

A Forrester Total Economic Impact™  
Study Commissioned By Percolate  
May 2019

# The Total Economic Impact™ Of Percolate

Cost Savings And Business Benefits  
Enabled By Percolate

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## ABOUT FORRESTER CONSULTING

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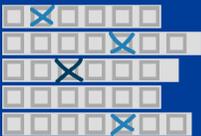
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# Executive Summary

## Benefits



Administrative time savings:  
**\$2,764,136**



Eliminated duplicate content spending:  
**\$826,878**



Reduced agency spend:  
**\$685,920**



Retired legacy systems savings:  
**\$590,627**

According to Forrester Research: “Enterprise marketers continue to be drawn to the value proposition of content marketing platforms (CMPs) as more and more marketers get involved in planning, producing, distributing, reviewing, and assessing content. One in five global marketers say that their marketing organization plans to implement a CMP in the next 12 months, while more than half have already implemented one or are expanding its usage.”<sup>1</sup>

Percolate provides a CMP that helps its customers build marketing plans, coordinate campaign production, manage content, and measure content performance — all at an enterprise scale. Percolate commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential ROI enterprises may realize by deploying Percolate. The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of Percolate on their organizations.

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed several customers with multiple years of experience using Percolate. These organizations used Percolate to replace inefficient tools, eliminate wasteful duplicate spending, foster more collaborative environments, manage extensive marketing campaigns, and establish a single source of record for all marketing assets.

Prior to using Percolate, customers used a myriad of project management and content marketing applications. However, none of these solutions provided them with the full suite of tools needed for their enterprise-level marketing operations. Furthermore, tools not designed specifically to manage complex workloads across teams, such as email or spreadsheets, reduced worker visibility and limited overall team efficiency. Ultimately, organizations found themselves wasting time and money on nonproductive administrative efforts and on wasteful duplicate asset creation.

## Key Findings

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

- › **Reduced administrative time spent on managing marketing projects and content portfolios.** Using Percolate greatly reduced the time that marketing teams spent on administrative tasks. Prior to deploying Percolate, team members used spreadsheets, shared drives, and email to track projects and manage content portfolios and campaign assets. The tools were not optimized for these tasks, and Percolate users eliminated on average 3 hours per week of administrative work, resulting in a three-years savings of \$2,764,136.
- › **Eliminated duplicate spending and saved 10% of the annual asset creation budget.** Prior to deploying Percolate, organizations lacked visibility into the breadth of their marketing operations. Separate regions, product teams, and departments frequently spent money creating similar assets. With Percolate, organizations now have a single source of record for all assets, allowing teams to reuse content and reduce redundant spending, resulting in a three-year savings of \$826,878.

- › **Moved creative work in house, reducing hourly production costs by 83%.** Percolate helped organizations increase visibility across their full portfolio of assets and creative talent. Organizations quickly realized that they could move production work from outside agencies to internal production teams, whose hourly rates were 83% lower, resulting in a three-year savings of \$685,920.
- › **Consolidated marketing team toolsets while retiring legacy systems.** Prior to Percolate, organizations used multiple project management, asset management, and social posting tools. By deploying Percolate, organizations consolidated tool functionality to a single platform, allowing marketers to discontinue their use of legacy solutions. Reduced spending creates a total three-year savings of \$590,627.

**Unquantified benefits.** The interviewed organizations experienced these additional benefits, which were not quantified for this study:

- › **Increased revenue from marketing.** Organizations using Percolate saw an increase in performance of marketing assets. Due to the new content creation insights available through Percolate, one organization detected a 5% increase in open rates of emails.
- › **Facilitated cross-team collaboration, resulting in new and more compelling content.** By establishing a single platform for all teams to collaborate on, organizations gained insight into creative talents across departments and divisions. Organizations leveraged these newfound creative assets to create new content and enhance existing marketing efforts.
- › **Improved customer satisfaction.** After implementing Percolate and increasing cross-campaign visibility, marketers reported improvements in their ability to plan, develop, and show that content resonated with customers and directly contributed to their improved Net Promoter Score (NPS).<sup>2</sup>
- › **Reduced time-to-market for new media campaigns.** Interviewees told Forrester that Percolate reduced the friction associated with campaign planning and execution by helping to streamline campaign workflows, increase visibility around team assignments, and make planning more efficient. This resulted in reduced time-to-market for campaigns.
- › **Ensured adherence to brand guidelines and preservation of brand image.** Percolate provided a centralized view of brand guidelines and a repository for standard brand elements, ensuring geographically distributed teams could more easily adhere to brand standards. Establishing and enforcing these brand rules helped organizations to preserve their brand image, and consequently, their strategic hold in the marketplace.
- › **Avoided producing regulatory non-compliant documents, that reduced the risk of fines or punishment.** Organizations that operated in heavily regulated industries used Percolate to ensure that consumer-facing documents complied with any relevant state or federal guidelines, which helped to avoid incurring fines and other punishments.
- › **Avoided the likelihood that marketing content would be labeled as spam.** Organizations that leverage social media for marketing communications and promotions run the risk that recipients may label their content as spam, leading to the possibility of account suspension if organizations post seemingly identical content too frequently. Centralizing product and geographic marketing work in Percolate,



**ROI**  
126%



**Benefits PV**  
\$4.9 million



**NPV**  
\$2.7 million



**Payback**  
<6 months

allowed organizations to control the flow of marketing communications and ensure that their social media accounts did not trigger filters.

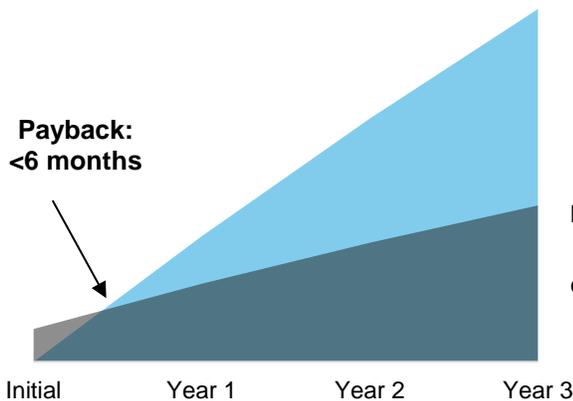
**Costs.** The interviewed organizations experienced the following risk-adjusted PV costs:

- > **Asset migration and Percolate platform fees of \$1,578,542.** In addition to an annual platform fee, organizations paid an initial professional services fee to Percolate for asset migration and process design.
- > **Internal training costs of \$228,168.** This is the organizational salary burden incurred to train and refresh employees on Percolate use.
- > **Internal ongoing management costs of \$350,683.** This is the organizational salary burden incurred to manage the Percolate platform and related integrations.

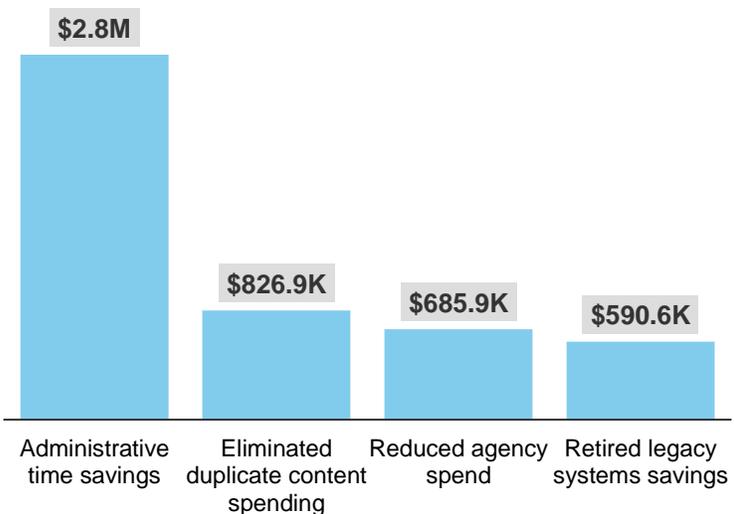
Forrester's interviews with four existing customers and subsequent financial analysis found that an organization based on these interviewed organizations experienced benefits of \$4,867,561 over three years versus costs of \$2,157,393 adding up to a net present value (NPV) of \$2,710,168 and an ROI of 126%.

### Financial Summary

Payback:  
<6 months



### 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 interviews, Forrester has constructed a Total Economic Impact™ (TEI) framework for those organizations considering implementing Percolate.

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 Percolate can have on an organization:



### **DUE DILIGENCE**

Interviewed Percolate stakeholders and Forrester analysts to gather data relative to Percolate.



### **CUSTOMER INTERVIEWS**

Interviewed four organizations using Percolate to obtain data with respect to costs, benefits, and risks.



### **COMPOSITE ORGANIZATION**

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



### **FINANCIAL MODEL FRAMEWORK**

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



### **CASE STUDY**

Employed four fundamental elements of TEI in modeling Percolate'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 Percolate 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 Percolate.

Percolate 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.

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

# The Percolate Customer Journey

## BEFORE AND AFTER THE PERCOLATE INVESTMENT

### Interviewed Organizations

For this study, Forrester conducted four interviews with Percolate customers. Interviewed customers include the following:

| INDUSTRY           | REGION                            | REVENUE       | ASSETS IN PERCOLATE | PERCOLATE USERS |
|--------------------|-----------------------------------|---------------|---------------------|-----------------|
| Manufacturing      | United States (global operations) | \$6.3 billion | 15,000              | 250             |
| Agriculture        | United States                     | \$15 billion  | 60,000              | 700             |
| Financial services | United States                     | \$300 million | 3,200               | 24              |
| Manufacturing      | Europe (global operations)        | \$21 billion  | 40,000              | 600             |

### Key Objectives

Prior to implementing Percolate, interviewees shared a collection of challenges and pain points in their marketing efforts. These issues hampered their ability to effectively manage content, collaborate across teams, and maximize use of their limited budgets.

- › **Replace inflexible or outdated tools.** The primary objective that interviewed organizations highlighted was the need to replace existing toolsets to drive greater productivity. Before Percolate, organizations used a hodgepodge of in-house and third-party applications which were not designed to manage complex, cross-team campaigns.
- › **Break down organizational silos.** Organizations dealt with siloed teams, making content planning, management, and deployment difficult. Lack of insight into content workflows hampered creative collaboration, slowed approval processes, and lead to wasteful spending on asset duplication.
- › **Reduce time spent on administrative tasks.** Without dedicated project management tools, interviewees spent too much time on administrative tasks. They used email, spreadsheets, and shared drives to monitor campaigns and store assets, which proved inefficient.
- › **Create a single source of record for marketing content.** Creating a single repository for all marketing content was also a major goal. This repository would ensure brand consistency, improve version control, and give teams insight into how best to allocate their budget for asset creation.
- › **Track performance of assets and inform future campaigns.** Interviewees shared a desire to track the performance of campaigns and assets to better inform future planning and creation. By creating a closed feedback loop, organizations could ensure that they spent budgets on creating and promoting assets with a higher likelihood of success.

“When I came in, one of the things I noticed was the lack of collaboration — specifically, a lack of collaboration in a streamlined way. The reason being, we had assets housed in different places and we did not have a clear workflow laid out. We had created these silos and for me that was the initial impetus.”

*CMO, financial services*



“We chose Percolate because we felt there would be more synergy in leveraging common assets across campaigns and social publishing, instead of having to upload them in multiple places.”

*Marketing technology specialist, agriculture*



## Solution Requirements

The interviewed organizations searched for a solution that could:

- › Serve as a single source of record for all marketing assets.
- › Facilitate cross-team collaboration on marketing campaigns.
- › Integrate with existing financial software.
- › Track content performance to inform future campaign strategy.
- › Consolidate and streamline project workflows.
- › Enable asset reuse and eliminate wasteful duplicate spend.
- › Facilitate labor arbitrage, moving work from agencies to an offshore production team.

## Key Results

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

- › **More efficient project management.** The CMO of a financial services firm explained: “For each one of our workflows within the marketing organization, we worked with Percolate’s professional services team to outline all of our processes in their current state. It allowed them to design the system around our current workflows, but it also showed us how we could improve them. With the exception of a few workflows, we had never done this kind of documentation in marketing and it gave us the opportunity to level set and take out some of the inefficiencies. Percolate was a key enabler of this process, and we would not have had the conversation without them. Once we layered in Percolate, we redefined and redesigned our workflows based on what Percolate could do, and we further streamlined those processes.”
- › **Eliminated wasteful asset spend.** A director of corporate marketing at a manufacturing firm said: “Historically we had a very siloed approach to marketing. With Percolate, we realized how inefficient we were being as it related to duplication of content and not leveraging existing content. In the end, you only have so much money to create and promote content, so, if you can leverage the same content and use more of your dollars to promote it, you have an opportunity to drive more engagement with customers.”
- › **Moved creative work in house and reduced hourly spend.** A marketing technology specialist at an agricultural firm said: “Since we have a common process now we are able to do social publishing a lot cheaper. We can now bring in an entry-level community manager, when before, we had to pay an agency person \$150 an hour. We still rely on our agency partners for some creative content, but we’re able to bring more things in house.”
- › **Increased organizational collaboration.** A marketing technology specialist at an agricultural firm stated, “For visibility — especially for the management level — Percolate is very helpful. A lot of our campaigns are not just about the creation of the campaign: people are commenting within the tool, they’re doing approvals. It has completely changed the workflow as now everything is a digitized process in one place.”

“We leverage Percolate as our single source of truth for marketing content. Source files live in Percolate because that had historically been a problem for us. We had servers, we had hard drives, we had content all over the place. We never knew what the latest version was.”

*Director of corporate marketing,  
manufacturing*



“Being able to combine the functions of two tools and essentially replace two things with one was a big motivation for us since Percolate did social and content management. The other reason we wanted a tool like Percolate was to have more collaboration between global and regional teams and have a place where people can come and find content to reuse and just be more aware of what is being developed so we don’t duplicate efforts.”

*Digital engagement platform  
manager, manufacturing*



- › **Consolidated tools and retired legacy solutions.** Organizations using Percolate discontinued their use of multiple dedicated project management, communication, and social posting tools.

## Composite Organization

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

**Description of composite.** The composite organization is a US-based Fortune 500 company with international operations. The organization's operations are focused on selling B2B goods and services. The organization does over \$10 billion in annual revenue.

The composite organization has 400 Percolate users across their marketing and product teams. The organization spends \$3,500,000 annually on content creation for marketing campaigns.

Prior to investing in Percolate, users relied on a hodgepodge of tools to track and execute campaigns. Project management was difficult, with teams struggling to use spreadsheets, shared drives, and email to track campaign progress or find assets. The organization also subscribed to social media posting platforms and engaged outside agencies for some content creation and activation. The composite organization also maintains an offshore production team.



### Key assumptions

- 400 Percolate users
- \$3.5 million in annual asset creation spend
- 15-person offshore production team

"For our campaigns, having good visibility into what's in our marketplace was a big goal. Prior to Percolate, everyone managed campaigns in a different fashion, some people used spreadsheets or various project management software but there was no common tool. There was no consistency."

*Marketing technology specialist,  
agriculture*



# 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  | Administrative time savings           | \$1,111,500 | \$1,111,500 | \$1,111,500 | \$3,334,500 | \$2,764,136   |
| Btr  | Eliminated duplicate content spending | \$332,500   | \$332,500   | \$332,500   | \$997,500   | \$826,878     |
| Ctr  | Reduced agency spend                  | \$220,522   | \$286,678   | \$330,782   | \$837,982   | \$685,920     |
| Dtr  | Retired legacy systems savings        | \$237,500   | \$237,500   | \$237,500   | \$712,500   | \$590,627     |
|      | Total benefits (risk-adjusted)        | \$1,902,022 | \$1,968,178 | \$2,012,282 | \$5,882,482 | \$4,867,561   |

## Administrative Time Savings

The interviewed organizations revealed that a key goal in implementing Percolate was to reduce or eliminate inefficiencies within their marketing teams. Teams in different geographies or product groups frequently used different toolsets and lacked shared repositories for assets. A director of corporate marketing in manufacturing stated, “We did a survey in our EMEA division and found that the team there was spending an amount of time each week just doing admin work, searching for content. Users were spending an inordinate amount of time going through emails or shared drives trying to find the most recent versions of things.”

With Percolate, organizations created a single source of record for all marketing activities — providing a full view of campaign progress as well as a repository for content. As such, users no longer needed to search through email, spreadsheets, or shared drives to find the latest versions of assets or the progress of a campaign.

A marketing technology specialist at an agricultural firm said, “For assets we really needed a way to easily search all of our content, and that held true across our entire company. A marketer might need to find something for a presentation, sales needs a logo, etc. Percolate has made it really quick and easy to identify the asset, be able to view the metadata, and share it with someone on the team or publish directly.”

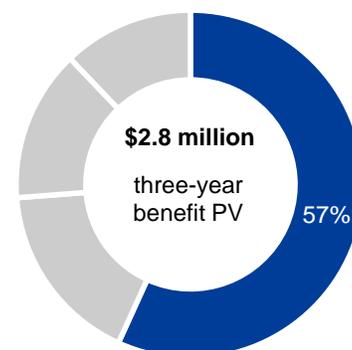
In modeling the impact of Percolate on administrative time savings, Forrester made the following assumptions:

- › The organization has 400 users across marketing teams.
- › Users saved 3 hours of administrative work per week.
- › Users redirected 50% of their saved time toward productive work.
- › Average fully burdened marketing salary of \$78,000.

Forrester realizes that administrative time savings will vary across organizations. Specific risk considerations include:

- › Size, scope, and complexity of marketing operations.
- › Region and prevailing wages.

The table above shows the total of all benefits across the areas listed below, as well as present values (PVs) discounted at 10%. Over three years, the composite organization expects risk-adjusted total benefits to be a PV of more than \$4.8 million.



**Administrative time savings: 57% 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.

To account for these risks, Forrester adjusted this benefit downward by 5%, yielding a three-year, risk-adjusted total PV of \$2,764,136.

| Administrative Time Savings: Calculation Table |   |                    |             |             |             |
|--|---|--------------------|-------------|-------------|-------------|
| REF.   | METRIC  | CALC.              | YEAR 1      | YEAR 2      | YEAR 3      |
| A1   | Percolate users                                       |                    | 400         | 400         | 400         |
| A2   | Hours of administrative work saved per week, per user |                    | 3           | 3           | 3           |
| A3   | Total hours of administrative work eliminated         | $A1 * A2 * 52$     | 62,400      | 62,400      | 62,400      |
| A4   | Productivity recapture                                |                    | 50%         | 50%         | 50%         |
| A5   | Average hourly fully burdened marketing salary        | $\$78,000 / 2,080$ | \$37.50     | \$37.50     | \$37.50     |
| At   | Administrative time savings                           | $A3 * A4 * A5$     | \$1,170,000 | \$1,170,000 | \$1,170,000 |
|  | Risk adjustment                                       | ↓5%                |             |             |             |
| Atr  | Administrative time savings (risk-adjusted)           |                    | \$1,111,500 | \$1,111,500 | \$1,111,500 |

## Eliminated Duplicate Content Spending

Organizations acknowledged that when regional and product teams acted in silos, they frequently spent marketing dollars on duplicate assets.

With Percolate, teams gained visibility into cross-organizational activity which allowed individuals to leverage existing work or collaborate better to achieve mutual goals. Reusing and co-creating assets helped reduce duplicate content spending by 10%.

A director of corporate marketing in manufacturing said, “Knowing what the enterprise is creating, and being able to filter content by tags or topics and see what is out there, is a great asset. We really want to drive our teams into the habit of searching for what has been made or is being made before they go and spend money on new creation. It informs people on whether something needs to be started from scratch or if they can leverage an existing asset or collaborate with the global team.”

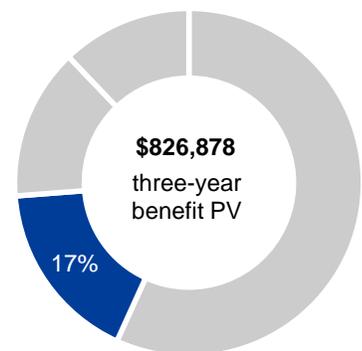
For the composite organization, Forrester assumes:

- › An annual budget of \$3,500,000 on marketing content creation.

The reduction in duplicate content spending will vary with:

- › Organizational adoption.
- › Annual asset creation budgets.

To account for these risks, Forrester adjusted this benefit downward by 5%, yielding a three-year, risk-adjusted total PV of \$826,878.



Eliminated duplicate content spending: 17% of total benefits

## Eliminated Duplicate Content Spending: Calculation Table

| REF. | METRIC  | CALC. | YEAR 1      | YEAR 2      | YEAR 3      |
|------|---|-------|-------------|-------------|-------------|
| B1   | Annual asset creation spend                           |       | \$3,500,000 | \$3,500,000 | \$3,500,000 |
| B2   | Reduction in duplicate spending                       |       | 10%         | 10%         | 10%         |
| Bt   | Eliminated duplicate content spending                 | B1*B2 | \$350,000   | \$350,000   | \$350,000   |
|      | Risk adjustment                                       | ↓5%   |             |             |             |
| Btr  | Eliminated duplicate content spending (risk-adjusted) |       | \$332,500   | \$332,500   | \$332,500   |

## Reduced Agency Spend

Enterprise organizations tend to spend budget on outside agencies to create a portion of marketing content and social media posting. Percolate provided organizations with social media posting tools, allowing organizations to move community management in house. Furthermore, Percolate provided organizations with new insight into the utilization of their offshore production teams, revealing that these teams were not being fully utilized. In addition to this revelation, organizations discovered that assets created by their offshore production teams were often on par with those made by agencies.

Percolate made it easier to make changes and keep content up to date, as a director of corporate marketing in manufacturing explained: "If you originally created something with an outside vendor, you don't have a place where you know that those files are. It's much easier to go back to that vendor and have them make changes, whereas now, we can send it to our internal teams and make those changes."

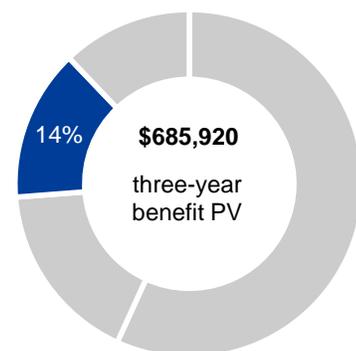
In modeling the reduction in agency spend, Forrester made the following assumptions.

- › Internal production team of 15 people utilized at 60% capacity.
- › Shift in work from outside agency to internal team of 10% to 15% over a three-year period, growing as teams become more comfortable with internal ability.
- › Fully burdened in-house hourly rate of \$26.
- › Average hourly agency rate of \$150.

The reduction in agency spend will vary based on:

- › Internal production team skillsets.
- › Location and related labor costs of internal team.
- › Existing agency relationships and contractual obligations.

To account for these risks, Forrester adjusted this benefit downward by 5%, yielding a three-year, risk-adjusted total PV of \$685,920.



Reduced agency spend:  
14% of total benefits

"We're taking some of that social media work away from our agency. We're able to do more of it in house, since now it's all combined in one environment and it's easier to give people the ability to draft their own posts."

*Digital engagement platform manager, manufacturing*



## Reduced Agency Spend: Calculation Table

| REF. | METRIC  | CALC.                   | YEAR 1    | YEAR 2    | YEAR 3    |
|------|---|-------------------------|-----------|-----------|-----------|
| C1   | Internal production team members                    |                         | 15        | 15        | 15        |
| C2   | Current utilization of internal production team     |                         | 60%       | 60%       | 60%       |
| C3   | Shift in work from outside agency to internal teams |                         | 10%       | 13%       | 15%       |
| C4   | Utilization with Percolate                          | $C2*(1+C3)$             | 66%       | 68%       | 69%       |
| C5   | Fully burdened in-house hourly rate                 | $\$20*1.3$              | \$26      | \$26      | \$26      |
| C6   | Average hourly agency rate                          |                         | \$150     | \$150     | \$150     |
| C7   | Hourly savings                                      | $C6-C5$                 | \$124     | \$124     | \$124     |
| Ct   | Reduced agency spend                                | $((C4-C2)*2,080)*C1*C7$ | \$232,128 | \$301,766 | \$348,192 |
|      | Risk adjustment                                     | ↓5%                     |           |           |           |
| Ctr  | Reduced agency spend (risk-adjusted)                |                         | \$220,522 | \$286,678 | \$330,782 |

## Retired Legacy System Savings

Percolate provided organizations with a consolidated platform, including features and functionalities which no single legacy solution provided. As such, organizations using Percolate were able to reduce their use of or retire completely a myriad of project and social media management solutions.

A marketing technology specialist at an agricultural firm stated: “With Percolate, we can manage projects. We can make decisions. We have campaign analytics. We’ve been able to decommission other tools that served those roles. By having Percolate we no longer have to pay for other marketing tools and we see savings there.”

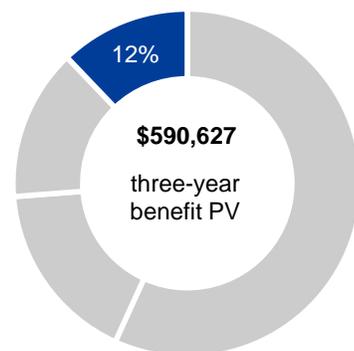
In modeling retired legacy system savings, Forrester assumes:

- › Combined annual value of \$250,000 for retired marketing tools.

Retired legacy systems savings will vary based on:

- › Size, scope, and complexity of marketing organization and related tools.
- › Organizational adoption and ability to shift workflows.

To account for these risks, Forrester adjusted this benefit downward by 5%, yielding a three-year, risk-adjusted total PV of \$772,021.



Retired legacy system savings: **12%** of total benefits

## Retired Legacy System Savings: Calculation Table

| REF. | METRIC   | CALC. | YEAR 1    | YEAR 2    | YEAR 3    |
|------|--|-------|-----------|-----------|-----------|
| D1   | Discontinued legacy subscriptions              |       | \$250,000 | \$250,000 | \$250,000 |
| Dt   | Retired legacy systems savings                 | D1    | \$250,000 | \$250,000 | \$250,000 |
|      | Risk adjustment                                | ↓5%   |           |           |           |
| Dtr  | Retired legacy systems savings (risk-adjusted) |       | \$237,500 | \$237,500 | \$237,500 |

## Unquantified Benefits

The interviewed organizations experienced a variety of additional benefits that could not be financially quantified for this study. The unquantified benefits of Percolate, evaluated by Forrester, include:

- › **Improved collaboration and creation of more compelling content.** A digital engagement platform manager in manufacturing said: “Percolate is a huge benefit because users can track the performance of social posts directly from the record, and they can track metrics such as likes or shares. They can use this feedback to track what does well and share that knowledge with other teams to replicate.”
- › **Improved customer satisfaction.** The CMO of a financial services firm explained: “We measure our NPS scores for marketing and it has improved by 47 points. It’s really improved dramatically over the past few years. I’m not attributing all of that to Percolate, but it has been a major factor in helping us not just from a quantity perspective but also with the quality of our work.”
- › **Reduced time-to-market for launching new campaigns.** Percolate delivered improved visibility into campaigns and a streamlined approval process. The ability to view progress in real time reduced the time needed to launch new campaigns in the market.
- › **Enforced brand guidelines and preservation of image.** Percolate aided organizations in enforcing brand guidelines by providing visibility into the actions of disparate teams. By establishing Percolate as their single source for the latest version of all content, firms could ensure all users had access to the most current versions of assets.
- › **Remain compliant and avoid fines.** The CMO of a financial services firm stated: “Streamlining the approval process and working with compliance in one place has been a big help. Compliance needs to look at everything we do, so that’s been a great partnership and a great enhancement to our process.”
- › **Protect social media accounts.** Organizations felt they ran the risk of violating social media policies by posting similar content from multiple regional or product team accounts. Using Percolate, organizations centralized their planning and scheduled their social media activities across multiple accounts in a manner which did not violate social media platform policies.

## 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 Percolate and later realize additional uses and business opportunities, including:

- › **Develop new data strategies.** Investing in Percolate can be the first step in developing new data models and strategies within an organization. The absence of a single source of record within marketing limits organizations’ abilities to develop a unified metadata strategy.

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.

- › **Develop new KPIs for campaigns at a product or team level.** With Percolate, users can view the entire marketing mix as well as marketing data over multiple years. The availability of this data allows organizations to take a granular approach in developing and tracking KPIs for their assets.

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  | Asset migration and Percolate platform fees | \$262,500 | \$529,200 | \$529,200 | \$529,200 | \$1,850,100 | \$1,578,542   |
| Ftr  | Internal training costs                     | \$189,000 | \$15,750  | \$15,750  | \$15,750  | \$236,250   | \$228,168     |
| Gtr  | Internal ongoing management costs           | \$0       | \$141,015 | \$141,015 | \$141,015 | \$423,045   | \$350,683     |
|      | Total costs (risk-adjusted)                 | \$451,500 | \$685,965 | \$685,965 | \$685,965 | \$2,509,395 | \$2,157,393   |

### Asset Migration And Percolate Platform Fees

This category represents the fees paid by the composite organization to Percolate. In addition to ongoing annual platform fees, the composite organization paid Percolate a one-time professional services fee to migrate their existing assets to the Percolate platform and design content development and management processes.

- › The composite organization paid a one-time migration fee of \$250,000 and an ongoing annual platform fee of \$504,000.

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. Organizations will face varying migration and platform costs based on:

- › Size and scope of existing asset portfolio.
- › Number and account level of Percolate users.

To account for these risks, Forrester adjusted this cost upward by 5%, yielding a three-year, risk-adjusted total PV of \$1,578,542.

The table above shows the total of all costs across the areas listed below, as well as present values (PVs) discounted at 10%. Over three years, the composite organization expects risk-adjusted total costs to be a PV of more than \$2.1 million.

### Asset Migration And Percolate Platform Fees: Calculation Table

| REF. | METRIC   | CALC. | INITIAL   | YEAR 1    | YEAR 2    | YEAR 3    |
|------|--|-------|-----------|-----------|-----------|-----------|
| E1   | Professional service fees for asset migration fee and implementation |       | \$250,000 |           |           |           |
| E2   | Annual Percolate platform fee  |       |           | \$504,000 | \$504,000 | \$504,000 |
| Et   | Asset migration and Percolate platform fees                          | E1+E2 | \$250,000 | \$504,000 | \$504,000 | \$504,000 |
|      | Risk adjustment  | ↑5%   |           |           |           |           |
| Etr  | Asset migration and Percolate platform fees (risk-adjusted)          |       | \$262,500 | \$529,200 | \$529,200 | \$529,200 |

## Internal Training Costs

This category represents the internal costs incurred by an organization in training users to become proficient using Percolate. Organizations interviewed for this study held seminars to train users on the platform, and to disseminate and re-educate employees on company guidelines for using Percolate as the single source of record for all marketing content.

- › The composite organization held a training seminar for all users over one and a half days when initially deploying Percolate.
- › The organization holds an annual 1-hour refresher course for all users annually.

Internal training costs may vary based on:

- › Organizational adoption.
- › Employee turnover.
- › Number of users.

To account for these risks, Forrester adjusted this cost upward by 5%, yielding a three-year, risk-adjusted total PV of \$228,168.



**12 hours**  
Initial training time per user

### Internal Training Costs: Calculation Table

| REF. | METRIC                                  | CALC.                   | INITIAL   | YEAR 1   | YEAR 2   | YEAR 3   |
|------|---|-------------------------|-----------|----------|----------|----------|
| F1   | Percolate users                         | A1                      | 400       | 400      | 400      | 400      |
| F2   | Initial training workshop hours         |                         | 12        |          |          |          |
| F3   | Annual refresher training hours         |                         |           | 1        | 1        | 1        |
| F4   | Total training hours                    | $(F1 * F2) + (F1 * F3)$ | 4,800     | 400      | 400      | 400      |
| F5   | Average hourly wages                    | A5                      | \$37.50   | \$37.50  | \$37.50  | \$37.50  |
| Ft   | Internal training costs                 | $F4 * F5$               | \$180,000 | \$15,000 | \$15,000 | \$15,000 |
|      | Risk adjustment                         | ↑5%                     |           |          |          |          |
| Ftr  | Internal training costs (risk-adjusted) |                         | \$189,000 | \$15,750 | \$15,750 | \$15,750 |

## Internal Ongoing Management Costs

This category represents the internal costs incurred from the management and usage of Percolate.

- › The composite organization employs a marketing manager who dedicates 60% of their time to managing the Percolate platform.
- › The marketing manager is supported by two IT admins who spend 40% of their time on tasks related to Percolate.

In modeling the internal management costs of Percolate, Forrester makes the following assumptions:

- › Fully burdened marketing manager salary of \$110,500.
- › Fully burdened IT admin salary of \$85,000.

Organizations may face varying internal management costs based on:

- › Size, scope, and complexity of operations.



**One marketing manager**  
spends 60% of their time on Percolate and is supported by two IT admins.

To account for these risks, Forrester adjusted this cost upward by 5%, yielding a three-year, risk-adjusted total PV of \$350,683.

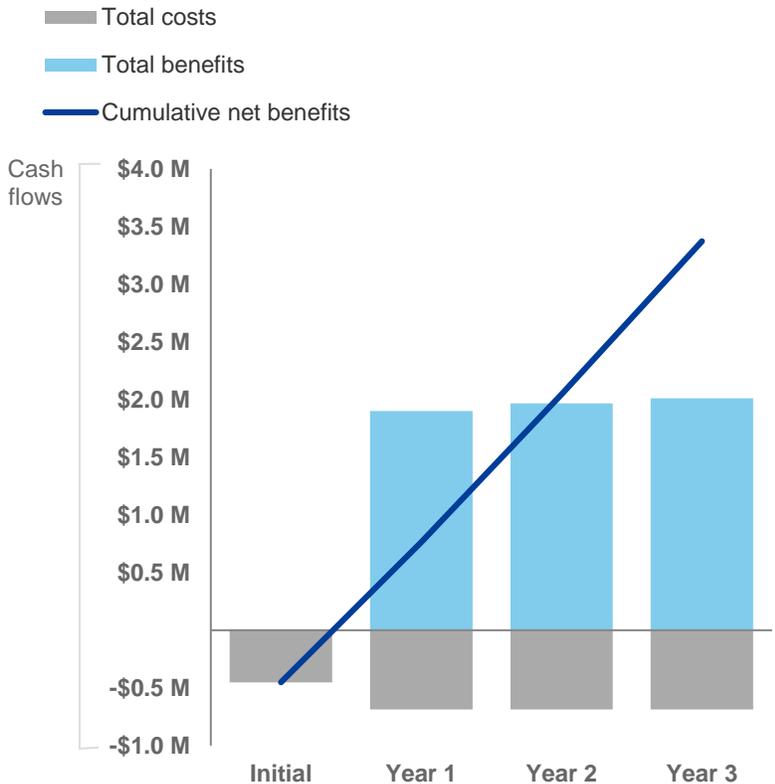
### Internal Ongoing Management Costs: Calculation Table

| REF. | METRIC  | CALC.   | INITIAL | YEAR 1    | YEAR 2    | YEAR 3    |
|------|---|---|---------|-----------|-----------|-----------|
| G1   | Marketing manager                                 |   |         | 1         | 1         | 1         |
| G2   | Percent of time spent managing Percolate          |   |         | 60%       | 60%       | 60%       |
| G3   | Marketing manager fully burdened salary           |   |         | \$110,500 | \$110,500 | \$110,500 |
| G4   | IT admins   |   |         | 2         | 2         | 2         |
| G5   | Percent of time spent managing Percolate          |   |         | 40%       | 40%       | 40%       |
| G6   | IT admin fully burdened salary                    |   |         | \$85,000  | \$85,000  | \$85,000  |
| Gt   | Internal ongoing management costs                 | $(G1 \cdot G2 \cdot G3) + (G4 \cdot G5 \cdot G6)$ |         | \$134,300 | \$134,300 | \$134,300 |
|      | Risk adjustment                                   | ↑5%   |         |           |           |           |
| Gtr  | Internal ongoing management costs (risk-adjusted) |   | \$0     | \$141,015 | \$141,015 | \$141,015 |

# Financial Summary

## CONSOLIDATED THREE-YEAR RISK-ADJUSTED METRICS

### Cash Flow Chart (Risk-Adjusted)



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



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

### Cash Flow Table (Risk-Adjusted)

|                | INITIAL     | YEAR 1      | YEAR 2      | YEAR 3      | TOTAL         | PRESENT VALUE |
|----------------|-------------|-------------|-------------|-------------|---------------|---------------|
| Total costs    | (\$451,500) | (\$685,965) | (\$685,965) | (\$685,965) | (\$2,509,395) | (\$2,157,393) |
| Total benefits | \$0         | \$1,902,022 | \$1,968,178 | \$2,012,282 | \$5,882,482   | \$4,867,561   |
| Net benefits   | (\$451,500) | \$1,216,057 | \$1,282,213 | \$1,326,317 | \$3,373,087   | \$2,710,168   |
| ROI            |             |             |             |             |               | 126%          |
| Payback period |             |             |             |             |               | <6 months     |

# Percolate: Overview

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



## Control all your teams, content, and tools with one platform.

Marketing organizations are more accountable for driving revenue and business results than ever before. At the same time, marketing impact is increasingly contingent on managing a complex array of channels, segments, markets, and objectives. Many organizations struggle to keep up with the demand for an ever-increasing volume of high-quality, well-coordinated campaigns.

**Percolate is the leading marketing operational system, empowering teams with the visibility, control, and insight to deliver orchestrated experiences to customers and meaningful impact to the business.**

|  |  |  |  |
|--|--|--|--|
|  <p><b>Marketing Planning</b></p> <p>Plan your marketing content and campaigns from brief to execution on an industry-leading marketing calendar.</p> |  <p><b>Campaign Orchestration</b></p> <p>Coordinate across business units, regions, and audiences with campaign management and collaboration tools.</p> |  <p><b>Workflow Management</b></p> <p>Orchestrate content production, management, and distribution in a single platform – from ideation to delivery.</p> |  <p><b>Connected Ecosystem</b></p> <p>Link planning and production to the rest of your tech stack for an end-to-end view of your marketing operation.</p> |
|--|--|--|--|

Learn how Percolate can help your team take control. [www.percolate.com](http://www.percolate.com) | [learn@percolate.com](mailto:learn@percolate.com) | 1 (646) 396-3136

# 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

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<sup>1</sup> Source: “Now Tech: Content Marketing Platforms, Q4 2018,” Forrester Research, Inc., December 17, 2018.

<sup>2</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.