

FORRESTER®

The Total Economic Impact™ Of Frontify's Brand Management Platform

Cost Savings And Business Benefits
Enabled By Frontify

MARCH 2022

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Executive Summary

Frontify is designed to make brand management easier, more collaborative, and farther-reaching. Creating a single source of brand truth enables significant efficiencies and arms everyone in the organization and beyond to sing from the same songbook and support the brand.

Frontify provides a complete brand management platform that brings together everyone and everything brand-related. It enables teams throughout a company and at external partners to collaborate and share, and it helps drive brand consistency by making available accessible and up-to-date brand guidelines, customizable design templates, and all the brand's assets. Companies can support one or multiple brands through the platform everywhere around the world.

Frontify's platform integrates creative collaboration tools with brand guidelines, digital asset management, and digital and print templates.

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

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed four decision-makers with experience using Frontify. For the purposes of this study, Forrester aggregated the interviewees' experiences and combined the results into a single composite organization.

These interviewees said that prior to using Frontify, their organizations had trouble telling consistent, and compelling brand stories in their competitive markets.

KEY STATISTICS



Return on investment (ROI)

367%



Net present value (NPV)

\$3.32M

Their attempts yielded limited success and left brand materials and assets parked in a multitude of hard-to-locate repositories (often on an intranet or custom CMS solutions), that only a few people could access. Brand guidelines lived in static PDFs, which made them easy to share, but challenging to manage and update.

These limitations led to people wasting a lot of time looking for and sending the right assets and current guidelines (when and if they could find them) via email. Unnecessary reinvention was rife because the organizations had no visibility into all the materials and there was limited collaboration across departments and regions. Meetings to share work and gather comments or approval punctuated marketing and design teams' daily tasks.

After investing in Frontify, interviewees' organizations have a single source of truth that's accessible to everyone. Key results from the investment include

wider adoption and embracement of the brand by employees organization-wide and having more consistent representation of the organization's brand(s) in all their markets. Consistency strengthens brands.

KEY FINDINGS

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

- **Cultivating brand culture and encouraging adoption and use of the brand creates a lift of \$473,200 over three years.** Nearly all of the composite organization's user employees are externally facing, so it's critical that they understand and consistently represent and deliver the brand to customers and other stakeholders. The composite realizes a lift in effectiveness because more employees represent the brand more harmoniously and confidently and Frontify plays a role in this cultural shift.
- **Having a single source of brand truth provides efficiencies of \$2.7 million over three years.** The composite's design, brand, and marketing teams save 16 hours per week in fielding requests for materials. All active users from designers and creatives to executives and employees in marketing, HR, communications, sales gain time in their day-to-day work because Frontify provides easy access to needed assets, templates, and guidelines. The platform enables the company to reshape processes and centralize collaboration, including those with external agencies and design partners. Integration with common design, web content management, and productivity tools fluidifies implementation. When the composite changes an asset in Frontify, the change is reflected wherever it is used.
- **Enabling local marketing teams to do higher-value work leads to gains of \$1 million over three years.** The composite gradually moves 12

people dedicated to controlling and monitoring work by local markets into other marketing roles. And because brand assets and deliverables are readily visible and available, field marketers have time to focus on more strategic tasks like growing customer understanding and improving targeting and messaging. Those activities lift local marketing effectiveness.

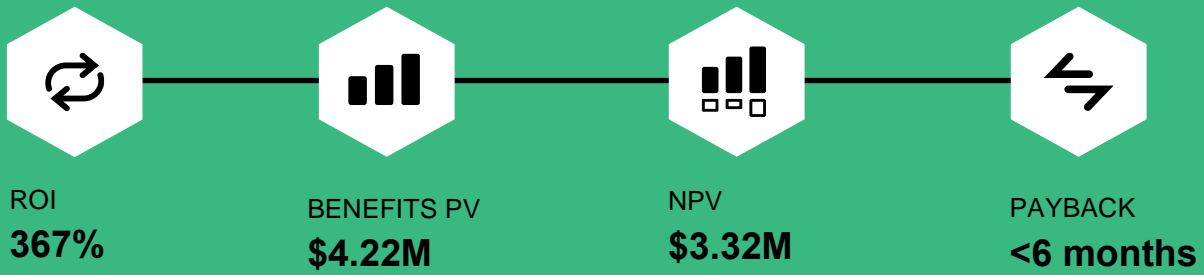
Unquantified benefits. Benefits that are not quantified for this study include:

- **Better team relationships and collaboration between transversal and local teams.** The composite sees more collaboration through a distributed environment before campaigns and assets are developed along with less policing and chasing after production.
- **"Safe" customization/localization.** The composite achieves this by providing pre-approved and ready-to-use templates.
- **The ability to scale local successes/pilots and to repeat in other markets.** The composite's transversal and other market teams can see and follow initiatives that are being tested in one market. Once it's a success, it's simple for other markets to adapt and deploy.
- **Management of risk linked to compliance.** This is for things such as accessibility requirements of websites properties and management of the time and regional limitations of copyrights.
- **Being able to take advantage of new opportunities.** The composite is able to explore franchising with limited additional cost.

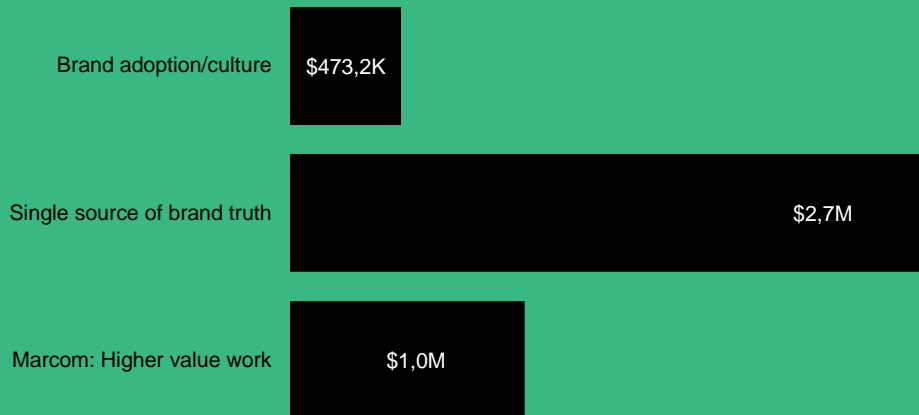
Costs. Risk-adjusted PV costs include:

- **Frontify license fees totaling \$605,200 over three years.** Frontify's pricing plans are based on an organization's average monthly active users (MAU). The composite organization begins its relationship with Frontify with 3,000 monthly active users, and this number increase during the three-year period.
- **Setup costs totaling \$197,000.** The composite's costs during a four- to six-week implementation period include the salary for a part-time internal project manager and light training for power contributors. Its most important time investments are organizing brand assets and creating brand guidelines.
- **Ongoing costs totaling \$102,700 over three years.** Interviewees said their organizations continually enrich their brand content Frontify. The costs include creating additional brand guidelines and managing and tagging brand assets to make sure they are easy to find. Its ongoing costs do not include the creation of brand assets nor campaigns.

The decision-maker interviews and financial analysis found that a composite organization experiences benefits of \$4.22 million over three years versus costs of \$904,000, adding up to a net present value (NPV) of \$3.32 million and an ROI of 367%.



Benefits (Three-Year)



TEI FRAMEWORK AND METHODOLOGY

From the information provided in the interviews, Forrester constructed a Total Economic Impact™ framework for those organizations considering an investment in Frontify's brand management platform.

The objective of the framework is to identify the cost, benefit, flexibility, and risk factors that affect the investment decision. Forrester took a multistep approach to evaluate the impact that Frontify can have on an organization.

DISCLOSURES

Readers should be aware of the following:

This study is commissioned by Frontify 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 Frontify's brand management platform.

Frontify 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.

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



DUE DILIGENCE

Interviewed Frontify stakeholders and Forrester analysts to gather data relative to Frontify's brand management platform.



DECISION-MAKER INTERVIEWS

Interviewed four decision-makers at organizations using Frontify's brand management platform to obtain data with respect to 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 decision-makers.



CASE STUDY

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

The Frontify Brand Management Platform Customer Journey

■ Drivers leading to the investment in Frontify

Interviewed Decision-Makers

Interviewee	Industry	Headquarters	Annual revenue
Head of brand	Telecommunications	Spain	\$43.1 billion
SVP sales and marketing	Transport and logistics	Switzerland	\$39.8 billion
Creative director	Professional services	US	Over \$5 billion
Head of corporate design and product owner user interface	Engineering and technology	Germany	\$86.5 billion

KEY CHALLENGES

The interviewees noted how their organizations struggled with common challenges:

- **They couldn't tell consistent, compelling stories in competitive markets.** Interviewees said branding was critical to their companies' business success. However, the representation of their companies' brands was disjointed and uneven, due in part to acquisitions and differing levels of maturity in different markets. But even where there was less baggage than in the past, many people conveyed and represented the brands (e.g., when interacting with customers or with partners) in unharmonious ways. And as teams connected with customers through growing numbers of channels and platforms, that meant there were even more opportunities for the brands to go awry.

Depending on who told the story, the brand's promise, message, design, or logo could be different. Misbrands spread throughout the companies as people kindly shared posts or presentations, webinars, or collateral for others to use.

A head of marketing from a transportation organization said: "Creativity has no boundaries. Before Frontify, I probably had eight out of 10 sales presentations where I said, 'This is really

"We clarified our positioning. We identified an important gap between our ambition and where we stood. And realized that that would help us have a better approach to attracting prospects, and new audiences within existing customers."

SVP sales and marketing, transport and logistics

off.' Now, presentations or webinars from our sales people are on brand.

Before, it was a constraint, and now the guidelines are being seen as a great base to stir or guide creativity."

- **Teams wasted a lot of time finding and sharing brand assets.** Interviewees' organizations had no single source of truth for their brands. Assets were difficult or impossible to locate in a multitude of repositories including the company's intranet, collaborative platforms, and

custom CMS or on individuals' hard drives, with external partners, or nowhere at all.

An interviewed brand lead said: "You waste a lot of time looking for pictures, footage, [and] music. [Frontify is the] place where we put all our assets. [It's] free of use all for the community." Another interviewee said, "Our teams were wasting a lot of time to find needed assets."

Interviewees' organizations kept basic tools such as brand guidelines in PDF format, which made them difficult to keep up-to-date. While the guidelines were easy to send, it was impossible to manage and control the version that each person was using. Once a PDF was squirreled away on a hard drive, there was little way to dislodge it.

And only those with access could use the material. External partners like agencies and design firms were unable to connect to internal systems. That meant that assets — including high-resolution photos and videos — had to be downloaded and sent via email. Transversal design and marketing teams spent hours answering the requests.

- **Getting things done took a lot of time and a lot of meetings.** Interviewees said making campaigns and assets involves a full team of people with different skills and opinions, roles, and numerous steps — from brief to concept to drafts and various versions of the final piece — with input, approvals, and signoffs that must happen at every stage.

People often presented and discussed projects at every step in person. Meetings were fixed, changed, and missed, and there could be limited accountability. Sometimes important stakeholders would be involved at the last minute, and other times, minds changed when there was no time left.

One interviewee said: "Frontify supports us in being faster in the creation of things. For example: In Frontify now, developers are closely

linked to each other. We're faster in creating materials. And we're becoming more consistent in our materials that are being used in front of customers."

- **Marketing employees needed to work smarter and stop reinventing.** Marketers in local markets in particular saw their role as making things. They spent their time developing flyers, campaigns, posts, or webpages, but they had little time to tackle the more valuable tasks of evaluating past actions, understanding prospects and customers, testing how to engage, and measuring impact on brand and sales. One interviewee said: "Business is cyclical. We have Black Friday every year. We have Christmas every year. We go back to school every year. For inspiration and to achieve excellence, it helps to have all the Christmas campaigns and results from our brands and competitors for the past five years accessible in one place."

"In the past, local marketers spent a lot of time creating marketing material where they reinvented the wheel every time. ... We concentrated the creative experts in one organization, and they dedicate their time to creating assets in Frontify. We see we are freeing up at least 50% of our local marketers' time that they can use to do valuable marketing work, such as [identifying] how to reach new audiences or existing customers in new channels."

SVP sales and marketing, transport and logistics

COMPOSITE ORGANIZATION

Based on the interviews, Forrester constructed a TEI framework, a composite company called A Brands Company (ABC), and an ROI analysis that illustrates the areas financially affected. ABC is representative of the four decision-makers that Forrester interviewed and is used to present the aggregate financial analysis in the next section. ABC has the following characteristics:

Description of composite. The global, multibillion-dollar organization provides services to businesses. ABC operates in 100 markets and has a portfolio of 12 brands — the majority of which it acquired through mergers. These regional brands are of variable strength.

ABC has 75,000 employees including nearly 1,400 in branding, marketing, communications, and service design, 180 at headquarters, and 1,200 across the markets.

Led by the CEO, ABC's global management team wants to consolidate the smaller, more regional brands and increase investment and discipline around six priority brands.

“Our colleagues in Germany had another system. So, we let them continue their system. And after nine months, we showed them the benefits of our brand factory. They decided to jump on the wagon and leave their separate system behind.”

Head of brand, telecommunications

Key assumptions

- **\$27 billion revenue**
- **75,000 employees**
- **12 brands**
- **100 countries**

Deployment characteristics. ABC's teams evaluate the organizational model and as they consolidate brands, they reshape roles and benefit from expertise no matter where they are located. The teams are already working more seamlessly across borders. For example, it taps local actors to develop global strategy and projects and transversal marketers may pilot local field marketing.

Frontify fluidifies sharing between transversal and local teams and between local teams. Nearly all the markets are interested in participating, although a few prefer to commit after they see the shared system in action.

During brand consolidation, ABC has no plans to reduce headcount (aside from regular attrition), but decision-makers instead redeploy staff and invest more in the six priority brands.

ABC partners with different creative and marketing agencies, both globally and sometimes in local markets. The key partners are fully engaged and integrated in the Frontify deployment. One of the agencies is motor.

Decision-makers expect the platform to connect both internal and external team members, support collaboration, and enable new agile processes. For example, nearly all assets and materials will be developed, commented, approved, and managed natively in Frontify using its workflow and collaboration toolset. And ABC will integrate the platform within its design, content management, and productivity tools, which makes up-to-date brand assets seamlessly accessible and ready-to-use at each step.

Analysis Of Benefits

■ Quantified benefit data as applied to the composite

Total Benefits						
Ref	Benefit	Year 1	Year 2	Year 3	Total	Present Value
Atr	Brand adoption/culture	\$129,600	\$194,400	\$259,200	\$583,200	\$473,220
Btr	Single source of brand truth	\$802,351	\$1,187,657	\$1,373,891	\$3,363,900	\$2,743,170
Ctr	Higher-value work by local marketing teams	\$257,423	\$411,570	\$571,455	\$1,240,448	\$1,003,504
	Total benefits (risk-adjusted)	\$1,189,374	\$1,793,627	\$2,204,546	\$5,187,547	\$4,219,894

BRAND ADOPTION/CULTURE

Evidence and data. Interviewees told us the following about their organizations' Frontify investments:

- Decision-makers recognized the need for their brands to be more widely shared. One interviewee said: "We thought, 'We should use the brand,' and 'What do our brands stand for?' Years ago, these were like very secret things that you couldn't share with anyone. Now you want it so anyone within an organization who is interested and who wants to use and make good use of the brand can access all the materials."
- Customer-facing material (e.g., presentations, webinars, sales collateral) didn't adhere to guidelines and even logos were wrong.
- One interviewee said, "We have much more closeness now between people who are really using the brand and people who are defining the brand."
- A head of brand said: "We keep a single source of truth. Whenever you want to know anything about a brand, it's here. Any last-minute changes [and] any evolution of brand assets that we might be creating [are] here for downloading. We are

making this open culture, and I think it's very positive for an organization like ours."

Modeling and assumptions. Forrester assumes the following about ABC:

- Frontify user employees' roles are primarily in marketing, communications, service design, brand, sales, customer support and services, management, and HR. Nearly all of the roles are externally facing,
- Frontify delivers a 0.10% lift in effectiveness in Year 1.

"I think it's the branding and the way we write and present our story that has led to a significant increase in how long people engage with our content and how we're able to convert those visits into marketing qualified leads."

SVP sales and marketing, transport and logistics

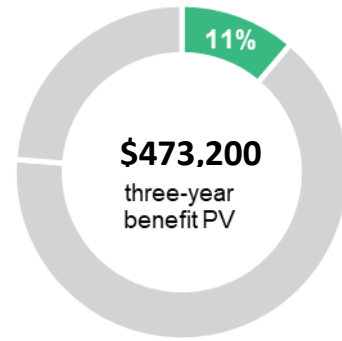
- This effectiveness increases as more employees are brought on board. The lift increases to 0.15% in Year 2 and to 0.20% in Year 3.

Risks. This benefit can vary due to uncertainty related to:

- Number and share of employees involved, the breadth of their roles, their adoption of the brand, and brand consistency.
- The share of marketing budget to revenue.

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 \$473,200.

Brand adoption and culture are 11% of total benefits or \$473,200 three-year benefit PV



Brand Adoption/Culture						
Ref	Metric	Source	Year 1	Year 2	Year 3	
A1	Number of employees who understand and embrace brand	Composite	3,000	5,000	8,000	
A2	Yearly revenue	Composite	\$27,000,000,000	\$27,000,000,000	\$27,000,000,000	
A3	Yearly budget invested in marketing	Assumption	2.4%	2.4%	2.4%	
A4	Lift in effectiveness due to more consistent branding	Assumption	0.10%	0.15%	0.20%	
A5	Attribution to the platform	Assumption	25%	25%	25%	
At	Brand adoption/culture	A2*A3*A4*A5	\$162,000	\$243,000	\$324,000	
	Risk adjustment	↓20%				
Atr	Brand adoption/culture (risk-adjusted)		\$129,600	\$194,400	\$259,200	
Three-year total: \$583,200			Three-year present value: \$473,220			

SINGLE SOURCE OF BRAND TRUTH

Evidence and data. Interviewees told us the following about their organizations' Frontify investments:

- Interviewees stated their organizations' design teams gained time efficiencies that ranged from 20% to 35% and up to 40% for external designers.
- One interviewed brand director cited a 5% gain in time for all Frontify users at their company.
- Interviewees said brand, design, and marketing teams use the platform the most, often in partnership with external partners and creative agencies. Many of their organizations also opened their brand communities to all customer-facing colleagues (e.g., sales and customer service/success) as well as to executive, management, and human resources teams.

Modeling and assumptions. Forrester assumes the following about ABC:

- The time ABC's transversal marketing and brand teams spend on fielding requests is cumulatively two days per week at ABC. As all internal and external teams have access to Frontify, those requests are on the wane.
- The time gain for designers and creatives is linked to both process improvements and access to easy-to-use templates and all assets. Multiple agencies, freelancers and design companies are all connected, and this extended team now runs projects collaboratively on the platform. All feedback and approvals are logged and managed through Frontify, diminishing the number of meetings and making the process smoother.
Because Frontify can be integrated with commonly used tools, ABC's design, web content management, and productivity apps are brand-

ready. When a change is made to an asset in Frontify, the change is automatically reflected wherever it is used. Forrester conservatively applied the designer/creative time gain and isolated the share of the time gain directly attributed to the platform.

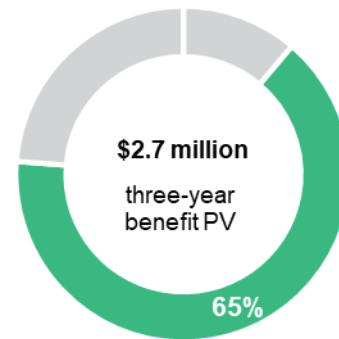
- The time gain for brand and marketing teams is linked primarily to process improvements and asset availability. In particular, their work with external partners like agencies is better organized and fluidified thanks to Frontify's collaboration tools and workflows. Only a part of the efficiencies can be attributed to the Frontify platform, even if the team runs projects collaboratively and manages feedback and approvals there.
- Junior team members save time because they have assets on hand. Senior marketers have access to brand tools and logos through Frontify's desktop app that let them seamlessly cut and paste assets into presentations and other documents. Forrester applied a 2% a time gain for marketers.
- Forrester applied the time gain of 1 hour per month for all other users, primarily because they have access to brand tools and logos through Frontify's desktop app. Forrester attributed only a portion of the gain to the model.
- Forrester assumed ABC recaptures 50% of employee productivity for other productive tasks.
- All monthly active users derive benefit from Frontify.

“We don’t use Frontify to only distribute our marketing assets. We also use it to share great [sales] presentations. We’re constantly building collections where people can find presentations on specific topics. People are very proud to have their presentations selected for a collection. It helps inspire others.”

Creative director, professional services

Results. To account for these risks, Forrester adjusted this benefit downward by 20%, yielding a three-year, risk-adjusted total PV of \$2.7 million.

Single source of brand truth is 65% of total benefits or \$2.7 million three-year benefit PV



Risks. This benefit can vary due to uncertainty related to:

- Distribution of roles within the company, the size of teams, skill sets, and what’s handled internally and externally.
- The organization’s current setup for fielding ad-hoc requests.
- The structure and reach of local teams.
- Differences in salaries.
- Differences in adoption and frequency of activation/use.

Single Source Of Brand Truth

Ref	Metric	Source	Year 1	Year 2	Year 3
B1	Weekly time spent fielding ad-hoc requests by transversal marketing, brand, and design teams (hours)	Composite	16	16	16
B2	Percent of time saved due to Frontify	Assumption	50%	65%	75%
B3	Transversal marketing, brand, and design team member burdened hourly rate	Assumption	\$65	\$65	\$65
B4	Productivity capture	Assumption	50%	50%	50%
B5	Subtotal: Cost savings	$B1*B2*42 \text{ weeks} * B3*B4$	\$10,920	\$14,196	\$16,380
B6	Number of designers/creatives (local and transversal)	Composite	370	370	370
B7	Weekly time gains from using Frontify and brand assets in day-to-day work (hours)	Interviews	3	3.25	3.5
B8	Percent of time saved due to Frontify	Assumption	33%	33%	33%
B9	Design and creative team member burdened hourly rate	TEI Standard	\$55	\$55	\$55
B10	Productivity capture	Assumption	50%	50%	50%
B11	Subtotal: Cost savings	$B6*B7*B9*42 \text{ weeks} * B8*B10$	\$423,077	\$458,333	\$493,589
B12	Brand, marketing, and communications people using Frontify (local and transversal)	Composite	1,000	1,000	1,000
B13	Weekly time gains from using Frontify and brand assets in day-to-day work (hours)	Interview	1.4	1.6	1.8
B14	Percent of time saved due to Frontify	Assumption	20%	20%	20%
B15	Brand, market, and communications worker burdened hourly rate	TEI Standard	\$40	\$40	\$40
B16	Productivity capture	Assumption	50%	50%	50%
B17	Subtotal: Cost savings	$B12*B13*B15*42 \text{ weeks} * B14*B16$	\$235,200	\$268,800	\$302,400
B18	People in management, sales, and HR who regularly use Frontify (local and transversal)	Composite	1,630	3,630	6,630
B19	Weekly time gains from using Frontify and brand assets in day-to-day work (hours per month)	Interview	0.75	0.75	0.50
B20	Percent of time saved due to Frontify	Assumption	20%	20%	20%
B21	Management, HR, and sales worker burdened hourly rate	TEI Standard	\$65	\$65	\$65
B22	Productivity capture	Assumption	50%	50%	50%
B23	Subtotal: Cost savings	$B18*B19*B21*42 \text{ weeks} * B20*B22$	\$333,743	\$743,243	\$904,995
Bt	Total: Single source of brand truth	$B5+B11+B17+B23$	\$1,002,939	\$1,484,571	\$1,717,364
	Risk adjustment	↓20%			
Btr	Total: Single source brand truth (risk-adjusted)		\$802,351	\$1,187,657	\$1,373,891
Three-year total: \$3,363,900			Three-year present value: \$2,743,170		

HIGHER-VALUE WORK BY LOCAL MARKETING TEAMS

Evidence and data. The interviewees said their organizations had little natural visibility into the branding and communication work done by local teams. They also said in-market colleagues spent most of their time making things (e.g., reinventing and executing), rather than thinking.

- Interviewees said transversal marketing teams needed to control and monitor the work done in market. Typically, they would rely on independent local auditors who would capture and forward examples. Or transversal teams would request, collect, and evaluate printed samples from their local teams or third parties. One interviewee's organization employed one person per market to monitor franchisees.
- Local marketing teams spent most of their time designing and executing campaigns and deliverables. These campaigns often already existed as global templates, in other markets or regions, or they had previously been done by a member of the team in the same market. That meant local field marketers had little time for essential work like growing customer understanding, improving targeting, testing new channels, and collaborating with sales to improve messaging.

Modeling and assumptions. Forrester assumes the following about ABC:

- ABC covers 100 markets in which one person is responsible for monitoring (e.g., tracking, compiling samples of marketing materials once produced, reporting to transversal teams) eight markets in the same region. These 12 roles are phased out over four years as Frontify is deployed, processes are reworked, and the staff members are integrated elsewhere in the marketing organization.

“Since all the sales people now want to be on-brand, they reach out for advice — not just about whether they are using the right template, but also whether the message is right. That development is really important because we want [our marketers] to be seen as the experts on channels and messages.”

SVP sales and marketing, transport and logistics

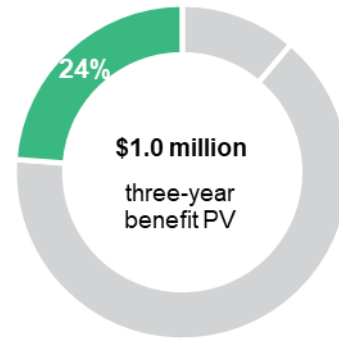
- Frontify frees 50% of the time of ABC's local marketers. This includes time for customer insights, messaging, targeting, researching, and testing new channels to connect. Forrester only attributed part of those efficiencies to Frontify. In the model, “better” appears as a slight lift in marketing efficiency and is expressed as additional available marketing budget.

Risks. This benefit can vary due to uncertainty related to:

- The number of staff members and type of support deployed to control and manage local entities.
- The salary of those deployed.
- The investment and efficiency levels local marketing teams meet in redeploying their efforts.

Results. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV of \$1 million.

Higher-value work by local marketing teams is 24% of total benefits or \$1 million three-year benefit PV.



Higher-Value Work By Local Marketing Teams					
Ref	Metric	Source	Year 1	Year 2	Year 3
C1	FTEs redeployed for control and policing of local work	Interview	3.0	6.0	9.0
C2	Brand, market, and communications FTE burdened hourly rate	TEI Standard	\$40	\$40	\$40
C3	Impact of reducing resources who control	C1*C2*40 hours* 42 weeks	\$201,600	\$403,200	\$604,800
C4	Yearly revenue	A2	\$27,000,000,000	\$27,000,000,000	\$27,000,000,000
C5	Yearly budget invested in local marketing	TEI Standard	1.5%	1.2%	1.0%
C6	Lift in effectiveness due to better targeting and messaging	Assumption	0.10%	0.10%	0.10%
C7	Attribution to the platform	Assumption	25%	25%	25%
C8	Impact of higher-value work by local marcom teams (expressed as additional available resource)	C4*C5*C6*C7	\$101,250	\$81,000	\$67,500
Ct	Higher-value work by local marketing teams	C3+C8	\$302,850	\$484,200	\$672,300
	Risk adjustment	↓15%			
Ctr	Higher-value work by local marketing teams (risk-adjusted)		\$257,423	\$411,570	\$571,455
Three-year total: \$1.240.448			Three-year present value: \$1.003.504		

UNQUANTIFIED BENEFITS

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

- **Better team relationships and collaboration between transversal and local teams.**
Interviewees said their organizations saw more collaboration through a distributed environment before campaigns and assets are developed and less policing and chasing after production.
- **“Safe” customization/localization.**
Interviewees’ organizations achieved this by providing pre-approved and ready-to-use templates.
- **The ability to scale local successes/pilots and to repeat in other markets.** Interviewees said transversal and other market teams can see and follow initiatives that are being tested in one market. Once it’s a success, it’s easy for other markets to adapt and deploy.
- **Management of risk linked to compliance.**
This is for things such as accessibility requirements of websites properties and management of the time and regional limitations of copyrights.
- **Being able to take advantage of new opportunities.** Interviewees said their organizations could explore opportunities like franchising with limited additional cost.

- **Having harmony around one platform.**
Bringing together all brands from around the world reduced complexity and avoided duplicate work and costs.
- **Ease of use for markets/teams.** Interviewees said users can adopt Frontify without training.

FLEXIBILITY

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

- **Frontify enables teams to evolve their organization and the way they work.** One interviewee said: “It helps us have our marketing teams work in a much more agile way where we empower our teams to work without going back to other hierarchies for approval. We can do this because we now trust that people will know what the framework is [and that] they will have access to everything.”
- **Brand assets available through Frontify can be used to automate creation and delivery of personalized content.** One interviewee’s organization is considering integrating Frontify with an AI-enabled content generation system. The system will leverage brand assets, templates, and user data to create and push personalized messages.

Analysis Of Costs

Quantified cost data as applied to the composite

Total Costs							
Ref	Cost	Initial	Year 1	Year 2	Year 3	Total	Present Value
Dtr	License fees	\$0	\$209,000	\$247,500	\$280,500	\$737,000	\$605,289
Etr	Setup costs	\$196,896	\$0	\$0	\$0	\$196,896	\$196,896
Ftr	Ongoing costs	\$0	\$43,718	\$40,682	\$37,646	\$122,047	\$101,650
	Total costs (risk-adjusted)	\$196,896	\$252,718	\$288,182	\$318,146	\$1,055,943	\$903,835

FRONTIFY LICENSING FEES

Evidence and data. The interviewees said Frontify's pricing plans are based on the average MAU of the platform. Frontify uses the average user numbers from the previous six months, and companies only pay for active users.

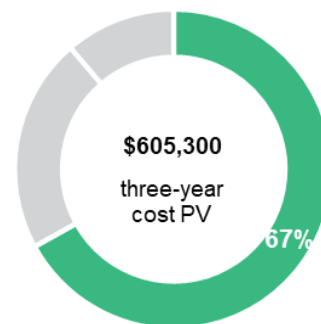
Modeling and assumptions. Forrester assumes the following about ABC:

- ABC begins its relationship with Frontify with 3,000 MAUs.
- ABC adds 2,000 MAUs in Year 2 and 3,000 in Year 3.

Risks. This cost can vary due to uncertainty related to:

- The share of employees within targeted departments.
- Differences in adoption of the platform.

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 \$605,300. Licensing fees are 67% of total costs or \$605,300 three-year cost PV.



Frontify Licensing Fees

Ref	Metric	Source	Initial	Year 1	Year 2	Year 3
D1	Frontify licensing fees	Composite		\$190,000	\$225,000	\$255,000
D2	Increase in MAUs already included in cost	Composite		3,000	5,000	8,000
Dt	Frontify licensing fees	D1	\$0	\$190,000	\$225,000	\$255,000
	Risk adjustment	↑10%				
Dtr	Frontify licensing fees (risk-adjusted)		\$0	\$209,000	\$247,500	\$280,500
Three-year total: \$737,000			Three-year present value: \$605,289			

SETUP COSTS

Evidence and data. The interviewees stressed that Frontify is easy to onboarding and easy to use. In general, they said startup and setup processes were quick and involved little additional time investments on their side. From start to finish, the software-as-a-service (SaaS) platform was ready in four to six weeks, including implementation of single sign-on protocols.

But interviewees said the most important time investment was organizing brand assets and creating very simple brand guidelines. One interviewed design lead told us the brand guidelines were so easy to implement that his team eagerly built guidelines for all media.

- Some of the organizations had a dedicated person who specified and ran the brand management platform project internally.
- Project managers were supported by IT to ensure connection with enterprise systems/solutions, like single sign-on.
- Frontify trained the trainers (i.e., the experts most involved in brand design), so they could make full use of the platform. Frontify also provided full support, an engaged customer success team, and an engaged user community. Interviewees said their teams are now open and willing to collaborate.
- Because the platform is intuitive, none of the interviewees' companies needed to train anyone beyond a small cell of power contributors. And power contributors were able to answer any questions.

Modeling and assumptions. Forrester assumes the following about ABC:

- A well-connected design team member runs the project. There is already general agreement as to how the tool and assets are to be organized, so they don't start from scratch.

“Frontify makes [things] easy because it’s quite intuitive. We obviously have training for our specialists to really get things right and to put everything into the right places. Some of our people received training from Frontify. And they were quick on their feet to then teach others. People started using it a lot very quickly.”

*Head of corporate design,
engineering and technology*

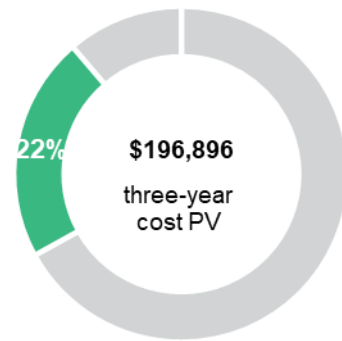
- A small team of brand platform advocates is trained on all the possibilities of Frontify.
- The assets are integrated into Frontify automatically. The resources allocated are to specifically manage and hone the organization of assets including their tagging.

Risks. This cost can vary due to uncertainty related to:

- Whether or not the organization requires custom integrations based on their needs and environment.
- The number of assets to integrate, tag, and validate.
- The organization's current state of maturity and how organized its brand assets are.
- The salaries of employees or contractors.

Results. To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year, risk-adjusted total PV of \$197,000.

Set-up costs are 22% of total costs or \$197,000 three-year cost PV.



Setup Costs						
Ref	Metric	Source	Initial	Year 1	Year 2	Year 3
E1	One-time Frontify setup fee	Interviews	\$13,200			
E2	Internal FTE (designer) to brief Frontify and manage implementation	Composite	33%			
E3	Internal FTE hourly burdened hourly rate	TEI Standard	\$55			
E4	Time internal IT resources need to configure and test SSO protocols and align data usage to policies (hours)	Composite	32			
E5	IT FTE hourly burdened rate	TEI Standard	\$60			
E6	Subtotal: Implementation management.	$E2 * E3 * 40 \text{ hours} * 6 \text{ weeks plus } E4 * E5$	\$6,276			
E7	Internal FTEs onboarding (coordination team)	Composite	30			
E8	Internal FTEs hourly burdened rate	TEI Standard	\$40			
E9	Hours per FTE	Interviews	32			
E10	Subtotal: Internal FTE	$E7 * E8 * E9$	\$38,400			
E11	Number of brand guidelines created (initially eight per brand)	Interviews	96			
E12	Hourly time for creation (per)	Interviews	4			
E13	Transversal design and creative team member burdened hourly rate	TEI Standard	\$55			
E14	Creation of brand guidelines	$E11 * E12 * E13$	\$21,120			
E15	Number of assets to integrate/check and tag	Interviews	10,000			
E16	Time for control and tagging (in minutes)	Interviews	15			
E17	Internal or external resource burdened hourly rate	TEI Standard	\$40			
E18	Integration of assets and tagging	$E15 * E16 / 60 * E17$	\$100,000			
Et	Setup costs	$E1 + E3 + E7 + E8 + E11$	\$178,996	\$0	\$0	\$0
	Risk adjustment	↑10%				
Etr	Setup costs (risk-adjusted)		\$196,896	\$0	\$0	\$0
Three-year total: \$196.896			Three-year present value: \$196.896			

ONGOING COSTS

Evidence and data. Interviewees said their organizations continually enriched their brand content on Frontify. The ongoing costs here do not include the creation of brand assets nor campaigns.

- Interviewees said brand owners often required agency partners to use and contribute to Frontify. The expectation was that they would align Frontify with their work. This expectation was facilitated by the platform's collaboration tools and everyone's use of the workflows and approval processes.
- Making sure the assets were well-organized was an important concern, especially because Frontify's search is widely used.
- Designers continually enlarged their brand guideline offers.

Initially, we only intended to have up core guidelines, but because it's just so quick to add content and elements, we pretty much built out a whole site with guides — not just the core guides, but guides for social media or in [a presentation tool]. I forget how many pages we launched with, but [it was] many more than we were anticipating.”

Head of corporate design, engineering, and technology

Modeling and assumptions. Forrester assumes the following about ABC:

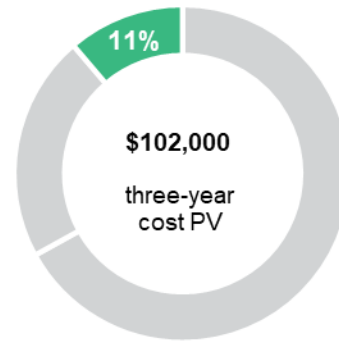
- ABC continues to diversify and publish brand guidelines.
- ABC continues to invest in tagging content and it runs checks on assets in the library to be sure they are classified correctly and match what users are looking for. An interviewed brand director explained their team's approach to tagging like this: “We have committed resources for metadata. You cannot trust that everybody is going to put metadata on everything, and that they all have the same classification scheme. So, we commit and invest in people who help catalog our assets. That's essential to later find everything”.

Risks. This cost can vary due to uncertainty related to:

- The volume and complexity of brand guidelines created.
- The speed of adoption/expansion.
- The number of assets to spot check.
- The quality of initial integration.
- The current state and level of organization of brand assets.
- Salaries of employees or contractors.

Results. To account for these risks, Forrester adjusted this cost upward by 15%, yielding a three-year, risk-adjusted total PV of \$102,000.

Ongoing costs are 11% of total costs or \$102,000 three-year cost PV.

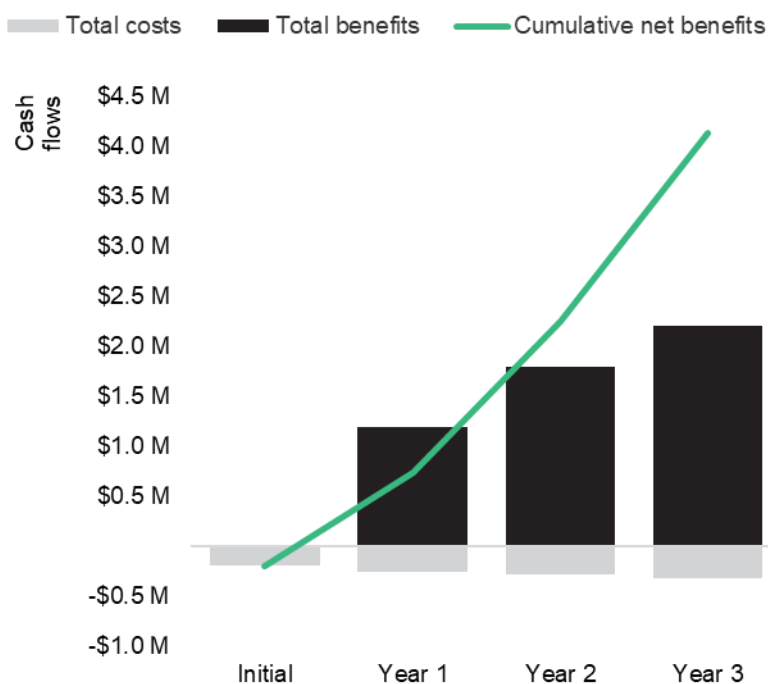


Ongoing Costs						
Ref	Metric	Source	Initial	Year 1	Year 2	Year 3
F1	Brand guidelines created per brand	Interviews		48	36	24
F2	Time for creation (hours per)	Interviews		4	4	4
F3	Transversal design and creative team burdened hourly rate	TEI Standard		\$55	\$55	\$55
F4	Creation of brand guidelines	F3*F2*F1		\$10,560	\$7,920	\$5,280
F5	Time for control, auditing, and adjusting tagging of integrated content	Interviews		33%	33%	33%
F6	Internal or external resource burdened hourly rate	TEI Standard		\$40	\$40	\$40
F7	Integration of assets and tagging	E2*E3*40 hours*52 weeks		\$27,456	\$27,456	\$27,456
Ft	Ongoing costs	F4+F7	\$0	\$38,016	\$35,376	\$32,736
	Risk adjustment	↑15%				
Ftr	Ongoing costs (risk-adjusted)		\$0	\$43,718	\$40,682	\$37,646
Three-year total: \$122,047			Three-year present value: \$101,650			

Financial Summary

CONSOLIDATED THREE-YEAR RISK-ADJUSTED METRICS

Cash Flow Chart (Risk-Adjusted)



The financial results calculated in the Benefits and Costs sections can be used to determine the ROI, NPV, and payback period for the composite organization's investment. Forrester assumes a yearly discount rate of 10% for this analysis.

These risk-adjusted ROI, NPV, and payback period values are determined by applying risk-adjustment factors to the unadjusted results in each Benefit and Cost section.

Cash Flow Analysis (Risk-Adjusted Estimates)

	Initial	Year 1	Year 2	Year 3	Total	Present Value
Total costs	(\$196,896)	(\$252,718)	(\$288,182)	(\$318,146)	(\$1,055,943)	(\$903,835)
Total benefits	\$0	\$1,189,374	\$1,793,627	\$2,204,546	\$5,187,547	\$4,219,894
Net benefits	(\$196,896)	\$936,655	\$1,505,445	\$1,886,400	\$4,131,604	\$3,316,059
ROI						367%
Payback						<6 months

Appendix A: Total Economic Impact

Total Economic Impact is a methodology developed by Forrester Research that enhances a company's technology decision-making processes and assists vendors in communicating the value proposition of their products and services to clients. The TEI methodology helps companies demonstrate, justify, and realize the tangible value of IT initiatives to both senior management and other key business stakeholders.

TOTAL ECONOMIC IMPACT APPROACH

Benefits represent the value delivered to the business by the product. The TEI methodology places equal weight on the measure of benefits and the measure of costs, allowing for a full examination of the effect of the technology on the entire organization.

Costs consider all expenses necessary to deliver the proposed value, or benefits, of the product. The cost category within TEI captures incremental costs over the existing environment for ongoing costs associated with the solution.

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

Risks measure the uncertainty of benefit and cost estimates given: 1) the likelihood that estimates will meet original projections and 2) the likelihood that estimates will be tracked over time. TEI risk factors are based on "triangular distribution."

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



PRESENT VALUE (PV)

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



NET PRESENT VALUE (NPV)

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



RETURN ON INVESTMENT (ROI)

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



DISCOUNT RATE

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



PAYBACK PERIOD

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

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