A Forrester Total Economic Impact™
Study Commissioned By DocuSign
July 2018

The Total Economic Impact™ Of DocuSign Australia

Productivity Gain And Cost Avoidance Enabled By DocuSign

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ABOUT FORRESTER CONSULTING

Forrester Consulting provides independent and objective research-based consulting to help leaders succeed in their organisations. 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

Highlighted Benefits

Hours of gained productivity per internal transaction:
1.35 hours

NIGO rate improvement:
90%

Printing and follow-on cost avoidance per transaction:
$14.21

"The reduction in workflow steps and improvement in NIGO gave time back to our sales teams. Because of this, we can easily avoid three to four FTEs in contract processing roles as we scale."

Chief CX officer, large Australian real estate company

In recent years, enterprises have increasingly adopted digital strategies that use the customer above all as the focal point. What technologists knew as systems of record and systems of engagement have become systems to win, serve, and retain the customer. Each component plays a much larger, integrated role in providing an outstanding customer experience.

Similarly, as customers have become more digitally savvy, and eSignature technologies have matured, the market no longer focuses on the foundational capabilities of signing documents without pen and paper.[1] eSignature has become a component in a larger system of agreement, where companies have processes and technologies to support the preparation, signing, acting, and management of agreements.

DocuSign provides a platform that can accelerate and simplify each part of an organisation's system of agreement — whether it is leveraging templates in contract preparation, providing mobile and API options for eSignature, or intuitive integration with other key parts of the system of agreement like the CRM. DocuSign commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) enterprises may realise by deploying DocuSign. The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of DocuSign on their organisations.

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed two Australian customers with years of experience using DocuSign. Prior to adopting DocuSign, both customers had largely manual contract signature processes. The two customers had an objective to increase the productivity of key staff by modernising dated contract processes that leveraged hardcopies, ink, and mail. In achieving that objective, they also experienced reductions in operational expense and improvements in customer, partner, and employee experience.

For the purposes of this study, a composite organisation named "Laud Properties" was designed to represent the study's findings and combined customer interview feedback.

Key Findings

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

› **Improved internal process productivity ($215,378).** This benefit focuses on an internal use case where executives must sign and approve internal documents. These types of documents include agreements that must be approved before sharing with customers and partners. The composite use case has an average of four internal stakeholders involved, a legacy handling time of 90 minutes, and a not-in-good-order (NIGO) rate of 25%.[2] After deploying DocuSign, the handling time is reduced to 9 minutes and the NIGO rate is also reduced to 2.5%. Productivity is gained throughout the process, from easier document setup and creation that eliminates the need to manually paste colored tabs on signature areas to a more straightforward workflow to attain signatures without involving administrative assistants scheduling time to sign agreements.

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ROI
122%

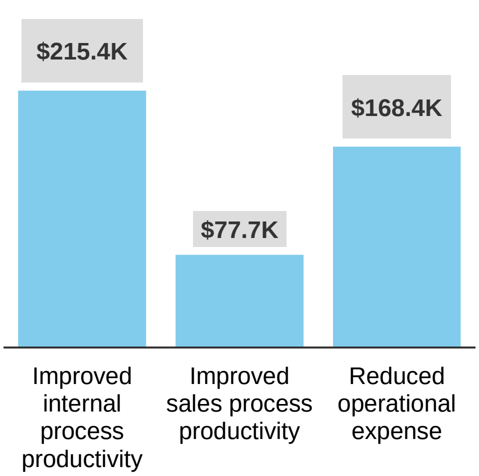
Benefits PV
$461,486

NPV
$254,025

NPV/transaction
$15.99

Payback
<6 months

Benefits (Three-Year)



- **Improved sales process productivity ($77,717).** This benefit centers on the external use case where sales is sending agreements that seldom vary, like retainer agreements for customers. This process typically involved a combined 30 minutes from two internal staff, and had a NIGO rate of 25%. After deploying DocuSign and seamlessly integrating with the CRM system, the handle time was reduced to 8 minutes and the NIGO rate was reduced to 2.5%. The ability to generate and send an agreement while working within the CRM gave time back to the sales team to focus on achieving greater sales goals.
- **Reduced operational expense ($168,391).** This benefit exhibits hard savings in operations by going paperless. The composite agreement is 10 pages, involves two rounds of mailing, and has three final copies. Printing is only 17% of the total cost, and follow-up costs amount to $6.00 for every $1.00 of printing. For each transaction, the cost of paper and printing is $2.37, with postage at $8.00, and storage, misfiling, and lost document costs at $3.84 — totaling $14.21 per agreement.

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

- **Improved customer experience (CX) and incremental revenue.** The applicability and measurement of improved CX and incremental revenue is based on the use case and company's business model. Both customer interviewees approached DocuSign with a primary objective to give time back to executive and sales staff. For companies that have a particular pain point in making it easy for customers to sign-on and do business, then this benefit category may be more relevant and measurable. An improvement in CX could be measured by availability of mobile eSignature or a reduction in total contract turnaround time. Readers can also take a reduction in handling time as an indicator of potential reduction in total agreement turnaround time.
- **Stronger security and compliance.** The reduction of paper and integration with a CRM enables organisations to have fewer chances to incorrectly send an agreement and reduces the volume of items that could be security vulnerabilities. Relying on a central repository that is highly accessible and backed up on the cloud reduces the pressure on organisations to store, manage, and destroy documents. In turn, this could also potentially avoid costs of fines, lawsuits, and audit fees.

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

- **DocuSign solution cost ($187,969).** This study's cost model is based on 200 users in Year 1 with organic growth factored into years 2 and 3. Readers are encouraged to reach out to DocuSign for a more tailored quote based on their needs and anticipated transaction volume.
- **Internal labor and implementation cost ($19,492).** Both interviewed customers highlighted that the deployment was painless and quick for their organisations. It involved a two-week preparation time, a three- to six-month ramp-up period, and some minor training for users. During the ramp-up time, the organisation's help desk was contacted more often and both new and old processes were run concurrently.

Forrester's interviews with two existing customers and subsequent financial analysis found that the composite organisation, Laud Properties, based on these interviewed organisations experienced benefits of $461,486 over three years versus costs of $207,461, adding up to a net present value (NPV) of $254,025 and an ROI of 122%.

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TEI Framework And Methodology

From the information provided in the interviews, Forrester has constructed a Total Economic Impact™ (TEI) framework for those organisations considering implementing DocuSign.

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 DocuSign can have on an organisation:

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

DUE DILIGENCE
Interviewed DocuSign stakeholders and Forrester analysts to gather data relative to DocuSign.

CUSTOMER INTERVIEWS
Interviewed two organisations using DocuSign to obtain data with respect to costs, benefits, and risks.

COMPOSITE ORGANISATION
Designed a composite organisation based on characteristics of the interviewed organisations.

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 organisations.

CASE STUDY
Employed four fundamental elements of TEI in modelling DocuSign'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 DocuSign 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 organisations 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 DocuSign.

DocuSign 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.

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

This study was designed for the Australian market and all financial figures are expressed in Australian dollars unless noted otherwise.

The DocuSign Customer Journey

BEFORE AND AFTER THE DOCUSIGN INVESTMENT

Interviewed Organisations

For this study, Forrester conducted two interviews with DocuSign customers. Interviewed customers include the following:

INDUSTRY	REGION	INTERVIEWEE	MONTHLY TRANSACTIONS
Food and beverage	Australia	Legal counsel	~350
Real estate	Australia	Chief CX officer	300 to 400

Composite Organisation – Laud Properties

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 organisation is representative of the two companies that Forrester interviewed and is used to present the aggregate financial analysis in the next section. Laud Properties is an Australia-based real estate company with a high market share while retaining relatively lean operations. The composite experienced the journey below.

Composite assumptions

- Two use cases, one internal and one external
- Four hundred transactions per month

Key Challenges

Laud Properties experienced the following key challenges before deploying DocuSign:

› **An antiquated contract approval process.** Laud Properties largely leveraged a pen-and-paper approach in their past contracting operations. For internal signings, this would require an administrative assistant to either arrange for multiple signatories to match calendars and sign together in a conference room, or to have one signatory sign first and then forward the agreement to the next signatory. Signatories are often senior executives that are traveling and sit in several different offices, so administrators have to take on the overall management of the workflow. While the overall handling time, involving actual work from signatories and administrators, is 90 minutes per agreement, the total turnaround time could last days and even weeks. The company found similar inefficiencies for its sales use case that has a lower handling time of 30 minutes, but it was valuable time that the sales team could apply to sales rather than administrative work. Furthermore, the company recognised that this could grow into a larger CX issue that could affect sales conversion in the future if not corrected.

"A lot of people involved are at the senior leadership level, so being able to do things more quickly is significant. It's quicker to send a virtual agreement to a senior leader, taking them directly to the sign page and initial boxes with a few taps rather than scheduling time, flipping through pages, finding the sign tabs, and then hoping that no tabs are missed. And we missed quite a bit, maybe one-in-four or one-in-five."

Legal counsel, large Australian food and beverage company

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- **Inability to scale.** The executive board of Laud Properties met after receiving a new round of funding from investors. With new funding, the board deployed a plan to grow its revenue twice over. While sales targets seemed attainable and the market opportunity seemed ripe, the company was not sure that it could scale its sales operations proportionate with the increased activity. The legacy process was anticipated to take up too much of sales' time and paper costs would impose an unnecessary operating expense.
- **A growing CX gap between contracting and other customer engagement points.** Even before the company's leaders implemented a plan to grow twofold, it already undertook portions of a digital transformation road map. Employees were starting to notice a gap in digital proficiency throughout the company where the website may be mobile-adaptive and offer webchat capability, but the contracting process still require pen, paper, and mail.

"Our legal team took the charge to deploy DocuSign. Originally, because the legal team executes most of the contracts and we drive a lot of policies. As a side benefit, when other teams see that legal is adopting a new way to contract, they see us as a stamp of approval for them to change as well."

Legal counsel, large Australian food and beverage company

Solution Requirements

Laud Properties searched for a solution that could:

- **Improve efficiency and accuracy of legacy contracting processes.** It was important to see a material difference in the handling time and NIGO rate, while also planting the seeds for future workflow automation. The solution also could not be more expensive than the operating expenses it was replacing (e.g., printing, storage, mail, etc.).
- **Integrate seamlessly with the company's new CRM system.** As part of its new growth plan, Laud Properties deployed a new cloud CRM system and wants the capability to build pricing and send contracts from within the CRM.
- **Deploy and operate the solution intuitively and with ease.** There were several items both in the new growth plan and the digital transformation road map that would take time away from the staff, and leaders wanted to ensure that eSignature was a part of that change management story without being a burden.

Key Results

Key results from the DocuSign investment include:

- **Improved internal and external contracting process.** Laud Properties experienced a 75% to 90% improvement in handling time and NIGO rates for its internal agreement approval and external sales contracting processes. These two primary use cases were especially helpful as the internal process involved a lot of senior executives to approve agreements and the external process freed up sales time for more value-added work.
- **Reduced operational expenses that cover new technology spend.** The company forecasts $6.00 of follow-on spend per $1.00 of printing. For a typical transaction of 10 pages, needing two rounds of mail and three final copies, this equates to $14.21 avoided per transaction. Even without the productivity savings from the lower handle time and NIGO rates, the operational cost avoidance is enough to break even on the technology investment in DocuSign.

"We invested in a new cloud CRM and needed to build workflows and controls to manage discounting and contract creation. The integration was pretty quick and painless, it only took about two weeks — and then there was a ramp-up period with elevated support for new users."

Chief CX officer, large Australian real estate company

Analysis Of Benefits

QUANTIFIED BENEFIT DATA AS APPLIED TO THE COMPOSITE

Total Benefits

REF.	BENEFIT	YEAR 1	YEAR 2	YEAR 3	TOTAL	PRESENT VALUE
Atr	Improved internal process productivity	$76,649	$86,844	$98,394	$261,887	$215,378
Btr	Improved sales process productivity	$27,658	$31,337	$35,504	$94,499	$77,717
Ctr	Reduced operational expense	$61,375	$67,914	$75,159	$204,448	$168,391
	Total benefits (risk-adjusted)	$165,683	$186,094	$209,058	$560,835	$461,486

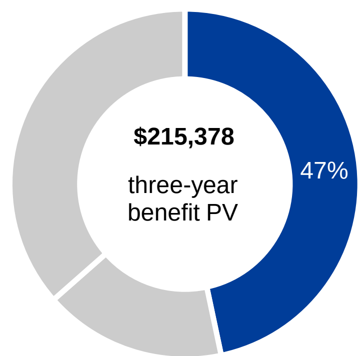
The table above shows the total of all benefits across the areas listed below, as well as present values (PVs) discounted at 10%. Over three years, the composite organisation expects risk-adjusted total benefits to be a PV of more than $461,000.

Improved Internal Process Productivity

Laud Properties averages four internal stakeholders for its internal agreement approval process — two executive signatories and two administrators. Prior to DocuSign, executives spent about 15 minutes per transaction, mostly reviewing the agreement, signing, and scheduling time to sign. Administrators spent about 30 minutes to create, organise, and gather the documents, review signatories' approval, and handle mail as needed. Even with two administrators, there was still a 25% NIGO rate.

With a 90% improvement in handling time (90 minutes to 9 minutes) and NIGO rate (25% to 2.5%), the company was able to save 3,098 hours in Year 1 based on 150 monthly transactions. The saved hours are then distributed proportionately to the executive and administrator roles to calculate a total value.

Readers should note that Forrester adjusts productivity formulas with a productivity conversion ratio to be realistic and conservative in modelling. Productivity conversion describes that not every minute gained in productivity is put directly back into productive work — workers could use the time to take a longer break, leave work on time, etc. The productivity conversion ratio for this study is 50%.



Improved internal process productivity: **47%** of total benefits

Companies should also consider the potential impact of productivity and what it could allow employees to achieve (e.g., make one more call, send one more contract, etc.). Forrester does not suggest speculating on the values of these potential actions and incorporating them into a ROI model, rather companies should consider these as both potential factors and flexibility factors.

The model accounts for a risk adjustment that could impact the value of benefits. Below are risks to keep in mind:

- Low internal adoption by executives.
- Variance in handling time and NIGO rate.
- Variance in salaries by role.
- Variance in monthly transaction volume.

To account for these risks, Forrester adjusted this benefit downward by

Impact risk is the risk that the business or technology needs of the organisation 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.

5%, yielding a three-year risk-adjusted total PV of $215,378.

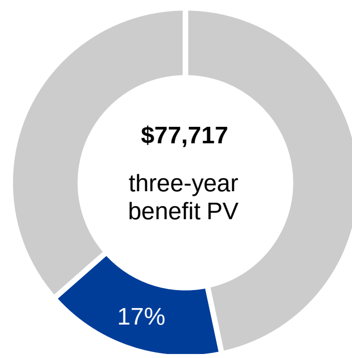
Improved Internal Process Productivity: Calculation Table					
REF.	**METRIC**	**CALC.**	**YEAR 1**	**YEAR 2**	**YEAR 3**
A1	Average executive signatories per agreement	Composite	2	2	2
A2	Pre-DocuSign handling time per executive signatory, per agreement (minutes)	Composite	15	15	15
A3	Average administrative staff per agreement	Composite	2	2	2
A4	Pre-DocuSign handling time per administrative staff, per agreement (minutes)	Composite	30	30	30
A5	Pre-DocuSign handling time (minutes)	(A1*A2)+(A3*A4)	90	90	90
A6	Pre-DocuSign NIGO	Composite	25%	25%	25%
A7	Monthly transactions	Year 1: composite Years 2 and 3: $A7_{py}$*110%	150	165	182
A8	Pre-DocuSign annual handling time (hours)	((A7*(1+A6))*A5*12)/60	3,375	3,713	4,084
A9	DocuSign handling time improvement	Composite	90%	90%	90%
A10	Post-DocuSign NIGO improvement	Composite	90%	90%	90%
A11	Post-DocuSign handling time (minutes)	A5*(1-A9)	9	9	9
A12	Post-DocuSign NIGO	A6*(1-A10)	2.5%	2.5%	2.5%
A13	Post-DocuSign annual handling time (hours)	((A7*(1+A12))*A11*12)/60	277	304	335
A14	Average executive fully loaded salary	Assumption	$195,000	$200,850	$206,876
A15	Productivity value for executives (hours)	((A1*A2)/A5)*(A8-A13)	1,033	1,136	1,250
A16	Average administrative staff fully loaded salary	Assumption	$65,000	$66,950	$68,959
A17	Productivity value for administrative staff (hours)	((A3*A4)/A5)*(A8-A13)	2,066	2,272	2,499
A18	Productivity conversion	Assumption	50%	50%	50%
At	Improved internal process productivity	(((A14/2080)*A15)+((A16/2080)*A17))*A18	$80,684	$91,415	$103,573
	Risk adjustment	↓5%			
Atr	Improved internal process productivity (risk-adjusted)		$76,649	$86,844	$98,394

Improved Sales Process Productivity

Laud Properties averages two internal stakeholders for its external sales contract process — one from the sales team and one administrator. Prior to DocuSign, sales spent about 15 minutes per transaction generating and distributing the contract. The administrator spent 15 minutes managing the process, following up with clients, and handling mail as needed. This process also experienced a 25% NIGO rate.

With a 75% improvement in handling time (30 minutes to 8 minutes) and 90% improvement in NIGO rate (25% to 2.5%), the company was able to save 1,491 hours in year 1 based on 250 monthly transactions. The saved hours are then distributed proportionately to sales and administrator roles to calculate a total value.

Readers should note that Forrester adjusts productivity formulas with a productivity conversion ratio to be realistic and conservative in modelling. Productivity conversion describes that not every minute gained in productivity is put directly back into productive work — workers could use the time to take a longer break, leave work on time, etc. The productivity conversion ratio for this study is 50%.



Improved sales process productivity: **17%** of total benefits

Companies should also consider the potential impact of productivity and what it could allow employees to achieve, e.g., make one more call, send one more contract, etc. Forrester does not suggest speculating on the values of these potential actions and incorporating them into a ROI model, rather companies should consider these as both potential factors and flexibility factors.

The model accounts for a risk adjustment that could impact the value of benefits. Below are risks to keep in mind:

- Low internal adoption by sales and clients.
- Variance in handle time and NIGO rate.
- Variance in salaries by role.
- Variance in monthly transaction volume.

To account for these risks, Forrester adjusted this benefit downward by 5%, yielding a three-year risk-adjusted total PV of $77,717.

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Improved Sales Process Productivity: Calculation Table					
REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3
B1	Average sales staff per agreement	Composite	1	1	1
B2	Pre-DocuSign handling time per sales staff, per agreement (minutes)	Composite	15	15	15
B3	Average administrative staff per agreement	Composite	1	1	1
B4	Pre-DocuSign handling time per administrative staff, per agreement (minutes)	Composite	15	15	15
B5	Pre-DocuSign handling time (minutes)	(B1*B2)+(B3*B4)	30	30	30
B6	Pre-DocuSign NIGO	Composite	25%	25%	25%
B7	Monthly transactions	Year 1: composite Years 2 and 3: $B7_{py}$*110%	250	275	303
B8	Pre-DocuSign annual handling time (hours)	((B7*(1+B6))*B5*12)/60	1,875	2,063	2,269
B9	DocuSign handling time improvement	Composite	75%	75%	75%
B10	Post-DocuSign NIGO improvement	Composite	90%	90%	90%
B11	Post-DocuSign handling time (minutes)	B5*(1-B9)	8	8	8
B12	Post-DocuSign NIGO	B6*(1-B10)	2.5%	2.5%	2.5%
B13	Post-DocuSign annual handling time (hours)	((B7*(1+B12))*B11*12)/60	384	423	465
B14	Average sales fully loaded salary	Assumption	$97,500	$100,425	$103,438
B15	Productivity value for sales (hours)	((B1*B2)/B5)*(B8-B13)	745	820	902
B16	Average administrative staff fully loaded salary	Assumption	$65,000	$66,950	$68,959
B17	Productivity value for administrative staff (hours)	((B3*B4)/B5)*(B8-B13)	745	820	902
B18	Productivity conversion	Assumption	50%	50%	50%
Bt	Improved sales process productivity	(((B14/2080)*B15)+((B16/2080)*B17))*B18	$29,114	$32,986	$37,373
	Risk adjustment	↓5%			
Btr	Improved sales process productivity (risk-adjusted)		$27,658	$31,337	$35,504

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Reduced Operational Expense

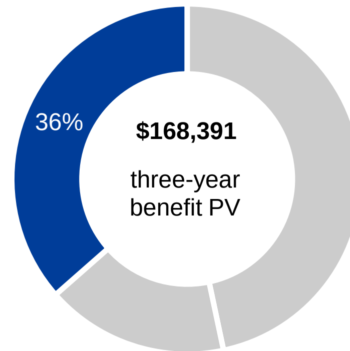
Laud Properties averages 10 pages per agreement for each transaction, there are usually two pieces of mail and three copies needed once the process is complete. Based on these average values, the model leverages industry figures and assumptions for five categories of operational expense.[3]

At a $0.08 (rounded from $0.0789) cost per page, the total paper and printing cost is $2.37 per transaction. The storage cost per page is $0.03 (rounded from $0.0329) to account for the filing cabinets that are needed. The misfiling cost is calculated by taking a 3% frequency and a three-hour rework figure to account for time and effort needed to find and refile missing documents. Different from misfiling, the 5% of time that documents are completely lost, the copy will need to be reprinted and filed. The total storage, misfiling, and lost document costs per transaction is $3.84. Lastly, there is an estimated $4.00 postage fee per mail and would result in $8.00 of postage fee per transaction — typically accounting for mail to a remote signatory/client and the mail back to the administrator. The total cost per transaction is $14.21 in Year 1 and equates to $6.00 of follow-on costs per $1.00 of printing.

The model accounts for a risk adjustment that could impact the value of benefits. Below are risks to keep in mind:

- Variance in printing, storage, misfiling, lost document, or postage cost assumptions.
- Variance in salaries by role.
- Variance in monthly transaction volume.

To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year risk-adjusted total PV of $168,391.



Reduced operational expense: **36%** of total benefits

For every $1.00 of printing cost, there is $6.00 of follow-on costs for storage, misfiling, lost documents, and postage.

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Reduced Operational Expense: Calculation Table

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3
C1	Annual transactions	(A7+B7)*12	4,800	5,280	5,808
C2	Average pages per agreement	Assumption	10	10	10
C3	Average mail per agreement	Composite	2	2	2
C4	Average copies needed per agreement	Composite	3	3	3
C5	Paper and printing cost per page	Assumption	$0.08	$0.08	$0.08
C6	Storage cost per page	Assumption	$0.03	$0.03	$0.03
C7	Misfiling frequency	Assumption	3%	3%	3%
C8	Admin rework hours due to misfiling	Assumption	3	3	3
C9	Lost document frequency	Assumption	5%	5%	5%
C10	Postage cost per agreement	Assumption	$4.00	$4.00	$4.00
C11	Total paper and printing cost per agreement	C2*C4*C5	$2.37	$2.37	$2.37
C12	Total storage, misfiling, and lost document cost per agreement	(C2*C4*C6)+(C7*(C8*(A16/2080)))+(C2*C5*C9)	$3.84	$3.92	$4.01
C13	Total postage cost per agreement	C3*C10	$8.00	$8.00	$8.00
Ct	Reduced operational expense	(C11+C12+C13)*C1	$68,195	$75,460	$83,510
	Risk adjustment	↓10%			
Ctr	Reduced operational expense (risk-adjusted)		$61,375	$67,914	$75,159

Flexibility

The value of flexibility is clearly unique to each customer, and the measure of its value varies from organisation to organisation. There are multiple scenarios in which a customer might choose to implement DocuSign and later realise additional uses and business opportunities, including:

- Creating and leveraging more templates to further reduce handle time.
- Begin to investigate applicability of APIs in the business model of Laud Properties.

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 organisation with the "right" or the ability to engage in future initiatives but not the obligation to do so.

Analysis Of Costs

QUANTIFIED COST DATA AS APPLIED TO THE COMPOSITE

Total Costs

REF.	COST	INITIAL	YEAR 1	YEAR 2	YEAR 3	TOTAL	PRESENT VALUE
Dtr	DocuSign solution cost	$0	$73,500	$75,705	$77,976	$227,181	$187,969
Etr	Internal labour and implementation cost	$14,438	$3,094	$1,381	$1,465	$20,377	$19,492
	Total costs (risk-adjusted)	$14,438	$76,594	$77,086	$79,441	$247,558	$207,461

DocuSign Solution Cost

The DocuSign solution cost is primarily based on a licensing fee per user. The fee will differ based on an organisation's needs and transaction volume. A sample of list pricing is available on DocuSign's website, but readers are urged to request a more tailored quote from DocuSign. For this study, we model with 200 users in Year 1 with a 3% organic growth each year thereafter.

The model accounts for a risk adjustment that could impact the value of costs. Below are risks to keep in mind:

- Variance in organisational needs and expectations for eSignature.
- Variance in transaction volume.

To account for these risks, Forrester adjusted this cost upward by 5%, yielding a three-year risk-adjusted total PV of $187,969.

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 organisation expects risk-adjusted total costs to be a PV of more than $207,461.

Internal Labour And Implementation

Laud Properties experienced three groups of internal labour costs. The first group is in training, which allots one hour of training per new user and accounts for organic attrition each year. For the starting group of users, this would become an upfront or initial cost and an outyear cost for new users in years 2 and 3. The organisation also accounts for two weeks of deployment planning and readiness work in the initial stage and about 60 hours in elevated help-desk support cost for the first two quarters.

The model accounts for a risk adjustment that could impact the value of costs. Below are risks to keep in mind:

- Variance in training needs and standing knowledge in eSignature.
- Maturity of existing processes and ease of transferring to new environment.
- Complexity of environment and deployment.

To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year risk-adjusted total PV of $19,492.

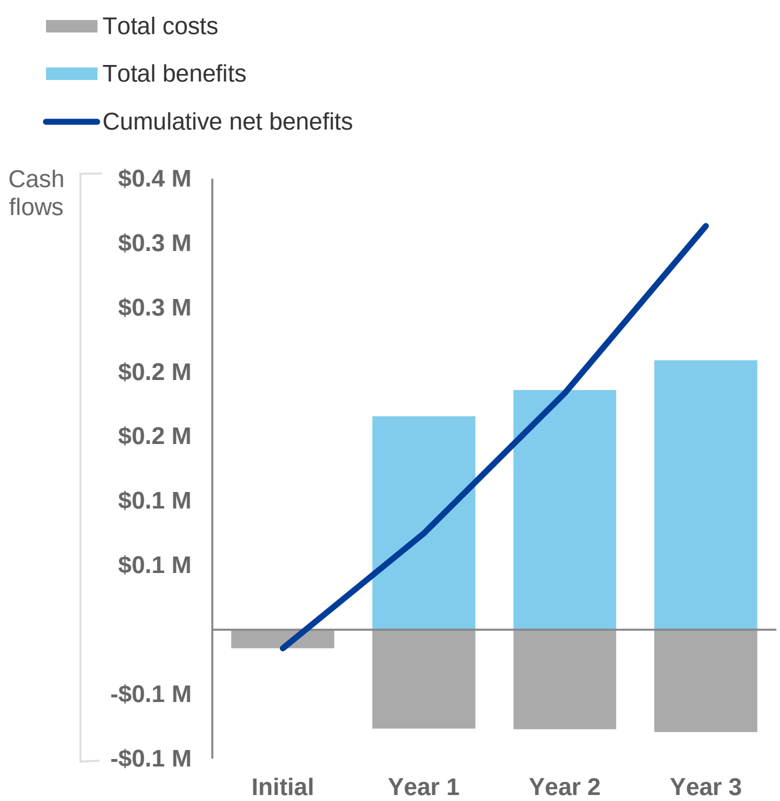
Implementation risk is the risk that a proposed investment may deviate from the original or expected requirements, resulting in higher costs than anticipated. The greater the uncertainty, the wider the potential range of outcomes for cost estimates.

FORRESTER®

Financial Summary

CONSOLIDATED THREE-YEAR RISK-ADJUSTED METRICS

Cash Flow Chart (Risk-Adjusted)



The financial results calculated in the Benefits and Costs sections can be used to determine the ROI, NPV, and payback period for the composite organisation'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	($14,438)	($76,594)	($77,086)	($79,441)	($247,558)	($207,461)
Total benefits	$0	$165,683	$186,094	$209,058	$560,835	$461,486
Net benefits	($14,438)	$89,089	$109,008	$129,617	$313,276	$254,025
ROI						122%
Payback period						<6 months

DocuSign: Overview

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

The DocuSign System of Agreement Platform

Prepare, sign, act, and manage

Prepare agreements with a high degree of automation

Pre-fill an agreement with data from files or other systems. Pre-integrated partner options allow use of industry-specific forms and wizard-style, guided data collection.

Sign agreements quickly and securely

Complete the process faster with automated routing, signer identification, and legally enforceable capture of signatures. Partner options include additional methods of signer verification, for countries and industries with specialised requirements.

Act on agreement terms after signing

Update records or trigger actions in other systems. DocuSign provides an option to collect payments, and many partners allow updating or triggering from DocuSign back to the partner product.

Manage agreements with flexible options

Leverage powerful features like secure retention, retrieval, and reporting. Partner options include analytics on agreement content and specialised forms of document retention.

For further information, please visit www.docusign.com.au.

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 realise 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 organisation.

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. Organisations 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 State Of E-Signature Implementation," Forrester Research, Inc., November 8, 2017.

[2] Not-in-good-order (NIGO) is an oft-used term to represent any type of error during an agreement or contract process. These errors would typically either cause the process to take longer or restart, resulting in lost productivity for the individuals involved.

[3] For printing and related operational costs, industry figures were attained from several sources. Paper and ink costs were attained from DocuSign, a group of leading printer and copy machine vendors, and Lyra Research. All other costs were attained from a report: "Business Guide To Paper Reduction," Heather Sarantis, Forest Ethics, September 2002.