



FORRESTER®

The Total Economic Impact™ Of Figma and FigJam

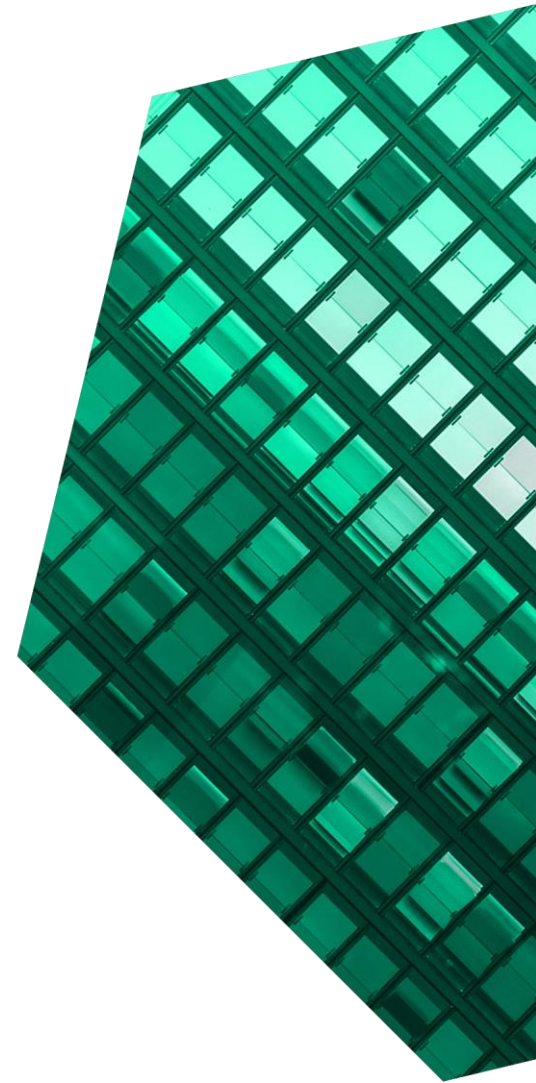
Cost Savings And Business Benefits
Enabled By Figma and FigJam

NOVEMBER 2023

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ABOUT FORRESTER CONSULTING

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

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Executive Summary

Businesses are now moving at the speed of their digital customers. To keep up and stay ahead, a company's growth engine must be firing on all cylinders. That growth engine must center on future digital experiences that anticipate customers' needs and meet them seamlessly.¹ The Figma platform provides tools that enable easy collaboration throughout the design and development process, from concepting and ideation in FigJam to designing user interfaces and prototyping in Figma.

[Figma](#), combined with FigJam, is a web-based platform that enables companies to create better software products, ranging from websites to mobile apps to desktop apps, and bring them to market faster. FigJam brings cross-functional teams together early in the development process to improve collaboration among all stakeholders. Figma and FigJam artifacts serve as a single source of truth about how a software product is intended to work — including both its appearance and its functional behavior — and allow users to work together in shared files in the cloud that always remain up to date. An organization's design system, defined in Figma, enables teams to standardize and govern the rules for asset creation, which ensures consistency across the brand. Finally, Figma offers an open marketplace of community-built plug-ins that help companies customize the platform's functionality for their unique business needs.

Figma commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) enterprises may realize by deploying Figma and FigJam.² The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of Figma and FigJam on their organizations.

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed four representatives with experience using Figma and FigJam in 2023 and supplemented this with information from twelve representatives of four

KEY STATISTICS



Return on investment (ROI)
328%



Net present value (NPV)
\$4.51M

organizations who were interviewed in 2021. For the purposes of this study, Forrester aggregated the interviewees' experiences and combined the results into a single [composite organization](#) that is a business-to-business-to-consumer (B2B2C) retail organization with 30 brands and a revenue of over \$15 billion per year.

Before using Figma, the interviewees' organizations used whiteboarding and design tools to facilitate collaboration among product designers, developers, product managers, and marketers. However, employees had issues with legacy tools that couldn't communicate or interoperate seamlessly. Interviewees noted that collaborating with existing presentation tools was not engaging and required many in-person meetings. Additionally, not all teams had access to the same software and hardware platforms, which slowed workflows as designers, developers, and others downloaded, screenshotted, created, and shared PDF files throughout the

software product design lifecycle. After investing in Figma and FigJam, interviewees' organizations benefited from significant savings through effective collaboration that created efficient workflows, design systems, and plug-ins to automate design tasks. A head of product design at a high-tech organization described the role FigJam plays in their design process, "FigJam is the beginning [for] anything that's around creative discussion, visual references, or mood boards, and then Figma is all about visual exploration and visual execution of the different assets." A UX engineer added: "Figma has made our collaboration more real time and dropped some barriers. It means that we can collaborate quicker and move faster on projects. We can get ideas [from concept to market] at a pace we never had before."

KEY FINDINGS

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

- **Vendor license consolidation.** The composite organization experiences direct cost savings of more than \$838,000 over three years by consolidating multiple contracts with vendors they previously leveraged in their design process. Because Figma and FigJam help consolidate product design and development processes, the organization eliminates products as contracts come up for renewal.
- **Efficiency gains in the problem definition phase.** Before FigJam, teams at the composite organization in different geographies who couldn't communicate in real time struggled to collaborate effectively. FigJam fosters engagement for the early design process by promoting lively participation in creative discussion, which drives 40% efficiency in the problem definition phase. Figma's collaboration features ease the process of cross-team communication and improves the influence

"We think of Figma not just as a tool but more like a platform. It's a sibling of our DevOps platform that allows us to access designs and pull certain elements, styles, and components. It gives us pretty much everything that we need."

— Principal software development lead, high-tech

design has within an organization, driving 10% efficiency in the problem definition phase at the composite organization.

- **Efficiency gains in the ideate and create phase.** Figma better enables product design teams to consistently apply the correct typography, colors, components, and other assets. A custom design system saves teams thousands of hours previously spent maintaining asset repositories and performing repetitive work. In addition, by creating prebuilt components and interaction flows, teams save more than 50% in their design time. The business impact of these features in Figma is greatest at the composite organization during the ideate and create phase, optimizing the process by 60%. FigJam's role in providing project context accounts for a 10% gain in efficiency. This translates to more than \$2.5 million annual savings.
- **Efficiency gains in the develop and implement phase.** Product design teams at the composite organization improve their workflows by including developers earlier, instead of writing lengthy design specs. Now developers can identify technical challenges and understand the project history by viewing both Figma and FigJam files and interact with an early prototype. Development teams can automate functionality by utilizing existing plug-ins or by creating bespoke code that uniquely fits the business. Development teams at the composite organization recognize a 35% productivity gain in the develop and implement phase.
- **Reduction in travel costs by about \$262,000.** FigJam is a valuable tool for enhancing team communication, particularly for remote or global teams. Its engaging interface, seamless content access with Figma, and integration with audio platforms contribute to smoother workflows and improved collaboration. FigJam provides cost-

saving opportunities by reducing the need for in-person meetings and workshops.

“Figma has absolutely impacted our retention. At [our] core, we’re a platform company, but we’ve got so many different business units that create so many different products — hundreds of products that run on our platform. More and more customers are purchasing multiple products, and they all need to work together seamlessly, not just from a technical standpoint but from a UX standpoint.”

Senior design program manager, high-tech

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

- **Increased engagement.** Interviewees were enthusiastic about FigJam, describing it as the only software they find fun. They highlighted the unique engagement features, such as file stickers, thumbs up, and reactions that enhance the design team's collaboration. They observed that the fun aspect of FigJam is essential for drawing people into the design and development process, making it more engaging and effective.
- **Increased speed-to-market.** One decision-maker at a manufacturing firm described how it delivers projects four times faster internally

utilizing Figma versus outsourcing to an agency. The UX team decreased their design cycle time because all the tools and project files are in the same ecosystem.

- **Decreased their agency spend.** Companies that previously relied on creative firms reduced their agency by about 50% to 90%. Deploying Figma allowed them to optimize employees' time and provided the consistency and governance needed to hire contractors when required.
- **Reduced human error and improved product quality.** Figma streamlines product design processes, reducing the number of steps and thus the potential for human error. Organizations described the positive business impact Figma had, allowing them to release well-architected, well-designed software faster instead of merely a minimum viable product (MVP).
- **Increased time to innovate and perform high-value work.** Figma afforded designers time to solve customer problems instead of spending time on tedious tasks like locating files and approved font sizes.
- **Improved employee retention.** FigJam and Figma transformed how product design teams work and collaborate, improving their employee experience. A design ops manager said that Figma helped retain these highly sought-after UX designers.
- **Earlier leadership buy-in.** Figma's collaborative canvas and ability to design dynamic interactions and functions — not just screen layouts — allows leadership to access project files directly and experience the prototype by interacting with it instead of making important decisions based merely on a PNG image or a wireframe. Getting leaders involved earlier prevented late-stage changes.

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

- **Figma and FigJam licenses for 300 editors cost \$716,000 over three years.** For the composite organization, Forrester used the price of \$900 per year for the Figma license and \$60 per year for the FigJam license.
- **Internal costs to deploy Figma totaled \$658,000 over three years.** The project lead at the composite organization spends six months planning and deploying the Figma governance and rollout plan. Eight workstream leads work on the Figma deployment for 20% of their time for six months. Finally, 300 license holders go through 16 hours of training. FigJam requires no additional training.

The representative interviews and financial analysis found that a composite organization experiences benefits of \$5.88 million over three years versus costs of \$1.37 million, adding up to a net present value (NPV) of \$4.51 million and an ROI of 328%.



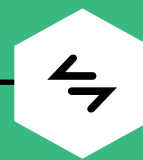
ROI
328%



BENEFITS PV
\$5.88M

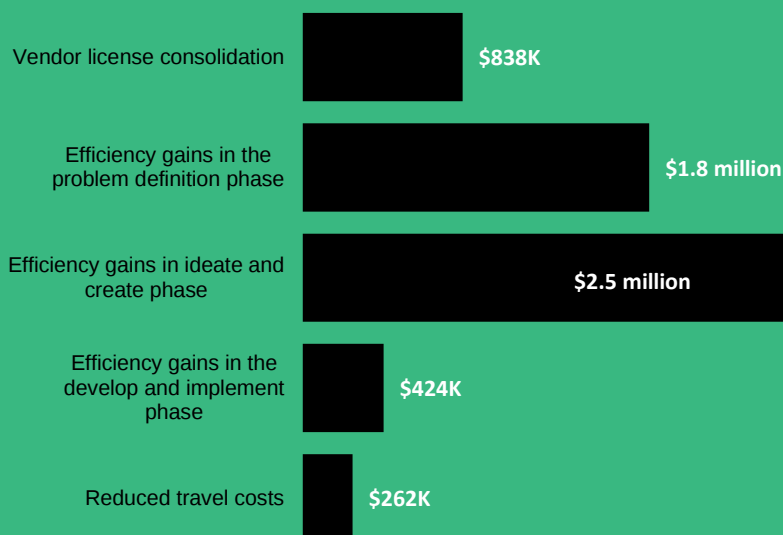


NPV
\$4.51M



PAYBACK
11 months

Benefits (Three-Year)



“FigJam provides fun, collaborative features like timers, music and voting that we use to run workshops. The integration between FigJam and Figma makes it more competitive. Figma came out with dev mode, allowing developers to participate easier and earlier in the design process.”

— Head of design, financial services

TEI FRAMEWORK AND METHODOLOGY

From the information provided in the interviews, Forrester constructed a Total Economic Impact™ framework for those organizations considering an investment in Figma and FigJam.

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 Figma and FigJam can have on an organization.

DISCLOSURES

Readers should be aware of the following:

This study is commissioned by Figma and delivered by Forrester Consulting. It is not meant to be used as a competitive analysis.

Forrester makes no assumptions as to the potential ROI that other organizations will receive. Forrester strongly advises that readers use their own estimates within the framework provided in the study to determine the appropriateness of an investment in Figma and FigJam.

Figma 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.

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



DUE DILIGENCE

Interviewed Figma stakeholders and Forrester analysts to gather data relative to Figma and FigJam.



INTERVIEWS

Interviewed four representatives at four organizations using Figma and FigJam in 2023 and supplemented this with information from twelve representatives of four organizations who were interviewed in 2021 to obtain data with respect to costs, benefits, and risks.



COMPOSITE ORGANIZATION

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



FINANCIAL MODEL FRAMEWORK

Constructed a financial model representative of the interviews using the TEI methodology and risk-adjusted the financial model based on issues and concerns of the interviewees.



CASE STUDY

Employed four fundamental elements of TEI in modeling the investment impact: benefits, costs, flexibility, and risks. Given the increasing sophistication of ROI analyses related to IT investments, Forrester's TEI methodology provides a complete picture of the total economic impact of purchase decisions. Please see Appendix A for additional information on the TEI methodology.

The Figma and FigJam Customer Journey

■ Drivers leading to the Figma and FigJam investment

Interviews				
Role	Industry	Region	Number Of Employees	Interview Date
Experience design director, design systems	Financial services	US	235,000 +	2023
Head of design, investing	Financial services	US	17,600	2023
VP of product design	High-tech	Global	6,000	2023
Head of product design and UX research	High-tech	Global	100,000+	2023
• Principal UX designer • Senior UX designer • Senior designer • Principal design manager • General manager • UX engineer • Principal software development lead • Principal designer	High-tech	Global	166,000	2021
Global head of UX	Manufacturing	Global	46,000	2021
Senior design program manager	Professional services	Global	12,500	2021
• Senior US designer • Principal US designer	Financial services	Global	50,000	2021

KEY CHALLENGES

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

- **A much-needed upgrade to whiteboard tools.**
Interviewees reported struggling with their existing whiteboarding tools or lacking them altogether. Interviewees also described their current visual collaboration tools as too complicated and unintuitive for users. Those without specific whiteboarding tools used their legacy presentation tools for collaboration. The experience design director at a financial services organization described, “Our legacy presentation tools were a tiny and awkward surrogate for whiteboarding.”

“Figma is more efficient than what our process was before because you’re in one tool. You are designing your files. You’re not having to export [to one program or upload them using another]. You build the screens, link them, launch the prototype, and you can edit in real time.”

Head of design, financial services

- **Disparate technology platforms created chaos, resulting in version-control errors.** Not everyone in the interviewees' product development workflows had the same set of tools, was running the same version, or was even using the same computing platform. As a workaround, employees created their own personal design systems, which included components, libraries, and homegrown tools to help them be efficient. This caused issues when project members shared files because not everyone was working from a single design system or toolset. One principal design manager said: "It's almost like being a developer. I got a bunch of code but didn't know what packages were on it, which was a big frustration. The first benefit we experienced [with Figma and FigJam] was having a single-source-of-truth URL." Figma simplified file sharing by allowing teams to share files as simply as dropping a link into a chat, for example, eliminating the need to run the same technology other than having a browser. The URL link leads teams to the Figma workspace that centrally stores the most recent work, eliminating version-control errors.
- **Legacy product upgrades caused broken plug-ins.** Interviewees repeatedly described issues with their prototyping and product design tools not integrating well. Product designers relied on plug-ins to enable critical functionality like communication between legacy tools. A senior design program manager described the massive effort they undertook to get everyone running the same version of the toolset and the problems the upgrade process caused: "Every time we upgraded our [design tools] things broke, plug-ins stopped working, [and] our design system had issues. It was a huge pain point."
- **Disconnects between design and engineering caused friction.** In describing issues his team experienced, the principal software development lead said: "Design and engineering were two

different disciplines speaking a different language, trying to explain how an app is supposed to work or what the UX should look like. A bunch of things were lost in translation." They continued, "Sometimes teams would throw design specs over the fence expecting that engineers would pick it up and make it right." Figma provided the opportunity to build bridges between designers and developers by bringing them together earlier in the process, allowing both groups to understand the history, context, and intention of the project. And FigJam plays a vital role for developers because it documents the earlier history of the project for developers and others to refer back to.

- **Security protocols blocked collaboration features from legacy tools.** Designers at the financial services firm described how security protocols flagged cloud-based file-sharing functionality between previous solutions. This forced users to create manual, time-consuming workarounds to download, capture, and share files. The senior UX designer said: "Figma

"Before Figma, it was messy. We worked on [design tool files] and flat files. Two or three designers worked on a flat file and passed it around via email or a shared server. Files were dependent on [design tool platform] plug-ins that would break. Native features in Figma were so amazing for improving this process."

Principal UX designer, financial services

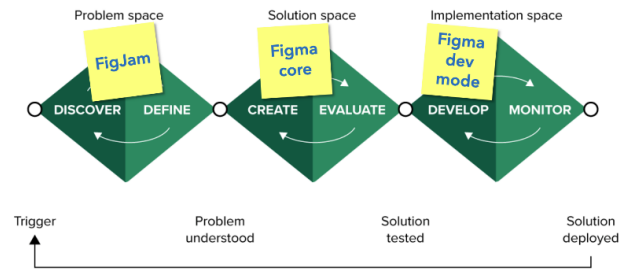
passed all of our security checks with flying colors. Being able to share files internally and externally through the same tool without having to jump through hoops or create watermarked PDFs is a huge benefit to our workflow.”

SOLUTION REQUIREMENTS/INVESTMENT OBJECTIVES

The interviewees’ organizations searched for a solution that would meet their goals to develop engaging products and services. To do this, they searched for a set of product design tools that:

- Removed barriers to collaboration by offering a fun, engaging workspace.
- Assisted in achieving goals to be eco-friendly by eliminating unnecessary travel.
- Enabled collaboration natively without having to rely on external plug-ins.
- Had both whiteboarding and product design tools that function well together and are easy to use regardless of operating system.
- Adhered to the latest security protocols.
- Eliminated errors and broken plug-ins caused by upgrades.
- Eliminated the need to maintain multiple tools but would provide the majority of functionality that product teams need.
- Had the ability to create custom plug-ins to support the individual needs of the business.

After a request for proposal (RFP) and business case process evaluating multiple vendors, the interviewees’ organizations chose to deploy FigJam and Figma. A Forrester blog post states why this can be so beneficial for an organization such as the composite: “Figma lays a foundation, in terms of strategy and architecture, for the platform to serve as a more versatile hub for digital product creation teams. It started with designers. It expanded to



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developers.”³ It ranges across more of the design framework by addressing: 1) the problem space through its FigJam offering; 2) the solution space through its core design offering; and 3) the implementation space through dev mode and related features.

COMPOSITE ORGANIZATION

Based on the interviews, Forrester constructed a TEI framework, a composite company, and an ROI analysis that illustrates the areas financially affected. The composite organization is representative of the sixteen interviewees from eight companies that Forrester interviewed and is used to present the aggregate financial analysis in the next section. The composite organization has the following characteristics:

Description of composite. The global, multibillion-dollar B2B2C organization sells products through a retail channel targeted at consumers. The company leverages its digital channel to provide best-in-class experiences for consumers, to create a sticky relationship with them. The composite has instituted a design first culture. Additionally, the composite has set ambitious goals to reach its sustainability goals in the next ten years, it manages more than 30 brands, and it operates globally.

Deployment characteristics. The composite organization deployed Figma first and used FigJam when it was initially released as a free feature. The composite chose to pay for FigJam because it valued the interoperability of the two solutions.

What defines a project? The scope of what defines a project will vary by size and duration. Historically, designers worked on isolated, intensive projects such as the redesign of a website or app. Today, many organizations work in agile product teams and are embedded to continuously evolve the product, which can include fixing UX issues and creating entirely new experiences.

For the purposes of creating a consistent model, Forrester made the following assumptions:

- **Project definition:** The model assumes an average of many small, short projects and two extensive, yearlong major platform redesigns.
- **Design team characteristics:** The design team — which includes roles such as interaction, UX, and visual designers; DesignOps; research; and content strategy — has 300 members who work in smaller project teams. The size and scope of the work will drive how many additional people are needed to staff each project.
- **Project team size:** Each project includes a design lead, product lead, and technical lead heavily involved throughout each project stage. For example, a project like a platform redesign may require a team of 20, while a mobile app refresh requires one designer and developer. The model assumes an average of 30 yearly projects.

Key Assumptions

- **Global B2B2C firm**
- **\$15B in revenue**
- **30 brands managed**
- **30 annual projects**
- **Average project duration of 13 weeks**

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	Vendor license consolidation	\$239,490	\$359,235	\$431,082	\$1,029,807	\$838,485
Btr	Efficiency gains in the problem definition phase	\$233,280	\$933,120	\$1,108,080	\$2,274,480	\$1,815,763
Ctr	Efficiency gains in ideate and create phase	\$326,592	\$1,306,368	\$1,551,312	\$3,184,272	\$2,542,068
Dtr	Efficiency gains in the develop and implement phase	\$54,432	\$217,728	\$258,552	\$530,712	\$423,678
Etr	Reduced travel costs	\$105,300	\$105,300	\$105,300	\$315,900	\$261,866
Total benefits (risk-adjusted)		\$959,094	\$2,921,751	\$3,454,326	\$7,335,171	\$5,881,860

VENDOR LICENSE CONSOLIDATION

Evidence and data. Interviewed decision-makers experienced direct cost savings from consolidating multiple contracts with their organizations' previously used vendors. Interviewees reported buying separate tools for whiteboarding, design, file sharing, collaboration, and prototyping. FigJam, coupled with Figma's web-based platform, integrated the tools designers need to work through the phases of the project design lifecycle. Customers no longer needed multiple solutions, which allowed them to jettison redundant tools to save on licensing costs. A principal UX designer at a high-tech organization said: "One of the huge bonuses was that we were able to consolidate from multiple products down to one. Being able to consolidate and get everything in one tool and having everything work in that same ecosystem made a ton of sense for us."

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

- Before Figma, the organization paid for an additional, separate suite of design tools.

"We moved from [our legacy whiteboarding tool] to FigJam because FigJam and Figma Design are so well integrated. Figma Design is the workhorse tool for every product designer; most use it daily. Figma Design has become increasingly specialized and powerful for product designers, it is a very specialized tool. The ability to take work from Figma Design and use it in FigJam is increasingly important to present or collaborate with other stakeholders, including product design leadership. This is one of the ways that FigJam adds disproportionate benefit. It makes design more accessible to everyone else."

VP of product design, high-tech

- The company paid \$655 per user for this combination of legacy design and prototyping tools.
- The organization chooses not to renew the contract for its whiteboarding solution. That saves \$249 dollars per user annually.
- The composite organization has a total of 300 seatholders for which it is paying for licenses.
- The legacy product design tools didn't satisfy the organization's needs for prototyping, forcing it to buy another software license for \$30,000 each year.

Risks. Vendor license consolidation will vary with:

- The number of legacy tools previously used at an organization.
- The rate at which the prior tools are decommissioned and the duration of legacy contracts.
- The number of users.
- The rate at which Figma is adopted and used to its fullest potential.

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 \$838,000.

“We had a very fragmented tool set. That’s another change that’s driven efficiency. Ultimately ... broader cost savings [come from how] we’ve really streamlined our tool set significantly. From a pure management standpoint, that really is a big shift in behavior and efficiency for our creative ops team.”

*Experience design director,
financial services*

“We had four or five different services we paid for just to get our design process and workflow going. Figma provided all of these out of the box, which was a huge win for us.”

Senior designer, high-tech

Vendor License Consolidation					
Ref.	Metric	Source	Year 1	Year 2	Year 3
A1	Avoided cost of previous design system platform tools	Interview	\$655	\$655	\$655
A2	Avoided cost of previous design-only tools	Interview	\$770	\$770	\$770
A3	Legacy whiteboarding solution	Interview	\$249	\$249	\$249
A4	Number of paid users	Composite	300	300	300
A5	Legacy prototyping solution	Interview	\$30,000	\$30,000	\$30,000
A6	Percent reduction in licenses	Composite	50%	75%	90%
At	Vendor license consolidation	$((A1+A2+A3)*A4)+A5$	\$266,100	\$399,150	\$478,980
	Risk adjustment	↓10%			
Atr	Vendor license consolidation (risk-adjusted)		\$239,490	\$359,235	\$431,082
Three-year total: \$1,029,807			Three-year present value: \$838,485		

EFFICIENCY GAINS IN THE PROBLEM DEFINITION PHASE

Evidence and data. The problem definition phase is the foundation of the design process. It's where companies discover and define potential customers' needs and motivations and teams align on a common understanding of the problem to solve in the remainder of the design process. Design researchers, product managers, UX designers, and business stakeholders all play a valuable role in defining customer needs.

Before Figma, interviewees' firms relied on face-to-face workshops and onerous, inefficient file-sharing processes to share thoughts and ideas. They reported using legacy presentation tools as a means to collaboration or had procured third-party whiteboarding tools.

FigJam and Figma enable effective collaboration between teams located in different geographies who can't communicate in real time. One head of product

"The magic of Figma is that you can give someone a URL and they can see the work and even feel a prototype of the work. Figma has definitely improved the iterative design and research part of the workflow, and that speeds the step around buying or approvals."

Principal designer, high-tech

design and UX research described how their high-tech firm gained efficiencies by using a combination of Figma and FigJam: "FigJam is so easy to use and that just removes a lot of friction. The synergy between Figma and FigJam is very important to stop

wasting a whole bunch of time by exporting assets and dropping them back in. Combine that with the diversity of applications. From collaboration sessions and ideating to doing research, capturing moods, building out themes, in-person workshops through to creating storyboards for production, you can use it in a lot of diverse ways with a bunch of diverse actors, and that's really powerful."

Easing the process of cross-team communication contributed to elevating the role of product design within one senior design program manager's professional services firm. They described how design now has a prominent seat at the table: "Design is no longer left out to only discover things after they happen. Design is very much in the forefront, providing vision-type work and research that's feeding the product roadmap."

Modeling and assumptions. Based on the customer interviews, Forrester assumes:

- An average of 10 team members participate in the problem definition phase. This includes product, technical, and design leads, plus additional design and product managers, business stakeholders, and design researchers.
- The composite performs a yearly average of 30 short-term upgrades and two long, in-depth projects.
- The average fully burdened salary of each of the 10 team members who participate in this phase is \$72 per hour.
- Figma's impact on the problem definition phase results in a 10% reduction in team members' time.
- FigJam's impact on the problem definition phase results in a 40% reduction in team members' time.
- As a best practice, Forrester recognizes that the employees who participate in the problem

definition phase convert 75% of the hours saved into productive work time.

- As more employees collaborate using Figma, the time-saving value capture increases from 20% in Year 1 to 90% in Year 3.

"Figma and FigJam are always open forever. Having it up persistently is the easiest way to get people to continue to engage with it. It becomes a single source of truth for all those activities and the learnings that you collect and need as you're going through the process. If you're in Figma all the time, it's like that's the living room and I know where everything is, and I know where the remote is and I can just go grab it."

Principal UX designer, financial services

Risks. Efficiency gains in the problem definition phase will vary with:

- The number of team members involved in each project.
- The number and duration of projects in this phase.
- The rate at which teams adopt Figma.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV of \$1.8 million.

Efficiency Gains In The Problem Definition Phase					
Ref.	Metric	Source	Year 1	Year 2	Year 3
B1	Average number of project team members	Composite	10	10	10
B2	Average number of annual projects	Composite	30	30	30
B3	Average project duration in the problem definition phase (in hours)	4 weeks *40 hours per week	160	160	160
B4	Average fully burdened salary of project team members	TEI standard	\$72	\$72	\$72
B5	Percentage of time saved due to Figma in the problem definition phase	Composite	10%	10%	10%
B6	Percentage of time saved due to FigJam in the problem definition phase	Composite	40%	40%	40%
B7	Productivity recapture	TEI standard	75%	75%	75%
B8	Percent of value captured per year	Composite	20%	80%	95%
Bt	Efficiency gains in the problem definition phase	$(B1*B2*B3*B4)*(B5+B6)*B7*B8$	\$259,200	\$1,036,800	\$1,231,200
	Risk adjustment	↓10%			
Btr	Efficiency gains in the problem definition phase (risk-adjusted)		\$233,280	\$933,120	\$1,231,200
Three-year total: \$2,274,480			Three-year present value: \$1,815,763		

EFFICIENCY GAINS IN IDEATE AND CREATE PHASE

Evidence and data. According to interviewees, Figma's greatest business impact accrued during the ideate and create phase. Figma better enabled design teams to consistently use the correct typography, colors, and assets when multiple designers collaborate. The design system saved teams thousands of hours previously spent performing repetitive (yet necessary) work. One senior design program manager for a professional services organization explained: "In the past when creating an early-stage design, a designer needed to figure out what components were available and their location. You have a hundred conversations to find the component from another team who may not have a library, only a previous design that contained the desired component. It was a nightmare, and now that all goes away."

- **Gives teams a head start in asset creation.** Instead of creating icons and page templates from scratch every time, Figma allowed designers to create design systems and page templates. A senior design program manager explained how their team saved more than 50% in their design time: "Instead of taking 10 components and designing a page, we've prebuilt that page using page templates. We can get to the 50-yard line from day one versus starting from the end zone."
- **Provides an operational framework for design ops.** Design operations teams no longer put the onus on creators to pull down the latest file updates. Figma allows design systems teams to automatically publish updated assets and update their design systems.
- **Replaces traditional presentation tools.** Interviewees used FigJam or Figma to present designs directly without using PowerPoint or other presentation applications. Designers could prototype, build high-fidelity screens, hand off

designs, and present them to stakeholders, all within the same tool. The principal software development lead, describing how their meetings became more interactive, said, "Being able to follow a presenter live provides that ability for us to dive into the design quickly rather than just show traditional slides."

- **Archives a history of the thinking.** The experience design director at the financial services firm explained the role that FigJam played in the ideate and create phase: "Our designers are using FigJam in ways that replace [traditional presentation tools] and [traditional document repositories]. FigJam is the tool that the majority of our designers and our content designers use as the first step in that process. When kicking off an ideation session, our researcher and some of our designers open FigJam at the beginning of that meeting. That's the space that they start from and document the ideation. Ultimately that stays active through the project as an adjunct to the product design work that they're doing in Figma."
- **Brings distributed teams together in near-real time.** Teams who were not able to work in real time benefited from the ability to collaborate asynchronously. This allowed designers to see a project's history and progress and jump in to comment without fear of damaging the file. The principal designer from the high-tech firm said: "Whether it's research, engineering, or marketing, collaborating earlier in Figma means there are fewer questions about 'Why didn't you think about this?' or 'We forgot about this step,' or 'We didn't think about this engineering challenge.' Because we can bring people in through a URL into the design process earlier, it speeds up the collaboration and approval process."

Modeling and assumptions. Based on the customer interviews, Forrester assumes:

“There is probably between 30% to 50% improvement in terms of efficiency. The efficiency comes from having predetermined templates, which my researchers love. The efficiency comes from being able to get people all together in a really effective way.”

Head of Product Design and UX research, high-tech

- An average of 12 team members participate in the ideate and create phase at the composite organization. Those roles often include product, technical, and design leads as well as additional designers, product managers, business stakeholders, legal, content strategists, and UX writers.
- The average number of projects, which includes both short-term upgrade work and long, in-depth projects, is 30 annually.
- The average fully burdened salary of each of the 12 team members who participate in this phase is \$72 per hour.
- Figma’s impact on the ideate and create phase resulted in a 60% reduction in team members’ time.
- FigJam’s impact on the problem definition phase results in a 10% reduction in team members’ time.
- The employees who participate in the ideate and create phase convert 50% of the hours saved into productive work time.

- As more employees adopt Figma, design systems are standardized and plug-ins are used to automate updates, enabling the percentage of value captured to increase from 20% to 90%.

Risks. Efficiency gains in the ideate and create phase will vary with:

- The number of team members involved in each project.
- The number and duration of projects in this phase.
- The rate at which teams adopt Figma.

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

Efficiency Gains In Ideate And Create Phase					
Ref.	Metric	Source	Year 1	Year 2	Year 3
C1	Average number of project team members	Composite	12	12	12
C2	Average number of annual projects	Composite	30	30	30
C3	Average project duration in create and ideate phase (in hours)	5 weeks * 40 hours per week	200	200	200
C4	Average fully burdened salary of project team members	B4	\$72	\$72	\$72
C5	Percentage of time saved due to Figma in the ideate and create phase	Composite	60%	60%	60%
C6	Percentage of time saved due to FigJam in the ideate and create phase	Composite	10%	10%	10%
C7	Productivity recapture	TEI standard	50%	50%	50%
C8	Percent of value captured by year	TEI standard	20%	80%	95%
Ct	Efficiency gains in ideate and create phase	$(C1 \cdot C2 \cdot C3 \cdot C4) \cdot (C5 + C6) \cdot C7 \cdot C8$	\$362,880	\$1,451,520	\$1,723,680
	Risk adjustment	↓10%			
Ctr	Efficiency gains in ideate and create phase (risk-adjusted)		\$326,592	\$1,306,368	\$1,551,312
Three-year total: \$3,184,272			Three-year present value: \$2,542,068		

EFFICIENCY GAINS IN THE DEVELOP AND IMPLEMENT PHASE

Evidence and data. Before Figma, developers were often brought into the design process late or left out altogether. To counter this, design teams spent days and weeks documenting the history of the design versions and detailed specs. However, context and intent were often lost in translation. After deploying Figma, design teams changed their workflows to include developers earlier in the process, which saved time that had previously been spent writing lengthy design specs. Developers could then identify technical challenges, leverage FigJam to understand the project history, and see an early prototype.

The principal software development lead at a professional services firm provided the developer perspective by stating succinctly: “My engineers say the main selling point for them is to be able to click on

the link and see the design right away. They don’t care about all the other features designers have; they need the tool that works.”

Development teams also described how they were able to automate functionality by using the plug-in architecture. Teams leveraged the community for existing plug-ins or created bespoke code that uniquely fit their business.

Modeling and assumptions. Based on the customer interviews, Forrester assumes:

- An average of five team members participate in the develop and implement phase. Those roles include product, technical, and design leads as well as additional developers or engineers.
- The average number of projects, which include both short-term upgrade work and long, in-depth projects, is 30 annually.

- The average fully burdened salary of each of the 10 team members who participate in this phase is \$72 per hour.
- Figma's impact on the develop and implement phase results in a 30% reduction in team members' time.
- FigJam's impact on the develop and implement phase results in a 5% reduction in team members' time.
- As a best practice, Forrester recognizes that the employees who participate in the develop and implement phase convert 50% of the hours saved into productive work time.
- As more employees collaborate using Figma, the time-saving value capture increases from 20% to 95%.

Risks. Efficiency gains in the develop and implement phase will vary with:

- The number of team members involved in each project.
- The number and duration of projects in this phase.
- The rate in which teams adopt Figma.

“Figma Design shines in the creation phase. That’s where our product designers spending a lot of their time developing those high-definition solutions. Then when we’re trying to align with stakeholders in the development phase, that’s where strong design communication is important. We want to share those prototypes seamlessly, show how the solutions work, and talk about the benefits or drawbacks of different ideas. We’re using FigJam for that.”

VP of product design, high-tech

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV of \$424,000.

Efficiency Gains In The Develop And Implement Phase					
Ref.	Metric	Source	Year 1	Year 2	Year 3
D1	Average number of project team members	Composite	5	5	5
D2	Average number of annual projects	Composite	30	30	30
D3	Average project duration in the develop and implement phase (in hours)	4 weeks *40 hours per week	160	160	160
D4	Average fully burdened salary of project team members	B4	\$72	\$72	\$72
D5	Percentage of time saved due to Figma in the develop and implement phase	Composite	30%	30%	30%
D6	Percentage of time saved due to FigJam in the develop and implement phase	Composite	5%	5%	5%
D7	Productivity recapture	TEI standard	50%	50%	50%
D8	Percent of value captured by year	Composite	20%	80%	95%
Dt	Efficiency gains in the develop and implement phase	$(D1 \cdot D2 \cdot D3 \cdot D4) \cdot (D5 + D6) \cdot D7 \cdot D8$	\$60,480	\$241,920	\$287,280
	Risk adjustment	↓20%			
Dtr	Efficiency gains in the develop and implement phase (risk-adjusted)		\$54,432	\$217,728	\$258,552
Three-year total: \$459,648			Three-year present value: \$423,678		

REDUCED TRAVEL COSTS

Evidence and data. FigJam brought people together at the interviewees' organizations. It was a valuable tool for facilitating communication among team members who preferred visual content over traditional documents. FigJam's integration with audio communication platforms complemented these interactions.

Reducing the need for regular office-based meetings for global or geographically dispersed teams was a significant cost-saving opportunity. Interviewees noted that the solution allowed them to conduct remote workshops that used to involve frequent travel. FigJam's fun and lightweight interface made conversations engaging and quirky while it enhanced collaboration. Additionally, the seamless content transfer between Figma and FigJam contributed to a smoother daily workflow, eliminated minor obstacles, and yielded tangible benefits.

The head of product design and UX research at a high-tech organization said: "It's been cool bringing people together in one place in FigJam. We have partly for financial and environmental reasons typically worked mostly remotely. The big cost saving is we no longer fly people to offices regularly. FigJam has been a catalyst in making that happen. It feels more like you're conversing with mates when there are little motion graphics. It works, and copying and pasting content between Figma and FigJam is very easy. It makes a big difference to your daily culture and removes some of those 'death by 1000 cuts' friction points."

Modeling and assumptions. Based on the customer interviews, Forrester assumes:

- The composite organization's 150 research design professionals travel for six workshops per year.

- The average cost of a three-day trip is \$1,300 per trip, per person.
- The composite assigns Figma and FigJam 10% credit in eliminating the need for those expenses.

Risks. The opportunity to reduce travel costs may vary based on:

- The number of employees who need to travel.

- The number of trips that an employee makes.
- The cost of travel.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV of \$262,000.

Reduced Travel Costs					
Ref.	Metric	Source	Year 1	Year 2	Year 3
E1	Number of employees who travel	Composite	150	150	150
E2	Number of trips annually per employee	Composite	6	6	6
E3	Cost of an average 3-day trip	Composite	\$1,300	\$1,300	\$1,300
E4	Percent attribution given to Figma and FigJam	Composite	10%	10%	10%
Et	Reduced travel costs	$E1 \times E2 \times E3 \times E4$	\$117,000	\$117,000	\$117,000
	Risk adjustment	↓10%			
Etr	Reduced travel costs (risk-adjusted)		\$105,300	\$105,300	\$105,300
Three-year total: \$315,900			Three-year present value: \$261,866		

UNQUANTIFIED BENEFITS

Interviewees shared many stories about the value they experienced by using Figma that couldn't be directly quantified. These stories include:

- FigJam drives engagement.** When asked if FigJam was fun, the VP of product design at the high-tech firm had a lot to say: "I love that question. I was at a [business dinner] seated next to somebody with a C in their title. I still remember what I said to her: 'FigJam is the only piece of software I use that I would describe as fun. It's some secret sauce I have not seen in any other product. The FigJam stickers, high-five gestures, and reactions really drive engagement. I think it directly impacts our success as a team. A lot of what we do as designers is about trying to bring people into the design process, and you do that by making it fun. If the process feels dry and stiff, nobody will want to participate. Tools like FigJam bring people into the process, which we must do to be effective.'"
- Increased speed to market.** The global head of UX at a manufacturer described how their team accelerated initiatives: "We're delivering about four times faster doing this in-house versus with an agency. We met with marketing on a Monday about a campaign rollout. A week later, all the design work was complete, and the brand manager's jaw dropped. He said it would have taken at least a month with the agency." The executive continued: "With organizations of this size, speed to market is a challenge due to the various layers of bureaucracy that the initiatives typically go through. The fact that we're able to maneuver a lot quicker helps us get to market that much faster."
- Decreased agency spend.** Interviewees' organizations that previously relied upon agencies to deliver their creative work described saving 50% to 90% of those expenditures. According to the global head of UX at a manufacturing firm, deploying Figma allowed the company to optimize its employees' time as well as provide the consistency needed to hire contractors when needed. The executive said: "We looked at how much time we spent in design to create an experience for one of our flagship brands. Once we made the time investment, deploying this experience in a completely different region, we delivered the design work for a brand-new site for \$15,000 — whereas it would have cost over \$100,000 through an agency. We do 100 of these throughout the year, and those cost and time efficiencies begin to add up significantly."
- Reduced human error and positively impacted product quality.** The high-tech firm's principal designer described how Figma's automation features improved the quality of their products: "There are a lot fewer steps in the flow where a human being has to go in and manually change something, which is a core part of the efficiency gain. As the system changes, it evolves together automatically, allowing each user to benefit from improvements rather than employees improving their individual design systems." The principal software development lead at the same high-tech firm described the major impact Figma has had on their business: "We've changed from just releasing an MVP to releasing a well-designed and well-architected interface. The world is changing and the bar keeps going up, but it's much easier to keep up with the fidelity and the quality."
- Increased innovation.** The financial services designer said their team has more time to perform high-value work: "What Figma affords designers is the ability to spend time thinking about the hard problems and the things that they're trying to solve, as opposed to how big a button is or what size text should be. All of that's already done."

- **Improved employee retention.** The senior design program manager at a professional services firm raved about the positive impact on employee churn. They received a glowing email from another senior design manager and said: “I don’t know how to send a message to the whole Figma crew, but I wanted to say that the change to Figma has been transformative for multiple designers on my team. I knew it would be nice, but I had two designers say, ‘I was kind of hating my job before, and now I’m having a good time.’ So great job to the Figma implementation team and thank you for helping me not lose designers.”
- **Streamlined communication with leadership.** The financial services principal UX designer talked about democratizing the design process and looping in leadership: “Before Figma, there was a separation between the designs themselves and then presenting it. We used to turn these files into a PNG image and stick them in a presentation tool, losing that closeness to the actual design process. Because Figma’s canvas is collaborative, leadership has been able to jump into the files themselves and experience the prototype you’re creating or provide feedback directly on the design. It’s quite meaningful.”
- **Improving how teams work.** The high-tech principal designer said, “Many designers like me used to hide behind the curtain before you reveal the big showpiece. Figma changed that because it emphasized the thought process and the workflow. We’re more open to receiving feedback in Figma because it is so much easier.”
- **Providing stable plug-ins, whether custom-built or from the community.** The high-tech UX engineer described the benefits he got from engaging with the Figma community: “We take our plug-ins in Figma very seriously, both the architecture and the plug-in community. Because

“Are we seeing design playing a more pivotal role? Yes. Is the executive team getting exposed to customer insight and customer thinking more frequently? Yes. Is the executive team getting excited about team design choices, and are they seeing more of those? Yes. Culturally, we’re influencing the change of thought, meaning the conversations are softer than they would have been waiting a year to see something. We now have many more regular check-in points with the directors, group directors, and up to the C suite.”

Head of product design and UX research, high-tech

FLEXIBILITY

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

- **Dev mode opens new doors for developer productivity.** According to Figma, Dev Mode in Figma design gives developers everything they need to navigate design files and transform designs into code. With Dev Mode, designers and developers stay on the same page, ensuring essential details aren’t lost in the handoff process. Dev Mode is currently in open beta, and several interviewees expressed excitement about its possibilities.

the community is open, easy to use, and easy to install means we learn a lot and see many opportunities with using plug-ins. The community on Figma.com means that you don't have to go searching for this information. They've done a very good job at keeping their community centralized."

- **Collaboration beyond design teams.** The financial services head of design discussed how business teams discovered the merits of FigJam: "Now that we have Figma and FigJam, how does this tool serve others outside the design community? Our data analysts are interested in using it. We have product owners that are interested in using it. We have scrum masters that are using it. And by using it, I mean FigJam, in addition to Figma, or in some cases just FigJam. Now that we are transitioning off [competing tools], people have realized FigJam is less expensive and has open sessions. I don't have to worry about having a license for everyone who uses the tool."

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

Analysis Of Costs

■ Quantified cost data as applied to the composite

Total Costs							
Ref.	Cost	Initial	Year 1	Year 2	Year 3	Total	Present Value
Ftr	Figma and FigJam license costs	\$0	\$288,000	\$288,000	\$288,000	\$864,000	\$716,213
Gtr	Internal costs to deploy Figma and FigJam	\$197,683	\$448,589	\$33,581	\$33,581	\$713,434	\$658,474
	Total costs (risk-adjusted)	\$197,683	\$736,589	\$321,581	\$321,581	\$1,577,434	\$1,374,687

FIGMA AND FIGJAM LICENSE COSTS

Evidence and data. Figma provided all pricing information. Because of this, there was a 0% risk adjustment.

Modeling and assumptions. Based on the information from Figma, Forrester assumes:

- The composite organization pays an annual list price of \$900 per user. Editor licenses include:
 - Unlimited projects and version history.
 - Custom file and user permissions.
 - Invite-only private projects.
 - Shareable team libraries and centralized teams
 - Organizationwide design systems and analytics
 - Private plug-ins and plug-in administration.
 - Shared fonts.
 - SSO plus advanced security.
 - Paid editor licenses are assigned to a combination of design professionals, researchers, developers, executives, product managers, and marketers.

- In addition, the composite organization can create an unlimited number of viewer licenses that allow:
 - Unlimited files in drafts.
 - Unlimited viewers and commenters.
 - Unlimited editors on three team files.
 - One team project.
 - 30-day version history.
 - Unlimited cloud storage.
- The composite pays an additional \$60 per user annually for FigJam.

Risks. This cost can vary from organization to organization due to the following factors:

- Teams may choose to invest more or less time and resources in the planning and deployment process.
- The level of orientation and onboarding will vary based on the team's familiarity with existing design tools.

Results. To account for these risks, Forrester adjusted this cost upward by 0%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$716,000.

Figma And FigJam License Costs						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
F1	Cost of Figma license	Figma		\$900	\$900	\$900
F2	Cost of a FigJam license	Figma		\$60	\$60	\$60
F3	Number of paid users	Composite		300	300	300
Ft	Figma and FigJam license costs	(F1+F2)*F3		\$288,000	\$288,000	\$288,000
	Risk adjustment	0%				
Ftr	Figma and FigJam license costs (risk-adjusted)		\$0	\$288,000	\$288,000	\$288,000
Three-year total: \$864,000			Three-year present value: \$716,213			

INTERNAL COSTS TO DEPLOY FIGMA AND FIGJAM

Evidence and data. Interviewees described how their organizations were able to achieve the benefits of Figma by investing the time and resources to create a strategic plan for its implementation, rollout, governance, and training. FigJam was described as so easy to use that no additional training was required.

Modeling and assumptions. To accomplish this, the composite incurs the following costs:

- The project lead spends six months planning for and implementing Figma. After the initial rollout, the lead spends 8 hours per week on administrative functions.
- To establish a deployment, governance, and training strategy, the composite organization establishes eight workstream leads. They negotiate the allocation of 20% of their assignment.
- Thirty designers conduct a two-day sprint to convert previous design files to Figma formats and build plug-ins. The Figma deployment team

spends an additional 40 hours annually building plug-ins after the first year.

- The composite organization requires 16 hours of training for each of its 300 editor license-holders.

Risks. This cost can vary from organization to organization due to the following factors:

- Teams may choose to invest more or less time and resources in the planning and deployment process.
- The level of orientation and onboarding will vary based on the team's familiarity with existing design tools.

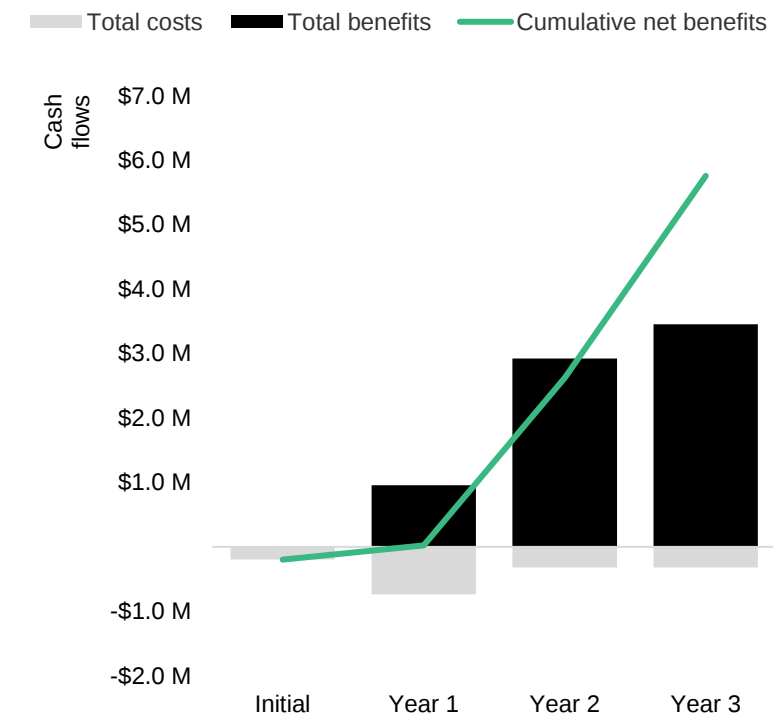
Results. To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year, risk-adjusted total PV of \$658,000.

Internal Costs To Deploy Figma And FigJam						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
G1	Employee leading deployment	40 hours per week *24 (6 months)	960			
G2	Ongoing management of Figma and FigJam	8 hours per week		384	384	384
G3	Employee workstream leads	20% of employee hours for 6 months * 8 Employees	1,536			
G4	Employee time converting files and building plug ins	30 designers in a 2 day sprint		480	40	40
G5	User training	16 hours		16		
G6	Number of employees with editor licenses	Composite	300	300		
G7	Average fully burdened salary of project team member	\$72 per hour	\$72	\$72	\$72	\$72
Gt	Internal costs to deploy Figma and FigJam	Initial: (G1*G7)+(G3*G7) Years 1,2,3: (G2*G7)+(G4*G7)+(G5*G6*G7)	\$179,712	\$407,808	\$30,528	\$30,528
	Risk adjustment	↑10%				
Gtr	Internal costs to deploy Figma and FigJam (risk-adjusted)		\$197,683	\$448,589	\$33,581	\$33,581
Three-year total: \$713,434			Three-year present value: \$658,474			

Financial Summary

CONSOLIDATED THREE-YEAR RISK-ADJUSTED METRICS

Cash Flow Chart (Risk-Adjusted)



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

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

Cash Flow Analysis (Risk-Adjusted Estimates)

	Initial	Year 1	Year 2	Year 3	Total	Present Value
Total costs	(\$197,683)	(\$736,589)	(\$321,581)	(\$321,581)	(\$1,577,434)	(\$1,374,687)
Total benefits	\$0	\$959,094	\$2,921,751	\$3,454,326	\$7,335,171	\$5,881,860
Net benefits	(\$197,683)	\$222,505	\$2,600,170	\$3,132,745	\$5,757,737	\$4,507,173
ROI						328%
Payback period (months)						11.0

Appendix A: Total Economic Impact

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

TOTAL ECONOMIC IMPACT APPROACH

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

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

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

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

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



PRESENT VALUE (PV)

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



NET PRESENT VALUE (NPV)

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



RETURN ON INVESTMENT (ROI)

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



DISCOUNT RATE

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



PAYBACK PERIOD

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

Appendix B: Endnotes

¹ Source: “[Future Digital Experiences: Invisible And Immersive](#),” Forrester Research, Inc., February 13, 2023.

² 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.

³ Source: “[Figma’s Embrace Of Developers And AI Expands And Evolves Design](#),” Forrester Research, Inc., June 26, 2023.

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