

A Forrester Total Economic Impact™
Study Commissioned By Terminus
March 2020

The Total Economic Impact™ Of The Terminus Account-Based Marketing Solution

Cost Savings And Business Benefits
Enabled By Terminus ABM

Table Of Contents

Executive Summary	1
Key Findings	1
TEI Framework And Methodology	4
The ABM Customer Journey	5
Interviewed Organizations	5
Key Challenges	5
Solution Requirements	6
Key Results	6
Composite Organization	7
Analysis Of Benefits	8
More Account-Based Sales, Driven By SDR Meeting-Scheduling Success	8
More Sales From Customized, Targeted Account-Based Marketing Opportunities	10
Reduced Marketing Program Costs	11
Unquantified Benefits	12
Flexibility	13
Analysis Of Costs	14
License And Related Costs	14
Added Resource Costs	14
Financial Summary	16
Terminus ABM: Overview	17
Appendix A: Total Economic Impact	19
Appendix B: Supplemental Material	20

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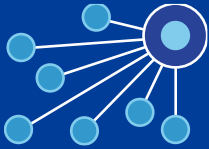
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Executive Summary

Benefits And Costs



Meetings scheduled by SDRs:
**160/month, up from
100/month before
ABM**



More closed deals in Year 1:
**600 deals closed,
versus 380 before
Terminus**



Cost per targeted account:
**40% reduction in cost
per targeted account
with Terminus**

**“I cut my costs by
half and more than
doubled my results.”**

- Head of ABM, business
services provider

Terminus provides an account-based marketing (ABM) solution that helps B2B marketers more effectively select, reach, and engage with high-propensity accounts — resulting in more meetings, higher campaign conversion rates, and reduced costs. Terminus commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) enterprises may realize by deploying Terminus ABM. The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of the ABM solution on their organizations.

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed several customers with years of experience using ABM. They identified benefits such as reduced campaign costs by more directly and effectively targeting accounts most interested in the solution for sale, as well as more and larger sales.

Prior to using the Terminus ABM solution, the interviewed organizations typically relied on spreadsheets or a CRM solution for targeting and set up online ad campaigns manually. Their efforts were often poorly coordinated with sales, resulting in low efficiency. That scattered approach was moderately successful, but organizations knew they could do better to focus efforts on best-fit accounts that were in-market at that moment.

Key Findings

Quantified benefits. The following risk-adjusted present value (PV) quantified benefits are representative of a composite organization based on the interviewed companies:

- › **Improved sales development prioritization, relevance, and efficiency lead to 60 more scheduled meetings per month — a 60% improvement — and more sales and revenue.** Sales development representatives (SDRs) are often incentivized to schedule the maximum number of meetings, but quantity does not equal quality, and this type of cold calling often has a low rate of conversion to won revenue. With Terminus ABM, clients can better identify high-fit, in-market accounts using behavioral data and orchestrate a holistic engagement approach that includes targeted digital ads, email and direct mail, web personalization, and sales plays personalized based on intent data. These qualified prospects have been reported to schedule meetings more often. For a composite organization, the SDR team's meeting schedule rate jumps from 10 to 16 per SDR per month (a 60% improvement). Also, SDR-influenced deal close rates improve from 10% before Terminus ABM to 15% in Year 1. This adds up to more sales that deliver long-term value, with annual new income of more than \$272,000 in the first year, and growing to nearly \$828,000 in Year 3, for a three-year, risk-adjusted PV of more than \$1.3 million.
- › **A 2-percentage-point increase in opportunity close rate leads to more sales through effective, targeted online advertising.** “I cut my [advertising] costs by half and more than doubled my results,” said the head of ABM at a corporate services provider. The Terminus ABM solution enables marketers to serve highly personalized display and social ads to targeted individuals based on details such as their role, geographical location, seniority, the industry they work in, what city or region they work in, and the company they work for. Marketers can



ROI
313%



Benefits PV
\$2.1 million



NPV
\$1.6 million

further customize messaging to behavioral signals, such as intent or engagement, or opportunity stage. “We now have the ability to get right in front of HR, or procurement, or finance, or sales. Terminus allows us to customize what we want to say to each of these personas,” said the VP of marketing at a business services provider. The impressions generated from increased awareness as a result of more relevant ads makes targeted buyers at a targeted account more likely to visit the website, respond to communication, make inquiries, and purchase. The composite organization sees its existing 10% opportunity close rate improve by 2 percentage points to 12% in Year 1. This adds up to new income: more than \$79,000 in Year 1, \$150,000 in Year 2, and \$254,000 in Year 3, for a three-year, risk-adjusted PV of nearly \$387,000.

- › **Campaign costs decrease by 40% through improved ad targeting and account selection.** By leveraging behavioral signals to identify more high fit, in-market accounts, organizations can reduce wasted ad spend and increase engagement with their best target accounts. Account-based advertising capabilities help focus spend only on the right personas within the right accounts. By focusing ad impressions only on decision influencers within target accounts, total campaign cost savings add up to more than \$175,000 per year, a reduction of 40%. Even with that cost savings, it saw more SDR- and marketing-driven opportunities, leading to hundreds of additional closed deals. Allowing for the fact that campaign cost savings can be a result of a variety of strategies, annual campaign cost savings attributable to Terminus ABM add up to a three-year, risk-adjusted PV of nearly \$437,000.

Unquantified benefits. The interviewed organizations highlighted additional benefits they were not able to quantify for this study:

- › **Larger average contract value (ACV).** With Terminus ABM, targeting better accounts can help companies deliver more relevant marketing and sales messages that can lead to transactions that include additional capabilities, higher product tiers, or complementary offerings. The interviewee at the business services provider reported higher deal size, though the provider has not yet been able to estimate the impact from Terminus ABM.
- › **Additional revenue and efficiencies from non-ABM efforts.** The benefits above highlight the incremental sales, revenue, and margin due to Terminus ABM. However, insights from improved behavioral intelligence and ABM-driven campaigns frequently inform other marketing and sales decisions, which drive deal quantity and size up further. “We’ve been able to really optimize our paid search,” said the senior marketing manager at a security solutions provider.
- › **Increased sales by using ABM tactics to attract and grow channel partners.** The security solutions provider leverages a channel sales strategy through partners, and while the company use Terminus ABM to target new end customer accounts, it primarily uses Terminus to target and pursue new channel partners. Organizations that sell in part through channel relationships (such as resellers) can use Terminus ABM to target more high-quality partners with contextual messaging. For the composite organization, this could lead to between an estimated five and eight new partnerships per year (each bringing in sales from multiple customer accounts), adding up to approximately \$1.3 million.

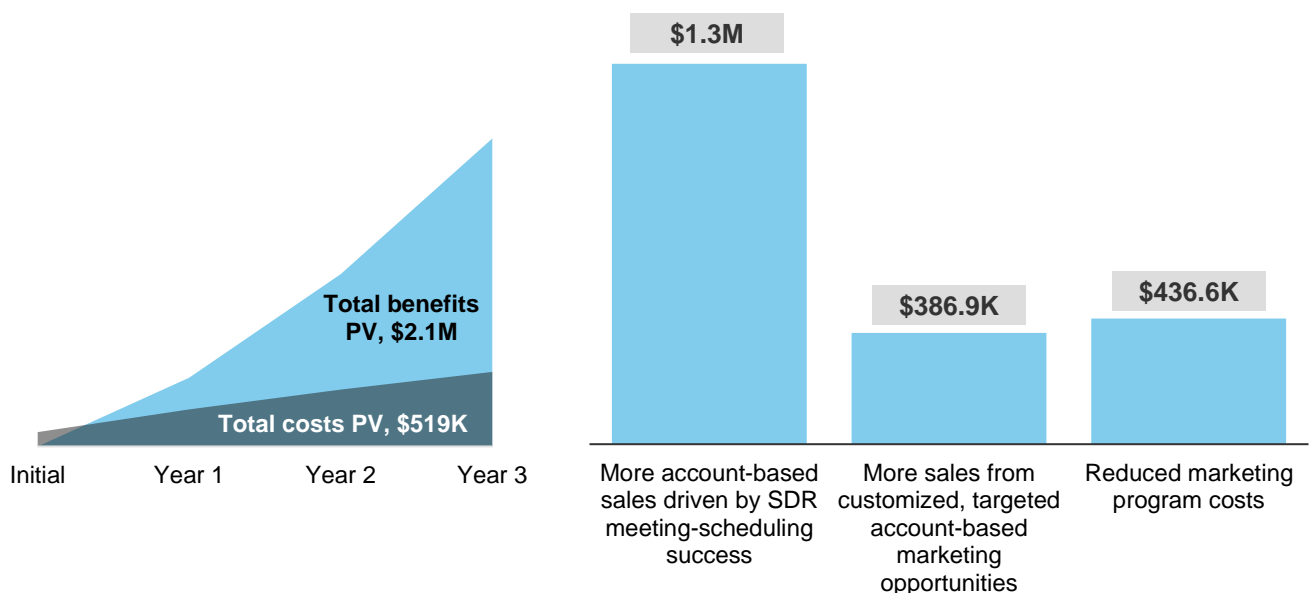
Costs. The interviewed organizations experienced the following risk-adjusted PV costs, modeled by the composite organization:

- › **Terminus ABM and related solution license and services costs.** These costs include software licensing and other fees paid to Terminus for implementation support, training, and ongoing use of the Terminus platform, including behavioral data sources such as engagement or Bombora intent data, account-based advertising and multichannel campaign orchestration, Terminus Advanced Measurement, and Terminus Account Insights for sales teams. It also includes other data services to support an ABM strategy. These fees add up to a total of \$99,000 per year for the composite organization, or a three-year risk-adjusted PV of about \$246,000.
- › **Planning and implementation.** Moving to a new customer targeting and engagement tool involves a lot of people and needs to be done carefully to ensure seamless integration and transition. Organizations spent time cleaning up account data, incorporating data in their Terminus ABM solutions, and reviewing reports and analysis to identify accounts to target. The composite organization spends \$99,000 on implementation, planning, and integration efforts.
- › **Internal resource costs.** Beyond implementation, new tasks associated with the solution include ongoing management of it and other related solutions, providing support for sales reps, and continuing to monitor and refine account targeting strategies. For the composite organization, this adds up to the equivalent of approximately one person (spread out across multiple roles), adding up to between \$66,000 and \$77,000 per year, or a three-year, risk adjusted PV of about \$174,000.

Forrester's interviews with four existing customers and subsequent financial analysis found that an organization based on these interviewed organizations experiences benefits of more than \$2.1 million over three years versus costs of less than \$520,000, adding up to a net present value (NPV) of \$1.6 million and an ROI of 313%.

Financial Summary

Benefits (Three-Year)



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

TEI Framework And Methodology

From the information provided in the interviews, Forrester has constructed a Total Economic Impact™ (TEI) framework for those organizations considering implementing Terminus ABM.

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 Terminus ABM can have on an organization:



DUE DILIGENCE

Interviewed Terminus stakeholders and Forrester analysts to gather data relative to ABM.



CUSTOMER INTERVIEWS

Interviewed four organizations using ABM to obtain data with respect to costs, benefits, and risks.



COMPOSITE ORGANIZATION

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



CASE STUDY

Employed four fundamental elements of TEI in modeling Terminus ABM'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. Please see Appendix A for additional information on the TEI methodology.

DISCLOSURES

Readers should be aware of the following:

This study is commissioned by Terminus 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 Terminus ABM.

Terminus 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.

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

The ABM Customer Journey

BEFORE AND AFTER THE ABM INVESTMENT

Interviewed Organizations

For this study, Forrester conducted four interviews with Terminus ABM customers. Interviewed customers include the following:

INDUSTRY	REGION	INTERVIEWEE	ABM SCENARIO
Corporate business services provider	Global, headquartered in the US	Head of ABM	6,000 targeted accounts
Security solutions provider	Headquartered in the US	Senior marketing manager	3,000 accounts; focus ABM on through-partner channel
Corporate employee services provider	Headquartered in the US	VP of marketing	3,000 targeted accounts
Semiconductor manufacturer	Global, headquartered in the US	Marketing director	5,000 targeted accounts

Key Challenges

Interviewed organizations faced a number of challenges before Terminus that limited their ability to generate ROI from their marketing and advertising investments and to respond quickly to the most likely buyers. Challenges included:

- › **Lack of a proactive account targeting strategy.** “Pretty much all of marketing was what I would call reactive,” said the VP of marketing at a corporate services provider. “Advertising and marketing dollars were spent more often based on the accounts that showed up.” The senior marketing manager at a security solution provider added, “We realized if we were going to get out there and grow, we needed to fill in those blind spots and not wait for someone to come to us.” Interviewees were largely focused on getting accounts to convert to inbound leads once they appeared on their websites. But they lacked a cohesive strategy for getting the right companies to their websites in the first place, resulting in low-quality inquiries and pipeline from whichever accounts happened to discover them. This came largely from absence of the right data, failure to align on an ideal customer profile, and inability to quickly leverage existing data to create account lists. Worse yet, traditional tools lacked functionality to show or analyze how their brand or awareness activities were impacting downstream meetings and pipeline, making it difficult to invest in the customer journey beyond initial lead capture.
- › **Haphazard account targeting and opportunity follow-up.** That lack of a proactive account targeting strategy led to gaps in interviewees’ lifecycle marketing and sales follow-up. Because it was difficult to create an ideal account profile and to discover all of the accounts that fell into it, teams struggled to develop comprehensive account lists and prioritize them. “We conducted A/B testing in our healthcare vertical and saw that calls to accounts that received targeted, account-based advertising have a 36% higher appointment rate versus calls with generic advertising.” The head of ABM at a corporate business service provider added, “We’ve seen far more marketing-originated wins this year than we have before.” With no central repository for account-level fit or behavioral data, companies struggled to get a clear

“We realized if we were going to get out there and grow, we needed to fill in those blind spots and not wait for someone to come to us.”

*Senior marketing manager,
security solution provider*



understanding of which accounts should be pursued. It was difficult to keep sales and marketing aligned on the same accounts at the same time.

- › **Difficulty reaching the right greenfield audiences.** Many organizations with low awareness, especially newer companies or companies with products in emerging markets, needed to drive interest with groups of people that don't know they wanted or needed the product yet. Without concrete data that tracked how awareness was growing within target accounts far upstream of direct engagement, the impact of awareness efforts was difficult to track and thus difficult to budget. Because they had to wait for a lead to know if they had engaged an account at all, teams mostly harvested whatever existing demand there was, rather than strategically growing the total market. "Our company is not as well-known, and our product delivers a new way of doing things. Anyone that doesn't already understand the science behind our products will have no idea it could even apply them," said the marketing director at a semiconductor manufacturer.
- › **Low alignment between sales and marketing.** Lack of centralized target account data management drove misalignment between sales and marketing, exacerbated by disagreements over lead quality versus lead quantity. Without a centralized data model and agreed-upon ideal customer profile (ICP), teams were not focused on the same accounts and deals at the same time or delivering a consistent message to those accounts. The result was growing inefficiency and organizational misalignment.

"We've seen far more marketing-originated wins this year than we have before."

Head of ABM, corporate service provider



Solution Requirements

Interviewed organizations decided to invest in an account based-marketing (ABM) solution, as part of a broader corporate strategy to manage the shift to a targeted account focus. After reviewing several solutions, organizations selected Terminus ABM as it delivered:

- › A clear solution vision.
- › A cost-effective solution.
- › Strong partnerships with related marketing and advertising services.

Key Results

Interviewed organizations shared key results since adopting Terminus and an ABM strategy; commonly heard benefits include:

- › **Improved ability to meet revenue targets through focused target account approach.** The ability to deliver real-time anonymous behavioral signals to outbound sales teams, like anonymous web engagement, in-market intent, or ad interactions, focused their efforts. They could connect with the hottest companies earlier, without waiting on a form fill as the only available signal. Knowing this anonymous behavior and specific interests within an account makes their outbound contact efforts more successful, makes them more likely to schedule sales meetings, and increases the likelihood of solution purchase. "We tested outbound phone quality by itself versus outbound phone calling with account-based advertising, and the appointments set rate was 36% higher when combined with ads than not," said the marketing director at a semiconductor manufacturer.

"We tested outbound phone quality by itself versus outbound phone calling with account-based advertising, and the appointments set rate was 36% higher when combined with ads than not."

Marketing director, semiconductor manufacturer



- › **More engagement and successful connect rates from account-based marketing campaigns.** Sales can't call on every account at once, and if they try, they tend to use general, low-quality messaging. Account targeting using anonymous account intelligence allows relevant advertising messages to build awareness with specific audiences — delivering contextual messages based on vertical, job role, and lifecycle stage. When prospects see digital advertisements that are more relevant, they are more likely to respond at a higher rate. If the experience is maintained throughout the sales journey, they ultimately convert to revenue at a higher rate as well.
- › **Reduced campaign costs.** By targeting advertising to specific accounts, roles, and industries, companies can avoid paying for all the extra impressions delivered to broad audiences through non-account-based advertising methods, many of whom do not fit the ideal buyer profile. That savings can be reinvested in even more ABM campaigns or more effective high-touch tactics orchestrated through Terminus or can add up as savings for the company. "I cut my [advertising] costs by half and more than doubled my results," said the VP of marketing at a business services provider.
- › **Channel partner sales improvements.** One organization focused its ABM strategy on the through-partner channel (a key part of the business). While not included in the financial results for this study, other organizations with a similar, indirect sales model can use this example to complement any existing advertising and marketing strategies as highlighted in the first two bullets.

"I cut my [advertising] costs by half and more than doubled my results."

VP marketing, business services provider



Composite Organization

Based on the interviews, Forrester constructed a TEI framework, a composite company, and an associated ROI analysis that illustrates the areas financially affected. The composite organization is representative of the four companies that Forrester interviewed and is used to present the aggregate financial analysis in the next section. The composite organization that Forrester synthesized from the customer interviews is a multibillion-dollar business in the computer hardware sector. Some details include:

- › Targeted accounts engaged, as a result of the Terminus ABM solution: 4,500.
- › Revenue: \$155 million.
- › Description: A large corporation producing and selling computer hardware to B2B customers, as well as providing associated services to those clients.
- › Annual revenue per deal averaging between \$40,000 and \$45,000.
- › Operating margin: 10%.

Organizations implemented Terminus as part of an overarching ABM strategy that included many business changes as well as other related and complementary technology solutions. Some organizations have integrated Terminus Advanced Analytics more deeply than others. All organizations have also purchased Bombora intent data through Terminus to augment their ABM and demand marketing efforts.



Key assumptions

4,500 targeted accounts engaged

\$155M total revenue

10% operating margin

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	More account-based sales driven by SDR meeting-scheduling success	\$272,160	\$547,560	\$827,820	\$1,647,540	\$1,321,901
Btr	More sales from customized, targeted account-based marketing opportunities	\$79,040	\$150,480	\$253,840	\$483,360	\$386,932
Ctr	Reduced marketing program costs	\$175,560	\$175,560	\$175,560	\$526,680	\$436,592
Total benefits (risk-adjusted)		\$526,760	\$873,600	\$1,257,220	\$2,657,580	\$2,145,425

More Account-Based Sales, Driven By SDR Meeting-Scheduling Success

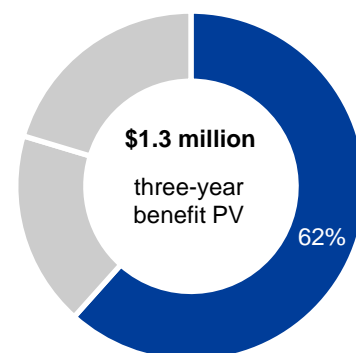
Organizations can better plan and execute sales development and account executive strategies using ABM. With Terminus ABM, organizations can identify when people from targeted accounts respond to display advertising, anonymously visit vendor websites, or anonymously browse relevant topics on third-party websites. This surfaces the deal to sales earlier than waiting on a form fill. SDRs can then target top-tier accounts, as well as highly engaged accounts, for outreach. Those SDRs can leverage account-based intelligence to tailor their pitches to each organization to solutions or messages relevant to their known and anonymous interest signals.

SDR success is measured as a function of how many activities they can perform and the rate of converting those activities into qualified meetings. When SDRs improve their success through ABM, the result is more qualified meetings for account executives (AEs), more forecasted pipeline, and more revenue.

Interviewed organizations reported several examples:

- › The corporate business service provider saw significant improvement in scheduling success. The head of ABM said, “We’re probably about 30% to 40% more effective in securing meetings since we’ve rolled out ABM, and a lot of this is due to Terminus.”
- › The security solutions provider sends a gift box to top-tier targeted accounts that turn into engaged prospects: “We send out a gift box and soon after we can see them coming to our website, starting to download our free content, and clicking on the ‘talk-to-us’ buttons. Independently these tactics wouldn’t work well, but put together, they are very effective.” The provider leverages Terminus to determine which target accounts should receive this high-value touch.
- › The semiconductor company had a problem when SDRs were scheduling too many meetings — though many of these were not really good prospects. With ABM, the company could focus efforts and be more effective. “Reaching out to fewer leads [from intelligently targeted accounts] can be a positive if they are the right leads and they get you the right meetings,” said the marketing director.

The table above shows the total of all benefits across the areas listed below, as well as present values (PVs) discounted at 10%. Over three years, the composite organization expects risk-adjusted total benefits to be a PV of more than \$2.1 million.



More account-based sales driven by SDR meeting-scheduling success: 65% of total benefits

More Account-Based Sales Driven By SDR Meeting-Scheduling Success: Calculation Table

REF.	METRIC	CALCULATION	YEAR 1	YEAR 2	YEAR 3
A1	Sales development representatives (SDRs)	Composite	10	10	10
A2	Meetings scheduled per SDR per month before Terminus	Composite	10	10	10
A3	Meetings scheduled per SDR per month with Terminus	Composite	16	16	16
A4	Total meetings scheduled by SDRs per year with Terminus	$A1 \times A3 \times 12$	1,920	1,920	1,920
A5	Total new meetings scheduled by SDRs per year with Terminus, versus before	$A1 \times (A2 - A3) \times 12$	720	720	720
A6	Baseline close rate	Composite	10%	10%	10%
A7	Meeting close rate with Terminus	Composite	15%	16%	17%
A8	Deals closed per year through SDR-initiated channels before Terminus	$A1 \times A2 \times A6 \times 12$	120	120	120
A9	Deals closed per year through SDR-initiated channels with Terminus	$A1 \times A3 \times A7 \times 12$	288	307	326
A10	Additional deals closed per year from SDR-initiated channels with Terminus	A9-A8	168	187	206
A11	Cumulative additional deals over time	90% retention	168	338	511
A12	Annual revenue per SDR-initiated deal from targeted accounts	Composite	\$45,000	\$45,000	\$45,000
A13	Operating margin	Composite	10%	10%	10%
A14	Share of benefit attributable to Terminus	Composite	40%	40%	40%
At	More account-based sales driven by SDR meeting-scheduling success	$A11 \times A12 \times A13 \times A14$	\$302,400	\$608,400	\$919,800
	Risk adjustment	↓10%			
Atr	More account-based sales driven by SDR meeting-scheduling success (risk-adjusted)		\$272,160	\$547,560	\$827,820

For the composite organization, accounts that receive SDR contact is primarily a factor of capacity, so when SDRs can improve their success rate, sales reps gain more opportunities. The analysis assumes:

- › SDRs increase the number of sales meetings scheduled from 10 to 16 per month.
- › The 10 SDRs on the team have 1,200 meetings scheduled per year before deployment. With Terminus, the total is 1,920 — an increase of 720 meetings.
- › Sales meeting close rates also improve, from 10% before Terminus to 15% in Year 1, 16% in Year 2, and 17% in Year 3.
- › Each new sales deal initiated through the SDR channel is estimated to be \$45,000, which can occasionally be very large, making this average a little higher compared to other opportunities.
- › A 90% retention rate is applied to past customers and added to the new customer total to calculate total cumulative customers for each year.
- › There is a 10% operating margin, to calculate final income benefits.
- › There is a 40% attribution factor; Terminus is a key tool in the composite organization's ABM strategy, though other business best practices and marketing services also contribute to this improvement.



**SDR-initiated Year 1
close rate improvement
from 10% to 15%**

The assumptions detailing the impact of sales meetings can vary across verticals or businesses. Factors that can lead to underestimated results include:

- › Overestimated operating margin.
- › Lower Terminus attribution.
- › Lower than expected close rates.

To account for these risks, Forrester adjusted this benefit downward by 5%, yielding a three-year risk-adjusted total PV of \$1.3 million.

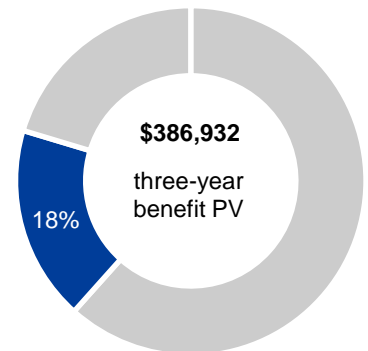
Impact risk is the risk that the business or technology needs of the organization may not be met by the investment, resulting in lower overall total benefits. The greater the uncertainty, the wider the potential range of outcomes for benefit estimates.

More Sales From Customized, Targeted Account-Based Marketing Opportunities

SDR-led sales calls are limited by capacity, so determining what level of marketing and sales coverage each account opportunity gets is critical to achieving high conversion rates. Contextual marketing campaigns that leverage Terminus ABM to dynamically manage target account audiences for different programs can lead to increased opportunities from qualified accounts and better sales outcomes influenced by marketing. By executing these programs throughout the buying journey, they result in higher close rates. The head of ABM at the corporate service provider remarked, “We have seen far more marketing-originated wins this year than we have before.”

For the composite organization, Forrester assumes:

- › About 2,600 opportunities from targeted accounts are generated. (This is a separate group of account opportunities from those highlighted in the previous section.)
- › The response to customized ad and marketing messages has increased the sales close rate, from 10% before Terminus to 12% in Years 1 and 2 and 13% in Year 3.



**More sales from
customized, targeted
account-based
marketing opportunities:
14% of total benefits**

More Sales From Customized, Targeted Account-Based Marketing Opportunities: Calculation Table

REF.	METRIC	CALCULATION	YEAR 1	YEAR 2	YEAR 3
B1	Total targeted account opportunities per year	Composite	2,600	2,600	2,600
B2	Baseline close rate for opportunity-driven accounts	A6	10%	10%	10%
B3	Close rate for opportunity-driven accounts with Terminus	Composite	12%	12%	13%
B4	Opportunities converted to deals per year before Terminus	B1*B2	260	260	260
B5	Opportunities converted to deals per year with Terminus	B1*B3	312	312	338
B6	New deals closed per year from targeted advertising and marketing	B5-B4	52	52	78
B7	Cumulative deals over time	90% retention	52	99	167
B8	Annual revenue per targeted account	Composite	\$40,000	\$40,000	\$40,000
B9	Operating margin	A13	10%	10%	10%
B10	Share of benefit attributable to Terminus	Composite	40%	40%	40%
Bt	More sales from customized, targeted account-based marketing opportunities	B6*B8* B9*B10	\$83,200	\$158,400	\$267,200
	Risk adjustment	↓5%			
Btr	More sales from customized, targeted account-based marketing opportunities (risk-adjusted)		\$79,040	\$150,480	\$253,840

- › Deals closed from these targeted account opportunities are to be a little smaller — an average of \$40,000 per sale (since they are not expected to include the very largest accounts or deals that would be included in the SDR team's call lists).
- › Operating margin and the share of benefit attributable to Terminus ABM are both the same as the previous benefit.

Benefits may again be overestimated due to higher than actual assumptions for close rates and operating margin. To account for these risks, Forrester adjusted this benefit downward by 5%, yielding a three-year risk-adjusted total PV of nearly \$387,000.

Reduced Marketing Program Costs

Account targeting and dynamic audience management enable marketers to reduce program spend waste by ensuring they focus advertising, direct mail, and other channel efforts on the right accounts, based on all the account intelligence available to them. With Terminus, marketers can also automate the process of categorizing and prioritizing accounts for different campaigns based on their behavior or sales journey stage.

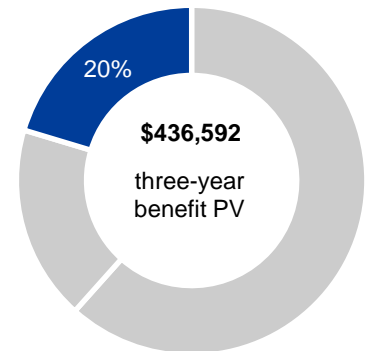
With account-based ad targeting in particular, online display ads can be served only to those people who meet focused criteria — working at specific companies in specific job roles. Without account-based targeting capabilities, to make sure those targets saw these messages, display advertising would have to be served to broader audiences. This would result in wasted impressions, cost more, and fail to deliver an account-level signal to trigger sales conversations or further marketing campaign efforts.

Now organizations can serve ads only to the right people at the right time, saving campaign expense, while targeting the right people who will be more likely to buy organizations' products or solutions. Because they're able to target a specific company and function, they can also deliver more relevant messaging, making each impression more effective. Interviewees highlighted examples like:

- › **More focused advertising and marketing.** The marketing director at a semiconductor manufacturer said: "From a cost perspective, we were only spending the time and effort and engaging the [accounts] that we knew we wanted to talk to. We got much more efficient and have nearly doubled the number of campaigns we run in a year." This organization also saw a nearly 20% reduction in LinkedIn advertising costs for the same engagement results.
- › **Reduced campaign costs.** But these didn't come at the expense of campaign results. As mentioned earlier, the business services provider "cut cost in half" and has "more than doubled our impact," according to its VP of marketing.

Estimates and assumptions for the composite organization include:

- › Advertising, marketing, SDR contact center, and other related costs added up to \$55,000 per month before Terminus.
- › After implementing its ABM strategy including Terminus, the organization sees a 40% reduction in these costs.
- › Campaign cost savings since Terminus equates to a cost of less than \$90 per targeted account or about \$660 per closed deal (compared to



Reduced marketing program costs: 21% of total benefits



40% reduction in program costs, 70% of which is attributable to Terminus

about \$150 or \$1,750 before Terminus). That's a 40% reduction in per-target-account costs.

- › A significant portion of that improvement is attributable to Terminus; since the ABM strategy includes more than just Terminus, Forrester applies a 70% attribution rate. A 40% reduction results in monthly savings of \$22,000; attributing 70% of that to Terminus means \$15,400 of savings per month is due to Terminus ABM.

As total campaign costs or the estimated improvement may be overestimated, Forrester adjusted this benefit downward by 5%, yielding a three-year risk-adjusted total PV of \$437,000.

Reduced Annual Marketing Program Costs: Calculation Table					
REF.	METRIC	CALCULATION	YEAR 1	YEAR 2	YEAR 3
C1	Monthly campaign costs before Terminus (for campaigns now managed with ABM)	Composite	\$55,000	\$55,000	\$55,000
C2	Reduction in monthly campaign costs	Composite	40%	40%	40%
C3	Share of benefit attributable to Terminus	Composite	70%	70%	70%
Ct	Reduced annual marketing program costs	$C1 \cdot C2 \cdot C3 \cdot 12$	\$184,800	\$184,800	\$184,800
	Risk adjustment	↓5%			
Ctr	Reduced annual marketing program costs (risk-adjusted)		\$175,560	\$175,560	\$175,560

Unquantified Benefits

Thoughtful ABM implementation requires planning, includes business changes as well as several technology solutions, and touches a number of people and business systems. There are some benefits that are not as directly tied to Terminus ABM features or simply haven't been able to be measured yet. Benefits include:

- › **Larger sales transactions.** While not included as an assumption above, interviewed organizations have reported seeing large deals closing since ABM and have many more large deals currently in the pipeline, many of which are expected to close soon. While Forrester assumes deal sizes between \$40,000 and \$45,000 for the quantified benefits, organizations can also expect some growth in those numbers. One interviewed organization has already identified this improvement.
- › **Sales from other channels.** Only sales initiated through ABM channels are covered above. While a total of about 4,500 targeted accounts have engaged, some sales do still close from other sources, such as accounts that find the solution via an organic search. Any broad-based marketing or advertising can also benefit from learnings gained from ABM-focused campaigns, meaning there may be a slight increase in deal close rate from this group as well.
- › **Improved marketing campaign engagement over time.** Learnings from ABM-led marketing can improve later campaigns. A successful campaign, especially if A/B testing is included, can focus campaigns to drive efficiency and success. "We did a ton of testing, learning that one audience is mobile while another is not, and that it did matter which advertisement was displayed," said the VP of marketing at a business services provider.



Unquantified Benefits:

- Larger sales
- Sales from other channels
- Marketing campaign improvements

Flexibility

The value of flexibility is clearly unique to each customer, and the measure of its value varies from organization to organization. Frequently, organizations will first test ABM through a pilot, which focuses on a specific account segment or revenue effort within their business, before expanding their account-based intelligence, thinking, and sales alignment to all segments as well as customer marketing and expansion efforts. Many companies choose to implement ABM and later realize that the same data, techniques, and strategies can be applied to other parts of their business.

One of the interviewed organizations, the security solutions provider, has focused its ABM strategy on the through-partner channel. It has significantly improved its partnership-building rate, which also significantly improves the organization's revenue as those partners start selling the organization's security products and services. While not included in the ROI analysis for this study (because companies with such a through-partner channel may focus less on direct sales as described in the Analysis Of Benefits section above), applied to the composite organization, this use case involves:

- › Forty partner accounts targeted each year.
- › An average of \$500,000 in anticipated revenue each year from each partnership.
- › A 10% partner close rate, growing to 15% in Year 2, and 20% in Year 3. The result is several new partners added each year, and most remain in partnership for many years.
- › A 20% operating margin for through-partner revenue.
- › Through-partner revenue gained via ABM efforts that is estimated to be 60% attributable to Terminus.

If the composite organization leveraged its business on through-partner sales channels this strongly, these new partners would add up to millions of dollars in new revenue, or \$300,000 in new income in Year 1, \$600,000 in Year 2, and more than \$1 million in Year 3 — adding up to a three-year, risk adjusted (at 5%), present value of \$1.3 million. If the organization focused on partner channels, this would not necessarily be additional revenue; the direct channels outlined above would likely be smaller.

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

Flexibility, as defined by TEI, represents an investment in additional capacity or capability that could be turned into business benefit for a future additional investment. This provides an organization with the "right" or the ability to engage in future initiatives but not the obligation to do so.



Partner channel opportunity:

- \$500,000 in new revenue per partner
- Benefits: \$1.3 million PV

Analysis Of Costs

QUANTIFIED COST DATA AS APPLIED TO THE COMPOSITE

Total Costs							
REF.	COST	INITIAL	YEAR 1	YEAR 2	YEAR 3	TOTAL	PRESENT VALUE
Dtr	License and related costs	\$0	\$99,000	\$99,000	\$99,000	\$297,000	\$246,198
Etr	Added resource costs	\$99,000	\$77,000	\$66,000	\$66,000	\$308,000	\$273,132
Total costs (risk-adjusted)		\$99,000	\$176,000	\$165,000	\$165,000	\$605,000	\$519,330

License And Related Costs

A complete ABM strategy includes license costs for software and services:

- › **Software licensing and other fees** paid to Terminus for implementation support, training, and ongoing use of the Terminus platform, including behavioral data sources such as engagement or Bombora intent data, account-based advertising and multichannel campaign orchestration, Terminus Advanced Measurement, and Terminus Account Insights for sales teams.
- › **Other data services to support an ABM strategy.** This includes a variety of sources that can augment an ABM strategy with specific needs, such as a particular geography or vertical.

Forrester has adjusted license costs upward by 10%, yielding a three-year risk-adjusted total PV of \$246,000.

The table above shows the total of all costs across the areas listed below, as well as present values (PVs) discounted at 10%. Over three years, the composite organization expects risk-adjusted total costs to be a PV of less than \$520,000.

License And Related Costs: Calculation Table						
REF.	METRIC	CALCULATION	INITIAL	YEAR 1	YEAR 2	YEAR 3
D1	Terminus license fees			\$70,000	\$70,000	\$70,000
D2	Other related ABM license fees			\$20,000	\$20,000	\$20,000
Dt	License and related costs	D1+D2	\$0	\$90,000	\$90,000	\$90,000
	Risk adjustment	↑10%				
Dtr	License and related costs (risk-adjusted)		\$0	\$99,000	\$99,000	\$99,000

Added Resource Costs

In addition to license costs, implementing and adopting an ABM strategy requires some upfront planning and some new ongoing tasks. Costs include:

- › **Initial costs.** Resources were required in the phase before launching the Terminus solution for tasks including planning, data review, data cleanup, and migration. Initial costs are estimated at a risk-adjusted \$99,000.
- › **Ongoing costs.** Ongoing costs are estimated to be between \$66,000 and \$77,000 each year, or a three-year, risk adjusted PV of \$174,000.

New ongoing tasks added as a result of implementing the Terminus solution include some additional resource time required for:

- ABM management.
- Internal support of ABM data and processes.
- Review completed campaign data, analyzing results in Terminus to review and update campaign strategies.
- New effort required to build and deploy multiple campaigns with multiple creatives, performing additional A/B testing, and other related tasks.

To allow for underestimated resource costs, Forrester adjusted this cost upward by 10%, yielding a three-year risk-adjusted total PV of \$273,000.

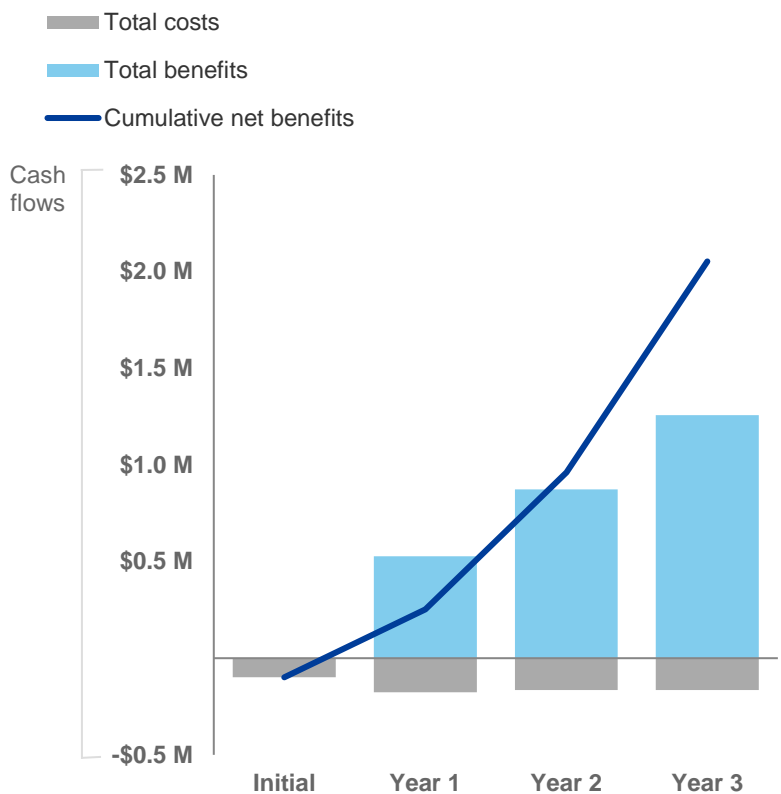
Implementation risk is the risk that a proposed investment may deviate from the original or expected requirements, resulting in higher costs than anticipated. The greater the uncertainty, the wider the potential range of outcomes for cost estimates.

Added Resource Costs: Calculation Table						
REF.	METRIC	CALCULATION	INITIAL	YEAR 1	YEAR 2	YEAR 3
E1	New ad-related costs			\$20,000	\$10,000	\$10,000
E2	Company resource costs		\$90,000	\$50,000	\$50,000	\$50,000
Et	Added resource costs	E1+E2	\$90,000	\$70,000	\$60,000	\$60,000
	Risk adjustment	↑10%				
Etr	Added resource costs (risk-adjusted)		\$99,000	\$77,000	\$66,000	\$66,000

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 and NPV for the composite organization's investment. Forrester assumes a yearly discount rate of 10% for this analysis.



These risk-adjusted ROI and NPV values are determined by applying risk-adjustment factors to the unadjusted results in each Benefit and Cost section.

Cash Flow Analysis (risk-adjusted estimates)

	INITIAL	YEAR 1	YEAR 2	YEAR 3	TOTAL	PRESENT VALUE
Total costs	(\$99,000)	(\$176,000)	(\$165,000)	(\$165,000)	(\$605,000)	(\$519,330)
Total benefits	\$0	\$526,760	\$873,600	\$1,257,220	\$2,657,580	\$2,145,425
Net benefits	(\$99,000)	\$350,760	\$708,600	\$1,092,220	\$2,052,580	\$1,626,095
ROI						313%

Terminus ABM: Overview

The following information is provided by Terminus. Forrester has not validated any claims and does not endorse Terminus or its offerings.

DRIVE REVENUE WITH A FULL-FUNNEL ABM PLATFORM

For B2B marketers who want to drive more revenue, Terminus is a marketing command center that lets them easily find and engage high-value accounts, enable sales to close deals faster, and measure their impact on revenue outcomes.

Terminus' platform is built to drive revenue results using the TEAM framework

TARGET THE RIGHT ACCOUNTS AT THE RIGHT TIME

With Terminus, B2B professionals can create dynamic audiences based on revenue, industry, engagement, intent, and relationship data to prioritize high-propensity accounts, ad spend, and resources to close the best deals before their competition.

- › Identify the entire total addressable market and find your ideal customer profile based on conversion and retention data.
- › Quickly build static or dynamic audiences of high-value accounts by size, industry, revenue range, intent, engagement, relationship data, and CRM stage.
- › Deliver weekly emails of marketing-qualified accounts visiting your website not already in your CRM.
- › Ensure account records are uniform across all platforms with Terminus' Account Graph.

ENGAGE DECISION MAKERS WITH RELEVANT, VALUABLE CONTENT

With Terminus, B2B advertisers can leverage relationship and engagement scores to intelligently deliver multitouch programs across display, retargeting, LinkedIn, email signatures, and offline channels based on how buying teams are interacting with their company across digital channels, personal interactions, and more.

- › Orchestrate campaigns across display, LinkedIn, retargeting, email, and offline channels like direct mail and events.
- › Build brand awareness and equity by advertising to your total addressable market on a best-in-class network of publishers.
- › Target buying committees by role and/or function and seniority via cookie-targeting.
- › Target decision makers when they are in the office, at home, or on the road with cookie-targeting (IP targets only in-office).
- › Create stage-based drip advertising campaigns to progress deals through every stage of the funnel so your brand can grow louder as deals move towards the purchase decision.
- › Automatically launch ads based on intent or engagement to be first to the table for in-market accounts.
- › Increase retention by triggering ads based on renewal date or intent for competitors.

ACTIVATE SALES AND SUCCESS TEAMS

With Terminus, marketers can deliver engagement spikes, activity on high-value URLs, intent signals, and more to sales and success teams so they can improve win rates and strengthen customer relationships with account intelligence — all without a form fill.

- › Provide a weekly sales alerts email to help sales know which accounts to prioritize and which contacts to call.

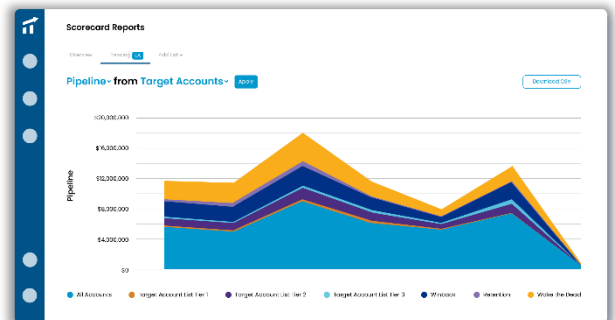
- › Deliver sales key insights in-CRM so sales can see fit, intent, engagement, and relationship data to help personalize their outreach.
- › Provide more advertising air cover to warm-up calls before SDRs reach out and to update advertisements through the journey as sales progresses deals forward.
- › Help marketing automatically launch campaigns as sales penetrates more of the buying committee by setting more meetings and sending more emails.

MEASURE WHAT REALLY MATTERS: PIPELINE AND REVENUE.

With Terminus, revenue-driven marketers can identify and iterate on their most successful sales and marketing plays and measure their pipeline and revenue performance over time with Terminus' out-of-the-box ABM scorecard and trended views.

- › Measure pipeline and revenue by target account list over time.
- › Report on pipeline influence from marketing campaigns across the entire opportunity journey.
- › Refine ideal customer profiles, marketing campaigns, and budgets by automatically tracking what constitutes a marketing-qualified account.
- › Optimize campaigns by measuring multitouch attribution, including first and last touch.
- › Save time by reporting on ABM success in the way analysts recommend.

Account Name	All Impressions	All Clicks	All Visits	Programmed Spots	Sales Value	Last Known Date	Next Date	Next Step	Next Action	Unique Conversion Opportunities	Campaigns	Last Campaign Response Date	Last Activity Date	Date	On
ACCOUNT 1	405	275	176	100	\$100	10/10	10/10	10/10	10/10	10	1	10/10	10/10	10/10	10/10
ACCOUNT 2	118	87	59	10	\$10	10/10	10/10	10/10	10/10	10	1	10/10	10/10	10/10	10/10
ACCOUNT 3	202	141	100	10	\$10	10/10	10/10	10/10	10/10	10	1	10/10	10/10	10/10	10/10
ACCOUNT 4	240	180	120	10	\$10	10/10	10/10	10/10	10/10	10	1	10/10	10/10	10/10	10/10
ACCOUNT 5	335	245	160	10	\$10	10/10	10/10	10/10	10/10	10	1	10/10	10/10	10/10	10/10
ACCOUNT 6	415	300	200	10	\$10	10/10	10/10	10/10	10/10	10	1	10/10	10/10	10/10	10/10



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: Supplemental Material

Related Forrester Research

"Retro Yet Revolutionary: Demystifying Account-Based Marketing," Forrester Research, Inc., September 19, 2016

"Forrester Infographic: ABM Maturity Corresponds To Better Revenue Results," Forrester Research, Inc., September 9, 2019