

FORRESTER®

The Total Economic Impact™ Of Foxit PDF Editor

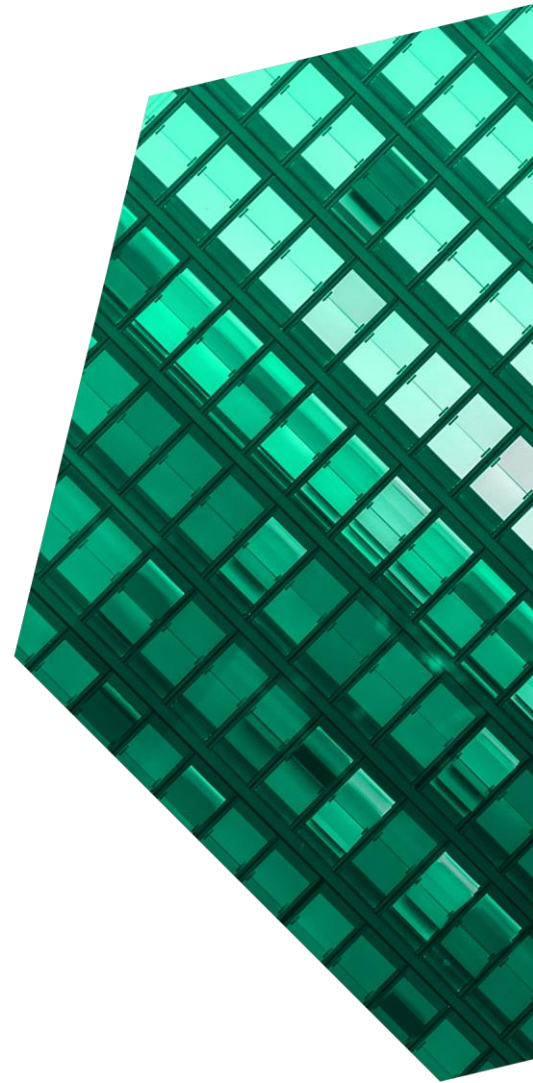
Cost Savings And Business Benefits
Enabled By Foxit PDF Editor

SEPTEMBER 2022

Table Of Contents

Consulting Team: Nick Mayberry

- Executive Summary 1**
- The Foxit PDF Editor Customer Journey 6**
 - Key Challenges 6
 - Investment Objectives 7
 - Composite Organization 7
- Analysis Of Benefits 8**
 - Reduced Cost Of Prior Solution 8
 - Reduced Costs Of Troubleshooting And Ongoing Management 9
 - Improved Employee Productivity 11
 - Enhanced Security 12
 - Unquantified Benefits 14
 - Flexibility 14
- Analysis Of Costs 16**
 - Foxit PDF Editor Fees 16
 - Cost Of Implementation And Deployment 17
 - Cost Of Training And Ongoing Deployment And Management 18
- Financial Summary 20**
- Appendix A: Total Economic Impact 21**
- Appendix B: Endnotes 22**



ABOUT FORRESTER CONSULTING

Forrester provides independent and objective research-based consulting to help leaders deliver key transformation outcomes. Fueled by our customer-obsessed research, Forrester’s seasoned consultants partner with leaders to execute on their priorities using a unique engagement model that tailors to diverse needs and ensures lasting impact. For more information, visit forrester.com/consulting.

© Forrester Research, Inc. All rights reserved. Unauthorized reproduction is strictly prohibited. Information is based on best available resources. Opinions reflect judgment at the time and are subject to change. Forrester®, Technographics®, Forrester Wave, and Total Economic Impact are trademarks of Forrester Research, Inc. All other trademarks are the property of their respective companies. For additional information, go to forrester.com.

Executive Summary

Regarding PDF editing solutions, organizations with knowledge workers frequently feel the need to compromise between high licensing and broad internal deployments on one side and high security standards on the other. Interviewees shared that Foxit was able to meet common needs like lowering licensing costs, reducing the burden on IT to manage the PDF editing solution, improving employee productivity by enabling broad solution deployment, and improving security through frequent vendor patching.

Foxit offers its [Foxit PDF Editor](#) product that enables knowledge workers to create, edit, fill, merge, organize, redact, and analyze PDF documents with an easy-to-use interface and plug-ins for many frequently used productivity solutions. Foxit's solution is relatively cost-effective, enabling the broader deployment of PDF editing capabilities across an organization's employee base.

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

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed four representatives with experience using Foxit PDF Editor. For the purposes of this study, Forrester aggregated the interviewees' experiences and combined the results into a single [composite organization](#) with at least 7,000 employees and a deployment of Foxit to 6,825 of them.

Prior to using Foxit PDF Editor, interviewees noted high costs from their prior PDF editing tool, including licensing costs and time costs to IT. These high costs limited deployment of the prior tool, which benefitted only a select subgroup of employees. Furthermore, prior tools had security concerns from inconsistent security updates.

KEY STATISTICS



Return on investment (ROI)

284%



Net present value (NPV)

\$5.0M

After the investment in Foxit PDF Editor, the interviewees reduced the high licensing costs associated with their prior tool, reduced the amount of time their IT teams spent troubleshooting and managing that tool, expanded employee access to PDF editing thanks to Foxit's cost-effectiveness, and enhanced their security posture.

KEY FINDINGS

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

- **Reducing prior tool licensing costs by an average of 84%.** The composite is able to recoup 100% of the individual licensing costs associated with any user that switches from its prior PDF editing tool to Foxit PDF Editor. However, based on the interviewees' experiences, the composite keeps a small percent (16%) of its prior tool's licenses active

due to its inclusion in other software licenses that are still needed for some employees, while expanding the use of Foxit PDF Editor to a much larger subset of employees.

- **Reducing troubleshooting and ongoing management costs by the same 84%.** The composite also reduces the troubleshooting and ongoing management work related to its prior tool by the same magnitude that it reduces licenses for this prior tool. Based on the interviewees' experiences, the prior tool required much more help desk attention and licensing management work compared to Foxit PDF Editor.
- **Improved productivity of net-new users by 7%.** The composite chooses to use the cost savings from the reduced licensing costs of Foxit PDF Editor to expand the use of PDF editing internally to a larger number of employees. These employees are now able to merge, edit, analyze, and redact PDFs where they had no such abilities before, improving their productivity by 7%.
- **Enhanced security, including cost savings of 84%.** By switching to Foxit, the composite benefits by having Foxit's team of developers consistently providing security patches on behalf of the organization. Before Foxit, the composite had to run its own patch process, which incurred costs and ended up reducing the overall security posture of the organization.

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

- **Foxit customer service.** The composite's relationship with vendor support improves considerably after switching to Foxit, and the composite takes advantage of Foxit support to get fixes and questions answered at a much faster pace than the prior vendor's speeds.

- **Additional benefits of expanded deployment.** The composite only deploys Foxit to 84% of users of the prior tool and to a subset of net-new users. If the composite were to deploy Foxit more broadly, the benefits of the investment would grow accordingly.
- **Additional benefits from Foxit e-signature.** The composite may also eventually benefit from the use of Foxit's e-signature solution. Similar to Foxit PDF Editor, switching to the Foxit e-signature solution could save on costs compared to prior e-signature solutions while improving employee productivity from expanding the use of e-signatures internally.
- **Reinvesting cost savings in business initiatives.** The composite has the choice to reinvest licensing savings either in a fuller deployment of Foxit or into other business needs. If the composite chooses to achieve a net licensing savings, then it could invest the remaining savings in other technologies or business initiatives.
- **Improved employee experience.** Because of the ease of use, support, and general reliability of Foxit compared to its prior tool, the composite's employees' work lives are improved by switching to Foxit.

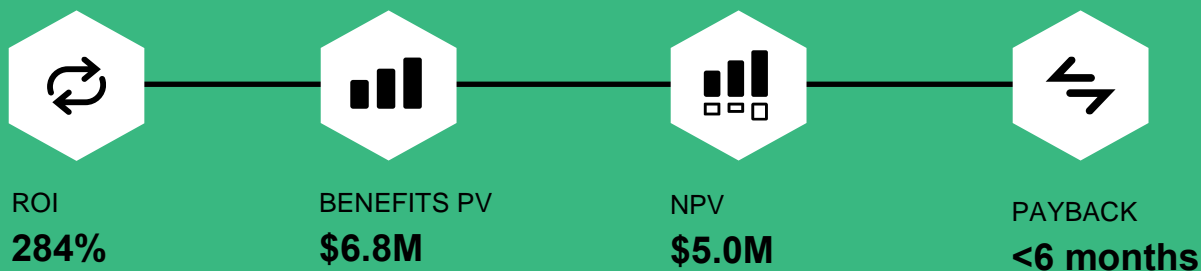
Costs. Three-year, risk-adjusted PV costs for the composite organization include:

- **Licensing costs.** The composite opts for a perpetual license for Foxit PDF Editor for each of its 6,825 users. Forrester has modeled this licensing cost at list price, although Foxit regularly practices volume discounting, decreasing the per-user license fee as total licenses purchased increase.
- **Cost of implementation and deployment.** The composite experiences internal implementation and deployment costs equivalent to five

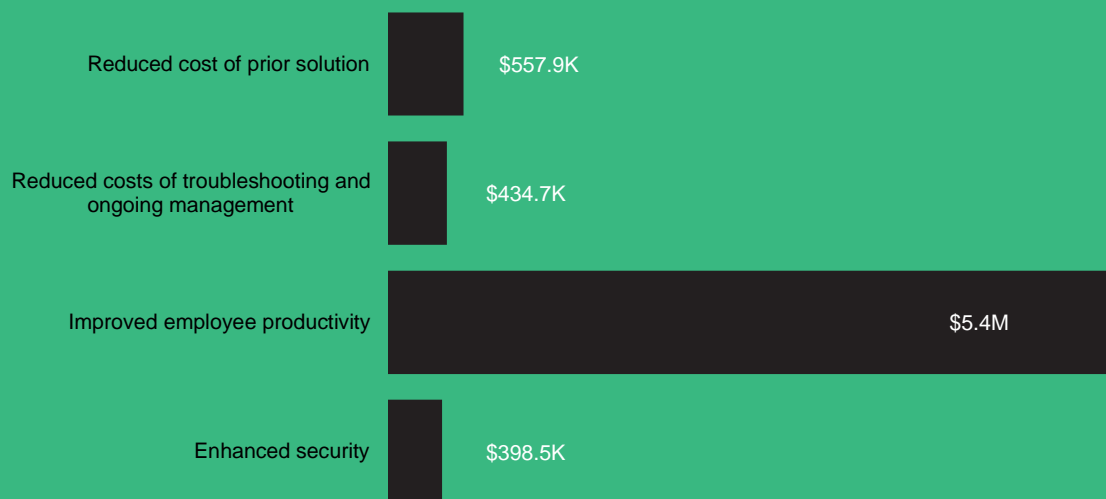
employees spending 13% of their time for four months.

- **Cost of training and ongoing deployment and management.** The composite also experiences internal costs associated with training, which requires 1 hour of all Foxit PDF Editor users as well as ongoing deployment and management, which requires 8 hours annually from one employee.

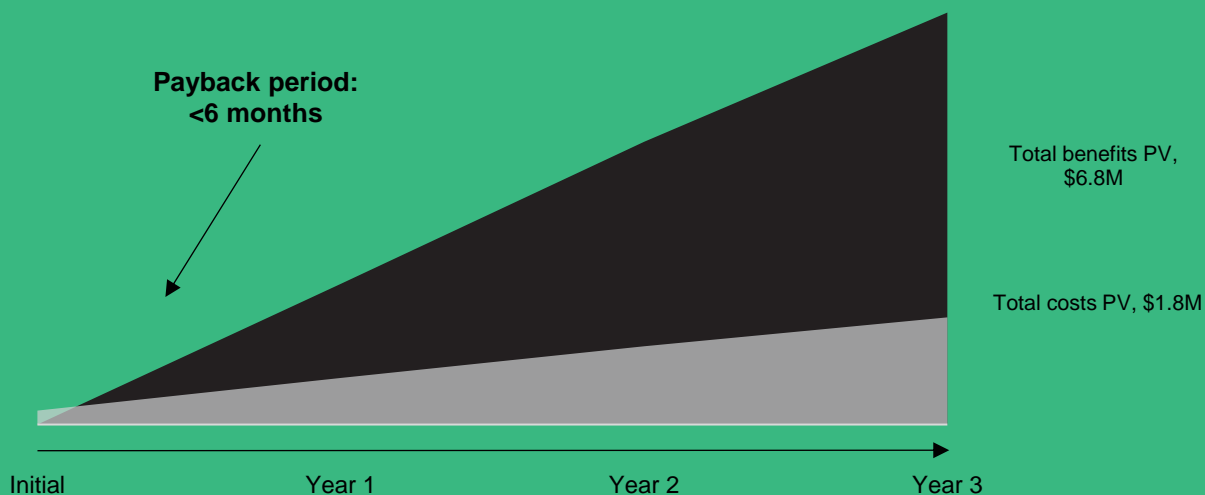
The representative interviews and financial analysis found that a composite organization experiences benefits of \$6.8 million over three years versus costs of \$1.8 million, adding up to a net present value (NPV) of \$5.0 million and an ROI of 284%.



Benefits (Three-Year)



Financial Summary



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 Foxit PDF Editor.

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 Foxit PDF Editor can have on an organization.

DISCLOSURES

Readers should be aware of the following:

This study is commissioned by Foxit 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 Foxit PDF Editor.

Foxit 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.

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



DUE DILIGENCE

Interviewed Foxit stakeholders and Forrester analysts to gather data relative to Foxit PDF Editor.



INTERVIEWS

Interviewed four representatives at organizations using Foxit PDF Editor 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 Foxit PDF Editor Customer Journey

Drivers leading to the Foxit PDF Editor investment

Interviews			
Role	Industry	Region	Foxit PDF Editor Users
Director of system support	Hospitality	Global	1,200
Department director of information management	Government	EMEA	2,600
Endpoint services manager	Government	North America	10,000
Portfolio manager	Legal services	Global	13,500

KEY CHALLENGES

Before investing in Foxit PDF Editor, all of the interviewees' organizations had already deployed a PDF editing solution, but due to high costs, prior deployments were limited in scope, curtailing the potential productivity of the organization as a whole when it came to working with PDFs.

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

- **High licensing cost of prior solution.** The interviewees all noted that the primary reason they decided to invest in a new tool for PDF editing was the high licensing cost of their prior solutions. The endpoint services manager from the government organization stated, "Cost was the number-one reason we looked for a new PDF editing solution." The department director of information management from the other government organization said: "Licensing was already too expensive with our prior tool, but then we would also have to pay even more to access the functionality we needed. It wasn't sustainable."
- **High IT time cost of prior solution.** The interviewees also noted challenges related to managing licenses and upgrades related to their prior PDF editing tools. The endpoint services

"Given the cost and feature set comparison, we had to ask ourselves, why are we paying more for less?"

Director of system support, hospitality

manager from the government organization said: "We were not happy with the experience managing our prior tool. For example, they changed to named-user licensing, which just created a tremendous burden on us to manage licensing."

- **Security concerns and shadow IT.** Some interviewees shared that their prior tools created security concerns. The director of system support from the hospitality firm said: "Our prior tool had over 1,000 vulnerabilities at any given time. It was like a semitruck-sized hole welcoming someone into our systems." This same interviewee also shared that internal deployment of the tool was limited due to its high cost. This encouraged other employees to download their

own PDF editing solutions, creating additional security concerns.

- **Poor support.** Lastly, the interviewees expressed unhappiness with the support they received from the vendors of their prior tools. The portfolio manager from the legal services firm said: “If something with our prior tool wasn’t working, we could maybe drop the vendor a line. But, frankly, they’re so big that they basically didn’t need us. If something wasn’t work, it was ‘tough luck.’”

INVESTMENT OBJECTIVES

The interviewees’ organizations searched for a solution that could:

- Lower their per-user licensing costs.
- More broadly deploy functionality across the employee base at a lower or equal cost.
- Reduce the burden on IT to manage licensing and updates.
- Improve security risks associated with their PDF editing solution, while having a closer relationship with its vendor.

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 interviewees, 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 composite is a medium-sized global organization with approximately 7,000 total employees. Before Foxit, it was using a leading PDF editing tool to enable its employees to merge, edit, arrange, and review documents. It was paying an average of \$280 annually per user of this prior tool. However, it could only deploy the tool to 1,100 of its total employees due to these high costs.

Deployment characteristics. The composite decides to invest in Foxit PDF Editor primarily to expand its deployment of PDF editing capabilities internally while saving on per-user costs. With the lower price point of Foxit, it can deploy Foxit PDF Editor to 6,825 of its employees while reducing use of the prior tool by a total of 84%. Foxit is deployed to these users at a rate of 90% in Year 1 and 100% in Years 2 and 3.

Key Assumptions

- **Global organization**
- **7,000+ total employees**
- **Prior tool cost: \$280 per user per year**
- **5,725 net-new users of PDF editing with Foxit**

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	Reduced cost of prior solution	\$209,563	\$232,848	\$232,848	\$675,259	\$557,891
Btr	Reduced costs of troubleshooting and ongoing management	\$163,296	\$181,440	\$181,440	\$526,176	\$434,720
Ctr	Improved employee productivity	\$2,019,780	\$2,244,200	\$2,244,200	\$6,508,180	\$5,376,975
Dtr	Enhanced security	\$149,688	\$166,320	\$166,320	\$482,328	\$398,493
	Total benefits (risk-adjusted)	\$2,542,327	\$2,824,808	\$2,824,808	\$8,191,943	\$6,768,079

REDUCED COST OF PRIOR SOLUTION

Evidence and data. Foxit PDF Editor enabled the interviewees' organizations to reduce their per-user licensing expenses. The interviewees all used the same tool before investing in Foxit. Regardless of what they paid with their prior tool, all interviewees shared lowering their per-user licensing costs with Foxit.

The endpoint services manager from a government organization summed it up: "It's just easier with Foxit. We make a bulk purchase of licenses, and we can do what we want with it internally. There's no nickel-and-diming."

Given the cost discrepancy between the prior tool and Foxit PDF Editor, the interviewees noted being able to greatly expand their internal deployments of PDF editing capabilities while maintaining overall licensing costs. The department director of information management from a government institution said: "Our prior tool cost quite a lot. We're technically spending more with Foxit because we have deployed it to at least 2,300 more users. But even then, we're not paying much more in total."

"Given the cost savings, switching to Foxit PDF Editor was a no-brainer."

Department director of information management, government

Average user expansion

6x

Modeling and assumptions. For the composite organization, Forrester models:

- Total paid users of the prior PDF editing solution of 1,100.
- Of this 1,100, 84% of licenses are decommissioned.
- The average annual licensing fee per user of the prior solution is \$280.
- Foxit PDF Editor is rolled out to users and the prior solution is decommissioned at a rate of 90% in Year 1 and 100% in Years 2 and 3.

Risks. The reduced cost of prior solution will vary with:

- The total number of paid users of the prior solutions.
- The percentage of these licenses that will be decommissioned in total.
- The average annual cost per license.
- The total licenses decommissioned each year.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of nearly \$557,900.

Reduced Cost Of Prior Solution					
Ref.	Metric	Source	Year 1	Year 2	Year 3
A1	Prior number of paid users	Interviews	1,100	1,100	1,100
A2	Licenses decommissioned	Interviews	84%	84%	84%
A3	Annual cost per user	Interviews	\$280	\$280	\$280
A4	Foxit rollout	Composite	90%	100%	100%
At	Reduced cost of prior solution	$A1 \cdot A2 \cdot A3 \cdot A4$	\$232,848	\$258,720	\$258,720
	Risk adjustment	↓10%			
Atr	Reduced cost of prior solution (risk-adjusted)		\$209,563	\$232,848	\$232,848
Three-year total: \$675,259			Three-year present value: \$557,891		

REDUCED COSTS OF TROUBLESHOOTING AND ONGOING MANAGEMENT

Evidence and data. In addition to reducing per-user licensing costs, the interviewees’ organizations were also able to reduce the time spent troubleshooting and managing their PDF editing solution. Regarding troubleshooting, the department director for information management from a government organization said, “Compared to our prior tool, we

“Compared to our prior tool, we have no trouble with Foxit PDF Editor.”

Department director of information management, government

don't really get any troubleshooting cases for Foxit PDF Editor." The portfolio manager from the legal services firm concurred, stating: "Before Foxit, we had a lot more questions involving troubleshooting. Now we maybe get six or seven questions a week and each case takes 30 minutes max."

Regarding overall management of the prior tool, the endpoint services manager from a government organization noted spending thousands of labor hours annually managing its prior tool. They said: "We had to have two full-time employees set aside to just manage our prior tool on an ongoing basis. They had to do everything from tracking licensing, dealing with installations, dealing with support, running data collection for annual renewals. It was just too much."

After switching to Foxit, management costs reduced sharply. The endpoint services manager from a government organization said, "Where we had two FTEs managing our prior tool, Foxit PDF Editor only needs a few minutes or hours a year from one employee." The department director for information management from a government organization stated: "With Foxit PDF Editor, license management is much easier. Everyone just has one license type, and we just focus on pushing out updates."

Modeling and assumptions. For the composite organization, Forrester models:

- Two IT employees are needed to manage the prior solution.
- These employees are paid at a fully burdened annual rate of \$120,000.

Risks. The reduced cost of troubleshooting and managing the prior solution on an ongoing basis will vary with:

- The total number of IT staff required to manage the prior solution and their fully burdened rate of pay.
- The total licenses decommissioned and the rate of this decommissioning for the prior solution.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV of over \$434,700.

Reduced Costs Of Troubleshooting And Ongoing Management					
Ref.	Metric	Source	Year 1	Year 2	Year 3
B1	FTEs needed to support prior solution	Interviews	2	2	2
B2	Reduction from prior solution	A2	84%	84%	84%
B3	Annual cost per IT support FTE	TEI standard	\$120,000	\$120,000	\$120,000
B4	Foxit rollout	A4	90%	100%	100%
Bt	Reduced costs of troubleshooting and ongoing management	B1*B2*B3*B4	\$181,440	\$201,600	\$201,600
	Risk adjustment	↓10%			
Btr	Reduced costs of troubleshooting and ongoing management (risk-adjusted)		\$163,296	\$181,440	\$181,440
Three-year total: \$526,176			Three-year present value: \$434,720		

IMPROVED EMPLOYEE PRODUCTIVITY

Evidence and data. As already noted, the interviewees' organizations were able to expand employee access to PDF editing with Foxit's lower per-user licensing costs, improving the productivity of net-new PDF editing users. The interviewees consistently estimated that Foxit PDF Editor improved the productivity of net new users of PDF editing between 5% and 10%.

The department director of information management for a government organization said: "Before Foxit, not everyone had the correct license to do PDF editing. Now, everyone has this capability, and we're seeing about a 10% productivity improvement from the expanded user base."

Some firms experienced productivity increases from Foxit's expanded feature set. The portfolio manager from legal services noted: "We're much more productive because now everyone has the ability to redact. I'd say we've seen between a 5% and 10% productivity improvement for those employees who now have Foxit who did not have anything before."

Modeling and assumptions. For the composite organization, Forrester models:

- Total Foxit users of 6,825, of whom 5,725 are net new users.
- These users spend an average of 20% of their time working with Foxit PDF Editor.
- These users' efficiency improves by 7%.
- These users have an average fully burdened annual rate of pay of \$70,000.
- Productivity is recaptured at a rate of 50%.
- Foxit PDF Editor is rolled out at a rate of 90% in Year 1 and 100% in Years 2 and 3.

Risks. The improvement to employee productivity will vary with:

- The total number of net new PDF editing solution users.
- The percent of time such users spend using Foxit PDF Editor.
- The fully burdened annual rate of pay of these users.
- The percentage rate at which their productivity is actually recovered.

Results. To account for these risks, Forrester adjusted this benefit downward by 20%, yielding a three-year, risk-adjusted total PV of nearly \$5.4 million.

Gross time savings per Foxit user

7%

Improved Employee Productivity					
Ref.	Metric	Source	Year 1	Year 2	Year 3
C1	Total Foxit users	Composite	6,825	6,825	6,825
C2	Net new PDF Editor users	C1-A1	5,725	5,725	5,725
C3	Time spent with PDFs	Composite	20%	20%	20%
C4	Time savings from PDF Editor per net new user	Interviews	7%	7%	7%
C5	Average fully burdened annual rate per employee	TEI standard	\$70,000	\$70,000	\$70,000
C6	Productivity recapture rate	Forrester research	50%	50%	50%
C7	Foxit rollout	A4	90%	100%	100%
Ct	Improved employee productivity	C2*C3*C4*C5*C6*C7	\$2,524,725	\$2,805,250	\$2,805,250
	Risk adjustment	↓20%			
Ctr	Improved employee productivity (risk-adjusted)		\$2,019,780	\$2,244,200	\$2,244,200
Three-year total: \$6,508,180			Three-year present value: \$5,376,975		

ENHANCED SECURITY

Evidence and data. Switching to Foxit PDF Editor also improved the security posture of the interviewees’ organizations, as security updating and upgrading became more consistent. The director of system support from the hospitality industry shared: “Our prior tool’s security was updated only sporadically. Partially due to vendor inconsistency, partially because the burden was on us to manage and execute upgrades. This came at a significant cost to us.”

After switching to Foxit, the same interviewee’s organization not only lowered its security upgrade costs but also reduced the risk of a potential breach. The interviewee said: “With Foxit, you have a team of coders behind the product and every time someone identifies a vulnerability, they proactively patch it. We’re saving an hour for every machine needing to be updated, which used to happen up to twice a

“Our prior tool took up five spots on our top 10 security concerns list. But if you moved beyond the top 10, it wasn’t only those five spots.”

Director of system support, hospitality

month. On top of that, our PDF editing solution is no longer a major security concern.”

Modeling and assumptions. For the composite organization, Forrester models:

- Security upgrades took an average of one hour per user with the solution prior to Foxit PDF Editor.
- Security upgrades now happen once per quarter.
- The total cost of each upgrade averages \$50.

Risks. The total benefit to security updates will vary with:

- The total time to upgrade prior solutions.
- The number of annual upgrades.
- The cost per upgrade.
- The rollout rate of Foxit PDF Editor.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV of nearly \$398,500.

“Foxit is constantly updating its security. Any update that gets pushed through almost always has tighter security than the prior version.”

Portfolio manager, legal services

Enhanced Security					
Ref.	Metric	Source	Year 1	Year 2	Year 3
D1	Prior person-hours to update security for prior solution	Interviews	1,100	1,100	1,100
D2	Annual number of security upgrades	Composite	4	4	4
D3	Cost per hour of upgrade	Interviews	\$50	\$50	\$50
D4	Reduction in prior solution	A2	84%	84%	84%
D5	Foxit rollout	A4	90%	100%	100%
Dt	Enhanced security	D1*D2*D3*D4*D5	\$166,320	\$184,800	\$184,800
	Risk adjustment	↓10%			
Dtr	Enhanced security (risk-adjusted)		\$149,688	\$166,320	\$166,320
Three-year total: \$482,328			Three-year present value: \$398,493		

UNQUANTIFIED BENEFITS

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

- **Foxit customer service.** Interviewees shared that their organizations' support experience with Foxit vastly improved compared to their prior tools. The portfolio manager from the legal services firm said: "We have great contact with Foxit support and had little support from our prior vendor. We would contact them for fixes, but frequently not hear back. We always hear back from Foxit, and they've always supplied a fix." Similarly, the director of system support from the hospitality firm said: "We call or e-mail whenever we want, and Foxit is always responsive. We don't even have to do any learning on our own. When we need help, Foxit is there."
- **Additional benefits of expanded deployment.** Not all interviewees' organizations deployed Foxit to all their employees. Some organizations kept some portion of their prior tool active, while others planned to expand Foxit use internally and just had not gotten around to the next deployment phase yet. Either way, the quantitative and qualitative benefits modeled in this report would scale with further internal deployment of Foxit PDF Editor, improving overall results.
- **Additional benefits from Foxit's integrated e-signature.** The interviewees also noted that by adopting other Foxit solutions, such as their e-signature solution that is integrated into Foxit PDF Editor, their organizations could achieve additional financial benefits. Depending on their prior environment, firms that invest in Foxit's e-signature solution may reduce their e-signature licensing costs or improve the productivity of employees by providing them e-signature functionality where none previously existed. The director of system support from the hospitality

industry said: "Getting Foxit's e-signature solution is on our horizon. It will be relatively easy to implement since it's integrated with Foxit PDF Editor, which we already have. It's just a matter of time."

- **Re-investing cost savings in business initiatives.** Some organizations chose to reinvest licensing savings into wider deployments of Foxit, while others chose to achieve overall licensing cost savings and reinvest those savings into their business. For example, the endpoint services manager from a government organization said, "With the savings we've gained from switching to Foxit, we're now able to have our subsidiary institutions spend part of their budgets on other things, whether those are physical upgrades or additional investments in other technology."
- **Improved employee experience.** The interviewees also noted that employee experience with PDF editing improved after switching to Foxit. The portfolio manager from the legal services firm said that their users were pleased with Foxit, and the endpoint services manager from a government organization said that employees have been happy with their decision to use the solution. The department director of information services from a government organization also noted, "My guess is employees don't think about it that much, but that in and of itself is an improvement over our prior tool."

FLEXIBILITY

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

- **IT focus shift to other projects.** Interviewees noted that reducing the time spent managing their prior tool meant that their IT staff had the flexibility to focus on strategic work that was a higher priority. The director of system support

from the hospitality industry said, “With Foxit there to help, we’re not using up as much time for IT. [That] then enables them to go on and work on much higher-priority projects.”

- **Licensing flexibility (perpetual and subscription).** The interviewees also noted that Foxit provides licensing flexibility, offering both perpetual and subscription-based licenses. This enabled their organizations to choose not only what arrangement works best for them, but also which arrangement works best for different employees within their organization.

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

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
Etr	Foxit PDF Editor fees	\$0	\$567,567	\$630,630	\$630,630	\$1,828,827	\$1,510,953
Ftr	Cost of implementation	\$28,600	\$0	\$0	\$0	\$28,600	\$28,600
Gtr	Cost of training and ongoing deployment and management	\$198,371	\$23,097	\$1,056	\$1,056	\$223,581	\$221,035
	Total costs (risk-adjusted)	\$226,971	\$590,664	\$631,686	\$631,686	\$2,081,008	\$1,760,588

FOXIT PDF EDITOR FEES

Evidence and data. Foxit offers flexible licensing options at the user level with two options: perpetual licenses with one-time fees and subscription licenses with periodic fees. Different users at the interviewees' organizations used different licensing types. Furthermore, interviewees reported that Foxit regularly practices volume discounting, where the total number of licenses purchased decreases average per-user license fees.

Modeling and assumptions. For the composite organization, Forrester models:

- A subscription license cost of \$84 per Foxit PDF user.
- Licensing costs take into account the common practice of bulk discounting. Discounting rates will vary by organization and the number of licenses purchased.

Risks. The total licensing cost for Foxit PDF Editor will vary with:

- The choice of a perpetual license or an annual license.
- The total number of users on each licensing structure.

- Any discounting based on volume purchasing.

Results. To account for these risks, Forrester adjusted this cost upward by 5%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of about \$1.5 million.

Per-user licensing savings

70%

Foxit PDF Editor Fees						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
E1	Total Foxit users	C1	0	6,825	6,825	6,825
E2	Foxit rollout	A4	\$0	90%	100%	100%
E3	Annual cost per user	Foxit Software	\$0	\$84	\$84	\$84
Et	Foxit PDF Editor fees	E1*E2*E3	\$0	\$515,970	\$573,300	\$573,300
	Risk adjustment	↑10%				
Etr	Foxit PDF Editor fees (risk-adjusted)		\$0	\$567,567	\$630,630	\$630,630
Three-year total: \$1,828,827			Three-year present value: \$1,510,953			

COST OF IMPLEMENTATION AND DEPLOYMENT

Evidence and data. The interviewees shared that their organizations experienced internal costs related to the implementation and deployment of Foxit PDF Editor at their organizations. Customers were consistent in saying that it took approximately three to four months from the choice to use Foxit PDF Editor to their first deployment. Work involved in implementation included figuring out product and deployment technicalities, preparing information for users, and the development of user guides.

Modeling and assumptions. For the composite organization, Forrester models:

- Total implementation time of four months.
- Five employees are needed to complete implementation at an average usage rate of 13% of their time for the period.
- The average fully burdened annual rate for these employees is \$120,000.

Risks. The cost of implementation and deployment will vary with:

- The total number of Foxit PDF Editor users and license types.

- The fully burdened annual rate at which implementation and deployment employees are paid.

Results. To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year, risk-adjusted total PV of under \$30,000.

Implementation and deployment costs

0.22 FTEs

Cost Of Implementation						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
F1	Time to implement in months	Interviews	4	0	0	0
F2	Total employees needed for implementation	Interviews	5	0	0	0
F3	Average percent of time spent on implementation	Interviews	13%	0%	0%	0%
F4	Average fully burdened annual rate of IT professionals	B3	\$120,000	\$0	\$0	\$0
Ft	Cost of implementation	$F1/12 * F2 * F3 * F4$	\$26,000	\$0	\$0	\$0
	Risk adjustment	↑10%				
Ftr	Cost of implementation (risk-adjusted)		\$28,600	\$0	\$0	\$0
Three-year total: \$28,600			Three-year present value: \$28,600			

COST OF TRAINING AND ONGOING DEPLOYMENT AND MANAGEMENT

Evidence and data. The interviewees also noted that their organizations experienced internal costs related to training and ongoing deployment of Foxit. Training took approximately an hour for each Foxit user, while ongoing management requires well less than a single FTE’s time to manage troubleshooting, upgrades, and additional deployments to new users within the organization.

Modeling and assumptions. For the composite organization, Forrester models:

- All 5,725 net-new users of Foxit PDF Editor require training of 1 hour at a time cost of their average fully burdened hourly rate of \$35.
- Two employees are needed for 8 hours annually to manage Foxit PDF Editor and to continue to deploy it to new users in the composite organization at a fully burdened hourly rate of \$60.

Risks. The cost of training and ongoing deployment and management will vary with:

- The total number of net-new Foxit users.
- Their average fully burdened hourly rate of pay.
- The total number of Foxit users.
- The average fully burdened hourly rate of pay of the IT employee responsible for managing and deploying Foxit PDF Editor on an ongoing basis.

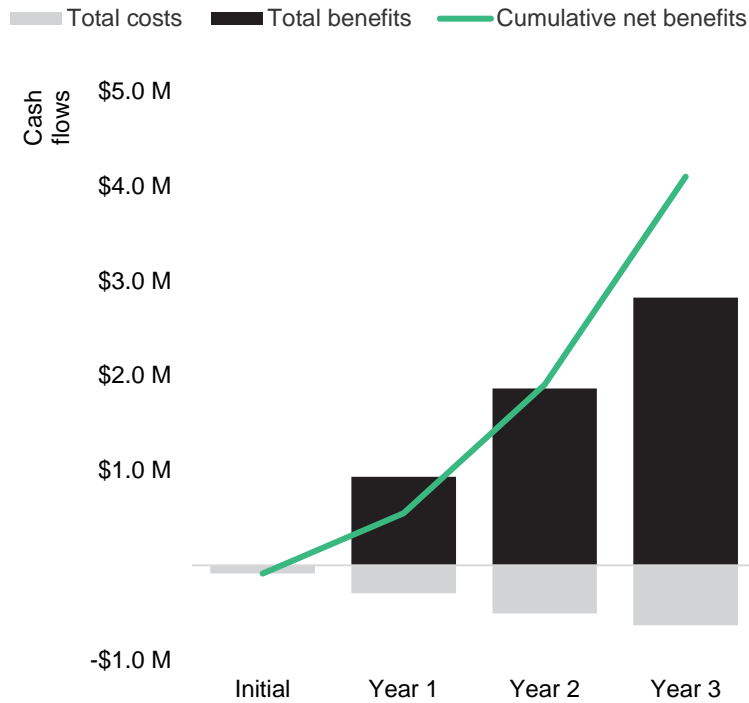
Results. To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year, risk-adjusted total PV of about \$220,000.

Cost Of Training And Ongoing Deployment And Management						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
G1	Number of employees needing training	C2	5,725	5,725	0	0
G2	Foxit rollout	Interviews	90%	10%	0%	0%
G3	Time cost of training in hours	Interviews	1	1	0	0
G4	Average hourly rate per employee	C5/2,000	\$35	\$35	\$0	\$0
G5	Number of employees needed for ongoing deployment and management	Interviews	0	2	2	2
G6	Hours spent on ongoing deployment and management annually	Interviews	0	8	8	8
G7	Average fully burdened hourly rate per IT employee	B3/2,000	0	\$60	\$60	\$60
Gt	Cost of training and ongoing deployment and management	$G1 \cdot G2 \cdot G3 \cdot G4 + G5 \cdot G6 \cdot G7$	\$180,338	\$20,998	\$960	\$960
	Risk adjustment	↑10%				
Gtr	Cost of training and ongoing deployment and management (risk-adjusted)		\$198,371	\$23,097	\$1,056	\$1,056
Three-year total: \$223,581			Three-year present value: \$221,035			

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	(\$226,971)	(\$590,664)	(\$631,686)	(\$631,686)	(\$2,081,008)	(\$1,760,588)
Total benefits	\$0	\$2,542,327	\$2,824,808	\$2,824,808	\$8,191,943	\$6,768,079
Net benefits	(\$226,971)	\$1,951,663	\$2,193,122	\$2,193,122	\$6,110,936	\$5,007,491
ROI						284%
Payback period (months)						<6

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

FORRESTER®