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The Total Economic Impact™ Of Metadata

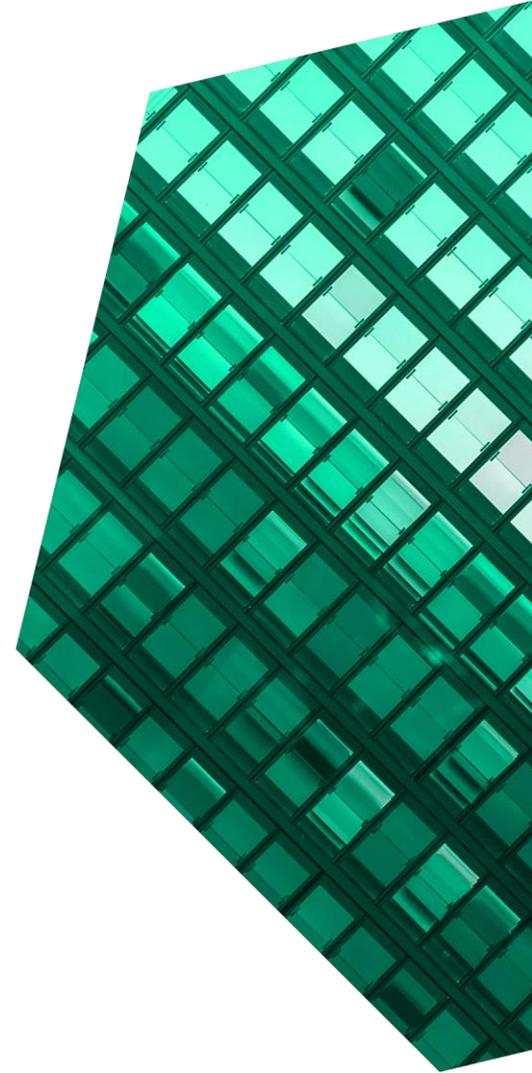
Cost Savings And Business Benefits
Enabled By Metadata

OCTOBER 2022

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ABOUT FORRESTER CONSULTING

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Executive Summary

Successful marketing depends on near-constant iteration and optimization. This, in turn, requires lots of experimentation and the capacity to analyze and adjust based on data. B2B marketing teams have long dedicated thousands of manual hours to set up and report on campaigns. Managing multiple platforms makes it difficult to experiment at scale, especially with smaller teams. Now, marketing technology is automating and consolidating much of this effort.

Metadata takes the separate streams of ad campaign management data within various native digital and social platforms (such as Facebook, Instagram, LinkedIn, Google Ads, and Display) and brings them all together within a single interface. The platform also automates nearly all aspects of marketing activity, from building target audiences to executing campaign experiments to optimizing campaigns to revenue. By reducing manual work and increasing the precision of ad delivery, Metadata allows marketing teams to be more nimble, more strategic, and, ultimately, more lucrative for their organizations.

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

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed four marketing leaders with experience using Metadata. For the purposes of this study, Forrester aggregated the interviewees' experiences and combined the results into a single **composite organization**, which is a rapidly growing B2B software company with a two- to three-person marketing team and an advertising budget of \$1 million per year.

KEY STATISTICS



Return on investment (ROI)

149%



Net present value (NPV)

\$3.26M

Prior to using Metadata, interviewees noted how their organizations were held back by the need to duplicate campaign setup and reporting efforts multiple times across separate platforms. Running different ad variations or targeting different audience segments required a lot of setup time, which severely limited their ability to experiment.

After the investment in Metadata, the interviewees were able to scale their marketing efforts rapidly. Now that they were able to run dozens of experiments per ad campaign and automatically use the results to optimize their budget across the top-performing variations, the teams were able to iterate and improve much faster. They saw this reflected in lower costs per marketing qualified lead (MQL), and in the growth of their marketing-influenced pipelines.

KEY FINDINGS

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

- **Over \$7.5 million in additional revenue generated through advertising, leading to \$2 million in increased profit over three years.**
The ability to be much more precise in ad delivery by targeting both accounts and contacts using first- and third-party data helps marketing teams get in front of the right buyers. This translates directly into revenue increases.

In Year 1 alone, the composite organization is able to increase its revenue by 157% over the prior state. With advertising budget increases in following years, its expected revenue improvement with Metadata is 307% in Year 2 and 473% in Year 3 compared to the previous solution.
- **Time savings in campaign setup and reporting totaling \$2.8 million over three years.** Marketing teams can set up more complex campaigns with less manual effort. This saves the composite organization substantial operational funds and frees up its team members to be more strategic. At the same time, marketing leaders have quicker access to more meaningful reports without the manual effort of integrating separate data streams from multiple platforms.
- **Savings from avoided third-party management fees totaling \$657,000 over three years.** By automating and eliminating much of the manual work required to run highly effective campaigns, the organization can avoid hiring contractors to manage a portion of its digital media buys.

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

- **Tighter handoff of leads from marketing to sales.** Metadata's precise targeting and robust reporting allow marketing teams to target accounts and individual leads and then prove to their sales team colleagues that those targets were reached. This level of precision and accountability supports account-based marketing strategies.
- **Increased job satisfaction for marketing employees.** Metadata's vast reduction of manual work allows marketing professionals to spend less time compiling data and instead participate in higher-value, more rewarding work. This supports employee retention and satisfaction and allows marketing employees to progress more quickly in their careers.
- **Reliable data for content investment.** Metadata helps show which ad content has the greatest impact on pipeline and revenue. This allows marketers to optimize both individual campaigns and longer-term creative development strategies based on that data. This can help organizations optimize their creative budgets as well as their media buys.
- **Support for small organizations.** Metadata's efficiencies mean that small startups can leverage the system to seem larger than they are, allowing them to better compete with more established brands and realize rapid growth.

Revenue increase in Year 1

157%



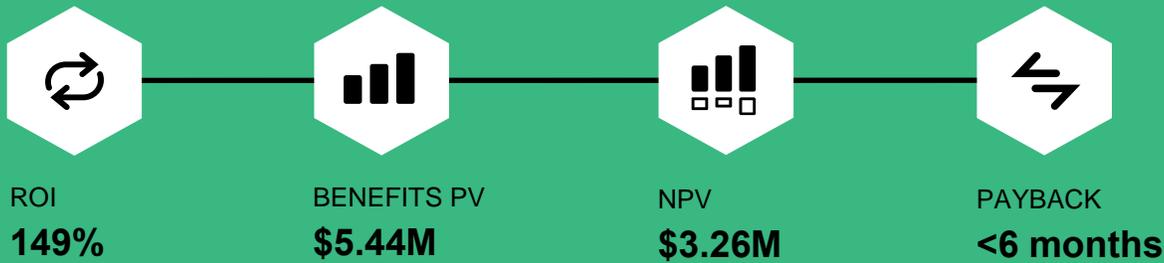
Costs. Three-year, risk-adjusted PV costs for the composite organization include:

- **Software fees.** Monthly fees are based on the size of a company's ad spend. The composite organization contracts with Metadata at the Enterprise service level and receives additional professional services for a total three-year cost of \$772,000.
- **Implementation and maintenance.** Time required for the composite organization to set up the Metadata system, close out individual advertising accounts within native platforms, and establish API connections with other advertising software solutions results in modest implementation costs. The three-year total for all of these activities is just under \$2,000.
- **Advertising budget increases.** The composite organization, like all of the interviewed organizations, increases its advertising budget after seeing success with Metadata. These budget increases add up to \$1.2 million over three years.
- **Additional creative costs.** The increased advertising volume calls for production of more ads to supply creative assets for the additional campaigns and additional experimentation. The composite organization works with an outside advertising agency for creative work, and those contracting costs add up to \$183,000 over three years.

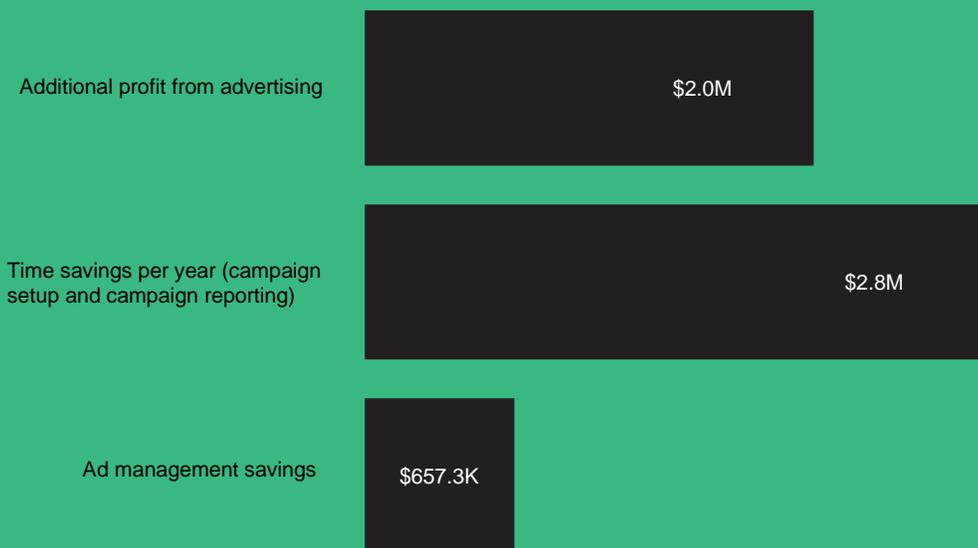
The representative interviews and financial analysis found that a composite organization experiences benefits of \$5.44 million over three years versus costs of \$2.18 million, adding up to a net present value (NPV) of \$3.26 million and an ROI of 149%.

“Before Metadata, we were running ads [on one of the native social platforms], and I was getting junk. We turned on Metadata and it was 95% accurate in terms of the titles and the personas that we wanted to target. Our cost per lead [with the native platform account targeting] was about \$225. In our first Metadata campaign, it went down to \$67 per lead.”

Sr. director of growth marketing



Benefits (Three-Year)



“As a startup trying to establish four or five different channels, being able to set everything up for \$40,000 was a key win. I also got a promotion. Going from zero to hero in three months was significant.”

— Director of marketing

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 Metadata.

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 Metadata can have on an organization.

DISCLOSURES

Readers should be aware of the following:

This study is commissioned by Metadata 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 Metadata.

Metadata 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.

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



DUE DILIGENCE

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



INTERVIEWS

Interviewed four representatives at organizations using Metadata 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.

The Metadata Customer Journey

■ Drivers leading to the Metadata investment

| Interviews | | | | |
|-------------------------------------|----------|---------|---------------------|----------------------------|
| Role | Industry | Revenue | Ad Spend | Channels Used |
| Director of marketing | Software | \$75M | \$40,000 per month | Facebook, LinkedIn, Google |
| Senior global acquisition manager | Software | \$5.6B | \$500,000 per month | Facebook, LinkedIn |
| VP of revenue marketing | Software | \$70M | \$75,000 per month | Facebook, LinkedIn |
| Senior director of growth marketing | Software | \$5M | \$35,000 per month | Facebook, LinkedIn, Google |

KEY CHALLENGES

The interviewees' organizations all reported frustration with the setup and management processes, as well as the reporting capabilities, of their paid social and digital ad campaigns within each native platform. Because the administrative side was such a heavy lift, there was little capacity for the strategic work that accelerates the success of digital advertising — multivariate testing, creative experimentation, and the leveraging of highly specific audience and intent data.

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

- **The amount of manual and repetitive work within each platform.** While marketers would often run the same campaigns across all platforms, the details of each campaign — such as run dates, budget pacing, and ad delivery frequency — would have to be entered or uploaded separately for each platform.
- **Insufficient native audience targeting within and across platforms.** Interviewees reported that the in-platform audience targeting tools were not specific enough to support their organizations' account-based marketing goals. According to the director of marketing for a mid-size software company: "Previously, the paid

digital campaigns had been just like buying eyeballs wholesale. But we knew we could be more effective in that spend by using more targeted efforts."

- **An inability to fully leverage first- and third-party data.** In addition, several interviewees' organizations had purchased third-party intent data and/or invested time in building and extracting their own targeting and customer data from their CRMs. The native in-platform tools were unable to incorporate that data into the ad targeting profiles. Marketers were neither able to suppress their existing customers from ad

"Metadata solves a core problem by giving me one place that integrates my marketing automation tools, my CRM, my advertising solutions, and my assets."

VP of revenue marketing

“We were looking at intent data and profiling, and asking: How can we use that to get a more effective ad spend? We were seeing account-based marketing approaches on the sales side, where they said, ‘I want to target these 20 companies, or this firmographic profile, for the next quarter.’”

Director of marketing

delivery nor were they able to utilize the customer lists they had purchased.

- **A lack of capacity and experience with multivariate testing.** All interviewees’ organizations had very small marketing teams — sometimes just one or two people, and not more than four or five. Because those people were spending so much time on the basics of setting up and monitoring the campaigns, there was little capacity for extensive experimentation. Said the director of marketing for one of the mid-size software companies: “We were very limited in terms of multivariate testing, because you had to set up the audience three different times. Often, we didn’t do [any experimentation] because we just had to get a campaign out the door.”
- **Limited learnings and insights from campaigns.** With the ability to run only one or two variations per campaign, marketers were limited in what they were able to learn from each campaign iteration. Therefore, the pace of performance optimization was slow.
- **Inability to report on the revenue impact of marketing activities.** Marketers wanted a

stronger data-driven link between marketing campaigns and increased pipeline.

SOLUTION REQUIREMENTS

The interviewees searched for a solution for their organizations that could:

- Offer simultaneous multiplatform management.
- Enable more multivariate testing.
- Allow them to target their ads more precisely through stronger built-in tools and the ability to incorporate owned customer and intent data.
- Support the rapid scaling of paid advertising with a small internal team.

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 four interviewed organizations, 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 is a global B2B software company in a phase of rapid growth. It currently reports \$75 million in annual revenue and employs 500 people, though it has a very small marketing team. The company has just received a new round of investor funding and is looking to ramp up its marketing with social and digital display platforms. This particular organization opts to focus on Facebook, LinkedIn, and Google, spending about \$75K per month (or just under \$1 million per year).

Deployment characteristics. The composite organization considers contracting with an outside advertising agency, growing its internal marketing team, and/or investing in a marketing platform such as Metadata. It chooses Metadata for efficient ad management, and contracts with an outside agency for the additional creative work.

Key Assumptions

- **\$75M annual revenue**
- **Rapidly growing**
- **Needs support to scale**
- **Spends \$1M/year across Facebook, LinkedIn & Google**

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 | Additional profit from advertising | \$385,796 | \$793,912 | \$1,287,118 | \$2,466,827 | \$1,973,881 |
| Btr | Time savings per year (campaign setup) | \$687,648 | \$1,231,485 | \$1,477,782 | \$3,396,915 | \$2,753,170 |
| Ctr | Time savings per year (campaign reporting) | \$16,530 | \$20,663 | \$24,795 | \$61,988 | \$50,733 |
| Dtr | Ad management savings | \$180,000 | \$270,000 | \$360,000 | \$810,000 | \$657,250 |
| | Total benefits (risk-adjusted) | \$1,269,974 | \$2,316,060 | \$3,149,695 | \$6,735,729 | \$5,435,034 |

ADDITIONAL PROFIT FROM ADVERTISING

Evidence and data. The interviewees’ organizations’ advertising performance improved dramatically as a result of two key features of the Metadata system: the ability to precisely target ads based on highly specific demographic and intent data and the ability to run dozens, hundreds, even thousands of experiments simultaneously and to automatically reallocate budget according to impact on revenue, not just standard ad metrics. Examples include:

- By incorporating first-party customer data and third-party intent data into their targeting, marketers were able to run effective account-based marketing programs. Interviewees said it was particularly helpful to integrate dynamic targeting lists generated through their CRM and exclude current customers from their advertising when appropriate.
- Metadata’s ability to automatically match personal emails to business profiles was also very useful. According to the director of marketing for a mid-size software company: “If someone downloaded our e-book from Facebook, [the challenge for us was] all we got was their personal email address and very little

information about them because a lot of people don’t put their work information into Facebook. But now, even if it’s a personal email address, [we can match it to professional data] so I can show sales that it’s a vice president of a company they said they wanted to talk to. Metadata allows us to prove the quality of the lead.”

- One organization shared that its conversion rate from leads to MQLs improved from 42% to 75% after one year, indicating that Metadata delivered

“[We’ve seen a huge] revenue increase over the last two years. We went from a million dollars a quarter to now almost a million dollars a month, and we are doubling in size year over year. Metadata is probably 75% of that.”

VP of revenue marketing

not just more leads but also more *high-quality* leads, which is an essential component of revenue growth through advertising.

- The ability to experiment at scale, combined with automatic budget allocation based on performance, allowed marketers to learn and optimize at a rapid pace. Said the vice president of revenue marketing from a mid-size software company: “This year, we’ve run anywhere from 20 to 30 campaigns, and for each campaign there are dozens of experiments. Metadata automatically [manages the experiments], and we’re only limited by the number of assets we have. I would say anywhere from 100 to 300 experiments have happened within this fiscal year.”
- The Metadata system can track individuals through the pipeline, from lead to influenced or triggered opportunity to closed business. One organization reported \$4 million in closed/won business since their move to Metadata two years prior.

Modeling and assumptions. Forrester calculates how Metadata-optimized advertising increases the composite organization’s bottom line:

- The organization’s cost-per-MQL data before and after adoption is based on figures shared by the interviewees’ organizations.
- Dividing those figures into the organization’s \$1 million initial advertising budget determines the number of MQLs the organization receives in Year 1.
- The composite organization increases its advertising budget in Years 2 and 3 under the Metadata scenario after seeing positive results in Year 1.
- Assuming that 4% of all MQLs turn into closed/won business, and that the average order value is \$30,000, the organization earns more

than \$7.5 million in incremental revenue over three years after the move to Metadata. That represents a 157% revenue increase over the prior state in Year 1, a 307% revenue increase over the prior state in Year 2, and a 473% revenue increase over the prior state in Year 3.

- The financial impact of increased advertising

“Metadata is able to know the volume needed for statistical significance, so we ran the campaign long enough to get accurate data and then the system was doing the switching on and off, saying, ‘These three are not doing well, so let’s shift the spend to these other ones [that are performing better].’”

Director of marketing

performance is expressed in terms of revenue as well as final profit. The profit calculation is based on an assumed 20% operating margin.

Risks. Incremental revenue and profit gains for an organization can vary based on any of the inputs, starting with average order value and operating margin. Readers may also want to consider the following factors as they build their own business case, such as:

- The extent to which the organization grows its marketing budget over time. Marketing-driven revenue gains are heavily dependent on the scale of advertising activity, and this is especially true in B2B lead-generation marketing. With volume-driven campaigns, the greater the investment, the greater the results.

- Variability in close rate. In theory, a tool like Metadata that uses very specific targeting should result in higher-quality leads, so an organization may actually see its MQL close rate improve over time. However, this is also dependent on several other factors that are not entirely within a marketing team’s control, such as sales effectiveness, product quality, and, most importantly, the amount of active prospective buyers with a need for the solution while the advertising is running. As such, the closing rate remains static for the composite, but readers should consider their own late-stage conversion ratios.
 - Variability in cost-per-MQL reduction over time. The composite organization sees a reduction in its average cost per MQL from Year 1 to Year 3 under both scenarios (5% YOY in the prior state and 10% YOY in the Metadata-driven approach). As marketers run more campaigns and gather more data, they do more of what works and less of what doesn’t. But the extent of this benefit is likely to vary based on budget and level of multivariate testing.
- Results.** To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of just under \$2 million.

| Additional Profit From Advertising | | | | | |
|--------------------------------------|--|------------|--|-------------|-------------|
| Ref. | Metric | Source | Year 1 | Year 2 | Year 3 |
| A1 | Cost-per-MQL, prior state | Interviews | \$830 | \$789 | \$749 |
| A2 | Advertising budget, prior state | Composite | \$1,000,000 | \$1,000,000 | \$1,000,000 |
| A3 | MQLs per year, prior state | A2/A1 | 1,205 | 1,268 | 1,335 |
| A4 | Cost-per-MQL, Metadata | Interviews | \$323 | \$291 | \$262 |
| A5 | Advertising budget, Metadata | Composite | \$1,000,000 | \$1,500,000 | \$2,000,000 |
| A6 | MQLs per year, Metadata | A5/A4 | 3,096 | 5,160 | 7,644 |
| A7 | MQL close rate | Composite | 4% | 4% | 4% |
| A8 | Average order value | Composite | \$30,000 | \$30,000 | \$30,000 |
| A9 | Revenue per year, prior state | A3*A7*A8 | \$1,445,783 | \$1,521,877 | \$1,601,976 |
| A10 | Revenue per year, Metadata | A6*A7*A8 | \$3,715,170 | \$6,191,950 | \$9,173,260 |
| A11 | Operating margin | Composite | 20% | 20% | 20% |
| A12 | Additional revenue from advertising | A10-A9 | \$2,269,387 | \$4,670,073 | \$7,571,284 |
| At | Additional profit from advertising | A10-A9*A11 | \$453,877 | \$934,015 | \$1,514,257 |
| | Risk adjustment | ↓15% | | | |
| Atr | Additional profit from advertising (risk-adjusted) | | \$385,796 | \$793,912 | \$1,287,118 |
| Three-year total: \$2,466,827 | | | Three-year present value: \$1,973,881 | | |

TIME SAVINGS PER YEAR (CAMPAIGN SETUP)

Evidence and data. Marketing leaders from all four interviewed organizations reported notable time savings in ad campaign setup after the move to Metadatas.

Instead of having to enter the same data and toggle the same options in each separate platform, marketers could now complete their campaign setup for all of their platforms in one single Metadatas-driven workflow. According to the director of marketing for a mid-size software company: “We had our paid digital [person] trying to manage three massive platforms that each have their own idiosyncrasies. A big part of it was just trying to get out of doing the work three times for each campaign.”

The senior global acquisition manager for the largest software company said they also felt Metadatas’s user interface for audience-building was easier and more intuitive to use than those of the native platforms. This marketing leader said the setup was so straightforward that campaign setup took just 30 minutes in Metadatas, even with multiple variations and integrations with their CRM and attribution tools.

Examples include:

- Three interviewees said this time savings allowed them to avoid hiring an additional full-time team member as their advertising efforts scaled. They all estimated this avoided head-count savings to be upwards of \$120,000 per year.
- Several of the marketers who were interviewed said that Metadatas’s time savings allowed for more strategic work. According to the vice president of revenue marketing for a mid-size software company: “I can enable my digital person with Metadatas and then they can cover more ground or help with SEO or other strategies. Most junior digital marketers are just in spreadsheets, LinkedIn, and Facebook all day. Metadatas kind of takes that time back and allows

that person to have more value and be more strategic.”

Modeling and assumptions. Forrester calculates the impact of these administrative time-savings in terms of hours saved.

- Under the prior state, the composite organization needs 30 minutes of setup time for each variation of each campaign on each platform, so three multipliers are involved. With Metadatas, the organization’s campaign setup time is reduced to a single half-hour block that covers all variations and all three platforms.
- The organization runs an average of 20 campaigns per month and 35 variations per campaign in Year 1; both increase in Years 2 and 3 as marketers become more familiar with the platform and have additional budget.

Flexibility. While time savings is measured here in terms of the cost of a working hour for a midlevel marketing operations professional, some readers may want to evaluate how reduced administrative marketing workload generates business value enabled by the efficiency of the technology allowing these employees to work on new, value-generating projects.

If an organization already has a marketing team in place that was manually setting up dozens of campaigns and hundreds of variations per month, then there is likely some more strategic work that those employees can now complete instead — whether that’s data analysis from campaign performance metrics or forward-looking marketing strategies.

Alternatively, if a marketing team didn’t have the people power to advertise and to experiment at that scale prior to Metadatas, then the value of being able to advertise, experiment, learn, and optimize at a much more rapid pace than would have been possible with manual campaign operations holds a business value that likely far exceeds the

accumulated hourly pay of one employee. In fact, it's probable that the efficiency of the Metadata technology allows time savings to happen years earlier, and within a much shorter timeframe, than was likely to have happened otherwise.

Risks. The most important variable that can impact the size of the benefit is the number of campaigns and number of experiments run by the organization. The greatest value of Metadata lies in its ability to facilitate advertising and multivariate testing at high volumes. If advertising strategies remain static or simplistic, then the organization may not see as much value. There are several reasons why this may occur:

- Lack of budget to support a robust advertising plan.
- Lack of creative resources to build out multiple versions of ads.
- Lack of available customer lists or intent data to create multiple versions of target audiences.
- Lack of willingness to experiment, perhaps due to an organizational fear of failure.

Results. To account for these risks, Forrester adjusted this benefit downward by 5%, yielding a three-year, risk-adjusted total PV of \$2.75 million.

| Time Savings Per Year (Campaign Setup) | | | | | |
|---|--|---------------|--|-------------|-------------|
| Ref. | Metric | Source | Year 1 | Year 2 | Year 3 |
| B1 | Setup time per platform, per variation (hours) | Interviews | 0.5 | 0.5 | 0.5 |
| B2 | Number of platforms (LinkedIn, Facebook, Google) | Composite | 3 | 3 | 3 |
| B3 | Number of variations per campaign | Composite | 35 | 50 | 50 |
| B4 | Number of campaigns per month | Composite | 20 | 25 | 30 |
| B5 | Total time per month, prior state (hours) | $B1*B2*B3*B4$ | 1,050 | 1,875 | 2,250 |
| B6 | Total campaign setup time, Metadata (hours) | Interviews | 0.5 | 0.5 | 0.5 |
| B7 | Total time per month, Metadata (hours) | $B6*B4$ | 10 | 13 | 15 |
| B8 | Time saved per month (hours) | $B5-B7$ | 1,040 | 1,863 | 2,235 |
| B9 | Rate per hour, fully burdened | TEI Standard | \$58 | \$58 | \$58 |
| Bt | Time savings per year (campaign setup) | $B8*B9*12$ | \$723,840 | \$1,296,300 | \$1,555,560 |
| | Risk adjustment | ↓5% | | | |
| Btr | Time savings per year (campaign setup) (risk-adjusted) | | \$687,648 | \$1,231,485 | \$1,477,782 |
| Three-year total: \$3,396,915 | | | Three-year present value: \$2,753,170 | | |

TIME SAVINGS PER YEAR (CAMPAIGN REPORTING)

Evidence and data. Marketing best practices have always called for solid postmortem analysis of completed campaigns. However, digital marketing leaders, even more so than their traditional advertising counterparts, place a strong emphasis on near-constant analysis, iteration, and improvement. As such, another significant benefit of Metadata is the time saved in creating, re-creating, and updating static campaign reports.

Interviewees noted that before Metadata, campaign reporting would take a minimum of two to three times as long as it did after the solution was applied. This was because of the effort involved in running three separate reports, reformatting, and merging in the prior state. According to the director of marketing for a mid-size software company: “You exported everything to [digital worksheets], you got all your CSVs, and you hoped they matched up. If not, then you had to get your friend who knows table [shortcuts] to help you out. So, it would take a considerable amount of time just to get the data to behave the way that you wanted to.”

Those who used additional tools required additional effort. According to the director of marketing for a mid-size software company, their organization had to manually map out attribution for each closed/won account, in addition to the duplicative efforts of pulling performance data separately from Facebook, LinkedIn, and Google. This could take as long as two days. This interviewee said: “We had to go through every contact in that account to see that this person went to this webinar, this person went to this event, this person read this blog post or opened this email. Metadata collates all of those touches for us.”

The vice president of revenue marketing for a mid-size software company said that Metadata’s built-in support for complex attribution models is one way in which the platform was much better suited than many other competitors to the longer sales cycles of B2B

advertising. This interviewee added: “A lot of these platforms were built for e-commerce. But B2B is such a different model. When Metadata came out, I finally felt seen.”

All interviewees agreed that the reporting function inside Metadata was powerful and helpful. According to the vice president of revenue marketing for a mid-size software company: “You can report based on campaigns, based on budget groups, based on experiments, as well as by channels and date as well. I can slice by all those different pieces and show the full picture or just one particular piece of the pie.”

“Part of it is just having one place for all this stuff I’m trying to juggle in my head all the time and knowing that I can reference it immediately. So, when the CEO says, ‘What’s going on?’ I can show them instantly what’s happening, why it’s working or not working, and what we’re going to do next.”

Director of marketing

Modeling and assumptions. Forrester identified the following assumptions for this benefit:

- In the prior state, the composite organization’s marketing person spends 30 minutes in each platform – or 1.5 hours total – to pull performance data for each campaign.
- With Metadata, the reporting process is consolidated into a one-stop shop where the marketer can pull a single report showing metrics across all channels. This simplified workflow also eliminates the time involved in reformatting three

separate reports to stitch them together in one spreadsheet or dashboard.

Flexibility. While this benefit is expressed in terms of the value of a person’s time, another way to assess the impact of simplified reporting is to consider whether it allows the team to conduct higher-quality data analysis compared to before. If reporting is so much easier and the team reviews reports on a more regular basis, then an organization may choose to evaluate the benefit in those terms. If data analysis is a weak point in an organization’s digital marketing cycle, the quality improvements enabled by better and more frequent reporting could be a more meaningful lens through which to view this benefit. This could be measured in ways such as new markets entered, improved customer retention, and improved employee satisfaction.

Risks. Since the size of this benefit is driven by volume (the more campaigns to report on, the more time saved), organizations that do not have high volumes of data to review will not see as large a benefit. Contributing risk factors include:

- Lack of resources (budget, creative generation, audience lists) to support a robust advertising plan with many campaigns and lots of multivariate testing.
- Lack of emphasis on data-driven performance improvement within the culture of the company or the marketing team.

Results. To account for these risks, Forrester adjusted this benefit downward by 5%, yielding a three-year, risk-adjusted total PV of \$50,700.

| Time Savings Per Year (Campaign Reporting) | | | | | |
|--|--|--------------|---|----------|----------|
| Ref. | Metric | Source | Year 1 | Year 2 | Year 3 |
| C1 | Reporting time per platform, per campaign (hours) | Interviews | 0.5 | 0.5 | 0.5 |
| C2 | Number of platforms (LinkedIn, Facebook, Google) | Composite | 3 | 3 | 3 |
| C3 | Number of campaigns per month | Composite | 20 | 25 | 30 |
| C4 | Total time per month, prior state (hours) | C1*C2*C3 | 30 | 38 | 45 |
| C5 | Total campaign reporting time, Metadata (hours) | Interviews | 0.25 | 0.25 | 0.25 |
| C6 | Total time per month, Metadata (hours) | C5*C3 | 5 | 6 | 8 |
| C7 | Time saved per month (hours) | C4-C6 | 25 | 31 | 38 |
| C8 | Rate per hour, fully burdened | TEI standard | \$58 | \$58 | \$58 |
| Ct | Time savings per year (campaign reporting) | C7*C8*12 | \$17,400 | \$21,750 | \$26,100 |
| | Risk adjustment | ↓5% | | | |
| Ctr | Time savings per year (campaign reporting) (risk-adjusted) | | \$16,530 | \$20,663 | \$24,795 |
| Three-year total: \$61,988 | | | Three-year present value: \$50,733 | | |

AD MANAGEMENT SAVINGS

Evidence and data. One interviewee’s organization saw ad agency cost savings from the termination of an existing contract that the new marketing leader thought was not the right fit. While this may not be relevant for every organization, it is included in composite organization modeling to highlight this potential.

Modeling and assumptions. Since the composite organization is at a critical phase in its growth — making a large increase in its advertising budget while still operating with a very small internal team — Forrester assumes that its investment in Metadata allows it to avoid working with an outside agency that might have otherwise been needed to help manage its media buy.

- By foregoing third-party management of its \$1 million advertising budget, the organization can avoid the typical 20% agency commission.

- However, the composite organization chooses to work with an outside agency for creative development support, which is necessary to keep up with all of the additional campaigns and campaign variations it is now running through Metadata. That investment is reflected in the Costs section.

Risks. The potential cost savings inherent in avoiding a contract with an advertising agency can vary significantly. Additionally, the interviews with marketing leaders suggest that the decision to work with an ad agency — or not — may depend more on internal factors such as company size and structure, strategic goals, and growth phase than on the investment in Metadata.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV of \$657,300.

| Ad Management Savings | | | | | |
|------------------------------------|---------------------------------------|--------------|--|-------------|-------------|
| Ref. | Metric | Source | Year 1 | Year 2 | Year 3 |
| D1 | Percentage of budget saved | TEI standard | 20% | 20% | 20% |
| D2 | Annual digital advertising budget | Composite | \$1,000,000 | \$1,500,000 | \$2,000,000 |
| Dt | Ad management savings | D1*D2 | \$200,000 | \$300,000 | \$400,000 |
| | Risk adjustment | ↓10% | | | |
| Dtr | Ad management savings (risk-adjusted) | | \$180,000 | \$270,000 | \$360,000 |
| Three-year total: \$810,000 | | | Three-year present value: \$657,250 | | |

UNQUANTIFIED BENEFITS

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

- **Improved collaboration between sales and marketing teams.** All interviewees said their goal was to move to an account-based marketing (ABM) strategy. This model's data-driven precision and built-in accountability gives teams greater confidence in each other, which strengthens the working relationship. According to the director of marketing for a mid-size software company: "We knew we could be more effective with better targeting. Metadata allows us to tell sales that we are reaching the people [they] want to reach and then prove it."
- **Increased job satisfaction for marketing employees.** As mentioned earlier, saving time with Metadata frees up marketers for more strategic work, which can provide quantifiable value to an organization. One additional benefit is increased employee satisfaction. When marketing employees aren't buried in spreadsheets all day they have more opportunity to think strategically and to learn higher-value skills earlier in their careers, which is more rewarding for them and for their employer.

"We were constantly hearing that we were punching above our weight class. You'd ask people how many people they thought we had on our marketing team, and they'd say 15. I'd answer that there's two."

Sr. director of growth marketing

"There's tremendous value in handing someone a platform that enables them to do their job at a higher level. In the long run, this allows you to win versus just being buried in the day-to-day of trying to do it yourself."

VP of revenue marketing

- **Reliable data for content investment.** Metadata's analytics help marketers identify which messages resonate most with their customers. That information not only helps them optimize their media budget for top-performing campaigns but also offers data-driven guidance to the content team on what types of white papers, blog posts, videos, and web content to invest in. According to the senior global acquisition manager of the largest software company interviewed: "Now when it comes to content types, I just say, 'the data help us decide if it's worth the lift.'"

The same marketer also used Metadata's metrics to show that translating every piece of content into multiple languages was not cost effective because the metrics indicated that the English version usually performed best.

- **Ability to scale marketing spend.** One interviewee's first use of Metadata was to advertise a first-time industry conference. The senior director of growth marketing for the smallest software company said they had a very small event ad budget of \$15,000. With Metadata, they ran a \$1,000 test with conversational ads, and it flopped. Because they got the data back quickly, they were able to shut

off that campaign and redirect the budget to higher-performing placements. In the end, 1,300 people registered for the conference; the organization had planned for 500.

- **Support for small organizations to grow and scale.** The senior director of growth marketing for the small software company – the same interviewee who ran the successful conference – talked about Metadata’s ability to help the organization overall. They said, “The marketing team at the time was just the CMO and me. I was responsible for events, trade shows, webinars, you name it, so I didn’t have the ability to manage complex digital ad campaigns. With Metadata’s help, I was executing a lot while we were still building the plane and discovering and defining the strategy. This was an easy way for me to [run the] digital advertising and be able to do that.”

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

FLEXIBILITY

The value of flexibility is unique to each customer. Some flexibility opportunities have already been summarized for individual benefits. But there are other scenarios in which a customer might implement Metadata and later realize additional uses and business opportunities, such as:

- **Lead nurturing in alignment with email marketing streams.** Metadata’s precise targeting capabilities equal those once reserved for email marketing. For leads who aren’t quite ready to buy, targeted ads served across digital and social platforms can complement the follow-up messaging being delivered to their inboxes and perhaps even be more effective at breaking through clutter and spam filters.
- **Expanding the number of contacts within a sales opportunity.** Once an organization is identified as a good fit as a potential customer, Metadata’s lead enrichment could be used to identify and target additional decision-makers and decision-influencers within that company.

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 | Software fees | \$5,250 | \$308,700 | \$308,700 | \$308,700 | \$931,350 | \$772,941 |
| Ftr | Implementation and maintenance | \$0 | \$1,531 | \$319 | \$319 | \$2,169 | \$1,895 |
| Gtr | Advertising budget increases | \$0 | \$0 | \$525,000 | \$1,050,000 | \$1,575,000 | \$1,222,765 |
| Htr | Additional creative costs | \$0 | \$0 | \$78,750 | \$157,500 | \$236,250 | \$183,415 |
| | Total costs (risk-adjusted) | \$5,250 | \$310,231 | \$912,769 | \$1,516,519 | \$2,744,769 | \$2,181,016 |

SOFTWARE FEES

Modeling and assumptions. Metadata's monthly subscription costs are based on a customer's monthly ad spend.

- Metadata's base pricing ranges from \$53,400 to \$112,800 per year, depending on the customer's ad spend.
- With the composite organization's budget of just over \$75,000 per month, it falls into Metadata's top-tier Enterprise service level, which has a monthly cost of \$12,500.

- Metadata also offers two monthly add-ons — Full Service and Creative Services. The composite organization licenses the Full Service option in order to receive strategic advice and consulting from Metadata.
- Pricing may vary. Readers can contact Metadata directly for additional details.

Risks and results. To allow for underestimation of subscription costs and possible growth, Forrester adjusted this cost upward by 5%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of just over \$772,000.

| Software Fees | | | | | | |
|-----------------------------|-------------------------------|---------------|-------------------------------------|-----------|-----------|-----------|
| Ref. | Metric | Source | Initial | Year 1 | Year 2 | Year 3 |
| E1 | Onboarding fee | Composite | \$5,000 | \$0 | \$0 | \$0 |
| E2 | Monthly licensing | Composite | | \$12,500 | \$12,500 | \$12,500 |
| E3 | Professional services | Composite | | \$144,000 | \$144,000 | \$144,000 |
| Et | Software fees | E1+(E2*12)+E3 | \$5,000 | \$294,000 | \$294,000 | \$294,000 |
| | Risk adjustment | ↑5% | | | | |
| Etr | Software fees (risk-adjusted) | | \$5,250 | \$308,700 | \$308,700 | \$308,700 |
| Three-year total: \$931,350 | | | Three-year present value: \$772,941 | | | |

IMPLEMENTATION AND MAINTENANCE

Evidence and data. Interviewees reported that the initial implementation of Metadata was straightforward.

According to the senior director of growth marketing for the smallest software company interviewed: “It was relatively painless in terms of getting up and running. We did it all in-house.” However, there was some variability in the complexity and the time required to integrate Metadata with other marketing tools, such as CRMs, attribution platforms, and marketing automation tools. The senior global acquisition manager for the largest software company interviewed said: “Because of my background in marketing operations, I think it took me two hours to get all the systems connected how we wanted to.” But another marketing leader, the director of marketing for a mid-size software company, estimated it took them closer to 10 hours to get all of the APIs up and running correctly.

Modeling and assumptions. The composite organization’s implementation costs include the setup of Metadata as well as the sunset of its advertising accounts on each of the native platforms.

- The composite organization spends 3 hours ensuring that its account details for LinkedIn, Facebook, and Google are correctly entered into the Metadata system.
- The deletion of that same account information from each of the native platforms — so that the organization doesn’t have duplicate advertising accounts — takes 2 hours per platform.
- The organization also integrates Metadata with existing CRM, marketing automation, and intent data solutions, which takes a total of 10 hours.

Risks and results. To allow for underestimation of implementation time and costs, Forrester adjusted this cost upward by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of less than \$2,000.

| Implementation And Maintenance | | | | | | |
|----------------------------------|--|----------------------------|--|---------|--------|--------|
| Ref. | Metric | Source | Initial | Year 1 | Year 2 | Year 3 |
| F1 | Sunset time per platform (hours) | Interviews | 0 | 2 | 0 | 0 |
| F2 | Number of platforms (LinkedIn, Facebook, Google) | Composite | 0 | 3 | 3 | 3 |
| F3 | Setup time on Metadata (hours) | Composite | 0 | 3 | 0 | 0 |
| F4 | Configuration time for integrations (hours) | Interviews | 0 | 10 | 0 | 0 |
| F5 | Rate per hour, fully burdened | TEI standard | \$0 | \$58 | \$58 | \$58 |
| F6 | Subtotal: Initial implementation | $(F1 * F2 + F3 + F4) * F5$ | \$0 | \$1,102 | \$0 | \$0 |
| F7 | Ongoing maintenance (hours) | Composite | 0 | 5 | 5 | 5 |
| F8 | Subtotal: Ongoing maintenance | $F7 * F5$ | \$0 | \$290 | \$290 | \$290 |
| Ft | Implementation and maintenance | $F6 + F8$ | \$0 | \$1,392 | \$290 | \$290 |
| | Risk adjustment | ↑10% | | | | |
| Ftr | Implementation and maintenance (risk-adjusted) | | \$0 | \$1,531 | \$319 | \$319 |
| Three-year total: \$2,169 | | | Three-year present value: \$1,895 | | | |

ADVERTISING BUDGET INCREASES

Evidence and data. Three of the four interviewees reported that their organizations increased their advertising budgets within a year of moving to Metadata:

- One company increased its marketing budget from \$25,000 to \$40,000 per month because they were able to prove that Metadata’s improved targeting was having a positive impact.
- The vice president of revenue marketing for a mid-size software company shared that their company’s ad budget had increased three- or four-fold since its move to Metadata two years prior. They said: “Now, we’re spending to performance. We’ve increased it so much because it’s working.”
- The largest organization’s advertising baseline was essentially zero when it started with Metadata. Not only had the company’s ad budget grown tremendously over time, but more departments within the company wanted to get involved in paid social advertising because they saw how well it worked for the lead-gen team.

Modeling and assumptions. The composite organization starts out with a \$1 million annual advertising budget. Forrester assumes that this investment would likely have remained static if the organization had not moved to Metadata, since it

would not have seen the same level of reduction in cost per MQL or increase in pipeline. However, upon seeing these results, the composite organization, like the interviewees’ companies, increases its ad budget.

Risks. An organization’s decision to make adjustments to its marketing budget, whether upward or downward, can vary based on many business factors outside of advertising performance, such as:

- Available funding. Even if a business is seeing great returns from its advertising, being able to increase its advertising budget — and the extent to which it can do so — depends on the availability and liquidity of additional funds.
- Growth stage. Forrester assumes that the composite organization is in a rapid growth stage, another company with even more aggressive goals may need to increase its ad budget even more than what is assumed here.
- On the other hand, growing organizations may also need to make investments elsewhere in the business to ensure that the demand generated from marketing efforts can be fulfilled. Investments in product development, customer service, and/or strategic acquisitions may take precedence over additional advertising.

Results. To account for these various risk factors, Forrester adjusted this cost upward by 5%, yielding a three-year, risk-adjusted total PV of \$1.2 million.

| Advertising Budget Increases | | | | | | | |
|--------------------------------------|--|-----------|--|-------------|-------------|-------------|--|
| Ref. | Metric | Source | Initial | Year 1 | Year 2 | Year 3 | |
| G1 | Prior state: Advertising budget | Composite | \$0 | \$1,000,000 | \$1,000,000 | \$1,000,000 | |
| G2 | Metadata: Advertising budget | Composite | \$0 | \$1,000,000 | \$1,500,000 | \$2,000,000 | |
| Gt | Advertising budget increases | G2-G1 | \$0 | \$0 | \$500,000 | \$1,000,000 | |
| | Risk adjustment | ↑5% | | | | | |
| Gtr | Advertising budget increases (risk-adjusted) | | \$0 | \$0 | \$525,000 | \$1,050,000 | |
| Three-year total: \$1,575,000 | | | Three-year present value: \$1,222,765 | | | | |

ADDITIONAL CREATIVE COSTS

Evidence and data. The interviewees all described a tremendous increase in the volume of their advertising activity without corresponding increases in the size of their teams. They also pointed to a need for marketing teams to have a source for additional creative development.

- All four interviewees’ organizations operated with very lean marketing teams, ranging from two to five people, and their approaches to creative work — particularly to meet the demands of higher advertising volume after moving to Metadata — were all over the map.
- One interviewee’s company had recently worked with a freelance graphic artist on a company rebrand and had kept adding hours to that initial contract for ongoing ad development.

Modeling and assumptions. As discussed earlier in the study, Forrester assumes that the composite organization needs a reliable source of ongoing creative assets to support its increased digital advertising activity.

- Since the organization has a small internal team, it opts to work with an advertising agency for creative development. This provides a reliable

stream of assets for high-volume advertising plans, while still meeting brand standards.

- According to marketing best practices, creative costs should not exceed 20% of a total advertising budget. However, many marketers tend to use a smaller creative budget for digital advertising since production costs are much lower than for print, television, and out-of-home channels.
- Forrester assumes that 15% of the advertising budget is dedicated to creative development.

Risks. A marketing team’s creative development costs with an outside agency can vary tremendously based on several factors such as:

- Market size, with agencies in larger metropolitan areas likely to charge more due to higher overhead costs.
- Brand maturity, and whether or not a rebrand is part of the creative work in a particular year.
- Inclusion of market research.

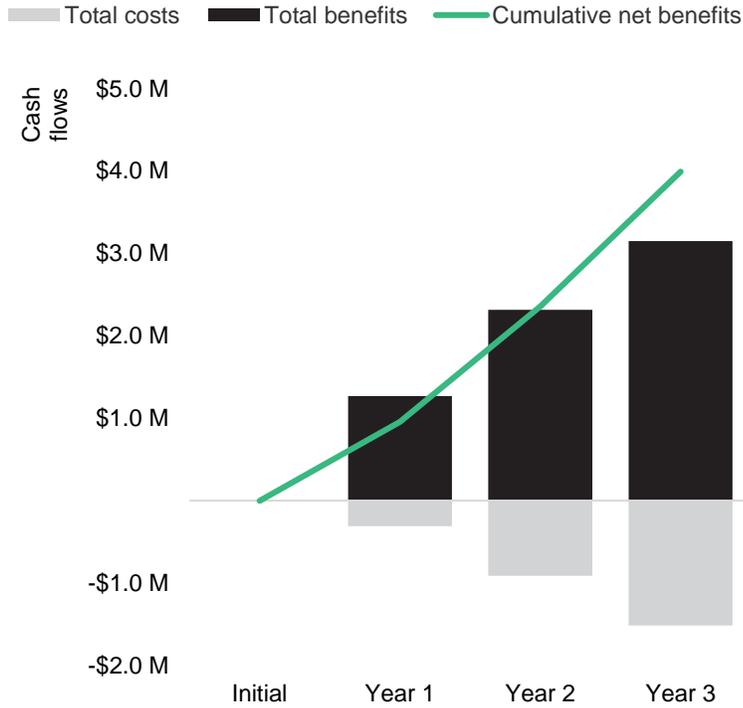
Results. To account for these risks, Forrester adjusted this cost upward by 5%, yielding a three-year, risk-adjusted total PV of \$183,000.

| Additional Creative Costs | | | | | | |
|------------------------------------|---|-----------------|--|-------------|-------------|-------------|
| Ref. | Metric | Source | Initial | Year 1 | Year 2 | Year 3 |
| H1 | Prior state: Advertising budget | Composite | \$0 | \$1,000,000 | \$1,000,000 | \$1,000,000 |
| H2 | Prior state: Creative spending | Composite | 0 | 15% | 15% | 15% |
| H3 | Metadata: Advertising budget | Composite | \$0 | \$1,000,000 | \$1,500,000 | \$2,000,000 |
| H4 | Metadata: Creative spending | Composite | 0 | 15% | 15% | 15% |
| Ht | Additional creative costs | (H3*H4)-(H1*H2) | \$0 | \$0 | \$75,000 | \$150,000 |
| | Risk adjustment | ↑5% | | | | |
| Htr | Additional creative costs (risk-adjusted) | | \$0 | \$0 | \$78,750 | \$157,500 |
| Three-year total: \$236,250 | | | Three-year present value: \$183,415 | | | |

Financial Summary

CONSOLIDATED THREE-YEAR RISK-ADJUSTED METRICS

Cash Flow Chart (Risk-Adjusted)



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

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

Cash Flow Analysis (Risk-Adjusted Estimates)

| | Initial | Year 1 | Year 2 | Year 3 | Total | Present Value |
|----------------|-----------|-------------|-------------|---------------|---------------|---------------|
| Total costs | (\$5,250) | (\$310,231) | (\$912,769) | (\$1,516,519) | (\$2,744,769) | (\$2,181,016) |
| Total benefits | \$0 | \$1,269,974 | \$2,316,060 | \$3,149,695 | \$6,735,729 | \$5,435,034 |
| Net benefits | (\$5,250) | \$959,743 | \$1,403,291 | \$1,633,176 | \$3,990,960 | \$3,254,018 |
| ROI | | | | | | 149% |
| 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.

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