3
C1	Cost savings from sunsetting legacy tools	Composite	$27,500	$55,000	$55,000
Ct	Sunsetting legacy collaboration tools	C1	$27,500	$55,000	$55,000
	Risk adjustment	↓20%			
Ctr	Sunsetting legacy collaboration tools (risk-adjusted)		$22,000	$44,000	$44,000
	Three-year total: $110,000		Three-year present value: $89,421		

UNQUANTIFIED BENEFITS

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

- **Increased social benefits.** The head of technology at the financial services firm said: "On a social level, it's been really important to us — the fact that anybody can go in and connect with their peers. One of the engineers created this gaming channel and a bunch of people from the company joined, and we're like 'We have similarities with these people that we work with that we didn't know before.' It creates a social network internally and it's great for morale."

- **Improved employee experience.** Slack makes the overall work experience more enjoyable. The head of technology at the financial services firm said: "We have engineers all over the world, and it's become very important to us to have a space where we can connect with each other. We typically will start our day whenever somebody signs on, they say 'Good morning, how's everyone doing?' And, then there's a conversation, which helps the feeling of connection with our peers."

- **Provided a single source of truth.** The head of technology at the financial services firm said: "We rely on Slack to give us a space to have conversations in public. Somebody goes out on vacation or they're out sick and miss some important conversation. It's all right there in Slack. In fact, we have this soft rule with our engineering team that any conversation that happens on [our videoconferencing platform] needs to be summarized and recapped somewhere in Slack so it's available."

- **Increased transparency and accountability due to public channels.** The head of technology at the financial services firm said: "Adopt Slack early and embrace it in as many ways as you can. Build some good practices around using Slack by creating dedicated topic channels and creating a culture of transparency. That means discouraging certain conversations from being in DMs when they should be in a channel, and discouraging topic channels from being private unless they have really sensitive information. Just embrace the transparency that Slack provides."

- **Improved collaboration with other departments.** The Slack product owner at the software firm said: "Slack definitely brought the teams more together, so instead of having silos and fragmented teams, now technical folks can spin up a channel and invite any folks from various other business units and start collaborating with them. Once they add anyone to the Slack channel, essentially that's where all the collaboration happens. A new person can just go through the entire history of the conversation and then see what was being discussed."

- **Increased ability to communicate externally in a rapid and secure way.** The senior unified communication and collaboration manager said: "I think the benefit is two-fold. The first is the ability for our internal teams to communicate in a rapid way that is secure and managed. And then secondly is the ability for us to partner with and connect to external people outside our company in a very rapid way as opposed to email."

FLEXIBILITY

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

- **Increased opportunities in AI.** The senior unified communication and collaboration manager said: "The whole concept of AI and generative products, large language models, with the lens of security, safety, and privacy, we are definitely looking at those kinds of opportunities. Potentially Slack could fall very nicely in those

areas ensuring that we can do it in a secure way."

- **Adopted by the entire enterprise.** The senior unified communication and collaboration manager said: "We decided to make Slack an enterprise app because our team has the ability to partner with our cyber, risk, legal, compliance, and data exfiltration teams to ensure that we have a well-managed, highly secure, and appropriately auditable solution that small workgroup teams weren't prepared to take on at an enterprise level." The same interviewee added, "We quickly recognized the value and capabilities of Slack and then moved to establish an enterprise management of it after it started growing."

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

Analysis Of Costs

Quantified cost data as applied to the composite

Total Costs

Ref.	Cost	Initial	Year 1	Year 2	Year 3	Total	Present Value
Dtr	Slack subscription costs	$0	$47,250	$47,250	$47,250	$141,750	$117,504
Etr	Internal costs for implementation and maintenance	$29,808	$143,520	$143,520	$143,520	$460,368	$386,721
	Total costs (risk-adjusted)	$29,808	$190,770	$190,770	$190,770	$602,118	$504,225

SLACK SUBSCRIPTION COSTS

Evidence and data. Slack structured its annual subscription costs based on a weighted average of its user base and type of plan selected.

Slack offered professional services including custom launch, usage optimization, business process transformation, and managed services to support customers to get more value from Slack.

Modeling and assumptions. For the financial model, Forrester assumes the following about the composite organization:

- The composite organization does not utilize the aforementioned professional services.

- 300 technical users of Slack.

- Subscription costs are $150 per user per year.

Risks. Annual fees to Slack will vary based on the number of users and the type of plan selected.

Results. To account for these risks, Forrester adjusted this cost upward by 5%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of $117,500.

Slack Subscription Costs

Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
D1	Number of technical users	Composite		300	300	300
D2	Subscription cost per technical user	Slack		$150	$150	$150
Dt	Slack subscription costs	D1*D2	$0	$45,000	$45,000	$45,000
	Risk adjustment	↑5%				
Dtr	Slack subscription costs (risk-adjusted)		$0	$47,250	$47,250	$47,250
	Three-year total: $141,750			**Three-year present value: $117,504**		

INTERNAL COSTS FOR IMPLEMENTATION AND MAINTENANCE

Evidence and data. The interviewees' organizations incurred costs for the implementation of Slack as well as its ongoing maintenance.

The implementation period required planning best practices for the use of Slack, which included environment configuration, permissions, policy development, group and room setup, and training.

Once implemented, the maintenance associated with Slack consisted of building and supporting integrations and the periodic maintenance and support of channels.

Modeling and assumptions. For the financial model, Forrester assumes the following about the composite organization.

For implementation:

- The planning phase takes a total of two months.

- Three IT staff spend 20% of their time planning activities.

- The actual implementation for all 300 technical users takes two months.

- One IT staff spends 75% of their time working on the implementation.

- The fully burdened monthly costs for the IT staff planning and conducting the implementation is $9,600.

> **"I work with my Slack CSM [customer service manager] every day. It's like we work for the same company. They're very easy to work with, and anytime we want to do something, we put it out to them, and they give us suggestions."**
>
> *Slack product owner, software*

For maintenance:

- Multiple people are involved in building and maintaining integrations and maintaining Slack channels. The aggregate investment is equivalent to one IT FTE.

- The fully burdened annual cost for one IT FTE is $124,800.

Risks. The impact of this benefit will vary based on:

- The number of technical users adopting Slack.

- The number of applications integrated with Slack.

Results. To account for these risks, Forrester adjusted this cost upward by 15%, yielding a three-year, risk-adjusted total PV of $387,000.

Internal Costs For Implementation And Maintenance

Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
E1	Time required for planning implementation (months)	Interviews	2			
E2	Number of IT staff involved in planning implementation	Interviews	3			
E3	Percentage of IT staff time allocated to planning implementation	Interviews	20%			
E4	Fully burdened monthly cost of an IT FTE	A3*160	$9,600			
E5	Subtotal: Costs for planning implementation	E1*E2*E3*E4	$11,520			
E6	Time required for conducting implementation (months)	Interviews	2			
E7	Number of IT FTEs conducting implementation	Interviews	1			
E8	Percentage of IT FTE's time allocated to conducting implementation	Interviews	75%			
E9	Fully burdened monthly cost of an IT FTE	A3*160	$9,600			
E10	Subtotal: Costs for conducting implementation	E6*E7*E8*E9	$14,400			
E11	Number of IT FTEs building and maintaining integrations and maintaining Slack channels	Survey		1	1	1
E12	Fully burdened annual salary for developer and engineer	A3*2,080		$124,800	$124,800	$124,800
E13	Subtotal: Maintenance costs	E11*E12		$124,800	$124,800	$124,800
Et	Internal Costs for Implementation and Maintenance	E5+E10+E13	$25,920	$124,800	$124,800	$124,800
	Risk adjustment	↑15%				
Etr	Internal Costs for Implementation and Maintenance (risk-adjusted)		$29,808	$143,520	$143,520	$143,520
	Three-year total: $460,368			**Three-year present value: $386,721**		

Financial Summary

CONSOLIDATED THREE-YEAR RISK-ADJUSTED METRICS

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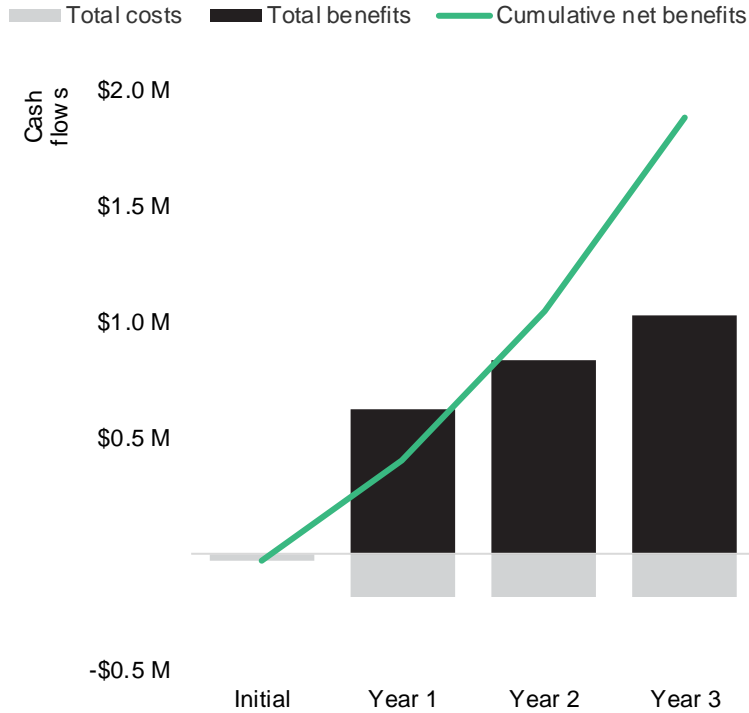
The financial results calculated in the Benefits and Costs sections can be used to determine the ROI, NPV, and payback period for the composite organization's investment. Forrester assumes a yearly discount rate of 10% for this analysis.

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	($29,808)	($190,770)	($190,770)	($190,770)	($602,118)	($504,225)
Total benefits	$0	$621,668	$834,868	$1,026,068	$2,482,604	$2,026,025
Net benefits	($29,808)	$430,898	$644,098	$835,298	$1,880,486	$1,521,800
ROI						302%
Payback						<6 months

Appendix A: Total Economic Impact

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

TOTAL ECONOMIC IMPACT APPROACH

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

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

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

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

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

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

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

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

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

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

Appendix B: Interview And Survey Demographics

Interviews		
Role	**Industry**	**Region**
Head of technology	Financial services	Headquartered in the US
• Senior unified communication and collaboration manager • Technical delivery manager	Fintech	Headquartered in the US
• Senior IT manager • Slack product owner	Software	Headquartered in the US

Survey Demographics

"In which country are you located?"
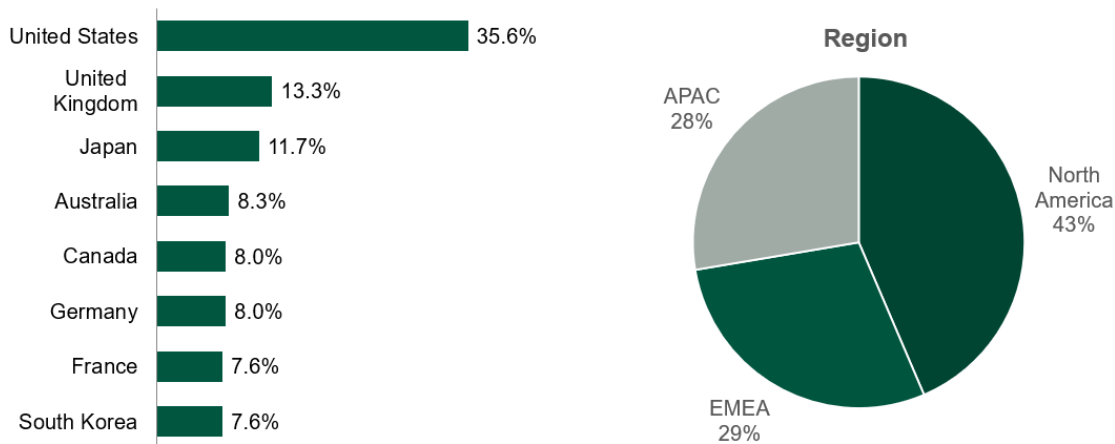
Base: 264 worldwide decision-making technology or business stakeholders involved in implementing Slack at their organization
Source: A commissioned study conducted by Forrester Consulting on behalf of Slack, July 2023

"Using your best estimate, how many employees work for your firm/organization worldwide?"
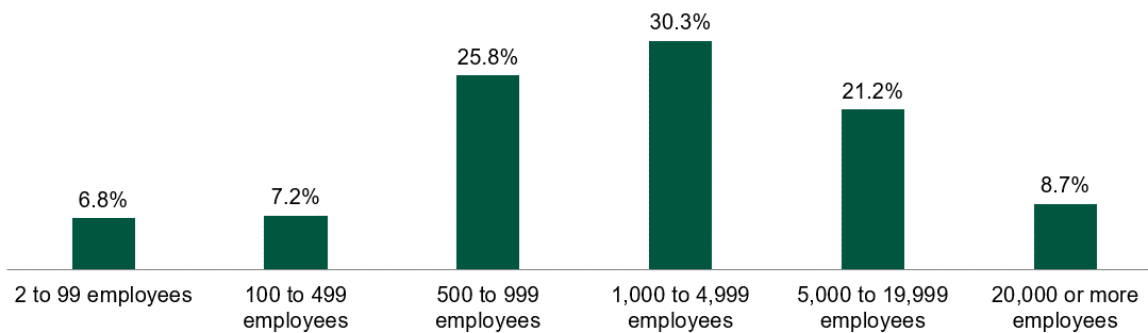
Base: 264 worldwide decision-making technology or business stakeholders involved in implementing Slack at their organization
Source: A commissioned study conducted by Forrester Consulting on behalf of Slack, July 2023

"Which of the following best describes the industry to which your company belongs?"

Industry	Percentage
Technology and/or technology services	11.0%
Financial services and/or insurance	10.2%
Manufacturing and materials	8.3%
Retail	7.2%
Healthcare	6.8%
Construction	6.4%
Business or professional services	5.7%
Telecommunications services	5.3%
Consumer product goods and/or manufacturing	4.9%
Energy, utilities, and/or waste management	4.5%
Transportation and logistics	4.5%
Advertising and/or marketing	4.2%

Base: 264 worldwide decision-making technology or business stakeholders involved in implementing Slack at their organization
Note: Out of a total of 18 industries, the twelve largest participating industries are represented in this chart
Source: A commissioned study conducted by Forrester Consulting on behalf of Slack, July 2023

"Which departments within your organization are currently using Slack?"

Department	Percentage
IT	72.7%
Operations	60.6%
Sales	53.8%
Customer experience (CX)	50.4%
Finance/Accounting	42.8%
Data sciences / analytics	38.6%
Customer service	37.9%
Engineering	36.4%
Research and development	34.5%
Project management	32.2%
Supply chain	25.8%
Compliance	25.4%
Marketing, advertising, or public Relations	20.8%
Procurement	20.1%
Human Resources	17.4%
Product management	17.0%

Base: 264 worldwide decision-making technology or business stakeholders involved in implementing Slack at their organization
Source: A commissioned study conducted by Forrester Consulting on behalf of Slack, July 2023

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.

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