

The Total Economic Impact™ Of A DDI Subscription

Cost Savings And Business Benefits Enabled By A DDI Leadership Development Subscription

A Forrester Total Economic Impact™ Study
Commissioned By DDI, August 2024

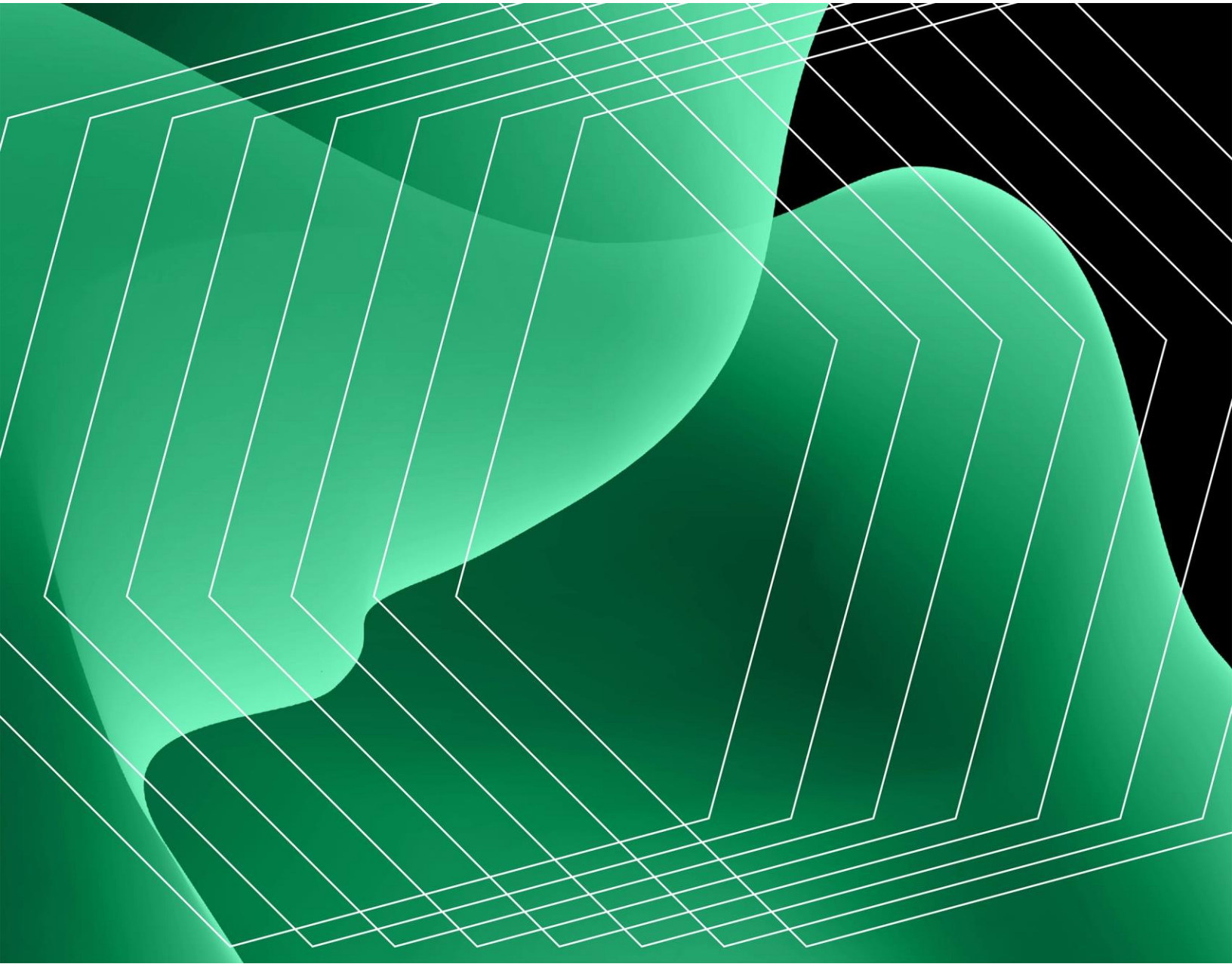


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ABOUT FORRESTER CONSULTING

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Executive Summary

In today’s rapidly changing business landscape, organizations depend on leaders more than ever. To successfully lead and drive positive change, leaders must continuously develop new behaviors and skills. A DDI Leadership Development Subscription provides the necessary expertise and resources for HR teams to drive continuous development and equip leaders with the skills and behaviors they need to thrive in their evolving roles. By investing in leadership development, organizations can ensure they have strong and capable leaders who can navigate challenges and drive employee engagement, performance, and retention.

DDI is a global leadership company that specializes in leadership assessment and development, offering services and solutions to help organizations identify and develop their current and future leaders. DDI’s offerings include leadership development, leadership assessments, and succession planning.

DDI commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) that enterprises could realize with a [DDI Leadership Development Subscription](#).¹ The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of a DDI subscription on their organizations.



Return on investment (ROI)
424%



Net present value (NPV)
\$6.78M

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed four representatives who use a DDI Leadership Development Subscription in their organization. For the purposes of this study, Forrester aggregated the interviewees’ experiences and combined the results into a single [composite](#)

EXECUTIVE SUMMARY

[organization](#) that is an organization headquartered in the US with \$5 billion in annual revenue and 10,000 employees.

Interviewees said that prior to using a DDI Leadership Development Subscription, their learning and development programs were typically homegrown, supported by a small team, and targeted only select groups of leaders. Learning and development (L&D) did not have the resources or budget to develop and deliver leadership programs at scale. Leaders felt that their development and career needs weren't being met. Moreover, the lack of consistent development opportunities for leaders had a detrimental impact on their ability to succeed in their roles. With less competent and effective leadership, employees at large did not feel heard and supported, which resulted in high turnover.

After investing in a DDI Leadership Development Subscription, the interviewees implemented a new continuous and engaging approach toward leader development and made learning accessible to a larger number of leaders. DDI Leadership Development participants reported higher engagement, productivity, and feelings of being valued by their organizations. These leaders received personalized development that helped them build relevant skills and effective behaviors that they use daily to support their teams. Their more effective leadership, in turn, led to higher employee morale and retention across the organization.

KEY FINDINGS

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

- **Improved employee retention by 12%.** Learning and development professionals rely on DDI's expertise, content, and convenient and varied learning modalities to reach leaders and teach them skills and behaviors to engage more effectively with employees, improving company culture, employee satisfaction, and retention.
- **Improved productivity for leaders with DDI-provided development and tools.** DDI's Leadership Development Subscription provides leaders with courses, insights, tools, and frameworks to manage day-to-day employee interactions, handle conflict, and evaluate their progress. The training enables leaders to manage more effectively and efficiently, saving them 5 hours each

year per direct report. For the composite organization, productivity savings add up to 8,750 hours per year.

- **Saved L&D professionals 1.5 months in content creation, shifting their focus to strategic planning and development personalization.** A DDI Leadership Development Subscription enables organizations to align leadership development programs with their business strategy, then scale these programs to reach leaders at all levels using high-quality content and technology designed to engage leaders. Instead of dedicating 1.5 months per year to content development, L&D professionals can focus on strategic aspects of organizations' L&D programs.

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

- **Established development as a way of work.** To thrive in an ever-changing environment, organizations need to actively enable and support learning in the flow of work. A DDI Leadership Development Subscription creates ways to incorporate learning and skill practice into a leader's day-to-day job, making this development accessible and useful for participants.
- **Improved the promotion rate for participants.** Participants in DDI development become better leaders, set clear goals, and develop broader connections within their organizations' ecosystems. As a result, these leaders are more likely to advance to a different lateral or vertical role. For companies, developing leaders also means building a stronger leadership bench to support succession needs over time.
- **Elevated the strategic role of learning and development to drive business results.** L&D professionals are a key resource for building an adaptive, creative, and resilient workforce. Using a DDI Leadership Development Subscription to design and deliver leadership training delivers the impact to retention, productivity, and engagement that makes L&D teams more visible and strategic within companies.
- **Expanded the capabilities of the learning and development team.** DDI is an engaged and reliable thought partner for L&D professionals. The DDI Strategic Learning Team helps L&D professionals better serve their organizations by

providing ongoing expertise and collaboration to design, implement, and improve leadership development programs that help them achieve their business goals.

- **Strengthened the engagement and satisfaction of the participants in leadership development programs.** Continuous development, personalization, and a selection of modalities available with a DDI Leadership Development Subscription keep leaders engaged in building their skills. Engagement results in changes to the organization's culture, employee retention, and business outcomes.

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

- **DDI Leadership Development Subscription three-year costs of \$323,000.** Costs depend on the subscription solution, number of seats, organization size, and additional facilitator training needed. The composite organization purchases 100 Foundation Subscription seats in Year 1, increases that to 300 seats in Year 2, and adds 50 MultiLevel Subscription seats in Year 2 to reach senior-level leaders. The composite organization moves from seat-based licenses to a DDI Enterprise Subscription in Year 3.
- **Development program design and implementation, ongoing management, expansion, and manager participation three-year costs of \$1.3 million.** L&D team members dedicate 3.5 months to the DDI rollout, working on it for 80% of their time. Once the initial development program is in place, the L&D team spends an average of 5 hours total per week, or 260 hours per year, working with DDI to manage and refine the development program for their leaders. Each manager going through the training spends an average of 30 hours per year participating in the DDI development.

The representative interviews and financial analysis found that a composite organization experiences benefits of \$8.39 million over three years versus costs of \$1.60 million, adding up to a net present value (NPV) of \$6.78 million and an ROI of 424%.

Improved employee retention

12%

“[With DDI], we were able to redesign a [learning and development] program that wouldn’t suffer from the winds of the economy. If we must make budget cuts, the last thing we want to do is stop developing supervisors and managers.”

SENIOR DIRECTOR OF LEARNING AND LEADERSHIP DEVELOPMENT, DIAGNOSTICS



Return on investment (ROI)

424%



Benefits PV

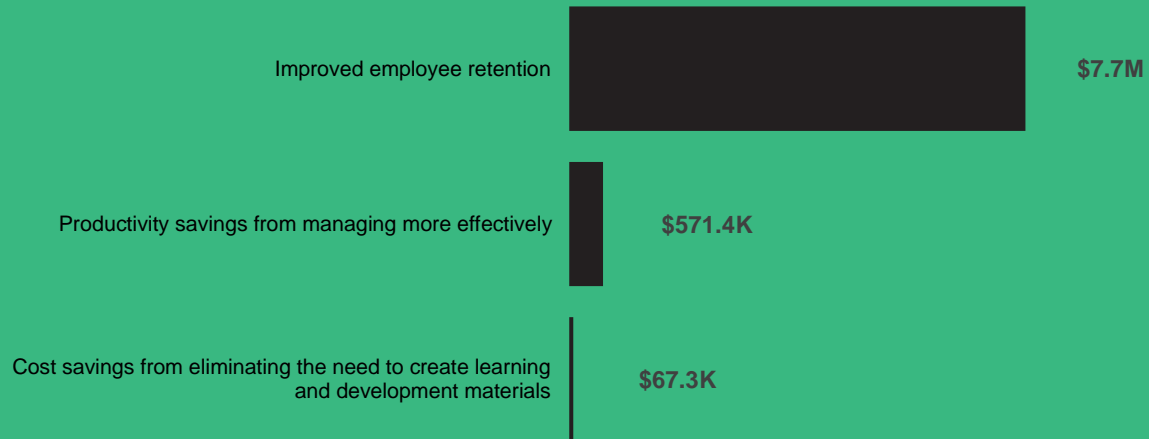
\$8.39M



Net present value (NPV)

\$6.78M

Benefits (Three-Year)



TEI FRAMEWORK AND METHODOLOGY

From the information provided in the interviews, Forrester constructed a Total Economic Impact™ framework for organizations considering an investment in DDI.

The framework's objective 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 a DDI Leadership Development Subscription can have on an organization.

DISCLOSURES

Readers should be aware of the following:

This study is commissioned by DDI 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 DDI.

DDI 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.

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

Due Diligence

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

Interviews

Interviewed four representatives at organizations using a DDI Leadership Development Subscription to obtain data about 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 DDI Customer Journey

Drivers leading to the DDI investment

Interviews				
Role	Industry	Region (HQ)	Total employees	People leaders
Organizational development manager	Healthcare	North America (US)	4.4K	170
Senior director of learning and leadership development	Diagnostics	North America (US)	47K	2.1K
Organizational development manager	Retail	North America (US)	36K	1.1K
Learning and development leader	Manufacturing	North America (US)	6K	600

KEY CHALLENGES

Interviewees shared that prior to using a DDI Leadership Development Subscription, their L&D programs were typically homegrown, supported by a small staff, and focused only on select groups within the organization.

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

- **Resource constraints for the learning and development team.** L&D teams at interviewees' organizations had few employees and small budgets, making it near impossible to consistently create and deliver relevant high-quality development at scale to address the organization's current needs.

An organizational development manager at a healthcare organization said: "At the time, we were probably 3,000 employees. And there were probably four staff members in the organizational development department. We didn't have a lot of time as a staff to develop and test material."

An organizational development manager for a retail organization shared: “It was a very manual process. There was a lot of creating the content; designing the participant and leader guides; and if I was creating for somebody else, doing the same and then doing a train the trainer; tracking; sending out invitations. It was not an environment that was conducive to learning and development, because it was just a one-man show, and I have very little to no budget.”

- **Limited impact due to the episodic nature of learning and development.**

L&D teams strove to reach as many leaders as possible in their leadership development efforts; however, one-off workshops could only accommodate a limited number of leaders at a time. Bringing leaders to a centralized location for training was costly and introduced disruption to the business, so only a small number of leaders were invited to participate. While the training might have been well-crafted and skillfully presented, its impact was limited to a small group of leaders who participated in workshops, and its efficiency was hindered by the lack of continuous reengagement with L&D facilitators, training tools, and materials.

Prior to using a DDI Leadership Development Subscription, a diagnostics organization had roughly 2,000 frontline leaders who could benefit from leadership development; however, in one year the organization could only deliver training to 150 of these leaders. Training any more leaders was cost-prohibitive. “The challenge was it was getting pretty costly to bring all of our frontline leaders in, and eventually we did more of a plenary model of 150 leaders broken up into five groups of 30. But even there just picture the cost of flying 150 people in!” said a senior director of learning and leadership development.

At a retail company of 36,000 employees, the L&D team could only provide development opportunities to “corporate associates and executives, the president, CEO, senior vice presidents, vice presidents, directors, and senior directors,” according to a senior manager for organizational development — roles that represented only 3% of the organization. “We would offer it twice a month, and it would be one 1-hour voluntary workshop on topics relevant to what the associates were experiencing either at a corporate level or outside,” the senior manager explained.

Awareness about development opportunities was also limited. An organizational development manager at a retail organization shared: “Unfortunately, not a lot of people knew about [training]. It didn’t go outside the store support center because that was the only place that we had that we could facilitate.”

“Leader development was limited because if you weren’t at [a specific function], you weren’t able to attend. We were doing all in-person workshops. It was content that I had written. And then I would facilitate it.”

ORGANIZATIONAL DEVELOPMENT MANAGER, RETAIL

- **Negative impacts to employee satisfaction, engagement, and retention.** Interviewees explained that the lack of accessible continuous professional development opportunities for leaders contributed to challenges within leader groups and organizations at large.

When leaders did not consistently receive development opportunities that would enable them to improve, they felt they did not have the necessary support to succeed in their jobs. An L&D leader at a manufacturing organization said: “There was no training, really, no clear expectations even set for people for what it means to be a leader. There was no support or no communication around ‘here’s what the role involves’ except what they would get on a local level.”

Employees in nonleadership positions suffered from less competent and effective leadership, which resulted in low employee job satisfaction, low engagement, and ultimately high turnover. An L&D leader for a manufacturing organization summarized this sentiment: “Obviously, there’s some other stuff going on as well,

but it was really easy to see that this was a big contributor, that we didn't have a very good work environment, and that the leaders, at a minimum, weren't doing anything to help it."

"[Without the necessary tools and development opportunities] leaders were not willing to step up to deal with performance issues. Leaders were more OK with the status quo."

SENIOR DIRECTOR OF LEARNING AND LEADERSHIP DEVELOPMENT, DIAGNOSTICS

SOLUTION REQUIREMENTS

The interviewees' organizations searched for a solution that could:

- Offer easy-to-access content that also meets the specific needs of organizational leaders at different levels.
- Deliver content that is proven to develop skills and create behavior change.
- Ease deployment and program facilitation, and meet participants' unique needs.

“I used [DDI] because two of their core concepts, the Key Principles and the Interaction Essentials, I knew were really, really well-designed to meet the needs that I saw for the organization. Some of that’s around just basic behavioral expectations for any employee or any leader on how you treat and interact with your staff. And then the other part, just a basic communication process that they could use to really think about what they want to communicate, how to organize it, and then how to execute their conversation.”

LEARNING AND DEVELOPMENT LEADER, MANUFACTURING

COMPOSITE ORGANIZATION

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

Description of composite. The composite organization is a US-headquartered organization with \$5 billion in annual revenue and 10,000 employees. It has 1,000 leaders in its organization and three full-time employees on its learning and development team.

Deployment characteristics. The composite organization deploys DDI’s Foundation Standard Leadership Development Subscription to 100 leaders in Year 1. In Year 2, it expands to 300 Foundation seats and adds 50 MultiLevel seats for more-senior leaders.

In Year 3, it moves to an Enterprise Leadership Development Subscription and offers development to 500 leaders in its organization. In the future, the organization is exploring DDI's additional offerings (beyond a DDI Leadership Development Subscription) for high-potential leaders and executive teams, including behavioral assessments and coaching.

Key Assumptions

\$5 billion annual revenue

10,000 total employees

1,000 leaders

Three full-time learning and development employees

Analysis Of Benefits

Quantified benefit data as applied to the composite

Total Benefits						
Ref.	Benefit	Year 1	Year 2	Year 3	Total	Present Value
Atr	Improved employee retention	\$2,121,600	\$3,182,400	\$4,243,200	\$9,547,200	\$7,746,789
Btr	Productivity savings from managing more effectively	\$75,600	\$264,600	\$378,000	\$718,200	\$571,402
Ctr	Cost savings from eliminating the need to create learning and development materials	\$24,570	\$24,570	\$32,760	\$81,900	\$67,255
	Total benefits (risk-adjusted)	\$2,221,770	\$3,471,570	\$4,653,960	\$10,347,300	\$8,385,446

IMPROVED EMPLOYEE RETENTION

Evidence and data. Interviewees shared that their organizations struggled with employee retention, and leaders within organizations were not equipped to foster positive culture and improve employee morale. A DDI Leadership Development Subscription provided L&D teams with the flexible support and resources they needed to reach leaders and help them learn the skills to engage more effectively with employees, improving company culture and ultimately improving employee satisfaction and retention.

- Leadership development has a significant impact on all employees in an organization. According to Forrester’s Future of Work Survey, 2023, only 47% of employees agree that their company’s leaders communicate with empathy and honesty. However, that rises to 67% among those who agree that their managers receive resources to work on their leadership skills — and plummets to 15% for those who disagree.² Leaders who participate in effective leadership development programs learn to communicate clearly, openly, and with empathy; build skills to handle conflicts fairly and effectively; and learn how to understand and address their reports’ needs. Employees who feel seen, valued, and

understood by their leaders are more likely to be engaged, be satisfied, and stay with their employers.

- One of the goals that interviewees' organizations had for choosing a DDI Leadership Development Subscription was helping leaders develop skills that they would apply to their day-to-day work and to interactions with employees in nonleadership roles that would result in positive change for these organizations. A DDI Leadership Development Subscription is designed to help leaders continuously build and practice new behaviors, working toward positive change. "[Across different levels of leaders], there have been improvements pretty much across the board. We have a 97% to 98% rate of leaders saying they're implementing something that they've learned in the program [that year]," said an organizational development manager at a retail company.
- An L&D leader for a manufacturing organization and an organizational development manager for a healthcare organization shared that after deploying a DDI Leadership Development Subscription, they saw up to a 30% reduction in employee turnover, with DDI being one of the factors contributing to reduction in turnover.
- A healthcare organization saw tangible companywide outcomes from using its DDI Leadership Development Subscription. "We've walked around the organization and seen the job aids that we provide as part of the in-person learning posted throughout the organization," said an organization development manager. The L&D team gathered evidence that leaders applied their newly acquired skills "on the floor," working both with colleagues and patients alike. An organization development manager believed that the skills and behaviors leaders acquired from DDI leadership development programs contributed to improved employee engagement scores organizationwide.

Modeling and assumptions. Based on the interviews, Forrester assumes the following about the composite organization:

- The average employee turnover rate before using a DDI Leadership Development Subscription is 17%.
- A DDI Leadership Development Subscription improves employee retention by 6% in Year 1, 9% in Year 2, and 12% in Year 3 as the composite organization further

builds on skills learned in previous years and increases the number of participating employees each year.

- The average fully burdened annual salary for an employee is \$65,000 per year.
- The average cost to replace an employee is 40% of their annual salary, or \$26,000.

Risks. An organization's realization of benefits due to improved employee retention may vary due to a number of factors, including:

- Existing L&D programs at the organization.
- Company and team culture.
- The number and types of employees who participate in DDI development.
- Current employee turnover rates and the cost to replace an employee.
- Organizational change management efforts.

Results. To account for these risks, Forrester adjusted this benefit downward by 20%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$7,747,000.

“It’s been a shift in the Executive Board, where previously ... it was all about executing, and we were too busy to spend time to develop ourselves or see development opportunities. Now, we understand as an organization how much it really is a big retention and engagement piece for the way new generations are trending. It is important to find a place to work that provides opportunities for people to develop themselves.”

ORGANIZATIONAL DEVELOPMENT MANAGER, RETAIL

ANALYSIS OF BENEFITS

Improved Employee Retention					
Ref.	Metric	Source	Year 1	Year 2	Year 3
A1	Average employee turnover rate before DDI	Interviews	17%	17%	17%
A2	Improved retention with DDI	Interviews	6.0%	9.0%	12.0%
A3	Average employee turnover rate with DDI	$A1 - (A1 * A2)$	16.0%	15.5%	15.0%
A4	Number of employees	Composite	10,000	10,000	10,000
A5	Fully burdened annual salary for an employee	Composite	\$65,000	\$65,000	\$65,000
A6	Average cost to replace an employee	$A5 * 40\%$	\$26,000	\$26,000	\$26,000
At	Improved employee retention	$A1 * A2 * A4 * A6$	\$2,652,000	\$3,978,000	\$5,304,000
	Risk adjustment	↓20%			
Atr	Improved employee retention (risk-adjusted)		\$2,121,600	\$3,182,400	\$4,243,200
Three-year total: \$9,547,200			Three-year present value: \$7,746,789		

PRODUCTIVITY SAVINGS FROM MANAGING MORE EFFECTIVELY

Evidence and data. DDI’s Leadership Development Subscription provides leaders with courses, insights, tools, and frameworks to learn new skills and practice behaviors that enable them to more effectively manage day-to-day employee interactions and resolve challenging situations. Interviewees shared that DDI development enabled their leaders to manage more effectively and efficiently, saving them time throughout the year.

- A senior director of learning and leadership development for a diagnostics organization shared that over 80% of survey participants at their organization who went through DDI development agreed or strongly agreed their participation helped increase leader productivity. They said, “In recent testimonials... people feel like they’re better organized, that they have more tools in their toolkit to effectively lead day in and day out.”
- An organizational development manager for a healthcare organization said, “[T]here is definitely a core group of leaders that have been able to leverage the tools [from DDI courses] to increase their productivity.” They explained: “The

discussion planner helps our leaders formulate the discussion that they are going to have and are able to better pull the information that they need from a performance review into the discussion that they're going to be having." They added, "We're also seeing that the tools [are being] used when leaders are having succession planning or emerging leader discussions with some of their staff members." Finally, the manager saw their employee relations department leverage DDI Discussion Planners for performance issues and recommend them for people working through conflicts.

"I think that the program provides them the opportunity to develop their skill sets to be able to adapt quicker. But also it provides the opportunity to network and communicate with peers within the organization about situations, about experiences or culture. And that's going to help them navigate quicker than somebody that's not in the program."

ORGANIZATIONAL DEVELOPMENT MANAGER, RETAIL

- An organizational development manager for a retail organization said: "The job aids and the conversation planners and the tools are very popular with participants in the program. They save them. They use them. They are always asking if they can share them with people not in the program." They further explained, "DDI provides tons of job aids that make their role more effective and efficient when they utilize those tools and resources."

5 hours

Time saved per direct report from managing more efficiently with DDI

Modeling and assumptions. Based on the interviews, Forrester assumes the following about the composite organization:

- In Year 1, 100 leaders participate in DDI development. This increases to 300 in Year 2, and 500 in Year 3.
- Each leader saves, on average, 5 hours on managing tasks per direct report that they attribute to DDI training.
- Each leader has an average of seven direct reports.
- The average fully burdened annual salary for a leader is \$100,000. Their average fully burdened hourly rate is \$48.
- Forrester assumes that not all recovered time will be used for productive or value-added activities, so a 50% productivity recapture rate is applied.

“When we first started DDI, there was a core group of people that adopted the practices and tools pretty wholeheartedly, and we’ve done multiple booster sessions since then with this group. Every time we do that, there are additional people that come on board as sold users.”

ORGANIZATIONAL DEVELOPMENT MANAGER, HEALTHCARE

Risks. An organization's realization of productivity savings in managing direct reports more efficiently will vary due to a number of factors, including:

- The number of employees and people leaders at the organization.
- The nature and frequency of conversations, reviews, and other management activities conducted by leaders.
- Existing training, frameworks, materials, and processes in place to support manager conversations and activities.
- The number and types of managers and employees who participate in DDI development programs and their average salaries.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$571,000.

“The focus is very much around helping leaders have more productive conversations, to think about how to help develop others, to address performance issues if they do come up, and a lot of that is the work of the supervisor day in and day out.”

SENIOR DIRECTOR OF LEARNING AND LEADERSHIP DEVELOPMENT, DIAGNOSTICS

ANALYSIS OF BENEFITS

Productivity Savings From Managing More Effectively					
Ref.	Metric	Source	Year 1	Year 2	Year 3
B1	Number of leaders going through DDI training program	Composite	100	350	500
B2	Hours saved on managing tasks per direct report attributed to DDI training	Interviews	5	5	5
B3	Average number of direct reports per leader	Composite	7	7	7
B4	Subtotal: Time saved from managing direct reports more efficiently with DDI	B1*B2*B3	3,500	12,250	17,500
B5	Fully burdened hourly rate for a leader	\$100,000/2,080 hours	\$48	\$48	\$48
B6	Productivity recapture	Forrester best practice	50%	50%	50%
Bt	Productivity savings from managing more effectively	B4*B5*B6	\$84,000	\$294,000	\$420,000
	Risk adjustment	↓10%			
Btr	Productivity savings from managing more effectively (risk-adjusted)		\$75,600	\$264,600	\$378,000
Three-year total: \$718,200			Three-year present value: \$571,402		

COST SAVINGS FROM ELIMINATING THE NEED TO CREATE LEARNING AND DEVELOPMENT MATERIALS

Evidence and data. Prior to using a DDI Leadership Development Subscription, learning and development teams at interviewees' organizations spent time creating custom L&D materials and updating content to keep it relevant. Using a DDI Leadership Development Subscription helped organizations define their leadership development strategy and provided superior content and technology that were not available to interviewed companies before. Instead of dedicating time to content development, L&D professionals could focus on other value-added work for their organizations.

- An organizational development manager for a healthcare organization shared that before using a DDI Leadership Development Subscription, the organization dedicated internal resources to building the L&D curriculum and materials. These professionals were over capacity, had long wait times to address specific learning needs, and struggled to keep up with demand. Once the organization began using a DDI Leadership Development Subscription, L&D professionals had out-of-the-box, expertly designed, industry-tested courses and tools to develop their teams and a [strategic partner](#) to support them throughout their initiatives.

“There would have been no possible way that any of us would have been able to develop the curriculum at the level with the content and technology we get with DDI, between the videos, materials, exercises. We don’t have the curriculum development expertise internally to devote to the level of quality and consistency and reliability that we get with DDI.”

ORGANIZATIONAL DEVELOPMENT MANAGER, HEALTHCARE

- An organizational development manager for a retail organization explained that prior to using a DDI Leadership Development Subscription, they would write and deliver L&D content for 24 workshops per year, spending an average of 40 hours per workshop. A DDI subscription allowed the team to stop dedicating internal resources to content development, while expanding the reach of the leadership development programs and improving program effectiveness. They said: “We have people in the program that are individual contributors, and we have people leaders in the program. Whatever they’re up against, or whatever they want to develop, they can go into DDI [for it]. We didn’t have something like that [before].”
- A DDI Leadership Development Subscription allows L&D professionals to tailor programs and content to leaders’ specific needs with My Pathway: Leadership Core, a personalized learning experience, and a variety of learning modalities, including live onsite, online in a virtual classroom, and self-paced online (including micro courses, which leaders can complete in 10 minutes or less). An organizational development manager at a healthcare company said: “Having the micro course web-based, self-paced learning opportunity that provides us [with] a consistent language across the board is a huge selling point, especially since we

are really trying to establish the foundation of competency-based performance throughout the organization.”

- Along with personalization, it was just as important to the interviewed companies that leadership development materials from DDI were current and cutting-edge. The organizational development manager at a healthcare company said, “Between the time we started in 2018 and today, we’ve gone through four versions of materials that we started with – it’s been updated, and it’s been improved.”

“The content [DDI] offers and the focus is appropriate for our leaders. They have a network of other organizations with frontline leaders in [our industry] as well.”

SENIOR DIRECTOR OF LEARNING AND LEADERSHIP DEVELOPMENT, DIAGNOSTICS

Modeling and assumptions. Based on the interviews, Forrester assumes the following about the composite organization:

- There are three full-time employees on the L&D team in Years 1 and 2, which increases to four employees in Year 3 as the composite organization organically grows the team to support business needs.
- Each L&D employee previously spent 1.2 months per year per person creating leadership development materials.
- Their average fully burdened annual salary is \$91,000 per year.
- This time is fully recovered and reallocated to other value-added activities with DDI, since the L&D employees no longer need to create content.

ANALYSIS OF BENEFITS

Risks. An organization’s realization of cost savings from eliminating the need to create L&D content will vary due to a number of factors, including:

- The number of L&D team members and how much time they spend per year creating L&D materials.
- The types of content the team creates and how much of it can be replaced by DDI content.
- The average salary of an L&D employee.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$67,000.

Cost Savings From Eliminating The Need To Create Learning And Development Materials					
Ref.	Metric	Source	Year 1	Year 2	Year 3
C1	Number of L&D FTEs	Composite	3	3	4
C2	Annual effort dedicated to creating learning and development materials (months)	Interviews	1.2	1.2	1.2
C3	Fully burdened annual salary for a learning and development FTE	Composite	\$91,000	\$91,000	\$91,000
Ct	Cost savings from eliminating the need to create learning and development materials	$C1 * C2 * C3 / 12$ months	\$27,300	\$27,300	\$36,400
	Risk adjustment	↓10%			
Ctr	Cost savings from eliminating the need to create learning and development materials (risk-adjusted)		\$24,570	\$24,570	\$32,760
Three-year total: \$81,900			Three-year present value: \$67,255		

UNQUANTIFIED BENEFITS

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

- **Established development as a way of work.** Forrester’s research shows that one of the hallmarks of today’s working environment is its dynamism. “Change is constant [...] The cognitive load of continuous change is a limiting factor.”³ To thrive in the changing environment, organizations need to actively enable and

support development for their employees, starting with leaders. Within their subscription model, DDI's expertise, content, and delivery capabilities allowed interviewed organizations to incorporate leader development into their day-to-day job, making it accessible and useful for participants.

An organizational development manager at a retail organization considered it important to move away from one-time learning experiences in favor of more continuous learning. Today, with DDI leadership development, this company's leaders meet on a regular cadence to discuss, learn, and practice a certain leadership competency as a group, but they also have access to all learning materials and tools outside of the classroom that leaders might need immediately to solve a specific workplace challenge. The manager told us: "What was so important about DDI, which I think has made it successful, which is what I wanted, was not just attend a workshop and be done. I wanted [participants] to be able to have resources for whatever they're facing in the moment, so you can reinforce what you're trying to learn in order to elevate the skill set."

At a healthcare company, the shift from situational workshop-based learning to continuous hybrid learning meant the ability to serve more employees: "One of the biggest benefits with DDI is the ability to offer the self-paced learning. And the flexibility of even the in-person learning has been tremendous," said an organizational development manager.

A diagnostics company similarly saw value in a more flexible, self-paced program that was spread over a longer time period. "We changed a weeklong in-residence program to a yearlong month-to-month experience where [participants have], on average, about 5 to 6 hours a month of dedicated learning with multiple approaches for learning," said a senior director of leadership and development.

“I think the one thing that [we have experienced with DDI] is ongoing process improvement. When a leader is able to establish an environment of high trust and teamwork, process improvement at all levels becomes automatic. There is almost a constant ‘how can we do this better’” frame of mind that extends far beyond the borders of the department.”

ORGANIZATIONAL DEVELOPMENT MANAGER, HEALTHCARE

- **Improved the promotion rate for participants.** Several interviewees explained to Forrester that participants in DDI leadership development programs became better leaders, developed broader connections within their organizations’ ecosystems, became more visible, and therefore were more likely to advance to a different lateral or vertical role. For companies, developing leaders also meant building a stronger leadership bench to support succession needs over time and in times of change.

At a healthcare company, an organizational development manager noted, “Of the leaders we have promoted internally, I think every single one of them has completed the DDI foundational series that we put together.”

A learning and development leader at a manufacturing company stated that setting career goals as a part of DDI curriculum helped emerging leaders stay focused on their growth and could, in turn, contribute to a promotion. Additionally, leaders who participated in DDI leadership development demonstrated to senior leaders their commitment to improving their skills and becoming better leaders. Decision-makers use participation in DDI development programs as a data point

to plan leaders' career progression and consider candidates for advancement.

At an organizational level, an organizational development manager pointed out that higher promotion rates became an advantage that hiring managers used to attract new talent to the organization.

- **Elevated the strategic role of L&D to drive business results.** L&D professionals are key resources that organizations can rely on when building a more adaptive and resilient workforce, and they need to be recognized as such. Successful development programs built in partnership with DDI delivered the impact to retention, productivity, and engagement that made L&D teams more visible and strategic within companies.

An organizational development manager at a healthcare company saw a shift to treating L&D as an active partner for leadership in assisting with employee engagement. "The biggest evidence of the value that the organization sees in our department was when our department was asked to be a big part of action-planning events for our leaders to help them understand employee engagement."

At a retail company, an organizational development manager said that the success of their DDI program made the team more sought-after and recognized within the company: "At the C-suite, they all know about this program. And it's exciting to know that in such a short time you can really create a brand [for the L&D team]."

“We have moved from being just a provider of the service of leadership development to serving as consultants to our leaders in development tools, as well as helping them to deal with the situations that they are facing on a day-to-day basis. We are really seen as partners to the leaders throughout the organization.”

SENIOR DIRECTOR OF LEARNING AND LEADERSHIP DEVELOPMENT, DIAGNOSTICS

- **Expanded the capabilities of the learning and development team.** L&D professionals found an engaged and reliable thought partner in DDI’s dedicated Strategic Learning Teams, which have deep knowledge of and experience with specific industries, understand organizations’ leadership development goals and priorities, and help L&D professionals build programs and learning journeys in the context of organizational business drivers, the largest areas of need, and leader audiences.

A senior director of learning and leadership development at a diagnostic company explained that they meet with their dedicated DDI Strategic Learning Team regularly to discuss ongoing and future programs: “They know our business well. They know our program designs well. They’re really there to help enhance our program process, structure, and frameworks over time.”

For an organizational development manager at a healthcare company, the DDI Strategic Learning Team provided ongoing guidance on the wealth of resources available to the organization and how these resources could be best used to enhance their leadership development outcomes. “Having [our DDI Strategic Learning Team] as our partners, having quarterly meetings with them where they

not only bring us up to speed on what's being updated with DDI, they're really listening consistently and constantly to our changing needs and provide DDI resources and solutions as our needs are developing, has been immeasurably helpful.”

A retail organization also considered DDI its strategic partner on its journey to strengthen the learning and development program. Its organizational development manager shared: “It's been a really good partnership. Our quarterly conversations allow us to share where we are, where we want to go, and what we need from them. They share with us what they're developing, what's new, what's loaded, and how we can enhance the experience for our participants.”

- **Strengthened the engagement and satisfaction of the participants in leadership development programs.** The success of a leadership development program partly depends on participants' engagement in the learning process. A DDI Leadership Development Subscription enabled interviewed organizations to design and launch development programs that kept leaders engaged and craving more.

An organizational development manager at a retail company saw higher engagement overall compared to the legacy leadership development approach. The team tracked program participation by measuring participants' usage of the available training assets. While they set the minimum number of assets a participant needed to engage with to 22, some participants engaged with up to 190 assets while in the program. An organizational development manager said: “[DDI] drives overall engagement into the program. There's a strong desire [to participate]; we have a waitlist now.”

A senior director of learning and leadership development at a diagnostic company said, “When we look at the engagement scores for those leaders [learning with DDI] versus the company average, it's higher by a couple of points.”

Beyond engagement, participants expressed high satisfaction with DDI content. A learning and development leader at a manufacturing company said: “We do

satisfaction surveys after each session. The scores have been phenomenal, and now we have leaders at other corporate functions who are mad at us because they haven't been able to go [through the development program] yet."

"There's an eagerness to be in the program because [employees] see the benefits of the growth that's happening at an individual level, but also the recognition that these programs are getting them, the networking that the programs are giving them, the ability to interact with people throughout the organization at all levels."

ORGANIZATIONAL DEVELOPMENT MANAGER, RETAIL

FLEXIBILITY

The value of flexibility is unique to each customer. There are multiple scenarios in which a customer might implement a DDI Leadership Development Subscription and later realize additional uses and business opportunities, including:

- **Making development accessible to the broader organization.** Based on the strong performance of their initial leadership development programs, several interviewees said their organizations already are or will be expanding DDI learning opportunities to other levels of leadership, nonmanagerial roles, and other parts of their organizations.

As a healthcare company saw the value that DDI development delivered to the participating leaders, it decided to move to a DDI Enterprise Subscription with the goal of reaching a broader group of leaders and making better use of DDI content and learning opportunities. "We opened up leadership development to leads and supervisors, not just managers and above. What we're hearing and

seeing is [high interest] in additional modules that [leaders] can add to their toolbox; there's been a lot of additional interest in what else can we offer, which for us has really opened up our ability to leverage the self-paced learning, the micro courses, etc.," said an organizational development manager.

A retail company expanded the program beyond managerial roles to engage high-potential associates and is looking to make it even more inclusive: "Within the organization, we've had conversations about extending the subscription model throughout the company so that we can give these tools and resources to associates."

In addition to DDI leadership development, a diagnostic company uses a DDI Leadership Development Subscription to develop specialized communication skills in professionals in nonleadership roles. These senior-level individual contributor employees could benefit from ad hoc communication-focused courses to bridge a skill gap, and the L&D team was brought up to help. "The way we're structured, some of the people skills are not necessarily something they've been trained on, so for them, even though they're very senior in terms of professional skills, they can benefit from some of the content that we might use for our frontline leaders," said a senior director of learning and leadership development.

- **Using insights from leadership assessments to fuel talent development.** In addition to Leadership Development Subscriptions, DDI offers leadership assessments as a way to provide leaders with insights on their strengths and gaps and offer recommendations on their development opportunities and growth. Several interviewed organizations are looking to make leadership assessments a key part of their leadership development strategy.

A healthcare company relies on the [Leadership Snapshot](#) test to identify additional development opportunities and provide content personalization for the leaders to address specific skill gaps and make training more impactful.

"Leadership Snapshot is a part of the cohort before they even start learning. We get an aggregate picture of [the] skill level of the group, and then the learning is going to be designed based on the aggregate data from that particular group,"

said an organizational development manager.

A diagnostic company worked with DDI to implement a day-in-the-life [executive assessment center](#) for senior-level leadership. This is an immersive business simulation that provides a realistic scenario of the challenges that leaders might face in any executive-level role. The L&D team identified a subset of very senior leaders to understand their potential for executive or general-manager-type positions and looked at these leaders' performance in a simulation of the role. "I think it answers the question, number one, is our talent assessment of this individual seeing that person as having potential to do the role," said a senior director of learning and leadership development. "We confirm that based on how they would show up in the assessment center. And then second, based on those results, what are some areas we need to really focus on from a development standpoint?" The initial assessment showed several areas of executive development, such as strategic thinking and helping to motivate others, giving the L&D team and leaders themselves a direction for future growth. The L&D team compared their executives' performance to benchmark data for their industry to design the development learning journey for these leaders and partnered with DDI to build the skills and track their progress.

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

"I think our executive leadership assessment program was pretty rigorous. I think [the leaders] got very insightful feedback about their development. It was intense, but it was good."

SENIOR DIRECTOR OF LEARNING AND LEADERSHIP DEVELOPMENT, DIAGNOSTICS

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
Dtr	DDI cost	\$6,930	\$35,700	\$138,128	\$226,065	\$406,823	\$323,385
Etr	DDI development design, management, and leader participation	\$46,713	\$171,166	\$569,469	\$805,782	\$1,593,131	\$1,278,351
	Total costs (risk-adjusted)	\$53,643	\$206,866	\$707,597	\$1,031,847	\$1,999,953	\$1,601,736

DDI COST

Evidence and data. The cost of a DDI Leadership Development Subscription depends on the subscription type, number of seats, organization size, and additional facilitator training selected.

- An organizational development manager for a healthcare organization noted that their costs were based on their organization’s size and the add-ons they selected.
- A senior director of learning and leadership development for a diagnostics organization shared that they had an Enterprise Subscription that included program content plus facilitator guides and materials.
- An organizational development manager for a retail organization said that they paid for Foundation and MultiLevel Subscription seats.
- A learning and development leader for a manufacturing organization said that they continued to expand their Subscription seats year over year.
- Pricing may vary. Contact DDI for additional details.

Modeling and assumptions. For the composite organization, Forrester assumes the following:

ANALYSIS OF COSTS

- The composite organization purchases 100 Foundation Subscription seats in Year 1 and increases that to 300 seats in Year 2.
- The cost of a Foundation Subscription seat is \$340 per person.
- The composite organization adds 50 MultiLevel Subscription seats in Year 2 to reach senior-level leaders.
- The cost of a MultiLevel Subscription seat is \$525 per person.
- The composite organization moves from a seat-based Subscription to an Enterprise Subscription in Year 3.
- The cost of an Enterprise Subscription for the composite organization is \$212,000 per year.
- The composite organization participates in a Facilitator Certification Program to equip and certify in-house trainers at a cost of \$3,300 per participant.
- Two L&D employees participate in the training during the initial implementation. One additional L&D employee participates in Year 2, and one more participates in Year 3.

Risks. Costs for DDI may vary due to a number of factors, including:

- The subscription type selected.
- The number of employees participating in DDI development.
- Additional purchased modules, such as leadership assessment or facilitator training.
- Packages, discounts, and pricing changes that DDI may implement.

Results. To account for these risks, Forrester adjusted this cost upward by 5%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$323,000.

ANALYSIS OF COSTS

DDI Cost						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
D1	Number of Foundation Subscription seats	Composite		100	300	0
D2	Cost of Foundation Subscription seat	DDI		\$340	\$340	\$340
D3	Number of MultiLevel Subscription seats	Composite		0	50	0
D4	Cost of MultiLevel Subscription seat	DDI		\$525	\$525	\$525
D5	DDI Enterprise Subscription (training 500 managers in Y3)	DDI		\$0	\$0	\$212,000
D6	Facilitator Certification Program (FCP) cost per person	DDI	\$3,300	\$3,300	\$3,300	\$3,300
D7	Number of L&D FTEs completing an FCP program	Composite	2	0	1	1
Dt	DDI cost	$D1 \cdot D2 + D3 \cdot D4 + D5 + D6 \cdot D7$	\$6,600	\$34,000	\$131,550	\$215,300
	Risk adjustment	↑5%				
Dtr	DDI cost (risk-adjusted)		\$6,930	\$35,700	\$138,128	\$226,065
Three-year total: \$406,823			Three-year present value: \$323,385			

DDI DEVELOPMENT DESIGN, MANAGEMENT, AND LEADER PARTICIPATION

Evidence and data. Interviewed customers shared that their organizations rolled DDI out to initial groups of 100 or more employees over the course of three to four months.

Internal implementation resources were primarily from the L&D team, though some interviewees said their organizations leveraged a few cross-functional resources to support implementation. Work included program design, internal communications, and change management efforts.

Once DDI was in place, L&D teams spent time working with DDI to review and select appropriate content offerings, refine the program, implement assessments, and grow the program within their organizations.

Employees at interviewees' organizations who participated in DDI's program committed time throughout the year to attend the training sessions.

- An organizational development manager for a retail organization shared that two L&D employees dedicated most of their time over four months to implement and then expand DDI. They also worked with individuals from human resources and communications to support the rollout. Participants in the program went through six learning blocks of 8 hours each throughout the year, plus a 45-minute kickoff.
- An L&D manager for a manufacturing organization shared that their initial implementation took three months, and they worked with an outside vendor to help design and promote the program internally. Program participants went through 29 hours of content over the course of three onsite training sessions.
- An organizational development manager for a healthcare organization rolled out DDI in two phases. They began with a management support series for frontline workers, running three session series each month for the first six months. After that, they moved to MultiLevel Subscription to make training available to more employees.

“What was really fortunate for me was that DDI had those core areas of content that I could tap into that I felt would resonate really well with this audience. So that accelerated how quickly we were able to get the content ready. From there, it was easy to build off existing content to meet new needs.”

L&D LEADER, MANUFACTURING

Modeling and assumptions. For the composite organization, Forrester assumes:

- Two L&D employees support the initial rollout of DDI development programs.

ANALYSIS OF COSTS

- They commit 80% of their time for 3.5 months to the rollout. Implementation time will vary depending on the number of leaders enrolled in the initial development program.
- Two L&D employees spend an additional 20% of their time for 0.5 months in Year 2 to support the move to an Enterprise Subscription and the additional content and reach that would offer.
- The average fully burdened annual salary for an L&D employee is \$91,000.
- The L&D team spends an average of 5 hours per week, or 260 hours per year, working with DDI to manage and refine development programs for their organization.
- One hundred leaders in Year 1, 350 in Year 2, and 500 in Year 3 participate in DDI development programs.
- Leaders spend an average of 30 hours per person per year participating in formal in-person or virtual DDI learning. Their use of DDI extends beyond the time spent “in the classroom” and includes continuous interactions with DDI development.
- The average fully burdened annual salary for a manager is \$100,000 per year.

Risks. The third section details the potential risks that can impact the cost, which can be both qualitative and quantitative:

- The subscription type selected.
- The number of employees participating in DDI development programs.
- The rollout, expansion plans, and subscription an organization chooses.
- Internal change management needs and methods.

Results. To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$1,278,000.

“[Running our leadership development with DDI] is something of a well-oiled machine. We are just looking for ways to constantly improve and make it even better, so that’s where we are at this point.”

ORGANIZATIONAL DEVELOPMENT MANAGER, RETAIL

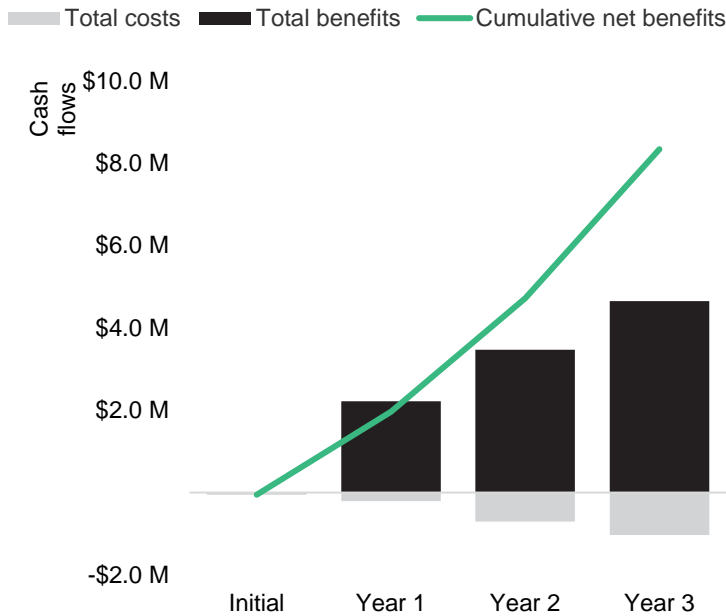
DDI Development Design, Management, And Leader Participation

Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
E1	Number of L&D professionals involved in program design	Interviews	2		2	
E2	DDI program design duration (months)	Interviews	3.5		0.5	
E3	L&D professionals' time spent on program design	Interviews	80%		20%	
E4	Fully burdened annual salary for an L&D FTE	Composite	\$91,000	\$91,000	\$91,000	\$91,000
E5	Subtotal: Cost of DDI program design	E1*E2*E3*E4/12 months	\$42,467	\$0	\$1,517	\$0
E6	L&D professionals' time spent on the program's ongoing management and growth (hours)	Interviews		260	260	260
E7	Subtotal: Cost of DDI training management	E6*E4/2,080 hours		\$11,375	\$11,375	\$11,375
E8	Number of incremental managers trained with DDI content	Composite		100	350	500
E9	Time spent by managers on DDI formal learning (hours)	Interviews		30	30	30
E10	Fully burdened annual salary for a manager	Composite		\$100,000	\$100,000	\$100,000
E11	Subtotal: Cost of manager training	E8*E9*E10/2,080 hours		\$144,231	\$504,808	\$721,154
Et	DDI development design, management, and leader participation	E5+E7+E11	\$42,467	\$155,606	\$517,699	\$732,529
	Risk adjustment	↑10%				
Etr	DDI development design, management, and leader participation (risk-adjusted)		\$46,713	\$171,166	\$569,469	\$805,782
Three-year total: \$1,593,131			Three-year present value: \$1,278,351			

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	(\$53,643)	(\$206,866)	(\$707,597)	(\$1,031,847)	(\$1,999,953)	(\$1,601,736)
Total benefits	\$0	\$2,221,770	\$3,471,570	\$4,653,960	\$10,347,300	\$8,385,446
Net benefits	(\$53,643)	\$2,014,904	\$2,763,973	\$3,622,113	\$8,347,347	\$6,783,710
ROI						424%

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."

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.

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.

APPENDIX B: SUPPLEMENTAL MATERIAL

Related Forrester Research

[“Future Fit Organizations Need Adaptive Leaders,”](#) Forrester Research, Inc., August 22, 2023.

[“Future Fit Organizations Learn To Win,”](#) Forrester Research, Inc., March 3, 2023.

APPENDIX C: ENDNOTES

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

² "[Leadership Development Investments Pay Off In Organizational Outcomes](#)," Forrester Research, Inc., December 8, 2023.

³ "[Future Fit Organizations Need Adaptive Leaders](#)," Forrester Research, Inc., August 22, 2023.

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