

REGION FOCUS: WORLDWIDE

The Business Value of WalkMe



Harsh Singh
Senior Research Analyst,
Business Value Strategy Practice, IDC



Amy Loomis, Ph.D.
Research Vice President,
Future of Work, IDC



Table of Contents



CLICK BELOW TO NAVIGATE TO EACH SECTION IN THIS DOCUMENT.

Executive Summary	3
Business Value Highlights	3
Situation Overview	4
WalkMe Overview	4
The Business Value of WalkMe Services	6
Study Firmographics	6
Choice and Use of the WalkMe Solution	7
Business Value and Quantified Benefits	9
Benefits for Employees	10
Customer Experience Impacts of WalkMe	17
Benefits for IT and Digital Adoption Delivery Teams	19
ROI Summary	21
Challenges/Opportunities	22
Conclusion	23
Appendix: Methodology	24
About the IDC Analysts	25

Executive Summary

Employees in all industries face the challenge of navigating across applications and workflows while learning new features. This challenge contributes to the loss of hundreds of hours of productivity cumulatively and can be daunting. Similarly, organizations are struggling to keep track of the number of applications in use, manage shadow IT initiatives, and eliminate the friction points users face across workflows. This is where digital adoption platforms (DAPs) like WalkMe come into play.

WalkMe is a cloud-based DAP that helps companies manage software stacks and end users' digital journeys within and across them. The platform provides data on how employees interact with software and identifies points of friction across workflows. Based on this data, organizations can design more user-friendly and frictionless digital experiences to support adoption of common and bespoke applications. These applications may be internally facing for employees to work more efficiently. They can also drive efficiency into application adoption for customers, enabling faster time to business value.

IDC conducted research that explored the value for organizations using WalkMe to support and enhance their business operations. The project included interviews with eight companies that had experienced its benefits and costs.

Based on extensive quantitative and qualitative data derived from these interviews, IDC calculates that study participants will realize significant business value and a 494% three-year return on investment (ROI) by:

- Accelerating and enabling better utilization of applications and features, navigation between applications, user automation in the flow of work, and overall digital experiences for internal users, external users, and customers
- Improving business outcomes by increasing time to market, boosting user productivity, reducing errors, and accelerating all processes—from infrequent tasks to everyday operations
- Empowering teams across an organization to perform their day-to-day tasks in a more productive and efficient way

Business Value Highlights

Click each highlight below to navigate to related content within this document.

-  **494%**
three-year ROI
-  **5 months**
to payback
-  **\$41.4 million**
in new revenue
gained annually
-  **60%**
faster user adoption
of features and
applications
-  **20%**
faster time to market
-  **35%**
faster employee
onboarding
-  **2.3x**
more customers using
new apps and features
-  **51%**
faster adoption of
external user/customer
applications and
features
-  **41%**
reduced business errors

Situation Overview

Digital adoption platforms, along with their myriad of capabilities, have become even more essential in an era where organizations are being more and more strategic about how they buy and manage their software investments. Organizations are struggling to address a number of critical disruptions—from economic uncertainty and budget shortfalls to an acute shortage of adequately skilled employees able to support business needs. They also adapt to constantly changing business needs, which require more, less, or a consolidation of software.

A DAP's use isn't limited to easing the adoption of a single application. In fact, it's not even about the application itself—it's the business process at hand. Considering business processes may span across more than one application, a DAP's true value lies in unifying workflows across these platforms. This functionality significantly reduces time wasted on data searches and context switching, promoting efficiency and productivity. The average employee regularly works with hundreds of applications on a day-to-day basis. Bringing together workflows across them can cumulatively save hundreds of hours wasted by switching contexts and looking for data and applications.

In addition, software as a service (SaaS) offerings push weekly and sometimes daily upgrades to existing applications. These platforms not only facilitate the adoption of these frequent upgrades but also streamline common integrated workflows like onboarding, upskilling, offboarding, and client adoption. When employees and clients have access to inline support for completing key tasks in a logical fashion with user-assisted guidance, it minimizes administrative burdens and frees up resources to ensure higher-quality deliverables and client care.

In the quest for data-driven business outcomes, DAPs offer deeper insights into employee and customer behavior than traditional survey tools. They provide visibility into digital processes and workflows, including user friction points.

WalkMe Overview

WalkMe is the largest DAP vendor and the category pioneer that coined the term **digital adoption platform**. WalkMe has evolved over the past 12 years to codify the key defining aspects of digital adoption platforms. Beginning with its inception in 2011, the company quickly moved from offering guided in-app experiences to

focusing on processing data across multi app workflows. This led to a strategy of platform agnosticism and a focus on capturing more accurate user data via its acquisition of DeepUI.

Over the past decade, WalkMe has evolved its data capabilities as well as new ways to make employees more productive. In terms of data and analytics, adoption analytics uncover user journeys, identifying opportunities to improve productivity against business goals. Its UI Intelligence capabilities offer a means for organizations to identify inefficiencies in forms and provide AI-based recommendations to optimize processes. The company also offers a key performance indicator (KPI) management dashboard to measure transformation objectives against user behavior. Most recently, WalkMe has added Discovery, which uncovers the technology used across an organization and provides data to help rationalize and optimize software investments, as well as opportunities to apply adoption.

WalkMe continues to work on benchmarking organizational data to understand how best to automate workflows and the user experience. To help customers get started faster, WalkMe offers prebuilt business processes and application-specific accelerators to speed time to value and total cost of ownership for organizations deploying common enterprise resource planning (ERP), customer relationship management (CRM), and productivity solutions. When it comes to driving employee productivity, the company has made several recent acquisitions to improve the user experience, including Zest, which uses AI-driven enterprise search to accommodate end users. These technologies bring a conversational interface via an ActionBot and a single, desktop-based Workstation interface to simplify execution of daily tasks for end users.

The strategic goal for WalkMe is to transform the way users interact with technology and unlock value from their software investments. The company's aim is to simplify and optimize processes, enhancing not just individual applications but entire workflows.

In particular, WalkMe offers the following:

- A no-code/low-code platform that empowers the line of business to be self-sufficient in authoring and automating workflows
- Global behavioral analytics that work across the entire application portfolio both online and offline
- Flywheel system dynamics for continuous process improvement and personalized user experiences
- Cross-app and cross-platform workflow support and automation

In addition, WalkMe supports:

- Governance via delegated administrative control offering limited and secure access to privileged accounts
- An extended partner ecosystem to address customer problems via a community of professionals, predesigned crowdsourced content, and institutional learning — all accessible from the platform for continuous development and innovation

And finally, WalkMe has begun to pilot DAP Kits, which are prebuilt and configurable business process templates designed using industry best practices to help customers get started faster.

WalkMe has an extensive alliance and channel partner ecosystem, including arrangements with leading service providers like global and regional systems integrators and ISVs and cloud platform vendors. As WalkMe increasingly grows out its business, it is well positioned to address the widening skills gap for end users and the need for behavior-based metrics — not to mention the optimization of application usage and rationalization of the software tech stack.

The Business Value of WalkMe Services

Study Firmographics

IDC conducted research that explored the value and benefits of using WalkMe to manage the overall quality of digital experiences for customers and employees. The project included interviews with eight organizations that were using this solution and had experience with or knowledge about its benefits and costs. During the interviews, companies were asked a variety of quantitative and qualitative questions about the WalkMe solution's impact on their IT operations, core businesses, and costs.

Table 1 (next page) presents the aggregated firmographics of interviewed organizations. The organizations that IDC interviewed had a base of 42,063 employees with annual revenue of \$26.4 billion, indicating the involvement of several large companies. This workforce was supported by an IT staff of 9,942 that managed 297 business applications on behalf of 2.52 million external customers.

In terms of geographic distribution, three companies were based in the United States, with the remainder in India (2), Australia, Germany, and Mexico. There was a good mix of vertical markets represented, including the information technology (2), construction, energy, financial services, food and beverage, healthcare, and transportation sectors. (Note: All numbers cited represent averages.)

TABLE 1
Firmographics of Interviewed Organizations

	Average	Median	Range
Number of employees	42,063	24,750	3,000 to 90,000
Number of IT staff	9,942	2,500	45 to 30,000
Number of external customers	2.5M	50,000	1,750 to 15.0M
Number of business applications	297	150	4 to 800
Revenue per year	\$26.4B	\$22.9B	\$868.2M to \$51.6B
Countries	United States (3), India (2), Australia, Germany, and Mexico		
Industries	Information technology (2), construction, energy, financial services, food and beverage, healthcare, and transportation		

Source: IDC's Business Value research, April 2023

Choice and Use of the WalkMe Solution

Organizations interviewed by IDC selected WalkMe for its robust capabilities in managing and improving the overall quality of digital experiences. Study participants commented that WalkMe gave their organizations the ability to cost effectively keep up with an agile development process. In addition, organizations interviewed highlighted the value of the solution in enabling consistent adoption of applications across their user base. Interviewees talked about how WalkMe guides users, which helps promote their engagement and proficiency with various systems and applications for more accurate and efficient usage. Companies also commented on WalkMe's seamless integration with existing applications and tools.

Study participants elaborated on these and other selection criteria:

Could not keep up with an agile development process, healthcare:

“The main challenge was developing the customer-facing applications in an Agile mode. We have product changes and improvements every one to two weeks, and we were not able to maintain a proper level of training and documentation for our customers. WalkMe is very easy on a global scale to do that from a process perspective as well from a cost perspective.”

Consistent adoption of applications, transportation:

“The biggest challenge we have is that we really adopted remote work and it’s opened the workforce for us. Digital adoption with WalkMe really satisfies distinct challenges. What we’re facing is we’ve got 100 or so different applications, and we’ve just been through a major ERP project. So the biggest challenge during the past three years has been training people and getting people to use those systems consistently and accurately.”

Seamless integration with existing applications and tools, financial services:

“As we met with various providers, what really started to stand out with WalkMe was they already had a robust platform that could be integrated or seamlessly overlaid on top of, not just the client-facing tools, but any of our tools that we were going through in a transformation. And we could create that consistent experience across applications for our employees who are looking at their internal tools and then having to venture into client tools. We could give them ways to understand like, ‘You’re seeing this on your Salesforce screen as an example. And when you go over to the client, this is the walk-through that you’re going to want on the client side.’”

Wanted something to address several business needs, information technology:

“I would say the biggest need is around software training for existing employees, onboarding for new hires, enhancements for power users, ensuring the success of the digital investment and with the transition of companies’ applications through acquisitions.”

Table 2 (next page) describes the organizational usage associated with interviewed companies’ deployment of WalkMe. On average, WalkMe was associated with 32,713 internal users and 1.49 million external customer users. The average number of business applications in play was 11.

TABLE 2

WalkMe Environment

	Average	Median
Number of business applications	11	3
Number of internal users	32,713	6,500
Number of external customer users	1.49M	78,800
Number of customer-facing applications	2	2

Source: IDC's Business Value research, April 2023

Business Value and Quantified Benefits

IDC's Business Value model quantifies the benefits for organizations using WalkMe to manage the overall quality of digital experiences associated with applications and websites, and to enhance those experiences for employees and customers. Study participants reported that they were able to accelerate and enable better utilization of applications and features. In addition, they improved overall business performance by increasing time to market, boosting user productivity, reducing errors, and accelerating the process of employee onboarding. IT teams also benefited from performing in a more productive fashion. These benefits combined to produce better business performance and results for interviewed organizations.

In their comments to IDC, study participants described them in detail:

Ease of use for the user base, informational technology:

“For the learner, it improves their productivity because the people who are learning and utilizing WalkMe have a lot of training on the site itself. So we’ve integrated WalkMe onto the site, so they solve their cases on the site itself. This saves time for them to search for certain documents or policies that are in place that they have to follow. The feedback we get from our learners is they say it’s very intuitive to use the WalkMe menu created because it’s so user-friendly and it’s like a one-stop shop for their training needs. They don’t have to go anywhere else; they can just stay on the site rather than move to another different LMS. The other feedback is that the decisions they’ve taken while utilizing WalkMe have been much higher in their use cases. This means we had a huge decrease in the wrong decisions after WalkMe was launched. It’s a 40% decrease.”

Quicker application adoption, informational technology:

“The most significant benefit is just the onboarding process. We sell complicated platforms, so it’s hard to even just find the right thing, and WalkMe, sitting on a platform, can get the customer to take action right away and become a power user immediately.”

Real-time data helpful from a continuous improvement perspective, energy:

“I would say the analytics that we extract for the users is the biggest benefit. It will help guide decision making for application owners, who will then develop better enhancements for the user experience for the users.”

Could make changes swiftly that could be adopted quickly, healthcare:

“The biggest plus is we are able to roll out new functionalities to customers on a weekly or biweekly pattern. We can announce it and train the customer and guide the customer through the new functionality in the same way.”

Based on quantitative and qualitative data derived from interviews with the eight intensive users of WalkMe, IDC quantified the value study participants will receive over three years at an annual average of 494% return on investment. Additional metrics are presented in the sections that follow.

Benefits for Employees

IDC predicts that by 2024, companies offering frontline workers democratized access to digital collaboration, process automation, and similar tools will see a 20% increase in revenue due to improved productivity. In addition, the next five years will mark a period of distinct change in social attitudes around normalized work practices as organizations wrestle with different elements of technology adoption.

In this context, WalkMe’s value proposition is to discover how software is being used across the organization and to provide guidance, engagement, insights, and automation to help employees be more efficient and productive in their day-to-day tasks and responsibilities. Likewise, management can benefit from better visibility into end-user digital usage, enabling them to provide the full range of their digital assets.

Interviewed organizations confirmed that WalkMe addressed many of the challenges that companies now face in their digital transformation journey. In their comments, they noted that with WalkMe, end users saved time through increased application utilization. They also appreciated that WalkMe reduced the support burdens for organizations by proactively communicating with clients, leading to reductions in client support calls. In addition, companies pointed out that this functionality better enabled their ability to increase applications’ usage and execute onboarding tasks for employees.

Study participants elaborated on these and other benefits:

End users save time through improved utilization, informational technology:

“When we first started to implement WalkMe, people couldn’t understand how it was going to help them. But I was in a meeting recently where a bunch of folks were saying that they can’t live without WalkMe because it’s such a time saver and just such a good tool. There’s evidence that people rely on it. We really use this to communicate information and changes to people, and now, they can’t imagine a world where this doesn’t exist.”

WalkMe reduced the support burden, financial services:

“We can reduce the burden on our service desk by being proactive in communicating with clients. This starts with shout-outs that tell people about new things available or they may not be aware of and doing it quickly and seamlessly. And this is for either end client or internal user applications. The benefit is the same because both of those groups have access to service desks and would normally make a phone call to the desk if we’re not communicating effectively with them. We’ve measured about a 15% reduction in client support calls when we use WalkMe tools to communicate. So we’re directly heading off calls to our desk, and so many of these calls are just basic ‘show me how’ calls.”

Employees will increase effective usage of applications, energy:

“We can reach more employees with WalkMe. They will use the new applications more now as a result. With the use of the shadows and NPS survey, we are very in touch with the users. We can know if they are happy or if we are having feedback.”

Employees can be onboarded more efficiently, construction:

“We just acquired a company, which was a \$2 billion acquisition, and we were able to get their folks trained up on their application quickly. We carved about two weeks from that acquisition process of two months.”

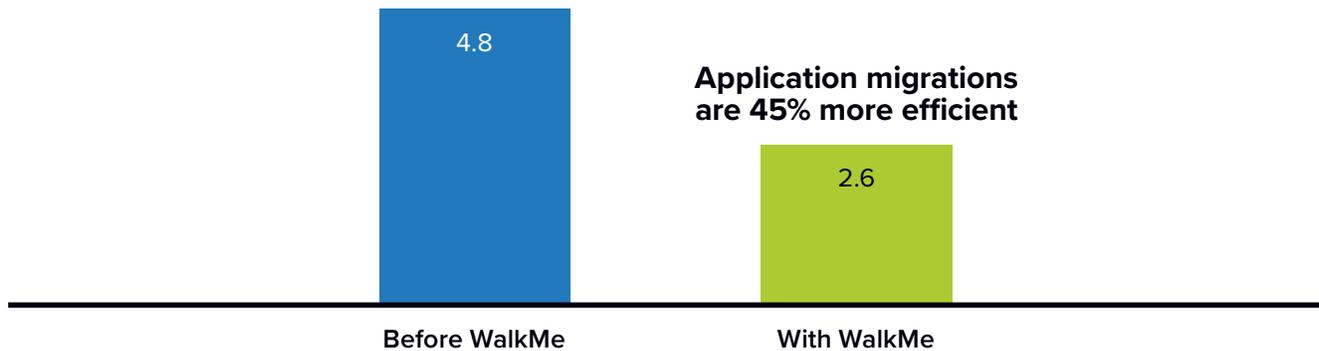
Improved employee experience (EX) can help lead to better customer experience (CX), informational technology:

“Because when our employees have a level of proficiency and are comfortable with the applications, they tend to sell it much better and tend to be able to communicate it better to customers. They can say, ‘Here, go to this page, and let me walk you through that, and see how great it is because they are comfortable.’”

To get a full and complete picture of the employee impacts of WalkMe, IDC evaluated specific ways that the solution improved performance beginning with application migration. This is defined as the process of getting employees fully operational with respect to new applications coming onstream.

Interviewed organizations told IDC that using WalkMe to optimize the application migration process saved time and reduced friction in the process of getting new business applications into full utilization. As shown in **Figure 1**, after adoption, companies experienced a 45% boost in migration efficiency.

FIGURE 1
Application Migration Impact
(Weeks)



n = 8, Source: IDC's Business Value research, April 2023

IDC then drilled down on specific benefits for internal users (i.e., employees who were using in-house applications, intranets, or company websites). Organizations reported that they were able to more than triple the number of users using various applications and features while improving adoption time by 60% (see **Table 3**, next page). In addition, interviewed companies saw a very substantial improvement in the percentage of users using new applications or features within intended time frames (84%). IDC also calculated the total number of users adopting, showing an even more substantive improvement (224%).

TABLE 3

Internal User Adoption Impact

	Before WalkMe	With WalkMe	Difference	Benefit
Average percentage of intended users using new application/feature within intended time frame	33.0	61.0	28.0	84.0%
Typical time to begin using application/feature (number of weeks)	8.0	3.2	4.8	60.0%
Number of users adopting	3,825	12,393	8,568	224.0%

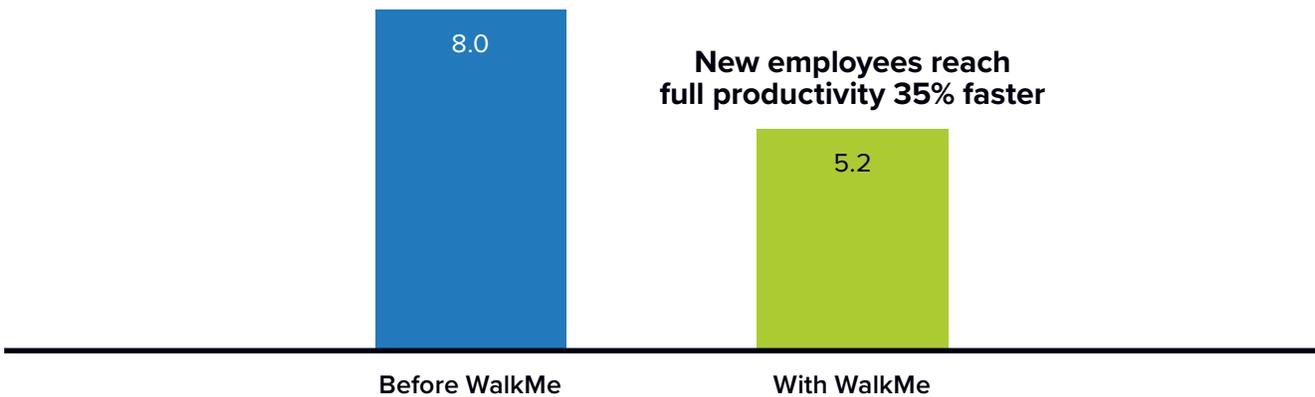
Source: IDC's Business Value research, April 2023

Another value proposition for WalkMe relates to the benefits it provides for employee onboarding. Study participants told IDC that WalkMe helped new employees learn quickly about the applications and tools they needed to get started and perform their new roles. **Figure 2** quantifies these benefits. After adoption, organizations were able to bring new employees into full productivity 35% faster than they were able to previously.

FIGURE 2

New Employee Onboarding

(Weeks)



n = 8, Source: IDC's Business Value research, April 2023

IDC then took a more granular look at end-user impacts. Study participants reported that, with faster adoption of applications and workloads, business end users could spend less nonproductive maintenance time trying to familiarize themselves with application features and functions they needed and more time on their day-to-day activities. **Table 4** quantifies these impacts, showing that interviewed companies gained 212,187 productive hours after adoption of WalkMe.

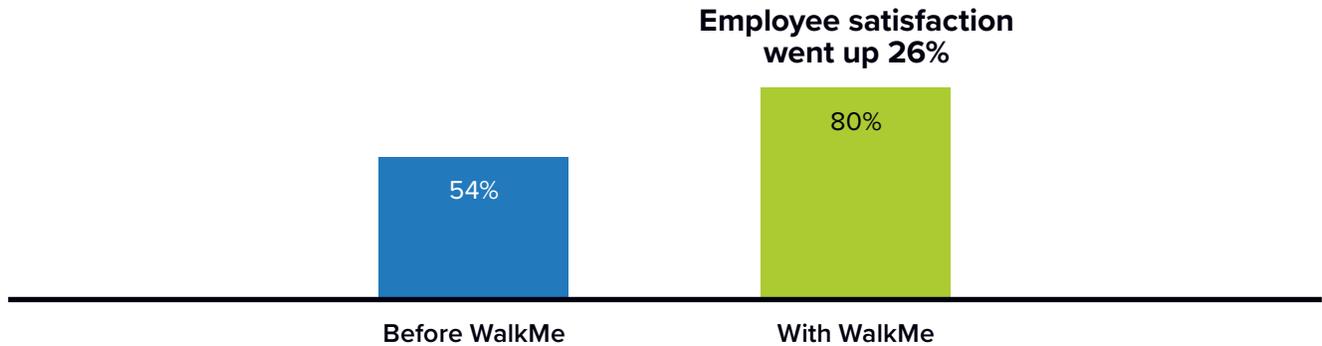
TABLE 4
End-User Impact

Enhanced User Productivity	Per Organization	Per 1,000 Users
Number of users impacted	15,714	480
Gross productivity gains	1.0%	1.0%
Productive hours gained	212,187	6,486
End-user impact (FTE equivalent per organization per year)	112.9	3.5
Value of increased end-user productivity	\$7.9M	\$241,500

Source: IDC's Business Value research, April 2023

Another significant aspect of the WalkMe platform is helping employees complete tasks that they might be less familiar with because they aren't part of their normal routines. Examples include annual performance evaluations or archival documents. In addition, organizations told IDC they could be more responsive to employee feedback gathered from WalkMe. This and other feature benefits contributed to a better digital experience, leading to a 26% improvement in job satisfaction (see **Figure 3**, next page).

FIGURE 3
Employee Satisfaction
 (Percentage of respondents)



n = 8, Source: IDC's Business Value research, April 2023

IDC then evaluated post-adoption business process KPIs. Because employees are better at utilizing all the tools at their disposal, organizations can be nimbler in responding to customer needs. As one study participant noted, *“We are absolutely more agile with WalkMe. There were a number of major projects we had to execute, and we managed to do it in COVID-19 conditions.”*

Figure 4 shows the results of IDC’s evaluation. After adoption of WalkMe, interviewed companies saw a 41% reduction in business errors. In addition, they experienced faster utilization of change in projects (30%) and were able to move products and/or services to market more quickly (20% faster).

FIGURE 4
Business Process KPIs
 (Percentage of improvement)



n = 8, Source: IDC's Business Value research, April 2023

Table 5 shows the impact for study participants’ businesses of speeding up employee adoption of important business applications. On average, IDC calculates that study participants will realize revenue gains of \$10.59 million per year per organization as employees leverage enhanced functionality to drive business activities.

TABLE 5

Revenue Impact: Faster Employee Adoption of Applications

	Per Organization	Per Business Application	Per 1,000 Users
Business impact — revenue from faster employee adoption of applications			
Total additional revenue per year	\$10.6M	\$985,000	\$323,700
Assumed operating margin	15.0%	15.0%	15.0%
Total recognized revenue per year — IDC model*	\$1.6M	\$148,000	\$48,600

* The IDC model assumes a 15% operating margin for all additional revenue.

Source: IDC’s Business Value research, April 2023

IDC then looked at operational costs. Organizations were able to save on operational costs because they could pay vendors faster or make better use of finance applications that could identify potential savings. As shown in Table 6, IDC calculated that the WalkMe solution offered \$368,000 in cost savings per organization (\$34,200 per business application).

TABLE 6

Operational Costs Impact

	Per Organization	Per Business Application	Per 1,000 Users
Business impact — reduced operational cost			
Reduction in operational costs	\$368,000	\$34,200	\$11,300

Source: IDC’s Business Value research, April 2023

Customer Experience Impacts of WalkMe

Interviewed companies told IDC that, in addition to their employees, customers also benefited from WalkMe implementation and pointed toward direct and measurable benefits for their business operations. In their comments that further confirmed many of the benefits already discussed, interviewed companies noted that, with WalkMe, they increased feature usage significantly and noted that customers could keep up to speed on new functions, thereby increasing satisfaction levels. They also cited increased customer retention and the ability to bring new services to market more quickly.

Study participants elaborated on these benefits:

Increased usage of all the features, financial services:

“Because technology changes so fast, when we aren’t leveraging WalkMe, there’s always a risk that people aren’t using our capability at all because they don’t know what’s there. So they have to stumble on it. With WalkMe, we have search capabilities that allow clients who ask, ‘Do you even have this functionality?’ And find how to use it or where to find it that way. Also leveraging the shout-out capabilities that are in your face when you log in like, ‘Here is new stuff we want you to know about. And by the way, click here to take a tour of how to do it.’”

Improved customer retention, construction:

“For us, the biggest benefit of increased adoption for customers is quicker time to value and more retention of the customer. But I can tell you that our recurring number is 85% of our digital customers who log in month after month are repeat customers. And it seems there’s been an increase in repetitive customers by 20%.”

Customers able to keep up to speed on new functions, healthcare:

“We only need about 20% of the time now for the training because the customers have this onscreen guidance. So it went down by 80%. Before, it was not even possible for us to maintain the training in such an efficient way because it was web-based training and it costs quite some money. Then, after two weeks, it was already outdated because there was new functionality, new processes, whatever. With WalkMe as part of the development process, we can make sure that it’s always up to date, which we wouldn’t have been able to do without this technology stack.”

Faster time to market, financial services:

“Moving from a very manual paper-based process to new tools with WalkMe overlays, we’ve seen as much as a 60% reduction in what we’ve called NGO requests coming in, which is ‘not in good order.’ We can get to account opening much faster, whereas previously, the fastest we ever did an account opening was in a week because we had to shuffle paper around, make sure we had signatures

on file, etc. In our new account opening world, we can get an account from initial setup by the end user to delivery within 24 hours. And WalkMe has been a big part of teaching people how to use those tools and systems to achieve that 24-hour turnaround.”

IDC then quantified these anecdotal observations in several key areas. Similar to the benefits that internal users identified, the use of WalkMe guided external users through various application features and functions, resulting in a doubling of adoption and shaving off the time needed to use a new feature by over 50%.

Table 7 summarizes impacts for external users. In terms of customers and/or external users being able to use new applications or features within intended time frames, companies saw a very significant improvement of 131% (i.e., 2.31 times more customers using applications and features).

TABLE 7
External User Adoption Impact

	Before WalkMe	With WalkMe	Difference	Benefit
Average percentage of customers/external users using new application/feature within intended time frame	22.0	50.0	28.0	131.0%
Typical time to begin using application/feature (number of weeks)	13.9	6.8	7.1	51.0%

Source: IDC’s Business Value research, April 2023

Since external users were able to utilize more of the applications and services available to them, organizations were able to generate more revenue through reduced customer churn and increase the number of repeat customers. As shown in **Table 8** (next page), on average, organizations received a total additional annual revenue of \$30,574,000 as a direct result of WalkMe adoption. Combined with revenue gains related to faster employee adoption of applications, total revenue gains average \$41.4 million per year per organization.

TABLE 8
Revenue Impact: Improved Customer Experience

	Per Organization	Per Business Application	Per 1,000 Users
Business impact — revenue from improved customer experience			
Total additional revenue per year	\$30.57M	\$2.84M	\$934,600
Assumed operating margin	15.00%	15.00%	15.00%
Total recognized revenue per year — IDC model*	\$4.59M	\$427,000	\$140,200

* The IDC model assumes a 15% operating margin for all additional revenue.

Source: IDC's Business Value research, April 2023

Benefits for IT and Digital Adoption Delivery Teams

In addition to direct benefits for end users and customers, interviewed companies reported that WalkMe helped them automate previously manual tasks. **Table 9** shows these impacts. After adoption, interviewed companies saw a 13% productivity boost for digital adoption teams. This amounted to the equivalent of adding 1.4 FTEs and resulted in an annual productivity-based business value of \$141,000 for each organization.

TABLE 9
Digital Adoption Team Impact

	Before WalkMe	With WalkMe	Difference	Benefit
Digital adoption staff productivity impact (FTE equivalent per organization per year)	11.30	9.90	1.40	13.00%
Salary cost per year per organization	\$1.13M	\$987,500	\$141,000	13.00%

Source: IDC's Business Value research, April 2023

IDC also evaluated impacts for application release teams. These IT teams were able to utilize WalkMe to help them deploy new applications and features more effectively. After adoption, interviewed companies saw a 5% productivity boost (see **Table 10**). This amounted to the equivalent of adding 1.3 FTEs and resulted in an annual productivity-based business value of \$128,400 for each organization.

TABLE 10
Application Release Team Impact

	Before WalkMe	With WalkMe	Difference	Benefit
Application release team productivity impact (FTE equivalent per organization per year)	23.40	22.10	1.30	5.00%
Salary cost per year per organization	\$2.34M	\$2.21M	\$128,400	5.00%

Source: IDC's Business Value research, April 2023

Another high-impact area was studied related to application development and DevOps teams. These teams are tasked with delivering highly functional software on which their businesses depend. Organizations told IDC that having an improved feedback loop involving both internal and external users helped improve development team decision making, especially in terms of being able to generate the ideal mix of new applications and features that could most benefit their user base.

Table 11 shows these impacts. After adoption, interviewed companies saw a 16% productivity boost for their development teams. This was the equivalent of adding 9.3 FTEs and resulted in an annual productivity-based business value of \$925,600 for each organization.

TABLE 11
Application Developer Impact

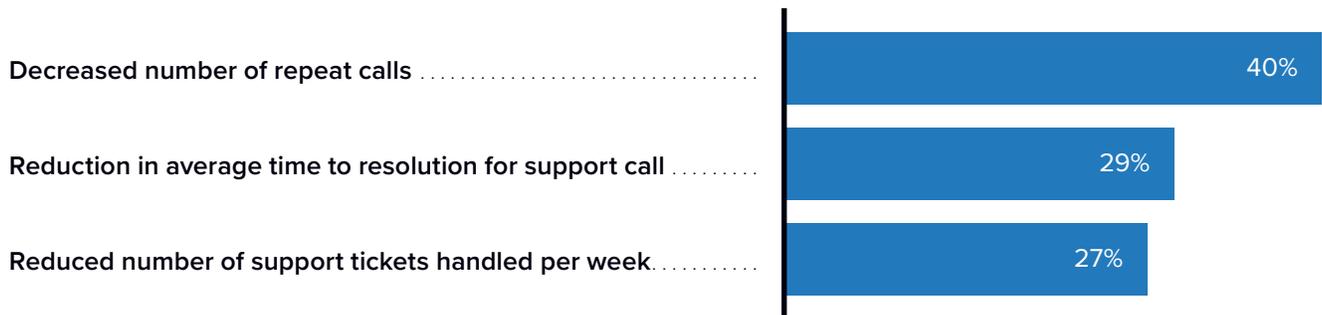
	Before WalkMe	With WalkMe	Difference	Benefit
AppDev (FTE equivalent per organization per year)	59.70	69.00	9.30	16.00%
Equivalent value of AppDev team productivity (cost per year per organization)	\$5.97M	\$6.90M	\$925,600	16.00%

Source: IDC's Business Value research, April 2023

Interviewed companies further reported that having better and smoother applications translated into less troubleshooting in their help desk operations. Because WalkMe provided more relevant information and higher levels of application utilization for both users and customers, the number of calls/tickets coming into the help desk were reduced.

Figure 5 summarizes these results. After adoption of WalkMe, interviewed companies saw a 40% reduction in the number of repeat calls. In addition, they experienced a 29% reduction in resolution times with 27% less trouble tickets handled on a weekly basis.

FIGURE 5
Help Desk Impact
(Percentage of improvement)



n = 8, Source: IDC's Business Value research, April 2023

ROI Summary

IDC's analysis of the financial and investment benefits related to study participants' use of WalkMe is presented in **Table 12** (next page). IDC calculates a total discounted three-year benefit of \$33.3 million per organization based on improved website and application utilization for customers and employees, better IT team productivity, and improved business results. These benefits compare with projected total discounted investment costs of \$5.6 million per organization over three years. IDC calculates that at these levels of benefits and investment costs, these organizations will achieve a three-year ROI of 494% and break even on their investment in approximately five months.

TABLE 12

Three-Year ROI Analysis

	Per Organization	Per Application	Per 1,000 Users
Benefit (discounted)	\$33.30M	\$3.09M	\$1.02M
Investment (discounted)	\$5.60M	\$521,100	\$171,200
Net present value (NPV)	\$27.70M	\$2.58M	\$846,300
ROI (NPV/investment)	494%	494%	494%
Payback period	5 months	5 months	5 months
Discount factor	12%	12%	12%

Source: IDC's Business Value research, April 2023

Challenges/Opportunities

WalkMe is in a unique position to capitalize on its extensive data and insights around user behavior and business value related to employee performance. The company's ability to improve productivity and efficiency across such a broad constituency of end users and developers is indicative of a holistic, system, and workflow-based approach essential for today's pace of business. As the use of key productivity applications implementing generative AI and other automated workflows grows, WalkMe is in a unique position to develop in that space.

WalkMe's challenges will be to temper growth with consistently high-quality customer experiences, both uniquely and through partner engagements. The company will need to ensure that its own growth and expansion into vertical specialties matches market demand and that it is well positioned to compete with guided learning offerings from vendors selling ERP and CRM solutions. In an era where cross-application context switching is a commonplace, WalkMe's platform agnosticism holds a distinct advantage.

WalkMe's opportunity is to capitalize on the current moment in which all eyes are on addressing global skills shortages and the means to upskill existing employees. Headlines warn of impending layoffs due to growth in AI capabilities to replace humans doing repetitive tasks. While these layoffs loom for employees in HR, finance, and other areas focused on systems of record, many technology jobs

are going unfilled for lack of skilled applicants. WalkMe’s capabilities offer a means for organizations to more effectively cross-skill and upskill existing employees to meet business and technology needs. WalkMe’s newly minted Federal Risk and Authorization Management Program (FedRAMP) certification provides a standardized approach to security authorizations for cloud service offerings. FedRAMP certification helps the U.S. government adapt from legacy IT to secure cloud-based solutions. This certification also offers WalkMe a distinct opportunity to expand its offerings in a sector ripe for digital transformation.

Conclusion

As organizations seek to prepare for potential recessionary conditions, WalkMe’s analytics offer insights into immediate opportunities for portfolio rationalization and surgical diagnostics on where and how application usage can be improved. The company’s graduated deployment approach advantages it over more heavyweight RPA deployments—enabling users to “crawl, walk, run” their way to process improvement and employee engagement. IDC’s most recent Worldwide Future of Work Survey finds 55% of organizations worldwide are deploying DAPs to maintain company culture across remote, onsite, field and hybrid workers—helping employees to easily learn new tools to navigate company workflows. To address talent shortages and skills gaps and drive employee productivity, 34% of worldwide organizations are deploying DAPs. Finally, 39% are using DAPs for training and digital learning (source: IDC’s *Worldwide Future of Work Survey*, April 2023).

Organizations reported to IDC that WalkMe was able to smooth out the entire process of deploying and adopting new applications and features to both internal and external users. This has led to the improved business outcomes that executives inside these organizations were hoping to see in terms of improved time to market for new products and services and increased revenue capture from reduced customer churn and increased repeat customers. As such, IDC calculates that these enterprise organizations may well see a 5:1 return on their overall investment into WalkMe.

Appendix: Methodology

IDC's standard ROI methodology was utilized for this project. This methodology is based on gathering data from current users of WalkMe.

Based on interviews with these organizations, IDC performed a three-step process to calculate the ROI and payback period:

- Gathered quantitative benefit information during the interviews using a before-and-after assessment of the impact of WalkMe. In this study, the benefits included IT cost reductions and avoidances, staff time savings and productivity benefits, and revenue gains.
- Created a complete investment (three-year total cost analysis) profile based on the interviews. Investments go beyond the initial and annual costs of using WalkMe and can include additional costs related to migrations, planning, consulting, and staff or user training.
- Calculated the ROI and payback period. IDC conducted a depreciated cash flow analysis of the benefits and investments for the organizations' use of WalkMe over a three-year period. ROI is the ratio of the net present value (NPV) and the discounted investment. The payback period is the point at which cumulative benefits equal the initial investment.

IDC bases the payback period and ROI calculations on a number of assumptions, which are summarized as follows:

- Time values are multiplied by burdened salary (salary + 28% for benefits and overhead) to quantify efficiency and productivity savings. For purposes of this analysis, IDC has used assumptions of an average fully loaded salary of \$100,000 per year for IT staff members, and an average fully loaded salary of \$70,000 per year for non-IT staff members. IDC assumes that employees work 1,880 hours per year (47 weeks x 40 hours).
- The net present value of the three-year savings is calculated by subtracting the amount that would have been realized by investing the original sum in an instrument yielding a 12% return to allow for the missed opportunity cost. This accounts for both the assumed cost of money and the assumed rate of return.
- Further, because WalkMe requires a deployment period, the full benefits of the solution are not available during deployment. To capture this reality, IDC prorates the benefits on a monthly basis and then subtracts the deployment time from the first-year savings.

Note: All numbers in this document may not be exact due to rounding.

About the IDC Analysts



Harsh Singh

Senior Research Analyst, Business Value Strategy Practice, IDC

Harsh V. Singh is a senior research analyst for IDC's Business Value Strategy Practice, responsible for developing return-on-investment and cost-savings analysis on enterprise technological products. Harsh's work covers various solutions that include datacenter hardware, enterprise software, and cloud-based products and services. Harsh's research focuses on the financial and operational impact these products have on organizations that deploy and adopt them.

[More about Harsh Singh](#)



Amy Loomis, Ph.D.

Research Vice President, Future of Work, IDC

Amy Loomis is research vice president for IDC's worldwide Future of Work market research service. In this role, Amy covers the growing influence of technologies such as artificial intelligence, data analytics, robotics, augmented and virtual reality, and intelligent process automation in changing the nature of work. Her research looks at how these technologies influence workers' skills and behaviors, organizational culture, worker experience, and how the workspace itself is enabling the future enterprise..

[More about Amy Loomis, Ph.D.](#)

[Learn more about IDC's Future of Work Research Practice](#)

IDC Custom Solutions

This publication was produced by IDC Custom Solutions. The opinion, analysis, and research results presented herein are drawn from more detailed research and analysis independently conducted and published by IDC, unless specific vendor sponsorship is noted. IDC Custom Solutions makes IDC content available in a wide range of formats for distribution by various companies. This IDC material is licensed for external use and in no way does the use or publication of IDC research indicate IDC's endorsement of the sponsor's or licensee's products or strategies.



IDC Research, Inc.
140 Kendrick Street, Building B, Needham, MA 02494, USA
T +1 508 872 8200

 @idc

 @idc

[idc.com](https://www.idc.com)

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications, and consumer technology markets. With more than 1,300 analysts worldwide, IDC offers global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries. IDC's analysis and insight helps IT professionals, business executives, and the investment community to make fact-based technology decisions and to achieve their key business objectives.

©2023 IDC. Reproduction is forbidden unless authorized. All rights reserved. [CCPA](#)