A Forrester Total Economic Impact™
Study Commissioned By NICE inContact
November 2017

The Total Economic Impact™ Of NICE inContact CXone

Cost Effective Cloud Contact Center, Reduced Cost Of Improved Customer Experience, And Incremental Profit Enabled By NICE inContact CXone

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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.

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Executive Summary

In the age of the customer, it has become increasingly vital for companies to develop a carefully planned customer experience strategy in order to sustain growth. Empowered customers have unprecedented accessibility to information and their voices are amplified by social media. Customers engage with brands in the channels they choose to use, whether it is phone, chat, email, or social channels, and regardless of whether it is a pre-sales product question or a post-sales service issue. This has made quality customer interactions a cornerstone of customer experience strategies and investing in customer experience technologies a priority to win, serve, and retain customers.[1]

Customers want to feel valued and 73% say that valuing their time is one of the most important indicators of good customer service.[2] However, achieving optimal average handle times (AHT) while maintaining quality interactions is only part of the equation. Companies also have to provide ease through omnichannel engagement, effectiveness in first call resolution, and an emotional connection that showcases preemptive or proactive care.

Fulfilling these customer needs will require a contact center that can easily and quickly scale up agents to maintain service levels during peak times as well as leveraging CRM integrations and real-time data analytics to resolve customer issues more effectively. A cloud contact center can enable those benefits and Forrester’s forecasted cloud subscription growth of 25% in 2017 indicates the strength of the market’s offerings.[3] More specifically, cloud contact center interaction management (CCIM) providers reported 20% growth rates while on-premises solutions revenues remained flat.[4]

NICE inContact is a provider of cloud contact center solutions and has commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) enterprises may realize by deploying NICE inContact CXone. The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of NICE inContact CXone on their organizations.

To better understand the benefits, costs, and risks associated with this investment, Forrester captured feedback from four companies that migrated from on-premises contact centers to NICE inContact CXone. The aggregated findings, financial analysis, and total economic impact is represented by a composite organization referred to as “Fanfare Delivery”, a meal and grocery subscription company.

Key Findings

Quantified benefits. The following three-year risk-adjusted quantified benefits are representative of those experienced by the companies interviewed:

Benefits

Reduced Cost Of Improved Customer Experience
$22.4 million

Incremental Gross Profit
$1.1 million

Reduced Contact Center Cost
$2.4 million

“We’ve reduced AHT by 10% while saving $300,000 per year. Without NICE inContact, we would’ve needed to add a couple of thousand more agents by now, but instead we’ve grown agent count modestly while scaling the business.”

VP of Customer Support Operations, US fashion company

ROI
323%

Benefits PV
$25.9 million

NPV
$19.8 million

Payback
< 4 months

- **Reduced cost of improved customer experience ($22,365,370).** This benefit focuses on a reduced cost of customer experience that includes reduced AHT from improved routing and queuing across geographies, increased first call resolution (FCR), and optimized agent utilization. The value of these improvements for the contact center is measured by total interactions reduced, interaction time reduced per interaction, and fewer agents needed. Fanfare Delivery experienced a 5% improvement in FCR, 10% reduction in AHT, and a gradual 5% improvement per year in agent utilization, which resulted in 20% to 30% agents deferred while the company scaled in revenue and annual interactions.
- **Incremental gross profit ($1,145,455).** This benefit centers on the incremental revenue opportunities covered with NICE inContact CXone Personal Connection outbound dialer. Fanfare Delivery no longer needed to dedicate agents to manually call a portion of customers to confirm or extend subscriptions. The outbound dialer can more effectively provide Fanfare Delivery with a 15% potential increase in retention rate. Assuming a 2.5% conversion rate and 35% gross margin, the composite captured an incremental $1.1 million in gross profit.
- **Reduced contact center cost ($2,422,013).** This benefit showcases the infrastructure refresh and maintenance costs that can be avoided by migrating to NICE inContact's cloud contact center solution. This also includes disaster recovery and phone line savings. Phone line savings is made possible by using NICE inContact CXone Voice-as-a-Service.[5]

Unquantified benefits. The interviewed organizations experienced the following benefits, which are either not directly quantified or discussed as a future benefit for this study:

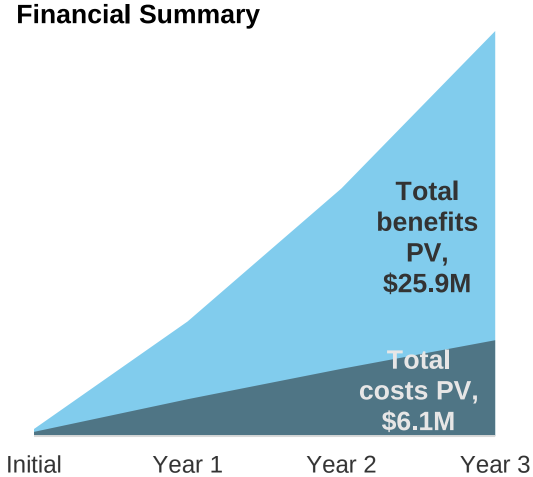
- **Improved customer experience and satisfaction.** One interviewed customer not only reduced AHT by 10% and improved FCR from 40% to 70%, but also improved customer satisfaction scores from 59% to 85%. There is an indirect relationship between contact center performance metrics and customer experience scores that readers should keep in mind when building a business case for cloud contact center technology.
- **Enhanced self-service capabilities.** One interviewed customer systematically removed 10% to 20% of calls from live agent queues by deploying a virtual agent. Several customers noted that deploying chatbots and leveraging contact center data to develop better self-service options was a key part of their future state. Self-service tools also improved agent experience by automating repetitive tasks.

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

- **NICE inContact solution cost ($4,625,559).** This cost represents the total licensing cost for agents using NICE inContact and support cost from NICE inContact.
- **Carrier and related services ($492,397).** This cost focuses on estimated costs for CXone VaaS.
- **Internal labor and implementation ($1,017,538).** This cost centers on the internal time and labor needed to deploy and operate the solution.

Forrester's aggregated feedback from four existing customers and subsequent financial analysis found that the composite organization, Fanfare Delivery, experienced benefits of $25.9 million over three years versus costs of $6.1 million, adding up to a net present value (NPV) of $19.8 million and an ROI of 323%.

Financial Summary



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 NICE inContact.

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 NICE inContact 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 NICE inContact stakeholders and Forrester analysts to gather data relative to NICE inContact.

CUSTOMER INTERVIEWS
Interviewed three organizations and referred to public feedback from a fourth organization using NICE inContact 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 NICE inContact CXone'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.

DISCLOSURES

Readers should be aware of the following:

This study is commissioned by NICE inContact 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 report to determine the appropriateness of an investment in NICE inContact.

NICE inContact 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.

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

The Customer Journey

BEFORE AND AFTER THE INVESTMENT

Interviewed Organizations

For this study, Forrester conducted three interviews with NICE inContact customers and referred to public feedback from a fourth NICE inContact customer. Customers include the following with estimated sizing attributes:

INDUSTRY	REVENUE	TOTAL EMPLOYEES	AGENTS
Fashion	$600+ million	2,000	1,000
Physical storage	$500+ million	2,000	600
Software	$600+ million	1,500	450
Business Process Outsourcing	$350+ million	N/A	4,000

"Fanfare Delivery" 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 four companies and is used to present the aggregated financial analysis in the next section. The composite organization that Forrester synthesized from the customer interviews has the following characteristics:

- Grocery, prepared meals, and ready-to-cook meal kit subscription service.
- Annual revenue of $500 million and 2,500 staff.
- Averages 1,100 agents.
- Dated on-premises solution with no skills-based routing or the flexibility to scale across sites, distributed resources, or geographies.

> "We did not have an ACD before NICE inContact so we had very few recordable metrics. Now, with more data, we've seen more sales opportunities and we even beat a 33-year old sales record by growing opportunities by 22% in the first year and another 14% the following year."
>
> *Senior Operations Manager, US physical storage company*

Key Challenges

Fanfare Delivery and the interviewed customers experienced several issues and identified opportunities as the company evaluated NICE inContact and alternative solutions.

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- **Legacy on-premises solutions could not provide the level of flexibility needed for the company to scale up easily.** The primary challenge that interviewees highlighted with their legacy solutions was the inflexibility. This included examples like change requests that took two to three weeks to execute, inability to onboard new agents quickly especially during peak seasons, and inability to route calls across geographies. Furthermore, companies needed to plan for a Capex model that accounted for both growth and refreshing dated infrastructure, including business continuity and disaster recovery solutions for the contact center. The inflexibility is a factor as companies may under plan capacity and install more infrastructure while contact center metrics take a hit; or, over plan capacity and witness unused investments.
- **Legacy contact center solutions did not provide the integration points needed to enable agent effectiveness.** Interviewed companies mentioned a main factor in agent effectiveness was accessibility of data and how intuitively relevant customer data was available while interacting with the customer. Effective skills-based routing is an example of improved agent experience. CRM integration and reduction of multiple application logins are examples of empowering agents.
- **Worrying about call drops and abandon rates reduces the ability to plan for the contact center of the future.** Contact center teams that invest in refreshing legacy infrastructure while worrying about operational expenses like trunk costs will also naturally measure themselves by call-intake metrics like call drops as opposed to customer satisfaction metrics. These teams may overweight their focus on operational tasks like managing services and upgrading software. This does not allow the business and supporting technologists to plan beyond the interactive voice response (IVR) and automated call distributor (ACD), and explore modern self-service and automated solutions like virtual agents and chat bots.

"The day we cut over to NICE inContact, we were constantly asking questions in the morning about how to do this or that. By the afternoon, the contact center was very quiet and we thought, 'Oh no, calls aren't coming in.' Calls were actually coming in, they were just being routed to the right person, no more transfers between 3 to 4 people. We must've reduced AHT by 60 to 90 seconds that first day."

VP of Enterprise Business Technology, US software company

Solution Requirements

Fanfare Delivery searched for a solution that could:

- Modernize its contact center solution and shift infrastructure ownership and maintenance to a cloud vendor with proven reliability.
- Attain flexibility to scale agent pool both up and down, and adjust call flow quickly based on seasonal peaks.
- Consolidate multichannel customer support with one solution.
- Multisite routing providing the flexibility of distributing resources across geographies.
- Real-time data that can be used to both adjust call flows and inform skills groupings and coaching opportunities.
- Integration points with existing systems in order to provide agents with most relevant data during customer interactions.

Key Results And Roadmap

The interviews revealed these key results from the investment:

- **Reduce AHT, increase FCR, and improve agent utilization.** After deploying NICE inContact's CXone IVR and CXone ACD, Fanfare Delivery was able to decrease AHT by 10% due to better routing, queuing, geographic distribution, and improved FCR, while also increasing agent utilization by 5% due to more reliable technology.
- **Adopt features that will improve agent effectiveness and experience.** Customer data integrations allow for more effective issue resolution that contributed to reduced AHT and increased FCR. Real-time data provided coaching opportunities and insights into agent performance and subsequently, improved agent experience and retention. An outbound dialer reduced dependency on agents manually covering a portion of "at-risk" customers, which effectively increased revenue opportunities by 15%.
- **Scale agents across channels.** Achieved the ability to flex agent volume without worrying about onboarding time and trunks. Met customer demand to engage in multiple channels beyond voice and enabled a unified and consistent experience across channels.
- **Enable the customer service organization to plan for future technologies.** Not having to invest and maintain infrastructure has allowed customer service leaders to begin exploring more self-service and automated solutions like virtual agents and chat bots for future deployment. This enables automation of certain repetitive tasks and allows agents to focus on more challenging, value-added tasks.

"NICE inContact's sales engineers were very hands on and asked a lot of questions. They were willing to get into the weeds with us while others we evaluated only spoke at the executive level and skipped the technology and operations components."

Senior Operations Manager, US physical storage company

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Financial Analysis

QUANTIFIED BENEFIT AND COST DATA AS APPLIED TO THE COMPOSITE

Total Benefits

REF.	BENEFIT	INITIAL	YEAR 1	YEAR 2	YEAR 3	TOTAL	PRESENT VALUE
Atr	Reduced cost of improved customer experience	$0	$6,409,615	$9,055,148	$12,052,010	$27,516,774	$22,365,370
Btr	Incremental gross profit	$0	$420,000	$462,000	$508,200	$1,390,200	$1,145,455
Ctr	Reduced contact center cost	$450,000	$741,010	$794,951	$853,681	$2,839,642	$2,422,013
	Total benefits (risk-adjusted)	**$450,000**	**$7,570,625**	**$10,312,099**	**$13,413,891**	**$31,746,616**	**$25,932,838**

Reduced Cost Of Improved Customer Experience

Fanfare Delivery records 14 million customer interactions in year 1 with a 10% growth each year. The AHT prior to adopting NICE inContact was an average of 8 minutes across channels. After adopting NICE inContact, the company was able to achieve a 5% improvement in FCR, 10% reduction in AHT, and 5% increase in agent productivity due to more effective routing, better data served to agents during interactions, and more reliable technology leading to short wait times between calls.

These improvements resulted in a reduction of total AHT hours needed from 1,866,667 hours to 1,596,000 hours in year 1. With avoidance in interactions and the agent utilization increase from 70% to 75% factored in, Fanfare Delivery was able to defer 259 additional agents to support contact center traffic.

Potential risks and items that may result in a lower benefit value include:

- Over hiring or over planning capacity.
- Ineffective skills groupings.
- Ineffective agent utilization rate.

To account for these risks, Forrester adjusted this benefit downward by 25%. With risk, annual salary adjustments, organic company growth, and a slight increase to agent utilization each year to meet a target of 85%, the model yields a three-year risk-adjusted total PV of $22.4 million.

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 $25.9 million.

DID YOU KNOW?
One interviewed customer achieved a 10% reduction in AHT, improved FCR from 40% to 70%, and improved customer satisfaction scores from 59% to 85%.

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.

Reduced Cost Of Improved Customer Experience					
REF.	**METRIC**	**CALC.**	**YEAR 1**	**YEAR 2**	**YEAR 3**
A1	Annual interactions	Year 1: composite Year 2 and 3: $A1_{py}$*110%	14,000,000	15,400,000	16,940,000
A2	Legacy average handle time (seconds)	Composite	480	480	480
A3	FCR improvement ratio	Customer feedback	5%	5%	5%
A4	Annual interactions with FCR improvement	A1*(1-A3)	13,300,000	14,630,000	16,093,000
A5	Interactions reduced from improved FCR	A1-A4	700,000	770,000	847,000
A6	Hours saved from improved FCR	((A5*A2)/60)/60	93,333	102,667	112,933
A7	Average handle time improvement ratio	Customer feedback	10%	10%	10%
A8	Average handle time improvement (seconds)	A7*A2	48	48	48
A9	Annual hours saved from improved FCR and AHT	(((A4*A8)/60)/60)+A6	270,667	297,733	327,507
A10	Legacy hours needed	((A1*A2)/60)/60	1,866,667	2,053,333	2,258,667
A11	Current hours needed	A10-A9	1,596,000	1,755,600	1,931,160
A12	Legacy agent utilization rate	Customer feedback	70%	70%	70%
A13	Current agent utilization rate	Customer feedback	75%	80%	85%
A14	Legacy agents needed	(A10/2080)/A12	1,282	1,410	1,551
A15	Current agents needed	(A11/2080)/A13	1,023	1,055	1,092
A16	Agent avoidance	A14-A15	259	355	459
A17	Average fully loaded agent salary	Year 1: assumption Year 2 and 3: $A17_{py}$*103%	$33,000	$33,990	$35,010
At	Reduced cost of improved customer experience	A16*A17	$8,546,154	$12,073,531	$16,069,347
	Risk adjustment	↓25%			
Atr	**Reduced cost of improved customer experience (risk-adjusted)**		**$6,409,615**	**$9,055,148**	**$12,052,010**

Incremental Gross Profit

Fanfare Delivery relied on several agents to call “at-risk” customers when the agents had time and were not serving other customers. This method was manual, labor intensive, untargeted, and only covered a small portion of “at-risk” customers.

With NICE inContact’s CXone Personal Connection outbound dialer, Fanfare Delivery was able to qualify a 15% potential improvement on its 80% customer retention rate. The company conservatively estimates the ability to convert 2.5% of the incremental $60 million revenue opportunity. The model also further adjusts for a 35% gross margin to account for cost of goods sold (COGS).

Potential risks and items that may result in a lower benefit value include:

- Low adoption of outbound dialer related to change management or training.
- Contact centers that do not have sales, revenue generation, or revenue retention functions.

To account for these risks, Forrester adjusted this benefit downward by 20%, yielding a three-year risk-adjusted total PV of $1.1 million.

DID YOU KNOW?
A software company covered 25% to 50% of accounts that were in collection. Using NICE inContact’s outbound dialer, the company now covers 100% of collections with a 15% improvement in recovered revenue and 2 FTE saved.

Incremental Gross Profit

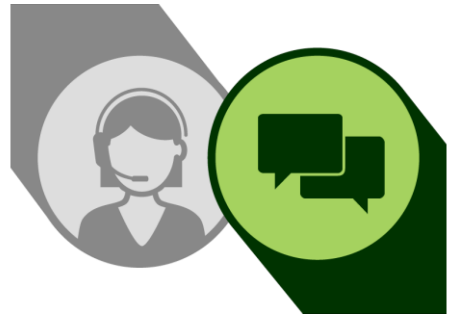
REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3
B1	Annual revenue	Year 1: composite Year 2 and 3: $B1_{py}$*110%	$500,000,000	$550,000,000	$605,000,000
B2	Legacy retention rate	Composite	80%	80%	80%
B3	Retention rate improvement potential	Customer feedback	15%	15%	15%
B4	Improved retention rate potential	B2*(1+B3)	92%	92%	92%
B5	Incremental revenue opportunity	B1*(B4-B2)	$60,000,000	$66,000,000	$72,600,000
B6	Conversion rate	Assumption	2.5%	2.5%	2.5%
B7	Gross margin	Assumption	35%	35%	35%
Bt	Incremental gross profit	B5*B6*B7	$525,000	$577,500	$635,250
	Risk adjustment	↓20%			
Btr	**Incremental gross profit (risk-adjusted)**		**$420,000**	**$462,000**	**$508,200**

Reduced Contact Center Cost

By engaging NICE inContact, Fanfare Delivery was able to avoid refreshing key contact center infrastructure, related professional services fees, and the ongoing maintenance. The model also accounts for disaster recovery and phone line savings per NICE inContact estimates.

The type and cost of contact center infrastructure available for refresh can vary widely based on interviews with NICE inContact customers.

While some customers highlighted an aging PBX, others did not even have an ACD deployed. One customer even noted that migrating to CXone VaaS allowed the company to reduce international call and telephone line costs. Users can use 7% and 10% as reference figures for average disaster recovery and telecoms spend as part of technology budgets.[6]



Readers are urged to modify the table below based on your contact center environment, deployed assets, and potential refresh costs.

Potential risks and items that may result in a lower benefit value include:

- Decommissioning hardware far earlier than end-of-life schedule.
- Hybrid deployment models.
- Particularly discounted or exclusive pricing with a carrier.

To account for these risks, Forrester adjusted this benefit downward by 10%. With growth factored in, this yields a three-year risk-adjusted total PV of $2,422,013.

Reduced Contact Center Cost

REF.	METRIC	CALC.	INITIAL	YEAR 1	YEAR 2	YEAR 3
C1	Infrastructure refresh avoidance	Composite	$150,000	-	-	-
C2	Infrastructure refresh professional services avoidance	Composite	$100,000	-	-	-
C3	Infrastructure maintenance and management FTE reduction	Composite	-	4	4	4
C4	Average fully loaded technology resource salary	Year 1: assumption Year 2 and 3: $C4_{PY}$*103%	-	$80,000	$82,400	$84,872
C5	Legacy agent license cost	NICE inContact provided	-	$2,000	$2,000	$2,000
C6	Maintenance cost per license	NICE inContact provided	-	18%	18%	18%
C7	Total license maintenance cost saved	(C5*C6)*A14	-	$461,538	$507,692	$558,462
C8	Channels per PRI	Assumption	-	23	23	23
C9	Lines needed	A14/C8	-	56	61	67
C10	Cost per line	NICE inContact provided	-	$250	$250	$250
C11	Cost per month	C9*C10	-	$13,935	$15,329	$16,862
C12	Cost reduction	NICE inContact provided	-	25%	25%	25%
C13	Telephone line cost savings	C11*12*C12	-	$41,806	$45,987	$50,585
C14	Disaster recovery and failover savings	C1+C2	$250,000	-	-	-
Ct	Reduced contact center cost	(C1+C2+C14)+(C3*C4)+C7+C13	$500,000	$823,344	$883,279	$948,535
	Risk adjustment	↓10%				
Ctr	**Reduced contact center cost (risk-adjusted)**		**$450,000**	**$741,010**	**$794,951**	**$853,681**

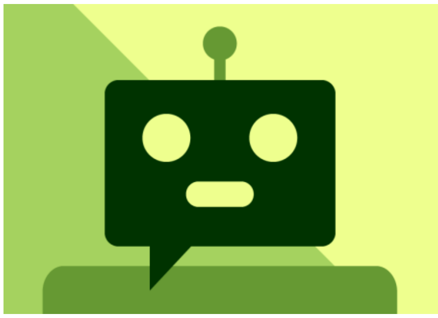
Flexibility

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 NICE inContact and later realize additional uses and business opportunities, including:

- Exploring options to deploy a virtual agent or chat bot to resolve certain interactions without an agent.
- Use contact center data to inform development of better self-service options and product information availability.
- Remove contact center and customer support integration as a challenge for merge and acquisition activity between different organizations.

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

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.



Total Costs

REF.	COST	INITIAL	YEAR 1	YEAR 2	YEAR 3	TOTAL	PRESENT VALUE
Dtr	NICE inContact solution cost	$143,000	$1,752,554	$1,803,196	$1,862,180	$5,560,930	$4,625,559
Etr	Carrier and related services	$0	$198,000	$198,000	$198,000	$594,000	$492,397
Ftr	Internal labor and implementation	$117,333	$352,000	$362,560	$373,437	$1,205,330	$1,017,538
	Total costs (risk-adjusted)	**$260,333**	**$2,302,554**	**$2,363,756**	**$2,433,616**	**$7,360,260**	**$6,135,494**

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 $6.1 million.

NICE inContact Solution Cost

NICE inContact's fees are based on agent seats, certain additional features, and support needs. Fanfare Delivery' cost model is based on 1,023 to 1,092 agents with standard list pricing and a premier support package. Professional services are also included in this cost category.

Readers are urged to speak with NICE inContact for a more tailored cost based on your needs and size.

Potential risks and items that may result in a higher cost value include:

- Increased agent volume.
- Features needed.

To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year risk-adjusted total PV of $4.6 million.

Carrier And Related Services

Fanfare Delivery noted an average monthly fee of $15,000 for CXone VaaS. Interviewed customers noted varying experiences and costs. Readers are urged to consult with NICE inContact and telecommunications providers to estimate potential VaaS and related costs.

Potential risks and items that may result in a higher cost value include:

- Call and data volumes.

To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year risk-adjusted total PV of $492,397.

DID YOU KNOW?
A fashion company was able to deploy NICE inContact CXone ACD with two resources from NICE inContact and three internal staff – they noted the deployment as "flexible, light, and easy."

Internal Labor And Implementation

Fanfare Delivery dedicated four resources for four months to deploying NICE inContact. The ongoing effort involves four resources at 100% committed time.

Potential risks and items that may result in a higher cost value include:

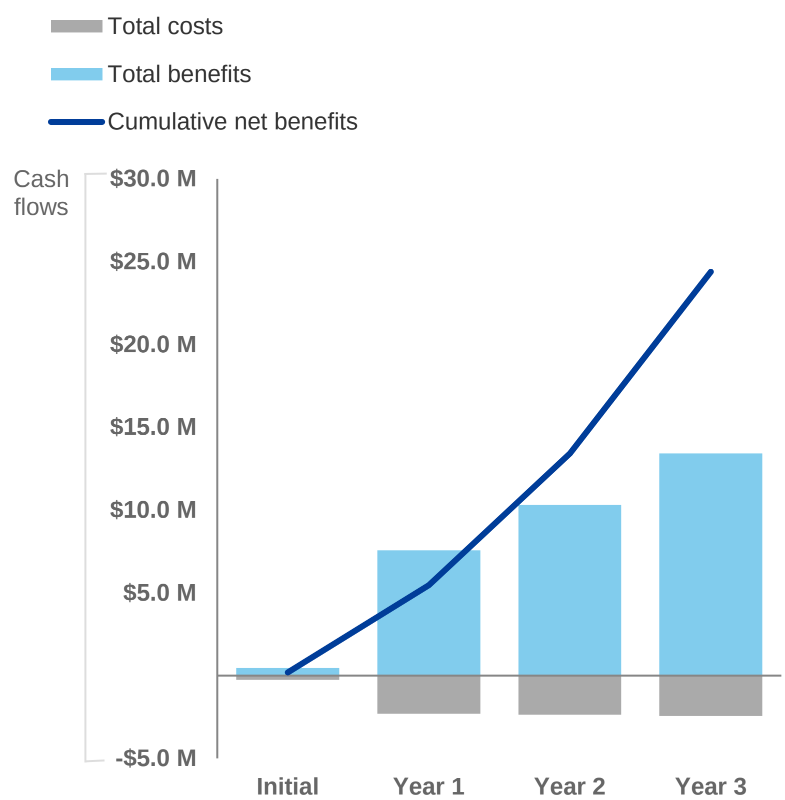
- Complex and custom needs and approach.
- Non-consolidated environments that leverage multiple solutions in addition to NICE inContact.

To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year risk-adjusted total PV of $1,017,538.

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 Table (Risk-Adjusted)

	INITIAL	YEAR 1	YEAR 2	YEAR 3	TOTAL	PRESENT VALUE
Total costs	($260,333)	($2,302,554)	($2,363,756)	($2,433,616)	($7,360,260)	($6,135,494)
Total benefits	$450,000	$7,570,625	$10,312,099	$13,413,891	$31,746,616	$25,932,838
Net benefits	$189,667	$5,268,072	$7,948,343	$10,980,275	$24,386,357	$19,797,345
ROI						323%

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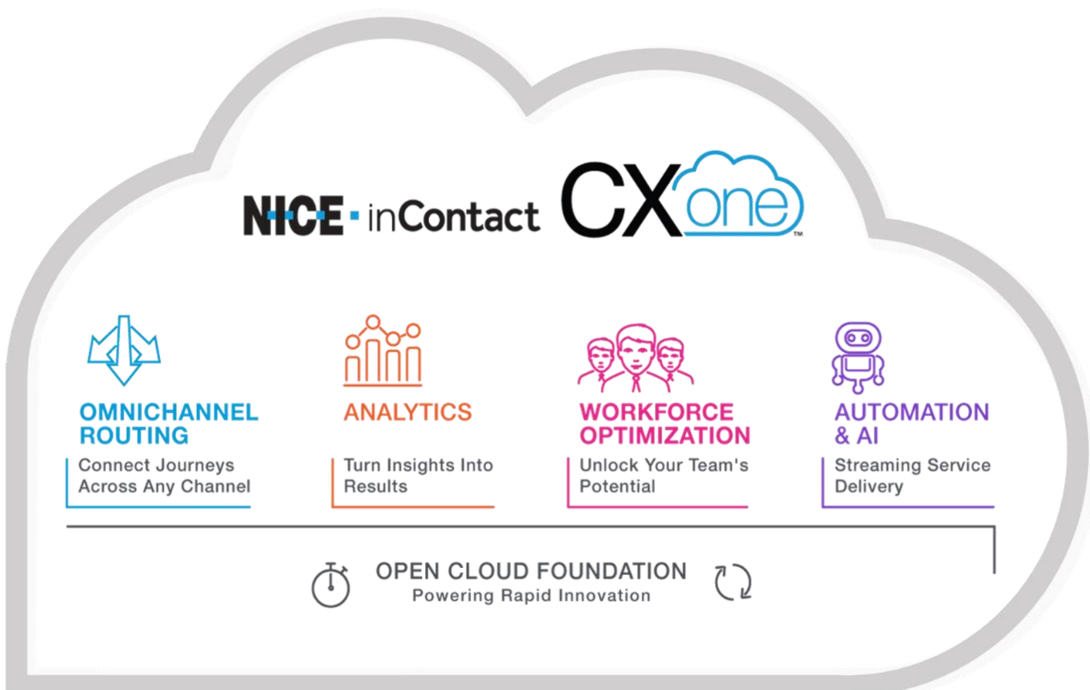
NICE inContact : Overview

The following information is provided by NICE inContact. Forrester has not validated any claims and does not endorse NICE inContact or its offerings.

NICE inContact makes it easy and affordable for organizations around the globe to provide exceptional customer experiences while meeting key business metrics. NICE inContact provides a leading cloud customer experience platform, NICE inContact CXone™, combining best-in-class Omnichannel Routing, Workforce Optimization, Analytics, Automation and Artificial Intelligence on an Open Cloud Foundation that is flexible, scalable and reliable for enterprise, small business, government and business process outsourcers. NICE inContact is a part of NICE (Nasdaq: NICE), the worldwide leading provider of both cloud and on-premises enterprise software solutions.



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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

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[1] "2017 Customer Service Trends: Operations Become Smarter And More Strategic." Forrester Research, Inc., January 27, 2017.

[2] "Forrester's North American Consumer Technographics Customer Life Cycle Survey 2." Forester Research, Inc., 2015.

[3] "US Tech Market Outlook For 2017 And 2018: Mostly Sunny, With Clouds And Chance Of Rain." Forrester Research, Inc., May 8, 2017.

[4] "Increase Customer Service Agility With Cloud Contact Centers." Forrester Research, Inc., November 3, 2016.

[5] NICE inContact CXone Voice-as-a-Service (VaaS) is a telephony solution with SLA's for not only uptime, but also voice quality.

[6] "2017 Tech Budget Benchmarks." Forrester Research, Inc., March 28. 2017.