

# The Total Economic Impact<sup>™</sup> Of KPMG Powered Evolution

Cost Savings And Business Benefits Enabled By Powered Evolution

A FORRESTER TOTAL ECONOMIC IMPACT<sup>™</sup> STUDY  
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### ABOUT FORRESTER CONSULTING

Forrester provides independent and objective research-based consulting to help leaders deliver key outcomes. Fueled by our customer-obsessed research, Forrester's seasoned consultants partner with leaders to execute their specific priorities using a unique engagement model that ensures lasting impact. For more information, visit [forrester.com/consulting](https://forrester.com/consulting).

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# Executive Summary

Organizations often struggle with the implementation, adoption, effective use, and long-term value of new platforms and software-as-a-service (SaaS) releases. Many enterprises face significant challenges due to manual processes and a lack of proficiency with their platforms, leading to inefficiencies across business functions. To adapt to competitive market conditions and regulatory changes, organizations must use complex platforms effectively to leverage new technologies and continuous process improvements while optimizing key functions across business units.

KPMG Powered Evolution is an on-demand, subscription-based service that provides organizations with ongoing support, maintenance, and continuous transformation to leverage the full potential of their platform investments.

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



Return on investment (ROI)

**236%**



Net present value (NPV)

**\$1.67M**

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed five decision-makers with experience using Powered Evolution at their organization. For the purposes of this study, Forrester aggregated the interviewees' experiences and combined the results into a single [composite organization](#) that is a global company with \$10 billion revenue and 15,000 employees.

Interviewees said that prior to using Powered Evolution, their organizations struggled with a lack of resources and expertise to support their complex platforms across several business functions. However, prior attempts with previous managed service providers yielded limited success, leaving the organizations with manual processes and untested new releases. These

## EXECUTIVE SUMMARY

limitations led to high ticket volumes and end-user downtime that stalled key business processes.

The interviewees said that after the investment in Powered Evolution, their organizations had a trusted partnership with KPMG that reduced the burden on IT teams and optimized platform use for end users, which resulted in improvements in marketing automations, customer experience, and compliance. Key results from the investment include avoided leadership hires, avoided platform management team hires, eliminated managed services costs, avoided end-user downtime and delays, and ticket resolution efficiencies.

## KEY FINDINGS

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

- **Three avoided leadership hires.** The composite organization ensures that it maintains governance standards and avoids business-leader and subject-matter expertise hires by leveraging Powered Evolution to manage updates, structure processes for testing and enhancements, assist with documentation and training, and implement systems for prioritizing and managing work. Over three years, the avoided hires are worth \$778,000 to the composite organization.
  - **Two avoided platform management team hires.** Powered Evolution helps the composite handle release management, reporting, break-fix support, ticket response, and quarterly updates, enabling it to avoid additional resources, manage complex software efficiently, and benefit from the Powered Evolution team's expertise and structured approach to day-to-day operations. Over three years, the composite organization avoids \$341,000 in platform management team hires.
  - **Eliminated managed services costs of \$255,000 per year.** Leveraging Powered Evolution, the composite organization eliminates third-party managed services and reduces the number of IT management service licenses. It improves support for cloud platforms and leads to cost reductions and better scalability for operations previously managed by less capable providers. Over three years, the composite eliminates \$571,000 in managed services costs.
  - **Elimination of 80% of end-user downtime.** Powered Evolution manages the composite's issue identification and resolution, which helps it avoid end-user downtime
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and improve overall system stability to minimize operational disruptions when new platform capabilities are released. Over three years, avoided end-user downtime and delays are worth \$457,000 to the composite organization.

- **Reduction of 50% in ticket volume and resolution time.** The composite organization reduces service requests due to automation, structured processes for submitting service requests, and faster issue resolution with the implementation of service-level agreements (SLAs). Its help desk employees see a reduced workload because the Powered Evolution team provides expertise and helps handle tickets. Over three years, efficiency of ticket resolution is worth \$288,000 to the composite organization.

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

- **Cost avoidance from improved strategic direction.** Powered Evolution provides guidance to the composite organization that helps it avoid unnecessary costs from nonessential functional enhancements that do not align with the organization's roadmap or strategic goals.
- **Improved employee experience.** Powered Evolution enhances the composite organization's employee experience by automating manual tasks, which enables IT team members to focus on more meaningful work and pursue career advancements. This shift allows employees to move into roles that offer greater satisfaction and growth opportunities.
- **Evolved knowledge-base management.** Powered Evolution handles the composite's knowledge transfer between resources on best practices, requirements, updates, changes, and processes. The organization is also empowered with self-service libraries to address incidents.

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

- **Managed service fees.** The composite organization incurs managed service fees on a subscription to a base level of hours and functional enhancements. Over three years, the composite organization spends \$643,000 on managed service fees with Powered Evolution.
  - **Meetings with the KPMG Powered Evolution team.** Ten platform managers at the composite organization meet weekly with the Powered Evolution Team and four
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business leaders meet monthly with the team to discuss process efficiencies, new capabilities and releases, and strategic direction. Over three years, the composite organization spends \$64,000 on its regular cadence of meetings with the Powered Evolution team.

The representative interviews and financial analysis found that a composite organization experiences benefits of \$2.37 million over three years versus costs of \$760,000, adding up to a net present value (NPV) of \$1.67 million and an ROI of 236%.

Avoided leadership and subject-matter expert hires

**3**

“Powered Evolution has been here with me on the journey not only to embed the change, make functional improvements, and remove resistance, but the [Powered Evolution] team is also embedded in the operation as part of the strategic narrative and journey that we’re all on together. I don’t see [the team] as a separate operation. We unlock value together. We find a new opportunity. They’re here with me. They understand the operation. We just re-signed [KPMG] and didn’t even need to think about any competitive market tender. So, we’re going to continue to evolve the relationship and continue to invest in the partnership.”

CHIEF INFORMATION OFFICER, TRANSPORTATION



Return on investment  
(ROI)

236%



Benefits PV

\$2.37M



Net present value  
(NPV)

\$1.67M



Payback

<6 months

Benefits (Three-Year)



## TEI FRAMEWORK AND METHODOLOGY

From the information provided in the interviews, Forrester constructed a Total Economic Impact™ framework for those organizations considering an investment in KPMG Powered Evolution.

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 Powered Evolution can have on an organization.

### DISCLOSURES

Readers should be aware of the following:

This study is commissioned by KPMG 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 Powered Evolution.

KPMG 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.

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

### Due Diligence

Interviewed KPMG stakeholders and Forrester analysts to gather data relative to Powered Evolution.

### Interviews

Interviewed five people at organizations using Powered Evolution to obtain data about costs, benefits, and risks.

### Composite Organization

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

### Financial Model Framework

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

### Case Study

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



# The KPMG Powered Evolution Customer Journey

## Drivers leading to the Powered Evolution investment

Interviews			
Role	Industry	Region	Revenue
Director of HRIS	Insurance	Global (US headquarters)	\$3.6B
Vice president of IT services	Manufacturing	Global (US headquarters)	\$12B
End-user service branch chief	Government	United States	\$500M
Executive director of business applications	Media	United States	\$3B
Chief information officer	Transportation	Australia	\$1B

## KEY CHALLENGES

Interviewees said that prior to implementing KPMG Powered Evolution, their organizations experienced dissatisfaction with other managed service providers, strained resources due to manual tasks, and had a need for specialized support and expertise to gain optimal use of their complex SaaS platforms.

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

- **Dissatisfaction with incumbent managed service provider.** Several interviewees said it was challenging to collaborate with the third-party partner that previously managed their organization's solutions or platforms or that the partner did not provide the level of expertise or service needed. The director of HRIS in the insurance industry said: "When we went live with [a previous managed services provider], they were horrible. I've dealt with a lot of different consulting companies in my life, and never have I ever dealt with

anything like this. It's like we worked for them instead of them working for us. It was terrible."

- **Lack of resources to support complex platforms.** Each interviewee described a lack of resources that resulted in untested releases and subsequently increased ticket volumes that disrupted both help desk and end-user productivity. The executive director of business applications in media said: "With quality assurance and the constant change of new features delivered, we quickly recognized that we weren't internally organized [to appropriately address that need]. We didn't have the security resources, and we were still trying to stabilize to re-architect security. There was no governance process, either. We had about 1,200 security tickets coming into the queue each year with a dedicated security person to manage incident tickets, enhancements, and any project work that was coming. [It was] not a recipe for success."

The vice president of IT services in manufacturing said, "We recognized that the level of testing effort was greater than we had expected." And the end-user service branch chief in the government sector said: "Resource was the main issue. We are a big organization. One person can't do it all."

- **Limited organizational growth due to high ticket volumes and disruptions to operations.** Interviewees described that in addition to burdening IT resources, lack of testing of new releases and capabilities resulted in slow or stalled operations and impacts to end users. Suboptimal use of the platform inhibited efficient processing of purchase orders, automated marketing campaigns, and speedy responses to customers.

## INVESTMENT OBJECTIVES

The interviewees' organizations searched for a solution that could:

- Provide production support, quarterly testing, and release management with testing and break-fix capabilities.
  - Manage the larger suite of products for better reporting, asset management, and change management.
  - Facilitate knowledge transfer and training for internal teams to improve self-sufficiency and reduce reliance on external support.
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- Manage costs effectively with strategic guidance and avoidance of internal hires.
- Ensure better governance, compliance, and security through structured processes and documentation.

“Before Powered Evolution, there was no regression testing. There were so many buried details. When those updates came with a new feature, we tested but never went back to test prior functionality that had been in place to make sure that something that we roll out isn’t breaking something else.”

EXECUTIVE DIRECTOR OF BUSINESS APPLICATIONS, MEDIA

## 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 global organization generates \$10 billion in revenue and has 15,000 employees, including 10 FTEs on the platform management team. It leverages Powered Evolution support across platforms in two to three business areas.

**Deployment characteristics.** The composite implements Powered Evolution during an initial platform implementation and change management period. It then expands the scope across modules affecting various business areas (e.g., finance, marketing, human resources) to aid with roadmapping, quarterly testing and releases, process development, and strategic guidance.

**KEY ASSUMPTIONS**

Global organization

\$10 billion revenue

15,000 employees

10 platform management FTEs

# 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	Avoided leadership hires	\$161,500	\$323,000	\$484,500	\$969,000	\$777,772
Btr	Avoided platform management team hires	\$74,375	\$138,125	\$212,500	\$425,000	\$341,421
Ctr	Eliminated managed services costs	\$229,500	\$229,500	\$229,500	\$688,500	\$570,733
Dtr	Avoided end-user downtime and delays	\$183,600	\$183,600	\$183,600	\$550,800	\$456,586
Etr	Efficiency of ticket resolution	\$91,800	\$91,800	\$91,800	\$275,400	\$228,293
Total benefits (risk-adjusted)		\$740,775	\$966,025	\$1,201,900	\$2,908,700	\$2,374,805

## AVOIDED LEADERSHIP HIRES

**Evidence and data.** Interviewees said utilizing Powered Evolution provided them and their teams with guidance and comprehensive support by structuring processes for testing and enhancements, assisting with training and documentation, and implementing systems for prioritizing and managing work. They explained that this ensured their organizations maintained governance standards, resulting in avoided hires for business leaders and subject-matter experts.

- The director of HRIS in the insurance industry said the Powered Evolution team provided knowledge the organization previously would have needed subject-matter experts to address. The interviewee explained: “If we didn’t have [Powered Evolution], my team would be at least double the size that it is now. None of us had any experience with UK payroll, so [Powered Evolution] helped tremendously with that. I know nothing about UK taxes or pension plans or benefits. It’s a totally different animal. So, I don’t even know how we could have done that without them. We would have had to hire people local in the UK and Ireland to do that. Powered Evolution had experts in each area we worked closely with.”

## ANALYSIS OF BENEFITS

- The end-user service branch chief in the government sector noted that Powered Evolution helped improve their organization's IT processes (e.g., change management, incident management) by implementing industry standards and best practices in a structured manner the organization did not have before.
- The vice president of IT services in manufacturing noted that without Powered Evolution, their organization would have needed to hire six FTEs on the business side.
- The executive director of business applications in media said Powered Evolution improved the overall quality of communications, which would have otherwise fallen on a business stakeholder to manage, measure, and strategically address. The interviewee said: "Some of that work was offshored, so we had a degree of response. But nobody was really managing it. That was a massive gap. Nobody had any idea on metrics. Nobody could tell you any of the value that we were actually experiencing until you started to hear about escalations."

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

- Six FTEs at the composite provide guidance, governance, and subject-matter expertise support business use cases across three business areas. There are two FTEs per business area.
- In Year 1, the composite organization avoids hiring one additional FTE who would have been needed to provide guidance, governance, and subject-matter expertise. It avoids hiring two and three FTEs in years 2 and 3, respectively, as the organization's operations and need for guidance and expertise expands.
- The average annual burdened salary for a business leader and subject-matter expert is \$190,000.

**Risks.** Results may not be representative of all experiences and the benefit will vary based on the following:

- The variability and extent of the organization's transformation toward its objectives for each business unit.
- The skill level and availability of the organization's existing department heads and subject-matter experts.

**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 \$778,000.

“Powered Evolution covers the art of the possible with us. [The team] asks us our pain points. What are we still doing manually? What are we doing with spreadsheets? They make recommendations. Maybe there’s something in the solution we can add. So, they’re constantly helping us improve.”

DIRECTOR OF HRIS, INSURANCE

Avoided Leadership Hires					
Ref.	Metric	Source	Year 1	Year 2	Year 3
A1	FTEs who oversee business area use cases (e.g., payroll, talent/recruitment, supply chain) in platforms supported by KPMG Powered Evolution	Composite	6	6	6
A2	Overseer growth needed to strategize, expand, and optimize use cases	Composite	17%	33%	50%
A3	Additional FTEs saved with guidance and governance from KPMG Powered Evolution	A1*A2	1.0	2.0	3.0
A4	Average burdened salary for a business leader and subject-matter expert	Research data	\$190,000	\$190,000	\$190,000
At	Avoided leadership hires	A3*A4	\$190,000	\$380,000	\$570,000
	Risk adjustment	↓15%			
Atr	Avoided leadership hires (risk-adjusted)		\$161,500	\$323,000	\$484,500
Three-year total: \$969,000			Three-year present value: \$777,772		

### AVOIDED PLATFORM MANAGEMENT TEAM HIRES

**Evidence and data.** Interviewees said that in addition to providing leadership and guidance, Powered Evolution helped their organizations handle release management, reporting, break-fix support, tickets, and quarterly updates. They explained that the vast majority of quarterly updates and testing was automated after implementing Powered Evolution.

- The director of HRIS in the insurance industry said that Powered Evolution handled semiannual releases for the organization. Likewise, the executive director of business applications in media noted that Powered Evolution managed the entire process of quarterly testing, releases, and reporting, emphasizing that without the solution, their organization would need to hire additional resources to handle these tasks.
- The vice president of IT services in the manufacturing industry explained that Powered Evolution provided a structured approach to testing, break-fixes, and enhancements. They said that without it, their organization would need to add one to four full-time employees on the IT side to handle these tasks. The interviewee noted a relatively high turnover rate among analysts, so maintaining this team internally would have been expensive. But they said Powered Evolution's support allowed the organization to avoid the challenges of hiring specialized staff for these tasks: "Part of the capabilities that Powered Evolution provides through this testing process is testing automation. I'm going to say 70% of our test scripts are executed by an automation process. So, Powered Evolution brought that expertise, which we do not have internally. That is a huge value proposition for the process."
- The end-user service branch chief from the government sector mentioned that Powered Evolution helped with platform management by providing a system for documenting and prioritizing enhancements, and they said without the solution, their organization would need at least six to eight people to manage the platform internally. The interviewee said: "To manage seven modules and the system admin takes a small platoon to cover that complex software, and Powered Evolution has bench strength of different technical skills. So, we get the benefit of the Powered Evolution team's wide [skill set], and we pay them just a flat fee for supporting the system." The interviewee added that it was difficult to find and retain the skills needed internally to manage the systems: "It can be hard to find people who are certified in the different platforms. It's also hard to retain them



because those skills are a hot commodity. A lot of people leave once they gain those skills. I'd be happy if I filled half the positions."

- The chief information officer in the transportation industry said Powered Evolution provided an organized approach to managing day-to-day operations and that without the support, their organization would need to hire additional developers to handle the volume of work.

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

- Four IT platform managers at the composite support leaders in leveraging platforms across business unit use cases. The organization avoids hiring 0.7 additional FTEs to update modules and automate testing of quarterly updates in Year 1, 1.3 FTEs in Year 2, and two FTEs in Year 3 as its operations expand.
- The average annual burdened salary for a platform manager is \$125,000.

**Risks.** Results may not be representative of all experiences and the benefit will vary based on the following:

- The variability and extent of the organization's transformation toward its objectives for each business unit.
- The skill level and availability of the organization's existing IT staff.

**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 \$341,000.

## 2

Platform management team hires avoided

“I’d say I would at least need another five to 10 people if I didn’t have KPMG Powered Evolution. Five would be my minimal starting point, but [it could be] anywhere up to 10.”

CHIEF INFORMATION OFFICER, TRANSPORTATION

Avoided Platform Management Team Hires					
Ref.	Metric	Source	Year 1	Year 2	Year 3
B1	IT FTEs who provide platform management support	Composite	4	4	4
B2	Platform management team growth needed for updated modules and automated testing of quarterly updates	Interviews	17%	33%	50%
B3	Additional platform management team FTEs needed for updated modules and automated testing of quarterly updates without KPMG Powered Evolution	B1*B2	0.7	1.3	2.0
B4	Average burdened salary for a platform manager	Research data	\$125,000	\$125,000	\$125,000
Bt	Avoided platform management team hires	B3*B4	\$87,500	\$162,500	\$250,000
	Risk adjustment	↓ 15%			
Btr	Avoided platform management team hires (risk-adjusted)		\$74,375	\$138,125	\$212,500
Three-year total: \$425,000			Three-year present value: \$341,421		

## ELIMINATED MANAGED SERVICES COSTS

**Evidence and data.** Several interviewees said their organization eliminated the third-party managed services they used before implementing Powered Evolution. They said their organizations also reduced the number of IT management service licenses with the platform provider.

- The executive director of business applications in media highlighted that between 2017 and 2019, their organization hired three different vendors to support its finance and supply chain systems. After implementing Powered Evolution, the organization reduced costs and gained better support for its cloud platform.
- The chief information officer in the transportation industry mentioned that before implementing Powered Evolution, another provider managed one module of one of their organization's platforms. They said the provider was smaller and more specialized in development, but that it lacked the scale for day-to-day business-as-usual (BAU) management.
- The director of HRIS in the insurance industry described switching from a previous partner to expand their organization's operations. They said: "When we went live, we decided to go with KPMG Powered Evolution as our support. We're on both sides of [Powered Evolution], so for any new implementations or new SKUs, we go with [Powered Evolution], and then we have the managed services team for support."

**Modeling and assumptions.** Based on the interviews, Forrester assumes the composite organization recaptures \$255,000 per year in managed services costs after implementing Powered Evolution.

**Risks.** Results may not be representative of all experiences and the benefit will vary based on the extent and value of the organization's third-party managed services partners prior to implementing Powered Evolution.

**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 \$571,000.

"Post-deployment [of a platform], we went back out to market to have a look at who would be best suited to support the entire suite of products. We eventually landed with [Powered Evolution] being the most suitable candidate to be providing that day-to-day support."

CHIEF INFORMATION OFFICER, TRANSPORTATION

Eliminated Managed Services Costs					
Ref.	Metric	Source	Year 1	Year 2	Year 3
C1	Managed services time recaptured (hours)	Interviews	\$255,000	\$255,000	\$255,000
Ct	Eliminated managed services costs	C1	\$255,000	\$255,000	\$255,000
	Risk adjustment	↓10%			
Ctr	Eliminated managed services costs (risk-adjusted)		\$229,500	\$229,500	\$229,500
Three-year total: \$688,500			Three-year present value: \$570,733		

## AVOIDED END-USER DOWNTIME AND DELAYS

**Evidence and data.** Interviewees said that prior to implementing Powered Evolution, their organizations lacked automated testing or had no testing for newly released capabilities and updates. This resulted in problematic implementations with process delays and stability issues, which created poor experiences for end users and downstream impacts to business. Powered Evolution managed identification and resolution of issues, including liaising with platform/solution providers to address problems that arose from updates. This led to avoided end-user downtime.

- The vice president of IT services in manufacturing said: “On average, there are six new capabilities per year, and each one impacts roughly a quarter of our employees. The new capabilities vary in size. There might be a digital assistant that impacts a lot of people who can now talk to a chatbot or there’s a flag on a general ledger transaction that is valuable to accounting.”
- The executive director of business applications in media described the difficulties of handling change management: “The first 12 to 18 months [of implementing the platform] were very challenging. There were definitely some serious stability issues. There were some code issues in the user interface for time and labor and very late-night calls for me.”
- The end-user service branch chief in the government sector said self-service for end users prevents unnecessary delays in resolution: “If teammates do reset our password, instead of calling IT, a teammate can just go to [the platform] and type in, ‘How do I

change my password?’ and receive an article. So, instead of calling IT, opening a ticket and waiting, we also have started self-service because of the help of answers from Powered Evolution.”

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

- The composite has a total of 15,000 employees.
- Ten percent of the composite’s employees are impacted by new capabilities, enhancements, incident management, or processing delays from an average of six enhancements per year.
- Previously, a lack of testing, stability issues, and improperly implemented enhancements led to 3 hours of downtime per user per year for each enhancement.
- Implementing Powered Evolution eliminates 80% of this end-user downtime.
- The average hourly burdened rate for an employee is \$40.

**Risks.** Results may not be representative of all experiences and the benefit will vary based on the following:

- The extent of lack of testing in the prior environment.
- The capacity and timeliness of the help desk to address and resolve issues in the prior environment.
- The organization’s tech stack and appetite for experimenting with new releases and capabilities on its platforms.
- Whether or not end users engage in other productive tasks within their roles during downtime.

**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 \$457,000.

**80%**

End-user downtime eliminated

“By delivering faster with KPMG Powered Evolution, I reduce friction in [end-user] day-to-day work. A lot of what [an employee does] is dependent on the product and the platform. Their day-to-day job is embedded in that system. If I am able to give them that outcome quicker, it means — for example — that we’re able to automate our marketing campaigns quicker and target our consumers to promote deals.”

CHIEF INFORMATION OFFICER, TRANSPORTATION

## ANALYSIS OF BENEFITS

Avoided End-User Downtime And Delays					
Ref.	Metric	Source	Year 1	Year 2	Year 3
D1	Total employees	Composite	15,000	15,000	15,000
D2	Percent of employees impacted by new capabilities, enhancements, incident management, or processing delays	Interviews	10%	10%	10%
D3	New capabilities or enhancements introduced	Interviews	6	6	6
D4	Total downtime a user previously experienced from lack of testing, stability issues, or improperly implemented enhancements (hours)	Composite	3	3	3
D5	Percent of downtime eliminated with KPMG Powered Evolution	Composite	80%	80%	80%
D6	Average hourly burdened rate for an employee	Research data	\$40	\$40	\$40
D7	Productivity recapture rate	Composite	25%	25%	25%
Dt	Avoided end-user downtime and delays	$D1 \times D2 \times D3 \times D4 \times D5 \times D6 \times D7$	\$216,000	\$216,000	\$216,000
	Risk adjustment	↓15%			
Dtr	Avoided end-user downtime and delays (risk-adjusted)		\$183,600	\$183,600	\$183,600
Three-year total: \$550,800			Three-year present value: \$456,586		

## EFFICIENCY OF TICKET RESOLUTION

**Evidence and data.** Interviewees said Powered Evolution's handling of tickets reduced the burden on their organizations' help desks through both the expertise that increased the speed of resolution and the volume of tickets handled by Powered Evolution.

- The director of HRIS in the insurance industry remarked on the efficiency of assigning the appropriate expertise with Powered Evolution to the ticket if needed.
- The executive director of business applications in media said Powered Evolution reduced the overall number of service requests due to automated testing of scripts and improved stability that lightened the burden on the help desk.
- The vice president of IT services in manufacturing said Powered Evolution structured and managed the process of submitting service requests to the platform and ensured that the necessary information is provided for resolution.

- The end-user service branch chief in the government sector described a similar process and noted that Powered Evolution improved response times and reduced delays.
- The chief information officer in the transportation industry mentioned that their organization resolves issues twice as fast as it could before implementing Powered Evolution because it implemented a system of SLAs and key performance indicators (KPIs) to ensure that issues are resolved promptly and efficiently.

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

- Prior to implementing Powered Evolution, the composite organization saw 1,200 tickets annually with an average of 4 hours needed to resolve each ticket.
- The composite experiences a 50% reduction in ticket volume and resolution time with Powered Evolution.
- The average hourly burdened salary for a help desk worker is \$60 per hour.

**Risks.** Results may not be representative of all experiences and the benefit will vary based on the following:

- The extent of lack of testing and volume of tickets in the prior environment.
- The capacity and timeliness of the help desk to address tickets in the prior environment.
- The organization's tech stack and appetite for experimenting with new releases and capabilities on its platforms.

**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 \$228,000.

**50%**

Reduction in ticket volume and resolution time



“One of the capabilities that we lean on [the Powered Evolution team] pretty heavily for is that they can dig in and find the problem. They have the connections with platform providers to be able to enter a service request, get insight, and manage that process. I would also suggest it’s helpful that they’re doing this for other clients. If we raise an issue, Powered Evolution may come back and say their other customers are experiencing the same and coordinate across all customers to place more pressure on the platform provider and get the right resources for all of us.”

VICE PRESIDENT OF IT SERVICES, MANUFACTURING

Efficiency Of Ticket Resolution					
Ref.	Metric	Source	Year 1	Year 2	Year 3
E1	Tickets before KPMG Powered Evolution	Composite	1,200	1,200	1,200
E2	Average time to resolve a ticket (hours)	Composite	4	4	4
E3	Reduction in ticket volume and resolution time	Interviews	50%	50%	50%
E4	Average hourly burdened salary for a help desk worker	Research data	\$60	\$60	\$60
E5	Productivity recapture rate	Composite	75%	75%	75%
Et	Efficiency of ticket resolution	$E1 \cdot E2 \cdot E3 \cdot E4 \cdot E5$	\$108,000	\$108,000	\$108,000
	Risk adjustment	↓15%			
Etr	Efficiency of ticket resolution (risk-adjusted)		\$91,800	\$91,800	\$91,800
Three-year total: \$275,400			Three-year present value: \$228,293		

### UNQUANTIFIED BENEFITS

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

- **Cost avoidance from improved strategic direction.** The chief information officer in the transportation industry noted Powered Evolution guided their organization to decisions that helped it avoid additional costs by not pursuing unnecessary functional enhancements. The interviewee noted that the organization's former managed service providers were revenue-focused and delivered on any ideas the organization proposed, whereas Powered Evolution broke through to ensure the strategic value delivered from the operation was than delivering on a single outcome. The interviewee said, "With 10 functional enhancements a year [that we might have considered], that's \$500,000 a year that we're avoiding in additional cost."
- **Improved employee experience.** Interviewees explained that because Powered Evolution lessens the burden on IT teams to perform mundane tasks, it allows employees to engage in work that is meaningful to them. By automating tasks, Powered Evolution removed the need to retain analysts in positions where the incumbents preferred to pursue promotions to more exciting roles.
- **Evolved knowledge-base management.** Interviewees said the Powered Evolution team brought considerable knowledge to their teams and that it had positive impacts on business, IT teams, and end users. The vice president of IT services in manufacturing said: "There's less knowledge transfer on the customer's dime because we've started to engage the [Powered Evolution] team with the implementation team during final testing. The [Powered Evolution] team is engaged and already understanding, eliminating a three-month knowledge-transfer process."

The end-user service branch chief in government explained that the implementation of Powered Evolution created systems to identify and resolve issues more quickly and that it provides knowledge about where the issues originate and who is impacted: "Let's say one database server died. We'll know it died, and we can say, 'Hey, it was serving this accounting system, and now I need to notify all these accounting users.' In the past, we did not have that knowledge, so we would just say, 'Server A is down.' And we might say: 'I don't know. Everything for me is working' until it's not hitting that accounting system. Then people would connect the dots [and think], 'Oh, maybe [it's] because a server went

down.’ But now we have the knowledge. So, if it [goes] down, we can look up what systems are run on it and who the users are. Powered Evolution helped us connect those dots and create processes for incident and release management so we notify the right people.”

“We’re actually able to deliver a lot more to our business than we’re able to measure. We know the value that we’re providing. On average, between my team and [the Powered Evolution team], we deliver about 150 enhancements a year. Enhancements can sound small, but one of my bigger issues is a lot of times with enhancements, when you think through doing the analysis, the configuration, and the security ramifications — because there always are — and any downstream impacts to reporting and/or integrations, enhancements can be 200 hours. That’s a significant amount of work.”

EXECUTIVE DIRECTOR OF BUSINESS APPLICATIONS, MEDIA

## FLEXIBILITY

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

- **Increased speed to market with optimized platform use.** Interviewees said Powered Evolution’s improvements to the processes, integrations, capabilities, and efficiencies related to their platforms impacted several areas of business, including marketing, customer service, and compliance. The chief information officer in transportation said that with optimized use of the platform, their organization significantly improved its

marketing capabilities by automating marketing campaigns and that this allowed the company to target consumers more effectively by promoting flight deals and retail offers. As a result, the organization saw a substantial increase in revenue, with an additional \$4.5 million gained in the first year from marketing campaigns related to car parking. The interviewee said having the ability to quickly implement these campaigns and leverage customer data for targeted marketing was a direct benefit of implementing Powered Evolution to optimize the solution.

Interviewees also noted that implementing Powered Evolution resulted in easier adherence to regulatory requirements. For example, the chief information officer in transportation said automation of purchase orders ensured all purchase orders (POs) went through the appropriate workflow and approvals, reducing the risk of noncompliance. This automation reduced the time taken to process POs from days or weeks to just hours, which increased the speed of operations.

Furthermore, both the chief information officer in the transportation industry and the executive director of business applications in media noted that having the ability to address issues and implement new features means that CX teams can respond more effectively to customer needs.

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

“[The KPMG Powered Evolution team] meets with my development team, and they have a whole triage and prioritization process for discerning where to focus first versus what goes into the parking lot versus what work gets completely deprioritized. They bring about that level of maturity through the way they operate. I haven’t had to tell them how to do that. They know how to do that.”

CHIEF INFORMATION OFFICER, TRANSPORTATION

# 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
Ftr	Managed services fees	\$14,300	\$253,000	\$253,000	\$253,000	\$773,300	\$643,474
Gtr	Meetings with KPMG Powered Evolution team	\$9,439	\$21,887	\$21,887	\$21,887	\$75,100	\$63,868
	Total costs (risk-adjusted)	\$23,739	\$274,887	\$274,887	\$274,887	\$848,400	\$707,342

## MANAGED SERVICES FEES

**Evidence and data.** Interviewees said Powered Evolution’s delivery model involves a subscription to a base level of hours that includes level one through to level three and any functional enhancements, including development. For example, an organization that consumes 60 hours of day-to-day break-fix per month with a cap of 90 hours can use the additional 30 hours for functional enhancements or development. Hours not consumed roll into the following month, which interviewees described as an attractive feature that worked well for their organizations.

Pricing may vary. Contact KPMG for additional details.

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

- The composite organization incurs an initial implementation fee of \$13,000.
- After that, the composite pays \$230,000 per year for managed services.

**Risks.** Results may not be representative of all experiences and the cost will vary based on the following:

- The extent of the organization’s implementation and development across business units.

- The organization's use of services with Powered Evolution.

**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 \$643,000.

“Most people would [think] that [Powered Evolution] would be the premium, platinum-priced operation. But [it was] the most financially competitive.”

CHIEF INFORMATION OFFICER, TRANSPORTATION

Managed Services Fees						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
F1	Managed services fees	Composite	\$13,000	\$230,000	\$230,000	\$230,000
Ft	Managed services fees	F1	\$13,000	\$230,000	\$230,000	\$230,000
	Risk adjustment	↑10%				
Ftr	Managed services fees (risk-adjusted)		\$14,300	\$253,000	\$253,000	\$253,000
Three-year total: \$773,300			Three-year present value: \$643,474			

## MEETINGS WITH KPMG POWERED EVOLUTION TEAM

**Evidence and data.** Interviewees said their organizations' teams had 60-minute meetings each week or fortnight with the KPMG Powered Evolution team and that these meetings were used to discuss open and closed tickets as well as upcoming projects and ramp-ups. Interviewees also described having systems of documenting and prioritizing enhancements as well as ongoing

engagement and field tours to give Powered Evolution visibility into their organizations' operations.

- The director of HRIS in the insurance industry said: "The KPMG Powered Evolution [team] will sit with us and go through how they fix something. They'll tell us where things are or where they got a configuration that I couldn't find on my own. They'll sit with my analysts and train them with documentation. That's been very important. As time goes on, we want to take on more of the responsibility for the system and use KPMG Powered Evolution for enhancements."
- The executive director of business applications said: "We leverage the KPMG Powered Evolution [team] — which was our original implementer for [the solution] — for production support. They also create, distribute, and communicate the upcoming changes and quarterly updates. So, they create the impact analysis. They meet with business stakeholders along with my team. They present those features. Our business makes a decision on what features to uptake."
- The end-user service branch chief in the government sector said: "[The KPMG Powered Evolution team does] quite a bit of knowledge transfer [to our teams] on these modules. So, for example, whenever we are talking about some enhancements to a specific module, that module lead is also getting knowledge transferred to them about defining the requirements [and] how and what is being changed. So, we are learning as they manage the system. We are also getting trained through them."

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

- Six business leaders or subject-matter experts (two from each relevant department) meet with the KPMG Powered Evolution team for an initial 8 hours and then maintain a regular cadence of 60-minute meetings once per month.
- Four FTEs on the composite's platform management team meet with the KPMG Powered Evolution team for 16 hours during the initial period and then maintain a regular cadence of 60-minute meetings once a week.
- The average hourly burdened rate for a business leader is \$91.
- The average hourly burdened rate for a platform manager is \$60.

**Risks.** Results may not be representative of all experiences and the cost will vary based on the following:

- The extent of the organization's implementation and development across business units and use of services with Powered Evolution.
- The skill level and expertise of platform managers and business leaders at the organization.

**Results.** To account for these risks, Forrester adjusted this cost upward by 15%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$64,000.

"The experience with [the KPMG Powered Evolution team] is better than anything I've ever experienced before. Our main players have been consistent. They are so responsive to our needs. They come onsite when we need them. We just have a great relationship with them."

DIRECTOR OF HRIS, INSURANCE



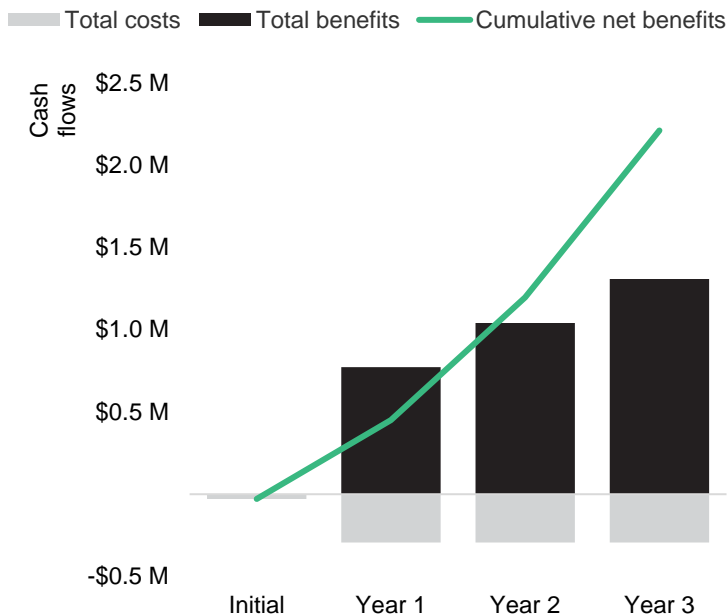
## ANALYSIS OF COSTS

Meetings With KPMG Powered Evolution Team						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
G1	Business leader FTEs who meet with KPMG Powered Evolution team	A1	6	6	6	6
G2	Time business leaders dedicate to meeting with KPMG Powered Evolution team (hours)	Interviews	8	12	12	12
G3	Hourly burdened rate for a business leader	Research data	\$91	\$91	\$91	\$91
<b>G4</b>	<b>Subtotal: Cost of business leader meetings with KPMG Powered Evolution team</b>	<b>G1*G2*G3</b>	<b>\$4,368</b>	<b>\$6,552</b>	<b>\$6,552</b>	<b>\$6,552</b>
G5	Platform managers who meet with KPMG Powered Evolution team	B1	4	4	4	4
G6	Time platform management team members dedicate to meeting with KPMG Powered Evolution team (hours)	Interviews	16	52	52	52
G7	Hourly burdened rate for a platform manager	Research data	\$60	\$60	\$60	\$60
<b>G8</b>	<b>Subtotal: Cost of platform manager meetings with KPMG Powered Evolution team</b>	<b>G5*G6*G7</b>	<b>\$3,840</b>	<b>\$12,480</b>	<b>\$12,480</b>	<b>\$12,480</b>
Gt	Meetings with KPMG Powered Evolution team	G4+G8	\$8,208	\$19,032	\$19,032	\$19,032
	Risk adjustment	↑15%				
Gtr	Meetings with KPMG Powered Evolution team (risk-adjusted)		\$9,439	\$21,887	\$21,887	\$21,887
<b>Three-year total: \$75,100</b>			<b>Three-year present value: \$63,868</b>			

# 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	(\$23,739)	(\$274,887)	(\$274,887)	(\$274,887)	(\$848,400)	(\$707,342)
Total benefits	\$0	\$740,775	\$966,025	\$1,201,900	\$2,908,700	\$2,374,805
Net benefits	(\$23,739)	\$465,888	\$691,138	\$927,013	\$2,060,300	\$1,667,463
ROI						236%
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 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.

### **Total Economic Impact Approach**

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

### **PRESENT VALUE (PV)**

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

### **NET PRESENT VALUE (NPV)**

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

### **RETURN ON INVESTMENT (ROI)**

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

### **DISCOUNT RATE**

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

### **PAYBACK PERIOD**

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

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

## APPENDIX B: ENDNOTES

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<sup>1</sup> 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.



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