

A Forrester Total Economic Impact™
Study Commissioned By Adform
March 2017

The Total Economic Impact™ Of Adform

Table Of Contents

Executive Summary	1
Key Findings	1
TEI Framework And Methodology	3
The Adform Customer Journey	4
Interviewed Organizations	4
Key Challenges	4
Key Results	4
Market Survey Insights	5
Financial Analysis	8
Increased Return On Ad Spend	8
Reduced Cost Of Other Digital Channels	9
Reduced Cost Of Vendor Governance	10
Flexibility	10
Cost Of Adform Platform	11
Cost Of Additional Staff To Manage Internal Data And Technology Platform	12
Cost Of Training	12
Financial Summary	13
Adform: Overview	14
Appendix A: Total Economic Impact	15

Project Director:
Dean Davison
March 2017

ABOUT FORRESTER CONSULTING

Forrester Consulting provides independent and objective research-based consulting to help leaders succeed in their organizations. Ranging in scope from a short strategy session to custom projects, Forrester's Consulting services connect you directly with research analysts who apply expert insight to your specific business challenges. For more information, visit forrester.com/consulting.

© 2017, Forrester Research, Inc. All rights reserved. Unauthorized reproduction is strictly prohibited. Information is based on best available resources. Opinions reflect judgment at the time and are subject to change. Forrester®, Technographics®, Forrester Wave, RoleView, TechRadar, and Total Economic Impact are trademarks of Forrester Research, Inc. All other trademarks are the property of their respective companies. For additional information, go to forrester.com

Executive Summary

Adform provides an integrated marketing platform that enables customers to consolidate and internally manage marketing activities for digital advertising. Adform commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) enterprises may realize by using Adform. The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of the Adform platform/technology on their organizations.

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed two customers with experience using Adform's platform. The customers shared with Forrester how Adform enabled them to control marketing data, avoid tedious data transfers, integrate, and coordinate across multiple vendors. By controlling and managing marketing data internally, the organizations adapted to customers faster and with greater precision than when managing a portfolio of technology partners.

Prior to using Adform, the customers used several demand-side platforms (DSP), data management platforms (DMPs), and ad servers to execute their digital advertising campaigns. Using several vendors also created silos of data that took time and effort to collect, consolidate, and analyze.

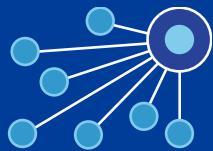
After adopting Adform's platform, the customers controlled a unified set of marketing data, made decisions based on insights from a single data set, reacted more quickly to short-term opportunities, and identified additional audience segments. In the words of one customer: "The media landscape is changing, and data is becoming a very important asset. We wanted more control of our data and more control of how to direct our spending. We viewed this as the best way to address customers."

Key Findings

Quantified benefits. The following risk-adjusted, present-value quantified benefits are representative of those experienced by the companies interviewed:

- › **Increased return on ad spend (ROAS) of 10%.** The customers realized a 10% uplift in ROAS that equated to a \$3,170,736 increase in net profit over three years. It attributed this improvement to being faster to market in three areas: 1) centralized data, allowing for faster campaign optimization; 2) audience modeling, allowing the organization to find new audiences faster; and 3) time saved with limited integration needs.
- › **Reduced cost of other digital channels by \$268,580.** Because of the improved results from other channels, the customers reallocated funding from search engine advertising into focused campaigns.
- › **Reduced cost of vendor governance by \$179,551.** The effort required by employees to manage disparate vendor relationships, consolidate and aggregate data, and make campaign decisions across a portfolio of marketing partners was reduced by 0.8 full-time equivalents (FTEs) per year.

Benefits And Costs



Increased return on ad spend:
\$3,170,736



Reduced cost of search engine advertising:
\$268,580



Total cost to leverage Adform:
\$1,604,089



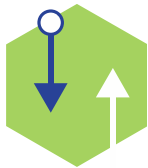
ROI
126%



Benefits PV
\$3.6 million



NPV
\$2 million



Payback
5.3 months

Unquantified benefits. The interviewed organizations experienced the following benefit, which is not quantified for this study:

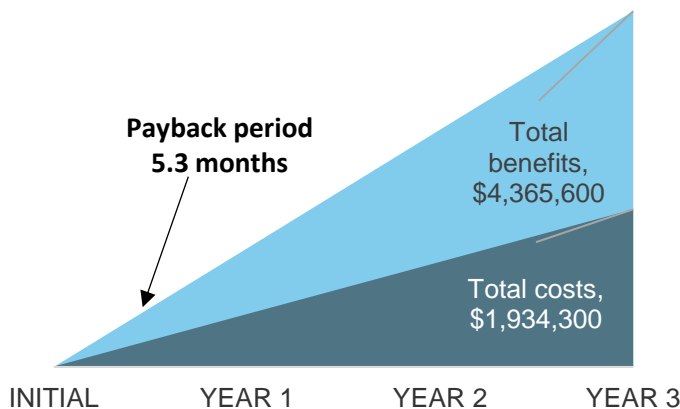
- › **Reduced “technology tax” or “cookie loss.”** Working with a single data set enabled the organizations to conduct more comprehensive analysis, identify insights faster, and respond with faster campaigns and identify broader new audiences.

Costs. The interviewed organizations experienced the following risk-adjusted, present-value costs:

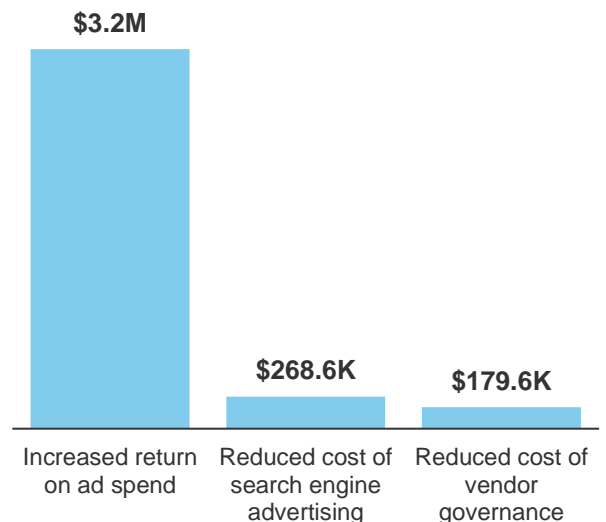
- › **Cost of the Adform platform of \$1,104,162.** The customers paid a combination of flat fees and variable rates over the three years in Forrester’s financial model.
- › **Cost of staff to manage data and platform of \$496,127.** To effectively manage data internally and leverage the capabilities of the Adform platform, the customers assigned two employees.
- › **Cost of training to leverage the Adform platform of \$3,800.** The two employees dedicated to managing Adform attended one week of training.

Forrester’s interviews with two existing customers and subsequent financial analysis found that an organization based on these interviewed organizations experienced benefits of more than \$3.6 million over three years versus costs of more than \$1.6 million, adding up to a net present value (NPV) of just over \$2 million and an ROI of 126%.

Risk-Adjusted Financial Summary



Risk-Adjusted Financial Summary



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

TEI Framework And Methodology

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

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 Adform can have on an organization:



DUE DILIGENCE

Interviewed Adform stakeholders and Forrester analysts to gather data relative to marketing platforms.



CUSTOMER INTERVIEWS

Interviewed two organizations using Adform to obtain data with respect to costs, benefits, and risks. Forrester also surveyed 100 marketing executives in the US, the UK, and Germany.



COMPOSITE ORGANIZATION

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



FINANCIAL MODEL FRAMEWORK

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



CASE STUDY

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

DISCLOSURES

Readers should be aware of the following:

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

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

Adform 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.

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

The Adform Customer Journey

BEFORE AND AFTER THE ADFORM INVESTMENT

Interviewed Organizations

For this study, Forrester conducted two interviews with Adform customers. Interviewed customers include the following:

INDUSTRY	REGION	INTERVIEWEE
Telecommunications	Regional company, headquartered in Europe	Director, performance marketing
Consumer goods	Global company, headquartered in Europe	Director, web and digital initiatives

Key Challenges

Before adopting the Adform platform, the organizations experienced challenges that led them to evaluate new types of solutions. These challenges were:

- › **Agencies provide siloed solutions.** It's difficult for organizations to leverage the data from one agency to launch campaigns with another agency. Integrating campaigns across agencies took too long to execute, which resulted in extremely short windows of opportunity that were missed.
- › **Agencies were relatively expensive.** One director said: "We sell products in physical stores and online. Our first goal was simply to save money because our media agency charged us advertising costs that were 10 times more than we pay Adform now."
- › **Companies lacked control over tools and data.** In the past, organizations relied on agencies to do what they could not do for themselves. Companies are increasingly capable, which is shifting their expectations. One director told Forrester: "We didn't have our own tools and did not control our own data. It was a service and nothing more."

"Our first goal was simply to save money because our media agency charged us advertising costs that were 10 times more than we pay Adform now."

Director, consumer goods company



Key Results

The interviews revealed that key results from Adform include:

- › **Increased return on ad spend (ROAS).** A combination of lower cost per campaign and the ability to respond faster to market opportunities, identify more market segments, and leverage data across campaigns increases the total revenue realized from the same cost of marketing.
- › **Decreased the cost of the "technology tax" or "cookie loss."** Some organizations refer to the loss of data, data integration, and lost time as a "technology tax" or as "cookie loss." Both organizations described the benefit of working with a single, integrated data set, but neither has been able to quantify the financial value or performance increase. In this study, Forrester will describe the benefits in terms of ROAS, but these other technical benefits lie behind the scenes.

"Everyone knows that search engine advertising is the tail end of the sales funnel, but owning our own data and insights gave us a clearer picture than we ever had with multiple agencies."

Director, telecom industry

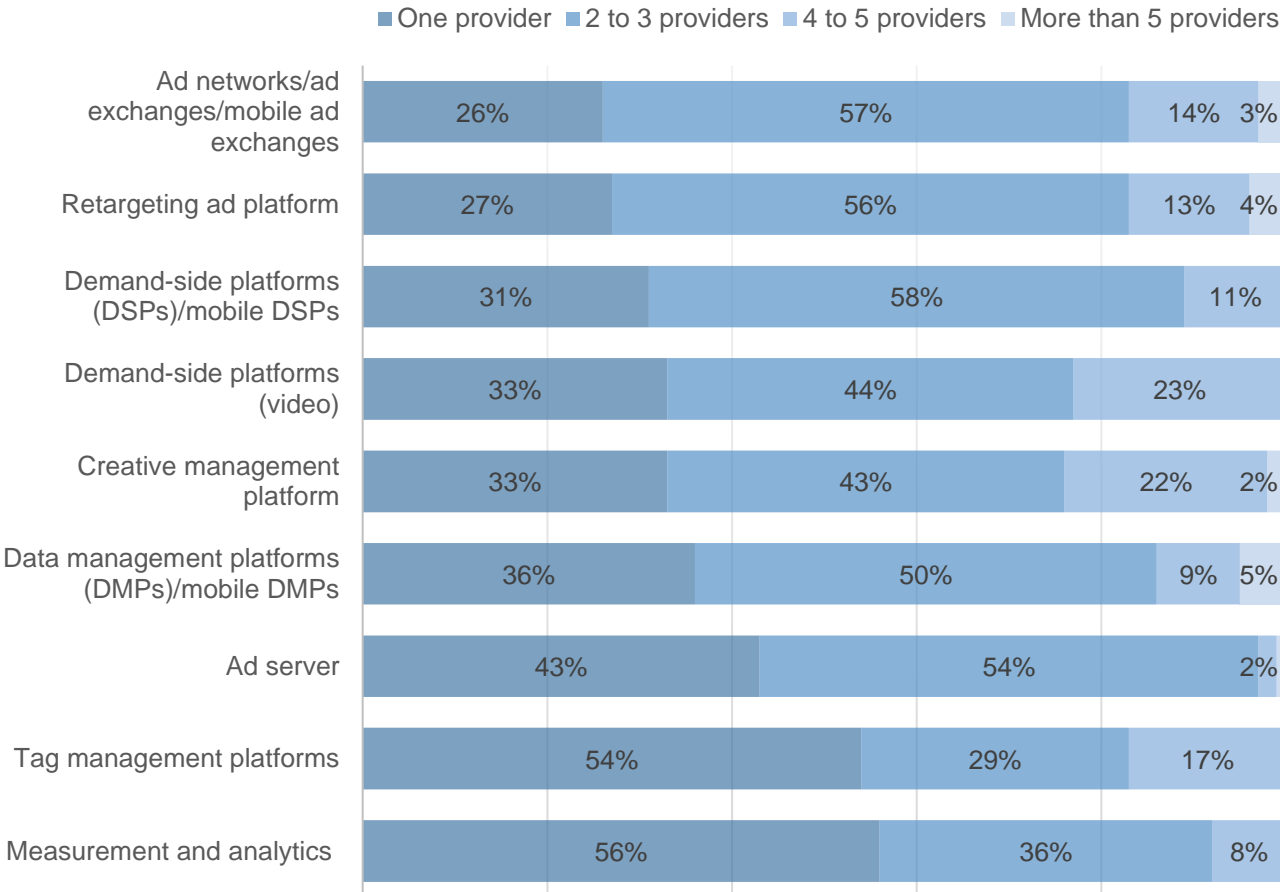


Market Survey Insights

Forrester conducted a survey to determine the extent to which organizations were generally experiencing the same challenges as those expressed in the interviews. The following data is extracted from 100 respondents located in the United States, United Kingdom, and Germany.

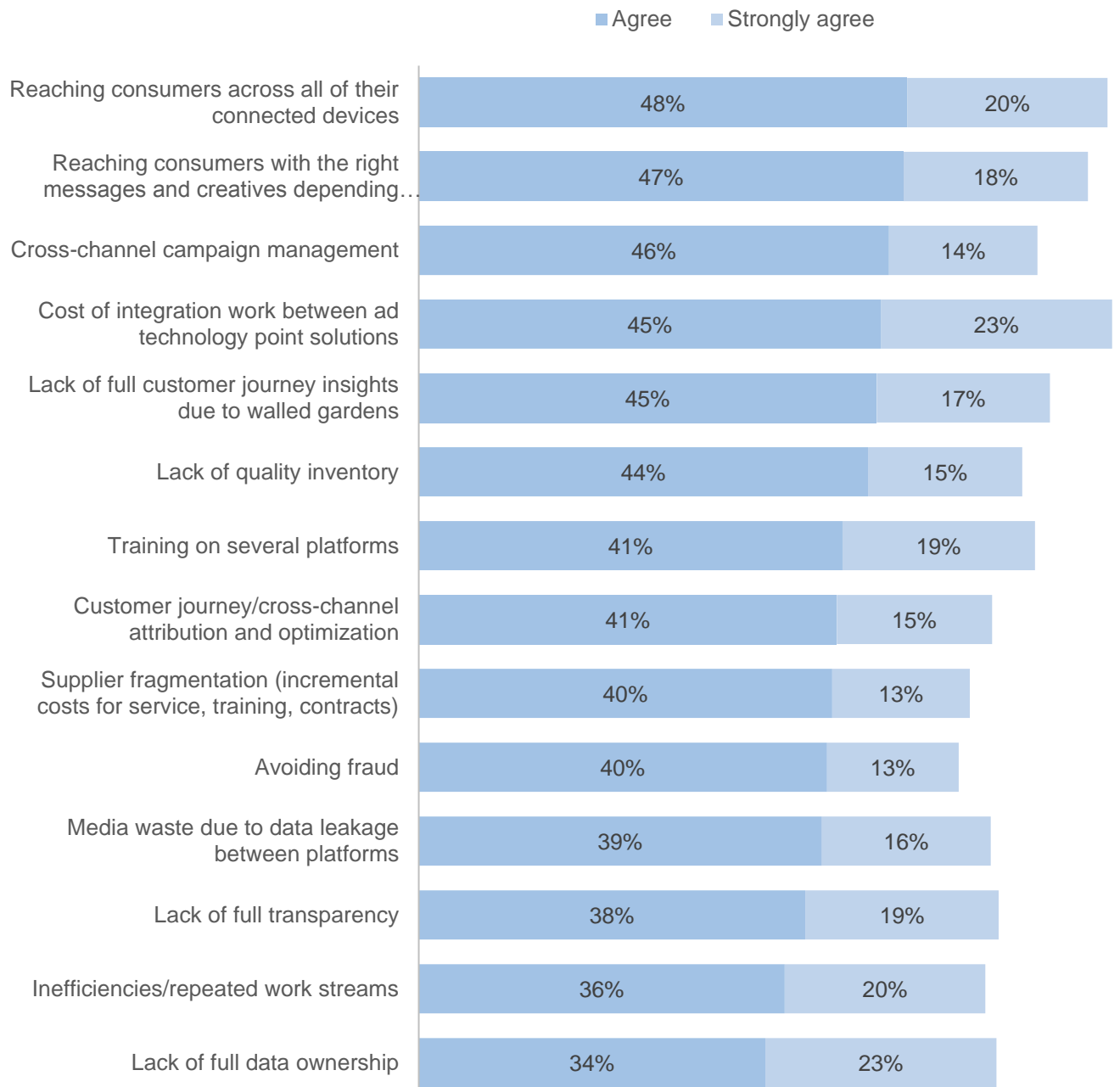
Forrester asked about the number of vendors that each organization already used for various marketing activities. The data shows that in the current environment, organizations lean toward using more vendors for DSPs, ad exchanges, and retargeting, while favoring a smaller number of vendors for functions such as tag management, measurement, and analytics. Interestingly, many of the partners being used provide the same features and capabilities when it comes to media activation. Take ad networks, retargeting platforms, and channel-specific DSPs, for example. Each category of vendor can retarget or activate audience-based buys, yet multiple providers are used by marketers.

In the survey, Forrester asked, “Thinking about your ad technologies/products, with approximately how many unique technology platforms/products do you work?”

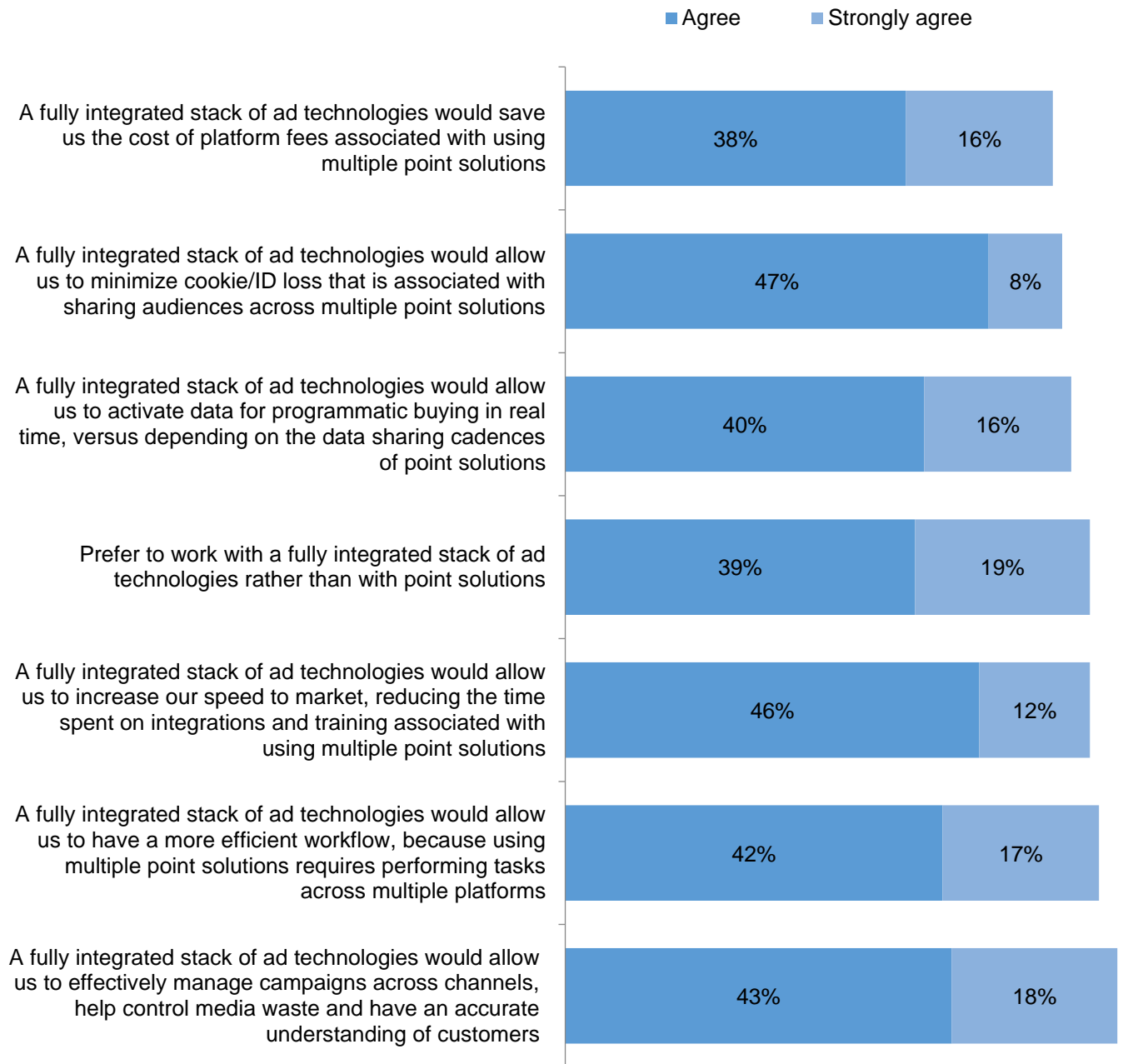


Forrester also asked, “Do you think that a fully integrated stack of ad technology would help your organization to address the following challenges?” Based on the number of respondents who “agreed” or “strongly agreed” with the statements, marketing professionals widely agreed that an integrated stack would improve marketing operations.

In some cases, using multiple providers to execute the same types of buys can hurt marketing performance. Take the example given before about retargeting tactics. Using multiple providers to do retargeting can result in over-frequenting a marketer’s most valuable audience, as well as contribute to delivering the wrong message, at the wrong time, to a consumer who’s no longer the right person to reach. The benefits would include getting better access to consumers, reducing the cost of marketing activities, improving quality, and even reducing fraud.



To corroborate the points in the previous chart, Forrester also asked respondents to evaluate more in-depth statements about the potential benefits of a fully integrated technology stack. As marketers start to test and explore how single solutions address these key issues with using multiple partners, it's safe to assume that ad technology stacks and partner networks will consolidate. Specifically, Forrester asked, "How much do you agree with the statements below?"



Financial Analysis

QUANTIFIED BENEFIT AND COST DATA

Total Benefits

REF.	BENEFIT	YEAR 1	YEAR 2	YEAR 3	TOTAL	PRESENT VALUE
Atr	Increased return on ad spend	\$1,275,000	\$1,275,000	\$1,275,000	\$3,825,000	\$3,170,736
Btr	Reduced cost of other digital channels	\$108,000	\$108,000	\$108,000	\$324,000	\$268,580
Ctr	Reduced cost of vendor governance	\$72,200	\$72,200	\$72,200	\$216,600	\$179,551
	Total benefits (risk-adjusted)	\$1,455,200	\$1,455,200	\$1,455,200	\$4,365,600	\$3,618,867

Increased Return On Ad Spend

The organizations experienced a shift in the results that they realized from programmatic marketing spending. Specifically, they:

- › Benefited from having a complete set of data that resulted in faster and more comprehensive analysis.
- › Developed additional insights that enabled the organizations to reach new customers with increasing accuracy and speed.
- › “Simplified the online customer journey attribution model,” according to one director.

The financial impact on the organizations was an increase in ROAS, which was caused by two factors that Forrester was unable to separate in the experience of the two companies. Specifically, they experienced:

- › Reduced costs for the same level of programmatic spending as they took control of data sets and campaign decision making.
- › Increased results from the ability to target new sets of customers and run campaigns faster, both of which increased the results beyond what would have been possible working with a portfolio of agency partners.
- › Realized an increase in ROAS of 10%. On a baseline of \$20 million in spending, the increase was \$3 million in revenue per year. At a 50% gross margin percentage (based on the telecommunications provider), the gross margin impact was \$1.5 million per year.

The increase that readers are likely to realize will vary significantly based on their current programs and data management for marketing spending. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year risk-adjusted total PV of \$3,170,736.

The table above shows the total of all benefits across the areas listed below, as well as present values (PVs) discounted at 10%. Over three years, the organization expects risk-adjusted total benefits to be a PV of more than \$3.6 million.



Organizations measured an increase in the return on ad spend of 10% when using Adform.

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

Increased Return On Ad Spend: Calculation Table

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3
A1	Annual spending for programmatic marketing		\$20,000,000	\$20,000,000	\$20,000,000
A2	ROAS ratio (before)		150% (1.5x)	150% (1.5x)	150% (1.5x)
A3	Revenue from ad spending (before)	A1*A2	\$30,000,000	\$30,000,000	\$30,000,000
A4	Increased ROAS from using Adform		10%	10%	10%
A5	Revenue from ad spending (after)	A3*(1+A4)	\$33,000,000	\$33,000,000	\$33,000,000
A6	Incremental revenue from using Adform	A5-A3	\$3,000,000	\$3,000,000	\$3,000,000
A7	Average gross margin		50%	50%	50%
At	Increased return on ad spend in gross profit	A6*A7	\$1,500,000	\$1,500,000	\$1,500,000
	Risk adjustment	↓15%			
Atr	Increased return on ad spend in gross profit (risk-adjusted)		\$1,275,000	\$1,275,000	\$1,275,000

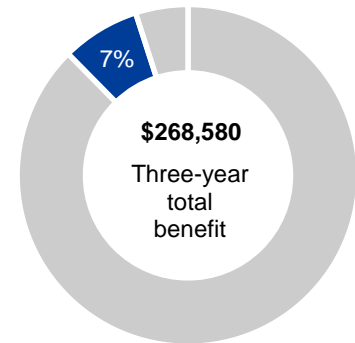
Reduced Cost Of Other Digital Channels

During one of the interviews, the director described this benefit:

“By using Adform, we reduced the budget for search engine advertising by at least 10%. We shifted some of that budget to, for example, physical advertising because we found out it is much more valuable within the customer journey.”

“This is an example of the things that we discovered. We always thought that search engine advertising is at the end of the customer journey in the sales funnel, but having the data and having all the insights, and doing all the analyses with our own analyst helped us to get a clearer picture. That helped us become more sophisticated and develop a more efficient budget allocation.”

The organization previously spent \$1.2 million per year on search engine advertising. Reducing this amount by 10% resulted in a savings of \$120,000 per year. The exact level of savings will vary from for each reader. Forrester adjusted this benefit downward by 10%, yielding a three-year risk-adjusted total PV of \$268,580.



7% of the total benefits came from reduced search engine advertising.

Reduced Cost Of Other Digital Channels: Calculation Table

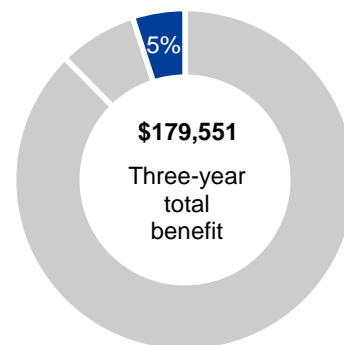
REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3
B1	Previous spend on search engine advertising		\$1,200,000	\$1,200,000	\$1,200,000
B2	Level of spending reallocated to other channels		10%	10%	10%
Bt	Reduced cost of other digital channels	B1*B2	\$120,000	\$120,000	\$120,000
	Risk adjustment	↓10%			
Btr	Reduced cost of other digital channels (risk-adjusted)		\$108,000	\$108,000	\$108,000

Reduced Cost Of Vendor Governance

Managing the relationship with each partner takes effort. The organization must select its preferred agencies, collaborate to build campaigns, analyze results, and transfer and convert data.

- › The organization had eight employees who spent an average of 20% of their time working with and managing agency relationships.
- › After adopting Adform, the effort required for agency relationships was reduced by 50%.
- › The total savings was the equivalent of 0.8 FTEs and resulted in a savings over three years of \$189,001.
- › Forrester believes that this savings will be common to most readers of this study after they consolidate agency relationships.

Forrester adjusted this benefit downward by 5%, yielding a three-year risk-adjusted total PV of \$179,551.



Reduced Cost Of Vendor Governance: Calculation Table

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3
C1	Employees managing vendor relationships		8	8	8
C2	Percentage of time on vendor governance		20%	20%	20%
C3	Percentage of effort eliminated		50%	50%	50%
C4	Full-time equivalents (FTEs) reduced	$C1 \times C2 \times C3$	0.8	0.8	0.8
C5	Average burdened salary		\$95,000	\$95,000	\$95,000
Ct	Reduced cost of vendor governance	$C4 \times C5$	\$76,000	\$76,000	\$76,000
	Risk adjustment	↓5%			
Ctr	Reduced cost of vendor governance (risk-adjusted)		\$72,200	\$72,200	\$72,200

Flexibility

The value of flexibility is clearly unique to each customer, and the measure of its value varies from organization to organization. There are multiple scenarios in which a customer might choose to implement Adform and later realize additional uses and business opportunities, including:

- › **Engaging in emerging and changing channels.** The marketing director at one customer said: “We believe that other channels that are not programmatic such as television will evolve in that direction. There are other out-of-home channels that are slowly digitalizing, and working with Adform gives us the ability to pursue such channels in the future.”
- › **Educating business executives to think more creatively.** The marketing director also said: “Many of our business executives rely on agencies to provide ideas and creativity. As they realize that we own the data now, we are seeing an increase in the ideas and opportunities that they bring to the table.”

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

Total Costs

REF.	COST	INITIAL	YEAR 1	YEAR 2	YEAR 3	TOTAL	PRESENT VALUE
Dtr	Cost of Adform platform	\$0	\$444,000	\$444,000	\$444,000	\$1,332,000	\$1,104,162
Etr	Cost of additional staff to manage internal data and technology platform	\$0	\$199,500	\$199,500	\$199,500	\$598,500	\$496,127
Ftr	Cost of training employees	\$3,800	\$0	\$0	\$0	\$3,800	\$3,800
	Total costs (risk-adjusted)	\$3,800	\$643,500	\$643,500	\$643,500	\$1,934,300	\$1,604,089

Cost Of Adform Platform

The organizations paid for the Adform platform in two parts:

- › A fixed monthly fee for the digital marketing platform that totaled \$288,000 per year.
- › Variable fees based on the volume of ad serving activities that totaled \$156,000 per year.

The total present value cost over three years was more than \$1.1 million. As the pricing from Adform is standard, Forrester did not risk-adjust this cost.

The table above shows the total of all costs across the areas listed below, as well as present values (PVs) discounted at 10%. Over three years, the composite organization expects risk-adjusted total costs to be a PV of more than \$1.5 million.

Cost Of Adform Platform: Calculation Table

REF.	METRIC	CALC.	INITIAL	YEAR 1	YEAR 2	YEAR 3
D1	Ad serving services			\$156,000	\$156,000	\$156,000
D2	Digital marketing platform			\$288,000	\$288,000	\$288,000
Dt	Cost of Adform platform	D2+D3		\$444,000	\$444,000	\$444,000
	Risk adjustment	↑ 0%				
Dtr	Cost of Adform platform (risk-adjusted)			\$444,000	\$444,000	\$444,000

Cost Of Additional Staff To Manage Internal Data And Technology Platform

To internally manage campaigns, analysis, and an internal data set, the organization required the time of additional employees:

- › Two employees were required to manage the platform and the related data.
- › At an average burdened salary of \$95,000, the present value over three years totaled \$472,502.

To account for results of different readers, Forrester adjusted this cost upward by 5%, yielding a three-year risk-adjusted total PV of \$496,127.

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

Cost Of Additional Staff To Manage Internal Data And Technology Platform: Calculation Table

REF.	METRIC	CALC.	INITIAL	YEAR 1	YEAR 2	YEAR 3
E1	Additional FTEs required			2	2	2
E2	Average burdened salary			\$95,000	\$95,000	\$95,000
Et	Cost of additional staff to manage internal data and technology platform	E2*E3		\$190,000	\$190,000	\$190,000
	Risk adjustment	↑ 5%				
Etr	Cost of additional staff to manage internal data and technology platform (risk-adjusted)			\$199,500	\$199,500	\$199,500

Cost Of Training

The two dedicated employees required two days of formal training and a few days to effectively navigate the platform. The total cost for the training was \$3,800. Forrester did not risk-adjust this cost.

Cost Of Training: Calculation Table

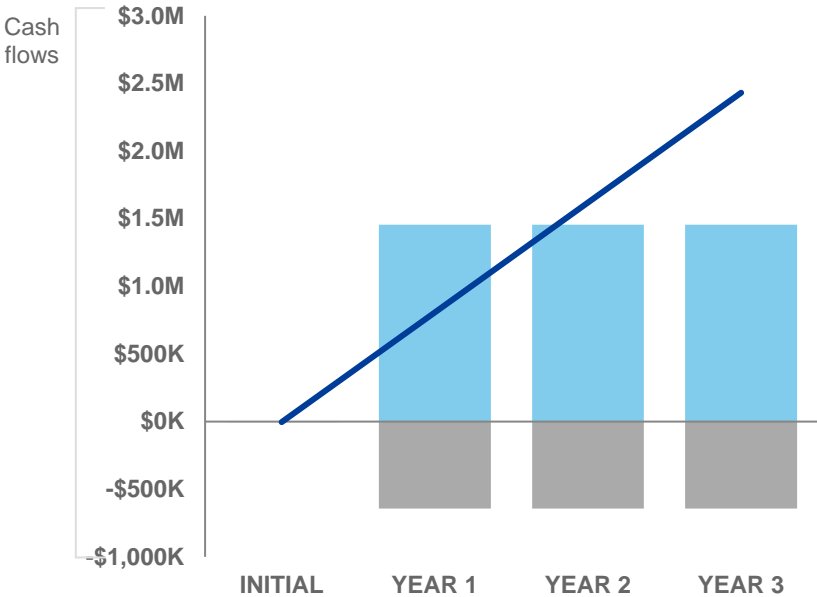
REF.	METRIC	CALC.	INITIAL	YEAR 1	YEAR 2	YEAR 3
F1	Number of employees		2			
F2	Training for one week (in years)		0.02			
F3	Average burdened salary		\$95,000			
Ft	Cost of training employees	F1*F2*F3	\$3,800			
	Risk adjustment	↑ 0%				
Ftr	Cost of training employees (risk-adjusted)		\$3,800			

Financial Summary

CONSOLIDATED THREE-YEAR RISK-ADJUSTED METRICS

Cash Flow Chart (Risk-Adjusted)

- Total costs
- Total benefits
- Cumulative net benefits



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 in Adform. Forrester assumes a yearly discount rate of 10% for this analysis.



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

Cash Flow Table (Risk-Adjusted)

	INITIAL	YEAR 1	YEAR 2	YEAR 3	TOTAL	PRESENT VALUE
Total costs	(\$3,800)	(\$643,500)	(\$643,500)	(\$643,500)	(\$1,934,300)	(\$1,604,089)
Total benefits	\$0	\$1,455,200	\$1,455,200	\$1,455,200	\$4,365,600	\$3,618,867
Net benefits	(\$3,800)	\$811,700	\$811,700	\$811,700	\$2,431,300	\$2,014,778
ROI						126%
Payback period						5.3 months

Adform: Overview

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

Adform is the independent and open full stack advertising technology platform that encompasses data, creativity and trading into one enterprise product suite servicing media agencies, trading desks and advertisers. The company was founded in Denmark in 2002. With offices in 18 countries, Adform has more than 780 employees globally throughout Europe, North America and APAC.

Adform is a 100% media agnostic technology company, which means it is a pure technology provider that does not own or operate media, avoiding any conflicts of interest. This shapes Adform's transparent, client-centric approach built around facilitating open and transparent interactions with advertisers. While designed to work best as a full-stack, the entire Adform platform is completely modular and can therefore be used as powerful standalone products with open infrastructure.

With Adform, advertisers enjoy complete and total data ownership. As an independent ad-tech provider, Adform never has an incentive to control an advertiser or buyer's data. Adform delivers to advertisers a complete set of campaign data, so they may perform post-campaign business analysis, as well as use it to inform future campaigns. Adform provides agencies and advertisers with unified reporting across all campaigns, channels and strategies, so clients can discover the optimal way to allocate their media investment in order to meet their business goals without fear of blind spots or data lock-in.

With ad fraud and brand safety being a central concern for most Advertisers, Adform is committed to strongly combating these threats. In addition to Bearskin, Adform's own in-house anti-fraud engine, Adform is the only end-to-end tech stack that is ISO/IEC 27001 certified, ensuring industry-leading information security management. Adform is also open for third-party validation for advertisers or publishers interested in executing their own security assessment.

The Adform full stack has been created to eliminate the challenges advertisers often encounter when working with an assortment of point solutions and niche vendors:

- › End-to-end platform: The full stack provides one of the industry's most complete end-to-end ecosystems which include an ad server, DSP, DMP, Creative Platform as well as an Automated Guaranteed (AG) solution. Each of which are industry leading products on their own, but gain added value when working together to create one unified interface.
- › Interoperability. Because the Adform stack is built as standalone products that seamlessly integrate, it is more fully interoperable than any other platform. The modular approach minimizes propriety formats, facilitating best practices and an open infrastructure across all products. This delivers a level of flexibility and openness unparalleled in the industry.
- › Robust APIs. Adform offers robust and fully documented APIs to ensure seamless integration with key systems utilized by the advertiser, including CRM, DMP, CMS, BI, invoicing and fulfillment.

Every aspect of Adform's platform has been built from the ground up by the company's large development team. As a result, workflows within the full-stack are fully integrated and understood across the organization. The benefits of this approach lead to:

- › Input once - execute everywhere logic. When ad ops traffickers set up a campaign, they can input the tracking, data and creative once, and ensure it populates all relevant campaign executions across guaranteed and open auction for a more effective buying experience.
- › Streamlined creative management. With a creative management platform that's fully integrated, Adform provides a one-stop platform for collaboration between agency partners, creative teams, digital and media agencies.
- › Sustainable competitive advantages. By eliminating waste and inefficiencies in workflows, Adform technology helps agencies and advertisers drive ROI across every campaign execution and the entire enterprise.

This strategic approach allowed Adform to position itself in a role that bypasses many of the limitations and risks that face point solutions, while being able to create an advertiser and agency centered business model that is highly adaptive and seamlessly fills many of the gaps that have arisen within the ad tech landscape.

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.



solution.

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



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



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

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



PRESENT VALUE (PV)

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



NET PRESENT VALUE (NPV)

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



RETURN ON INVESTMENT (ROI)

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



DISCOUNT RATE

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



PAYBACK PERIOD

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