Total Economic Impact

The Total Economic Impact™ Of ELMO Software

Cost Savings And Business Benefits Enabled By A Modular HR Solution

A FORRESTER TOTAL ECONOMIC IMPACT STUDY COMMISSIONED BY ELMO SOFTWARE, JUNE 2025

Executive Summary

Faced with greater complexity in workforce management, organisations are now under increasing pressure to streamline HR processes and enhance workforce efficiency. ELMO Software's modular HR and payroll solution offers a comprehensive suite of tools designed to automate and optimise key people and culture functions throughout the entire employee lifecycle.

ELMO Software offers a scalable, cloud-based platform — including modules for core HR, recruitment, onboarding, performance management, learning and development, and a comprehensive range of value-added modules. Their goal is to provide an all-in-one human resource information system (HRIS) to streamline HR processes, empower the modern workforce, and help organisations shift their lens from an operational to a strategic one.

ELMO Software commissioned Forrester Consulting to conduct an independent Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) organisations may realise by deploying ELMO Software.[1] The purpose of this study is to provide readers with a framework to better comprehend the financial implications of implementing ELMO in their organisations. For this study, the ROI is calculated according to the Australian dollar (AUD) and all currency values are in AUD.

129%	$685K
Return on investment (ROI)	**Net present value (NPV)**

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed four decision-makers with experience using ELMO. For the purposes of this study, Forrester aggregated the experiences of the interviewees and combined the results into a single composite organisation, which is an Australian healthcare organisation with 500 employees and an HR team of seven employees.

Interviewees said that prior to using ELMO, their organisations had predominantly manual processes with some limited point solutions. As a result, prior attempts at workforce planning and management yielded limited success, leaving them with scattered data and HR teams burdened with time-consuming, low-value tasks. These limitations led to inefficiency and a lack of visibility over both existing staff and prospective applicants that affected their ability to act decisively.

After the investment in ELMO, the interviewees reported they required much less effort for HR coordination. Key results from the investment include a smoother pathway to hiring, training, and retaining top talent, as well as a more engaged workforce. Organisations gained actionable insights across the employee lifecycle, and HR teams could easily generate reports on employee demographics to support diversity goals.

Key Findings

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

- **Reduced HR admin workload, worth $122,000.** Automating routine HR tasks frees up time for staff to devote to higher-value activities. Data centralisation also helps to reduce manual reporting and analytics. Combined, these factors help the composite organisation save $122,000.
- **Increased recruitment process efficiency, worth $38,000.** ELMO's recruitment module reduces the time required to manage each new job applicant. The time saved is worth $38,000 to the composite organisation.
- **Improved training development and rollout, worth $772,000.** Having a consolidated repository for training materials and available go-to templates allows the composite organisation to completely eradicate managers' responsibility in preparing manual learning content. An intuitive, user-friendly interface also expedites the composite organisation's training time-to-completion. This streamlined process saves the composition organisation $772,000.
- **Increased reporting efficiency, worth $14,000.** Eliminating manual data retrieval and consolidation greatly reduces the amount of time taken to generate reports, which is worth $14,000 to the composite organisation.
- **Enhanced employee self-service, worth $268,000.** Empowering employees to complete HR/finance tasks (e.g., requesting absence, accessing payslips, and updating employee information) independently reduces the number and duration of interactions required with HR and finance teams, and helps the composite organisation save $268,000.

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

- **Mitigated data security risks.** Holding employee data in a centralised system has led to greater confidence around information security.
- **Improved compliance.** There is greater visibility on training completion and automated reminders to drive the completion of mandatory training modules. The composite organisation can easily track each employee's training status to validate what learning and development looks like in the organisation.
- **Improved employee experience (EX).** There is greater engagement with annual staff surveys and employees report greater satisfaction regarding the integrated and centralised user experience.
- **Enabled social impact.** Being able to capture greater detail on recruitment demographics has bolstered the composite organisation's ability to demonstrate social responsibility and adhere to — for example — gender equality action plans.

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

- **Internal commitment to implementation and system maintenance of $218,000.** The composite organisation is required to dedicate internal headcount to support initial solution deployment as well as ongoing maintenance.
- **Vendor costs of $311,000.** There is a one-off implementation fee in addition to annual licensing costs. This vendor cost is based on the composite organisation deploying ELMO's core modules: HR Core & Analytics, Recruitment, Onboarding, Learning Management, and Performance Management.

The financial analysis that is based on the interviews found that a composite organisation experiences benefits of $1.2 million over three years versus costs of $529,000, adding up to a net present value (NPV) of $685,000 and an ROI of 129%.

> *"We see ELMO as a fifth member of our team. We're able to get to market a lot quicker than we previously could due to a number of roadblocks in terms of administration processes that are now all streamlined into a system."*
>
> **Executive general manager of people and culture, healthcare and social assistance**

Key Statistics

129%

Return on investment (ROI)

$1.2M

Benefits PV

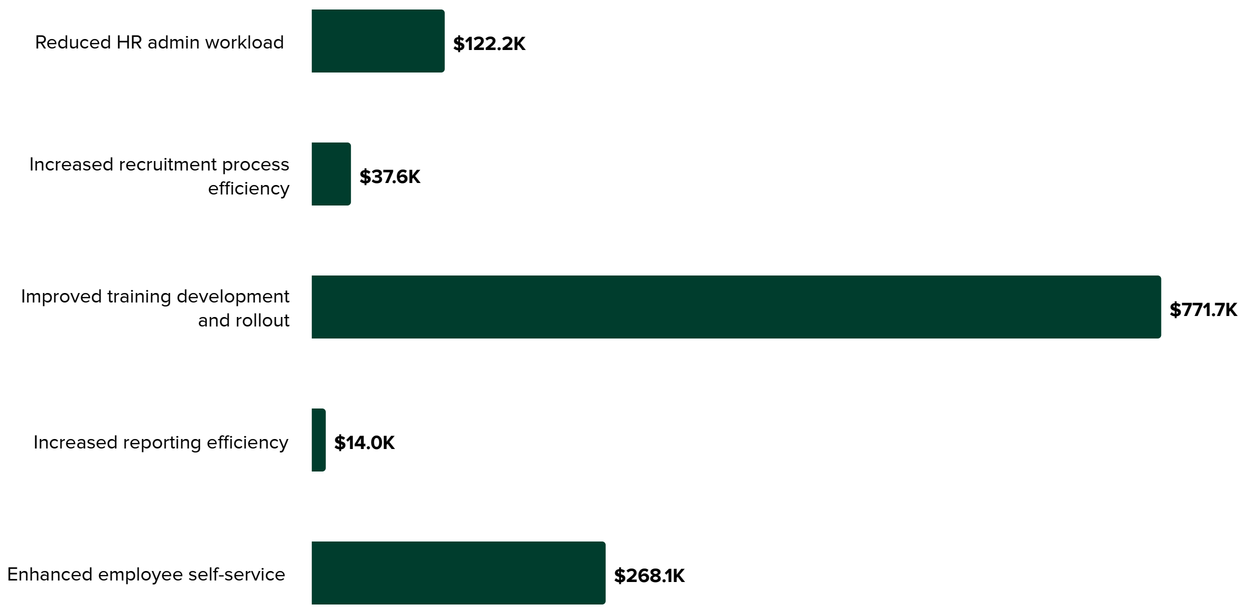
$685K

Net present value (NPV)

<6 months

Payback

Benefits (Three-Year)



The ELMO Software Customer Journey

Drivers leading to the ELMO Software investment

Interviews

Role	Industry	Region	Employee Headcount
Director of people and community	Arts and recreation services	Australia	120
Executive general manager of people and culture	Healthcare and social assistance	Australia	420
Group manager of people and culture	Manufacturing	New Zealand	850
Group manager of people and culture	Healthcare and social assistance	Australia	1,000

Key Challenges

The interviewees noted that their organisations typically had no dedicated system for staff data or learning management. They solely relied on payroll as source data for core HR and operational tasks, with no self-service capabilities available.

Interviewees noted how their organisations struggled with common challenges, including:

- **Heavy manual processes.** Many processes involved working with numerous spreadsheets, documents, and even hard-copy files. This caused consolidation efforts, if any, to be slow and tedious.
- **Disconnected systems.** Using multiple systems with limited or no interoperability led to siloed data and unnecessary duplication.
- **No way of capturing and reporting on data effectively.** Having a limited view of both new applicants and internal staff made it difficult to conduct effective workforce planning and make key decisions with absolute confidence.

Investment Objectives

The interviewees searched for a solution that could:

- Improve automation, data management, and insights for their HR functions.
- Provide a single source of truth for employee and applicant data.
- Improve data security and compliance.
- Support business growth.

After a request for proposal (RFP) and business case process evaluating multiple vendors, the interviewees' organisations chose ELMO Software and began deployment.

- ELMO was chosen primarily for its broad, flexible coverage of HR needs, strong learning management system (LMS) functionality, visual appeal, and positive endorsement from executives who had previous experience with the solution.
- All interviewees said their organisation chose to take a phased approach to deployment, prioritising one or two key modules before rolling out the remainder of their investment.

> *"The growth of the business was moving quite quickly, so it was definitely becoming too burdensome to keep doing things manually. There was an obvious need for efficiency."*
>
> **Group manager of people and culture, healthcare and social assistance**

> *"We looked at quite a few different solutions and some of them were very bright in one area but weren't comprehensive, so they were kind of limited. I think we decided on ELMO because of the solution's agility, which allows us to pick and choose what we want at any time."*
>
> **Group manager of people and culture, manufacturing**

Composite Organisation

Based on the interviews, Forrester constructed a TEI framework, a composite organisation, and an ROI analysis that illustrates the areas financially affected. The composite organisation is representative of the interviewees' organisations, and it is used to present the aggregate financial analysis in the next section. The composite organisation has the following characteristics:

- Description of composite. The healthcare organisation is headquartered in Australia and operates across the Australia and New Zealand (ANZ) region, with 500 employees. They have seven members on their HR or people and culture team.
- **Deployment characteristics.** The composite organisation opts to deploy ELMO Software's core modules of: HR Core & Analytics, Recruitment, Onboarding, Learning Management, and Performance Management. These are implemented in an overlapping, phased approach over 24 weeks. They choose to retain their existing payroll solution, which requires a one-off integration with the ELMO platform. All employees receive licenses to access the solution.

KEY ASSUMPTIONS

- Headquartered in Australia
- 500 employees
- HR team of seven FTEs
- 500 licenses required

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 HR admin workload	$49,140	$49,140	$49,140	$147,420	$122,204
Btr	Increased recruitment process efficiency	$15,120	$15,120	$15,120	$45,360	$37,601
Ctr	Improved training development and rollout	$310,298	$310,298	$310,298	$930,893	$771,664
Dtr	Increased reporting efficiency	$5,616	$5,616	$5,616	$16,848	$13,966
Etr	Enhanced employee self-service	$107,811	$107,811	$107,811	$323,433	$268,110
	Total benefits (risk-adjusted)	$487,985	$487,985	$487,985	$1,463,954	$1,213,545

Reduced HR Admin Workload

Evidence and data. Interviewees noted that following their organisation's deployment of ELMO, each member on their HR team was able to save several hours per week across manual administrative tasks.

Modelling and assumptions. Based on the interviews, Forrester assumes the following about the composite organisation:

- Each FTE saves six hours per week on average.
- Fifty percent of time savings can be captured and applied to productive work output.

Risks. Organisations may realise results different from those presented in the financial model due to:

- Variance in size of HR or P&C team.
- Variance in achievable time savings per FTE.
- Variance in ability to recapture expected time savings.
- Variance in the average fully burdened hourly rate paid to HR FTEs.

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 $122,000.

2,184 hours

Saved annually on HR admin tasks

> *"Within our coordination and administration [roles], we have been able to reduce the admin so that our people can now get involved in more higher-value activities or tasks going on in the team."*
>
> **Group manager of people and culture, manufacturing**

Reduced HR Admin Workload					
Ref.	**Metric**	**Source**	**Year 1**	**Year 2**	**Year 3**
A1	FTEs in HR/P&C team	Composite	7	7	7
A2	Administrative time saved weekly per FTE post-implementation (hours)	Interviews	6	6	6
A3	**Subtotal: Administrative time saved annually (hours)**	**A1*A2*52**	**2,184**	**2,184**	**2,184**
A4	Productivity recapture	TEI methodology	50%	50%	50%
A5	Fully burdened hourly rate of an FTE	Composite	$50	$50	$50
At	Reduced HR admin workload	A3*A4*A5	$54,600	$54,600	$54,600
	Risk adjustment	↓10%			
Atr	Reduced HR admin workload (risk-adjusted)		$49,140	$49,140	$49,140
	Three-year total: $147,420		**Three-year present value: $122,204**		

Increased Recruitment Process Efficiency

Evidence and data. Customers reported a significant decrease in the time required for talent acquisition teams to handle candidate applications as a result of the integration with external job boards, AI-generated job ads, and automated workflows (e.g., rapid contract creation from the organisation's dynamic contract templates).

- Talent acquisition teams were able to access candidate info easily and enter interview notes seamlessly and promptly.
- An effective early screening process from ELMO's configurable candidate application forms improved the quality of the shortlisted applicant pool, diverting attention to serious contenders.
- The director of people and community from an arts and recreation services organisation told Forrester that their organisation saw an increase of about 50% in applicants and they were able to comfortably handle this surge in volume.
- The group manager of people and culture from a healthcare organisation and an executive general manager of people and culture within the same industry also noted they reduced time-to-hire by around one week. Full integration between ELMO's recruitment and onboarding modules facilitated a seamless transition from applicant to employee, and electronic forms and document upload enabled a fast start.

Modelling and assumptions. Based on the interviews, Forrester assumes the following about the composite organisation:

- The composite organisation raises 20 job requisitions per month.
- Use of ELMO's recruitment module reduces the time spent on candidate management from four hours to between one and one and a half hours, reflecting a reduction of roughly 70%.
- Fifty percent of time savings can be captured and applied to productive work output.

Risks. Organisations may realise results different from those presented in the financial model due to:

- Variance in volume of monthly job listings.
- Variance in current time spent on managing applicants and achievable reduction.
- Variance in ability to recapture expected time savings.
- Variance in the average fully burdened hourly rate paid to hiring managers.

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 $38,000.

70%

Reduction in time to manage job applicants

> *"It would take probably [an estimate of] a 10 business day turnaround to have a position recruitment approved. Now, with ELMO, we can see requisitions approved within three days."*
>
> **Executive general manager of people and culture, healthcare and social assistance**

Increased Recruitment Process Efficiency

Ref.	Metric	Source	Year 1	Year 2	Year 3
B1	Monthly volume of job requisitions/listings	Composite	20	20	20
B2	Time needed to manage candidates pre-implementation (hours)	Interviews	4	4	4
B3	Reduction in time needed to manage candidates post-implementation	Interviews	70%	70%	70%
B4	**Subtotal: Time saved annually on recruitment (hours)**	**B1*B2*B3*12**	**672**	**672**	**672**
B5	Productivity recapture	TEI methodology	50%	50%	50%
B6	Fully burdened hourly rate of an HR hiring manager	Composite	$50	$50	$50
Bt	Increased recruitment process efficiency	B4*B5*B6	$16,800	$16,800	$16,800
	Risk adjustment	↓10%			
Btr	Increased recruitment process efficiency (risk-adjusted)		$15,120	$15,120	$15,120

Three-year total: $45,360 **Three-year present value: $37,601**

Improved Training Development And Rollout

Evidence and data. The most significant benefit highlighted by interviewees was in relation to ELMO's learning management system (LMS) module. This module allows for the rapid development and rollout of eLearning modules as part of onboarding and regular training requirements.

- Interviewees noted that it could previously take three to four weeks to put together a training booklet, including time spent on research and cross-checking.
- Interviewees were delighted to have access to ELMO's content library of over 400 courses that could be used to quickly create rebranded learning plans that are tailored to fit the requirements of the organisation.
- The executive general manager from a healthcare and social assistance organisation revealed that they used to incur significant costs while hosting onsite inductions for new employees. This has now been reduced to two half-day workshops that are completed online.

Modelling and assumptions. Based on the interviews, Forrester assumes the following about the composite organisation:

- It develops one training package every quarter.
- Developing each training package manually requires 120 FTE hours, including time spent on preparation, research, material retrieval and collation, and final editing and quality checks. This is completely removed post-implementation.
- Employees were required to devote 15 hours to complete each training package when delivered in its prior state.
- Delivering personalised learning plans via an intuitive, accessible, user-friendly interface allows employees to complete their training in 50% less time, enabling them to digest all necessary content at an increased pace.
- Fifty percent of time savings can be captured and applied to productive work output.

Risks. Organisations may realise results different from those presented in the financial model due to:

- Variance in number of training packages developed annually.
- Variance in time currently taken to develop training packages.
- Variance in number of hours currently allotted to employee training annually.
- Variance in efficiency gains post-implementation.
- Variance in ability to recapture expected time savings.
- Variance in the average fully burdened hourly rate paid to training and development specialists and general employees.

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 $772,000.

$772k

Value realised over three years through productivity gains

> *"There's a comprehensive suite [of content] available to us and we can edit those and change them to suit our business. There are some good savings in time and the course builder is very user friendly."*
>
> **Group manager of people and culture, healthcare and social assistance**

Improved Training Development And Rollout

Ref.	Metric	Source	Year 1	Year 2	Year 3
C1	Training packages developed annually	Interviews	4	4	4
C2	Time spent annually on developing training material, pre-implementation (hours)	Interviews	120	120	120
C3	**Subtotal: Time saved annually on training material development (hours)**	**C1*C2**	**480**	**480**	**480**
C4	Non-HR employees	Composite	493	493	493
C5	Time spent annually on completing training per employee, pre-implementation (hours)	Composite	60	60	60
C6	Reduction in time-to-complete, post-implementation (hours)	Interviews	50%	50%	50%
C7	**Subtotal: Time saved annually on training completion (hours)**	**C4*C5*C6**	**14,790**	**14,790**	**14,790**
C8	Fully burdened hourly rate of a training and development specialist	Composite	$50	$50	$50
C9	Average fully-burdened hourly rate per employee	Composite	$45	$45	$45
C10	Productivity recapture	TEI methodology	50%	50%	50%
Ct	Improved training development and rollout	(C3*C8*C10)+ (C7*C9*C10)	$344,775	$344,775	$344,775
	Risk adjustment	↓10%			
Ctr	Improved training development and rollout (risk-adjusted)		$310,298	$310,298	$310,298
	Three-year total: $930,893		**Three-year present value: $771,664**		

Increased Reporting Efficiency

Evidence and data. Interviewees noted their organisation previously lacked strong analytics capabilities — they either had to manually pull data or miss it entirely. ELMO has allowed them to easily surface key information, thereby increasing visibility and bolstering strategic decision-making.

Having a centralised data source, configurable dashboards, and clear visibility of data allows organisations to gain a more holistic understanding of their workforce.

- Interviewees shared that it used to take anywhere from half a day to a full day to manually produce quarterly reports, including time spent searching for required data, pulling together various spreadsheets, and preparing the final deliverable for various audiences (e.g., the board).

- ELMO's recruitment reporting and analytics allowed greater insight into applicant profiles.
- Onboarding tracking capabilities enable managers to easily keep an eye on the progress of new employees.
- Real-time learning reports allowed the organisations' employees to track completion and compliance rates, ensuring that critical skills gaps are closed in a timely manner.
- Performance reporting capabilities equipped managers with the tools needed to gauge their team's adherence to established goals and view progress throughout the employee lifecycle, which allowed them to take action when necessary.
- Most interviewees also set up templated dashboards and weekly reports.

Modelling and assumptions. Based on the interviews, Forrester assumes the following about the composite organisation:

- It now takes only anywhere from 15 minutes to 30 minutes to set up and generate the required data outputs from relevant modules, and time spent on internal preparation is reduced.
- Fifty percent of time savings can be captured and applied to productive work output.

Risks. Organisations may realise results different from those presented in the financial model due to:

- Variance in volume of reports generated annually.
- Variance in hours currently devoted to data generation and internal preparation.
- Variance in achievable reduction in time taken to produce reports.
- Variance in ability to recapture expected time savings.
- Variance in the average fully burdened hourly rate paid to an HR reporting analyst.

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 $14,000.

80%

Reduction in time spent on producing reports

> *"We didn't have any reporting before because everything was manual. The only data we had was out of our payroll system and then we would manually manipulate that data to create [slide decks] and graphs."*
>
> **Group manager of people and culture, healthcare and social assistance**

Increased Reporting Efficiency					
Ref.	**Metric**	**Source**	**Year 1**	**Year 2**	**Year 3**
D1	Reports produced annually	Interviews	52	52	52
D2	Time needed to produce reports pre-implementation (hours)	Interviews	6	6	6
D3	Reduction in time spent on producing reports post-implementation (hours)	Interviews	80%	80%	80%
D4	**Subtotal: Time saved annually on report production (hours)**	**D1*D2*D3**	**250**	**250**	**250**
D5	Productivity recapture	TEI methodology	50%	50%	50%
D6	Fully burdened hourly rate of an HR reporting analyst	Composite	$50	$50	$50
Dt	Increased reporting efficiency	D4*D5*D6	$6,240	$6,240	$6,240
	Risk adjustment	↓10%			
Dtr	Increased reporting efficiency (risk-adjusted)		$5,616	$5,616	$5,616
	Three-year total: $16,848		**Three-year present value: $13,966**		

Enhanced Employee Self-Service

Evidence and data. Most interviewees noted their organisation previously had no capability for employee self-service for tasks related to HR or finance. This led to an inefficient email exchange for every request, including checking and requesting absence, accessing payslips, and updating information.

- Requesting payslips, for example, was previously completed via an email dialogue between employees and the finance team. This resulted in time spent by the employee to create and send an email, a member of the finance team to review, complete the request, and reply, and the employee to check their response, plus any downtime between interactions.
- Organisations that did have some systems in place used separate applications for different tasks, which required employees to log into multiple portals to check, update, and retrieve information.

Modelling and assumptions. Based on the interviews, Forrester assumes the following about the composite organisation:

- Non-HR/finance personnel complete an average of four self-serviceable tasks per quarter, including checking and requesting absence, accessing payslips, and updating personal information.
- Completing each task via an email dialogue with the HR or finance teams takes 45 minutes on average, capturing the time devotion from each party.
- These tasks can be completed independently in five minutes with ELMO's employee self-service capabilities.
- Fifty percent of time savings can be captured and applied to productive work output.

Risks. Organisations may realise results different from those presented in the financial model due to:

- Variance in average number of HR/finance interactions per FTE annually.
- Variance in current time taken to action each HR task.

- Variance in achievable reduction in time to action each HR/finance task after implementation.
- Variance in ability to recapture expected time savings after implementation.
- Variance in the average fully burdened hourly rate paid to general employees.

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 $268,000.

90%

Reduction in time taken to action HR/finance tasks with employee self-service

> *"It's good to have everything in one system so employees can look at all their info on one system with one login rather than going to separate ones."*
>
> **Director of people and community, arts and recreation services**

Enhanced Employee Self-Service

Ref.	Metric	Source	Year 1	Year 2	Year 3
E1	Non-HR/finance personnel with platform access	Composite	493	493	493
E2	Average number of HR/finance interactions per FTE annually	Composite	16	16	16
E3	Time taken to complete HR/finance interactions pre-implementation (hours)	Composite	0.75	0.75	0.75
E4	Reduction in time taken to complete HR/finance interactions post-implementation (hours)	Interviews	90%	90%	90%
E5	**Subtotal: Time saved annually on HR/finance interactions (hours)**	**E1*E2*E3*E4**	**5,324**	**5,324**	**5,324**
E6	Productivity recapture rate	TEI methodology	50%	50%	50%
E7	Fully burdened hourly rate of an FTE	Composite	$45	$45	$45
Et	Enhanced employee self-service	E5*E6*E7	$119,790	$119,790	$119,790
	Risk adjustment	↓10%			
Etr	Enhanced employee self-service (risk-adjusted)		$107,811	$107,811	$107,811

Three-year total: $323,433 **Three-year present value: $268,110**

Unquantified Benefits

Interviewees mentioned the following additional benefits that their organisations experienced but were not quantified within this study:

- **Mitigated data security risks.** Holding employee data in a centralised system has led to greater confidence around information security. Prior to ELMO, customers' organisations had data spread across different point solutions, and some were even paper-based due to manual procedures. Now that all employee information is consolidated onto and managed via one platform, organisations are able to maintain an accurate single source of truth while protecting sensitive data from unauthorised access and breaches. The director of people and community from an arts and recreation services organisation told Forrester how ELMO meets the ISO (International Organization for Standardization) requirements that their organisation needs to satisfy. In addition, manual spreadsheets could have easily been shared externally, whereas ELMO's multifactor authentication has eradicated concerns about losing candidate information, and the data is less prone to errors.

- **Improved compliance.** Customers have gained greater control and visibility of training completion, as they were able to track each employee's training status to validate their learning progress. Managers and HR professionals can also use ELMO to push automated reminders for mandatory training modules, instead of chasing employees repeatedly via emails or manually following up with each individual. On the other hand, employees enjoy the ease of completing training sessions on mobile devices and their records are automatically updated to accurately reflect their certification. The executive general manager from a healthcare and social assistance organisation highlighted that ELMO helped them provide stronger evidence of training and qualifications of healthcare professionals during external audits.
- **Elevated EX.** ELMO provided an intuitive platform for employees to self-serve, whether it is updating personal information, applying for absence, or checking their performance reviews. Employees do not need to jump across several systems, but can access these everyday tasks via a single login. This integrated and centralised user experience has led to greater satisfaction and employee engagement. The executive general manager of people and culture from a healthcare and social assistance organisation told Forrester that they have received over 80% completion of their annual staff survey and have observed growth in their employee assistance program (EAP).

> *"We were able to demonstrate the compliance of our staff qualifications remotely [using data extracted from ELMO], versus travelling in-person to the audited site and providing paperwork documentation."*
>
> **Executive general manager of people and culture, healthcare and social assistance**

> *"Managers in particular have more time to focus on supporting their staff versus ensuring compliance. We work in a performance-based industry, so we have quarterly requirements — and our managers have now been able to take the lead on driving performance versus monitoring compliance of their staff in terms of their employment journey."*
>
> **Executive general manager of people and culture, healthcare and social assistance**

Flexibility

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

- **Additional modules.** Most ELMO customers begin their journey with the core modules of HR Core & Analytics, Recruitment, Onboarding, Learning Management, and Performance Management. Once these are firmly embedded and customers mature in their HR capabilities, it could make sense to augment these with additional, supplementary modules that can support longer-term strategies. These include remuneration, succession planning, and increased employee insights via surveys.

- **Position-led workforce management.** ELMO offers the option of being a position-led solution. This approach focuses on managing roles or positions independently of the individuals who occupy them, which is especially useful for workforce management (e.g., budget and headcount/vacancies), compliance, and scalability.
- **Increasingly AI-powered solutions.** ELMO Software already embeds AI and machine learning (AI/ML) in its solutions, and deepening these capabilities remains a top priority for the product team. The platform will continue to broaden its use of intelligent automation across critical HR processes and workflows, and its AI-driven analytics will uncover richer workforce insights and power faster data-informed decisions.
- **Demonstrated social impact and responsibility.** Monitoring the employee demographics landscape is extremely important for organisations that wish to showcase their social responsibility. The director of people and community from an arts and recreation services organisation explained how ELMO supported their gender equality action plan that aimed at encouraging females to join and stay in sports. The platform enabled them to understand the background of candidates during the recruitment process, ensuring that they were targeting diverse groups. Their organisation was proud to see 60% of their workforce being female, with 30% of them coming from a minority cultural background, and 11% of them speaking a second language.

Flexibility would also be quantified when evaluated as part of a specific project (described in more detail in Total Economic Impact Approach).

> *"[ELMO] definitely helped with our storytelling, as it allowed us to quantify what our workforce looks like. We are a government organisation, so we need to align with government objectives to make sure we are a workforce representative for the diverse community we are partnering with."*
>
> **Director of people and community, arts and recreation 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**
Ftr	Internal commitment to implementation and system maintenance	$30,240	$75,600	$75,600	$75,600	$257,040	$218,246
Gtr	Vendor costs	$21,000	$111,300	$116,550	$122,850	$371,700	$310,803
	Total costs (risk-adjusted)	$51,240	$186,900	$192,150	$198,450	$628,740	$529,049

Internal Commitment To Implementation And System Maintenance

Evidence and data. Interviewees told us that it took their organisations a few months to completely deploy and set up all modules, with the help of ELMO's implementation consultants. Forrester quantified the costs of the entire onboarding process, integration efforts with existing payroll solutions, and ongoing administrative labour.

- The implementation typically involved two to three FTEs across several roles such as HR administrators or coordinators, finance managers, business analysts, digital architects, and project managers.
- The director of people and community from an arts and recreation services organisation mentioned that their organisation held one or two workshops for HR teams to upskill, but overall, there was no specific training needed to start using ELMO.
- After onboarding, HR coordinators or system administrators spent a few hours each week managing the solution, depending on the complexity of their workforce structure.
- The executive general manager of a healthcare and social assistance organisation mentioned that they were able to utilise ELMO's customer success hours for ongoing support, especially when they were updating all systems to align with a company rebranding initiative.

Modelling and assumptions. Based on the interviews, Forrester assumes the following about the composite organisation:

- The composite organisation devotes three FTEs to implementation efforts, and each FTE contributes 120 hours.
- The average fully burdened hourly rate per implementation FTE is $80. This is a blended estimate based on different roles across HR, finance, and business teams.
- Another three FTEs spend 20% of their time managing the solution on an ongoing basis to address employees' questions and learn about product updates.
- The average fully burdened annual salary per maintenance FTE is $120,000. This is a blended estimate based on different roles across HR and IT teams.

Risks. Organisations may realise results different from those presented in the financial model due to:

- Variance in organisational structure that may affect actual roles and hourly rates of FTEs devoted to implementation and administration.

- Complexity of managing overall employee landscape.
- The need to integrate with other systems.

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 $218,000.

Internal Commitment To Implementation And System Maintenance						
Ref.	**Metric**	**Source**	**Initial**	**Year 1**	**Year 2**	**Year 3**
F1	FTEs required for solution implementation	Interviews	3			
F2	Time devoted to solution implementation per FTE (hours)	Interviews	120			
F3	Fully burdened hourly rate per FTE	Composite	$80			
F4	**Subtotal: Implementation cost**	**F1*F2*F3**	**$28,800**			
F5	FTEs required to manage solution	Interviews		3	3	3
F6	Share of time devoted to solution management per FTE	Interviews		20%	20%	20%
F7	Fully burdened annual salary per FTE	Composite		$120,000	$120,000	$120,000
F8	**Subtotal: Maintenance cost**	**F5*F6*F7**		**$72,000**	**$72,000**	**$72,000**
Ft	Internal commitment to implementation and system maintenance	F4+F8	$28,800	$72,000	$72,000	$72,000
	Risk adjustment	↑5%				
Ftr	Internal commitment to implementation and system maintenance (risk-adjusted)		$30,240	$75,600	$75,600	$75,600
	Three-year total: $257,040			**Three-year present value: $218,246**		

Vendor Costs

Evidence and data. Organisations paid for annual licensing fees and a one-off implementation service fee to ELMO.

- The interviewees' organisations had different needs regarding keeping or replacing their existing payroll solutions, which caused the ELMO integration services fees to vary.
- It was typical for all employees to be covered by the ELMO license.
- As a best practice, most interviewees' organisations implemented a comprehensive suite of ELMO modules, including HR core, recruitment, performance, onboarding, and learning.

Modelling and assumptions. Based on the interviews, Forrester assumes the following about the composite organisation:

- It pays ELMO for integrating with their existing payroll solution during the implementation stage.
- It has 500 employees, which translates to 500 ELMO licenses annually.
- The vendor costs of the composite organisation do not represent an official quote or actual pricing. Please contact ELMO for additional details.

Risks. Organisations may realise results different from those presented in the financial model due to:

- Number of users — this is typically a combination of employees, contractors, and volunteers who would need access to the ELMO platform.
- Complexity of configuring the payroll solution provided by ELMO, if needed.
- Complexity of integrating ELMO with an existing payroll platform, if needed; or any additional integrations required.
- Additional services purchased (e.g., CSM hours).

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 $311,000.

Vendor Costs

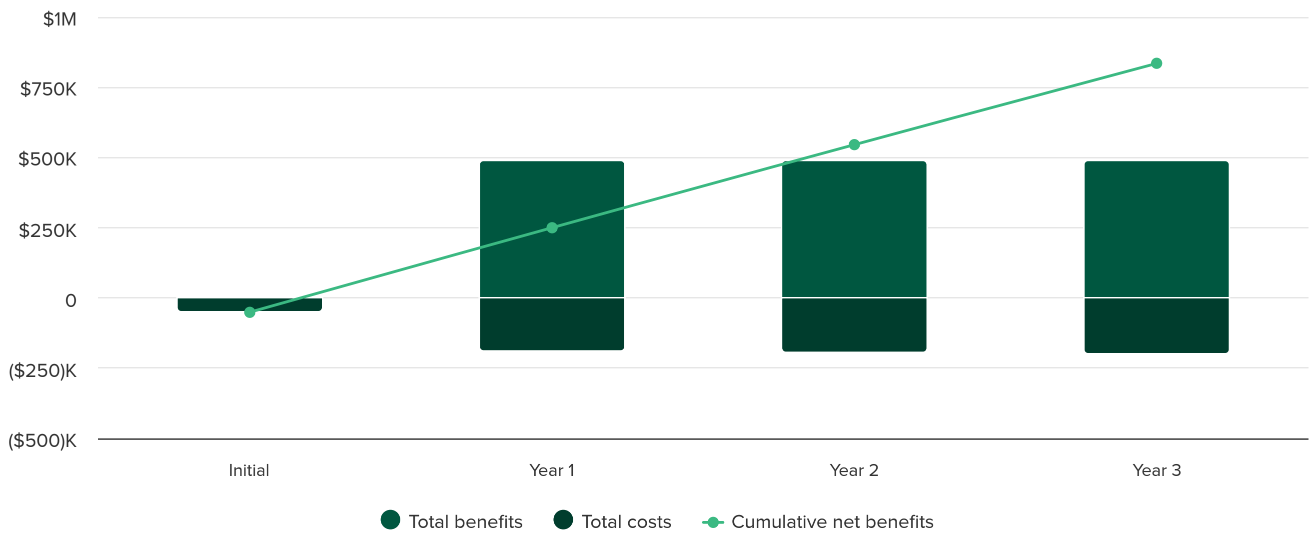
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
G1	Professional services fee for integration	Interviews	$20,000			
G2	Licenses required	Composite		500	500	500
G3	Annual licensing fees	Composite		$106,000	$111,000	$117,000
Gt	Vendor costs	G1+G3	$20,000	$106,000	$111,000	$117,000
	Risk adjustment	↑5%				
Gtr	Vendor costs (risk-adjusted)		$21,000	$111,300	$116,550	$122,850

Three-year total: $371,700 **Three-year present value: $310,803**

Financial Summary

Consolidated Three-Year, Risk-Adjusted Metrics

Cash Flow Chart (Risk-Adjusted)



Cash Flow Analysis (Risk-Adjusted)						
	Initial	**Year 1**	**Year 2**	**Year 3**	**Total**	**Present Value**
Total costs	($51,240)	($186,900)	($192,150)	($198,450)	($628,740)	($529,049)
Total benefits	$0	$487,985	$487,985	$487,985	$1,463,954	$1,213,545
Net benefits	($51,240)	$301,085	$295,835	$289,535	$835,214	$684,496
ROI						129%
Payback period						<6 months

Please Note

The financial results calculated in the Benefits and Costs sections can be used to determine the ROI, NPV, and payback period for the composite organisation'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.

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.

TEI Framework And Methodology

From the information provided in the interviews, Forrester constructed a Total Economic Impact™ framework for those organisations considering an investment in ELMO Software.

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 ELMO Software can have on an organisation.

Due Diligence

Interviewed ELMO stakeholders and Forrester analysts to gather data relative to ELMO Software.

Interviews

Interviewed four decision-makers at organisations using ELMO Software to obtain data about costs, benefits, and risks.

Composite Organisation

Designed a composite organisation based on characteristics of the interviewees' organisations.

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 modelling 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.

Glossary

Total Economic Impact Approach

Benefits

Benefits represent the value the solution delivers to the business. The TEI methodology places equal weight on the measure of benefits and costs, allowing for a full examination of the solution's effect on the entire organisation.

Costs

Costs comprise all expenses necessary to deliver the proposed value, or benefits, of the solution. The methodology captures implementation and ongoing costs associated with the solution.

Flexibility

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

Risks

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."

Financial Terminology

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. Organisations typically use discount rates between 8% and 16%.

Payback

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

Appendixes

APPENDIX A

Total Economic Impact

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

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 solution providers in communicating their value proposition to clients. The TEI methodology helps companies demonstrate, justify, and realise the tangible value of business and technology initiatives to both senior management and other key stakeholders.

Disclosures

Readers should be aware of the following:

This study is commissioned by ELMO Software 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 organisations 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 ELMO Software. For any interactive functionality, the intent is for the questions to solicit inputs specific to a prospect's business. Forrester believes that this analysis is representative of what companies may achieve with ELMO Software based on the inputs provided and any assumptions made. Forrester does not endorse ELMO Software or its offerings. Although great care has been taken to ensure the accuracy and completeness of this model, ELMO Software and Forrester Research are unable to accept any legal responsibility for any actions taken on the basis of the information contained herein. The interactive tool is provided 'AS IS,' and Forrester and ELMO Software make no warranties of any kind.

ELMO Software 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.

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

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