FORRESTER®

The Total Economic Impact™ Of Loopio's Response Management Platform
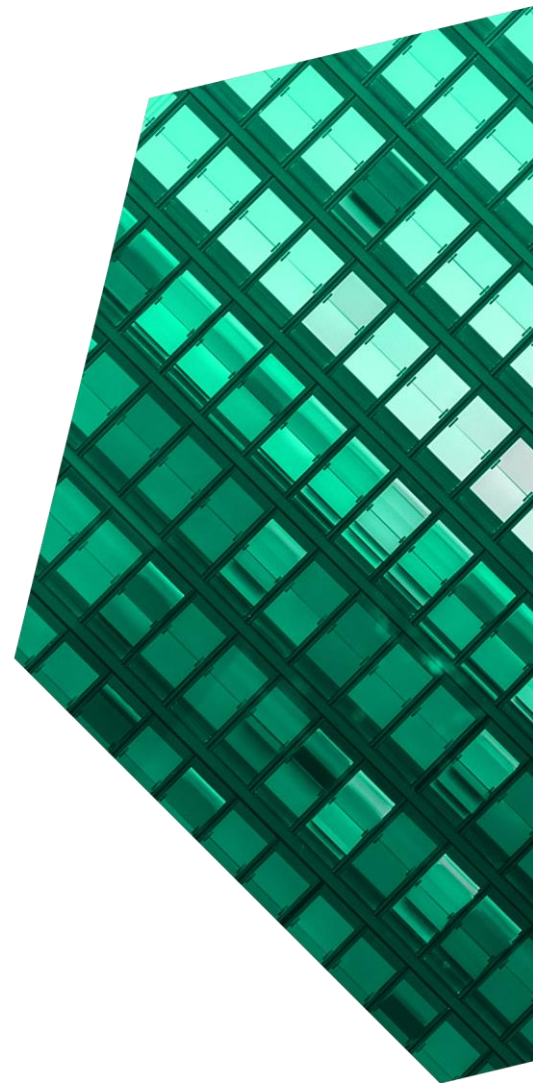
Cost Savings And Business Benefits Enabled By Loopio

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Executive Summary

Quickly responding to requests for proposals is crucial for business success during challenging economic times. But companies can eliminate tedious, manual processes that minimize response delays and business risk by utilizing tools that enable the reusability of trusted, updated content. This streamlines collaboration, increases visibility and accountability, and allows all contributors to the proposal process to focus on higher-value strategic input.

Loopio's response management platform helps companies streamline their response processes for requests for proposals (RFPs), due diligence questionnaires (DDQs), security questionnaires, and any sales requests that come their way. Loopio enables sales and proposal teams globally to respond faster, improve response accuracy, and win more business.

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

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed 10 representatives with experience using Loopio at six organizations. Forrester aggregated the interviewees' experiences and combined the results

KEY STATISTICS

Return on investment (ROI)
415%

Net present value (NPV)
$4.74M

Time Savings For Bid Team By Year 3

50%

into a single composite organization that operates around the world and generates annual revenue of $1 billion.

These interviewees said that before using Loopio, their organizations tried to process RFPs quickly and efficiently. However, prior attempts yielded limited success, leaving them with low visibility into their processes and distributed — rather than centralized — information around RFPs. These limitations led to delays due to miscommunication, response teams working overtime on unneeded manual effort, and even lost business.

After the investments in Loopio, the interviewees gained visibility into their organizations' processes and then streamlined them. Global teams worked asynchronously across times zones, which shortened response times and added critical hours. By utilizing Loopio's trusted and updated content library, users shortened response times by leveraging refined,

updated, and existing answers. This efficiency allowed users more time to ensure compliance and develop higher-quality responses. Finally, bid response team members gained the space to think strategically about their responses, which increased the chance to win more business.

A senior proposal manager at a financial services organization said Loopio's platform is easy to navigate compared to his previous company's tool. He said: "From my perspective, I was pleasantly surprised with how little the learning curve was as far getting up to speed and using the automation."

Interviewees said Loopio's platform not only enhanced communication between bid teams and their sales counterparts, but that it also streamlined the efforts of subject-matter experts (SMEs) and other executives who are a crucial part of the response process. These enhancements increased bid response quality and improved the speed of completing bids. Finally, by submitting quality bids, interviewees' organizations reduced their business exposure and risk introduced by hastily constructed answers.

KEY FINDINGS

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

- **Organization-wide time savings on RFP processes.** Loopio saves time for the composite organization in multiple departments and levels by facilitating improved visualization and centralization of information and assigning tasks and due dates to owners. The composite's bid team members, SMEs, solution architects, and legal, finance, IT, sales, and executive team members all experience varying time savings from engaging with Loopio, which culminates in a three-year, risk-adjusted PV of $3.1 million.

- **25% increase in RFPs completed annually by Year 3.** By streamlining the response process of

RFPs, Loopio enables the composite organization to successfully pursue new business and to process more RFPs than before, which leads to additional revenue from the new deals to which the team is able to respond without adding additional headcount. This risk-adjusted benefit is worth nearly $2.5 million to the composite organization over three years.

- **Reduced employee expenses.** Improved facilitation of the RFP process gives the composite organization enough confidence in its process to reallocate three FTEs to lower-cost regions. This move saves the composite organization a risk-adjusted total of more than $270,900 over three years.

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

- **Reduced business risk.** Because Loopio allows the composite organization to have total visibility into the RFP process, it reduces the risk that a proposal might include impossible promises or other mistakes. Out of legal obligation, organizations spend hard dollars to correct those errors.

- **Ability to meet deadlines with less stress and higher quality.** Loopio helps the composite organization meet all its commitments and deadlines around RFP work without forcing team members to work extra hours, which can lead to risk of employee burnout. The efficiencies gained allow stakeholders to spend more time strategizing and performing quality checks, and they ultimately produce higher-quality output.

- **Improved employee experience.** In addition to improving the overall reliability and efficiency of its RFP processes, the composite organization also improves the employee experience for FTEs who work with the program, which improves morale and retention rates by making the RFP

process less tedious. It allows the bid team to provide more rewarding, strategic input into the response.

- **Faster employee onboarding.** The composite organization can start employees on the tool almost immediately. Its prior RFP solutions were more complicated and required much more training than Loopio does.

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

- **Total costs paid to Loopio.** For the usage of Loopio, the composite organization pays annual license and professional services fees. The risk-adjusted total cost for the composite organization over three years is $346,700.

- **Internal content-library management costs.** Part of implementing Loopio is setting up and updating a content library for use in expediting RFP processes. The composite organization dedicates employees to building the content library upon implementation, and it keeps the library updated throughout Loopio. This results in a three-year, risk-adjusted cost of $794,300.

The representative interviews and financial analysis found that a composite organization experiences benefits of $5.88 million over three years versus costs of $1.14 million, adding up to a net present value (NPV) of $4.74 million and an ROI of 415%.

ROI
415%

BENEFITS PV
$5.88M

NPV
$4.74M
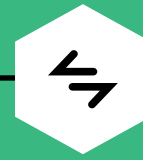
PAYBACK
<6 months

Benefits (Three-Year)

Benefit	Value
Employee efficiency gains	$3.1M
Increased profit due to increased volume	$2.5M
Reduced employee expenses	$270.9K
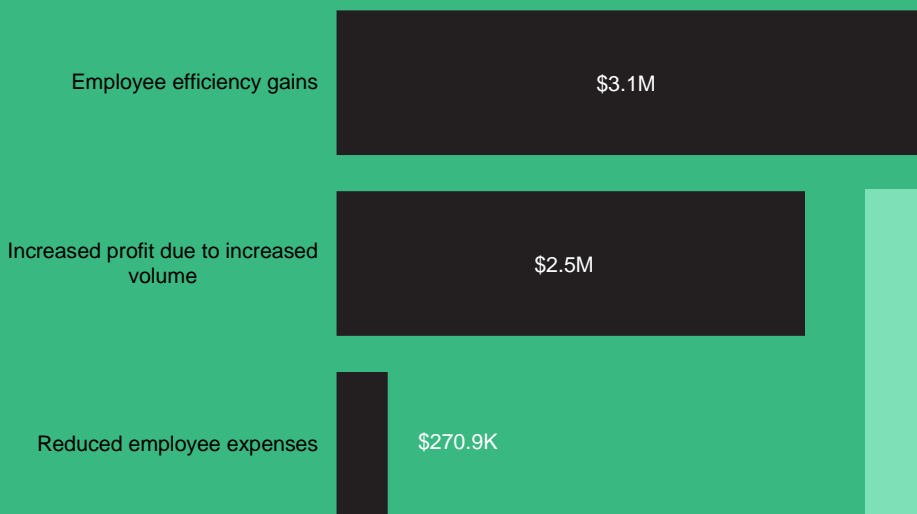
Unquantified benefits
- Reduced business risk
- Ability to meet deadlines with less stress and higher quality
- Improved employee experience
- Accelerated M&A integrations
- Faster employee onboarding

"Our turnaround is more efficient because we use Magic in Loopio on our first pass-through. We now have more time to discuss with our SMEs and get better customized responses."

— Vice president, financial services

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 Loopio's response management platform.

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

DISCLOSURES

Readers should be aware of the following:

This study is commissioned by Loopio 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 Loopio.

Loopio 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.

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

DUE DILIGENCE
Interviewed Loopio stakeholders and Forrester analyst to gather data relative to Loopio's response management platform.

INTERVIEWS
Interviewed 10 representatives from six organizations using Loopio's response management platform to obtain data with respect to costs, benefits, and risks.

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

FINANCIAL MODEL FRAMEWORK
Constructed a financial model representative of the interviews using the TEI methodology and risk-adjusted the financial model based on issues and concerns of the 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 Loopio Response Management Platform Customer Journey

■ Drivers leading to the Loopio investment

Interviews			
Role	**Industry**	**Region**	**Revenue**
Vice president	Financial services	Global	$60 billion
RFP manager	Financial services	Global	$2 billion
Director of global proposal management	HR software	Global	$2.9 billion
Director of operations	Healthcare	Global	$4.6 billion
RFP proposal manager; Content manager; Director of enterprise sales	Fitness technology	North America	$186.2 million
Principal director; Director of proposal management; Senior proposal manager	Financial services	North America	$812 million

KEY CHALLENGES

Before using Loopio, interviewees' organizations either had legacy RFP tools or they lacked a solution altogether. Interviewees described their organizations' legacy tools as either too complicated or needing to be more sophisticated. Users said it was a struggle to find the most recent content that they could trust was updated. This was exacerbated by a lack of process to ensure updated RFP responses.

Interviewees' organizations without legacy systems suffered from information loss due to assets stored in multiple locations, or intellectual property would literally walk out the door due to high turnover on the proposal teams.

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

- **Previous tools were lacking and hard-to-use, or there were no tools at all.** Several interviewees told Forrester that their organizations were unhappy with their prior tools. The director of operations from a healthcare organization described a tool that lacked vital

features like assigning questions or due dates, and they said the company struggled to have employees adopt the solution. The director of global proposal management from an HR software organization said their company's legacy solution was not continually updated. They said: "Things were always out of date. There were always complaints about lacking the latest answer or strategy."

However, most interviewees' organizations had no dedicated RFP tool and employees were forced to sift through email threads and documents to build RFP responses. This resulted in constant rework that created deep inefficiencies.

- **The organizations had low visibility into the RFP process due to decentralized information.** Interviewees said that, because their organizations lacked central RFP solutions, management lacked RFP process visibility. Individual contributors cobbled together content and answers copied and pasted from old messages or documents rather than using easily available, frequently updated, and trusted

responses. This exposed the organizations to risk. The director of proposal development for a financial services organization said: "Our challenge was the age-old thing. We all used to send emails around, and we'd lose things in the piles of emails because we didn't have a centralized location for [them]."

- **The organizations lost institutional knowledge about RFP due to high turnover.** Insufficient or nonexistent tools, low visibility, and a lack of centralized information made working on RFPs miserable for employees of the interviewees' organizations. Bid-response team members often worked around the clock to meet impossible deadlines, leaving their companies open to unintended mistakes. Unfortunately, this resulted in difficult client meetings that caused stress to both sales and management from potentially losing business, and the consequence was a high level of turnover for RFP teams. Compounding the situation further, the lack of centralized knowledge meant that each exit presented a loss of institutional knowledge.

  The principal director for a financial services organization explained how difficult it was to conduct business under these conditions. They said: "I was having to sit in meetings for on-site audits with clients and explain these bad answers that got through the door. I was sick and tired of being on the hot seat." These types of early interactions introduced risk to vendor/client relationships.

- **The organizations are forced to meet increasingly tight deadlines.** Interviewees reported that in the last few years, the timelines on formal RFPs have trended shorter and forced the need for tight execution on their response processes.

> **"The RFP team managed their information in Excel, and it was very cumbersome for them to keep those answers up to date as our business changed. Having to review the output and making the same changes over and over was very frustrating to me as an SME."**
>
> *Principal director, financial services*

SOLUTION REQUIREMENTS

The interviewees' organizations searched for a solution that could:

- Provide a single and central source of truth.

- Improve the accuracy of RFP information and answers through robust content and project management, which enables continuously fresh and updated content.

- Self-serve and enable individual team members to reliably access and use a library of knowledge.

- Facilitate a process to collaborate asynchronously between RFP contributors.

- Gain efficiency by automating without needing to scale the team size.

- Provide better RFP support to the sales team.

- Assist in generating informal, proactive sales proposals.[2]

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 10 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, $1 billion organization has 5,000 employees and 15 global locations. It has grown through acquisitions and uses support staff in other regions, including for its RFP team and IT support. There are 560 formal RFPs per year, but there are also numerous informal responses channeled through the sales team. The average deal size is $500,000.

The bid team for the composite organization doesn't track win rates; however, the bid team's counterpart in sales does. The composite organization has a 25% win rate.

KEY ASSUMPTIONS

- **$1 billion in revenue**
- **5,000 employees**
- **15 global locations**
- **$500,000 average deal size**
- **560 formal RFPs per year**
- **25% win rate**

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	Employee efficiency gains	$434,984	$1,161,037	$2,355,747	$3,951,767	$3,124,882
Btr	Increased profit due to increased volume	$616,000	$924,000	$1,540,000	$3,080,000	$2,480,661
Ctr	Reduced employee expenses	$0	$171,720	$171,720	$343,440	$270,933
	Total benefits (risk-adjusted)	$1,050,984	$2,256,757	$4,067,467	$7,375,207	$5,876,476

EMPLOYEE EFFICIENCY GAINS

Evidence and data. Interviewees said the most dramatic impact Loopio had on their organizations was that their RFP processes became much faster and more efficient than before.

- The director of global proposal development for an HR software organization explained how Loopio's automation saved valuable RFP team time on previously manual tasks. They said: "The efficiency metric is what I show to our leadership team. We're outsourcing this work to the machine. We're outsourcing the low-level work [and] the rote questions. We're not wasting our time on that. Our investment in the technology is sound, and we're working on the questions that really matter and require that extra time and attention."

- The vice president for a financial services organization agreed that Loopio sped up information-finding and helped their team answer questions from other organizations. They said: "Loopio helps us answer the questions more efficiently and be able to meet all those intense deadlines. The last few years, we've seen the deadlines run from two to three weeks, but this year, we typically get one week of work where we

can have a turnaround, which really has shortened it drastically."

- The director of global proposal development for an HR software organization explained how Loopio created further efficiencies by eliminating the need and the cost to maintain disparate content repositories. They said: "We reduced the number of sites we go to by using Loopio. Before, we used to say, 'Go to this site or that site.' But now we don't do that anymore. I can just say that Loopio is the source."

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

- Over three years, the composite organization reallocates resources and transitions from using five US-based bid team members to just two, and it hires three bid-team response members from less expensive regions.

- In Year 1 the composite organization has five SMEs/solution architects,11 SMEs in legal/finance/IT, four sales managers and executives, and 94 salespeople who engage with RFP processes.

- By Year 3, Loopio provides time savings of 50% to bid team members, 40% to SMEs/solution

architects, 5% to SMEs in legal/finance/IT, 3% to sales managers and executives, and 3% to salespeople.

Risks. Factors that could impact the size of this benefit for organizations include:

- The number/type of employees involved in the RFP process.

- The amount of time each employee spends in the RFP process.

- Salaries of employees.

- The degree to which Loopio boosts efficiency.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV of $3.1 million. PV (discounted at 10%)

"Part of my job is wrangling people. The fewer reminders I [need to] give, the better. Loopio sends them a nudge and then an email. If they miss a deadline, it'll send them an email every day automatically until they look at it. Loopio creates less stress. We still respond to the same amount or more projects, but it would take longer and be more stressful [without Loopio]."

RFP proposal manager, fitness technology

Employee Efficiency Gains

Ref.	Metric	Source	Year 1	Year 2	Year 3
A1	US-based bid-response team members	Composite	5	2	2
A2	India-based bid-response team members	Composite	0	3	3
A3	Average annual fully burdened salary of US-based bid team member	TEI standard	$101,250	$101,250	$101,250
A4	Average annual fully burdened salary of India-based bid-team member	TEI standard	$29,700	$29,700	$29,700
A5	Percent of time saved annually with Loopio	Interviews	30%	40%	50%
A6	Subtotal: Annual time savings for bid-response team members	(A1*A3*A5)+(A2*A4*A5)	$151,875	$116,640	$145,800
A7	SMEs/solution architects	Composite	5	14	26
A8	Average annual salary of SME/solution architect	TEI standard	$168,750	$168,750	$168,750
A9	Percent of time Loopio saves SME/solution-architect team	Interviews	20%	30%	40%
A10	Subtotal: Annual time savings for SME/solution-architect team	A7*A8*A9	$168,750	$708,750	$1,755,000
A11	SMEs in legal/finance/IT who participate in bid process	Composite	11	11	11
A12	Average salary of SME in legal/finance/IT	TEI standard	$243,000	$243,000	$243,000
A13	Percent of time Loopio saves SMEs in legal/finance/IT	Interviews	5%	5%	5%
A14	Subtotal: Annual time savings for SMEs in legal/finance/IT	A11*A12*A13	$133,650	$133,650	$133,650
A15	Executives who participate in bid process	Composite	4	4	4
A16	Average annual salary of executive	TEI standard	$304,000	$304,000	$304,000
A17	Percent of time Loopio saves sales managers and executives	Interviews	3%	3%	3%
A18	Subtotal: Annual time savings for sales managers and executives	A15*A16*A17	$36,480	$36,480	$36,480
A19	Number of salespeople who participate in bid process	Composite	94	313	625
A20	Average annual salary of salesperson	TEI standard	$168,750	$168,750	$168,750
A21	Sales: Percent of time saved by Loopio	Interviews	3%	3%	3%
A22	Subtotal: Annual time savings for salespeople	A19*A20*A21	$475,875	$1,584,563	$3,164,063
A23	Productivity recapture	TEI standard	50%	50%	50%
At	Employee efficiency gains	(A6+A10+A14+A18+A22)*A23	$483,315	$1,290,041	$2,617,496
	Risk adjustment	↓10%			
Atr	Employee efficiency gains (risk-adjusted)		$434,984	$1,161,037	$2,355,747
	Three-year total: $3,951,767			**Three-year present value: $3,124,882**	

INCREASED PROFIT DUE TO INCREASED VOLUME

Evidence and data. Before using Loopio, the interviewees' organizations struggled to respond to all of the RFPs that came through, which limited the ability of bid teams to assist sales with growing the businesses. Interviewees said that with Loopio, the time savings and centralized information enabled their organizations to produce higher-quality RFPs more quickly and lead to more potential sales.

- The director of global proposal management at an HR software organization told Forrester that Loopio boosted the overall speed of the RFP process and let the company turn around responses in two weeks. They said: "It's definitely faster because the source of the information is better, and people aren't looking all over the place for the best answer."

- The RFP proposal manager for a fitness technology organization told Forrester how Loopio streamlined the bid process and provided more opportunities to polish client-facing materials. They said: "If I'm crunched for time with a hard client deadline, I can be confident in the health of our Loopio library responses. The efficiencies of Loopio help with the quality of our deliverables."

- The director of global proposal management for an HR software firm told Forrester that Loopio allowed their organization to start working on proactive proposals to pitch to potential customers ahead of conducting a formal RFP.

- The vice president in financial services explained how Loopio helped their organization meet the increased demand it experienced after merging with another firm. They said: "Our firm inherited Loopio through an acquisition with a lot of existing language. The volume of RFPs picked up drastically this year because we have received opportunities from different firms. As we work on these newer RFPs, we've started

> **"Loopio allows us to respond to more projects than we could otherwise. We trust the content we find, which gives us more time to review it for errors and make a good presentation for clients."**
>
> *RFP proposal manager, fitness technology*

incorporating a lot of new responses into Loopio to reflect the company's current state."

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

- Without Loopio, the composite could complete 560 RFPs each year.

- Loopio increases the number of RFPs the composite can complete by 10% in Year 1, by 15% in Year 2, and by 25% in Year 3.

- The organization's average deal size is $500,000.

- The organization's win rate is 25%, and it operates at a margin of 11%.[3]

Risks. Factors that could impact the size of this benefit for organizations include:

- The improvement rate of RFP completion due to Loopio.

- Average deal size, win rate, and operating margin.

- Improved accuracy and polish in client-facing deliverables due to Loopio.

Results. To account for these risks, Forrester adjusted this benefit downward by 20%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of $2.5 million.

Ref.	Metric	Source	Year 1	Year 2	Year 3
Increased Profit Due To Increased Volume					
B1	RFPs completed before Loopio	Assumption	560	560	560
B2	Percent increase in RFPs completed with Loopio	Interviews	10%	15%	25%
B3	Additional RFPs completed with Loopio	B1*B2	56	84	140
B4	Average deal size	Assumption	$500,000	$500,000	$500,000
B5	Win rate	Assumption	25%	25%	25%
B6	Operating margin	NYU Stern School of Business	11%	11%	11%
Bt	Increased profit due to increased volume	B3*B4*B5*B6	$770,000	$1,155,000	$1,925,000
	Risk adjustment	↓20%			
Btr	Increased profit due to increased volume (risk-adjusted)		$616,000	$924,000	$1,540,000
	Three-year total: $3,080,000		Three-year present value: $2,480,661		

REDUCED EMPLOYEE EXPENSES

Evidence and data. Several interviewees said the myriad efficiency improvements of Loopio allowed their organizations to reallocate resources and shift resources from more expensive regions to less expensive ones.

- The principal director for a financial services organization explained how Loopio made working across time zones more feasible. They said: "I think that one of the big challenges for our SMEs was the time-zone difference. Being able to assign tasks and have a far-away person come into their shift to see it right on top of their inbox lets them start addressing these things right away."

- Interviewees said Loopio's efficiencies also let their organizations increase their RFP volumes without needing to hire additional resources. The director of global proposal development for an HR software firm said: "Not only have we increased our RFP volumes, but we've added other types of questionnaires. We've doubled the number of questionnaires within the team, and we're supporting them without additional resources."

> **"Compared to adding headcount, Loopio is super economical."**
>
> *Senior proposal manager, financial services*

Modeling and assumptions. Forrester assumes the composite organization moves three FTEs from urban US to urban India starting in Year 2.

Risks. Factors that could impact the size of this benefit for organizations include:

- The number of FTEs reallocated/able to move.

- FTE salaries in various regions.

Results. To account for these risks, Forrester adjusted this benefit downward by 20%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of $270,933.

Reduced Employee Expenses					
Ref.	**Metric**	**Source**	**Year 1**	**Year 2**	**Year 3**
C1	Average fully burdened annual salary for urban US-based bid team member	TEI standard	$101,250	$101,250	$101,250
C2	Average fully burdened annual salary for urban India-based bid team member	TEI standard	$29,700	$29,700	$29,700
C3	Employees reallocated from urban US to urban India	Assumption	0	3	3
Ct	Reduced employee expenses	(C1-C2)*C3	$0	$214,650	$214,650
	Risk adjustment	↓20%			
Ctr	Reduced employee expenses (risk-adjusted)		$0	$171,720	$171,720
	Three-year total: $343,440		**Three-year present value: $270,933**		

UNQUANTIFIED BENEFITS

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

- **Reduced business risk.** Loopio enables organizations to have a dedicated proposal operations function, which means organizations can catch more mistakes before presenting proposals, presentations, and contracts to clients. This can help reduce risks of catastrophe in both the near term and the long term.

  - ▪ The director of operations for a healthcare organization told Forrester: "The economic impact of having a dedicated proposal-operations function instead of offloading it to people like account executives is huge. … Talk about business risk. ... A lot of the times, the [RFP] submission is contractually binding. [Our] customers expect that the submission will be part of the final contract. [Imagine] you spend all this time and money all the way up to the end and then you find [you make] an unacceptable mistake in the RFP, and [you're] now disqualified after hundreds of hours of work in time and investment."

  - ▪ The RFP proposal manager for a fitness technology organization presented a hypothetical scenario of not using Loopio. They said: "We put content into a proposal, the client sees it, we win the business, and then it comes down to the operations team implementing the solution and operating it. Imagine if they discover: 'We said we could do what? Oh, I didn't know that we proposed this. … I didn't know that this is the content we agreed to.' That can happen without visibility, consistency, and accuracy."

- **Ability to meet deadlines with less stress and higher quality.** Interviewees said Loopio made it much easier for their organizations to meet deadlines, which provided better customer experiences. The director of global proposal management for an HR software firm said: "We were able to meet all those deadlines without adding headcount and, in some cases, [without] being short of resources. We haven't missed a deadline since we started using Loopio."

- **Improved employee experience.** Interviewees said that before using Loopio, the manual, tedious, confusing nature of RFP work resulted in high team turnover. The RFP manager for a financial services organization explained how Loopio helped change that for their organization. They said: "Loopio is contributing to the retention rate we have in the team. … Having a good, reliable system helps to keep everyone motivated."

- **Accelerated M&A integrations.** Loopio enables the roll out of content that reflects messaging created post-mergers. This allows companies to portray one voice in RFP responses far more quickly than without a response management solution like Loopio.

> **"If we deliver a proposal and then get to contracting and then something is flagged that was not accurate in our response and then it affects contracting and legal has to get involved, that could be a risk."**
>
> *RFP proposal manager, fitness technology*

- **Faster employee onboarding.** Interviewees said that unlike other less-intuitive solutions, Loopio lets new users get started on RFP work right away. The RFP manager from a financial services organization said: "New users become active in the tool as soon as they have an email address, and [they] start playing with it from the first day. We have had cases [where] writers were given a request to work on from their first week, and that's an excellent way to get them onboarded quickly."

FLEXIBILITY

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

- **Proactive proposal response.** While interviewees said their organizations were still getting the hang of Loopio, several said they are eager to experiment with new features and opportunities Loopio provides around proactive proposal response. The director of global proposal management for an HR software organization said: "We want to create proactive templates so [that] with a few clicks of a button, a solution architect [can] select an executive summary, overview of payroll, and some other product description."

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

> **"We now have a new way for the team members to work [together] closely because Loopio created a collaborative environment within the project. We exchange information or ideas via the comments tool, and together with sales, we create the best thinking to craft a new response. It's fun to build that kind of collaboration methodology within the system. I think overall it's a great database. It's [a] great system to use."**
>
> *Vice president, financial services*

Analysis Of Costs

Quantified cost data as applied to the composite

Total Costs							
Ref.	Cost	Initial	Year 1	Year 2	Year 3	Total	Present Value
Dtr	Total costs paid to Loopio	$0	$92,400	$131,160	$205,440	$429,000	$346,747
Etr	Internal content-library management costs	$265,015	$152,669	$216,924	$281,179	$915,788	$794,336
	Total costs (risk-adjusted)	$265,015	$245,069	$348,084	$486,619	$1,344,788	$1,141,083

TOTAL COSTS PAID TO LOOPIO

Evidence and data. Interviewees said their organizations pay annual fees to use Loopio.

- To access the platform, interviewees' organizations pay annual fees directly to Loopio for use of Loopio based on the number of users as well as the level of access users require. The organizations configured their contracts based on the number of employees who need to build projects, update libraries, or review responses.

- Interviewees also said their organizations paid professional services fees for onboarding and ongoing support.

- Interviewees said onboarding took 30 to 60 days, depending on whether their organization started fresh or imported content from a legacy solution. Loopio professional services also assisted internal employees to configure their libraries. By the completion of onboarding, interviewees' organizations typically had:

  - A working content categorization system.

  - An early set of imported library entries based on recent questionnaires or databases they already maintain.

  - An understanding of working within Loopio to complete questionnaires.

  - A process map that identifies roles, responsibilities, and milestones for the response process.

- Interviewees also said their organizations utilized ad hoc professional services fees as needed for ongoing support.

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

- The composite pays annual license fees to Loopio for use of the platform for 115 users in Year 1. In Years 2 and 3, the composite organization scales the number of salespeople and solution architects.

- In addition, the composite pays a professional services fee to support the onboarding and ongoing support of the content library.

Risks. Factors that could impact the size of this cost for organizations include:

- The number of licenses and the rate of growth of salespeople using the solution over time.

- The scope of professional services required to roll out and maintain Loopio.

Results. To account for these risks, Forrester adjusted this cost upward by 20%, yielding a three- year, risk-adjusted total PV (discounted at 10%) of $346,747.

	Total Costs Paid To Loopio					
Ref.	**Metric**	**Source**	**Initial**	**Year 1**	**Year 2**	**Year 3**
D1	License costs paid to Loopio	Composite	$0	$54,000	$89,000	$142,000
D2	Professional services costs paid to Loopio	Composite	$0	$23,000	$20,300	$29,200
Dt	Total costs paid to Loopio	D1+D2	$0	$77,000	$109,300	$171,200
	Risk adjustment	↑20%				
Dtr	Total costs paid to Loopio (risk-adjusted)		$0	$92,400	$131,160	$205,440
	Three-year total: $429,000			**Three-year present value: $346,747**		

INTERNAL CONTENT-LIBRARY MANAGEMENT COSTS

Evidence and data. To make the most of Loopio's time savings for RFP work, interviewees said their organizations needed to set up and maintain content libraries. These libraries contain accurate answers, responses to security and other questionnaires, and other information that is used repetitively.

Interviewees' organizations populated these content libraries with information that is useful to them and their situations. And both bid teams and SMEs must update these libraries on an ongoing basis.

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

- For the initial setup of its content library, the composite organization's internal teams work with Loopio professional services to populate the library with best-practice responses.

- The composite organization uses a centralized content library.

- One bid-team member spends 160 hours working on the content library.

- Five solution architect SMEs work with Loopio to create best-practice responses during the initial setup.

- Nine SMEs from legal, finance, and IT work with Loopio to create best-practice responses during the initial setup.

- After the initial setup, solution architects and legal, finance, and IT FTEs work on content- library tasks on an ongoing basis.

- The solution architects team grows over time, which accounts for the increase in hours.

Risks. Factors that could impact the size of this cost for organizations include:

- The amount of time required to set up and maintain the content library.

- The amount, locations, and types of FTEs involved in setting up and maintaining the content library.

Results. To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three- year, risk-adjusted total PV of $794,336.

Internal Content-Library Management Costs

Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
E1	Bid-response team members who create initial library content	Interviews	1	1	1	1
E2	SMEs/solution architects who create initial library content	Interviews	5	5	5	5
E3	SMEs in legal/finance/IT who create initial library content	Interviews	9	9	9	9
E4	Time spent creating initial library content by each individual (hours)	Interviews	160	0	0	0
E5	Average hourly rate of US-based bid-team member	A3/2080	$49	$49	$49	$49
E6	Average hourly rate of SME/solution architect	A8/2080	$81	$81	$81	$81
E7	Average hourly rate of SME in legal/finance/IT	A12/2080	$117	$117	$117	$117
E8	Initial library creation by bid-response team members	E1*E4*E5	$7,788	$0	$0	$0
E9	Initial library creation by SMEs/solution architects	E2*E4*E6	$64,904	$0	$0	$0
E10	Initial library creation by SMEs in legal/finance/IT	E3*E4*E7	$168,231	$0	$0	$0
E11	Subtotal: Initial content-creation efforts	E8+E9+E10	$240,923	$0	$0	$0
E12	Total monthly time for ongoing content updates made by bid-response team (hours)	Interviews	0	80	80	80
E13	Total monthly time for ongoing content updates made by SME/solution-architect team (hours)	Interviews	0	60	120	180
E14	Total monthly time for ongoing content updates made by SMEs in legal/finance/IT (hours)	Interviews	0	24	24	24
E15	Annual cost of ongoing updates made by bid-response team members	E5*E12*12	$0	$46,731	$46,731	$46,731
E16	Annual cost of ongoing content updates made by SME/solution-architect team	E6*E13*12	$0	$58,413	$116,827	$175,240
E17	Annual cost of ongoing content updates made by SMEs in legal/finance/IT	E7*E14*12	$0	$33,646	$33,646	$33,646
E18	Subtotal: Ongoing content updates	E15+E16+E17	$0	$138,790	$197,204	$255,617
Et	Internal content-library management costs	E11+E18	$240,923	$138,790	$197,204	$255,617
	Risk adjustment	↑10%				
Etr	Internal content-library management costs (risk-adjusted)		$265,015	$152,669	$216,924	$281,179
	Three-year total: $915,788			**Three-year present value: $794,336**		

Financial Summary

CONSOLIDATED THREE-YEAR RISK-ADJUSTED METRICS

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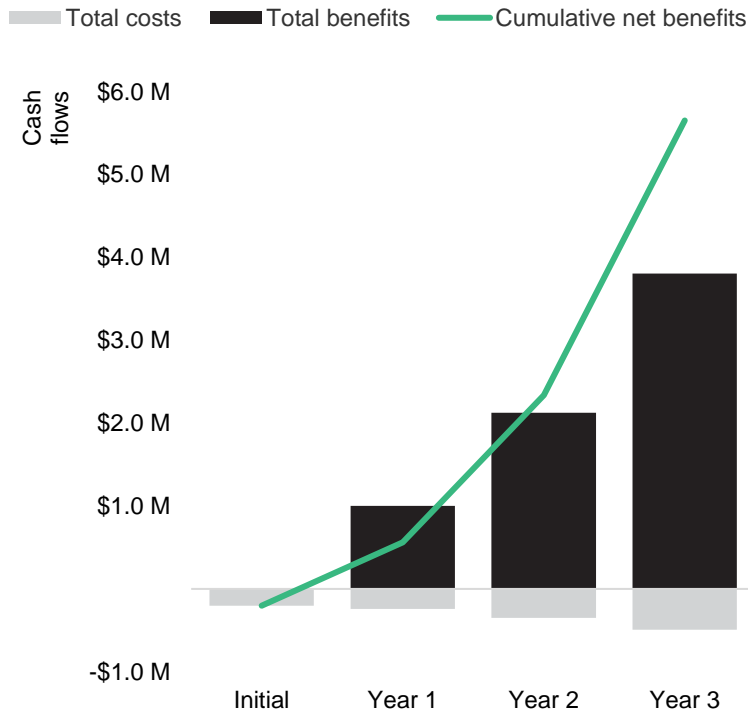
The financial results calculated in the Benefits and Costs sections can be used to determine the ROI, NPV, and payback period for the composite organization's investment. Forrester assumes a yearly discount rate of 10% for this analysis.

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	($265,015)	($245,069)	($348,084)	($486,619)	($1,344,788)	($1,141,083)
Total benefits	$0	$1,050,984	$2,256,757	$4,067,467	$7,375,207	$5,876,476
Net benefits	($265,015)	$805,914	$1,908,673	$3,580,848	$6,030,419	$4,735,393
ROI						415%
Payback						<6 months

Appendix A: Total Economic Impact

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

TOTAL ECONOMIC IMPACT APPROACH

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

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

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

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

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

PRESENT VALUE (PV)

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

NET PRESENT VALUE (NPV)

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

RETURN ON INVESTMENT (ROI)

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

DISCOUNT RATE

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

PAYBACK PERIOD

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

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.

[2] Business proposals are written statements of how a company will meet a potential client's needs and how it will help the client solve its problems. Informal proposals usually address smaller projects and are thus smaller in scope and shorter in length. Source: Clark Herman, "Informal Proposal Examples," Bizfluent, June 26, 2019.

[3] Source: Aswath Damodaran, "Margins by Sector (US)," NYU Stern School Of Business, January, 2023.

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