

FORRESTER®

The Total Economic Impact™ Of Gong Revenue Intelligence Platform

Cost Savings And Business Benefits
Enabled By Gong

JUNE 2021

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ABOUT FORRESTER CONSULTING

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Executive Summary

As more business-to-business (B2B) buyers prefer self-directed sales journeys and digital experiences, sales and marketing leaders need to prepare their teams for a different buying landscape. Forrester found that 68% of buyers prefer to gather information on their own and 60% prefer not to interact with a salesperson at all.¹ Because buyers are further along in the buying journey, sales teams need to capitalize on every conversation and need to harness accurate, timely, and actionable customer insights to drive revenue.

For far too long, sales professionals have made critical decisions based on hunches, anecdotes, and outdated assumptions. The revenue engine of the future will leverage AI insights to improve segmentation, targeting, qualification, and buyer engagement.² By harnessing the power of data and insights through AI-empowered revenue intelligence, leaders can unlock where opportunities are diverting, enable sales reps to pivot with precision, and illuminate the best possible actions to drive more deals towards a faster, successful close.

Gong's Revenue Intelligence Platform provides insights into a company's deals, market, and team. It brings precision, visibility, and actionable next steps into the deal process, enabling organizations to increase win rates and work more efficiently.

Gong commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) enterprises may realize by deploying the [Gong's Revenue Intelligence Platform](#).³ The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of Revenue Intelligence on their organizations.

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed four customers with experience using Gong's Revenue Intelligence Platform. For the purposes of this study, Forrester aggregated the experiences of

KEY STATISTICS



Return on investment (ROI)
481%



Net present value (NPV)
\$10M

the interviewed customers and combined the results into a single [composite organization](#).

Prior to using Gong's Revenue Intelligence Platform, deal conversations lacked transparency and precision. Sales representatives relied on their email inbox and memory to discuss pipeline and deals with their managers, along with ad hoc stories developed to create supposed insights into buyers' behaviors. Sales managers had little beyond these anecdotal accounts, sparse CRM notes, and, if their schedules allowed, sporadic shadowing to predict deal health. Managers struggled to provide helpful feedback quickly and the lack of visibility into the sales cycle prevented companies from accurately forecasting revenue. It also meant there was no way of knowing what was caused performance gaps.

To add further complexity, as salespeople left the organizations, the history of the customer relationship left with them. Businesses that operated in this manner wasted time and had to rebuild that

information from scratch, leaving account managers to rely heavily on customers to fill in the gaps.⁴ From a hiring perspective, it took several weeks to onboard new hires and the process proved even more inefficient in a remote setting. While it was difficult for companies to control the frequency and the number of calls new hires could shadow, it was even more difficult to guarantee that the calls they shadowed would bear learnings. While successful onboarding did occur, companies felt it took far too long to get hires fully ramped, meaning they were leaving revenue on the table.

After the investment in Gong's Revenue Intelligent Platform, the customers could recognize the anatomy of a good deal for their organization. Gong's proprietary artificial intelligence (AI) warned when something unhealthy showed up so the customers' sales representatives could intervene. For example, customers understood which members of the buying group needed to be in the conversation, what messaging was working, and how often a salesperson should speak during the call. By recording sales conversations, Gong collected data-driven insights enabling sales managers to deliver

coaching insights on a timelier basis. Moreover, because companies had access to the recorded sales calls, they created a curriculum for new hires to use, reducing the time to ramp by 50%. The platform also acted as a salesperson's virtual assistant, making them more productive.

KEY FINDINGS

Quantified benefits. Risk-adjusted present value (PV) quantified benefits include:

- **Increase in incremental profit, leading to an additional \$5.66M in deals won.** After using the Gong's Revenue Intelligence Platform, the interviewees' organizations saw an improvement in their deal win rate, which led to an increase in incremental profit. With Gong's dashboards providing visibility into the factors affecting the pipeline, the interviewees' organizations targeted their efforts with the highest need and reprioritized deals based on proven insights to save time.

“ All of the account executives told us: ‘We love this tool. It's making our life easier. Please don't take it away.’ ”

— VP of sales, SaaS

- **Reduced time spent on low-value tasks, saving \$4.2M over three years.** Gong enabled the interviewees' organizations to leave archaic methods behind and focus on high-value tasks. With Gong's dashboards, interviewees could see alerts on lagging indicators and find the true causes of gaps in their respective pipelines, rather than depending on hunches. By having Gong record their sales calls, provide next-step checklists, and transcribe notes in the background, sales reps saved time prepping for meetings, finding action items, and taking notes, all of which allowed them to be more strategic in their next conversations with clients and continue to move deals forward.
- **Reduced time for onboarding by 50%.** As interviewees' companies grew and expanded, they sought to add additional personnel who can help them grow faster. Gong brought efficiencies in onboarding for the interviewees' organizations and new hires had a faster ramp time, which allowed them to have a faster impact on pipeline.
- **Increased sales manager productivity, saving 400 hours each year.** Gong allowed managers to provide feedback to their sales reps. Managers could use clear examples during coaching conversations and highlight specific issues. Interviewees also noted that Gong enabled managers to monitor the effectiveness of sales pitches and the market's response.

Unquantified benefits. Additional benefits interviewees cited that are not quantified for this study include:

- **Reduced talent attrition and increased talent retention.** Companies worry about employee attrition in every department and it's especially costly for the sales function.⁵ Because Gong provided data-driven insights into how they could improve sales performance, the interviewees' organizations saw an increase in talent retention.

“ “ It's the highest ROI software tool we have, hands down. ” ”

— EVP, information technology and services

- **Increased visibility into sales performance insights and voice of the customer (VoC) data.** Prior to using Gong, the interviewees said that their sales teams leaned on their inboxes and were unable to identify patterns that could positively influence a deal. After using Gong's Revenue Intelligence Platform, reps could see precisely what factors were having impact on the pipeline.
- **Increased transparency around performance goals.** Managers relied on win rates to determine their sales teams' performance. This was problematic because there was no precise way to determine what produced poor performance. In some cases, the organization's messaging and pricing were causing sales reps to lose deals, not their sales behaviors. After Gong, sales managers now knew the cause of their sales reps' performance, allowing them to coach their teams on how to pivot using the AI-insights the platform provided.
- **Increased collaboration through integration with other tools.** The ability to connect through open application programming interfaces (APIs) allowed interviewees to use the data within Gong and repurpose it within their organizations' business intelligence (BI) tools. Gong's ability to automate the data through integrations was a huge selling point for one interviewee, as without open APIs, "it would have been a non-starter."
- **Improved alignment between sales teams and marketing.** The interviewees said their employees regularly shared Gong recordings across functions to find ways to improve customer insights. Through Gong, they clearly understood what factors compelled customers to buy and created a stronger customer buying journey with more contextual touchpoints as a result.
- **Provided accurate transcriptions of recorded sales calls.** Gong provides people, deal, and

market intelligence through its deal view, which highlights key industry terms, call characteristics, and both leading and lagging indicators for deals in the pipeline. But underpinning this functionality is accurate transcription of sales calls. Prior to Gong, sales teams tried to remember conversations with prospects, but ultimately missed important customer needs as well as additional members of the buying group needed to progress the deal forward.

Costs. Risk-adjusted PV costs include:

- **Gong annual subscription and user seat costs of less than \$1.4M.** Gong charges a flat annual platform fee of \$50,000 for its Enterprise Platform. This includes unlimited call storage, free licenses for non-sales/customer service management (CSM) users, integration for phone, video, calendar, and email, and more. Additionally, Gong charges an annual cost per user seat (for sales users only) with scaled pricing as volume increases. Enterprise Platform customers receive the first 30 standard sales users at no cost.
- **Additional reinforcement training for new features at a cost of \$261,117 over three years.** Interviewees mentioned that their organizations provided additional, reinforcement training when Gong released new features to ensure adoption and to continue to get maximum value out of the platform.
- **Internal labor costs to implement and maintain Gong of \$428,982 over three years.** Internal staff require minimal effort to implement Gong. Subsequent to the initial implementation, two sales enablement specialists conduct ongoing internal effort to build, support, and maintain an organized Gong content library. These efforts cost a three-year, present value of \$428,982.

“On average, salespeople with managers who listened to sales calls sold 110% more than they did the previous year. If they reported to leaders who did not listen to calls, they only sold 26% more than they did the previous year. That was huge for us to see.”

Director of sales operations, cloud-based human capital management

The customer interviews and financial analysis found that a composite organization experiences benefits of \$12.1M over three years versus costs of \$2M, resulting in a net present value (NPV) of \$10M and an ROI of 481%.



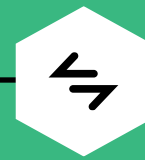
ROI
481%



BENEFITS PV
\$12.1M

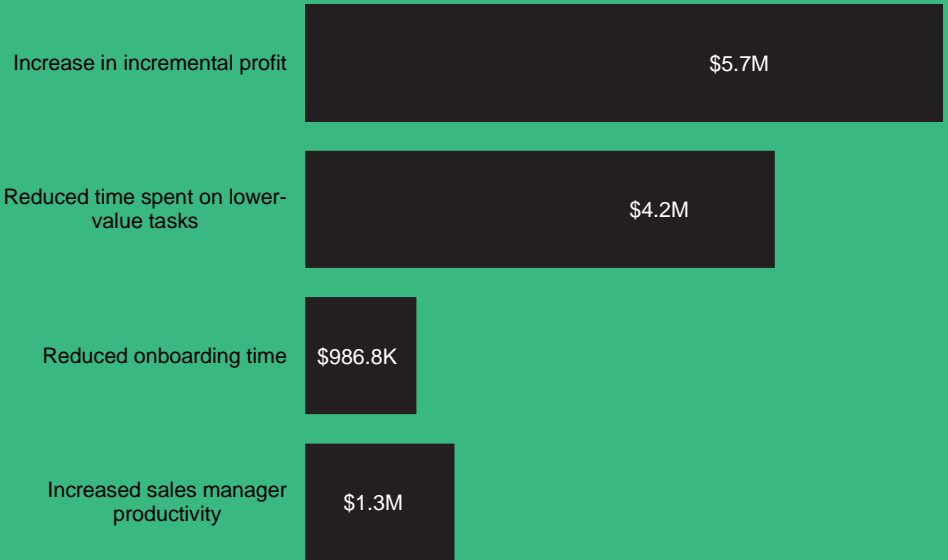


NPV
\$10M



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 Gong's Revenue Intelligence Platform.

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 Gong's Revenue Intelligence Platform can have on an organization.

DISCLOSURES

Readers should be aware of the following:

This study is commissioned by Gong 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 Revenue Intelligence.

Gong 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.

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



DUE DILIGENCE

Interviewed Gong stakeholders and Forrester analysts to gather data relative to the Revenue Intelligence Platform.



CUSTOMER INTERVIEWS

Interviewed four decision-makers at organizations using Gong's Revenue Intelligence Platform to obtain data with respect to costs, benefits, and risks.



COMPOSITE ORGANIZATION

Designed a composite organization based on characteristics of the interviewed 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 interviewed organizations.



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 Gong Revenue Intelligence Platform Customer Journey

■ Drivers leading to the Revenue Intelligence investment

Interviewed Organizations			
Industry	Region	Interviewee	Revenue
Information technology and services	Headquartered in California	EVP/GM	\$300 million
Cloud-based human capital management	Headquartered in New Jersey	Director of sales operations	\$14.6 billion
Financial database software company	Headquartered in Washington	VP of sales	\$300 million
Software as a service (SaaS)	Headquartered in California	VP of sales	\$75 million

KEY CHALLENGES

The interviewees' companies struggled with manual, inefficient methods to improve their sales teams' performance. For example, reps and managers would grab an extra headset, call a prospect, and listen to the conversation together. Reps feverishly took notes only to retype them later in the CRM tool. After the call, managers repeated the process with the next member of their team. There was no scalable way to get a data-driven, holistic view of their sales teams' performance.

The interviewees' organizations needed a way to invest in their teams' improvement, but didn't know a solution existed that could aid in coaching and used a data-driven approach that would surface best practices to help their sales teams close more deals. Other challenges the customers faced included:

- **Lack of visibility into deal cycles and processes around pipeline management.** Pipeline reviews and deal inspections are critical checkpoints to any sales organizations. However, prior to using Gong, the lack of visibility into what took place on sales calls left leaders in the dark. Moreover, as sales turnover occurred, the knowledge of deals in progress left with the outgoing account manager, making it harder for the interim account manager to pick up as they

were dependent on sporadic CRM notes with no further insight into the customer relationship.

- **Lack of a flexible coaching tool that would allow leaders to efficiently assess the strengths and weaknesses of sales reps.** Prior to using Gong, sales leaders desired to reduce friction around the coaching process and needed to recalibrate their teams' skills to achieve success.⁶ However, managers had physical time constraints around coaching for individual team members that made it impossible and unsustainable for them to be on all sales calls; they couldn't advise where and how individuals could improve.
- **Inability to build an effective go-to-market strategy and diagnose issues in pipeline.** Before Gong, interviewees struggled to diagnose where things went wrong in failed sales cycles. Without technology to surface trends and data, opinions prevailed. This led to finger-pointing between sales and marketing, each blaming the other for lost deals.
- **Inefficient, manual work that led to rushed, biased, and incomplete data.** In salespeople's eyes, data entry was a zero-value activity. Prior to using Gong, reps felt pressure to hastily take notes to capture the call's context and, as a

result, they were never truly present in the conversation. A lack of active listening led to missed opportunities to reflect on what they heard, play it back to the customer, and build rapport. When it came time to add insights to the CRM, this was the last item on their to-do list; many simply noted they had a call with no additional context.

“We did a free trial with a competitor and the transcription was horrible. It was very inaccurate and made searching — trying to go back and find certain things through its notetaking — not very helpful. After that experience, we never ended up signing up with them.”

VP of sales, SaaS

- **Lack of scalability for onboarding and training, increasing ramp time.** Sales managers want to understand what their best reps are doing so they can replicate it across their team. Staffing constraints made this difficult as onboarding opportunities were dependent on time and schedules, and sometimes the best reps to shadow were physically located in another office. Because a record of past calls didn't exist, new hires had a limited visibility into what was and wasn't working, what talk tracks to use, and what motivated buyers to act.

“We did have training programs. However, there wasn't enough time in the day for our sales teams to really execute on everything that they were being taught. You know, if you don't execute on it, then you forget it.

Director of sales operations, cloud-based human capital management

SOLUTION REQUIREMENTS

The interviewees' organizations needed to find a way to:

- Scale effectively to support growth and enable sales team to close more deals and increase pipeline.
- Get clear visibility into pipeline to help managers provide prioritization on findings rather than listing all opportunities equally.
- Provide data-driven insights into the pipeline to understand the causes of gaps in performance.
- Increase the value sales gets from its CRM by enabling sales to add information, increasing the customer data available to the rest of the organization.
- Scale coaching so that managers can aid all reps and not just the “squeaky wheels.”
- Provide ways for junior reps to mimic top performers and improve their skills faster, leading to better commercial results.
- Highlight message effectiveness and sales adoption of key marketing materials.
- Empower sales teams to have a presence on calls so buyers can experience more meaningful interactions.

- Create more time for high-value sales activities, rather than note-taking.
- Customize to adhere with existing sales processes and systems.
- Identify success drivers for the business.

After a request for proposal (RFP) and business case process evaluating multiple vendors, the interviewees' organizations ran pilot programs for Gong's Revenue Intelligence Platform. The EVP of an information and technology services company stated: "We piloted first with our sales development representatives (SDRs) and inside sales associates (ISAs). It was around thirty folks and their managers." One interviewee commented that the pilot gave an opportunity to identify champions and gather quotes to share with peers.

Once decision-makers within the interviewees' organizations completed their pilot programs, they gathered feedback, analyzed the results, and began deployment. They implemented it as follows:

- Three out of four interviewees chose to take a phased approach, deploying to a subset of sales teams initially before rolling it out to larger groups within the organization. The VP of sales for a SaaS company stated: "When we tested Gong, we had eight account executives (AEs) use it for one quarter. From that point, we rolled it out to all our AEs and business development representatives (BDRs). Since then, we have added our customer success team as well."
- The interviewees' organizations deployed Gong to various sales users: AEs, SDRs, BDRs, ISAs, account managers (AMs), channel, and more. This highlighted that Gong could aid any sales function.

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 companies that Forrester interviewed and is used to present the aggregate financial analysis in the next section. The composite organization has the following characteristics:

Description of composite. A US-based multimillion-dollar business-to-business (B2B) software-as-a-service (SaaS) organization that provides marketing software tools to help companies grow and track leads. The organization is mature with a strong brand, global operations, a large customer base, and a strong online and offline presence. The annual revenue for the composite organization is \$800M and the average value of a sale is \$20,000. The composite organization has numerous sales teams including inside sales, field sales, channel sales, and account executives, totaling 750 sales representatives and managers in its first year. The composite organization grows 5% in Year 2, so its sales team grows to just under 788 members. By Year 3, the composite organization grows by 10% and has just over 866 sales professionals on its staff. Like many sales organizations, the composite organization creates teams based on regional territories and follows an 8:1 ratio, where eight representatives report to one manager. Each sales representative has an annual quota target of \$1,000,000.

Deployment characteristics. For the Gong rollout, decision-makers select a small group of inside sales representatives and account executives (113 total) and their respective managers (14) to work with the tool in the first year. Since this is a small subset that had positive results with the platform, the composite organization rolls the solution out to 50% of its sales team in Year 2, adding members of the field sales team staff as well as more account executives and inside sales representative. This means 394 sales professionals are using Gong's Revenue Intelligence Platform alongside their 49 managers. For Year 3, the composite organization rolls the solution out to

85% of its sales staff, adding even more sales departments, and buys licenses for 736 sales professionals and 92 managers. To support its Gong efforts further, the company employs two sales enablement specialists to create and maintain a library of Gong calls that new hires use for onboarding and quarterly reinforcement training on new Gong features. As new calls are recorded, the sales enablement specialists continue to add calls to the pre-determined folders to enrich the library further.

Key assumptions

- **Mature B2B SaaS organization**
- **Average deal size of \$20,000**
- **\$800 million in revenue**
- **750 people in the sales organization in Year 1**
- **Headquartered in US**

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	Increase in incremental profit	\$411,320	\$2,048,800	\$4,784,000	\$7,244,120	\$5,661,440
Btr	Reduced time spent on lower-value tasks	\$480,250	\$1,674,500	\$3,128,000	\$5,282,750	\$4,170,588
Ctr	Reduced onboarding time	\$0	\$442,540.8	\$826,675.2	\$1,269,216	\$986,830
Dtr	Increased sales manager productivity	\$152,550	\$531,900	\$993,600	\$1,678,050	\$1,324,775
Total benefits (risk-adjusted)		\$1,044,120	\$4,697,741	\$9,732,275	\$15,474,136	\$12,143,633

INCREASE IN INCREMENTAL PROFIT

Evidence and data. Sales leaders interviewed for this study shared that, after using Gong, their organizations' sales teams won more deals and drove incremental profit for their organizations. By recording sales calls, Gong's AI-enabled methodology highlighted key terms that would spark customers' interest and drive opportunities forward. For example, interviewees shared that Gong enhanced their sales teams' ability to improve pitches that would speak to the target audience's needs and values by mentioning terms and phrases which led to more deals closing. Moreover, Gong's dashboards alerted sales reps to deal warnings, such as a need to have additional members of the buying group present on the call, which allowed reps to pivot as necessary and not lose any opportunities.

- An EVP/GM at an information technology and services company shared how Gong also helped his organization reduce the total cost of customer acquisition, saying: "Our cost per customer was \$3,000 before we started using Gong. As of last May, it's down to \$150. And then, our conversion

rates went from about 20% to almost 50% in the same year. And we have great visibility into the pipeline. Gong deserves credit for a good piece of our success, and our conversion rates from lead to opportunity and then opportunity to deal more than doubled in the last year."

- Gong's Deal View is something that many of the interviewees noted their sales managers used to help manage pipeline and conduct deal reviews with individual team members. During these conversations, the tool helped managers prioritize deals and helped sales representatives focus on key signals in their next conversation with prospects. A VP of sales at a computer software company stated: "When we look at the open deals and they've got deal warnings and flags, we can drill down. Perhaps the second deal has a deal warning that says that they have not spoken to anyone above a director in 30 days. I would say these kinds of flags really help management to go in and prioritize the deals that they are talking about within their one-on-ones with sales reps."

Modeling and assumptions. To calculate the value of this benefit, Forrester assumes the following for the composite organization:

- The average deal size for the composite organization is \$20,000 and the profit margin is 10%.
- With the initial rollout, only 15% of the sales staff uses Gong in Year 1 as the composite organization chooses a select group to use the platform. This increases to 50% of the sales team in Year 2, as the composite organization expands to additional teams and rises again to 85% in Year 3.
- The quota for each sales representative is \$1,000,000. Therefore, they need to sell 50 deals to hit their sales target.
- Because some salespeople are already elite performers, using this tool might not impact them as much as others. Forrester assumes Gong’s Revenue Intelligence Platform supports 65% of the organization gain stronger performance results.
- The deal win rate after Gong is 7% in Year 1 and leads to the composite organization winning 3.5 more deals. In Year 2, the improvement rate rises to 10%, and the composite organization wins five more deals as a result. These metrics both increase again in Year 3 to an improvement rate

of 12.5% and the composite organization will win an additional 6.25 deals.

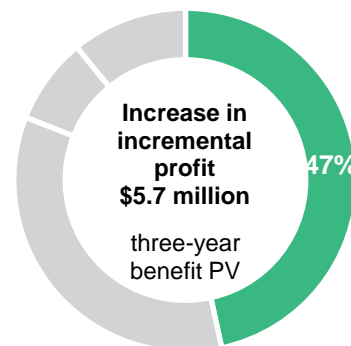
Risks. The ability of organizations to increase incremental profit through the deployment of Gong can vary across organizations due to differences in:

- The number of sales representatives actively using Gong.
- The number of sales representatives that choose to adopt Gong, since some may be set in their ways and resistant to change.
- The number of elite and high performers a company employs.
- The average deal size and the deal conversion rate.
- The fact that not all customers will want to be recorded due to privacy concerns and will ask for the tool to be turned off.

Results. To account for these risks, Forrester adjusted this benefit downward by 20%, yielding a three-year, risk-adjusted total PV (discounted at 20%) of \$5,661,440.

“We used Gong for an enhance collaboration initiative to improve team selling. Through deal view, we saw a 51% increase of conversations with specific product messaging and that led to a 30% improvement in closed won ratio with the product messaging we were targeting.”

Director of sales operations, cloud-based human capital management



Increase In Incremental Profit					
Ref.	Metric	Source	Year 1	Year 2	Year 3
A1	Total number of sales team members	Composite	750	787.5	866.25
A2	Percentage of sales representatives actively using Gong	Composite	15%	50%	85%
A3	Number of sales representatives actively using Gong	A1*A2	113	394	736
A4	Percentage of sales team members Gong impacts most	Assumption	65%	65%	65%
A5	Subtotal: Number of sales team members who use Gong and are most impacted by it	A3*A4	73.45	256.1	478.4
A6	Number of deals sales representatives need to hit their sales target	Composite	50	50	50
A7	Improved with rate from Gong	Interviews	7.0%	10.0%	12.5%
A8	Number of deals closed after Gong	A6*A7	3.5	5	6.25
A9	Average deal size	Composite	\$20,000	\$20,000	\$20,000
A10	Revenue from deals after Gong	A8*A9	\$70,000	\$100,000	\$125,000
A11	Profit margin	Assumption	10%	10%	10%
At	Increase in incremental profit	A5*A10*A11	\$514,150	\$2,561,000	\$5,980,000
	Risk adjustment	↓20%			
Atr	Increase in incremental profit (risk-adjusted)		\$411,320	\$2,048,800	\$4,784,000
Three-year total: \$7,244,120			Three-year present value: \$5,661,440		

REDUCED TIME SPENT ON LOWER-VALUE TASKS

Evidence and data. Interviewees offered a variety of use cases in which Gong eliminated lower-value tasks to boost the productivity of their sales team.

- Sales reps wasted countless hours trying to take notes, updating notes in the CRM, recapping calls for leaders, and more. The director of sales operations at a cloud-based human capital management company said: “All reps, regardless of tenure, benefit from Gong. Gong is a salesperson’s virtual assistant as it provides action items and next steps, takes notes, etc. There are strategic benefits including improved internal collaboration, better preparation for meetings, as well as market intelligence.”
- Sales reps use a variety of communications channels such as texting, calls, chatting through social media, email, and more. Prior to using Gong, all that information remained siloed and there was no easy way to have a single, holistic view of the entire conversation history. Reps would receive an email of the transcription after a call allowing them to mentally debrief and upload the transcription notes into the CRM. This allowed them to send snippets to members of the company to help better serve the clients’ needs. Moreover, if customers mentioned jargon within their industry, Gong’s transcription captured it allowing the rep to look it up later for more information. By having Gong working in the background, it made them more productive and allowed them to focus on strategic value-adds.
- Sales representatives’ productivity also increased sales velocity. The director of sales operations said, “We saw a decrease in our sales cycle of six days, dropping from 60 days to 54.”
- Gong’s recording allowed sales representatives to pick up the conversation where they left off

with ease, so they didn’t have to rely on their memories. Interviewees said that the platform also reminded sales representatives to discuss next steps with clients, as Gong is connected to their rep’s calendars, so deals could continue forward.

- As managers and sales leaders needed to step in and help close the deal, the sales representatives gained time back by no longer recapping the calls. Instead, they could share snippets of past calls with them, getting them up to speed faster on the customer relationship. Executives benefited from listening to a recording as they hopped on and knew exactly what stage the deal was in. The director of sales operations stated: “Reps don’t have to worry about recapping calls. Instead, they send their partner the recording, get them on the phone ASAP, do an introduction, and get the deal sold.”
- Lastly, the director of sales operations at a cloud-based human capital management company added: “One of the original strategies is to make our salespeople more effective and not hire more people. We reduced the amount of people that we were projecting to hire by 12%.”

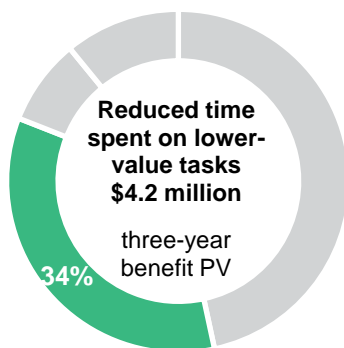
Modeling and assumptions. To calculate the value of this benefit, Forrester assumes the following for the composite organization:

- With the initial rollout, only 113 sales representatives and AEs access Gong in Year 1. This increases to 394 members of the sales team in Year 2 (50% of the organization) and rises again to 736 Gong users in Year 3.
- Because different sales departments use Gong’s Revenue Intelligence Platform, Forrester averages those salaries and determines a fully burdened annual salary of a sales professional is \$104,000.
- Gong helps sales representatives avoid 10% of low value-add activities.

Risks. The ability of organizations to realize productivity gains through the deployment of Gong can vary across organizations and industries due to differences in the adoption and usage of Gong.

- Finance, legal and other departments may contribute to a faster sales cycle through their own internal improvements.
- Due to privacy concerns, not all customers will want to be recorded and will ask for the tool to be turned off.

Results. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV of \$4,170,588.



Reduced Time Spent On Lower-Value Tasks					
Ref.	Metric	Source	Year 1	Year 2	Year 3
B1	Number of sales representatives actively using Gong	A3	113	394	736
B2	Fully burdened cost of a sales representative (hourly)	\$104,000/2,080	\$50	\$50	\$50
B3	Average work week in hours	Assumption	40	40	40
B4	Avoided time that reps spent on low value-add activities	Composite	4	4	4
B5	Annual sales representative productivity gains	B4*50 weeks	200	200	200
B6	Productivity recapture rate	Assumption	50%	50%	50%
Bt	Reduced time spent on lower-value tasks	B1*B2*B5*B6	\$565,000	\$1,970,000	\$3,680,000
	Risk adjustment	↓15%			
Btr	Reduced time spent on lower-value tasks (risk-adjusted)		\$480,250	\$1,674,500	\$3,128,000
Three-year total: \$5,282,750			Three-year present value: \$4,170,588		

REDUCED ONBOARDING TIME

Evidence and data. As the bar continues to rise for salespeople, B2B marketing and sales leaders must modernize training for their sellers.⁷ Gong enabled the interviewees’ organizations to shorten onboarding time and make it more effective. The interviewees’ organizations curated dedicated libraries of the best

and worst calls, along with those with mentions of competition, pricing and positioning of that pricing, and more rather than rely on a roll of the dice that any of these would come up during a shadowing conversation. This helped new hires listen to real examples of success — and what to avoid in future calls — allowing them to learn more in a faster timeline.

- These libraries gave seasoned reps time back to continue working on driving revenue, allowing new hires to self-service without their hands being held. New hires could learn at their own pace in a way that they found accessible. The EVP/GM at an IT and services company added: “Gong is a fundamental facet of our training process, and we have libraries of best practices and successful calls. I think it’s just a much easier way for people to digest what is otherwise part of the training curriculum.”
- All the interviewees said that the initial reason they invested in Gong was to help scale and speed up onboarding and enable sales managers to coach, as training calls had become a burden without some level of technology support.
- With the COVID-19 pandemic, companies closed their offices and employees found themselves working from home, unable to rely on drive-by meetings with peers. By having access to Gong’s platform, interviewees continued to have access to everything they needed to maintain their onboarding initiatives.
- When a sales representative starts at full quota, it can have a huge impact on the bottom line. The director of sales operations said, “New hires were running about 173% of plan after the first quarter of being ‘live.’”
- Not only did Gong record every customer conversation, email, and interaction, but it also provided new hires with aggregated insight into the accuracy of their performance. By seeing how many times they used filler words or how patient they were on a call, Gong allowed new hires to track what they personally wanted to work on. The VP of sales for a financial database company stated: “You go back, you listen to yourself say something. You realize you sound stupid and, guess what, you don’t say those

things again. It’s a harrowing experience hearing yourself talk.”

Modeling and assumptions. To calculate the value of this benefit, Forrester assumes the following for the composite organization:

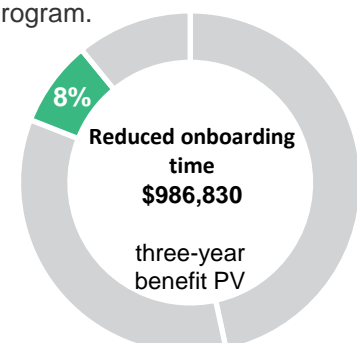
- Gong reduces onboarding time by 50%.
- The composite organization replaces 30% of their sales representatives due to turnover.
- Because different sales departments use Gong’s Revenue Intelligence Platform, Forrester averages those salaries and determines a fully burdened annual salary of a sales professional is \$104,000.

“Gong’s been absolutely a fundamental and critical tool for us to build out our sales motion market fits. I can’t speak more highly about what an impressive solution it is in terms of being able to understand what’s driving the success and then ultimately bottling success and teaching our reps to replicate it in a fast-growing organization.”

EVP/GM, IT and services company

Risks. This benefit may vary for sales teams depending on:

- The ability for the internal sales enablement team to create a strong, curated library to use as an onboarding curriculum.
- The adoption rate by all sales representatives to have their calls recorded.
- The new hire’s ability to self-service through the design of the program.



Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV of \$986,830.

Reduced Onboarding Time					
Ref.	Metric	Source	Year 1	Year 2	Year 3
C1	Number of new sales representatives hired (annual)	Composite	0	118	221
C2	Number of weeks to onboard new sales representative hires prior to Gong	Interviews	8	8	8
C3	Acceleration of ramp for new hires after Gong	Interviews	50%	50%	50%
C4	Number of onboarding weeks avoided	C2*C3	4	4	4
C5	Number of onboarding hours avoided	C1*C4	0	472.8	883.2
C6	Burdened weekly cost of a sales representative	\$104,000/50 weeks	\$2,080	\$2,080	\$2,080
C7	Productivity recapture	Assumption	50%	50%	50%
Ct	Reduced time for onboarding and ramp-up of new sales reps	C5*C6*C7	\$0	\$491,712	\$918,528
	Risk adjustment	↓10%			
Ctr	Reduced time for onboarding and ramp-up of new sales reps (risk-adjusted)		\$0	\$442,540.8	\$826,675.2
Three-year total: \$1,269,216			Three-year present value: \$986,830		

INCREASED SALES MANAGER PRODUCTIVITY

Evidence and data. To reach revenue goals, it became clear that the interviewees' organizations needed to invest in reskilling and upskilling their sales teams. Doing so would allow the teams to have authentic conversations and meet buyer expectations for empathetic, tailored, and omnichannel interactions.⁸ Gong empowered sales managers to drill down and coach their teams to success. Their feedback was no longer anecdotal, as managers could use the deal view's aggregated data to discuss strengths and weaknesses in performance. As one VP of sales put it, Gong allowed his organization "to amplify the act of that one-on-one coaching and ensured my organization's reps were learning, developing, and continuing to do the right things."

- Because Gong provides visibility into sales activities, deal and pipeline reviews no longer felt like an inquisition, allowing managers and reps to collaborate on ways to win deals together. The VP of sales at SaaS company stated: "Prior to Gong, in order to efficiently and accurately coach, managers would have had to be on calls to shadow them. Otherwise, you are listening to your AEs description after the call, and some people are not as forthcoming — especially if they believed they messed up. I would say that Gong in many ways takes the 'darkness' that a manager can't see and shines the light on it because you're able to listen to more calls."
- The EVP/GM at an IT and services company said: "I think one of the biggest challenges in B2B sales is that there's always a narrative that this salesperson just 'needs more time' to be successful. What Gong has allowed us to do is to put much narrower guard rails around highlighting what's working well, but then get a quick understanding if somebody is deviating from a course and where we can help change behavior earlier to ultimately make them successful. Instead of waiting six months, based

on their performance or quota — or lack thereof — we can tell within weeks where we need to focus our time and attention to help them."

- Interviewees said that sales managers at their organizations used Gong for market intelligence to identify whether concerns from customers were part of a larger trend or were one-off. Before Gong, managers would have to hear feedback from one person, then someone else, and then another before finally deciding to bring it up in a team meeting. A VP of sales elaborated further: "And then some other managers would say, 'I haven't seen that on my team.' Because if they haven't been sitting in on calls where it's happening, it's not happening. The fact that we can query Gong, go in, and see that these trends are happening in a much shorter timeframe is huge. Otherwise, who knows how long it would take!"
- Gong allowed managers at the interviewees' organizations to aid in career development, sharpening awareness both into team members' bad habits and what levers reps needed to pull to achieve success. The director of sales operations said: "The big driver for us was around data insights because it's the data that really becomes important with an enterprise organization. The ability to coach and the messaging that we delivered is completely different to really what the strategy is behind the tool. Your job is to coach and develop your people and nothing is more important than that."
- The ability to record calls freed up the managers' time and made it easier for a manager to invest in listening to calls. The VP of sales at a financial database said: "Our manager-to-rep ratio is probably eight to one. On the new business side, each one of those reps probably has two to three demos a day. So, multiply that out and our manager, especially depending on the tenure of the rep, is going to want to spend as much time

as possible hearing their calls; that's a lot of hours. Gong simply reduces and focuses in on the relevant part of calls or specific kind of training.”

“According to our analysis, if we get all sales leaders who have a Gong license and just get them to do an average amount of coaching, we would have a \$20 million lift for inside sales.”

Director of sales operations, cloud-based human capital management company

- Interviewees said that Gong helped their sales managers in a variety of ways by using warning flags and lagging indicators in the Gong platform. A VP of sales at a SaaS company illustrated this: “We’ve got sales managers to help with strategy, to help with responses, to help them create these mutual plans, to help create urgency, to help create compelling events if they don’t exist. And the best way for managers to be able to do their job in any of those things is to have these kinds of flags.”

Modeling and assumptions. To calculate the value of this benefit, Forrester assumes the following for the composite organization:

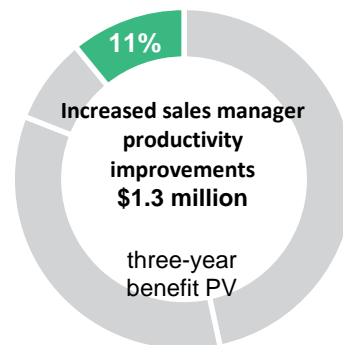
- The ratio of sales managers to sales representatives is 8:1. Therefore, in Year 1, 14 sales managers will use the tool to support 113 inside sales representatives and account executives, 49 to support 394 Gong users in Year 2, and finally 92 managers will use the tool in Year 3 to support 736 members of the sales team.
- Gong saves sales managers eight hours per week.

- The fully burdened annual salary of a sales manager is \$124,800.

Risks. The ability of organizations to realize manager productivity gains through the deployment of Gong can vary across organizations and industries due to differences in the adoption and usage of Gong by sales managers.

- Due to privacy concerns, not all customers will want to be recorded and will ask for the tool to be turned off, therefore not allowing Gong to collect data from the call for the sales managers to use in coaching conversations.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV of \$1,324,775.



Increased Sales Manager Productivity

Ref.	Metric	Source	Year 1	Year 2	Year 3
D1	Number of sales managers	A3/8	14.125	49.25	92
D2	Hours saved per manager using Gong	8 hours per week*50 weeks	400	400	400
D3	Burdened hourly rate per sales manager	\$124,800/2,080 hours	\$60	\$60	\$60
D4	Productivity recapture rate	Assumption	50%	50%	50%
Dt	Increased sales manager productivity through Gong-enabled coaching improvements	D1*D2*D3*D4	\$169,500	\$591,000	\$1,104,000
	Risk adjustment	↓10%			
Dtr	Increased sales manager productivity through Gong-enabled coaching improvements (risk-adjusted)		\$152,550	\$531,900	\$993,600

Three-year total: \$1,678,050

Three-year present value: \$1,324,775

UNQUANTIFIED BENEFITS

Additional benefits that customers experienced but were not able to quantify include:

- Reduced talent attrition and increased talent retention.** In addition to improving sales representative performance, Gong recordings improved the overall work experience for sales representatives and managers, making it easier to reduce attrition and retain talent. For one interviewee’s organization, employees said that they wanted more career development and coaching from their leaders. Gong made it easier for leaders to provide that to their employees,

which led to a rise in sales performance. All four interviewees saw a reduction in talent attrition.

- The VP of sales for a SaaS organization said that the company had “a happier sales team because we have tools like Gong, which helps us to retain good talent because we’re setting them up for success.”
- The IT & services EVP projected their organization would see a significant drop in attrition in 2021 compared to 2020.
- The VP of sales at a financial database organization echoed what others found,

stating, “Our attrition rates have gone down since we implemented Gong.”

- Lastly, the director of sales operations at a cloud-based human capital management company shared: “Our churn reduced by 11% from the previous year. The theory is because they started closing more deals and making money.”
- **Increased visibility into sales performance insights and VoC data.** Easy access to recordings of both salesperson habits and customer feedback improved visibility such that the interviewed EVP described the change as “going from crawling to running.”
- **Increased transparency around performance goals.** Improved data from interviews, along with clear, consistent metrics, gave sales representatives accessible and trackable goals to quantifiably improve their performance, boosting both morale and career progression. To quote the VP of Sales, “When it’s black and white with their stats, it’s more real.”
- **Accessed data and integrated it with other tools to increase collaboration.** The ability to connect through open APIs allowed interviewees to use the data for their audiences in their BI tools. The director of sales operations stated: “APIs are a way to be able to access the data and connect it to other data points that we have within the organization. It gave us the ability to say, ‘Look, we’re all in the same playground. Let’s all play together for a common goal here.’”
- **Improved alignment between sales teams and marketing.** Modern marketing runs on data and success requires that B2B sellers have confidence in the timeliness, accuracy, and completeness of the customer data that should sit at the heat of how, when, and where they go to market.⁹ “I wouldn’t say that we lacked a framework for increasing sales effectiveness and

increasing deals before Gong,” said a VP of sales, “But I would say this was a better framework to use because between the Gong app and having all of that information right there, it allowed us to be able listen to a call. The fact that you can forward to someone in marketing or service and say, ‘Please listen to this call for this five-minute chunk,’ is really valuable.”

- **Provided accurate transcriptions of recorded sales calls.** Gong’s accurate transcriptions increased the sales performance for a SaaS company. The VP of sales said: “Gong’s transcription is very accurate and, because of this, we could tag certain terms or certain topics and easily go in and confirm how the team is speaking to those topics or answering certain kinds of questions. Our sales team can focus and ask strategic questions without worrying about whether they’re going to remember or accurately capture our client or prospect’s answers.”

FLEXIBILITY

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

- **The ability to onboard and work remotely.** The capability to onboard new staff and listen to calls 100% remotely, rather than requiring representatives and managers to physically share space, provides potential organizational savings, especially in a post-pandemic world. The VP of Sales described the potential of this benefit as “huge.”
- **The ability to allow for message testing.** The ability to record and compare calls makes testing out different messaging much easier. While none of the interviewees had implemented this capability at their organizations, they were acutely aware of the potential of determining

message efficacy on regular calls. The director of sales operations described the capability as part of the organization's long-term strategy.

- **Using Gong as a differentiator in talent recruitment.** As the competition for talent grows, sales teams expect access to tools that will make them better at their jobs. Interviewees mentioned that applicants have inquired about the sales tech stack during the interview process. The VP of sales at a SaaS company stated: "I recently had one AE ask me about Gong, and I smiled. 'Oh, I'm glad you know Gong, and yes, we have it.' They had it at their current company and want to make sure they had access to it if they joined us."

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

Analysis Of Costs

■ Quantified cost data as applied to the composite

Total Costs							
Ref.	Cost	Initial	Year 1	Year 2	Year 3	Total	Present Value
Etr	Gong annual subscription and user license fees	\$0	\$190,244.5	\$556,197.5	\$1,021,085	\$1,767,527	\$1,399,773
Ftr	Cost for additional reinforcement training for new features	\$0	\$30,516	\$104,806	\$195,336	\$330,657	\$261,117
Gtr	Internal labor costs to implement and maintain Gong	\$0	\$172,500	\$172,500	\$172,500	\$517,500	\$428,982
Total costs (risk-adjusted)		\$0	\$393,261	\$833,504	\$1,388,919	\$2,615,684	\$2,089,872

GONG ANNUAL SUBSCRIPTION AND USER LICENSE FEES

Evidence and data. The interviewees explained that their organizations pay flat annual fees for the Gong subscription license and for a cost per sales user seat. The Enterprise Platform includes:

- Unlimited collaborator licenses, which includes non-sales/CSM users.
- Unlimited call storage.
- Manager training.
- Employee training.
- Data export (API, Salesforce).
- Calendar and email integration.
- Dedicated customer service success manager.
- Phone/video conference integration.

Modeling and assumptions. To determine the cost of Gong's annual subscription and user license fees, Forrester assumes the following:

- Because of its size, the composite organization purchases the Gong Enterprise Platform, which has a cost of \$50,000 for its annual license fee.

- For the roll-out in Year 1, the composite organization licenses user recording seats for 113 inside sales representatives and AEs and 14 managers, totaling 127 Gong users. For Year 2, the composite organization licenses 443 users and increases this to 828 users in Year 3. However, as with any Gong Enterprise Platform purchase, Gong includes the first 30 user seats at no additional cost. This means the composite organization would only purchase 97 additional seats for the initial rollout in Year 1, 413 licensed seats in Year 2, and 798 seats in Year 3.

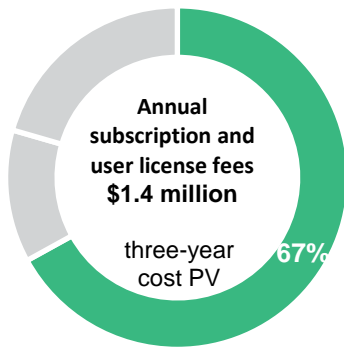
Risks. This cost will vary among organizations based on:

- The annual platform that an organization purchases (Gong offers distinct platforms to meet the needs of Enterprise, Midmarket, and Small Business companies).
- The total number of licensed users.

Results. To account for these risks, Forrester adjusted this cost upward by 15%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$1,399,773.

Gong Annual Subscription And User License Fees

Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
E1	Gong annual license fees for Enterprise Platform	Gong pricing	\$0	\$50,000	\$50,000	\$50,000
E2	Number of employees using Gong (rounded)	A3+D1		127	443	828
E3	Number of seats included in Enterprise Platform annual fee	Gong pricing		30	30	30
E4	Number of additional seats licensed	E2-E3		97	413	798
E5	Cost per seat annually	Gong pricing		\$1,190	\$1,050	\$1,050
E6	Total cost of seats per year	E5*E6		\$115,430	\$433,650	\$837,900
Et	Gong annual subscription and user license fees	E1+E6	\$0	\$165,430	\$483,650	\$887,900
	Risk adjustment	↑15%				
Etr	Gong annual subscription and user license fees (risk-adjusted)		\$0	\$190,244.5	\$556,197.5	\$1,021,085
Three-year total: \$1,767,527			Three-year present value: \$1,399,773			



COSTS FOR ADDITIONAL REINFORCEMENT TRAINING FOR NEW FEATURES

Evidence and data. While all the interviewees said that Gong is intuitive and easy to use, they did stress that they relied on additional reinforcement training as new features were rolled out.

- The interviewees’ organizations had their teams meet a few times during the year to ensure that the learnings stuck with them. The VP of sales at a SaaS company stated: “It’s not difficult to use. We would sit down with our managers and sales team and have someone walk us through a new feature to understand why they added it, how to use it, what’s aggregating, etc.”

“We had ongoing sessions throughout the year where someone would walk us through anything new and ask questions like, ‘Are you guys using this yet?’ to make sure we knew what was available.”

VP of sales, SaaS

- All interviewees commented that their organizations have weekly team calls in place where they can get together as an organization and pick apart calls Gong recorded to encourage best practices and learn what to avoid. While the interviewees’ organizations discuss the good, the bad, and the ugly during these meetings, it is still valuable to set additional time to discuss new features. The EVP of an information technology company said: “For training and team meetings that we have, whether it’s a short, stand-up meeting or a full weekly meeting, [Gong] is simple enough that it gets discussed and displayed during those meetings. When there is something more structural or something new

going across teams, that’s when we’ll think about creating a module and have it as part of a required training.”

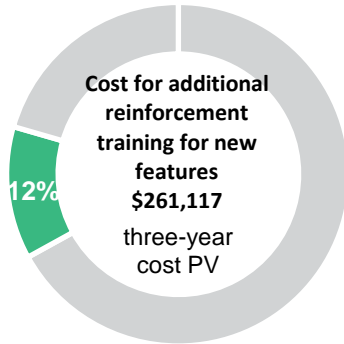
Modeling and assumptions. To determine the cost of additional reinforcement training for new Gong features, Forrester assumes the following:

- The composite organization holds four trainings a year (one per quarter) for their entire sales organization.
- For each quarterly reinforcement training, the composite organization has two sales enablement specialists deliver these sessions to their sales teams. They prep for an hour before the call and need another hour dedicated to additional follow-up questions from the sales teams.
- With the initial rollout, only 127 members of the sales team participates in these quarterly trainings in Year 1. This increases to 443 team members in Year 2 and rises again to 828 in Year 3.
- The annual fully burdened salary of a sales representative is \$104,000.
- The annual fully burdened salary of a sales manager is \$124,800.
- The annual fully burdened salary of a sales enablement specialist is \$75,000.

Risks. This cost will vary among organizations based on:

- The total number of licensed users.
- The total number of sales enablement specialists a company requires for these trainings.
- The number of hours for preparation and follow-up a company needs.

Results. To account for these risks, Forrester adjusted this cost upward by 15%, yielding a three-year, risk-adjusted total PV of \$261,117.



Cost For Additional Reinforcement Training For New Features						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
F1	Number of reinforcement training hours (annual)	1 hour per quarter		4	4	4
F2	Number of sales representatives using Gong	A3		113	394	736
F3	Fully burdened cost of sales representatives (hourly)	\$104,000/2,080 hours		\$50	\$50	\$50
F4	Number of sales managers	D1		14	49	92
F5	Fully burdened cost of sales managers (hourly)	\$124,800/2,080 hours		\$60	\$60	\$60
F6	Subtotal: Labor costs for reinforcement training	$F1*((F2*F3)+(F4*F5))$		\$25,960	\$90,560	\$169,280
F7	Number of sales enablement specialists	Composite		2	2	2
F8	Fully burdened cost of sales enablement specialist (hourly)	\$75,000/2,080 hours		\$36	\$36	\$36
F9	Number of hours sales enablement specialists need for prep and follow-up	Composite		8	8	8
F10	Subtotal: Labor costs for prep and follow-up	$F7*F8*F9$		\$576	\$576	\$576
Ft	Cost for additional reinforcement training for new features	$F6+F10$	\$0	\$26,536	\$91,136	\$169,856
	Risk adjustment	↑15%				
Ftr	Cost for additional reinforcement training for new features (risk-adjusted)		\$0	\$30,516	\$104,806	\$195,336
Three-year total: \$330,657			Three-year total: \$261,117			

INTERNAL LABOR COSTS TO IMPLEMENT AND MAINTAIN GONG

Evidence and data. Because Gong records almost every phone call for its users, the interviewees commented that the sheer volume was overwhelming. Their organizations needed to create a library and curate it well to get the maximum value out of the platform. For example, to build a successful onboarding program for new sales hires, the interviewees' organizations needed to create a curriculum that consisted of "good calls," "calls where we won the deal," and "calls where things went wrong" to aid in learning.

- The interviewees commented that their organizations would share good calls as they came in, but these processes were very ad hoc. The VP of sales at a financial database company said: "We are going to do 10,000 demos this quarter and that's all going to get recorded. We ask our sales reps to submit stuff and those snippets are the ones that get sent around." The VP of sales added further, "The curation of good calls is a big, big undertaking and you need to invest resources to make a good library people can use."
- The library empowered sales representatives to continue to find ways to tweak and improve their performance by listening to top representatives' calls. Furthermore, because the library is accessible to all users, sales managers supplied reinforcement opportunities for team members throughout the year and even shared snippets of successful calls with executive leadership.

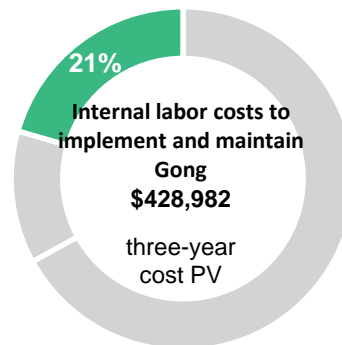
Modeling and assumptions. To determine the internal labor cost to implement and maintain Gong, Forrester assumes the following:

- Due to the volume of calls needing to be organized in an intelligent way, the composite organization will employ two sales enablement specialists whose sole responsibility is to implement, update, and maintain an organized Gong library.
- The annual fully burdened salary of a sales enablement specialist is \$75,000.

Risks. This cost will vary among organizations based on:

- The number of sales enablement specialists a company employs.
- The annual salary of a sales enablement specialist.

Results. To account for these risks, Forrester adjusted this cost upward by 15%, yielding a three-year, risk-adjusted total PV of \$428,982.



Internal labor costs to implement and maintain Gong
\$429K three-year present value

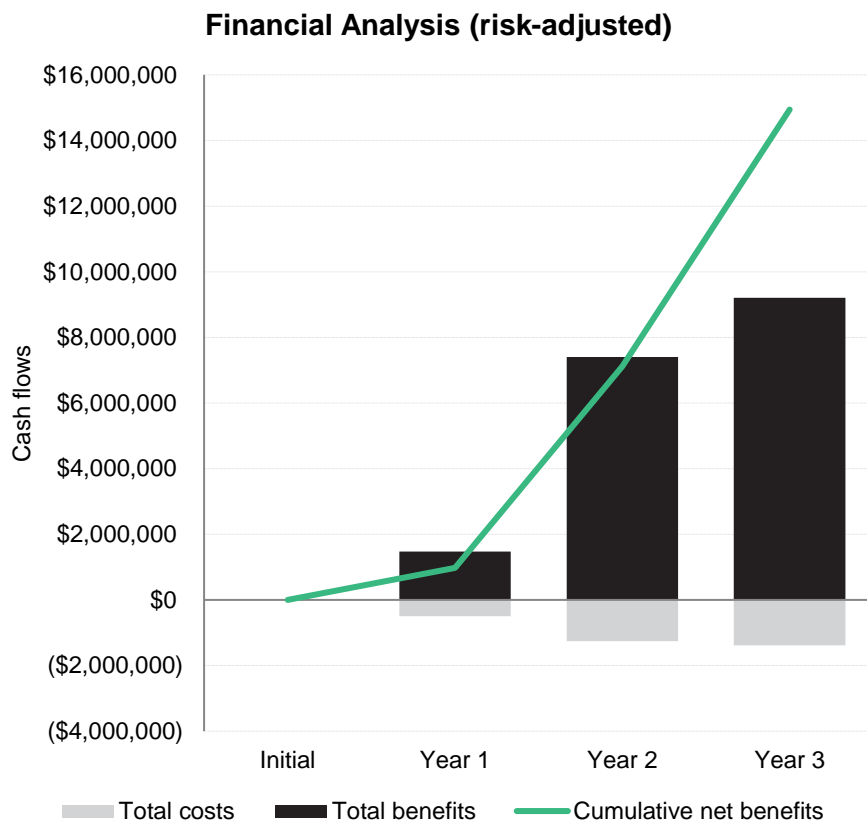
Internal Labor Costs To Implement And Maintain Gong

Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
G1	Number of sales enablement specialists to create and maintain a library with appropriate recordings and folders	Composite		2	2	2
G2	Annual cost of fully burdened sales enablement specialist	Composite		\$75,000	\$75,000	\$75,000
Gt	Internal labor costs to implement and maintain Gong	G1*G2	\$0	\$150,000	\$150,000	\$150,000
	Risk adjustment	↑15%				
Gtr	Internal labor costs to implement and maintain Gong (risk-adjusted)		\$0	\$172,500	\$172,500	\$172,500

Three-year total: \$517,500 **Three-year present value: \$428,982**

Financial Summary

CONSOLIDATED THREE-YEAR RISK-ADJUSTED METRICS



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)

Cash flow analysis (risk-adjusted estimates)						
	Initial	Year 1	Year 2	Year 3	Total	Present Value
Total costs	\$0	(\$393,261)	(\$833,504)	(\$1,388,919)	(\$2,615,684)	(\$2,089,872)
Total benefits	\$0	\$1,044,120	\$4,697,741	\$9,732,275	\$15,474,136	\$12,143,633
Net benefits	\$0	\$650,859	\$3,864,237	\$8,343,356	\$12,858,452	\$10,053,761
ROI						481%
Payback period (months)						<6

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."

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.



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.

Appendix B: Endnotes

¹ Source: “Build A Seller Development Framework to Improve The Buying Experience,” Forrester Research, Inc., May 17, 2017.

² Source: “The Future Of Sales,” Forrester Research, Inc., May 3, 2021.

³ 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

⁴ Source “Navigate The Future Of Selling With Revenue Intelligence,” a commissioned study conducted by Forrester Consulting on behalf of Gong, July 2020.

⁵ Source: “6 Sales Turnover Statistics You Need to Know,” Xactly blog, September 9, 2017 (<https://www.xactlycorp.com/blog/sales-turnover-statistics>).

⁶ Source: “The Democratization Of B2B Sales,” Forrester Research, Inc., August 3, 2020.

⁷ Source: “Now Tech: Sales Readiness Tools, Q1 2018,” Forrester Research, Inc., March 28, 2018.

⁸ Source: “The Democratization Of B2B Sales,” Forrester Research, Inc., August 3, 2020.

⁹ Source “Navigate The Future Of Selling With Revenue Intelligence,” a commissioned study conducted by Forrester Consulting on behalf of Gong, July 2020.

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