A Forrester Total Economic Impact™
Study Commissioned By [24]7.ai
September 2020

The Total Economic Impact™ Of The [24]7.ai Engagement Cloud

Cost Savings And Business Benefits Enabled By The [24]7.ai Engagement Cloud

FORRESTER®

Table Of Contents

Project Director:
Jennifer Adams

Associate Consultant:
Caitlyn Hoeflin

ABOUT FORRESTER CONSULTING

Forrester Consulting provides independent and objective research-based consulting to help leaders succeed in their organizations. Ranging in scope from a short strategy session to custom projects, Forrester's Consulting services connect you directly with research analysts who apply expert insight to your specific business challenges. For more information, visit forrester.com/consulting.

FORRESTER®

Key Benefits

NPS score increase:
25%

IVR containment improvement:
40%

Live agent productivity increase:
50%+

Executive Summary

To improve customer experience (CX) across the board, enterprises must implement an effective CX strategy that includes both digital automation and agent services in customer service centers.[1] Chatbots, virtual agents, and IVR systems need to provide quality CX by efficiently automating interactions. Customer service agents need the right tools to create good CX. Firms can now leverage artificial intelligence (AI) to advise the agent and recommend actions, thereby increasing both the speed and quality of contact resolution. Combining agents with conversational bots offers promising results, including lower cost to serve and increased customer satisfaction.[2]

[24]7.ai provides a customer engagement platform that enables companies to increase automation rates and improve agent productivity while enhancing CX. The [24]7.ai Engagement Cloud uses AI along with human insight to resolve customer inquiries quickly, efficiently, and completely. The Engagement Cloud includes [24]7 Answers, [24]7 Conversations, [24]7 Assist, [24]7 Voices, and [24]7 Active Share.

[24]7.ai commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) enterprises may realize by deploying the [24]7.ai Engagement Cloud. The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of the [24]7.ai Engagement Cloud on their organizations.

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed several companies with years of experience using the [24]7.ai Engagement Cloud. The interviewed companies found that the [24]7.ai Engagement Cloud enhanced customer service performance metrics, such as interactive voice response (IVR) containment, first-call resolution (FCR), and average handle time (AHT), and improved CX scores.

Prior to using the [24]7.ai Engagement Cloud, the companies had limited customer service automation. Customers typically had to reach out multiple times to get a question answered or an issue resolved. Customers were dissatisfied with the contact centers' service levels, and CX scores were low. CX professionals had limited data on call center metrics, making it challenging to effectively manage call center productivity.

Key Findings

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

- **Improved live phone agent productivity by over 50%.** On average, within three years IVR containment increased over 40% — from 50% to 71% — with [24]7.ai. Furthermore, with the [24]7.ai Engagement Cloud, organizations could more easily direct calls to the appropriate agents, who now had information on each customer's history, allowing them to understand the context of the inquiry. AHT decreased 14% on average, from 14 minutes to 12. Together the improvement in IVR containment and decrease in AHT improved live agent productivity by more than 50%.

ROI
217%

Benefits PV
$32.5 million

NPV
$22.3 million

Payback
<6 months

› **Improved live chat agent productivity by 45%.** The interviewed companies deployed [24]7 Assist and [24]7 Conversations. Within three years, chatbots or virtual agents exclusively handled 46% of chats on average. Live chat agent AHT initially decreased from 18 minutes to 15. The virtual agents shared information with human agents, providing context and helping human agents resolve inquires more efficiently.

› **Decommissioned legacy systems, resulting in $1.9 million in savings.** The companies decommissioned their legacy contact center management solutions after deploying the [24]7.ai Engagement Cloud.

Unquantified benefits. The interviewed organizations experienced the following benefits, which are not quantified for this study:

› **Increased first-call resolution by 17%.** The interviewed companies saw a significant increase in FCR after deploying the [24]7.ai. Engagement Cloud. On average, agents now handle almost 50% of customer contacts with one call or chat. The improvement in FCR reduces overall contact volume; this potential benefit is not captured in our ROI calculation.

› **Drove enhanced CX and increased CX scores.** Customer experience improved after implementation of the [24]7.ai Engagement Cloud. The CRM fed customer information to the agents, providing them context on the customer history and issues. Virtual agents and human agents resolved customer inquiries more quickly, resulting in higher CX as measured by the Customer Satisfaction Score (CSAT) and Net Promoter Score (NPS).[3]

› **Enhanced call center reporting.** The [24]7.ai Engagement Cloud provides fast, accurate metrics on call center performance that call center managers can leverage to track and monitor agent productivity.

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

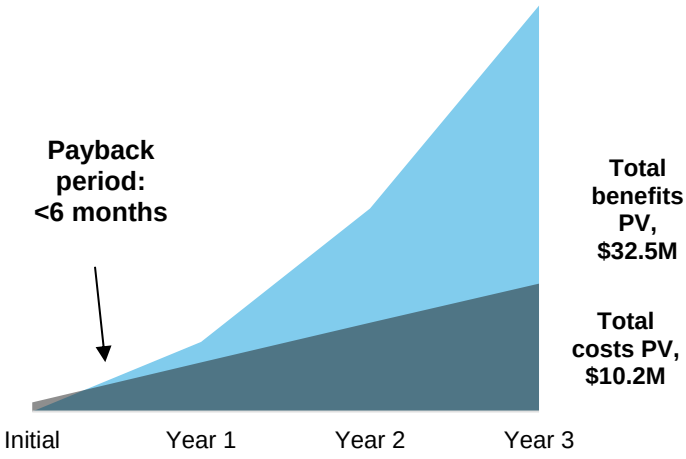
› **[24]7.ai Engagement Cloud cost, totaling $8.8 million over three years.** On average, the companies spent $240,000 per month for the platform.

› **Internal team to research and install [24]7.ai Engagement Cloud, totaling $232,615 over three years.** It took 16 weeks on average for the companies to research, trial, and implement the platform.

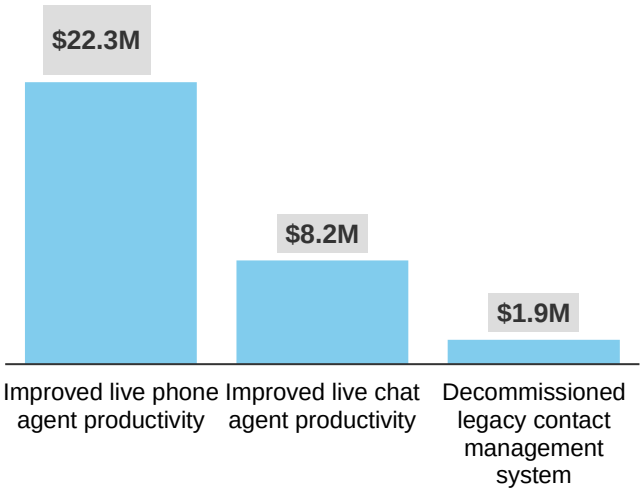
› **Internal team to maintain the [24]7.ai Engagement Cloud, totaling $1.3 million over three years.** On average, a cross-functional team of four FTEs maintained and updated the platform.

Forrester's interviews with six existing customers and subsequent financial analysis found that an organization based on these interviewed organizations experiences benefits of $32,488,648 over three years versus costs of $10,237,261, adding up to a net present value (NPV) of $22,251,387 and an ROI of 217%.

Financial Summary



Benefits (Three-Year)



FORRESTER®

TEI Framework And Methodology

From the information provided in the interviews, Forrester has constructed a Total Economic Impact™ (TEI) framework for those organizations considering implementing the [24]7.ai Engagement Cloud.

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 the [24]7.ai Engagement Cloud can have on an organization:

The TEI methodology helps companies demonstrate, justify, and realize the tangible value of IT initiatives to both senior management and other key business stakeholders.

DUE DILIGENCE
Interviewed [24]7.ai stakeholders and Forrester analysts to gather data relative to the platform.

CUSTOMER INTERVIEWS
Interviewed six organizations using the platform to obtain data with respect to costs, benefits, and risks.

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

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

CASE STUDY
Employed four fundamental elements of TEI in modeling the [24]7.ai Engagement Cloud's impact: benefits, costs, flexibility, and risks. Given the increasing sophistication that enterprises have regarding ROI analyses related to IT investments, Forrester's TEI methodology serves to provide a complete picture of the total economic impact of purchase decisions. Please see Appendix A for additional information on the TEI methodology.

The [24]7.ai Engagement Cloud Customer Journey

BEFORE AND AFTER THE [24]7.AI ENGAGEMENT CLOUD INVESTMENT

Interviewed Organizations

For this study, Forrester conducted six interviews with [24]7.ai Engagement Cloud customers. Interviewed customers include the following:

- A US retailer with $5 billion in annual revenue, 14,000 employees, and more than 1,300 customer service agents at nine customer service centers.
- A US financial services company offering online banking and investing services with $19 billion in annual revenue and 50,000 employees. The company operates 19 customer service centers with more than 2,300 customer service agents.
- A US financial services company offering online banking and investing services with $11 billion in annual revenue and 20,000 employees. The company operates 22 customer service centers.
- An international private label apparel company with $1 billion in annual revenue, 4,000 employees, one customer service center, and 1,400 customer service agents.
- A multinational IT services company with $21 billion in annual revenue, 180,000 employees, three customer service centers, and 1,500 customer service agents.
- A global hospitality company with $21 billion in annual revenue, 175,000 employees, and 26 customer service centers with 8,000 customer service agents.

Key Challenges

Prior to the investment in the [24]7.ai Engagement Cloud, the interviewed companies faced the following challenges:

- **Live agents responded to most customer contacts**. Automation was limited, and live agents handled up to 90% of customer contacts. The interviewed companies wanted to improve live agent efficiency as measured by multiple metrics, including IVR containment, AHT, and FCR; they also aimed to reduce live agent volumes by deploying virtual chat agents to handle basic chat inquiries.
- **Customer experience was unsatisfactory.** Firms struggled with directing questions to the correct agents, and so it took longer than necessary to successfully resolve customer questions. Customers often had to contact each company multiple times to resolve an issue or answer a question. Customer experience was negatively impacted. The interviewed companies wanted to improve customer experience as measured by NPS.

> "There were a lot of technical difficulties with our prior software. It wasn't running right. There was a lot of downtime. It wasn't producing. It wasn't state of the art."
>
> *Managing director of call center, financial services*

FORRESTER®

- **Getting timely reporting and analysis on customer service metrics was difficult.** The interviewed companies compiled customer service center metrics manually, and the reported data often contained errors. The lack of timely metrics made it challenging for the interviewed companies to manage customer service center productivity.
- **The companies required a large internal team to maintain their legacy systems.** Organizations required large internal technical teams to maintain the legacy contact management systems.

Key Results

The interviews revealed several key results from the [24]7.ai Engagement Cloud investment:

- **More customer contacts were automated, and fewer required live agents.** Organizations handled more calls and chats without live agent involvement. Call center productivity improved: IVR containment increased while AHT decreased. Virtual agents handled 40% of chat contacts within an average of three years. With the Engagement Cloud, self-service rates improved, and call center costs decreased.
- **Customer experience improved.** CX as measured by NPS increased significantly. Overall, organizations offered a better customer experience because they resolved customer questions more quickly. The customers could choose between multiple CX channels based on their personal preferences.
- **[24]7.ai streamlined resources required to successfully manage firms' customer service centers.** [24]7.ai offered great customer service and reduced the burden of managing call centers**.** The interviewed companies were able to streamline their internal staff devoted to managing call center technology and decommission their legacy contact management solutions.

> "One of the biggest benefits is the change in how we communicated with our customers — the ability to not only answer their call but direct them to where they need to go in a very friendly way. We're improving customer service to the customer at a reduced cost."
>
> *CEO, private label apparel*

Composite Organization

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

Description of composite. The composite organization is a B2C company with 60,000 employees and annual revenue of $15 billion. The composite organization has a large, global presence with 50 million customers worldwide.

Deployment characteristics. The company operates 10 customer service centers, serving customers 24x7. In total, the customer service centers employ 1,325 customer service agents: 950 agents handle phone calls, and 375 agents manage chat inquiries. Customer contacts average 1.5 million per month. Approximately 80% of customer contacts are phone calls, and 20% are chats. The volume of inquiries is stable with seasonal peaks. Before [24]7.ai, of the 1.2 million calls per month, 600,000 were contained in the IVR and 600,000 were handled by live agents. Of the 300,000 chats per month, 30,000 were contained by virtual agents and 270,000 were handled by live agents (Before [24]7.ai, the organization used a legacy customer contact solution with limited automation). The organization now uses multiple components of the [24]7.ai Engagement Cloud, including [24]7 Conversations, [24]7 Assist, [24]7 Voices and [24]7 Active Share. The [24]7.ai Engagement Cloud platform is integrated with the organization's CRM.

Key assumptions

1.5 million customer contacts per month

950 phone agents

375 live chat agents

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 live phone agent productivity	$4,000,000	$8,736,000	$15,296,000	$28,032,000	$22,348,310
Btr	Improved live chat agent productivity	$1,664,000	$3,216,000	$5,376,000	$10,256,000	$8,209,647
Ctr	Decommissioned legacy contact management system	$475,000	$950,000	$950,000	$2,375,000	$1,930,691
	Total benefits (risk-adjusted)	$6,139,000	$12,902,000	$21,622,000	$40,663,000	$32,488,648

Improved Live Phone Agent Productivity

The composite organization deploys the [24]7.ai Engagement Cloud in its phone customer service centers to increase call automation and improve live phone agent productivity.

- Nine hundred fifty live phone agents answer customer calls.
- [24]7.ai Engagement Cloud increases the percent of calls that are handled without a live agent. IVR containment increases 42%, from 50% in Year 1 to 71% by Year 3. The IVR system uses AI to learn from client inquiries and become more effective over time. The AI learning results in continued improvements in the IVR containment rate.
- [24]7.ai Engagement Cloud directs calls more effectively to the appropriate live phone agents and provides each agent with information on the issue. Live agent average handle time decreases 14% (from 14 minutes to 12).
- Customer service agents now have more time to handle more complicated inquiries; they can also reallocate their time to other higher-value tasks.
- The average fully loaded annual customer service agent salary is $40,000.
- The benefit ramps as the company learns how to leverage the [24]7.ai Engagement Cloud platform.

The benefit of improved live phone agent productivity will vary based on:

- The volume of phone customer contacts.
- The productivity and skill of live phone center agents.
- Industry.

To account for these risks, Forrester adjusted this benefit downward by 20%, yielding a three-year risk-adjusted total PV of $22,348,310.

The table above shows the total of all benefits across the areas listed below, as well as present values (PVs) discounted at 10%. Over three years, the composite organization expects risk-adjusted total benefits to be a PV of more than $32.5 million.

Impact risk is the risk that the business or technology needs of the organization may not be met by the investment, resulting in lower overall total benefits. The greater the uncertainty, the wider the potential range of outcomes for benefit estimates.

““The improvement in containment means we can deal better with more complex calls. The calls contained within the IVR are a lot less complex, and that allows us to allocate our resources to things that can’t be solved or contained within the IVR.”

VP product management, hospitality

Improved Live Phone Agent Productivity: Calculation Table					
Ref.	**Metric**	**Calculation**	**Year 1**	**Year 2**	**Year 3**
A1	Live phone agents before [24]7.ai (FTEs)		950	950	950
A2	Live agent phone contacts per shift before [24]7.ai		21	21	21
A3	Live phone (voice) contacts per shift before [24]7.ai	A1*A2	19,950	19,950	19,950
A4	IVR containment before [24]7.ai		50.0%	50.0%	50.0%
A5	Cumulative improvement in IVR containment after [24]7.ai		7.0%	14.0%	21.0%
A6	IVR containment after [24]7.ai	A4+A5	57.0%	64.0%	71.0%
A7	Improved live phone agent productivity due to increased IVR containment	((1-A4)-(1-A6))/(1-A4)	14.0%	28.0%	42.0%
A8	Average phone handle time before [24]7.ai (minutes)		14.0	14.0	14.0
A9	Average phone handle time after [24]7.ai (minutes)		12.0	12.0	12.0
A10	Improved live phone agent productivity due to shorter AHT	(A8-A9)/A8	14.3%	14.3%	14.3%
A11	Combined productivity improvement	(((1-A4)*A8)-((1-A6)*A9))/((1-A4)*A8)	26.3%	38.3%	50.3%
A12	Live phone agent time freed (cumulative FTEs)	A1*A11 (rounded)	250	364	478
A13	Live phone agent average annual salary, fully loaded		$40,000	$40,000	$40,000
A14	Learning curve ramp		50%	75%	100%
At	Improved live phone agent productivity	A12*A13*A14	$5,000,000	$10,920,000	$19,120,000
	Risk adjustment	↓20%			
Atr	Improved live phone agent productivity (risk-adjusted)		$4,000,000	$8,736,000	$15,296,000

Improved Live Chat Agent Productivity

Chat and messaging are increasingly popular channels for customer inquiries. Chat allows the customer to multitask rather than be tied up or on hold on a phone. The interviewed companies wanted to expand their chat offerings and use chatbots or virtual agents to ensure the offering was cost-effective.

For the analysis, Forrester assumes that:

- The composite organization employs 375 live chat agents.
- The chat agents handle multiple chats simultaneously. Chat concurrency is 1.5 chats on average.
- Before the [24]7.ai Engagement Cloud, only 10% of chats were automated. Now virtual agents handle more chats. By Year 3, virtual agents fully automate 46% of chats.
- For the live chat agents, average chat handle time decreases by 17% (from 18 minutes to 15). [24]7.ai Engagement Cloud collects customer information and determines intent, thus allowing human agents to personalize interactions using [24]7 Assist. The [24]7 Assist tool with Messaging is integrated with the company's CRM, so the human agents can understand customer inquiries in context.
- Live chat agent time is now freed up to handle more complicated inquiries or for reallocation to other higher-value tasks. Over time, the live chat agent AHT ramps up slightly as the virtual agents handle more simple inquiries, and more complex questions are referred to human agents.
- The average fully loaded annual live chat agent salary is $40,000.
- The benefit ramps as the company learns how to leverage the [24]7.ai Engagement Cloud platform.

The improvement in live chat agent productivity will vary with:

- The volume of chat customer contacts.
- The productivity and skill of human chat agents.
- Industry.

To account for these risks, Forrester adjusted this benefit downward by 20%, yielding a three-year risk-adjusted total PV of $8,209,647.

> "Our goal is to have more chatbots in the next couple years because we're seeing how fast and efficient it is to help solve customer issues."
>
> *Director CX, financial services*

> "The ability of the chatbots to learn is remarkable. Their intuitive ability to learn and improve the concept and conversations has just been amazing. That's what's improving our customer service. It makes the whole AI situation more doable, more profitable, and there are more and more reasons to do it."
>
> *CEO, private label apparel*

Improved Live Chat Agent Productivity: Calculation Table					
Ref.	**Metric**	**Calculation**	**Year 1**	**Year 2**	**Year 3**
B1	Live chat agents before [24]7.ai (FTEs)		375	375	375
B2	Chat concurrency (average simultaneous chats)		1.5	1.5	1.5
B3	Live chat contacts per agent per shift before [24]7.ai	Increase 10% annually (rounded)	24	26	29
B4	Chat contacts per shift	B1*B3	9,000	9,750	10,875
B5	% of chats exclusively managed by virtual agents before [24]7.ai		10%	10%	10%
B6	Cumulative improvement in virtual agent containment after [24]7.ai		12.0%	24.0%	36.0%
B7	% of chats exclusively managed by virtual agents after [24]7.ai	B5+B6	22.0%	34.0%	46.0%
B8	Improved live chat agent productivity due to chat deflection to virtual agents	((1-B5)-(1-B7))/(1-B5)	13.3%	26.7%	40.0%
B9	Average chat handle time before [24]7.ai (minutes)		18.0	18.0	18.0
B10	Average chat handle time after [24]7.ai (minutes)	5% annual increase (rounded)	15.0	15.8	16.6
B11	Improved live chat agent productivity due to shorter AHT	(B9-B10)/B9	16.7%	12.2%	7.8%
B12	Combined productivity improvement	(((1-B5)*B9)-((1-B7)*B10))/((1-B5)*B9)	27.8%	35.6%	44.7%
B13	Live chat agent time freed (cumulative FTEs)	B1*B12, (rounded)	104	134	168
B14	Live chat agent average annual salary, fully loaded		$40,000	$40,000	$40,000
B15	Learning curve ramp		50%	75%	100%
Bt	Improved live chat agent productivity	B13*B14*B15	$2,080,000	$4,020,000	$6,720,000
	Risk adjustment	↓20%			
Btr	Improved live chat agent productivity (risk-adjusted)		$1,664,000	$3,216,000	$5,376,000

Decommissioned Legacy Contact Management System

Interviewed companies reported their prior legacy contact management systems were antiquated and did not support new offerings such as chat and virtual agents.

For the composite organization, Forrester assumes that:

- The legacy contact management system cost $1 million per year.
- The composite organization runs both the legacy system and the [24]7.ai Engagement Cloud platform in parallel for six months before decommissioning the legacy system.

The benefit from decommissioning the legacy contact management system will vary with:

- The type and complexity of the legacy system.
- How the legacy system was developed (internally vs. sourced from a third-party vendor).
- The speed of decommissioning.

To account for these risks, Forrester adjusted this benefit downward by 5%, yielding a three-year risk-adjusted total PV of $1,930,691.

Decommissioned Legacy Contact Management System: Calculation Table

Ref.	Metric	Calculation	Year 1	Year 2	Year 3
C1	Legacy contact management system annual cost		$1,000,000	$1,000,000	$1,000,000
C2	Phased decommissioning		50%	100%	100%
Ct	Decommissioned legacy contact management system	C1*C2	$500,000	$1,000,000	$1,000,000
	Risk adjustment	↓5%			
Ctr	Decommissioned legacy contact management system (risk-adjusted)		$475,000	$950,000	$950,000

Unquantified Benefits

The [24]7.ai Engagement Cloud provides additional unquantified benefits.

- **Improved first-call resolution.** The [24]7.ai Engagement Cloud improved FCR by 17% on average. Now organizations handle almost 50% of customer contacts with one call or chat. The platform routes calls to the correct agents and provides the agents with context on customer inquiries. This ensures more customer inquiries can be resolved with a single call or chat, resulting in an overall reduction in cost per resolved contact
    - "First call resolution has been better by about 20%." – *Director call center, retail*
    - "First contact resolution has improved; 17% more calls are resolved in that one call." – *Director CX, financial services*
- **Drove better CX.** Customer experience improved after the interviewed companies deployed the [24]7.ai Engagement Cloud. On average, firms' Net Promoter Scores increased 25%.
    - "Part of our goal was to improve customer service — make the customers feel comfortable and have a more friendly, interactive service." – *CEO, private label apparel*
    - "We wanted to improve customer satisfaction. The customers wanted to self-service without picking up the phone or emailing. So now we have quick response with the chatbots." – *Director CX, financial services*
- **Enhanced call center reporting.** The [24]7.ai Engagement Cloud provides fast, accurate metrics on call center performance that call center managers can leverage to track and monitor productivity.
    - "One of the top benefits is the reporting tool. It's an excellent device that we use. It has an immense amount of metrics we can choose and select from." – *Director call center, retail*

Flexibility

The value of flexibility is clearly unique to each customer, and the measure of its value varies from organization to organization. There are multiple scenarios in which a customer might choose to implement the [24]7.ai Engagement Cloud and later realize additional uses and business opportunities, including:

- **[24]7 Active Share**. Agents use [24]7 Active Share to send visual information to callers. Callers can see the visual data on their phones while speaking to the agent. The model assumes that composite organization only recently starts using [24]7 Active Share, so this benefit is not quantified in our analysis. [24]7 Active Share gives the agents the flexibility to share new types of information, including rich, visual, interactive content. [24]7 Active Share helps resolve more questions in one contact by avoiding the back-and-forth required for the customer and agent to separately email documents and other visual data.

Flexibility would also be quantified when evaluated as part of a specific project.

Flexibility, as defined by TEI, represents an investment in additional capacity or capability that could be turned into business benefit for a future additional investment. This provides an organization with the "right" or the ability to engage in future initiatives but not the obligation to do so.

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	[24]7.ai Engagement Cloud cost	$504,000	$3,024,000	$3,326,400	$3,659,040	$10,513,440	$8,751,273
Etr	Internal team to research and install the [24]7.ai Engagement Cloud	$232,615	$0	$0	$0	$232,615	$232,615
Ftr	Internal team to maintain the [24]7.ai Engagement Cloud	$0	$504,000	$504,000	$504,000	$1,512,000	$1,253,373
	Total costs (risk-adjusted)	$736,615	$3,528,000	$3,830,400	$4,163,040	$12,258,055	$10,237,261

[24]7.ai Engagement Cloud Cost

The composite organization deploys multiple components of the [24]7.ai platform including [24]7 Answers, [24]7 Conversations, [24]7 Assist, [24]7 Voices, and [24]7 Active Share.

- The company spends $240,000 per month for the [24]7.ai Engagement Cloud initially.
- The company trials the platform for two months in parallel with the legacy system.
- The monthly platform cost increases over time as the company expands use of the [24]7.ai Engagement Cloud platform.

The cost will vary based on:

- Volume of customer contacts.
- Choice of [24]7.ai Engagement Cloud applications.

To account for these risks, Forrester adjusted this cost upward by 5%, yielding a three-year risk-adjusted total PV of $8,751,273.

The table above shows the total of all costs across the areas listed below, as well as present values (PVs) discounted at 10%. Over three years, the composite organization expects risk-adjusted total costs to be a PV of more than $10.2 million.

Implementation risk is the risk that a proposed investment may deviate from the original or expected requirements, resulting in higher costs than anticipated. The greater the uncertainty, the wider the potential range of outcomes for cost estimates.

[24]7.ai Engagement Cloud Cost: Calculation Table

Ref.	Metric	Calculation	Initial	Year 1	Year 2	Year 3
D1	Total [24]7.ai Engagement Cloud cost per month	Increase 10% annually	$240,000	$240,000	$264,000	$290,400
D2	Months		2	12	12	12
Dt	[24]7.ai Engagement Cloud cost	D1*D2	$480,000	$2,880,000	$3,168,000	$3,484,800
	Risk adjustment	↑5%	□			
Dtr	[24]7.ai Engagement Cloud cost (risk-adjusted)		$504,000	$3,024,000	$3,326,400	$3,659,040

FORRESTER®

Internal Team To Research And Install The [24]7.ai Engagement Cloud

The composite organization's internal call center and IT team research, trial, and collaborate with [24]7.ai to implement the [24]7.ai Engagement Cloud.

- The company assembles a cross-functional team of call center managers and IT specialists to research, trial, and install a new customer service center solution. Six FTEs are devoted to the project.
- The team spends four weeks researching competing CX solutions and chooses [24]7.ai Engagement Cloud as the most attractive solution.
- After selecting the [24]7.ai Engagement Cloud, the company trials the product for eight weeks. After the trial period, the team spends four weeks working with [24]7.ai to install and deploy the platform.
- The average full loaded salary for the call center and IT team members is $120,000.

The cost will vary based on:

- The skill set of the internal team.
- The complexity of the deployment.

To account for these risks, Forrester adjusted this cost upward by 5%, yielding a three-year risk-adjusted total PV of $232,615.

Four months
Total trial and implementation time

Internal Team To Research And Install The [24]7.ai Engagement Cloud : Calculation Table

Ref.	Metric	Calculation	Initial	Year 1	Year 2	Year 3
E1	Time to research (weeks)		4			
E2	Time to trial (weeks)		8			
E3	Time to install (weeks)		4			
E4	Internal customer service center and IT team required to research, trial, and install (FTEs)		6			
E5	Average customer service center and IT staff salary, fully loaded		$120,000			
Et	Internal team to research and install the [24]7.ai Engagement Cloud	(E1+E2+E3)*E4*E5/52 weeks	$221,538	$0	$0	$0
	Risk adjustment	↑5%	□			
Etr	Internal team to research and install the [24]7.ai Engagement Cloud (risk-adjusted)		$232,615	$0	$0	$0

Internal Team To Maintain The [24]7.ai Engagement Cloud

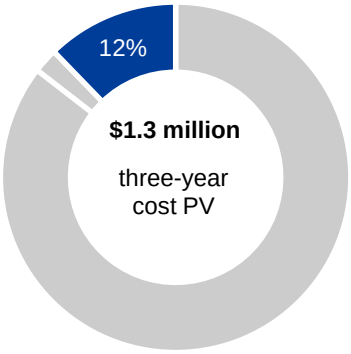
The company's internal call center and IT teams devote time to managing and updating the [24]7.ai Engagement Cloud.

- The customer service centers are open around the clock, and internal cross-functional teams provide 24x7 support. The internal teams update the platform to monitor intents, optimize existing journeys, and introduce new journeys that might reflect new flows for product information promotions or response to a crisis. Four FTEs provide support.
- The average full loaded salary for the call center and IT team members is $120,000.
- The team grows as the company expands its use of the platform.

The cost will vary based on:

- The skill set of the internal team.
- The complexity of the deployment.

To account for these risks, Forrester adjusted this cost upward by 5%, yielding a three-year risk-adjusted total PV of $1,253,373.



Internal team to maintain the [24]7.ai Engagement Cloud: 12% of total costs

Internal Team To Maintain The [24]7.ai Engagement Cloud: Calculation Table

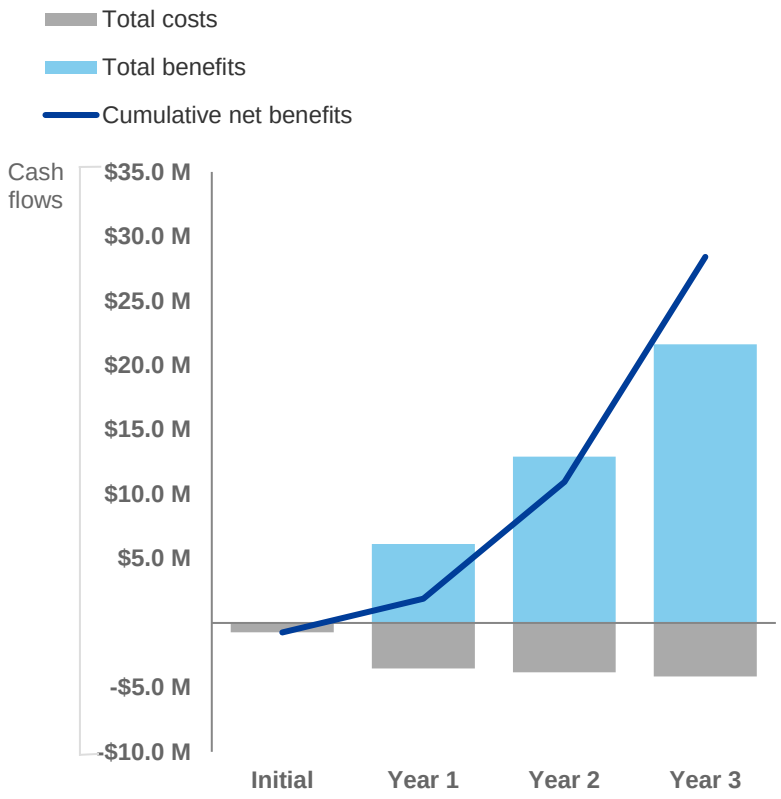
Ref.	Metric	Calculation	Initial	Year 1	Year 2	Year 3
F1	Internal customer service center and IT team required to maintain the [24]7.ai Engagement Cloud (FTEs)			4	4	4
F2	Average customer service center and IT staff salary, fully loaded			$120,000	$120,000	$120,000
Ft	Internal team to maintain the [24]7.ai Engagement Cloud	F1*F2	$0	$480,000	$480,000	$480,000
	Risk adjustment	↑5%				
Ftr	Internal team to maintain the [24]7.ai Engagement Cloud (risk-adjusted)		$0	$504,000	$504,000	$504,000

FORRESTER®

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	($736,615)	($3,528,000)	($3,830,400)	($4,163,040)	($12,258,055)	($10,237,261)
Total benefits	$0	$6,139,000	$12,902,000	$21,622,000	$40,663,000	$32,488,648
Net benefits	($736,615)	$2,611,000	$9,071,600	$17,458,960	$28,404,945	$22,251,387
ROI						217%
Payback period (months)						<6

FORRESTER®

[24]7.ai Engagement Cloud: Overview

The following information is provided by [24]7.ai. Forrester has not validated any claims and does not endorse [24]7.ai or its offerings.

[24]7.ai is redefining customer experiences across messaging, voice, and everywhere in between. [24]7.ai Engagement Cloud lets you meet consumers where they are, anticipate their needs, and deliver exactly the right response. Assessing consumer intent streamlines resolutions and strengthens relationships. Combining artificial intelligence with human insight (HI) produces exceptional customer experiences. And the best part is — you can achieve all of these things with measurably less effort for both agents and customers.

[24]7.ai Engagement Cloud

The [24]7.ai open platform predicts intent and provides resolutions consistently across any channel. Whether you engage customers on your website, via popular messaging platforms, or through voice, you can effortlessly manage interactions, drive cost efficiencies, and elevate CX — all with a single, powerful, cloud-based platform.

[24]7 AIVA Conversational AI

Meet your new CX superstar. The industry-leading AI-powered virtual agent lets customers engage naturally and help themselves more efficiently on their time. Enable continually better experiences on digital and voice (IVR) channels with the [24]7.ai build-once, deploy-anywhere, self-learning model that reduces costs and boosts FCR.

[24]7 Answers

Organize FAQs, policies, product information, and more into an interactive CX using advanced algorithms that bring search functions to life. Deploy in a conversational messaging-like experience that enables a seamless connection to agents when needed.

[24]7 Active Share

Let your agents interact with callers using this “digital canvas” to push rich, interactive content right to their screens, making it easy to fill forms, view options, and make payments. Boost sales, reduce AHT, and improve compliance.

[24]7 Assist (formerly [24]7 Chat)

Boost human agent productivity and give them all the tools and information they need to provide efficient, effective support through your website, mobile app, or any messaging channel — through a single integrated console right at their fingertips.

[24]7 Conversations

Conversations empowers you to create, deploy, and manage exceptional AI-powered conversations across voice, messaging, and mobile channels to predict and resolve customer inquiries with speed and efficiency.

[24]7 Messaging

Messaging makes it easier for consumers to reach you. Enrich your messaging channels such as Apple Business Chat, Google Business Messages, Facebook Messenger, and WhatsApp with industry-leading conversational AI, sophisticated routing capabilities, and disambiguation of complex intents.

[24]7 Journey Analytics

Gain instant insight into how your customers are interacting across touchpoints and time and make it easier for them to do business with you. Optimize CX and drive efficiency with this software-as-a-service (SaaS) solution.

[24]7 Target (formerly [24]7 Personalization)

Design and deliver smarter, better-targeted ad content in real time. Drive 400% better engagement and 75% conversion lift by getting it right — right message, right consumer, right channel, right time. With outbound messaging, you can proactively outreach to customers with personalized offers, appointment scheduling, or even reminders to reduce call volumes and increase customer satisfaction.

[24]7 Voices

Modernize your IVR experience with conversational AI, interactive visual content, and contextual, seamless IVR to messaging for the digital age, eliminating customer frustration experienced with touchtone inputs, reducing escalation to agents, and increasing self-serve automation.

[24]7 Professional Services and Consulting

Keep your [24]7.ai solutions performing at optimal efficiency. [24]7.ai can help you deploy and operationalize your technology, analyze customer journeys, improve efficiencies, and continually increase CSAT and NPS.

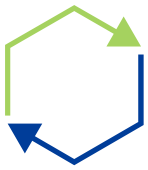
Appendix A: Total Economic Impact

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

Total Economic Impact Approach

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

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



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

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

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

Present value (PV)

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

Net present value (NPV)

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

Return on investment (ROI)

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

Discount rate

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

Payback period

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

Appendix B: Endnotes

[1] Source: “Design Your Contact Center To Be Customer-Centric,” Forrester Research, Inc., September 25, 2019.
[2] Source: “Born To Chat,” Forrester Research, Inc., April 2, 2019.
[3] Net Promoter and NPS are registered service marks, and Net Promoter Score is a service mark, of Bain & Company, Inc., Satmetrix Systems, Inc., and Fred Reichheld.