A Forrester Total Economic Impact™
Study Commissioned By Impact
January 2020

The Total Economic Impact™ Of Impact's Partnership Cloud

Cost Savings And Business Benefits Enabled By The Partnership Cloud

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Table Of Contents

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Select Key Metrics *

Incremental gross profit attributed to Impact: $1.3M over three years

ROI : 314%

Payback Period: <6 months

Total quantified benefits:
$2,330,879
(risk- and PV-adjusted)

*** Composite *Organization* represents a partnership program that generates $11M in annual revenue**

Executive Summary

Impact's Partnership Cloud™ handles the entire lifecycle across an enterprise's partnerships. From discovery and recruitment, to contracting and payment processing, tracking, engagement and optimizing, Impact's Partnership Cloud helps drive growth across all partner types. You can read more in the Impact's Partnership Cloud Overview section of this study.

Impact commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and objectively examine the potential ROI that organizations may realize by deploying its Partnership Cloud. The purpose of this study is to provide readers and prospects with a framework to evaluate the potential financial impact of Impact's Partnership Cloud on their organizations.

To better understand the benefits, costs, flexibility and risks associated with this investment, Forrester conducted in-depth interviews with five customers with experience ranging from six to 60 months using the Partnership Cloud. We have used data gathered from these five interviews to create a composite *Organization* that illustrates the quantifiable benefits and costs of investing in Impact's Partnership Cloud. The composite *Organization* is a large global enterprise conducting business in the B2C and/or B2B arenas and has been using Impact's Partnership Cloud for three years. For more information, see the section titled The Composite *Organization*.

Key Findings

Note: the composite *Organization* represents a partnership program that generates $11M in annual revenue. To understand the economics for your partnership program using Forrester's Impact Partnership Cloud ROI calculator, please contact: grow@impact.com

Quantified benefits. The composite *Organization* experiences the following risk-adjusted, present-value (PV) quantified benefits, totaling $2,330,879 over three years, compared to its previous environment (see the Analysis Of Benefits section for more details):

- **Using Partnership Cloud to grow partnership revenue and profit** — $1,267,919.
- **Labor efficiencies using Impact's Partnership Cloud** — $704,853.
- **Savings from discovering and recruiting partners using Partnership Cloud** — $358,107.

In addition to the quantified benefits listed above, the interviewed customers discussed several qualitative features or benefits from using Impact's Partnership Cloud (see the Unquantified Benefits section for more details).

Costs. The *Organization* experiences the following risk-adjusted and PV costs totaling $563,214 over three years (see the Analysis Of Costs section for more details):

- **Costs to deploy, subscribe to, and manage Impact** — $124,236.
- **Labor required to support incremental partner growth** — $438,978.

Benefits PV
$2,330,879

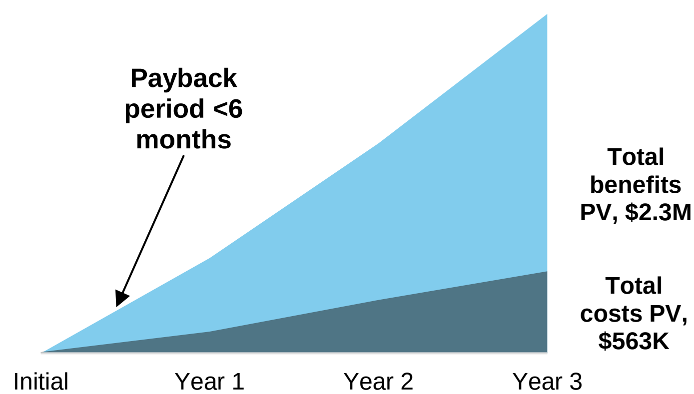
NPV
$1,767,665

Forrester's interviews and subsequent financial analysis found that the *Organization* experiences benefits of $2,330,879 over three years versus costs of $563,214, adding up to a net present value (NPV) of $1,767,665, with a payback period of less than six months and an **ROI of 314%.**

If risk-adjusted costs, benefits, and ROI still demonstrate a compelling business case, it raises confidence that the investment is likely to succeed because the risks that threaten the project have been taken into consideration and quantified. The risk-adjusted numbers should be taken as realistic expectations, as they represent the expected value considering risk. Assuming normal success at mitigating risk, the risk-adjusted numbers should more closely reflect the expected outcome of the investment.

Forrester note: Enterprises and brands have traditionally focused on growth through sales and marketing optimization. While historically successful, enterprises are increasing their focus on growth through partnerships to meet and exceed future growth goals. As partnerships become increasingly crucial to revenue growth, organizations must develop an operational strategy and leverage the correct channel tools and organizational best practices to ensure partnership success.

Financial Summary



TEI Framework And Methodology

From the information provided in the interviews, Forrester has constructed a Total Economic Impact™ (TEI) framework for those organizations considering investing in Impact's Partnership Cloud.

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 Impact's Partnership Cloud can have on an organization:

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

DUE DILIGENCE
Interviewed Impact stakeholders to gather data relative to the marketplace.

CUSTOMER INTERVIEWS
Interviewed five customers using Impact's Partnership Cloud to obtain data with respect to costs, benefits, flexibility, 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 the impact of Impact's Partnership Cloud: 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 Impact 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 Impact's Partnership Cloud.

Impact 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.

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

Impact's Partnership Cloud Customer Journey

BEFORE AND AFTER IMPACT'S PARTNERSHIP CLOUD INVESTMENT

Interviewed Customers

For this study, Forrester conducted interviews with the five Impact customers described below, each requesting anonymity.

Note: The average annual partnership program revenue for the interviewed customers was $11 million.

CUSTOMER DESCRIPTION	PARTNER TYPES	INTERVIEWEE	MONTHS USING IMPACT PRODUCTS
US eCommerce apparel company	Affiliates and social influencers	Growth marketing manager	15 months
Asia-based multinational technology company	Strategic B2B, social responsibility, affiliates, social influencers, premium publishers, sponsorships and ambassadors	Senior manager, global partnerships marketing	12 to 60 months
European sporting goods retailer	Affiliates, premium publishers	Affiliate manager	30 months
US-based eCommerce	Strategic B2B, social responsibility, affiliates, premium publishers	Vice president, direct to consumer	24 months
European affiliate marketing agency	Affiliates and social influencers	Owner/director	6 months

When Forrester asked interviewees to confirm Impact's stated descriptions of its solution, each customer agreed with the following two statements:

- "Impact's Partnership Cloud handles the entire partner lifecycle across any partnership type. From discovery, recruitment and contracting to tracking, commissioning and optimizing, Impact's Partnership Cloud helps drive growth from partners across the spectrum."
- "The Impact Partnership Cloud is a single platform that streamlines workflows and improves insight by unifying the management of a spectrum of partnership types."

> "We need tracking solutions like Impact's Partnership Cloud to provide the data we need to scale and grow our partnerships and media players globally and profitably. And it helps us track sales that should be attributed to our partners."
>
> *Senior manager, global partnerships marketing*

The Composite *Organization*

Forrester used data gathered from the five customer interviews to create a composite *Organization* that illustrates the quantifiable benefits and costs of investing in Impact's Partnership Cloud. The *Organization* is a large global enterprise conducting business in the B2C and/or B2B arenas. It decided to invest in Impact's Partnership Cloud three years ago.

Previous to using Impact, the *Organization* struggled with disparate systems, manual workflows, and a myriad of legacy technologies that failed to effectively manage the end-to-end partner lifecycle. The *Organization* found it increasingly difficult to maintain the same levels of growth through traditional sales and marketing channels — and these are no longer reliable channels for customer acquisition.

Key Business Goals And Objectives

After extensive review processes evaluating several vendors, the interviewed customers selected Impact as, overall, they believed Impact's Partnership Cloud could satisfy the following business goals and objectives, also shared by the composite *Organization*:

- Drive more revenue growth through partnerships.
- Efficiently and globally scale partnership programs.
- Expand the breadth of partnership types.
- Broaden the scope of partnerships.
- Achieve partnership program executional process improvement and time savings.
- Consolidate partnership activities on a single vendor platform.
- Achieve maximum flexibility and easy workflows for managing coupon, rewards, loyalty, and cashback site partners, as well as other eCommerce partners.
- Gauge the true value that each influencer partner contributes to a conversion, as well as the true influence of their program against other marketing channels.
- Deliver flexible electronic contracting, powerful tracking, and automated payment processing.

"Impact's technology is critical to the execution, management, and growth of our partner program. The Partnership Cloud is the neutral third-party system providing us and our partners with a common understanding and accurate view of program details, status, results, and payment."

Vice president, direct to consumer

Key Results

The customer interviews revealed beneficial functionality attributed to their investments in Impact's Partnership Cloud as listed below (specific financial benefit details are available in the Analysis Of Benefits section):

- Using the Partnership Cloud to grow partnership revenue and profit.
- Labor efficiencies using Impact's Partnership Cloud.
- Savings from discovering and recruiting partners with the Partnership Cloud.

In addition to the benefits listed above, the interviewed customers discussed several qualitative features or benefits from using the Impact's Partnership Cloud (see the Unquantified Benefits section for more details).

Analysis Of Benefits

QUANTIFIED BENEFIT AND COST DATA

Total Benefits — The *Organization*

REF.	BENEFIT	YEAR 1	YEAR 2	YEAR 3	TOTAL	PRESENT VALUE
Atr	Using Partnership Cloud to grow partnership revenue and profit	$360,000	$520,000	$680,000	$1,560,000	$1,267,919
Btr	Labor efficiencies using Impact's Partnership Cloud	$216,000	$288,000	$360,000	$864,000	$704,853
Ctr	Savings from discovering and recruiting partners using Partnership Cloud	$144,000	$144,000	$144,000	$432,000	$358,107
	Total benefits (risk-adjusted)	$720,000	$952,000	$1,184,000	$2,856,000	$2,330,879

Note Atr, Btr, and Ctr refer to benefit totals in the tables below.

Benefit 1: Using Partnership Cloud To Grow Partnership Revenue And Profit

Prior to its investment in Impact, the *Organization* struggled with disparate systems, manual workflows, and a myriad of legacy technologies that failed to effectively manage the end-to-end partner lifecycle. The *Organization* found it increasingly difficult to maintain the same levels of growth through traditional sales and marketing channels — and these are no longer reliable channels for customer acquisition.

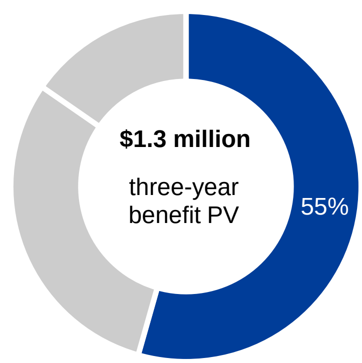
The *Organization* chose the Partnership Cloud as a strategic differentiator with a goal of pursuing a broad range of business and technology initiatives to optimize its partnership-related revenue and profits.

Areas of spend optimization and incremental revenue provided by the Partnership Cloud and reported by some interviewed customers include:

- Improved tracking and reporting to view partners' contributions to conversion path.
- Ability to credit, pay and optimize relationships with top of funnel content partners and other contributors leading to conversion.
- Identified value of influencer spend.
- SKU level payout adjustments.
- Improved promotional and partner engagement tools.

Interviewed customers sought to dynamically adjust payouts based on value, seeking a fair exchange of partner compensation for customer value creation.

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 *Organization* expects risk-adjusted total benefits to be a PV of over $2.3 million.



Using Partnership Cloud to grow partnership revenue and profits:
55% of total benefits

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The *Organization* aims to optimize partner payments accordingly. By using Impact's tools, it can more generously compensate those partners that are driving retention and a higher lifetime value (LTV). And it strives to reserve larger payouts for those customers that hit all the goals. The *Organization* wants to create transparency with its partners so that the compensation amounts make sense for both parties. Impact allows it to do that.

Modeling and assumptions. The interviewed customers reported a range of incremental revenue and profit directly attributed to their investments in Impact's Partnership Cloud. The composite *Organization* represents a partnership program that generates $11M in annual revenue.

Risks. Forrester has risk-adjusted the incremental gross profit benefit downward by 20% in the table below due to the wide range of incremental revenue results and varying gross profit margin percentages among interviewed customers.

This yields a three-year, risk-adjusted PV of $1,267,919.

Benefit 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.

Using Partnership Cloud To Grow Partnership Revenue And Profit: Calculation Table

REF.	METRIC	CALC./SOURCE	YEAR 1	YEAR 2	YEAR 3
A1	Incremental revenue attributed to Impact	Interviews	$900,000	$1,300,000	$1,700,000
A2	Gross profit margin percent	Industry average	50%	50%	50%
At	Using Partnership Cloud to grow partnership revenue and profit	A1*A2	$450,000	$650,000	$850,000
	Risk adjustment	↓20%			
Atr	Using Partnership Cloud to grow partnership revenue and profit (risk-adjusted)		$360,000	$520,000	$680,000

Benefit 2: Labor Efficiencies Using Impact's Partnership Cloud

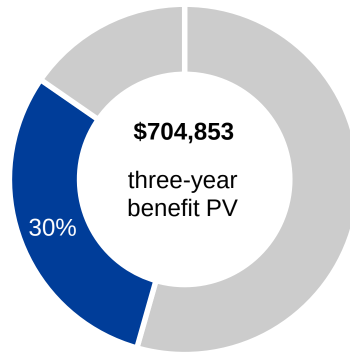
Impact's Partnership Cloud helps the *Organization* be more efficient, repeatable, and productive in the following previously manual processes: contracting, tracking, crediting, commissioning, payment processing, and reporting.

Through automation of these manual tasks, the *Organization* experiences time savings that can be eliminated and/or reallocated to strategy and revenue-driving activities.

Modeling and assumptions. The interviewed customers reported labor efficiency savings, averaged and outlined in the table below.

Risks. To be conservative, Forrester has risk-adjusted (reduced) savings by 20% to reflect interviewed customers' variations on the number of staff in their pre-Impact environments and the range of fully loaded costs of their partnerships and analyst staff.

This yields a three-year risk-adjusted total PV of $704,853.



Labor efficiencies using Impact's Partnership Cloud: 30% of total benefits

Labor Efficiencies Using Impact's Partnership Cloud: Calculation Table

REF.	METRIC	CALC./SOURCE	YEAR 1	YEAR 2	YEAR 3
B1	Pre-Impact — incremental labor that would have been required to match Impact's results (FTEs)	Interviews	3	4	5
B2	Average fully loaded cost — affiliate managers	Industry average	$90,000	$90,000	$90,000
Bt	Labor efficiencies using Impact's Partnership Cloud	B1*B2	$270,000	$360,000	$450,000
	Risk adjustment	↓20%			
Btr	Labor efficiencies using Impact's Partnership Cloud (risk-adjusted)		$216,000	$288,000	$360,000

Benefit 3: Savings From Discovering And Recruiting Partners Using Partnership Cloud

As with interviewed customers, the *Organization* had a relatively small number of partners representing a high percentage of partner revenue (20% of partners represented 80% of revenue). Prior to investing in Impact Partnership Cloud, it could only execute 10 to 20 influencer placements a month given how time-consuming it was to find, recruit, negotiate, track, and aggregate partners. It sought to diversify partner revenue over a broader base of partners by taking advantage of Impact's access to over 7 million global partners. Using Partnership Cloud, the *Organization* can automate recruiting, negotiation, tracking, and aggregation, resulting in an increase to 30 to 40 placements per month and leveraging influencer-generated assets across social media, email, and product web pages. Results include a 10% lift in conversion rates on product pages enriched with influencers' content versus the same product without enrichment.

"With Impact, we can track, report, and pay accurately. Their platform scales with us by taking care of payments to partners. We're not sending out hundreds or thousands of checks every month as the program gets larger; we send a single check to Impact."

Vice president, direct to consumer

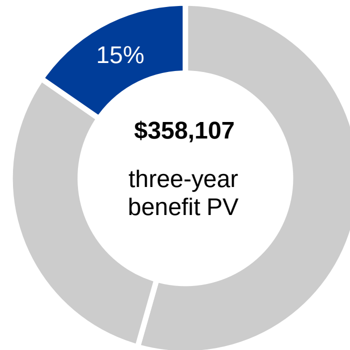
Using Partnership Cloud, the *Organization* can recruit partners more efficiently due to the following Impact features and functionality:

- Identify partners by content, based on search rankings, to promote optimal collaboration.
- Create partner segments based on size, quality, geography, and social audience and send personalized emails to those prospects.
- Filter by brand to see who's driving traffic for the *Organization's* competitors.
- Track and analyze online conversations to uncover consumer insights and identify the *Organization's* most vocal advocates in the social sphere.

The *Organization's* cost per acquisition (CPA) is optimized using Impact's Partnership Cloud's ability to automate and personalize messaging to thousands of prospects.

Modeling and assumptions. Forrester includes the 10% lift in conversion rates in row A1 in a previous table. The *Organization* saves two FTEs as time and effort are optimized for automating partner recruiting, negotiation, tracking, and aggregation.

Risks. To be conservative, the savings below are risk-adjusted by 20% to reflect interviewed customers' variations on the number of staff in their pre-Impact environments and the range of fully loaded costs of their partnerships and analyst staff. This yields a three-year, risk-adjusted total PV of $358,107.



Savings from discovering and recruiting partners using Partnership Cloud:
15% of total benefits

Savings From Discovering And Recruiting Partners Using Partnership Cloud: Calculation Table

REF.	METRIC	CALC./SOURCE	YEAR 1	YEAR 2	YEAR 3
C1	Pre-Impact — incremental labor that would have been required to match Impact's results (FTEs)		2	2	2
C2	Average fully loaded cost — analysts and affiliate managers		90,000	90,000	90,000
Ct	Savings from discovering and recruiting partners using Partnership Cloud	C1*C2	$180,000	$180,000	$180,000
	Risk adjustment	↓20%			
Ctr	Savings from discovering and recruiting partners using Partnership Cloud (risk-adjusted)		$144,000	$144,000	$144,000

Unquantified Benefits

In addition to the quantified benefits listed above, the interviewed customers discussed several qualitative features or benefits from using Impact's Partnership Cloud, including:

- **Increased transparency.** Organizations can consolidate all interactions and learnings into a centralized partner CRM, enabling both their own and partner organizations to stay equally informed.
- **Ability to monitor brand reputation**. Organizations can gain peace of mind by knowing how affiliates, influencers, and partners are promoting them.
- **Ability to diversify the partner base.** Organizations can reduce revenue reliance on a small percentage of partners and move from the typical 20% of partners contributing 80% of revenue to a less risky ratio.

"What I like best about Impact is that it's a SaaS platform with a simple UI that provides clear, concise data and reporting. We've had brand new employees using the platform, and they're able to jump right in and use it; it's very intuitive for them. Impact has been the best part of our partnership business."

Senior manager, global partnerships marketing

Flexibility

The value of flexibility is clearly unique to each customer, and the measure of its value varies from organization to organization. There are scenarios in which a customer might choose to implement Impact's Partnership Cloud and later realize additional uses and business opportunities using Impact's other capabilities, as follows:

- **Partnership optimization.** Interviewed organizations discussed the ability to unify and analyze the data across marketing channels for deep insights into customer trends and behaviors, leading to smarter media-buying decisions. The Partnership Cloud delivers insights into the customer's journey through to conversion to help measure the incremental value of each partner and deliver actionable insights that optimize partnership programs.
- **Partnership program protection and monitoring.** Impact's sophisticated fraud detection methods identify malicious activity and help eliminate bad actors, which optimizes digital spend toward higher-quality traffic. In addition, the Partnership Cloud detects click, lead generation, attribution, install, and conversion fraud, thus instilling full confidence in an organization's program. The Partnership Cloud's fraud detection tools are powered by a global intelligence database and optimized by its full-funnel fraud detection capabilities.

The concept of flexibility is further described 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.

"The customer service and support we get from Impact is great. We've got a team consisting of technical and account-related folks; and then there's Impact's strategy folks who are helping us drive our partnership business as much as possible. The relationship we have with Impact is invaluable to us."

Growth marketing manager, US eCommerce apparel company

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Analysis Of Costs

Total Costs

REF.	BENEFIT	INITIAL	YEAR 1	YEAR 2	YEAR 3	TOTAL	PRESENT VALUE
Dtr	Costs to deploy, subscribe to, and manage Impact	$8,030	$46,728	$46,728	$46,728	$148,214	$124,236
Etr	Labor required to support incremental partner growth	$0	$108,000	$216,000	$216,000	$540,000	$438,978
	Total costs (risk-adjusted)	$8,030	$154,728	$262,728	$262,728	$688,214	$563,214

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 organization expects total risk-adjusted costs to be a PV of $563,214.

Costs To Deploy, Subscribe To, And Manage Impact

The *Organization* conducted an extensive multivendor review process, which resulted in the selection of Impact. The vendor review, implementation, and deployment processes involved key stakeholders from the following roles: marketing acquisition, IT (installing tracking pixels and Java script code), finance (payments), creative team representative, and channel managers. The *Organization* sought to ensure success by involving as many stakeholders that it could.

Modeling and assumptions. For the five interviewed customers, the Impact implementation, deployment, and training processes took an average of 80 hours of labor across the job roles referenced above. Post implementation, there are ongoing labor costs of 10% of an FTE to manage Impact's solutions and the vendor relationship with Impact.

The remaining deployment and management costs include Impact's one-time onboarding fee and monthly fees for the Partnership Cloud. According to Impact, pricing is based on a percent of customer partner spend; therefore, readers should contact Impact directly to determine their potential fees.

Risks. Forrester risk-adjusted these costs upward by 10% to reflect the variability of each interviewed customer's deployment and ongoing management requirements.

The *Organization's* total labor costs to deploy and manage Impact's Partnership Cloud are a risk-adjusted total PV of $124,236.

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.

Costs To Deploy, Subscribe To, And Manage Impact: Calculation Table						
REF.	**COST**	**CALC./SOURCE**	**INITIAL**	**YEAR 1**	**YEAR 2**	**YEAR 3**
Dt	Costs to deploy, subscribe to, and manage Impact		$7,300	$42,480	$42,480	$42,480
	Risk adjustment	↑10%				
Dtr	Costs to deploy, subscribe to, and manage Impact (risk-adjusted)		$8,030	$46,728	$46,728	$46,728

Labor Required To Support Incremental Partner Growth

Interviewed customers described the need to add partnership managers and analysts to support the incremental partner growth attributed to their investment in Impact's Partnership Cloud. In the Analysis Of Benefits section of this case study, Forrester quantified the pre-Impact incremental labor that would have been required (avoided) to match Impact's significant beneficial results. In this section, we recognize the incremental labor required to manage the growth in partners attributed to Impact's positive results.

Modeling and assumptions. The table below represents the costs of labor to manage incremental partner growth over three years.

Risks*.* To be conservative, the costs below are risk-adjusted by 20% to reflect interviewed customers' variations on the number of staff required to manage partner growth and the range of fully loaded costs of their partnerships and analyst staff. This yields a three-year, risk-adjusted total PV of $438,978.

"We could not have grown from 17 partnerships to 130 partnerships without the Impact Partnership Cloud."

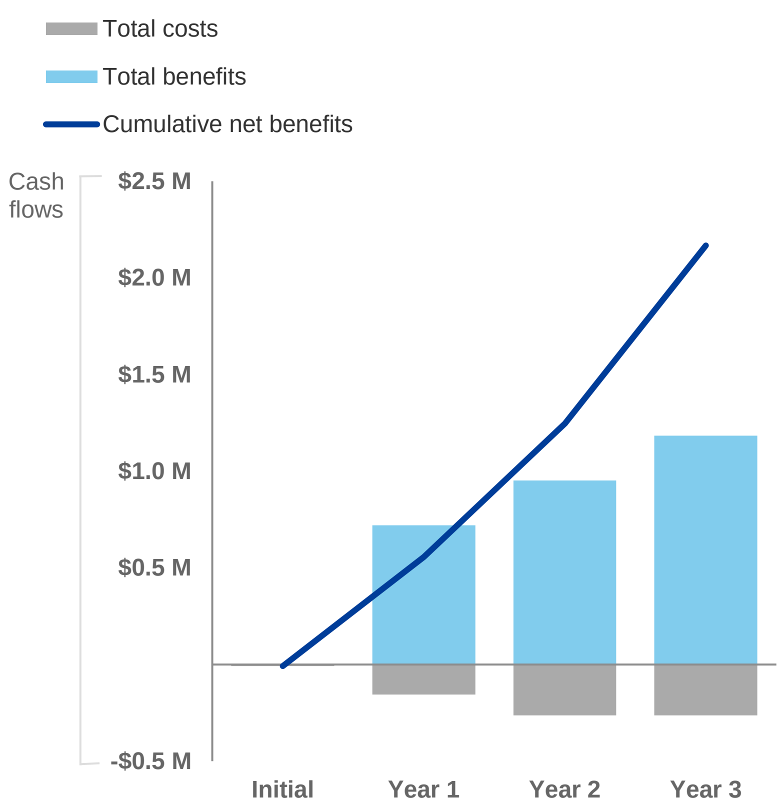
Growth marketing manager, US eCommerce apparel company

Labor Required To Support Incremental Partner Growth: Calculation Table						
REF.	**COST**	**CALC./SOURCE**	**INITIAL**	**YEAR 1**	**YEAR 2**	**YEAR 3**
E1	Labor required to support partner growth (FTEs)	Interviews/FTEs	0	1	2	2
E2	Average fully loaded cost — affiliate managers and analysts	Industry average	0	$90,000	$90,000	$90,000
Et	Labor required to support incremental partner growth	E1*E2	$0	$90,000	$180,000	$180,000
	Risk adjustment	↑20%				
Etr	Labor required to support incremental partner growth (risk-adjusted)		$0	$108,000	$216,000	$216,000

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, NPV, and payback period for the interviewed 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 Table (Risk-Adjusted)

	INITIAL	YEAR 1	YEAR 2	YEAR 3	TOTAL	PRESENT VALUE
Total costs	($8,030)	($154,728)	($262,728)	($262,728)	($688,214)	($563,214)
Total benefits	$0	$720,000	$952,000	$1,184,000	$2,856,000	$2,330,879
Net benefits	($8,030)	$565,272	$689,272	$921,272	$2,167,786	$1,767,665
ROI						314%
Payback period						< 6 months

If risk-adjusted costs, benefits, and ROI still demonstrate a compelling business case, it raises confidence that the investment is likely to succeed because the risks that threaten the project have been taken into consideration and quantified. Assuming normal success at mitigating risk, the risk-adjusted numbers should more closely reflect the expected outcome of the investment.

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Impact's Partnership Cloud Overview

The following information is provided by Impact. Forrester has not validated any claims and does not endorse Impact's Partnership Cloud or its offerings.

ABOUT IMPACT'S PARTNERSHIP CLOUD

Impact's Partnership Cloud manages and protects all of an enterprise's partnerships. From discovery, recruitment, and contracting to tracking, optimizing, and commissioning, Impact's Partnership Cloud helps drive growth from partners across the spectrum.

Impact Partnership Cloud includes the following capabilities to automate an enterprise's management of the full partnership lifecycle:

- **Discover and recruit.** Cast a wide net to discover partners from a universe of millions of potential candidates across the globe and recruit them with scaled nurture campaigns.
- **Contract and pay.** Contract those eager to join your program and negotiate how you pay them for the incremental value they drive to your program.
- **Track.** Set them up with links to track the value of the traffic they drive across all your properties, on any device.
- **Engage.** Engage them with training to quickly turn them into productive partners and maintain continuous communication to inform them about new products, creative, and incentives that drive revenue and keep your program top of mind.
- **Protect and monitor.** Protect your program from bad actors seeking to defraud your program and monitor for compliance to your brand guidelines.
- **Optimize.** Optimize your partnerships by measuring incremental value and tuning your incentives to motivate your most promising partners.

Impact Partnership Cloud solutions include support for many types of partnerships, including (but not limited to):

- **Affiliate marketing.** Gain reporting and actionable insights that can help improve an affiliate program's ability to drive valuable traffic and incremental revenue to your company.
- **Influencer marketing.** Build, manage, and optimize an influencer program with easy workflows and maximum flexibility.
- **Business development partnerships.** Enjoy customized tracking technology and streamlined workflows — all the tools needed to manage even the most complex partnerships.
- **Fraud protection.** For ad tech platforms, protect reputations, attain higher CPMs, and maintain the trust of clients.
- **Mobile partnerships.** Increase native application sales through partnerships. Attribute accurately, eliminate fake application installs, and simplify partner integrations.
- **Analytics and attribution.** Provide fast answers to complex questions and help guide smart marketing decisions with confidence.

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.