

How to achieve a 3X ROI with Slack



Table of contents

Introduction	3
Save time and money by reducing meetings	5
Collaborate in real time with Slack	7
Cut the costs and risks of email	9
Communicate securely with Slack	11
Engage employees to maximize productivity	14
Empower your workforce with Slack	16
Improve the customer experience by increasing collaboration	19
Offer premium customer service with Slack	21
Discover what Slack can do for you	23



Chapter 1

Introduction

Love it or hate it, remote work has become a major part of the business landscape in the past year, and it's not going anywhere.

Over 80%* of business leaders surveyed by Gartner plan to have at least a partially-remote workforce moving forward. (*[Gartner](#))

That puts the pressure on chief information officers (CIOs) to solve not only the technical problems of the company—security, compliance, efficiency—but also the human problems that face a distributed workforce. Our new remote reality makes collaboration tools more important than ever before. These tools are the employee experience now, and affect everything from culture and employee engagement to operating costs and customer loyalty.

That's why **58% of CIOs** cite implementing digital collaboration and workplace tools as one of their top 5 priorities* for 2020. (*[COVID-19 CIO Pulse Survey](#), PwC)

This is where digital transformation comes in—for many IT leaders, the traditional tools just aren't working anymore.

The term transformation here is deliberate. We can't just move traditional work behaviors online and expect better results. Meetings held via video conferencing are still inefficient. One-to-one conversations that take place on chat still obscure the flow of information.

Instead of copy-and-pasted office behavior, Slack offers a new paradigm for collaboration that's native to the digital workplace. And the bottom-line benefits can't be ignored.

A commissioned study* conducted by Forrester Consulting on behalf of Slack zeroed in on these benefits for teams who switched to Slack from email and chat. Moving away from these siloed communication methods led to substantial—and measurable—gains in productivity.

In their report, *The Total Economic Impact of Slack*, Forrester found technical teams that use Slack see a **3X return on investment overall** (*[The Total Economic Impact of Slack](#), Forrester), as well as more specific benefits on the front lines.



For example, 87% of organizations saw improved developer productivity within their team, and 88% reported an increase in their company’s ability to adapt to change.

Faster decision-making, better employee experience, and more efficient business processes are just a few of the advantages that come with a transformed approach to collaboration.

Let’s take a deeper look at why our businesses need this paradigm shift now more than ever—and how Slack is reinventing work across industries.



Chapter 2

Save time and money by reducing meetings

Meetings are staples of the knowledge worker experience, but are they the most effective way to collaborate? The majority of professionals say no. Sixty-two percent of workers cite wasteful meetings as the **number one barrier*** to getting work done. (*[The state of work report 2019](#), Workfront)

For too long, this has been “business as usual.” But with the increased pressure to cut costs while increasing output in light of the recession, this mode of operation is not sustainable.

To estimate the direct cost of a single meeting, simply multiply the meeting time by the hourly rate of the attendees*

Example



30 minutes meeting (0.50 hours)



\$50/hour



\$50/hour



\$70/hour

$$(\$50 + \$50 + \$70) \times 0.50 = \$85 \quad \text{Cost per meeting}$$

* Participant's fully burdened hourly rate

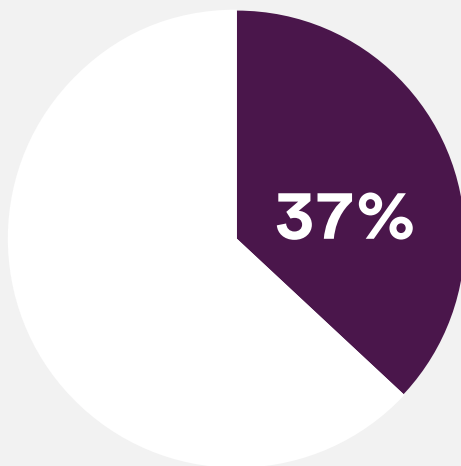


Wasted time due to meetings is estimated to cost over **\$399 billion** annually* in the United States alone. (*[The state of meetings report](#), Doodle) That number seems too big to be true until you consider that professionals spend an average of **2 hours a week*** in meetings they call a waste of their time. (*[The state of meetings report](#), Doodle)

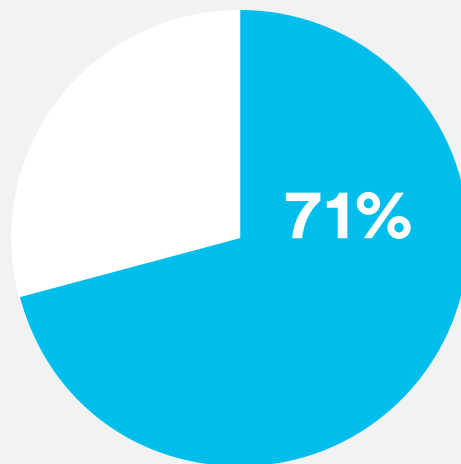
Don't underestimate the impact of cutting even just one regular meeting. In the commissioned report, [The total economic impact of Slack](#), Forrester found that for one company: "eliminating a single executive status meeting had a trickle-down effect of then eliminating status meetings at each branch and level of the organization that supported that single executive status meeting."

This is consistent with a study by *Harvard Business Review*. They found that one company spent **300,000 hours*** a year on one weekly executive meeting. (*[This weekly meeting took up 300,000 hours a year](#), *Harvard Business Review*) This one status meeting needed 162 meetings to support it and involved the efforts of hundreds of workers.

So, if you're looking for a place to start trimming costs, look no further than your calendar. Conference room or conference call, it makes no difference—there's a better, more cost-effective way to collaborate.



More than a third of professionals consider unnecessary meetings to be the biggest cost to their organization.



Nearly two thirds of professionals lose time every week due to unnecessary or cancelled meetings.



Collaborate in real time with Slack

The best meetings give you the information you need to do your job. They clarify next steps and facilitate productive collaboration between different roles and teams.

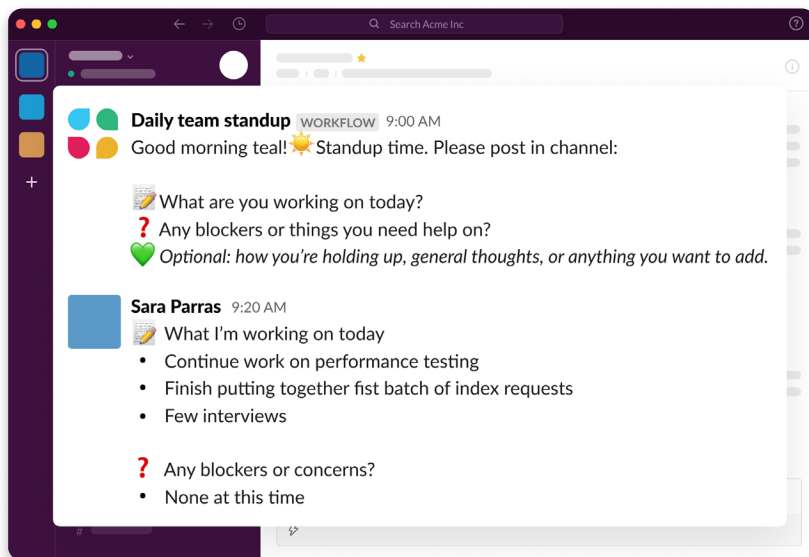
Slack provides those same benefits in real time.

With Slack, communication is organized into channels, which are organized around teams (#sales), projects (#v2.3-deployment), or topics (#incident-management). Channel-based messaging puts the right information, updates and people at your fingertips whenever you need them.

Instead of spending thousands of hours gathering updates and information from various team members, everyone involved in a project collaborates directly within the appropriate channel.

“Slack is like an ongoing meeting. You stop in for the portions that are important to you, and leave the room when you’re done. Free to come and go as you please. If someone needs you, they’ll call you into the room,” says Matthew Taylor, Editorial Project Manager at *The Times* (UK).”

Information-sharing, collaboration and decision-making all happen within these virtual “rooms,” where the conversation is archived and searchable. No more digging through minutes or sending follow-up emails. No more daily standups and status check-ins. With Slack, managers can keep their finger on the pulse of a project with asynchronous updates that save time and better align the team around goals and timelines.



No surprise then that, in a research study sponsored by Slack, IDC found that companies using Slack have **23% fewer meetings*** than other companies. (***The business value of Slack**) For the company we mentioned earlier, that'd be a time savings of **69,000 hours**.

The digital development team at Britain's oldest national daily newspaper, The Times, cut their status meetings by two-thirds when they switched to Slack. Seeing this benefit, other teams quickly adopted Slack as well. The result? The Times staff saw increased alignment company-wide, better visibility into mission-critical projects, and increased efficiency overall.

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“One company noted that eliminating a single executive status meeting had a trickle-down effect of then eliminating status meetings at each branch and level of the organization that supported that single executive status meeting.”

*Source: [The total economic impact of Slack](#), Forrester

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“Companies using Slack have 23% fewer meetings than other companies.”

*Source: [The business value of Slack](#)



Chapter 3

Cut the costs and risks of email

Professionals spend even more time in the inbox than they do in the conference room—an estimated **3+ hours a day*** on average. (***Adobe email usage study**) That's over **37% of the workweek** spent reading, responding to, and deleting emails.

For a single employee with an hourly rate of \$50, email costs \$750 a week.

These estimates don't even account for the time it takes to resume productive work after checking your email. According to a famous study by Dr. Gloria Marks (of University of California, Irvine), it takes **23 minutes and 15 seconds*** to reclaim your focus after an interruption (such as checking your email). (***Too many interruptions at work?**, *Gallup*)

Email is fundamentally inefficient, and that's the problem. Most organizations rely on it, but it's riddled with bottlenecks, delays and communication pitfalls.

Worse, **email presents a major security vulnerability.**

Common causes of email inefficiency



Project information and updates scattered across inboxes



Status updates take time to write and review



Action items take time to identify



Critical information is lost in cluttered inboxes



Key stakeholders not always copied



Conversations can't happen in real time



The hidden costs of email

90%

of data breaches
caused by phishing

\$3.86M

Average cost of data breach

\$12B

Lost to business email scams
each year

Security awareness training explosion, 2017
FBI report: global BEC losses exceeded
US\$12 Billion in 2016, 2018

Even with expensive security software, there's no program that can eliminate human error completely. Sophisticated phishing attacks catch even savvy users, and many employees don't have the training to recognize potentially harmful emails. It's difficult to verify senders, and even firewalls don't catch everything.

90% of data breaches* are caused by phishing (***Security awareness training explosion**)—and the average cost of each data breach is **\$3.86 million***. (***IBM**) These risks drive the cost of email far beyond productivity lost.

These vulnerabilities have only been exacerbated as employees are now working from home en masse. Many work from personal computers and home networks, which lack added security layers and the oversight of in-office devices.

We need a new way of communicating—one that's more efficient, secure, and cost-effective.



Communicate securely with Slack

Like so many other companies, TD Ameritrade struggled with communication silos due to their reliance on email. Employees' access to information depended on their ability to locate the right person. This prohibited the company's ability to scale communication and share knowledge.

For TD Ameritrade, Slack was the natural solution to align their organization and create an efficient digital workplace. By embracing channel-based messaging, TD made company knowledge available to everyone.

"By moving communication to public channels, we removed the subjectivity of sharing information so internal knowledge could scale as needed," said Neal Obermeyer, a senior manager of internal communications at TD Ameritrade.

The net result? TD Ameritrade **cut email usage by 30%** within six months of launching Slack company-wide.

Let's put this in perspective. Take the average employee time spent on email every day (three hours) and multiply that by TD Ameritrade's 10,000 employees. That's an average of 30,000 company hours spent on email **every day**—and 9,000 hours a day saved just by moving to Slack!

3 hours on email daily x 10,000 employees =
30,000 company hours spent on email daily

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Slack has become the backbone for facilitating secure collaboration and social connection across our enterprise. We've seen a significant reduction in email usage, and teams are communicating more effectively.”

Vijay Sankara
CIO, TD Ameritrade



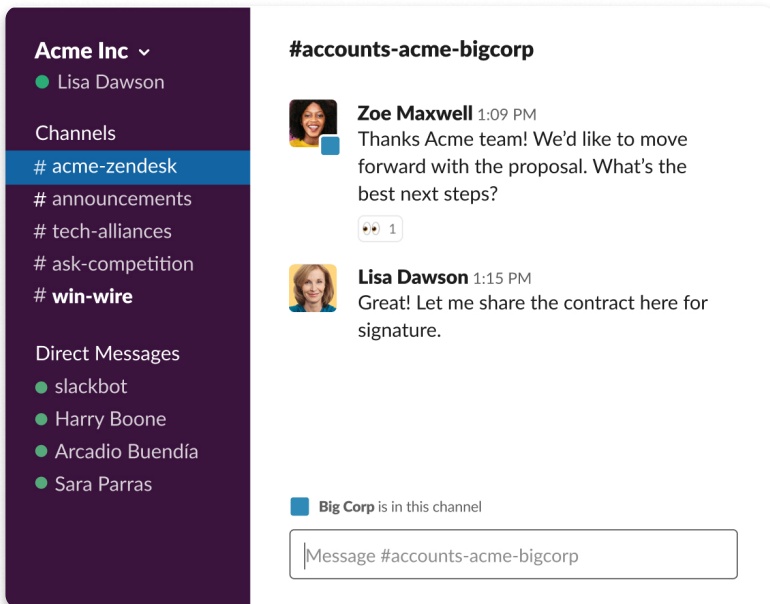
In fact, Forrester* found that the added productivity companies experience from reducing email and meetings averages **\$2.1 million** (over three years).

Slack reduces email volume by an average of 32%

*Source: [The Business Value of Slack](#), IDC

That doesn't even take into account the value of increased security that Slack provides over email. Slack's enterprise-grade security and compliance standards protect your internal communications, while moving the bulk of your team communication to a secured, monitored environment.

And with **Slack Connect**, you have that same security, speed and transparency with external communications.



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As someone that's been doing security for about 15 years, I'm not going to say I don't like email. It's just, we use it because we're so used to it. Whereas with Slack Connect, you're in an environment where you're in control. You can review and audit interactions happening with the information and all the files are also secured within your environment.”

Ty Sbano
Chief security and trust officer, Sisense



Slack Connect allows you to create a secured Slack channel for trusted partners, vendors and customers. You're in complete control of all external Slack channels. Identities must be verified before a user is allowed access to your external Slack channel, and admins on both sides must approve all requests. In addition, admins have full permissions and monitoring control over all communications.

By moving the bulk of your communication to a secured channel with verified senders, you dramatically reduce your organization's exposure to phishing and spam—while at the same time supercharging collaboration.

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Next step: calculate the impact of email on your organization



Calculate weekly time spent on email

$$\text{(Number of employees)} \times 3 \times 5 = \text{Average weekly time spent on email}$$



Calculate potential time savings from using Slack

$$\text{(Average weekly time on email)} \times 0.23 = \text{Time savings from Slack}$$



Calculate average weekly cost of email use

$$\text{(Average fully burdened hourly rate)} \times \text{(Average weekly time on email)} = \text{Average weekly cost of email}$$



Calculate potential email cost savings from using Slack

$$\text{(Time savings from Slack)} \times \text{(Average fully burdened hourly rate)} = \text{Cost savings estimate}$$



Chapter 4

Engage employees to maximize productivity

85% of employees are disengaged at work* —which means their minds are wandering, their feet are dragging, and their resume is ready for new opportunities. (*[Building a high-development culture through your employee engagement strategy](#), Gallup)

This isn't an issue for managers alone. It's a systemic problem that costs companies billions of dollars every year. According to Gallup, disengaged employees **cost the U.S. \$483 billion to \$605 billion*** each year in lost productivity alone. (*[State of the american workplace](#), Gallup)

That's not even counting the costs of turnover. On average, the cost to replace an employee is roughly **50% of that employee's salary***. (*[Calculating the cost of employee turnover](#), G&A Partners) For enterprises with thousands of employees, those costs add up quickly.

Engaged employees, on the other hand, have been shown to not only cut these costs, but to actually boost their company's bottom line.

As a hypothetical example, let's take a software company with 5,000 employees. The average annual turnover rate in tech* is 13.2%, and the average salary is around \$100,000.

In this scenario, you're looking at 660 employees churning every year, with associated costs totaling an average of \$33 million.

*Source: [These 3 industries have the highest talent turnover rates](#), LinkedIn



Companies that ranked in Gallup's top quartile of employee engagement saw **23% more profitability*** than those in the bottom quartile. The companies also saw significant reductions in turnover rates in both high- and low-turnover industries. (***Employee engagement and performance: latest insights from the world's largest study**, Gallup)

This data gives us a strong “carrot and stick” scenario when it comes to engagement: engaged employees work harder and are less likely to leave. Disengaged employees siphon company resources and eventually cost you in turnover as well.

Employee engagement isn't just for companies who want good press—it's essential to running a profitable business. And while this may seem like HR's territory, the shift towards remote work has made this an IT problem as well. The right software is key to creating an engaging digital work environment.

{Number of employees} x
{average annual turnover rate} x
[{Average salary} x 0.50] =
average yearly cost of turnover in your organization.



Empower your workforce with Slack

Three factors have been proven time and again to raise employee satisfaction and engagement: ownership, recognition, and connection.

Slack helps companies build work cultures that support these engagement factors. In fact, Slack users are **10% more satisfied*** with their workplace than non-Slack users. (*[The future of work](#), Slack)

To make good decisions and own their work, employees need access to the right information and people. A person can't experience ownership when they must constantly rely on managers, peers or IT to provide them with information and permissions. **Slack empowers employees** by decentralizing information and opening access to project stakeholders.

Kakuichi, a Japanese manufacturing enterprise, used Slack to revolutionize their internal communication. Before Slack, Kakuichi had a one-to-one communication style, relying on phone, email, in-office conversations and even fax.

When Kakuichi moved to Slack, the company saw employees become proactive agents in company growth—leading to a **4x increase in decision-making speed**.

This kind of open communication also helps **employees feel more connected at work**. Slack creates a virtual office where employees can interact with the company in both formal and informal ways, even without a physical office.



Ownership

Employees want more control over their work.



Recognition

Employees want to see their hard work appreciated and rewarded.



Connection

Employees want to feel like part of a team and a mission.



For popular CRM provider HubSpot, Slack has been critical in building a world-class work culture. HubSpot leverages employee resource channels to foster community and to remove barriers between departments, locations and roles.

“Slack is a technology that helps us fill that gap, virtually and globally, to make sure we’re removing any lack of transparency throughout the organization and delivering on our [culture] promise,” says Katie Burke, HubSpot’s Chief People Officer.

Hubspot isn’t alone. Our Future of Work study found that 88% of Slack users believe that **Slack keeps them connected to coworkers**, while 87% say that Slack has a positive impact on work relationships.

The transparent nature of Slack makes it far easier to track employee contributions and publicly recognize achievements. People who feel like their ideas, suggestions and contributions matter are far more likely to feel engaged and motivated at work.

Kakuichi leverages a Slack integration with the employee engagement platform **Unipos** to encourage a culture that celebrates achievement. Coworkers can give each other shout outs and “points” that affect things like performance reviews and bonuses. This motivates employees to do their best work

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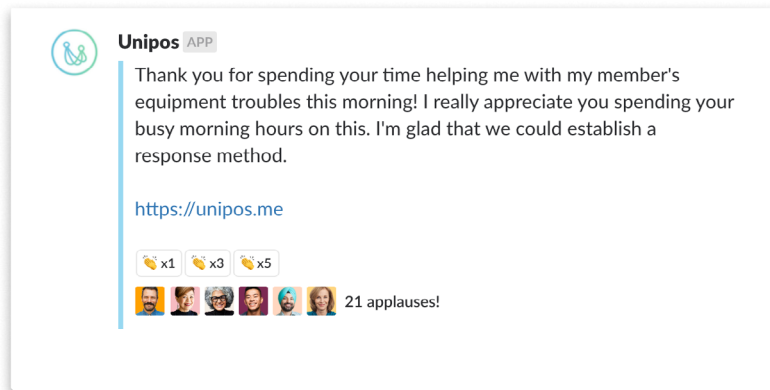
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Katie Burke
Chief people officer, HubSpot

Slack users are 10% more satisfied with their workplace than non-Slack users.

*Source: [The future of work](#), Slack





Cvent, a virtual events platform provider, has made celebrating wins a part of the everyday employee experience. Their Slack channel **#sales-successes** celebrates daily wins. Executives use the channel to publicly congratulate employees, which has been a huge part of developing Cvent's culture of success.

The effects of Slack on employee engagement go beyond existing employees. Slack is now viewed as a key factor for **70% of workers*** when evaluating a job offer. For context, this means that Slack availability is seen as a more important benefit than a fitness stipend (62%), catered lunches (59%), and weekly happy hours (57%). (***The future of work**, Slack)

A connected workplace is a more human and engaging workplace. Slack gives you the tools you need to build a culture that engages your workforce—and delivers the bottom-line benefits of satisfied employees.



Chapter 5

Improve the customer experience by increasing collaboration

Expectations for customer service are higher than ever—in fact, **80% of customers*** say their experience with a company is just as important as the company's products and services. (***State of the connected customer**, *Salesforce*)

This translates to new pressures for businesses. In a survey by IDC, **62% of business leaders*** admitted that “consumer expectations are way ahead of our company's ability to change.” (***IDC survey: work transformation challenges**)

One of the barriers to meeting these customer expectations is relatively easy to remedy and yet often overlooked: internal communication.

When internal communication is subpar, so is the customer experience. If your teams aren't collaborating effectively, you'll have slower responses, longer issue resolution times, and more back and forth with customers.

80% of customers say their experience with a company is just as important as the company's products and services.

*Source: **State of the connected customer**, *Salesforce*



For this reason, **71% of customers*** expect your various service teams to collaborate so that they don't have to repeat themselves or get passed from team to team. (*[Zendesk customer experience trends report 2020](#))

This doesn't just affect your customers—**73% of sales leaders*** identify collaboration between sales, marketing and customer service as critical to revenue growth. (*[Zendesk customer experience trends report 2020](#))

But when your teams work in software and communication silos, it's almost impossible to meet these high service expectations. And these silos are common at most enterprise companies.

One survey* found that **teams use 5.6 different project collaboration tools** on average—which often leads to inefficient workflows and data organization between all these different tools. Worse, a quarter of the survey respondents said that no one uses the same tools across teams at their company. (*[Everyone is a project manager](#), Planview)

When customer touchpoint teams have their objectives, data and tools aligned, they can deliver exceptional experiences at every step of the customer journey. To achieve this goal, you must bring your teams together on a single platform, where internal and external workflows can be streamlined.

71% of customers expect your various service teams to collaborate so that they don't have to repeat themselves or get passed from team to team.

*Source: [Zendesk customer experience trends report 2020](#)



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“One of the channels that I find most valuable is account management and engineering. It’s the fastest means to escalation because there are two assigned on-call engineers. You’re able to message within that channel whatever the troubleshooting is that you need for a customer. It’s instantaneous support from engineering that could otherwise take 12 to 24 hours.”

Samantha Lutz

Senior field account manager, Lyft Business

Offer premium customer service with Slack

Slack reaches across team borders to rally your workers around the customer experience. The visibility and access that channels offer empowers teams to tackle issues quickly and productively.

The impact on customer service speaks for itself. Support teams that use Slack see a **31% average reduction*** in ticket resolution time. (***The business value of Slack**) They achieve this through integrations with critical software, easy access to experts and fast escalation workflows.

Rideshare provider Lyft uses a Zendesk integration within Slack to align support, account and engineering teams around user issues. When problems happen, the company is able to bring in the right parties and respond to urgent customer situations almost immediately.

Other businesses are offering premium services for customers using dedicated Slack channels with Slack Connect. Fastly, an edge cloud platform, set up a Slack Connect channel for each of their enterprise clients. By sharing Slack channels, users from Fastly’s team and their clients’ teams work together to:

- Resolve minor issues in a prompt and personal fashion
- Quickly escalate major issues and bring leadership or engineers into the conversation as needed



“Whether it’s debugging with our engineering group or identifying an issue with the network or platform, **the customer is able to see all of these other folks joining in near real time to help solve the issue**, so it feels more collaborative,” says Kim Ogletree, VP of Customer Success, Fastly.

Slack Connect isn’t just helpful for resolving issues in real time. Smartcare, a healthcare billing platform, uses Slack Connect to onboard customers and get them set up for success. For this company, using Slack is key to providing the white-glove service that sets them apart from competitors.

“When our customers are communicating to us through Slack, they see us as real, genuine people, and it has a totally different feel than email does,” says Travis Topham, Co-Founder and Head of Product, Smartcare. “We want our customers to feel like we’re on their team.”

Companies like Lyft, Fastly and Smartcare are able to offer their customers top-tier service because they made cross-functional collaboration a priority for the entire company. Slack’s powerful suite of internal- and external-facing tools facilitates this collaboration, so you can provide a customer experience that exceeds expectations.

Support teams see a 31% average reduction in ticket resolution time when using Slack.

*Source: [The business value of Slack](#)

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Travis Topham

Co-founder and head of product, Smartcare



Chapter 6

Discover what Slack can do for you

Expectations for IT are high, from customers and employees alike—and our fast-changing landscape of work comes with a lot of challenges. But companies who are willing to meet these demands and transform the way they do business will reap the rewards.

Forrester shows a **3X ROI for organizations that use Slack** from improved productivity, greater customer loyalty and reduced organizational costs. (***The total economic impact of Slack**) Those are the benefits of digital transformation—smarter, faster and better work.

There's no room for “business as usual” in the future of work. Let Slack help you reimagine the way you collaborate. Together, we can start building a more profitable, more human workplace today. For more information on how to get acquainted with Slack, **contact our sales team** today.



About Slack

Slack makes work simpler, more pleasant and more productive. It's a channel-based messaging platform for enterprise that brings the right people, information and tools together to get work done. From FTSE 100 companies to corner shops, millions of people around the world use Slack to connect their teams, unify their systems and drive their business forward.



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