

A Forrester Total Economic Impact™  
Study Commissioned By monday.com  
November 2019

# The Total Economic Impact™ Of monday.com

Cost Savings And Business Benefits  
Enabled By monday.com

# Table Of Contents

<b>Executive Summary</b>	<b>1</b>
Key Findings	1
TEI Framework And Methodology	4
<b>The monday.com Customer Journey</b>	<b>5</b>
Interviewed Organization	5
Key Challenges	5
Solution Requirements	5
Key Results	6
<b>Analysis Of Benefits</b>	<b>7</b>
Improved Team Productivity	7
Improved Revenue Due To Faster Time-To-Market	8
Flexibility	9
<b>Analysis Of Costs</b>	<b>11</b>
monday.com Solution Cost	11
Initial Setup Cost	12
Ongoing Resource Cost	13
<b>Financial Summary</b>	<b>14</b>
<b>monday.com: Overview</b>	<b>15</b>
<b>Appendix A: Total Economic Impact</b>	<b>16</b>
<b>Appendix B: Supplemental Material</b>	<b>17</b>
<b>Appendix C: Endnotes</b>	<b>18</b>

**Project Director:**  
Yi Qin Teow

## ABOUT FORRESTER CONSULTING

Forrester Consulting provides independent and objective research-based consulting to help leaders succeed in their organizations. Ranging in scope from a short strategy session to custom projects, Forrester's Consulting services connect you directly with research analysts who apply expert insight to your specific business challenges. For more information, visit [forrester.com/consulting](https://forrester.com/consulting).

© 2019, Forrester Research, Inc. All rights reserved. Unauthorized reproduction is strictly prohibited. Information is based on best available resources. Opinions reflect judgment at the time and are subject to change. Forrester®, Technographics®, Forrester Wave, RoleView, TechRadar, and Total Economic Impact are trademarks of Forrester Research, Inc. All other trademarks are the property of their respective companies. For additional information, go to [forrester.com](https://forrester.com).

## Benefits And Costs



Time savings enabled by productivity gains per employee per week:

**3 hours**



Improved efficiency of campaign launch queue meetings:

**50%**



Reduction in campaign launch project completion time:

**27%**

## Executive Summary

As digital transformation continues to shape the future of work, teamwork is more important than ever. The increased pace of work amidst intensifying competition demands the need for more productive work organization methods, which are often underpinned by high levels of teamwork to support greater innovation and continuous improvement. The average employee needs to be able to balance multiple roles and tasks simultaneously, yet collaborate seamlessly with internal and external stakeholders to achieve milestones and deadlines effectively. While CRM solutions are the customer system of record and enterprise resource planning (ERP) solutions are the financial system of record, organizations lack an operational system of record, relying instead on a multitude of tools to actually manage the way they work.

monday.com provides a collaborative work management solution that helps its customers transform and improve the way teams work together, being the work operating system (work OS) that enables better management of project activities, all in one single place. monday.com commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential ROI enterprises may realize by deploying monday.com. The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of monday.com on their organizations.

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed an internet marketing company, with a year of experience in leveraging monday.com to manage its campaign launch projects.

Prior to using monday.com, the marketing team found it challenging to monitor and manage campaign launch processes in a unified way. There was no single source of truth since multiple project management tools were used to manage key information. Back-and-forth communication between employees via multiple communication channels such as emails, phones, and messaging were common.

With the deployment of monday.com, a greater efficiency in managing campaign launch processes was achieved. Teams experienced productivity gains from improved communication, as well as the availability of predeveloped templates and automation features. A workplace environment of greater transparency, ownership, and accountability was also created, as task items can be systematically assigned to owners and real-time updates on campaign launch progress can be easily accessed via a single platform. Not only is there an improvement in employee engagement, more positive feedback is also received from clients as well.

The success found in transforming work processes around campaign management teams has led the organization to explore the use of monday.com for other business units, such as the HR, sales, and business development teams. As more teams become integrated with monday.com, greater cross-team collaboration can be achieved, contributing to stronger business performance.

## Key Findings

**Quantified benefits.** The interviewed organization experienced the following risk-adjusted present value (PV) quantified benefits:



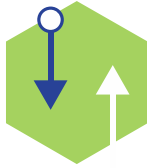
**ROI**  
**253%**



**Benefits PV**  
**\$660K**



**NPV**  
**\$473K**



**Payback**  
**<3 months**

- › **Improved team productivity (\$525,095).** This benefit focuses on the improved efficiency gained by teams in campaign launch management processes. The deployment of monday.com enabled more streamlined workflows as well as effective communication and collaboration via a single platform, which led to an average time savings of 3 hours per week for each employee. Also, a 50% reduction in campaign launch meeting duration is experienced as campaign launch timeline, status, and next steps can be efficiently discussed through showcasing the kanban boards. What took 1 hour per week is now reduced to just half an hour per week.
- › **Improved revenue due to faster time-to-market (\$134,525).** This benefit focuses on the reduction in the overall campaign launch timeline. With the productivity gains and greater visibility and accountability of project action items, a 27% improvement in project completion time is achieved. The faster time-to-market for campaign launch enables teams to increase the revenue generating opportunity per campaign.

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

- › **Increased transparency and accountability.** Prior to monday.com, there was often a lack of visibility on the campaign management process and additional effort was required to track down the bottlenecks that resulted in the campaign launch delays. With monday.com, not only are action items and impending deadlines for internal employees clearly assigned and reflected on monday.com, tasks that are required from the client can be easily viewed from the platform as well. As such, a workplace environment of transparency, ownership, and accountability is created, as everyone involved in the campaign launch is able to view which task items belong to them, which tasks are completed, and which are not.
- › **Higher level of employee engagement.** The availability of a visually appealing and intuitive collaborative work management platform encourages employees to leverage the tool in executing their day-to-day tasks. The efficiency gains achieved from automation of previously manual tasks as well as improved collaboration with employees and clients further empower employees to better perform in their roles, all of which contribute to higher levels of employee engagement.
- › **Positive client feedback.** With a more transparent and structured campaign launch management process, clients are kept up to date on the campaign launch progress and better made aware of task items required from their end; any red flags in the process can be easily identified and communicated. Alongside the implementation of monday.com, the organization put in place a Net Promoter Score survey mechanism to collect client feedback<sup>1</sup>. They exceeded their target score.

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

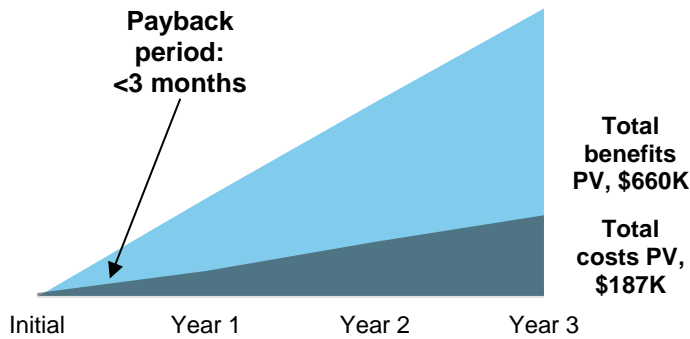
- › **monday.com solution cost (\$78,718).** The solution cost for this study is modeled based on a 100-user enterprise plan across all three years. The per annum cost of \$28,776, provided by monday.com, is reflective of the price when this study is being conducted. As each organization's needs and anticipated usage volume differs, readers are encouraged to reach out to monday.com for a more tailored quote or refer to their website for an updated sample of list pricings.
- › **Initial setup cost (\$8,857).** The initial setup cost mainly accounts for internal employee costs associated with the implementation and

deployment of monday.com, which comprises the labor costs and the training hours for the 100 monday.com users in the organization. A total of 13 employees across 3 teams were involved in the four-month deployment planning and readiness process.

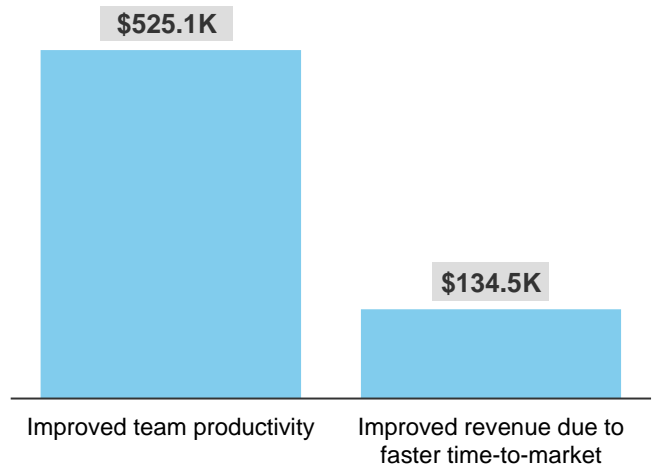
- › **Ongoing resource cost (\$99,196).** In the first year, an internal resource spends one-third of her time to administrate and manage monday.com, providing support to both the 100 users as well as clients, as needed. A second resource will be deployed from the second year onwards to provide additional support. Also, an ongoing cost of \$1,200 for a third-party automated tool is incurred on a yearly basis to help drive a greater volume of complex automation features the team hopes to achieve over the six to nine months.

Forrester’s interview with an existing customer and subsequent financial analysis found that the interviewed organization experienced benefits of \$659,620 over three years versus costs of \$186,771, adding up to a net present value (NPV) of \$472,849 and an ROI of 253%.

### Financial Summary



### Benefits (Three-Year)



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

## TEI Framework And Methodology

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

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 monday.com can have on an organization:



### **DUE DILIGENCE**

Interviewed monday.com stakeholders and Forrester analysts to gather data relative to monday.com.



### **CUSTOMER INTERVIEW**

Interviewed one organization using monday.com to obtain data with respect to costs, benefits, and risks.



### **FINANCIAL MODEL FRAMEWORK**

Constructed a financial model representative of the interview using the TEI methodology and risk-adjusted the financial model based on issues and concerns of the interviewed organization.



### **CASE STUDY**

Employed four fundamental elements of TEI in modeling monday.com'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.

## DISCLOSURES

Readers should be aware of the following:

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

Forrester makes no assumptions as to the potential ROI that other organizations will receive. Forrester strongly advises that readers use their own estimates within the framework provided in the report to determine the appropriateness of an investment in monday.com.

monday.com 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.

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

# The monday.com Customer Journey

## BEFORE AND AFTER THE MONDAY.COM INVESTMENT

### Interviewed Organization

For this study, Forrester interviewed the vice president of a leading internet marketing company, which is a subsidiary of a large e-commerce company with more than 10,000 employees globally. While the interviewed organization has offices across the world, the implementation of monday.com was pioneered by the US team based in New York.

### Key Challenges

The interviewed organization experienced the following key challenges before deploying monday.com:

- › **Segregated client information.** Prior to using monday.com, there was no central platform that contained all client information. Information was piecemeal and stored on various systems and platforms, as well as on spreadsheets and employees' desktops. Such disorganized operations made it challenging for employees to retrieve the latest up-to-date information about clients when needed, especially during the campaign launch process.
- › **Inefficient campaign launch management processes.** Without a consistent approach toward managing campaign launches, there was often multiple back-and-forth communication via various channels, e.g., emails, calls, and messaging. Launch queue meetings were often drawn-out and inefficient affairs, as there was no streamlined manner in which employees provide updates on campaign launch progress.
- › **Lack of visibility on campaign launch progress.** The inability to systematically and visually track the progress of action items often resulted in bottlenecks in campaign launches. Campaign launch project managers had to spend extra time and effort tracking down the delayed action items and their respective owners to move the project forward.

"There is often a black box around the launch process. If the campaign launch was delayed, we would have to go through so many people to figure out why."

*VP, internet marketing company*



### Solution Requirements

The interviewed organization searched for a solution that could:

- › Integrate with existing tools and centralize and better organize client information to provide a single source of truth.
- › Enhance campaign launch management processes with flexible planning, tracking, and automation capabilities.
- › Automate manual daily tasks to improve employee productivity and enhance employee collaboration.
- › Provide a highly visual platform that is user-friendly to both employees and clients.
- › Instill greater accountability in employees in progressing campaign launch projects.

"We needed a central place to store and organize information about our clients, so that people from any group can easily know what is going on with that client at any moment."

*VP, internet marketing company*



- › Enable greater flexibility and customization of workflows to adapt to changes in business requirements easily.

After an extensive business case process evaluating multiple vendors, the interviewed organization chose monday.com and began a four-month deployment process.

## Key Results

The interview revealed that key results from the monday.com investment include:

- › **Improved campaign launch management processes.** With monday.com, back-and-forth communication among employees are reduced as all client and campaign launch information can be readily accessed through a single real-time platform. A 50% reduction in campaign launch meeting duration is experienced as campaign launch timeline, status, and next steps can be efficiently discussed through showcasing the kanban boards. Furthermore, the availability of predeveloped templates mean that employees can easily pick and adjust project management templates that are best suited for the needs of different clients. Automation capabilities availed through the integration of an automation tool with monday.com further enhanced the productivity of employees as previously manual and time-consuming action items are eliminated.
- › **Increased campaign launch transparency and accountability.** Not only are action items and impending deadlines for internal employees clearly assigned and reflected on monday.com, tasks that are required to be completed by the client can be easily viewed in the platform as well. As such, there is greater transparency and accountability in the end-to-end campaign management process, as everyone involved in the campaign launch is able to view which task items belong to them, which tasks are completed, and which are not. Any bottlenecks in the campaign launch process can also be easily identified and tracked down to its assigned owner.
- › **Improved revenue due to faster time-to-market of campaign launches.** The greater efficiency in the management of campaign launch processes results in a 27% reduction in the overall campaign launch timeline — from the point when the teams are first engaged with the clients to when the campaigns are approved for launch. With a faster time-to-market, the teams are able to increase the revenue generating opportunity per campaign.

“We are able to cut down our launch queue discussions to half an hour now, since things are so clear, and we can move through meetings a lot faster.”

*VP, internet marketing company*





# Analysis Of Benefits

## QUANTIFIED BENEFIT DATA

Total Benefits						
REF.	BENEFIT	YEAR 1	YEAR 2	YEAR 3	TOTAL	PRESENT VALUE
Atr	Improved team productivity	\$196,031	\$211,762	\$228,767	\$636,559	\$525,095
Btr	Improved revenue due to faster time-to-market	\$51,638	\$54,219	\$56,930	\$162,787	\$134,525
	Total benefits (risk-adjusted)	\$247,669	\$265,981	\$285,697	\$799,347	\$659,620

### Improved Team Productivity

The use of monday.com equipped employees with capabilities to better manage campaign launches, leading to an improvement in team productivity.

Prior to monday.com, employees had to provide instructions to clients on pre-launch action items required from their end via multiple emails. The availability of pre-developed templates on monday.com meant that employees can easily pick and adjust project management templates that are best suited for the needs of different client models and systematically provide instructions to clients via the platform. Internally within the organization, employees are also able to eliminate the use of inconsistent communication channels, such as emails, calls or messaging, and rely on monday.com to collaborate on campaign launch processes more efficiently.

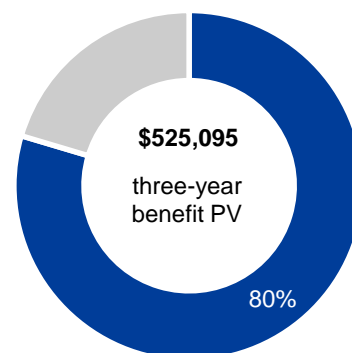
In addition, automation capabilities availed through the integration of an automation tool with monday.com further enhanced the productivity of employees. Not only are client and campaign launch information between monday.com and legacy CRM platforms better synchronized, previously manual and time-consuming action items are eliminated. For instance, instead of having to provide manual updates of campaign launches, automatic notifications can be configured within monday.com.

As such, the automation features and improved contextual communication among employees and with clients led to an average time-savings of 3 hours per employee per week. Also, a 50% reduction in campaign launch meeting duration is experienced as campaign launch timeline, status, and next steps can be efficiently discussed through showcasing the Kanban boards. What took 1 hour per week is now reduced to just half an hour per week.

Forrester adjusts productivity formulas with a productivity conversion ratio to be realistic and conservative in modeling. Productivity conversion considers that not every minute gained in productivity is put directly back into productive work. Employees could use the time to take a longer break, leave work on time, etc. The productivity conversion ratio for this study is 50%.

Companies should also consider the potential impact of productivity and what it could allow employees to achieve (e.g., complete additional campaign launch task items, manage multiple campaign launches more efficiently). Forrester does not suggest speculating on the values of

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 interviewed organization expects risk-adjusted total benefits to be a PV of more than \$600K.



Improved team productivity: **80%** of total benefits

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.

these potential actions and incorporating them into an ROI model, but companies should consider these as potential and flexibility factors.

The model accounts for risks that could impact the value of benefits:

- › Variance in salaries by role.
- › Variance in degree and complexity of automation features enabled.

Variance in level of adoption of monday.com.

To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV of \$525,095.

### Improved Team Productivity: Calculation Table

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3
A1	Number of users included in monday.com	Year 1: provided by the customer Years 2 and 3: $A1_{py} * 105\%$	100	105	110
A2	Time saved per week due to automation and improved communication (hours)	Provided by the customer	3	3	3
A3	Total time saved per year due to automation and improved communication (hours)	$A1 * A2 * 52$	15,600	16,380	17,199
A4	Pre-monday.com weekly client campaign launch meeting duration (hours)	Provided by the customer	1	1	1
A5	Post-monday.com weekly client campaign launch meeting duration improvement	Provided by the customer	50%	50%	50%
A6	Post-monday.com weekly client campaign launch meeting duration (hours)	$A4 * (1 - A5)$	0.5	0.5	0.5
A7	Number of employees involved in weekly client campaign launch meeting	Provided by the customer	15	15	15
A8	Total time saved per year due to weekly client campaign launch meeting duration improvement (hours)	$(A4 - A6) * A7 * 52$	390	390	390
A9	Average employee fully loaded salary	Year 1: assumption Years 2 and 3: $A9_{py} * 103\%$	\$60,000	\$61,800	\$63,654
A10	Productivity conversion	Assumption	50%	50%	50%
At	Improved team productivity	$(A3 + A8) * (A9 / 2,080) * A10$	\$230,625	\$249,131	\$269,137
	Risk adjustment	↓15%			
Atr	Improved team productivity (risk-adjusted)		\$196,031	\$211,762	\$228,767

## Improved Revenue Due To Faster Time-To-Market

The greater efficiency in the management of campaign launch processes resulted in a reduction in the overall campaign launch timeline for clients. The average launch timeline, from first engagement with clients to when the campaigns were approved and ready for launch, was reduced by 27% post Monday.com integration. With the productivity gains, greater visibility and accountability of project action items, this 27% improvement in project completion time resulted in a faster time-to-market, increasing the revenue generating opportunity per campaign.

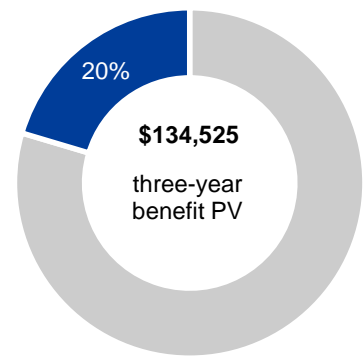
The organization works on an average of 900 campaign launches annually, and the model attributes an estimated revenue of \$10,000 per project.<sup>2</sup> Forrester adjusts revenue gains with an EBITDA margin and

revenue attribution rate to be realistic and conservative in modeling.<sup>3</sup> EBITDA margin considers the cost of goods sold (COGS) and operating expenses associated with the revenue gains. The EBITDA margin for this study is 10%. Revenue attribution rate assumes that revenue increment gains is not just due to the reduction in project timeline with the deployment of monday.com, but a multitude of other associated factors. The revenue attribution rate for this study is 25%.

The model accounts for risks that could impact the value of benefits:

- › Variance in annual number of projects.
- › Variance in average revenue per project.
- › Variance in project completion time improvement.

To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV of \$134,525.



Improved revenue due to faster time-to-market: **20%** of total benefits

### Improved Revenue Due To Faster Time-To-Market: Calculation Table

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3
B1	Average annual number of projects (rounded value shown)	Year 1: provided by the customer Years 2 and 3: $B1_{py} * 105\%$	900	945	992
B2	Average revenue per project	Assumption	\$10,000	\$10,000	\$10,000
B3	Pre-monday.com average project completion time (weeks)	Provided by customer	4	4	4
B4	Post-monday.com project completion time improvement	Provided by customer	27%	27%	27%
B5	Post-monday.com average project completion time (weeks) (rounded value shown)	$B3 * (1 - B4)$	2.9	2.9	2.9
B6	Faster campaign launch incremental revenue per project	$(B2/B3) * (B3 - B5)$	\$2,700	\$2,700	\$2,700
B7	EBITDA margin	Assumption	10%	10%	10%
B8	Revenue attribution rate	Assumption	25%	25%	25%
Bt	Improved revenue due to faster time-to-market	$B1 * B6 * B7 * B8$	\$60,750	\$63,788	\$66,977
	Risk adjustment	↓15%			
Btr	Improved revenue due to faster time-to-market (risk-adjusted)		\$51,638	\$54,219	\$56,930

## 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 monday.com and later realize additional uses and business opportunities, including:

- › **Integrating monday.com with other systems.** The strong technical capabilities of the monday.com platform allow for seamless integration with other systems that can help to better support campaign launch management. Email integration allows for transformation of emails into action items, automatically aligning campaign launch team members and client team to stay seamlessly connected. On the other hand,

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.

calendar integration introduces greater visibility and structure to workflows by allowing deadlines of action items to appear on individuals' internet-based calendars.

- › **Extending the deployment of monday.com to other teams.** With its intuitive and customizable approach to collaborative work management, the use of monday.com can be easily extended to other business units that have not yet adopted monday.com. For instance, the HR team can deploy monday.com to manage various HR processes, from recruitment and onboarding to employee performance management. Also, the sales and business development teams can leverage monday.com to more efficiently manage leads and the sales pipeline, as well as tracking sales success. The integration of multiple use cases on a single platform will enhance the cross-team collaboration across the organization, further increasing the efficiency of business processes.

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

# Analysis Of Costs

## QUANTIFIED COST DATA

Total Costs							
REF.	COST	INITIAL	YEAR 1	YEAR 2	YEAR 3	TOTAL	PRESENT VALUE
Ctr	monday.com solution cost	\$0	\$31,654	\$31,654	\$31,654	\$94,961	\$78,718
Dtr	Initial setup cost	\$8,857	\$0	\$0	\$0	\$8,857	\$8,857
Etr	Ongoing resource cost	\$0	\$24,150	\$48,286	\$49,693	\$122,130	\$99,196
	Total costs (risk-adjusted)	\$8,857	\$55,804	\$79,940	\$81,347	\$225,948	\$186,771

## monday.com Solution Cost

The monday.com solution cost is primarily calculated based on an annual license fee model. For this study, we model with a 100-user enterprise plan across all three years. The per annum cost of \$28,776, provided by monday.com, is reflective of the price when this study is being conducted. As each organization's needs and anticipated usage volume differs, readers are encouraged to reach out to monday.com for a more tailored quote or refer to their website for an updated sample of list pricings.

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 interviewed organization expects risk-adjusted total costs to be a PV of less than \$200K.

The model accounts for risks that could impact the value of costs:

- › Variance in organizational needs and expectations for collaborative work management tools.
- › Variance in user base.
- › Variance in contractual terms and conditions.



To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year, risk-adjusted total PV of \$78,718.

monday.com Solution Cost: Calculation Table						
REF.	METRIC	CALC.	INITIAL	YEAR 1	YEAR 2	YEAR 3
C1	monday.com annual license cost	Provided by monday.com		\$28,776	\$28,776	\$28,776
Ct	monday.com solution cost	C1		\$28,776	\$28,776	\$28,776
	Risk adjustment	↑10%				
Ctr	monday.com solution cost (risk-adjusted)		\$0	\$31,654	\$31,654	\$31,654

## Initial Setup Cost

The initial setup cost mainly accounts for costs associated with the implementation and deployment of monday.com, which comprises the internal labor costs and training hours for the 100 monday.com users in the organization.

The deployment of monday.com was fairly straightforward with no professional support services required. As such, majority of the initial setup cost was associated with the time spent by internal staff in properly setting up monday.com for the team's use cases. A total of 13 employees across 3 teams were involved in the deployment planning and readiness process.

In the first four to six weeks of monday.com integration, a total of 117 hours were invested across the 13 employees to ensure monday.com was set up to support all team members. Thereafter, once the preferred setup and design of monday.com were largely in place, the project manager spent about 1 hour a day for the remaining 10 weeks on setting up monday.com before its full-fledged deployment across the team.

Training for the 100 users was conducted internally over four to six weeks via formal training sessions of 1 hour each. For users who required further help, individual sync-up sessions were available as needed. In addition, there were also FAQs and guides available on monday.com's website to support users in ramping up their knowledge of monday.com.

The model accounts for risks that could impact the value of costs:

- › Complexity of environment and deployment.
- › Variance in number of users.
- › Variance in salaries by role.

To account for these risks, Forrester adjusted this cost upward by 15%, yielding a three-year, risk-adjusted total PV of \$8,857.

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.



**Four months**  
of total deployment and  
readiness time.

### Initial Setup Cost: Calculation Table

REF.	METRIC	CALC.	INITIAL	YEAR 1	YEAR 2	YEAR 3
D1	Total deployment planning and readiness hours	Provided by the customer	167			
D2	Average employee fully loaded salary	Assumption	\$60,000			
D3	Internal deployment cost	$D1 * (D2 / 2,080)$	\$4,817			
D4	Number of users included in monday.com	A1	100			
D5	Training hours per user	Provided by customer	1			
D6	Total training hours	$D4 * D5$	100			
D7	Training cost	$D6 * (D2 / 2,080)$	\$2,885			
Dt	Initial setup cost	$D3 + D7$	\$7,702	\$0	\$0	\$0
	Risk adjustment	↑15%				
Dtr	Initial setup cost (risk-adjusted)		\$8,857	\$0	\$0	\$0

## Ongoing Resource Cost

In Year 1, an internal resource spends one-third of its time to administer and manage monday.com, providing support to the 100 users as well as to any clients, as needed. In addition, this employee is responsible for further optimizing and looking out for new automation capabilities of monday.com via the integration of monday.com with other existing platforms. A second resource will be deployed from the second year onwards to provide additional support.

Also, an ongoing cost of \$1,200 for a third-party automated tool is incurred on a yearly basis to help drive a greater volume of complex automation features the team hopes to achieve over the six to nine months.

The model accounts for risks that could impact the value of costs:

- > Variance in salaries by roles.
- > Variance in automation requirements.

To account for these risks, Forrester adjusted this cost upward by 15%, yielding a three-year, risk-adjusted total PV of \$99,196.



**One FTE**  
spend one-third of its time  
on ongoing management  
of monday.com in Year 1.

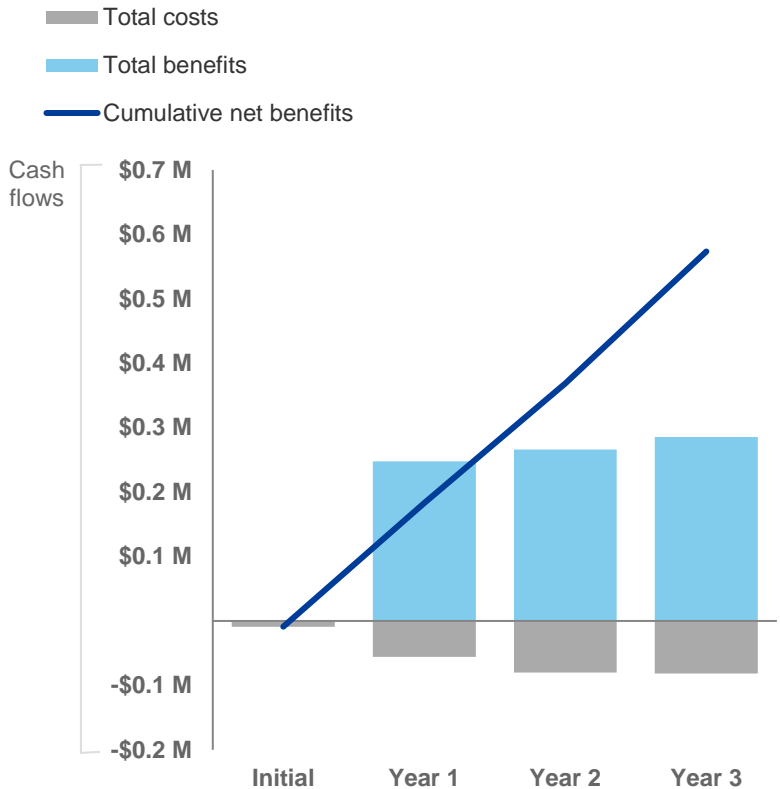
**Ongoing Resource Cost: Calculation Table**

REF.	METRIC	CALC.	INITIAL	YEAR 1	YEAR 2	YEAR 3
E1	Number of internal employees	Provided by the customer		1	2	2
E2	Proportion of time spent on monday.com support and administration	Provided by the customer		33%	33%	33%
E3	Average employee fully loaded salary	Year 1: D2 Years 2 and 3: $E3_{py} * 103\%$		\$60,000	\$61,800	\$63,654
E4	Third party automation tool	Per solution list price		\$1,200	\$1,200	\$1,200
Et	Ongoing resource cost	$(E1 * E2 * E3) + E4$		\$21,000	\$41,988	\$43,212
	Risk adjustment	↑15%				
Etr	Ongoing resource cost (risk-adjusted)		\$0	\$24,150	\$48,286	\$49,693

# 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 interviewed 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	(\$8,857)	(\$55,804)	(\$79,940)	(\$81,347)	(\$225,948)	(\$186,771)
Total benefits	\$0	\$247,669	\$265,981	\$285,697	\$799,347	\$659,620
Net benefits	(\$8,857)	\$191,865	\$186,041	\$204,350	\$573,399	\$472,849
ROI						253%
Payback period						<3 months



# monday.com: Overview

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

[monday.com](#) is a work operating system (Work OS) that enables teams to plan, execute, and optimize their work in a single, visual, and collaborative workspace. The company's value proposition is to provide companies a way to manage and streamline all core business activities, while driving collaboration with real-time insights to ensure effective and efficient execution.

[monday.com](#) is visually-intuitive, enabling teams to quickly and easily adopt the platform. The platform is modular in functionality, providing business users with the freedom to configure workflows, automations, and integrations, without writing a single line of code. This functional elasticity enables management of core and non-core business processes within one central hub.

[monday.com](#) provides the ability to share data in real time, track projects, and foster a working culture of accountability and transparency for all workers at all levels of the business.

To get started, users pick a template, which is easily customized to fit their needs. Templates include production tracking, client management, project tracking, iteration management, social media planning, employee onboarding, event planning, team management, media production, medical scheduling and construction scheduling, and dozens more. Users can then add columns to capture necessary data such as time tracking, team member assignees, and any contextual details needed such as locations, dates, and links.

Users then invite team members and guests to their workspaces so all team conversations, checklists, files, and data sheets are contextual and can stay in the same location.

Team members can consume information in different forms, such as timelines, calendars, and kanban boards.

Planning project timelines is simple with drag-and-drop editing and an easy-to-follow map, showing who is working on what and when the project is due to be completed. Team leaders and managers can delegate tasks efficiently and strategically to ensure resource capacity constraints are not compromised, and that work doesn't fall behind or go unassigned and use visual dashboards to do so.

[monday.com](#) enables seamless integration with popular tools, allowing users to connect and synchronize data from multiple apps into a single platform. [monday.com](#)'s list of integrations can be found on its website [here](#)."

[monday.com](#) has one of the most responsive customer support service, which averages 15 minutes to respond to support tickets. [monday.com](#) also offers [mobile apps](#) that enable users to manage workflows on the move.

The company has GDPR and ISO certification, as well as HIPAA compliance certification.<sup>4</sup>

[monday.com](#) is available in English, Spanish, Portuguese, French, Dutch, Italian, Japanese, and German.

Tel Aviv-based [monday.com](#) was founded in 2014. The private company has about 350 employees and a second office in New York. [monday.com](#) has raised \$234.1M to date.

The company has more than 100,000 paying customers, in 145 countries.

# 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: Supplemental Material

## *Related Forrester Research*

“The Forrester Wave™: Collaborative Work Management Tools For The Enterprise, Q4 2018,” Forrester Research, Inc., October 24, 2018.

## Appendix C: Endnotes

---

<sup>1</sup> Net Promoter and NPS are registered service marks, and Net Promoter Score is a service mark, of Bain & Company, Inc., Satmetrix Systems, Inc., and Fred Reichheld.

<sup>2</sup> The revenue assumption of \$10,000 per campaign launch project is based on secondary research of publicly available information, due to non-disclosure of financial information from the interviewed customer. Readers are to take note that average revenue figures per campaign launch project will differ across internet marketing companies for various reasons (e.g., variance in project scale and complexity, company's pricing model, etc.). Forrester has accounted for this risk in the TEI model.

<sup>3</sup> EBITDA: earnings before interest, taxes, depreciation, and amortization.

<sup>4</sup> GDPR: General Data Production Regulation; ISO: International Organization for Standardization; HIPPA: Health Insurance Portability And Accountability Act.