

The Total Economic Impact™ Of SAP Learning Hub And SAP Enable Now

Cost Savings And Business Benefits Enabled By SAP Learning Hub And SAP Enable Now

A Forrester Total Economic Impact™ Study
Commissioned By SAP, July 2024



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Consulting Team:

Matthew Carr

Jonny Cook

ABOUT FORRESTER CONSULTING

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Executive Summary

SAP Learning Hub and SAP Enable Now can support seamless knowledge transfer, skill-building, and productivity gains for SAP users across an organization. SAP Learning Hub is an accessible digital solution for continuous enablement with extensive high-quality guided learning resources, including practice systems and expert-led live sessions, providing users of all roles and skill levels the opportunity to upskill, get and stay certified, and work more effectively with SAP solutions. SAP Enable Now equips end users with in-application assistance, which can empower them to work more accurately and efficiently. At the same time, robust tools in the platform allow content creators to easily generate enablement resources.

SAP commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) enterprises may realize by deploying [SAP Learning Hub](#) and [SAP Enable Now](#).¹ The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of SAP Learning Hub and SAP Enable Now on their organizations.



Return on investment (ROI)

309%



Net present value (NPV)

\$4.90M

“I have seen projects both with and without SAP Learning Hub and SAP Enable Now, and it’s a huge difference. I always recommend [the solutions] given the cost and time savings and the ease of implementation.”

PROJECT MANAGER, TECHNOLOGY

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed 13 representatives of 12 organizations with experience using SAP Learning Hub and SAP Enable Now. For the purposes of this study, Forrester aggregated the interviewees' experiences and combined the results into a single [composite organization](#) that has 200 SAP Learning Hub users and 4,000 SAP Enable Now users.

Interviewees said that prior to using SAP Enable Now, their organizations relied on legacy approaches to provide training and enablement content for SAP end users. Content was often difficult to access, outdated, and not available in-application. Meanwhile, client-side training teams faced limited functionality in their available tools and found it time-consuming to create and update content. Before adopting SAP Learning Hub, advanced SAP users such as project leads and IT team members lacked quality SAP-specific content in their internal learning tools. In-person, instructor-led classes and onsite consultants were valuable, but not realistic for all employees all of the time given the time and cost commitments. These limitations led to knowledge gaps and inefficiencies for typical end users and advanced users alike.

Interviewees reported that after the investment in SAP Learning Hub and SAP Enable Now, their organization's workforce was more knowledgeable, confident, and productive. Key results from the investment include improved upskilling for advanced SAP users, cost savings, faster time to competence for end users, more efficient content creation, and greater project success.

“SAP Learning Hub has all the resources that you need in one system. Our employees can upskill and also get the promotion they want. SAP Learning Hub helps us immensely.”

TRAINING LEAD, TRANSPORTATION

KEY FINDINGS

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

- **Improved upskilling due to greater learning access, resulting in productivity gains of up to 25%.** As a source of extensive, high-quality, and digitally accessible guided SAP learning resources for those in more expert roles, SAP Learning Hub keeps the composite organization's users equipped with the knowledge they need to stay up to speed and learn new skills. Employees on the project training and technical teams upskill with SAP Learning Hub and see improved productivity in key aspects of their jobs as they hone their SAP skills. This upskilling and resulting productivity uplift equals \$1.4 million over three years for the composite organization.
- **Cost savings of 50% with digital delivery.** The composite organization finds SAP Learning Hub to be a cost-effective solution that users can access anytime for self-paced training. The platform complements the organization's existing training methods, which ultimately results in cost savings of \$1.1 million over three years.
- **Faster time to competence by 50% for end users.** SAP Enable Now provides end users at the composite organization with updated, easy-to-follow content and assistance directly in the flow of work. These readily available, in-application resources increase speed to competence and adoption by reducing initial training needs and improving productivity. The composite's time savings for end users with SAP Enable Now is worth \$2.9 million over three years.
- **More efficient content creation by 75%.** With SAP Enable Now, the creation of training and enablement content is an easier and more automated process. The composite organization's content creators see significant efficiency gains through SAP Enable Now features, such as the automatic generation of multiple formats from one source, workflows, modularized updates, and prebuilt content. Moreover, SAP Enable Now empowers business leads to create relevant and effective content themselves. This benefit translates to savings of \$806,000 over three years for the composite organization.

- **Automatic translations, reducing costs by 55%.** The automatic translation capabilities in SAP Enable Now cut translation costs for the composite organization. Additionally, with more than 40 languages available, the translations provide a broad choice and expanded accessibility for end users. These cost savings amount to \$394,000 over three years for the composite organization.

“Efficiency is the first thing that comes to my mind when thinking of the value of SAP Learning Hub. It’s also very user-friendly and puts everything into one single platform.”

PROJECT MANAGER, TECHNOLOGY

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

- **Greater project success.** SAP Enable Now and SAP Learning Hub both drive employee efficiency, effectiveness, and accuracy at the composite organization. This supports smoother implementations, greater innovation, and, ultimately, project success.
- **Improved employee experience.** SAP Learning Hub increases employee satisfaction and retention at the composite organization by providing users with their desired upskilling along with certifications and the increased likelihood of promotion. SAP Enable Now also improves the employee experience by giving users greater confidence and ability while reducing their need to contact the help desk.
- **Improved security.** SAP Enable Now bolsters security at the composite organization by allowing it to control who has access to content. Moreover, since SAP Enable Now is a cloud-based solution, the composite saves costs related to disaster recovery safeguards.

“SAP Enable Now saves a lot of time for the end users themselves. It also makes it much easier for our people creating the content. There are savings on both sides.”

DIRECTOR OF L&D, CONSUMER GOODS

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

- **SAP Learning Hub subscription costs.** The composite organization pays SAP for user subscriptions, and these costs are driven by the number of users. The composite organization pays \$705,000 in subscription costs over three years.
- **SAP Learning Hub management costs.** One FTE dedicates a week to adopting and managing ongoing activities related to SAP Learning Hub as a new solution. Additionally, users there spend an hour in training and getting used to the platform when using SAP Learning Hub for the first time. These costs are \$15,000 over three years for the composite organization.
- **SAP Enable Now subscription costs.** The composite organization pays costs to SAP for user subscriptions and implementation assistance. These costs are driven by factors such as the number of users and the scope of the implementation, and they total \$732,000 over three years for the composite organization.
- **SAP Enable Now management costs.** Three FTEs at the composite organization dedicate a month to the initial implementation of SAP Enable Now, and a modest amount of employee time is set aside for ongoing management. Additionally, new users spend some time learning and getting used to the platform. These costs total \$135,000 over three years for the composite organization.

The representative interviews and financial analysis found that a composite organization experiences benefits of \$6.49 million over three years versus costs of \$1.59 million, adding up to a net present value (NPV) of \$4.90 million and an ROI of 309%.

“SAP Enable Now provides a huge benefit, and it should really be a central component of any SAP implementation.”

TRAINING LEAD, NATURAL RESOURCES



Return on investment
(ROI)

309%



Benefits PV

\$6.49M



Net present value
(NPV)

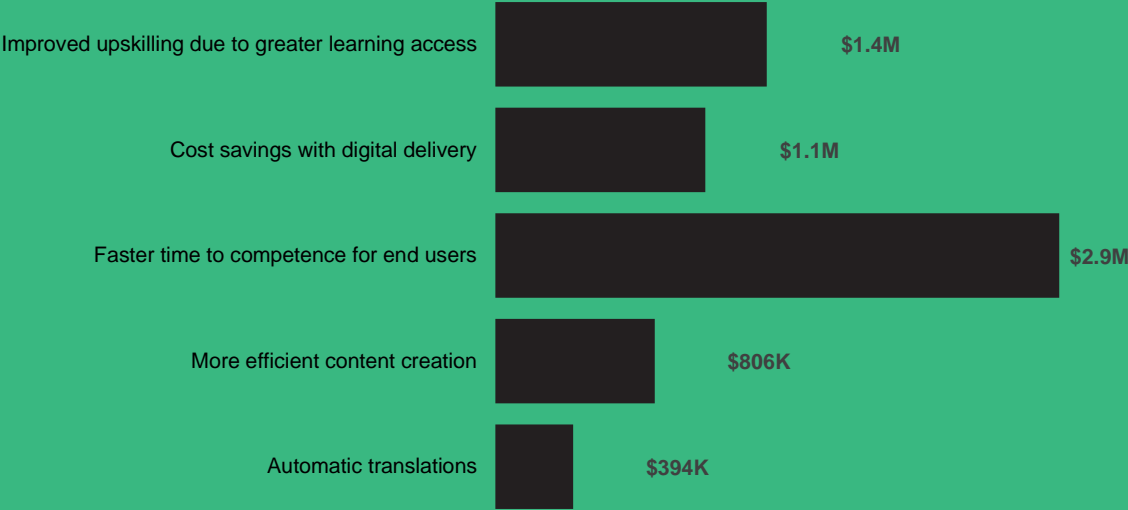
\$4.90M



Payback

<6 months

Benefits (Three-Year)



TEI FRAMEWORK AND METHODOLOGY

From the information provided in the interviews, Forrester constructed a Total Economic Impact™ framework for those organizations considering an investment SAP Learning Hub and SAP Enable Now.

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 SAP Learning Hub and SAP Enable Now can have on an organization.

DISCLOSURES

Readers should be aware of the following:

This study is commissioned by SAP 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 SAP Learning Hub and SAP Enable Now.

SAP 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.

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

Due Diligence

Interviewed SAP stakeholders and Forrester analysts to gather data relative to SAP Learning Hub and SAP Enable Now.

Interviews

Interviewed 13 representatives of 12 organizations using SAP Learning Hub and SAP Enable Now to obtain data about costs, benefits, and risks.

Composite Organization

Designed a composite organization based on characteristics of the interviewees' organizations.

Financial Model Framework

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

Case Study

Employed four fundamental elements of TEI in modeling the investment impact: benefits, costs, flexibility, and risks. Given the increasing sophistication of ROI analyses related to IT investments, Forrester's TEI methodology provides a complete picture of the total economic impact of purchase decisions. Please see [Appendix A](#) for additional information on the TEI methodology.

The SAP Learning Hub And SAP Enable Now Customer Journey

Drivers leading to the SAP Learning Hub and SAP Enable Now investment

Interviews				
Role	Industry	Region	Employees	Solutions
Program lead	Telecommunications	Global	100K	SAP Learning Hub and SAP Enable Now
Training lead	Energy	Global	60K	SAP Learning Hub and SAP Enable Now
Training lead	Consumer goods	EMEA	20K	SAP Learning Hub and SAP Enable Now
People leader	Transportation	EMEA	35K	SAP Learning Hub and SAP Enable Now
Project manager	Technology	LATAM	100K	SAP Learning Hub and SAP Enable Now
Senior principal	IT services	North America	10K	SAP Enable Now
Manager of ERP products	Natural resources	APAC	10K	SAP Enable Now
Director of L&D	Consumer goods	Global	15K	SAP Enable Now
Training manager	Consumer goods	Global	15K	SAP Enable Now
Senior training specialist	Energy	North America	15K	SAP Enable Now
Change management consultant	Manufacturing	Global	45K	SAP Enable Now
Director of HR operations	Engineering	Global	5K	SAP Enable Now
Training lead	Natural resources	APAC	20K	SAP Enable Now

KEY CHALLENGES

Before deploying SAP Learning Hub and SAP Enable Now, interviewees' organizations relied on legacy approaches to deliver skill-building, training, and enablement content. For advanced and technical SAP users, there was a dearth of high-quality, SAP-specific resources available on their internal learning systems. In-person training or onsite consultants were available sometimes, but it was not always feasible given the cost and time commitments. Content for SAP end users was often created and consumed without specialized tools. When tools were available, they failed to provide end users with smooth in-application assistance or the ability for training teams to easily create and update content.

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

- **Fragmented experiences for end users and low adoption rates.** Interviewees' organizations had documentation and resources for end users, but they were often outdated and not accessible directly in-application in preferred formats. Usage tailed off as content was not updated and increasingly not trusted by end users. The people leader in transportation said, "Content was not widely used, and we also had the issue that it wasn't very compatible to our SAP models."
- **Ineffective content.** Enablement content that was dated and difficult to access ultimately rendered it ineffective for end users. Moreover, training teams found it difficult to remedy these problems because content creation was a largely manual and tedious process. The training lead in natural resources said: "[My organization's legacy solution] was a very clunky piece of software. It was not easy to publish content without going through hoops."

For advanced SAP users, the organizations' internal learning tools also lacked sufficient SAP-specific content for deep learning.

- **Need for tools to keep employee skills up to date.** Knowledge gaps meant that keeping employee skills up to date was a struggle. End users were not totally prepared after the training period, and employee churn only exacerbated the problem. Advanced users benefited from approaches like in-person training, but this was not always possible given the cost and timing constraints.

- **Desire to increase employee productivity.** Interviewees' organizations wanted tools that empowered all SAP users with the knowledge and skills to accurately and efficiently perform their jobs. Interviewees said this would contribute to their organizations' long-term strength and competitive edge.

“The combination of SAP Enable Now and SAP Learning Hub is a very good way [for an organization] to work. [The solutions] help reduce the knowledge curve.”

PROJECT MANAGER, TECHNOLOGY

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 13 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 an enterprise with \$5 billion in annual revenue and 15,000 employees. Before implementing SAP Learning Hub, advanced and technical SAP users lacked sufficient training resources for upskilling and deep learning on SAP software. Internal learning tools did not have sufficient SAP-specific content and in-person training was available for some users some of the time, but it was not a feasible option for all given the cost and time commitments. Before implementing SAP Enable Now, training and enablement content for end users was in limited format types, often outdated, and not available in-application. Additionally, training teams faced cumbersome manual processes to create and update content.

Deployment characteristics. The composite organization replaces its legacy approach with SAP Learning Hub and SAP Enable Now. There are 200 SAP Learning Hub users, and the platform provides extensive, digitally delivered training opportunities for those

who need to thoroughly know SAP systems (e.g., advanced users such as project training team members and IT professionals). There are 4,000 SAP Enable Now users, and the platform provides in-application assistance and enablement content for the everyday SAP end user. The composite organization uses both platforms in support of a diverse mix of SAP systems and projects.

Key Assumptions

15,000 employees

\$5 billion in annual revenue

200 SAP Learning Hub users

4,000 SAP Enable Now users

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 upskilling due to greater learning access	\$285,000	\$570,000	\$855,000	\$1,710,000	\$1,372,539
Btr	Cost savings with digital delivery	\$427,500	\$427,500	\$427,500	\$1,282,500	\$1,063,129
Ctr	Faster time to competence for end users	\$1,147,500	\$1,147,500	\$1,147,500	\$3,442,500	\$2,853,663
Dtr	More efficient content creation	\$324,000	\$324,000	\$324,000	\$972,000	\$805,740
Etr	Automatic translations	\$158,400	\$158,400	\$158,400	\$475,200	\$393,917
	Total benefits (risk-adjusted)	\$2,342,400	\$2,627,400	\$2,912,400	\$7,882,200	\$6,488,988

IMPROVED UPSKILLING DUE TO GREATER LEARNING ACCESS

Evidence and data. Interviewees consistently described SAP Learning Hub as a tool to keep those in more advanced and expert roles (e.g., project training team and technical team members) up to speed and able to learn new SAP skills. At interviewees' organizations, upskilling with SAP Learning Hub improved users' efficiency by 25% or more for the portions of their roles it assisted. Interviewees said because SAP Learning Hub is a source of high-quality and accessible SAP content, it equipped users with the knowledge to continue to be successful in their roles.

- Interviewees reported that SAP Learning Hub provided the in-depth information about SAP products that those in advanced functional and technical roles needed to upskill. This knowledge transfer ultimately allowed them to get projects up and running faster and completed in less time. The people leader in transportation concluded: "SAP Learning Hub works very well. We focus on the e-learning and e-books it offers."
- Interviewees said SAP Learning Hub gave users the opportunity to further develop skills related to what they were currently doing and to broaden their skill

sets in newer areas. Therefore, the growth opportunities and connected productivity gains could be substantial.

- For instance, the project manager in technology said: “SAP Learning Hub [makes users more efficient] by at least 30%. [It helps with their current] day-to-day activities, but also in how they adopt new processes. Everything is together. The user better knows how to do their job and solve problems.”
- The program lead in telecommunications provided an example of upskilling with the platform: “We point people to SAP Learning Hub and say: ‘Okay, you’re going to be working in cost accounting. You know the business processes around that. Use SAP Learning Hub to go and see how that’s done in the S/4HANA system. The courses are there to teach you how to do that, and you’ll understand.’”
- Interviewees said the thousands of trainings in SAP Learning Hub means it serves as a flexible solution that users can leverage to meet their specific needs. The program lead in telecommunications said, “With SAP Learning Hub, you can really tailor it to your level and skill set and get what you want out of it.”
- Interviewees also said that the reporting in SAP Learning Hub allowed leaders to have insight into what content was being consumed at their organizations.
- Some interviewees’ organizations prioritized using SAP Learning Hub to support the certification of their functional and technical subject matter experts. These interviewees said that having a certified team increased the likelihood of a project being finished on time.

“SAP Learning Hub enables us to support that talent transformation. ... [We can] take those who supported legacy systems, including legacy ERPs, and get them skilled up and trained on these future tools.”

PROGRAM LEAD, TELECOMMUNICATIONS

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

- 200 employees are SAP Learning Hub users.
- The percentage of their workday benefited by new skills from SAP Learning Hub by an average of 5% in Year 1. This rate increases to 10% in Year 2 and to 15% in Year 3.
- Due to SAP Learning Hub, the average user experiences a 25% productivity uplift for that percentage of their workday.
- The average fully burdened annual salary for one of these employees is \$120,000.

“With the learning journeys in SAP Learning Hub, you have a really easy way to get to the point that someone wants to get to. ... It’s flexible. Users can just go to the courses [they need] and get to a certification.”

PROGRAM LEAD, TELECOMMUNICATIONS

Risks. The benefit of improved upskilling due to greater learning access will vary based on:

- The number of SAP Learning Hub users.
- The training tools available prior to using SAP Learning Hub.
- Whether or not the organization has effective learning plans and approaches given the vast amount of content available in SAP Learning Hub.
- The extent to which end users leverage SAP Learning Hub.
- The average fully burdened salaries of SAP Learning Hub users.

Results. To account for these risks, Forrester adjusted this benefit downward by 5%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$1.4 million.

“[SAP Learning Hub users] become the most knowledgeable people in the company for the systems and processes. This also gives us the chance to promote them. It’s a win-win situation.”

PROJECT MANAGER, TECHNOLOGY

Improved Upskilling Due To Greater Learning Access					
Ref.	Metric	Source	Year 1	Year 2	Year 3
A1	SAP Learning Hub users	Composite	200	200	200
A2	Percentage of workday benefited by new skills from SAP Learning Hub	Interviews	5%	10%	15%
A3	Average productivity uplift (for that portion of the workday) from new skills gained with SAP Learning Hub	Interviews	25%	25%	25%
A4	Average fully burdened annual salary for an SAP Learning Hub user	TEI standard	\$120,000	\$120,000	\$120,000
At	Improved upskilling due to greater learning access	$A1 \times A2 \times A3 \times A4$	\$300,000	\$600,000	\$900,000
	Risk adjustment	↓5%			
Atr	Improved upskilling due to greater learning access (risk-adjusted)		\$285,000	\$570,000	\$855,000
Three-year total: \$1,710,000			Three-year present value: \$1,372,539		

COST SAVINGS WITH DIGITAL DELIVERY

Evidence and data. Interviewees said that SAP Learning Hub is a cost-effective, flexible solution that users can access anytime. They explained that while traditional approaches like classroom training and onsite consultants remain important tools, the time and cost commitments meant they were not feasible for all employees all of the time. SAP Learning Hub supplemented the overall training approach at interviewees' organizations, and it ultimately resulted in cost savings due to its affordability and expansive amount of high-quality digital learning resources that are role-based, journey-oriented, expert-led, on-demand, and interactive. Interviewees who could quantify the cost savings said their organization reduced training costs by an average of 50% for SAP Learning Hub users.

- Interviewees said SAP Learning Hub allowed users to consume learning modules in different ways based on their needs. The platform provided various formats such as e-learning that emphasized seeing and practicing, as well as e-books, video tutorials, and peer-to-peer learning. The resources were also available in several languages.
- Other interviewees emphasized that SAP Learning Hub provided practice systems, expert-led live sessions, and the ability to get and stay certified. The training lead in consumer goods said: "SAP Learning Hub is really a good mix of the ways of learning. That helps a lot."

"The benefits of SAP Learning Hub really are being able to bring project members up to speed and be effective much, much faster. And we can do that internally rather than having to rely on third parties."

TRAINING LEAD, ENERGY

- Interviewees consistently emphasized that SAP Learning Hub's digital delivery made it a convenient approach that users could flexibly fit into their schedules. The project manager in technology said: "A significant benefit of SAP Learning Hub is that the employees can do the trainings on their own. There's flexibility in having an online solution you can take from anywhere."
- Similarly, the people leader in transportation observed: "A great benefit [of SAP Learning Hub] is that we don't have to organize trainings. The employees can do the trainings in their own time."
- Interviewees also saw value in that SAP Learning Hub is provided by SAP, and many feel it offers the best information about SAP products.
- The training lead in consumer goods spoke of the benefit of receiving training and continuous learning about SAP solutions directly from SAP: "If you want to learn about SAP, the best way is to use their material and their knowledge. SAP Learning Hub is an easy way to let our people study a lot of content."
- SAP Learning Hub provided extensive learning resources at a price that interviewees repeatedly characterized as affordable. For example, they explained that if there was a new release, they could utilize SAP Learning Hub instead of expensive third-party consultants.

"If we had to send everyone to take all of the training, it would be costly, and not all of them would be able to do it. There's flexibility in having SAP Learning Hub as an online solution that you can take from anywhere."

PROJECT MANAGER, TECHNOLOGY

- The training lead in energy summarized, “I’m a firm believer that an educated workforce is an effective workforce, and I think that SAP Learning Hub provides a cost-effective way of doing that.”
- Interviewees said that in addition to the affordability of SAP Learning Hub itself, having the ability to keep their existing employees trained and up to date on their solutions, as opposed to searching for and hiring new employees, was another source of cost savings.

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

- There are 200 SAP Learning Hub users.
- Prior to using SAP Learning Hub, the average annual training cost per user was \$4,500.
- With SAP Learning Hub, these costs are reduced by 50%.

Risks. The benefit of cost savings with digital delivery will vary based on:

- The number of SAP Learning Hub users.
- Training approaches and costs prior to implementing SAP Learning Hub.
- Whether or not there is an effective rollout that encourages the use of SAP Learning Hub and the extent to which users leverage SAP Learning Hub.

Results. To account for these risks, Forrester adjusted this benefit downward by 5%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$1.1 million.

“SAP Learning Hub is not expensive. Given the size of the project and the money we spend on a project, SAP Learning Hub is not even a rounding error.”

PROGRAM LEAD, TELECOMMUNICATIONS

Cost Savings With Digital Delivery					
Ref.	Metric	Source	Year 1	Year 2	Year 3
B1	SAP Learning Hub users	Composite	200	200	200
B2	Training costs prior to SAP Learning Hub	Composite	4,500	4,500	4,500
B3	Reduction in training costs with SAP Learning Hub	Interviews	50%	50%	50%
Bt	Cost savings with digital delivery	B1*B2*B3	\$450,000	\$450,000	\$450,000
	Risk adjustment	↓5%			
Btr	Cost savings with digital delivery (risk-adjusted)		\$427,500	\$427,500	\$427,500
Three-year total: \$1,282,500			Three-year present value: \$1,063,129		

FASTER TIME TO COMPETENCE FOR END USERS

Evidence and data. Each interviewee highlighted that a primary benefit of SAP Enable Now is the time it saves for end users. Providing updated resources and assistance in the flow of their work reduced initial training needs and improved the efficiency with which ongoing work was executed. Interviewees estimated there was 50% faster time to competence on average for SAP Enable Now end users. In addition to these time savings, interviewees reported that the improved ease of use with SAP Enable Now contributed to higher adoption rates.

- Interviewees explained that the key value proposition of SAP Enable Now for end users is that the content is clear, updated, and embedded in the flow of their work. The change management consultant in manufacturing concluded: “SAP Enable Now really puts the power of knowledge in people’s hands. It allows them to get what they need when they need it.”
- Multiple interviewees deemed the in-app help with SAP Companion within SAP Enable Now to be a “game changer.” The people leader in transportation added: “The great business value of SAP Enable Now is performance support. You have the in-built SAP Companion. You can click the question mark and get help directly. It really helps our people. It’s just in time when they need the information. It’s the most powerful functionality in the system.”

- Interviewees said the ongoing performance support in SAP Enable Now that is always available for end users ultimately makes them more efficient as they perform their daily work. The training lead in natural resources explained: “SAP Enable Now is for the end users to access content quickly. The idea is that it’s the right content and digestible — just in time and just enough.”
- SAP Enable Now also reduced the total training time needed at interviewees’ organizations, and training that did occur could focus more on high-level concepts instead of specific tasks. The training lead in natural resources elaborated: “We don’t have to spend as much time in face-to-face training, and we can focus more on the key concepts. But things like how to create purchase requisition or create a work order: That’s SAP Enable Now’s job.”
- This was a consistent theme from interviewees, who explained their organizations did not attempt to teach end users everything they would be doing because they could rely on step-by-step guided tours in SAP Enable Now. For example, one interviewee said training only taught the basics of entering a sales order, but in-app guided tours walked through the different permutations of those orders step-by-step.

“SAP Enable Now significantly reduced the number of training hours in many cases. It helps us streamline our curriculum and also minimizes the time away from work for our end users.”

DIRECTOR OF L&D, CONSUMER GOODS

- Interviewees described SAP Enable Now as flexible and simple to use across systems and processes. They said the platform accommodates different learning styles — both formal and informal — and on the needed advice. For instance, simulations were sometimes preferred while written work instructions were more effective other times. In addition to these, common content formats in SAP Enable Now included slides, document files, PDFs, and practice sessions.
- The training manager in consumer goods elaborated: “SAP Enable Now materials enable everyone to go through the material at their own pace in whatever shape or form they feel most comfortable with. That’s a big benefit for a company with such diverse talent as ours.”
- In some cases, SAP Enable Now eliminated the need for up-front training altogether. The training lead in energy said: “Simulations in SAP Enable Now, if they’re done well, can replace the need for a training environment. In a large corporation, that can be a huge benefit.”
- Some interviewees emphasized that SAP Enable Now was particularly valuable in getting new hires up to speed, especially for high turnover positions.

“Our employee base is made up primarily of technical developers, whose time is extremely valuable. We want them focused on the right things, and the value proposition of SAP Enable Now is that they’re now spending more time [on higher-level tasks and] driving profitable growth for the company.”

DIRECTOR OF HR OPERATIONS, ENGINEERING

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

- 4,000 employees are SAP Enable Now users.
- Prior to using SAP Enable Now, these employees spent an average of 30 hours annually on work that SAP Enable Now would later assist with once implemented.
- Due to SAP Enable Now, the average user experiences 50% faster time to competence on the work that the platform assists with. This translates into time savings for these employees.
- The average fully burdened hourly salary for one of these employees is \$45.
- The productivity recapture rate for employees is 50%. This means employees convert 50% of their saved time into productive time.

Risks. The benefit of faster time to competence for end users will vary based on:

- The organization's number of SAP Enable Now users and the percentage of their work that the platform assists with.
- The training and enablement content made available with SAP Enable Now.
- The tools and content in use prior to SAP Enable Now.
- The average fully burdened salaries of SAP Enable Now users.

Results. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$2.9 million.

“We always say the most important thing in training — if there’s one thing you need to remember — is how to access SAP Enable Now.”

TRAINING LEAD, NATURAL RESOURCES

Faster Time To Competence For End Users					
Ref.	Metric	Source	Year 1	Year 2	Year 3
C1	SAP Enable Now users	Composite	4,000	4,000	4,000
C2	Average time each user spends on work assisted by SAP Enable Now (hours)	Interviews	30	30	30
C3	Faster time to competence with SAP Enable Now	Interviews	50%	50%	50%
C4	Time saved per user due to SAP Enable Now (hours)	A2*A3	15	15	15
C5	Total employee time saved due to SAP Enable Now (hours)	A1*A4	60,000	60,000	60,000
C6	Average fully burdened hourly salary for an SAP Enable Now user	TEI standard	\$45	\$45	\$45
C7	Productivity recapture	TEI standard	50%	50%	50%
Ct	Faster time to competence for end users	A5*A6*A7	\$1,350,000	\$1,350,000	\$1,350,000
	Risk adjustment	↓15%			
Ctr	Faster time to competence for end users (risk-adjusted)		\$1,147,500	\$1,147,500	\$1,147,500
Three-year total: \$3,442,500			Three-year present value: \$2,853,663		

MORE EFFICIENT CONTENT CREATION

Evidence and data. Interviewees explained that with SAP Enable Now, the creation of training and enablement content used by end users was an easier and more automated process. They said the improved efficiency was driven by SAP Enable Now capabilities such as automatically generating multiple formats from one source, workflows, modularized updates, prebuilt content, and empowering more business leads to create content. The time savings for content creators with SAP Enable Now varied, but it was substantial and averaged approximately 75% at interviewees' organizations.

- Content creation approaches at interviewees' organizations prior to using SAP Enable Now were often cumbersome and involved collating screenshots as well as drawn out beautifying and approval protocol. Interviewees reported a drastic reduction in the time needed with SAP Enable Now. The people leader in transportation summarized, "With SAP Enable Now, content creation is super fast."

- Multiple interviewees specified that a top benefit of SAP Enable Now is having the ability to generate several formats from one effort. For example, interviewees described using SAP Enable Now to create a recording in 15 minutes that could then automatically generate a series of different formats, such as simulations, slides, PDFs, and practices, to accommodate varying use cases and learning styles.
- The senior training specialist in energy identified the ability to easily record and create simulations as a top differentiator of SAP Enable Now: “You can start the recording feature of SAP Enable Now and perform the task as normal. For example, [you can use it for] a purchase requisition. When you stop the recording, SAP Enable Now has created for you a step-by-step walkthrough of the process. This is, in my opinion, best in class.”
- Interviewees’ organizations also used SAP Enable Now to streamline workflows for the various stakeholders involved in content creation, review, and publication because that end-to-end process could be managed in the platform. The training lead in natural resources added: “You can easily create a simulation or quick reference guide or process flow, and then with ease publish that to multiple channels. The act of publishing the content is so much quicker.”

“All the SAP Enable Now features are gold. One that’s very helpful is creating so many content formats with just one recording. ... It’s a very automated process creating and then publishing the content to the end users.”

PEOPLE LEADER, TRANSPORTATION

- The manager of ERP products in natural resources highlighted the benefit of modularized updates: “Any change is part of a workflow process in SAP Enable Now. We just go to the certain section and edit that rather than redoing the whole thing again. And after you change it once, you can generate 10 different types of content.”
- Some interviewees’ organizations leveraged the prebuilt content available in SAP Enable Now, which could provide significant time savings. For example, one interviewee said that with the rollout of an SAP product to their organization’s international entities, about 90% of the SAP Enable Now prebuilt content was ready to use as is. Other interviewees said their organization did not utilize the prebuilt content, noting the customized nature of their environments. Instead, they emphasized the ease with which they could create custom content with SAP Enable Now.
- An added benefit of SAP Enable Now was that it empowered business leads to efficiently create content. The program lead in telecommunications explained: “SAP Enable Now is intuitive. You can have the business leads create the content [as opposed to IT-led teams]. That’s the best value proposition because they know what the end user needs.”
- Interviewees said that SAP Enable Now had several additional features for content creation and leveraged them depending on their needs. For example, one interviewee found significant value in the text-to-speech feature that automatically turns text into high-quality speech. This streamlined the process for creators and produced user-friendly content for end users.

“I see SAP Enable Now as a way to standardize our learning and give people consistency and reliability. The training that we’ve created with SAP Enable Now is so clear.”

SENIOR TRAINING SPECIALIST, ENERGY

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

- Four full time-equivalents (FTEs) are dedicated to creating training and enablement content.
- Due to SAP Enable Now, there is a 75% reduction in the time needed for content creation.
- The average fully burdened annual salary for one of these employees is \$120,000.

Risks. The benefit of more efficient content creation will vary based on:

- The number of FTEs at the organization who are dedicated to creating training and enablement content.
- The tools and approaches in place prior to using SAP Enable Now to create content.
- The extent to which the organization leverages the multiple formats and prebuilt content available with SAP Enable Now.
- The average fully burdened salaries of content creators.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$806,000.

“SAP Enable Now requires one effort, but five different ways of using it. The generation of various [formats] is the key to the success of this product for us. ... I think it’s the most powerful piece of SAP Enable Now and what it does better than anything else in the market.”

SENIOR TRAINING SPECIALIST, ENERGY

More Efficient Content Creation					
Ref.	Metric	Source	Year 1	Year 2	Year 3
D1	FTEs who created training and enablement content before SAP Enable Now	Composite	4	4	4
D2	Reduction in time needed for content creation with SAP Enable Now	Interviews	75%	75%	75%
D3	FTEs saved with SAP Enable Now	B1*B2	3.00	3.00	3.00
D4	Average fully burdened salary for an FTE	Composite	\$120,000	\$120,000	\$120,000
Dt	More efficient content creation	B3*B4	\$360,000	\$360,000	\$360,000
	Risk adjustment	↓10%			
Dtr	More efficient content creation (risk-adjusted)		\$324,000	\$324,000	\$324,000
Three-year total: \$972,000			Three-year present value: \$805,740		

AUTOMATIC TRANSLATIONS

Evidence and data. Multiple interviewees reported that the translation capability in SAP Enable Now is a powerful tool that expands access to training and enablement content and cuts translation costs. Interviewees who said their organization experienced this benefit revealed the cost savings ranged from 25% to 80%. Interviewees spoke of instances where they successfully used SAP Enable Now to translate content into more than 10 languages across dozens of countries.

- Interviewees said the automatic translation feature offers extensive choice with more than 40 languages. The change management consultant in manufacturing noted, “I have never run into a situation where SAP Enable Now did not have the language I needed.”
- The people leader in transportation added: “We’re using the automatic translation tool [in SAP Enable Now]. We can just click very easily, and content is translated from the original language into French, Italian, English, or German, for example. That’s helping us a lot.”

- This feature ultimately led to cost savings at interviewees' organizations, whether they were time savings for in-house translation teams or reduced costs to outside translation vendors. Some organizations used the SAP Enable Now translations as is, while others subsequently perfected them. In both cases, there were meaningful cost savings.
- The change management consultant in manufacturing concluded, "The translation functionality [in SAP Enable Now] saved a tremendous amount of money."
- Interviewees noted that in addition to cost savings, the automatic translations increased choice and access for end users. The training manager in consumer goods elaborated: "SAP Enable Now provides the great benefit of putting control of the language choice in the hands of end users. Before, we had to prepare it in advance and make that decision for our end users. But now the end user can choose which language they want."

"The translation [capability with SAP Enable Now] is great. We have an official business language of English. But in some countries, there are laws that dictate all materials will be in that native language. Then, also, a lot of employees do not speak English. SAP Enable Now helps us meet those needs."

CHANGE MANAGEMENT CONSULTANT, MANUFACTURING

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

- Prior to using SAP Enable Now, the annual cost to translate training and enablement content was \$320,000.

ANALYSIS OF BENEFITS

- Due to SAP Enable Now, this cost is reduced by 55%.

Risks. The benefit of automatic translations will vary based on:

- Costs related to translating training and enablement content prior to SAP Enable Now.
- The extent to which the automatic translations in SAP Enable Now can be leveraged, which varies based primarily on specific language needs and translation protocol.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$394,000.

Automatic Translations					
Ref.	Metric	Source	Year 1	Year 2	Year 3
E1	Cost to translate training and enablement content before SAP Enable Now	Composite	\$320,000	\$320,000	\$320,000
E2	Reduction in translation budget needed with SAP Enable Now	Interviews	55%	55%	55%
Et	Automatic translations	C1*C2	\$176,000	\$176,000	\$176,000
	Risk adjustment	↓10%			
Etr	Automatic translations (risk-adjusted)		\$158,400	\$158,400	\$158,400
Three-year total: \$475,200			Three-year present value: \$393,917		

UNQUANTIFIED BENEFITS

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

- **Greater project success.** Interviewees reported that SAP Enable Now and SAP Learning Hub drove employee efficiency and, ultimately, project success. The training lead in energy noted that the two solutions complement each another: “SAP Enable Now, besides being a great tool for content creators, is really an end-user-facing tool. They get the simulations and that in-application help whereas SAP Learning Hub is for the project team, technical people, and some power users.”

Interviewees said that SAP Enable Now prevented errors and rework that had the potential to cause business problems. As for SAP Learning Hub, multiple interviewees agreed that it supported smoother implementations, shorter project timeframes, and greater innovation within projects as users were well-trained and knew more about what the systems were capable of.

“To me, SAP Learning Hub is a must. It’s a way to understand and absorb how SAP works.”

PROJECT MANAGER, TECHNOLOGY

- **Improved employee experience.** Both SAP Enable Now and SAP Learning Hub increased employee satisfaction with their SAP solutions. The senior training specialist in energy said, “[SAP Enable Now] gives people the confidence that they can perform their job functions on their own.” As a reflection of this, some interviewees noted that after implementing SAP Enable Now, there were fewer help desk tickets pertaining to SAP solutions. One interviewee approximated their organization reduced this number by about 50%.

SAP Learning Hub also improved employee retention at some interviewees’ organizations by providing users with ongoing training and the ability to obtain promotions more easily. One interviewee estimated a 5% to 10% improvement in retention among SAP Learning Hub users. The training lead in manufacturing also noted the value of certifications for employees. They said, “The IT experts especially are really interested in having this training [in SAP Learning Hub] and also in having the certificate at the end.”

- **Improved security.** Some interviewees highlighted the security benefits that stemmed from SAP Enable Now. In particular, they pointed to the ability to control access. Moreover, interviewees said that with a cloud-based solution, their organizations did not worry about replicating content, which saved costs related to disaster-recovery safeguards.

The senior principal in IT services summed up the value proposition: “We are constantly audited, and I have to know at any given time what collateral was used. From an audit standpoint, [SAP Enable Now] creates an environment that is compliant with [our] standards. ... The functionality that is built in, the access control, and the identity management... [are] extremely valuable... It’s a highly structured system that allows me to control what people can access within the system.”

“SAP Enable Now is the tool that is closest to the SAP solutions. I would say it’s the best-connected tool on the market, especially for the SAP products.”

TRAINING LEAD, CONSUMER GOODS

FLEXIBILITY

The value of flexibility is unique to each customer. There are multiple scenarios in which a customer might implement SAP Learning Hub and SAP Enable Now and later realize additional uses and business opportunities, including:

- **Use with future SAP projects as well as non-SAP systems.** Interviewees explained that a benefit of SAP Enable Now and SAP Learning Hub is having the ability to leverage them for SAP projects into the future. Additionally, some interviewees’ organizations were successfully leveraging SAP Enable Now with non-SAP systems. The training lead in natural resources was looking to expand in this direction, and they said: “Ultimately, if we can make SAP Enable Now a one-stop shop for everything, that would be a real game-changer. Because it’s so closely branded as supporting SAP that I think people tend to forget that it does have that extended capability.”

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	SAP Learning Hub subscription costs	\$0	\$283,500	\$283,500	\$283,500	\$850,500	\$705,023
Gtr	SAP Learning Hub management costs	\$14,805	\$0	\$0	\$0	\$14,805	\$14,805
Htr	SAP Enable Now subscription costs	\$63,000	\$268,800	\$268,800	\$268,800	\$869,400	\$731,466
Itr	SAP Enable Now management costs	\$126,000	\$3,780	\$3,780	\$3,780	\$137,340	\$135,400
	Total costs (risk-adjusted)	\$203,805	\$556,080	\$556,080	\$556,080	\$1,872,045	\$1,586,694

SAP LEARNING HUB SUBSCRIPTION COSTS

Evidence and data. To use SAP Learning Hub, interviewees' organizations paid subscription costs to SAP. These costs varied based on the number of users.

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

- There are 200 SAP Learning Hub users.
- The annual cost per user is \$1,350.
- Pricing may vary. Contact SAP for additional details.

Risks. The SAP Learning Hub subscription costs will vary based on the number of users.

Results. To account for these risks, Forrester adjusted this cost upward by 5%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$705,000.

“SAP Learning Hub has thousands of trainings available. For the user, this is essentially unlimited. ... It’s really affordable.”

PROJECT MANAGER, TECHNOLOGY

SAP Learning Hub Subscription Costs						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
F1	SAP Learning Hub users	Composite	0	200	200	200
F2	Cost per user	Interviews		\$1,350	\$1,350	\$1,350
Ft	SAP Learning Hub subscription costs	H1*H2	\$0	\$270,000	\$270,000	\$270,000
	Risk adjustment	↑5%				
Ftr	SAP Learning Hub subscription costs (risk-adjusted)		\$0	\$283,500	\$283,500	\$283,500
Three-year total: \$850,500			Three-year present value: \$705,023			

SAP LEARNING HUB MANAGEMENT COSTS

Evidence and data. Interviewees’ organizations dedicated a small amount of internal labor to implementing SAP Learning Hub. In addition to this, users spent some time learning the system.

- Interviewees described the implementation of SAP Learning Hub as very straightforward. The average implementation took about a week with minimal employee involvement.
- Users at interviewees’ organizations typically spent about an hour getting accustomed to SAP Learning Hub. Interviewees said that given the thousands of courses available, some time was required for users to learn how to navigate the

content, understand how learning history works in the platform, and determine a learning path.

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

- One FTE dedicates 100% of their time to the implementation of SAP Learning Hub, which takes place in one week.
- The average fully burdened monthly salary for an implementation FTE is \$10,000.
- Users spend an average of one hour learning and getting used to the platform.
- The average fully burdened hourly salary for an SAP Learning Hub user is \$58.

Risks. Management costs for SAP Learning Hub will vary based on:

- The average fully burdened salary of any FTE involved in implementation.
- The skill sets of FTEs.
- The average fully burdened salaries of SAP Learning Hub users.
- The amount of time users set aside for learning and getting used to the platform.

Results. To account for these risks, Forrester adjusted this cost upward by 5%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$15,000.

ANALYSIS OF COSTS

SAP Learning Hub Management Costs						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
G1	Length of implementation (months)	Interviews	0.25			
G2	FTEs involved in implementation	Interviews	1			
G3	Percentage of FTE time spent on implementation	Interviews	100%			
G4	Average fully burdened monthly salary for an implementation team member	TEI standard	\$10,000			
G5	SAP Learning Hub users	Composite	200			
G6	Average time users spend learning and getting used to the platform (hours)	Interviews	1			
G7	Average fully burdened hourly salary for an SAP Learning Hub user	TEI standard	\$58			
Gt	SAP Learning Hub management costs	$(I1 \cdot I2 \cdot I3 \cdot I4) + (I5 \cdot I6 \cdot I7)$	\$14,100	\$0	\$0	\$0
	Risk adjustment	↑5%				
Gtr	SAP Learning Hub management costs (risk-adjusted)		\$14,805	\$0	\$0	\$0
Three-year total: \$14,805			Three-year present value: \$14,805			

SAP ENABLE NOW SUBSCRIPTION COSTS

Evidence and data. Interviewees' organizations paid SAP for SAP Enable Now user subscriptions. Some of these organizations also purchased added implementation assistance from SAP.

- Interviewees' organization paid subscription costs according to the number of users.
- Interviewees gave high ratings to their organization's SAP support team, noting they were professional, informative, and available.
- Some interviewees' organizations paid for extra implementation assistance from SAP. This cost varied based on the scope of the implementation and organizational needs.

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

- There are 4,000 SAP Enable Now users.
- The annual cost per user is \$64.

- The composite pays \$60,000 for implementation assistance.
- Pricing may vary. Contact SAP for additional details.

Risks. The SAP Enable Now subscription costs will vary based on:

- Customer-specific pricing.
- The number of users.
- The desired amount of implementation assistance.

Results. To account for these risks, Forrester adjusted this cost upward by 5%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$732,000.

“SAP’s support team for SAP Enable Now has done a really nice job. They’re focused on answers and getting the best user experience.”

DIRECTOR OF HR OPERATIONS, ENGINEERING

SAP Enable Now Subscription Costs						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
H1	SAP Enable Now users	Composite	0	4,000	4,000	4,000
H2	Cost per user	Interviews		\$64	\$64	\$64
H3	Implementation assistance	Interviews	\$60,000			
Ht	SAP Enable Now subscription costs	$(F1 \times F2) + F3$	\$60,000	\$256,000	\$256,000	\$256,000
	Risk adjustment	↑5%				
Htr	SAP Enable Now subscription costs (risk-adjusted)		\$63,000	\$268,800	\$268,800	\$268,800
Three-year total: \$869,400			Three-year present value: \$731,466			

SAP ENABLE NOW MANAGEMENT COSTS

Evidence and data. Small groups of employees at interviewees' organizations dedicated some of their time to the implementation and ongoing management of SAP Enable Now. Additionally, users spent a small amount of time learning and getting used to the platform.

- Implementations of SAP Enable Now at interviewees' organizations varied from several days to one or two months, depending on the size and scope of the implementation. On average, about three FTEs were directly involved. This often entailed customizing, branding, and creating templates. During this period, key stakeholders also learned the system. Interviewees reported that the ongoing maintenance of SAP Enable Now was minimal.
- Interviewees said that for end users, SAP Enable Now is very intuitive and easy to understand and that the average end user required no more than 30 minutes to learn and get used to the platform.

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

- Three FTEs dedicate 100% of their time to the implementation of SAP Enable Now, which takes place over one month.
- One FTE dedicates 3% of their time to the ongoing management of SAP Enable Now.
- The average fully burdened monthly salary for an implementation and management FTE is \$10,000.
- Users spend an average of 30 minutes learning and getting used to the platform.
- The average fully burdened hourly salary for an SAP Enable Now user is \$45.

Risks. Management costs for SAP Enable Now will vary based on:

- The average fully burdened salaries of FTEs involved in implementation and ongoing management.
- The skill sets of the FTEs.
- The scope of the organization's implementation and adoption.

ANALYSIS OF COSTS

- The average fully burdened salaries of SAP Enable Now users.
- The amount of time users set aside for learning and getting used to the platform.

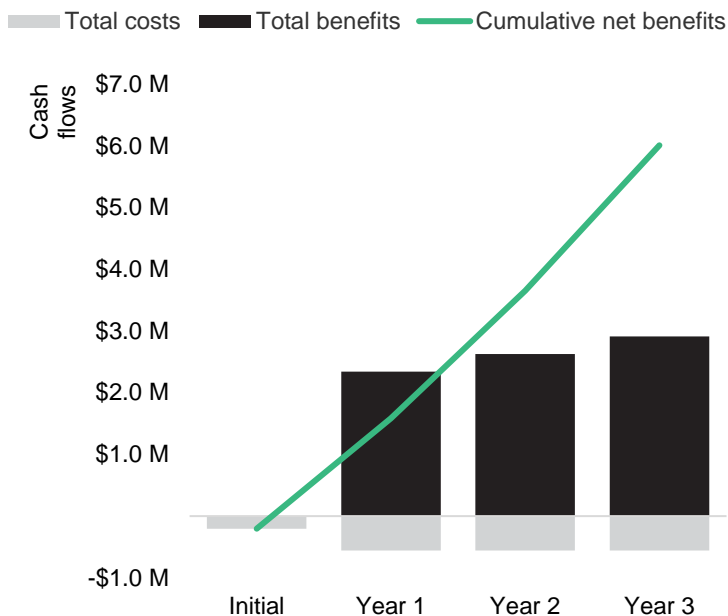
Results. To account for these risks, Forrester adjusted this cost upward by 5%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$135,000.

SAP Enable Now Management Costs						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
I1	Length of implementation (months)	Interviews	1			
I2	FTEs involved in implementation or ongoing management	Interviews	3	1	1	1
I3	Percentage of FTE time spent on implementation or ongoing management	Interviews	100%	3%	3%	3%
I4	Average fully burdened monthly salary for an implementation team member	Composite	\$10,000	\$10,000	\$10,000	\$10,000
I5	SAP Enable Now users	Composite	4,000			
I6	Average time users spend learning and getting used to the platform (hours)	Interviews	0.5			
I7	Average fully burdened hourly salary for an SAP Enable Now user	Composite	\$45			
It	SAP Enable Now management costs	$(G1 \cdot G2 \cdot G3 \cdot G4) + (G5 \cdot G6 \cdot G7) + (G2 \cdot G3 \cdot G4 \cdot 12)$	\$120,000	\$3,600	\$3,600	\$3,600
	Risk adjustment	↑5%				
Itr	SAP Enable Now management costs (risk-adjusted)		\$126,000	\$3,780	\$3,780	\$3,780
Three-year total: \$137,340			Three-year present value: \$135,400			

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	(\$203,805)	(\$556,080)	(\$556,080)	(\$556,080)	(\$1,872,045)	(\$1,586,694)
Total benefits	\$0	\$2,342,400	\$2,627,400	\$2,912,400	\$7,882,200	\$6,488,988
Net benefits	(\$203,805)	\$1,786,320	\$2,071,320	\$2,356,320	\$6,010,155	\$4,902,294
ROI						309%
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."

PRESENT VALUE (PV)

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

NET PRESENT VALUE (NPV)

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

RETURN ON INVESTMENT (ROI)

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

DISCOUNT RATE

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

PAYBACK PERIOD

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

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

APPENDIX B: ENDNOTES

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



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