

New Technology: The Projected Total Economic Impact™ Of The New Microsoft Outlook For Windows

Cost Savings And Business Benefits Enabled By The New Outlook

A FORRESTER TOTAL ECONOMIC IMPACT STUDY
COMMISSIONED BY MICROSOFT, JULY 2024

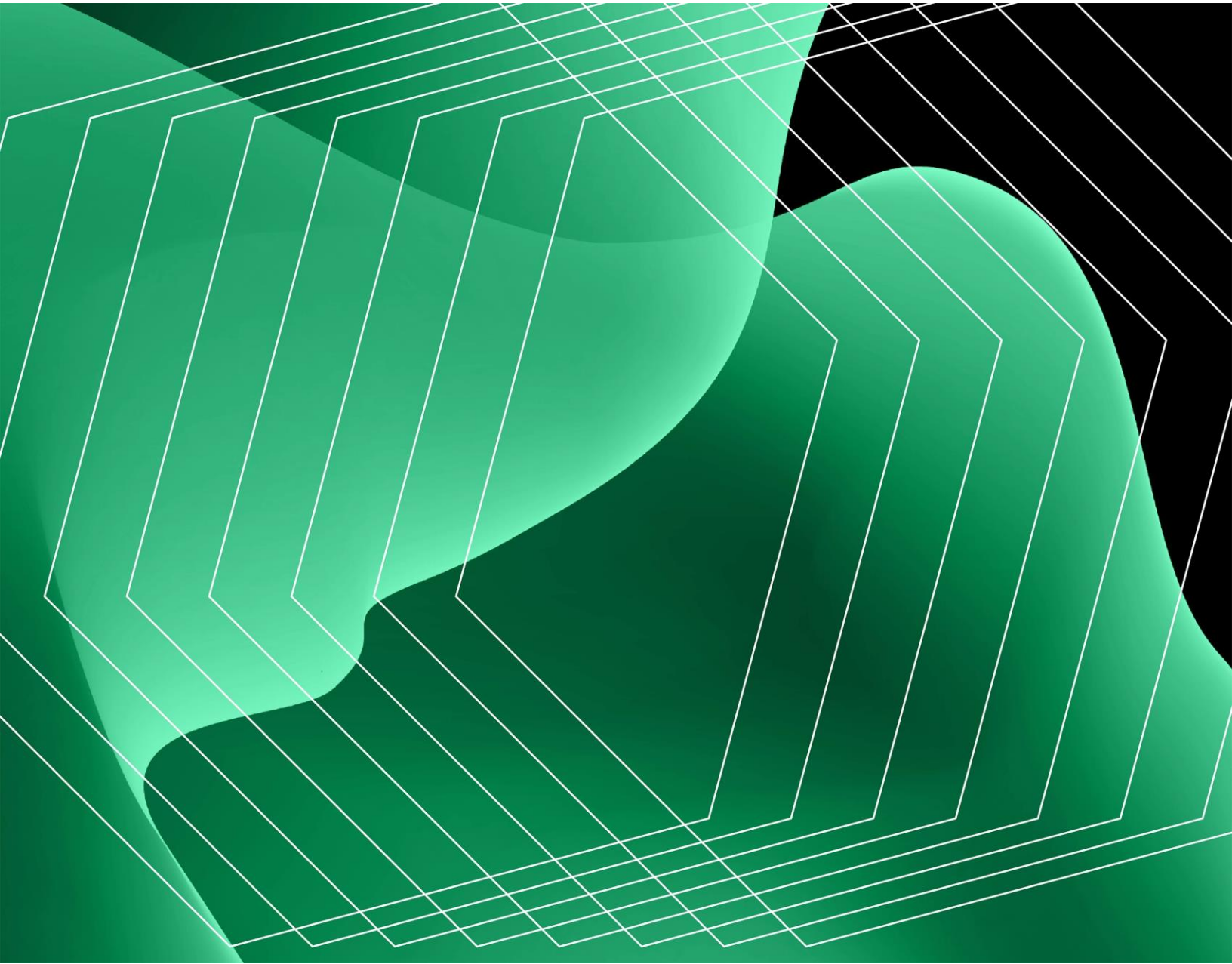


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ABOUT FORRESTER CONSULTING

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Executive Summary

In today's complex digital landscape, organizations are actively seeking an enterprise email solution that can empower their workforce, boost productivity, and alleviate the administrative strain on their IT teams. The primary goal is to enhance end-user productivity through streamlined inbox, task, and calendar management. Concurrently, businesses aim to lighten the load on their IT teams by simplifying policy setting, deploying new features, and providing user support. By adopting new Outlook for Windows, organizations can create a more efficient and collaborative environment while optimizing the utilization of their IT resources.

The new Microsoft Outlook for Windows is a revamped email client that merges the familiar features of the desktop app with a modern design and new organization tools. It includes a streamlined interface for both desktop and web users and contains new features, such as email snoozing, and improved delayed delivery capabilities. On top of that, the new Outlook will get the latest Copilot updates faster and IT staff can centralize the deployment and management of add-ins and policies for multiple platforms at the same time.

Forrester's research emphasizes the importance of enterprise communications platforms to improve employee engagement and drive business outcomes: "Enterprise communications tools are fundamental to broader digital workplace strategies and are major contributors to a positive (or negative) digital employee experience. Technology decision-makers must put usability and employee needs at the heart of their collaboration procurement and deployment plans. As an important contributor to employee experience, an effective [enterprise communications tools] allow employees to work productively, act resourcefully to solve problems, and ultimately create positive customer outcomes."¹

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



Projected ROI
53% to 205%



Projected net present value
\$806K to \$3.2M

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed eight representatives with experience using the new Outlook. Forrester also surveyed 332 IT decision-makers and end users about their use of classic Outlook and the projected benefits of new Outlook. For the purposes of this study, Forrester aggregated the interviewees' experiences and combined the results into a single [composite organization](#) that is a global organization with 50,000 employees.

The interviewees reported that they were in the process of moving from classic Outlook (Win32 version) to the new Outlook, either through pilot programs or large-scale user adoption. They mentioned that using the classic Outlook meant dealing with a combination of desktop and web interfaces, resulting in a confusing user experience due to certain features being limited to specific interfaces. Additionally, interviewees expressed challenges in ensuring all users had the latest updates and add-ins deployed, as their IT teams lacked centralized administration capabilities.

After adopting the new Microsoft Outlook for Windows, the interviewees reported that their organizations saw improved user experience and IT efficiency. End users lauded the new features for boosting productivity, while IT administrators highlighted the benefits of streamlined add-in and policy management. Interviewees also reported a decline in Outlook-related help desk tickets, freeing IT staff to focus on other tasks.

KEY FINDINGS

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

- **Improved end-user productivity.** New features within the new Outlook empower the composite organization's end users to streamline workflows. Drag-and-drop task creation simplifies project management, while improved scheduling support facilitates easy meeting coordination. Powerful search functionality expedites information retrieval, and the improved schedule send

feature allows users to control email delivery for optimal impact. End users at the composite organization see total time savings between 0.2% and 0.4% by Year 3 of the deployment, leading to employee labor savings ranging from \$1.8 million to \$3.6 million over the course of the three-year analysis.

- **Improved reliability leading to end-user productivity gains.** With the new Outlook, the composite organization gains enhanced performance, leading to a 10% to 20% reduction in system outages and ensuring that end users have consistent access to critical communication channels. By avoiding disruptions, the composite organization avoids between \$378,000 and \$757,000 in lost employee productivity over three years.

Projected reduction in Outlook outages with new Outlook

10% to 20%

- **Streamlined IT policy management.** By adopting the new Outlook for Windows, the composite organization gains a consistent email interface across web, desktop, and mobile platforms. This uniformity simplifies policy setting and management, as a single policy can govern the user experience across all devices. This centralized approach lessens the IT administrative burden and ensures consistent enforcement, leading to a 35% to 60% reduction in the amount of employee labor dedicated to policy setting and management by Year 3. Over the course of three years, these efficiencies result in between \$54,000 and \$82,000 of employee time savings for the composite organization.
- **Reduced IT effort required for deploying features and add-ins.** Centralized deployment and management of third-party add-ins and new features through new Outlook minimizes the amount of time and resources the composite organization devotes to individual installations and feature testing. The composite organization's IT staff reduces the amount of time dedicated to deploying and managing new features and third-party add-ins by between 25% and 50% by

“With new Outlook, Microsoft is introducing new ideas to make users’ lives easier in a more modern workspace. It’s built in tandem with other products like Copilot and M365-related products. This should lead to significant time savings, which can be used for other work or more strategic thinking.”

GROUP CIO. LOGISTICS AND DISTRIBUTION

Year 3. During the three-year period, these IT time savings are worth between \$65,000 and \$114,000 to the composite organization.

- **Decreased IT time spent addressing support tickets.** The new Outlook’s intuitive design and improved functionality lead to a decrease in user inquiries related to basic tasks and functionalities. Additionally, the composite organization’s users leverage the new Outlook’s self-service features to independently address common issues, further lessening the burden on the IT department. Overall, the composite organization reduces Outlook-related IT tickets by between 25% to 35% by Year 3, resulting in between \$41,000 and \$56,000 in IT labor savings over three years.
- **Reduced hardware requirements resulting in cost savings.** The new Outlook’s optimized performance translates to reduced CPU and memory demands, which allows the composite organization to procure less resource-intensive laptops, which generally cost less than higher-capacity laptops. The composite organization refreshes 1% to 5% of their employees’ laptops with lower cost laptops, leading to savings of between \$29,000 and \$147,000 over the three-year analysis.

Unquantified benefits. Benefits that provide value for the interviewees' organizations but are not quantified for this study include:

- **Improved employee experience.** Interviewees reported that the end-user time savings from the new Outlook freed up employees to focus on more core business activities and spend less time managing emails, translating to a less overwhelmed workforce.
- **Enhanced collaboration for remote and hybrid work environments.** The interviewees described how the new Outlook had a variety of new features and add-ins that streamline remote work and hybrid collaboration, such as integration with Teams, seamless file sharing, and co-authoring documents. These features fostered a more collaborative environment and empowered geographically dispersed teams to work effectively together.
- **Increased peace of mind with centralized updates.** Microsoft's centralized update management for Outlook provided the interviewees with several advantages. It ensured that all users were working with the latest version, mitigating compatibility issues that might arise with outdated software. With automatic updates, Microsoft could mitigate and roll out fixes, including security patches, without requiring work from IT. The new Outlook continued to support predictable release of new features through previewing in targeted release, but internal IT of organizations could limit their testing to individual features on a rolling delivery schedule instead of large batches of changes bundled together.

Costs. While there are no additional costs that organizations pay to Microsoft to upgrade to the new Outlook, the composite organization does incur change management and maintenance costs. Three-year, risk-adjusted PV costs for the composite organization include:

- **IT effort to manage migration to the new Outlook.** The composite organization's internal IT team devotes time to setting up and managing new policies, training new users, responding to help desk tickets, and interfacing with Microsoft during the migration process. Overall, the IT labor costs amount to \$516,000 over the three-year period.
- **End-user training costs.** Each user that migrates to new Outlook requires about 2 hours of training to familiarize themselves with the new interface. Over the

course of the three-year analysis, the entire composite organization devotes about \$1.0 million worth of end-users' time to getting trained on the new Outlook.

Forrester modeled a range of projected low-, medium-, and high-impact outcomes based on evaluated risk. This financial analysis projects that the composite organization accrues the following three-year net present value (NPV) for each scenario by enabling the new Outlook:

- Projected high impact of a \$3.19 million NPV and projected ROI of 205%.
- Projected medium impact of a \$1.99 million NPV and projected ROI of 128%.
- Projected low impact of a \$806,000 NPV and projected ROI of 52%.



PROJECTED ROI

52% to 205%



PROJECTED BENEFITS PV

\$2.36M to \$4.74M



PROJECTED NET PRESENT VALUE

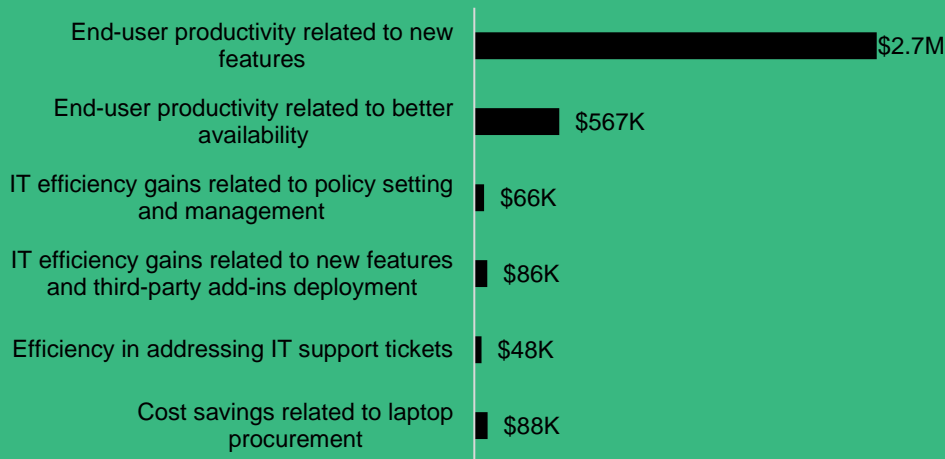
\$806K to \$3.19M



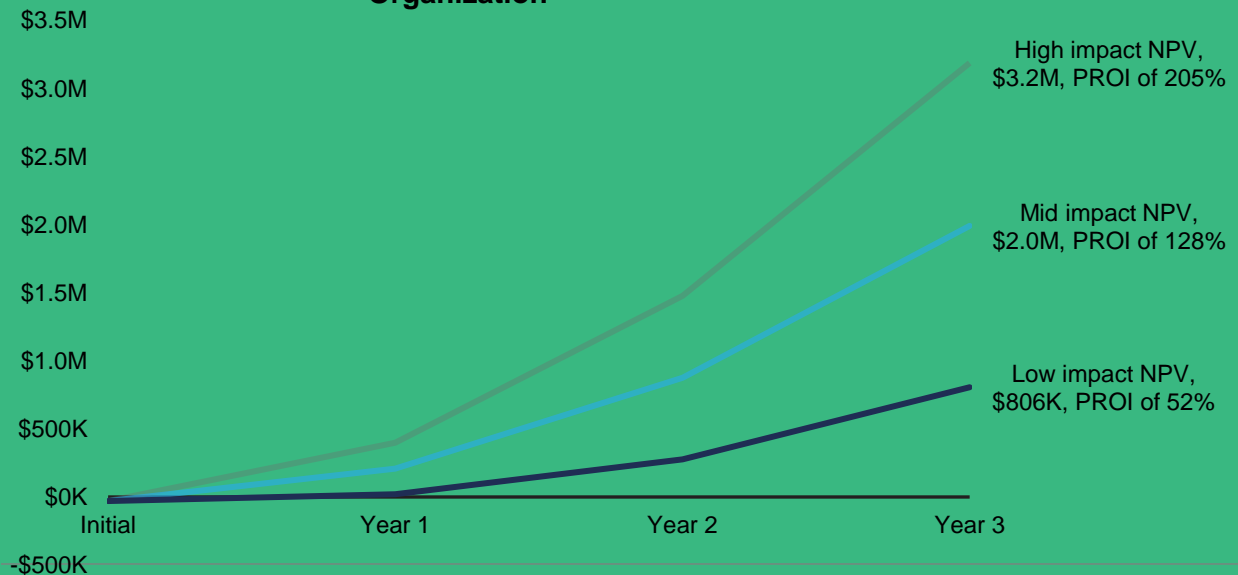
TOTAL COSTS

\$1.56M

Projected Benefits (Three-Year)



Three-Year Projected Financial Analysis For The Composite Organization



TEI FRAMEWORK AND METHODOLOGY

From the information provided in the interviews and survey, Forrester constructed a New Technology: Projected Total Economic Impact™ (New Tech TEI) framework for those organizations considering adopting the new Outlook.

The objective of the framework is to identify the potential cost, benefit, flexibility, and risk factors that affect the investment decision. Forrester took a multistep approach to evaluate the projected impact that the new Outlook can have on an organization.

DISCLOSURES

Readers should be aware of the following:

This study is commissioned by Microsoft 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 adopting the new Outlook. For the interactive functionality using Configure Data/Custom Data, the intent is for the questions to solicit inputs specific to a prospect's business. Forrester believes that this analysis is representative of what companies may achieve with new Outlook based on the inputs provided and any assumptions made. Forrester does not endorse Microsoft or its offerings. Although great care has been taken to ensure the accuracy and completeness of this model, Microsoft and Forrester Research are unable to accept any legal responsibility for any actions taken on the basis of the information contained herein. The interactive tool is provided 'AS IS,' and Forrester and Microsoft make no warranties of any kind. Microsoft 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.

Microsoft provided the customer names for the interviews but did not participate in the interviews. Forrester fielded the double-blind survey using a third-party survey partner.

1. Due Diligence

Interviewed Microsoft stakeholders and Forrester analysts to gather data relative to the new Outlook.

2. Early-Implementation Interviews And Survey

Interviewed eight representatives at six organizations using the new Outlook in a pilot or beta stage and surveyed 332 respondents from organizations with experience using new Outlook to obtain data about projected costs, benefits, and risks.

3. Composite Organization

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

4. Projected Financial Model Framework

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

5. Case Study

Employed four fundamental elements of New Tech TEI in modeling the investment's potential 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 New Microsoft Outlook For Windows Customer Journey

Drivers leading to adopting the new Microsoft Outlook for Windows

KEY CHALLENGES

The interviewees said their organizations used classic Outlook before adopting the new Outlook, with users spread across Outlook's desktop, mobile, and web interfaces. The interviewees noted how their organizations struggled with common challenges, including:

- **Management of different Outlook channels.** With classic Outlook, the user base at the interviewees' organizations had to switch between separate applications or interfaces to manage email, calendar, contacts, and tasks. This fragmented experience disrupted workflow and reduced overall productivity. The technical lead at the professional services firm described the challenges of the prior state: "As there were many different channels, versions, and builds of [classic] Outlook, we ended up bloated with a split support environment. It's hard to have user-facing documentation, troubleshooting, or awareness guidance that apply to all."
- **Lack of feature parity.** The interviewees reported that some of the features on classic Outlook were only available on certain interfaces, creating a disjointed user experience for users of desktop, web, or mobile Outlook. The inconsistency across interfaces created confusion and frustration for users who rely on specific functionalities.
- **Update lag and user resistance.** The interviewees noted that previously, they often relied on users to manually update Outlook, potentially leaving users with outdated versions that lacked bug fixes and security patches. The IT service manager at the energy company described the user update process in classic Outlook: "We have a lot of issues where people don't get updated. We're always chasing around a percentage of users in our organization who are not updated. If we don't, we are not secure and that is an issue for us."

- **IT operational inefficiency.** The interviewees shared that in classic Outlook, IT staff had to manually configure individual machines to manage updates and add-ins. The product manager at the professional services firm said, “Deploying add-ins was a time-intensive process taking weeks and thousands of dollars in employee labor.”

OBJECTIVES IN ADOPTING THE NEW OUTLOOK

A variety of factors drove the interviewees’ organizations to begin piloting or migrating to the new Outlook, including:

- **Active involvement in the Outlook transition.** Several interviewees reported that their organizations opted to migrate from classic Outlook to the new Outlook as they anticipated that Microsoft would eventually phase out support for classic Outlook. By transitioning early, the interviewees’ organizations ensured a smooth and controlled migration process, avoiding potential disruptions if classic Outlook reaches its end-of-life stage. The technical lead at the professional services firm noted: “It is anticipated that classic Outlook will go away. The sooner we get involved [in the new Outlook], the more we can help score and define necessary features, functions, and security control. That is not something we would have if we joined later.”
- **Feature customization and integration.** The interviewees shared that Outlook’s open architecture allowed them to customize and integrate with third-party add-ins. Their organizations could leverage existing functionalities from their classic Outlook environment by migrating them to the new platform through compatible add-ins, ensuring a smooth transition for users accustomed to specific features within their classic Outlook workflows.
- **Collaboration for hybrid work environments and global teams.** The interviewees shared that the new Outlook has features designed specifically to support collaboration for global and hybrid organizations, such as streamlined meeting scheduling and scheduling when an email is sent, as well as allowing users to stop a message from being sent if required. The director of communication and collaboration at a food and beverages company stated: “We are interested in what Microsoft is doing around helping users understand time

zones. We can schedule sending emails later. It can notify you if you're sending a meeting outside a person's working hours."

- **Unified Microsoft ecosystem.** Improved integration with the broader Microsoft ecosystem, including OneDrive, SharePoint, and Teams, was a key driver for some organizations. The interviewees shared that with new Outlook's centralized approach, they sought to simplify workflow management and improve data accessibility across different Microsoft platforms.
- **Enhanced user experience with Copilot.** Some interviewees reported that the introduction of Copilot, an AI-powered assistant, was a compelling factor in their organizations' adoption of the new Outlook. Copilot offers functionalities such as suggesting replies, scheduling meetings, and managing email tasks. The director of communication and collaboration at a food and beverages company noted, "We are getting extremely favorable results with people getting email summaries as well as support in writing emails."

"We had lack of feature parity across desktop, web, and mobile Outlook. There were features that were coming to mobile that were useful to our users but did not come to desktop because of how it's coded."

TECHNICAL LEAD, PROFESSIONAL SERVICES

COMPOSITE ORGANIZATION

Based on the interviews and survey, 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 eight 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 composite organization is a global, multibillion-dollar organization with 50,000 employees. Sixty percent of the organization's employees use Outlook in some form, with 20% of users adopting the new Outlook in Year 1 of the migration. By Year 2, 50% of the composite organization's Outlook users have migrated to the new Outlook, with 80% adopting the new Outlook by Year 3. The organization has 50 IT admins in total, 20% of whom manage the organization's Outlook usage.

KEY ASSUMPTIONS

50,000 employees

60% of employees use Outlook in some form

80% of Outlook users migrate to the new Outlook over three years

Analysis Of Benefits

Quantified benefit data as applied to the composite

Total Benefits						
Benefit	Year 1	Year 2	Year 3	Total	Present Value	
Total projected benefits (low)	\$415,649	\$979,442	\$1,563,352	\$2,958,443	\$2,361,890	
Total projected benefits (mid)	\$624,486	\$1,474,499	\$2,344,109	\$4,443,093	\$3,547,472	
Total projected benefits (high)	\$833,338	\$1,975,033	\$3,134,017	\$5,942,388	\$4,744,472	

END-USER PRODUCTIVITY RELATED TO NEW FEATURES

Evidence and data. Interviewees and survey respondents shared that they found many features in the new Outlook that would boost the average productivity of their workforce. The more modern user experience (UX) design and the ability for users to customize their workspace simplified the experience for people, allowing them to easily find applications they commonly used and put them front and center. The ability to access different Microsoft applications, such as PowerPoint, Excel, or SharePoint, directly from the Outlook platform also allowed users to be more efficient when working. Interviewees noted that these features encouraged new ways of working for employees; they created pockets of time savings throughout their day that could be repurposed into further productivity.

- The head of global IT and security at a medical technology company shared, “Being able to create a task directly from a message will help with productivity gain.”
- The director of infrastructure and application management at a consumer goods firm listed the different features they found helpful in new Outlook: “Good notification system for mentions and reactions. Effective text prediction. It’s easier to reschedule meetings directly from the sidebar. I have the ability to snooze

meetings and events. I also have a more user-friendly interface for adding events with both brief and detailed views.”

- The group CIO at a logistics company added: “The first thing that jumped off the page was the search capability. With new Outlook, the search richness feels much more intuitive, easily navigable, and simplified.”

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

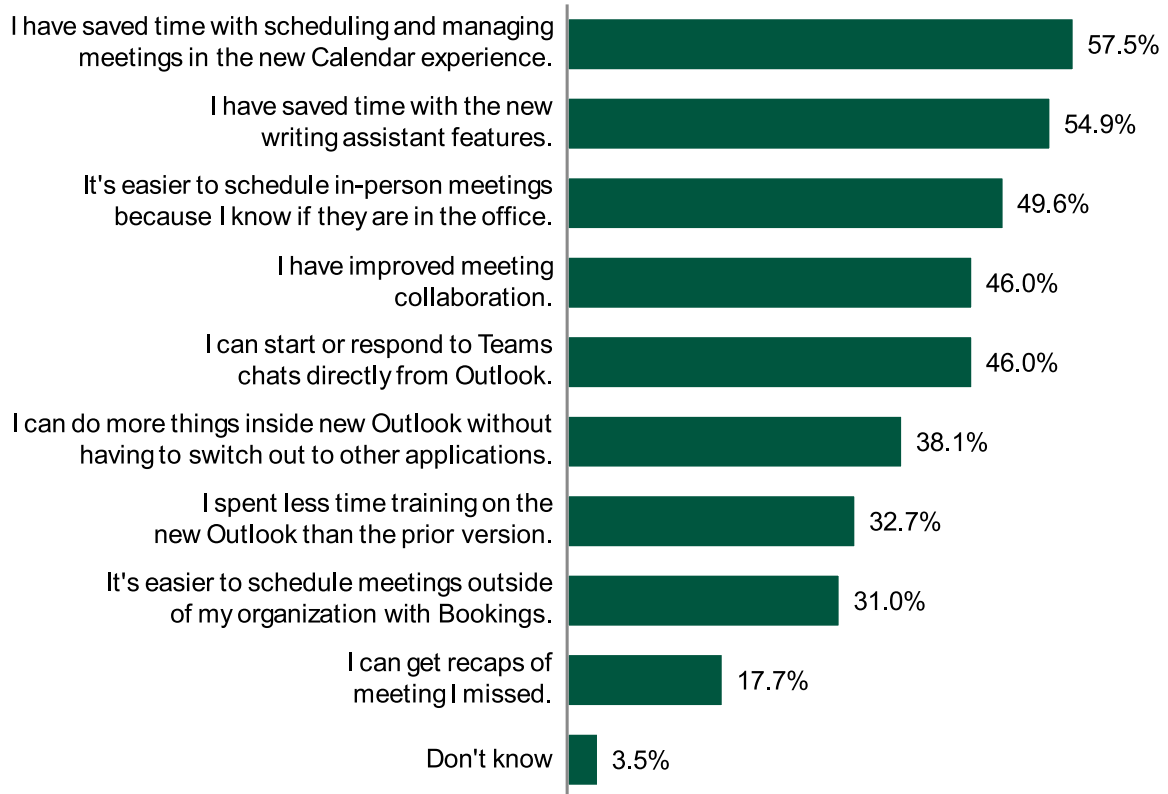
- The organization employs a total of 50,000 employees.
- Sixty percent of the workforce are consistent users of Microsoft Outlook.
- The organization adoption rate for new Outlook is 20% in Year 1, 50% in Year 2, and 80% in Year 3.
- Across the organization, the features of new Outlook allow end users to save 0.2% of their time per year in the low-case scenario, 0.3% in the medium-case scenario, and 0.4% in the high-case scenario.
- A 50% productivity recapture rate is applied, measuring the value of time saved by focusing only on the time spent on creating valuable work or actual cost reduction, rather than the overall time saved.
- The fully burdened hourly rate for an end user is \$24.04.

Results. This yields a three-year projected PV ranging from \$1.8 million (low) to \$3.6 million (high).

“[New Outlook creates] significant time savings that can be repurposed for other work, [allowing us] to do more strategic thinking.”

DIRECTOR OF INFRASTRUCTURE AND APPLICATION MANAGEMENT, CONSUMER GOODS

End-User Benefits From Adopting New Outlook



Base: 113 IT decision-makers and end users

Source: A commissioned study conducted by Forrester Consulting on behalf of Microsoft, April 2024.

ANALYSIS OF BENEFITS

End-User Productivity Related To New Features					
Ref.	Metric	Source	Year 1	Year 2	Year 3
A1	Total number of employees	Composite	50,000	50,000	50,000
A2	Percentage of total employees who use Outlook	Composite	60%	60%	60%
A3	Percentage of Outlook users who use new Outlook	Composite	20%	50%	80%
A4 _{Low}			0.2%	0.2%	0.2%
A4 _{Mid}	Percentage of time savings per average end user related to new features and functionality	Interviews	0.3%	0.3%	0.3%
A4 _{High}			0.4%	0.4%	0.4%
A5	Productivity recapture	TEI standard	50%	50%	50%
A6 _{Low}			12,480	31,200	49,920
A6 _{Mid}	Productivity gain per year (hours)	$A1 \times A2 \times A3 \times A4 \times A5 \times 2,080$	18,720	46,800	74,880
A6 _{High}			24,960	62,400	99,840
A7	Fully burdened hourly rate for an end user	TEI standard	\$24.04	\$24.04	\$24.04
At _{Low}			\$300,019	\$750,048	\$1,200,077
At _{Mid}	End-user productivity related to new features	$A6 \times A7$	\$450,029	\$1,125,072	\$1,800,115
At _{High}			\$600,038	\$1,500,096	\$2,400,154
Three-year projected total: \$2,250,144 to \$4,500,154			Three-year projected present value: \$1,794,255 to \$3,588,509		

END-USER PRODUCTIVITY RELATED TO BETTER AVAILABILITY

Evidence and data. Interviewees and survey respondents shared that compared to classic Outlook, the new version experienced minimal downtime, allowing users to access and send emails without many interruptions. Knowing that their email platform provided a reliable, secure, and efficient communication channel meant users could fully focus on their work and collaborate effectively with others. This was mainly rooted from the more modern codebase architecture that new Outlook was built on.

ANALYSIS OF BENEFITS

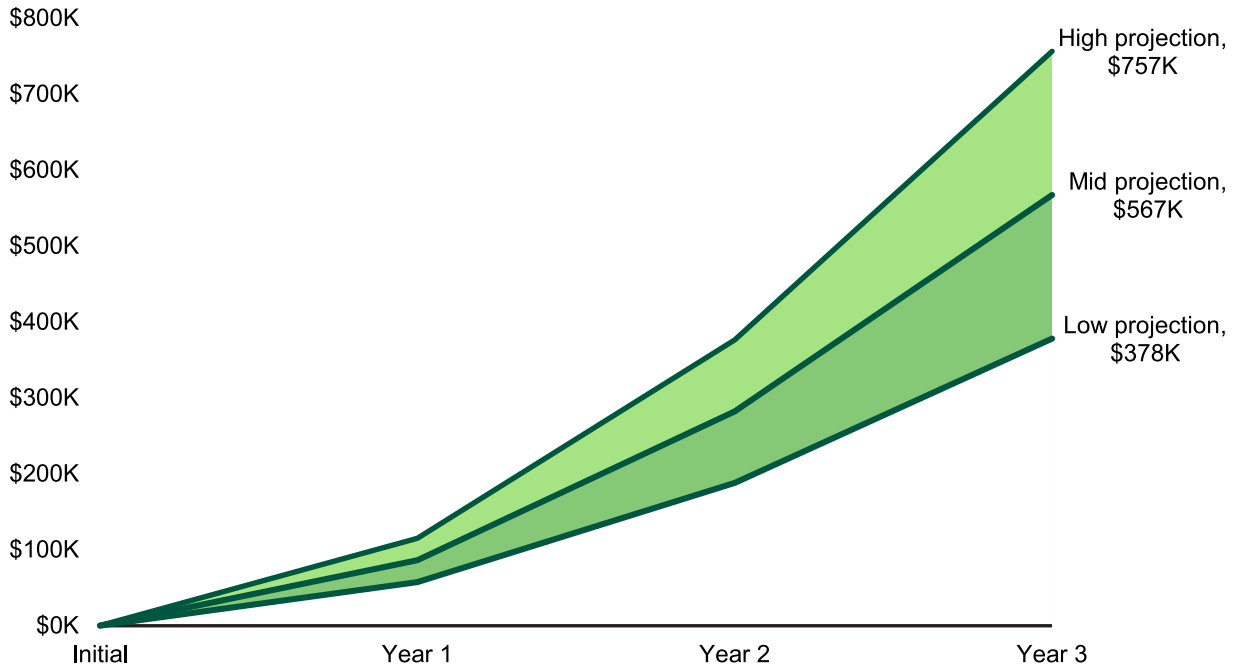
- The IT service manager at an energy company noted: “The problem with classic Outlook is it doesn’t complain. It tries to do what you tell it to do even if it ends up crashing the system.”
- The product manager at a professional services company added, “We expect performance and reliability to improve with new Outlook [because] updates happen automatically so things like bug fixes should be addressed sooner.”
- The group CIO at a logistics and distribution company told Forrester: “New Outlook has been quite stable [compared to classic Outlook]. It doesn’t crash too much. Architecture is much better. Availability is around 30% better.”

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

- The average downtime hours for classic Outlook is 8.77 hours per user per year per Microsoft’s 99.9% SLA.
- With new Outlook, the frequency of application outage improves by 10% in the low-case scenario, 15% in the medium-case scenario, and 20% in the high-case scenario.
- A 50% productivity recapture rate is applied.
- The fully burdened hourly rate for an end user is \$24.04.

Results. This yields a three-year projected PV ranging from \$378,000 (low) to \$757,000 (high).

ANALYSIS OF BENEFITS



SURVEY: Average reduction in number of Outlook-related IT tickets

65.4%

“Classic Outlook is [decades] old, [whereas] new Outlook comes with a fresh codebase, providing a modern way of working.”

DIRECTOR OF INFRASTRUCTURE AND APPLICATION MANAGEMENT, CONSUMER GOODS

ANALYSIS OF BENEFITS

End-User Productivity Related To Better Availability					
Ref.	Metric	Source	Year 1	Year 2	Year 3
B1	Number of new Outlook users	A1*A2*A3	6,000	15,000	24,000
B2	Average downtime hours of application outages in legacy environment per end user per year	Microsoft SLA	8.77	8.77	8.77
B3 _{Low}	Percentage improvement in frequency of application outages with new Outlook	Interviews	10%	10%	10%
B3 _{Mid}			15%	15%	15%
B3 _{High}			20%	20%	20%
B4	Productivity recapture	TEI standard	50%	50%	50%
B5 _{Low}	Total hours saved per year	B1*B2*B3*B4	2,631	6,578	10,524
B5 _{Mid}			3,947	9,866	15,786
B5 _{High}			5,262	13,155	21,048
B6	Fully burdened hourly rate for an end user	TEI standard	\$24.04	\$24.04	\$24.04
Bt _{Low}	End-user productivity related to better availability	B5*B6	\$63,249	\$158,135	\$252,997
Bt _{Mid}			\$94,886	\$237,179	\$379,495
Bt _{High}			\$126,498	\$316,246	\$505,994
Three-year projected total: \$474,381 to \$948,739			Three-year projected present value: \$378,270 to \$756,520		

IT EFFICIENCY GAINS RELATED TO POLICY SETTING AND MANAGEMENT

Evidence and data. Interviewees and survey respondents noted that setting and managing policy in new Outlook was simpler for their IT teams. Administrators could define and manage email policies from a centralized location. New Outlook brought together policy management work that was previously handled differently if an organization managed different versions of Outlook, such as mail and calendar app, Outlook on the web, and the Outlook application.

The IT service portfolio advisor from an energy company explained the issue prior to using new Outlook, noting, “While Outlook is relatively simple to deploy, when you have

different channels (e.g., Desktop application, web version, etc.), it makes it slightly more difficult to maintain who has what.”

This interviewee continued: “[With new Outlook], you will have efficiencies because you don’t have to manage different platforms anymore. If you implement cloud policy, you can control everything from one spot. That will create a lot of synergies, maybe 20% to 30% gain.”

“As there were many different channels, versions, and builds on [classic] Outlook, that becomes difficult to control. We end up with a split support environment. It will be easier to manage these different versions with new Outlook because you can do it from one place.”

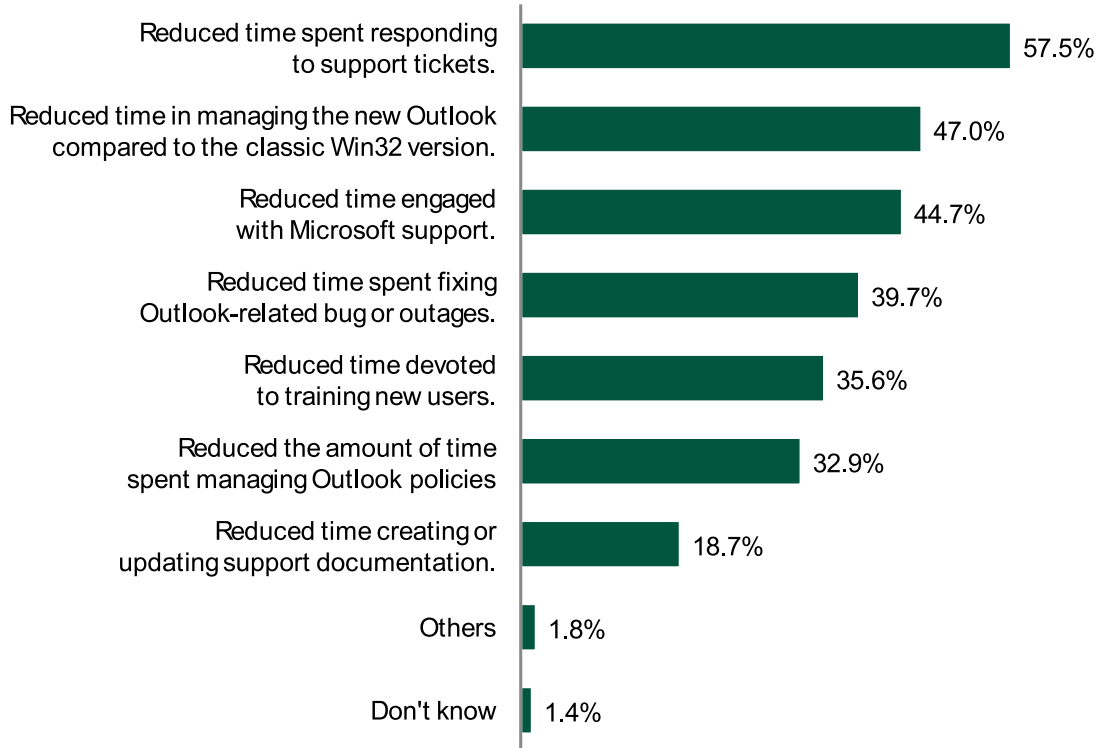
TECHNICAL LEAD, PROFESSIONAL SERVICES

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

- There are 50 IT admins at the organization, 20% of whom are responsible for managing Outlook.
- The IT admins spend 16% of their time related to policy setting and management of Outlook.
- The efficiency gained in doing policy setting and management work in new Outlook in the low-case scenario is 30% in Year 1, growing all the way to 35% in Year 3. In the mid-case scenario, the efficiency gain is 35% in Year 1, growing at a faster rate to 45% in Year 3. In the high-case scenario, the organization realizes 40% efficiency gain in Year 1, growing to 60% in Year 3.
- A 50% productivity recapture rate is applied.
- The fully burdened hourly rate for an IT admin is \$40.13.

Results. This yields a three-year projected PV ranging from \$54,000 (low) to \$82,000 (high).

IT Staff Benefits From Adopting New Outlook

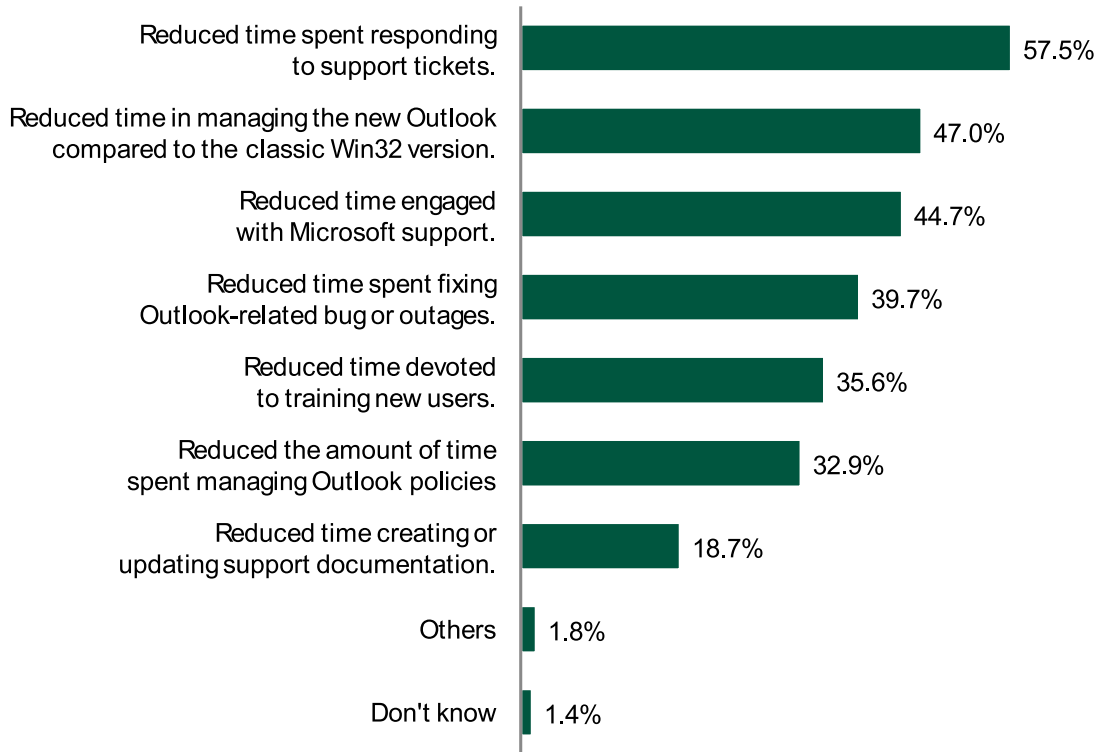


Base: 332 IT decision-makers and end users
Source: A commissioned study conducted by Forrester Consulting on behalf of Microsoft, April 2024.

SURVEY: Average reduction in IT time spent managing Outlook policies

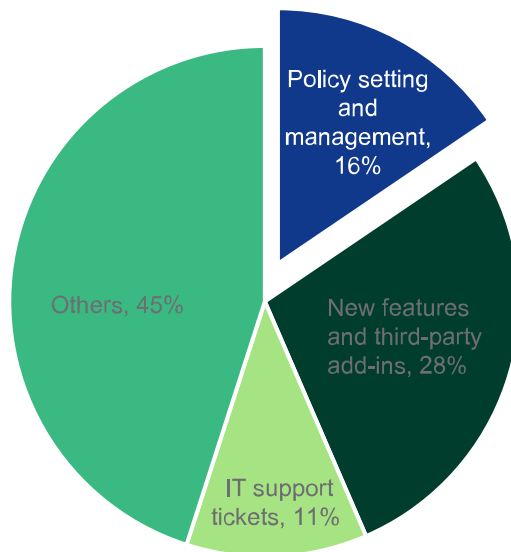
59.4%

IT Staff Benefits From Adopting New Outlook



Base: 332 IT decision-makers and end users
Source: A commissioned study conducted by Forrester Consulting on behalf of Microsoft, April 2024.

Average Percentage Of IT Time Spent Related To Policy Setting And Management



Base: 332 IT decision-makers and end users
Source: A commissioned study conducted by Forrester Consulting on behalf of Microsoft, April 2024.

ANALYSIS OF BENEFITS

IT Efficiency Gains Related To Policy Setting And Management					
Ref.	Metric	Source	Year 1	Year 2	Year 3
C1	Number of IT admins	Composite	50	50	50
C2	Percentage of IT admins managing Outlook	Composite	20%	20%	20%
C3	Percentage of time related to policy setting and management of Outlook	TEI survey	16%	16%	16%
C4 _{Low}			30%	33%	35%
C4 _{Mid}	Percentage of efficiency gain related to policy setting and management with new Outlook	Interviews	35%	40%	45%
C4 _{High}			40%	50%	60%
C5	Productivity recapture	TEI standard	50%	50%	50%
C6 _{Low}			499	549	582
C6 _{Mid}	Total hours saved per year	C1*C2*C3*C4*C5 *2,080 hours	582	666	749
C6 _{High}			666	832	998
C7	Fully burdened hourly rate for an IT admin	TEI standard	\$40.13	\$40.13	\$40.13
Ct _{Low}			\$20,025	\$22,031	\$23,356
Ct _{Mid}	IT efficiency gains related to policy setting and management	C6*C7	\$23,356	\$26,727	\$30,057
Ct _{High}			\$26,727	\$33,388	\$40,050
Three-year projected total: \$65,412 to \$100,165			Three-year projected present value: \$53,960 to \$81,981		

IT EFFICIENCY GAINS RELATED TO NEW FEATURES AND THIRD-PARTY ADD-INS DEPLOYMENT

Evidence and data. Similarly, interviewees and survey respondents also believed that adding new features or deploying third-party add-ins in new Outlook would be a lot faster and easier for their IT team, again saving time that could be repurposed into other strategic work.

- The director of communication and collaboration at a food and beverage company explained: “Previously, we had to do four weeks of testing, three weeks of packaging. We would push those updates once a quarter. Now, we might be

getting updates every week or every couple weeks. There will be less updates that we have to push. This easily opens up 10% to 15% of the total teams' time."

- The product manager at a professional services firm added: "It will be easier to roll out new versions with the new Outlook. New Outlook will be unbundled from Office, so they can get new versions without having to update all of Office. In our legacy process, we took 20 to 30 minutes for each uninstall/reinstall. Now it will be less than 10 minutes."

"The add-in process is simplified. The cadence can be accelerated. A user can ask 'I want this,' and we can configure that capability quickly."

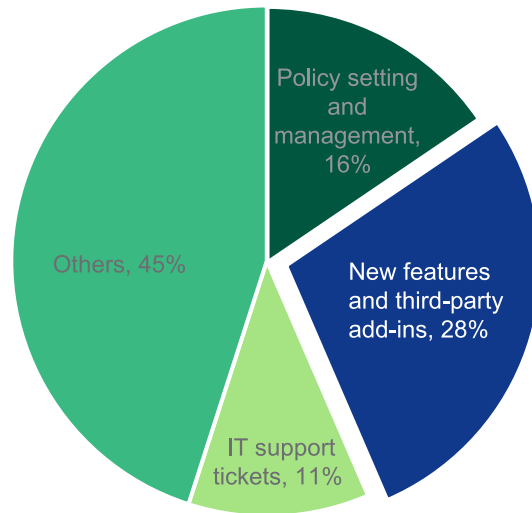
GROUP CIO, LOGISTICS AND DISTRIBUTION

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

- The same 10 IT admins managing Outlook are involved in this activity, spending 28% of their time in managing, testing, and deploying new features as well as third-party add-ins.
- The efficiency gained in doing policy setting and management work in new Outlook in the low-case scenario is 20% in Year 1, growing all the way to 25% in Year 3. In the mid-case scenario, the efficiency gain is 25% in Year 1 growing at a faster rate to 35% in Year 3. In the high-case scenario, the organization realizes 30% efficiency gain in Year 1, which grows to 50% in Year 3.
- A 50% productivity recapture rate is applied.
- The fully burdened hourly rate for an IT admin is \$40.13.

Results. This yields a three-year projected PV ranging from \$65,000 (low) to \$114,000 (high).

Average Percentage Of IT Time Spent To New Features And Third-Party Add-Ins



Base: 332 IT decision-makers and end users
Source: A commissioned study conducted by Forrester Consulting on behalf of Microsoft, April 2024.

SURVEY: Average reduction in time spent fixing Outlook-related bugs

66%

ANALYSIS OF BENEFITS

IT Efficiency Gains Related To New Features And Third-Party Add-Ins Deployment					
Ref.	Metric	Source	Year 1	Year 2	Year 3
D1	Number of IT admins managing Outlook	C1*C2	10	10	10
D2	Percentage of time related to managing, testing, and deploying new features and third-party add-ins	TEI survey	28%	28%	28%
D3 _{Low}			20%	23%	25%
D3 _{Mid}	Percentage of efficiency gain related to new features and third-party add-ins	Interviews	25%	30%	35%
D3 _{High}			30%	40%	50%
D4	Productivity recapture	TEI standard	50%	50%	50%
D5 _{Low}			582	670	728
D5 _{Mid}	Total hours saved per year	D1*D2*D3*D4	728	874	1,019
D5 _{High}			874	1,165	1,456
D6	Fully burdened hourly rate for an IT admin	TEI standard	\$40.13	\$40.13	\$40.13
Dt _{Low}			\$23,356	\$26,887	\$29,215
Dt _{Mid}	IT efficiency gains related to new features and third-party add-ins deployment	D5*D6	\$29,215	\$35,074	\$40,892
Dt _{High}			\$35,074	\$46,751	\$58,429
Three-year projected total: \$79,458 to \$140,254			Three-year projected present value: \$65,403 to \$114,421		

EFFICIENCY IN ADDRESSING IT SUPPORT TICKETS

Evidence and data. Interviewees highlighted that the self-service help functionality in new Outlook was more robust and modern and, in the long run, users would be able to address many issues they might have with the email platform. This led to a reduction in the number of support tickets that the interviewees' IT organizations addressed.

- The product manager at a professional services company shared: “We get about 4,000 help desk tickets per month. We expect to resolve them faster with the new Outlook.”
- The head of global IT and security at a medical technology firm added: “New Outlook could help reduce help desk tickets by prompting people to solve performance/usability issues themselves. If we have the right policy and user training in place, we expect efficiency [in addressing help desk tickets].”

“Help desk support will naturally go down. The online services provided by Microsoft or native 365 education content that we introduce will help reduce and address a lot of tickets.”

HEAD OF GLOBAL IT AND SECURITY, MEDICAL TECHNOLOGY

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

- The average number of IT tickets per user per year is 10.8, while the average time to resolve each IT ticket is 0.34.³
- The percentage of IT tickets related to Outlook use is 10%.
- The organization does not realize this benefit until Year 2. In the low-case scenario, it realizes an 8% reduction in Outlook-related IT tickets, growing to 25% reduction in Year 3. In the mid-case scenario, it realizes a 9% reduction in Year 2, growing to 30% in Year 3. In the high-case scenario, it realizes a 10% reduction in Year 2, growing to 35% reduction in Year 3.
- A 50% productivity recapture rate is applied.

ANALYSIS OF BENEFITS

- The fully burdened hourly rate for an IT admin is \$40.13.

Results. This yields a three-year projected PV ranging from \$41,000 (low) to \$56,000 (high).

SURVEY: Average reduction in time spent responding to Outlook-related support tickets

45%

Efficiency In Addressing IT Support Tickets

Ref.	Metric	Source	Year 1	Year 2	Year 3
E1	Number of new Outlook users	$A1 \cdot A2 \cdot A3$	6,000	15,000	24,000
E2	Average number of IT tickets per user per year	Forrester research	10.8	10.8	10.8
E3	Percentage of IT tickets related to Outlook	Interviews	10%	10%	10%
E4	Average time to resolve each IT ticket (hours)	Forrester research	0.34	0.34	0.34
E5 _{Low}			0%	8%	25%
E5 _{Mid}	Percentage reduction in Outlook-related IT tickets with new Outlook	Interviews	0%	9%	30%
E5 _{High}			0%	10%	35%
E6	Productivity recaptured	TEI standard	50%	50%	50%
E7 _{Low}			0	220	1,102
E7 _{Mid}	Total hours saved	$E1 \cdot E2 \cdot E3 \cdot E4 \cdot E5 \cdot E6$	0	248	1,322
E7 _{High}			0	275	1,542
E8	Fully burdened average hourly rate for an IT admin	TEI standard	\$40.13	\$40.13	\$40.13
E _t _{Low}			\$0	\$8,841	\$44,207
E _t _{Mid}	Efficiency in addressing IT support tickets	$E7 \cdot E8$	\$0	\$9,947	\$53,049
E _t _{High}			\$0	\$11,052	\$61,890
Three-year projected total: \$53,048 to \$72,942			Three-year projected present value: \$40,520 to \$55,633		

COST SAVINGS RELATED TO LAPTOP PROCUREMENT

Evidence and data. Some interviewees highlighted their expectations that the use of new Outlook, alongside the use of other Microsoft tools, such as Office and SharePoint, would encourage more internet- and network-based behaviors. This would mean employees would not save as many documents on local hard drives, but rather in a repository like SharePoint, increasing their ability to collaborate directly on shared documents via Office online or new Outlook. The interviewees noted efficiency gains related to CPU and memory utilization gave their organizations room to consider replacing their end-user laptops with lower cost options.

- The director of communication and collaboration at a food and beverage company shared: “There are efficiencies when you move to 64-bit programming. We do get a lot of efficiencies around CPU utilization and memory utilization. It will cut back on the amount of resource issues that we have with laptops.”
- The same director added: “The more Microsoft moves towards PWA [progressive web app] settings for its software is going to be huge savings on the amount of processing power that a laptop might require. If that ends up being the case, I could end up changing to a cheaper build. That’s tens of millions of dollars in savings in terms of laptops and leasing. With 160,000 laptops, you would save 50% easily on your cost.”
- Additionally, the survey respondents noted that use of new Outlook was expected to generate cost savings in other ways. Survey respondents indicated that using new Outlook could potentially save them money related to third-party add-ins, training and support costs, and energy and storage costs. This highlighted the different ways organizations could realize the multitude of ways using new Outlook could translate to real cost savings in their operations.

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

- Laptops are refreshed every four years; each year, an average of 25% of all laptops are due to be refreshed.
- The average cost of an end-user laptop is \$1,200.

ANALYSIS OF BENEFITS

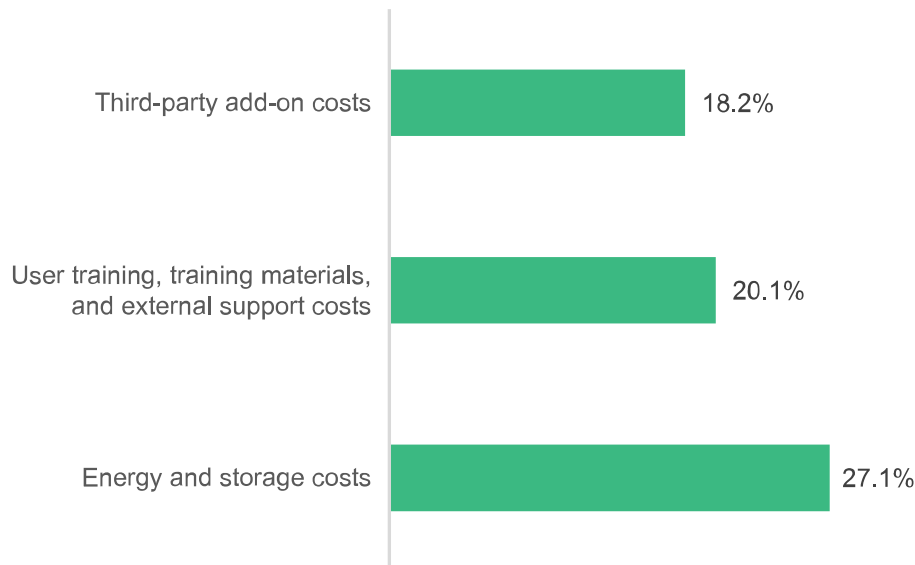
- The percentage of devices due to be refreshed that are replaced with lower cost laptops is 1% each year in the low-case scenario, 3% in the mid-case scenario, and 5% in the high-case scenario.
- A lower cost replacement laptop is 50% cheaper than the legacy device.

Results. This yields a three-year projected PV ranging from \$29,000 (low) to \$147,000 (high).

SURVEY: Average reduction in energy and storage costs annually with new Outlook

27.1%

Expected Cost Savings Related To New Outlook



Base: 332 IT decision-makers and end users

Source: A commissioned study conducted by Forrester Consulting on behalf of Microsoft, April 2024.

ANALYSIS OF BENEFITS

Cost Savings Related To Laptop Procurement					
Ref.	Metric	Source	Year 1	Year 2	Year 3
F1	Number of new Outlook users	B1 _{CY} -B1 _{PY} (cumulative)	6,000	9,000	9,000
F2	Percentage of laptops that are due for refresh each year	Forrester research	25%	25%	25%
F3	Number of new Outlook users with opportunity to refresh their laptops	F1*F2	1,500	2,250	2,250
F4	Average cost of end-user laptop	TEI standard	\$1,200	\$1,200	\$1,200
F5 _{Low}			1%	1%	1%
F5 _{Mid}	Percentage of refreshed devices that will be replaced with lower cost laptops	Interviews	3%	3%	3%
F5 _{High}			5%	5%	5%
F6	Percentage cost difference of new laptop relative to old laptop	Composite	50%	50%	50%
F _t _{Low}			\$9,000	\$13,500	\$13,500
F _t _{Mid}	Cost savings related to laptop procurement	F3*F4*F5*F6	\$27,000	\$40,500	\$40,500
F _t _{High}			\$45,000	\$67,500	\$67,500
Three-year projected total: \$36,000 to \$180,000			Three-year projected present value: \$29,482 to \$147,408		

UNQUANTIFIED BENEFITS

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

- Improved employee experience.** According to interviewees, the implementation of the new Outlook resulted in time savings for end users, enabling employees to dedicate more time to core business activities. Additionally, the reduced time spent managing emails contributed to a workforce that felt less overwhelmed. The group CIO at a logistics and distribution company noted: “People are finding they are less overwhelmed related to emails. This significantly impacts things like mental health and work-life-balance benefits.”
- Enhanced collaboration for remote and hybrid work environments.** Interviewees emphasized that the new features in Outlook promote a more collaborative work culture. By empowering geographically

dispersed teams to work effectively together, regardless of their physical locations, interviewees noted that Outlook encouraged seamless communication, brainstorming, and problem-solving. This ultimately led to increased productivity and better outcomes for the interviewees' organizations that rely on remote work or have hybrid work models in place. The head of global IT and security at a medical technology company said: "Add-ins introduce new features that impact what you can do on your phone, things related to remote work, and hybrid collaboration. Even the execs are feeling this upside."

- **Increased peace of mind with centralized updates.** Interviewees noted that by having Microsoft handle updates on new Outlook, their IT teams confidently approached Microsoft for assistance, knowing that any problems encountered were likely not due to users being on different versions. This streamlined approach simplified troubleshooting and provided a clear path to addressing potential issues. The IT service manager in energy shared, "Now that Microsoft decides when they will update new Outlook, we know we can just go to Microsoft if something goes wrong."

"The other [value] is the integration with the wider Office suite. You can drag and drop emails to a to-do list. The whole capability is far more sophisticated and intuitive for an end user that it really becomes a far more productive tool than it has been historically."

GROUP CIO, LOGISTICS AND DISTRIBUTION

FLEXIBILITY

The value of flexibility is unique to each customer. There are multiple scenarios in which a customer might implement new Outlook and later realize additional uses and business opportunities. These scenarios include:

- **Data security from integration capabilities.** The interviewees emphasized the long-term benefits of the new Outlook in terms of risk reduction. They noted that the seamless integration with SharePoint subtly promoted data security best practices. This integration enabled users to conveniently upload documents directly to SharePoint instead of resorting to traditional methods of sending attachments. By encouraging employees to utilize SharePoint, a secure cloud content storage platform, the new Outlook actively fostered more secure data-handling practices. This not only reduced the risk of data breaches but also ensured the protection and integrity of sensitive information in the long run. The group CIO at a logistics company stated: “The way new Outlook is used alongside other Microsoft applications, where documents are more shared as SharePoint hyperlinks rather than attachments and there are shared document collaboration online instead of the file being on my local hard drive, my data risk security is reduced and GDPR compliance is better.”
- **Business operation transformation.** In the medium to longer term, interviewees shared optimism around their organizations achieving substantial internal and external efficiencies, as well as operational process improvements and optimizations. The implementation of new Outlook, with its expected significant time savings for both IT admins and end users, is expected to be a catalyst for driving further positive change and long-term success by increasing productivity and competitiveness.

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

“The likely outcome is people get smarter, faster, and spend less time doing inefficient tasks. I think what you will find is there will be more quality of outcomes, more quality of tasks because things become more efficient.”

GROUP CIO, LOGISTICS AND DISTRIBUTION

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
Gtr	IT internal effort to manage migration to new Outlook	\$29,841	\$44,073	\$215,771	\$455,414	\$745,098	\$590,389
Htr	End-user time investment for new Outlook training	\$0	\$317,328	\$475,992	\$475,992	\$1,269,312	\$1,039,482
	Total costs (risk adjusted)	\$29,841	\$361,401	\$691,763	\$931,406	\$2,014,410	\$1,629,871

IT INTERNAL EFFORT TO MANAGE MIGRATION TO NEW OUTLOOK

Evidence and data. As there are no additional licensing costs related to upgrading from classic to new Outlook, interviewees noted that the investment needed to realize the expected benefits from new Outlook involved internal time investment from employees. The IT team was expected to dedicate resources toward managing the overall migration process for the workforce. This involved setting up and managing policies, training users, handling help desk tickets, and collaborating with Microsoft. This effort was mainly focused around ensuring a smooth transition, optimizing the user experience, and ensuring efficient utilization of new Outlook within the interviewees' organizations.

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

- There are 10 IT admins involved in managing new Outlook.
- The average fully burdened annual salary for an IT admin is \$87,470.
- The team spends 10% of their time setting up and managing new Outlook policies.

ANALYSIS OF COSTS

- They spend 40% of their time initially planning and managing user training. Once set up, the time spent drops to 10% of their time each year.
- They initially spent 5% managing help desk support related to new Outlook. As the adoption rate of new Outlook increases, this effort also increases to 10% in Year 1, 20% in Year 2, and 30% in Year 3, taking into account the efficiency gains in addressing these support tickets compared to when managing classic Outlook.
- The team also spends 10% of their time coordinating with the Microsoft team to obtain training materials, discuss best practices, and address other issues that may arise. This percentage of time drops to 2% each year in subsequent years.

Risks. The exact cost incurred by an organization may vary depending on the following factors:

- The internal knowledge, skills, and capabilities of the IT team managing the migration process.
- The technical know-how of the overall workforce.
- The adoption rate progression the organization plans to achieve each year.

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 \$516,000.

“[Considering the size of our workforce], we need tens of thousands of hours in support and setting up materials to be built and training sessions. This will probably take about a year. Another three to four months’ worth of planning involving IT, communication team, security, and early adopters.”

DIRECTOR OF COMMUNICATION AND COLLABORATION, FOOD AND BEVERAGE

ANALYSIS OF COSTS

IT Internal Effort To Manage Migration To New Outlook						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
G1	Number of IT admins managing Outlook	Composite	10	10	10	10
G2	Fully burdened annual salary for an IT admin	TEI standard	\$83,470	\$83,470	\$83,470	\$83,470
G3	Time spent setting and managing new Outlook policies	Interviews	10%	10%	10%	10%
G4	Time spent planning and managing user training	Interviews	40%	10%	10%	10%
G5	Time spent managing help desk support related to new Outlook	Interviews	5%	10%	20%	30%
G6	Time spent maintaining periodical communication with Microsoft	Interviews	10%	2%	2%	2%
G7	Adoption rate of new Outlook	Composite	5%	15%	50%	80%
Gt	IT internal effort to manage migration to new Outlook	$G1 \cdot G2 \cdot (G3 + G4 + G5 + G6) \cdot G7$	\$27,128	\$40,066	\$175,288	\$347,237
	Risk adjustment	↑10%				
Gtr	IT internal effort to manage migration to new Outlook (risk-adjusted)		\$29,841	\$44,073	\$192,817	\$381,961
Three-year total: \$648,691			Three-year present value: \$516,232			

END-USER TIME INVESTMENT FOR NEW OUTLOOK TRAINING

Evidence and data. Interviewees noted that the other side of this internal time investment was the time put in by the overall workforce going through training related to new Outlook. During this period, users were guided through the various features, functionalities, and navigation of the new Outlook interface. They were provided with hands-on practice and demonstrations to familiarize themselves with tasks such as composing and managing emails, scheduling appointments and meetings, and utilizing the collaborative tools available.

The training also covered specific policies or guidelines that were implemented within the interviewees' organizations regarding email usage and data security. By dedicating this time to training, the interviewees' organizations aimed to ensure a smooth transition for its users, enabling them to quickly adapt to the new Outlook system and optimize their productivity and efficiency in their day-to-day tasks.

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

ANALYSIS OF COSTS

- Each end user spends an average of 2 hours in training for year, or about 30 minutes per quarter.
- The fully burdened hourly rate for an end user is \$24.04.

Risks. The exact cost incurred by an organization can vary depending on the following factors:

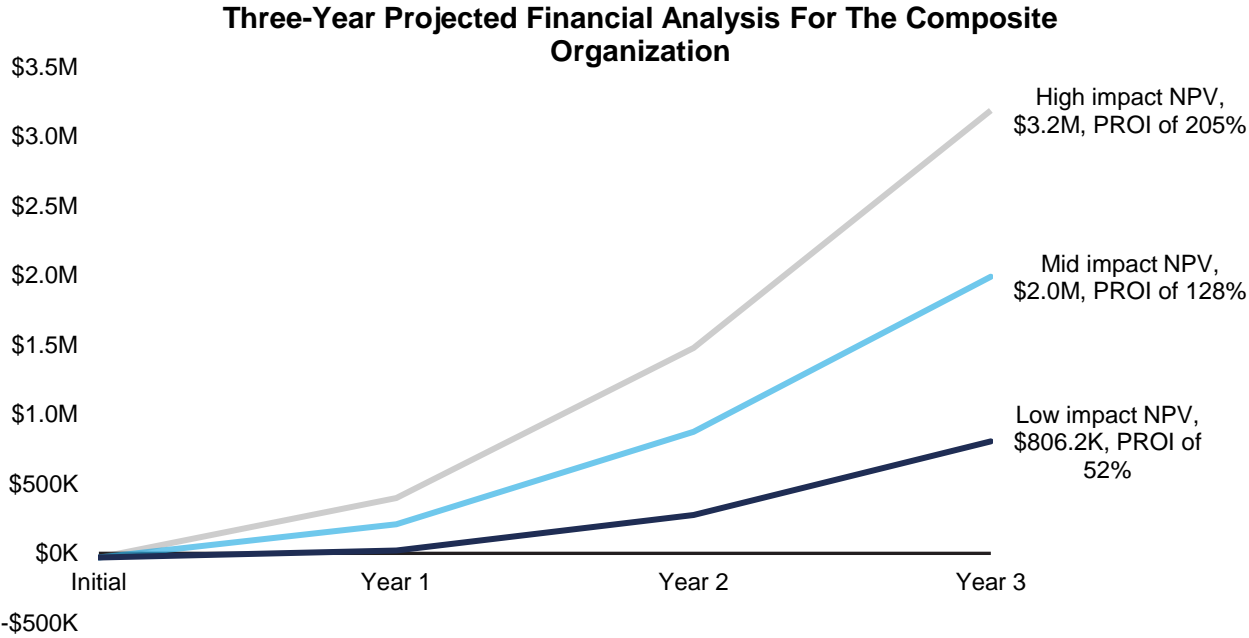
- The technical know-how of the overall workforce.
- The level of customization and configuration introduced in new Outlook to align with specific business processes or industry requirements.
- The training approach and available resources relative to other needs throughout the organization for these resources.

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 \$1.0 million.

End-User Time Investment For New Outlook Training						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
H1	Net-new end users trained each year	$B1_{CY} - B1_{PY(cumulative)}$		6,000	9,000	9,000
H2	Average time spent on training related to new Outlook each year (hours)	Composite		2	2	2
H3	Fully burdened hourly rate for an end user	TEI standard		\$24.04	\$24.04	\$24.04
Ht	End-user time investment for new Outlook training	$H1 * H2 * H3$	\$0	\$288,480	\$432,720	\$432,720
	Risk adjustment	↑10%				
Htr	End-user time investment for new Outlook training (risk-adjusted)		\$0	\$317,328	\$475,992	\$475,992
Three-year total: \$1,269,312			Three-year present value: \$1,039,482			

Financial Summary

Consolidated Three-Year, Risk-Adjusted Metrics



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

These risk-adjusted PROI and projected NPV values are determined by applying risk-adjustment factors to the unadjusted results in each Benefit and Cost section.

Cash Flow Analysis (Risk-Adjusted)

	Initial	Year 1	Year 2	Year 3	Total	Present Value
Total costs	(\$29,841)	(\$361,401)	(\$668,809)	(\$857,953)	(\$1,918,003)	(\$1,555,714)
Total benefits (low)	\$0	\$415,649	\$979,442	\$1,563,352	\$2,958,443	\$2,361,890
Total benefits (mid)	\$0	\$624,486	\$1,474,499	\$2,344,109	\$4,443,093	\$3,547,472
Total benefits (high)	\$0	\$833,338	\$1,975,033	\$3,134,017	\$5,942,388	\$4,744,472
Net benefits (low)	(\$29,841)	\$54,249	\$310,633	\$705,399	\$1,040,440	\$806,176
Net benefits (mid)	(\$29,841)	\$263,085	\$805,690	\$1,486,156	\$2,525,090	\$1,991,758
Net benefits (high)	(\$29,841)	\$471,937	\$1,306,224	\$2,276,064	\$4,024,385	\$3,188,758
PROI (low)						52%
PROI (mid)						128%
PROI (high)						205%

APPENDIX A: NEW TECHNOLOGY: PROJECTED TOTAL ECONOMIC IMPACT

New Technology: Projected Total Economic Impact (New Tech TEI) 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 New Tech TEI methodology helps companies demonstrate and justify the projected tangible value of IT initiatives to both senior management and other key business stakeholders.

Total Economic Impact Approach

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

Projected Costs consider all expenses necessary to deliver the proposed value, or benefits, of the product. The projected cost category within New Tech 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.

Projected Net Present Value (NPV)

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

Projected 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

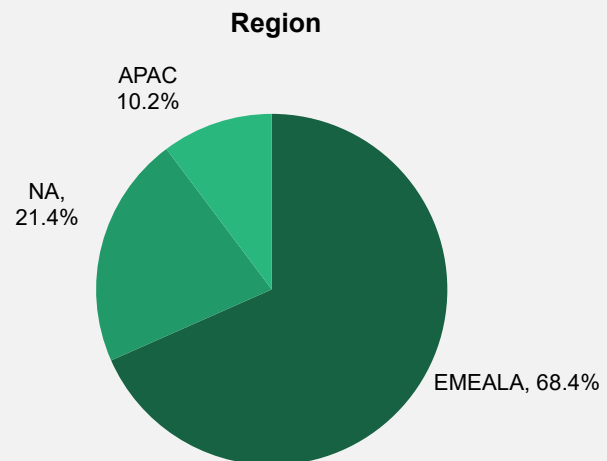
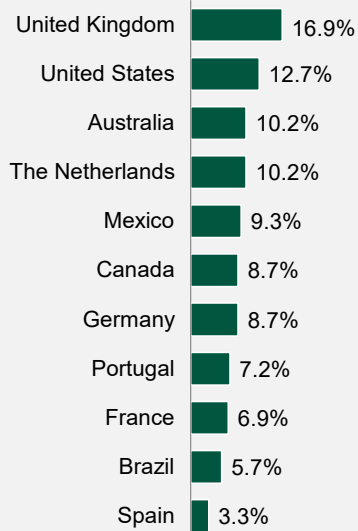
The interest rate used in cash flow analysis to take into account the time value of money. Organizations typically use discount rates between 8% and 16%.

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.

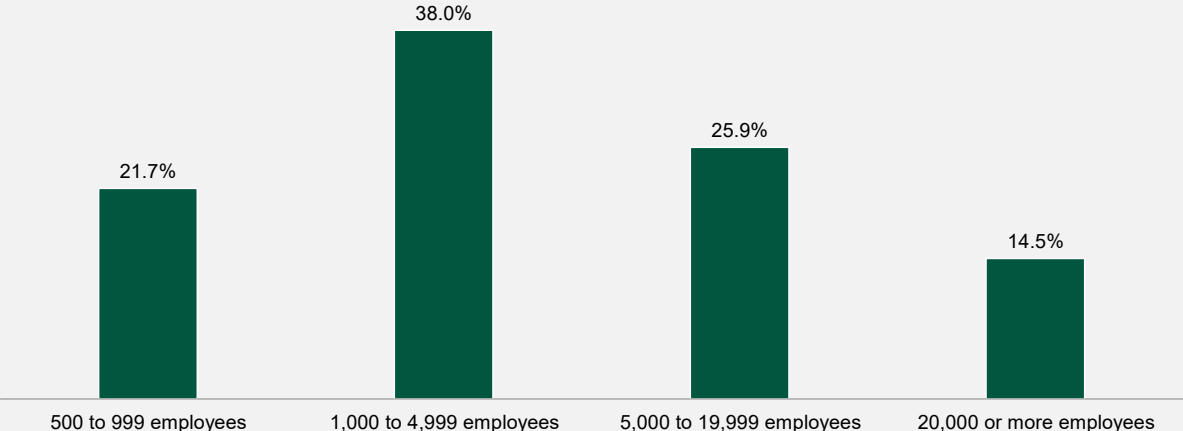
APPENDIX B: INTERVIEW AND SURVEY DEMOGRAPHICS

Interviews			
Role	Industry	Total Employees	Outlook Users As % Of Total Employees
<ul style="list-style-type: none"> IT service portfolio advisor IT service manager 	Energy	50,000 to 100,000	22%
Director of communication and collaboration	Food and beverages	300,000 to 350,000	84%
<ul style="list-style-type: none"> Product manager Technical lead 	Professional services	350,000 to 400,000	100%
Director of infrastructure and application management	Consumer goods	50,000 to 100,000	33%
Head of global IT and security	Medical technology	10,000 to 50,000	70%
Group CIO	Logistics and distribution	10,000 to 50,000	30%

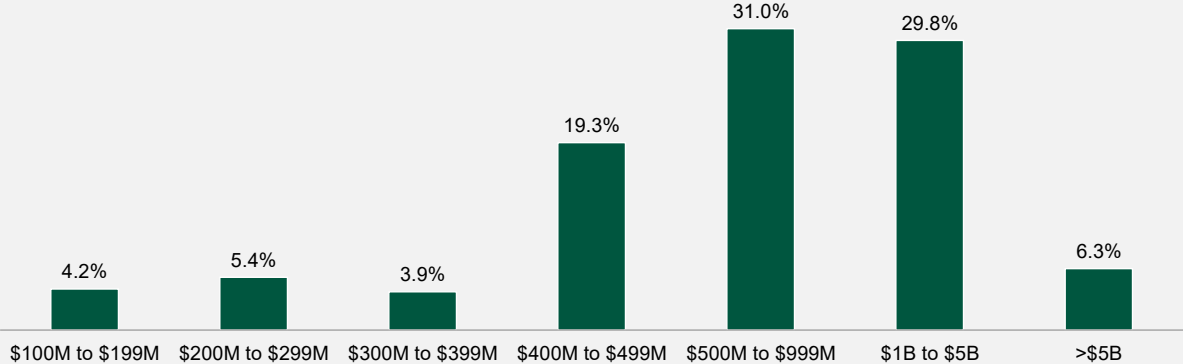
“In which country are you located?”



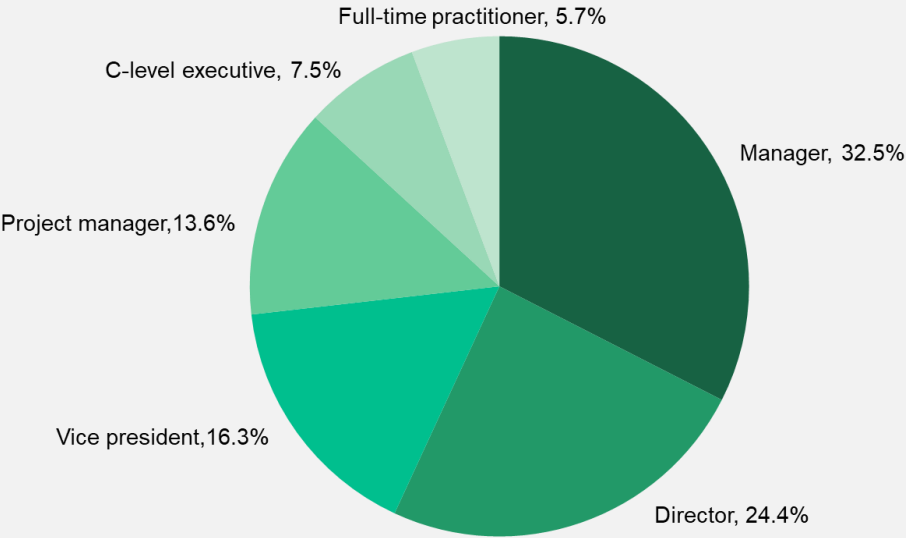
“How many employees work for your firm/organization worldwide?”



“What is your organization’s annual revenue (USD)?”



“Which title best describes your position at your organization?”



Base: 332 IT decision-makers and end users
Source: A commissioned study conducted by Forrester Consulting on behalf of Microsoft, April 2024.

APPENDIX C: ENDNOTES

¹ Source: [The Forrester Tech Tide™: Enterprise Collaboration Technologies, Q3 2022](#), Forrester Research, Inc., September 19, 2022.

² 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.

³ Source: [2023 Service Desk Benchmarks, Global](#), Forrester Research, Inc., September 7, 2023.

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