The business value of consumerizing the employee service experience

Prepared for

Calculations based on data from commissioned studies conducted by Forrester Consulting in 2017 on behalf of ServiceNow.
can see annual savings of around
with ServiceNow HR Service Delivery
and payback in the first year.

ServiceNow offers ways to build self-service employee portals, automate case resolutions and improve efficiencies in HR service delivery. These have real value and can transform an HR department into a business value driver.

The calculations throughout this report enable you to see the quantified business case and expected return for your company when using specific ServiceNow products.

Forrester Consulting constructed a financial model and tallied realized business value benefits. The model is based on data collected from interviews with actual ServiceNow customers using the Total Economic Impact™ methodology. To maintain integrity in the final findings, Forrester maintained editorial control and safeguarded objectivity throughout the research process. The risk-adjusted financial model incorporates risk factors relevant to customer feedback and investment decisions in the calculations.
Executive summary

We analyzed your environment based on the information you provided and applied Forrester Consulting models to determine and estimate the level of benefit your business could achieve by deploying ServiceNow.

Employee inquiries resolved instantly

Your value:
HR can deliver a better employee experience by providing self-service portals where employees can find the answers they need instantly, even after business hours.

Increase in HR productivity

Your value:
Self-service, automation and improved services combine to increase HR productivity by freeing time for staff to focus on more strategic HR priorities. Automation and improvements in HR processes can help speed resolution of cases that can’t be handled via self-service by 30%.
50% of employee inquiries resolved instantly

How to realize benefits
Most HR cases aren’t contentious; they are routine requests for information and form submissions regarding employee management, general HR policies and procedures, and benefit management. Employees want to be able to find such information quickly and file relevant forms when they need to, without getting bogged down in HR’s queues and backlog. This enables a better experience for employee by addressing their needs quickly, enabling them to get back to work.

Self-service portals built into ServiceNow HR Service Delivery:
• Deflect cases to self-service, any time and from any device
• Make employees self-reliant by giving them the ability to access forms, review policies and obtain approvals

What this means for you in terms of dollars
Shifting 50% of employee inquiries to self-service translates into $AAA for your company. That’s time HR can better spend on more strategic work, like hiring top talent.

“With ServiceNow, we have automated many of our processes and provided a self-service portal to our employees.”
Vice President HR Operations, Large Healthcare Organization

How is this benefit calculated
Our results are derived from computations based on company size, HR department size, percent of time currently spent on administrative tasks and salary levels. You realize value by creating self-service portals that enable employees to find the answers they need.

To factor the potential impact of ServiceNow:
• Savings due to 50% case deflection were applied to the administrative costs, accounting for the increased capacity from reduction in HR servicing costs and improved HR case management (risk-adjusted).

Further details and assumptions behind the model are available in The Total Economic Impact™ Of ServiceNow HR Service Management, a commissioned study conducted by Forrester Consulting on behalf of ServiceNow, published in March 2017.”
37% Increase in HR productivity

How to realize benefits
By standardizing HR processes and case management, companies gain additional capacity equivalent to 37% of current HR staff. Additionally, the resulting centralized reporting reduces external audit costs by up to 67%.

HR Service Delivery:
• Offers 30% faster resolution through auto assignment and routing
• Reduces audit and compliance costs with automated workflows and rules that lead to clean audit trails
• Frees up time to focus on value-added tasks like strategy, talent management and consultation

What this means for you in terms of dollars
Increasing HR productivity by 37% translates into $BBB for your company. This means HR resources have more time for strategic activities like employee development. It also means that HR can be recognized as more responsive to employee needs. And that’s before you add the benefits of sustained employee morale and the positive impact on talent retention rates.

“Our HR resources [now] focus on more strategic value-added tasks such as strategy, talent management, and consultation.”
Vice President HR Operations, Large Healthcare Organization

How is this benefit calculated
Your value estimate is based on:
• Savings due to 30% faster case resolution applied to administrative costs, accounting for the increased capacity from reduction in HR servicing costs and improved HR case management efficiency (risk-adjusted).
• Annualized HR compliance and audit costs reduced by 67%.
Additional business values

Payback in the first year
Customers adopting HR Service Delivery see full payback of their investment within the first year and additional savings in following years. Companies see increased capacity equivalent up to 48 full-time HR resources, or 37% of its current HR workforce.

Increased resilience and reliability
Standardizing HR services also ensures that all employees are treated fairly and equally and have access to the same information. Conversely, all employee information is easily accessible by the company for further analysis and considerations or quick recovery in the event of an outage or natural disaster.
Recommended HR solutions

**HR Service Delivery**

Convert HR services into a highly responsive, consumer-like experience for employees and increase HR productivity

An integrated suite of applications smooth and streamline HR services across departments to improve employee experiences in everything from onboarding and benefit capture to training, reviews and promotions. Meanwhile, HR productivity soars through self-service portals, intelligent automation and improved services.

**Employee Service Center**

An easy to find and navigate, one-stop shop for an excellent employee experience

You establish a single custom-branded center for employees. Here, they can find relevant HR information, receive guidance on steps they need to take and submit and track cases when they need help. HR benefits from lower costs and fewer inquiries.

**Case and Knowledge Management**

Stop relying on inefficient processes and tools like email and spreadsheets to provide HR service to your employee.

By standardizing documentation, interaction and fulfillment of employee inquiries and requests, your company saves time, money and effort while increasing employee satisfaction and ensuring equal access.

**Enterprise Onboarding and Transitions**

Drastically improve efficiency and provide fast, consumer-like service that makes it easy for employees to be employees.

Easily set up and manage employee lifecycle events across multiple departments on a single platform. Orchestrate and automate employee onboarding, offboarding, relocation, leaves of absence, and other processes that begin in HR but cross into IT, facilities, finance, and legal.
Ways to increase business value

Optimizing and streamlining HR services and processes add significant value in a myriad of ways. That value can be increased by adding ServiceNow Performance Analytics and ServiceNow IT solutions.

Performance Analytics

Performance Analytics reveals insights into how your company uses HR resources. You can then set and measure specific goals for improvements with tasks and steps assigned to specific employees, roles or teams. This creates accountability, which in turn assures you that your goals don’t fall through the cracks.

It’s important to put the right data in the hands of the people who are responsible for the work. It’s only when they have true visibility into HR services that they can make the right decisions about where to make improvements.

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IT solutions

Companies like yours who have found value with HR Service Delivery have also expressed interest in our other IT solutions to increase IT productivity by 20% and reduce service outages by 25%. ServiceNow IT solutions are IT Service Management (ITSM), IT Operations Management (ITOM), and IT Business Management (ITBM). By modernizing business and service management, improving operations and eliminating service outages, companies gain both the efficiencies and agility they require to compete, as well as better utilization of the human talent they have on board.

IT solutions are unified on a single, cloud-based platform designed to transform IT from a cost center to a driver of business value.

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Reminder: Here are the values that you provided and are being used to drive the business value analysis and estimated outcomes.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Default Value*</th>
<th>Your Value**</th>
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<tbody>
<tr>
<td>Number of employees</td>
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<tr>
<td>Size of your HR team</td>
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<tr>
<td>Time spent on HR admin tasks</td>
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<tr>
<td>Average annual HR salary</td>
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Results are based on research performed from 2012-2017 by Forrester Consulting, commissioned by ServiceNow and calculated in December 2017. All values are estimates and should not be considered promises of realized value.

* This is the default value. ServiceNow provides this value based on the commissioned studies.

** This is the value used in your calculation. If you didn’t enter any value, the calculation is based on the default value.
About the Forrester TEI study

The TEI methodology helps companies demonstrate, justify and realize the tangible value of IT initiatives to both senior management and other key business stakeholders.

The results of this analysis were based on the values you entered for your business and IT organization, and by applying Forrester Consulting financial models and the real-world benefits customers achieved with ServiceNow.

1. Due Diligence
   Interviewed Forrester analysts and ServiceNow staff to gather data as to the proposed business value ServiceNow delivers to customers.

2. Customer Interviews
   Interviewed 17 organizations using ServiceNow solutions to obtain real world data with respect to the costs, benefits and risks of their ServiceNow deployment. Data from 12 previously interviewed ServiceNow customers was also used for the analysis.

3. Composite Organization
   Designed a composite organization based on the characteristics of the interviewed organizations.

4. Financial Model Framework
   Constructed a risk-adjusted financial model representative of the interviews using the TEI methodology.

5. Case Study
   Employed four fundamental elements of TEI in modeling ServiceNow’s impact: benefits, costs, flexibility and risks. Given the increasing sophistication that enterprises have regarding ROI analyses related to IT investments, Forrester’s TEI methodology serves to provide a complete picture of the total economic impact of purchase decisions.

Disclosures
Readers should be aware of the following:
This analysis is based on a study commissioned by ServiceNow 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 report to determine the appropriateness of an investment in ServiceNow.
ServiceNow 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.
ServiceNow provided the customer names for the interviews but did not participate in the interviews.

www.servicenow.com/hrcalculator
Additional resources

TEI study for HR Service Delivery
The Total Economic Impact™ Of ServiceNow HR Service Management

Customer stories
Christus Health HR video

Solutions
How to consumerize the employee service experience

Products and featured applications
ServiceNow HR Service Delivery
Case and Knowledge Management
Employee Service Center
Enterprise Onboarding and Transitions

Additional ServiceNow products
Customer Service Management
IT Service Management
IT Operations Management
Security Operations
Performance Analytics

Additional services
Find a ServiceNow Partner
Services overview

About ServiceNow
ServiceNow addresses the challenges that companies face due to the disruptive forces of technology, device proliferation, expectations for service and outdated ways of working. It does this through greater access for customers and employees, greater connectivity and collaboration and real-time information sharing, resulting in better issue identification, less disruption and greater productivity. These drive real value for users, as can be seen in these calculations.