Total Economic Impact

The Total Economic Impact™ Of Zendesk

Cost Savings And Business Benefits Enabled By Zendesk

A FORRESTER TOTAL ECONOMIC IMPACT STUDY COMMISSIONED BY ZENDESK, JULY 2025



Executive Summary

To meet customer demand, high-growth companies must leverage an Al-powered, robust, scalable, and omnichannel solution that personalizes customer experience across services, centralizes knowledge for support teams, and generates data and insights for accurate forecasting. High-growth companies must scale conscientiously and control operational costs with expansion, as these companies require technology that increases flexibility and agility to meet customer demand while minimizing risk. As organizations strive to deliver seamless and efficient support across multiple channels, the need for integrated systems becomes paramount.

Zendesk offers an Al-powered solution to support customer service, employee service, and contact center operations. At its core, the Zendesk Suite powers personalized, omnichannel support and streamlined case management, and the broader platform integrates automated workforce management and quality assurance to optimize operations. Built on a unified foundation, Zendesk connects data and workflows across systems and channels to deliver resolutions — backed by a native knowledge base, customizable Agent Workspace, and more than 1,600 marketplace apps with enterprise-grade security.

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

301%

\$23.2M

Return on investment (ROI) ①

Net present value (NPV) ①

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed eight decision-makers across seven organizations with experience using Zendesk. For the purposes of this study, Forrester aggregated the experiences of the interviewees and combined the results into a single <u>composite organization</u>, which is a high-growth, US-based B2B and B2C organization with global operations and \$1.5 billion in annual revenue.

Interviewees said that prior to using Zendesk, their organizations considered CRMs that proved resource-consuming to customize, as well as point solutions, inboxes, spreadsheets, or homegrown solutions to manage customer inquiries. However, these prior attempts to support customer service centers yielded limited success, leaving organizations with costly updates and integrations; a sprawling and difficult-to-maintain environment across disparate tools; gaps in data resulting in the inability to observe, anticipate, and proactively address trends; and an overall inability to scale. These limitations led to high employee attrition, low customer satisfaction, and increased customer inquiry volumes that required overtime, additional hires, or gained efficiencies to address; otherwise, a portion of the inquiry volumes left unaddressed in backlog resulted in lost customers and lost revenue.

After the investment in Zendesk, the interviewees successfully scaled and equipped their customer support centers to handle inquiry/ticket volumes with business growth. Key results from the investment include reduced contact rate, increased automated resolutions, reduced handle time, improved agent retention and accelerated onboarding, faster integration and speed to value, legacy environment savings from decommissioned tools and reallocated effort to high-

priority initiatives, and additional profit from product and experience improvements that increased customer satisfaction.

Key Findings

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

- Reduced contact rate of 25%. Insights from Zendesk's native analytics drives improvements to its self-help center, products, and experiences, which reduces the composite's contact per order rate, eliminates excess tickets, and negates the need for overtime or additional hires. Over three years, the reduced contact rate is worth \$10.3 million to the composite organization.
- Automated resolutions for 30% of inquiries. With Zendesk's AI agents, the composite organization eliminates the
 need for human handling of most of its lower-tiered contact reasons, such as order tracking, order updates, hours of
 operation, return policy and processing, and other information. Over three years, the automated resolutions are
 worth \$6.5 million to the composite organization.
- Reduced handle time by 3 minutes. Zendesk's unified Agent Workspace enables the composite to drive team
 productivity for higher-tier inquiries through integration with a centralized knowledge base and Al-assisted tools
 from Zendesk copilot. Zendesk's centralized knowledge base powered with Al assistance enables the composite to
 foster a speedier, better-performing, and more collaborative team, even for higher-tier inquiries with above average
 handle times. Over three years, reduced handle time is worth \$6.6 million to the composite organization.
- Decreased agent attrition rate of 65% and accelerated agent onboarding of 67%. Customer service center
 employee satisfaction rises with the more collaborative culture and in-depth onboarding, as agents feel wellprepared and well-supported to engage with customers. The composite accelerates onboarding through Zendesk's
 Al capabilities, particularly copilot, and its integrated knowledge base, which provide real-time guidance, surface
 relevant examples, and enable scenario-based training instead of relying on ad hoc learning over weeks or months.
 Over three years, decreased attrition and accelerated onboarding are worth \$3.2 million to the composite
 organization.
- Saved implementation labor of 70% and ongoing maintenance labor of 50%. Zendesk's low-code and no-code environment, simple UX, business tooling, and public APIs facilitate integrations for the composite organization, allowing it to spin up new instances, migrate to new channels, and support new product launches with customer success teams more quickly. Over three years, faster integration and speed to value is worth \$910,000 to the composite organization.
- Saved \$250,000 in licensing and reallocated four FTEs from manual ticket routing, reviews, and reporting. As a
 result of implementing Zendesk, the composite decommissions legacy inboxes, telephony solutions, and portions of
 a previously deployed CRM. As it grows to an enterprise, the composite also reallocates efforts needed in its prior
 environment to route and review customer interactions manually. Over three years, legacy environment savings are
 worth \$1.3 million to the composite organization.
- Additional profit of 1%. Due to proactive messaging as well as product and customer experience improvements, the composite organization increases transactions on top of its expected 10% growth, resulting in increased revenue.

 Over three years, the additional profit is worth \$2 million to the composite organization.

Additional value. The composite organization also realizes benefits that, although not quantified in this study, contribute meaningful value:

- Improved customer satisfaction scores. Customer satisfaction scores improve an average of 10 points with Zendesk as interactions with agents are friendlier, speedier, more informative, and more effective, requiring fewer contacts to resolve.
- Improved quality assurance. Before Zendesk, supervisors sampled a small portion of customer service interactions to review quality and train agents. Agent performance for the composite improves noticeably once Zendesk enables automated quality assurance reviews on all interactions, and supervisors shift their focus to training and mentoring based on newly visible performance trends.
- **Employee upskilling.** Implementing automated tracking and trend observability empowers managers and agents to enhance their skills. Supervisors redirect their efforts from routing and reviewing to training and mentoring their teams.
- Cleared enterprise security requirements. Zendesk offers trust and safety tooling and auditing. It also offers guidance for responsible Al use and customer-facing documentation on trust and security practices. In addition to built-in security, Zendesk offers an Advanced Data Privacy and Protection add-on for encryption options to protect data.

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

- Subscription and professional services. The composite organization incurs subscription costs for agent licenses and automated resolutions. It also engages Zendesk premier support to optimize its Zendesk strategy. Over three years, the composite invests \$5.1 million in subscription and professional services costs.
- Implementation and maintenance. The composite outlines priorities and aligns stakeholders on a staggered timeline, and five developer and business FTEs dedicate 10 months to a phased rollout of the full Zendesk solution, beginning with the core suite and followed by add-ons. Ongoing maintenance requires one FTE in Years 1 and 2 and one-and-a-half FTEs in Year 3 as the composite grows. Over three years, the composite invests \$1 million in implementation and maintenance.
- Data and analysis for product and experience improvement. Zendesk enables the composite organization to apply strategic decisions based on customer feedback and gathered insights that result in increased profit from product and experience improvements. The data and insights Zendesk generates empowers the composite organization to launch improvements that it otherwise could not feasibly create in short periods. Over three years, the composite invests \$424,000 to reviewing, analyzing, socializing, and using data.
- Onboarding and ongoing training. The composite spends three weeks onboarding its customer success agents and supervisors and dedicates 4 hours annually to ongoing training for new features and functionalities that Zendesk provides. Over three years, the composite invests \$1.2 million to onboarding and ongoing training.

The financial analysis that is based on the interviews found that a composite organization experiences benefits of \$30.9 million over three years versus costs of \$7.7 million, adding up to a net present value (NPV) of \$23.2 million and an ROI of 301%.

"Zendesk is a true omnichannel solution that plays very well with other software.

Zendesk has a Workforce Management (WFM) solution and a QA solution in-house, but they still connect well with custom solutions and provide great service. The ability to handle chats, emails, phones, and text messages in a single object — the ticket — is a great convenience and function. The reporting suite is excellent and gets even better by the year."

Senior lead, Zendesk & support tools administrator, services

Key Statistics

\$30.9M

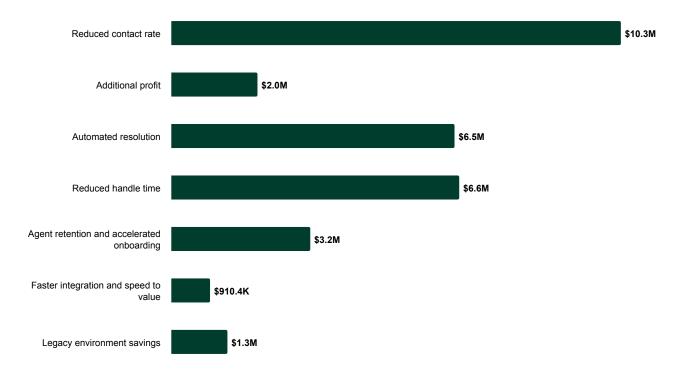
Return on investment (ROI) ①

\$23.2M

Net present value (NPV) ①

Payback ①

Benefits (Three-Year)

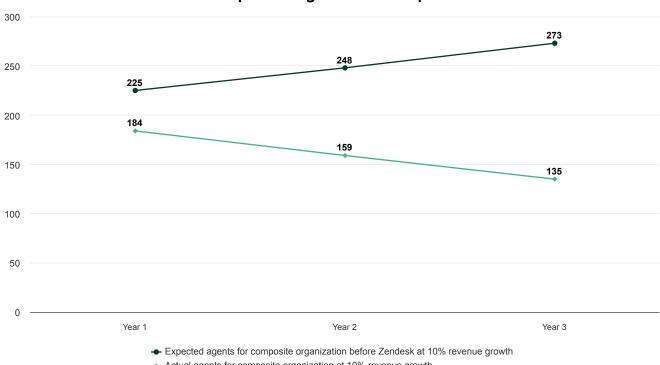


Zendesk: A Story Of Scalability

"Without Zendesk, I'd conservatively need twice as many people to do what we're doing now."

Director of customer services, retail

With Zendesk: Actual Versus Expected Agents For Composite At 10% Revenue Growth



→ Actual agents for composite organization at 10% revenue growth

As the composite's revenue grows, it scales down its number of agents. Zendesk enables this operational scalability through a combination of capabilities — including streamlined case management, Al-powered automation, workforce management, and native quality assurance. Together, these tools help teams manage fluctuating inquiry volumes driven by seasonality, product promotions, or rapid growth. Interviewees noted that scalability for their high-growth organizations was a driving factor for choosing Zendesk.

Improved agent efficiency

202%

"We have [another solution] at our company that we could expand to also use for this function. With that [alternative solution], I have 30 developers for the same number of licenses as Zendesk. I have four developers for Zendesk. Last year, we started January with 2.3 million subscribers and doubled it to 4 million by December. I started the year with 700 Zendesk licenses and reduced it to 500 licenses. So the company has doubled in growth, and I need half the licenses."

Technical program director, health and wellness

"We did a rigorous analysis of about 14 different chatbot vendors in 2022, and we narrowed it down to three top vendors. [Zendesk] Al agents was the ultimate answer. That's because it was much more adapted for our multilanguage setup. We're in nine countries. The previous vendor had underdelivered on multilanguage capabilities, which was one of the reasons we were pushed away from it. And Al agents was the faster solution to onboard. It allowed us to quickly import our existing translated text that we had for the previous vendor into our new one."

Senior lead, Zendesk & support tools administrator, services

"The Zendesk WFM system has proven to be an invaluable tool for our operations, particularly in measuring the agents' occupancy rate with a higher degree of accuracy. This enhanced measurement capability allows us to precisely identify periods when agents are idle and not actively working on customer tickets, leading to improved productivity and resource allocation. Furthermore, the system has streamlined our schedule management processes, making it easier to create, adjust, and maintain agent schedules. It provides a more organized approach to scheduling, ensuring that we can meet demand while optimizing workforce efficiency. Additionally, the integration of Zendesk WFM with our existing Zendesk profiles means that the management of agents is significantly simplified. By leveraging the data from employees' current profiles, the system enhances the overall experience for both agents and management, allowing for more effective oversight and support for our team members."

Technical program director, health and wellness

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The Zendesk Customer Journey

Drivers leading to the Zendesk investment

Interviews			
Role	Industry	Region	Revenue
Vice president	E-commerce	APAC	Private
Technical program director	Health and wellness	Latin America	Private
Director of e-commerce customer experience, payments, and fraud	Retail	Global	\$6.4 billion
Vice president of operations and customer experience	Technology	AMER	\$2.4 billion
Senior director of support			
Senior vice president of digital operations	Broadcasting	AMER	\$1.25 billion
Director of customer services	Retail	EMEA	\$400 million
Senior lead, Zendesk & support tools administrator	Services	Global	\$300 million

Key Challenges

Before investing in Zendesk, interviewees' organizations experienced a volume of customer inquiries that rendered their shared inboxes and homegrown solutions ineffective in addressing customer demand and unlocking potential business growth. Some interviewees considered CRMs that required specializations for which resources would be difficult to obtain; others invested in homegrown customer service solutions, which, although customized well for the organization, also did not scale, consumed IT admin and developer resources, and involved complex or lengthy integrations. Others used point solutions dispersed across business units, creating information silos with irreconcilable data discrepancies.

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

- Low vendor visibility into customer profiles, behaviors, and data. Explaining how their organization gauged customer experience performance despite lacking data, the vice president in the e-commerce industry described many experiences so frustrating that customers abandoned the contact thread and never returned, which resulted in lost revenue. Before investing in Zendesk, the interviewee's organization was aware of a high level of frustrating experiences resulting in customer churn but had too little visibility into the challenges to address them proactively. They said: "There was too much we just didn't know. We had very little visibility into the number of times a customer had to recontact us to fix the same issue. We knew the handle times because we telemetry on either telephone or chat, but we didn't know actual processing times or if we were meeting service level agreements (SLAs). We had no idea if a customer was disgruntled and simply abandoned. There was no alert to leadership or to the individual employee owning the conversation."
- Low customer visibility into vendor progress. The senior vice president of digital operations in broadcasting noted that their organization also used an environment of basic inboxes and phone lines without a ticketing system. They

remarked that in addition to organizational blind spots, customers did not have visibility into whether the company had received or addressed their queries. They said: "It wasn't a great experience for our listeners because we just emailed back and forth, and they wouldn't know we'd received their email until we responded. Whereas, when they send in a ticket or they use the Al chat, they receive an immediate message that instills confidence and assurance. Through email, there was no way to have any indication of progress in the communication."

- Lack of insights into agent performance and service gaps. The lack of data further inhibited the ability to make strategic decisions at an organizational level, effectively resource teams, resolve product and experience issues, or reduce customer contact rates to manageable volumes. The director of e-commerce customer experience, payments, and fraud in the retail industry noted her contact per order rate was 35% to 45% before Zendesk. The senior vice president of digital operations in broadcasting added, "I could not tell you trends unless someone was either manually or mentally tracking how many inquiries we received per issue. So we could not properly deduce issues, resource to build solutions, or support the work of our teams to reduce customer complaints. There was no trend analysis or way to quickly identify a pattern. It was not tenable. We could not decide where to focus efforts. Now, with Zendesk, we have just one platform to manage and lots of deeper visibility."
- Resource-consuming manual processes over multiple platforms. Besides tracking emails, coding issues, and
 noticing trends, manual processes before Zendesk also included routing tickets. The director of customer services
 in the retail industry described that prior to Zendesk, a manager would need to sort the tickets that had been added
 to a sprawling list and route them to agents. Quality assurance was also manual and ineffective, as managers could
 only sample up to 10% of interactions for quality reviews due to insufficient resources.
- Lack of an omnichannel experience. Several interviewees offered one or two disjointed communications channels to customers, typically telephone and email, but occasionally messaging or chat. Interviewees had a sense that a poorly integrated experience was adding to service gaps, but did not realize how much of a gap until migrating to Zendesk. The director of customer services in retail said, "When we first opened [a chat line of communication], the takeoff on that function was huge. It became the second-biggest contact channel quite quickly. Initially, 25% of contacts come through that channel."
- **Prohibitively slow integrations.** The senior director of support in the technology industry said that adding a channel like chat before Zendesk could take months. Zendesk provided business-oriented tooling to configure channels, queues, and workflows easily, and its low-code/no-code tooling simplified the extension and integration of Zendesk with common programming languages without a large or specialized IT lift.
- Inability to scale with decentralized platforms. All interviewees found the notion of scaling their prior environments' disparate tools to meet customer needs dauting and infeasible. The senior director of support in the technology industry summed up their prior state, "We had multiple different business units within our group and utilized different tooling solutions." The vice president of operations and customer experience in the technology industry said: "Our inability to scale was a large factor for choosing Zendesk. Otherwise, if you build a solution for approximately 30 business units at once, you have to repeat that 30 times. The right business decision was a solution that was scalable and enhanced our capabilities across the board." The vice president, whose organization used a homegrown solution prior to Zendesk, noted: "Our scalability concerns were that everything was purpose-built. It was only useful for e-commerce customer service. We couldn't support any of the business verticals except for traditional contact center customer support. We just couldn't do any business other than the one thing it was built for without building another thing." The organization needed 15 engineers to support just the e-commerce customer service portion of the business on its custom platform.
- **High attrition from poor employee experience.** Interviewees noted that employees were unhappy at work. The director of customer service in the retail industry and the vice president in the e-commerce industry reported

unusually high attrition rates, even considering that customer service generally experiences higher attrition rates compared to other roles. The director of customer services in retail said that at their organization, the average length of service in customer service before Zendesk was less than a year.

• Lost revenue from poor customer experience. Several interviewees tied poor customer experience directly to impacts on revenue. The senior vice president of digital operations in broadcasting noted that when listeners were less engaged, advertisers were less likely to buy airtime. The director of customer services in retail said: "Separate email threads and calls lead to poor experiences. Even when you don't have the data to quantify that, it's quite easy to see the link between poor experience and revenue. That leads to failed orders and increased refunds." Beyond manually tracked interactions across disparate tools resulting in insufficient data and a poor customer experience, the interviewees' prior environments lacked optimal centralization for functionalities like proactive messaging to suggest related products and services to customers and enhance revenue streams.

Why Zendesk?

Interviewees described entering a new era of optimism and growth grounded in partnership and strategy with Zendesk. The technical program director in the health and wellness industry explained: "We acquired a startup. And this company had several folks that were former employees from large Silicon Valley tech companies. They have a precise way of working and data that has very low margins of error. So we wanted a real strategy that put growth and scalability at the forefront. At the same time, when we underwent these acquisitions, we started a new era at our own company." This meant that interviewees needed to socialize, centralize, and scale. They chose Zendesk due to the following factors:

- Better leverage of AI. The senior lead of Zendesk and support tools administrator in the services industry mentioned that a prior AI solution didn't meet their organization's product expectations, which prompted them to explore other solutions: "We had a partnership with another vendor who was providing an early agent assist tool, and they had offered us a chatbot as part of a discount with the program. We said sure. We partnered with this company and found that we didn't care for their product, but we did see potential in there being a better product on the market that might be a better fit for us." The better-suited product for the interviewee's organization was AI agents from Zendesk. The interviewee said: "Out of the gate, [AI agents] has been very strong for multilanguage. Building out flows has been easy, detailed, and effective. We found a really good self-service rate through [AI agents]."
- Fast implementation with low-code and no-code. The technical program director in health and wellness said, "The first thing about Zendesk anyone should know is that your instances with Zendesk have lots of no-code or low-code features." Interviewees noted that even without technical knowledge, team members can access the Zendesk website to create a career path and learn about the platform. The technical program director explained: "You don't need to sophisticate what you already have. You don't need to hire people with specific, proprietary knowledge who are certified in alternative platforms. With Zendesk, you can use programming, scripting, and web development languages that are very common in the market. For a small or medium growing business, Zendesk is perfect. And by the time you are a much larger enterprise and need to sophisticate the Zendesk solution, you just need maybe one to two more regular developers. Other platforms require deeper specificity." Developers saved time with Zendesk as integrations were easy to build and configure, and they could reuse preexisting API integrations. Customer service organizations could scale and add channels without heavily burdening the IT team, which led to fuller control for leaders in customer service and faster time to value for supporting new launches.

The director of customer services in the retail industry described the overall ease compared to other solutions. They said: "Zendesk was an easy choice, and it was also an easy integration. I don't come from an IT background and am not particularly technical. I don't want to be beholden to an IT department for changes. If I need to make a change, or need a template or workflow, or to modify the look and feel of the help center page, I don't want to put myself in the queue behind somebody who wants to update the website or the HR team who wants to change the payroll system." The ease of the Zendesk platform relieved the pressure points of interdepartmental bottlenecks.

• Omnichannel capabilities. Overwhelmingly, interviewees identified Zendesk's expertise in supporting omnichannel experiences and providing a full view of customer interactions across channels as deciding factors. The vice president of operations and customer experience in the technology industry said: "The number one reason we chose Zendesk is that it had omnichannel support experience backed by a robust ticketing solution. We wanted to scale and support multiple business units on a single tool across multiple channels. We had a whole bunch of different use cases that need to be supported. We felt Zendesk provided the best overall support experience for our customers."

The technical program director in the health and wellness industry said: "When we look at our quality checks for customer satisfaction, like the contact rate, the number of people consuming our articles, or our Zendesk platform as a whole, we are able to organize the share of contacts between all the features. Some people don't want to read, and they go directly to the chat, or some people want to send an email, and that's fine. And that's what the omnichannel capability that Zendesk offers helps us deliver: the best option for the customer in their preferred channel. One of the first things that we did this year was launch the omnichannel capability and offer several channels depending on customer preference."

• Better data visibility through a centralized platform. The need for change primarily emerged from interviewees' desire to elevate the customer experience, and they identified the importance of selecting a partner that delivered with higher performance and data than their prior environments. The director of e-commerce customer experience, payments, and fraud in the retail industry said: "We had specific goals around improving overall customer experience. To achieve them, we needed to have better data analytics, more control of our data, and more visibility into performance metrics. Basically, we needed to centralize our tools and our platform. Zendesk was appealing because we had all our tickets for all our channels housed centrally, which opened the ability to report, recreate reporting, and manage and control the content in both our agent-facing and customer-facing knowledge bases. This centralization created ease of use for our agents so they could elevate the experience for customers."

The senior director of support in the technology industry said: "Lack of knowing — because all of these different systems led to limited visibility — posed a problem for us. The desire for transparency and oversight led us to Zendesk."

Investment Objectives

The interviewees searched for a solution that could:

- Reduce ticket volume and improve containment through Al-powered self-service, Al agents, and routine inquiry automation.
- Deliver fast, personalized support by unifying all customer communications and context into a single omnichannel workspace.
- Improve agent productivity and retention with a centralized workspace, real-time AI guidance, and performance tools that streamline onboarding and daily workflows.

- Increase operational efficiency and service quality by automating triage, routing, repetitive tasks, and QA across all
 interactions
- Scale globally with flexible, low-code configuration and seamless integration into existing systems without heavy IT support.
- Optimize staffing and drive strategic decisions with Al-powered forecasting, workforce management, and real-time analytics.

"If a company core value is around customer-centricity, it's important to understand the customers' needs and how to meet them. The Zendesk Suite of tools helps us communicate with customers and furthermore better understand, at the front lines, what customers are telling us. Zendesk lets us share that responsibility with our functional business partners to improve our customer experience, increase customer loyalty, and ultimately drive sales."

Director of e-commerce customer experience, payments, and fraud, retail

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 interviewees' organizations, 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 \$1.5 billion B2B and B2C company operates globally, supported by 3,000 employees and a customer service contact center of 225 US-based, skilled agents. The company is high-growth, scaling by 10% each year. Its transaction to inquiry rate (also known as the contact to order rate) for its 10 million transactions is 30% before Zendesk, which generates 3 million tickets annually and is beyond the handle capacity of its 225 agents, who at 80% utilization and an average handle time of 10 minutes per ticket can respond to up to 2,246,400 tickets per year. The customer service center employs 23 supervisors who, in addition to leading, training, and mentoring teams, manually route tickets through an environment of disparate point solutions and channels. The supervisors also manually sample and review less than 10% of resolved tickets for quality assurance and training. As a result, agent attrition is high and customer satisfaction (CSAT) scores need improvement. To support its customers worldwide, the composite must handle excess inquiries with agent overtime, additional hires, or new efficiencies with omnichannel delivery. To combat customer service agent dissatisfaction and burnout, the composite must create a supportive and collaborative environment built on standardized practices and centralized knowledge.
- **Deployment characteristics.** The composite identifies the need for an omnichannel, user-friendly solution that is easy to onboard, quick to integrate, and can scale to support expanding global operations. It selects Zendesk and undergoes a phased 10-month implementation period to prioritize goals and align stakeholders. The composite deploys the Zendesk Suite, Al agents, Quality Assurance, and WFM products to forecast, scale, and schedule its customer support team accurately over the next three years. It begins fully using the solution in Year 1.

Com	posite Assumptions (Before Zendesk)		
Ref.	Metric	Source	Input
	Company Profile		
R1	Annual revenue	Composite	\$1,500,000,000
R2	Compound annual growth rate	Composite	10%
R3	Operating profit margin	Composite	10%
R4	Annual transactions	Composite	10,000,000
	Customer Service Center Profile		
R5	Transaction to inquiry rate	Composite	30%
R6	Annual inquiries before Zendesk	R4*R5	3,000,000
R7	Agents before Zendesk (FTE)	Composite	225
R8	Target utilization rate for fulltime agents	Composite	80%
R9	Average minutes of labor per inquiry	Composite	10
R10	Inquiry capacity per agent at target utilization	60 minutes an hour / R9 * 2,080 operational hours a year * R8	9,984
R11	Contact center inquiry capacity at target utilization	R7*R10	2,246,400
R12	Excess inquiries beyond capacity requiring overtime, additional hires, or remaining unserved	R6-R11	753,600
R13	Supervisors before Zendesk (FTE) at 1:10 ratio	R7/10	23

KEY ASSUMPTIONS

- \$1.5 billion revenue
- US-based, global operations
- 10% annual growth
- 225 contact center agents
- 10:1 supervisor to employee ratio

Analysis Of Benefits

Quantified benefit data as applied to the composite

Total	Total Benefits											
Ref.	Benefit	Year 1	Year 2	Year 3	Total	Present Value						
Atr	Reduced contact rate	\$2,840,063	\$4,165,425	\$5,727,460	\$12,732,947	\$10,327,500						
Btr	Additional profit	\$318,750	\$701,250	\$1,542,750	\$2,562,750	\$2,028,409						
Ctr	Automated resolution	\$1,290,716	\$2,679,201	\$4,165,011	\$8,134,928	\$6,516,828						
Dtr	Reduced handle time	\$2,346,745	\$2,706,264	\$2,944,944	\$7,997,953	\$6,582,566						
Etr	Agent retention and accelerated onboarding	\$1,096,957	\$1,315,268	\$1,530,168	\$3,942,394	\$3,233,870						
Ftr	Faster integration and speed to value	\$431,040	\$431,040	\$216,000	\$1,078,080	\$910,370						
Gtr	Legacy environment savings	\$541,500	\$541,500	\$541,500	\$1,624,500	\$1,346,630						
	Total benefits (risk-adjusted)	\$8,865,771	\$12,539,948	\$16,667,833	\$38,073,551	\$30,946,173						

Reduced Contact Rate

"We have a metric here that we follow by heart. We follow it every day. And that metric is the contact rate."

Technical program director, health and wellness

Evidence and data. With Zendesk, interviewees experienced declining contact per order rates — the ratio of customer inquiries to transactions — and described how Zendesk's knowledge base enabled their teams to publish and optimize self-help content, which proactively reduced inquiry volume. In addition, insights from Zendesk's reporting helped teams identify the root causes of customer contact and translate those patterns into actionable improvements across products, processes, and the overall customer experience. The director of e-commerce customer experience, payments, and fraud in the retail industry remarked: "What is so *key* about reporting is understanding inquiry trends. With Zendesk, you understand customer trends. What is bothering customers? When a customer contacts you, what is the intent?" Understanding the data unlocked interviewees' ability to get ahead of the trends.

There were several ways Zendesk helped interviewees reduce the contact per order rate:

• **Provided customer self-help.** Most directly, Zendesk enabled interviewees to identify customer pain points and intent more accurately, then provided the ability to create systems, such as help centers, to address issues proactively. The director of e-commerce customer experience, payments, and fraud in the retail industry said, "We increased the ability to share product knowledge across product selection and match needs to product. Redoing our help center with Zendesk resulted in a massive change. That was the first step — to publish self-help content. We

further reduced contact per order through intentional design to direct people to self-help. If we're better able to understand customer intent and serve them relevant information, then we're able to reduce our contact volume."

- Uncovered new opportunities for customer experience or connection. The insights generated by Zendesk led to experience improvements and a more efficient ecosystem of tools to elevate customer experience. The director of e-commerce customer experience, payments, and fraud in the retail industry described an example: New loyalty program members receive a welcome email series that begins with a congratulatory email followed by an email with a promotional code. The lapse between these two emails drove a high volume of customer contact. She said: "That trend became visible to us, and so we asked our email marketing team to combine the emails. We were also able to identify large volumes around incorrectly entered promo codes, which made the codes look invalid and resulted in increased customer contact volumes. So Zendesk actually pointed us to opportunities by making that pattern visible. Then, we could go back to our team, ask to look at e-commerce platforms that autoapply promo codes, and begin to test them. We saw greater redemption and fewer customer contacts, as well as higher customer satisfaction in general."
- Contributed to improved products. The insights generated led to product improvements that resulted in fewer complaints and propensities to exchange or refund. The technical program director in the health and wellness industry said: "We also improved our product to reduce the contact rate. So we are increasing awareness with the help center, but we are also improving the product itself. Once I understand all the customer contact reasons, I present them to the product development team. So I know I see a particular product has resulted in 3% growth in contact volume in the past two weeks compared to prior weeks. We now have the opportunity to ask, is there room to improve the product to avoid this contact reason? If yes, we proceed with innovating quickly. If not, I will implement some generative reply deflection while the product team develops a solution. So we balance the volume not only with self-help and deflection but also product improvements."

The senior vice president of digital operations in broadcast said: "Using Zendesk definitely resulted in improved efficiency in our products because we're able to now provide actual evidence of when we have a bug. Listeners report that to us. We can say we've got

X number of reports of a bug we can replicate ourselves. Here's the data that goes along with that. We can help support our own teams to prioritize the focus on the product development side. It could be as simple as a bug, or it could be that we made changes to our product and everyone is complaining because we removed a feature, so maybe we should revisit that decision. We're able to be very nimble because we can see trends and get immediate feedback. We can take the data back to our development and tech chains so that they can address whatever that issue might be or make product decisions based on feedback. We have more agility and efficiency, and we avoid that volume in the future."

Several interviewees quantified their reduced contact rates:

- The vice president in the e-commerce industry said, "With Zendesk, our contact rate per order has decreased by about 36% in the past five years."
- The technical program director in the health and wellness industry said: "We have three personas: clients that are enterprise companies, the subscribers, and our partners. I will speak of our subscribers, which is the largest part of our business. This month, for each thousand subscribers, only 13 opened a ticket. So our contact rate is 13. Just last year, we were almost at 21. We are continuing to reduce this every month, and we see a noticeable reduction in tickets month to month."
- The director of e-commerce customer experience, payments, and fraud in the retail industry said: "We were able to reduce our contact per order rate significantly. It was 35% to 40% when I started. And now, we're consistently

around 16% for contact per order. We've gotten extremely efficient."

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

- The composite has 10 million transactions in Year 1, which increase 10% each year.
- Its contact to order rate is 30%, resulting in 3 million tickets in Year 1, which increase 10% each year.
- With Zendesk, the composite uses insight generation to reduce customer support load per order by 15% in Year 1, 20% in Year 2, and 25% in Year 3.
- The average cost of inquiry if handled by a human agent is \$5.61.
- It is likely that 50% of eliminated inquiries would have required overtime.

Risks. The impact of this benefit will vary among organizations based on the following factors:

- The volume and type of contacts in the prior environment.
- The organization's prior solution and its capabilities.
- The organization's help center comprehensiveness and degree of Zendesk adoption.
- The cost to handle an inquiry before Zendesk.

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 \$10.3 million.

25%

Reduced customer support load per order from insight generation

"We want to shift away from being purely customer service as a cost center and become customer service as part of revenue generation because lots of customers who contact us have high intent to continue business with us. Zendesk helps us identify that intent and eliminate obstacles."

Director of e-commerce customer experience, payments, and fraud, retail

Redu	Reduced Contact Rate								
Ref.	Metric	Source	Year 1	Year 2	Year 3				
A1	Annual transactions with 10% growth rate	R4*10%+R4	10,000,000	11,000,000	12,100,000				
A2	Transaction to inquiry rate	R5	30%	30%	30%				
А3	Annual inquiries before Zendesk	A1*A2	3,000,000	3,300,000	3,630,000				
A4	Reduced customer support load per order from insight generation	Interviews	15%	20%	25%				
A5	Avoided inquiries with Zendesk	A3*A4	450,000	660,000	907,500				
A6	Average cost per inquiry	Composite	\$5.61	\$5.61	\$5.61				
A7	Percentage of eliminated inquiries expected to require overtime	Composite	50%	50%	50%				
A8	Cost multiplier for tickets serviced using overtime pay (time and a half)	Composite	150%	150%	150%				
At	Reduced contact rate	A5*A6*(A7+A7*A8)	\$3,155,625	\$4,628,250	\$6,363,844				
	Risk adjustment	↓10%							
Atr	Reduced contact rate (risk-adjusted)		\$2,840,063	\$4,165,425	\$5,727,460				

Three-year total: \$12,732,947

Three-year present value: \$10,327,500

Additional Profit

Evidence and data. In addition to reducing the contact rate, product improvements unlocked with insights from Zendesk resulted in increased revenue. Zendesk's proactive messaging functionalities also notably contributed to increased revenue:

- The vice president in the e-commerce industry said: "Zendesk powers a couple of our proactive shopping assistants. With large purchases, like computers or installed air conditioning, people don't necessarily know what they want, or maybe they don't understand the specs. And so they interact with proactive messaging that Zendesk provides. Those chats are fed into the CRM. That does a lot for us in those business spaces, which have quadrupled their conversion rates because of proactive messaging, so that's a 4% revenue increase for us in those spaces."
- Zendesk also empowered organizations to reduce the number of returns and refunds. With negative customer experiences that result in full refunds, the organization incurs the operational cost of serving customers but gains none of the revenue. The vice president in the e-commerce industry explained: "We now have SLA management that empowers the customer experience and journey, and we can let the customer know what we're doing to rectify the issue. Everyone loves a comeback story. So we go from being this villain who gave them a poor experience to this hero who figured it out. That's significant, because imagine losing even 0.1% of your customers every month. That's not trivial."
- Interviewees said that transcript reviews and quality assurance with Zendesk allowed them to identify when issues
 were related to new product launches and proactively work to course correct and resolve points of friction for
 smoother conversions.

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

- It increases transactions due to proactive messaging and product improvements by 0.25% in Year 1, 0.5% in Year 2, and 1% in Year 3.
- The average order value is \$150.
- The operating profit margin is 10%.

Risks. The impact of this benefit will vary among organizations based on the following factors:

- The influence of the economic landscape.
- The organization's roadmap and product improvement prioritization.
- The organization's average order value.
- The organization's use of Zendesk's proactive messaging capabilities.

Results. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$2 million.

1%

Increased transactions due to proactive messaging and product improvements

"Experiences so frustrating that they result in a disgruntled customer never returning to us have reduced by 80% because we can now close loops with customers through Zendesk."

Vice president, e-commerce

Addi	Additional Profit									
Ref.	Metric	Source	Year 1	Year 2	Year 3					
B1	Increased transactions due to proactive messaging and product improvements	Interviews	0.25%	0.50%	1.00%					
B2	Average order value	R1/R4	\$150	\$150	\$150					
ВЗ	Incremental additional sales	A1*B1*B2	\$3,750,000	\$8,250,000	\$18,150,000					
B4	Operating profit margin	R3	10%	10%	10%					
Bt	Additional profit	B3*B4	\$375,000	\$825,000	\$1,815,000					
	Risk adjustment	↓15%								
Btr	Additional profit (risk-adjusted)		\$318,750	\$701,250	\$1,542,750					

Three-year total: \$2,562,750

Three-year present value: \$2,028,409

Automated Resolution

Evidence and data. Interviewees described how multiple Zendesk Al capabilities, including Al agents and Al-powered generative replies, enabled their organizations to resolve a portion of customer inquiries automatically without requiring human agent intervention. These Al-driven resolutions allowed support teams shift their focus to more complex or high-priority interactions.

All agents can handle full conversations from start to finish, and generative replies resolve common issues by surfacing relevant guidance or content based on detected intent. The level of automated resolution varied by organization, depending on strategy, customer preferences, and confidence thresholds set for Al classification.

Interviewees experienced a 50% to 56% resolution rate for inquiry types that had automated resolutions set up.

- The director of e-commerce customer experience, payments, and fraud in the retail industry said: "We have online order tracking that we've integrated with our bot and our interactive voice response (IVR), so resolving questions related to order tracking is now automated. Of the 15% of our volume that is live chat, 56% is automatically resolved. That's a recovery of about 5,000 agent hours per week. We still get customers who want to speak to us after we've automatically resolved their question about order tracking. Some of our customers like the element of human assurance."
- The technical program director in the health and wellness industry said: "The generative replies with AI agents has the biggest impact because it helps with resolution. We have some generative replies that can result in 50% of handles resolved, depending on the intent." When a ticket is opened, Zendesk's AI will classify it with an intent and confidence. For example, if a customer opens a ticket about a lost password, this will classify as an intent to reset the password, likely with high confidence that the intent was accurately gauged. The interviewee said, "We started to roll out with just a few intents that would be high confidence. When a customer opens a ticket, the AI sends a suggestion of how to solve their problem based on our articles. The success was amazing. We have a much higher rate for automated resolution now."

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

- After reducing the contact rate and increasing transactions, Zendesk AI resolves 10% of remaining inquiries without agent interaction in Year 1, 20% in Year 2, and 30% in Year 3.
- The average cost of inquiry if handled by a human agent is \$5.61.

Risks. The impact of this benefit will vary among organizations based on the following factors:

- The organization's strategy for AI resolutions and the percentage of inquiries set up for automated resolutions based on type or intent.
- The organization's use case and application of Zendesk's Al automated resolution.
- The cost to handle an inquiry before Zendesk.

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 \$6.5 million.

30%

Inquiries resolved using Zendesk AI agent without agent interaction

"Thirty-five percent of all our inquiries are automatically resolved. It's such a wild number that even I still struggle to believe it. I can't believe we're actually doing that that it's actually 35%. But the data is there."

Senior lead, Zendesk & support tools administrator, services

Auto	Automated Resolution								
Ref.	Metric	Source	Year 1	Year 2	Year 3				
C1	Inquiries received with Zendesk	(A3-A5)*(1+B1)	2,556,375	2,653,200	2,749,725				
C2	Inquiries resolved using Zendesk AI agent without agent interaction	Interviews	10%	20%	30%				
C3	Automated resolutions	C1*C2	255,638	530,640	824,918				
C4	Average cost per inquiry	Composite	\$5.61	\$5.61	\$5.61				
Ct	Automated resolution	C3*C4	\$1,434,129	\$2,976,890	\$4,627,790				
	Risk adjustment	↓10%							
Ctr	Automated resolution (risk-adjusted)		\$1,290,716	\$2,679,201	\$4,165,011				

Three-year total: \$8,134,928

Three-year present value: \$6,516,828

Reduced Handle Time

Evidence and data. With optimized self-service and automatic resolutions closing Tier 0 and Tier 1 inquiries, those routed to human agents are likely more complex. Some interviewees noted that their average handle time increased because of this complexity. However, they remarked that with Zendesk, the handle time was still lower compared to what it would have been for higher-tier inquiries. Zendesk's Agent Workspace offsets the time required for higher-tier inquiries by streamlining how agents access information: Zendesk's built-in knowledge section enables quick search, contextual suggestions, and agent-contributed content. Paired with Al-powered copilot — which surfaces insights, recommends next steps, and executes approved actions — agents can resolve complex issues faster. As a result, some interviewees still experienced a net reduction in average handle time, alongside improvements in collaboration, agent productivity, and customer satisfaction.

• Reduction in handle time through unified Agent Workspace. The vice president in the e-commerce industry was one interviewee who noted that their average handle time was nearly cut in half. They said: "Our average handle time was 500 seconds and went down to 290 seconds — so a massive reduction in handle time. Before Zendesk, issues took weeks to resolve because we didn't have the interconnectivity, the ticket management, or the SLA

maintenance, and things just got lost. And then the customer got tired and stopped responding. Now, our customer abandon rate has gone away. It used to be that 30% of customers contacting us were just hanging up on us. Now it's 4%. That happened because our average handle time overall is so much better, so we actually have time to address the volume of contacts."

The director of customer services in the retail industry noted that their organization reduced the handle time and number of contacts to resolve an issue due to Zendesk's knowledge centralization within the Agent Workspace.

They said: "The number of contacts it takes to resolve an issue is just under two now. It used to take four contacts to resolve. And it takes five minutes now to resolve a ticket, where before it would take four or five times longer."

The same retail leader elaborated that Zendesk's integrated knowledge base helps agents resolve issues in real time without needing to pause the conversation: "We use parts of Zendesk from the knowledge base to store a lot of the information. So when we have a new subscription method, for example, we publish the details of how it works in a Zendesk Help Center article. That article becomes the repository for information and where to find things, whereas previously it would have been a document saved on a shared drive, or a presentation saved on everyone's desktop. Ease of use of the Knowledge Base and the search functionality means you can find information while you're talking to the customer on the telephone, so then you don't have to hang up and call somebody back, because there are cost implications for the phone call, that time to process, and the time you're not available to answer. So the idea is to wrap up and give that customer information before they go, regardless of what channel you're using."

• Shifted agent focus to complex cases. The senior director of support in the technology industry expected the average handle time to increase, as Zendesk's automation and self-service capabilities resolve lower-tier inquiries effectively — allowing agents to focus on more complex, high-touch cases. They explained: "One of the largest benefits of Zendesk is that having all of our teams on the same centralized platform allows us to move faster. Now that the environment is not a challenge for them, they collaborate and support each other. They're able to move around a lot faster and provide a wider net of support across different business units. So even from a user interface perspective, with Zendesk's features, our teams are able to work through tickets faster. So leaning into some of the benefits and features that Zendesk offers, and really focusing on those deflections, automations, chatbots, and IVR builds, we hope to effectively resolve lower-tier inquiries, and we expect our resolution time to honestly increase as a result because our team is working the higher tiers. Our total ticket volume should decrease by 20% to 30%, but our average resolution time will increase. We're anticipating that."

The vice president of operations and customer experience in the technology industry agreed that tickets would become more complex — but emphasized that Zendesk enables them to turn this shift into a strategic advantage. They added: "The average handle time includes higher ticket volumes of quick responses that we can resolve with Zendesk. Then we have low-volume client issues that have longer resolution times, and with Zendesk we're able to filter and create insights by the type of support. So what is meaningful to us are the nuances we can create for customer experience and the decisions to address different inquiry types through Zendesk. Even though we can resolve 30% of tickets, those tickets have quick resolution times, and so they're disproportionate to the hours that a potential agent would be spending on a [more complex] issue."

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

• Zendesk helps the composite reduce contact rate, increase transactions, and increase automated resolutions. Of the inquiry volume routed to agents, they shave 2 minutes off the handle time in Year 1, 2.5 minutes in Year 2, and 3

minutes in Year 3.

• The fully burdened hourly rate for an agent is \$34.

Risks. The impact of this benefit will vary among organizations based on the following factors:

- The complexity and volume of tickets routed to human agents.
- The composite's fully burdened hourly rate for an agent.

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 \$6.6 million.

3 minutes

Reduced inquiry handle time

"Having a centralized knowledge base means you can keep it updated. You don't have things saved on a desktop, and you have proper version control. The last thing you want to say when you get a customer on the phone is, 'Can you just give me 15 minutes while I go searching through the shared drive, trying to find the right document, or I'll put you on hold while I ask someone?'"

Director of customer services, retail

Redu	Reduced Handle Time										
Ref.	Metric	Source	Year 1	Year 2	Year 3						
D1	Inquiry volume routed to agents with Zendesk	C1-C3	2,300,737	2,122,560	1,924,807						
D2	Reduced inquiry handle time (minutes)	Interviews	2.0	2.5	3.0						
D3	Hours saved	D1*D2/60	76,691	88,440	96,240						
D4	Fully burdened hourly rate for an agent	Composite	\$34	\$34	\$34						
Dt	Reduced handle time	D3*D4	\$2,607,494	\$3,006,960	\$3,272,160						
	Risk adjustment	↓10%									
Dtr	Reduced handle time (risk-adjusted)		\$2,346,745	\$2,706,264	\$2,944,944						

Three-year total: \$7,997,953

Three-year present value: \$6,582,566

Agent Retention And Accelerated Onboarding

Evidence and data. The efficiency of onboarding and training processes can impact an organization's bottom-line financials significantly. Companies must adopt innovative solutions to streamline employee training and cultivate a culture of collaboration to enhance retention, particularly in customer service roles, where attrition is notoriously high.

Interviewees noted that Zendesk's AI capabilities, particularly copilot and intelligent triage, contributed to more effective onboarding. copilot supports new agents by surfacing similar past tickets for learning, providing contextual guidance on next best actions and taking approved actions on agents' behalf — allowing agents to learn while doing. AI-powered triage further supports onboarding by routing simpler, lower-risk inquiries to new hires, helping them build confidence before taking on more complex cases. Combined with Zendesk's knowledge base, these tools created a dynamic, guided training environment that reduced ramp time, boosted agent confidence, and improved long-term retention.

- The director of customer services in the retail industry said Zendesk unlocked the ability to onboard employees more effectively. They said: "Before Zendesk, onboarding was not effective. We had high staff attrition as a result. With the Zendesk knowledge bases and Al tools, we made a conscious decision to create a three-week induction program. The availability of technology helped us do the right thing and onboard properly. Zendesk was a big part of our new, effective onboarding process, because it is quite easy to learn. The Al helps new agents by recommending responses to customers. And because of the different queries from customers, you can do a classroom induction with Al where you teach everyone all they need to know instead of waiting to train them live through that scenario." Training through a variety of different scenarios in the first three weeks allows new hires to ramp up quickly and work at faster rates. Agents at this interviewee's organization had an average service length of less than one year before Zendesk, which has since improved to just under three years, a 200% improvement.
- The vice president in the e-commerce industry said: "Our onboarding time went from nine weeks to three. We used Zendesk's tools to build a training environment and integrated with the guide. So we've got around 12,000 articles with tools now that are very extensible and allow us to triple-train people. We get new hires up and running in a couple of weeks, and then we can target their training with very specific inquiries and ramp up the training later as they get efficient."
- The same interviewee explained that they chose not to expand the use of an alternative solution because it was too difficult to manage. They chose Zendesk instead, which facilitated training new agents, and said: "When we started demoing Zendesk, I realized that I could train people from the ground up with no Zendesk experience. It was just so much easier and intuitive to use for a nonuser. That was a big part of it. Additionally, Zendesk was more flexible with us than other companies, so I believed in the relationship. Our attrition rates were 2.5% per week when I started. They're still high, but almost half that now."
- The director of customer services in the retail industry noted that the insights available through Zendesk had influenced and shifted hiring priorities at their organization to favor speed and cordiality: "The vast majority of our customers, when complimenting us on good service, would tell us they were very pleased that we answered their query quickly and in a friendly way. I've joked about this many times, because neither of those things are what you might call a *luxury*, and we're supposed to be a luxury retailer. So we measure ourselves on those qualities. We recruit people with these qualities."

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

- The composite has 225 agents in Year 1, and with 10% annual revenue growth, expects to need 248 agents in Year 2 and 273 agents in Year 3.
- The composite's attrition rate before Zendesk is 65%.
- The composite's training before Zendesk is inefficient as it awaits real scenarios to train agents. Before Zendesk, bringing an agent to full capacity requires 360 hours of onboarding time.

- Due to reduced contact rates, automated resolutions, and reduced handle time with Zendesk, the composite needs 184 agents in Year 1, 159 in Year 2, and 135 in Year 3.
- With effective onboarding and access to knowledge bases after Zendesk, agents are more engaged with customers and better equipped to handle inquiries. The agent attrition rate reduces by 50% and onboarding accelerates by 67%.

Risks. The impact of this benefit will vary among organizations based on the following factors:

- The company's revenue growth rate and the expected number of agents to support its generated volume.
- The company's attrition rate before Zendesk.
- The company's onboarding approach before and after Zendesk.

Results. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$3.2 million.

50%

Decreased agent attrition rate

67%

Accelerated agent onboarding

"Our average length [of employment] in customer service before Zendesk was less than a year. It's now just under three years. I've heard ex-colleagues when they go to work somewhere else say, 'Oh, I wish we had Zendesk.'"

Director of customer services, retail

Ref.	Metric	Source	Year 1	Year 2	Year 3
E1	Expected agents needed to maintain current service levels without Zendesk with 10% growth	R7[PY]*(1+R2)	225	248	273
E2	Attrition rate before Zendesk	Composite	65%	65%	65%
E3	Expected agent hires without Zendesk	E1*E2	146	161	177
≣4	Onboarding hours per agent without Zendesk	Interviews	360	360	360
E5	Subtotal: Onboarding hours required without Zendesk	E3*E4	52,560	57,960	63,720
E6	Agents needed with Zendesk at target utilization rate	D1*(R9- 2)/(2,080*60*R8)	184	159	135
E7	Decreased attrition rate with Zendesk	Interviews	50%	50%	50%
E8	Attrition rate with Zendesk	E2*E7	33%	33%	33%
E9	Agent hires needed with Zendesk	E6*E8	61	52	45
E10	Acceleration in new agent onboarding time due to Zendesk	Interviews	67%	67%	67%
E11	Productivity recapture rate for new agents in training	TEI methodology	50%	50%	50%
E12	Subtotal: Onboarding hours required with Zendesk	E9*E4*(1-E10*E11)	14,603	12,449	10,773
E13	Avoided onboarding labor hours with Zendesk	E5-E12	37,957	45,511	52,947
E14	Fully burdened hourly rate for an agent	Composite	\$34	\$34	\$34
Et	Agent retention and accelerated onboarding	E13*E14	\$1,290,538	\$1,547,374	\$1,800,198
	Risk adjustment	↓15%			
Etr	Agent retention and accelerated onboarding (risk-adjusted)		\$1,096,957	\$1,315,268	\$1,530,168

Three-year total: \$3,942,394

Three-year present value: \$3,233,870

Faster Integration And Speed To Value

Evidence and data. A major driver of Zendesk adoption for interviewees was the ability to deploy and integrate quickly, particularly as their organizations experienced periods of rapid growth and expansion into new markets and channels. Interviewees noted they could configure AI agents in just a few clicks using plain language prompts without requiring technical expertise. As needs evolved, they also found it easy to extend functionality — adding workflows, connecting to third-party systems, or enabling human handoffs with minimal development effort.

- The vice president in the e-commerce industry said: "With Zendesk, we can spin up, deploy, and provision a new instance in days with our operations enablement team. When we moved [into a new market], we were able to spin up in less than four weeks, and that includes the requirements-gathering phase. It's just so much faster."
- The senior director of support in the technology industry said: "Setting up all the channels can be done very quickly within Zendesk. Zendesk has made it very easy for us to flip on live Al chat without technical knowledge, and it's

very powerful for resolutions."

• Describing a particular case of speed to value, the senior lead of Zendesk and support tools administrator in the services industry remarked on how quickly integrations in Zendesk delivered on localizations. The interviewee said: "With Zendesk, it's at least three to four times faster to publish translated articles [compared to alternative solutions in the market] and arguably even faster with a [language translation] integration. I create my source article, then for each translation, there's a menu for the languages. For example, I click French, paste my content from my translation team, and I'm done. Further, because Zendesk creates a relationship between source articles and their translations, it's easy to see how they stand up next to each other and perform compared to their language variants using Zendesk Analytics, so organizationally it's very convenient. This is not the case with [alternative solutions]. There may be a plugin for that capability, but [other solutions] are not purpose-built for translations, may conflict with versions or themes, or may be hit-or-miss with functionality."

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

- Four IT admins save 70% of their time over Year 1 and Year 2, and five developers save 50% of their time over Years 1, 2, and 3 to develop, configure, and manage components of its customer service solution.
- The fully burdened annual salary for an IT admin is \$120,000.
- The fully burdened annual salary for a developer is \$135,000.

Risks. The impact of this benefit will vary among organizations based on the following factors:

- The number of support tools the organization integrates with Zendesk and the frequency of updates.
- The complexity of integrations before Zendesk and the number of IT admins and developers necessary to implement them.
- The organization's size and ability to handle the complexity.
- The fully burdened annual salary for an IT admin and a developer.

Results. To account for these risks, Forrester adjusted this benefit downward by 20%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$910,000.

70%

Implementation labor savings with Zendesk

50%

Time saved on integration development and configuration

"Our ability to move and start a new channel is a day or less in most instances."

Senior director of support, technology

Fast	er Integration And Speed To Value				
Ref.	Metric	Source	Year 1	Year 2	Year 3
F1	IT admins expected for customer service center solution	Composite	4	4	
F2	Labor savings with Zendesk	Interviews	70%	70%	
F3	Fully burdened annual salary for an IT admin	Composite	\$120,000	\$120,000	\$120,000
F4	Developer FTEs working on integrations with customer service prior to Zendesk	Composite	5	5	5
F5	Percentage of time saved on integration development and configuration	Interviews	50%	50%	50%
F6	Fully burdened annual salary for a developer	Composite	\$135,000	\$135,000	\$135,000
F7	Productivity recapture rate for implementation and management	TEI methodology	80%	80%	80%
Ft	Faster integration and speed to value	(F1*F2*F3+F4*F5*F6)*F7	\$538,800	\$538,800	\$270,000
	Risk adjustment	↓20%			
Ftr	Faster integration and speed to value (risk-adjusted)		\$431,040	\$431,040	\$216,000

Three-year total: \$1,078,080

Three-year present value: \$910,370

Legacy Environment Savings

Evidence and data. After switching to Zendesk, interviewees saved on licensing from decommissioned tools used in the prior environment. Interviewees also noted that deploying a CRM saved them effort. When their organizations were smaller, they had to use disparate tools, which manual routing and reviews of inquiries.

- The technical program director in the health and wellness industry described decommissioning a previous CRM to implement several new capabilities and integrating Zendesk with back-end systems to deliver personalized customer experiences.
- The senior vice president of digital operations in broadcasting decommissioned a previous business email services inbox and a cloud-based app-building platform. The interviewee noted: "Compared to those tools, time and labor savings are pretty significant now with Zendesk because we automate so much. We have the data with Zendesk to automate. It's a big increase in efficiency. We probably would have needed two more people just to help focus on all of the data issues and reporting."
- The director of customer services in the retail industry described that before Zendesk, 98% to 99% of tickets would need to be routed to the appropriate agent manually. The same interviewee noted that before Zendesk, employees would review a sample of 8% to 9% of tickets for quality assurance. They said: "We started measuring [quality] as an internal project. Someone would review calls at random to manually look at tickets. It wasn't scalable. We've moved onto Zendesk QA in the last 10 days, and that means we can now QA pretty much 100% of their tickets. It was only 8% or 9% before." Zendesk now automates routing and QA review processes at their organization.
- The technical program director in the health and wellness industry said: "I need to understand the behavior of the
 requests. And without Zendesk, that's not scalable. For example, I have 10 people in our quality team that used to
 read tickets to see if the agents categorize the tickets correctly and answer using the correct macro or the correct
 words not too aggressive, not too informal. The quality assurance team can read maybe 8,000 to 9,000 tickets

per month. With QA from Zendesk, we now are able to run 100% of the ticket quality assurance with Al. And these 10 people don't need to read tickets anymore; they now focus on other organizational priorities."

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

- The composite saves \$250,000 per year from decommissioning prior tools, such as inboxes, telephony solutions, and previously deployed components of a CRM.
- The composite reallocates four FTEs from manual ticket routing, reviews, and reporting.

Risks. The impact of this benefit will vary among organizations based on the following factors:

- The company's approach to ticket routing, review, and quality assurance before Zendesk, and the number of FTEs supporting these previously manual tasks, relative to the company's size and capacity.
- The solutions, point or centralized, in a company's prior environment.
- The degree to which the company decommissions its prior environment.

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 \$1.3 million.

4

FTEs reallocated from manual ticket routing, reviews, and reporting

"So almost 90% of our tickets are automatically routed to our internal agents now, whereas before it would have been maybe 1% to 2%. Everything else would have gone into a jumbled list, and it would have been a manager's job to vet and decide where to route the tickets."

Diretor of customer services, retail

Lega	Legacy Environment Savings								
Ref.	Metric	Source	Year 1	Year 2	Year 3				
G1	Licensing savings from decommissioned tools	Composite	\$250,000	\$250,000	\$250,000				
G2	FTEs reallocated from manual ticket routing, reviews, and reporting	Composite	4	4	4				
G3	Fully burdened annual salary for a contact center supervisor	Composite	\$80,000	\$80,000	\$80,000				
Gt	Legacy environment savings	G1+(G2*G3)	\$570,000	\$570,000	\$570,000				
	Risk adjustment	↓5%							
Gtr	Legacy environment savings (risk-adjusted)		\$541,500	\$541,500	\$541,500				

Three-year total: \$1,624,500

Three-year present value: \$1,346,630

Additional Value

Interviewees mentioned the following additional benefits that their organizations experienced, but were not able to quantify, as contributing meaningful value:

- Improved CSAT scores. Interviewees noticed improvements specifically with their CSAT scores. The vice president in the e-commerce industry said: "Back when we launched a service [without Zendesk], we would have probably had to triple headcounts in places just to make up for manual processes, and we had significantly worse customer experiences. It would probably be a 10-point drop in CSAT. Before we deployed Zendesk, our CSAT was at 76. It's now 80. Zendesk as a platform enabled us to deploy all the changes I wanted to make to increase our score."
 - The director of customer services in retail noted that before Zendesk, their organization measured its CSAT score for the first time after implementing Zendesk at 78, which then improved with Zendesk to just below 90. The interviewee added that customers now received responses without long wait times and said: "We measured the number of days of backlog we have. It's a calculation of the total number of open tickets versus the average number. In other words, if you were to stop getting new tickets right now, how many days would it take to run out of work? And when we first started measuring that, it was about four days. Today it's 0.8. It's very rarely over one day."
- Improved quality assurance. Interviewees noted that agent performance improved noticeably once their organizations could automate quality reviews on all interactions with Zendesk. The vice president in the ecommerce industry remarked on quality assurance speed and compliance, saying: "In the past, quality assurance has been a huge issue for us, but we've now integrated that with Zendesk and are probably four times faster. We get four times as much done with the same workforce. We have business-as-usual quality compliance rates that have gone up four times."

The director of customer services in retail described how quality assurance unlocked a shift in focus, and said: "Through Zendesk QA, we rate the quality of our calls and our email interactions, and each member of staff is given a quality score. Automating quality assurance means managers can focus on the output of those quality reviews rather than the input. So if Zendesk QA is telling me that certain agents are not building a rapport with the customer — they're not using the customer's name, they're not using a greeting, they're not saying thank you or goodbye — we can build a picture of the data for where we need to spend time training. Now instead of reviewing tickets, managers can put together training and coaching programs."

The same interviewee noted that improvements from quality assurance were clear from customer feedback: "Before Zendesk, we were reacting to complaints instead of being proactive. If somebody took the trouble to tell us that our service was poor, then we would react to that rather than review the trend before it resulted in complaints. I'm proud to say that now, we're very rarely getting complaints. I'd say we get as many compliments as we get complaints — which from our original position is almost a 100% improvement in the sentiment of the customer feedback."

- Enabled employee upskilling. All interviewees who used automated quality assurance reviews with Zendesk remarked that the automated tracking and observability of trends enabled managers and agents to upskill, as supervisors shifted their focus from routing and reviewing to training and mentoring their teams. Additionally, with Zendesk's reduced contact rate and automated resolutions relieving the workload of simpler tickets, agents could shift their skill-building focus to the more complex technical- and expert-level queries they receive.
- Cleared enterprise security requirements. Zendesk upholds industry security standards, including ISO 27001, PCI DSS, and SOC 2, and uses various security measures like encryption in transit, transport layer security, and network vulnerability scanning. The vice president in the e-commerce industry said, "[Zendesk] meets all our access requirements logically separated workspaces, SSL, etc., our data locality, data redaction, and data protection requirements. Our security does regular reviews and we've been able to pivot to any updated or changed requirements with no outstanding security infractions."

"No one does omnichannel with integrated tools better than Zendesk."

Senior lead, Zendesk & support tools administrator, services

Flexibility

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

- Expanding use of Zendesk product and features. Interviewees expressed excitement about Zendesk's innovation and introduction of new products and features. The director of customer services in the retail industry said: "Zendesk is coming out with new features all the time. In fact, one just popped into my inbox while we were talking. Our strategy is to understand what the new features are and see how best we can use them. We want to be able to get our warehouse and buying function more efficient and onboard products quicker, get to market quicker, and make more sales."
- Personalized journeys through customer personas and profiles. Interviewees who were not yet using AI for proactive messaging expressed plans for future use and noted its role in personalization. The director of ecommerce customer experience, payments, and fraud in retail said: "I think the future of what we could do in partnership with Zendesk is to offer proactive and predictive service. We'll take the customer more fully into account what we know from past interactions with customer service coupled with what we know about their online or instore purchase history to really anticipate their needs. Then we can play a bigger role in supporting customers in making purchases. We can provide personalized support on product inquiries with contextual and relevant responses, really translating that into conversion and sales."
- Continued scalability and agility with growth. The vice president of operations and customer experience in the technology industry remarked: "To have a project or initiative that gives us scalability while adding to our agility is so rare. You almost always have tradeoffs. If you want more agility, you lose scalability. If you want more scalability, you lose agility. With Zendesk, as a whole, we're able to enhance agility and scalability at the same time. Some of that is

a credit to our teams, but the rest of that is a credit to the type of tools Zendesk provides and how easy they are to navigate. You don't need a developer to do this. You don't have to have a technology background to add these enhancements, build a feature, or enhance a macro. The ease of usability of Zendesk was a huge a factor for why we achieved both agility and scalability."

Flexibility would also be quantified when evaluated as part of a specific project (described in more detail in <u>Total</u> <u>Economic Impact Approach</u>).

"Our company is focused on expanding and selling more without expanding our current support team. Implementing Zendesk allows us to do that. And Zendesk provided great support to make sure we were set up for success."

Senior director of support, technology

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	
Htr	Subscription and professional services	\$31,500	\$1,618,379	\$2,056,594	\$2,541,222	\$6,247,694	\$5,111,675	
ltr	Implementation and maintenance	\$618,750	\$132,000	\$132,000	\$198,000	\$1,080,750	\$996,601	
Jtr	Data and analysis for product and experience improvement	\$0	\$136,950	\$198,550	\$180,950	\$516,450	\$424,541	
Ktr	Onboarding and ongoing training	\$1,125,168	\$30,539	\$26,457	\$22,527	\$1,204,691	\$1,191,721	
	Total costs (risk-adjusted)	\$1,775,418	\$1,917,868	\$2,413,601	\$2,942,698	\$9,049,586	\$7,724,538	

Subscription And Professional Services

Evidence and data. Interviewees paid a licensing fee based on agents, add-ons, and automated resolutions. The vice president of operations and customer experience in the technology industry remarked, "From a pricing perspective, Zendesk was competitive with the other solutions we considered."

Pricing may vary. Contact Zendesk for additional details.

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

- The composite organization incurs licensing costs per agent and for automated resolutions.
- The composite organization incurs costs for Zendesk's premier support.

Risks. The impact of this cost will vary among organizations based on the following factors:

- The number of agents supporting the organization's customer service center.
- The number of Zendesk add-ons the organization adopts.
- The organization's approach and application of automated resolutions.
- The organization's use of Zendesk's premier support.

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 \$5.1 million.

"Our previous platform charged us per billable interaction. So if we started a conversation, I'd be charged regardless of whether it was transferred to a human agent. On the other hand, Zendesk just charges for resolution, not per interaction. I can deploy AI Agent for all countries where we operate. When a ticket is resolved, Zendesk checks whether it is reopened by a human within 24 hours. That attracted us to Zendesk."

Technical program director, health and wellness

"Premier support from Zendesk makes a huge difference. We started with Zendesk as a small- or medium-sized business and didn't use it — we should have. As we became enterprise, it was imperative to use premier support."

Technical program director, health and wellness

Subs	Subscription And Professional Services										
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3					
H1	Zendesk technology fees	Composite	\$0	\$1,141,713	\$1,450,860	\$1,792,749					
H2	Zendesk premier support fees	Composite	\$30,000	\$399,600	\$507,801	\$627,462					
Ht	Subscription and professional services	H1+H2	\$30,000	\$1,541,313	\$1,958,661	\$2,420,211					
	Risk adjustment	↑5%									
Htr	Subscription and professional services (risk-adjusted)		\$31,500	\$1,618,379	\$2,056,594	\$2,541,222					

Three-year total: \$6,247,694 Three-year present value: \$5,111,675

Implementation And Maintenance

Evidence and data. Interviewees said Zendesk delivered value quickly. They implemented it in just a few months with a small team of administrators and developers that was typically less than a quarter of the size needed for alternate solutions. Interviewees who moved quickly to organize priorities and stakeholders saw a shorter deployment timeline that spanned from weeks to months, whereas interviewees with in-depth change management processes experienced longer timelines.

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

- Five developer and business FTEs spend 10 months over a staggered timeline to implement Zendesk components. The average fully burdened annual salary for a developer or business FTE is \$135,000.
- The composite needs one IT FTE in Year 1 and 1.5 in Year 2 to provide ongoing management and system integrations for its Zendesk implementation. The fully burdened annual salary for an IT FTE is \$120,000.

Risks. The impact of this cost will vary among organizations based on the following factors:

- The amount of time IT teams require to set up Zendesk based on strategy, use cases, and level of integration.
- The number of administrators, developers, and managers required for implementation and maintenance.
- The organization's ability to avoid delays.

Results. To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$1.0 million.

Impl	ementation And Maintenance					
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
11	Developer and business FTEs for implementation	Interviews	5			
12	Months of implementation	Interviews	10			
13	Average fully burdened annual salary for an implementation team member	Composite	\$135,000	\$135,000	\$135,000	\$135,000
14	IT FTEs for ongoing management and system integrations	Interviews		1.0	1.0	1.5
15	Average fully burdened annual salary for an IT admin	Composite	\$120,000	\$120,000	\$120,000	\$120,000
16	Subtotal: Implementation labor costs	I1*I2/12*I3	\$562,500	\$0	\$0	\$0
17	Subtotal: Maintenance labor costs	14*15	\$0	\$120,000	\$120,000	\$180,000
lt	Implementation and maintenance	16+17	\$562,500	\$120,000	\$120,000	\$180,000
	Risk adjustment	↑10%				
ltr	Implementation and maintenance (risk-adjusted)		\$618,750	\$132,000	\$132,000	\$198,000

Three-year total: \$1,080,750

Three-year present value: \$996,601

Data And Analysis For Product And Experience Improvement

Evidence and data. Interviewees noted that they reviewed Zendesk data and insights to make product and experience improvements, engaging other teams at their organization such as leadership and product teams.

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

- Six customer experience managers, user experience managers, UX design managers, content strategists, and
 product managers, with an average fully burdened annual salary of \$175,000, dedicate 5% of their time to reviewing
 Zendesk insights to propose product, service, and experience improvements and review them with relevant teams.
- Contact center supervisors, who support agents at about a 1:10 ratio, dedicate 5% of their time in Year 1 to using Zendesk, analyzing data for trends and training. This increases to 10% in Years 2 and 3. The fully burdened annual salary for a contact center supervisor is \$80,000.

Risks. The impact of this cost will vary among organizations based on the following factors:

• The maturity and engagement of the organization's CX, UX, and product teams.

• The organization's roadmap, strategy, and dedication toward product and experience improvements.

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 \$400,000.

Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
J1	Customer experience managers, user experience managers, UX design managers, content strategists, and product managers	Composite		6	6	6
J2	Percentage of time dedicated to reviewing insights from Zendesk to propose product, service, and experience improvements to review with relevant teams	Composite		5%	5%	5%
J3	Fully burdened annual salary for a CX or product strategy role	Composite		\$175,000	\$175,000	\$175,000
J4	Contact center supervisors	E6/10		18	16	14
J5	Fully burdened annual salary for a contact center supervisor	Composite		\$80,000	\$80,000	\$80,000
J6	Percentage of time dedicated to using Zendesk and analyzing data for trends and training	Composite		5%	10%	10%
Jt	Data and analysis for product and experience improvement	J1*J2*J3+J4*J5*J6	\$0	\$124,500	\$180,500	\$164,500
	Risk adjustment	†10%				
Jtr	Data and analysis for product and experience improvement (risk-adjusted)		\$0	\$136,950	\$198,550	\$180,950

Three-year total: \$516,450

Three-year present value: \$424,541

Onboarding And Ongoing Training

Evidence and data. Interviewees said Zendesk was intuitive and easy to use, requiring minimal training. Some interviewees trained their agents for one hour, and others trained for two to three weeks during onboarding programs that delved deeply into organization-specific training such as ticket categorization. Interviewees reported that ongoing training was also minimal, taking up to one hour to introduce updates at intervals throughout the year.

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

- The composite organization conducts Zendesk training for 225 agents and 23 supervisors over three weeks.
- The composite dedicates 4 hours per year to ongoing training.

Risks. The impact of this cost will vary among organizations based on the following factors:

- The size of the company's customer success team and the depth of its onboarding material.
- The company's approach to training on updates, new integrations, features, and functionalities.

Results. To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$1.2 million.

"Using Zendesk itself is really straightforward, and training is easy."

Senior vice president of digital operations, broadcasting

Onbo	oarding And Ongoing Training					
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
K1	Agents onboarded to Zendesk from legacy environment	R7	225			
K2	Fully burdened hourly salary for an agent	Composite	\$34			
К3	Supervisors onboarded to Zendesk from legacy solution	R13	23			
K4	Fully burdened hourly salary for a contact center supervisor	Composite	\$38			
K5	Onboarding hours per user (three weeks)	Interviews	120			
К6	Subtotal: Onboarding training costs	(K1*K2+K3*K4)*K5	\$1,022,880	\$0	\$0	\$0
K7	Total active Zendesk agent and supervisor users	E6*1.1		202	175	149
K8	Ongoing training hours per user per year	Interviews		4	4	4
К9	Weighted average fully burdened hourly salary for a Zendesk user	K2*0.91+K4*0.09		\$34.36	\$34.36	\$34.36
K10	Subtotal: Ongoing training costs	K7*K8*K9	\$0	\$27,763	\$24,052	\$20,479
Kt	Onboarding and ongoing training	K6+K10	\$1,022,880	\$27,763	\$24,052	\$20,479
	Risk adjustment	<u>†</u> 10%				
Ktr	Onboarding and ongoing training (risk-adjusted)		\$1,125,168	\$30,539	\$26,457	\$22,527

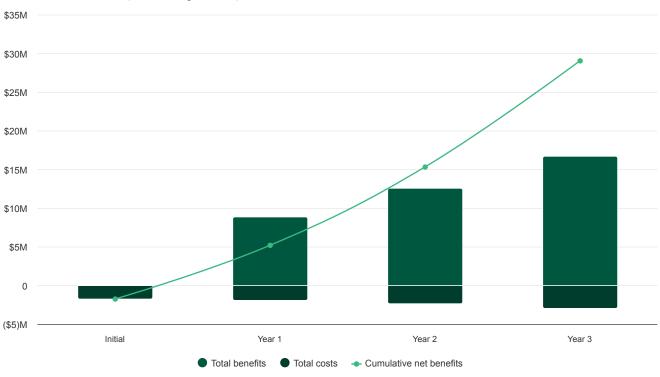
Three-year total: \$1,204,691

Three-year present value: \$1,191,721

Financial Summary

Consolidated Three-Year, Risk-Adjusted Metrics

Cash Flow Chart (Risk-Adjusted)



Cash Flow Analysis (Risk-Adjusted)								
	Initial	Year 1	Year 2	Year 3	Total	Present Value		
Total costs	(\$1,775,418)	(\$1,917,868)	(\$2,413,601)	(\$2,942,698)	(\$9,049,586)	(\$7,724,538)		
Total benefits	\$0	\$8,865,771	\$12,539,948	\$16,667,833	\$38,073,551	\$30,946,173		
Net benefits	(\$1,775,418)	\$6,947,903	\$10,126,347	\$13,725,134	\$29,023,966	\$23,221,635		
ROI						301%		
Payback						<6 months		

(i) Please Note

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.

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.

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 Zendesk.

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 Zendesk can have on an organization.

Due Diligence

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

Interviews

Interviewed eight decision-makers at seven organizations using Zendesk to obtain data about costs, benefits, and risks.

Composite Organization

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

Financial Model Framework

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

Case Study

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

Glossary

Total Economic Impact Approach

Benefits

Benefits represent the value the solution delivers to the business. The TEI methodology places equal weight on the measure of benefits and costs, allowing for a full examination of the solution's effect on the entire organization.

Costs

Costs comprise all expenses necessary to deliver the proposed value, or benefits, of the solution. The methodology captures implementation and ongoing costs associated with the solution.

Flexibility

Flexibility represents the strategic value that can be obtained for some future additional investment building on top of the initial investment already made. The ability to capture that benefit has a PV that can be estimated.

Risks

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."

Financial Terminology

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

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

Appendixes

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 solution providers in communicating their value proposition to clients. The TEI methodology helps companies demonstrate, justify, and realize the tangible value of business and technology initiatives to both senior management and other key stakeholders.

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 solution providers in communicating their value proposition to clients. The TEI methodology helps companies demonstrate, justify, and realize the tangible value of business and technology initiatives to both senior management and other key stakeholders.

Disclosures

Readers should be aware of the following:

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

Zendesk 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.

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

Consulting Team:

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