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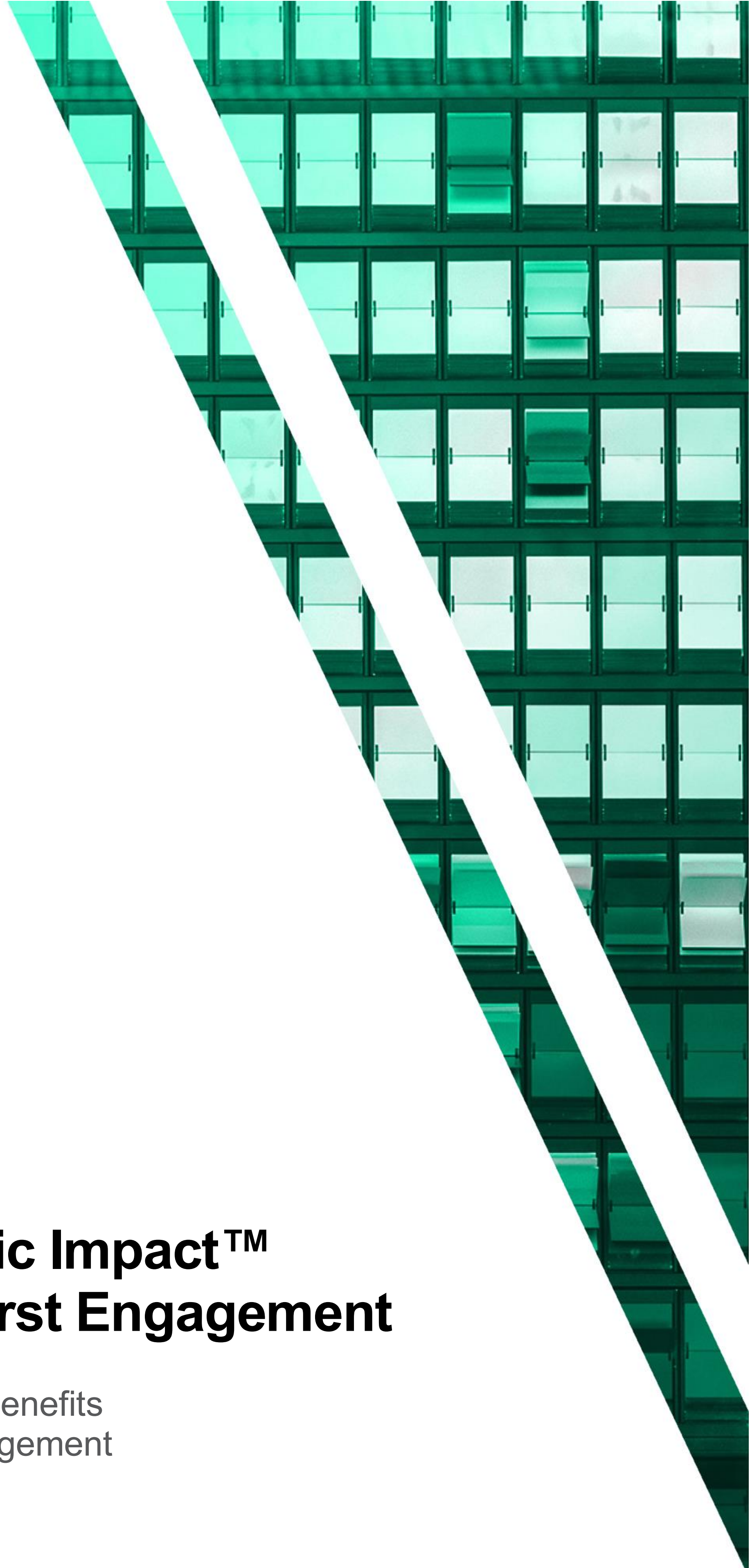

The Total Economic Impact™ Of Verint Digital-First Engagement

Cost Savings And Business Benefits Enabled By Digital-First Engagement

SEPTEMBER 2022

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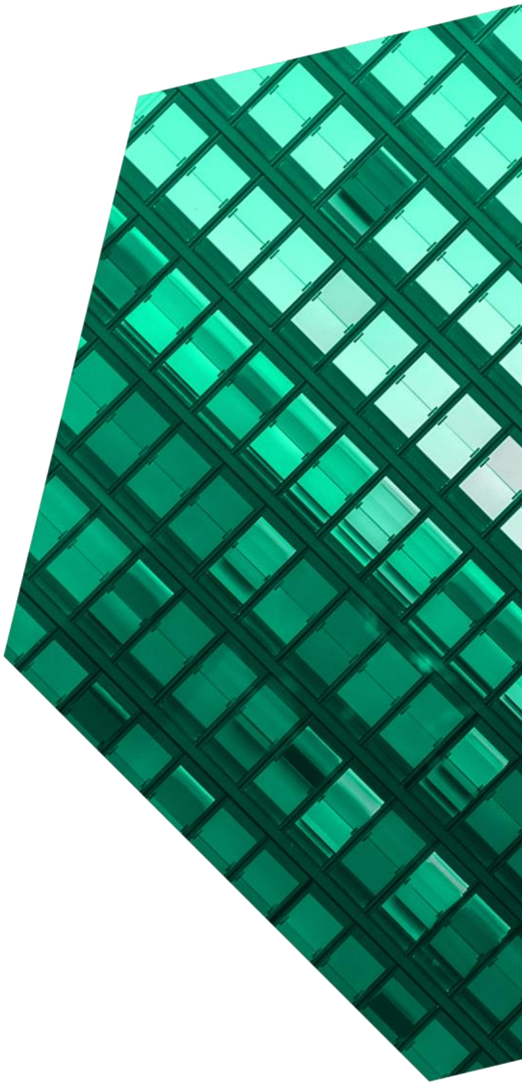
Consultant: Leigh Greene



ABOUT FORRESTER CONSULTING

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

Executive Summary

Modern consumers expect companies to provide them with multiple channels and opportunities to ask questions, make purchases, and troubleshoot product issues — all without having to rely solely on the team of live customer service agents in the contact center. Verint Digital-First Engagement solutions facilitate this customer engagement, helping companies optimize their customer support functions and give consumers the service and attention they need for a better overall customer experience.

Verint Digital-First Engagement (DFE) solutions power customer engagement over digital channels. Verint DFE solutions help companies provide the right information to their customers in a timely and contextually relevant way. Delivering accurate information directly to consumers in their preferred channel provides better overall customer service, while also lessening the burden on customer service agents, given that they no longer represent their customers' only resource for product inquiries and company information. Verint DFE solutions allow companies to take advantage of the full range of digital engagement channels to streamline resources and improve the customer journey.

Verint commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) enterprises may realize by deploying Digital-First Engagement.[1] The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of Digital-First Engagement products on their organizations.

Inbound call volume reduction

20%

KEY STATISTICS

Return on investment (ROI)
271%

Net present value (NPV)
$16.66M

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed five representatives from four organizations with experience using select products from the Digital-First Engagement portfolio, namely Knowledge Management (KM), Intelligent Virtual Assistant (IVA), and Community. For the purposes of this study, Forrester aggregated the interviewees' experiences and combined the results into a single composite organization that is a business services company with $2 billion in annual revenue and 1,500 customer service agents working in their contact center.

Prior to using Digital-First Engagement solutions, interviewees' organizations struggled to provide consistent, reliable, and timely information that helped their agents sufficiently answer customer inquiries upon first contact. Interviewees couldn't easily track and improve upon these customer interactions since their prior tools for data collection and reporting didn't include any of the automation or

AI capabilities that have been shown to assist companies with analyzing inbound customer inquiries and routing those inquiries to the right skilled agent.[2]

Before implementing Verint DFE, interviewees also wanted to increase their customers' self-service capabilities. A key obstacle to facilitating self-service and providing customers with relevant content was the interviewees' struggles to streamline their organizations' disparate knowledge systems internally. This meant that the interviewees' organizations needed more time and resources to effectively handle customer inquiries, which negatively impacted the customer experience and eroded agent productivity.

After the investment in Digital-First Engagement, the interviewees decreased the inbound call volume, improved customer interactions, and streamlined their knowledge management processes. Verint DFE solutions helped agents access the right information and facilitated customers' ability to self-serve and get the answers they needed unassisted. By streamlining and disseminating information in an efficient way throughout the organization, interviewees' companies could provide better service, keep customer confidence high, and save valuable time.

KEY FINDINGS

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

- **Reduced inbound customer calls to the contact center by 20%, yielding $15.4 million in savings.** By deploying Verint DFE solutions, the composite organization reduces inbound customer inquiries by improving self-service options through optimized digital channels, comprehensive customer-facing content, and better, more accessible product information. The composite organization further reduces inbound call volume by helping agents handle customer issues more effectively upon first contact, significantly decreasing the number of repeat inbound callers who didn't get their questions resolved during their first conversation.

- **Increased agent efficiency by reducing average handle time by 10%, resulting in $6.9 million in savings.** With information at their fingertips, customer service agents at the composite organization decrease their average handle time and more easily find the answers for their inbound callers. With the efficiencies created through Verint DFE solutions, agents field more inquiries and increase their overall productivity when it comes to customer service.

- **Streamlined knowledge management systems and protocols, producing $266,000 in savings.** Previously, the composite organization had six separate knowledge platforms that each needed to be updated with any changes in product functionality or company procedure. Streamlining those six disparate systems into a single, fully integrated knowledge platform used by agents and customers alike saves valuable administrative time — not to mention reduces the number of errors from having to update fewer systems.

- **Improved agent ramp-up time by increasing passing rates for training courses by 40%, yielding $250,000 in savings.** Like many similar companies, the composite organization is consistently hiring new customer service agents to keep up with demand. Using tools in Verint's DFE portfolio, newly trained agents decrease their training time by as much as two weeks. Agents quickly master the content within the company's training modules, which helps them gain the confidence needed to handle customer inquiries without another colleague's help.

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

- **Increased customer satisfaction and overall engagement.** With the deployment of Verint DFE solutions, customers can more easily access the information they need within the channel they prefer. With the ability to seek support through their channel of choice — whether it's within a customer community, on the company's website, or agent-assisted — customers can get answers quickly and move on with their day.

- **Simplified agents' jobs to improve satisfaction.** The agent productivity benefits discussed in the quantified benefits section simultaneously contribute to an unquantified benefit: the increased overall happiness and job satisfaction of the agents at the interviewees' organizations. By decreasing inbound customer inquiries and reducing average handle time, customer-facing agents feel more productive and satisfied with their job performance. Without struggling to get the information necessary to do their jobs, agents feel more confident in their dealings with customers.

- **Improved compliance and adherence to regulatory standards.** Interviewees, particularly those from the financial and healthcare sectors, talked about how Verint DFE solutions helped them better adhere to the rigorous compliance standards in digital and live agent experiences. These decision-makers talked about they standardized their content, information, and messaging across all the customer-facing aspects of the business, whether it was marketing materials, online FAQs, or a live agent's script. Maintaining this information consistency for customers helped to reduce errors, improve compliance, and avoid regulatory penalties.

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

- **Verint product costs totaling $4.1 million over a three-year period.** The composite organization utilizes three key products from the Verint DFE suite of solutions: Knowledge Management (KM), Intelligent Virtual Assistant (IVA), and Community. The composite organization's specific needs and scope determines the costs for each of these three products.

- **Maintenance and services costs totaling $2.1 million over a three-year period.** This costing category covers all of the composite organization's implementation, technological support, internal resources, and professional services needs in operating Verint DFE solutions. Training needs for customer-facing agents and staff at the composite organization are also included in these costs.

The representative interviews and financial analysis found that a composite organization experiences benefits of $22.80 million over three years versus costs of $6.14 million, adding up to a net present value (NPV) of $16.66 million and an ROI of 271%.

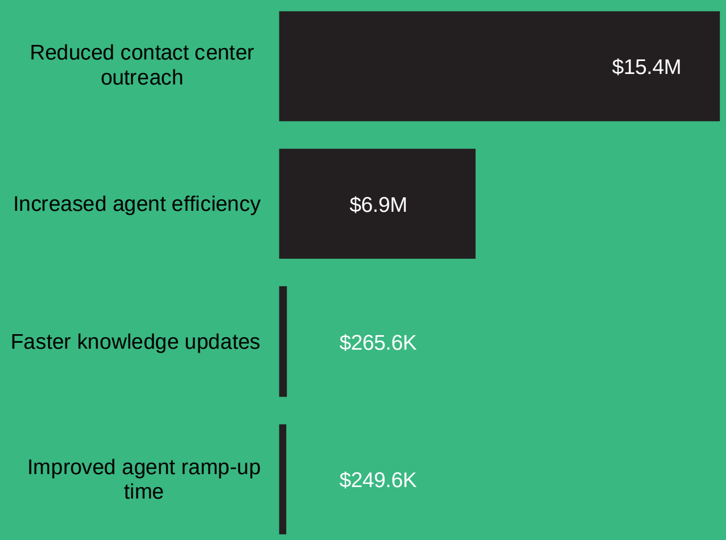
ROI
271%

BENEFITS PV
$22.80M

NPV
$16.66M

PAYBACK
<6 months

Benefits (Three-Year)



With Verint, interviewees witnessed reduced inbound call volumes and decreased average handle times — two key factors that signify an increase in customers' ability to self-service, allowing overall agent productivity to increase.

"We chose Verint not just for the platform's capabilities, but their team went above and beyond during the sales process. And they've continued to go above and beyond for us as their customer."

— Senior community strategist, manufacturing

TEI FRAMEWORK AND METHODOLOGY

From the information provided in the interviews, Forrester constructed a Total Economic Impact™ framework for those organizations considering an investment in Digital-First Engagement.

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 Digital-First Engagement solutions can have on an organization.

DUE DILIGENCE
Interviewed Verint stakeholders and Forrester analysts to gather data relative to Digital-First Engagement.

INTERVIEWS
Interviewed five representatives from four organizations using Digital-First Engagement solutions to obtain data with respect to costs, benefits, and risks.

COMPOSITE ORGANIZATION
Designed a composite organization based on characteristics of the interviewees' 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 interviewees.

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

DISCLOSURES

Readers should be aware of the following:

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

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

Verint 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.

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

The Verint Digital-First Engagement Customer Journey

Drivers leading to the Digital-First Engagement investment

Interviews		
Role	**Industry**	**DFE Product**
Senior community strategist	Manufacturing	Community
Manager of knowledge management	Financial services	Knowledge Management
Director of omnichannel business analytics	Health services	Knowledge Management
Director of knowledge management and learning solutions	Health services	Knowledge Management
Telecommunication engineer	Health insurance	Intelligent Virtual Assistant

KEY CHALLENGES

Interviewees discussed the pain points that their organizations experienced before implementing Verint DFE solutions. It was challenging to optimize customer engagement, efficiently communicate through desired channels, and provide customers with seamless self-to-assisted service pathways. Given the complex and ever-changing nature of their customers' needs, interviewees knew they needed to invest in solutions that would improve and modernize the customer experience.

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

- **Reporting and tracking capabilities that didn't meet the interviewees' organizations' needs.** Decision-makers needed to improve their reporting capabilities in order to track KPIs and measure their teams' successes and challenges. To effectively service customers with efficient processes, optimized channels, and high-performing teams, the interviewees needed a better way to track metrics, assess how their customer-facing teams were doing, and make improvements. The telecommunications engineer from the health insurance organization summarized these reporting needs with an example: "Before Verint, we did not have the tools to go into the database and pull out the metrics we wanted. One of the things that Verint does is house a tremendous amount of customer data. My team can tag a customer ID to their call so that we can later run reports and get accurate metrics and counts of things like repeat callers."

- **Needing to optimize digital channels to improve information sharing with customers.** Before Verint DFE, interviewees had little insight into how they could best engage and interact with their customers, and how they could give customers reliable, up-to-date information

> **"We had 80,000 or so individual knowledge articles. So, we were dealing with massive amounts of knowledge and so many customizations that [our previous platform] became too cumbersome."**
>
> *Director of omnichannel business analytics, health services*

through the most optimal channels. The manager of knowledge management at the financial services firm described their pre-Verint struggles as follows: “After a while, the site contained over 23,000 pages of information with no real thought about where the design came in. Our previous tool didn’t allow for testing when it comes to things like searching and user feedback and engagement.” The inability to understand where relevant information lived, how customers engaged, and what content needed updating were all factors that contributed to confusing messaging and difficulty with customer engagement across digital and voice channels.

- **Complex and dynamic messaging that required a better approach.** Interviewees discussed how, in their environments that preceded Verint DFE, they had to manually update multiple internal knowledge systems in order to funnel the correct information to customers. This approach was prone to human error and often led to messaging silos within the interviewees’ organizations, depending on which system employees were working from. The director of omnichannel business analytics for the health services organization elaborated with the following example, “Our employees have to access information across 20 systems that may or may not be connected.” Customer messaging always needed updating based on changing market trends and economic shifts. And, before Verint, this information could not be updated in a consistent, reliable way, so customers were often given incorrect instructions.

“We took time to test and review competitors’ products, interview people, and go to conferences to see what solutions others were using … And I think Verint is the most powerful platform on the market right now.”

Senior community strategist, manufacturing

COMPOSITE ORGANIZATION

Based on the interviews, Forrester constructed a TEI framework, a composite company, and an ROI analysis that illustrates the areas financially affected. The composite organization is representative of the five interviewees, and it is used to present the aggregate financial analysis in the next section. The composite organization has the following characteristics:

Description of composite. The composite organization provides business, accounting, and legal services to small to medium-sized businesses across both the US and the UK. While the composite is technically a B2B company, there are a lot of sole proprietors and single-member LLC organizations that utilize their services, so the composite organization’s customer service agents receive complex questions from individuals on behalf of their small businesses. The composite organization has a strong brand presence across the two countries where it operates, and the company typically receives 15 million incoming phone calls to the contact center, fielded by approximately 1,500 customer service agents. The average length of a customer call is approximately 12 minutes, meaning the average number of calls per agent per hour is about five.

Deployment characteristics. The composite organization has the following products in the Verint Digital-First Engagement suite: Knowledge Management, Intelligent Virtual Assistant, and Community. The composite utilizes software-as-a-service (SaaS) Verint Cloud to deploy these solutions in a phased, incremental approach across an increasing number of their product lines. Before implementing Verint DFE solutions, the composite organization had six disparate systems where content and company information were stored.

Key Assumptions

- **$2 billion in revenue**
- **1,500 customer service agents**
- **6 previous knowledge systems**
- **Phased rollout of Verint platforms**

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	Reduced contact center outreach	$3,200,000	$6,400,000	$9,600,000	$19,200,000	$15,410,969
Btr	Increased agent efficiency	$1,064,000	$2,779,200	$4,804,800	$8,648,000	$6,874,050
Ctr	Faster knowledge updates	$95,625	$107,578	$119,531	$322,734	$265,645
Dtr	Improved agent ramp-up time	$40,800	$108,800	$163,200	$312,800	$249,623
	Total benefits (risk-adjusted)	$4,400,425	$9,395,578	$14,687,531	$28,483,534	$22,800,287

REDUCED CONTACT CENTER OUTREACH

Evidence and data. Interviewees spoke about the ways they witnessed their volume of inbound customer contacts decrease after implementing Verint DFE solutions.

- The senior community strategist from the manufacturing company discussed how they experienced this inbound call reduction at their organization: "We know that call volume is down since we've implemented Verint Community. For each of our Verint-supported product lines, we could see the call volume keep dropping, down to about 30% call reduction once we'd had Verint in place for a few years." This is attributable to the peer-to-peer networking activities that occur within Verint Community, increasing self-service among active customers on that platform.

- Another way that interviewees were able to better understand call reduction and attribute it to Verint was by seeing the changing trends in first contact resolution and repeat callers. After implementing Verint DFE solutions, customers had an easier time getting their questions answered quickly and effectively — whether it was through self-service or through an informative first call with a customer service agent. This led to a reduction in repeat inquiries to the customer service team.

> **"We've seen our repeat caller percentage go all the way down to 3.5%. Considering our customers are Medicare beneficiaries with complex health and insurance questions, this has contributed to a reduction in inbound calls."**
>
> *Telecommunications engineer, health insurance*

Modeling and assumptions. For the financial analysis, Forrester assumes the following:

- The composite organization rolls out Verint in a phased approach, meaning that with each passing year, Verint DFE solutions supports more product lines and therefore the raw number of reduced inbound calls increases year-over-year, even though the percent of reduced calls remains constant.

- The average length of an inbound call at the composite organization is 12 minutes, which means that agents answer a maximum of five calls per hour. This metric is used to convert the decrease in inbound call volume to agent time saved.
- The average duration of the reduced calls matches the average duration of the inbound calls that are still made to the contact center — both assumed to be 12 minutes, as stated above.

Risks. The following risks can potentially impact the reduced contact center outreach benefit:

- The group of reduced calls could have a different average duration than those calls that are still placed to the contact center. For example, if a customer finds out the answer to their questions on their own without the help of an agent, there is a possibility that their issue was not as complex as those questions that still warrant an inbound call. Any adjustments to that average call duration could impact the time savings.
- Fully burdened hourly rates for customer service agents could vary based on their support experience, geography, or expertise.

Results. To account for these risks, Forrester adjusted this benefit downward by 20%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of $15.4 million.

Reduced Contact Center Outreach

Ref.	Metric	Source	Year 1	Year 2	Year 3
A1	Total potential customer calls related to products supported by Verint	Composite	5,000,000	10,000,000	15,000,000
A2	Percentage of calls reduced (or not needed) due to Verint	Interviews	20%	20%	20%
A3	Number of calls reduced (or not needed) due to Verint	A1*A2	1,000,000	2,000,000	3,000,000
A4	Hours of live agent time saved due to Verint	A3/5	200,000	400,000	600,000
A5	Fully burdened hourly rate for customer service agent	TEI standard	$20	$20	$20
At	Reduced contact center outreach	A4*A5	$4,000,000	$8,000,000	$12,000,000
	Risk adjustment	↓20%			
Atr	Reduced contact center outreach (risk-adjusted)		$3,200,000	$6,400,000	$9,600,000
	Three-year total: $19,200,000		**Three-year present value: $15,410,969**		

INCREASED AGENT EFFICIENCY

Evidence and data. Interviewees spoke about how their customer service agents answered inbound inquiries more quickly and effectively than before Verint.

- The manager of knowledge management at the financial services company recounted their experience with a reduction in average customer handle time now that Verint DFE solutions were in place: "We found — on average — that it was 3 to 4 minutes to find an answer to customer inquiries prior to our Verint implementation. Compare that to what our post-Verint reality is, which is 30, maybe 40 seconds for agents to find that information they need to share with customers."
- The director of knowledge management and learning solutions at the health services organization summarized the time savings they had seen after implementing Verint: "On average, we've shaved off 10 to 20 seconds of time per call. It may not sound like much, but it is a huge amount actually — especially when you distribute that across millions of contacts in the organization."
- The director of omnichannel business analytics at the health services organization added: "Our number one goal with implementing Verint was to get data to the agent immediately when they needed it. We didn't want the agents to have to search for information or go flipping around through tons of files and articles. With Verint, we can predict what the agent is going to need based on what the customer is talking about. That's been the single biggest moneymaker right there because those efficiencies translate to saving agent time on the phone."

Modeling and assumptions. For the financial analysis, Forrester assumes the following:

- The number of calls received annually is already taking the reduced call volume into account from the Reduced Contact Center Outreach benefit above.
- The amount of time saved per call increases year-over-year due to the improvement in content creation and decision flows that Verint DFE solutions enable.
- Similar to the Reduced Contact Center Outreach benefit, the number of inbound calls increases each year as the composite organization implements additional product lines that are covered by Verint DFE solutions, such as Community and IVA.

Risks. The following risks can potentially impact the increased agent efficiency benefit:

- Time savings per call could be higher or lower depending on the complexity of the issue being addressed and the expertise of the agent.
- Fully burdened hourly rates for customer service agents could vary based on their support experience, geography, or expertise.

Results. To account for these risks, Forrester adjusted this benefit downward by 20%, yielding a three-year, risk-adjusted total PV of $6.9 million.

Increased Agent Efficiency					
Ref.	**Metric**	**Source**	**Year 1**	**Year 2**	**Year 3**
B1	Total calls handled per year by Verint-supported agents	A1-A3	4,000,000	8,000,000	12,000,000
B2	Total number of agents covered by Verint DFE solutions	Composite	475	900	1,300
B3	Annual number of customer calls handled by each agent	B1/B2	8,421	8,889	9,231
B4	Average time saved per phone call using Verint (minutes)	Interviews	1.0	1.3	1.5
B5	Total hours saved per agent per year with Verint	(B3*B4)/60	140	193	231
B6	Fully burdened hourly rate for customer service agent	TEI standard	$20	$20	$20
Bt	Increased agent efficiency	B2*B5*B6	$1,330,000	$3,474,000	$6,006,000
	Risk adjustment	↓20%			
Btr	Increased agent efficiency (risk-adjusted)		$1,064,000	$2,779,200	$4,804,800
	Three-year total: $8,648,000		**Three-year present value: $6,874,050**		

FASTER KNOWLEDGE UPDATES

Evidence and data. Interviewees spoke about how updating disparate internal knowledge systems was time-consuming, challenging, and error prone before implementing a Verint DFE solution like Knowledge Management.

- The director of omnichannel business analytics at the health services company explained how key features within Verint helped them save time in updating their internal knowledgebase: "Verint has spent the last several years focused on APIs, and they're really good at APIs. That means we can use Verint as our Swiss Army knife of internal knowledge. We update an article one time and then use Verint, this single tool, to link that knowledge to and from all these other areas. Verint's the master, but the information can be automatically disseminated wherever we need it, and we no longer have to do the same thing 12 times over."
- The director of omnichannel business analytics at the health services company continued, emphasizing the complexities of knowledge management and explaining how it's more than just a single individual updating an article in multiple places: "For any of these updates to

> **"If you provide data at people's fingertips and you are able to update information in one place, you can give your agents and customers their time back, as well as reduce all the confusion and risk."**
>
> *Director of omnichannel business analytics, health services*

knowledge systems, it's more than just the manual task of updating — it's the communication around it all. For any update, you have to get buy-in from multiple stakeholders and leaders, and sometimes they disagree. You have to create a structure where you have to have a governance board to make these decisions, and you need for those decisions to be easily implemented and shared agents and customers on a single platform."

Modeling and assumptions. For the financial analysis, Forrester assumes the following:

- The composite previously had six distinct systems where knowledge and content updates would take place. Instead of updating six systems, the composite organization now only needs to update a single Verint KM solution, where the information is then linked to other digital engagement platforms like IVA and Community.
- Each informational update requires discussion, drafting, and approval before input into a knowledge management system. The composite organization was assumed to take 45 minutes or 0.75 hours for each of these content updates prior to knowledgebase input.
- The team required to approve and make knowledge updates consists of individual contributors, managers, and directors.

Risks. The following risks can potentially impact the faster knowledge updates benefit:

- The timing needed to approve content updates could vary based on the topic, requiring more or less than 45 minutes (0.75 hours) per update.
- The team that approves and updates knowledge management systems could vary in their fully burdened hourly rate.

Results. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV of $266,000.

Faster Knowledge Updates

Ref.	Metric	Source	Year 1	Year 2	Year 3
C1	Number of additional knowledge systems to update (without Verint)	Composite	5	5	5
C2	Number of knowledge and content updates each year	Interviews	200	225	250
C3	Hours needed per system update	Interviews	0.75	0.75	0.75
C4	Fully burdened hourly rate for team performing updates	Interviews	$150	$150	$150
Ct	Faster knowledge updates	C1*C2*C3*C4	$112,500	$126,563	$140,625
	Risk adjustment	↓15%			
Ctr	Faster knowledge updates (risk-adjusted)		$95,625	$107,578	$119,531
	Three-year total: $322,734		**Three-year present value: $265,645**		

IMPROVED AGENT RAMP-UP TIME

Evidence and data. With the implementation of Verint DFE solutions like Knowledge Management, the interviewees seamlessly incorporated updated information into their internal training protocols. This allowed the interviewees' organizations to train their new customer-facing employees faster than they had before.

- Knowledge Management (KM), one of the Verint DFE solutions, gave newly hired customer service agents at the interviewees' organizations the ability to self-service and gain knowledge about their product and company in a similar way that customers could do on any content piece, external website, or FAQs page that KM supports.
- The manager of knowledge management at the financial services corporation described their approach to training and how Verint has helped them ramp up new agents more quickly: "We've been able to break up our 6-week training course into two-week chunks. Agents learn in the classroom, and then they're assessed. After implementing Verint, we started rewriting these training modules using content design, which helped increase those new agent passing rates in the assessments and increased our overall competency."
- With newly hired agents gaining competency more quickly, they were able to move forward in their training and begin shadowing customer calls and handling inquiries solo with the support of Verint technology.

Modeling and assumptions. For the financial analysis, Forrester assumes the following:

- The agents at the composite organization who passed their training assessments at an earlier stage begin handling inbound customer inquiries on their own sooner.

"When we compare our experience before Verint to our current approach, where we have training development built into Knowledge Management, we've seen a 40% increase in pass rates for those assessments."

Manager of knowledge management, financial services

- The number of agents going through new-hire training expands because the Verint DFE solutions like Knowledge Management get utilized by more product areas and departments within the composite organization.

Risks. The following risks can potentially impact the improved agent ramp up time benefit:

- New agent hiring needs could vary widely, depending on attrition rates and backfill needs of agents in previous years.
- An organization could choose to have a fixed training period for all of their new customer-facing employees. In this case, new hires wouldn't be able to get out into the field sooner to begin taking customer calls, even if their assessment scores displayed early competency.

Results. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV of $250,000.

Improved Agent Ramp-Up Time					
Ref.	**Metric**	**Source**	**Year 1**	**Year 2**	**Year 3**
D1	Number of new hires training annually	Interviews	100	200	300
D2	Percentage improvement in agent passing rate	Interviews	30%	40%	40%
D3	Number of new hires passing training courses two weeks early	D1*D2	30	80	120
D4	Cost savings per each agent passing two weeks early	$20*80 hours	$1,600	$1,600	$1,600
Dt	Improved agent ramp-up time	D3*D4	$48,000	$128,000	$192,000
	Risk adjustment	↓15%			
Dtr	Improved agent ramp-up time (risk-adjusted)		$40,800	$108,800	$163,200
	Three-year total: $312,800	**Three-year present value: $249,623**			

UNQUANTIFIED BENEFITS

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

- **Increased customer satisfaction and overall engagement.** Though interviewees couldn't directly tie their customers' increased satisfaction to any specific financial metrics, the decision-makers still discussed unquantified ways in which the customer experience improved.
  - **Improved quality of content, self-service capabilities, and design.** Multiple interviewees commented on how they used Verint DFE solutions like IVA and Community to better understand what content helped engage their customers. They then used that intelligence to create more impactful content pieces and refine decision trees. Anecdotally speaking, the senior community strategist from the manufacturing company said that ever since the Verint Community implementation, their company's sales team had noticed an uptick in their prospects' content engagement — with prospects reaching out more often in response to reading a recent blog post or an insightful article.
  - **Reduced repeat callers.** While interviewees noted that the reduction in repeat callers contributed to decreased overall call volumes, this trend also likely had an additional benefit of increasing customer satisfaction. Instead of reaching out to an agent multiple times, customers could self-serve and get their questions answered easily through Verint IVA or Verint Community.
- **Simplified agents' jobs to improve satisfaction.** The more that interviewees' organizations simplified internal processes and agent workflows, the more these companies improved employee satisfaction, job confidence, and morale.
  - **Internal process improvements.** The manager of knowledge management from

the financial services organization explained one of the concrete ways their company used Verint to collect and implement employee feedback: "In the past 12 months alone, we have successfully closed off over 1,100 pieces of direct employee feedback on process and content improvements. The direct impact of that feedback is a change to the business across at least five processes that have now been changed to benefit the end user — which in this case is the customer service representative."

  - **Easier access to information**. The director of omnichannel business analytics for the health services organization discussed this benefit: "The biggest piece of employee feedback we hear is, 'Make our job simple.' Our partnership with Verint, along with our overarching strategy as a company, is to put that knowledge at the point of work as agents are taking calls so that we can lift up and enable our employees to do their best work." Even Verint DFE solutions like Community fed information back to the interviewees' organizations regarding what content pieces performed best and what information agents could expect customers to ask about.

- **Improved compliance and adherence to regulatory standards.** Interviewees discussed how serving up the right information to both customers and live agents at their time of need enabled their organizations to reduce errors and maintain high regulatory ratings that could otherwise impact their business.

  - **Error reduction**. Since agents have the correct and up-to-date information readily available, they are less likely to make errors in what they tell customers. For less regulated industries, these errors may have smaller consequences, such as spending more time on the phone with customers or honoring an otherwise expired discount. But for highly regulated industries, errors could potentially have bigger impacts. The director of omnichannel business analytics for the health services organization explained this further: "What is the cost of giving somebody bad information? We haven't been able to measure it, but there are real hard dollars tied to having the right knowledge, at the right place, at the right time, and updating it one time."

  - **Meeting regulatory requirements.** The director of omnichannel business analytics for the health services organization also talked about how Verint DFE helped them to maintain a high regulatory rating, saying: "Obviously, our industry is highly regulated so we need the ability to hit those consistent requirements. Since Verint, we have been able to increase our stars rating with [Centers for Medicare and Medicaid Services] (CMS) and the improvement in compliance is one of those key pieces."

FLEXIBILITY

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

- **Expanding beyond customer support to customer education.** The senior community strategist for the manufacturing organization described their future plans to expand their customer engagement practices: "We have an aggressive three-year roadmap. The flexibility of the Verint platform is what has facilitated this and really given us these capabilities. Now that we've really got customer support down to a science, we'll focus on customer education and start to see how we can offer more to our engineering customers to help them in their career or provide certifications and additional training in certain areas."

- **Becoming increasingly AI-driven.** The director of omnichannel business analytics for the health services organization talked about moving beyond traditional search capabilities and becoming even more predictive: "Our future with Verint is all about leveraging predictive knowledge even further. Predictive knowledge is what we're getting out of Verint now, but our goals for the future are to get rid of our agents needing to search for knowledge at all. This applies to our customers, too, but it's all driven by AI."

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

Analysis Of Costs

Quantified cost data as applied to the composite

Total Costs							
Ref.	**Cost**	**Initial**	**Year 1**	**Year 2**	**Year 3**	**Total**	**Present Value**
Etr	Verint product costs	$0	$1,036,915	$1,718,970	$2,251,040	$5,006,925	$4,054,526
Ftr	Management and services costs	$401,500	$621,500	$682,000	$737,000	$2,442,000	$2,083,855
	Total costs (risk-adjusted)	$401,500	$1,658,415	$2,400,970	$2,988,040	$7,448,925	$6,138,381

VERINT PRODUCT COSTS

Evidence and data. This costing section reflects the pricing for Verint DFE product licenses. Management, training, and professional services costs are covered in the second costing category below this one.

- Pricing for Verint Intelligent Virtual Assistant (IVA) was based on the number of inputs on an annual basis. Interviewees said that these input statistics were evaluated annually to see if pricing adjustments needed to be made.
- Verint Knowledge Management pricing was based on the number of named users who required a license. It could also be priced by number of online sessions, if used externally.
- The costs for the Verint Community product were based on the number of page views.

Modeling and assumptions. For the financial analysis, Forrester assumes the following:

- The composite organization reaches approximately 10 million IVA inputs by Year 3.
- Named users for Knowledge Management increase year-over-year as the composite organization broadens the scope of what KM covers.
- The composite organization sees approximately 250,000 page views in Year 1, and that page view figure increases with each passing year, as the organization expands the product lines that are included within Verint Community.
- Volume discounts are incorporated for each Verint DFE product, depending on level of usage.

Risks. The following risks can potentially impact the Verint product costs:

- The number of named users needing Verint licenses could vary and change, depending on scope and speed of the Verint implementation across the organization.
- Volume discounts could vary depending on the number of page views and digital inputs the composite organization experiences.

Results. To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of $4.1 million.

Verint Product Costs						
Ref.	**Metric**	**Source**	**Initial**	**Year 1**	**Year 2**	**Year 3**
E1	Total license cost of Intelligent Virtual Assistant (IVA)	Interviews		$616,250	$904,800	$1,015,000
E2	Total license cost for Verint Knowledge Management	Interviews		$275,400	$545,400	$815,400
E3	Total cost of Verint Community (including page views)	Interviews		$51,000	$112,500	$216,000
Et	Verint product costs	E1+E2+E3		$942,650	$1,562,700	$2,046,400
	Risk adjustment	↑10%				
Etr	Verint product costs (risk-adjusted)		$0	$1,036,915	$1,718,970	$2,251,040
	Three-year total: $5,006,925		**Three-year present value: $4,054,526**			

MANAGEMENT AND SERVICES COSTS

Evidence and data. Interviewees discussed the various implementation, services, and training costs associated with their use of the Verint DFE solutions.

- Interviewees utilized Verint services for assistance during the initial setup and implementation processes.
- In addition to using Verint services for implementation, interviewees continued using Verint to assist them with ongoing management and rollout of the Verint DFE solutions across multiple lines of their business.
- Interviewees reported that training costs associated with Verint were minimal overall, but still necessary to familiarize customer-facing staff with the platform.

Modeling and assumptions. For the financial analysis, Forrester assumes the following:

- The composite organization contracts with Verint for professional services to assist with implementation, ongoing management, and any customization within the platform.
- The composite organization has six people whose responsibility it is to manage the Verint platforms as part of their job role. It is estimated that this management requires one-third of their time.
- Brief training across all Verint DFE platforms is estimated to take agents 2 to 3 hours across an entire year, including new agent training and familiarizing agents with any updates to the Verint DFE products.

Risks. The following risks can potentially impact the management and services costs associated with Verint DFE:

- Implementation costs can vary depending on the complexity and level of customization.
- Verint professional services costs can be higher or lower, depending on how much the customer wants to handle in-house.
- Training could take more time if there is more product customization or if there are more substantial product updates within a given year.

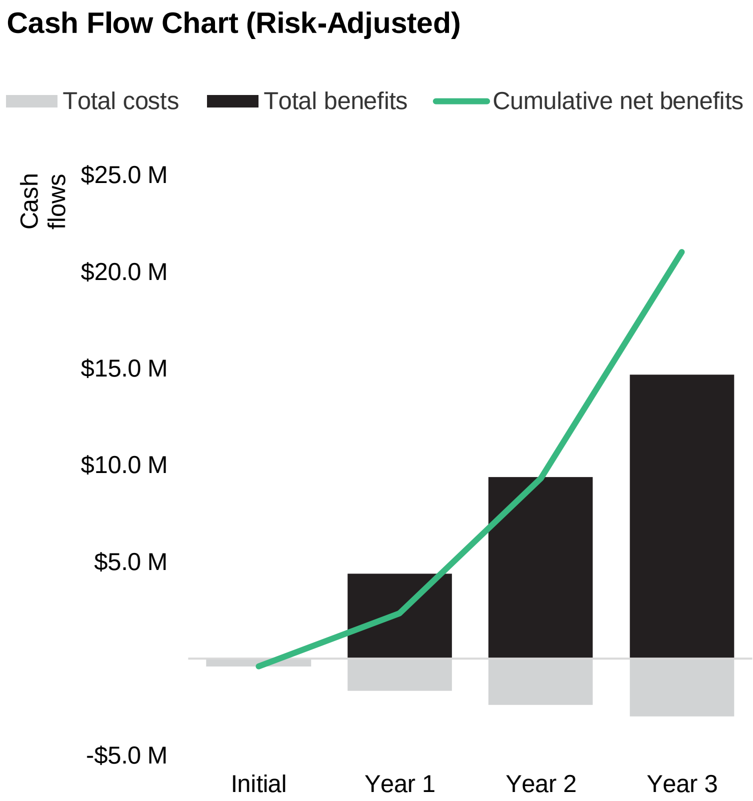
Results. To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year, risk-adjusted total PV of $2.1 million.

Management And Services Costs

Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
F1	Implementation costs across all products	Interviews	$365,000			
F2	Fully burdened cost for composite organization team members to manage Verint	Interviews		$240,000	$270,000	$300,000
F3	Ongoing professional services costs to Verint	Interviews		$180,000	$200,000	$220,000
F4	IT management costs	Interviews		$115,000	$115,000	$115,000
F5	Agent training costs	Interviews		$30,000	$35,000	$35,000
Ft	Management and services costs	F1+F2+F3 +F4+F5	$365,000	$565,000	$620,000	$670,000
	Risk adjustment	↑10%				
Ftr	Management and services costs (risk-adjusted)		$401,500	$621,500	$682,000	$737,000
	Three-year total: $2,442,000		**Three-year present value: $2,083,855**			

Financial Summary

CONSOLIDATED THREE-YEAR RISK-ADJUSTED METRICS



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

These risk-adjusted ROI, NPV, and payback period values are determined by applying risk-adjustment factors to the unadjusted results in each Benefit and Cost section.

Cash Flow Analysis (Risk-Adjusted Estimates)

	Initial	Year 1	Year 2	Year 3	Total	Present Value
Total costs	($401,500)	($1,658,415)	($2,400,970)	($2,988,040)	($7,448,925)	($6,138,381)
Total benefits	$0	$4,400,425	$9,395,578	$14,687,531	$28,483,534	$22,800,287
Net benefits	($401,500)	$2,742,010	$6,994,608	$11,699,491	$21,034,609	$16,661,906
ROI						271%
Payback						<6 months

Appendix A: Total Economic Impact

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

TOTAL ECONOMIC IMPACT APPROACH

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

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

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

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

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

PRESENT VALUE (PV)

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

NET PRESENT VALUE (NPV)

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

RETURN ON INVESTMENT (ROI)

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

DISCOUNT RATE

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

PAYBACK PERIOD

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

Appendix B: Endnotes

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

[2] Source: "How to Reinvent Customer Service To Be Digital-First," Forrester Research, Inc., September 21, 2021.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