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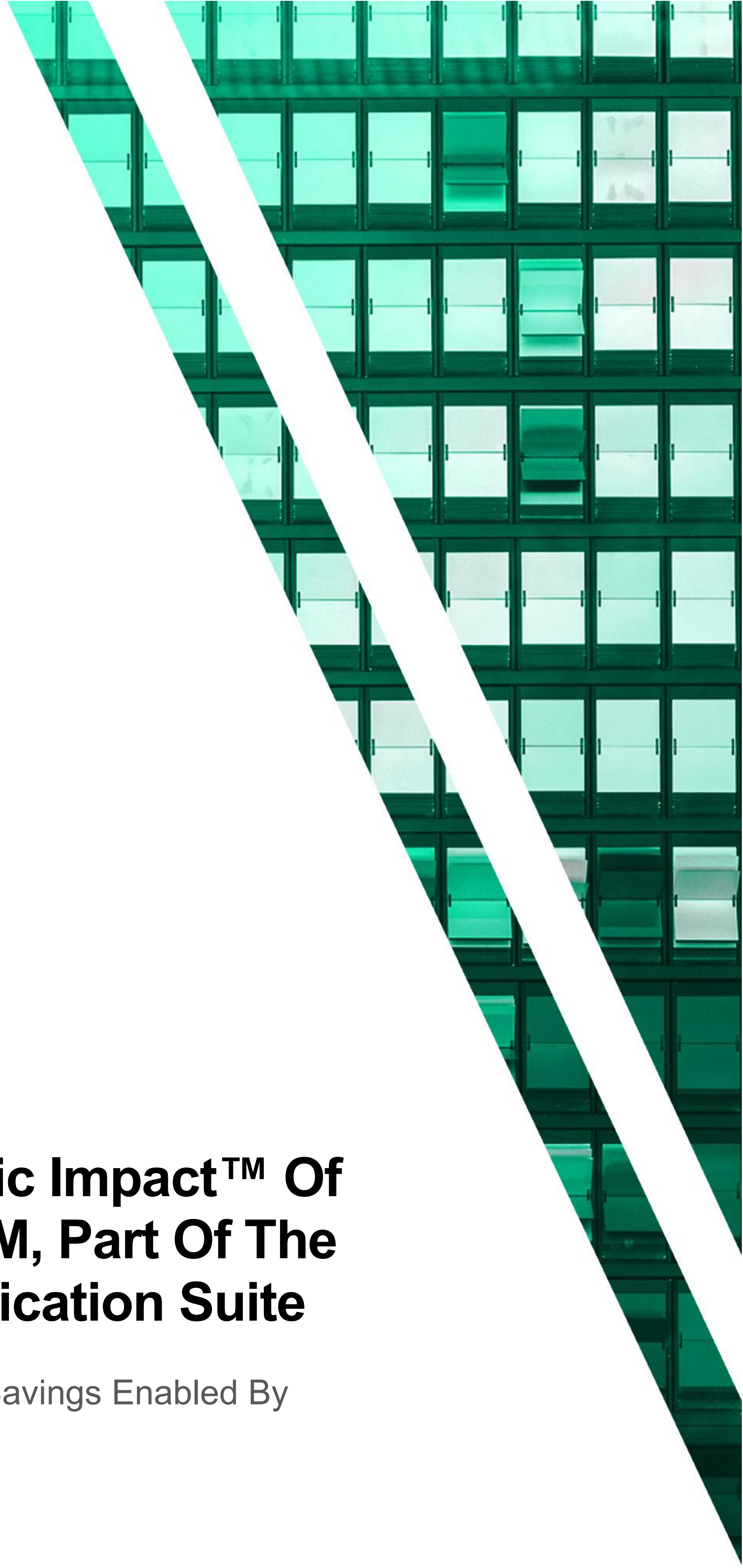

The Total Economic Impact™ Of First Orion INFORM, Part Of The Branded Communication Suite

Business Benefits And Cost Savings Enabled By INFORM

JANUARY 2022

A FORRESTER TOTAL ECONOMIC IMPACT™ STUDY COMMISSIONED BY FIRST ORION

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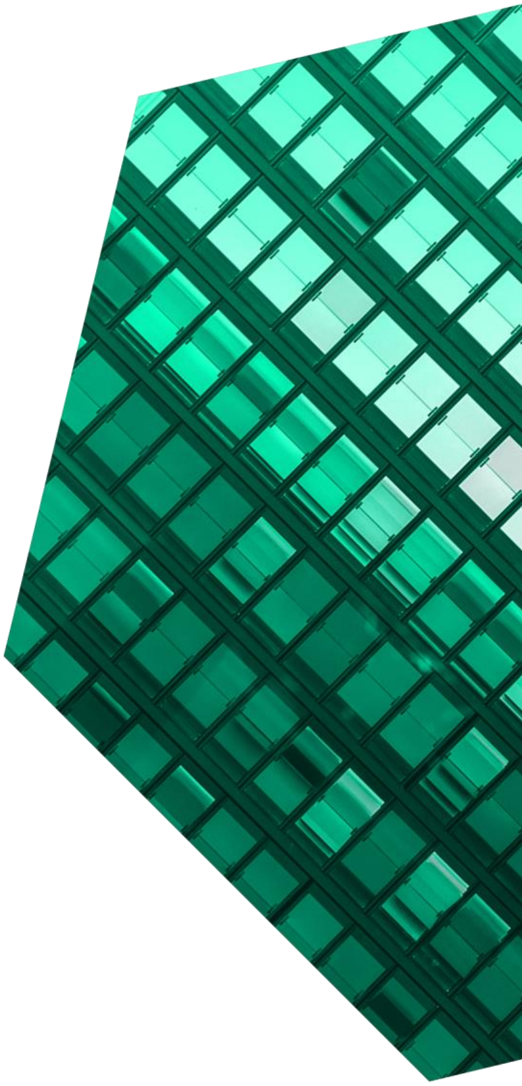


Executive Summary

Businesses making outbound calls for sales, lead qualification, delivery notifications, or patient and member support face the frustration of telecom carriers blocking or marking calls as potential spam and consumers being unwilling to answer calls from unrecognized numbers. First Orion's INFORM software addresses these obstacles by converting business phone numbers into text that identifies who is calling. This branded caller ID increases answer rates and improves other key performance indicators (KPIs).

First Orion is a cloud-based software and data analytics company that specializes in verifying and branding outbound phone numbers. The firm's Branded Communications suite allows customers to brand their outbound calls to mobile phones.

INFORM, a product within the suite, replaces phone numbers with 32 characters of text to identify who is calling and why. Consumers and businesses both benefit from this change because most people do not answer calls from unrecognized numbers.

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

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed four decision-makers with experience using First Orion's INFORM branded communication software. For the purposes of this study, Forrester aggregated the interviewees' experiences and combined the results into one composite organization.

KEY STATISTICS

Return on investment (ROI)
498%

Net present value (NPV)
$7.75M

Three of the interviewees increased their outbound call answer rates by six to twenty percent. One interviewee whose company brands outbound calls for lead qualification experienced a 2% decrease in call answer rates but an increase in revenue per attempt of up to 40%.

Interviewees told Forrester that before using First Orion's INFORM solution, 50% to 90% of their outbound calls went unanswered. Interviewees also said they did not know when a telecom carrier blocked or marked their call as spam. They reported there was no support or software available from the carriers to address this problem and no caller ID for branding business outbound phone numbers.

After the investment in First Orion's INFORM, the interviewees told Forrester they experienced fewer blocked calls and spent less time troubleshooting.

They also increased call answer rates, which positively impacted their bottom-line revenue.

> **"We were talking with our CEO and showed him a branded call experience from First Orion, and everybody on the executive leadership team thought it was awesome. It just clicked with them that we need this because nobody picks up the phone anymore if they don't know who's calling."**
>
> *Senior manager, product management and post-purchase experience, retail*

Before deploying INFORM, interviewees said they had to make more attempts to reach their customers, prospects, and members because their answer rates ranged from 10% to 50%, depending on the reason for their call. Consumers expecting calls were more likely to answer unrecognized phone numbers.

"INFORM increases the chances that a customer will pick up a call if it's a call that a customer wants to pick up," said a senior manager of product management who was using INFORM for outbound calls about delivery notifications.

There was one exception to increased answer rates. One interviewee whose company made outbound calls for lead qualification saw a 1.5% to 2% decrease in call answer rates. The senior director of contact center operations said, "The people who didn't answer were more likely people who were unsure. But for the people we did talk to, we saw revenue per attempt increase 15% to 40%, depending on the product we were calling about."

First Orion's INFORM solution and its included analytics apply to a wide range of situations. One organization used INFORM to make calls to patients, healthcare program members, and insurance customers to set up appointments, take surveys, and provide reminders about tests and medication.

Other companies and call centers used INFORM for sales, lead qualification, delivery notifications, and other outbound call types. Some companies were branding all their outbound calls, and others were using INFORM for specific departments and use cases.

Note: Forrester interviewed customers before January 2022, when First Orion branded calls for one major carrier. Interviewees agreed they would like First Orion to represent all the major carriers (T-Mobile, AT&T, and Verizon). At the time of writing, First Orion is set to increase subscribers substantially.

Key Findings

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

- **Increased answer rates improved close rates on sales calls, which delivered $7.0 million in incremental profit.** Interviewees found that identified calls increased the number of interested customers who answered the phone, thereby driving up their opportunity to close sales.
- **Increased answer rates avoided failed delivery attempts, which saved $871,000.** Calling customers to ensure someone would be home to receive a delivery and having consumers answer those calls represented a cost savings of $100 per avoided missed delivery for a retailer Forrester interviewed.

- **Increased answer rates added new credit card accounts worth over $838,000 in interest income.** Interviewees at organizations selling financial products told Forrester that they grew their overall close ratio by 2 percentage points with First Orion INFORM.
- **Improved call center productivity freed up $492,000 in agent time.** The higher call answer rate allowed call center teams to work through their lists more quickly, saving customer service reps (CSRs) time and increasing the call center's project throughput.
- **Recouped additional delinquent credit card balances totaled $69,103**. This went to the bottom line.

> **"It's actually harder for the good guys to do business because of the bad actors. If you are a legitimate legal business, spammers are making it very difficult. First Orion is enabling us to actually get our legitimate calls through."**
>
> *Senor director, contact center operations, digital marketing*

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

- **Strong service and support from the people at First Orion.** All the interviewees said the people at First Orion were a key benefit. They praised the sales team for wanting to create a long-term relationship, the technical team for handling the setup, and the analytics team for proactively and responsively providing customized reports for different calling programs and uses.
- **Ease of securing internal approvals to purchase INFORM.** Interviewees said INFORM's relatively low cost — with an obvious benefit based on the assumption that if more calls were answered, then ROI would increase — made it easy for company executives to approve the purchase. A business analyst at a finance company making millions of call a day told Forrester he simply asked executives, "Do you want our name on outgoing calls or people to see a number?"
- **Seamlessness of operation.** The interviewee at a retailer explained, "INFORM is integrated with the telco partner, and we essentially sign a contract that they're going to brand particular phone numbers we use. So when First Orion sees a call from that phone number come through, then it brands the call. It all happens in the carrier network, not ours."
- **Increased productivity for non-call center employees by reducing phone tag.** When they called other employees, stores, vendors, job applicants, etc., their calls were identified as the company or store that was calling.
- **Brand verification.** Identifying the brand calling improved answer rates and customer satisfaction. Interviewees said this also protected their brand reputation by not being marked as potential spam. Brand impressions were also made for the millions of outbound calls.

> **"I think First Orion's got the right technology at the right time, and it seems to be the best player in the field from a standpoint of who's providing a service. I think definitely that the timing is right. There are a lot of unanswered calls going on. There's a definite need for this."**
>
> *Senior manager, product management and post-purchase experience, retail*

Costs. Risk-adjusted PV costs include:

- **Fees of $1.5 million paid to First Orion over three years.** Interviewees stated that they pay a fee per call identified. The fee may vary based on call type and call volume.
- **Integration and administration.** Interviewees told Forrester that some up-front setup was required to brand each phone number, and a small team of First Orion IT and analytics professionals spent a few hours a week working with the data to get the most value out of the platform for analyzing and optimizing calling programs.

The decision-maker interviews and financial analysis found that a composite organization experiences benefits of $9.31 million over three years versus costs of $1.56 million, adding up to a net present value (NPV) of $7.75 million and an ROI of 498%.

ROI
498%

BENEFITS PV
$9.31M

NPV
$7.75M

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 First Orion's INFORM solution.

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 INFORM can have on an organization.

DUE DILIGENCE

Interviewed First Orion stakeholders and Forrester analysts to gather data relative to INFORM.

DECISION-MAKER INTERVIEWS

Interviewed four decision-makers at organizations using INFORM 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.

DISCLOSURES

Readers should be aware of the following:

This study is commissioned by First Orion 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 Inform.

First Orion 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.

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

The First Orion INFORM Customer Journey

Drivers leading to the INFORM investment

Interviewed Decision-Makers

Interviewee	Industry	Region	Primary Use Cases
Senior director, contact center operations	Digital marketing	US	Lead qualification for B2B customers
Manager, contact center engagement platform	Healthcare	US	Customer service outreach for client companies
Business analyst, contact center	Home financing	US	Sales
Senior manager, product management and post-purchase experience	Retail	US	Sales lead close and delivery confirmation

KEY CHALLENGES

Prior to deploying First Orion's INFORM solution to treat calls, the interviewees told Forrester that they were "working blind." They didn't know if carriers were marking their outbound calls as spam or potential spam. They didn't know when outbound calls were being blocked until it was a big issue that sales/agents/execs noticed and raised to the call center tech team, asking, "Why is this happening?"

The interviewees told Forrester that there was no technology solution, and the telecom carriers offered no help. When their outbound numbers were blocked or marked as potential spam, they were all thrust into crisis management troubleshooting.

The business analyst in the home financing industry whose company was making millions of outbound calls a year said, "When the CEO reaches out and says, 'Somebody just tweeted, 'I didn't answer your phone call because it said spam,'" your blood pressure goes up. It's not a fun thing to deal with."

The manager for a call center engagement platform at a healthcare call center agreed, "What we didn't know about blocked calls and numbers being marked as spam didn't really come to light until we started using this service from First Orion. Before we didn't have any insight into what was happening. Once we started using this service and ran the pilot, it was very eye-opening because I realized all of this stuff we just didn't know and had no way to know."

During COVID with so many employees working from home, interviewees said there was more risk of numbers being blocked because there were so many more unrecognized phone numbers in use.

Call center executives also were challenged with how to plan and analyze calling campaigns. They explained that before the INFORM solution was deployed, they just had phone numbers with no information to determine if they were calling a landline or a cell phone. They were also concerned about outbound numbers being marked as potential spam or blocked by consumers when they called a cell phone number multiple times.

Some challenges were different based on the reason for the outbound calls. Call centers and salespeople who were direct dialing said they had to make a lot of calls to reach someone who answered their unbranded, unrecognized numbers. The sales teams all wanted to talk to people on the phone for a better chance of closing a sale or qualifying a lead. Without identifying their company or brand, they experienced low call answer rates.

Other interviewees said that calls made to customers or patients who wanted to receive the call (in situations like getting delivery notifications or setting up a medical appointment) were not answered because the consumer didn't recognize the number displayed and assumed it was spam. Because so many attempts were made to reach an individual from an unrecognized number, interviewees told Forrester that these situations also increased the risk of outbound phone numbers being blocked by consumers and/or marked as potential spam by telecom carriers.

Low answer rates and multiple attempts to call the same number negatively impacted customer satisfaction, employee productivity, and brand reputation.

The manager at a major retailer responsible for deliveries told Forrester that their team members were calling customers only when they *couldn't* reach the person by text or email. Of those people they called, 40% to 50% did not answer. He said missed deliveries (when the company sent out a team and a truck and the delivery could not be made) cost the company $100 per missed delivery and also negatively impacted customer satisfaction.

> **"When carriers blocked calls, we didn't know that, so we would push the call through again. And that caused a lot of problems for our members. Member abrasion included, 'Why did I just get this call? Why am I getting it again? I just talked to you.' This wasn't good for customer satisfaction and getting the member or patient the information he needed."**
>
> *Manager, contact center engagement platform, healthcare*

In another situation where a retailer was calling consumers who wanted to receive the call for password recovery, one interviewee said his company had low answer rates for customers who requested two authentications for their password recovery and a call vs. a text.

SOLUTION REQUIREMENTS/INVESTMENT OBJECTIVES

The interviewees' organizations searched for a solution that could:

- **Provide information.** They needed to know when their outbound numbers were blocked or marked as potential spam by their carrier.
- **Improve brand protection and reputation.** They needed the carrier to correctly identify the brand calling.
- **Increase call KPIs.** The interviewees all told Forrester that increased answer rates would improve success of their core business activities and metrics.

> **"You have to have all three legs to the stool or you're not going to be able to sit on it for very long. You're trying to do the right thing for the consumer, the right thing for your business, and keep your call agents productive and happy."**
>
> *Senior director, call center operations, digital marketing*

None of the interviewees said they made a formal request for proposal (RFP) because First Orion was the only company with a direct relationship with T-Mobile. They all said they conducted pilots and tests with First Orion INFORM to make sure it worked before signing contracts. All the interviewees told Forrester the INFORM solution worked and they were impressed with the people at First Orion who set up the technology, created and customized reports, and scoped and priced the contract.

“What set First Orion apart from others for me was that it seemed more invested in the relationship,” said the senior manager in the retail industry. “The people know how to work with large companies because that is an art, right? The First Orion people want to really invest with us in a partnership as opposed to sell a product.”

“We’re a digital marketer; we know we have a heavy, heavy level of tech in what we do, and I expect my vendors to have that same level of understanding of their products in working with me. They do,” said the senior director of contact center operations in digital marketing. After the testing and piloting period, most interviewees said that deployment was fast and easy.

Interviewees all said no training was required. First Orion’s data analytics team met with interviewees to understand their specific reporting needs and then customized reports.

COMPOSITE ORGANIZATION

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

Description of composite. The composite organization is a regional retail chain with annual revenues of $10 billion. In addition to the products sold in its stores and online, the chain relies on its profitable branded credit card for a significant portion of its overall profits.

Deployment characteristics. The composite organization maintains a call center to provide service to online shoppers as well as customers with questions about products.

Key assumptions

- **Regional retailer**
- **$10 billion revenues**
- **Store credit card**

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	Increased close rate on sales calls	$2,830,781	$2,830,781	$2,830,781	$8,492,344	$7,039,734
Btr	Avoided failed delivery attempts	$350,170	$350,170	$350,170	$1,050,510	$870,821
Ctr	Added credit card accounts	$174,038	$348,075	$522,113	$1,044,225	$838,152
Dtr	Improved call center productivity	$198,000	$198,000	$198,000	$594,000	$492,397
Etr	Recouped additional delinquent credit card balances	$27,788	$27,788	$27,788	$83,363	$69,103
	Total benefits (risk-adjusted)	$3,580,777	$3,754,814	$3,928,851	$11,264,442	$9,310,207

INCREASED CLOSE RATE ON SALES CALLS

Evidence and data. Several interviewees whose businesses involved generating, qualifying, or closing sales leads reported that they saw significant increases in a variety of metrics denoting caller interest and engagement.

- For an interviewee in a contact center working for multiple clients: Answer rates before INFORM were 30% to 50% and went up 14 percentage points to 44% to 64%. The interviewee said answer rates varied based on the client reps were calling for and other factors.

“On the sales side, their answer rate was 25% to 28%, and they saw a 15- or 16-point lift using INFORM.”

— Senior manager, product management and post-purchase experience, retail

- "For the number of calls that get answered when somebody gets you on the horn and transferred to a licensed agent, we found an 18% increase in answered calls there," the business analyst at a finance company told Forrester.
- For an online digital marketing company, "Our contact rates are slightly down by 1.5% to 2%, but revenue per attempt has increased 15% to 40% depending on the brand that we're calling about," according to the senior director of call center operations in the online marketing industry. He explained that when the company's name is displayed on users' cell, they may not pick up if they are not interested. The fact that revenue per attempt went up, however, shows that those who do answer are the more interested consumers.

For sales-related use cases, interviewees told Forrester that First Orion INFORM increased the answer rate and other measures that were important to their calling campaign success.

Modeling and assumptions. In order to model the value of this benefit, Forrester assumes:

- The company makes about 1.5 million calls a year to follow up on leads generated by store visits.
- Increased call answering raises teams' close ratio from 24% to 26%.
- The average sale associated with these leads brings in $5,500 in revenue.
- The average net margin for the retailer's segment is 7.5%.

Risks. Several factors can impact the value different organizations recognize from this benefit:

- The value of the projects sold.
- The volume of outbound calls.
- Average industry margin.
- Unknown factors that may affect consumers' interest in the retailer's products or their ability to purchase them.

Note: This model reflects subscribers and calls under management by First Orion before January 2022. First Orion is set to increase subscribers under management significantly in January 2022.

Results. To account for these risks, Forrester adjusted this benefit downward by 25%, yielding a three-year risk-adjusted total PV (discounted at 10%) of $7,039,734.

Increased Close Rate On Sales Calls					
Ref.	**Metric**	**Source**	**Year 1**	**Year 2**	**Year 3**
A1	Outbound calls to warm leads	Interviews	1,525,000	1,525,000	1,525,000
A2	Calls made to subscribers under management before January 2022 (see note above)	Interviews	457,500	457,500	457,500
A3	Close rate before First Orion	Interviews	24%	24%	24%
A4	Close rate after First Orion	Interviews	26%	26%	26%
A5	Incremental sales opportunities captured	(A4-A3)*A2	9,150	9,150	9,150
A6	Value of average sale	Industry sources	$5,500	$5,500	$5,500
A7	Value of incremental sales	A6*A5	$50,325,000	$50,325,000	$50,325,000
A8	Industry average net margin	Industry sources	7.5%	7.5%	7.5%
At	Increased close rate on sales calls	A7*A8	$3,774,375	$3,774,375	$3,774,375
	Risk adjustment	↓25%			
Atr	Increased close rate on sales calls (risk-adjusted)		$2,830,781	$2,830,781	$2,830,781
	Three-year total: $8,492,344		**Three-year present value: $7,039,734**		

AVOIDED FAILED DELIVERY ATTEMPTS

Evidence and data. The manager of post-purchase for a retailer using INFORM for delivery notifications told Forrester, “I think there are two layers of this. Their solution causes people to answer the phone more. We already had a pretty high answer rate because of the fact that people wanted to know when they needed to be home for our delivery. Our answer rate was 50% to 60% before the call branding. Our answer rates went up to 70% to 80% when we started branding calls with First Orion. So that was a significant improvement for us.”

“If someone misses their delivery, it costs us $100 to revisit your house to redeliver an appliance,” the delivery notification retail product manager said. “We do from 5 to 8 million appliance deliveries a year, so these numbers are significant.”

Modeling and assumptions. Forrester makes these assumptions about the impact of this benefit:The retailer makes 585,000 home deliveries annually. Slightly more than 2% of those deliveries are confirmed using INFORM’s branding. (Most deliveries are confirmed by text or email.)

- The answer rate on confirmation calls rises from 50% to 80% with call branding.
- The cost of a missed delivery is $100.

Risks. Some organizations may experience a different value from this benefit based on the following factors:

- The overall volume of deliveries per year.
- The proportion of delivery confirmations made to a mobile number.
- The cost of missed deliveries.

Results. To account for these risks, Forrester adjusted this benefit downward by 5%, yielding a three-year risk-adjusted total PV of $870,821.

Avoided Failed Delivery Attempts					
Ref.	**Metric**	**Source**	**Year 1**	**Year 2**	**Year 3**
B1	Deliveries per year	Interviews	585,000	585,000	585,000
B2	Percent confirmed by phone calls with subscribers under management	Interviews	2.1%	2.1%	2.1%
B3	Percent of calls answered before First Orion	Interviews	50%	50%	50%
B4	Percent answered after First Orion	Interviews	80%	80%	80%
B5	Increase in deliveries confirmed	(B4-B3)*(B1*B2)	3,686	3,686	3,686
B6	Cost of failed delivery	Interviews	$100	$100	$100
Bt	Avoided delivery attempts	B5*B6	$368,600	$368,600	$368,600
	Risk adjustment	↓5%			
Btr	Avoided delivery attempts (risk-adjusted)		$350,170	$350,170	$350,170
	Three-year total: $1,050,510		**Three-year present value: $870,821**		

ADDED CREDIT CARD ACCOUNTS

Evidence and data. Interviewees in the financial services business told Forrester that, although they made outbound calls only to targets who had opted in to receive calls, they often still had difficulty getting their calls answered when they were not treated by INFORM. While consumers were open to hearing from these customers about credit services and products, they were unaware who was calling them and, so, did not answer the phone.

These interviewees (along with the retail executive Forrester interviewed) used different measures of success. They cited call answer rates, length of call, revenue per attempt and other KPIS, but all agreed that those measures improved significantly after they deployed INFORM.

Modeling and assumptions. Forrester uses a set of assumptions to project the value of this benefit:

- The retailer opens 25,000 new branded credit card accounts each year.
- The organization makes 1.25 million calls to generate those credit card accounts.
- The average account generates $182 per year in interest income for the retailer.
- The net margin on the credit card side of the business is 15%.

Risks. Organizations may realize a different result from this benefit based on the following risk factors:

- The amount of interest income per credit card account.
- The number of accounts opened each year.
- The net margin on the credit card business.

Results. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year risk-adjusted total PV of $838,152.

Added Credit Card Accounts

Ref.	Metric	Source	Year 1	Year 2	Year 3
C1	Interest income from average new credit card account	Industry sources	$182	$182	$182
C2	Incremental accounts per year	Industry sources	25,000	25,000	25,000
C3	Calls made to generate account signups	Industry sources	1,250,000	1,250,000	1,250,000
C4	Calls treated by First Orion	D3*30% (subscribers under management)	375,000	375,000	375,000
C5	Increase in close rate due to First Orion	Interviews	2%	2%	2%
C6	Total incremental accounts attributable to INFORM	C4*C5+Previous Year	7,500	15,000	22,500
C7	Revenue from additional accounts	C5*C1	$1,365,000	$2,730,000	$4,095,000
C8	Margin on credit accounts	Industry sources	15%	15%	15%
Ct	Added credit card accounts	C7*C8	$204,750	$409,500	$614,250
	Risk adjustment	↓15%			
Ctr	Added credit card accounts (risk-adjusted)		$174,038	$348,075	$522,113
	Three-year total: $1,044,225			**Three-year present value: $838,152**	

IMPROVED CALL CENTER PRODUCTIVITY

Evidence and data. The contact center manager in healthcare told Forrester that a key benefit in his business was allowing CSRs to get through their call lists more quickly because more people answered the first call and carriers blocked fewer calls as potential spam.

He explained his call center made millions of calls a day. After they deployed INFORM, they learned the majority of their calls were not being blocked. But he went on to explain, “When you’re trying to increase your engagement rates by 1% or 2%, a handful or a couple percent of blocked calls significantly impacts that number. So it was more of an incremental gain that we didn’t know we were missing.”

Other interviewees said agents were only pushed calls when someone answered. After INFORM was deployed, the interviewees said their companies were more productive because it was faster to get through a campaign call list.

Modeling and assumptions. The model assumes that the composite organization:

- Makes an average of 5.5 million calls per year from its customer service call center.
- Experiences a conservative 8% increase in call answer rate after deploying INFORM.
- Pays its CSRs, who handle an average of 40 calls an hour, an average fully burdened wage of $20 per hour.

Risks. Organizations may experience enefits on a different order of magnitude based on:

- Actual outbound call volume.
- The wage paid to employees making calls and the rate at which they work.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year risk-adjusted total PV of $492,397.

Improved Call Center Productivity					
Ref.	**Metric**	**Source**	**Year 1**	**Year 2**	**Year 3**
D1	Annual call center calls treated by First Orion	Interviews	5,500,000	5,500,000	5,500,000
D2	Calls saved due to higher answer rate	Interviews	440,000	440,000	440,000
D3	Average calls per hour per CSR	Interviews	40	40	40
D4	Average fully burdened CSR hourly wage	Pay scale	$20.00	$20.00	$20.00
Dt	Improved call center productivity	D2/D3*D4	$220,000	$220,000	$220,000
	Risk adjustment	↓10%			
Dtr	Improved call center productivity (risk-adjusted)		$198,000	$198,000	$198,000
	Three-year total: $594,000		**Three-year present value: $492,397**		

RECOUPED ADDITIONAL DELINQUENT CREDIT CARD BALANCES

Evidence and data. Interviewees in financial services told Forrester that although their answer rate declined slightly once calls were branded, their overall success rate increased by 3% to 4% because they were able to get through to the people who were open to settling their debts.

Modeling and assumptions. To value this benefit, Forrester assumes:

- The retailer has $65 million in delinquent credit card balances (approximately 600,000 accounts with $1000 balances of which 11% are delinquent).
- Its success rate in collecting those debts is an industry standard of 3.8%.
- It sees a 3.7% increase in that success rate after deployment of INFORM (0.15% more collected).

Risks. Another organization may see a higher or lower impact from this benefit based on:

- The relative size of delinquent debts to the business's overall revenues or assets.
- The collection success rate before deployment of First Orion INFORM.

Results. To account for these risks, Forrester adjusted this benefit downward by 5%, yielding a three-year risk-adjusted total PV of $69,103. While this total is very small in comparison to the value of the other benefits, this is a relatively small portion of the retailer's overall business. For companies whose core business relies more on the prompt and full payment of debt, this benefit would be significant.

Recouped Additional Delinquent Credit Card Balances					
Ref.	**Metric**	**Source**	**Year 1**	**Year 2**	**Year 3**
E1	Balance on accounts in collections	Industry sources	$65,000,000	$65,000,000	$65,000,000
E2	Portion pursued with First Orion treatment	E1*30% (subscribers under management)	$19,500,000	$19,500,000	$19,500,000
E3	Portion recouped before First Orion	Industry sources	3.80%	3.80%	3.80%
E4	Increased success rate with First Orion	Interviews	0.15%	0.15%	0.15%
Et	Recouped additional delinquent credit card balances	E2*E4	$29,250	$29,250	$29,250
	Risk adjustment	↓5%			
Etr	Recouped additional delinquent credit card balances (risk-adjusted)		$27,788	$27,788	$27,788
	Three-year total: $83,363		**Three-year present value: $69,103**		

UNQUANTIFIED BENEFITS

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

- **Strong service and support from the people at First Orion.** All the interviewees identified the people at First Orion with whom they worked in sales, account management, technical setup, and data analytics as being a top benefit of INFORM.

  "What set First Orion apart from others was that they seemed more invested in the relationship between our companies and making this work long-term versus trying to come in, show a demo, and ask for a check," the product manager for post-purchase at a retailer told Forrester.

  The business analyst for call center operations in the home financing industry said, "I love working with the whole team at First Orion. They seem like a well-organized, well-managed company."

  "My relationship and the work we've done with First Orion has been top-notch. They're a very professional organization. They're very transparent in what they do," said the senior director of call center operations in the digital marketing industry.

- **Ease of securing internal approvals to purchase INFORM.** The manager responsible for delivery at a major retailer said, "When you think about what we pay for services and all-in cost to deliver freight and those sorts of things**,** spending to brand calls is insignificant to the point where I don't want to spend analyst time generating reports on it every week. It's kind of just a no-brainer."

  Other interviewees agreed that INFORM was very easy to explain and get internal buy-in for. Showing one slide of a consumer's phone screen with a number vs. the company brand worked well to show the customer experience and company benefit.

- **Seamlessness of operation.** Interviewees at every participating organization told Forrester that because First Orion is integrated with the carrier's operations, very little is required on the customer's side to make the branding happen.

"There are a lot of bad actors, scammers. and spammers calling. But we're transparent — we want them to know who is calling and that it's a validated call," explained a senior director of contact center operations in the online digital marketing industry. "With First Orion, I have a direct relationship with the company to make sure that my numbers are going to be 100% verified to the carrier."

- **Increased productivity for non-call center employees.** By reducing phone tag when employees call other employees in different departments, stores, and locations and by doing the same for those calling vendors, job applicants, and other business contacts, INFORM has a noticeable impact on productivity.

- **Brand verification.** Interviewees identified many benefits from properly identifying and validating their brand for outbound calls including improved answer rates and customer satisfaction.

  They also said this protected their brand reputation by not being marked as potential spam by carriers. The millions of outbound calls were also branded with their company name. "That's a lot of brand impressions," a business analyst at a financial firm noted.

FLEXIBILITY

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

At the time these interviews were conducted, First Orion was able to brand the calls of one major carrier. The product manager of post-purchase experience at a major retailer said he'd like First Orion to represent all the major carriers: T-Mobile, AT&T, and Verizon. Other interviewees agreed that they would prefer to work with one company that could brand calls for all the carriers and that First Orion was doing the best job.

All the interviewees wanted First Orion to offer the same branded caller ID treatment for SMS messaging so they could replace their unknown phone numbers with relevant text to identify who was calling and share important information.

For companies not branding all outbound calls, interviewees said it made sense for their counterparts in other areas of the company to know about and use INFORM for brand reputation and brand benefits.

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	Fees paid to First Orion	$0	$591,600	$591,600	$591,600	$1,774,800	$1,471,222
Gtr	Integration and management	$2,249	$33,735	$33,735	$33,735	$103,455	$86,143
	Total costs (risk-adjusted)	$2,249	$625,335	$625,335	$625,335	$1,878,255	$1,557,365

FEES PAID TO FIRST ORION

Evidence and data. Interviewees told Forrester that fees for call treatment comprised the bulk of the cost of using INFORM. These are charged on a per-call basis, with some variability based on overall call volume, as well as level of services purchased.

Modeling and assumptions. Forrester assumes the following in calculating this cost: The composite organization places approximately 665,000 calls per month, or almost 8 million calls annually.

Risks. Forrester did not adjust for risk in this benefit because First Orion provided the pricing based on the call volume outlined in the benefits section.
As a result, the total PV (discounted at 10%) is $1,471,222.

Fees Paid To First Orion

Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
F1	INFORM treatment fees	Interviews		$591,600	$591,600	$591,600
Ft	Fees paid to First Orion	F1	$0	$591,600	$591,600	$591,600
	Risk adjustment	↑0%				
Ftr	Fees paid to First Orion (risk-adjusted)		$0	$591,600	$591,600	$591,600
	Three-year total: $1,774,800			**Three-year present value: $1,471,222**		

INTEGRATION AND ADMINISTRATION

Evidence and data. Interviewees said their call center technical teams worked with First Orion on the initial setup. The time varied based on how many outbound numbers a company wanted to brand. For example, a call center with 7,000 outbound numbers and calling campaigns required each outbound number to be set up for specific call projects.

Most companies had fewer than 50 outbound numbers. Interviewees said their internal teams spent from 0 hours (handled by First Orion) to 50 hours to do initial setup. Most also said they had a small team of three to five call technical operations and data analysis people who handled their regular duties and also maintained and updated INFORM. Participants emphasized that the time spent by these individuals was part of their job and did not require any new hiring. Forrester includes them in this analysis, however, because there is a value for their time.

Modeling and assumptions. The model for this cost assumes:

- The composite organization spends 50 hours implementing INFORM on its phone system.
- INFORM involves approximately 2 to 3 hours per week of time from five professionals, who are paid an average of $40.89 (fully burdened) per hour.

Risks. Variability in the experience of other organizations with regard to the cost of deployment and ongoing administration will result from differences in the number of hours required to set up and maintain the system and the pay rate of the people charged with that work.

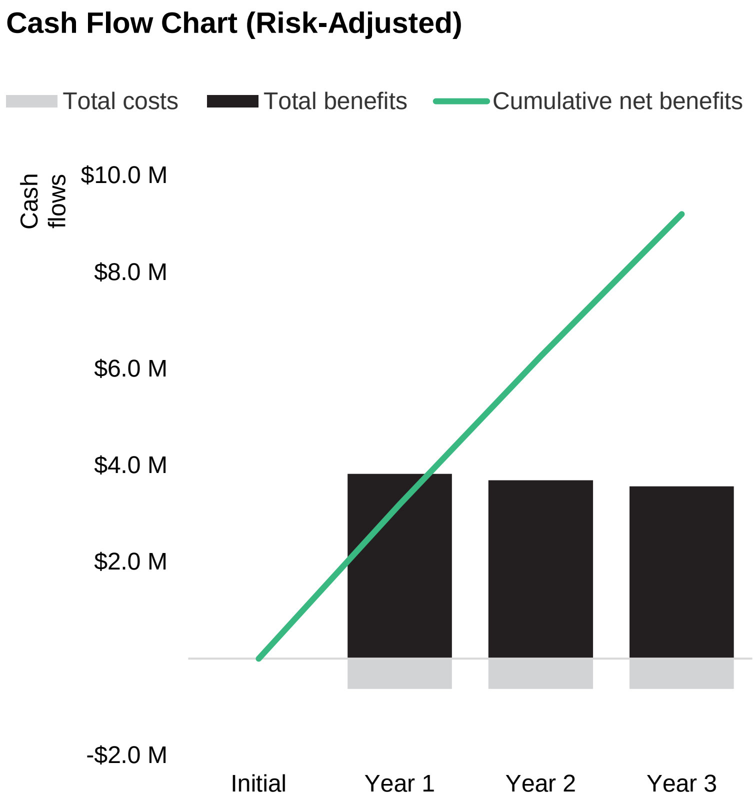
Results. To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year risk-adjusted total PV of $86,143.

Integration And Administration

Ref.	Metric	Calculation	Initial	Year 1	Year 2	Year 3
G1	Hours to set up initial integration with phone platform	Interviews	50			
G2	Ongoing administration	Interviews		750	750	750
G3	INFORM team fully burdened hourly wage	Pay scale	$40.89	$40.89	$40.89	$40.89
Gt	Integration and administration	(G1+G2)*G3	$2,045	$30,668	$30,668	$30,668
	Risk adjustment	↑10%				
Gtr	Integration and administration (risk-adjusted)		$2,250	$33,735	$33,735	$33,735
	Three-year total: $103,455			**Three-year present value: $86,143**		

Financial Summary

CONSOLIDATED THREE-YEAR RISK-ADJUSTED METRICS



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

These risk-adjusted ROI and NPV 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	($2,250)	($625,335)	($625,335)	($625,335)	($1,878,255)	($1,557,365)
Total benefits	$0	$3,580,776	$3,754,814	$3,928,851	$11,264,441	$9,310,207
Net benefits	($2,250)	$2,955,441	$3,129,479	$3,303,516	$9,386,186	$7,752,842
ROI						498%

Appendix A: Total Economic Impact

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

TOTAL ECONOMIC IMPACT APPROACH

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

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

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

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

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

PRESENT VALUE (PV)

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

NET PRESENT VALUE (NPV)

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

RETURN ON INVESTMENT (ROI)

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

DISCOUNT RATE

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

PAYBACK PERIOD

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

Appendix B: Endnotes

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