

A Forrester Total Economic Impact™
Study Commissioned By Domo
February 2019

The Total Economic Impact™ Of Domo

Cost Savings And Business Benefits
Enabled By Self-Service Real-Time
Insights For Decision Makers

Table Of Contents

Executive Summary	1
Key Findings	1
Financial Summary	3
TEI Framework And Methodology	4
The Customer Journey For Organization's Using Domo	5
Interviewed Organizations	5
Key Challenges	5
Solution Requirements	5
Key Results	6
Composite Organization	6
Analysis Of Benefits	7
Profit Increase From Domo-Enabled Decision Makers	7
Increased Return On Marketing Spend For Leads	8
Reduced Overtime Costs	9
Reduced Cost To Hire And Onboard Employees	10
Analyst Headcount Reallocation	11
Unquantified Benefits	12
Flexibility	12
Analysis Of Costs	13
Cost Of Licensing And Implementing Domo	13
Cost Of Staff To Assist Analysts With Domo	14
Domo Overview	15
Appendix A: Total Economic Impact	17
Appendix B: Endnotes	18

Project Directors:

Dean Davison
Richard Cavallaro

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.

© 2019, 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.

Executive Summary

Forrester's research indicates that the winners in the digital economy will be those that are able to gain insights the fastest and take appropriate action. To do so, companies need a solid data and analytics foundation, and cloud-based business intelligence (BI) platforms are an essential part of this foundation.¹

Domo provides a cloud-based platform which provides decision makers with real-time insights into the relevant aspects of their business, without relying on technical knowledge of BI tooling or being dependent on business analysts. With an interface centered on a "cards" metaphor and out-of-the box connectors to the broadest range of data sources in the industry, Domo makes data more widely accessible within the organization. Many interviewed customers use Domo to connect disparate data sources to generate and democratize insights throughout their organization.

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

Prior to implementing Domo, all of the interviewed organizations were using at least one other BI platform but lacked self-service reporting capabilities which forced many decision-makers to rely on business analysts for support in compiling siloed data. The analysts were often taxed for capacity and couldn't assist those they were supporting in a timely manner. As a result, the requested insights were often stale by the time they reached the decision-maker, and suboptimal decision-making was rampant.

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed several customers with years of experience using Domo. Interviewees told Forrester that Domo's out-of-the-box intuitiveness for decision makers greatly democratized insights across the organization and impacted their ability to generate their own reports, allowing them to make better decisions at a faster pace, based on fresher insights. This trickled down into the organization yielding both additional revenue generation opportunities and operating expense savings.

Key Findings

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

- › **Domo-enabled decision makers drove an additional \$5.3 million in net profit.** By tapping into the real-time insights from Domo, **sales** was able to capitalize on additional opportunities to drive revenue and profit.
- › **Increased return on marketing spend for leads of \$402,870.** The **marketing** organization was able to use insights gained from Domo to increase the amount of qualified leads generated for the same total marketing spend.

Key Benefits

For the composite organization



ROI
434%



Profit increase from additional revenue
\$5.3 Million



Operating expense reduction
\$2.2 Million



ROI
434%



Benefits PV
\$13.1 million



NPV
\$10.7 million



Payback
<1 year

› **Reduced overtime costs of \$1.1 million.** By leveraging the increased visibility provided by Domo for their **human resource** operations, the organization was able to optimize their frontline employee schedules and reduce the total amount of overtime paid out.

› **Reduced cost to hire and onboard employees of \$1.0 million.** The organization used Domo in conjunction with their applicant tracking system to streamline and reduce costs for the employee **hiring and onboarding** process.

› **Analyst headcount reallocation of \$5.3 million.** Using Domo, each business analyst could support more of the organization’s decision makers. Analysts no longer required for support decision makers were put on other valuable projects supporting the business.

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

› **Increased executive confidence.** Using Domo’s dashboards, executives had access to key information about the business in real-time, increasing their confidence when making key decisions.

› **A culture of insights-led decision making.** Encouraged by self-service access to timely insights across all functions of the business, the organization was able to foster a culture of decision making and subsequent accountability among their employees across the organization.

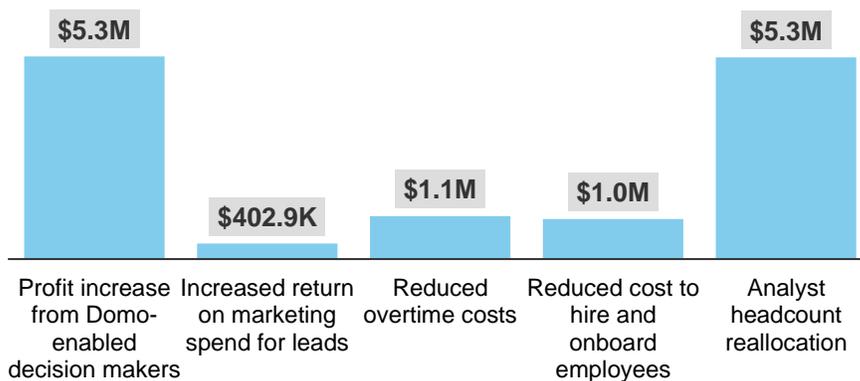
Costs. The interviewed organizations experienced the following risk-adjusted PV costs:

› **Cost of licensing and implementing Domo of \$1.35 million.** The composite organization paid a one-time implementation fee, a platform licensing fee, and a per-user licensing fee.

› **Cost of staff to assist users with Domo of \$1.1 million.** The organization needed multiple senior-level analysts to support decision makers on the more advanced Domo use cases.

Forrester’s interviews with four existing customers and subsequent financial analysis found that an organization based on these interviewed organizations experienced benefits of \$13.1M over three years versus costs of \$2.45M, adding up to a net present value (NPV) of \$10.7M and an ROI of 434%.

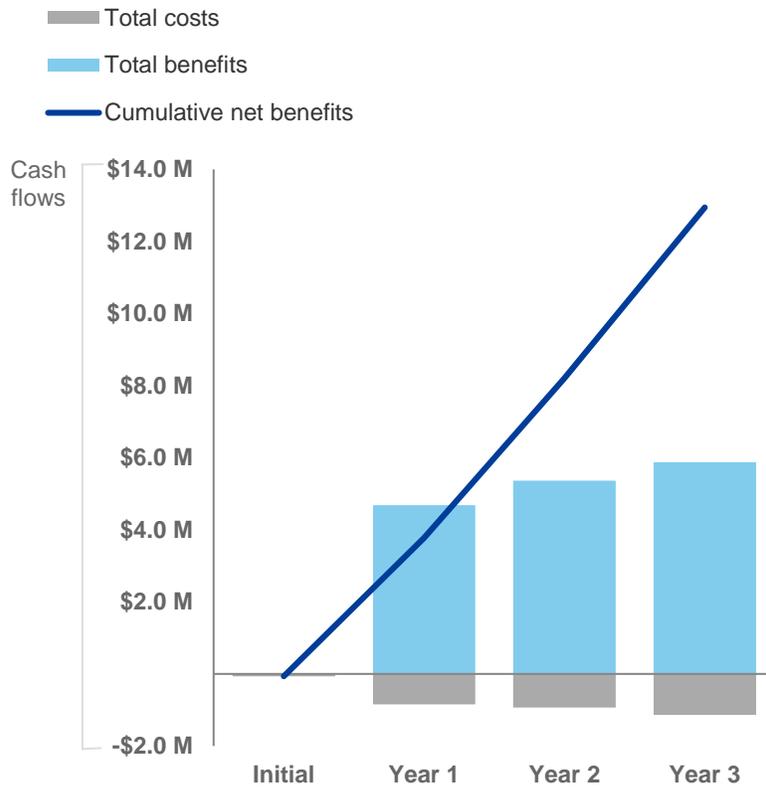
Benefits (Three-Year)



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	\$0	(\$911,430)	(\$935,740)	(\$1,137,250)	(\$2,984,420)	(\$2,456,344)
Total benefits	\$0	\$4,685,950	\$5,365,950	\$5,875,950	\$15,927,850	\$13,109,312
Net benefits	\$0	\$3,774,520	\$4,430,210	\$4,738,700	\$12,943,430	\$10,652,968
ROI						434%
Payback period						<1 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 Domo.

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 Domo can have on an organization:



DUE DILIGENCE

Interviewed Domo stakeholders and Forrester analysts to gather data relative to Domo.



CUSTOMER INTERVIEWS

Interviewed four organizations using Domo 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 Domo'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 Domo 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 Domo.

Domo 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.

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

The Customer Journey For Organizations Using Domo

BEFORE AND AFTER THE DOMO INVESTMENT

Interviewed Organizations

For this study, Forrester conducted four interviews with Domo customers. Interviewed customers include the following:

INDUSTRY	REVENUE	INTERVIEWEE	TOTAL DOMO USERS
Technology	\$70 billion	Competitive intelligence manager	<150
Facility services	\$5 billion	Director of business intelligence	<3,500
Banking	\$35 billion	Sr. manager, media and digital marketing	<500
Business process services	\$7 billion	Global marketing analytics manager	<50

Key Challenges

Interviewees noted pre-Domo challenges affecting multiple functions within their organization, particularly marketing and sales. Key challenges included:

- › **Suboptimal marketing collateral support for sales.** Prior to the Domo investment, sales teams struggled to find and deploy the most effective collateral needed to close deals in a timely manner. And marketing teams lacked visibility into what types collateral were needed and a timeline for the delivery of that content.
- › **Mediocre visibility into organizational functions.** While interviewees cited usage of other business intelligence platforms in their day-to-day operations within different departments, they noted that the reporting capabilities of these prior solutions, especially outside of these functions, was lacking.
- › **Over-taxed business analysts.** Interviewees noted capacity challenges among their analyst staff to provide adequate and timely support to the myriad of decision makers in need. By the time business analysts could provide support, the insights were often already irrelevant.

“Our users are not very tech-savvy, a good portion of them. Having a tool that required only a minimal amount of training was very important to us.”

*Director of business intelligence,
Facility services*



Solution Requirements

The interviewed organizations searched for a solution that could provide:

- › **Ease of use.** Interviewees cited intuitiveness as a key factor in selecting Domo, given the varying range of skills and technology aptitude among their business analyst ranks.
- › **Ability to add and onboard users.** As adoption for business management platforms increases, interviewees cited the ease of adding and onboarding users to Domo as a key decision point.

Key Results

The interviews revealed that key results from the Domo investment include:

- › **Sales teams closed more deals driving additional revenue.** Using the insights gleaned from Domo, sales teams were able to put the right collateral in front of their prospects at the right time in the sales cycle, increasing their likelihood to close the business.
- › **Marketing teams increased their effectiveness.** Marketing teams gained better visibility into what types of collateral were needed to support sales teams — all while driving more leads for the same spend. One executive noted: “Using Domo, our level of knowledge of what’s going on in the field is near real-time and it’s because Domo grabs all of the information about who the sales rep is, who they’re competing with, and more. We can see what’s going on and give them real-time advice. And that also helps marketing adjust and make the content we push out fresh.”
- › **Organizations turned insights inward to reduce costs.** By using Domo to establish better reporting into internal processes throughout their organizations, interviewees were able to reduce costs.
- › **Analysts were freed up to drive other value-adding activities for their organizations.** Given Domo’s intuitive, self-service platform, business analysts at the interviewed organizations were able to support more decision makers. This freed up some of the business analysts to be redeployed on other projects.

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 that Forrester interviewed has the following characteristics:

- › **The global, \$5 billion services organization employs 25,000 employees who are a mix of frontline service workers and back-office information workers.** The frontline employees work a regular schedule, however, the nature of the facility services industry often forces these employees to work overtime, which became a major expense for the organization.
- › **The organization’s sales force is responsible for closing multiyear, high dollar service contracts which have a long sales cycle.** They are supported by a marketing organization which produces leads and sales collateral for the sales force.
- › **Prior to implementing Domo, the composite organization was relying solely on another business intelligence platform across multiple functions of the business.** While the platform provided value to the organization, it was not easy to use for the majority of decision makers in the organization. This forced these decision makers to rely on the business analysts for support, who were at their maximum support capacity and often couldn’t meet the timeline of the decision makers, leading to a prevalence of decisions based on stale insights across the organization. The composite organization continued to run this business intelligence platform alongside Domo, as multiple BI platforms are common in organizations of this size.²



Key characteristics for the composite organization:

- 25K employees
- Services organization with mix of frontline and back-office staff
- 50:1 analyst to decision maker support ratio

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	Profit increase from Domo-enabled decision makers	\$2,125,000	\$2,125,000	\$2,125,000	\$6,375,000	\$5,284,560
Btr	Increased return on marketing spend for leads	\$162,000	\$162,000	\$162,000	\$486,000	\$402,870
Ctr	Reduced overtime costs	\$450,000	\$450,000	\$450,000	\$1,350,000	\$1,119,083
Dtr	Reduced cost to hire and onboard employees	\$418,950	\$418,950	\$418,950	\$1,256,850	\$1,041,867
Etr	Analyst headcount reallocation	\$1,530,000	\$2,210,000	\$2,720,000	\$6,460,000	\$5,260,932
	Total benefits (risk-adjusted)	\$4,685,950	\$5,365,950	\$5,875,950	\$15,927,850	\$13,109,312

Profit Increase From Domo-Enabled Decision Makers

Profit Increase From Domo-Enabled Decision Makers: Calculation Table					
REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3
A1	Increase in top-line revenue		\$25,000,000	\$25,000,000	\$25,000,000
A2	Net margin		10%	10%	10%
At	Profit increase from Domo-enabled sales force	A1*A2	\$2,500,000	\$2,500,000	\$2,500,000
	Risk adjustment	↓15%			
Atr	Profit increase from Domo-enabled sales force (risk-adjusted)		\$2,125,000	\$2,125,000	\$2,125,000

Domo allows customizable visibility into real-time insights for decision makers to act upon. By basing decision making on live data, rather than static data, interviewees described capitalizing on opportunities for additional revenue generation.

- › One organization attributed a significant increase in top-line revenue (and profit) to their sales force's increased ability to determine which types of content would be most effective for closing deals given conditions such as deal size, competitors, and stage of the sales cycle.
- › The interviewed executive noted that their sales reps who leverage Domo and the greater competitive intelligence function are 10% to 13% more likely to close deals — and close them nearly two weeks faster.
- › The interviewed executive attributed a \$100 million top-line revenue increase to adding Domo to their business intelligence platform stack.

The table at the top of the page 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 \$13.1 million.

- › Another organization's interviewee described using Domo to successfully optimize their paid media spending, driving an additional \$2 million in revenue by reallocating spending in real time.

Based on the experiences of the interviewees, Forrester used the following for the composite organization:

- › Scaled to the composite organization, it is assumed that the organization realized an increase in their top-line growth of \$25 million.
- › The composite organization operates on a net margin of 10%.

This benefit will vary based on:

- › The size and maturity of the organization's sales force.
- › The nature of the organization's business (deal size and frequency).
- › The maturity of the organization's business intelligence function.

To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year risk-adjusted total PV of \$5,284,560.



Sales reps who leverage a competitive intelligence stack, which includes Domo, close more deals, that are larger, and in a faster pace.

Increased Return On Marketing Spend For Leads

Increased Return On Marketing Spend For Leads: Calculation Table

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3
B1	Cost of qualified leads per year		\$1,200,000	\$1,200,000	\$1,200,000
B2	Growth of qualified leads after implementing Domo		15%	15%	15%
Bt	Increased return on marketing spend for leads	B1*B2	\$180,000	\$180,000	\$180,000
	Risk adjustment	↓10%			
Btr	Increased return on marketing spend for leads (risk-adjusted)		\$162,000	\$162,000	\$162,000

By leveraging Domo with the right data sources, marketing organizations are able to use the insights gleaned to identify more leads for their sales force without significant additional effort.

- › One interviewee's organization connected Domo to telemetry data coming back from hardware in the field to identify and prioritize additional leads for their sales force.
- › By adding Domo to their lead development efforts, the interviewed executive cited a 15% increase in leads generated on top of their typical lead generation.
- › Connecting Domo to lead development data sources was not a significant effort for the marketing organization. Interviewees cited the typical effort required as a short duration side project for one FTE.

For the composite organization, Forrester assumes:

- › The composite organization's marketing function spends \$100 on average per lead and generates 1,000 new leads per month.



15%

Increase in leads generated by marketing with Domo.

- › Adding Domo to lead generation efforts increases the organization's monthly leads generated by 15%.
- › The part-time effort required by one marketing FTE to implement Domo for lead generation is immaterial and therefore not quantified.

This benefit will vary from organization to organization based on:

- › The quality of the data sources from which the organization generates leads.
- › The average cost per lead for the organization.
- › To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year risk-adjusted total PV of \$402,870.

"We used to hire interns to come in and build out our weekly reports which would usually be out of date quickly. With Domo, now it's a real-time report."

Global marketing analytics manager, business process services



Reduced Overtime Costs

Reduced Overtime Costs: Calculation Table

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3
C1	Cost of employee overtime per year		\$50,000,000	\$50,000,000	\$50,000,000
C2	Reduction of overtime attributable to insights from Domo		1%	1%	1%
Ct	Reduced overtime costs	C1*C2	\$500,000	\$500,000	\$500,000
	Risk adjustment	↓10%			
Ctr	Improved claims processing (risk-adjusted)		\$450,000	\$450,000	\$450,000

Interviewed organizations also realized benefits by turning Domo's real-time insights internally. While interviewees noted that the business management solutions to monitor internal process data were in place prior to implementing Domo, the insights were often siloed within their respective functions due to a lack of intuitive self-service reporting capabilities. By implementing Domo, interviewed organizations were able to democratize visibility into business operations and reduce costs accordingly.

- › The interviewed services organization was able to connect Domo to its employee scheduling process to gain better visibility into when employees were eligible to work overtime.
- › With real-time visibility into scheduling, the right employee staffing decisions are made for the business, leading to a reduction in frontline employee overtime hours across the organization.

According to the United States Bureau of Labor Statistics, the average overtime-eligible employee works between 3.4 and 3.6 overtime hours per week.³ For the composite organization, Forrester assumes that:

- › Ten thousand of the organization's 25,000 employees are eligible for overtime. Each employee works 3.4 overtime hours per week, on a 48-week work year. The organization pays just over \$50 million in employee overtime per year.
- › The standard hourly overtime rate for an eligible employee is \$33 per hour.
- › Connecting Domo to the frontline employee scheduling processes reduced the total overtime hours worked by 1%, to be conservative.

"Overtime is a killer for our business, so we use Domo to closely monitor employee overtime percentages and schedules."

Director of business intelligence, facility services



This benefit will vary based on:

- › The organization's size, nature of employee roles, and total number of overtime eligible employees.
- › Scheduling processes already in place that are used by the organization to monitor overtime wages.

To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year risk-adjusted total PV of \$1,119,083.

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 To Hire And Onboard Employees

Reduced Cost To Hire And Onboard Employees: Calculation Table

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3
D1	Employee attrition per year	25K*10%	2,500	2,500	2,500
D2	Cost to rehire and train (per employee)		\$17,640	\$17,640	\$17,640
D3	Cost to rehire and train new employees (per year)	D1*D2	\$44,100,000	\$44,100,000	\$44,100,000
D4	Reduction of cost to hire due to Domo		1%	1%	1%
Dt	Reduced cost to hire and onboard employees	D3*D4	\$1,080,000	\$1,282,000	\$1,500,000
	Risk adjustment	↓5%			
Dtr	Reduced cost to hire and onboard employees (risk-adjusted)		\$1,026,000	\$1,218,375	\$1,425,000

Interviewed organizations detailed multiple use cases in which connecting Domo to an internal process yielded cost savings through additional visibility and insight.

- › Another organization connected Domo to its applicant tracking system, which was used by its HR function to monitor applicant status and the employee hiring and onboarding process.
- › Limited reporting capabilities in the applicant tracking system led to issues in which applicants would be delayed moving from applicant to hire.
- › Adding Domo to this system allowed the interviewee's organization to reduce the amount of time that applicants spent in the hiring and onboarding process, leading to cost savings.

For the composite organization, Forrester assumes the following:

- › An average yearly attrition rate of 10%. The composite organization must hire and onboard 2,500 employees per year.
- › The average cost to hire and onboard one employee is \$17,640 (average of both frontline employees and information workers).
- › Improved visibility and reporting in employee hiring and onboarding yields a 1% cost savings, to be conservative.

This benefit will vary from organization to organization based on the organization's attrition rate and hires per year and the current hiring and onboarding process in place. To account for these risks, Forrester adjusted this benefit downward by 5%, yielding a three-year risk-adjusted total PV of \$1,041,867.

"We've been able to improve our hiring process to the point where we're able to identify and track the applicant conversion times, the average time to outreach, and more. We can identify the candidates who haven't been contacted within two days and contact them. That's one of the Domo cards that we leverage pretty heavily."

Director of business intelligence, facility services



Analyst Headcount Reallocation

Analyst Headcount Reallocation: Calculation Table

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3
E1	Decision makers using Domo		300	400	500
E2	Analysts required to generate reports		24	34	42
E3	Analysts required after implementing Domo		6	8	10
E4	Headcount saved	E2-E3	18	26	32
E5	Average burdened salary		\$100,000	\$100,000	\$100,000
Et	Analyst headcount reallocation	E4*E5	\$1,800,000	\$2,600,000	\$3,200,000
	Risk adjustment	↓15%			
Etr	Analyst headcount reallocation (risk-adjusted)		\$1,530,000	\$2,210,000	\$2,720,000

In addition to enhancing revenue and reducing organizational expenses, interviewees cited the business analyst productivity increases to be the most common benefit of using Domo. Before implementing Domo, each analyst only supported a handful of decision makers since most decision makers were not enabled to generate their own reports. With Domo implemented, the ratio of analysts to decision-maker support decreased as a result of Domo's self-service capabilities. This allowed organizations to reallocate analysts to other revenue-generating projects supporting the business.

- › Prior to implementing Domo, each analyst supported 12 decision makers.
- › After implementing Domo, each analyst could support about 50 decision makers.
- › Analysts who were no longer required to support the organization's decision makers were reassigned to other projects, reducing the organization's need to hire analysts for those projects.

For the composite organization, Forrester assumes:

- › There are 300 decision makers using Domo in Year 1, growing at 100 additional users per year.
- › The average burdened salary of a business analyst is \$100,000.
- › Analysts are reassigned to projects which would have required additional analyst hiring.

This benefit will vary from organization to organization based on:

- › The current staffing and ability of analysts.
- › The nature of support required by the organization's decision makers.
- › To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year risk-adjusted total PV of \$5,260,932.



1:12→1:50

Analyst to decision-maker ratio before and after implementing Domo

"Domo has enabled us to reach and support a wider group of decision makers in the organization."

Global marketing analytics manager, business process services



Unquantified Benefits

In addition to the benefits outlined above, the interviewed organizations shared other benefits that did not have specific financial implications. Specifically, the companies benefited by:

- › **Increased executive confidence.** With Domo's dashboards, executives have access to key information about the business in real-time, increasing their confidence when making company-level decisions.
- › **A culture of insights-led decision making.** Encouraged by self-service access to timely insights across all functions of the business, the interviewed organizations began to foster a culture of decision making among their employees across the organization. In the long-term, interviewees were confident that this would lead to better and faster decision making at all levels of the organization.



Interviewees were optimistic about additional use-cases for Domo in the future.

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 Domo and later realize additional uses and business opportunities, including:

- › **Expanding Domo to additional internal use cases.** While interviewees cited multiple examples of internal cost-savings use cases, using Domo (two of which are quantified in this study), they noted that there are more potential use cases on the horizon which may yield significant cost savings for the organization.
- › **Additional revenue from better decision making.** The compounding pattern of real-time, insights-led decision making at all levels of the organization may lead to new revenue-generating opportunities in the future which were previously unattainable. In economic terms, the element of velocity is a benefit that buyers realized from using Domo that is not quantified in this study; however, readers should consider this a strategic benefit of a Domo investment.

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.

Analysis Of Costs

QUANTIFIED COST DATA AS APPLIED TO THE COMPOSITE ORGANIZATION

Total Costs							
REF.	COST	INITIAL	YEAR 1	YEAR 2	YEAR 3	TOTAL	PRESENT VALUE
Ftr	Cost of licensing and implementing Domo	\$0	\$501,930	\$526,240	\$591,250	\$1,619,420	\$1,335,424
Gtr	Cost of staff to assist users with Domo	\$0	\$409,500	\$409,500	\$546,000	\$1,365,000	\$1,120,920
	Total costs (risk-adjusted)	\$0	\$911,430	\$935,740	\$1,137,250	\$2,984,420	\$2,456,344

Cost Of Licensing And Implementing Domo

Cost Of Licensing And Implementing Domo: Calculation Table						
REF.	METRIC	CALC.	INITIAL	YEAR 1	YEAR 2	YEAR 3
Ft	Cost of licensing and implementing Domo			\$456,300	\$478,400	\$537,500
	Risk adjustment	↑10%				
Ftr	Cost of licensing and implementing Domo (risk-adjusted)			\$501,930	\$526,240	\$591,250

Fees paid to Domo include an implementation fee for professional services, a yearly platform licensing fee, and variable fees based on users, data charges, and advanced capabilities.

The composite organization increased their user count from 300 to 500 in 100 user increments each year and paid \$396,300, \$478,400, and \$537,500 in years 1, 2, and 3 respectively.

To account for slight variances in price from organization to organization, Forrester adjusted this cost upward by 10%, yielding a three-year risk-adjusted total PV of \$1,341,424.

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 \$2.4 million.

Cost Of Staff To Assist Analysts With Domo

Cost Of Staff To Assist Users With Domo: Calculation Table

REF.	METRIC	CALC.	INITIAL	YEAR 1	YEAR 2	YEAR 3
E1	Dedicated employees (majordomos)			3	3	4
E2	Burdened salary			\$130,000	\$130,000	\$130,000
Et	Cost of staff to assist users with Domo	E1*E2		\$390,000	\$390,000	\$520,000
	Risk adjustment	↑5%				
Etr	Cost of staff to assist users with Domo (risk-adjusted)			\$409,500	\$409,500	\$546,000

While end users found Domo intuitive and easy to use, some discoveries warranted further, advanced manipulation of data. The composite organization found it helpful to dedicate some employees — dubbed “majordomos” by Domo customers — to assist and teach decision makers how to manage data cards and enable them to configure their own data.

- › The burdened salary for one senior-level analyst to function as a majordomo was \$130,000 per year.
- › The composite organization leveraged three majordomos in years 1 and 2, and four majordomos in Year 3.

The cost will vary based on:

- › The number majordomos required by the organization to support decision makers.

To account for these risks, Forrester adjusted this cost upward by 5%, yielding a three-year risk-adjusted total PV of \$1,120,920.

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.

Domo Overview

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

Domo is a cloud-based platform that solves for one of the biggest priorities and challenges facing modern business: the journey to full digital transformation. By connecting all of the people, data, and systems in an organization, Domo creates a truly digitally connected business and becomes a living network of data, delivering all the power that comes along with it across an entire organization — all in one system.

Domo has been built from the ground up to address the data challenges that companies face — and is built in the cloud to handle the scale at which the largest companies operate. To get this right, Domo built seven distinct technology pillars that are natively-integrated to enable an entire business to align and take action through a single collaborative platform.

- › **Connect all of your data, no matter where it resides, in the cloud, on-premises, or in files.**

Connect is a bidirectional connector framework that enables more than 500 full-scale, proprietary plug-and-play connectors. With Connect, customers can easily bring together data, no matter where it resides, in the cloud, on-premises, or in files.

- › **Store massive amounts of data and access it in real time.**

Adrenaline is Domo's intelligent data warehouse that can be leveraged to actively drive more insights, custom calculations, and value from data. Adrenaline is part of Domo's secret sauce behind its sub-second query performance, even on massive data sets of hundreds of billions of rows.

- › **Prepare the data in one complete data set.**

Not all data is made the same and Fusion specifically focuses on that data challenge. Fusion is Domo's data transformation engine, which makes it possible for any data set connected to Domo to be cleansed, combined, and prepared for use, without having to engage outside technologies or services. Fusion ensures that all of the company's data speaks the same language.

- › **Visualize data solutions in the context of the moment.**

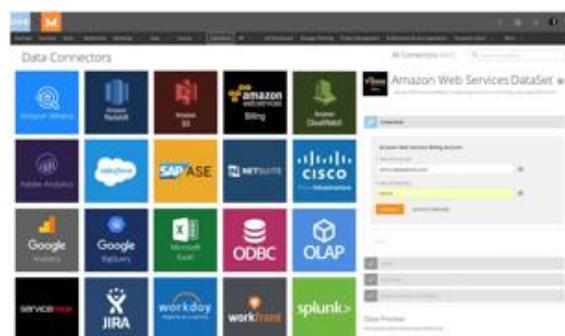
Explorer is Domo's comprehensive analytics suite. As Domo's visualization engine, Explorer enables a consolidated view that enables customers to easily conduct analysis, build intuitive visualizations, and, most importantly, understand, tell, and share real-time stories about their business.

- › **Collaborate around your data to take informed action faster.**

Buzz is Domo's collaboration engine and productivity tool that enables real-time engagement around important data insights.

- › **Predict what's coming next to optimize outcomes.**

Mr. Roboto leverages machine learning algorithms, artificial intelligence, and predictive analytics that constantly scan incoming data to detect trends, anomalies and correlations, optimize queries, and provide alerts and facilitate business processes. By combining tools such as anomaly detection, personal data consumption patterns, trending focus points, and more, Domo intelligently surfaces key insights and anomalies for optimizing core business functions and predicts key challenges and business performance.



› **Extend the power of data insights through Domo's app ecosystem.**

The Domo AppStore is an extension of the Domo Ecosystem and consists of apps, dashboards, connectors, algorithms, and solutions. With the AppStore, customers can easily leverage the expertise of our partner program and the developer community to personalize Domo and answer their specific business questions.



While each pillar is powerful on its own, the unique beauty of Domo is how these seven distinct capabilities work together to create a whole that is greater than the sum of its parts. Domo is a living data platform across all parts of an organization that unlocks new insights, enables quicker action, and creates more value for your business.

Appendix A: Total Economic Impact

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

Total Economic Impact Approach



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



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



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



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

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



Present value (PV)

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



Net present value (NPV)

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



Return on investment (ROI)

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



Discount rate

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



Payback period

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

Appendix B: Endnotes

¹ Source: “The Insights-Driven Business,” Forrester Research, Inc., July 27, 2016.

² Source: “Use BI Fabric To Optimize Your Multivendor Business Intelligence Environment,” Forrester Research, Inc., October 30, 2018.

³ Source: United State Bureau of Labor Statistics. <https://www.bls.gov/news.release/empsit.t18.htm>