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The Total Economic Impact™ Of Dialpad Ai Contact Center
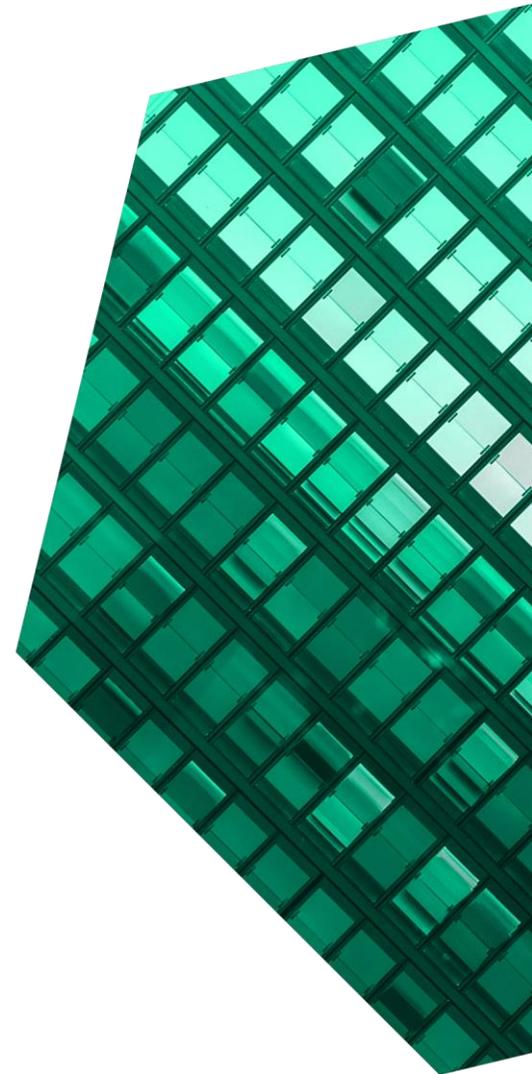
Cost Savings And Business Benefits
Enabled By Ai Contact Center

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Executive Summary

Traditional contact centers are grappling with challenges such as long customer wait times, inadequate routing of inquiries, and limited agent efficiency, resulting in suboptimal customer experiences. To improve the operational efficiency of contact centers, organizations need a contact center solution with AI-powered automation and analytics, intelligent call routing, and data-driven insights into agent performance.

Dialpad Ai Contact Center is a solution that leverages artificial intelligence (AI) and advanced automation to improve the operational efficiency of contact centers. The solution provides organizations with AI-powered call routing and real-time assistance for agents, streamlining customer interactions and reducing wait times and handle times. Additionally, businesses can use Dialpad to gain visibility into their contact centers' workflows, enhancing customer and agent experiences.

Forrester research describes how contact center-as-a-service (CCaaS) systems have become increasingly important to customer service in recent years: "The flexibility and agility of CCaaS systems cement the technology's role as the norm for resilient contact centers [on-premises and in work-from-home environments]. Meanwhile, CCaaS has morphed into its own beast — it is no longer just a cloud-based copy of premises-based systems. CCaaS systems make advanced customer service practical. They simplify omnichannel communications, provide critical customer data on the agent desktop, and tightly integrate with workforce optimization (WFO) tools to improve agent performance and customer experience (CX)."[1]

AI has fueled transformation in the contact center. According to Forrester research, it now permeates every element of a differentiated CCaaS offering, from self-service to post-contact analytics. It already drives value by summarizing call transcripts for efficiency and boosting productivity in text-based

KEY STATISTICS

Return on investment (ROI)
381%

Net present value (NPV)
$10.42M

channels, and it promises to have greater relevance and value in the future.[2] AI capabilities also gather and quantify customer feedback from previously inaccessible call recordings and support more useful feedback within the contact center.[3]

Dialpad commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) enterprises may realize by deploying Ai Contact Center.[4] The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of Ai Contact Center on their organizations.

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed four representatives with experience using Ai Contact Center. For the purposes of this study, Forrester aggregated the interviewees' experiences and combined the results into a single composite organization that is a global organization with

$100 million in annual revenue and 6.5 million yearly contacts.

Prior to using Dialpad Ai Contact Center, the interviewees noted how their organizations' legacy environments consisted of several disparate contact center solutions with limited functionality and poor reliability. The interviewees reported that their contact centers had long handle times and a high rate of abandoned calls, frustrating customers and agents alike. Additionally, the organizations lacked visibility into customer sentiment, agent performance, and other contact center analytics.

After the investment in Ai Contact Center, the interviewees' organizations were able to optimize customer interactions, minimizing handle and wait times as well as call abandonment while ensuring consistent, high-quality service. Moreover, the interviewees' organizations gained valuable insights into their contact centers' performance, allowing them to refine processes, boost agent productivity, and improve customer and employee experience. The investment in Ai Contact Center also enabled the organizations to retire their legacy systems, leading to substantial cost savings.

Reduction in average handle time:

20%

KEY FINDINGS

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

- **Improved contact center agent productivity.** With Ai Contact Center, the composite

organization reduces both average call handle time and the amount of time agents spend on post-call administrative work, resulting in significant agent time savings. Over the course of the three-year analysis, this productivity improvement is worth $9.7 million to the composite organization.

- **Reduction in time spent coaching agents and reporting on contact center performance.** Ai Contact Center features such as Ai Coaching capture and analyze real-time interactions between agents and customers, providing both agents and supervisors with insights into performance and contact center trends. As a result, managers at the composite organization are able to reduce by 75% the amount of time they spend coaching agents and reporting on the contact center, leading to $655,000 in time savings over three years.

- **Cost savings from reduced agent turnover.** The composite organization's agents receive real-time assistance and coaching with Ai Contact Center, helping them feel equipped to deal with customer inquiries and challenges. Additionally, improvements in productivity make workloads more manageable, further improving agent satisfaction. The elevated employee experience leads to a 10-percentage-point decline in agent turnover, resulting in $1.1 million in cost savings for the composite organization.

- **Higher revenue from the decrease in abandoned calls and avoided downtime.** After implementing the solution, the composite organization responds to calls faster, enabling them to address calls that previously would be abandoned. Because many of the composite organization's calls involve upselling or cross-selling opportunities, the decline in abandoned calls helps the organization realize more revenue opportunities, leading to an increase in profits. Furthermore, the reliability of Ai Contact Center
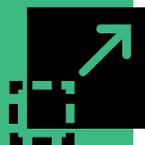
helps the organization reduce its downtime and the associated revenue losses. Overall, the decrease in abandoned calls and downtime amounts to $281,000 over the three-year analysis.

- **Cost savings from retiring legacy systems.** After investing in Ai Contact Center, the composite organization is able to retire its existing systems and eliminate legacy solution, real estate, maintenance, and long-distance call costs. The legacy system deprecation costs are worth $1.4 million to the composite organization over three years.

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

- **CSAT insight and customer experience.** The interviewees' organizations reported that Dialpad Ai Contact Center reduced customer wait times and call times, reducing customer frustration. Additionally, the solution's data-driven insights and real-time assistance ensures consistent and personalized support, leading to smoother customer interactions. Dialpad's Ai CSAT feature helped service teams gain a full view of satisfaction across every interaction, delivering a more complete understanding of customer needs.

- **Visibility into contact center analytics.** By continuously capturing and analyzing customer interactions across various communication channels, Dialpad Ai Contact Center generates comprehensive insights into agent performance, customer behavior, and operational trends. This real-time and historical data empowers the composite organization to make informed choices when managing agents or allocating resources.

- **More efficient menu routing and reduced demand on agents.** Dialpad Ai Contact Center enables the composite organization to streamline menu and IVR systems, which allows more

customers to resolve their inquiries via self-service and reduces the number of levels customers must move through to speak to the right person. Crucially, customers have the option to navigate using voice and can be directed through automated routing. The improved menu routing speeds up service for callers and reduces costs for the composite organization.

- **Happier employees.** Interviewees shared that employees appreciated Ai Contact Center's intuitive platform and efficient menu routing, which effectively balanced workload among agents in the contact center. Additionally, Dialpad's cloud-based solution is accessible from anywhere, facilitating remote or hybrid work and ensuring a seamless experience and easy communication across in-office and remote team members.

Costs. Three-year, risk-adjusted PV costs for the composite organization include subscription costs and call credits, as well as labor costs for implementing and maintaining the solution and for training new users.

The representative interviews and financial analysis found that a composite organization experiences benefits of $13.16 million over three years versus costs of $2.73 million, adding up to a net present value (NPV) of $10.42 million and an ROI of 381%.

ROI
381%

BENEFITS PV
$13.16M

NPV
$10.42M
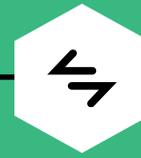
PAYBACK
<6 months

Benefits (Three-Year)

Contact center agent productivity	$9.7M
Manager productivity	$654.7K
Contact center reduced turnover	$1.1M
Reduction in downtime and abandoned calls	$281.2K
Legacy system deprecation	$1.4M
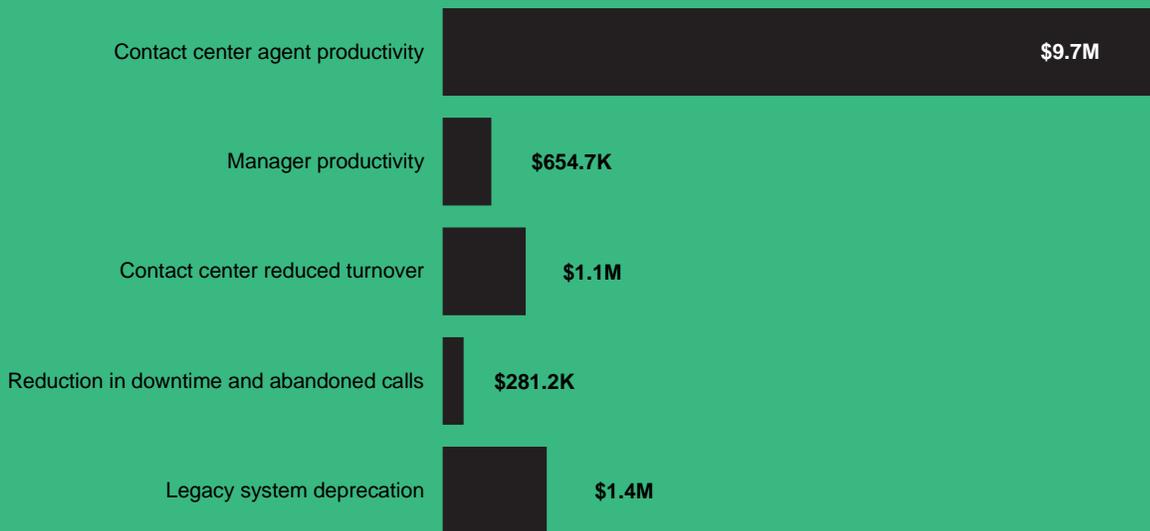
"I just can't stress enough the amount of time and the efficiency that it saves just on every aspect of [the contact center]. It's just been my favorite thing about it."

— Senior manager of operations, education

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 Ai Contact Center.

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 Ai Contact Center can have on an organization.

DISCLOSURES

Readers should be aware of the following:

This study is commissioned by Dialpad 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 Ai Contact Center.

Dialpad 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.

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

DUE DILIGENCE
Interviewed Dialpad stakeholders and Forrester analysts to gather data relative to Ai Contact Center.

INTERVIEWS
Interviewed four representatives at organizations using Ai Contact Center 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 Dialpad Ai Contact Center Customer Journey

Interviews

Role	Industry	Region	Contact Center Agents
CTO	Transportation	North America with global operations	800
Senior manager of operations	Education	North America	1,000
VP, director of communication	Financial services	North America	30
CIO	Healthcare	North America	400

KEY CHALLENGES

Before implementing Dialpad Ai Contact Center, the interviewees' organizations had a variety of contact center solutions, including on-premises or cloud-based contact centers as well as additional ancillary software solutions, with limited functionality in place.

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

- **Extended contact center wait times.** Prior to the investment in Dialpad Ai Contact Center, the interviewees reported that callers dealt with long wait times, leading to a high rate of abandoned calls, low customer satisfaction (CSAT) scores, and diminished brand perception. Describing their legacy system, the CTO at a transportation organization said, "The system really wasn't as manageable, which was resulting in a lot of unhappy customer experiences for callers." The interviewee went on to say that the number one driver for investing in Dialpad Ai Contact Center was "making sure that when they call in that we can get them to a human being as quickly as possible and as easily as possible, not just during business hours, but after hours as well."

- **Heavy agent workload.** The interviewees noted that their organizations had difficulty staffing contact centers, which often led to overworked agents during periods of high call volume. Without any tools for live call assistance or intelligent call routing, customer interactions often took longer than necessary. Additionally, agents often had to spend several minutes after a call to write down notes on the interaction, further cutting into agent bandwidth.

> **"[Our legacy system] had no features. It was poorly designed, really hard to manage, and not only that, the costs were at least twice — if not three times — what we're paying Dialpad today."**
>
> *CIO, healthcare*

- **Too many disparate solutions.** Before adopting Ai Contact Center, interviewees revealed that they had a range of communication solutions in place, which made their environments expensive and difficult to maintain. The senior manager of operations at an education organization described the disjointed environment: "The tool

that we used before [had] three different platforms for voice, voicemail, and contact center, and then we had to purchase call recording from a separate company and then texting from a separate company as well. It was a little all over the place."

- **Difficulty tracking agent and contact center performance.** Interviewees noted that without AI-driven insights, tracking and evaluating agent performance was a cumbersome and manual process. The lack of visibility hampered effective coaching and training, making it challenging to identify areas for improvement and offer targeted guidance to agents.

- **Excessive downtime.** Interviewees shared that they often encountered issues related to downtime and service disruptions in their existing contact center systems. These interruptions led to unproductive periods where agents could not respond to customer inquiries. The CIO at a healthcare organization described how their legacy system often experienced periods of planned and unplanned downtime: "[Our legacy system] was guaranteed 10 hours a year of downtime for upgrades — just updates [themselves] alone, never mind the different outages that they would have. … We had 20 hours of [unplanned] outages over the year."

INVESTMENT OBJECTIVES

The interviewees' organizations searched for a solution that could:

- Increase the productivity of the contact center, allowing agents to respond to more customer inquiries without increasing headcount.

- Streamline the contact center environment into a single solution and reduce legacy costs.

- Decrease internal labor and maintenance costs on communications environment.

- Reduce downtime and its accompanying revenue loss.

- Improve customer and employee experience.

- Provide real-time visibility into contact center performance metrics to empower decision-makers.

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 headquartered in the US and has $100 million in annual revenue. The organization has 500 agents and receives 6.5 million contacts per year.

Key Assumptions
- **$100 million annual revenue**
- **500 contact center agents**
- **6.5 million contacts per year**

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	Contact center agent productivity	$3,900,000	$3,900,000	$3,900,000	$11,700,000	$9,698,723
Btr	Manager productivity	$263,250	$263,250	$263,250	$789,750	$654,664
Ctr	Contact center reduced turnover	$450,000	$450,000	$450,000	$1,350,000	$1,119,083
Dtr	Reduction in downtime and abandoned calls	$113,077	$113,077	$113,077	$339,231	$281,206
Etr	Legacy system deprecation	$563,550	$563,550	$563,550	$1,690,650	$1,401,465
	Total benefits (risk-adjusted)	$5,289,877	$5,289,877	$5,289,877	$15,869,631	$13,155,141

CONTACT CENTER AGENT PRODUCTIVITY

Evidence and data. With Dialpad Ai Contact Center, interviewees reported that their contact center agents were able to address customer inquiries faster, resulting in labor savings.

- Summary and transcription features such as Ai Recap saved agents time on tasks like listening to and transcribing voicemails and setting action items after calls. The senior manager of operations at the education company stated, "The real-time assist cards and [other features] are getting them the information they need faster, so they don't spend time researching and following up with the customers."

- Agents used real-time assist (RTA) cards to ensure that they had the information they needed to address customers inquiries. The RTA cards automatically display relevant information based on voice recognition technology, eliminating a time-consuming and error-prone hunt.

  The senior manager of operations at the education company described how the features have helped their contact center agents: "The

real-time assist cards have been extremely helpful for our customer service staff. If something comes up, agents can easily click a button and find the information they need instead of trying to search through a notebook or their email or search anywhere. We've just seen a lot of time savings on calls."

- Dialpad Ai Contact Center helped bridge gaps in knowledge to ensure continuity and efficiency in customer interactions. The CTO at the transportation company shared: "You don't have to ask repeatedly anymore because [the historical information] is right there and you can see it. It also helps with historical conversations. … If you have somebody calling back and they're dealing with somebody from a different shift, [the agent] can have that context of why they called 4 hours ago and what they were talking about."

- Interviewees reported significant time savings across a variety of metrics. Handle time was reduced by up to 30%, and interviewees reported up to a minute or more in time savings related to post-call work.

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

- With Dialpad Ai Contact Center, the composite organization reduces an agent's average handle time from 5 minutes to 4 minutes.

- After implementing the solution, agents spend an average of 30 seconds on post-call work, compared to 1 minute before Ai Contact Center.

- Contact center agents have a fully burdened hourly wage of $30.

Risks. Benefits realized may vary based on the following factors:

- The number of contacts annually.

- The average handle time and post-call work time before the investment.

- The hourly wage of contact center agents.

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 $9.7 million.

Contact Center Agent Productivity

Ref.	Metric	Source	Year 1	Year 2	Year 3
A1	Contacts annually	Composite	6,500,000	6,500,000	6,500,000
A2	Average handle time before Dialpad Ai Contact Center (minutes)	Interviews	5	5	5
A3	Average handle time after Dialpad Ai Contact Center (minutes)	Interviews	4	4	4
A4	Contact center agents	Composite	500	500	500
A5	Average fully burdened hourly wage for contact center agent	TEI standard	$30	$30	$30
A6	Agent labor savings from reduced call time	A1*(A2-A3/60)*A5	$3,250,000	$3,250,000	$3,250,000
A7	Post-contact work before Dialpad Ai Contact Center (minutes)	Interviews	1	1	1
A8	Post-contact work after Dialpad Ai Contact Center (minutes)	Interviews	0.5	0.5	0.5
A9	Reduced agent labor from post-contact work after Dialpad Ai Contact Center	A1*(A7-A8/60)*A5	$1,625,000	$1,625,000	$1,625,000
At	Contact center agent productivity	A6+A9	$4,875,000	$4,875,000	$4,875,000
	Risk adjustment	↓20%			
Atr	Contact center agent productivity (risk-adjusted)		$3,900,000	$3,900,000	$3,900,000
	Three-year total: $11,700,000		**Three-year present value: $9,698,723**		

MANAGER PRODUCTIVITY

Evidence and data. With Dialpad Ai Contact Center, managers and supervisors at interviewees' organizations increased their efficiency at reporting and coaching tasks.

- Features such as Ai Custom Moments provided managers with readily available transcripts and summaries, eliminating the need to manually sift through past calls to find examples of good performance. Additionally, these features expedited the identification of specific areas where agent coaching can be applied, making the entire process quicker and more efficient for managers.

- The senior manager of operations at the education company described how Ai Contact Center saved managers time on coaching: "Our managers and our sales trainers can find calls [and recordings] so much easier, and agents can send calls that they want help with so much faster than before. It's really reduced the time for the sales trainer to actually find prompted or unprompted calls. It was just a guessing game before. Now, with [Ai] Custom Moments, I'd say, 'I want this topic for this person' and find relevant examples so much faster."

- The same interviewee also said: "Managers are able to go and look at [Ai] Custom Moments and real-time analysis and say, 'Oh, they're calling about [a particular topic].' [We can then] make changes to proactively reach out to customers and get in front of different topics [and] to make real-time decisions on and update their staff with a training." This allows managers to focus on the most important issues and avoid wasting time.

- The CIO at the healthcare company said, "A conversation between an agent and a patient [is] transcribed for quality and training purposes, so a supervisor may be able to utilize that versus just sitting there and listening for minutes or hours

sometimes. Now they could just have a report they could just read through or scan through."

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

- The contact center organization has a total of 30 managers.

- With Dialpad Ai Contact Center, each manager reduces the amount of time they spend on coaching from 10 hours per week to 2.5 hours per week.

- The fully burdened hourly wage for contact center manager is $50 .

- Fifty percent of time saved by managers from Ai Contact Center is repurposed productively.

Risks. Benefits realized may vary based on the following factors.

- Time previously spent on coaching and supervision.

- Compensation for managers.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV of $655,000.

Manager Productivity

Ref.	Metric	Source	Year 1	Year 2	Year 3
B1	Manager time per week spent on reporting and coaching prior to Dialpad Ai Contact Center (hours)	Interviews	10	10	10
B2	Manager time per week spent on reporting and coaching after Dialpad Ai Contact Center (hours)	Interviews	2.5	2.5	2.5
B3	Contact center managers	Composite	30	30	30
B4	Fully burdened hourly wage for managers	Composite	$50	$50	$50
B5	Time savings on coaching and reporting	(B1-B2)*B3*B4*52	$585,000	$585,000	$585,000
B6	Productivity recapture	TEI standard	50%	50%	50%
Bt	Manager productivity	B5*B6	$292,500	$292,500	$292,500
	Risk adjustment	↓10%			
Btr	Manager productivity (risk-adjusted)		$263,250	$263,250	$263,250
	Three-year total: $789,750		**Three-year present value: $654,664**		

CONTACT CENTER REDUCED TURNOVER

Evidence and data. After the investment in Dialpad Ai Contact Center, interviewees described decreased agent turnover, alleviating the need for them to hire and train as many new agents.

- Interviewees reported that Ai Contact Center's real-time assist cards and coaching helped agents feel better equipped to address customer contacts, improving agent morale. Describing the impact this had on agent satisfaction, the CIO at the healthcare organization said, "You can resolve issues much quicker, which helps our employees' morale, and they are excited about that."

- Ai Contact Center contributed to a more pleasant work experience for agents, with balanced workloads to ensure that individual employees are not overworked. The senior manager of operations at the education company noted, "We have been able to make sure people leave at the end of the day [without getting] stuck with a large queue."

- Contact center attrition rates reduced by up to 22% with Dialpad Ai Contact Center.

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

- The composite organization's contact center has an annual turnover rate of 35% prior to adopting Dialpad Ai Contact Center.

- The cost to recruit and replace a contact center employee is $10,000.

Risks. Benefits realized may vary based on the following factors.

- Cost to replace contact center agents.

- Amount of attrition addressable by CCaaS software.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV of $1.1 million.

> **"If [contact center agents] are not happy because of overwork, they're not going to be happy with the [customers]. When you supplement their work with the AI that Dialpad provides, they're happier because they're seeing that the foundational things are being taken care of automatically or by the technology, so they could truly focus on what they need to do, which is an actual person-to-person relationship."**
>
> *CIO, healthcare*

Contact Center Reduced Turnover

Ref.	Metric	Source	Year 1	Year 2	Year 3
C1	Cost to replace a contact center employee	Composite	$10,000	$10,000	$10,000
C2	Contact center turnover rate prior to Dialpad Ai Contact Center	Interviews	35%	35%	35%
C3	Contact center turnover after Dialpad Ai Contact Center	Interviews	25%	25%	25%
Ct	Contact center reduced turnover	C1*(C2-C3)*A4	$500,000	$500,000	$500,000
	Risk adjustment	↓10%			
Ctr	Contact center reduced turnover (risk-adjusted)		$450,000	$450,000	$450,000
	Three-year total: $1,350,000		**Three-year present value: $1,119,083**		

REDUCTION IN DOWNTIME AND ABANDONED CALLS

Evidence and data. Dialpad Ai Contact Center helped interviewees' organizations deliver better customer experiences by improving both their system uptime and the proportion of customer calls that they were able to respond to.

- Interviewees leveraged Dialpad Ai Contact Center's callback, intelligent routing, and call queue features to reduce hold times and call abandonment rates. The improvement in call response rates led to more revenue-generating opportunities, including cross-selling and upselling calls.

- Some interviewees reported 20% to 30% declines in call abandonment rate.

- Interviewees recounted that the implementation of Ai Contact Center significantly reduced the amount of downtime. The CIO at the healthcare organization described the solution's reliability: "Dialpad itself has never gone down in the three years we have used it. … Dialpad has been very, very reliable."

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

- Annual revenue of $50 million is associated with the contact center.

- Thirty percent of all contacts annually involve revenue-generating opportunities.

- The composite organization has an operating margin of 5%.

- The composite organization avoids 30 hours of downtime annually with Ai Contact Center.

- Each hour of downtime costs the organization more than $19,000.

Risks. Benefits realized may vary depending on the following factors:

- Operating margin applicable per industry.

- Value of revenue associated with the contact center.

- Volume of calls involving revenue generation opportunities.

- Amount of downtime before the investment in Ai Contact Center.

- Average cost of an hour of downtime.

Results. To account for these risks, Forrester adjusted this benefit downward by 20%, yielding a three-year, risk-adjusted total PV of $281,000.

> **"[Customers] don't just drop off anymore. They say, okay, they're going to call me back, and they hang up and they do get a call back within an hour."**
>
> *CIO, healthcare*

Reduction In Downtime And Abandoned Calls

Ref.	Metric	Source	Year 1	Year 2	Year 3
D1	Reduction in abandoned calls	Interviews	15%	15%	15%
D2	Contact center revenue per year	Composite	$50,000,000	$50,000,000	$50,000,000
D3	Calls involving sales including upsell or cross-sell	Composite	30%	30%	30%
D4	Operating margin	Composite	5%	5%	5%
D5	Profit from increase in answered calls	D1*D2*D3*D4	$112,500	$112,500	$112,500
D6	Cost per hour of downtime	Composite	$19,231	$19,231	$19,231
D7	Avoided annual downtime (hours)	Interviews	30	30	30
D8	Operating margin	Composite	5%	5%	5%
D9	Avoided lost revenue	D6*D7*D8	$28,846	$28,846	$28,846
Dt	Reduction in downtime and abandoned calls	D5+D9	$141,346	$141,346	$141,346
	Risk adjustment	↓20%			
Dtr	Reduction in downtime and abandoned calls (risk-adjusted)		$113,077	$113,077	$113,077
	Three-year total: $339,231		**Three-year present value: $281,206**		

LEGACY SYSTEM DEPRECATION

Evidence and data. Interviewees told Forrester how adopting Dialpad Ai Contact Center allowed them to discontinue their legacy contact center solutions.

- Interviewees described being able to deprecate a variety of legacy systems and software. Eliminated costs included both subscription costs and maintenance costs for licenses purchased in perpetuity. Annual maintenance costs for these types of licenses could be between 20% and 30% of the initial licensing cost annually.

- Interviewees noted a decrease in maintenance cost and efforts with Ai Contact Center, which they attributed both to consolidating onto a single platform and to Dialpad's easy-to-use features.

- Dialpad Ai Contact Center's cloud-based system eliminated long-distance charges and enabled a shift to remote contact centers, which meant customers could save on real estate costs such as rent and utilities.

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

- The composite retires multiple legacy systems, eliminating $500,000 of annual solution costs.

- Maintenance effort for the legacy system is handled by one FTE at a fully burdened annual rate of $110,000.

- After implementing Ai Contact Center, the composite organization relies more on remote work, resulting in a $50,000 decline in annual real estate costs.

- The composite organization eliminates $3,000 in annual legacy long-distance call charges.

Risks. Benefits realized may vary based on the following factors:

- The number and nature of systems retired.

- Maintenance effort required for legacy systems.

- Real estate footprint prior to Dialpad and remote work strategy.

- Call volume and geography.

Results. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV of $1.4 million.

> **"We were able to repurpose [two FTEs] for other needs because Dialpad support is so straightforward. [We can] actually utilize our help desk folks to help manage and support Dialpad needs and even escalations."**
>
> *CIO, healthcare*

Legacy System Deprecation

Ref.	Metric	Source	Year 1	Year 2	Year 3
E1	Legacy solutions cost	Interviews	$500,000	$500,000	$500,000
E2	Legacy long-distance charges	Composite	$3,000	$3,000	$3,000
E3	Real estate costs	Interviews	$50,000	$50,000	$50,000
E4	Legacy maintenance effort	1 FTE at $110,000 fully burdened salary	$110,000	$110,000	$110,000
Et	Legacy system deprecation	E1+E2+E3+E4	$663,000	$663,000	$663,000
	Risk adjustment	↓15%			
Etr	Legacy system deprecation (risk-adjusted)		$563,550	$563,550	$563,550
	Three-year total: $1,690,650		**Three-year present value: $1,401,465**		

UNQUANTIFIED BENEFITS

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

- **CSAT insight and customer experience.** With Dialpad Ai Contact Center, contact center teams could not only standardize high-quality responses to deliver an improved customer experience, but Dialpad's Ai CSAT feature also enabled organizations to track CSAT automatically without relying on customers to participate in surveys. Teams could then respond with additional training and coaching where needed to shore up performance or learn from and iterate on highly rated interactions. Features such as RTA cards help ensure all agents had the best, most up-to-the-minute information for customers. Forrester research correlates business benefits and customer loyalty with improved CX as measured by CSAT (see figure, next page).[5]

  The senior manager of operations at the education company said: "With [Ai Contact Center's] CSAT, it looks at the call and transcription and gives us a score, so we are not chasing people down to try to get answers or getting more information and more data points. We can see where they dampened and figure out what could be going on."

- **Visibility into contact center analytics.** Dialpad Ai Contact Center created visibility across a range of domains for the interviewees. With Ai Contact Center, it was possible to see where calls were being directed and have a record of call topics. This helped break down silos across departments, providing context for calls across the organization and putting contact center agents in a position to seamlessly pick up where the customer needed help. The CTO at the transportation organization detailed the improvement in visibility: "I've got visibility of all the calls that are coming in. If they're trying to call

my branch and find out when their payment is getting made, that branch director would have visibility that their customer or their carrier called them through their branch, and they got transferred over to the accounts payable team over in finance. So they still get that visibility."

Ensuring a single view also unlocked new opportunities for cross-sell and upsell. The CTO at the transportation organization stated: "We intend on using the AI coach and have those coaching cards so that, for example, if somebody mentions, 'Hey, do you offer [a specific] service?' That would trigger a popup [to the agent] saying, 'Well, yes, we do. Here's who to contact and here's where you can find more information about that.'"

Interviewees gained insight into when staffing should be scaled up or down to properly balance workloads. The CTO at the transportation organization said: "It tells us that 'Hey, the mornings are when you need to staff. You need to staff up to make sure that we've got enough people to handle those volumes of calls.' We can do a lot of workforce scheduling around that, and that also helped to mitigate it. So really, the analytics is the short answer that's really helped us see this."

- **More efficient menu routing and reduced demand on agents.** With Ai Contact Center, interviewees could streamline menu and interactive voice response (IVR) systems, gaining efficiency and reducing the number of levels customers had to move through to speak with the right person. In some cases, customers could even get the information they needed without talking to an agent, which was more efficient for customers and a cost savings for the company. The CIO at the healthcare company noted: "We were able to implement things like business hours, as an example — a quick

Revenue impact of a 1-point improvement in CX Index™ score:

	Annual incremental revenue per customer*	x	Average number of customers per company†	=	Annual incremental revenue per company
Auto manufacturers (mass market)	$68.33	x	18 million	=	$1.2 billion
Retailers (general retail)	$6.19	x	100 million	=	$619 million
Hotels (upscale)	$8.51	x	44 million	=	$374 million
Auto/home insurers	$20.31	x	18 million	=	$366 million
Airlines	$5.59	x	40 million	=	$224 million
Hotels (midscale)	$4.77	x	30 million	=	$143 million
Banks (multichannel)	$7.59	x	15 million	=	$114 million
Banks (direct)	$9.21	x	10 million	=	$92 million
Auto manufacturers (luxury)	$129.45	x	350,000	=	$45 million
Credit card issuers	$0.59	x	60 million	=	$36 million

Impact on assets under management (AUM) of a 1-point improvement in CX Index score:

	Annual incremental AUM per customer‡	x	Average number of customers per company†	=	Annual incremental AUM per company
Investment firms	$490.01	x	46 million	=	$22.5 billion

Impact on the customer base of a 1-point improvement in CX Index score:

	Annual customer base growth per customer‡	x	Average number of customers per company†	=	Total annual customer base growth
Health insurers	0.0118	x	20 million	=	236,500 customers

Base: 96,211 US online consumers (18+) who interacted with a specific brand within the past 12 months

Source: Forrester's Customer Experience Benchmark Survey, US Consumers, 2022

*The effect on revenue potential of increasing CX Index scores by 1 point from the average score of the largest brands in the industry. Curves for individual brands differ from that of their industry. For brands without a linear relationship between CX and revenue, the revenue effect of improving CX by 1 point will vary greatly depending on the CX Index score that serves as the starting point for this analysis.

†The number of customers represents that of a big player in the industry based on data from Forrester's Consumer Technographics® surveys, Forrester analysts, and publicly available industry sources.

‡The effect on growth potential of increasing CX Index scores by 1 point from the average score of the largest brands in the industry. Curves for individual brands differ from that of their industry. For brands without a linear relationship between CX and growth, the growth effect of improving CX by 1 point will vary greatly depending on the CX Index score that serves as the starting point for this analysis.

Source: Forrester Research, Inc. Unauthorized reproduction, citation, or distribution prohibited.

recording that says on this day, we're closed or we're open to a certain hour. That really helps the [customers] to know when we're open and when we're not."

Customers could even navigate using voice and could be automatically routed. The CIO at the healthcare company shared, "Dialpad recognizes certain vocabulary, and it actually auto-reroutes to certain departments or to management, depending on what the patients may be looking for or how they are talking."

- **User-friendly interface with flexibility for remote work**. Interviewees shared that employees appreciated Ai Contact Center's intuitive platform and efficient menu routing that effectively balanced workloads among agents in the contact center. Additionally, Dialpad's cloud-based solution is accessible from anywhere, facilitating remote or hybrid work.

> **"We've simplified our menu system, and we've simplified how to direct-access those contact centers. So that's probably one of the biggest efficiency gains we got out of that and again, better customer experiences or better caller experiences."**
>
> *CTO, transportation*

FLEXIBILITY

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

- **Better together with CCaaS and UCaaS.** Forrester research finds "an obvious synergy" in "the adoption of cloud-based UCaaS and CCaaS solutions. … UCaaS and CCaaS tools fundamentally enable the same thing — the ability for humans to contact one another."[6] Using Dialpad UCaaS and Dialpad Ai Contact Center CCaaS together creates efficiencies for users and unlocks new opportunities to leverage AI features across the organization. End users can seamlessly navigate between UCaaS and CCaaS, while IT can enjoy streamlined management across systems.

- **Features and updates.** Dialpad continuously develops new features for Ai Contact Center, most of which customers receive free of charge as part of automatic updates. Interviewees expressed excitement about adopting additional AI-powered features over time.

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

Analysis Of Costs

Quantified cost data as applied to the composite

Total Costs							
Ref.	Cost	Initial	Year 1	Year 2	Year 3	Total	Present Value
Ftr	Investment costs	$64,223	$1,073,875	$1,073,875	$1,073,875	$3,285,848	$2,734,791
	Total costs (risk-adjusted)	$64,223	$1,073,875	$1,073,875	$1,073,875	$3,285,848	$2,734,791

INVESTMENT COSTS

Evidence and data. Investment costs for Dialpad Ai Contact Center include subscription costs payable to Dialpad as well as internal labor costs associated with implementation, ongoing maintenance, and training.

- CCaaS subscriptions are per seat and payable monthly or annually.

- Interviewees valued the simplicity of implementation and useful out-of-the-box features. Implementation times vary but were typically around six weeks.

- Interviewees reported that agents could be trained on using Ai Contact Center in a few hours.

- They also shared that Ai Contact Center required less ongoing maintenance effort compared to legacy systems.

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

- All contact center and management staff hold a fully loaded $150 per month per seat license.

- Two FTEs with a fully burdened annually salary of $110,000 each spend six weeks on implementation.

- After an initial training effort, new staff to replace attrited staff are trained each year.

- The composite organization has an agent turnover rate of 25% in Years 2 and 3.

- Ten percent of one FTE's time is required for ongoing maintenance.

- Pricing may vary. Contact Dialpad for additional details.

Risks. Costs may vary based on the following factors:

- The number of staff and features elected.

- The degree of change management capabilities at an organization.

- Additional internal effort related to rolling out new modules and features.

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 $2.7 million.

Investment Costs

Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
F1	Subscription costs	(A4+B3)*$150*12		$954,000	$954,000	$954,000
F2	Implementation efforts	6 weeks*2 FTE*Average fully burdened annually salary of $110,000	$25,385			
F3	Training efforts	2 hours * ((A4*$30)+(B3*$50)) Year 2 and 3 25% turnover	$33,000	$8,250	$8,250	$8,250
F4	Call credits	Interviews		$3,000	$3,000	$3,000
F5	Ongoing management	10% of 1 IT FTE		$11,000	$11,000	$11,000
Ft	Investment costs	F1+F2+F3+F4+F5	$58,385	$976,250	$976,250	$976,250
	Risk adjustment	↑10%				
Ftr	Investment costs (risk-adjusted)		$64,223	$1,073,875	$1,073,875	$1,073,875
	Three-year total: $3,285,848			**Three-year present value: $2,734,791**		

Financial Summary

CONSOLIDATED THREE-YEAR RISK-ADJUSTED METRICS

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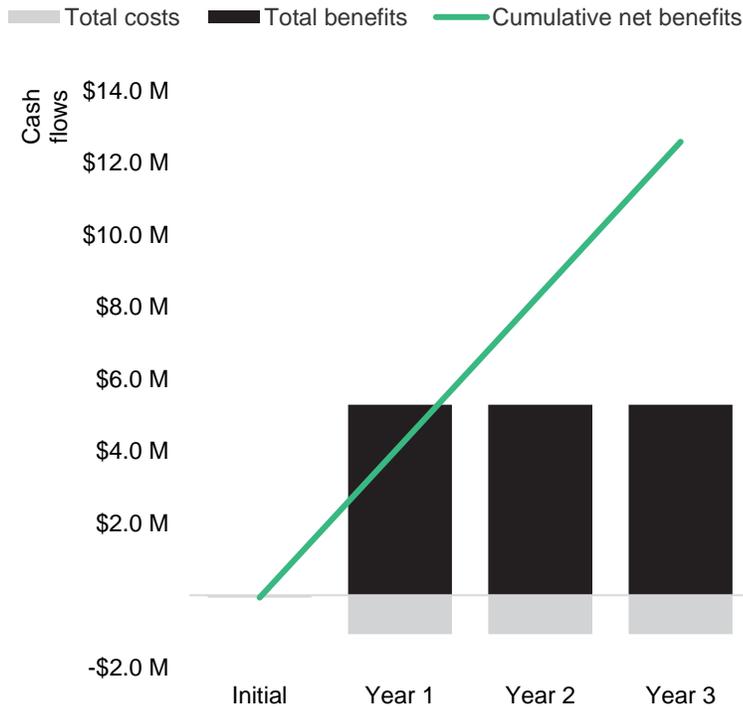
The financial results calculated in the Benefits and Costs sections can be used to determine the ROI, NPV, and payback period for the composite organization's investment. Forrester assumes a yearly discount rate of 10% for this analysis.

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	($64,223)	($1,073,875)	($1,073,875)	($1,073,875)	($3,285,848)	($2,734,791)
Total benefits	$0	$5,289,877	$5,289,877	$5,289,877	$15,869,631	$13,155,141
Net benefits	($64,223)	$4,216,002	$4,216,002	$4,216,002	$12,583,783	$10,420,350
ROI						381%
Payback						<6 months

Appendix A: Total Economic Impact

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

TOTAL ECONOMIC IMPACT APPROACH

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

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

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

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

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

PRESENT VALUE (PV)

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

NET PRESENT VALUE (NPV)

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

RETURN ON INVESTMENT (ROI)

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

DISCOUNT RATE

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

PAYBACK PERIOD

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

Appendix C: Endnotes

[1] Source: "The Forrester Wave: Contact Center As A Service, Q1 2023," Forrester Research, Inc., March 27, 2023

[2] Source: "First 90 Days: Contact Center Director," Forrester Research, Inc., April 10, 2023

[3] Source: "Five Lessons Learned From The Forrester Wave™: Contact Center As A Service, Q1 2023," Forrester Research, Inc., June 20, 2023.

[4] 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.

[5] Source: "How Customer Experience Drives Business Growth, 2022," Forrester Research, Inc., June 6th 2022.

[6] Source: "Come Together: Combining UCaaS And CCaaS Unlocks New Customer Value," Forrester Research, Inc., July 21, 2023.

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