

A Forrester Total Economic Impact™  
Study Commissioned By Guru  
August 2020

# The Total Economic Impact™ Of Guru Knowledge Management Solution

Cost Savings And Business Benefits  
Enabled By Knowledge Management  
Solution

# Table Of Contents

<b>Executive Summary</b>	<b>1</b>
Key Findings	1
TEI Framework And Methodology	4
<b>The Guru Customer Journey</b>	<b>5</b>
Interviewed Organizations	5
Key Challenges	5
Solution Requirements	6
Key Results	6
Composite Organization	7
<b>Analysis Of Benefits</b>	<b>8</b>
Additional Net Profit From Increase In Sales	8
Support Handle Time Reduction	9
Support Time Saved Switching Platforms	10
Time Savings For Subject Matter Experts	11
User Onboarding Efficiencies	12
Unquantified Benefits	13
Flexibility	13
<b>Analysis Of Costs</b>	<b>15</b>
License Fees	15
Total Initial And Ongoing Costs	15
<b>Financial Summary</b>	<b>17</b>
<b>Guru Knowledge Management Solution: Overview</b>	<b>18</b>
<b>Appendix A: Total Economic Impact</b>	<b>19</b>

**Project Director:**  
Rachel Ballard

## 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](https://forrester.com/consulting).

© 2020, Forrester Research, Inc. All rights reserved. Unauthorized reproduction is strictly prohibited. Information is based on best available resources. Opinions reflect judgment at the time and are subject to change. Forrester®, Technographics®, Forrester Wave, RoleView, TechRadar, and Total Economic Impact are trademarks of Forrester Research, Inc. All other trademarks are the property of their respective companies. For additional information, go to [forrester.com](https://forrester.com).

## Benefits And Costs



Additional net profit from increase in sales:

**\$2.2 million**



Support handle time reduction:

**\$1.4 million**



Initial and ongoing costs:

**\$1.3 million**

## Executive Summary

Guru offers a knowledge management solution that allows organizations of all sizes and industry segments to capture unstructured, companywide data from applications, communications, and online documents and store it in one central location. Trusted content is readily accessible to users and can be easily synchronized, verified, edited, tracked, and searched. Guru allows for information to be organized into Guru “cards,” establishing a virtual filing system according to the needs of the organization.

Guru is seamlessly embedded as an extension in many common software-as-a-service (SaaS) platforms, which eliminates the need for users to toggle between applications as they perform content searches, bringing all the necessary information together into a single workflow. Additionally, Guru utilizes AI to provide predictive, real-time suggestions during a user’s chat message, email, or call.

Guru commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) enterprises may realize by deploying Guru. The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of Guru on their organizations. To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed several customers with experience using Guru.

Prior to using Guru, the interviewed customers used outdated, ineffective knowledge management solutions, usually piecing together various tools and add-ons that offered customer relationship management or collaborative editing features. With disparate sources of information in multiple locations, users lost valuable time performing even simple searches. Additionally, given the number of knowledge sources within a single organization, customers reported that it was difficult to maintain and update information in an organized, systematic way. The lack of agility and information accuracy proved especially problematic as the organizations scaled up and faced an increasingly remote workforce. One interviewee commented: “I think we have a hard time imagining what communication and knowledge management would be like without Guru, because it has been adopted so well by our team. I don’t envision our future ever not including Guru.”

After implementing Guru, customers realized increased revenue and significant time savings, especially in the areas of sales and internal and external support. On the human resources and training side, interviewees experienced efficiencies in user onboarding. An interviewee said: “Everything an employee needs is in Guru. It’s been a huge benefit for us as a team behind the scenes which has saved time, which of course saves money.” With information housed, organized, tracked, and validated in one location, customers can streamline user workflows using knowledge they can trust.

## Key Findings

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

- › **Increased sales resulted in additional net profit of \$2.2 million.** Guru enables organizations to continuously enrich and verify content, empowering sales employees to be more knowledgeable and effective, resulting in faster sales conversion rates. One interviewee mentioned, “We can see the volume of usage with the tool and the related correlation to how we are delivering to our clients.”
- › **Support handle time reduction saved organizations \$1.4 million.** As organizations increase their usage of Guru for information collecting and curating, customer and internal support teams can field questions faster, reducing the need to contact colleagues and wait for answers.
- › **Support time saved switching platforms yielded \$601,619.** The ability to seamlessly embed Guru into existing applications allows users to find knowledge faster and to avoid having to switch back and forth between platforms in search of information.
- › **Time savings for subject matter experts worth \$439,675.** By having knowledge stored in one place, subject matter experts can more easily access, update, and refine content for which they are responsible. Additionally, Guru notifies experts if knowledge is becoming stale and identifies the expert to users if information is required beyond what is already captured.
- › **Employee onboarding efficiencies saved \$253,659.** All necessary documentation and procedures for onboarding new users can be organized, stored, and accessed in Guru. An interviewee reported: “For our onboarding team, Guru has been a huge benefit. Everything required is in one place.” Interviewed organizations also shared that the improved onboarding and centralized training materials allowed their companies to be much more agile and prepared for the abrupt transition to the mandatory work-from-home policies enforced during the pandemic of 2020.

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

- › **Improved employee engagement and experience.** With accurate information at their fingertips, users are more efficient, effective, and confident in their roles, leading to higher employee satisfaction. Several interviewees mentioned that they have realized increased employee engagement survey scores as a direct result of adopting Guru, and one interviewee stated that, “Employee response to Guru was overwhelmingly positive.” While Forrester was unable to quantify this benefit, improved employee engagement can ultimately result in reduced turnover, a stronger brand, and increased net profits.
- › **Companywide collaboration.** Several interviewees mentioned that their organizations initially implemented Guru for their support or sales teams and later discovered that other teams within their organizations subsequently adopted Guru to meet their teams’ unique knowledge needs. One interviewee noted: “When we adopted Guru, it was for sales and customer experience. But then human resources saw the value and rolled it out, then engineering. Now twenty teams within our company are using Guru.” While allowing for some sensitive information to remain classified to a specific department, all authorized knowledge is now accessible across departments in one location, promoting organizationwide collaboration.
- › **Enhanced scalability.** With fewer information bottlenecks impeding productivity, leadership is freed up to focus on the organization’s growth.



**ROI**  
**274%**



**Benefits PV**  
**\$5 million**



**NPV**  
**\$3.7 million**



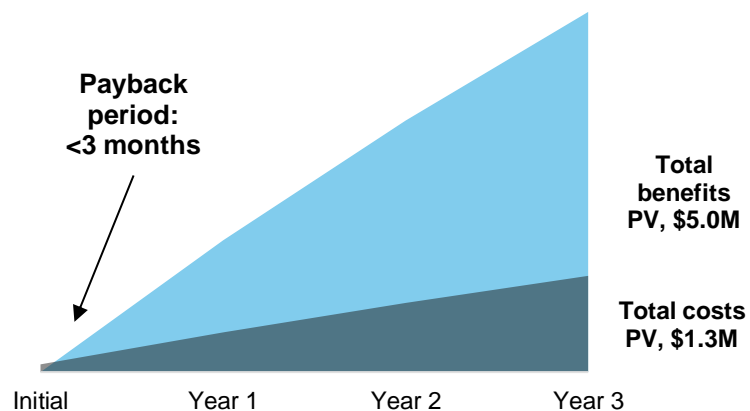
**Payback**  
**<3 months**

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

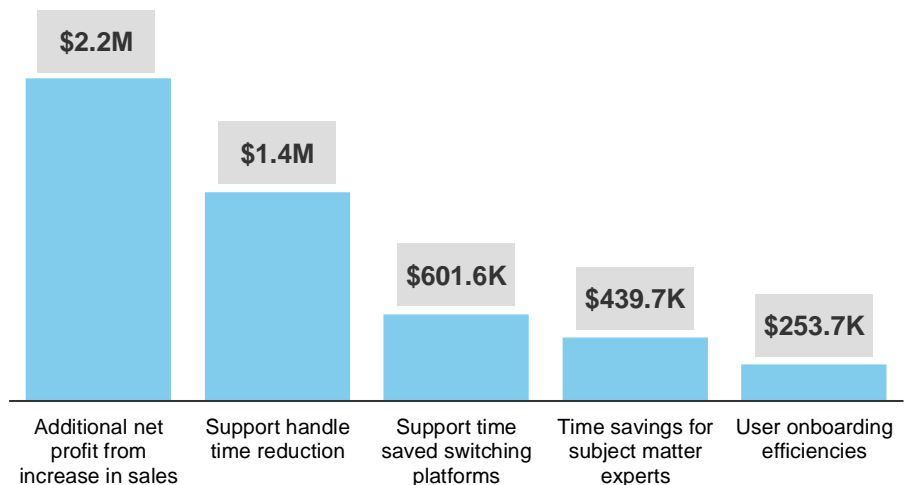
- › **License fees of \$541,636.** The interviewed organizations pay a monthly license fee of \$11 per user per month. The average number of users among the interviewed organizations is 1,500.
- › **Initial and ongoing costs of \$789,871.** Customers adopting the Guru knowledge management solution typically have initial costs that include internal labor, supplemented by an implementation fee, training, and professional services. Customers also assume ongoing internal management and training costs to effectively maintain the platform for their organization.

Forrester's interviews with six existing customers and subsequent financial analysis found that an organization based on these interviewed organizations experienced benefits of \$5 million over three years versus costs of \$1.3 million, adding up to a net present value (NPV) of \$3.7 million and an ROI of 274%.

### Financial Summary



### Benefits (Three-Year)



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

## 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 Guru Knowledge Management Solution.

The objective of the framework is to identify the cost, benefit, flexibility, and risk factors that affect the investment decision. Forrester took a multistep approach to evaluate the impact that the Guru Knowledge Management Solution can have on an organization:



### **DUE DILIGENCE**

Interviewed Guru stakeholders and Forrester analysts to gather data relative to the Knowledge Management Solution.



### **CUSTOMER INTERVIEWS**

Interviewed six organizations using the Knowledge Management Solution to obtain data with respect to costs, benefits, and risks.



### **COMPOSITE ORGANIZATION**

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



### **FINANCIAL MODEL FRAMEWORK**

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



### **CASE STUDY**

Employed four fundamental elements of TEI in modeling the Guru Knowledge Management Solution'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 Guru 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 Guru Knowledge Management Solution.

Guru 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.

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

# The Guru Customer Journey

## BEFORE AND AFTER THE GURU INVESTMENT

### Interviewed Organizations

For this study, Forrester conducted six interviews with Guru Knowledge Management Solution customers. Interviewed customers include the following:

INDUSTRY	INTERVIEWEE	WHY ADOPT GURU?
IT service management	Manager of knowledge management	Wanted trusted, current data with AI functionality to provide adaptability and contextual learning
Identity and access management	Manager of business application operations and Guru administrator	Desired a companywide central knowledge repository
Messaging platform	Sales and customer success manager	Sought a centralized source for truth for sales and customer success department
Healthcare and nutrition application	Knowledge resource manager	Required an information management solution for rapidly growing remote team
Business communication platform	Manager of sales and customer success enablement	Needed absolute source of truth with centralized content on a secure platform
Messaging platform	Leader of customer experience operations	Looked for a secure, verifiable, organizationwide knowledge solution

### Key Challenges

The interviewed organizations experienced limitations with their previous methods of managing knowledge across varying departments. Some of the key challenges include:

- › **Lack of a centralized source for truth.** Especially for their sales, internal support, and external support departments, organizations were looking for a single source of truth, allowing their knowledge collections to reside in one place.
- › **Limited analytics.** Management was not easily able to see, track, and evaluate new content as it was created. Likewise, there was no organized system for handling stale knowledge. Customers wanted to understand and improve how knowledge was being used throughout their organizations.
- › **Time-consuming information searches.** With multiple knowledge tools employed within an organization, finding accurate information was a slow and frustrating process. Without a single, verifiable source, users had to rely on the most available information they could find, which at times was inaccurate, irrelevant, or outdated.
- › **Inability to verify content.** Organizations lacked the ability to maintain a robust system for verifying knowledge, which led to users depending on unreliable data.

“Before Guru, no one knew where to find things. We now have control over a companywide knowledge structure.”

*Guru administrator, identity and access management*



“Guru stood out among other vendors because of the easy and usable analytics and the ability to ensure that documentation stayed current.”

*Knowledge manager, IT service management*





## Solution Requirements

The interviewed organizations searched for a solution that could:

- › Capture and store trusted information in a single, secure location and keep that information current and verified.
- › Streamline knowledge searches and workflows.
- › Offer analytics and reports on information collection, usage, authorship, and verification.

## Key Results

The interviews revealed the following key results from the Guru investment:

- › **Net profit from sales** was increased by sales and customer success teams after implementing Guru. Sales employees have more confidence in sharing knowledge that is easily accessible, accurate, and compliant, thereby enabling better outcomes with both new and existing customers and resulting in higher sales.
- › **Support handle times** were reduced with Guru. As more users in a company adopt Guru for all of their knowledge needs, it becomes a one-stop, organizationwide knowledge solution. Interviewees reported that the search function is easy-to-use and predictive, adapting to an individual's workflow. Whether a user is looking for information on internal procedures or new product releases, information retrieval and dissemination are fast and accurate. Both internal support and external support divisions realize significant time savings.
- › **Switching platforms in search of knowledge** was no longer required, saving teams valuable time. With Guru embedded into existing platforms and applications, users no longer have to search for needed information in multiple places.
- › **Time savings for subject matter experts** was realized by all interviewees. By organizing all knowledge into the Guru card system, users can access the information in real time in place of messaging or calling subject matter experts. As users produce new content, organizations can ensure it becomes available and easily retrievable. Additionally, as the subject matter expert authors are identifiable on Guru cards, redundancy is eliminated as users don't spend time in search of the expert who has the necessary knowledge.
- › **Guru onboarding efficiencies** were gained upon implementation as all onboarding procedural knowledge and training documentation were centralized and accessible to the new user. New users are receiving consistent and reliable information, reducing their onboarding and role-specific training time.

"Since implementing Guru, our feedback has been incredibly high. Being able to provide accurate answers quickly has definitely improved the experience for the customer."

*Manager of sales and customer success enablement, business communication platform*



"Client interaction time increases as our employees spend less time searching for answers. Many of our coaches are spending 80% less time finding information, which has been a huge improvement in our user reaction time."

*Knowledge resource manager, healthcare and nutrition application*





## Composite Organization

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

- › The composite organization is a US-based, enterprise-sized company using Guru for its sales, support, human resources, engineering, and design teams.
- › The company has approximately 1,500 total Guru users across the organization.
- › The organization has approximately 100 total internal and external support users with an average wage of \$35 per hour.
- › The organization employs 40 subject matter experts who earn an average wage of \$50 per hour.
- › The organization onboards 10 new users each month.
- › The monthly license fee is \$11 per user per month.
- › The one-time enterprise implementation fee is \$15,000.
- › The organization replaced a collection of ineffective, outdated knowledge management tools and add-ons.



### Key assumptions:

- US-based enterprise organization
- 1,500 total users
- 100 internal and external support users
- 40 subject matter experts

# 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	Additional net profit from increase in sales	\$900,000	\$900,000	\$900,000	\$2,700,000	\$2,238,167
Btr	Support handle time reduction	\$582,400	\$582,400	\$582,400	\$1,747,200	\$1,448,343
Ctr	Support time saved switching platforms	\$241,920	\$241,920	\$241,920	\$725,760	\$601,619
Dtr	Time savings for subject matter experts	\$176,800	\$176,800	\$176,800	\$530,400	\$439,675
Etr	User onboarding efficiencies	\$102,000	\$102,000	\$102,000	\$306,000	\$253,659
Total benefits (risk-adjusted)		\$2,003,120	\$2,003,120	\$2,003,120	\$6,009,360	\$4,981,463

## Additional Net Profit From Increase In Sales

Guru manages knowledge in a manner that makes it accessible and valuable to all users in the organization. Information is more powerful when it is verified and reliable. With trusted information available in one location, sales teams can learn and act faster and more effectively with customers, leading to increased sales and improved customer satisfaction.

One manager noted: "There used to be a lot of scrambling for sales teams to know what the source of truth was, where to go, where to find the answers. Guru gives a lot of power to the people to become authors and create their own content and verify their own content. It has removed a bottleneck and made the sales team more productive."

A knowledge resource manager stated: "Guru has allowed us to build customized role-based information decks. The sales team has everything they need at their fingertips to have a successful customer exchange."

For the composite organization, Forrester assumes that:

- › Sales increase \$10 million per year due to increased productivity and faster sales conversion rates.
- › The organization's operating margin is 12%.

The level of this benefit will vary based on the organization's average sales, its average operating margin, and the efficiency of the sales team before implementing Guru. To account for these risks, Forrester adjusted this benefit downward by 25%, yielding a three-year, risk-adjusted total PV of \$2,238,167.

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 almost \$5 million.

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

### Additional Net Profit From Increase In Sales: Calculation Table

REF.	METRIC	CALCULATION	YEAR 1	YEAR 2	YEAR 3
A1	Increase in sales		\$10,000,000	\$10,000,000	\$10,000,000
A2	Operating margin		12%	12%	12%
At	Additional net profit from increased in sales	A1*A2	\$1,200,000	\$1,200,000	\$1,200,000
	Risk adjustment	↓25%			
Atr	<b>Additional net profit from increase in sales (risk-adjusted)</b>		<b>\$900,000</b>	<b>\$900,000</b>	<b>\$900,000</b>

## Support Handle Time Reduction

All interviewed organizations highlighted the measurable time savings their support teams achieve with Guru. With the ability to access reputable content quickly, support employees can receive and handle questions and calls more quickly and confidently, resulting in valuable productivity gains. Internal support teams see a decrease in internal messaging and repeat questions, and external support teams report increased efficiency with an improvement in the quality of the customer experience.

A sales and customer success manager noted: “We love the fact that Guru is making people more self-sufficient and reducing the workload for my team. We are also seeing that the search function is very easy and effective for all our users.”

A customer experience team leader mentioned, “We have seen a decrease in questions to our customer engineers, with users looking to Guru for their answers instead.”

Another manager said, “Our support engineers are saving about an hour a day, and our customers have a better experience.”

For the financial analysis, Forrester assumes that:

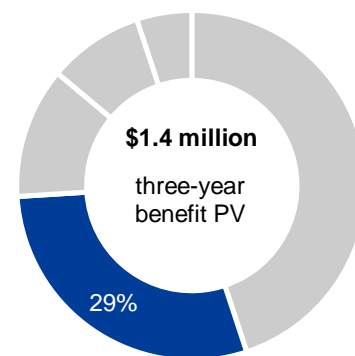
- › Support staff total 100 employees.
- › Hourly wage is \$35 per hour.
- › Each support team member saves 1 hour per day.

The reduction in support handle time will vary with:

- › The type of organization and number of support team members required.
- › Hourly wage is dependent on location and industry.
- › Knowledge and skill level of the support team prior to the Guru implementation.

Not all productivity gains translate into additional work being completed. Therefore, Forrester applied an 80% productivity capture to the support handle time saved.

To account for the above risks, Forrester adjusted this benefit downward by 20%, yielding a three-year, risk-adjusted total PV of \$1,448,343.



Support handle time reduction: **29%** of total benefits



Each support team member saves 1 hour per day in call handling time.

### Support Handle Time Reduction: Calculation Table

REF.	METRIC	CALCULATION	YEAR 1	YEAR 2	YEAR 3
B1	Number of technical support FTEs	100	100	100	100
B2	Hourly rate per technical support FTE	\$35 per hour	\$35	\$35	\$35
B3	Number of support handle hours saved per technical support FTE	1 hour per day* 260 working days per year	260	260	260
B4	Percent captured	80%	80%	80%	80%
Bt	Support handle time reduction	$B1*B2*B3*B4$	\$728,000	\$728,000	\$728,000
	Risk adjustment	↓20%			
<b>Btr</b>	<b>Support handle time reduction (risk-adjusted)</b>		<b>\$582,400</b>	<b>\$582,400</b>	<b>\$582,400</b>

## Support Time Saved Switching Platforms

As Guru is an embedded application, the need for users to toggle between platforms in search of content is eliminated, resulting in a less time-consuming, more productive workflow.

According to a sales and customer success manager: “Our customer service representatives save time every day by having immediate access to everything they need in an easy-to-use interface. They are able to serve our customers better.”

The manager of an identity and access management software company added, “Our engineering department has been able to organize workloads for product information and support guides, putting all our knowledge in one location.”

For the composite organization, Forrester assumes that:

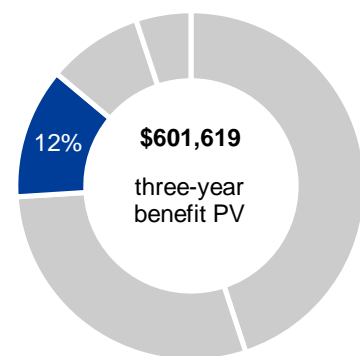
- › Support staff total 100 employees.
- › Hourly wage is \$35 per hour.
- › For every question asked, 30 seconds are saved.
- › Each support team member receives 50 questions per day.

Support time saved switching platforms will vary with:

- › The type of product line and number of support team members required.
- › Hourly wage is dependent on location and industry.
- › The legacy knowledge management solution.
- › Knowledge and skill level of the support team prior to the Guru implementation.

Not all productivity gains translate into additional work being completed. Therefore, Forrester applied an 80% productivity capture to the time saved switching platforms.

To account for these risks, Forrester adjusted this benefit downward by 20%, yielding a three-year, risk-adjusted total PV of \$601,619.



Support time saved switching platforms: **12%** of total benefits

**Support Time Saved Switching Platforms: Calculation Table**

REF.	METRIC	CALCULATION	YEAR 1	YEAR 2	YEAR 3
C1	Number of technical support FTEs	100	100	100	100
C2	Hourly rate per technical support FTEs	\$35 per hour	\$35	\$35	\$35
C3	Number of hours saved switching platforms per FTE per year (rounded)	(1/2 minute saved per question/60 minutes)* 50 questions per FTE per day* 260 working days per year	108	108	108
C4	Percent captured	80%	80%	80%	80%
Ct	Support time saved switching platforms	$C1 \times C2 \times C3 \times C4$	\$302,400	\$302,400	\$302,400
	Risk adjustment	↓20%			
<b>Ctr</b>	<b>Support time saved switching platforms (risk-adjusted)</b>		<b>\$241,920</b>	<b>\$241,920</b>	<b>\$241,920</b>

## Time Savings For Subject Matter Experts

The organizations report valuable time savings for their subject matter experts. With information organized on Guru cards, users have access to what they need in an easily searchable format, cutting down considerably on the number of messages the experts are fielding internally. Additionally, Guru sends notifications when knowledge is becoming outdated, allowing subject matter experts to be efficient and proactive with content updates, not reactive, forcing them to chase bad or outdated information.

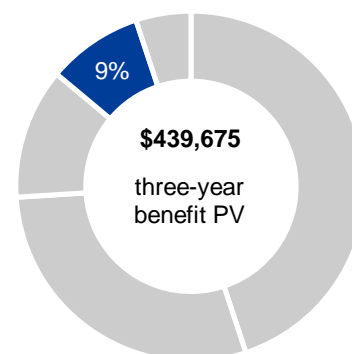
According to a sales and customer success manager: “Every time we launch something, we require subject matter experts to put Guru cards in place, which gives us a massive productivity lift. It’s a huge timesaver for the subject matter experts, since they are not getting as many messages from individuals. Everyone knows that there is a dedicated spot for them to get more information.”

For the financial analysis, Forrester assumes that:

- › The organization employs 40 subject matter experts.
- › The average hourly rate is \$50.
- › Subject matter experts save 4 hours per week.

Not all productivity gains translate into additional work being completed. Therefore, Forrester applied a 50% productivity capture to the time savings for subject matter experts.

The level of this benefit will vary depending on the organization’s previous knowledge management solution, the number of subject matter experts required to maintain existing content, and the average salary earned by subject matter experts. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV of \$439,675.



**Time savings for subject matter experts: 9% of total benefits**

### Time Savings For Subject Matter Experts: Calculation Table

REF.	METRIC	CALCULATION	YEAR 1	YEAR 2	YEAR 3
D1	Number of subject matter experts	40	40	40	40
D2	Hourly rate per subject matter expert	\$50 per hour	\$50	\$50	\$50
D3	Number of hours saved per year	4 hours per week*52 weeks	208	208	208
D4	Percent captured	50%	80%	80%	80%
Dt	Time savings for subject matter experts	$D1 \cdot D2 \cdot D3 \cdot D4$	\$208,000	\$208,000	\$208,000
	Risk adjustment	↓ 15%			
Dtr	<b>Time savings for subject matter experts (risk-adjusted)</b>		<b>\$176,800</b>	<b>\$176,800</b>	<b>\$176,800</b>

## User Onboarding Efficiencies

The Guru platform is designed in a way that simplifies the onboarding process for human resource departments. Managers can create, store, and disseminate checklists, necessary documentation, and training instructions for new users, significantly reducing the total time required to onboard a new hire. Several interviewees also noted that Guru played a major role in their organizations' preparedness and ability to very quickly shift to a work-from-home (WFH) model during the COVID-19 pandemic.

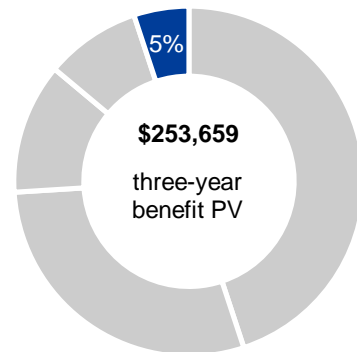
One knowledge manager stated, "With Guru it is very easy to not only process documentation for new hires, but also to make new users feel like they are part of the company, with access to all the information they need from day one."

A knowledge resource manager added, "We are even able to onboard people completely remotely now by simply sharing the necessary Guru cards that contain all the required role-related tasks."

For the composite organization, Forrester assumes that:

- › Ten new users are onboarded each month.
- › The average hourly rate is \$50.
- › Hours saved per onboarded user total 20.

The level of this benefit will vary based on the organization's size, its turnover rate, growth rate, and the efficiency of its onboarding process prior to implementing Guru. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV of \$253,659.



**User onboarding efficiencies: 5% of total benefits**

## User Onboarding Efficiencies: Calculation Table

REF.	METRIC	CALCULATION	YEAR 1	YEAR 2	YEAR 3
E1	Number of users onboarded	10 FTEs per month*12 months	120	120	120
E2	Average hourly rate per onboarded user	\$50 per hour	\$50	\$50	\$50
E3	Number of hours saved per onboarded user	20 hours per FTE	20	20	20
Et	User onboarding efficiencies	$E1 \cdot E2 \cdot E3$	\$120,000	\$120,000	\$120,000
	Risk adjustment	↓15%			
Etr	<b>User onboarding efficiencies (risk-adjusted)</b>		<b>\$102,000</b>	<b>\$102,000</b>	<b>\$102,000</b>

## Unquantified Benefits

Interviewees shared several additional benefits that could not be quantified for this study. Some of them may contribute to the quantified examples above.

- › **Improved employee engagement and experience.** Interviewees commented on a noticeable increase in employee satisfaction. With reliable knowledge at their fingertips, employees are more confident, more knowledgeable, and less discouraged. A Guru administrator added: “When we survey our employees about having the tools and resources to do their jobs well, the responses are really positive. They feel that Guru helps them to be successful in their world.” Another organization surveys its employees internally every six months, and Guru consistently scores in the high 90s among its employees.
- › **Companywide collaboration.** Guru centralizes the storage of knowledge and allows organizations to be intentional regarding its access. A knowledge manager noted, “Guru allows the user to pull together global documentation, that is applicable to all, from one place, knowing that it is the source of truth.”
- › **Enhanced scalability.** Guru gives organizations the ability to implement a one-stop, agile knowledge center. With the associated efficiencies, leaders can more easily plan for vertical or horizontal growth, depending on the organization’s size and mission. According to another manager, “The ability to scale is really Guru’s strong suit, because it allows us to move and act much more quickly.”

“We have seen such a return on the work we put into Guru. It’s widely used across our teams.”

*Customer experience leader,  
messaging platform*



## 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 Guru and later realize additional uses and business opportunities.

Forrester heard several examples of how interviewees have leveraged or plan to leverage Guru. Specifically:

- › One customer mentioned: “With Guru, we are able to embark on new projects without worrying about the knowledge aspect. It allows us to be quicker and gives our customers confidence.”

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.



- › A knowledge resource manager explained: “As our organization continues to grow with Guru, we are confident that our knowledge base is current and accurate. This not only offers every individual flexibility within the company, but it also gives management flexibility, in terms of working with personnel, because information does not reside in the brain of just one or two people. We all have access now.”
- › According to a team leader: “We look forward to further utilizing both the contextual learning and knowledge triggers, as well as doing more integrations with other platforms that we use currently. We appreciate that Guru continues to innovate and come out with new things that are geared to the millennial learner, which represents most of our workforce.”

None of these future opportunities were included in the financial analysis.

# 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	License fees	\$0	\$217,800	\$217,800	\$217,800	\$653,400	\$541,636
Gtr	Total initial and ongoing costs	\$103,500	\$276,000	\$276,000	\$276,000	\$931,500	\$789,871
Total costs (risk-adjusted)		\$103,500	\$493,800	\$493,800	\$493,800	\$1,584,900	\$1,331,507

### License Fees

Guru charges enterprise organizations an average monthly license fee of \$11 per user. Guru offers alternative pricing structures for smaller companies with different functionality needs. This fee includes regular updates to the platform and customer support.

For the financial analysis, Forrester assumes that:

- › The organization assumes an \$11 monthly fee per user.
- › There are 1,500 users within the organization.

The license fee cost to the organization will vary depending on the size and knowledge management needs of the organization. To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year, risk-adjusted total PV of \$541,636.

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 \$1.3 million.

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

License Fees: Calculation Table						
REF.	METRIC	CALCULATION	INITIAL	YEAR 1	YEAR 2	YEAR 3
F1	License fees	\$11 per user per month* 12 months*1,500 users		\$198,000	\$198,000	\$198,000
	Risk adjustment	↑10%				
Ftr	License fees (risk-adjusted)		\$0	\$217,800	\$217,800	\$217,800

### Total Initial And Ongoing Costs

Customers reported initial costs of internal labor, an implementation fee charged by Guru, user training, and professional services. Ongoing maintenance costs related to the Guru investment include internal management and ongoing training.

For the financial analysis, Forrester assumes that:

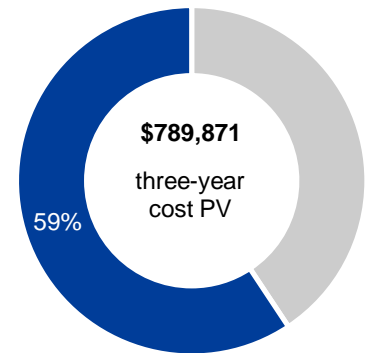
- › Three FTEs earning an annual salary of \$75,000 are required for three months for implementation and deployment.
- › Guru charges a \$15,000 implementation fee to enterprise organizations.

- › Initial training costs total \$10,000.
- › Professional services required for implementation cost \$5,000.
- › Ongoing maintenance of the platform requires three FTEs earning an annual salary of \$75,000.
- › The organization realizes ongoing training costs of \$5,000 per year.

Initial and ongoing costs will vary with:

- › Size of the organization.
- › Salary of staff responsible for the implementation and ongoing maintenance.
- › Knowledge and skill level of staff involved in the implementation and ongoing maintenance.

To account for these risks, Forrester adjusted this cost upward by 20%, yielding a three-year, risk-adjusted total PV of \$789,871.



**Total initial and ongoing costs: 59% of total costs**

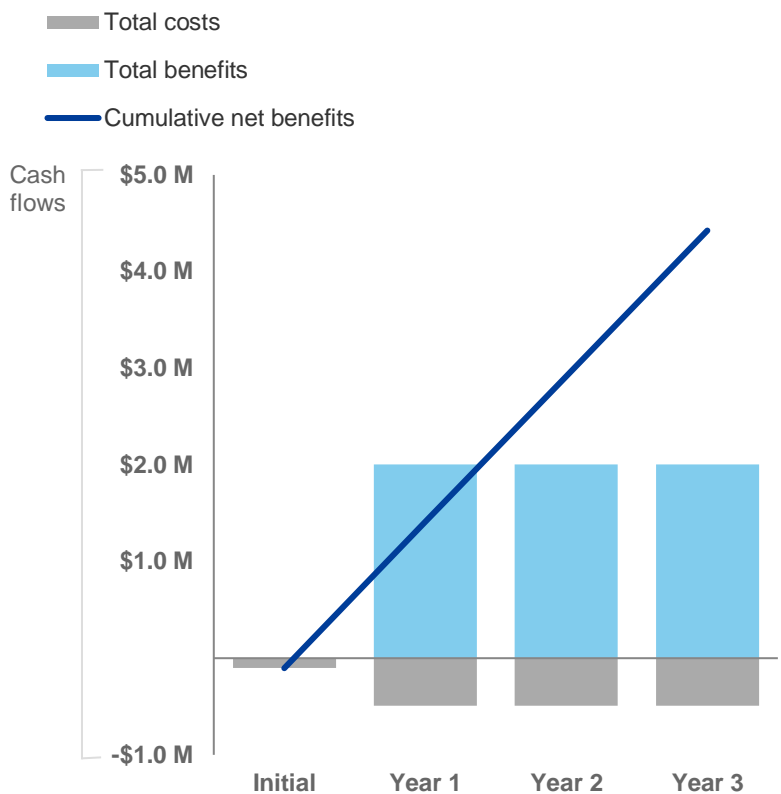
#### Total Initial And Ongoing Costs: Calculation Table

REF.	METRIC	CALCULATION	INITIAL	YEAR 1	YEAR 2	YEAR 3
G1	Internal labor cost required for implementation	3 FTEs*(\$75,000/12 mos.*3 mos.)	\$56,250			
G2	Implementation fee (Guru)		\$15,000			
G3	Initial training		\$10,000			
G4	Professional services required for implementation		\$5,000			
<b>G5</b>	<b>Total implementation costs</b>	<b>G1+G2+G3+G4</b>	<b>\$86,250</b>			
G6	Number of FTEs required for ongoing management			3	3	3
G7	Annual salary per FTE required for ongoing management			\$75,000	\$75,000	\$75,000
G8	Ongoing training			\$5,000	\$5,000	\$5,000
<b>G9</b>	<b>Total ongoing management costs</b>	<b>(G6*G7)+G8</b>		<b>\$230,000</b>	<b>\$230,000</b>	<b>\$230,000</b>
Gt	Total initial and ongoing costs	G5+G9	\$86,250	\$230,000	\$230,000	\$230,000
	Risk adjustment	↑20%				
<b>Gtr</b>	<b>Total initial and ongoing costs (risk-adjusted)</b>		<b>\$103,500</b>	<b>\$276,000</b>	<b>\$276,000</b>	<b>\$276,000</b>

# 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	(\$103,500)	(\$493,800)	(\$493,800)	(\$493,800)	(\$1,584,900)	(\$1,331,507)
Total benefits	\$0	\$2,003,120	\$2,003,120	\$2,003,120	\$6,009,360	\$4,981,463
Net benefits	(\$103,500)	\$1,509,320	\$1,509,320	\$1,509,320	\$4,424,460	\$3,649,956
ROI						274%
Payback period						<3 months

# Guru Knowledge Management Solution: Overview

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

Guru is a collaborative knowledge management solution where answers find you — everywhere, every time. Guru connects teams and people to one another and surfaces the “know-how” of those who know best and turns collections of information into useful knowledge. By delivering the right knowledge at the right time, Guru reduces new hire ramp time, drives better customer experiences, and makes teams more collaborative and productive.

With hundreds of customers including leading enterprises such as Shopify, Square, and Zoom, Guru is reshaping the way teams create, find, and share institutional knowledge to deliver delightful customer experiences. Founded by enterprise software veterans Rick Nucci and Mitchell Stewart, Guru has offices in Philadelphia, PA, and San Francisco, CA, and is backed by leading venture capital firms Accel Partners, Thrive Capital, Emergence Capital, and FirstMark Capital, with additional funding from the Slack Fund and Michael Dell's MSD Capital. Learn more at [www.getguru.com](http://www.getguru.com) or follow @Guru HQ on Twitter.

# 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.