The Total Economic Impact™ Of The ConnectWise Platform

Cost Savings And Business Benefits Enabled By ConnectWise

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Benefits And Costs

Improved technician productivity due to script automation:
$1.2 million

Reduced cost of routine hardware maintenance:
$1.2 million

ConnectWise annual costs:
$357,623

Executive Summary

ConnectWise provides a single platform that consists of several solutions designed to help technical service providers (TSPs) run their businesses as productively, efficiently, and profitably as possible. ConnectWise commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) technology solution providers may realize by deploying ConnectWise. The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of the ConnectWise platform on their organizations.

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed several customers with years of experience using ConnectWise. The organizations are using several ConnectWise solutions including Manage, Sell, and Automate and take advantage of the ConnectWise ecosystem by using vendor integrations. The combination allows service desk technicians to prioritize customer requests, triage alerts, and automate proactive maintenance tasks for improved customer experience. In addition, improved back-office efficiency increases employee productivity.

Prior to using ConnectWise, the customers used multiple disjointed software tools requiring significant amounts of manual data entry and re-entry. Moreover, the lack of an integrated approach meant that information silos remained between departments, and the lack of consistent processes slowed down operations. While organizations attempted to adapt former custom-built tools to support growing business needs, these tools were expensive to maintain and did not provide the necessary functionality.

With ConnectWise, the organizations gained access to a single platform that supported all aspects of their businesses end to end. The CEO at one of the organizations said, "ConnectWise allowed us to focus on actually running the business and not concentrate on all the little individual processes."

Key Findings

Quantified benefits. The following risk-adjusted present value (PV) quantified benefits are representative of those experienced by the companies interviewed:

› **Improved technician productivity due to script automation by reducing support tickets 20%.** The interviewees used ConnectWise to automate certain tasks performed by engineers to enable a proactive rather than reactive approach to endpoint management. As a result, fewer systems experienced issues or crashes, which, in turn, led to a 20% reduction in the number of tickets and to more than $1.2 million in cost savings over three years.

› **Reduced cost of routine hardware management by shortening time spent per device by 60%.** ConnectWise provided the tools to automate a portion of routine maintenance tasks performed on all managed hardware. Organizations estimated that they could shorten engineers' involvement by 60%, thus cutting the cost of hardware maintenance by $1.2 million.

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ROI
194%

Benefits PV
$3.6 million

NPV
$2.4 million

Payback
< 3 months

› **Reduced the burden of project milestone tracking, allowing engineers to focus on customer support instead of admin work.** Prior to ConnectWise, engineers were responsible for manually documenting project status and regularly sending updates to clients. Automating the milestone-tracking process reduced the burden on engineers and decreased the cost of customer support by $247,418.

› **Saved costs of legacy systems.** Interviewees replaced their internal tools and additional software with ConnectWise to enable scaling and free resources tied up in managing legacy solutions. The costs saved from internal labor and software summed to $255,151 in three years.

› **Improved billing efficiency to prevent revenue loss and increase productivity of the finance team.** Due to automation provided by ConnectWise, interviewees eliminated billing disputes, which used to cause revenue loss in settlements, thus increasing their finance teams' productivity by 25% and leading to savings of $238,798 over the course of three years.

› **Improved sales productivity to enable shorter timelines and drive additional sales.** ConnectWise equipped sales associates with tools to produce consistent-looking quotes and proposals within minutes. Vendor integration provided visibility into vendor inventories, further cutting the time to generate customer quotes and enabling organizations to save $383,779 over the course of three years.

› **Increased HR productivity by 60%.** Interviewees adopted ConnectWise as their HR platform, providing admin tools (such as time sheets or vacation requests), training, and career advancement mechanisms, which resulted in $82,308 savings in three years' time.

Unquantified benefits. The interviewed organizations experienced the following benefits, which are not quantified for this study:

› **ConnectWise serves as an all-in-one system that creates transparency, saves time, and eliminates human error.** All interviewed organizations used the full ConnectWise platform, which ensured smooth data flow between teams and processes while also eliminating the need for multiple tools and repetitive data entry.

› **More efficient internal systems allow organizations to deliver improved customer experiences.** Several interviewees explained how ConnectWise enabled technicians to address and resolve tickets faster and shift from reactive to proactive hardware maintenance, reducing downtime for their customers.

Costs. The interviewed organizations experienced the following risk-adjusted PV costs:

› **ConnectWise annual cost.** Fees to ConnectWise are based on the number of users and endpoint solutions deployed, as well as the level of engagement with ConnectWise consulting. For the organization that uses ConnectWise Manage, Automate, and Sell; has 50 users; manages 6,000 endpoints; and engages with 24 hours of consulting, the annual cost amounts to a risk-adjusted three-year present value of $357,623.

› **Implementation cost.** The organization assigned an implementation manager and engaged six senior-level FTEs at 15% of their time to plan the transition for half a year, at a risk-adjusted three-year present value cost of $165,138.

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> › **Training cost.** All employees attended two days of training. The organization also invested $30,000 in conference participation and accommodations each year. The two activities together incurred a productivity cost of a risk-adjusted three-year present value of $129,781.

> › **Ongoing management cost.** The organization hired a full-time automation engineer and dedicated 50% of an operations manager's time to optimize ConnectWise processes. Three senior FTEs spent 10%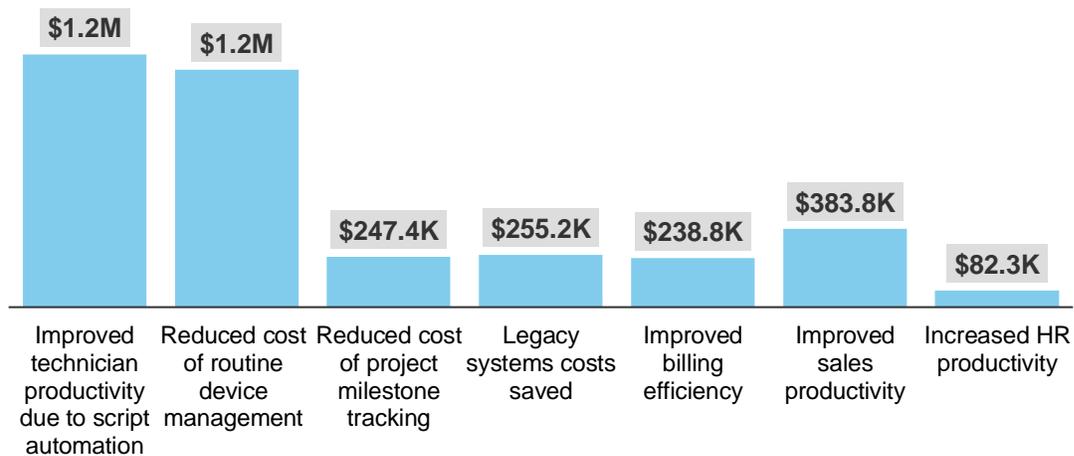 of their time to manage the platform. Together, ConnectWise management costs summed to a risk-adjusted three-year present value of $572,821.

Forrester's interviews with four existing customers and subsequent financial analysis found that an organization based on these interviewed organizations experienced benefits of $3.6 million over three years versus costs of $1.2 million, adding up to a net present value (NPV) of $2.4 million and an ROI of 194%.

Financial Summary
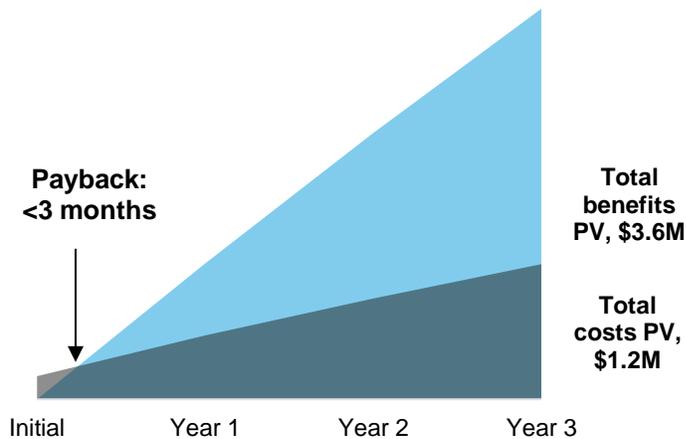
Payback: <3 months

Total benefits PV, $3.6M

Total costs PV, $1.2M

Initial   Year 1   Year 2   Year 3

Benefits (Three-Year)

$1.2M	$1.2M	$247.4K	$255.2K	$238.8K	$383.8K	$82.3K
Improved technician productivity due to script automation	Reduced cost of routine device management	Reduced cost of project milestone tracking	Legacy systems costs saved	Improved billing efficiency	Improved sales productivity	Increased HR productivity

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TEI Framework And Methodology

From the information provided in the interviews, Forrester has constructed a Total Economic Impact™ (TEI) framework for those organizations considering implementing ConnectWise.

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 ConnectWise can have on an organization:

DUE DILIGENCE
Interviewed ConnectWise stakeholders and Forrester analysts to gather data relative to ConnectWise.

CUSTOMER INTERVIEWS
Interviewed four organizations using ConnectWise to obtain data with respect to costs, benefits, and risks.

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

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

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

> 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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The ConnectWise Customer Journey

BEFORE AND AFTER THE CONNECTWISE INVESTMENT

Interviewed Organizations

For this study, Forrester conducted four interviews with ConnectWise customers. All interviewed customers are TSPs who use ConnectWise Manage, Automate, Sell, and Control and include the following:

INTERVIEWEE	REGION	YEARS USING CONNECTWISE	ORGANIZATION'S CHARACTERISTICS	PRIOR CHALLENGES
CEO/president	US	Four years	$7M in revenue, 31 employees, 4,000 managed endpoints	A custom solution didn't answer the organization's needs and required a lot of resources to maintain it.
CEO	Canada	Seven years	$10M CAD in revenue, 55 employees, 7,000 managed endpoints	A prior solution wasn't designed to enable business growth.
Chief operating officer	US	Eight years	$15M in revenue, 105 employees, 12,000 managed endpoints	A former system worked primarily through email and, with the organization's growth, became unsustainable.
CEO	UK	Five years	£5.4M in revenue, 50 employees, 5,700 managed endpoints	An internal tool required a significant investment in development to support the organization's growth.

Key Challenges

Interviewees told Forrester that, prior to using ConnectWise, their organizations were experiencing the following challenges:

› **Custom-built legacy systems prevented growth.** Interviewed organizations used internal ticketing systems that required significant development efforts and could not accommodate organizational growth. One executive explained: "As we grew, we were no longer able to keep up with development and the market requirements to evolve the internal solution. I didn't want to be a development company. For me, it was a no-brainer. We had to find software that was going to run our business."

› **Multiple tools for running the businesses created confusion.** Lack of integration between the tools resulted in information silos and disjointed processes that slowed down operations and contributed to a sense of chaos. One executive told Forrester: "We used at least 10 tools instead of one management system, and two platforms for endpoint management. Nobody knew where to look for information, and what tools to use to assist the client, or run the invoicing."

› **Internal inefficiencies impacted service delivery.** Manual processes such as creating quotes or tracking project milestones along with limited integrations with other vendors prevented organizations from delivering their best customer service. An executive said: "Our legacy system worked for a small organization, but scale eventually caught up to us. The product primarily worked out of email, and as the organization grew, it became hard to track service requests and update customers automatically, which impacted the way we served our clients."

> "I didn't want to be a development company. For me, it was a no-brainer. We had to find software that was going to run our business."
>
> *CEO, TSP in the UK*

> "We used at least 10 tools instead of one management system, and two platforms for endpoint management. Nobody knew where to look for information, and what tools to use to assist the client, or run the invoicing."
>
> *CEO/president, TSP in the US*

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Solution Requirements

The interviewed organizations searched for a solution that could:

› Support an organization's rapid growth and an increasing number of customers.

› Improve the efficiency of the back office to enable strong customer service.

Key Results

The interviews revealed that key results from the ConnectWise investment include:

› **Efficiency.** ConnectWise allowed organizations to serve more customers and improve back-office operations by replacing disjointed systems, providing easy access to information, and automating key recurring processes.

› **Scalability.** A single platform for running business facilitates an organization's growth. As one executive put it: "All those efficiencies make it easier for us to scale the business. If I don't have to scale up my administrative costs, I can onboard more technicians per dollar revenue. The more technicians per dollar that I can bring on, the more customers we can service."

› **Improved customer experience.** One executive told Forrester: "Having ConnectWise in our business and working as it is helps us deliver our customer experience strategy. For us, the No. 1 measure of our business is customer experience. Profits come after that."

Composite Organization

Based on the interviews, Forrester constructed a TEI framework, a composite company, and an associated ROI analysis that illustrates the areas financially affected. The composite organization is representative of the four companies that Forrester interviewed and is used to present the aggregate financial analysis in the next section. The composite organization that Forrester synthesized from the customer interviews:

› Is a national organization providing managed IT services, including onsite and remote support, with $10 million in revenue. The organization manages 6,000 endpoints and prioritizes quality customer service.

› Has 50 employees, 40 of whom are engineers. The organization grows at the rate of 5% per year. The organization is sales-driven, and sales associates send out, on average, 50 quotes per month, working with third-party hardware and software vendors.

In the following analysis of benefits and cost, Forrester uses fully burdened employee salaries to account for additional costs, such as taxes and benefits, incurred by an employer.

> "ConnectWise allows us to be much more proactive than we ever were, and it does enhance the client's experience. Like changing oil on the car to get a much better life span out of the engine, we have to perform certain tasks proactively to maintain our customers' networks."
>
> *CEO/president, TSP in the US*

Key assumptions
50 employees
40 engineers
75 tickets per week per engineer
20-minute ticket handling time
50 quotes per month sent

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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 technician productivity due to script automation	$474,725	$498,461	$522,197	$1,495,383	$1,235,854
Btr	Reduced cost of routine device management	$445,500	$467,775	$491,164	$1,404,439	$1,160,610
Ctr	Reduced cost of project milestone tracking	$95,040	$99,792	$104,544	$299,376	$247,418
Dtr	Legacy systems costs saved	$102,600	$102,600	$102,600	$307,800	$255,151
Etr	Improved billing efficiency	$92,813	$96,188	$99,731	$288,731	$238,798
Ftr	Improved sales productivity	$142,416	$152,352	$170,899	$465,667	$383,779
Gtr	Increased HR productivity	$20,250	$40,500	$40,500	$101,250	$82,308
	Total benefits (risk-adjusted)	$1,373,343	$1,457,668	$1,531,635	$4,362,646	$3,603,918

Improved Technician Productivity Due To Script Automation

Several interviewed organizations described script automation as the key benefit they experienced from using the ConnectWise platform. Within the Automate tool, technicians wrote scripts that performed tasks such as disk space monitoring, antivirus checks, software updates, and other performance diagnostics on thousands of managed endpoints, saving technicians' time. At the same time, automation allowed interviewed organizations to provide more seamless customer experiences to users: With the constant proactive endpoint monitoring and maintenance, managed machines ran more smoothly, and users experienced fewer delays and system crashes.

› One interviewee explained that the organization eliminated 20% of support tickets once automation was put into place, freeing up technicians' time.

› A TSP organization in Texas, US, used ConnectWise to automate triage of alarms from servers being down or similar customer issues. Prior to ConnectWise, engineers who received alerts for a system problem had to log in at any time of day and diagnose the issue. Roughly 1,500 alerts each month turned out to be false but still required approximately 15 minutes of an engineer's time. After the automation, the number of false alarms decreased by 75%, saving the organization hundreds of engineers' hours per month.

› ConnectWise enabled a UK-based TSP to reduce the utilization rate for its overextended engineers from 120% down to 70%, boosting employee morale and improving employee retention.

Forrester assumes that:

> The table above shows the total of all benefits across the areas listed below, as well as present values (PVs) discounted at 10%. Over three years, the composite organization expects risk-adjusted total benefits to be a PV of nearly $3.6 million.

$1.2 million

three-year benefit PV
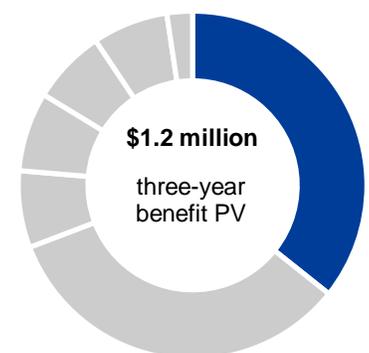
Improved technician productivity due to script automation: **34%** of total benefits

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- The composite organization employs 40 technicians (or engineers) with an average hourly burdened rate of $55.

- Each technician handles 75 tickets per week, spending 20 minutes per ticket.

- As a result of introducing Automate scripts, the organization reduces the number of support tickets by 20%.

Improvements in technician productivity will vary based on:

- The number and complexity of tickets handled by engineering staff per month.

- An organization's commitment to developing scripts to replace or shorten manual involvement.

To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year risk-adjusted total PV of $1,235,854.

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

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3
Improved Technician Productivity Due To Script Automation: Calculation Table					
A1	Total number of tickets per year	Interview	144,000	151,200	158,400
A2	Percent of tickets solved with automation	Interview	20%	20%	20%
A3	Time-to-resolve a ticket (hours)	Interview	0.333	0.333	0.333
A4	Hours saved per year	A1*A2*A3	9,590.40	10,069.92	10,549.44
A5	Technician's burdened hourly rate	Composite	$55	$55	$55
At	Improved technician productivity due to script automation	A4*A5	$527,472	$553,846	$580,219
	Risk adjustment	↓10%			
Atr	Improved technician productivity due to script automation (risk-adjusted)		$474,725	$498,461	$522,197

Reduced Cost Of Routine Hardware Management

Interviewed organizations used ConnectWise to reduce the burden of routine device and server management. Organizations built the scripts that automatically performed a portion of engineers' standard maintenance tasks, thus reducing the amount of time engineers spent to service one piece of hardware.

Forrester assumes that:

- The composite organization performs maintenance tasks on 6,000 endpoints annually.

- Prior to ConnectWise, a technician spent, on average, 2.5 hours servicing one device.

- Due to automation, the organization reduced time spent by each technician from 2.5 hours to 1.

The reduction in cost of routine device management will vary with:

- The number of serviced devices.

- The time needed to perform device maintenance.

- An organization's commitment to automate maintenance tasks.

$1.2 million

three-year benefit PV
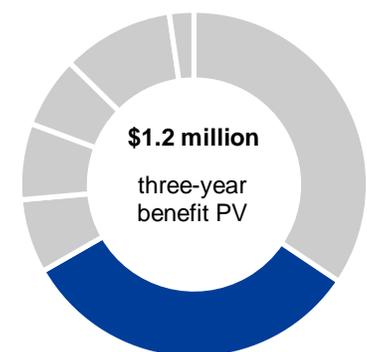
Reduced cost of routine hardware management: **32%** of total benefits

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To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year risk-adjusted total PV of over $1.2 million.

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3
Reduced Cost Of Routine Hardware Management: Calculation Table					
B1	Number of devices routinely managed	Interview	6,000	6,300	6,615
B2	Time spent to manage one device (hours)	Interview	2.5	2.5	2.5
B3	Percent of time saved on device management	Interview	60%	60%	60%
B4	Technician's burdened hourly rate	Interview	$55	$55	$55
Bt	Reduced cost of routine hardware management	B1*B2*B3*B4	$495,000	$519,750	$545,738
	Risk adjustment	↓10%			
Btr	Reduced cost of routine hardware management (risk-adjusted)		$445,500	$467,775	$491,164

Reduced Cost Of Project Milestone Tracking

Interviewed organizations described reduced labor cost of tracking project or ticket milestones and client communication as key benefits of adopting ConnectWise.

› One interviewed TSP in the US told Forrester that prior to ConnectWise, engineers were responsible for manually filling out and emailing checklists and progress reports to clients on a monthly basis. The organization used ConnectWise to automate its milestone-tracking process, allowing engineers to focus on resolving support tickets instead of paperwork.

For the composite organization, Forrester estimates that:

› Each engineer fills out 16 progress reports per month.

› An engineer requires 15 minutes to fill out one report and write a corresponding email.

Reduction in cost of tracking project milestones will vary based on:

› The frequency with which the reports are filled out.

› The time it takes an engineer to document the milestones and send an email.

To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year risk-adjusted total PV of $247,418.

$247,418

three-year benefit PV
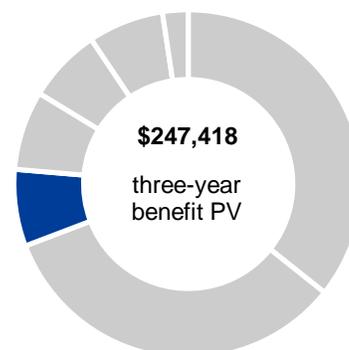
Reduced cost of project milestone tracking: **7%** of total benefits

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3
Reduced Cost Of Project Milestone Tracking: Calculation Table					
C1	Number of technicians	Composite	40	42	44
C2	Number of progress reports	Per month	16	16	16
C3	Time to fill out progress reports	Hours	0.25	0.25	0.25
C4	Hours saved per year	C1*C2*C3*12 months	1,920	2,016	2,112
C5	Technician's burdened hourly rate	Composite	$55	$55	$55
Ct	Reduced cost of project milestone tracking	C4*C5	$105,600	$110,880	$116,160
	Risk adjustment	↓10%			
Ctr	Reduced cost of project milestone tracking (risk-adjusted)		$95,040	$99,792	$104,544

Legacy Systems Costs Saved

Prior to ConnectWise, several interviewed organizations used systems developed in-house for ticketing and tracking their client work. As these TSPs scaled, they faced a choice of investing in the growth of their existing solutions or switching to an established software platform.

› A CEO of a Canada-based organization explained that he developed the in-house platform in the company's early days, and as the company grew, he still needed to spend about 40% of his time to maintain the platform, which prevented him from spending his time on developing the business.

› One interviewee told Forrester that the organization spent over $30,000 to build the internal system and needed to make additional monthly payments to other software providers for additional functionality.

Forrester assumes that:

› The composite organization invests $30,000 to develop an internal ticketing platform.

› A senior engineer dedicates 40% of his or her time to system maintenance.

› Each month, the organization spends $2,000 on additional project management and accounting software.

Savings resulting from sunsetting legacy systems could vary based on:

› The type and cost of legacy software used.

› The investment necessary to maintain the legacy software.

To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year risk-adjusted total PV of $255,151.

$255,151

three-year benefit PV
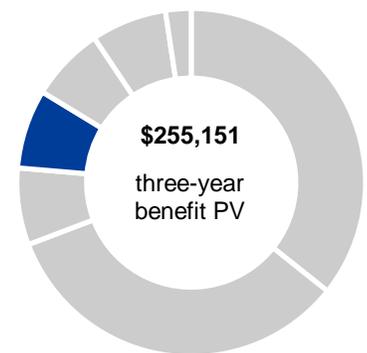
Legacy systems costs saved: **7%** of total benefits

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Legacy Systems Costs Saved: Calculation Table

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3
D1	Cost to develop an internal system		$30,000	$30,000	$30,000
D2	Percent of time spent maintaining the system		40%	40%	40%
D3	Senior engineer's/department head's average burdened salary		$150,000	$150,000	$150,000
D4	Cost of additional project management tools and services		$24,000	$24,000	$24,000
Dt	Legacy systems costs saved	D1+D2*D3+D4	$114,000	$114,000	$114,000
	Risk adjustment	↓10%			
Dtr	Legacy systems costs saved (risk-adjusted)		$102,600	$102,600	$102,600

Improved Billing Efficiency

Prior to ConnectWise, several interviewed organizations did not have an automated system to bill their customers. Finance teams sent out invoices in batches weekly or monthly instead of daily. If an invoice contained a discrepancy or an incomplete field, they were not caught immediately, leading to difficulties collecting the amount billed and, ultimately, to loss of revenue for the organization.

› Before ConnectWise, a US-based TSP lost 75% of the outstanding revenue billed due to delayed invoicing. After a full rollout of ConnectWise, the organization started billing daily, thus closing the gap between the time the work was done and invoicing.

› Due to automation, a TSP in Canada saw an increase in its financial staff productivity: Originally, three FTEs supported a $2 million organization, and as the organization expanded to $10 million in revenue, there was no need to scale up the finance team.

Forrester estimates that:

› The composite organization's annual revenue is $10 million.

› There is a loss of 75% of the outstanding billed amount after settlement.

› The organization employs three finance FTEs with the base salary of $75,000.

› Finance FTE productivity increases by 25% due to automated billing. Fifty percent of this time is spent as "productive" time.

The magnitude of increased billing efficiency will vary based on:

› An organization's revenue and percentage of inconsistent invoices.

› Settlement agreements that have been used in the past and percent of revenue lost.

› An organization's effort to automate billing.

To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year risk-adjusted total PV of $238,798.

$238,798

three-year benefit PV
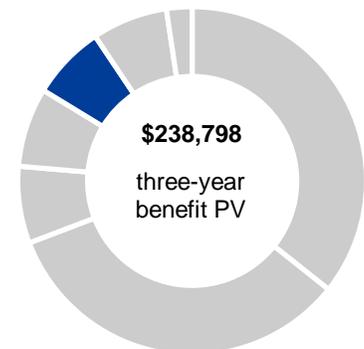
Improved billing efficiency: **7%** of total benefits

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Improved Billing Efficiency: Calculation Table

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3
E1	Organization's annual revenue		$10,000,000	$10,500,000	$11,025,000
E2	Percent of incomplete/conflicting invoices		1%	1%	1%
E3	Percent of revenue lost during settlement		75%	75%	75%
E4	**Avoided revenue loss due to improved billing process**	E1*E2*E3	**$75,000**	**$78,750**	**$82,688**
E5	Number of finance FTEs managing billing		3	3	3
E6	Finance FTE's average burdened salary		$75,000	$75,000	$75,000
E7	Percent of finance FTE's time saved due to automated billing		25%	25%	25%
E8	Productivity capture		50%	50%	50%
E9	**Savings to finance team**	E5*E6*E7*E8	**$28,125**	**$28,125**	**$28,125**
Et	Improved billing efficiency	E4+E9	$103,125	$106,875	$110,813
	Risk adjustment	↓10%			
Etr	Improved billing efficiency (risk-adjusted)		$92,813	$96,188	$99,731

Improved Sales Productivity

Interviewed organizations describe improved sales productivity as one of the main benefits of using ConnectWise. Before ConnectWise, sales associates built disparate quotes from scratch for each client. There was no consistency in the quotes' look and feel, and they could take a long time to build. For cases where a proposal included additional hardware, sales representatives needed to initiate a conversation with the hardware vendor to check for pricing and availability, thus delaying quotes for hours and sometimes days.

› One interviewee explained that, in the past, it took several hours to build a quote, while with ConnectWise he could have a detailed proposal populated within 5 to 10 minutes.

› Third-party integrations allowed another organization to free up 65% of its sales team members' time by allowing instant access to suppliers' inventory.

Forrester assumes that for the composite organization:

› A sales team produces 50 quotes per month.

› Each sales FTE saves, on average, 2 hours per quote.

› Sales FTE productivity increases by 10%, half of which is "productive" time, resulting in 104 hours saved annually per associate.

Improvements in sales productivity will vary based on:

› The number of FTEs on the sales team and their compensation.

› The number of quotes issued per month and time saved per quote.

To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year risk-adjusted total PV of $383,779.

$383,779

three-year benefit PV
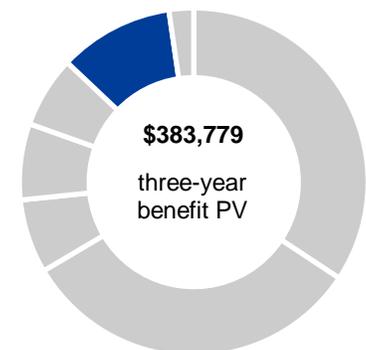
Improved sales productivity: **11%** of total benefits

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Improved Sales Productivity: Calculation Table

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3
F1	Number of quotes		600	660	720
F2	Hours saved per quote		2.0	2.0	2.0
F3	Sales burdened hourly compensation		$92	$92	$92
F4	**Savings due to quote automation**	F1*F2*F3	**$110,400**	**$121,440**	**$132,480**
F5	Number of sales associates		5	5	6
F6	Hours saved due to vendor integration (per associate)	Interview	104	104	104
F7	**Savings due to vendor integration**	F5*F6*F3	**$47,840**	**$47,840**	**$57,408**
Ft	Improved sales productivity	F4+F7	$158,240	$169,280	$189,888
	Risk adjustment	↓10%			
Ftr	Improved sales productivity (risk-adjusted)		$142,416	$152,352	$170,899

Increased HR Productivity

Human resources teams within interviewed organizations also experienced significant benefits from switching to ConnectWise.

› Several interviewed organizations now use ConnectWise as an onboarding system for new hires, which also includes orientation and training, thus reducing burden on HR.

› One organization described how a transition from supporting employees (including time-off requests, benefits questions, and others) via email to ConnectWise saved the HR team 60% of its time.

› An organization also used ConnectWise to administer employee satisfaction surveys and internal knowledge tests used as a mechanism for career advancement.

For the composite organization, Forrester estimates that:

› Each of the two FTEs on the HR team has a fully burdened compensation of $75,000.

› HR productivity increases by 30% in the first year; as more programs and processes are rolled out, productivity increase reaches 60% in the second and third years.

Impact on HR productivity could vary based on:

› The size of the HR team and HR annual compensation.

› The use of ConnectWise for HR-related processes.

To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year risk-adjusted total PV of $82,308.

$82,308

three-year benefit PV
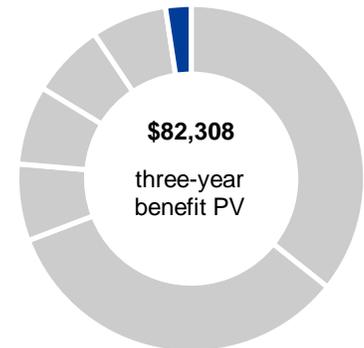
Increased HR productivity: **2%** of total benefits

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Increased HR Productivity: Calculation Table

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3
G1	Number of HR personnel		2	2	2
G2	HR average burdened salary		$75,000	$75,000	$75,000
G3	HR staff time saved due to efficiency		30%	60%	60%
G4	Productivity capture		50%	50%	50%
Gt	Increased HR productivity	G1*G2*G3*G4	$22,500	$45,000	$45,000
	Risk adjustment	↓10%			
Gtr	Increased HR productivity (risk-adjusted)		$20,250	$40,500	$40,500

Unquantified Benefits

Through the interviews with ConnectWise customers, Forrester identified the following unquantified benefits:

› **ConnectWise serves as an all-in-one system that creates transparency, saves time, and eliminates human error.** All interviewed organizations used several ConnectWise tools, such as Manage, Automate, and Sell, and experienced added benefits from an "all-in-one" system. A single platform ensured smooth data flow between teams and processes, while also eliminating the need for multiple tools and repetitive data entry. "ConnectWise is used by everyone in our company: sales and marketing teams, account managers, finance, HR, and engineers. We always say that, 'If it is not in ConnectWise, it didn't happen,'" said a CFO of a TSP company in the US.

› **The ConnectWise community provides a learning and sharing environment to encourage new initiatives.** ConnectWise hosts user groups, networking events, and conferences that bring together TSP organizations to share their successes or discuss common difficulties. One interviewee told Forrester that implementing an idea that originated from attending a ConnectWise conference helped the organization double the number of first-time resolution tickets per week.

› **More efficient internal systems allow organizations to deliver improved customer experiences.** Several interviewees explained how improved ticket assignments and prioritization enabled technicians to address and resolve tickets faster. Automation helped interviewed TSPs shift from reactive to proactive hardware maintenance, leading to less downtime for their customers.

› **Employee satisfaction increases with more manageable workloads and predictable hours.** As automated scripts became available to resolve certain types of support tickets and triage alerts, employees' utilization rates and number of instances requiring emergency response decreased, leading to higher job satisfaction.

> "With ConnectWise, we've reduced false alarms by 75%. We wanted alerts to be actionable. No one likes to get woken up, but now the on-call engineers know that they'll be able to resolve an issue and go back to bed. In the past, we had to beg, borrow, steal engineers to get them on our on-call team, and now, we have people who don't want to drop off. Our customers like the improved process too: They're not getting bombarded with tons of alerts, and only receive the ones that require their attention."
>
> *COO, TSP in the US*

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Flexibility

The value of flexibility is clearly unique to each customer, and the measure of its value varies from organization to organization. There are multiple scenarios in which a customer might choose to implement ConnectWise and later realize additional uses and business opportunities, including:

› **Using ConnectWise to scale as organizations grow through hiring or acquisitions.** A single system makes it relatively easy to integrate other employees or even teams of employees.

› **Broadening the use of the ConnectWise ecosystem to add new capabilities for customers or internally.** ConnectWise's open APIs provide flexibility to work with integrators for new functionality.

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

> Flexibility, as defined by TEI, represents an investment in additional capacity or capability that could be turned into business benefit for a future additional investment. This provides an organization with the "right" or the ability to engage in future initiatives but not the obligation to do so.

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Analysis Of Costs

QUANTIFIED COST DATA AS APPLIED TO THE COMPOSITE
The chart below includes both costs paid to ConnectWise and internal (fully burdened) costs incurred by the composite organization.

Total Costs

REF.	COST	INITIAL	YEAR 1	YEAR 2	YEAR 3	TOTAL	PRESENT VALUE
Htr	ConnectWise annual cost	$0	$140,760	$145,560	$145,560	$431,880	$357,623
Itr	Implementation cost	$165,138	$0	$0	$0	$165,138	$165,138
Jtr	Cost to train employees	$47,717	$31,500	$33,409	$34,363	$146,989	$129,781
Ktr	Ongoing management cost	$0	$230,340	$230,340	$230,340	$691,020	$572,821
	Total costs (risk-adjusted)	$212,854	$402,600	$409,309	$410,263	$1,435,026	$1,225,363

ConnectWise Annual Cost

Fees to ConnectWise vary based on the number of users and ConnectWise products deployed, as well as the level of engagement with ConnectWise consulting. Forrester assumes that the composite organization uses ConnectWise Manage, Automate, and Sell solutions and has 50 users. The organization also engages ConnectWise consulting for 2 hours each month for additional help with new projects.

ConnectWise provided realistic quotes; therefore, Forrester did not risk adjust the annual cost. A three-year total PV of the annual cost amounts to $357,623.

> The table above shows the total of all costs across the areas listed below, as well as present values (PVs) discounted at 10%. Over three years, the composite organization expects risk-adjusted total costs to be a PV of more than $1.2 million.

ConnectWise Annual Cost: Calculation Table

REF.	METRIC	CALC.	INITIAL	YEAR 1	YEAR 2	YEAR 3
H1	ConnectWise annual license and support cost			$140,760	$140,760	$140,760
H2	Ad hoc professional services hours			0	24	24
H3	Professional services hourly fee			$200	$200	$200
Ht	ConnectWise annual cost	H1+(H2*H3)	$0	$140,760	$145,560	$145,560
	Risk adjustment	0%				
Htr	ConnectWise annual cost (risk-adjusted)		$0	$140,760	$145,560	$145,560

Implementation Cost

Interviewed organizations described ConnectWise implementation as a strategic process that required:

> Involvement from leadership and department heads needed to define new processes and outline a transition plan.

> A dedicated implementation manager responsible for coordinating other team members and leading communication with ConnectWise.

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

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Each interviewee's implementation and deployment period was unique, varied from two to three months to a year, and involved between three and eight people. For the composite organization, Forrester assumes that:

› Six department heads across the organization or senior engineers are involved in the planning process for six months. These FTEs dedicate 15% of their time to developing and executing the strategy for ConnectWise implementation.

› An implementation manager is selected among engineering staff to lead the initiative for the entire duration of the implementation.

The cost of implementation will vary based on:

› The complexity of organizing and preparing former processes and systems for transition to ConnectWise.

› The number and salaries of FTEs dedicated to planning and implementation.

To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year risk-adjusted total PV of $165,138.

2 to 12 months
Total implementation and deployment time

Implementation Cost: Calculation Table						
REF.	METRIC	CALC.	INITIAL	YEAR 1	YEAR 2	YEAR 3
I1	ConnectWise implementation fee		$25,425			
I2	Number of senior FTEs involved in planning implementation (months)		6			
I3	Duration of planning and implementation (years)		0.5			
I4	Senior FTEs' time dedicated to planning and transition		15%			
I5	Senior FTE's salary (fully burdened)		$150,000			
I6	Department heads' planning and implementation effort	I2*I3*I4*I5	$67,500			
I7	Implementation manager's salary (fully burdened)	$55*2,080 hours	$114,400			
It	Implementation cost	I1+I6+(I3*I7)	$150,125			
	Risk adjustment	↑10%				
Itr	Implementation cost (risk-adjusted)		$165,138			

Cost To Train Employees

Within all interviewed organizations, all new hires go through ConnectWise training. For engineers, training focuses on ticketing and customer service while sales associates and administrative staff learn how to use ConnectWise internally. The duration and mode of training could vary:

› One interviewee described training as three to four days during the new hire orientation, in which employees learn how to track their time or submit a vacation request in ConnectWise, following more role-specific modules such as creating tickets, updating ticket status, billing time, or tracking opportunities and creating quotes.

Mastering ConnectWise is an essential part of the onboarding process and requires several days.

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- Similarly, two of the interviewed organizations consider ConnectWise an essential part of their onboarding processes. New hires go through certain modules within the ConnectWise University to learn how to utilize the main functions of the system.

- One organization described ConnectWise conferences and user groups as one of the main learning vehicles for its teams. Participating in events and listening to peer stories delivered new insights and inspired change.

To evaluate the cost of training for the composite organization, Forrester assumes:

- Each employee spends two days in ConnectWise training before he or she can use the system efficiently.

- Upon the full launch, the organization trains all employees, and in the following years, only new employees go through the training.

- The organization spends $30,000 per year on conference participation, travel, and accommodation.

The cost of training will vary based on:

- The number of employees going through training and training duration.

- Employees' compensation rates. For the composite organization, Forrester calculated an average salary across all job functions described in this report.

- An organization's participation in ConnectWise conferences and events.

To account for these risks, Forrester adjusted this cost upward by 5%, yielding a three-year risk-adjusted total PV of $129,781.

> "The networking and the camaraderie between the MSPs are pretty phenomenal. Everybody is ready to sit down and say, 'This is how we do things. This is what we get out of it.'"
>
> *CEO/president, TSP in the US*

Cost To Train Employees: Calculation Table

REF.	METRIC	CALC.	INITIAL	YEAR 1	YEAR 2	YEAR 3
J1	Days in training		2	2	2	2
J2	Number of employees trained to use ConnectWise		50	0	2	3
J3	Average burdened salary (across the organization)		$118,156	$118,156	$118,156	$118,156
J4	Event and conference participation		$0	$30,000	$30,000	$30,000
Jt	Cost to train employees	J1*J2*(J3/260 days)+J4	$45,444.62	$30,000.00	$31,817.78	$32,726.68
	Risk adjustment	↑5%				
Jtr	Cost to train employees (risk-adjusted)		$47,717	$31,500	$33,409	$34,363

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Ongoing Management Cost

All organizations reported that, post implementation, they could still build on their use of ConnectWise to further improve internal processes. Their ongoing use exhibited the following patterns:

› Several organizations had an engineer dedicated to automating scripts and processes.

› One organization's operations manager analyzed ConnectWise data to evaluate performance and find new opportunities for further improvement.

› It was common across interviewed organizations for team leads to be involved in monitoring and analysis of service delivery through ConnectWise.

For the composite organization, Forrester estimates that:

› One dedicated automation technician works on script automation for ConnectWise.

› An operations manager spends 50% of his or her time working on ConnectWise-related processes.

› Three department heads are involved in ConnectWise management for 10% of their time.

These costs will vary based on:

› The number of professionals managing the ConnectWise platform and their involvement.

› The fully loaded salaries of all FTEs involved.

To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year risk-adjusted total PV of $572,821.

Three FTEs
spend 10% of their time on ongoing management of ConnectWise.

REF.	METRIC	CALC.	INITIAL	YEAR 1	YEAR 2	YEAR 3
	Ongoing Management Cost: Calculation Table					
K1	Number of technicians working on continued automation in ConnectWise			1	1	1
K2	Technician's salary (fully loaded)	$55*2,080 hours		$114,400	$114,400	$114,400
K3	Operations manager analyzing ConnectWise processes			50%	50%	50%
K4	Operations manager's salary			$100,000	$100,000	$100,000
K5	Number of department heads involved in managing ConnectWise			3	3	3
K6	Percent of time spent managing ConnectWise by department heads			10%	10%	10%
K7	Department head's salary			$150,000	$150,000	$150,000
Kt	Ongoing management cost	(K1*K2)+(K3*K4)+(K5*K6*K7)	$0	$209,400	$209,400	$209,400
	Risk adjustment	↑10%				
Ktr	Ongoing management cost (risk-adjusted)		$0	$230,340	$230,340	$230,340

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Financial Summary

CONSOLIDATED THREE-YEAR RISK-ADJUSTED METRICS

Cash Flow Chart (Risk-Adjusted)

- Total costs
- Total benefits
- Cumulative net benefits
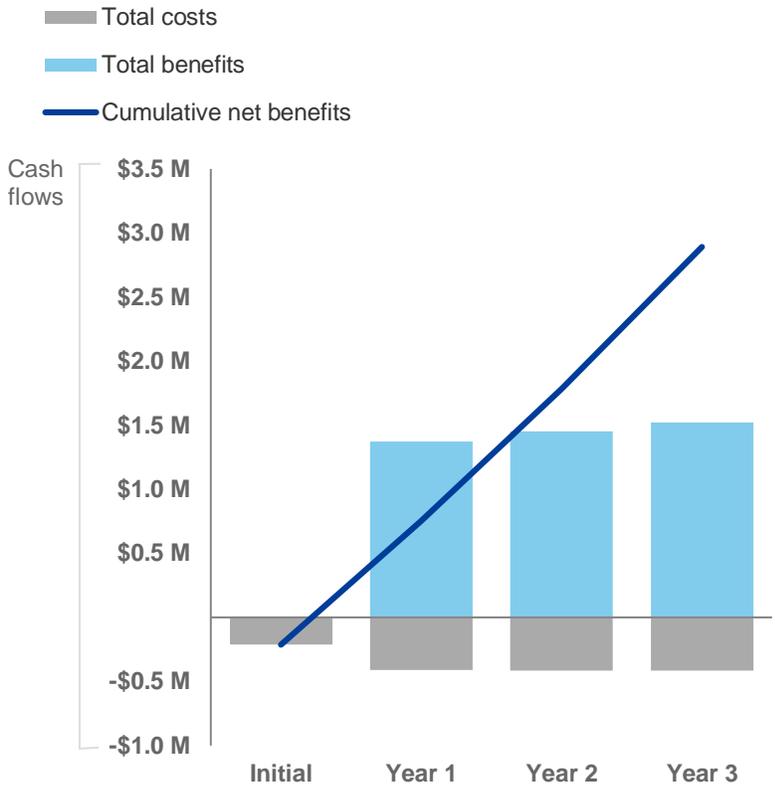
The financial results calculated in the Benefits and Costs sections can be used to determine the ROI, NPV, and payback period for the composite organization's investment. Forrester assumes a yearly discount rate of 10% for this analysis.

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 Table (Risk-Adjusted)

	INITIAL	YEAR 1	YEAR 2	YEAR 3	TOTAL	PRESENT VALUE
Total costs	($212,854)	($402,600)	($409,309)	($410,263)	($1,435,026)	($1,225,363)
Total benefits	$0	$1,373,343	$1,457,668	$1,531,635	$4,362,646	$3,603,918
Net benefits	($212,854)	$970,743	$1,048,359	$1,121,372	$2,927,620	$2,378,555
ROI						194%
Payback period						<3 months

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ConnectWise Overview

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

ConnectWise transforms how technology teams successfully build, manage, and grow their businesses. The award-winning set of software solutions provides a seamless experience to companies in 70 countries, giving them the ability to increase their productivity, efficiency, and profitability.

The ConnectWise Platform

ConnectWise is dedicated to helping technology teams thrive. ConnectWise connects tech teams to solutions and services that drive exceptional user experiences. ConnectWise enables efficiency with a single-pane-of-glass approach to run your business. The platform is comprised of solutions designed to help you do more with less, allowing you access to a comprehensive selection of options that extend, connect, and personalize your business. ConnectWise is committed to an open ecosystem that includes products to cover every user need, including security, backup and disaster recovery, network monitoring, finance, business intelligence, and more. ConnectWise's platform of software solutions help businesses sell, service, and support technology better.

ConnectWise Sell® ConnectWise Sell is a cloud-based software solution, designed to increase quoting volume and wins. Natively integrated with top CRMs, the professional templates deliver intuitive quotes and proposals with e-signatures included.

ConnectWise Manage® ConnectWise Manage is a business management platform designed to run your technology business, connecting everything with one application to allow superior service delivery, know your business better, discover full-visibility billing, and handle handoffs without hiccups. From projects to services, marketing, sales, and finance, ConnectWise Manage brings it all together.

ConnectWise Automate® Boost the effectiveness of your teams and simplify every aspect of your business with flexible remote monitoring and management from ConnectWise Automate. Gain better visibility, remove delivery roadblocks, and increase service without increasing costs through a solution that helps you master discovery, management, patching, monitoring, and automation.

ConnectWise Control® Anytime, anywhere remote support from ConnectWise Control lets you remotely control devices and help your customers whether they're around the corner or around the world. Exceed service delivery expectations with fast, reliable, secure remote support that offers instant connectivity, scalable security features, and seamless integration.

ConnectWise Unite™ ConnectWise Unite lets you manage, monitor, and bill seamlessly for cloud solutions including Microsoft® Azure and Office 365™, Amazon Web Services™ (AWS), and Cisco® solutions. Capitalize on the future of digital transformation with the power to centralize client applications management, proactively monitor for issues, and ease billing pains with automation.

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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.

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