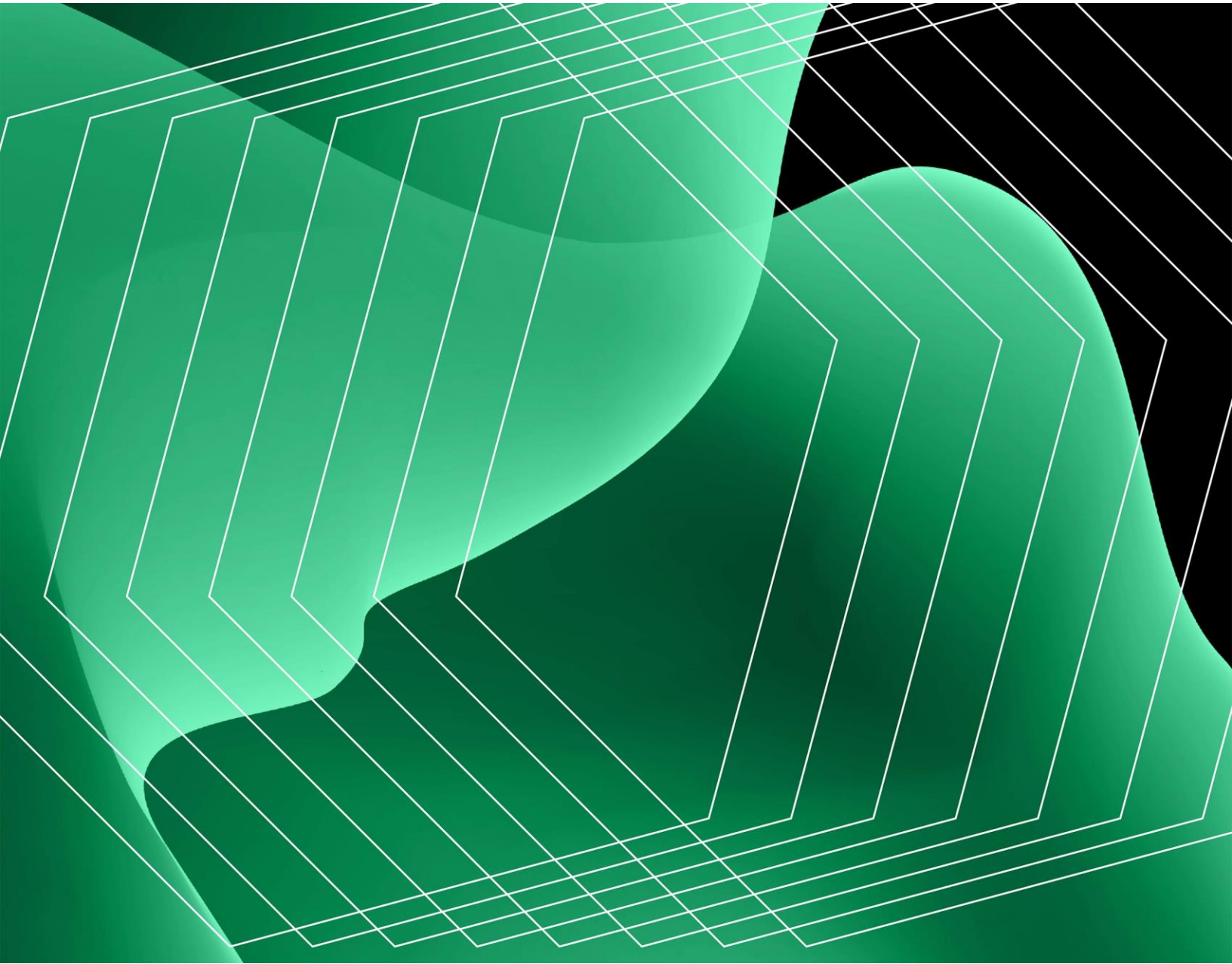


# The Total Economic Impact™ Of Microsoft Power Automate

Cost Savings And Business Benefits Enabled By Power Automate

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



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#### ABOUT FORRESTER CONSULTING

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# Executive Summary

**Economic pressures, such as rising costs and skilled labor shortages, are driving businesses to seek solutions that optimize efficiency and resource allocation. Automation platforms address this need by streamlining repetitive tasks, reducing human error, and boosting productivity while minimizing operational expenses. This allows businesses to do more with less, enhancing their ability to compete in a challenging economic landscape.**

Microsoft Power Automate, part of the Power Platform, is a cloud-based automation solution designed to streamline manual tasks and workflows across a wide array of applications and services. Through its low-code interface, this solution empowers users to automate both individual tasks and end-to-end processes with robotic process automation (RPA) and digital process automation (DPA). Power Automate also comes equipped with AI Builder, a tool that enables users to add prebuilt or custom AI models to workflows, simplifying the process of creating intelligent automations.

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 [Power Automate](#).<sup>1</sup> The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of Power Automate on their organizations.



Return on investment (ROI)  
**248%**



Net present value (NPV)  
**\$39.85M**

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed seven representatives from six companies with experience using Power Automate. For the purposes of this study, Forrester aggregated the interviewees' experiences and combined the results into a single [composite organization](#), which is an organization with 30,000 employees and \$10 billion in annual revenue.

## EXECUTIVE SUMMARY

Forrester assumes that the composite organization deploys both Power Automate and Microsoft Power Apps, a separate solution within the Microsoft Power Platform. While organizations experience cost savings and productivity gains from using Power Automate as a standalone solution, businesses would also need to deploy Power Apps to get the full extent of the benefits shown in this study. The distinct benefits and costs of adopting Power Apps are presented in a separate Forrester TEI study.

Interviewees said that prior to using Power Automate, their organizations had a variety of automation solutions in place. However, the interviewees reported that the legacy tools were difficult to use, requiring extensive training and specialized knowledge to operate effectively. The incumbent products also did not integrate with the other applications and systems within the organizations' infrastructures, which forced employees to create manual workarounds to workflow automations. These limitations prevented the interviewees' organizations from pursuing automation opportunities, reducing efficiency and increasing expenses.

After the investment in Power Automate, the interviewees' organizations gained the ability to automate tasks through two approaches. Interviewees said Power Automate enabled their organizations to streamline repetitive desktop tasks that they were not able to automate with their previous automation stacks.

For scenarios involving a significant degree of human engagement, these organizations leveraged the combined strengths of Power Automate and Power Apps. Power Automate's robust workflow capabilities handled the automation logic, while custom applications built using Power Apps provided user-friendly interfaces for interacting with the process. Interviewees noted that this synergistic approach empowered their organizations to automate intricate workflows, improving efficiency and user adoption. Additionally, the adoption of Power Automate allowed the interviewees organizations to retire costly legacy automation tools, resulting in substantial cost savings for the interviewees' organizations. The consolidation of automation tools under a single platform not only reduced licensing and maintenance expenses but also simplified management and support.

## KEY FINDINGS

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

- **End-user time savings from RPA.** The composite organization leverages Power Automate's RPA capabilities to automate repetitive and rule-based tasks that its previous automation tools could not streamline. RPA unlocks significant time savings for jobs with repetitive, high-volume tasks, such as data entry, invoicing, or gathering documentation for audits, while other roles see more gradual efficiency gains over time. Employees involved in high-impact RPA use cases see efficiency gains of 200 hours per year, or approximately 10%, while employees involved in medium-impact use cases see time savings of 20 hours per year. Over the course of the three-year analysis, the composite organization sees employee time savings worth \$13.2 million from automating tasks with RPA.
- **End-user time savings from extended automation with Power Apps and Power Automate.** The composite organization leverages Power Automate's integration with Power Apps to recognize automation opportunities beyond RPA. While the composite organization uses Power Automate to design and automate complex processes, it uses Power Apps to engage users in the flow of work through intuitive and accessible applications. By using the solutions in tandem, the composite streamlines end-to-end processes. Using Power Automate's extended automation capabilities yields considerable time savings, particularly for employees who are involved in data-heavy processes or workflows that involve a lot of back-and-forth communication between different parties. As a result, certain employees see time savings of 250 hours per year, or 12%, while other employees see time savings of 10 hours per year. During the three-year period, extended automation with Power Apps and Power Automate saves the composite organization \$31.3 million in employee labor.
- **Reduction in time required for software developers to build automations.** With Power Automate, the composite organization's developers reduce the amount of time they spend building workflow automation, yielding additional time savings. The integration capabilities of Power Automate eliminate the need for complex custom coding, while the interface allows developers to create and

modify workflows more efficiently. In total, improved software developer efficiency leads to \$2.0 million in time savings for the composite organization.

- **Reduction in legacy system costs.** By leveraging Power Automate, the composite organization consolidates its automation efforts onto a single platform, reducing its legacy licensing costs and streamlining management. The composite organization gradually migrates processes from its incumbent tools and retires some of its legacy infrastructure and RPA bots. Additionally, it reallocates employees that were previously dedicated to managing the previous tools. Over three years, the reduction in legacy automation tools leads to \$9.5 million in cost savings.

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

- **Culture of innovation.** The interviewees reported that Power Automate enabled their organizations' nontechnical employees to proactively solve issues with minimal development support from IT, freeing up IT staff to work on new initiatives. With its low-code or no-code approach, Power Automate empowered their organizations' employees to build their own workflows, driving innovation and efficiency.
- **Compliance and security.** The interviewees shared that with Power Automate, they implemented standardized and compliant workflows, ensuring adherence to industry regulations. Additionally, the interviewees shared that Power Automate's cloud-based infrastructure offered enhanced security features and data protection, providing peace of mind for organizations concerned about sensitive information being shared in desktop tools.
- **Employee experience improvements.** After deploying Power Automate, the interviewees' organizations automated more processes, reducing the amount of time employees devoted to mundane tasks and freeing them up to focus on more strategic or value-adding tasks.

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

- **Licensing costs.** The composite organization incurs licensing costs of \$11.8 million over three years for the use of Power Automate cloud flows and desktop flows.

- **Implementation and initial training costs.** The composite organization incurs \$1.0 million in employee labor costs over three years for the time devoted to managing the implementation of Power Automate, including training the first developers.
- **Developer training and ongoing management.** The composite organization trains 1,800 workflow builders on using Power Automate and has a team of five developers dedicated to managing the solution on an ongoing basis. Overall, training employees and managing the platform cost the composite organization \$3.3 million over the three-year analysis.

The representative interviews and financial analysis found that a composite organization experiences benefits of \$55.93 million over three years versus costs of \$16.08 million, adding up to a net present value (NPV) of \$39.85 million and an ROI of 248%.

Time savings from high-impact RPA use cases

**10%**

“[Power Automate] has changed our culture, as people are now thinking about innovation and continuous improvement. Our C-suite is seeing some of the use cases that people are building, and they’re saying, ‘Wow, that is game-changing.’”

VICE PRESIDENT, ENTERTAINMENT

## EXECUTIVE SUMMARY



Return on investment  
(ROI)

**248%**



Benefits PV

**\$55.93M**



Net present value  
(NPV)

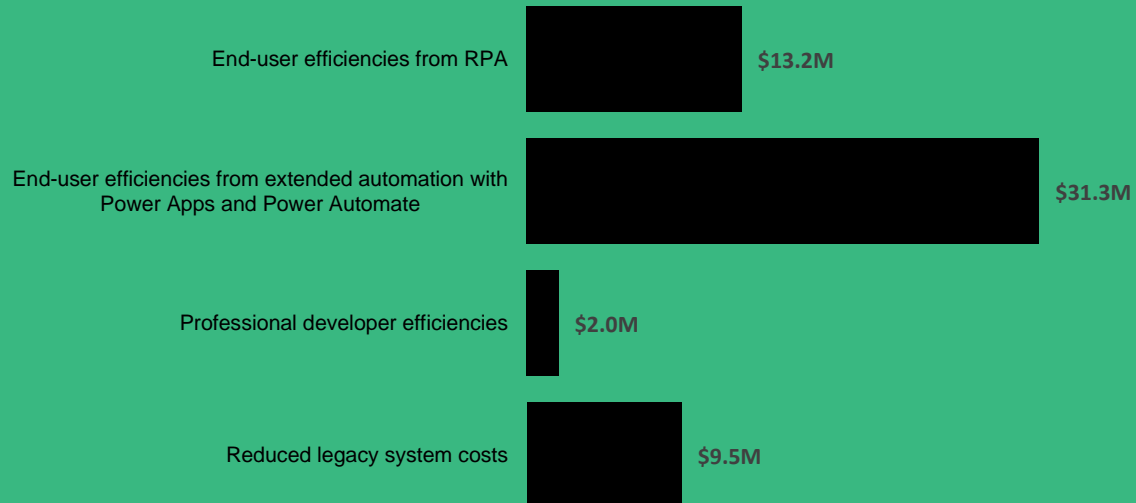
**\$39.85M**



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 in Power Automate.

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 Power Automate 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 an investment in Power Automate.

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.

### Due Diligence

Interviewed Microsoft stakeholders and Forrester analysts to gather data relative to Power Automate.

### Interviews

Interviewed seven representatives at six organizations using Power Automate to obtain data about costs, benefits, and risks.

### Composite Organization

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

### Financial Model Framework

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

### Case Study

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

# The Microsoft Power Automate Customer Journey

## Drivers leading to the Power Automate investment

Interviews			
Role	Industry	Region	Number Of Employees
<ul style="list-style-type: none"><li>• Product owner</li><li>• IT leader</li></ul>	Energy	North America	30,000
Director	Professional services	US headquarters, global operations	>100,000
Automation leader	Financial services	North America	25,000
Vice president	Entertainment	North America	10,000
Head of automation	Pharmaceuticals	Europe	7,000
Head of new product	Manufacturing	Global	>100,000

## KEY CHALLENGES

Prior to adopting Power Automate, the interviewees noted that their organizations had legacy automation tools in place, but they were not widely adopted. The interviewees noted how their organizations struggled with common challenges, including:

- **Difficulty integrating automation tools with other infrastructure.** The interviewees shared that their organizations' incumbent automation tools did not easily integrate with their other applications and data sources, making it difficult to streamline workflows. Employees often had to build manual workarounds to complete workflow automations, resulting in inefficiencies that negatively impacted productivity. Interviewees also reported that their legacy tools were expensive, even with limited adoption from their employee base. The director at the professional services firm noted: "We were a large consumer of RPA technology before deciding to lead with Power Automate. ... Power Automate

seamlessly integrates with many tools across the Microsoft stack, avoiding the need to develop bespoke connectivity solutions.”

- **Too much employee time devoted to repetitive, manual tasks.** The interviewees shared that because their legacy tools were not easy to automate, there was a significant drain on productivity. Employees had to manually perform repetitive tasks, increasing the potential for human error which could cause further workflow delays. The vice president at an entertainment organization described the effect manual work had on their organization’s entry-level workforce: “The entry-level roles were doing a lot of manual work before we had the automations. They would be processing refunds. They would be depositing checks. They would be downloading reports. That would be a lot of their job. ... I had 50% turnover on my team at that point.”
- **Legacy automation tools with limited functionalities and difficult user interfaces.** Interviewees reported that their legacy automation tools were difficult to use, preventing their employee base — particularly those who could not code — from effectively using the tools. Their organizations sought to empower nontechnical business users to resolve IT requests independently, but the lack of functionality limited their self-service capabilities. The automation leader at the financial services firm shared: “[With our legacy tool], a lot of the functionality just was not there. It was unpleasant.”
- **Expensive incumbent automation tools.** Interviewees shared that the cost of licensing and maintaining their organizations’ legacy tools added a financial burden, leading them to look for a more cost-effective automation solution. The automation leader at the financial services firm added: “When you look at the licensing costs for [our previous tool], it didn’t really make sense. ... [We were] continuing to look at that total cost of ownership for those RPA capabilities and we wanted the numbers to go down.”

## INVESTMENT OBJECTIVES

The interviewees’ organizations searched for a solution that could:

- **Empower employees to build secure automations.** The interviewees’ organizations aimed to enable nontechnical employees to independently build

and deploy automation solutions, while ensuring that IT departments set guardrails and maintained overall control of the automation process.

- **Increase adoption of process automation.** The interviewees' organizations sought to expand the range of tasks they automated with Power Automate's Robotic Process Automation (RPA) and Digital Process Automation (DPA) capabilities.
- **Leverage Power Automate's integration with Power Apps to extend automation opportunities across the workforce.** The interviewees' organizations wanted to integrate disparate applications and data sources to automate both discrete tasks and entire end-to-end processes, freeing up employee time for more strategic work.
- **Reduce spending on legacy automation tools.** The interviewees' organizations aimed to replace expensive legacy tools with a more cost-effective solution that had more robust automation capabilities.
- **Improve governance.** Interviewees looked to implement standardized workflows, enforce security measures, and mitigate compliance and data security risks.

“Our intent is not to reduce workforce with these tools; it’s to make all of our people more efficient or able to focus on more strategic initiatives.”

DIRECTOR, PROFESSIONAL SERVICES

## COMPOSITE ORGANIZATION

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

**Description of composite.** The composite organization is a global organization with 30,000 employees and \$10 billion in annual revenue. The organization adopts Power Automate to automate both discrete tasks and entire end-to-end processes and uses Power Apps to engage users throughout the process, ensuring widespread adoption of the automations developed. The composite organization gradually trains 1,800 automation builders on using Power Automate.

### Key Assumptions

30,000 employees

\$10 billion annual revenue

Adopts both Power Automate and Power Apps

# Analysis Of Benefits

Quantified benefit data as applied to the composite

Total Benefits					
Ref.	Benefit	Year 1	Year 2	Year 3	Present Value
Atr	End-user efficiencies from RPA	\$4,032,000	\$5,376,000	\$6,720,000	\$13,157,265
Btr	End-user efficiencies from extended automation with Power Apps and Power Automate	\$6,507,600	\$13,015,200	\$19,522,800	\$31,340,132
Ctr	Professional developer efficiencies	\$789,750	\$789,750	\$789,750	\$1,963,991
Dtr	Reduced legacy system costs	\$2,667,600	\$3,885,840	\$5,104,080	\$9,471,300
	Total benefits (risk-adjusted)	\$13,996,950	\$23,066,790	\$32,136,630	\$55,932,688

## END-USER EFFICIENCIES FROM RPA

**Evidence and data.** Interviewees shared that using Power Automate’s RPA capabilities helped their organizations automate tasks that were difficult to automate in their legacy tools. As a result, employees throughout the interviewees’ organizations saw significant time savings.

- Interviewees reported a range of ways that Power Automate RPA saved employees time and improved business efficiency. The head of automation at a pharmaceutical company shared: “With RPA, we have 72 automations that we are running in total right now. ... We have one that was set up to decommission a legacy [enterprise communication] application. The bot was downloading all the documents from the legacy application and converting it into a PDF and loading it into a new application. [With that automation], we gained 11,000 hours back to business.”
- The vice president at an entertainment organization described how one of their first Power Automate RPA use cases was around refunding tickets: “If you buy a ticket online and you bought it for the wrong showtime or location, you’d have to

actually call into guest services, wait on hold for 30 minutes, and the service agent would have to process it on their end. Prior to [our deployment], we were doing it manually. We used Power Automate to automate that entire process, which freed up all that time. We had one team doing it, and I would say 50% of their time was doing refunds.” The interviewee went on to say that in total, their organization automated 30,000 hours of employee labor annually across a range of use cases.

- The automation leader at a financial services firm reported that their organization had around 85 RPA automations, most of which were running on Power Automate. The interviewee went on to say: “There are some areas of the company that are experiencing quite a bit of growth, but the automations are actually offsetting the need to hire more associates.”

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

- Of the composite organization’s 30,000 employees, 15% of staff are involved in Power Automate RPA use cases in Year 1. By Year 3, 25% of employees are involved in Power Automate RPA use cases.
- End-user time savings vary significantly by role. RPA enables substantial time savings for roles that involve repetitive, high-volume tasks, such as data entry, invoicing, customer service and support, and documentation gathering. Other roles experience sporadic efficiency gains over the course of the year.
- In Year 1, 3% of employees are involved in high-impact RPA use cases. This increases to 4% of employees in Year 2 and 5% in Year 3.
- Employees involved in high-impact use cases see productivity gains of approximately 10%, or 200 hours per year.
- The percentage of employees involved in medium-impact RPA use cases starts at 12% in Year 1 and increases to 16% in Year 2 and 20% in Year 3.
- Employees involved in medium-impact RPA use cases see productivity gains of 20 hours per year.
- The fully burdened hourly rate for employees who see time savings is \$40.

- Forrester applies a 50% productivity recapture to this benefit to account for the fact that not all hours saved are redeployed productively.

**Risks.** The RPA time savings will vary depending on:

- The number of RPA use cases that an organization pursues.
- The degree to which Power Automate can automate these tasks.
- The fully burdened hourly rate of impacted employees.

**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 \$13.2 million.

**25%**

Percentage of employees that experience time savings from RPA

“For RPA overall last year, we saved a million manual hours. This year, we would like to automate \$30 million worth of work with just [Power Automate RPA].”

AUTOMATION LEADER, FINANCIAL SERVICES



## ANALYSIS OF BENEFITS

End-User Efficiencies From RPA					
Ref.	Metric	Source	Year 1	Year 2	Year 3
A1	Number of employees	Composite	30,000	30,000	30,000
A2	Percentage of employees affected by RPA (high-impact use cases)	Interviews	3%	4%	5%
A3	Average number of hours saved with RPA (high-impact use cases)	Interviews	200	200	200
A4	Total end-user hours saved with RPA (high-impact use cases)	A1*A2*A3	180,000	240,000	300,000
A5	Fully burdened hourly salary for an employee who sees time savings	TEI standard	\$40	\$40	\$40
A6	Productivity recapture	TEI standard	50%	50%	50%
<b>A7</b>	<b>Subtotal: End-user efficiencies from RPA (high-impact use cases)</b>	<b>A4*A5*A6</b>	<b>\$3,600,000</b>	<b>\$4,800,000</b>	<b>\$6,000,000</b>
A8	Percentage of employees affected by RPA (medium-impact use cases)	Interviews	12%	16%	20%
A9	Number of users affected by RPA (medium-impact use cases)	A1*A8	3,600	4,800	6,000
A10	Hours saved per user annually (medium-impact use cases)	Interviews	20	20	20
A11	Total hours saved with RPA (medium-impact use cases)	A9*A10	72,000	96,000	120,000
<b>A12</b>	<b>Subtotal: End-user efficiencies from RPA (medium-impact use cases)</b>	<b>A11*A5*A6</b>	<b>\$1,440,000</b>	<b>\$1,920,000</b>	<b>\$2,400,000</b>
At	End-user efficiencies from RPA	A7+A12	\$5,040,000	\$6,720,000	\$8,400,000
	Risk adjustment	↓20%			
Atr	End-user efficiencies from RPA (risk-adjusted)		\$4,032,000	\$5,376,000	\$6,720,000
<b>Three-year total: \$16,128,000</b>			<b>Three-year present value: \$13,157,265</b>		

## END-USER EFFICIENCIES FROM EXTENDED AUTOMATION WITH POWER APPS AND POWER AUTOMATE

**Evidence and data.** Beyond RPA, interviewees reported significant time savings by automating complex workflows with Power Automate. The solution allowed them to connect data from multiple sources, with or without APIs. The integration with Power Apps (another solution within the Microsoft Power Platform) fostered user adoption by providing custom interfaces for process interaction, helping them automate processes that required a high level of human engagement. Interviewees shared that while Power Automate handled core automation logic, Power Apps offered a platform to tailor user experiences for specific business needs.

## ANALYSIS OF BENEFITS

By leveraging Power Automate's integration with Power Apps, the interviewees recognized automation opportunities beyond RPA. In several cases, the interviewees' organizations redesigned entire processes using the connection between Power Automate and Power Apps.

- The product owner at an energy organization described how they were able to use Power Apps and Power Automate to build an inventory management solution: "I started from scratch and built an app that was leveraging standard connectors and used Power Automate to handle notifications, callbacks, and everything else. ... With this solution, [staff] can manage their inventory, and they can manage the whole process of getting something repaired. ... This solution is saving about a million dollars for our organization, a third of which is employee time savings."
- The product owner at the energy organization went on to discuss how Power Apps and Power Automate were widely adopted among their employees, with individuals independently redesigning processes: "A lot of people aren't one-and-done; they come back with more solutions. We got a bunch of people who are constantly building little solutions that are giving us time back."
- A director at a professional services firm reported that using Power Apps and Power Automate in tandem enabled their organization to swiftly create prototypes of automations. Their organization used Power Apps to quickly build custom UIs for the workflow and used Power Automate to automate the tasks underlying the process. They then piloted the prototypes, iterated based on user feedback, and deployed the automations. The interviewee stated: "We are absolutely able to automate more processes and more complex processes now. We're able to get about four times as many automation prototypes into the hands of users. ... We're seeing increased adoption of the tools because the user base is now feeling like their needs are heard and responded to quicker."
- The director at a professional services firm reported a variety of ways that using Power Automate and Power Apps saved their employee base time. The interviewee described an impactful use case: "Power Automate's extensibility and connectivity with SharePoint, Word, Excel, and PowerPoint drove a ton of efficiency when our users needed to access and update legacy files. We built an application that could point to a cloud drive full of legacy documents and with a

few clicks of a button, migrate off of those to the latest Microsoft version. ... Previously we would have relied heavily on our central IT function to support this; our app lessened that reliance and drove a more efficient process.”

- The director at the professional services firm went on to summarize the efficiencies from using Power Apps and Power Automate: “There are cost savings across our organization from an automation perspective where we’ve used these tools to drive out manual hours where an automation solution can be built to handle the workload. ... If you added up the number of hours our resources spent on these tasks and multiplied by their hourly rate, we are seeing cost savings of several million dollars per year. Our intent is not to reduce workforce with these tools; it’s to make all of our people more efficient or able to focus on more strategic activities.”
- The head of automation at a pharmaceutical company described using Power Apps and Power Automate in parallel: “We have 20 odd automations that use both Power Apps and Power Automate. ... The return on each automation is four times the investment.”

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

- In addition to Power Automate, the composite organization adopts Power Apps, a separate solution within the Power Platform. Without Power Apps, the composite would not experience the same level of time savings from extended automation.
- In total, 22% of the composite organization’s 30,000 employees are affected by extended automation use cases in Year 1. By Year 3, 66% of the organization’s staff is affected by extended automation with Power Apps and Power Automate.
- End-user time savings vary considerably by role. For example, employees in certain data-driven roles witness substantial time savings as they can automate several analysis and reporting processes. Similarly, roles with complex communication bottlenecks experience significant time savings as the solutions can create automated approval workflows.
- In Year 1, 4.4% of employees are involved in high-impact use cases. The percentage of employees in high-impact use cases rises to 8.8% in Year 2 and 13.2% in Year 3.

## ANALYSIS OF BENEFITS

- Employees affected by high-impact use cases see time savings of 250 hours per year, a roughly 12% productivity lift.
- The percentage of employees involved in medium-impact use cases goes from 17.6% in Year 1 to 35.2% in Year 2. By Year 3, 52.8% of employees are involved in medium-impact use cases.
- Employees affected by medium-impact use cases see time savings of 10 hours per year.
- The fully burdened hourly rate for employees is \$40.
- Forrester applies a 50% productivity recapture to this benefit to account for the fact that not all hours saved are redeployed productively.

**Risks.** The degree of time savings users will see from extended automation with Power Apps and Power Automate will vary depending on:

- The number of extended automation use cases that an organization pursues.
- The degree to which Power Automate can streamline these tasks.
- The fully burdened hourly rate of impacted employees.
- The benefit is contingent on using Power Apps alongside Power Automate.

**Results.** To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$31.3 million.

# 12%

Time savings for high-impact use cases per employee

“There is a ton of efficiency to be gained with Power Automate, and then with Power Apps, the ability to drag and drop and create a quick to market UI prototype really drives the efficiency of getting something [to market] quickly.”

DIRECTOR, PROFESSIONAL SERVICES

## ANALYSIS OF BENEFITS

<b>End-User Efficiencies From Extended Automation With Power Apps and Power Automate</b>					
<b>Ref.</b>	<b>Metric</b>	<b>Source</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
B1	Number of employees	Composite	30,000	30,000	30,000
B2	Percentage of users impacted by high-impact extended automation use cases	Interviews	4.4%	8.8%	13.2%
B3	Average number of hours saved per user from extended automation with Power Apps and Power Automate (high-impact use cases)	Interviews	250	250	250
B4	Total end-user hours saved with extended automation with Power Apps and Power Automate (high-impact use cases)	B1*B2*B3	330,000	660,000	990,000
B5	Fully burdened hourly rate for a business end user	TEI standard	\$40	\$40	\$40
B6	Productivity recapture	TEI standard	50%	50%	50%
<b>B7</b>	<b>Subtotal: End-user efficiencies from extended automation with Power Apps and Power Automate (high-impact use cases)</b>	<b>B4*B5*B6</b>	<b>\$6,600,000</b>	<b>\$13,200,000</b>	<b>\$19,800,000</b>
B8	Percentage of employees impacted by extended automation with Power Apps and Power Automate (medium-impact use cases)	Interviews	17.6%	35.2%	52.8%
B9	Number of employees affected by extended automation with Power Apps and Power Automate (medium-impact use cases)	B1*B8	5,280	10,560	15,840
B10	Average number of hours saved per user from extended automation with Power Apps and Power Automate (medium-impact use cases)	Interviews	10	10	10
B11	Total end-user hours saved with extended automation with Power Apps and Power Automate (medium-impact use cases)	B9*B10	52,800	105,600	158,400
<b>B12</b>	<b>Subtotal: End-user efficiencies from extended automation with Power Apps and Power Automate (medium-impact use cases)</b>	<b>B5*B6*B11</b>	<b>\$1,056,000</b>	<b>\$2,112,000</b>	<b>\$3,168,000</b>
Bt	End-user efficiencies from extended automation with Power Apps and Power Automate	B7+B12	\$7,656,000	\$15,312,000	\$22,968,000
	Risk adjustment	↓15%			
Btr	End-user efficiencies from extended automation with Power Apps and Power Automate (risk-adjusted)		\$6,507,600	\$13,015,200	\$19,522,800
<b>Three-year total: \$39,045,600</b>			<b>Three-year present value: \$31,340,132</b>		

## PROFESSIONAL DEVELOPER EFFICIENCIES

**Evidence and data.** With Power Automate’s simple user interface, low-code functionalities, and integration capabilities, the interviewees reported that their organizations reduced the amount of effort required to build both cloud- and desktop-based automations.

- The automation leader at a financial services firm reported that developers could quickly build workflow automations with Power Automate, particularly when they leveraged Microsoft’s AI Builder feature: “We are using AI Builder and I think that is the advantage of Power Automate. You can use the connector-based functions that are super easy to code and then marry in the Power Automate desktop interface to do some of the other functions. ... Compared to when we started doing RPA [with our previous solution], the time it takes the team to automate a process is around a fifth.”
- The automation leader went on to describe the feedback developers had on using Automate: “Overall, the feedback has been good. If you know [other automation tools], you can quickly get up to speed in Power Automate. It’s easy to find the different commands and the functions in there.”

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

- The composite organization has a team of 200 professional developers that devote 25% of their time to building internal workflow automations.
- With Power Automate, these developers build automated workflows 20% faster.
- The average fully burdened annual salary for a professional developer is \$175,500.
- Forrester assumes that 50% of the hours saved are redeployed productively.

**Risks.** The professional developer time savings will vary depending on:

- The number of professional developers automating workflows with Power Automate.
- The average fully burdened salary of these developers.

**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 \$2.0 million.

# 20%

Reduction in time required to develop workflows

Professional Developer Efficiencies					
Ref.	Metric	Source	Year 1	Year 2	Year 3
C1	Number of professional developers dedicated to managing internal workflows	Composite	200	200	200
C2	Percentage of time dedicated to developing automation workflows in prior environment	Composite	25%	25%	25%
C3	Percent reduction in workflow automation development time	Interviews	20%	20%	20%
C4	Fully burdened annual salary for a professional developer	TEI standard	\$175,500	\$175,500	\$175,500
C5	Productivity recapture	TEI standard	50%	50%	50%
Ct	Professional developer efficiencies	$C1 \times C2 \times C3 \times C4 \times C5$	\$877,500	\$877,500	\$877,500
	Risk adjustment	↓10%			
Ctr	Professional developer efficiencies (risk-adjusted)		\$789,750	\$789,750	\$789,750
<b>Three-year total: \$2,369,250</b>			<b>Three-year present value: \$1,963,991</b>		



## REDUCED LEGACY SYSTEM COSTS

**Evidence and data.** The interviewees reported that after adopting Power Automate, their organizations were able to gradually eliminate their legacy automation tools. The interviewees' organizations first migrated low-complexity automations to Power Automate, and then migrated other automations to Microsoft over the following years.

- The director at a professional services firm reported: “We were a large consumer of RPA technology before deciding to lead with Power Automate. As the platform has matured, we have made a concerted effort to rationalize our automations onto Power Automate, taking advantage of the out-of-the-box extensibility to the other tools in the Microsoft suite.”
- The automation leader at a financial services organization noted that they began looking for another automation solution when their legacy RPA contract came up for renewal, and ultimately went with Power Automate because it was more affordable: “[Power Automate] was so much cheaper; the price point was unbelievable. ... Power Automate Desktop was a million dollars cheaper than [our legacy RPA tool].”
- The automation leader noted that beyond the license savings, their organization also reduced their server costs: “With our previous solution, we had servers, so we had to do all of our own upgrades and everything like that. We don't have to do that anymore and the team loves it.”
- The head of automation at a pharmaceutical company described their migration process: “We are in the process of migrating to Power Automate RPA. By the end of next month, we will completely migrate to Power Automate, so we will no longer have our legacy automation tool. ... We had a really good business case for moving to Microsoft, as we are a Microsoft house in a lot of ways.”

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

- Prior to adopting Power Automate, the composite spends \$4.97 million on other automation tools, which is 15% higher than what they pay for Power Automate.

## ANALYSIS OF BENEFITS

- The composite analysis gradually eliminates its legacy automation tool costs. In Year 1, the composite eliminates 50% of its legacy costs; by Year 3, the costs are reduced by 90%.
- In addition to eliminating the direct costs associated with the legacy tools, the composite also reallocates employees that previously managed the tools to other tasks. The composite redeploys four FTEs in Year 1, seven FTEs in Year 2, and 10 FTEs in Year 3.
- The average fully burdened annual salary for a system support FTE is \$120,000.

**Risks.** The reduced legacy automation costs will vary depending on:

- The cost of the automation tools in the legacy tech stack.
- The speed at which an organization migrates from prior automation tools to Power Automate.
- The fully burdened hourly wage of employees managing the legacy automation tools.

**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 \$9.5 million.

“[Power Automate] was so much cheaper; the price point was unbelievable. ... Power Automate Desktop was a million dollars cheaper than [our legacy RPA tool].”

AUTOMATION LEADER, FINANCIAL SERVICES

## ANALYSIS OF BENEFITS

Reduced Legacy System Costs					
Ref.	Metric	Source	Year 1	Year 2	Year 3
D1	Legacy costs for Automation solutions	E1*1.15	\$4,968,000	\$4,968,000	\$4,968,000
D2	Savings from retiring legacy tools with Power Automate	Interviews	50%	70%	90%
<b>D3</b>	<b>Subtotal: Reduced legacy Automation costs</b>	<b>D1*D2</b>	<b>\$2,484,000</b>	<b>\$3,477,600</b>	<b>\$4,471,200</b>
D4	Reduced legacy system support FTEs	Composite	4	7	10
D5	Fully burdened annual salary for a system support FTE	Composite	\$120,000	\$120,000	\$120,000
<b>D6</b>	<b>Subtotal: FTE labor savings</b>	<b>D4*D5</b>	<b>\$480,000</b>	<b>\$840,000</b>	<b>\$1,200,000</b>
Dt	Reduced legacy system costs	D3+D6	\$2,964,000	\$4,317,600	\$5,671,200
	Risk adjustment	↓10%			
Dtr	Reduced legacy system costs (risk-adjusted)		\$2,667,600	\$3,885,840	\$5,104,080
<b>Three-year total: \$11,657,520</b>			<b>Three-year present value: \$9,471,300</b>		

## UNQUANTIFIED BENEFITS

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

- Culture of innovation.** Interviewees reported that Power Automate enabled nontechnical users to create automations independently without having to learn how to code or rely as much on IT staff. This freed up IT for complex projects and allowed anyone to streamline tasks, connect applications, and create new solutions, ultimately accelerating the pace of innovation. The vice president at an entertainment organization described the improvement in agility: “We had 150 or 200 people in IT that could code, but now we have 1000 developers with low-code. You can get more things done and it galvanizes the organization in saying ‘Hey, you’re empowered to solve your own problems. You don’t need to wait for other people, and you don’t need to rely on other departments.’”
- Compliance and security.** Some interviewees shared that Power Automate boosted their compliance and security processes by replacing error-prone manual tasks with standardized automations, reducing the risk of breaches and inconsistencies. Interviewees noted that by having a sanctioned and supported

solution, Power Automate encouraged collaboration between business users and IT teams, ensuring that users could meet their business needs without resorting to unauthorized or uncontrolled IT solutions. The director at a professional services firm also noted that Power Automate helped their organization move away from desktop tools, which were often rife with vulnerabilities: “A lot of our legacy automation tools were largely desktop-oriented tools, so the proliferation of what we call end-user compute assets was quite large. [Power Platform] gives us increased visibility into everything that people are doing within the Platform, allowing us to govern it in a way that we deem safe and appropriate.”

- **Employee experience improvements.** Interviewees shared that Power Automate automated redundant work, freeing up their employees for more engaging work. The vice president at an entertainment organization described the improvement in employee satisfaction: “Nondevelopers are automating these processes, and they’re freeing up their time from having to do these repetitive, mundane tasks. They do more value-added work; more analysis, more forecasting, and more strategic things as opposed to doing data entry.”

# 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	Licensing costs	\$0	\$4,752,000	\$4,752,000	\$4,752,000	\$14,256,000	\$11,817,521
Ftr	Implementation and training	\$847,691	\$167,072	\$0	\$0	\$1,014,763	\$999,575
Gtr	Power Automate citizen developer training and ongoing management	\$316,800	\$1,282,050	\$1,282,050	\$965,250	\$3,846,150	\$3,267,052
	Total costs (risk-adjusted)	\$1,164,491	\$6,201,122	\$6,034,050	\$5,717,250	\$19,116,913	\$16,084,148

## LICENSING COSTS

**Evidence and data.** Interviewees' organizations incurred licensing costs for using Power Automate; licensing costs generally included cloud flows, desktop flows, AI builder credits, and Dataverse entitlements.

**Modeling and assumptions.** The composite organization incurs licensing costs of \$4.3 million per year for Power Automate. The composite organization deploys both Power Automate and Power Apps; however, licensing costs for Power Apps are shown in a separate Forrester TEI report.

**Risks.** Licensing costs will vary depending on an organization's size and use case. Contact Microsoft for a more detailed pricing estimate.

**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 \$11.8 million.

Licensing Costs						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
E1	Annual licensing costs (Power Automate)	Composite		\$4,320,000	\$4,320,000	\$4,320,000
Et	Licensing costs	E1		\$4,320,000	\$4,320,000	\$4,320,000
	Risk adjustment	↑10%				
Etr	Licensing costs (risk-adjusted)		\$0	\$4,752,000	\$4,752,000	\$4,752,000
Three-year total: \$14,256,000			Three-year present value: \$11,817,521			

## IMPLEMENTATION AND TRAINING

**Evidence and data.** Interviewees reported that their organizations incurred internal labor costs for implementing Power Automate and training professional developers during the adoption period.

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

- The implementation process takes 10 months to complete.
- During the implementation process, a team of 20 software engineers devotes 30% of their time to deploying Power Automate, working on the environment setup, security, and testing.
- The fully burdened monthly rate for a software engineer is \$12,000.
- During the implementation period, 50 professional developers are trained in using Power Automate. In Year 1, an additional 150 developers are trained. Each developer requires 12 hours of training.
- The fully burdened hourly rate for a professional developer is \$84.38.

**Risks.** The implementation and training cost will vary depending on:

- The number of engineers involved in the implementation period.
- The number of professional developers trained on using Power Automate.

## ANALYSIS OF COSTS

- The time to train new professional developers can be more or less than 12 hours, depending on their familiarity with other automation tools.
- The fully burdened salaries of software engineers and professional developers.

**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.

<b>Implementation And Training</b>						
<b>Ref.</b>	<b>Metric</b>	<b>Source</b>	<b>Initial</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
F1	Total software engineers involved in Power Automate setup	Composite	20			
F2	Time spent for planning and setup (months)	Composite	10			
F3	Percentage of time dedicated to Power Automate planning and setup	Composite	30%			
F4	Fully burdened monthly rate for software engineers	Composite	\$12,000			
<b>F5</b>	<b>Subtotal: Initial planning and implementation costs</b>	<b>F1*F2*F3*F4</b>	<b>\$720,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
F6	Initial number of Power Automate builders (professional developers)	Composite	50	150		
F7	Power Automate training hours	Interviews	12	12		
F8	Fully burdened hourly rate for professional developers	Composite	\$84.38	\$84.38		
<b>F9</b>	<b>Subtotal: Initial implementation/training for software engineers</b>	<b>F6*F7*F8</b>	<b>\$50,628</b>	<b>\$151,884</b>	<b>\$0</b>	<b>\$0</b>
Ft	Implementation and training	F5+F9	\$770,628	\$151,884	\$0	\$0
	Risk adjustment	↑10%				
Ftr	Implementation and training (risk-adjusted)		\$847,691	\$167,072	\$0	\$0
<b>Three-year total: \$1,014,763</b>			<b>Three-year present value: \$999,575</b>			

## POWER AUTOMATE CITIZEN DEVELOPER TRAINING AND ONGOING MANAGEMENT

**Evidence and data.** Interviewees reported that in addition to professional developers, their organizations trained a number of nontechnical employees on how to build workflow automations. These automation builders were sometimes trained by technical employees, but often learned Power Automate through self-paced certification courses.

Interviewees also noted that a small team of professional developers were dedicated to managing Power Automate on an ongoing basis. These employees devoted time to building complex automations, providing maintenance support, conducting training, and establishing best practices for using Power Automate.

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

- The composite organization trains 600 nontechnical employees on building automations with Power Automate in the initial period, followed by an additional 600 employees in Years 1 and 2.
- Each builder requires 12 hours of training.
- The fully burdened hourly rate for a builder is \$40.
- The composite organization has a team of five professional developers that manage Power Automate on an ongoing basis.
- The average fully burdened annual salary for a professional developer is \$175,500.

**Risks.** The training and ongoing management costs will vary depending on:

- The number of automation builders that an organization trains on using Power Automate.
- The number of hours required for builders to familiarize themselves with Power Automate.
- The fully burdened salaries of nontechnical automation builders and professional developers.



## ANALYSIS OF COSTS

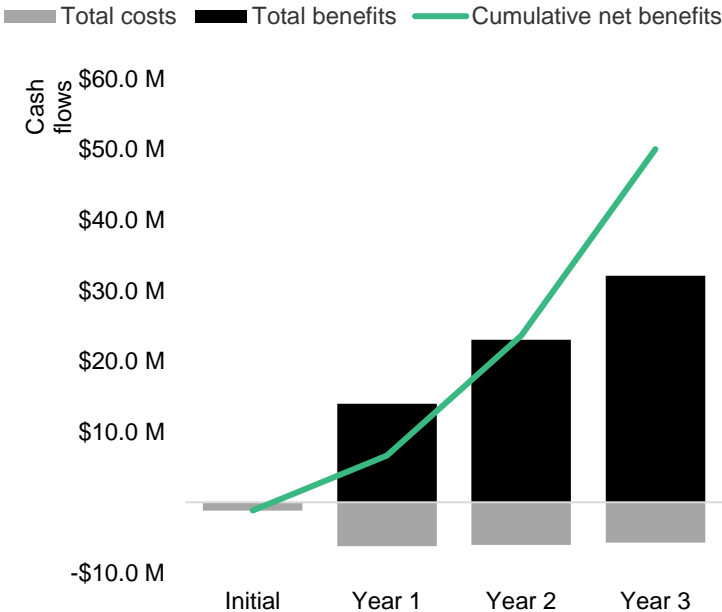
**Results.** To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$3.3 million.

Power Automate Citizen Developer Training And Ongoing Management						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
G1	Number of citizen developers learning Power Automate	Composite	600	600	600	
G2	Power Automate training (hours)	Composite	12	12	12	
G3	Fully burdened hourly rate for a business end user	TEI standard	\$40	\$40	\$40	
<b>G4</b>	<b>Subtotal: Citizen developer training costs</b>	<b>G1*G2*G3</b>	<b>\$288,000</b>	<b>\$288,000</b>	<b>\$288,000</b>	<b>\$0</b>
G5	Number of professional developers involved in ongoing management of Power Automate	Composite		5	5	5
G6	Fully burdened annual salary for a professional developer	TEI standard		\$175,500	\$175,500	\$175,500
<b>G7</b>	<b>Subtotal: Ongoing management costs</b>	<b>G5*G6</b>	<b>\$0</b>	<b>\$877,500</b>	<b>\$877,500</b>	<b>\$877,500</b>
Gt	Power Automate citizen developer training and ongoing management	G4+G7	\$288,000	\$1,165,500	\$1,165,500	\$877,500
	Risk adjustment	↑10%				
Gtr	Power Automate citizen developer training and ongoing management (risk-adjusted)		\$316,800	\$1,282,050	\$1,282,050	\$965,250
<b>Three-year total: \$3,846,150</b>			<b>Three-year present value: \$3,267,052</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	(\$1,164,491)	(\$6,201,122)	(\$6,034,050)	(\$5,717,250)	(\$19,116,913)	(\$16,084,148)
Total benefits	\$0	\$13,996,950	\$23,066,790	\$32,136,630	\$69,200,370	\$55,932,688
Net benefits	(\$1,164,491)	\$7,795,828	\$17,032,740	\$26,419,380	\$50,083,457	\$39,848,540
ROI						248%
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: ENDNOTES

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<sup>1</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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