

The Total Economic Impact™ Of Deel Global Payroll

Cost Savings And Business Benefits Enabled By Deel

A Forrester Total Economic Impact™ Study
Commissioned By Deel, January 2025

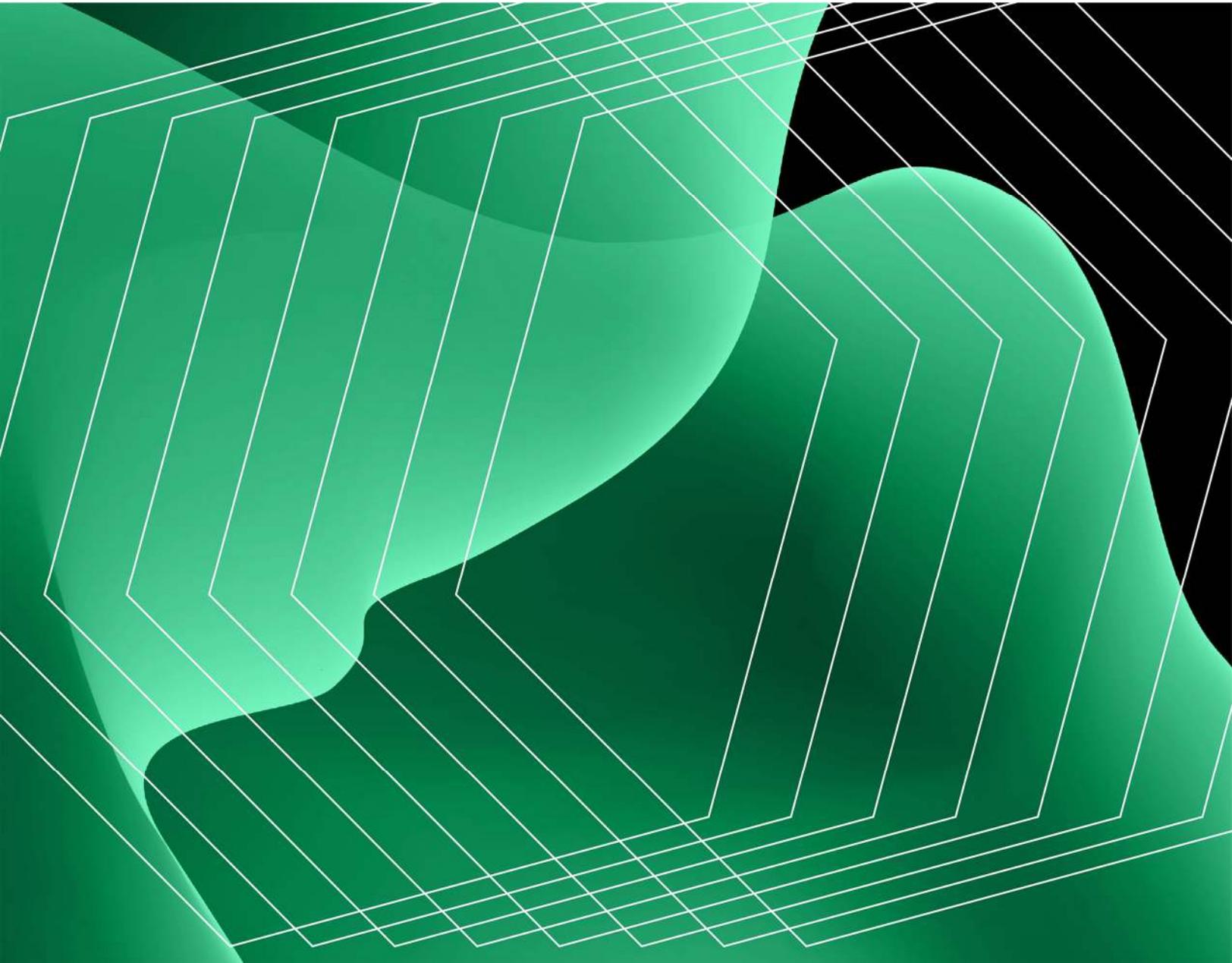


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ABOUT FORRESTER CONSULTING

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Executive Summary

As companies scale operations globally, such as through acquisitions and mergers or by entering new markets, their workforce needs grow increasingly complex. Payroll teams are challenged to navigate unique employment requirements and comply with ever-changing regulations and compliance standards across multiple countries. HR and people leaders must think critically about the technology they invest in to align their talent strategy, employee experience (EX), and business results.¹

[Deel Global Payroll](#) streamlines and automates payroll processing workflows for companies with global operations. Deel uses local, in-house payroll managers in 130+ countries to ensure its clients' payroll teams consistently distribute accurate, on-time, and compliant payroll to employees. Furthermore, Deel offers HR and accounting platform integrations that leverage existing employee data and sync with financial records, eliminating manual efforts for teams across their organizations.

Deel commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) enterprises may realize by deploying Deel Global Payroll.² The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of Deel Global Payroll on their organizations.



Return on investment (ROI)

67%



Net present value (NPV)

\$937K

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed six representatives with experience using Deel Global Payroll. For the purposes of this study, Forrester aggregated the interviewees' experiences and combined the results into a single [composite organization](#) that is a software organization with 1,500 employees across 15 countries.

Prior to Deel, most interviewees' organizations worked with in-country partners to process employee payroll, leading to decentralized processes and a lack of collaboration across team members. Interviewees stressed their organization's challenges working with local providers,

EXECUTIVE SUMMARY

including slow support response times, inaccuracies in payroll processing, and an inability to meet each country's individual coverage needs. Payroll, HR, finance, and compliance teams ultimately became overburdened, and employees received inconsistent payroll experiences. This frustration increased as interviewees' organizations continued to scale globally.

After the investment in Deel Global Payroll, the organizations' payroll, HR, and finance teams realized efficiencies across payroll processing, compliance, reporting, and administrative activities. Payroll accuracy improved, employees' payroll needs were addressed faster and more accurately, and organizations retired their disparate local payroll providers for a unified service.

“Deel has been a fantastic collaborator that focuses on customer obsession. This has enabled us to pull all of our data into one house. For the first time, I feel like we understand our people, how much we pay them, who they are, and where they are.”

GLOBAL HEAD OF PAYROLL AND BENEFITS, SOFTWARE

KEY FINDINGS

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

- **Local payroll provider retirement and vendor management efficiencies.** The composite retires its prior payroll providers as it gradually transitions employees to Deel, resulting in retired costs previously paid to local providers of \$1.29 million over three years. Additionally, the global payroll manager saves 80% of their time previously dedicated to payroll vendor management activities as they no longer manage multiple relationships across disparate payroll partners. These labor savings are worth an additional \$35,000 to the composite over three years.

- **Payroll processing efficiencies.** With Deel, the composite improves its payroll accuracy; gains access to more responsive customer support; and automates and optimizes workflows through integration with its existing HR platform. These features allow payroll specialists to save 60% of their time previously dedicated to processing payroll and fixing data inaccuracies, as well as 75% of their time previously dedicated to answering employee queries. Finance team members save 25% of their time on accounting activities as the composite integrates Deel with its existing accounting platform. This benefit is worth \$370,000 in labor savings over three years.
- **Compliance, reporting, and administrative efficiencies.** By consolidating its disparate payroll software, the composite unites all employee payroll data into a single platform, which eliminates the need to reference multiple administrative dashboards, allows colleagues to more easily support their workflows during absences, and enhances reporting capabilities. Deel AI also helps accelerate research into local laws and customs. Payroll specialists save 50% of their time previously dedicated to reporting, research, and onboarding and offboarding employees, while the global payroll manager saves 40% of their time on tasks such as specialist training and query escalations. The finance team speeds up their compliance and auditing tasks by 20%, and the HR managers accelerate the process of compiling employee reports by 50%. This benefit is worth \$189,000 in labor savings over three years.
- **Improved employee experience.** With more responsive customer support, better first-time answers, and an improved user interface, the employees' payroll experience at the composite is smoother and more consistent. Employees encounter fewer payroll inaccuracies that require adjustment and can access pay slips and documents on their own, resulting in less back and forth with the payroll and finance teams. This saves employees 50% of their time previously dedicated to query submission activities — a benefit that is worth \$430,000 over three years.

Payroll specialist FTEs dedicated to payroll operations per 1,500 employees

Prior to Deel: 7.5 FTEs
With Deel: 3.45 FTEs

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

- **Improved collaboration and engagement across the payroll team.** Members of the payroll team gain new ways of engaging with one another on Deel's unified, global platform. This unification drives improved collaboration, particularly when supporting colleagues during absences, and standardized process creation that guides strategy and decision-making.
- **Improved visibility, accessibility, and accuracy of data.** With improved visibility into global employee information, payroll teams can more easily identify data gaps that were overlooked in the prior environment. This visibility allows the payroll team to get ahead of potential inaccuracies and spend more time addressing employee needs.
- **Access to responsive payroll and compliance experts.** With direct access to Deel's payroll and compliance expertise, payroll teams gain new country-specific knowledge and can address employees' needs faster. This access reduces the time required to stay up-to-date on frequent compliance and regulatory changes. The composite finds that Deel support is responsive, open to product feedback, and accessible across multiple communication channels.
- **Ease of use.** All users at the composite — including payroll, finance, HR, and employees — easily navigate Deel's platform because of its intuitive interface and design. Easy navigation allows each group to focus more time on other strategic priorities. New users require little training to get up to speed on Deel's functionality, allowing team members to contribute to workflows quicker.

“The less time [the HR team] has to spend on payroll, the happier they are, because it lets them focus on employees and improving their experience. That’s the major gain.”

GLOBAL HR DIRECTOR, SOFTWARE

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

- **Deel Global Payroll fees totaling \$1.1 million.** The composite organization pays a fee of \$28 per employee per month (PEPM) to Deel for payroll processing.
- **Onboarding and implementation totaling \$309,000.** The composite organization pays \$80,000 in onboarding fees to Deel, which includes setting up integrations. Implementation lasts 10 weeks for each country and includes internal effort from the payroll specialist and finance teams, which totals approximately \$229,000 in labor costs.
- **Ongoing management totaling \$25,000.** The global payroll manager dedicates 10% of their time strategizing with Deel, creating documentation, designing processes, building reports, and training specialists on the platform.

The representative interviews and financial analysis found that a composite organization experiences benefits of \$2.33 million over three years versus costs of \$1.39 million, adding up to a net present value (NPV) of \$936,000 and an ROI of 67%.

EXECUTIVE SUMMARY



Return on investment (ROI)

67%



Benefits PV

\$2.33M



Net present value (NPV)

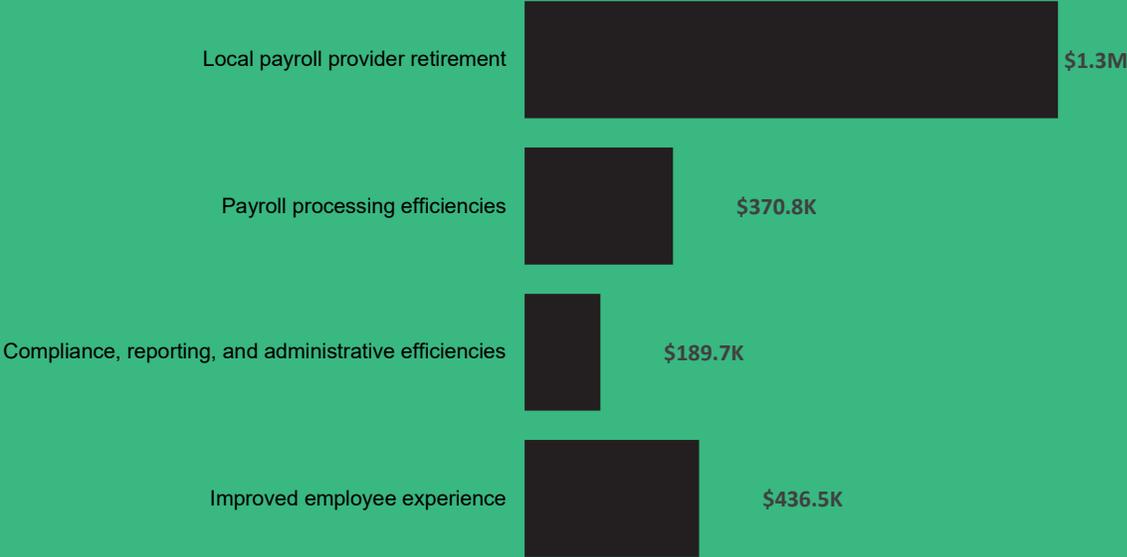
\$937K



Payback

13 months

Benefits (Three-Year)



TEI FRAMEWORK AND METHODOLOGY

From the information provided in the interviews, Forrester constructed a Total Economic Impact™ framework for those organizations considering an investment in Deel Global Payroll.

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 Deel Global Payroll can have on an organization.

DISCLOSURES

Readers should be aware of the following:

This study is commissioned by Deel and delivered by Forrester Consulting. It is not meant to be used as a competitive analysis.

Forrester makes no assumptions as to the potential ROI that other organizations will receive. Forrester strongly advises that readers use their own estimates within the framework provided in the study to determine the appropriateness of an investment in Deel Global Payroll.

Deel 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.

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

Due Diligence

Interviewed Deel stakeholders and Forrester analysts to gather data relative to Global Payroll.

Interviews

Interviewed six representatives at organizations using Deel Global Payroll to obtain data about costs, benefits, and risks.

Composite Organization

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

Financial Model Framework

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

Case Study

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

The Deel Global Payroll Customer Journey

Drivers leading to the Global Payroll investment

Interviews				
Role	Industry	Operations	Employees/ employer of record (EOR)	Countries transitioned to Deel
Global head of payroll and benefits	Software	26 countries	2,800 direct 45 EOR	22 (2,600 employees)
Senior global payroll manager	Software	13 countries	1,300 direct 4 EOR	12 (~230 employees)
Global HR director VP, HR business partner	Software	10 countries	700 direct	8 (~500 employees)
Group payroll manager	Software	16 countries	700 direct 3 EOR	11 (~600 employees)
Lead people operations specialist	Software	7 countries	900 direct 60 EOR	3 (700 to 800 employees)

KEY CHALLENGES

Before implementing Deel Global Payroll, most interviewees' organizations conducted payroll processes through local payroll providers for the entities in their established countries. One organization implemented a global provider that serviced some, but not all, of its entities. Whether preparing to go public or acquire another company, most of these organizations were actively scaling their operations. The interviewees noted how their organizations struggled with common challenges, including:

- Slow response times.** Interviewees stressed the challenges of working with payroll processors that were unresponsive to outstanding queries and requests. Payroll teams were unable to resolve employee needs efficiently as they struggled to establish consistent communication with their previous providers. As the lead people operations specialist at a software organization shared: “[Our previous providers had] longer SLAs. ... We were waiting too long for their feedback. ... It just wasn’t sustainable.”
- Payroll processing inaccuracies.** Interviewees described the time-consuming nature of fixing errors and inaccuracies in payroll each month. Beyond the manual work

required for payroll teams to cross-reference and double check the local payroll providers' submissions, these errors placed an extra burden on compliance teams to perform multiple reviews and approvals. The global HR director at a software organization shared their prior experience, noting: “[There were] an extreme number of payroll issues, compliance issues, report errors, payroll errors, and failures to correct errors. [This resulted in] late reports, late submissions — late everything.”

- **Lack of country coverage.** Interviewees commented on the difficulty of maintaining relationships with providers that could meet the evolving payroll needs of their operating countries and consistently perform services, increasing the need for additional vendor management activities. As the lead people operations specialist at a software organization explained: “The first reason [we switched to Deel] was that not all providers covered the regions we operate in. And with Slovakia and the Czech Republic, our previous provider transitioned to an auditing role and could no longer offer payroll services to us.”
- **Disparate payroll processes across countries.** Interviewees described how payroll teams often assembled various strategies and technologies to complete payroll on time. Data remained dispersed between various stakeholders across their organizations and in multiple records and databases. The group payroll manager at a software organization shared: “Previously, there wasn't really a process in place. It was a mix of people from HR, finance, and even the South African team stepping in to handle international payroll. Some didn't even use a payroll system — they just worked off of spreadsheets.”

“We are preparing for IPO readiness. You need to have a global provider if you want to go on the market. ... We planned to look for local payroll providers, and then we just said, ‘Why are we looking for someone local when we can work with one company with one fee, and one full package for every region?’”

LEAD PEOPLE OPERATIONS SPECIALIST, SOFTWARE

INVESTMENT OBJECTIVES

The interviewees' organizations searched for a solution that could:

- Centralize payroll operations and standardize processes.
- Provide payroll services to employees in all countries of operation.
- Provide timely, in-house customer support.
- Integrate with HR and accounting software solutions.
- Provide accessible and customizable reporting.

“We looked a lot at whether the payroll team was in-house or relied on an in-country provider (ICP). We wanted to work with someone who had their own payroll teams in different countries. We didn't want ICPs. The usability, integrations, and automation were also key points.”

GLOBAL HR DIRECTOR, SOFTWARE

COMPOSITE ORGANIZATION

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

Description of composite. The global multimillion-dollar software organization has 1,500 employees across 15 countries. The organization has 7.5 payroll specialists, one global payroll manager, and five finance team members who focus on monthly payroll processing for all

employees. Payroll specialists dedicate their time to three payroll tasks: payroll processing (including fixing data inaccuracies), answering employee queries, and administrative activities.

Deployment characteristics. The composite organization implements Deel Global Payroll across seven of its operating countries in Year 1 and the remaining eight in Year 2. The organization also integrates its accounting and HR systems into Deel.

Key Assumptions

Multimillion-dollar revenue

1,500 employees

15 countries

100 employees per country

7.5 payroll specialists

One global payroll manager

For financial modeling purposes, Forrester assumes the composite organization has an average of 100 employees per country across 15 countries (exemplified in figure 1). Forrester recognizes the employee counts may vary across each organization's global offices (exemplified in figure 2), which may impact results for a particular organization.

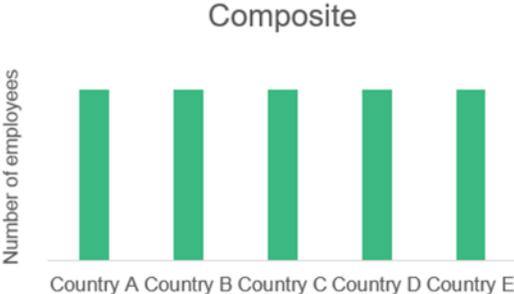


Figure 1

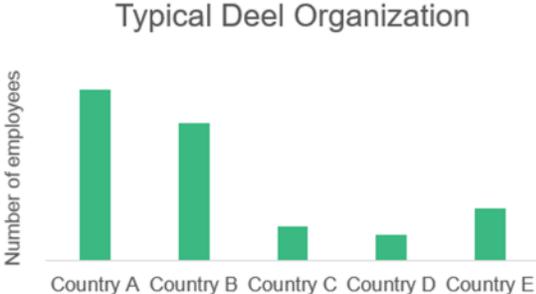


Figure 2

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	Local payroll provider retirement	\$311,148	\$665,496	\$665,496	\$1,642,140	\$1,332,856
Btr	Payroll processing efficiencies	\$86,326	\$185,288	\$185,288	\$456,901	\$370,817
Ctr	Compliance, reporting, and administrative efficiencies	\$46,040	\$93,717	\$93,717	\$233,474	\$189,718
Dtr	Improved employee experience	\$101,745	\$218,025	\$218,025	\$537,795	\$436,487
	Total benefits (risk-adjusted)	\$545,259	\$1,162,526	\$1,162,526	\$2,870,310	\$2,329,878

LOCAL PAYROLL PROVIDER RETIREMENT

Evidence and data. Interviewees’ organizations previously used multiple local vendors to support their payroll operations but decommissioned these solutions after transitioning to Deel. This transition allowed payroll teams to realize vendor management cost and time savings by focusing on one partnership rather than on multiple vendors.

- The lead people operations specialist at a software organization shared: “There is a cost benefit connected with the fact that we don’t need to pay six separate local payroll providers. We have all services under one roof for all the locations that we need.” They added, “[With Deel], we are saving 10% to 20% of what we were paying previously for the cost of monthly payroll processing with other providers.”
- To explain the difficulty of maintaining multiple provider relationships, the global head of payroll and benefits at a software organization told Forrester: “When we had to go to all the different payroll providers and ask for information, and then tried to get the information from our human resource information system (HRIS), everything was different, nothing was consistent, and all the costs were all over the place. So we went to our HRIS provider and said, ‘We need to simplify this.’”

“The reason why we onboarded Deel Global Payroll, besides the fact that we were already satisfied using Deel for EOR employees, was that we wanted a global solution for all the European countries. The local providers were only providing a service for one or two entities.”

LEAD PEOPLE OPERATIONS SPECIALIST, SOFTWARE

Modeling and assumptions. For the financial analysis as applied to the composite organization, Forrester assumes:

- The composite transitions 700 employees to Deel Global Payroll in Year 1 and 1,500 by Years 2 and 3.
- The average annual fee for the prior environment is \$480 per employee.
- The global payroll manager dedicated 30% of their time to vendor management activities in the prior environment. With Deel, they save 40% of the time spent on these tasks in Year 1 and save 80% in Years 2 and 3.
- The average fully burdened annual salary for a global payroll manager is \$90,000.
- A productivity recapture rate of 90% is applied, and the remaining time saved is reallocated to nonwork activities.

Risks. This benefit may vary among organizations based on:

- The number of providers contracted and types of services.
- The extent to which the payroll team engages in vendor management activities.
- The annual salary for the global payroll manager.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$1.3 million.

ANALYSIS OF BENEFITS

Local Payroll Provider Retirement					
Ref.	Metric	Source	Year 1	Year 2	Year 3
A1	Employees converted to Deel Global Payroll	Composite	700	1,500	1,500
A2	Average annual fee paid per employee in prior environment	Interviews	\$480	\$480	\$480
A3	Subtotal: Local payroll provider retirement fees	A1*A2	\$336,000	\$720,000	\$720,000
A4	Global payroll manager FTE	Composite	1	1	1
A5	Percentage of time dedicated to prior vendor management activities	Composite	30%	30%	30%
A6	Efficiencies with Deel	Composite	40%	80%	80%
A7	Fully burdened annual salary of a global payroll manager	Composite	\$90,000	\$90,000	\$90,000
A8	Productivity recapture	TEI methodology	90%	90%	90%
A9	Subtotal: Vendor management efficiencies	A4*A5*A6*A7*A8	\$9,720	\$19,440	\$19,440
At	Local payroll provider retirement	A3+A9	\$345,720	\$739,440	\$739,440
	Risk adjustment	↓10%			
Atr	Local payroll provider retirement (risk-adjusted)		\$311,148	\$665,496	\$665,496
Three-year total: \$1,642,140			Three-year present value: \$1,332,856		

PAYROLL PROCESSING EFFICIENCIES

Evidence and data. Throughout the payroll cycle — from submitting employee data, to approving pay slips, to paying employees — payroll teams reduced their time on manual activities with Deel Global Payroll. By integrating with their organization’s HR system and eliminating disparate vendor platforms, payroll specialists automated much of the data input process and encountered fewer data inaccuracies during reviews and approvals. With more accurate data and a simplified user interface, the payroll team also spent less time answering employee payroll queries as employees learned to self-service within Deel. Finance teams saved time on accounting activities by integrating their accounting system into Deel and operating out of a single, unified platform. Interviewees provided the following examples:

- On data inaccuracies, the global HR director at a software organization stated: “I don’t have to be as thorough in my checking. With the old provider, I probably spent at least

half a day checking, correcting, and sending emails back and forth over needed corrections.”

- The senior global payroll manager at a software organization estimated payroll processing time savings of 15%. They told Forrester: “In the past, [employees] had to go through different platforms. ... Now we have efficiency because you’re in one platform moving through groups to expose changes.”
- The lead people operations specialist at a software organization said: “[Before Deel], we manually tracked address, salary, or promotion changes, but now it runs through the interface. For other tasks that are still manual, like bonuses, we enter them directly into the Deel platform. There is no chance that what I enter there as a bonus could be different than what I receive from outputs. This is great. I would say that the overall time I spent on payroll preparation, let’s say 30% to 40% of my time, was reduced since we implemented the Deel platform.”

“There is efficiency in having everything in one platform. You log in and work on multiple payrolls at the same time. ... That saves a lot of time.”

GROUP PAYROLL MANAGER, SOFTWARE

- On data inaccuracies, the lead people operations specialist shared: “If we received the wrong outputs [in the prior environment], then we needed to reject them, go back to the payroll provider, have the provider adjust it again in their system, and run outputs again. Of course, they weren’t replying within 30 minutes or an hour — sometimes it was another day.”
- The group payroll manager at a software organization shared: “Even when I was doing payroll for the UK and Belgium, which were the only two regions that were centralized, it

was probably taking me an extra 2 hours per payroll cycle. There was a lot we couldn't put in the system ourselves, so we would have to email support, get them to add it on, then check that they'd done it because they wouldn't reply to say they had."

- The head of global payroll and benefits at a software organization told Forrester that they reduced their payroll team from 19 (including various contractors and consulting resources) to six after implementing Deel. Their organization could attribute approximately 40% of this reduction to Deel Global Payroll, with the remaining 60% attributed to organizational strategy changes.

"With previous systems, you'd email support and wait days for an answer, especially when it was something urgent that impacted payroll or a query from an employee. [Deel has provided] really good time savings for us. [Queries are] sorted and amended on the payroll within a couple of hours."

GROUP PAYROLL MANAGER, SOFTWARE

"We used to have a people support team to help with first-line payroll queries. There were 15 of them; now there are none. ... We use the Deel team and the customer service team to answer first-line queries now."

GLOBAL HEAD OF PAYROLL AND BENEFITS, SOFTWARE

Modeling and assumptions. For the financial analysis as applied to the composite organization, Forrester assumes:

- The composite transitions seven countries of operation to Deel in Year 1 and the remaining eight countries by Year 2.
- The average number of employees is 100 per country.
- Each payroll specialist completes payroll tasks for 200 employees.
- In the prior environment, payroll specialists dedicated 50% of their time to processing payroll and fixing inaccuracies. With Deel, they save 60% of the time spent on these tasks.
- In the prior environment, payroll specialists dedicated 20% of their time to answering employee queries. With Deel, they save 75% of the time spent on this task.
- The average fully burdened annual salary for a payroll specialist is \$60,000.
- One finance team member covers payroll processing activities for every 300 employees.
- In the prior environment, finance team members dedicated 30% of their time to payroll activities. With Deel, they save 25% of the time spent on these tasks.
- The average fully burdened annual salary for a finance team member is \$70,000.
- A productivity recapture rate of 90% is applied, and the remaining time saved is reallocated to nonwork activities.

Risks. The size of this benefit may vary among organizations depending on:

- The number of countries and employees in each that transition to Deel Global Payroll. For modeling purposes, Forrester assumes an average number of employees per country. Forrester recognizes employee counts may vary widely per geography.
- How many and the extent to which payroll specialists and finance team members are dedicated to payroll activities.
- The annual salaries for payroll specialists and the group payroll manager.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$371,000.

ANALYSIS OF BENEFITS

Payroll Processing Efficiencies					
Ref.	Metric	Source	Year 1	Year 2	Year 3
B1	Countries converted to Deel Global Payroll	Composite	7	15	15
B2	Average employees per country	Composite	100	100	100
B3	Employees converted to Deel Global Payroll	B1*B2	700	1,500	1,500
B4	Employees per payroll specialist	Composite	200	200	200
B5	Payroll specialist FTEs	B3/B4	3.5	7.5	7.5
B6	Percentage of time dedicated to processing payroll and fixing inaccuracies in the prior environment	Composite	50%	50%	50%
B7	Efficiencies with Deel	Interviews	60%	60%	60%
B8	Percentage of time dedicated to answering employee queries in the prior environment	Composite	20%	20%	20%
B9	Efficiencies with Deel	Interviews	75%	75%	75%
B10	Fully burdened annual salary for a payroll specialist	Composite	\$60,000	\$60,000	\$60,000
B11	Subtotal: Payroll specialist efficiencies	(B5*B6*B7*B10)+(B5*B8*B9*B10)	\$94,500	\$202,500	\$202,500
B12	Finance team FTEs	Composite	2.3	5.0	5.0
B13	Percentage of time dedicated to payroll activities in the prior environment	Composite	30%	30%	30%
B14	Efficiencies with Deel	Interviews	25%	25%	25%
B15	Fully burdened annual salary for finance team	Composite	\$70,000	\$70,000	\$70,000
B16	Subtotal: Finance team efficiencies	B12*B13*B14*B15	\$12,075	\$26,250	\$26,250
B17	Productivity recapture	TEI methodology	90%	90%	90%
Bt	Payroll processing efficiencies (rounded)	(B11+B16)*B17	\$95,918	\$205,875	\$205,875
	Risk adjustment	↓10%			
Btr	Payroll processing efficiencies (risk-adjusted)		\$86,326	\$185,288	\$185,288
Three-year total: \$456,901			Three-year present value: \$370,817		

COMPLIANCE, REPORTING, AND ADMINISTRATIVE EFFICIENCIES

Evidence and data. Interviewees explained how necessary administrative activities, including onboarding and offboarding employees, reporting, and compliance checks, were manual for their organizations. Because of Deel’s unified platform and standardized process creation, payroll specialists gained the ability to support and fill in for their colleagues during absences. Payroll specialists also used Deel AI to support country-related payment and tax research. HR teams saved time gathering employee data through Deel’s customizable reports, and the compliance team spent less time auditing reports to avoid noncompliance with Deel’s more accurate data. Interviewees illustrated the following examples:

- The lead people operations specialist at a software organization told Forrester: “For offboarding, there are time savings because the HR platform automatically triggers the information to Deel, so I can complete and provide information even before the payroll cycle. Once the payroll comes, employees already have all the necessary information, and I don’t need to wait until the 15th of the month to share it with them.”
- On training employees, the group payroll manager at a software organization said: “All of the countries pretty much work the same within the system. It’s learning one system rather than ten. I’d say that’s a couple of hours with each person, because I don’t have to log into each system and set everyone up in each system to have a login.”

“Deel gives us a one-stop shop so that we don’t have to enter into different portals. We don’t have to collect different file formats to combine ourselves. The main thing that it gives us is the collection of all the reports in the same format and in one place.”

GLOBAL HR DIRECTOR, SOFTWARE

- On training employees, the group payroll manager at a software organization told Forrester: “Training employees includes showing them how to access what they need, like pay slips, year-end documents, or holiday requests. Now, I can run group sessions instead of spending time working with a handful of people in one country on one system and another group in a different country on a separate system. It’s a lot easier.”
- On HR efficiencies, the group payroll manager continued: “The HR team is going to [pull reports] themselves. It means that they don’t have to come to payroll, then wait for us to get the information and get back to them.”

“The team can do less admin and can focus on higher-level activities. For instance, we used to have four people doing [payroll for] Germany, Austria, and Poland, and now we only have one. We’re a lot more efficient. We can do a lot more with less.”

GLOBAL HEAD OF PAYROLL AND BENEFITS, SOFTWARE

Modeling and assumptions. For the financial analysis as applied to the composite organization, Forrester assumes:

- Payroll specialists dedicated 30% of their time to administrative activities including reporting, training, research, and offboarding employees in the prior environment. With Deel, they save 50% of the time on these tasks.
- The average fully burdened annual salary for a payroll specialist is \$60,000.
- The global payroll manager dedicated 20% of their time to administrative activities including training specialists, supervision, and escalations in the prior environment. With Deel, they save 30% of the time spent on these tasks in Year 1 and save 40% of the

time spent on these tasks in Years 2 and 3 as the remaining operating countries transition to Deel.

- The average fully burdened annual salary for a global payroll manager is \$90,000.
- The finance team dedicated 20% of their time to compliance tasks in the prior environment. With Deel, they save 20% of the time spent on these tasks.
- The average fully burdened annual salary for a finance team member is \$70,000.
- HR managers (one in Year 1 and two in Years 2 and 3) dedicated 30% of their time to compiling HR reports in the prior environment. With Deel, they save 50% of the time spent on this task.
- The average fully burdened annual salary for an HR manager is \$90,000.
- A productivity recapture rate of 90% is applied. The remaining time saved is reallocated to nonwork activities.

Risks. This benefit may vary among organizations based on:

- How many and the extent to which payroll specialists, finance team members, and HR managers are dedicated to payroll activities.
- The annual salaries for payroll specialists, the group payroll manager, and finance team members.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$190,000.

“We save time with Deel because we can trust the data much more now.”

GLOBAL HR DIRECTOR, SOFTWARE

ANALYSIS OF BENEFITS

Compliance, Reporting, And Administrative Efficiencies					
Ref.	Metric	Source	Year 1	Year 2	Year 3
C1	Payroll specialist FTEs	B5	3.5	7.5	7.5
C2	Percentage of time dedicated to admin (reporting, training, research, offboarding) in prior environment	Composite	30%	30%	30%
C3	Efficiencies with Deel	Interviews	50%	50%	50%
C4	Fully burdened annual salary for a payroll specialist	Composite	\$60,000	\$60,000	\$60,000
C5	Global payroll manager FTEs	Composite	1	1	1
C6	Percentage of time dedicated to admin (training specialists, supervision, escalations) in prior environment	Composite	20%	20%	20%
C7	Efficiencies with Deel	Interviews	30%	40%	40%
C8	Fully burdened annual salary for a global payroll manager	Composite	\$90,000	\$90,000	\$90,000
C9	Subtotal: Admin efficiencies	(C1*C2*C3*C4)+(C5*C6*C7*C8)	\$36,900	\$74,700	\$74,700
C10	Finance team FTEs	B12	2.3	5.0	5.0
C11	Percentage of time dedicated to payroll compliance tasks in prior environment	Composite	20%	20%	20%
C12	Efficiencies with Deel	Interviews	20%	20%	20%
C13	Fully burdened annual salary for a finance team member	Composite	\$70,000	\$70,000	\$70,000
C14	Subtotal: Compliance efficiencies	C10*C11*C12*C13	\$6,440	\$14,000	\$14,000
C15	HR manager FTEs	Composite	1	2	2
C16	Percentage of time dedicated to compiling HR reports in prior environment	Composite	30%	30%	30%
C17	Efficiencies with Deel	Interviews	50%	50%	50%
C18	Fully burdened annual salary for an HR manager	Composite	\$90,000	\$90,000	\$90,000
C19	Subtotal: Reporting efficiencies	C15*C16*C17*C18	\$13,500	\$27,000	\$27,000
C20	Productivity recapture	TEI methodology	90%	90%	90%
Ct	Compliance, reporting, and administrative efficiencies	(C9+C14+C19)*C20	\$51,156	\$104,130	\$104,130
	Risk adjustment	↓10%			
Ctr	Compliance, reporting, and administrative efficiencies (risk-adjusted)		\$46,040	\$93,717	\$93,717
Three-year total: \$233,474			Three-year present value: \$189,718		

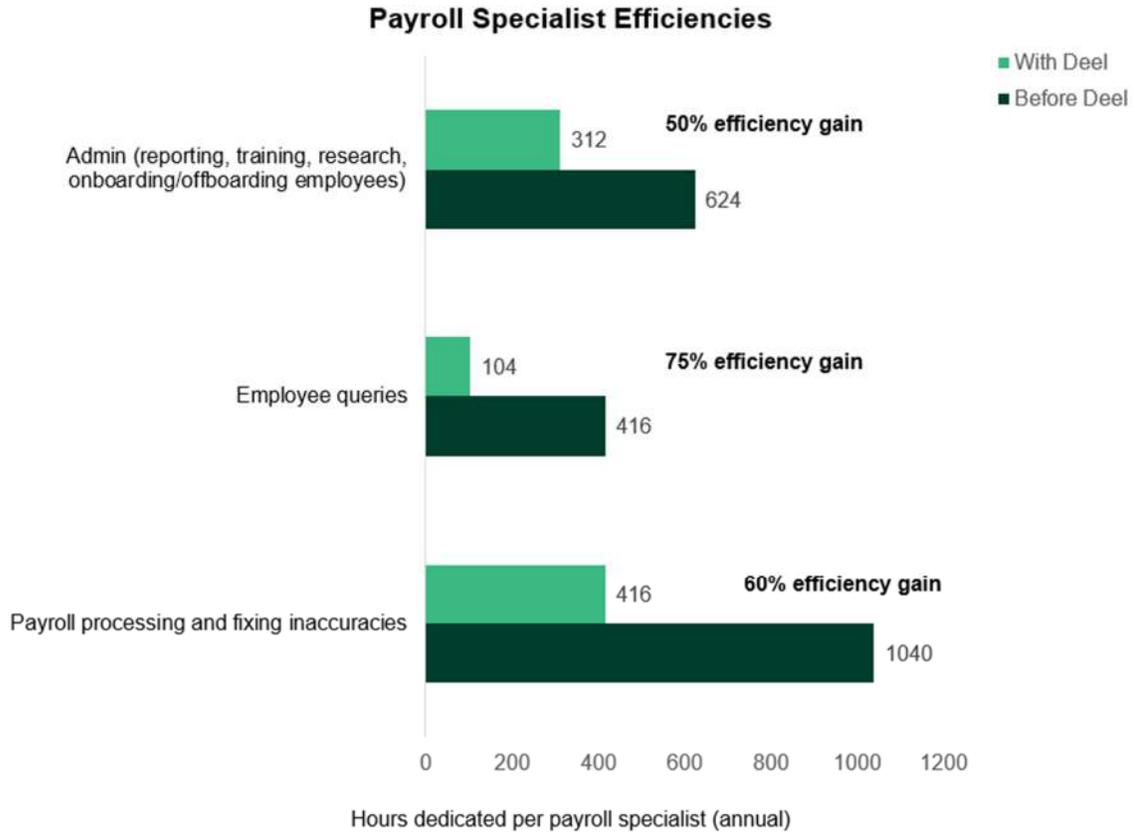


Figure 3

Figure 3 is a graphical representation of the time savings illustrated in Benefit Table B and Benefit Table C for each payroll specialist included in the composite organization. The financial model assumes each payroll specialist dedicates 40 hours per week (or 2,080 hours per year) to combined payroll operation tasks (shown in figure 3) prior to the investment in Deel Global Payroll. Note: While not included in the above chart, the financial model assumes 90% of the hours saved are recaptured for productive work.

IMPROVED EMPLOYEE EXPERIENCE

Evidence and data. Interviewees explained that Deel’s customer service was better than their organization’s previous local providers in responsiveness, accuracy, and answer depth. As a result, employees spent less time sending queries and following up with the payroll and finance teams. Interviewees noted that employees found pay slips on their own, had fewer questions about documentation, and followed an intuitive onboarding process to set up their account. Interviewees provided the following examples:

- The lead people operations specialist at a software organization shared: “There were some inaccuracies in the payroll processing of our old payroll provider. Since Deel now has the correct outputs, the employees are not raising that many questions or queries anymore.”
- The group payroll manager at a software organization told Forrester: “The system is very straightforward. Employees get a link to their email once they’ve logged in. Onboarding is also very straightforward. I don’t get that many queries. The old queries may have been, ‘I haven’t gotten this number yet,’ if someone’s moved from a different country. Or, ‘I don’t have a taxpayer identification number yet. So how do I fill that field in?’ Or, ‘I’ve moved to this country, I don’t have bank details yet.’”
- Sharing another example, the group payroll manager stated: “I’ve received feedback that it’s very easy to use. We had many problems with our old system for employees to log holidays, because we didn’t have up-to-date information. It is now much quicker.”
- The global HR director stated: “I’m getting less questions about errors. I think [employees] are saving time by not having to settle these errors. There’s definitely a benefit to the pay slip syncing with our HR system — that makes things so much easier for everybody.”
- The global head of payroll and benefits commented: “Employees find it easy to log in, understand, and navigate the Deel portal. ... They are able to use it really well.”

Modeling and assumptions. For the financial analysis as applied to the composite organization, Forrester assumes:

- The composite transitions 700 employees to Deel Global Payroll in Year 1 and 1,500 by Years 2 and 3.

ANALYSIS OF BENEFITS

- Employees spent an average of 12 hours per year submitting queries and interfacing with the payroll team in the prior environment. With Deel, employees save 50% of the time spent on these tasks.
- The fully burdened hourly rate for an employee is \$34.
- A productivity recapture rate of 75% is applied, and the remaining time saved is reallocated to nonwork activities.

Risks. This benefit may vary among organizations based on:

- The number of employees transitioned to Deel.
- The extent to which employees interact with the payroll team and submit queries.
- The annual salary for employees.

Results. To account for these risks, Forrester adjusted this benefit downward by 5%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$432,000.

Employee time savings when submitting queries and interfacing with payroll team
50%

ANALYSIS OF BENEFITS

Improved Employee Experience					
Ref.	Metric	Source	Year 1	Year 2	Year 3
D1	Employees covered by Deel	Composite	700	1,500	1,500
D2	Time spent submitting queries and interfacing with the payroll team in prior environment (hours)	Composite	12	12	12
D3	Efficiencies with Deel	Interviews	50%	50%	50%
D4	Fully burdened hourly rate for employees	Composite	\$34	\$34	\$34
D5	Productivity recapture	TEI methodology	75%	75%	75%
Dt	Improved employee experience	D1*D2*D3*D4*D5	\$107,100	\$229,500	\$229,500
	Risk adjustment	↓5%			
Dtr	Improved employee experience (risk-adjusted)		\$101,745	\$218,025	\$218,025
Three-year total: \$537,795			Three-year present value: \$436,487		

UNQUANTIFIED BENEFITS

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

- Improved collaboration and engagement across the payroll team.** By using the same payroll platform, payroll specialists found new ways to support colleagues in other countries, including backfilling during absences. This streamlined system allowed for the creation of global processes and the notion of a platform department rather than disaggregated employees all performing similar tasks. The group payroll manager at a software organization told Forrester, “I think it’s made more of a payroll department [than we had before].”

The people operations specialist at a software organization shared an example: “I am the backup for Germany and the Czech Republic, so if I need to provide information while my colleague is out of the office, I can simply go to the Deel platform and find it myself, because I have access to it. The visibility and accessibility of the data are definitely better.”

ANALYSIS OF BENEFITS

- **Improved visibility, accessibility, and accuracy of data.** Unifying the data in a single platform allowed payroll teams to more easily identify data gaps and inaccuracies that were previously overlooked. These overlooked instances had prevented the payroll team from focusing on necessary day-to-day tasks. The group payroll manager shared an example: “We had an issue before I started, where an employee in the UK went on maternity leave and was paid a full salary. It wasn’t until we moved to Deel that I realized the paperwork didn’t have the correct dates. Situations like that had an impact, because the people processing our payroll at the time should have caught those errors.”
- **Enhanced access to responsive payroll and compliance experts.** Teams gained direct access to Deel’s payroll and compliance experts when addressing country-specific needs. This access allowed teams that previously struggled to keep up-to-date on compliance and regulatory changes to meet employees’ needs faster and gain new country knowledge. Payroll teams also appreciated Deel employees’ general responsiveness across multiple communication channels and their openness, particularly when receiving and iterating feedback.

The group payroll manager at a software organization explained how their organization relied on Deel for country-specific knowledge sharing: “With some of our countries, we don’t have in-depth knowledge of the legislation. It’s good to have Deel, because they have this knowledge that we use quite a lot.”

On receptiveness to feedback, the group payroll manager at a software organization shared: “I’ve had quite a few feedback sessions with different teams at Deel, and I provide feedback quite a lot to the customer support manager such as, ‘This isn’t quite working,’ or ‘Can we do this?’ Or, ‘Can this be put in the system?’ And then you see what you’ve been asking for implemented in the system. I’ve had loads of payroll systems before where you give feedback, and they don’t take any of it. I really like the fact that [Deel] actually listens and makes the changes to make it easier for people.”

On responsiveness, the lead people operations specialist at a software organization told Forrester: “Any time during the day, you can request assistance from Deel, and usually, they reply within 1 or 2 hours. We have a [communication] channel with a shared group that includes all key stakeholders from our company and the Deel team to discuss global matters. Of course, we can also reach out individually via [the communication channel].”

For example, if my payroll specialist has a quick question, they can just ping me on [our communication channel], and we don't need to raise a support ticket.”

- **Ease of use.** Deel's intuitive platform design allows all users — including payroll, finance, HR, and employees — to self-access without significant training. This ease of use creates time for payroll teams to focus on higher-level tasks, such as gaining new country knowledge. Sharing an example of user groups navigating the platform after a period of nonuse, the global HR director at a software organization recalled: “Former employees now have the ability to use the platform after they leave the company and access their old pay slips. ... Previously, we would have had to retrieve all the pay slips and send to them manually.”

Interview Spotlight

Additional Software Consolidation: HRIS

The global head of payroll and benefits at a software organization with 2,800 employees across 26 countries shared that in addition to consolidating previous payroll service vendors, their organization decommissioned its prior HRIS platform and transitioned to Deel HR because of its organizational strategy.

The retired HRIS platform cost the software organization \$28 million in associated platform and service fees. The global head of payroll and benefits explained: “Having Deel HRIS simplifies everything. It means that we have global payroll and our HRIS all in one place.”

The interviewee continued: “Our HRIS team used to be quite big — about 10 to 12 employees. Now our HRIS is managed by four individuals. ... A lot of things would be quite complicated, whereas now, a lot of the automations and information within the Deel system make it much easier to complete tasks and ensure they are done accurately.” The global head of payroll and benefits could attribute roughly 40% of their HRIS team’s headcount reduction to Deel.

This organization is also implementing benefit offerings into Deel. The interviewee said, “Once we finish with [benefits], we’ll probably have the only all-in-one system that does payroll, HRIS, and benefits all in one place, which is pretty special in the industry.”

Unquantified Benefits Spotlight

Deel EOR

Three of the five interviewees' organizations also implemented Deel EOR³ and employed anywhere from three to 60 EOR employees. The interviewees explained that Deel hires these employees, who are located outside the countries where the organization has an established legal entity. While Deel EOR is not included in the above financial model, interviewees told Forrester that this service brings value to their organizations by:

- Enhancing their ability to attract diverse talent across new markets.
- Avoiding research time on legal support and benefit offerings in new countries.
- Avoiding time spent onboarding new hires.

The global head of payroll and benefits at a software organization said: "At one stage, we were opening offices everywhere. If we wanted to keep doing that, ... it would have been an absolute nightmare for us to navigate the jurisdictional things that come with it like ownership, directorships, and signatures. EOR simplifies that process and accounting in new countries or new markets that we go to."

The group payroll manager at a software organization told Forrester: "It helps the country managers that want to employ that person. ... If they find a good candidate they want to extend an offer to, the question isn't, 'But can we actually pay them?'"

FLEXIBILITY

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

- **Exploring other Deel features and products.** Interviewees shared anticipation for testing other Deel products with Global Payroll to further unify employee data in a single platform and support their global workforce.

The senior global payroll manager at a software organization referenced employees seeking work visas and permits: “I’m optimistic that we’re going to use the immigration package in the future for our employees. Right now, employees have to look into that themselves.”

The global HR director at a software organization shared, “We have said to IT that we could use the Deel platform for sending equipment to employees with home offices and things like that.”

The group payroll manager at a software organization said that their team was investigating the treasury service associated with Global Payroll, which includes supporting tasks such as fund allocation, disbursement, and reconciliation.

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

Analysis Of Costs

Quantified cost data as applied to the composite

Total Costs							
Ref.	Cost	Initial	Year 1	Year 2	Year 3	Total	Present Value
Etr	Deel Global Payroll fees	\$0	\$246,960	\$529,200	\$529,200	\$1,305,360	\$1,059,460
Ftr	Onboarding and implementation	\$147,654	\$177,692	\$0	\$0	\$325,346	\$309,192
Gtr	Ongoing management	\$0	\$9,900	\$9,900	\$9,900	\$29,700	\$24,620
	Total costs (risk-adjusted)	\$147,654	\$434,552	\$539,100	\$539,100	\$1,660,406	\$1,393,272

DEEL GLOBAL PAYROLL FEES

Evidence and data. The interviewees explained that their organizations paid a PEPM fee for those enrolled in Deel Global Payroll. Deel's PEPM includes country, employee service, and software fees, plus optional add-on fees for treasury.

Modeling and assumptions. For the financial analysis as applied to the composite organization, Forrester assumes:

- The composite pays \$28 PEPM, which includes country, service, and platform fees. The composite opts out of treasury services. Volume-based discounting is applied based on the number of employees per country.
- Pricing may vary. Please contact Deel for additional information.

Risks. This cost may vary among organizations based on:

- The number and location of employees.

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

Deel Global Payroll Fees						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
E1	Employees covered by Deel Global Payroll	A1		700	1,500	1,500
E2	Average fee per employee	Deel		\$336	\$336	\$336
Et	Deel Global Payroll fees	E1*E2	\$0	\$235,200	\$504,000	\$504,000
	Risk adjustment	↑5%				
Etr	Deel Global Payroll fees (risk-adjusted)		\$0	\$246,960	\$529,200	\$529,200
Three-year total: \$1,305,360			Three-year present value: \$1,059,460			

ONBOARDING AND IMPLEMENTATION

Evidence and data. Interviewees commented that onboarding included a series of meetings with Deel to configure and validate country policies, employee information, and banking details, as well as to configure integrations. Payroll specialists, finance teams, and HR teams worked with an assigned onboarding manager from Deel. Collectively, they determined how to gradually transition countries from their old providers to Deel.

- The lead people operations specialist at a software organization told Forrester: “Onboarding Deel to different regions includes a people operations specialist, an accountant for the region, and a team member from finance who is responsible for booking the payments. For every region, five or six people cooperate to ensure that the whole service is covered correctly.”
- On meetings, the lead people operations specialist commented, “When we were in the onboarding phase for each region over a period of three or four months, we had weekly or bi-weekly meetings with Deel.”
- The group payroll manager at a software organization estimated that it took between two and three months to onboard new countries, and echoed similar sentiments, “For our implementation, we involved our HR team (which brought prior knowledge of how the systems were working), our finance team, and the country managers for each entity.”

ANALYSIS OF COSTS

- The global head of payroll and benefits at a software organization estimated that it took three months to onboard a new country. On integration, they said: “We have our talent management system that’s integrated with Deel and works really well. We also have our benefits systems integrated for Sweden.”

Modeling and assumptions. For the financial analysis as applied to the composite organization, Forrester assumes:

- The composite organization pays \$80,000 in onboarding and implementation fees.
- It takes 10 weeks to implement Deel in a new country.
- The composite initially needs 3.5 payroll specialists and one finance team member to support implementation in the first seven countries. It needs four payroll specialists and one finance team member to support implementation in the remaining eight countries. Payroll specialists are dedicated 30% over the 10-week period, and the finance team member is dedicated 10%.
- The average fully burdened weekly salary for a payroll specialist is \$1,154.
- The average fully burdened weekly salary for a finance team member is \$1,346.

Risks. This cost may vary among organizations based on:

- The number of countries transitioned to Deel.
- The number of integrations with Deel.
- The extent and number of internal team members supporting the implementation.

Results. To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$309,000.

ANALYSIS OF COSTS

Onboarding And Implementation						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
F1	Deel onboarding and implementation fee	Deel	\$40,000	\$40,000		
F2	New countries converted to Deel Global Payroll	Composite	7	8		
F3	Implementation time per country (weeks)	Interviews	10	10		
F4	Payroll specialist FTEs	Composite	3.5	4.0		
F5	Finance team FTEs	Composite	1	1		
F6	Percentage of payroll specialist time dedicated per country	Interviews	30%	30%		
F7	Percentage of finance team time dedicated per country	Interviews	10%	10%		
F8	Fully burdened weekly rate for a payroll specialist	Composite	\$1,154	\$1,154		
F9	Fully burdened weekly rate for a finance team member	Composite	\$1,346	\$1,346		
Ft	Onboarding and implementation	$(F2 * F3 * F4 * F6 * F8) + (F2 * F3 * F5 * F7 * F9) + F1$	\$134,231	\$161,538	\$0	\$0
	Risk adjustment	↑10%				
Ftr	Onboarding and implementation (risk-adjusted)		\$147,654	\$177,692	\$0	\$0
Three-year total: \$325,346			Three-year present value: \$309,192			

ONGOING MANAGEMENT

Evidence and data. Interviewees explained that their organizations' internal teams dedicated resources to configuring new users or employee settings, created communication materials for new employees, and met with Deel to discuss platform optimizations and future strategy.

- The group payroll manager at a software organization said: "I like the fact that Deel actually informs you of things. If they know something's changing in a country and you need to know, they tell us, 'This is the change. Send this to your employees,' and they have it covered."
- The lead people operations specialist at a software company said: "I always train our internal people when we grant them access to the Deel platform. We also prepare our internal guidelines and payroll documents."

“When we need advice, we definitely contact [Deel]. They’re able to come back to us and say, ‘Actually this is what we’ve seen,’ or ‘This is best case.’ That has been really, really helpful, so I’ve been quite happy.”

GLOBAL HEAD OF PAYROLL AND BENEFITS, SOFTWARE

Modeling and assumptions. For the financial analysis as applied to the composite organization, Forrester assumes:

- The global payroll manager dedicates 10% of their time to ongoing platform management and optimization.

Risks. This cost may vary based on:

- The strategy and resources needed for the ongoing management of Deel.

Results. To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$25,000.

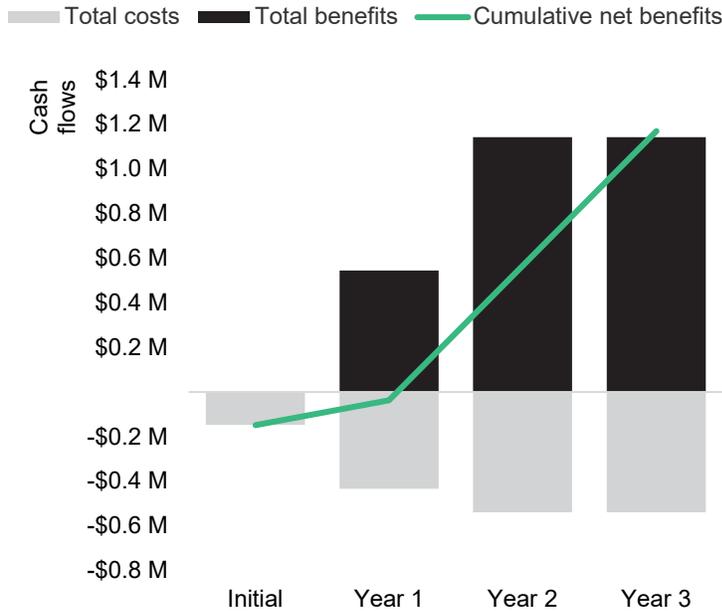
ANALYSIS OF COSTS

Ongoing Management						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
G1	Global payroll manager FTEs	Composite		1	1	1
G2	Percentage of time dedicated to ongoing platform management	Interviews		10%	10%	10%
G3	Fully burdened annual salary for a global payroll manager	Composite		\$90,000	\$90,000	\$90,000
Gt	Ongoing management	$G1 * G2 * G3$	\$0	\$9,000	\$9,000	\$9,000
	Risk adjustment	↑10%				
Gtr	Ongoing management (risk-adjusted)		\$0	\$9,900	\$9,900	\$9,900
Three-year total: \$29,700			Three-year present value: \$24,620			

Financial Summary

Consolidated Three-Year, Risk-Adjusted Metrics

Cash Flow Chart (Risk-Adjusted)



The financial results calculated in the Benefits and Costs sections can be used to determine the ROI, NPV, and payback period for the composite organization's investment. Forrester assumes a yearly discount rate of 10% for this analysis.

These risk-adjusted ROI, NPV, and payback period values are determined by applying risk-adjustment factors to the unadjusted results in each Benefit and Cost section.

Cash Flow Analysis (Risk-Adjusted Estimates)						
	Initial	Year 1	Year 2	Year 3	Total	Present Value
Total costs	(\$147,654)	(\$434,552)	(\$539,100)	(\$539,100)	(\$1,660,406)	(\$1,393,272)
Total benefits	\$0	\$545,259	\$1,162,526	\$1,162,526	\$2,870,310	\$2,329,878
Net benefits	(\$147,654)	\$110,707	\$623,426	\$623,426	\$1,209,904	\$936,606
ROI						67%
Payback						13 months

APPENDIX A: TOTAL ECONOMIC IMPACT

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

Total Economic Impact Approach

Benefits represent the value the solution delivers to the business. The TEI methodology places equal weight on the measure of benefits and costs, allowing for a full examination of the solution's effect on the entire organization.

Costs comprise all expenses necessary to deliver the proposed value, or benefits, of the solution. The methodology captures implementation and ongoing costs associated with the solution.

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

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

PRESENT VALUE (PV)

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

NET PRESENT VALUE (NPV)

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

RETURN ON INVESTMENT (ROI)

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

DISCOUNT RATE

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

PAYBACK PERIOD

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

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

APPENDIX B: SUPPLEMENTAL MATERIAL

Related Forrester Research

[The AI-HR Paradox](#), Forrester Research, Inc., July 23, 2024.

[Today's Talent Market Requires Tomorrow's HR Technology](#), Forrester Research, Inc., April 22, 2022.

[The Human Capital Management Landscape, Q1 2023](#), Forrester Research, Inc., January 25, 2023.

APPENDIX C: ENDNOTES

¹ Source: [Today's Talent Market Requires Tomorrow's HR Technology](#), Forrester Research, Inc., April 22, 2022.

² Total Economic Impact is a methodology developed by Forrester Research that enhances a company's technology decision-making processes and assists solution providers in communicating their value proposition to clients. The TEI methodology helps companies demonstrate, justify, and realize the tangible value of business and technology initiatives to both senior management and other key stakeholders.

³ An employer of record (EOR) is a third-party organization that employs and pays one or more individuals on behalf of your business. EOR services enable your company to seamlessly hire and work with employees, either domestically or internationally, without the need to establish your own entity or navigate complex compliance requirements in the employee's country. (from Deel.com)

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