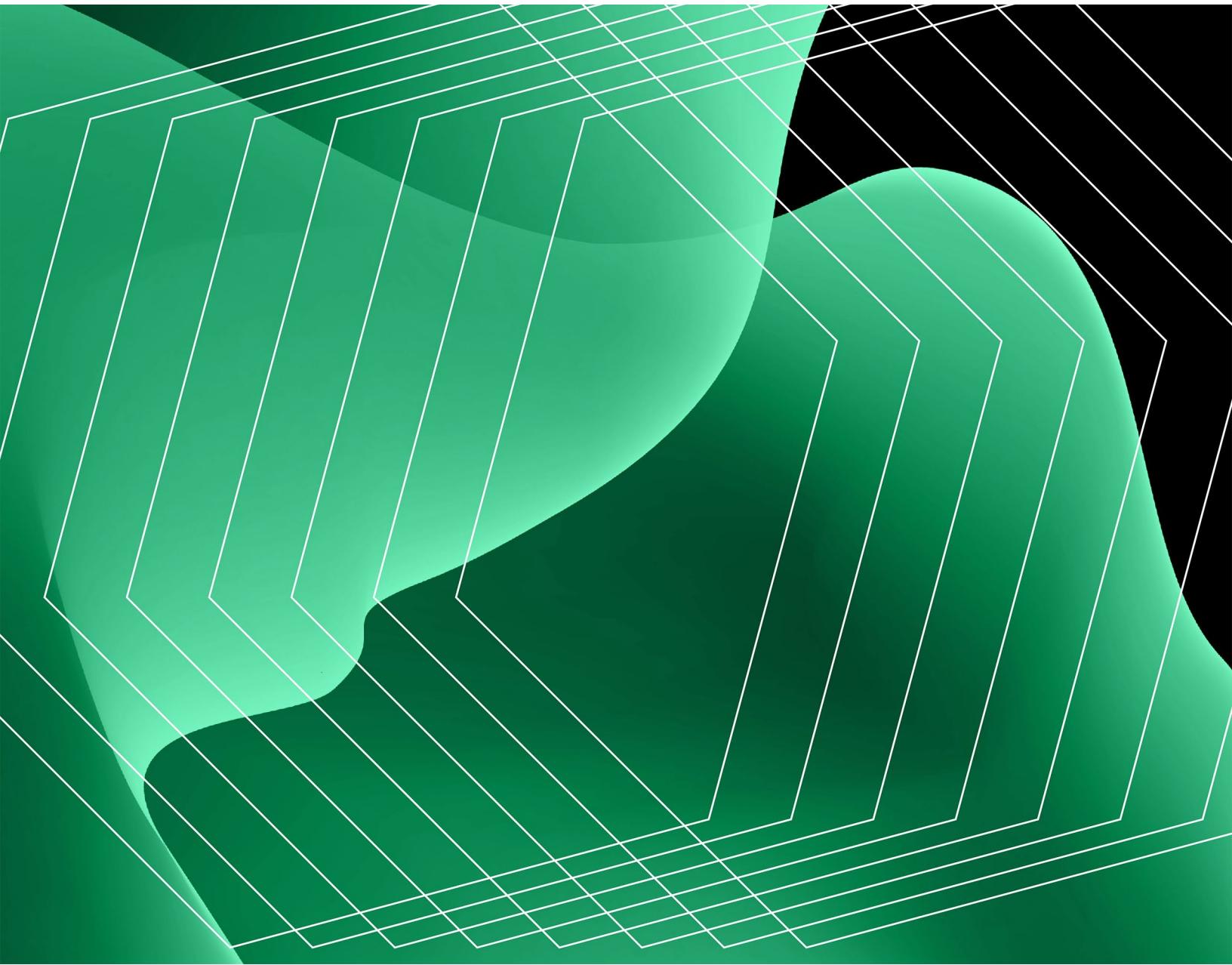


# The Total Economic Impact™ Of Coursera For Business

Cost Savings And Business Benefits Enabled By Coursera For  
Business

A FORRESTER TOTAL ECONOMIC IMPACT STUDY  
COMMISSIONED BY COURSERA, DECEMBER 2024



## Table Of Contents

Executive Summary	3
The Coursera For Business Customer Journey	10
Analysis Of Benefits	14
Analysis Of Costs	24
Financial Summary	29

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### ABOUT FORRESTER CONSULTING

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## Executive Summary

Hiring and retaining digital talent is no easy feat, with organizations facing high turnover rates and the continuous need for new specialized skills in areas like emerging tech, AI, and data and insights. Generative AI (genAI) is revolutionizing the way organizations operate, but many employees aren't yet prepared to use AI effectively and appropriately. With only just over half of digital business strategy decision-makers reporting that their digital teams have the data science, product management, and customer-centric design competencies required for successful digital businesses, building digital competencies is a key requirement for organizations.<sup>1</sup>

Coursera's platform improves overall employee experience (EX), helps organizations' learning teams reduce time and effort, reduces the cost of external learning, and supports employees' skills development, ultimately helping organizations to stay relevant in a continuously changing landscape.

Coursera commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) enterprises may realize by deploying [Coursera for Business](#).<sup>2</sup> The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of Coursera for Business on their organizations.



Return on investment (ROI)

**327%**



Net present value

**\$4.85M**

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed five representatives with experience using Coursera for Business. For the purposes of this study, Forrester aggregated the interviewees' experiences and combined the results into a single [composite organization](#) that is a global multinational organization with 55,000 employees and revenue of \$20 billion per year.

## EXECUTIVE SUMMARY

Interviewees said that prior to using Coursera for Business, their organizations had a fragmented learning landscape and insufficient on-demand training and learning options for employees that lacked the necessary depth to develop skills. These limitations led to an increase in employee dissatisfaction due to insufficient training options or learning solutions.

After the investment in Coursera for Business, the interviewees have seen employee satisfaction increase due to the ease of access, high-quality courses, hands-on practice, globally recognized credentials, and certifiability of the skills they acquired. Costs for external certifications and courses decreased, and employees could more easily participate in reskilling and upskilling programs leading to professional growth and increased productivity. Key results from the investment include time savings by using prebuilt and customized Coursera academies, productivity gains, external certification cost reductions, and hiring cost reductions.

## KEY FINDINGS

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

- **Time savings using prebuilt Coursera courses.** The learning team of the composite organization saves nearly two months' time in creating and curating course content for each academy or course collection leveraged from Coursera's course catalog for a net present value of \$4.2 million over three years. In parallel, learning is scalable to more employees due to easier access.
- **Increased productivity.** A high number of employees progress to advanced levels in specific skills, contributing to their professional growth and productivity in their roles as well as enabling them to learn when it best suits them through asynchronous digital learning. The composite organization's productivity gains attributed to Coursera has a net present value of \$918,000 over a three-year duration.
- **Cost savings on external certifications.** With the breadth and depth of courses from leading companies in their fields and top universities offered on the Coursera for Business platform, the composite organization substantially reduces

spending on external certifications. Over a three-year period and with increasingly higher course completion rates, the organization saves \$795,000.

- **Cost savings in talent acquisition.** Employees' skills substantially advance the more courses they complete. The composite organization reskills a number of employees in the first year and increasingly more over the following two years, thereby reducing the cost of hiring new employees for a cost saving of \$411,000 over a three-year period. While the reskilling effort cannot be solely attributed to Coursera, the easy access to learning and depth and quality of courses provided is a key contributor.

“We constituted a panel of almost 100 different subject matter experts spanning across engineering, data science, and product management who were given trial access to the platforms and evaluated and gave feedback in terms of the quality and relevance of the content. That evaluation clearly highlighted Coursera as the leading platform.”

SENIOR DIRECTOR OF TALENT TECH ENABLEMENT, RETAIL CORPORATION

“Compared with our previous solution, we get 100 times more value from Coursera.”

**SENIOR DIRECTOR OF TALENT MANAGEMENT AND LEADERSHIP DEVELOPMENT, SOFTWARE DEVELOPMENT**

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

- **Building a learning culture.** Interviewees appreciated the digital asynchronous learning option that Coursera offers to employees, which made learning easier and more accessible. Paired with the ability to gain externally recognized certificates from leading companies and top universities in their field, employees engaged more with nonmandatory training and courses as learning became a part of the organizational culture.
- **Improved employee experience (EX).** Employee satisfaction with learning offerings increased after the implementation of Coursera, especially for those interviewees' organizations that lacked an in-depth learning platform. This also impacted overall EX as employees were able to upskill and earn globally recognized certificates. Interviewees shared that in internal employee surveys, there were many positive comments about Coursera, and it received high ratings for the offered courses and academies.
- **Improved learning experiencee.** While many other solutions offer introductory and surface-level learning, interviewees particularly appreciated the depth of the offered content and courses on Coursera. They shared that employees valued the verifiability of the courses, including the ability to earn certification as well as the fact that the courses come from top universities and leading organizations.

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

- **License fees.** Dependent largely on the number of employees Coursera is deployed to, the overall Coursera license fees for the composite organization are \$1.4 million over three years.
- **Implementation costs.** Upfront costs of deploying Coursera include time dedicated to launching the platform and communicating the changes with employees, as well as some fees related to integrating the platform with existing learning management systems. For the composite organization, these upfront costs total slightly over \$41,000.
- **Ongoing management and communication costs.** As Coursera is designed to be self-service, there is minimal ongoing management required. Costs are related to license management and periodic communication for new or existing relevant courses or academies. For the composite organization, ongoing management costs are minimal, totaling \$21,000 over three years.

The representative interviews and financial analysis found that a composite organization experiences benefits of \$6.34 million over three years versus costs of \$1.48 million, adding up to a net present value (NPV) of \$4.85 million and an ROI of 327%.

“The fact that Coursera’s content is translated into so many different languages … is a real benefit for us as a global organization.”

GLOBAL HEAD OF CAPABILITY BUILDING TECHNOLOGY AND OPERATIONS, FINANCIAL SERVICES

## EXECUTIVE SUMMARY



ROI

**327%**



BENEFITS PV

**\$6.34M**



NPV

**\$4.85M**



PAYBACK

**<6 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 Coursera for Business.

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 Coursera for Business can have on an organization.

### DISCLOSURES

Readers should be aware of the following:

This study is commissioned by Coursera 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 Coursera for Business.

Coursera 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.

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

### 1. Due Diligence

Interviewed Coursera stakeholders and Forrester analysts to gather data relative to Coursera for Business.

### 2. Interviews

Interviewed five representatives at organizations using Coursera for Business to obtain data about costs, benefits, and risks.

### 3. Composite Organization

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

### 4. 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.

### 5. 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 Coursera for Business Customer Journey

## Drivers leading to the Coursera for Business investment

Interviews			
Role	Industry	Region	Revenue
Head of corporate learning and development	Conglomerate	Headquartered in India; multinational	\$28 billion
Global head of capability building technology and operations	Financial services	Headquartered in Switzerland	\$69.9 billion
Knowledge manager	Aerospace, defense, and security	Headquartered in Europe; multinational	€15.3 billion (US\$16.5 billion)
Senior director of talent management and leadership development	Software development	Headquartered in US	\$1.6 billion

## KEY CHALLENGES

Prior to adopting Coursera, interviewees faced several challenges with their training and development programs. Most had disjointed or insufficient learning solutions that led to employee dissatisfaction; employees either didn't engage in learning and development or had to look for external courses and certifications. There was a general need for a scalable learning solution that would allow for digital and asynchronous learning.

The interviewees noted how their organizations struggled with common challenges, including:

- **High costs for external certifications.** Interviewees experienced high costs for employees doing external certifications, as internal learning solutions were either not readily available or lacked the depth necessary to improve their skills.
- **High costs for creating courses.** Interviewees mentioned that the learning team had to invest large amounts of time into creating ad hoc courses and academies for employees. Conceptualizing the course, sourcing content, and curating the course required a lot of time and effort from learning team members.

- **Lack of a learning culture and skills advancements.** Interviewees reported that their employees lacked a broad learning solution with the necessary depth and high-quality content to really level up their skills. This resulted in many employees not engaging in any nonmandatory training and upskilling.

“The biggest benefit we’ve seen is making learning more accessible. Before, it was available to fewer people. Now it’s available to more employees, and they can learn anywhere, anytime.”

HEAD OF CORPORATE LEARNING AND DEVELOPMENT, CONGLOMERATE

“We needed more. Our previous learning solution was very cursory, and we needed to provide at least a base level of technical learning. We were not satisfied with our current providers, and we had the need for a broader skill solution.”

SENIOR DIRECTOR OF TALENT MANAGEMENT AND LEADERSHIP DEVELOPMENT,  
SOFTWARE DEVELOPMENT

“What I appreciate about Coursera is its ability to engage with us and understand our needs. Many other service providers sell and then go away; they leave it to us. But Coursera is continuously engaged with us and making sure that we are utilizing it and are realizing the benefits. [Coursera is] constantly with us through executive reviews, the customer success team engaging with us, the experience teams engaging with us. It’s an added advantage to our learning ecosystem. Our entire learning team also depends on [Coursera] to help them out with respect to that.”

HEAD OF CORPORATE LEARNING AND DEVELOPMENT, CONGLOMERATE

## 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 five 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.** A global \$20 billion revenue multinational organization with a workforce of approximately 55,000 employees.

**Deployment characteristics.** The composite organization begins using Coursera in Year 1, following a three-week implementation and launch period. It deployed licenses across a three-year period, increasing the number of licenses each year.

**KEY ASSUMPTIONS**

\$20 billion revenue

55,000 employees

Global multinational organization

## 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	Time savings using prebuilt Coursera courses	\$1,693,440	\$1,693,440	\$1,693,440	\$5,080,320	\$4,211,335
Btr	Productivity gain	\$282,200	\$366,860	\$477,084	\$1,126,144	\$918,176
Ctr	Cost savings on certifications	\$191,250	\$310,781	\$484,988	\$987,019	\$795,086
Dtr	Cost savings in talent acquisition	\$142,800	\$166,600	\$190,400	\$499,800	\$410,554
Total benefits (risk-adjusted)		\$2,309,690	\$2,537,681	\$2,845,912	\$7,693,283	\$6,335,151

## TIME SAVINGS USING PREBUILT COURSERA COURSES

**Evidence and data.** A key pain point interviewees mentioned was that creating collections of courses or academies was a very time-consuming effort for the learning team. The process spanned from conceptualization through content sourcing and curation up until promotion and communication efforts. Coursera's prepackaged content made this process much smoother for the learning team and proved to be a substantial time-saver. One such academy is the GenAI Academy, which multiple interviewees mentioned as a key offering that many employees had a high interest in. One interviewee mentioned that their organization had recently set up a new AI function and that they were using Coursera offerings around AI extensively.

**Modeling and assumptions.** Based on the interviews, Forrester assumes the following about the composite organization:

- Learning team employees previously spent around 280 hours over several weeks creating a 16-hour course or academy outside of Coursera, which accounts for conceptualization of the course, time to source content, building the course, and promotion and communication.

## ANALYSIS OF BENEFITS

- The composite organization uses 120 prebuilt academies or courses from Coursera.
- The fully burdened hourly rate for learning team employees is \$63.

**Risks.** The potential risks associated with this benefit include the following:

- Variation in salary ranges of an employee.
- The learning team still needs to invest time in the communication and promotion of courses and academies.
- The demand for prebuilt academies varies by organization size or scope.

**Results.** To account for these risks, Forrester adjusted this benefit downward by 20%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$4.2 million.

“We’ve been able to create custom learning paths in as [little] as two weeks with the help of Coursera’s team. If I had to have an FTE do that, it would have easily taken us half a year.”

SENIOR DIRECTOR OF TALENT TECH ENABLEMENT, RETAIL CORPORATION

Time Savings Using Prebuilt Coursera Courses					
Ref.	Metric	Source	Year 1	Year 2	Year 3
A1	Number of hours needed to create one course (16-hour course)	Interviews	280	280	280
A2	Fully burdened hourly rate for a learning team employee	TEI standard	\$63	\$63	\$63
A3	Number of courses	Interviews	120	120	120
At	Time savings using prebuilt Coursera courses	A1*A2*A3	\$2,116,800	\$2,116,800	\$2,116,800
	Risk adjustment	↓20%			
Atr	Time savings using prebuilt Coursera courses (risk-adjusted)		\$1,693,440	\$1,693,440	\$1,693,440
Three-year total: \$5,080,320			Three-year present value: \$4,211,335		

## PRODUCTIVITY GAIN

**Evidence and data.** Productivity gain can be a challenging metric to capture; however, interviewees indicated that the use of Coursera had a positive impact on employees' productivity. The improvement in productivity was mainly on two levels:

- Interviewees tracked the skill progression of employees who completed courses. One interviewee reported a 168% growth in the number of learners at an advanced level in one or more skills. The progression to more advanced levels in a specific skill contributed to their professional growth and increased productivity in their roles.
- Given that Coursera learning solutions are digital and asynchronous, interviewees reported how employees were able to progress on their learning when was most convenient for them, leading to less absenteeism during working hours.

**Modeling and assumptions.** Based on the interviews, Forrester assumes the following about the composite organization:

- The number of course completions is 850 in Year 1 and increases by 30% each year as the composite organization gains access to more licenses and learning becomes more common among employees.

## ANALYSIS OF BENEFITS

- Employees see productivity gains of 5% after completing their course on Coursera.

**Risks.** The potential risks associated with this benefit include the following:

- Variation in salary ranges of employees.
- Other factors not associated with Coursera that contribute to an increase in productivity.

**Results.** To account for these risks, Forrester adjusted this benefit downward by 20%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$918,000.

“We adopted Coursera because of the richness of the catalog, especially for technical topics, and because it’s something that our employees can use whenever it’s most convenient for them.”

KNOWLEDGE MANAGER, AEROSPACE, DEFENSE, AND SECURITY

Productivity Gain					
Ref.	Metric	Source	Year 1	Year 2	Year 3
B1	Number of course completions	Interviews	850	1,105	1,437
B2	Productivity gains	Assumption	5%	5%	5%
B3	Fully burdened annual salary for an employee	TEI standard	\$83,000	\$83,000	\$83,000
B4	Attribution to Coursera	Assumption	10%	10%	10%
Bt	Productivity gain	B1*B2*B3*B4	\$352,750	\$458,575	\$596,355
Risk adjustment		↓20%			
Btr	Productivity gain (risk-adjusted)		\$282,200	\$366,860	\$477,084
Three-year total: \$1,126,144			Three-year present value: \$918,176		

## COST SAVINGS ON CERTIFICATIONS

**Evidence and data.** Interviewees reported that since the implementation of Coursera, costs for external certifications decreased substantially. One interviewee mentioned that since implementing Coursera, 40% of the annual learning budget available for employees was unused as most learning happened on the Coursera platform. Interviewees mentioned the wide breadth of courses and topics offered on Coursera and the fact that employees received certificates at course completion as reasons that the need for external certifications and courses decreased.

**Modeling and assumptions.** Based on the interviews, Forrester assumes the following about the composite organization:

- Interviewees reported the average cost of an external certification to be \$1,250.
- In Year 1, the number of course completions is 850, increasing by 30% each year as the composite organization gains access to more licenses and learning becomes more common among employees.
- Coursera creates easy access to learning, and therefore Forrester assumes that only 20% of all completed courses on Coursera would have been completed externally without the Coursera platform. The percentage increases by 5% in Years 2 and 3 as learning becomes more standard for employees.

**Risks.** The number of certifications completed without or before Coursera vary by organization. The risk adjustment accounts for this and the following additional risks:

- Cost per certification varies by institution and type of course.
- The number of course completions using Coursera varies based on the size of the organization and the learning awareness of employees.

**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 \$795,000.

“The number of times where someone says they need a specific course and it’s not available in Coursera — I almost never see that happening. I know that we don’t expense asynchronous learning hardly ever anymore.”

SENIOR DIRECTOR OF TALENT MANAGEMENT AND LEADERSHIP DEVELOPMENT,  
SOFTWARE DEVELOPMENT

Cost Savings On Certifications					
Ref.	Metric	Source	Year 1	Year 2	Year 3
C1	Average cost per certification	Interviews	\$1,250	\$1,250	\$1,250
C2	Course completions	Interviews	850	1,105	1,437
C3	Percentage of courses that would have been completed without Coursera	Assumption	20%	25%	30%
Ct	Cost savings on certifications	C1*C2*C3	\$212,500	\$345,313	\$538,875
	Risk adjustment	↓10%			
Ctr	Cost savings on certifications (risk-adjusted)		\$191,250	\$310,781	\$484,987
Three-year total: \$987,018			Three-year present value: \$795,086		

## COST SAVINGS IN TALENT ACQUISITION

**Evidence and data.** Some interviewees reported that several employees were able to reskill and either move into a more senior role and advance their career or move to another part of the business due to courses they had taken on the Coursera platform. One interviewee highlighted how they strategically gave more junior employees, who relied on Coursera to upskill and grow, access to Coursera; this in turn had an impact on retention as these employees tended to stay with the organization for many years.

Another interviewee said that their organization gave Coursera access to interns that they were then able to hire as employees.

**Modeling and assumptions.** Based on the interviews, Forrester assumes the following about the composite organization:

- The average cost of hiring a new employee is \$68,000.
- The composite organization is able to reskill 30 employees in Year 1, 10% of which is attributed to Coursera.

**Risks.** Reskilling and upskilling is a complex process; learning is just one aspect. Other potential risks associated with this benefit include the following:

- The number of reskilled employees varies based on the size of the organization and the number of licenses.
- Additional factors contribute to reskilling and upskilling.

**Results.** To account for these risks, Forrester adjusted this benefit downward by 30%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$411,000.

“We often get feedback from people saying that they managed to get a promotion or it’s helped in their career — or that they’ve been able to take on new projects or new responsibilities.”

GLOBAL HEAD OF CAPABILITY BUILDING TECHNOLOGY AND OPERATIONS, FINANCIAL SERVICES

Cost Savings In Talent Acquisition					
Ref.	Metric	Source	Year 1	Year 2	Year 3
D1	Cost of hiring a new employee	TEI standard	\$68,000	\$68,000	\$68,000
D2	Number of employees reskilled through Coursera	Interviews	30	35	40
D3	Reskilling attributed to Coursera	Assumption	10%	10%	10%
Dt	Cost savings in talent acquisition	D1*D2*D3	\$204,000	\$238,000	\$272,000
	Risk adjustment	↓30%			
Dtr	Cost savings in talent acquisition (risk-adjusted)		\$142,800	\$166,600	\$190,400
Three-year total: \$499,800			Three-year present value: \$410,554		

## UNQUANTIFIED BENEFITS

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

- **Building a learning culture.** Before implementing Coursera, one interviewee mentioned that only 13% of employees were engaging in any kind of nonmandatory training. After three years with Coursera and after rolling out other initiatives around increasing learning awareness and employee upskilling, the interviewee reported that 97% of employees engaged in nonmandatory training. Coursera was a key part of their new learning strategy and program, and while this increase cannot solely be attributed to Coursera, it showcases how Coursera contributed to building a learning culture within this interviewee's organization and providing frictionless access to training.
- **Improved EX.** Interviewees mentioned that employee engagement and satisfaction with learning offerings increased since implementing Coursera. Employees were satisfied with the training offered and appreciated the easy access to learning. Interviewees said that employees always rated the content of the courses highly and that they saw an improved overall learning experience.
- **Improved learning experience.** Some interviewees mentioned using additional learning solutions within their organization but that they promoted Coursera as their deep learning and specialized training solution. They particularly

appreciated the high-quality courses provided by leading learning institutions and the fact that employees could gain externally recognized certificates.

“It’s given our learners access to the best learning from leading learning institutions and providers on demand in a way that’s easy to access, multimodal, and therefore more effective — so, in an effective and skills-focused way.”

SENIOR DIRECTOR OF TALENT MANAGEMENT AND LEADERSHIP DEVELOPMENT,  
SOFTWARE DEVELOPMENT

“The thing that really stands out for us is that you can gain globally recognized certificates, which is really important for employees.”

GLOBAL HEAD OF CAPABILITY BUILDING TECHNOLOGY AND OPERATIONS, FINANCIAL SERVICES

## FLEXIBILITY

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

- **Course Builder.** One interviewee mentioned that their organization was already using the Course Builder functionality to more easily curate its own ad hoc courses. They particularly appreciated the ability to customize courses using a mix of their organization's internal content and content available on Coursera, pulling from different courses as needed. Many other interviewees mentioned that they were planning to start using the Course Builder functionality soon.

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

“The Course Builder is really helping us because I can easily curate a course of our own. For example, I can add internal slides and then add course content from a top university or other institution.”

HEAD OF CORPORATE LEARNING AND DEVELOPMENT, CONGLOMERATE

## 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	License fees (yearly)	\$0	\$495,000	\$550,000	\$687,500	\$1,732,500	\$1,421,074
Ftr	Implementation costs — platform launch and communications	\$41,316	\$0	\$0	\$0	\$41,316	\$41,316
Gtr	Ongoing management and communications effort	\$0	\$8,316	\$8,316	\$8,316	\$24,948	\$20,681
	Total costs (risk-adjusted)	\$41,316	\$503,316	\$558,316	\$695,816	\$1,798,764	\$1,483,071

### LICENSE FEES (YEARLY)

**Evidence and data.** Interviewees noted the primary cost component for Coursera was license fees for users to access courses. The interviewees' organizations had different strategies for deploying Coursera across the organization, but the most common was to deploy it within certain business units or functions.

**Modeling and assumptions.** For the composite organization, Forrester assumes Coursera licenses for a total value of over \$1.5 million are deployed over the span of three years.

**Risks.** License fees will vary based on the volume of licenses, as well as deployment strategies across the organization.

**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 \$1.4 million.

“If we didn’t have Coursera, we would have had to spend four times the money to be able to reach that same group of people with the same level of intensity.”

SENIOR DIRECTOR OF TALENT TECH ENABLEMENT, RETAIL CORPORATION

License Fees (Yearly)						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
E1	Average annual license fees	Interviews	0	\$450,000	\$500,000	\$625,000
Et	License fees (yearly)	E1	\$0	\$450,000	\$500,000	\$625,000
	Risk adjustment	↑10%				
Etr	License fees (yearly) (risk-adjusted)		\$0	\$495,000	\$550,000	\$687,500
Three-year total: \$1,732,500			Three-year present value: \$1,421,074			

## IMPLEMENTATION COSTS — PLATFORM LAUNCH AND COMMUNICATIONS

**Evidence and data.** As interviewees' organizations transitioned from other learning solutions to Coursera for Business, they required some change management efforts for this migration and needed to introduce employees to the new learning platform.

Interviewees described the transition as smooth and straightforward. Each interviewee said their organization integrated Coursera into its learning management system (LMS) or learning experience platform (LXP) and therefore incurred a one-time fee for integrating Coursera with their existing LMS/LXP.

**Modeling and assumptions.** For the composite organization, Forrester assumes the following:

- It takes four HR managers about 30 hours of their time over three weeks to manage the implementation and communications plan to employees.
- There is an integration fee of \$30,000.

**Risks.** Implementation costs may vary based on the scale of deployment, as well as the technical complexity of integrating Coursera with other learning systems that are already in place within the organization.

**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 \$41,000.

“The fact that [Coursera] integrates with our LXP is a huge selling point. To me, that's kind of the lingua franca for playing in this space, so I'm glad that it was straightforward and easy.”

SENIOR DIRECTOR OF TALENT MANAGEMENT AND LEADERSHIP DEVELOPMENT,  
SOFTWARE DEVELOPMENT

Implementation Costs — Platform Launch And Communications						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
F1	Number of HR managers	Interviews	4			
F2	Fully burdened hourly rate for an HR manager	TEI standard	\$63			
F3	Hours spent on implementation	Interviews	30			
F4	Integration costs into LMS/LXP	Interviews	\$30,000			
Ft	Implementation costs — platform launch and communications	$F1*F2*F3+F4$	\$37,560	\$0	\$0	\$0
	Risk adjustment	↑10%				
Ftr	Implementation costs — platform launch and communications (risk-adjusted)		\$41,316	\$0	\$0	\$0
Three-year total: \$41,316			Three-year present value: \$41,316			

## ONGOING MANAGEMENT AND COMMUNICATIONS EFFORT

**Evidence and data.** To ensure that employees have ongoing support and guidance for using Coursera, most interviewees assigned a learning team employee for ongoing management and communications related to Coursera. As the platform was easily accessible from their organizations' LMS/LXP and very user-friendly, interviews shared that minimal time and effort was required to actively guide employees on how to access courses within Coursera.

**Modeling and assumptions.** For the composite organization, Forrester assumes that one FTE spends about 10 hours a month on administrative management (e.g., managing licenses) and employee communications (e.g., launching new academies).

**Risks.** Although ongoing management needs are fairly minimal, time and effort may vary depending on the size of the organization or adjustments required to the Coursera deployment over time (e.g., expanding use across different business groups).

**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 \$21,000.

“We do a newsletter once a month, and then we do internal social posts once a week. We ask people to vote on what skill they most want to develop. And then the next week, we share a course that’s linked to that skill.”

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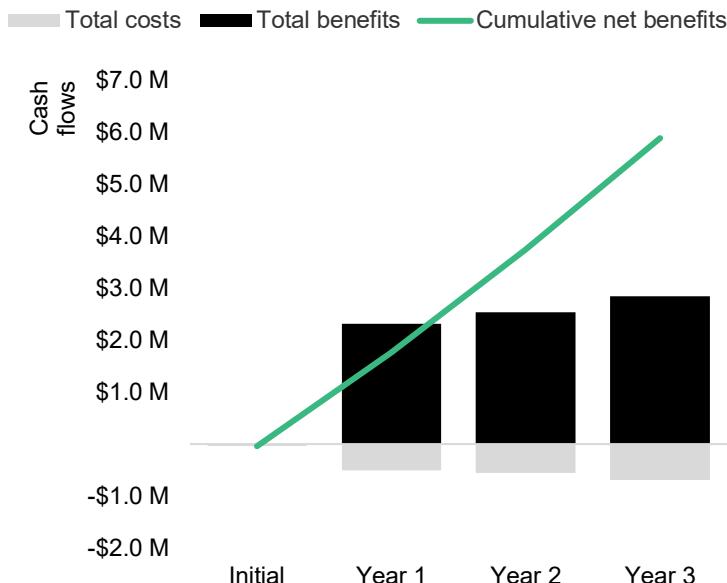
### Ongoing Management And Communications Effort

Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
G1	Number of HR managers	Interviews		1	1	1
G2	Monthly hours spend on ongoing management and communication	Interviews		10	10	10
G3	Fully burdened hourly rate for an HR manager	TEI standard		\$63	\$63	\$63
Gt	Ongoing management and communications effort (yearly)	$G1 \times (G2 \times 12) \times G3$		\$7,560	\$7,560	\$7,560
	Risk adjustment	↑10%				
Gtr	Ongoing management and communications effort (risk-adjusted)		\$0	\$8,316	\$8,316	\$8,316
<b>Three-year total: \$24,948</b>			<b>Three-year present value: \$20,681</b>			

# Financial Summary

## Consolidated Three-Year, Risk-Adjusted Metrics

### Cash Flow Chart (Risk-Adjusted)



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

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

### Cash Flow Analysis (Risk-Adjusted Estimates)

	Initial	Year 1	Year 2	Year 3	Total	Present Value
Total costs	(\$41,316)	(\$503,316)	(\$558,316)	(\$695,816)	(\$1,798,764)	(\$1,483,071)
Total benefits	\$0	\$2,309,690	\$2,537,681	\$2,845,912	\$7,693,283	\$6,335,151
Net benefits	(\$41,316)	\$1,806,374	\$1,979,365	\$2,150,096	\$5,894,519	\$4,852,080
ROI						327%
Payback						<6 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 delivered to the business by the product. The TEI methodology places equal weight on the measure of benefits and the measure of costs, allowing for a full examination of the effect of the technology on the entire organization.

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

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

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

### **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*

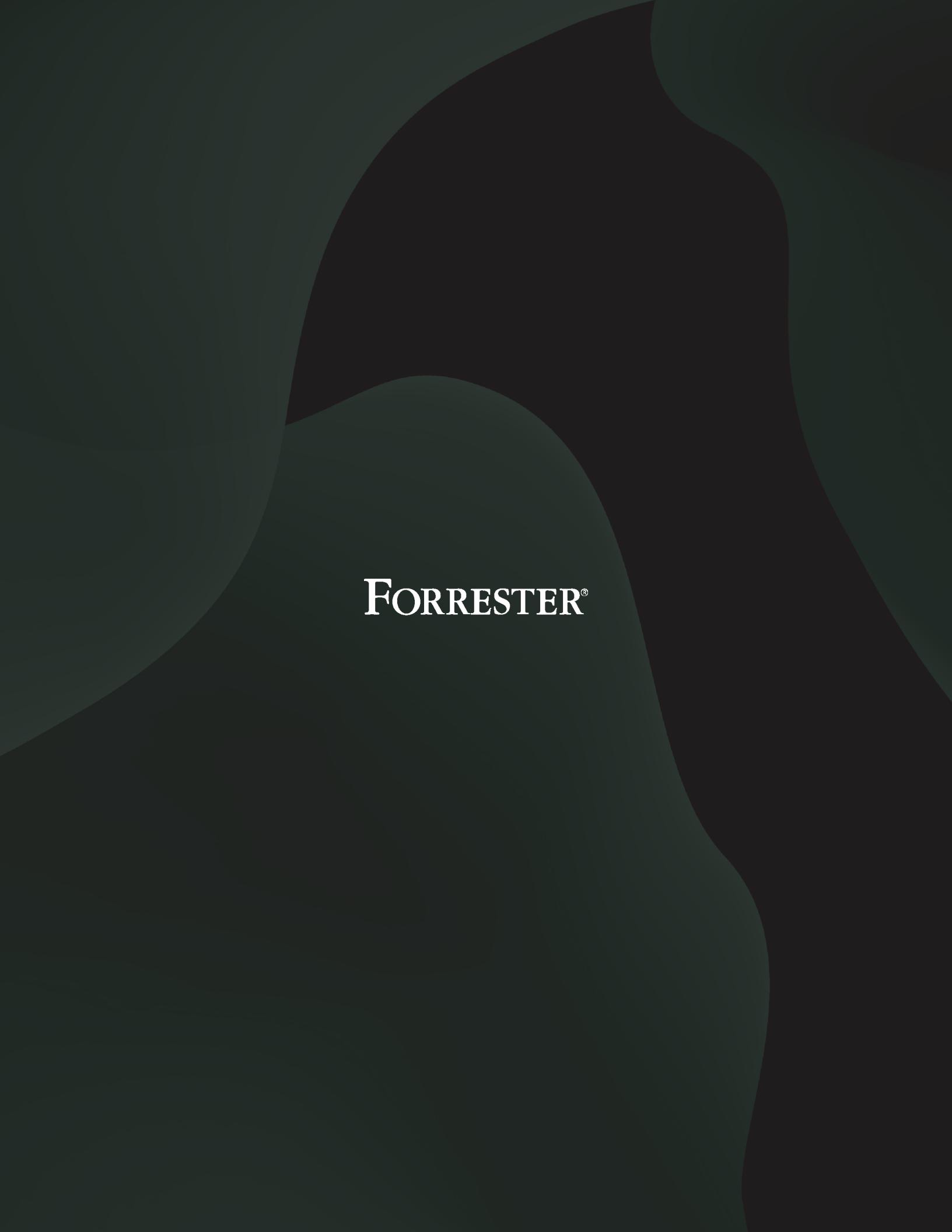
[The State Of Digital Skills In 2023](#), Forrester Research, Inc., November 13, 2023.

## APPENDIX C: ENDNOTES

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<sup>1</sup> Source: [The State Of Digital Skills In 2023](#), Forrester Research, Inc., November 13, 2023.

<sup>2</sup> 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.



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