

The Total Economic Impact™ Of Slack For Marketing Teams

Through aggregating data from customer interviews and surveys, Forrester concluded that Slack has the following three-year financial impact for marketing teams.



ROI
264%



BENEFITS PV
\$1.58M



NPV
\$1.14M

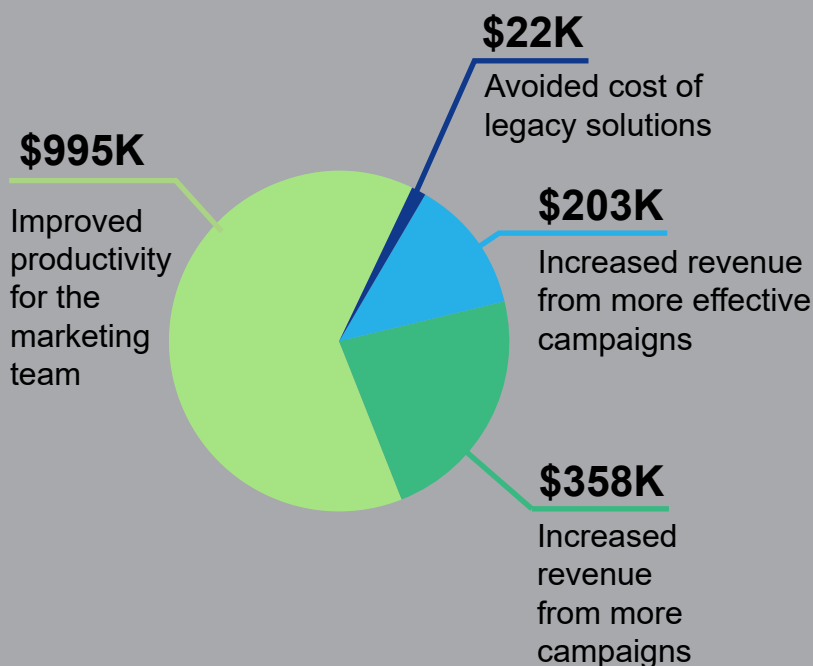


Slack is ... the right balance of fun, easy to use, and engaging, and it's hard to stop using it once you have it.

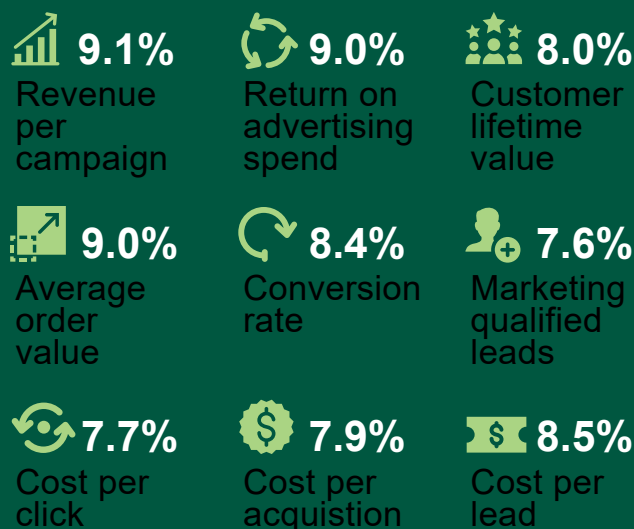
Global head of IT and IT security, productivity application



SUMMARY OF BENEFITS



AVERAGE KPI IMPROVEMENT



Read the full study

This document is an abridged version of a case study commissioned by Slack titled: The Total Economic Impact Of Slack For Marketing Teams, April 2022.

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The Total Economic Impact™ Of Slack For Marketing Teams

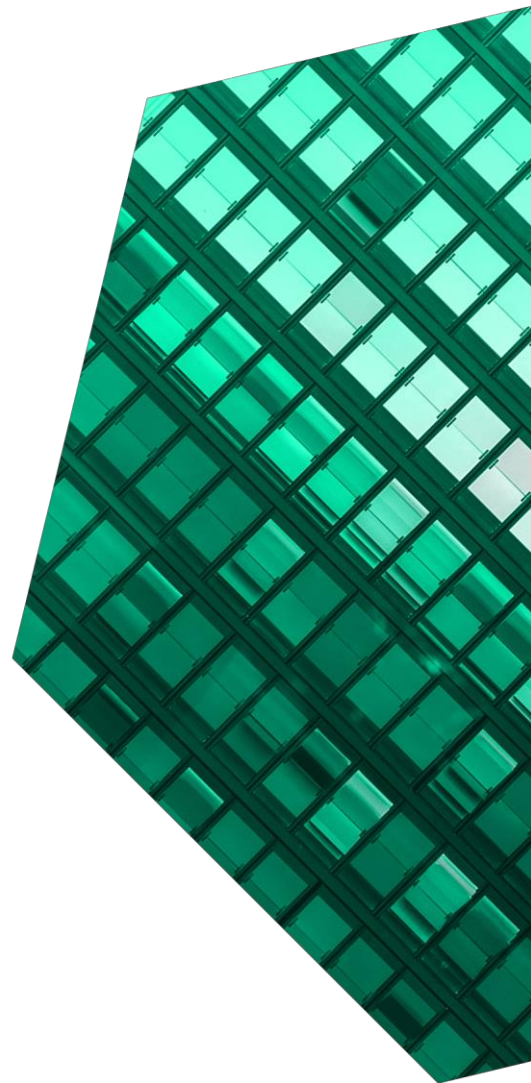
Cost Savings And Business Benefits
Enabled By Slack For Marketing Teams

APRIL 2022

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Consulting Team: Kris Peterson

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Executive Summary

“[With Slack], you’re going to see a marketing team be greater than the sum of its parts. ... You’re going to see more productivity [and] better collaboration, which is going to drive better bottom-line results. You’re also going to see a closer-knit team in terms of morale, diversity, and just positivity.”

Vice president of customer marketing, data security

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

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed six decision-makers and surveyed 577 marketing professionals with experience using Slack for marketing activities. For the purposes of this study, Forrester aggregated the experiences of the interviewed and surveyed decision-makers and combined the results into a single composite organization.

Prior to using Slack, marketing teams used email and a wide variety of disconnected marketing and communication tools. Marketing employees, cross-functional teams, and external partners needing to collaborate struggled with bottlenecks created by in-person meetings and a decentralized workforce spread around the globe. Survey respondents and interviewees looked for a solution that would drive improvements in their marketing efforts, create cost-efficiencies, foster employee experience and culture, and enhance relationships with external partners and customers.

After deploying Slack, the interviewees and respondents reported significant benefits from Slack’s

KEY STATISTICS



Return on investment (ROI)

264%



Net present value (NPV)

\$1.1M

ability to break down silos, automate work, and establish a dynamic digital headquarters for their hybrid workplace.

KEY FINDINGS

Quantified benefits. Risk-adjusted present value (PV) quantified benefits include:

- **Increased productivity of marketing team worth \$995,000.** Slack reduces time spent in meetings and the volume of email for marketing teams. Using Slack to consolidate work efforts and automate recurring tasks saves users 39 minutes per day, which equates to more than eight full-time employees (FTEs) on a 100-person marketing team.

Increased revenue from more campaigns totaling \$358,000. Improved collaboration within the marketing team and across departments produces faster campaign development and

execution, leading to five additional annual campaigns for the composite organization.

- **Increased revenue from more effective campaigns totaling \$203,000.** Through enhanced collaboration across departments and improved access to data, marketing teams create better campaigns that generate 9% more revenue.
- **Avoided cost of legacy solutions at \$22,000.** The composite organization retires old solutions.

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

- **Improved recruiting process.** Survey respondents reported that Slack reduces the time to hire qualified marketing employees by 43%.
- **Improved onboarding process.** Survey respondents indicated Slack reduces the time to onboard and train new hires by 19% and reduces the associated cost by 43%.
- **Improved employee experience.** Interviewees discussed a variety of ways that Slack augmented and improved the employee experience. Survey respondents reported an average increase in employee retention of 34%.

- **Improved hybrid work culture.** Slack is a vital tool for organizations that have work-from-anywhere policies, regardless of whether those policies resulted from the pandemic restrictions.
- **Improved KPIs.** Survey respondents reported improvements in KPIs after deploying Slack, including web traffic, cost per click, cost per lead, cost per acquisition, marketing qualified leads, conversion rate, average order value, customer lifetime value, and return on advertising spend.

Costs. Risk-adjusted PV costs include:

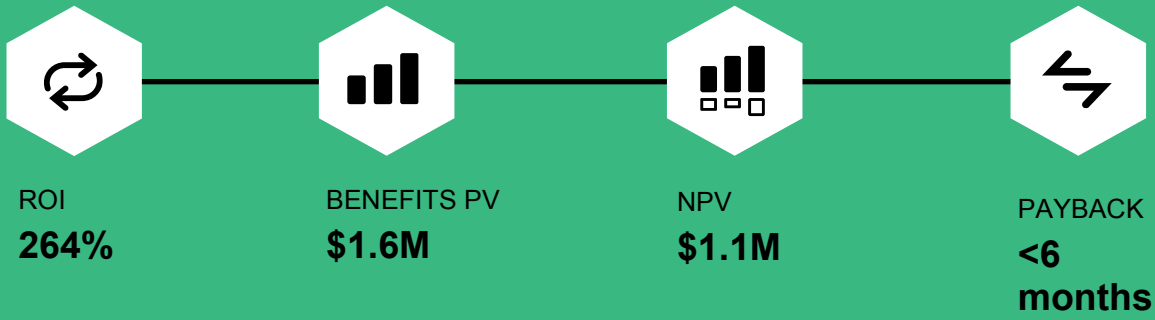
- **Slack license costs.** Slack costs \$150 per user per year, totaling \$41,000 for the composite organization.
- **Internal labor for implementation and maintenance.** Some nominal efforts are needed to deploy Slack, train users, and support and maintain integrations and channels. The value of this time spent by internal employees for the composite organization is \$393,000.

The financial analysis, which is based on the decision-maker interviews and survey, found that a composite organization experiences benefits of \$1.6 million over three years versus costs of \$434,000, adding up to a net present value (NPV) of \$1.1 million and an ROI of 264%.

“Thinking about the impact of Slack on your marketing organization, how much do you agree or disagree with the following statements? Slack ...”



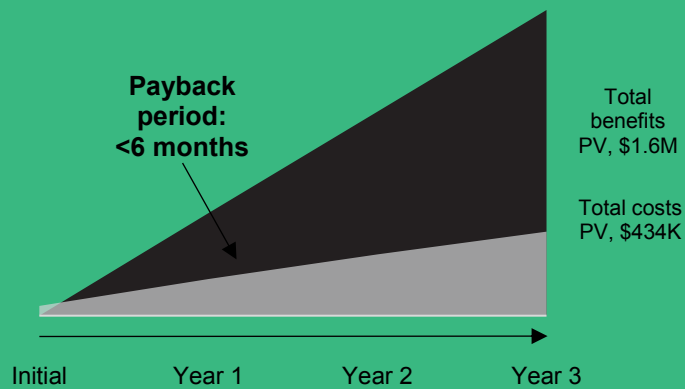
Base: 577 global marketing professionals with experience using Slack for marketing activities
 Source: "The Total Economic Impact™ Of Slack For Marketing Teams," a commissioned study conducted by Forrester Consulting on behalf of Slack, April 2022



Benefits (Three-Year)



Financial Summary



TEI FRAMEWORK AND METHODOLOGY

Using 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 marketing 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 when used by an organization’s marketing 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.

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 for marketing teams.



DECISION-MAKER INTERVIEWS AND SURVEY

Surveyed 577 and interviewed six decision-makers at organizations using Slack for marketing teams to obtain data with respect to costs, benefits, and risks.



COMPOSITE ORGANIZATION

Designed a composite organization based on characteristics of the interviewed and surveyed decision-makers.



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 decision-makers.



CASE STUDY

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

The Slack Customer Journey For Marketing Teams

■ Drivers leading to the Slack investment for marketing teams

KEY CHALLENGES

Forrester interviewed six decision-makers and surveyed an additional 577 users with experience using Slack with their marketing teams. For more details on these individuals and the organizations they represent, see [Appendix B](#).

Prior to deploying Slack, organizations relied on email; a variety of enterprise, consumer, and personal collaboration and communication tools; and physical and digital displays. Marketing employees, cross-functional teams, and external partners faced bottlenecks when collaborating with in-person meetings and a decentralized global workforce. The decision-makers noted how their organizations struggled with common challenges, including:

- **Supporting hybrid work culture.** The increasing decentralization of the workforce has posed challenges for organizations seeking to keep employees engaged and productive while meeting their needs to connect on a more personal level with their colleagues.
- **Dependency on inefficient meetings.** Marketing teams relied on meetings that were often unproductive or delayed to accommodate the schedules of key stakeholders. The vice president of customer marketing said: “You look at people’s calendars ... and it’s insane. We can’t talk about this [for] weeks because one person doesn’t have a slot free.”
- **Shortcomings of legacy communication tools.** Interviewees described email inboxes as “overwhelming,” prone to accumulating irrelevant time-consuming messages, and not conducive to collaborative efforts. The chief marketing officer said, “My email has become ... just a repository of sales pitches.”

“Was there a specific catalyst that drove the adoption of Slack within your group?”

(Multiple responses accepted)



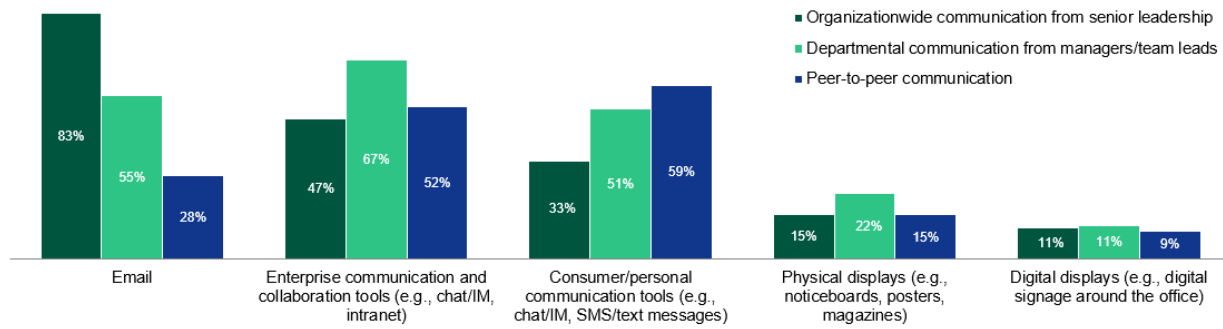
Base: 265 global marketing professionals with experience using Slack for marketing activities

Source: “The Total Economic Impact™ Of Slack For Marketing Teams,” a commissioned study conducted by Forrester Consulting on behalf of Slack, April 2022

“[Slack] is ... the right balance of fun, easy to use, and engaging, and it’s hard to stop using it once you have it.”

Global head of IT and IT security, productivity application

“Prior to using Slack, what were the primary tools used to facilitate various types of communications?”



Base: 577 global marketing professionals with experience using Slack for marketing activities
 Source: “The Total Economic Impact™ Of Slack For Marketing Teams,” a commissioned study conducted by Forrester Consulting on behalf of Slack, April 2022

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 six companies that Forrester interviewed and the 577 users whom Forrester surveyed and is used to present the aggregate financial analysis in the next section. The composite organization has the following characteristics:

Description of composite. The midsize global organization employs 2,000 people and is growing 10% annually across multiple time zones on multiple continents. The marketing team consists of 100 people who rely on a mix of communication and productivity apps to collaborate across the marketing team as well as with other internal and external stakeholders. The marketing team executes 34 campaigns annually with an average campaign revenue of \$293,000.

Usage characteristics. The organization uses Slack with the marketing team and nonmarketing employees who represent key personnel on cross-functional teams, such as sales, finance, product, customer service, and legal.

Key assumptions

- **Global organization growing 10% annually**
- **2,000 employees located in different time zones on multiple continents**
- **100 marketing personnel reliant on a mix of communication and productivity apps**
- **34 annual marketing campaigns**
- **Average campaign revenue of \$293K**

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	Improved productivity of marketing team	\$347,344	\$401,182	\$463,365	\$1,211,891	\$995,456
Btr	Increased revenue from more campaigns	\$144,000	\$144,000	\$144,000	\$432,000	\$358,107
Ctr	Increased revenue from more effective campaigns	\$81,589	\$81,589	\$81,589	\$244,766	\$202,899
Dtr	Avoided cost of legacy solutions	\$8,717	\$8,717	\$8,717	\$26,152	\$21,678
	Total benefits (risk-adjusted)	\$581,650	\$635,488	\$697,671	\$1,914,809	\$1,578,140

IMPROVED PRODUCTIVITY OF MARKETING TEAM

Evidence and data. Interviewees and survey respondents offered many ways in which Slack improved the productivity of marketing teams by reducing time spent on attending meetings, using email, performing routine tasks, managing activities, finding information and stakeholders, and obtaining or pursuing approvals.

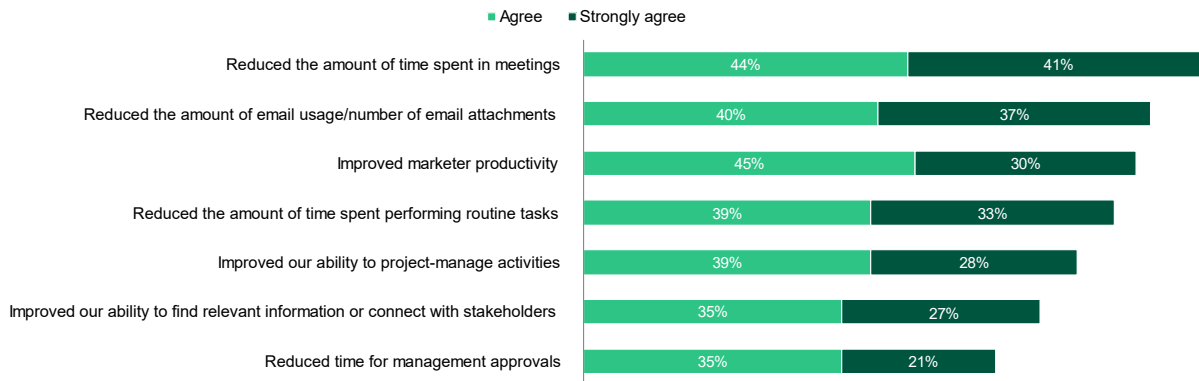
- The vice president of global communications and brand said: “[Slack] definitely helped for contract management and ... [streamlining of] processes with Workflow Builder. [Slack] makes it easier and frictionless. There’s no hassle. It’s just simple. With Workflow Builder, we do way more.”
- The vice president of global communications and brand said: “Before [Slack], people were getting together in a room or just to look at the pieces [of a project]. Now, via Slack, everybody can comment on a piece and give their feedback while not having a meeting to do it. [Slack] minimizes the number of meetings for sure.”
- The vice president of customer marketing said: “We are solving a lot of things without a meeting or without an email thread. [Slack] encourages

people to be more succinct, which just means it’s easier to catch up and work together. An email that’s four pages long is probably four sentences in Slack. We’ve been able to do things quicker because we can use that as our collaboration mechanism.”

“[Slack is] the epicenter of our culture when working from home [and] when we were at the office.”

Vice president of global communications and brand, creative agency

“Thinking about the impact of Slack on your organization's employee experience and productivity in marketing, how much do you agree or disagree with the following statements? Slack ...”



Base: 577 global marketing professionals with experience using Slack for marketing activities
 Source: “The Total Economic Impact™ Of Slack For Marketing Teams,” a commissioned study conducted by Forrester Consulting on behalf of Slack, April 2022

- The chief marketing officer talked about the volume of irrelevant emails: “There’s none of that noise in Slack. There’s a higher level of attentiveness. Slack carries with it more immediacy than email.”
- The vice president of marketing said: “I rely on a lot of Slack channels to stay updated on initiatives that [are] still in planning or production so I don’t have to go to those meetings. I can quickly catch up by just following a Slack thread.”
- Survey respondents indicated that users saved 39 minutes per day using Slack.

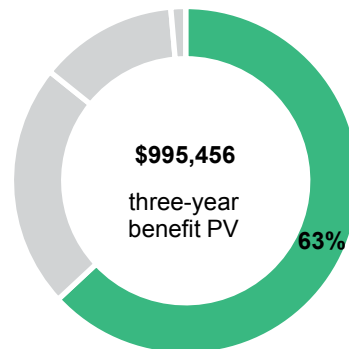
- Fifty percent of the time saved is used for other productive value-added activities.

Risks. The ability of organizations to realize productivity gains through the use of Slack can vary across organizations due to differences in the adoption and usage of Slack by marketing employees.

Results. To account for these risks, Forrester adjusted this benefit downward by 5%, yielding a three-year risk-adjusted total PV (discounted at 10%) of \$995,000.

Modeling and assumptions. Forrester assumes the following in quantifying this benefit for the composite organization:

- The number of Slack users grows 10% per year as the organization grows.
- Slack users save 39 minutes per day.
- Daily time saved grows 5% per year as users become more familiar with Slack’s features and the composite organization continues to integrate more applications into Slack.



Improved Productivity Of Marketing Team					
Ref.	Metric	Source	Year 1	Year 2	Year 3
A1	Marketing team employees	Composite	100	110	121
A2	Average minutes saved per day due to Slack (rounded)	Forrester custom research	39	41	43
A3	Total hours saved per year due to Slack	$A1 \times A2 \times 250 / 60$	16,250	18,769	21,678
A4	Productivity recapture	TEI standard	50%	50%	50%
A5	Fully burdened marketing employee hourly salary	TEI standard	\$45	\$45	\$45
At	Improved productivity for the marketing team	$A3 \times A4 \times A5$	\$365,625	\$422,297	\$487,753
	Risk adjustment	↓5%			
Atr	Improved productivity for the marketing team (risk-adjusted)		\$347,344	\$401,182	\$463,365
Three-year total: \$1,211,891			Three-year present value: \$995,456		

INCREASED REVENUE FROM MORE CAMPAIGNS

Evidence and data. Users reported that key tasks for executing marketing campaigns — project initiation, document collaboration, and review and approval cycle — accelerate with Slack.

- The vice president of global communications and brand said: “I have a lot of approvals to do. Of course we’re multitasking, but it’s really easy to give your approval ... just with a thumbs-up. It makes a big difference for the creative teams [and] for campaigns. It makes it easier and way faster. Instead of waiting for 3 hours for a response, you have it immediately.”
- The vice president of customer marketing said: “If you think of how we collaborate on our [documents], a lot of review cycles have been dramatically cut down because you can see a document, you can share it, and those comments come in Slack. That integration with Slack is fantastic.”

- The vice president of customer marketing said: “The way that we can approach and talk through things doesn’t need to wait a week until you can schedule calendar time. You don’t [need] to have everyone together all at the same time. Slack helps a lot with that because it has the context in the history and it’s quite digestible.”

“Getting timely feedback and timely resolution ... the cycle time is just shorter in Slack. We get things done faster.”

Chief marketing officer, customer experience outsourcer

“[Slack has] helped us be cross-functional at a time when it’s very easy to go into silos. We’ve been more together [with Slack].”

Vice president of customer marketing, data security

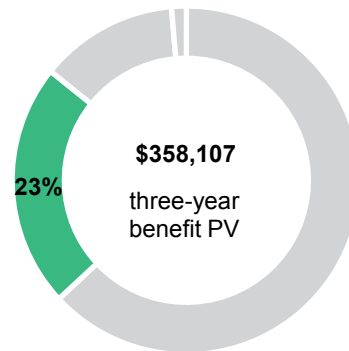
- The director of growth marketing said: “We have a global team — we have a team in Nairobi, Bangkok ... I’m based on the West Coast. I have team members on the East Coast. ... There are times when you might send something off at the end of the day, and in the morning, the people on the East Coast or across the world will have had time to process [the message and] create a response. So by the time I log on, I can [pass] it along. ... We have been able to turn out campaigns faster than if we didn’t have some sort of messaging system between different teams [or] if we were just relying on email.”
- The customer marketing lead said: “If we’re having a discussion and something comes up that’s an action item, a real value for us is that we [can] immediately turn that message into a task, assign it to the relevant person, and move on. We [can] easily make sure that something is being tracked and not getting lost.”
- Survey respondents averaged a 15.9% increase in campaign execution speed, a 15.3% increase in annual campaigns, 34 campaigns per year before Slack, and \$320,000 in campaign revenue with Slack.

Modeling and assumptions. Forrester assumes the following in quantifying this benefit for the composite organization: 34 annual campaigns before Slack, a 15.3% increase in annual campaigns with Slack, \$320,000 in campaign revenue with Slack, and a 10% profit margin.

Risks. The ability of organizations to increase revenue from more campaigns through the deployment of Slack can vary across organizations due to differences in:

- The adoption and usage of Slack by marketing teams and nonmarketing employees.
- The impact of marketing campaigns on the level of sales.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year risk-adjusted total PV of \$358,000.



Increased Revenue From More Campaigns					
Ref	Metric	Source	Year 1	Year 2	Year 3
B1	Annual campaigns before Slack	Composite	34	34	34
B2	Increase in annual campaigns with Slack	Forrester custom research	15.3%	15.3%	15.3%
B3	Incremental campaigns due to improved agility and time-to-value (rounded)	B1*B2	5	5	5
B4	Average campaign revenue	Composite	\$320,000	\$320,000	\$320,000
B5	Profit margin	TEI standard	10%	10%	10%
Bt	Increased revenue from more campaigns	B3*B4*B5	\$160,000	\$160,000	\$160,000
	Risk adjustment	↓10%			
Btr	Increased revenue from more campaigns (risk-adjusted)		\$144,000	\$144,000	\$144,000
Three-year total: \$432,000			Three-year present value: \$358,107		

INCREASED REVENUE FROM MORE EFFECTIVE CAMPAIGNS

Evidence and data. Users reported that Slack not only speeded up the execution of campaigns but also increased internal and external collaboration, creativity, the ability to work cross-functionally, and the ability to build better campaigns.

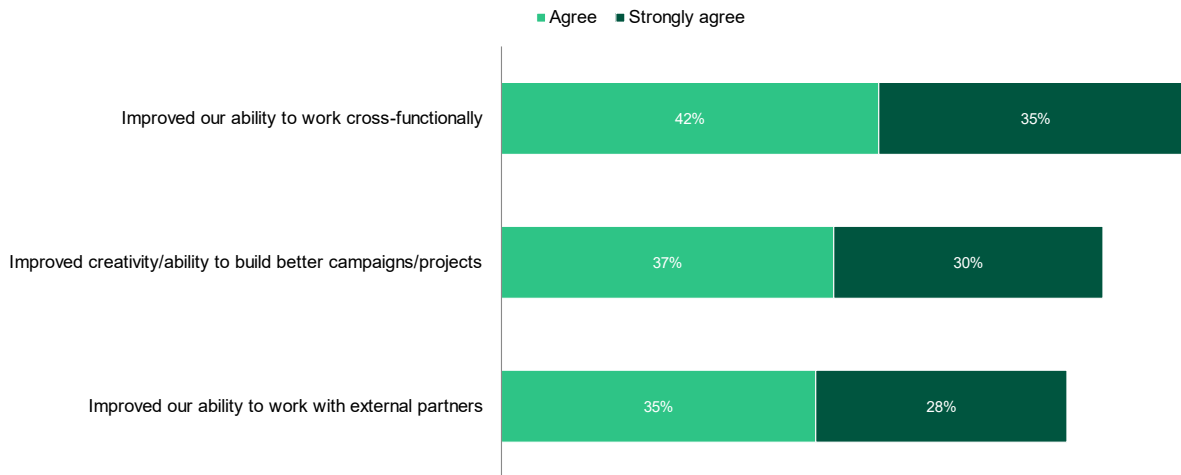
- When asked if Slack helped provide insights on the performance and effectiveness of her teams, the vice president of global communications and brand said: “Yes, definitely. I get a gist of the vision for the project or how it started and how it’s going. I wouldn’t have access at all to these via email. I’m not part of these emails, but [with Slack], it’s way easier.”
- The customer marketing lead said: “As our team has grown and [become] more global [and] you’re dealing with all the different time zones, getting everybody on the same page is invaluable. We set up channels for each campaign or launch. [And] you’re able to get information out and get people aligned so much faster.”

- The chief marketing officer said: “I have an external consultancy that I use for European demand generation, and they’re in a Slack channel with us. So I’m able to communicate with them the way I communicate with my own team.”
- The vice president of global communications and brand noted how Slack improves collaboration with producers, vendors, partners, and clients: “[Slack] just makes everything easier and [gets] everybody on the same page very quickly.”

“[Slack] just helps [us] work together better.”

Vice president of customer marketing, data security

“Thinking about the impact of Slack on your organization's employee experience and productivity in marketing, how much do you agree or disagree with the following statements? Slack ...”



Base: 577 global marketing professionals with experience using Slack for marketing activities
 Source: “The Total Economic Impact™ Of Slack For Marketing Teams,” a commissioned study conducted by Forrester Consulting on behalf of Slack, April 2022

- The director of growth marketing said: “It’s much easier to track down people from across the org on Slack. We have a bunch of channels that we create for marketing and product or marketing and creative so that they have one meeting room that we can all collaborate in.”
- Survey respondents averaged:
 - Just less than \$293,000 in campaign revenue before Slack.
 - A 9% increase in revenue per campaign.

Modeling and assumptions. Forrester assumes the following in quantifying this benefit for the composite organization: 34 campaigns before Slack, just less than \$293,000 in campaign revenue before Slack, a 9% increase in revenue per campaign with Slack, and a 10% profit margin.

Risks. The ability of organizations to increase revenue from more effective campaigns through the deployment of Slack can vary across organizations due to differences in:

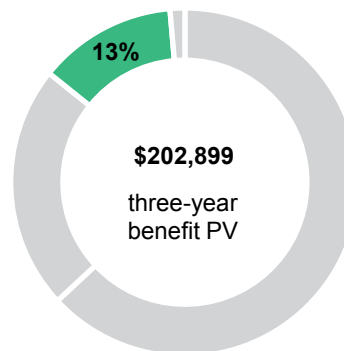
- The adoption and usage of Slack by marketing teams and nonmarketing employees.

- The impact of marketing campaigns on the level of sales.

“[Slack is] part of who we are and how we work [collaboratively]. We can easily connect with the creative team, the strategy team, and account services [and] all work together.”

Vice president of global communications and brand, creative agency

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year risk-adjusted total PV of \$203,000.



Increased Revenue From More Effective Campaigns

Ref.	Metric	Source	Year 1	Year 2	Year 3
C1	Revenue per campaign before Slack	Composite	\$293,000	\$293,000	\$293,000
C2	Increase in revenue per campaign with Slack	Forrester custom research	9.1%	9.1%	9.1%
C3	Incremental revenue per campaign	C1*C2	\$26,663	\$26,663	\$26,663
C4	Annual campaigns before Slack	Composite	34	34	34
C5	Incremental annual revenue	C3*C4	\$906,542	\$906,542	\$906,542
C6	Profit margin	TEI standard	10%	10%	10%
Ct	Increased revenue from more effective campaigns	C5*C6	\$90,654	\$90,654	\$90,654
	Risk adjustment	↓10%			
Ctr	Increased revenue from more effective campaigns (risk-adjusted)		\$81,589	\$81,589	\$81,589
Three-year total: \$244,766			Three-year present value: \$202,899		

AVOIDED COST OF LEGACY SOLUTIONS

Evidence and data. Consolidating work efforts in Slack gave organizations an opportunity to retire legacy solutions and avoid the associated costs.

- Survey respondents reported that organizations paid \$184,000 annually for legacy collaboration systems before Slack.
- The director of growth marketing said: “My team and the design team were using [a legacy app] to manage our cross-functional projects. We didn’t find it that useful, and we actually just started creating a Slack channel for creative review and

feedback. So we actually deprecated [the legacy app] and went back to primarily using Slack.”

- The vice president of customer marketing said: “With [Slack], we weren’t having to run and maintain the different servers that we had before. And that obviously saved a fair bit on hardware and [from dealing with the] people and administrative burden.”

Modeling and assumptions. Forrester assumes the following in quantifying this benefit for the composite organization:

- The annual avoided cost of legacy collaboration systems for the enterprise is \$184,000.

- The total avoided cost is prorated for the marketing team portion of the costs.

Risks. The ability of organizations to reduce the cost of legacy solutions through the deployment of Slack can vary across organizations due to differences in

the adoption and usage of Slack by marketing teams and nonmarketing employees.

Results. To account for these risks, Forrester adjusted this benefit downward by 5%, yielding a three-year risk-adjusted total PV of \$22,000.

Avoided Cost Of Legacy Solutions					
Ref.	Metric	Source	Year 1	Year 2	Year 3
D1	Avoided cost of legacy solutions	Forrester custom research	\$183,523	\$183,523	\$183,523
D2	Marketing team portion of legacy solution cost	100-person team/2,000 employees	0.05	0.05	0.05
Dt	Avoided cost of legacy solutions	D1*D2	\$9,176	\$9,176	\$9,176
	Risk adjustment	↓5%			
Dtr	Avoided cost of legacy solutions (risk-adjusted)		\$8,717	\$8,717	\$8,717
Three-year total: \$26,152			Three-year present value: \$21,678		

UNQUANTIFIED BENEFITS

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

- Improved recruiting and onboarding.** Survey respondents attributed improvements in recruiting and onboarding to Slack: 62% of respondents indicated improved ability to recruit prospective candidates; time-to-hire qualified marketing employees reduced by 43%; time-to-onboard-and-train new hires reduced by 19%; and cost of onboarding reduced by 43%.

The vice president of global communications and brand talked about onboarding new hires: “Every Monday, the talent team introduces [new employees]. They answer a few fun questions, [and] they are welcomed into the Slack universe like that. The sentiment and the engagement with the emojis — people are welcoming everyone. You’re added to all the [assigned project] channels, so it’s easy for them on their own just to scroll and get an idea really quickly of where

they’re at and what’s happening [with] the previous work. [Slack is] definitely helping.”

- Improved employee experience.** Seventy-two percent of survey respondents reported an improved marketing employee experience. Survey respondents also reported an average increase in employee retention of 34%. Interviewees discussed a variety of ways that Slack improved employee experience.

The chief marketing officer discussed how Slack provided a way to recognize employee achievements: “It makes the person feel good because not only are they getting companywide recognition on our core communication platform but then you also see everybody reacting to it.”

The vice president of marketing said: “When you think about our [employee resource groups], because we’re so spread out and cross-functional, we don’t have that day-to-day connectivity. Slack has been really useful for that.”

- **Improved hybrid work culture.** Interviewees discussed how Slack was a vital tool for organizations with remote work policies.

The customer marketing lead said: “We’ve had a ton of new members [start with us], and they’re just sitting by themselves at home. [So] we use our different channels to create engagement opportunities to just encourage team members to get to know each other. That improves how you work together. Slack has really helped with that employee engagement piece. I haven’t met most of [my team in person]. But we all feel like we know each other, and we have fun because we’ve set up things in Slack to create team building.”

The vice president of marketing said: “With a remote work culture, Slack has become the primary form of communication of how we stay connected and how we make sure that we’re on top of the work and the deliverables that need to get done.”

“We have different microcommunities within Slack. It’s a place where you’re already in there, so it’s nice that within one tool, you can do both work as well as team and community building activities.”

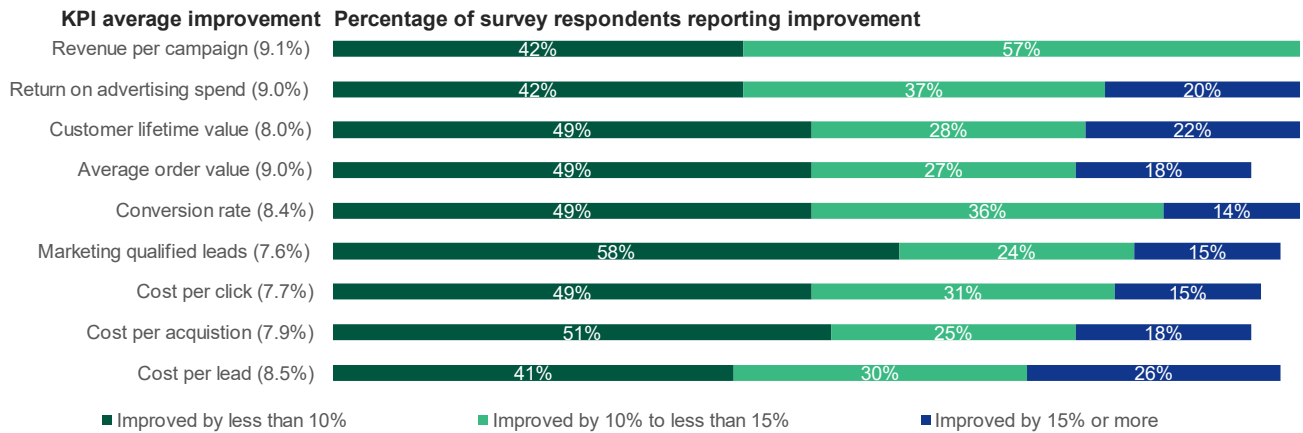
Chief marketing officer, customer experience outsourcer

“[Slack] gives proximity with the leadership. Leadership can communicate on Slack and have direct interactions with all employees. They joke around. They respond to each other. They participate. [Slack] definitely helps [the employee experience].”

Vice president of global communications and brand, creative agency

- **Improved organizational productivity.** By implementing Slack across the organization, employees can see improved productivity as a result of the improved communication and collaboration enabled by Slack (e.g., reduced emails and status meetings, access to SMEs, and leveraging formal and informal networks at the company).
- **Improved KPIs.** Survey respondents reported improvements in KPIs after deploying Slack. Improvements in web traffic, cost per click, cost per lead, cost per acquisition, marketing qualified leads, conversion rate, average order value, customer lifetime value, and return on advertising spend ranged from 7.6% to 9.1%.

KPI improvements attributed to Slack



Note: Base varies by number of respondents per KPI. Percentages do not total 100 because of rounding.

Base: 577 global marketing professionals with experience using Slack for marketing activities

Source: "The Total Economic Impact™ Of Slack For Marketing Teams," a commissioned study conducted by Forrester Consulting on behalf of Slack, April 2022

“Whether it’s the pandemic that has created this [or not], I think the way that we work will continue into the future, and Slack is an important part of that.”

— Vice president of marketing, productivity application

Analysis Of Costs

■ Quantified cost data as applied to the composite

Total Costs							
Ref.	Cost	Initial	Year 1	Year 2	Year 3	Total	Present Value
Etr	Slack license costs	\$0	\$15,000	\$16,500	\$18,150	\$49,650	\$40,909
Ftr	Internal labor for implementation and maintenance	\$50,710	\$137,280	\$137,775	\$137,825	\$463,590	\$392,923
	Total costs (risk-adjusted)	\$50,710	\$152,280	\$154,275	\$155,975	\$513,240	\$433,832

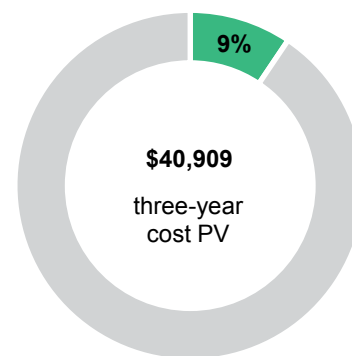
SLACK LICENSE COSTS

Evidence and data. Interviewees said that organizations deploying Slack paid a subscription fee of \$150 per user per year.

Modeling and assumptions. Forrester assumes the composite organization deploys Slack to marketing teams and the number of Slack users grows 10% per year as the organization grows.

Risks. Forrester made no risk adjustment to the cost of license fees.

Results. The three-year risk-adjusted total PV (discounted at 10%) of this cost is \$41,000.



Slack License Costs						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
E1	Number of marketing employees using Slack	Composite		100	110	121
E2	Slack license costs per user per year	Composite		\$150	\$150	\$150
Et	Slack license costs	E1*E2	\$0	\$15,000	\$16,500	\$18,150
	Risk adjustment	0%				
Etr	Slack license costs (risk-adjusted)		\$0	\$15,000	\$16,500	\$18,150
Three-year total: \$49,650			Three-year present value: \$40,909			

INTERNAL LABOR FOR IMPLEMENTATION AND MAINTENANCE

Evidence and data. Interviewees and survey respondents discussed implementation efforts involving planning for best practices, such as the number of channels, naming conventions, archival processes, access rights to users, and data migration, along with change management and messaging, associated with transitioning to Slack.

The chief marketing officer said: “It’s not like you needed a lot of training. I know how to get my work done inside the tool. You don’t need to sit in hours of training to be effective at the tool.”

Ongoing maintenance associated with Slack is minimal and limited to periodic maintenance and support of channels, along with building and supporting new integrations into Slack.

The chief marketing officer explained the benefit of ongoing efforts to support and maintain channels: “The naming conventions for the channels was key. It’s all very buttoned up, and because of that, it actually makes it easy to find things. We have some strong oversight of channel creation for new channels. There’s some governance there with IT, which I also appreciate, because it keeps it from [getting unmanageable].”

Modeling and assumptions. Forrester assumes the following to determine the cost of implementation and maintenance of Slack for the composite organization:

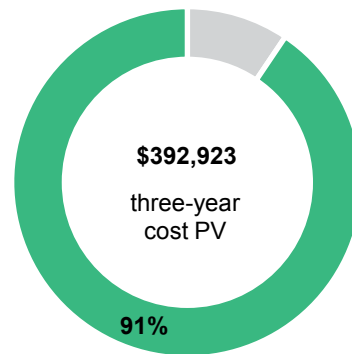
- One IT FTE works on implementation for two months.

- Five FTEs spend 20% of their time on planning for two months.
- Each Slack user receives 1 hour of introductory training to learn about the features and best practices being promoted by the organization.
- One-half FTE across the organization builds and supports integrations.
- One-half FTE across the organization maintains and supports channels.

Risks. This cost can vary due to uncertainty related to:

- Complexity of integrating Slack into an organization’s technology stack.
- Level of ongoing maintenance and support effort.

Results. To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year risk-adjusted total PV of \$393,000.



Internal Labor For Implementation And Maintenance

Ref	Metric	Source	Initial	Year 1	Year 2	Year 3
F1	Months for implementation	Interviews	2			
F2	Internal IT FTEs	Interviews	1			
F3	Internal FTEs for planning	Interviews	5			
F4	Internal staff time allocation for planning	Interviews	20%			
F5	Number of new Slack users	Composite	100	0	10	11
F6	Fully burdened marketing employee hourly salary	TEI standard	\$45	\$45	\$45	\$45
F7	Number of training hours per employee to use Slack	Interviews	1	1	1	1
F8	Internal FTEs building and supporting Slack integrations	Interviews	0	0.5	0.5	0.5
F9	Internal FTEs maintaining and supporting channels	Interviews	0	0.5	0.5	0.5
F10	Fully burdened annual salary for developer/engineer	TEI standard	\$124,800	\$124,800	\$124,800	\$124,800
Ft	Internal labor for implementation and maintenance	$((F1/12)*(F2+F3*F4)*F10)+((F5*F6*F7)+(F8+F9)*F10)$	\$46,100	\$124,800	\$125,250	\$125,295
	Risk adjustment	↑10%				
Ftr	Internal labor for implementation and maintenance (risk-adjusted)		\$50,710	\$137,280	\$137,775	\$137,825
Three-year total: \$463,590			Three-year present value: \$392,923			

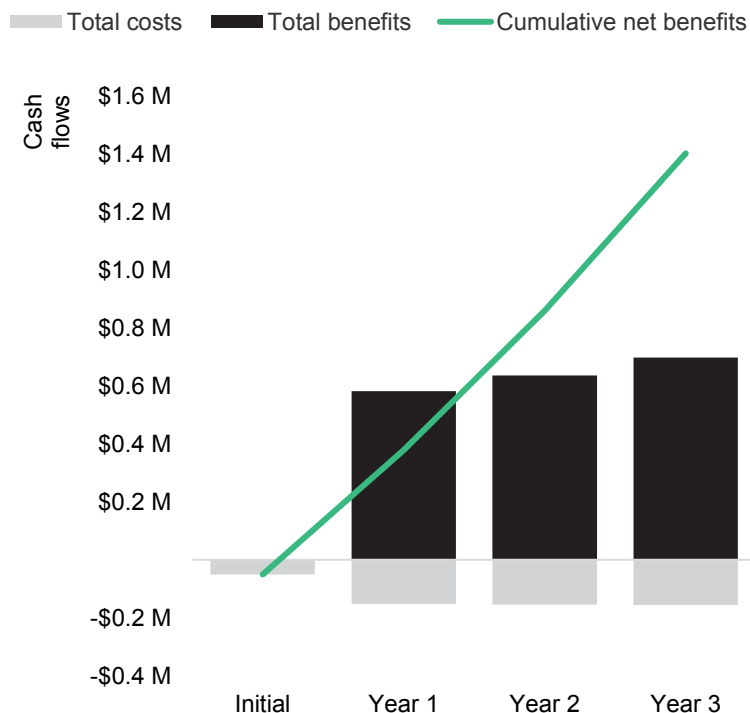
“[Slack] is a one-stop shop where you’re pushing your projects ahead, but you’re also celebrating team wins [and] personal milestones.”

— Director of growth marketing, nonprofit

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	(\$50,710)	(\$152,280)	(\$154,275)	(\$155,975)	(\$513,240)	(\$433,832)
Total benefits	\$0	\$581,650	\$635,488	\$697,671	\$1,914,809	\$1,578,140
Net benefits	(\$50,710)	\$429,370	\$481,213	\$541,697	\$1,401,569	\$1,144,308
ROI						264%
Payback period (months)						<6

Appendix A: Total Economic Impact

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

TOTAL ECONOMIC IMPACT APPROACH

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

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

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

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

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



PRESENT VALUE (PV)

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



NET PRESENT VALUE (NPV)

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



RETURN ON INVESTMENT (ROI)

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



DISCOUNT RATE

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



PAYBACK PERIOD

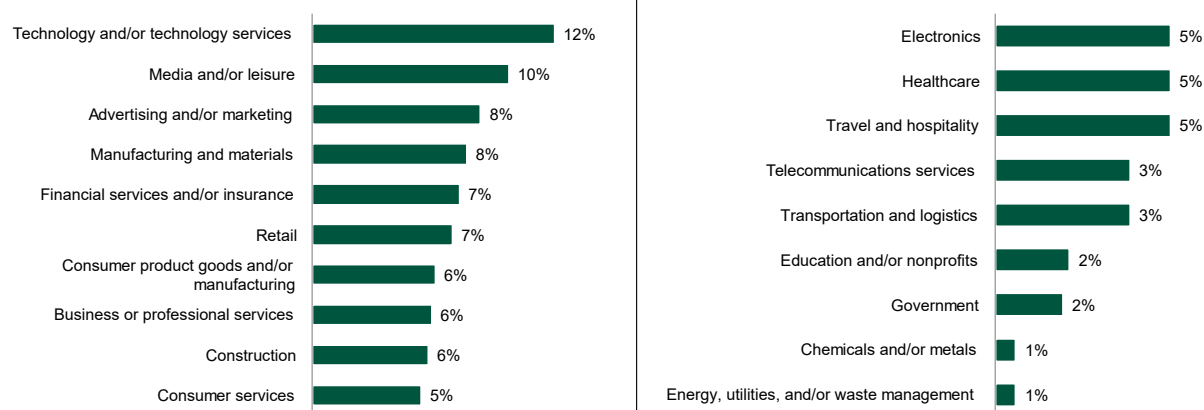
The breakeven point for an investment. This is the point in time at which net benefits (benefits minus costs) equal initial investment or cost.

Appendix B: Interview And Survey Demographics

Interviewed Decision-Makers				
Interviewee(s)	Industry	Employees	Marketing employees	Annual revenue
Vice president of global communications and brand	Creative agency	900	900	\$150 million
Vice president of customer marketing	Data security	8,000	300	\$3 billion
Chief marketing officer	Customer experience outsourcer	10,000	7	\$25 million
Director of growth marketing	Nonprofit	130	22	\$40 million
Customer marketing lead; global head of IT and IT security	Productivity application	1,000	150	\$230 million
Vice president of marketing	Productivity application	3,500	160	\$400 million

Survey Demographics

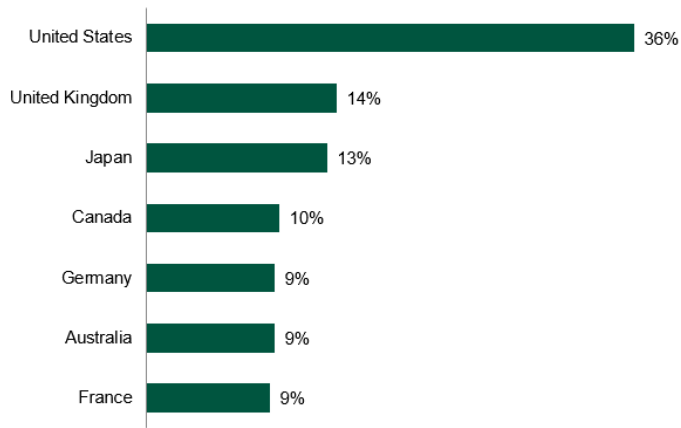
“Which of the following best describes the industry to which your company belongs?”



Base: 577 global marketing professionals with experience using Slack for marketing activities

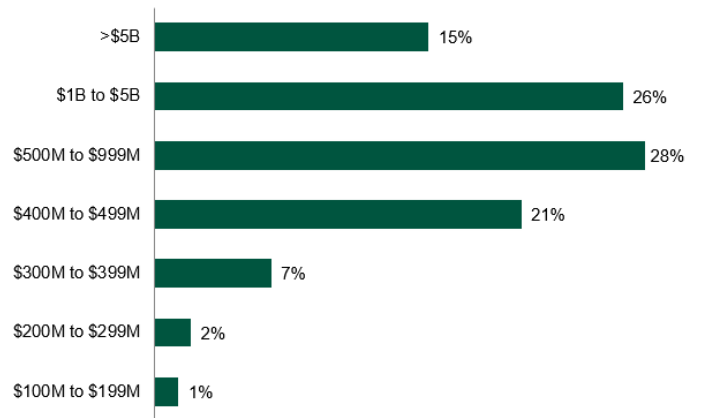
Source: “The Total Economic Impact™ Of Slack For Marketing Teams,” a commissioned study conducted by Forrester Consulting on behalf of Slack, April 2022

“In which country are you located?”



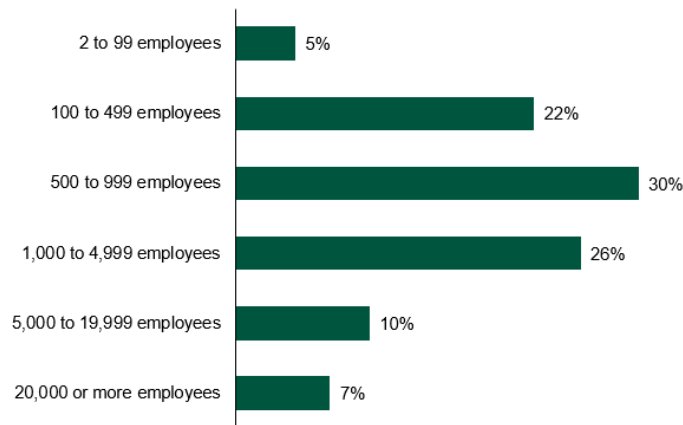
Base: 577 global marketing professionals with experience using Slack for marketing activities
 Source: “The Total Economic Impact™ Of Slack For Marketing Teams,” a commissioned study conducted by Forrester Consulting on behalf of Slack, April 2022

“Using your best estimate, what is your organization’s annual revenue worldwide?”



Base: 577 global marketing professionals with experience using Slack for marketing activities
 Source: “The Total Economic Impact™ Of Slack For Marketing Teams,” a commissioned study conducted by Forrester Consulting on behalf of Slack, April 2022

“Using your best estimate, how many employees work for your firm/organization worldwide?”



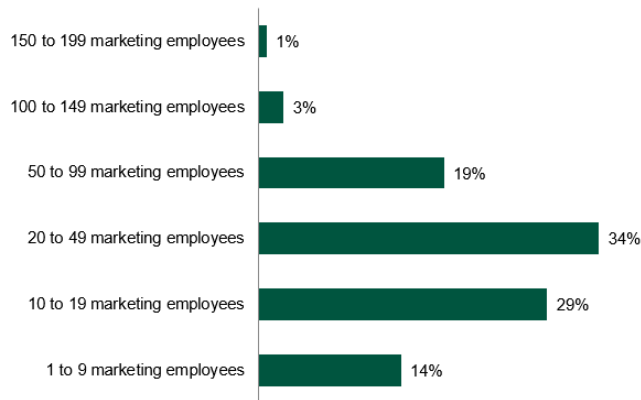
Base: 577 global marketing professionals with experience using Slack for marketing activities
 Source: “The Total Economic Impact™ Of Slack For Marketing Teams,” a commissioned study conducted by Forrester Consulting on behalf of Slack, April 2022

“What is the availability of Slack across members of your organization? Slack is available ...”



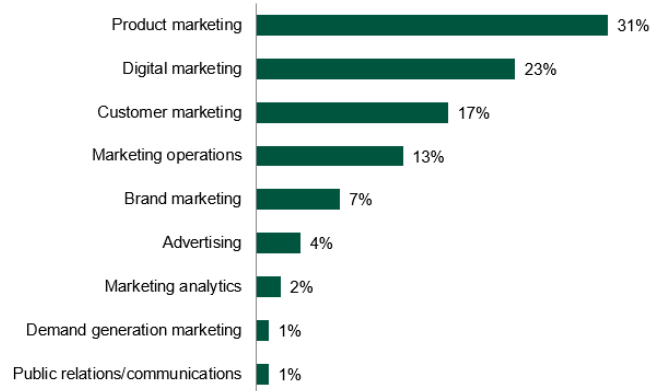
Base: 577 global marketing professionals with experience using Slack for marketing activities
 Source: “The Total Economic Impact™ Of Slack For Marketing Teams,” a commissioned study conducted by Forrester Consulting on behalf of Slack, April 2022

“Using your best estimate, how many employees work for your marketing organization?”



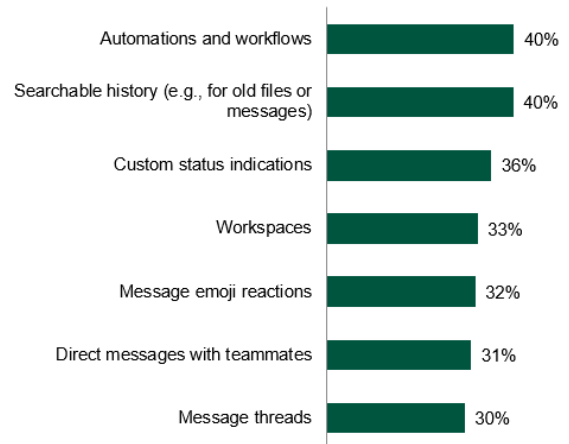
Base: 577 global marketing professionals with experience using Slack for marketing activities
 Source: "The Total Economic Impact™ Of Slack For Marketing Teams," a commissioned study conducted by Forrester Consulting on behalf of Slack, April 2022

“Which of the following best describes your department?”



Base: 577 global marketing professionals with experience using Slack for marketing activities
 Source: "The Total Economic Impact™ Of Slack For Marketing Teams," a commissioned study conducted by Forrester Consulting on behalf of Slack, April 2022

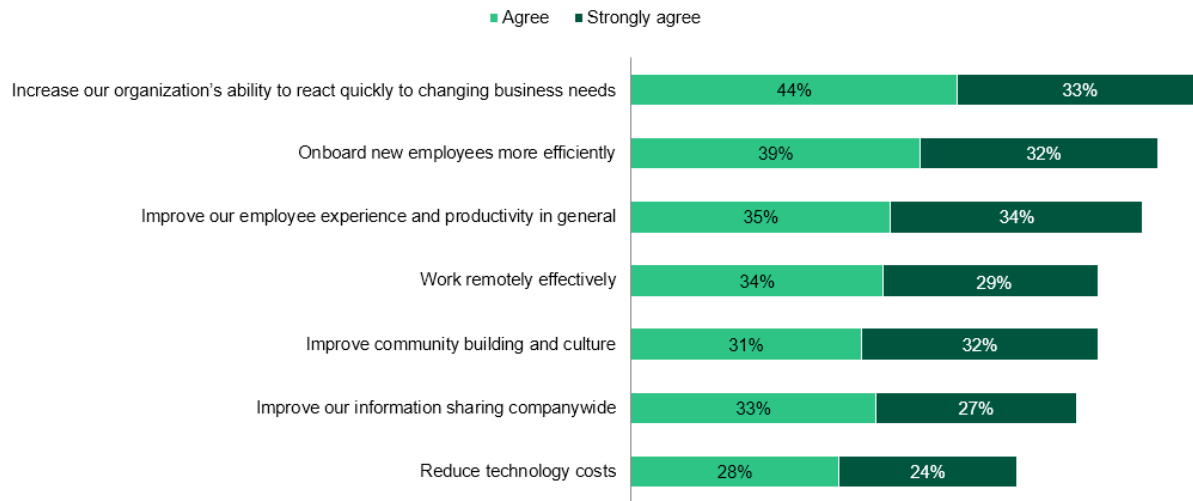
“What features of Slack are you currently using?”



Base: 577 global marketing professionals with experience using Slack for marketing activities
 Source: "The Total Economic Impact™ Of Slack For Marketing Teams," a commissioned study conducted by Forrester Consulting on behalf of Slack, April 2022

Appendix C: Survey Results

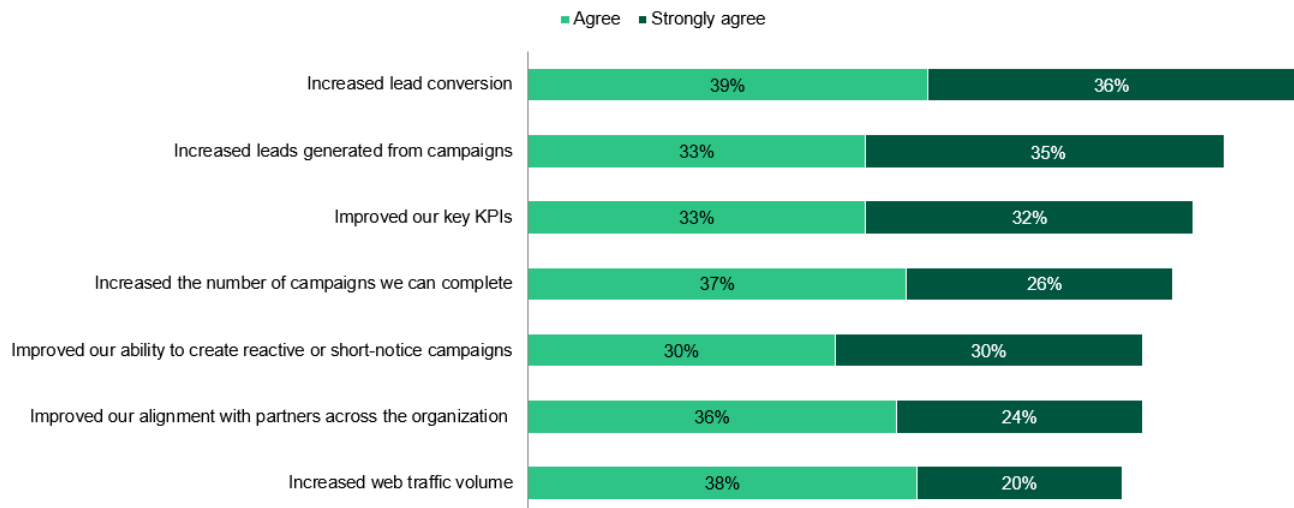
“Thinking about the impact of Slack on your entire organization, how much do you agree or disagree with the following statements? Slack has helped us ...”



Base: 577 global marketing professionals with experience using Slack for marketing activities

Source: “The Total Economic Impact™ Of Slack For Marketing Teams,” a commissioned study conducted by Forrester Consulting on behalf of Slack, April 2022

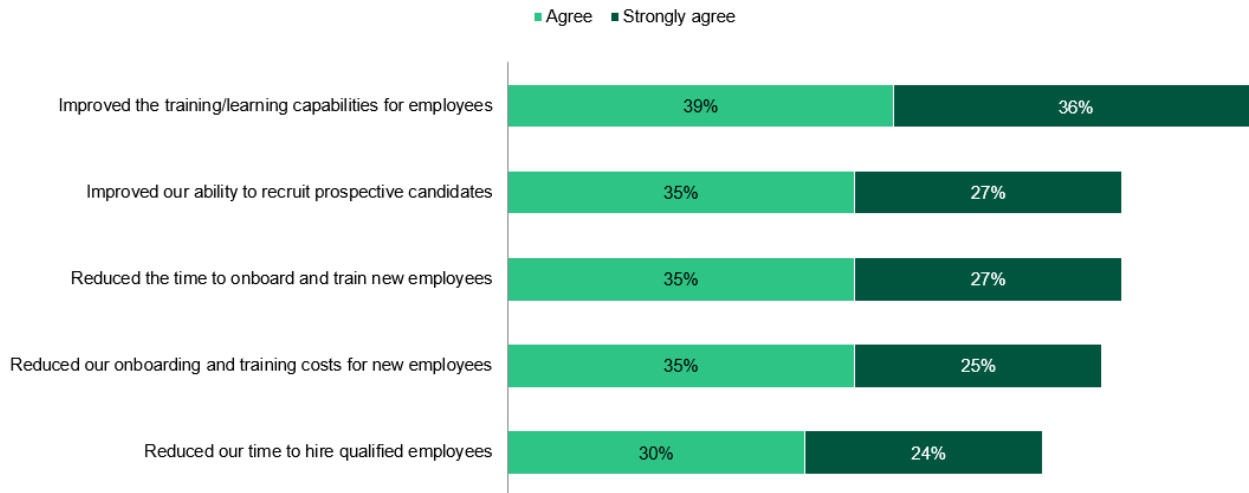
“Thinking about the impact of Slack on your marketing organization, how much do you agree or disagree with the following statements? Slack ...”



Base: 577 global marketing professionals with experience using Slack for marketing activities

Source: “The Total Economic Impact™ Of Slack For Marketing Teams,” a commissioned study conducted by Forrester Consulting on behalf of Slack, April 2022

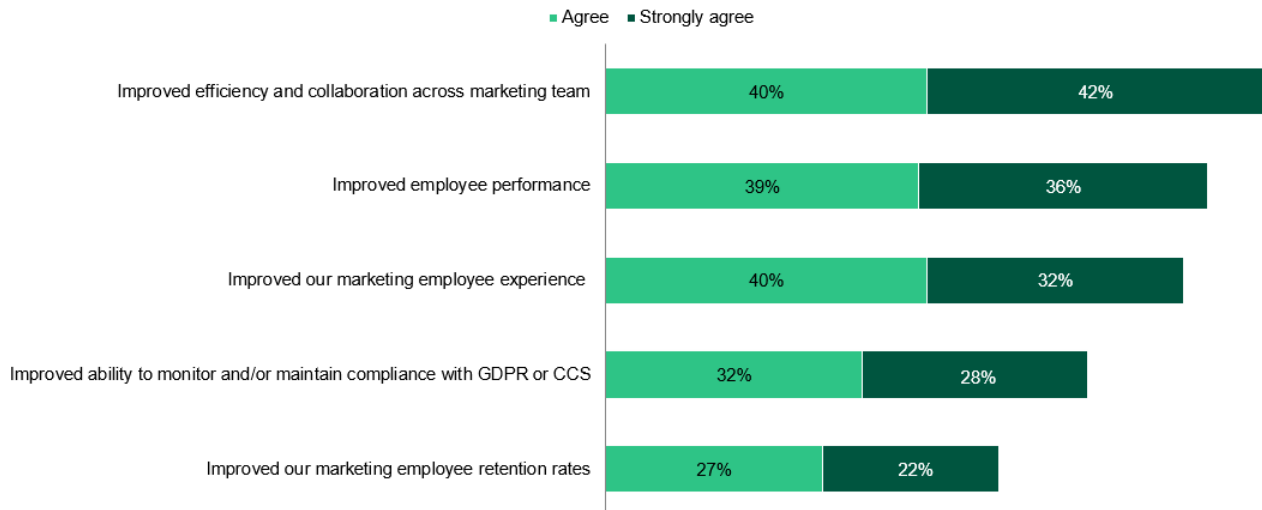
“Thinking about the impact of Slack on your organization's recruiting and onboarding of new marketing employees, how much do you agree or disagree with the following statements? Slack ...”



Base: 577 global marketing professionals with experience using Slack for marketing activities

Source: “The Total Economic Impact™ Of Slack For Marketing Teams,” a commissioned study conducted by Forrester Consulting on behalf of Slack, April 2022

“Thinking about the impact of Slack on your organization's employee experience and productivity in marketing, how much do you agree or disagree with the following statements? Slack ...”



Base: 577 global marketing professionals with experience using Slack for marketing activities

Source: “The Total Economic Impact™ Of Slack For Marketing Teams,” a commissioned study conducted by Forrester Consulting on behalf of Slack, April 2022

Appendix D: Supplemental Information

RESEARCH METHODOLOGY

Forrester Consulting fielded the survey for this report in April 2022 to 577 global marketing professionals with experience using Slack for marketing activities. For quality assurance, we screened respondents to ensure they met minimum standards in terms of professional experience and Slack use. Exact sample sizes are provided in this report on a question-by-question basis.

This survey used a convenience sample of a self-selected group of respondents and is therefore not random. This data is not guaranteed to be representative of the population, and, unless otherwise noted, statistical data is intended to be used for descriptive and not inferential purposes. While nonrandom, the survey is still a valuable tool for understanding where users are today and where the industry is headed.

Appendix E: 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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