

The Total Economic Impact™ Of Ramp

Cost Savings And Business Benefits Enabled By Ramp

A Forrester Total Economic Impact™ Study
Commissioned By Ramp, June 2024

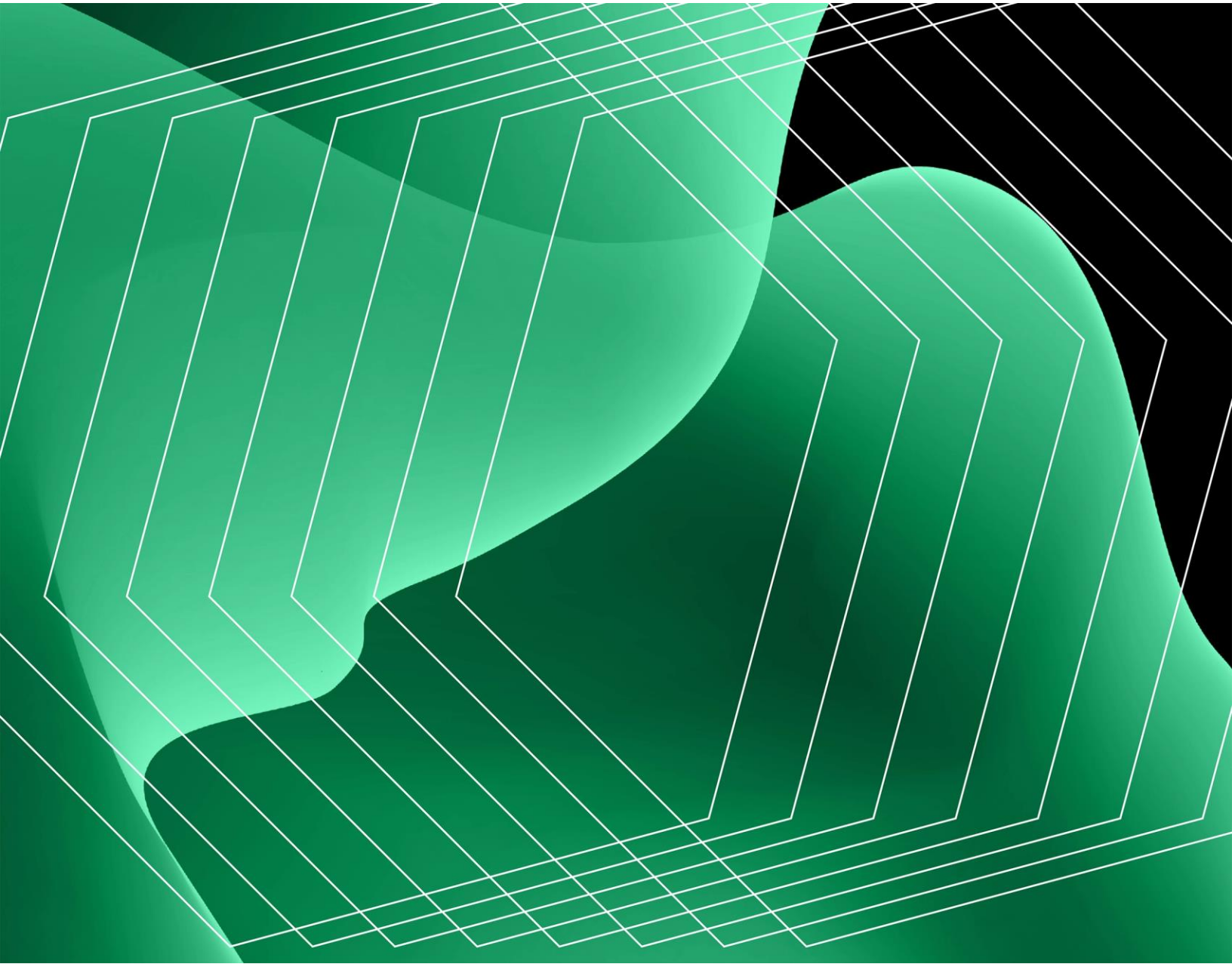


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Executive Summary

Increased globalization and hybrid approaches to work in recent years have spurred business and travel spending. However, many businesses face logistical and technical issues that make managing these expenses a challenge. Forrester research indicates by the end of this decade, fintech will reach near ubiquity and open the door to more effective financial operations.¹ The fintech solution Ramp helps businesses address these financial challenges today.

[Ramp](#) is a finance operations platform built for modern business. Uniting corporate cards, expenses, bill payments, approvals, procurement, accounting automation, and more, Ramp’s user-friendly platform helps streamline everyday finance workflows. Using AI-powered automation, businesses on Ramp save time across every part of their finance and accounting functions. Finance teams can track spending across all departments in real time and continuously find new ways to save. Ramp can help companies accelerate their finance operations and drive their business forward.

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



Return on investment (ROI)
503%



Net present value (NPV)
\$75.3K

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed four representatives at organizations currently using Ramp. Each of these organizations have been using Ramp for at least six months. Their aggregate spend on Ramp is in excess of \$100,000 per month, and they actively use its corporate cards and automations for expense management, bill payment, and accounting. For the purposes of this study, Forrester aggregated the interviewees’ experiences and combined the results into a single [composite organization](#).

EXECUTIVE SUMMARY

Interviewees said that prior to using Ramp, their organizations tried to manage tracking and expense analysis on their own. However, their prior processes were fragmented and decentralized, leading to a lack of visibility and control over employee spending activity. Managers chafed under long and tedious approval processes that often required manual rework to reconcile purchase transactions on the back end. This resulted in wasted effort, reduced employee bandwidth, inefficient spending, and limits on business growth.

After the interviewees' organizations adopted Ramp, they were able to centralize their expenses under one platform. This change resulted in several crucial time savings: more efficient corporate card distribution and management, expense reporting, receipt logging, and bill payment management. In addition, the organizations realized cost savings from increased visibility into expenses and invoices. They also benefited from digitized spending policies that controlled employee spending in real time. The organizations further recouped costs with cash back from using Ramp cards for bill payments. Altogether, Ramp's services helped the interviewees' organizations make the most of their financial resources while improving employee satisfaction and efficiency.

KEY FINDINGS

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

- **Time savings of 480 hours per year on core finance and accounting tasks.** Using Ramp allows the composite organization to see fewer errors, improve visibility, automate routing, and use AI that flags issues that need attention, which enables it to close its books faster. Each full-time equivalent (FTE) of an accounts payable manager saves 4 hours each month in the first year after deployment and 8 hours per month the following two years. These time savings among accounts payable managers result in three-year savings of \$14,000.
- **Recovering 1,800 hours per year from managing business expenses.** Because Ramp automates the process of collecting and filing receipts for employees, each of the 60 employees with corporate cards at the composite

organization recoups 3 hours per month. This leads to three-year savings of \$36,000.

- **Cost savings of \$41,000 due to greater visibility, consolidation, and rewards.** Insights into employee spending and bill payments provided by Ramp enable the composite organization to create and adjust spending policies to limit employee spending with specific vendors or categories. Accounts payable managers can easily identify duplicate payments, avoid late fees from missing bill payments, and two-way match invoices to purchase orders to minimize fraud and errors. Ramp's all-in-one platform allows them to purchase fewer tools and negotiate better pricing for software. These capabilities help the composite organization reduce issues that would incur costs and guide employee spending. Coupled with cash-back rewards, the composite organization saves \$25,000 per year by Year 3 on total transactions made with a Ramp corporate card. These results equate to three-year savings of \$50,000 and with risk-adjustment it totals \$41,000.

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

- **Improved employee experience.** Employees experience faster reimbursements, and accounts payable managers don't need to chase them for purchase details. According to interviewees, Ramp's platform is more reliable compared to legacy software for allocating virtual cards and uploading expenses. This makes expense reporting less of a hassle for employees.
- **Ease of integration with business management software.** Ramp supports integration with enterprise resource planning (ERP) solutions and a variety of banking, accounting, expense automation, productivity, and security software. This integration support allows for a smooth implementation and avoids the need for manual reconfigurations to apply ERP updates.

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

- **Configuration and change management efforts.** One FTE at the composite organization spends 40 hours configuring Ramp, and this includes the phases of discovery, setup and testing, and rollout and optimization. They spend an additional 20 hours on change management, including defining expense policies,

approvals, and retiring legacy tools. This represents a risk-adjusted cost of \$6,000.

- **Training and ongoing management costs.** Each new Ramp user spends 1 hour learning about the features Ramp offers and reviewing information about their new card. Administrators of Ramp cards spend 2 hours each year overseeing management of expense policies, approval flows, and employee cards. This totals a risk-adjusted three-year cost of \$9,000.

The representative interviews and financial analysis found that a composite organization experiences benefits of \$90,000 over three years versus costs of \$15,000, adding up to a net present value (NPV) of \$75,000 and an ROI of 503%.

“Everyone loves Ramp: the ease of use, not having to import data from their corporate card, not having to code their own expense reports, and then not having to tie up to a statement. We were getting a lot of inaccurate data and delayed reporting because of these issues.”

CONTROLLER, BUSINESS SERVICES

EXECUTIVE SUMMARY



Return on investment
(ROI)

503%



Net present value
(NPV)

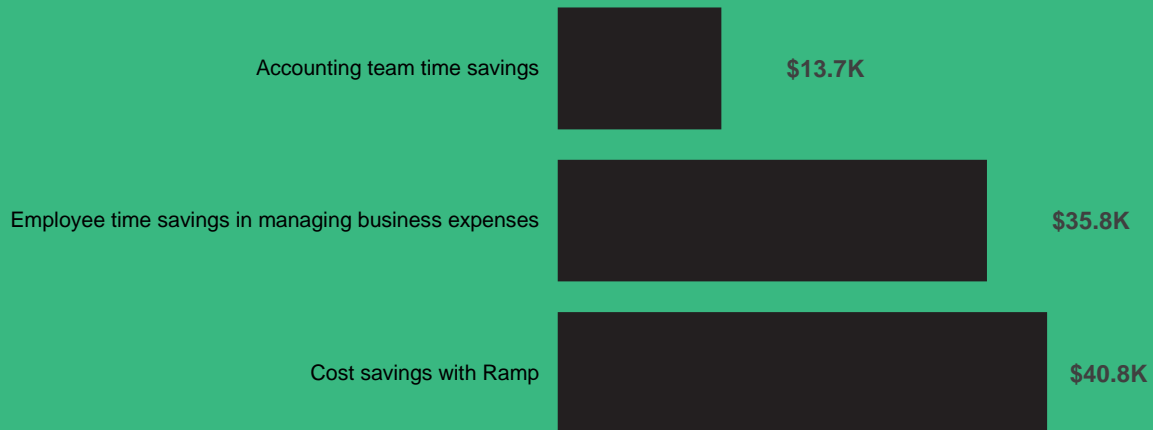
\$75.3K



Total time saved per year

2,280 hours

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 Ramp.

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 Ramp can have on an organization.

DISCLOSURES

Readers should be aware of the following:

This study is commissioned by Ramp 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 Ramp.

Ramp 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.

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

Due Diligence

Interviewed Ramp stakeholders and Forrester analysts to gather data relative to Ramp.

Interviews

Interviewed four representatives at organizations using Ramp 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 Ramp Customer Journey

Drivers leading to the Ramp investment

Interviews			
Role	Industry	Region	Number of employees
Controller	Business services	US operations	100+
Accounts payable manager and controller	Healthcare	US operations	1,500+
VP of finance, tech, and strategy	Real estate	US operations	100+
Head of accounting	Financial services	US operations	80+

KEY CHALLENGES

Before working with Ramp, the interviewees' organizations typically used legacy expense management systems and corporate cards available from banks or finance companies.

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

- **Fragmented expense reporting.** Several interviewees told Forrester that before using Ramp, their organization's legacy solutions were unintuitive and expense data was often siloed and decentralized. The accounts payable manager and controller for a healthcare organization told Forrester they had to go to three different offices every month to get the expense reporting they needed to do their job. Poor visibility into expenses led to instances of statement collections in which the organization was charged for outstanding card balances.
- **Lack of budgetary control.** Fragmented expenses meant interviewees' organizations lacked the context and information they needed to adjust spending

policies and budgets. These organizations couldn't effectively manage employees' spending beyond their allocated budgets or limit purchases of inessential business items. The controller for a business services organization said: "There was a lot of back and forth. [People would say:] 'Oh, was this approved? Was it not?' ... We wanted to get ahead of that, and make sure people weren't just going out and buying things."

- **Long and tedious approval processes.** Accounting teams at the interviewees' organizations had to endure time-consuming and inefficient processes to approve potential purchases, invoices, and reimbursements, which took valuable time away from other tasks. The accounts payable manager and controller for the healthcare organization cited that in some cases, they had to approve expense reports three times in their expense management system before it could correctly process payments to employees. These processes had the downstream effect of slow reimbursement for employees' out-of-pocket expenses, which contributed to negative employee experience (EX).
- **Manual rework by employees.** Employees spent a lot of time uploading receipts and creating expense reports each month. Finance employees tasked with processing expense reports and issuing payments frequently discovered errors stemming from manual entries, which took even more time away from other business activities. The VP of finance, strategy, and tech for a real estate organization said, "I was spending quite a lot of my time on nonvalue-add activities."
- **Manual data entry.** On top of fixing information in employees' expense reports, interviewees' organizations also had to manually code expenses one by one in their accounting systems. Bandwidth was further taken up by manual entry of invoices and tracking of due dates for bill payments. The head of accounting for a financial services organization explained: "In our old system, we weren't able to tag expense rules to certain vendors and charges coming through on cards. There was a lot of time and manual effort invested into coding and changing every single transaction each month."
- **Corporate card limits that prohibited growth.** Restrictive policies in legacy systems limited how much the organizations could spend and, therefore, how quickly they could grow through marketing and other channels. The VP of

finance, tech, and strategy for the real estate organization elaborated: “We had a \$100,000 limit due to how much we spend on marketing. I was paying that corporate card every two to three days. If I missed a payment, marketing couldn’t spend more. The limit that we had with [our legacy platform] impacted our business and was growth-prohibitive.”

SOLUTION REQUIREMENTS

The interviewees’ organizations searched for a solution that could:

- Streamline expense, bill payment, and accounting processes.
- Seamlessly integrate with existing ERP and software solutions.
- Provide virtual corporate cards.
- Enable more flexible corporate card limits.
- Provide a streamlined user experience for card holders and finance managers.
- Make expense and accounts payable operations scalable alongside growing business.
- Provide better insights and intelligence around employee spend and vendor charges.

“Ramp was easier to understand, more user-friendly, and less complex than our previous expense management system. If we want to run a mid-month financial review, we could easily do it.”

ACCOUNTS PAYABLE MANAGER AND CONTROLLER, HEALTHCARE

“Ramp has all of the expense data within one place, and that’s a huge win for us. You’re able to do a lot more within the software itself. What’s really awesome is the customization around expense rules, speedy expense analysis, and supporting prepaid schedules.”

HEAD OF ACCOUNTING, FINANCIAL 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 four 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 industry-agnostic organization is based in the US, generates \$50 million in annual revenue, and has 250 total employees. It uses Ramp Card, Reimbursements, and Bill Pay products.

Deployment characteristics. The composite organization has 50 employees with Ramp corporate cards. Fifteen employees spend part of their time approving expenses and bills, setting up cards, and adjusting policies. Their efforts total the equivalent work of five full-time employees. Employees spend \$750,000 on Ramp cards in Year 1, and this spend increases over time as the organization moves more annual and recurring expenses under Ramp cards. By Year 3, employees spend \$1 million on Ramp cards.

Key Assumptions

\$50 million revenue

250 total employees

50 employees with Ramp corporate cards

5 FTEs manage accounts payable

\$1 million in annual spending through Ramp

Analysis Of Benefits

Quantified benefit data as applied to the composite

Total Benefits						
Ref.	Benefit	Year 1	Year 2	Year 3	Total	Present Value
Atr	Accounting team time savings	\$3,360	\$6,720	\$6,720	\$16,800	\$13,657
Btr	Employee time savings in managing business expenses	\$14,400	\$14,400	\$14,400	\$43,200	\$35,811
Ctr	Cost savings with Ramp	\$12,000	\$18,000	\$20,000	\$50,000	\$40,811
	Total benefits (risk-adjusted)	\$29,760	\$39,120	\$41,120	\$110,000	\$90,279

ACCOUNTING TEAM TIME SAVINGS

Evidence and data. The interviewees told Forrester that Ramp enabled their organizations’ accounting teams to quickly reconcile expenses, pay bills, analyze data, and eliminate manual errors.

- Interviewees explained that consolidated expense management and bill payments was key to saving the time of accounts payable managers. By using a single platform to automate data entry, approval routing, expense review, and accounting syncs, employees could conduct audits, three-way matching, and reconciliations quickly and easily. This helped accounting close the books faster and have more time to plan their budgets.
- Ramp afforded greater visibility over spending with vendors, which helped accounting staff manage vendors in one place and identify which are expensive or no longer of value. The ability to extend payment terms on bills gave decision-makers more flexibility and control over when to make big payments to vendors. The controller at the business services organization said: “You can get more granular insights of any kind of variable you want to see with Ramp: general ledger breakdown, location of expenses, vendors. You get those in real time, which gives you more control over spending in those areas.”

ANALYSIS OF BENEFITS

- Virtual card allocation through Ramp provided immediate time savings for accounts payable managers. Rather than going through a lengthy process to issue physical cards, accounts payable managers could provide virtual cards for employees to start using immediately upon approval. Managers didn't have to spend much time checking spending with prior cards during the transition because employees adopted the Ramp card quickly. In addition, managers built allocation of virtual cards into the onboarding process for new employees to ensure they could expense business purchases without delay.
- Ramp enabled managers to save time on training their employees around expense management. The accounts payable manager at the healthcare services organization said they no longer need to train employees to manually input extensive purchase details. Those details are now added automatically when employees upload receipts through Ramp. Automated expense entry resulted in fewer payment errors like overpaying employees based on inaccurate reporting (e.g., data entry errors, exaggerated expenses, duplicate charges).
- Ramp's card controls and accounting AI helped department managers automatically ensure vendor charges and employees' purchases were within budget and in approved categories. Instead of having to review expense reports in detail, they could just focus on the expenses that were flagged by the AI. As a result, managers spent less time chasing employees for receipts, reviewing employee purchases for compliance, and following up on out-of-policy spend. Managers reallocated their time toward researching preferred vendors from which to make purchases to further optimize business spending.
- The accounts payable manager and controller for the healthcare services organization stated that they saw fewer errors after implementing Ramp. AI that coded expenses and invoices based on past transactions and patterns kept accounting more consistent. Items synced from Ramp to the organization's ERP software correctly without managers having to conduct additional reviews. The interviewee said: "We're actually able to catch things before they happen. We've got time to look at coding and fix errors before they become a major problem. ... Instances of missing expense transactions across an account or project are a much less common occurrence now."

- The head of accounting for the financial services organization summed up Ramp's impact: "When we close at the end of the month, efficiency has increased by 50%. That's been great."

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

- The full-time equivalent of five employees managing accounts payable.
- In the first year of implementation, each FTE saves 4 hours of labor per month. As the composite adds more spending policies and expense analysis dashboards, this rises to 8 hours of labor saved per month in years 2 and 3.
- The fully loaded hourly salary for an accounting employee is \$70.

Risks. Factors that could impact the size of this benefit for the composite organization include the following:

- The size of the accounts payable team that leverages Ramp.
- The legacy tools that were previously in place and the degree of difficulty the organization faced with those solutions.
- The fully loaded salaries of 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 \$13,700.

480 hours

Time the accounting team saves each year by Year 3

“Ramp is definitely a huge part of our success in our closed-book timeline. We’ve been able to close the books in half the amount of time it previously took, and I would say we improved efficiency from a reimbursement standpoint.”

HEAD OF ACCOUNTING, FINANCIAL SERVICES

Accounting Team Time Savings					
Ref.	Metric	Source	Year 1	Year 2	Year 3
A1	FTEs who manage accounts payable	Composite	5	5	5
A2	Time saved per month with Ramp (hours)	Interviews	4	8	8
A3	Subtotal: Total time saved among employees who manage accounts payable tasks with Ramp (hours)	A1*A2*12 months	240	480	480
A4	Productivity recapture rate	TEI standard	25%	25%	25%
A5	Fully loaded hourly rate for an employee who leverages the Ramp platform	TEI standard	\$70	\$70	\$70
At	Accounting team time savings	A3*A4*A5	\$4,200	\$8,400	\$8,400
	Risk adjustment	↓20%			
Atr	Accounting team time savings (risk-adjusted)		\$3,360	\$6,720	\$6,720
Three-year total: \$16,800			Three-year present value: \$13,657		

EMPLOYEE TIME SAVINGS IN MANAGING BUSINESS EXPENSES

Evidence and data. Interviewees said that in addition to the accounts payable team, employees using Ramp corporate cards also reported significant time savings.

- Employees with corporate cards spent significantly less time collecting receipts and filing expense reports. Card users could easily take a photo of receipts with the mobile app or send an email or text of the receipt to Ramp. Employees did this in the moment to avoid having to later spend time locating receipts. Time was also saved logging transactions because they could be automatically submitted for approval.
- Interviewees also saw fewer receipt errors that required employees to refile their expenses. Meanwhile, because managers had greater visibility, it helped them to more quickly notify employees of the specific receipts or documentation that may have been missing from their submissions. This change helped employees supply receipts before they became buried under other paperwork.
- The controller at the business services organization said: “I know on the expense side, if you’re at a dinner, you can take a picture of the receipt, and it’s done. We didn’t even have to code it on the back end. It is already set up for us.” In terms of what this means for employees, the VP of finance, tech, and strategy at the real estate organization said, “Every single spender has to do less administrative work and can spend more of their hours each day on value-add activities.”

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

- Fifty employees use Ramp corporate cards.
- Each employee saves 3 hours per month on managing business expenses.
- The employees recapture 25% of the time saved toward work-related activities. The rest of the time is reallocated to longer breaks or lunches, which make for better EX.

Risks. Factors that could impact the size of this benefit for organizations include:

- The number of employees who use Ramp corporate cards.
- The amount of time each employee saves.
- The degree to which employees recapture their time saved.

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 \$36,000.

1,800 hours

Total time savings per year on managing business expenses

“The ease of use of Ramp and not having to import their expenses from their corporate card or not having to attach a statement reduces manual efforts and errors in reporting.”

CONTROLLER, BUSINESS SERVICES

ANALYSIS OF BENEFITS

Employee Time Savings In Managing Business Expenses					
Ref.	Metric	Source	Year 1	Year 2	Year 3
B1	Employees who use a Ramp corporate card	Composite	50	50	50
B2	Time saved per month managing business expenses (hours)	Interviews	3	3	3
B3	Total time saved managing business expenses	B1*B2*12 months	1,800	1,800	1,800
B4	Blended fully loaded hourly rate for an employee that uses a Ramp corporate card	TEI standard	\$40	\$40	\$40
B5	Productivity recapture rate	TEI standard	25%	25%	25%
Bt	Employee time savings in managing business expenses	B3*B4*B5	\$18,000	\$18,000	\$18,000
	Risk adjustment	↓20%			
Btr	Employee time savings in managing business expenses (risk-adjusted)		\$14,400	\$14,400	\$14,400
Three-year total: \$43,200			Three-year present value: \$35,811		

COST SAVINGS WITH RAMP

Evidence and data. In addition to realizing significant time savings for employees, the interviewees' organizations experienced cost savings by consolidating tools, reducing payments errors, and leveraging Ramp controls and reporting to optimize employee spending. They also earned cash back on expenses through Ramp.

- Employee requests for Ramp cards automatically routed to managers for approval, allowing them to ensure proper usage of budget. Accounts payable managers used card controls for transaction amounts, expense categories, and vendors to prevent those vendors from overcharging and employees from spending beyond what was approved.
- Procurement managers benefitted from Ramp bringing together all payment information into one place, including expenses, reimbursements, and billing data. This centralization enabled users to conduct specified analysis of which purchases were made by departments or locations within their organization.

The VP of finance, tech, and strategy at the real estate company said, “The fact that all of the expense information is in the same platform means any inspection is done within a handful of minutes. The consolidation aspect alone has been helpful for building organizational trust.” From these learnings, managers adjusted policies to limit spending: for example, if a department regularly spent over budget or a vendor regularly overcharged.

- Procurement managers also analyzed which vendors employees favored and how vendor contract prices compared to each other. If vendors appeared to be more expensive, they used benchmarking data to secure better contract pricing and limit spending with those vendors with expense policies to encourage purchase from competitors. Additionally, managers created policies to prevent spending if they found that items purchased went unused, were more frequently returned to these vendors, or had to be replaced regularly. These actions helped interviewees’ organizations to avoid unnecessary spending.
- Accounting teams saw fewer payment errors. Automated bill creation from uploaded invoices reduced the risk of error from manual data entry. Detection of duplicate receipts and invoices, coupled with two-way matching of invoices to purchase orders, ensured accurate payments. Alerts for upcoming bills helped employees avoid late fees.
- Ramp also provided the interviewees’ organizations with more opportunities to get cash back on purchases.
 - The controller in business services told Forrester that with Ramp, their organization’s cash back more than doubled compared to before using Ramp.
 - The VP of finance, tech, and strategy in real estate explained that the cashback program enabled their organization to build up savings that it could deploy strategically as needed.

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

- In Year 1, each employee with card access spends \$15,000 on corporate cards, and this number rises to \$20,000 per year in Year 2.

ANALYSIS OF BENEFITS

- The composite organization recoups a portion of its spending (\$15,000 in Year 1) through adjusting policies around vendors and getting cash back. This recouped value increases (to \$25,000 in Year 3) as managers apply more policies to better guide employee spending and as additional spending results in more cash back.

Risks. Factors that could impact the size of this benefit for organizations include:

- The total amount of spending on corporate cards.
- The degree to which the organization can recoup spending due to Ramp.

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 \$41,000.

Cost Savings With Ramp					
Ref.	Metric	Source	Year 1	Year 2	Year 3
C1	Average spending per employee with a Ramp corporate card	Composite	\$15,000	\$20,000	\$20,000
C2	Employee spending (rounded)	B1*C1	\$750,000	\$1,000,000	\$1,000,000
C3	Percentage of spending recouped with Ramp	Interviews	2.00%	2.25%	2.50%
Ct	Cost savings with Ramp	C2*C3	\$15,000	\$22,500	\$25,000
	Risk adjustment	↓20%			
Ctr	Cost savings with Ramp (risk-adjusted)		\$12,000	\$18,000	\$20,000
Three-year total: \$50,000			Three-year present value: \$40,811		

\$25,000

Spending recouped annually by Year 3

“We have more time to understand our spending. We’ve been able to chip away at some vendors and cut back spending.”

HEAD OF ACCOUNTING, FINANCIAL SERVICES

UNQUANTIFIED BENEFITS

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

- **Improved employee experience.** Since adopting Ramp, employees appreciate receiving faster reimbursements as a result of streamlined approval processes. The VP of finance, tech, and strategy at the real estate company added: “Reimbursements have been faster on Ramp than they were previously. It’s been especially helpful for accidental charges. Previously, we would have to credit back employees, and it was a painful process. To self-manage your accidental payment reimbursement has been super easy. It was a big win for everyone.”

The reliability of the Ramp platform to issue virtual cards to employees and to immediately and accurately upload expenses was another positive for employees. Accounting teams rarely chased employees to provide follow-up details on their expenses, which reduced that frequent point of annoyance.

Employees at the interviewees’ organizations viewed expense reporting as less of a hassle because the process had been made easier. The accounts payable manager and controller at the healthcare services organization told Forrester: “Because Ramp has more universal acceptance, our employees find it easier to use. They find the app to be helpful.”

- **Ease of integration with business management software.** Interviewees said the ease of integration with ERP, banking, accounting, expense automation, productivity, and security software systems means they don't have to continuously adjust or troubleshoot. IT saves time having to respond to requests resolving data flow issues and any other maintenance.

“I don't have a salesperson having to spend 2 hours every week on an expense report. They're doing it in 15 or 20 minutes, which means they're able to go talk to more customers, have more follow-ups with their teams, and create new presentations.”

VP OF FINANCE, TECH, AND STRATEGY, REAL ESTATE

FLEXIBILITY

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

- **Rapid addition of new features.** Ramp regularly updates and adds new features and functionality to its services. By expanding capabilities for accounts payable managers, Ramp can help organizations save more time and optimize business spending.

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

“I think Ramp is awesome in listening to customers for insights on how they use the platform and helping them to get 100% out of the platform. So, as the platform evolves, I can definitely see us evolving with the platform.”

CONTROLLER, BUSINESS SERVICES

Analysis Of Costs

Quantified cost data as applied to the composite

Total Costs							
Ref.	Cost	Initial	Year 1	Year 2	Year 3	Total	Present Value
Dtr	Configuration and change management costs	\$5,760	\$0	\$0	\$0	\$5,760	\$5,760
Etr	Training and corporate card adoption costs	\$0	\$4,920	\$3,000	\$3,000	\$10,920	\$9,206
	Total costs (risk-adjusted)	\$5,760	\$4,920	\$3,000	\$3,000	\$16,680	\$14,966

CONFIGURATION AND CHANGE MANAGEMENT COSTS

Evidence and data. The interviewees told Forrester their organizations used small teams to configure Ramp and handle change management. The migration to Ramp went quickly and smoothly with systems correctly intaking and exporting data, and employees accurately following expense policies and approval workflows. Training materials and best practices from Ramp’s customer success team helped with the rollout. Time spent on these processes varied among interviewees’ organizations depending on the complexity of their workflows and comfort level with financial technology. Interviewees from businesses with established policies and approvals reported less time needed.

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

- One full-time equivalent (FTE) employee spends 40 hours configuring Ramp and going through the discovery, setup and testing, rollout, and optimization phases.
- Employees spend a total of 20 hours on change management. Tasks include defining expense policies, creating approval workflows, retiring legacy tools, and creating trainings for employees and admins.

Risks. Factors that could impact the size of this cost for organizations include the following:

- The size of the team involved with launching Ramp at the organization.
- The amount of time needed for configuration tasks based on system complexity and employees' experience with deploying financial technology.
- The amount of time needed for change management based on whether expense policies and approval workflows are already defined.

Results. To account for these risks, Forrester adjusted this cost upward by 20%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$6,000.

“[The configuration] was very quick. Mapping didn’t take long at all.”

VP OF FINANCE, TECH, AND STRATEGY, REAL ESTATE

ANALYSIS OF COSTS

Configuration And Change Management Costs						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
D1	FTEs involved in configuring Ramp	Composite	1			
D2	Time required to configure to Ramp (including discovery, setup and testing, rollout, and optimization) (hours)	Interviews	40			
D3	Time spent on change management (including defining expense policies, approvals, retiring legacy tools) (hours)	Composite	20			
D4	Blended fully loaded hourly rate for an employee involved in implementation	Composite	\$80			
Dt	Configuration and change management costs	$D1*(D2+D3)*D4$	\$4,800	\$0	\$0	\$0
	Risk adjustment	↑20%				
Dtr	Configuration and change management costs (risk-adjusted)		\$5,760	\$0	\$0	\$0
Three-year total: \$5,760			Three-year present value: \$5,760			

TRAINING AND CORPORATE CARD ADOPTION COSTS

Evidence and data. Interviewees told Forrester that in order to use Ramp, their organizations spent time training employees how to use the platform and adopt Ramp cards.

- Employees who use Ramp cards participated in a training session on the solution and spent time familiarizing themselves with Ramp’s services.
- Ramp administrators (e.g., team leads, managers) spend a small amount of time each year managing users and adjusting spending policies.

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

- A total of 50 Ramp card users require training in Year 1, and 10 additional users require training in years 2 and 3 to reflect additional employees and turnover.
- Each Ramp card user spends 30 minutes attending a training session and then another 30 minutes personally reviewing Ramp’s services and downloading the app to their phone.

- Fifteen managers and team leads manage administrative duties with Ramp. Each spends 2 hours annually updating spending policies, optimizing accounting rules, assigning cards, approving bills, and applying updates to the technology as needed.

Risks. Factors that could impact the size of this cost include the following:

- The number of employees with a Ramp card.
- The amount of employee turnover.
- The amount of time required for training and management tasks.

Results. To account for these risks, Forrester adjusted this cost upward by 20%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$9,200.

“You could issue a corporate card in a second — which was nice — and Ramp hooked up to our ERP system right away. Getting started was relatively easy.”

HEAD OF ACCOUNTING, FINANCIAL SERVICES

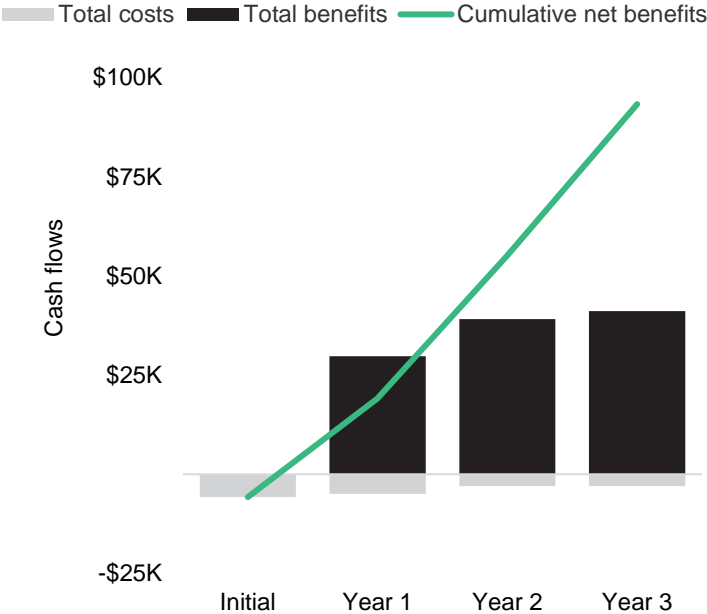
ANALYSIS OF COSTS

Training And Corporate Card Adoption Costs						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
E1	New Ramp corporate card users	Composite		50	10	10
E2	Time spent training and adopting Ramp corporate card (hours)	Interviews		1.0	1.0	1.0
E3	Blended fully loaded hourly rate for an employee who uses a Ramp corporate card	TEI standard		\$40	\$40	\$40
E4	Ramp corporate card adoption costs	$E1 * E2 * E3$		\$2,000	\$400	\$400
E5	Ramp admins and card managers	Composite		15	15	15
E6	Time spent on ongoing management of Ramp platform (including managing policies, assigning cards, approving bills) (hours)	Interviews		2	2	2
E7	Fully loaded hourly rate for an employee who leverages the Ramp platform	TEI standard		\$70	\$70	\$70
E8	Ongoing management costs	$E5 * E6 * E7$		\$2,100	\$2,100	\$2,100
Et	Training and corporate card adoption costs	$E8 + E4$	\$0	\$4,100	\$2,500	\$2,500
	Risk adjustment	↑ 20%				
Etr	Training and corporate card adoption costs (risk-adjusted)		\$0	\$4,920	\$3,000	\$3,000
Three-year total: \$10,920			Three-year present value: \$9,206			

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	(\$5,760)	(\$4,920)	(\$3,000)	(\$3,000)	(\$16,680)	(\$14,966)
Total benefits	\$0	\$29,760	\$39,120	\$41,120	\$110,000	\$90,279
Net benefits	(\$5,760)	\$24,840	\$36,120	\$38,120	\$93,320	\$75,313
ROI						503%

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%.

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

APPENDIX B: SUPPLEMENTAL MATERIAL

Related Forrester Research

[The State of Small Business Banking in the US, 2023](#), Forrester Research, Inc., September 12, 2023.

[Predictions: 2024 Banking](#), Forrester Research, Inc., October 30, 2023.

APPENDIX C: ENDNOTES

¹ Source: [The Future Of Fintech](#), Forrester Research, Inc., January 5, 2024.

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.

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