

The Total Economic Impact™ Of Sprinklr Service

Cost Savings And Business Benefits Enabled By Sprinklr
Service

A FORRESTER TOTAL ECONOMIC IMPACT STUDY
COMMISSIONED BY SPRINKLR, MAY 2024

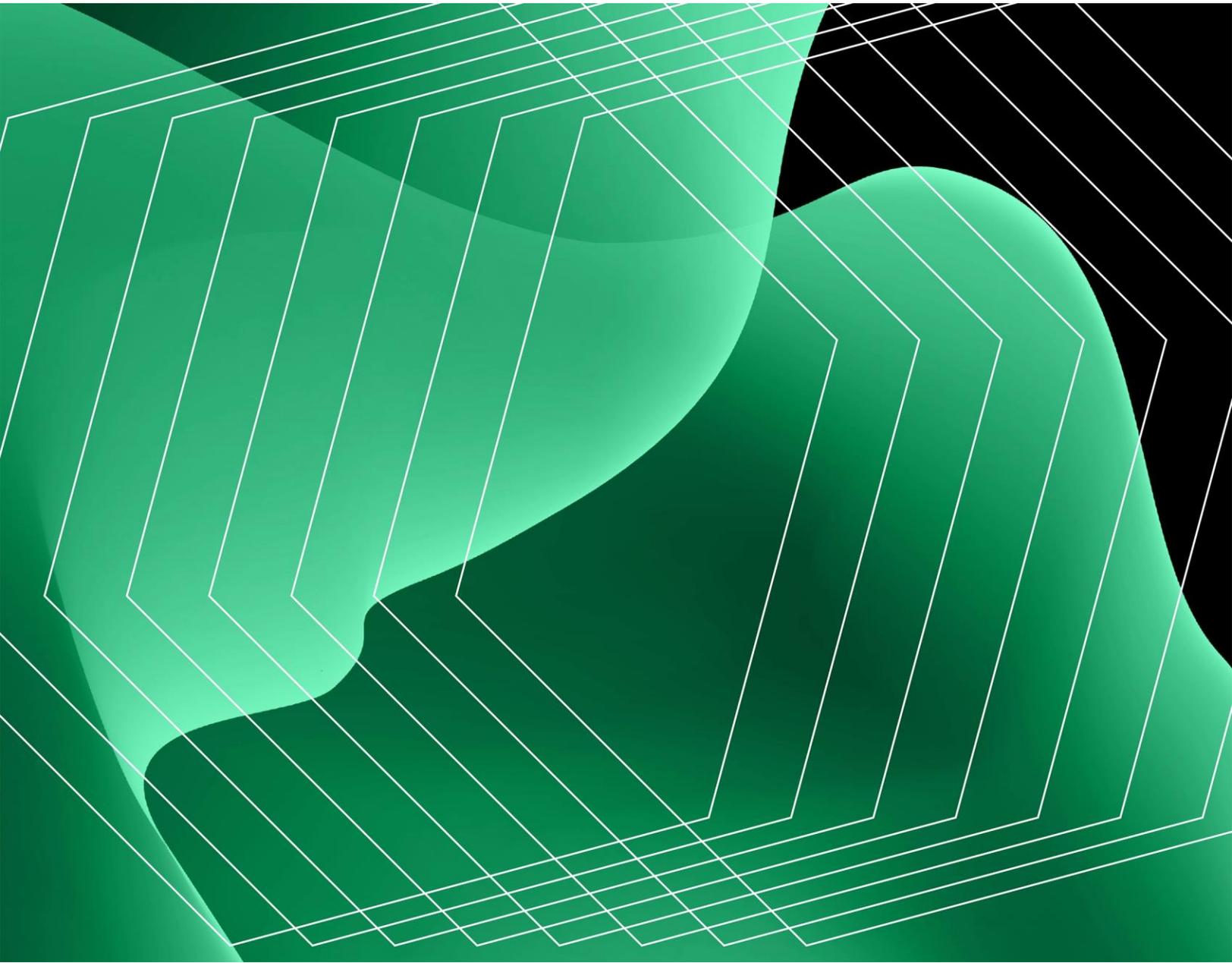


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Executive Summary

Sprinklr Service is a cloud-native digital-first customer experience (CX) solution that provides a comprehensive contact center as a service (CCaaS) solution. It allows organizations to unify their social, messaging, live chat, email, and voice channels to offer customers an omnichannel experience — enabling organizations to improve contact center agent productivity, reduce their contact center agent training costs, and improve CX.

Sprinklr Service unifies customer interaction channels and is capable of supporting over 30 digital, social, and voice channels, offering omnichannel capabilities. It is built for the enterprise and ensures a consistent experience for customers even if they interact through different channels. Deploying Sprinklr serves other functions across the organization beyond the customer service business function — for instance, marketing, publishing, research, and sales. Sprinklr Service is one of the four product suites offered by Sprinklr, and is part of Sprinklr's unified front office architecture that offers enhanced value if organizations choose to implement Sprinklr's other product suites.

Sprinklr commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) enterprises may realize by deploying [Sprinklr Service](#).¹ The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of Sprinklr Service on their organizations.

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed three representatives with experience using Sprinklr Service. For the purposes of this study, Forrester aggregated the interviewees' experiences and combined the results into a single [composite organization](#) that is a business-to-consumer (B2C) organization with 300 service agents and revenue of US\$2 billion per year.



Three-year risk-adjusted
return on investment (ROI)

210%



Three-year risk-adjusted
net present value

\$3.28M

Interviewees said that prior to using Sprinklr Service, their organizations had disjointed systems and lacked a single source of truth. They had multiple solutions for each channel; namely, voice, email, and social media. This was a major problem for the organizations as these systems were not integrated with one another, leading to siloed data sources. Organizations were unable to analyze customer conversations from different channels, unify customer insights, understand customer sentiments, or limit customer support capabilities and efficiency. The sheer number of backend systems also meant that agents needed to learn complex workflows to resolve tickets, causing agent productivity to plateau.

After the investment in Sprinklr Service, interviewees were able to leverage an omnichannel platform to manage multiple channels. Agents are empowered with Sprinklr Service's capabilities to respond and resolve customer tickets with context from past conversations across all channels, templated answers, guided workflows, and access to knowledge-based articles. Customers could access self-service capabilities on Sprinklr Service to seek resolution without agent involvement through chatbot and interactive voice response (IVR) functions. This frees up agents' time to focus on more complex issues. Sprinklr Service enabled organizations to undergo sentiment analysis, leverage social media for insights, and get a pulse check on how well their product is doing or the quality of their customer service. Key results from the investment include improved contact center agent productivity, avoided legacy system cost, and reduced contact center agent training costs.

KEY FINDINGS

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

- **Improved contact center agent productivity by \$3.97 million.** The composite organization reported that Sprinklr Service's canned responses, knowledge base, guided workflows, and bot resolution capabilities reduced handling time for queries received across their voice, email, chat, and social channels. The

reduction in handling time resulted in a productivity gain of \$3.97 million over a three-year period.

- **Avoided legacy system cost of \$799,000.** The composite organization retires its legacy point solution when it implements Sprinklr Service. The legacy solution required two IT managers to maintain it. After implementing Sprinklr Service, this yields a cost saving of \$799,000.
- **Reduced contact center agent training costs of \$79,000.** Implementing Sprinklr Service allowed the composite organization to unify siloed point systems, optimizing the need to train contact center agents on all the backend systems that support the organization's products and services. This reduction in training time reduced training costs of \$79,000 over a three-year period.

Three-year, risk-adjusted PV for improved contact center agent productivity:

\$3,969,236

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

- **Customized reporting.** Sprinklr's reporting capabilities eliminates the manual task of consolidating data from various point solutions and data sets to create reports. Its dashboarding capabilities also removes the need for external visualization tools, allowing employees to tweak the dashboard filters on the Sprinklr platform itself. Employees can thus conduct a detailed customization of reporting data and derive more precise insights.
- **Improved agent experience with a customizable user interface.** Agents can customize their agent desktop according to their preferences. They can dynamically design the look and feel of their workspace and provide feedback on future improvements they hope to see. With an interface built based on their needs, agents can work more effectively and efficiently.

- **Improved CX through a unified customer view.** Having a single view of the customer across channels allows for a more personalized customer support. The unified customer view improves the speed and quality of agent response, thus contributing to an improved CX for the composite organization.

“We had multiple point solutions for voice, email, and social media channels. Disintegrated system was one of the major problems we had. It was difficult to have a single view of the customer and resolve customer query.”

HEAD OF CX STRATEGY, MANUFACTURING

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

- **License costs of \$1.38 million.** These are enterprise licenses, which enable access to features and capabilities the composite organization needs.
- **Implementation and ongoing management costs of \$161,000.** This implementation cost accounts for the internal effort required during the design and deployment of Sprinklr Service. Sprinklr also charges a one-time implementation fee.
- **Contact center agent training costs totaling \$21,000.** Contact center agents require training to support change management and be onboarded onto Sprinklr’s platform. Training costs are generally kept low as change management is typically a seamless process with Sprinklr Service’s user-friendly interface. This cost can be further optimized with enablement from Sprinklr to manage this training in-house for scaled deployments.

The representative interviews and financial analysis found that a composite organization experiences benefits of \$4.85 million over three years versus costs of \$1.56 million, adding up to a net present value (NPV) of \$3.28 million and an ROI of 210%.

“We had a lot of systems in silo and data became fragmented. You need all the data strung together to give you an overall picture and better comprehension of your business, operations, and sentiments from your customers. You want a single data layer in a unified system housed in one platform.”

CUSTOMER CENTER MANAGER, IKEA RETAIL

“Through platform demonstrations, we found that we could automate a lot of processes and remove the requirement of having multiple manual agents across multiple channels.”

HEAD OF CX STRATEGY, MANUFACTURING



ROI

210%



BENEFITS PV

\$4.85M



NPV

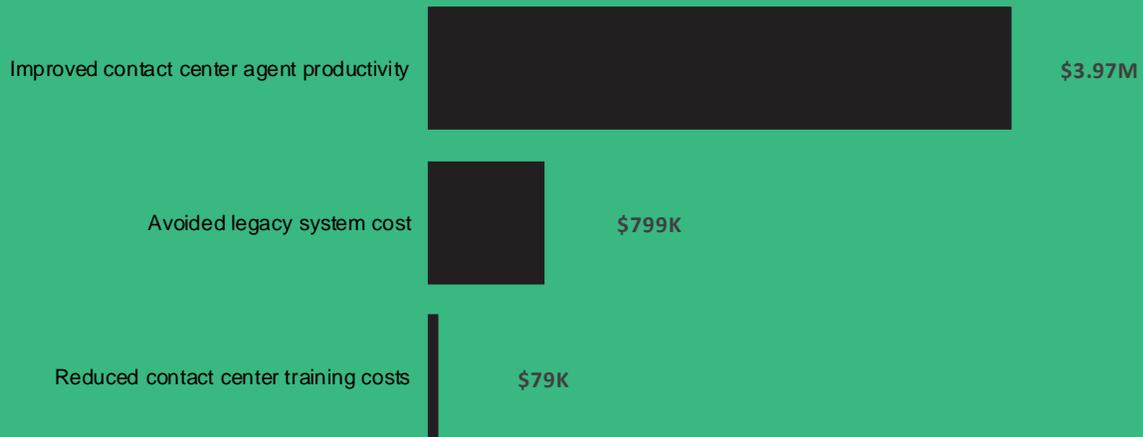
\$3.28M



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 Sprinklr Service.

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 Sprinklr Service can have on an organization.

DISCLOSURES

Readers should be aware of the following:

This study is commissioned by Sprinklr 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 Sprinklr Service.

Sprinklr 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.

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

1. Due Diligence

Interviewed Sprinklr stakeholders and Forrester analysts to gather data relative to Sprinklr Service.

2. Interviews

Interviewed three representatives at organizations using Sprinklr Service to obtain data about costs, benefits, and risks.

3. Composite Organization

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

4. Financial Model Framework

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

5. Case Study

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

The Sprinklr Service Customer Journey

Drivers leading to the Sprinklr Service investment

Interviews				
Role	Industry	Operating Region	Revenue (USD)	Sprinklr Service Channels
Customer center manager	IKEA Retail	Headquartered in the Netherlands with operations across- Singapore, Malaysia, Thailand, the Philippines, and Mexico	\$1.96 billion	Email, social media
Director of global customer care and social media	Manufacturing, pet food	Headquartered in the US with global operations	\$2.4 billion	Social media
Head of CX strategy, product and operations	Manufacturing, consumer electronics	Headquartered in India, operations within India	\$534 million	Voice, email chatbot, social media

KEY CHALLENGES

B2C organizations find it increasingly necessary to support multiple customer engagement channels as customer preferences have gradually changed. Organizations are also adopting different point solutions to adapt to this change. Each solution supports a channel, and over time, the organization finds itself purchasing multiple point solutions to deploy across the organization. This led to a disjointed CX as systems are siloed and do not share customer data, and that data and insights were not easily accessible for support staff.

Interviewees noted how their organizations struggled with common challenges, including:

- **Evolving customer engagement channels preferences.** Customers typically preferred to engage with businesses through voice and email channels, but the wait time and resolution time were relatively long. Customer preferences evolved over time, particularly accelerated by the COVID-19 pandemic, as customers increasingly engaged with businesses through digital channels such as social

media and chat. Organizations needed solutions to adapt to consumer demands, engage with consumers, and resolve their problems.

- **Siloed legacy point solutions.** Interviewees had multiple solutions for each channel, and different systems were purchased and deployed across the organization over time due to changing business needs. For instance, there could be separate solutions for social media, live chat, chatbot, voice, email, and analytics. This was a major problem especially for organizations with a large number of siloed point solutions that did not speak to one another. This limited their ability to derive customer insights from customer data as well. Interviewees needed a platform that could integrate solutions.
- **Poor CX.** Due to siloed point solutions, customer data was sprawled across the organization and multiple solutions, and it was difficult to offer a seamless omnichannel experience. For instance, customers who initially reached out via chatbot for product-related issues and continue to seek support via phone calls will find themselves repeating the same request to the chatbot. When point solutions are not integrated, customers' experiences with the organization becomes disjointed, resulting in poorer CX.
- **Inefficiencies in manual resolution by agents.** Agent productivity was lower due to limited functions and capabilities of legacy systems. Manual processes was the norm and resulted in longer handling time for both customers and employees. To improve productivity, agents needed tools such as accurate routing of calls/tickets to the right agents, canned responses, knowledge bases, AI functionalities, and conversation insights for sentiment analysis.

“Sprinklr embraces new features, such as partnerships with a major open-sourced AI large language model, then integrates and customizes them to Sprinklr’s ecosystem and ensures existing and future customers can benefit from them. Sprinklr’s not just a basic tool, they are scalable and they listen to your strategic needs.”

DIRECTOR OF GLOBAL CUSTOMER CARE AND SOCIAL MEDIA, MANUFACTURING

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 three 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 business-to-consumer organization has an annual revenue of US\$2 billion and operates within APAC, specifically in Singapore, Malaysia, Thailand, the Philippines, and India. To provide customer support for its consumer products, it operates with 300 customer service agents and receives about 18,000 queries across all channels daily.

Deployment characteristics. It holds an estimate of 353 Sprinklr Service licenses, where its current users are mainly segmented into active daily users (e.g., customer service agents) and the oversight team (e.g., leadership team, team leaders, country managers). The main use cases of Sprinklr service capabilities cuts across voice, email, social media and chatbot channels.

The composite organization assumes the need for one IT manager and three other business function leads (e.g., social media specialist, product manager) to implement the solution. Apart from this, SprinklR Service requires one IT manager FTE, typically the same person involved in implementation, for both the management and maintenance of the platform.

KEY ASSUMPTIONS

B2C organization

US\$2 billion annual revenue

300 customer service agents

18,000 queries received daily

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	Improved contact center agent productivity	\$1,309,090	\$1,609,115	\$1,929,028	\$4,847,233	\$3,969,236
Btr	Avoided legacy system cost	\$351,424	\$304,000	\$304,000	\$959,424	\$799,116
Ctr	Reduced contact center agent training costs	\$68,400	\$10,474	\$10,688	\$89,561	\$78,867
	Total benefits (risk-adjusted)	\$1,728,914	\$1,923,588	\$2,243,716	\$5,896,218	\$4,847,219

IMPROVED CONTACT CENTER AGENT PRODUCTIVITY

Evidence and data. Limited functionalities of legacy systems had relegated agents to manual workflows and resolution processes, often resulting in a longer handling time for customers. Using Sprinklr Service capabilities such as canned responses, knowledge base, and guided workflows, interviewees reported a reduction in handling time of queries received across their voice, email, chat and social media channels. This reduction in handling time was driven by four main ways:

- **The usage of canned responses.** Prior to Sprinklr, interviewees reported having to create a full response from scratch. Now, interviewees shared that their agents could use predefined responses to address a myriad of routine queries and use cases (e.g., on order status, product ordering, troubleshooting steps) for different products. Instead of typing out the placeholder details manually within the response templates, Sprinklr helped them autofill the details within the response templates (e.g., order date), hence reducing handling time.
- **Sprinklr’s unified knowledge base.** The head of CX strategy from the manufacturing organization mentioned that Sprinklr’s knowledge base provided agents with a centralized knowledge space to access information required to answer customer queries (e.g., FAQs, product specification), reducing the time taken to search for the answers from different systems and pages. Agents are

also suggested AI-recommended articles that guide their next steps in answering different customer queries, ultimately improving agents' efficiency.

- **Agent-facing guided workflows.** The same interviewee mentioned that predefined and automated business flows allowed the agent to simply run the defined path to perform certain actions during customer interactions. For example, they had about 15 to 20 guided workflows that supported a range of simple operations (e.g., order status) to complex ones (e.g., troubleshooting a product). This removed the need for agents to make additional changes in the backend operations or a separate system to solve a customer query. Agents also do not need to request additional access to the main system to perform this action. This has significantly reduced agents' handling time and cognitive load in their role.
- **Chatbot and IVR resolution.** Conversational AI chatbots have automatically routed customers to the answers they need and connected them to the relevant solution. This capability has guided customers to answer their own queries, enabling agents to decrease routine requests and focus on more complex queries. The same interviewee mentioned that their previous chatbot capabilities were only capable of handling simple scenarios (e.g., order status) and were not able to handle more complex queries that Sprinklr can.

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

- Customer service agents process 4,680,000 queries across all three channels (i.e., voice, email, chat and social media) annually. Eighty percent of these queries are received through voice channels, 15% of queries are through email channels, and 5% of queries are through chat and social media channels.
- Sprinklr Service completely resolves 30% of voice queries via IVR or chatbots in Year 1. This percentage grows to 45% in Year 2 and 60% in Year 3 as they empower customers to self-serve. The remaining 70% of voice queries in Year 1 are handled by agents, where they save an average of 1.5 minutes of handling time per voice query routed to them.
- Sprinklr Service completely resolves 50% of email queries via chatbots empowering customers to self-serve. The remaining 50% of email queries are

handled by agents, where they save an average of 2 minutes of handling time per email query routed to them.

- Sprinklr Service completely resolves 85% of chat and social media queries via chatbots empowering customers to self-serve. The remaining 15% of chat and social media queries are handled by agents, where they save an average of 1.8 minutes of handling time per chat and social media query routed to them.
- The average fully-burdened hourly rate for customer service agents is \$6 in Year 1, growing 2% year over year to \$6.20 in Year 3.
- Eighty percent of the total time saved by customer service agents is captured and reallocated into productive work.

Risks. The benefits tied to improved contact center agent productivity benefits may differ from those presented in the financial model due to:

- Different capabilities of legacy solutions.
- Variance in customer service agent's salary.
- Variance in productivity of customer service agents.
- Variance in adoption and utilization of Sprinklr Service.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$3.97 million.

Voice queries resolved by IVR or chatbot by Year 3:

60%

“We have nearly 20 social platforms globally. Whenever there is a comment or post about us, it pushes the conversation onto our main backbone CRM system. Sprinklr is filtering, alerting, and it goes to the right agents, so agents only need to use one interface.”

DIRECTOR OF GLOBAL CUSTOMER CARE AND SOCIAL MEDIA, MANUFACTURING

Improved Contact Center Agent Productivity

Ref.	Metric	Source	Year 1	Year 2	Year 3
A1	Queries (from all channels) per year	Composite	4,680,000	4,773,600	4,869,072
A2	Percentage of queries from voice channel	Composite	80%	80%	80%
A3	Queries from voice channel	A1*A2	3,744,000	3,818,880	3,895,258
A4	Percentage of voice queries resolved by IVR or chatbot	Composite	30%	45%	60%
A5	Voice queries resolved by IVR or chatbot	A3*A4	1,123,200	1,718,496	2,337,155
A6	Voice queries resolved by agents	(1-A4)*A3	2,620,800	2,100,384	1,558,103
A7	Voice queries handling time before Sprinklr (minutes)	Composite	7.5	7.5	7.5
A8	Voice queries handling time after Sprinklr (minutes)	Composite	6	6	6
A9	Time saved due to IVR or chatbot resolution (minutes)	A5*A7	8,424,000	12,888,720	17,528,663
A10	Time saved by agents with reduced resolution time (minutes)	A6*(A7-A8)	3,931,200	3,150,576	2,337,155
A11	Subtotal: Time saved on voice queries (hours)	(A9+A10)/60	205,920	267,322	331,097
A12	Percentage of queries from email channel	Composite	15%	15%	15%
A13	Queries from email channel	A1*A12	702,000	716,040	730,361
A14	Percentage of email queries resolved by chatbot	Composite	50%	50%	50%
A15	Email queries resolved by chatbot	A13*A14	351,000	358,020	365,181

ANALYSIS OF BENEFITS

A16	Emails queries resolved by agents	$(1-A14)*A13$	351,000	358,020	365,181
A17	Email queries handling time before Sprinklr (minutes)	Composite	10	10	10
A18	Email queries handling time after Sprinklr (minutes)	Composite	8	8	8
A19	Time saved due to bot resolution (minutes)	$A15*A17$	3,510,000	3,580,200	3,651,810
A20	Time saved by agents due to reduced resolution time (minutes)	$A16*(A17-A18)$	702,000	716,040	730,362
A21	Subtotal: Time saved on email queries (hours)	$(A19+A20)/60$	70,200	71,604	73,036
A22	Percentage of queries from chat and social media channels	Composite	5%	5%	5%
A23	Queries from chat and social media channels	$A1*A22$	234,000	238,680	243,454
A24	Percentage of chat and social media queries resolved by chatbot	Composite	85%	85%	85%
A25	Chat and social media queries resolved by chatbot	$A23*A24$	198,900	202,878	206,936
A26	Chat and social media queries resolved by agents	$(1-A24)*A23$	35,100	35,802	36,518
A27	Chat and social media queries handling time before Sprinklr (minutes)	Composite	7.8	7.8	7.8
A28	Chat and social media queries handling time after Sprinklr (minutes)	Composite	6	6	6
A29	Time saved due to bot resolution (minutes)	$A25*A27$	1,551,420	1,582,448	1,614,101
A30	Time saved by agents with reduced resolution time (minutes)	$A26*(A27-A28)$	63,180	64,444	65,732
A31	Subtotal: Time saved on chat and social media queries (hours)	$(A29+A30)/60$	26,910	27,448	27,997
A32	Total time saved (hours)	$A11+A21+A31$	303,030	366,374	432,130
A33	Average fully-burdened hourly salary of contact center agents	TEI standard	\$6.00	\$6.10	\$6.20
A34	Productivity factor	TEI standard	80%	80%	80%
At	Improved contact center agent productivity	$A1*A2*A4*A5$	\$1,454,544	\$1,787,905	\$2,143,365
	Risk adjustment	↓10%			
Atr	Improved contact center agent productivity (risk-adjusted)		\$1,309,090	\$1,609,115	\$1,929,028
Three-year total: \$4,847,233			Three-year present value: \$3,969,236		

AVOIDED LEGACY SYSTEM COST

Evidence and data. Interviewees reported that their organizations were using multiple point solutions for each communication channel before Sprinklr Service. Their organization did not have a centralized place that recorded a customer's past

interactions across all channels. Customer data is fragmented across different systems, making it difficult for organizations to provide a personalized and consistent customer experience. They also reported poor CX as customers often had to provide the same information multiple times across various channels.

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

- Its legacy solution costs \$400,000 in annual license fees.
- It requires two IT managers to maintain the legacy solution.
- Eighty percent of the total cost avoidance that came from retiring its legacy systems is attributable to Sprinklr.
- The average annual fully-burdened IT manager salary \$24,960. This grows 2% year over year.

Risks. The benefit that comes with the retirement of legacy systems may differ from the results presented in the financial model due to:

- Variations in the cost of the legacy solution.
- Variations in the time to implement Sprinklr service and transition away from legacy systems.
- Difference in overall IT infrastructure complexities.
- Difference in roles and number of IT managers required to manage the legacy solution.
- Variance in time spent managing legacy point solutions.

Results. To account for these risks, Forrester adjusted this benefit downward by 5%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$799,000.

Three-year, risk-adjusted cost avoidance from legacy systems:

\$799,116

“It was very difficult to have a single view of the customer and resolve customer queries. We were using separate platforms for voice, email, and social media; and customer insights were incoherently collected across these platforms. This created a lot of confusion for the agents, as they did not have a unified context of the customer. We wanted an omnichannel view of the customer for agents, which Sprinklr could provide.”

HEAD OF CX, MANUFACTURING

Avoided Legacy System Cost					
Ref.	Metric	Source	Year 1	Year 2	Year 3
B1	Cost of legacy system	Composite	\$400,000	\$400,000	\$400,000
B2	Cost avoidance attributable to Sprinklr	Composite	80%	80%	80%
B3	IT managers required for ongoing management of legacy solution	Composite	2	2	2
B4	Average fully-burdened annual salary of IT manager	TEI standard	\$24,960	\$24,960	\$24,960
Bt	Avoided legacy system cost	$B1*B2+B3*B4$	\$369,920	\$320,000	\$320,000
	Risk adjustment	↓5%			
Btr	Avoided legacy system cost (risk-adjusted)		\$351,424	\$304,000	\$304,000
Three-year total: \$959,424			Three-year present value: \$799,116		

REDUCED CONTACT CENTER AGENT TRAINING COSTS

Evidence and data. Interviewees revealed that contact center agents used to be inundated with learning multiple systems and platforms to support customer queries. For instance, checking customers' warranty status involved at least accessing two other systems to obtain the necessary information. Therefore, contact center agents were required to go through complex training on the array of systems used by the organization, and this significantly increased training times.

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

- All agents undergo training with a 15% attrition rate, and only newly joined agents are trained.
- Agents undergo both technical and process-related training.
- Overall, training is reduced by six days, from 17 to 11, mainly due to a reduction in process-related training.
- Eighty-five percent of this time savings is attributable to Sprinklr. The rest could be attributable to other process improvements by the composite organization.
- The average fully-burdened salary of a contact center agent increases by 2% year over year.

Risks. An organization's ability to experience reduction in contact center agent training costs will vary due to differences in:

- Length and complexity of contact center agent training.
- Annual salary of contact center agents.

Results. To account for these risks, Forrester adjusted this benefit downward by 5%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$79,000.

Total agent training days saved with Sprinklr Service in Year 1:

1,500

“We went from reactive in three to four weeks to three to four days for crisis management. We get the right questions to the right agents immediately. Sprinklr AI generates insights in real time too.”

CUSTOMER CENTER MANAGER, IKEA RETAIL

Reduced Contact Center Agent Training Costs					
Ref.	Metric	Source	Year 1	Year 2	Year 3
C1	Contact center agents	Composite	300	300	300
C2	Percentage of agents requiring training	Composite	100%	15%	15%
C3	Contact center agents requiring training	C1*C2	300	45	45
C4	Days needed for training before Sprinklr	Composite	17	17	17
C5	Days needed for training after Sprinklr	Composite	11	11	11
C6	Number of training days saved	C4-C5	6	6	6
C7	Percentage of time savings attributable to Sprinklr	Composite	85%	85%	85%
C8	Training days saved due to Sprinklr	C6*C7	5	5	5
C9	Total training days saved due to Sprinklr	C3*C8	1,500	225	225
C10	Average fully-burdened daily salary of contact center agents	TEI standard	\$48	\$49	\$50
Ct	Reduced contact center agent training costs	C9*C10	\$72,000	\$11,025	\$11,250
	Risk adjustment	↓5%			
Ctr	Reduced contact center agent training costs (risk-adjusted)		\$68,400	\$10,474	\$10,688
Three-year total: \$89,561			Three-year present value: \$78,867		

UNQUANTIFIED BENEFITS

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

- Customized reporting.** Sprinklr's reporting capabilities eliminated the need for employees to manually download and consolidate data from various point solutions and datasets. Its dashboarding capabilities also removed the need for external visualization tools. For example, The head of CX strategy from the manufacturing organization mentioned that their previous solution lacked tagging or reporting capabilities within their channels, resulting in employees having to manually review and tag all emails. Furthermore, Sprinklr's dashboarding capabilities allowed them to tweak the desired filters for reporting within the

platform itself. With Sprinklr, employees could work faster as they spent less time on manually generating reports on a routine basis.

Sprinklr's enhanced reporting capabilities also enabled a higher level of granularity in data reporting. The same interviewee mentioned that before Sprinklr, obtaining specific data required coordinating with the platform team to build custom views or reports. With Sprinklr, their organization could conduct data analytics to derive more detailed insights without relying on external teams for assistance.

- **Improved agents' experience with a customizable user interface.** The **customer center manager from IKEA Retail** touched upon the flexibility to have a user interface customized to the preferences of customer service agents. Sprinklr's ability to tailor agent desktop layouts enabled agents to have a preference on the information they need to see, customize their interface, and share future improvements they would like to see.
- **Improved CX through a unified customer view.** The head of CX Strategy from the manufacturing organization reported that CX has augmented over the past 12 to 18 months, mainly attributing the improvement to their agent's increased speed and response quality. Improvement in Customer Satisfaction Score (CSAT) was most apparent for voice channel, with scores improving from 60% to 75% on average. Implementing Sprinklr service have given agents access to an omnichannel view of the customer across channels and provide them with a more personalized support.

“The number of customer agents we manage varies with the on and off-peak season and sales. Greater stability in agent recruitment (with improved passing rate of agent training) allows for greater estimation of headcounts during varied business seasons.”

HEAD OF CX STRATEGY, MANUFACTURING

“Cross-functional teams also use Sprinklr, and they get data reporting from the dashboards. For instance, if the marketing team wants to run promotional campaigns, they can get a lot of customer data from Sprinklr because everything is recorded.”

HEAD OF CX STRATEGY, MANUFACTURING

FLEXIBILITY

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

- **Greater stability in the recruitment of agents and customer support capacity.** Prior to Sprinklr Service, agents had a passing rate of 60% to 65% after undergoing training. After implementing Sprinklr, this passing rate has significantly improved to 80%, resulting in less effort required for recruitment and training to staff customer support teams. There is greater stability in agent recruitment, allowing for a more accurate forecast of headcounts in varying business seasons and demands. This stability ensures that the organization has the right number of agents to handle customer inquiries and provide timely support, resulting in improved customer satisfaction.
- **Continuous improvement to agent’s service standards.** The head of CX strategy from the manufacturing organization also mentioned that Sprinklr’s quality audit module had automated the scoring of conversations between their customers and agents. This feature enabled them to identify areas where agents may be falling behind and provided valuable insights for targeted training and improvement. Furthermore, Sprinklr’s reporting capabilities enabled agents to

gain deeper insights to provide actionable steps for improvement. For example, the customer center manager from IKEA Retail mentioned that weekly reports generated for leadership meetings enabled the categorization of the types of inquiries received through wrap-up codes, allowing them to identify areas where service standards can be enhanced.

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
Dtr	License cost	\$0	\$555,975	\$555,975	\$555,975	\$1,667,925	\$1,382,628
Etr	Implementation and ongoing management costs	\$92,536	\$27,456	\$27,456	\$27,456	\$174,904	\$160,815
Ftr	Contact center agent training cost	\$15,120	\$2,268	\$2,315	\$2,363	\$22,066	\$20,870
	Total costs (risk-adjusted)	\$107,656	\$585,699	\$585,746	\$585,794	\$1,864,895	\$1,564,313

LICENSE COST

Evidence and data. Sprinklr Service only charges license fees as an ongoing cost. The licenses, for the purpose of this study, are the enterprise version. The license purchased depends on the use cases of the organization. For an accurate quote on the license fees, please contact Sprinklr.

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

- Each contact center agent requires a license.
- The annual license fee per seat is \$1,500.

Risks. The license fees will vary among organizations based on:

- The type of license purchased.
- The number of contact center agents.

Results. To account for these risks, Forrester adjusted this cost upward by 5%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$1.38 million.

License Cost						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
D1	Licenses	C1/85%	0	353	353	353
D2	Annual license fee per seat	Composite	\$0	\$1,500	\$1,500	\$1,500
Dt	License cost	D1*D2	\$0	\$529,500	\$529,500	\$529,500
	Risk adjustment	↑5%				
Dtr	License cost (risk-adjusted)		\$0	\$555,975	\$555,975	\$555,975
Three-year total: \$1,667,925			Three-year present value: \$1,382,628			

IMPLEMENTATION AND ONGOING MANAGEMENT COSTS

Evidence and data. Implementation efforts depends on the scale of the deployment, complexity of existing processes and backend systems, and the implementation cost charged by Sprinklr.

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

- Typically, at least one IT manager is involved as the product owner of Sprinklr Service. Another three business specialists or function leads, such as social media specialists and product managers are also involved in implementation.
- Implementation takes place over a period of 10 months and it requires 20% of each involved individuals' time.
- Sprinklr charges a one-time implementation cost.
- Sprinklr Service requires ongoing management and maintenance. This typically requires one IT manager FTE.

Risks. The implementation and ongoing management costs will vary among organizations based on:

- Complexity of deployment.
- Salaries of IT manager(s) and function leads.
- Number of geographies Sprinklr Service is deployed across.

ANALYSIS OF COSTS

Results. To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$161,000.

Implementation And Ongoing Management Costs						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
E1	IT managers involved in implementation	Composite	1	0	0	0
E2	Business function leads involved in implementation	Composite	3	0	0	0
E3	Percentage of time spent on implementation	Composite	20%	0%	0%	0%
E4	Months spent on implementation	Composite	10	0	0	0
E5	IT manager manhours spent on implementing Sprinklr	$E1 * E3 * E4 / 12 * 2080$	347	0	0	0
E6	Business function leads' manhours spent on implementing Sprinklr	$E2 * E3 * E4 / 12 * 2080$	1,040	0	0	0
E7	Average fully-burdened hourly salary of IT manager	TEI standard	\$12	\$12	\$12	\$12
E8	Average fully-burdened hourly salary of business function heads	TEI standard	\$24	\$0	\$0	\$0
E9	One-time implementation cost	Composite	\$55,000	\$0	\$0	\$0
E10	Implementation cost	$E5 * E7 + E6 * E8 + E9$	\$84,124	\$0	\$0	\$0
E11	IT managers required for ongoing management of Sprinklr	Composite	0	1	1	1
E12	Ongoing management cost	$E11 * E7 * 2080$	\$0	\$24,960	\$24,960	\$24,960
Et	Implementation and ongoing management costs	$E10 + E12$	\$84,124	\$24,960	\$24,960	\$24,960
	Risk adjustment	↑10%				
Etr	Implementation and ongoing management costs (risk-adjusted)		\$92,536	\$27,456	\$27,456	\$27,456
Three-year total: \$174,904			Three-year present value: \$160,815			

CONTACT CENTER AGENT TRAINING COST

Evidence and data. All contact center agents need to be trained on the new Sprinklr platform initially. From Year 1, only new agents need to be trained.

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

- Agents require one training day to be onboarded onto the Sprinklr platform.

ANALYSIS OF COSTS

- Only new agents need to be trained.
- The annual attrition rate is held constant at 15%.
- The average fully-burdened salary of a contact center agent is \$48 per day. This salary is based on a blended figure of contact center agents from five countries in APAC.

Risks. The contact center agent training cost will vary among organizations based on:

- The number of contact center agents trained.
- The complexity of deployment which will impact the number of days of training required.
- The salaries of contact center agents.

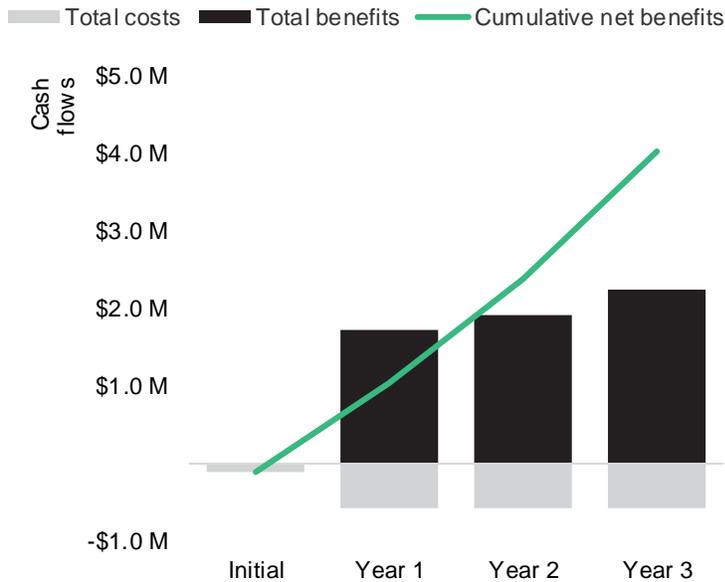
Results. To account for these risks, Forrester adjusted this cost upward by 5%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$21,000.

Contact Center Agent Training Cost						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
F1	Contact center agents	C1	300	300	300	300
F2	Percentage of contact center agents who require training	C2	100%	15%	15%	15%
F3	Contact center agents who received training	F1*F2	300	45	45	45
F4	Days required for training	Composite	1	1	1	1
F5	Total number of days for training	F3*F4	300	45	45	45
F6	Average fully-burdened daily salary of contact center agents	C10	\$48	\$48	\$49	\$50
Ft	Contact center agent training cost	F5*F6	\$14,400	\$2,160	\$2,205	\$2,250
	Risk adjustment	↑5%				
Ftr	Contact center agent training cost (risk-adjusted)		\$15,120	\$2,268	\$2,315	\$2,363
Three-year total: \$22,066			Three-year present value: \$20,870			

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	(\$107,656)	(\$585,699)	(\$585,746)	(\$585,794)	(\$1,864,895)	(\$1,564,313)
Total benefits	\$0	\$1,728,914	\$1,923,588	\$2,243,716	\$5,896,218	\$4,847,219
Net benefits	(\$107,656)	\$1,143,215	\$1,337,842	\$1,657,922	\$4,031,323	\$3,282,906
ROI						210%
Payback period (months)						Less than 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."

Present Value (PV)

The present or current value of (discounted) cost and benefit estimates given at an interest rate (the discount rate). The PV of costs and benefits feed into the total NPV of cash flows.

Net Present Value (NPV)

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

Return on investment (ROI)

A project's expected return in percentage terms. ROI is calculated by dividing net benefits (benefits less costs) by costs.

Discount rate

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

Payback period

The breakeven point for an investment. This is the point in time at which net benefits (benefits minus costs) equal initial investment or cost.

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

APPENDIX B: ENDNOTES

¹ 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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