

FORRESTER®

The Total Economic Impact™ Of Intuit QuickBooks Online Advanced

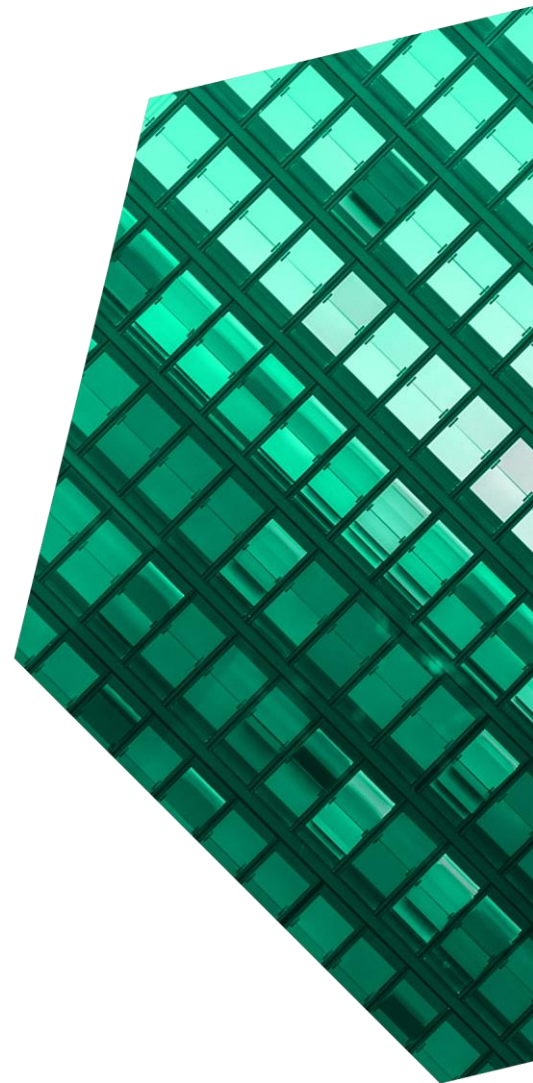
Cost Savings And Business Benefits
Enabled By QuickBooks Online Advanced

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ABOUT FORRESTER CONSULTING

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Executive Summary

QuickBooks Online Advanced¹ is full-service financial management and accounting software for growing midmarket businesses. QuickBooks provides organized dashboards with versatile accounting tools, produces detailed and customized reports, and automates business processes. With QuickBooks, organizations can increase efficiency, cut costs, and make quicker and better business decisions.

[QuickBooks Online Advanced](#) is a full-service financial management and accounting software solution that coordinates workflows, offers powerful accounting tools, puts financial data together in one place, and provides intuitive dashboards for ease of use. QuickBooks reduces the time employees spend on burdensome administrative tasks and enhances collaboration. Customized reports provide insights and drive better business decisions. QuickBooks supports long-term growth while remaining affordable and easy to implement and use. Organizations are able to build a more customized solution by integrating QuickBooks with Intuit and third-party apps.

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

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed six decision-makers and surveyed 93 decision-makers with experience using QuickBooks Online Advanced. For the purposes of this study, Forrester aggregated the experiences of the interviewed and surveyed decision-makers and combined the results into a single [composite organization](#).

KEY STATISTICS



Return on investment (ROI)

488%



Net present value (NPV)

\$59K

Prior to using QuickBooks, these organizations were inefficient with routine financial tasks. Employees were hampered by disparate data that was difficult to work with and legacy software that lacked functionality. Reporting and the tracking of metrics were too basic, depriving leadership of the insights they needed to best run their organizations. Attempts to overcome these problems with legacy systems and creative manual methods were not successful.

After the investment in QuickBooks, the interviewees' and survey respondents' organizations were able to save time, lower costs, and make better business decisions. QuickBooks increased efficiency on financial tasks, produced better reporting, reduced costs through insight into cash flow, and enhanced collaboration.

KEY FINDINGS

Quantified benefits. Risk-adjusted present value (PV) quantified benefits include:

- **Increased efficiency while performing financial tasks.** As the centralized hub of the composite organization's financial and accounting management, QuickBooks makes routine financial tasks needed to run the business 30% more efficient on average. QuickBooks features such as organized dashboards, batch import and export of data, workflows, and connection to bank feeds make administrative tasks like invoicing and regular reconciliations more automated and accurate. This time savings is worth more than \$45,000 over three years for the composite organization.
- **Better reporting.** QuickBooks' impressive reporting capabilities allow the composite organization to quickly generate detailed and customized reports that are used to make better business decisions and drive success. At the composite organization, the finance team creates reports 20% faster. Leadership can review reports more quickly and make core business decisions 15% faster. For the composite organization, time savings on reporting translates into more than \$11,000 over three years.
- **Cost savings from tracking cash flow.** With powerful tools to better understand cash flow and future surpluses, QuickBooks allows the composite organization to negotiate its loans further in advance with better terms or avoid taking out unnecessary loans altogether. Given this, the composite organization now pays 50% less on interest from loans every year. This cost savings equals nearly \$10,000 over three years for the composite organization.
- **Enhanced collaboration.** Data-driven insights from QuickBooks keep meetings with coworkers productive and on track. Also, with QuickBooks, more can be done within the software, without the need to supplement the work with spreadsheets or outside solutions. With colleagues increasingly syncing their activities within the same software, there is less need for rework and explanation. Every week, this saves time for QuickBooks users at the composite organization. For the composite organization, this benefit is more than \$4,000 over three years.

“Our team is able to get into QuickBooks and do a lot of things quicker and easier, and it just saves us a lot of time.”

— Finance team manager, construction and restoration

“All in all, QuickBooks Online Advanced is great. I’m really happy with the transition, and I would never go back to what we were using before. QuickBooks has offered so much more flexibility. And we’re able to do more work — more efficiently and more effectively — with fewer people.”

CFO, nonprofit

Unquantified benefits. Benefits that are not quantified for this study include:

- **Built a more customized solution with integrations.** Interviewees said that there were hundreds of apps, both from Intuit as well third parties, that they could integrate with QuickBooks. They selectively chose app integrations that built a better and more customized solution for their organization. Interviewees described a variety of use cases: for example, integrations that made billing and timekeeping more efficient and accurate. Some of the apps were free with the QuickBooks subscription while others incurred an additional cost.
- **Time saved with premier support.** Interviewees’ organizations used the free premier support at QuickBooks as needed during the implementation and occasionally afterward to learn more about specific features. Interviewees said premier support provided insight and saved them time.
- **Improved ability to meet tax and audit obligations.** Interviewees’ organizations used

QuickBooks to simplify the process of meeting obligations for various types of taxes. QuickBooks helped digitize all stages of the process and keep everything organized for tax season as well as any audits. In the end, fewer hours were needed with outside tax professionals.

- **Improved employee experience (EX).** Interviewees said QuickBooks was easy for their employees to learn and described it as both intuitive and user friendly as they performed their daily work.
- **Facilitated remote work.** As a cloud-based platform, interviewees said QuickBooks enabled remote work from a variety of devices as long as there was an internet connection. This allowed employees to get their work done even if they were not in the office.
- **Decommissioned legacy systems.** QuickBooks was the only financial management and accounting software interviewees’ organizations needed to run their business. They saved costs by decommissioning legacy software.

“Alternatives cost 10 to 20 times more than what we’re paying now. We’re a \$40 million business — QuickBooks Online Advanced is our only accounting software, and it’s everything we need and more.”

Controller, moving company

Costs. Risk-adjusted PV costs include:

- **Subscription costs.** The composite organization pays the standard monthly subscription fee. This costs just under \$7,000 for the composite organization over three years.
- **Initial internal labor.** The composite organization dedicates employee time to planning, implementation, and training, in order to get the most out of QuickBooks. This totals just over \$5,000 over three years for the composite organization.

The financial analysis, which is based on the decision-maker interviews and survey, found that a composite organization experiences benefits of \$71,000 over three years versus costs of \$12,000, adding up to a net present value (NPV) of \$59,000 and an ROI of 488%.



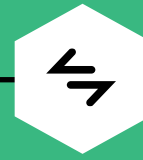
ROI
488%



BENEFITS PV
\$71K

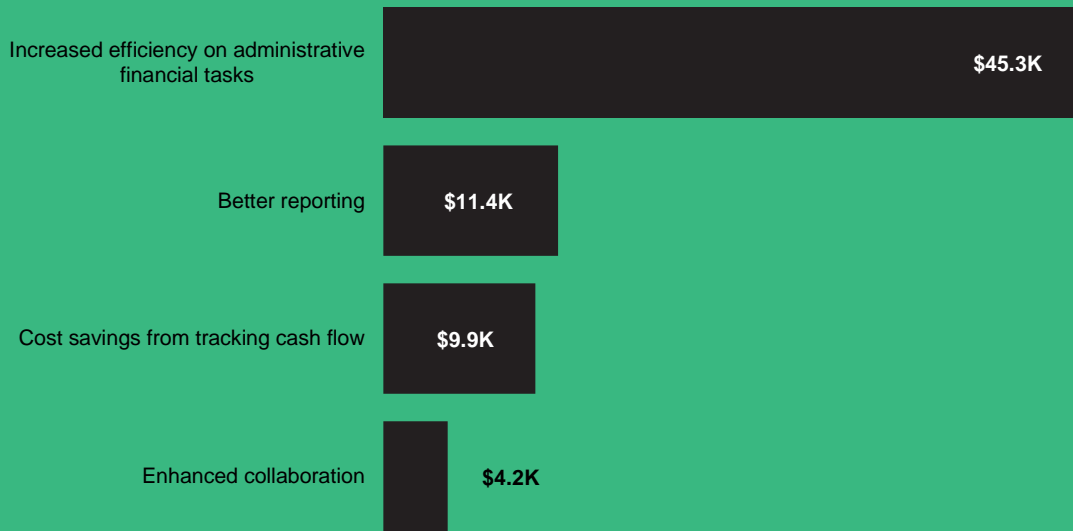


NPV
\$59K



PAYBACK
<6 months

Benefits (Three-Year)



TEI FRAMEWORK AND METHODOLOGY

From the information provided in the interviews and survey, Forrester constructed a Total Economic Impact™ framework for those organizations considering an investment in QuickBooks Online Advanced.

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 QuickBooks can have on an organization.

DISCLOSURES

Readers should be aware of the following:

This study is commissioned by Intuit 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 QuickBooks.

Intuit 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.

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

Forrester fielded the double-blind survey using a third-party survey partner.



DUE DILIGENCE

Interviewed Intuit stakeholders and Forrester analysts to gather data relative to QuickBooks Online Advanced.



DECISION-MAKER INTERVIEWS AND SURVEY

Interviewed six decision-makers and surveyed 93 decision-makers at organizations using QuickBooks Online Advanced to obtain data with respect to costs, benefits, and risks.



COMPOSITE ORGANIZATION

Designed a composite organization based on characteristics of the interviewed and surveyed decision-makers.



FINANCIAL MODEL FRAMEWORK

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



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 Intuit QuickBooks Online Advanced Customer Journey

■ Drivers leading to the QuickBooks investment

KEY CHALLENGES

Forrester interviewed six decision-makers and surveyed 93 decision-makers with experience using QuickBooks Online Advanced at their organizations. For more details on these individuals and the organizations they represent, see [Appendix B](#).

Before deploying QuickBooks, the interviewees' organizations relied on a range of legacy financial management and accounting software with more limited functionality. The decision-makers noted how their organizations struggled with common challenges, including:

- **Time-consuming administrative tasks.** Interviewees said that a variety of administrative financial work simply took too much time and often required ad hoc manual methods and the use of spreadsheets. The processes for billing, invoicing, and regular reconciliations, among other tasks, were inefficient and frustrating. The CFO at a nonprofit explained, "When we had our previous financial software, some of the work was extremely manual."
- **Access to financial data as business grew.** Clunky dashboards and disorganized data hindered finding financial information at interviewees' organizations. Disordered and siloed data became unsustainable, especially as the organizations grew.
- **Limited reporting.** Quality reports were important to interviewees' organizations, but the reports offered by their legacy software lacked customization and were limited in detail and variety. Getting the superior reports they needed to most effectively run their business was either time-consuming or not possible.
- **User limit too low.** Legacy software at some interviewees' organizations only offered a few user seats. This became untenable as they grew:

for some, it was an immediate problem as they were approaching the capacity, and for others, it was a long-term concern that they would be forced to switch platforms in the future, thereby disrupting business operations.

Key assumptions

- **50 employees**
- **\$15 million in annual revenue**
- **25% yearly growth**
- **Based in the US**

COMPOSITE ORGANIZATION

Based on the interviews and survey, 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 six companies that Forrester interviewed and the 93 companies that Forrester surveyed and is used to present the aggregate financial analysis in the next section. The composite organization has the following characteristics:

Description of composite. The composite organization is a midmarket business based in the United States with 50 employees. Annual revenue is \$15 million with 25% yearly growth.

Deployment characteristics. QuickBooks Online Advanced is the composite organization's current financial management and accounting software. It replaces a legacy software with more limited functionality that was at times supplemented by spreadsheets and manual methods. Implementation

of QuickBooks takes place over several days, and the composite organization uses QuickBooks for all of its financial management and accounting needs throughout the organization. There are five regular QuickBooks users, including an owner, an office manager, and senior and junior finance workers. Additional employees occasionally access QuickBooks as needed. As is the case with all QuickBooks Online Advanced implementations at the time of writing, the software is cloud-based with 25 user seats.

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	Increased efficiency while performing financial tasks	\$18,225	\$18,225	\$18,225	\$54,675	\$45,323
Btr	Better reporting	\$4,590	\$4,590	\$4,590	\$13,770	\$11,415
Ctr	Cost savings from tracking cash flow	\$4,000	\$4,000	\$4,000	\$12,000	\$9,947
Dtr	Enhanced collaboration	\$1,687	\$1,687	\$1,687	\$5,062	\$4,196
	Total benefits (risk-adjusted)	\$28,502	\$28,502	\$28,502	\$85,507	\$70,881

INCREASED EFFICIENCY WHILE PERFORMING FINANCIAL TASKS

Evidence and data. Interviewees consistently highlighted time savings as a top benefit their organizations experienced due to switching to QuickBooks Online Advanced. Interviewees’ organizations on average increased efficiency by 30% on those routine administrative financial tasks to keep their businesses running, such as invoicing, preserving transaction data, and completing regular reconciliations. This increased efficiency was enabled by a variety of QuickBooks’ tools — for instance, searching and filtering information, batch import of data, connection to bank feeds, workflows and automated processes, and core accounting features. Among survey respondents, 89% saw an increase in operational efficiency due to QuickBooks.³

- Interviewees said viewing and pulling together data in their previous financial software was a more manual and time-consuming process. A somewhat clunky interface and a lack of automation and workflows made performing administrative financial tasks labor-intensive with their previous solutions. Aspects of certain tasks needed to be performed outside the software altogether using spreadsheets.

“Doing those basic administrative tasks in QuickBooks is very user-friendly. Efficiency and accuracy have improved.”

Controller, moving company

- Interviewees explained that QuickBooks put everything they needed in one place, which allowed for ease of access, and an overall superior organization made work significantly faster. Interviewees could view data together on one dashboard, searching and filtering information as needed.
- QuickBooks enabled the batch import and export of financial data, such as receipts and customer transactions, which allowed employees at interviewees’ organizations to do work in a fraction of the time. The controller at the moving company said: “The banking connection and the ability to upload all of our transactions and do

daily and monthly reconciliations is a big benefit. Those things used to take 10 times longer at least. QuickBooks matches based upon amount, vendor, check number. The process is just so much more simple and accurate now.”

- With workflows in QuickBooks, interviewees described highly automated processes that saved time and eliminated error. For instance, tasks like invoicing were made more efficient as QuickBooks triggered automatic emails to go out to the customer as well as the necessary employees.
- Interviewees singled out invoicing as an area where they saw significant productivity gains, and 82% of survey respondents spent less time managing invoices due to QuickBooks’ tools like batch invoicing.⁴ Invoice history was preserved for future reference, and interviewees described the invoices themselves as automatically formatted and professional-looking. Those interviewees’ organizations still using paper invoices were able to transition to an electronic and pay-online model, saving time while receiving payments faster.

“Invoicing is an easy process with QuickBooks. There is this great ability to do batch invoicing. And the workflows are really great, you’re collaborating with your fellow workers and everything is just going out automatically.”

*Finance team manager,
construction and restoration*

- The CFO for a nonprofit further explained: “Many of the invoices we have are recurring, so we’re able to memorize them in the system and then just go back to that memorized transaction, update it for the current month’s information, and email it out. So that’s a very efficient process.”
- QuickBooks allowed interviewees’ organizations to quickly upload receipts and tie them to particular customers. Tracking expenses like this allowed them to be more organized and accurate, and information such as date, item, and amount was easy to later batch-export and send to the client.
- The time saved across these tasks allowed employees to focus on projects that improved business operations. For example, employees at interviewees’ organizations reallocated their time to inventory management and analysis of costs.
- Work permissions in QuickBooks allowed interviewees’ organizations to determine what data could be seen by which employees. The finance team manager in construction and restoration explained the advantage of this: “We didn’t want every employee seeing financial data like revenue, how much is in the bank accounts, and certainly not what everybody else is making. With QuickBooks, you can very easily limit what people see. It’s a confidentiality issue.”

Modeling and assumptions. For the composite analysis, Forrester assumes that:

- Two employees spend 75% of their time dedicated to administrative financial tasks.
- Due to QuickBooks, these employees save 30% of their time spent on administrative financial tasks.
- The average fully burdened annual salary for these employees is \$67,500.

- The productivity recapture rate for the employees is 75%. The employees convert 75% of hours saved into productive time.

Increased efficiency on administrative financial tasks:

30%



Risks. The benefit of increased efficiency on administrative financial tasks will vary based on:

- The types of administrative financial tasks performed by employees and how much time is spent on those tasks prior to QuickBooks.
- The processes in place for administrative financial tasks prior to QuickBooks.
- The fully burdened salary of employees.

Results. To account for these risks, Forrester adjusted this benefit downward by 20%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of more than \$45,000.

Increased Efficiency While Performing Financial Tasks

Ref.	Metric	Source	Year 1	Year 2	Year 3
A1	Number of FTEs working on administrative financial tasks	Composite	2	2	2
A2	Percentage of time employees dedicate to administrative financial tasks	Interviews	75%	75%	75%
A3	Percentage of time saved on administrative financial tasks due to QuickBooks	Interviews	30%	30%	30%
A4	Fully burdened annual salary for an average employee	Composite	\$67,500	\$67,500	\$67,500
A5	Productivity recapture	TEI standard	75%	75%	75%
At	Increased efficiency while performing financial tasks	A1*A2*A3*A4*A5	\$22,781	\$22,781	\$22,781
	Risk adjustment	↓20%			
Atr	Increased efficiency while performing financial tasks (risk-adjusted)		\$18,225	\$18,225	\$18,225
Three-year total: \$54,675			Three-year present value: \$45,323		

BETTER REPORTING

Evidence and data. All interviewees' organizations regularly used QuickBooks' reporting capabilities. Interviewees stated that their organizations experienced better reporting compared to their previous financial software. They were able to create reports more quickly, and these reports were more customized and detailed. In turn, the reports enabled business leaders to make core business decisions faster. In addition to these efficiency gains, interviewees repeatedly stated that reports in QuickBooks Online Advanced allowed them to make better business decisions.

- Interviewees said that, compared with QuickBooks, the reporting in their previous software was not as detailed, versatile, or customizable. This made obtaining insight about their business difficult at times. They sometimes had to export data and then manipulate it in spreadsheets to get the answers they needed.
- With better reporting functionality in QuickBooks, interviewees' organizations created reports 20% more quickly on average. Among survey respondents, 82% spent less time running reports because of QuickBooks.⁵

“QuickBooks saves us a ton of time on reporting. It also improves our reporting. There’s a lot of flexibility to tailor reports to specifically how we want to look at things.”

CFO, nonprofit

- Interviewees emphasized not only the time savings, but that the reports were more detailed

and informative — and easier to customize to fit their needs. The CFO at a nonprofit said, “One of the first things we did when we started using QuickBooks was to go into the reporting feature and build out many of the reports we needed that our previous software couldn’t.”

- The higher-quality reports in turn enabled leaders at the interviewees' organization to make core business decisions more quickly, saving valuable time as they ran the business. Eighty-five percent of survey respondents saw increased speed of decision-making.⁶ Among these respondents, there was a 16% decrease in the amount of time it took to make decisions.⁷ Eighty-six percent of survey respondents saw improved accuracy of decision-making because of QuickBooks.⁸
- The finance team manager in construction and restoration explained how QuickBooks' reports enabled faster decision-making: “Everything is at our fingertips, so we can use it to make decisions whenever we want. What do I need to examine and drill down on? What’s driving our revenue growth? What costs do we need to cut back on? The reports give us a lot of information and help us improve the bottom line.”
- In addition to faster reports and faster decision-making from using those reports, interviewees emphasized that the reports led them to make better business decisions. Reports in QuickBooks increased visibility and insight across their business, offering detailed metrics and KPIs. This allowed them to identify and correct problems before they got worse, as well as understand and further capitalize on those factors driving success.
- As the business owner in building and design said: “With QuickBooks, we get reports with the most accurate information. They allow us to make the best decision for our company.”

- Reports assisted interviewees in setting clear goals for the future and meeting them. The controller at the moving company stated: “With real-time information in the reports and real-time communication enabled by them, we know where we are. We have much better planning and are able to set goals and adhere to them. As an example, we’re now on track in terms of spending.”
- In addition to making faster and better decisions, since QuickBooks reports were more accurate and credible compared to their previous financial software solution, interviewees’ organizations now moved forward with greater confidence.

“It’s just so easy to run reports. It’s simple. I know when something with my business is going right or going wrong because it’s staring me in the face when I run a report. It’s a very automated process.”

Business owner, engineering and consulting

- The fully burdened annual salary for the employees is \$67,500 and for the business owner is \$270,000.
- The productivity recapture rate for the employee and the business owner is 50%. They convert 50% of hours saved into productive time.

Risks. The benefit of better reporting will vary based on:

- How many and the type of reports needed, as well as how quickly those reports could be created prior to QuickBooks.
- How much time business owners spend making core business decisions and the nature of their decision-making process.
- The fully burdened salaries of employees and business owners.

Results. To account for these risks, Forrester adjusted this benefit downward by 20%, yielding a three-year, risk-adjusted total PV of more than \$11,000.

Modeling and assumptions. For the composite analysis, Forrester assumes that:

- One employee spends 25% of the work week creating reports.
- Due to QuickBooks, this employee saves 20% of the time spent on creating reports.
- One business owner spends 20% of the work week making core business decisions.
- Due to QuickBooks, the business owner saves 15% of the time spent on making core business decisions.

Better Reporting					
Ref.	Metric	Source	Year 1	Year 2	Year 3
B1	Number of FTEs creating reports	Composite	1	1	1
B2	Percentage of time employee dedicates to creating reports	Interviews	25%	25%	25%
B3	Percentage of time saved on creating reports due to QuickBooks Online Advanced	Interviews	20%	20%	20%
B4	Fully burdened annual salary for employee creating reports	Composite	\$67,500	\$67,500	\$67,500
B5	Productivity recapture	TEI standard	50%	50%	50%
B6	Savings from creating reports faster	$B1*B2*B3*B4*B5$	\$1,688	\$1,688	\$1,688
B7	Number of business owners making core business decisions	Composite	1	1	1
B8	Percentage of time business owner dedicates to core business decisions	Interviews	20%	20%	20%
B9	Percentage of time saved on making core business decisions because of more quality reports in QuickBooks	Interviews	15%	15%	15%
B10	Fully burdened annual salary for business owner making core business decisions	Composite	\$270,000	\$270,000	\$270,000
B11	Productivity recapture	TEI standard	50%	50%	50%
B12	Savings from faster business decisions	$B7*B8*B9*B10*B11$	\$4,050	\$4,050	\$4,050
Bt	Better reporting	$B6+B12$	\$5,738	\$5,738	\$5,738
	Risk adjustment	↓20%			
Btr	Better reporting (risk-adjusted)		\$4,590	\$4,590	\$4,590
Three-year total: \$13,770			Three-year present value: \$11,415		

COST SAVINGS FROM TRACKING CASH FLOW

Evidence and data. Interviewees explained that they had a better understanding of their organizations' cash flow because data on current and future cash balances was more reliable and available further in advance with QuickBooks. This allowed interviewees' organizations to avoid taking out some loans that they previously thought would be necessary to cover costs. When loans were still needed, they could be negotiated further in advance with better terms. In both cases, less interest was paid, improving the bottom line.

Reduction in interest paid on loans:

50%



- Interviewees said that when operating their fast-paced and quickly growing business, keeping track of cash flow could be a challenge. To get insight into cash flow, their previous financial software needed to be supplemented with manual analysis using spreadsheets. This was a time-consuming process and not always accurate. Lacking a complete handle on cash flow necessitated taking out loans, often at the last minute, to ensure expenses could be covered.
- QuickBooks' cash flow features provided much greater insight into cash flow and a more accurate understanding of their current as well as projected cash on hand. Interviewees explained that QuickBooks took into account various expenses (such as rent, payroll, and payments to vendors) along with revenue to identify when any surplus would be gone. Of the survey respondents, 84% saw an increase in the

accuracy of forecasting their budget because of QuickBooks.⁹

- The extent of this benefit varied across interviewees' organizations, depending on how much they were paying in interest and how well they were tracking cash flow prior to QuickBooks.
- The engineering and consulting business saved hundreds of thousands of dollars per year by tracking cash flow in QuickBooks. The owner of that organization explained: "It's a very straightforward tool and pretty automated. Every month, I use QuickBooks to look at cash flow three months out. We're no longer experiencing unexpected tsunamis where we're in a vulnerable position and need to quickly borrow money. We saved hundreds of thousands of dollars on interest. And we sleep a lot better at night knowing we'll be able to cover expenses."
- In addition to saving costs on interest, knowing the extent of surpluses enabled interviewees' organizations to make important business investments. The CFO for a nonprofit said: "Based on the analysis and forecast of our cash balance, we were able to make an investment that created additional revenue. We feel more comfortable with those decisions because of our use of QuickBooks."

Modeling and assumptions. For the composite analysis, Forrester assumes that:

- Prior to QuickBooks, the composite organization pays \$10,000 in interest per year.
- Due to tracking cash flow in QuickBooks, the amount of interest is reduced by 50%.

Risks. The benefit of cost savings from tracking cash flow will vary based on:

- Understanding of cash flow prior to QuickBooks.
- The amount of loans taken out each year, and the accompanying interest.

Results. To account for these risks, Forrester adjusted this benefit downward by 20%, yielding a three-year, risk-adjusted total PV of \$9,947.

Cost Savings From Tracking Cash Flow					
Ref.	Metric	Source	Year 1	Year 2	Year 3
C1	Interest paid per year before QuickBooks	Composite	\$10,000	\$10,000	\$10,000
C2	Reduction in interest paid due to tracking cash flow in QuickBooks	Interviews	50%	50%	50%
Ct	Cost savings from tracking cash flow	C1*C2	\$5,000	\$5,000	\$5,000
	Risk adjustment	↓20%			
Ctr	Cost savings from tracking cash flow (risk-adjusted)		\$4,000	\$4,000	\$4,000
Three-year total: \$12,000			Three-year present value: \$9,947		

ENHANCED COLLABORATION

Evidence and data. QuickBooks users at interviewees’ organizations saved time each week because of the enhanced collaboration that came from using QuickBooks.

- Once the interviewees’ organizations implemented QuickBooks, their financial data was more accessible and easier to interpret, which improved collaboration among colleagues.
- As the business owner in engineering and consulting summarized: “QuickBooks makes it very easy to collaborate. When a mistake is made, it’s very obvious and it’s easy to see. Increased collaboration between our controller and billing clerk has really made those roles much more successful because everything is right there.”
- QuickBooks’ analytical power reduced the need to fill in gaps of understanding with spreadsheets or other ad hoc methods. With the finance team more consistently synced on the same software, employees spent less time explaining their work to coworkers. At the same time, work

permissions were used to make sure only certain employees had access to sensitive financial data.

- Information from QuickBooks was also used to keep discussions with colleagues efficient and on track. For example, the controller in retail said, “I use the advertising data to have meetings with marketing, and we’re immediately able to discuss exactly how much we’re spending and on what.”
- Eighty-nine percent of survey respondents saw improved collaboration with colleagues due to QuickBooks.¹⁰ For these respondents, there was an average reduction in rework of 16%.¹¹

“QuickBooks allows us to collaborate more efficiently.”

Business owner, construction and design

Modeling and assumptions. For the composite analysis, Forrester assumes that:

- Five employees regularly use QuickBooks.
- Each employee saves 0.5 hours per week due to enhanced collaboration with QuickBooks.
- The average fully burdened hourly salary is \$32.
- The productivity recapture rate for employees is 50%. The employees convert 50% of hours saved into productive time.

Risks. The benefit of enhanced collaboration will vary based on:

- The number of QuickBooks users.
- The organization and visibility of data prior to QuickBooks.
- The collaboration processes in place before QuickBooks.
- The fully burdened salary of employees.

Results. To account for these risks, Forrester adjusted this benefit downward by 20%, yielding a three-year, risk-adjusted total PV of more than \$4,000.

Survey respondents who saw better collaboration with colleagues due to QuickBooks:

89%



Enhanced Collaboration

Ref.	Metric	Source	Year 1	Year 2	Year 3
D1	Number of FTEs using QuickBooks regularly	Composite	5	5	5
D2	Average hours saved per employee per week from enhanced collaboration due to QuickBooks	Interviews	0.5	0.5	0.5
D3	Hours saved per year	$D1 * D2 * 52$	130	130	130
D4	Average fully burdened hourly salary for an average employee	Composite	\$32.45	\$32.45	\$32.45
D5	Productivity recapture	TEI standard	50%	50%	50%
Dt	Enhanced collaboration	$D3 * D4 * D5$	\$2,109	\$2,109	\$2,109
	Risk adjustment	↓20%			
Dtr	Enhanced collaboration (risk-adjusted)		\$1,687	\$1,687	\$1,687
Three-year total: \$5,062			Three-year present value: \$4,196		

UNQUANTIFIED BENEFITS

Additional benefits that customers experienced but were not able to quantify include:

- **Built a more customized solution with integrations.** Interviewees explained that they got even more out of their investment by integrating QuickBooks with business applications available from Intuit as well as from third parties. With hundreds of applications available, interviewees explained that they selected those that would allow them to customize their QuickBooks solution so that it would work best for them.

For example, some interviewees explained that they integrated with an Intuit app to largely automate their timekeeping process, and 89% of survey respondents spent less time doing time sheets. Other interviewees used a third-party app for billing — automating payments for efficiency gains and ensuring timeliness to avoid any late fees. Of survey respondents, 88% said they benefited from QuickBooks' ability to integrate with apps.¹² Among these respondents, there was an average time savings of 18% per employee due to app integrations.¹³

of the support as time went on, either to learn more about features they are already using or to understand new features. The speed and usefulness of the support saved time, in contrast to other help lines they had dealt with.

The business owner in construction and design said: "I dread calling some support lines. I don't dread calling QuickBooks, ever. I'm connected right away and quickly get the answers on features I want to know more about. I can relay this message to my team and have them start using those features."

“[Having] all the time sheets in spreadsheets was exhausting before. Now with the integration through QuickBooks, we save 200 to 300 hours a year on that.”

Owner, engineering and consulting

Increase in time saved per employee due to app integrations:

18%



- **Time saved with premier support.** Interviewees said that the premier support that came with their QuickBooks Online Advanced subscription was helpful to use in the beginning as they were setting up and getting acclimated to the software. Some interviewees continued to take advantage

- **Improved ability to meet tax and audit obligations.** QuickBooks helped streamline and reduce work in relation to tax requirements at interviewees' organizations, particularly when it came to new-employee onboarding, payroll taxes, and sending the correct documentation to vendors and independent contractors. Interviewees who were doing some of this work through hard copies were able to shift to an electronic process. With QuickBooks, 88% of survey respondents saw a decreased need for an outside accountant or tax professional for certain services.¹⁴ Among these respondents, there was a 22% reduction in billable hours for such services.¹⁵

Interviewees' organizations also saw smoother audits with QuickBooks as information was more

organized. Documentation was easier to locate and electronically provide to auditors when necessary. The CFO at a nonprofit said: “Our annual audit is smoother and easier. With QuickBooks, we could easily get reports that were tailored to the specific requests of the auditor.”

“From a tax compliance perspective, QuickBooks has made our lives so much easier. It’s seamless, accurate, and done well ahead of time. There’s no rush into the deadline.”

Controller, moving company

- **Improved employee experience.** QuickBooks was easy to use and did not require a lot of training at interviewees’ organizations. Furthermore, interviewees said that their employees enjoyed that QuickBooks reduced work on tedious tasks.

“It’s very easy to move around the software. The tabs on the panel show you exactly where you need to go... it’s definitely intuitive.”

Controller, retail

The business owner in engineering and consulting said: “The ease of QuickBooks deserves credit because it is a very simple application to use with robust capabilities. It’s

very user-friendly. We just don’t have those headaches.”

- **Facilitated remote work.** Some interviewees’ organizations had previously used desktop financial software and experienced the added benefit of cloud accessibility once they switched to QuickBooks Online Advanced. Interviewees said that as long as there was an internet connection, it was easy to work from home with QuickBooks. As the CFO for a nonprofit explained: “If I’m working at home, I’m able to log into the system and look at information that someone’s asking me about — what’s in this budget line, or whatever. In the past, we didn’t have that flexibility.”
- **Decommissioned legacy systems.** Interviewees explained that QuickBooks was the only financial software they needed to run their business. As such, they were able to save costs by decommissioning their legacy financial software.

FLEXIBILITY

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

- **Continually tapping into additional features.** Interviewees described QuickBooks as having an impressive array of features, some of which they did not begin to utilize until their business grew or evolved. Interviewees also explained that in their experience, QuickBooks was regularly improving current features and adding new ones.

As the business owner in construction and design explained: “New features are constantly popping up, and I like being able to dig deeper into those or call the support line to see if it’s a good fit for our business. There’s just constantly new features coming out, and if it is a good fit, it’s

always fairly simple to implement and start using right away.”

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
Etr	Subscription cost	\$0	\$2,732	\$2,732	\$2,732	\$8,197	\$6,795
Ftr	Initial internal labor	\$5,257	\$0	\$0	\$0	\$5,257	\$5,257
	Total costs (risk-adjusted)	\$5,257	\$2,732	\$2,732	\$2,732	\$13,454	\$12,052

SUBSCRIPTION COST

Evidence and data. All interviewees' organizations paid the standard monthly subscription cost for QuickBooks.

- The subscription included 25 user seats and the full functionality of the software.
- Some interviewees' organizations integrated their QuickBooks subscription with other applications offered by Intuit as well as third parties. Some of these applications required additional subscription costs, while others were free.

Modeling and assumptions. For the composite analysis, Forrester assumes that QuickBooks subscription cost, after tax, is \$198 per month.

Risks. The subscription cost will vary based on pricing changes to the monthly subscription.

Results. To account for these risks, Forrester adjusted this cost upward by 15%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of less than \$6,800.

Subscription Cost						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
E1	Subscription cost per month	Interviews		\$198	\$198	\$198
Et	Subscription cost	E1*12	\$0	\$2,376	\$2,376	\$2,376
	Risk adjustment	↑15%				
Etr	Subscription cost (risk-adjusted)		\$0	\$2,732	\$2,732	\$2,732
Three-year total: \$8,197			Three-year present value: \$6,795			

INITIAL INTERNAL LABOR

Evidence and data. Interviewees explained that some internal labor dedicated to planning, implementation, and training was needed to get QuickBooks up and running.

- Interviewees said that they took some time planning and scoping to ensure that QuickBooks was a good fit for their organizations. Once the decision to invest was made, interviewees' organizations were all able to quickly implement QuickBooks. Implementation time frames ranged from one day to a few weeks.
- To get the most out of QuickBooks, some time was spent training those employees using the software. Interviewees explained that only limited training was needed for employees to get up to speed. The CFO at a nonprofit stated: "QuickBooks is easy to learn. There's not a lot of handholding needed for training."
- Interviewees expressed that the limited and straightforward planning, implementation, and training effort required was a perk of choosing QuickBooks. Some interviewees utilized the complimentary premier support and training provided by QuickBooks.

hours are spent on implementation and deployment, and 50 hours are spent on training.

- The average fully burdened hourly salary of employees is \$32.

Risks. The cost of initial internal labor will vary based on:

- The effort dedicated to planning and scoping.
- The extent of the implementation.
- The skill set of employees.
- The fully burdened salary of employees.

Results. To account for these risks, Forrester adjusted this cost upward by 20%, yielding a three-year, risk-adjusted total PV of less than \$5,300.

“The implementation and conversion was smooth. It’s been successful ever since. We really did not miss a beat.”

Controller, moving company

Modeling and assumptions. For the composite analysis, Forrester assumes that:

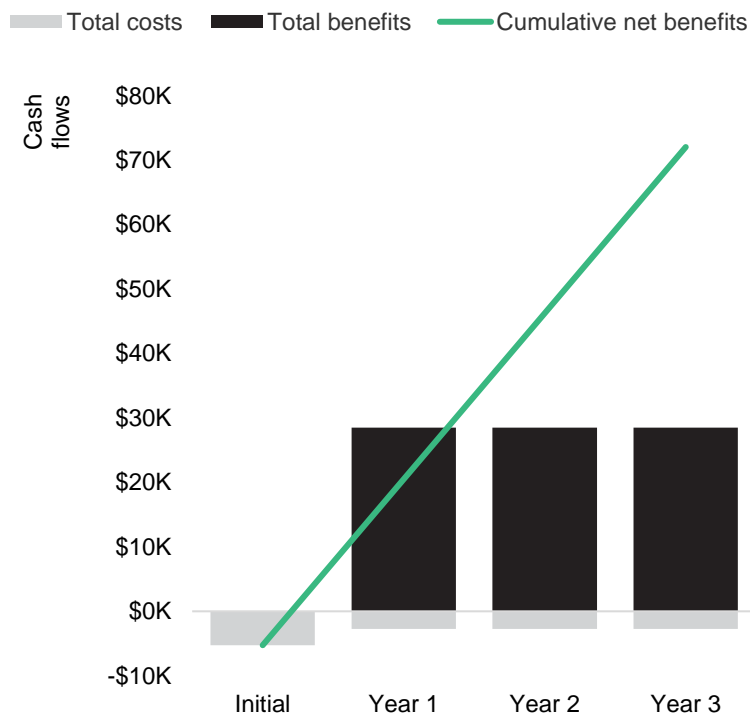
- In total across all employees at the organization, 25 hours are spent on planning and scoping, 60

Initial Internal Labor						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
F1	Planning and scoping across employees (hours)	Interviews	25			
F2	Implementation and deployment across employees (hours)	Interviews	60			
F3	Training across employees (hours)	Interviews	50			
F4	Average fully burdened hourly salary for employees	Composite	\$32.45			
Ft	Initial internal labor	$(F1+F2+F3)*F4$	\$4,381	\$0	\$0	\$0
	Risk adjustment	↑20%				
Ftr	Initial internal labor (risk-adjusted)		\$5,257	\$0	\$0	\$0
Three-year total: \$5,257			Three-year present value: \$5,257			

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	(\$5,257)	(\$2,732)	(\$2,732)	(\$2,732)	(\$13,454)	(\$12,052)
Total benefits	\$0	\$28,502	\$28,502	\$28,502	\$85,507	\$70,881
Net benefits	(\$5,257)	\$25,770	\$25,770	\$25,770	\$72,053	\$58,829
ROI						488%
Payback (months)						<6

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 Sources are calculated for each total cost and benefit estimate. NPV Sources in the summary tables are the sum of the initial investment and the discounted cash flows in each year. Sums and present value Sources 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.

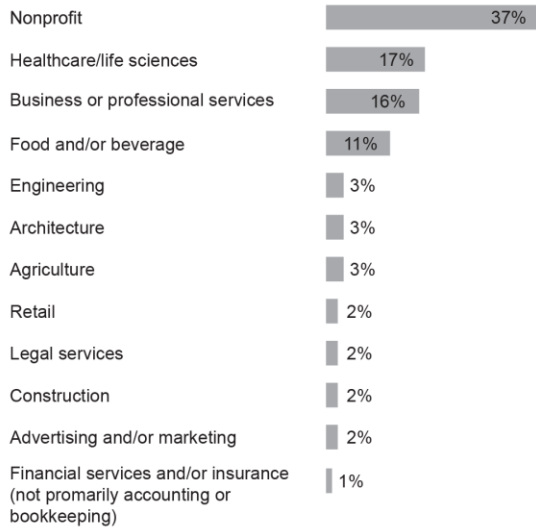
Appendix B: Interviewees And Survey Demographics

Interviewed Decision-Makers

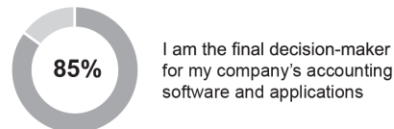
Interviewee	Industry	Annual Revenue	Number Of Employees
CFO	Nonprofit	\$10 million	100
Business owner	Building and design	\$8 million	25
Controller	Moving company	\$40 million	300
Business owner	Engineering and consulting	\$10 million	50
Finance team manager	Construction and restoration	\$15 million	75
Controller	Retail	\$15 million	25

Survey Demographics

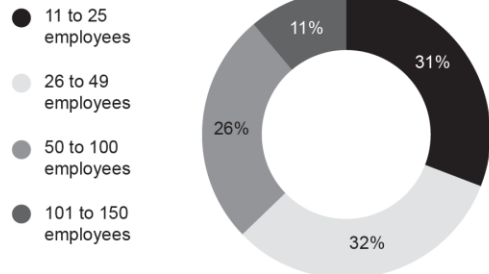
“Which of the following best describes the industry to which your company belongs?”



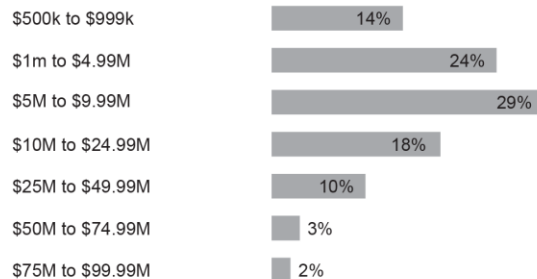
“What is your level of responsibility when it comes to selecting your company’s accounting software and applications?”



“Using your best estimate, how many employees work for your firm/organization worldwide?”



“Using your best estimate, what is your company’s annual revenue (USD)?”



Base: 93 Intuit QuickBooks Online Advanced users; accounting software and application decision-makers

Note: Percentages may not total 100 because of rounding.

Source: Intuit NAV QB Survey Final 12.2.21, a commissioned study conducted by Forrester Consulting on behalf of Intuit, December 2021

Appendix C: Endnotes

¹ This Total Economic Impact study is about QuickBooks Online Advanced, which is interchangeably referred to by its full name as well as simply QuickBooks throughout. QuickBooks Online Advanced is the most powerful online accounting software in the Intuit QuickBooks product suite and is built to meet the needs of growing, midmarket businesses.

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 Base: 93 accounting software and application decision-makers in the US who use QuickBooks Online Advanced. Source: A commissioned study conducted by Forrester Consulting on behalf of Intuit, December 2021.

⁴ Ibid.

⁵ Ibid.

⁶ Ibid.

⁷ Base: 79 accounting software and application decision-makers in the US who use QuickBooks Online Advanced. Source: A commissioned study conducted by Forrester Consulting on behalf of Intuit, December 2021.

⁸ Base: 93 accounting software and application decision-makers in the US who use QuickBooks Online Advanced. Source: A commissioned study conducted by Forrester Consulting on behalf of Intuit, December 2021.

⁹ Ibid.

¹⁰ Ibid.

¹¹ Base: 82 accounting software and application decision-makers in the US who use QuickBooks Online Advanced. Source: A commissioned study conducted by Forrester Consulting on behalf of Intuit, December 2021.

¹² Base: 93 accounting software and application decision-makers in the US who use QuickBooks Online Advanced. Source: A commissioned study conducted by Forrester Consulting on behalf of Intuit, December 2021.

¹³ Base: 82 accounting software and application decision-makers in the US who use QuickBooks Online Advanced. Source: A commissioned study conducted by Forrester Consulting on behalf of Intuit, December 2021.

¹⁴ Base: 93 accounting software and application decision-makers in the US who use QuickBooks Online Advanced. Source: A commissioned study conducted by Forrester Consulting on behalf of Intuit, December 2021.

¹⁵ Base: 77 accounting software and application decision-makers in the US who use QuickBooks Online Advanced. Source: A commissioned study conducted by Forrester Consulting on behalf of Intuit, December 2021.

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