Total Economic Impact

# The Total Economic Impact™ Of Sanity

## Cost Savings And Business Benefits Enabled By Sanity

A FORRESTER TOTAL ECONOMIC IMPACT STUDY COMMISSIONED BY SANITY, NOVEMBER 2025

FORRESTER®

# Executive Summary

**Modern enterprises must simultaneously manage multiple websites, apps, and digital marketing campaigns. From content ideation to experience launches, content moves through many teams, departments, and systems before it is input into a content management system (CMS) for digital delivery. By consolidating onto a single CMS, digital leaders can centrally manage omnichannel experiences using a brand-optimized front-end framework, reusable components, a global taxonomy, and content items governed through a content lifecycle. This enables consistent digital experiences as well as the continuous calibration of storage costs associated with outdated sites, landing pages, and apps.[1]**

Sanity is a content operating system designed to streamline content creation, management, delivery, and storage for organizations. Teams can use it to create, collaborate on, and distribute content efficiently and ensure consistency across digital channels. Sanity's API-first approach offers composable flexibility and integrates with modern tech stacks in order to enhance productivity and scalability. By transitioning to Sanity, organizations can use AI to automate content workflows and reduce manual work: This helps them save time, reduce operational complexity, deliver experiences to audiences, prioritize content architecture, future-proof their workflows, and remain competitive in the digital landscape.

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

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## 272%
### Return on investment (ROI)

## $1.3M
### Net present value (NPV)

</div>

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed four decision-makers with experience using Sanity. For the purposes of this study, Forrester aggregated the experiences of the interviewees and combined the results into a single underlined composite organization, which is an international e-commerce organization with revenue of $300 million per year. It markets products and services online and has 30 employees managing content creation and publication.

Interviewees said that prior to using Sanity, their organizations had rigid, outdated, or overly structured content management systems. However, prior attempts to address these problems yielded limited success, leaving them with inefficient workflows and high operations overhead. It also affected their ability to scale web content to meet their evolving audiences across multiple channels.

After the investment in and transition to Sanity, the interviewees said their organizations have a developer-friendly and modern architecture that can also build custom tools and workflows. Key results from their investment included improved end-user productivity, savings from reduced downtime, and the replacement of legacy tools.

## Key Findings

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

- **A 50% improvement in end-user productivity.** The composite organization simplifies and automates workflows after implementing Sanity by centralizing content management and enabling teams to collaborate effectively in real time. The composite can reduce repetitive tasks thanks to Sanity's customizable structure and automation tools, saving valuable time and effort across departments. As Sanity integrates seamlessly with existing systems, the composite ensures consistent content delivery while minimizing errors and inefficiencies. Automated workflows improve collaboration, and the composite organization is able to focus on scaling its efforts and delivering high-quality content that drives business growth. These streamlined processes lead to productivity gains of $793,000.

- **Savings from reduced downtime.** The composite organization reduces downtime by tackling challenges that were common prior to implementing Sanity, such as content hosting struggles and cache-related issues. It uses Sanity's content lake to

provide real-time data updates to ensure that content is always fresh and accessible and to eliminate delays caused by outdated customer experiences or inconsistent cached data. The composite finds that Sanity's robust infrastructure optimizes content hosting, preventing bottlenecks and reducing the risk of outages during high-traffic periods. By streamlining workflows and automating critical processes, the composite organization avoids manual interventions that often lead to downtime. Implementing Sanity helps the composite organization ensure accurate content delivery, boost system stability, and maintain seamless experiences for users, which results in savings of $716,000 from reduced downtime.

- **Cost savings from eliminating two legacy tools.** The composite organization is able to replace two legacy tools while enhancing its functionality after adopting Sanity. Its modern, API-first platform offers greater flexibility and scalability than the outdated systems, enabling the composite's teams to work faster and smarter. Sanity replicates the core functions of legacy tools, such as content creation, editing, and publishing, while introducing advanced features like real-time collaboration and structured content modeling. By consolidating platforms, the composite eliminates licensing, hosting, and maintenance costs for the legacy systems, resulting in savings of $239,000.

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

- **Scalable content operations and centralized workflows.** The composite organization is able to scale its content operations after implementing Sanity due to a flexible and efficient system for managing complex workflows. Its structured content model allows the composite's teams to reuse and adapt content across multiple platforms, saving time and resources as operations grow. The composite can create, edit, and organize content in one unified platform, eliminating the inefficiencies caused by scattered tools and systems. It also finds that Sanity's real-time collaboration features ensure that everyone is working with the most up-to-date information, streamlining communication and reducing errors. The composite organization can use Sanity to scale their content operations without compromising quality, consistency, or speed.

- **Experienced and responsive vendor support.** The composite organization can get the most out of its content platform thanks to Sanity's strong and responsive vendor support. The composite uses Sanity's dedicated team for expert guidance, which helps the organization navigate technical challenges and optimize workflows. With fast response times, Sanity's support team addresses the composite's issues promptly, minimizing disruptions and downtime.

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

- **Solution costs.** The composite organization purchases enterprise access through a subscription to Sanity. The composite organization's subscription is priced according to the number of API requests and bandwidth volume, the number of datasets, features, and integrations, and premium support; it is paid monthly. The cost of the Sanity solution for the composite organization is $350,000 over three years.

- **Implementation and operations costs.** To use Sanity, the composite organization employs two developers to build projects and studios in which end users operate. These developers stay on after production starts to manage and develop the studios as content grows and evolves. Implementation and operations cost the composite organization $119,000 over three years.

The financial analysis that is based on the interviews found that a composite organization experiences benefits of $1.7 million over three years versus costs of $469,000, adding up to a net present value (NPV) of $1.3 million and an ROI of 272%.

> "We didn't shrink the team, but now we can do way more. The number of steps to go from 'Let's build a newsletter' to 'The newsletter is built and ready to go' has been cut by 60%. Before Sanity, we had two or three newsletters. Now we are at 13 using the same team size."
>
> **Senior VP, digital media**
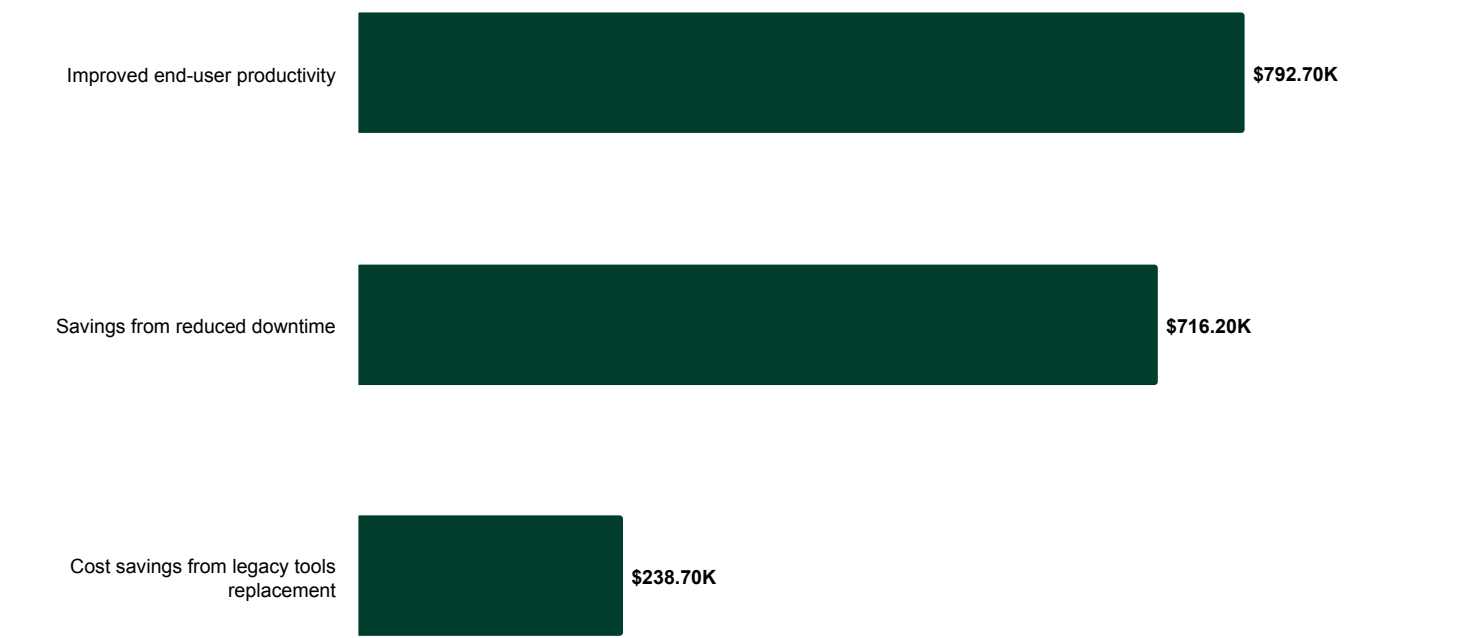
## Key Statistics

**272%**

**Return on investment (ROI)**

**$1.7M**

**Benefits PV**

## $1.3M

**Net present value (NPV)**

## <6 months

**Payback**

## Benefits (Three-Year)

Improved end-user productivity **$792.70K**

Savings from reduced downtime **$716.20K**

Cost savings from legacy tools replacement **$238.70K**

## The Sanity Customer Journey
Drivers leading to the Sanity investment

| Interviews | | | | |
| --- | --- | --- | --- | --- |
| **Role** | **Industry** | **Region** | **Content Creators** | **Revenue** |
| Senior VP/head of product | Digital media | US | 167 | $30 million |
| Lead front-end engineer | E-commerce | International | 25 | $250 million |
| CTO | Hospitality | International | 45 | $300 million |
| Director of digital engineering | E-commerce | International | 35 | $400 million |

### Key Challenges

Interviewees noted how their organizations struggled with common challenges, including:

- **Rigid, outdated, or overly structured content management systems (CMSes).** The interviewees described how homegrown CMSes couldn't scale multichannel or other web content. Some were tightly structured around legacy program formats, making them incompatible with newer content types like live streaming.
- **Inefficient workflows and high operational overhead.** Interviewees described the outdated processes and limited flexibility of their legacy CMSes. Manually tagging content, copying and pasting between systems, and relying on spreadsheet-based workflows created bottlenecks that slowed productivity and increased the risk of errors. These repetitive tasks consumed valuable time and diverted resources from more strategic initiatives, hindering scalability and innovation. The lack of automation and integration capabilities also forced interviewees' teams to work in silos, which complicated collaboration and cross-channel content management.
- **Technical limitations.** The interviewees said their legacy systems used outdated technologies that didn't align with modern engineering stacks. The lack of native query languages made data retrieval and integration cumbersome. The poor performance of these systems led to frequent outages.

### Solution Requirements

The interviewees searched for a solution that:

- Was developer-friendly, with a modern architecture that they could use to build custom tools and workflows quickly and with fewer resources.
- Was end-user-friendly, allowing content creators and operators to collaborate in real time and providing room for multiple users to work on content simultaneously.
- Was scalable enough to support growing content needs and high traffic volumes.
- Allowed content to be structured as data so that it could be reused across multiple channels.

### Composite Organization

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

- **Description of composite.** The composite is an international e-commerce organization with $300 million in annual revenue. Its activities involve the production and sales of goods and services online in a fast-paced, multichannel environment that requires the constant creation, refreshing, distribution and storage of content. The organization has 30 employees directly involved in content creation and operation as well as two engineers tasked with managing its content operation system.

- **Deployment characteristics.** The composite organization begins using the solution in Year 1, following a one-month implementation period. The initial rollout covers all 30 employees involved in content creation. The implementation includes all geographies and channels.

📣 **KEY ASSUMPTIONS**

- $300 million annual revenue

- 30 employees using Sanity for daily revenue-generating tasks

- More than 100 million API requests per month

- More than 500 GB of bandwidth per month

- Five datasets: one for production, two for staging, and two for testing

- More than 10 features and integrations

- Premium-level support from Sanity

## 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 | Improved end-user productivity | $318,750 | $318,750 | $318,750 | $956,250 | $792,684 |
| Btr | Savings from reduced downtime | $288,000 | $288,000 | $288,000 | $864,000 | $716,213 |
| Ctr | Cost savings from replacing legacy tools | $96,000 | $96,000 | $96,000 | $288,000 | $238,738 |
| | Total benefits (risk-adjusted) | $702,750 | $702,750 | $702,750 | $2,108,250 | $1,747,635 |

### Improved End-User Productivity

**Evidence and data.** Interviewees told Forrester that Sanity helped their organizations reduce inefficient workflows and high operational overhead by modernizing their content creation and operating processes. They eliminated the need for manual tagging, copying and pasting, and spreadsheet-based workflows by introducing structured content and automation with AI capabilities.

- Teams were able to centralize their content in one hub, enabling seamless collaboration and reducing repetitive tasks that previously slowed productivity. Sanity's API-first approach allowed interviewees to integrate easily with other tools and platforms, streamlining operations and minimizing silos between teams. The senior VP at a digital media company said: "The ability for us to go from 'Wouldn't it be cool if ...' to a launched product that requires front-end design, back-end design, and a CMS is very quick. Because we have a code base that we understand, a language we understand, a design, a schema within Sanity that we now understand, we can just launch these things fast, whereas before Sanity, it would take a quarter to build something."

- The interviewees said their organizations transformed their workflows by adopting Sanity, saving time and resources while improving content delivery across channels. The CTO of a hospitality company explained: "A lot of this work was making frequent changes to content and things like that. What we've been able to do on top of that is the number of deployments a year. We made 18,000 changes to our content last year. However, with Sanity and these configurations that we're provided, we've allowed commercial people to make 25,000 changes themselves. These are things that used to be done by developers."

**Modeling and assumptions.** Based on the interviews, Forrester assumes the following about the composite organization:

- The Sanity solution impacts the daily revenue-producing tasks of 30 full-time employees (FTEs) at the composite.
- Each FTE spends 500 hours annually performing tasks for workflows that could be streamlined by the Sanity solution.
- By deploying the Sanity solution, the composite improves productivity on those tasks by 50%.
- The average fully burdened hourly rate per FTE is $50.

**Risks.** An organization's realization of the benefits due to improved end-user productivity may vary due to several factors, including:

- The number of hours spent on tasks that can be streamlined by Sanity.
- The number of FTEs performing those tasks.
- The financial value of the workflows improved by using the Sanity solution.
- The hourly rate of the FTEs performing the affected tasks.

**Results.** To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of $793,000.

> *"Before Sanity, we had a small team of three in content editing. They could only change content about 2,000 hotels once a year. With Sanity, they can now change content for 40,000 hotels many times a year. We have scaled up productivity. So, it's not about things we used to do; it's things we couldn't even afford to do previously."*

**CTO, hospitality**

| Improved End-User Productivity | | | | | |
|---|---|---|---|---|---|
| **Ref.** | **Metric** | **Source** | **Year 1** | **Year 2** | **Year 3** |
| A1 | FTEs using Sanity | Composite | 30 | 30 | 30 |
| A2 | Hours spent on content creation per FTE before Sanity | Interviews | 500 | 500 | 500 |
| A3 | Improved efficiency per FTE from using Sanity | Interviews | 50% | 50% | 50% |
| **A4** | **Subtotal: hours saved** | **A1*A2*A3** | **7,500** | **7,500** | **7,500** |
| A5 | Fully burdened hourly rate per FTE | Composite | $50 | $50 | $50 |
| At | Improved end-user productivity | A4*A5 | $375,000 | $375,000 | $375,000 |
| | Risk adjustment | ↓15% | | | |
| Atr | Improved end-user productivity (risk-adjusted) | | $318,750 | $318,750 | $318,750 |
| | Three-year total: $956,250 | | | Three-year present value: $792,684 | |

## Savings From Reduced Downtime

**Evidence and data.** Interviewees told Forrester that Sanity helped their organizations reduce downtime by introducing automation and solving cache-related issues in content operating workflows. They said that Sanity's real-time updates and API-first infrastructure ensured smooth communication between their systems, preventing bottlenecks and outages. As a result, their businesses were able to provide uninterrupted digital experiences while minimizing operational disruptions.

- Interviewees described how Sanity addressed cache-related challenges by implementing efficient caching mechanisms that ensured content remained fresh and was delivered consistently to users. Their developers didn't have to build complex invalidation schemes because Sanity automatically enables cache invalidation; they were able to thus optimize content delivery pipelines, further reducing delays. The lead front-end engineer at an e-commerce organization said: "Caching is a big benefit. For us, that is huge. It matters because content gets published and deployed at the time it needs to be, and we don't waste time and mental cycles figuring out why certain users aren't seeing certain content. Sanity has a reliable, high-performance data store. We don't have outages anymore. We had lots of downtime when we were trying to figure out and manage our own clusters internally."

- The interviewees also said that Sanity's structured content approach allowed their teams to automate repetitive tasks, ensuring faster and more reliable updates across platforms. They noted that by eliminating the need for manual interventions, Sanity reduced the risk of human errors that often contributed to downtime. The director of digital engineering at an e-commerce organization explained: "We have built out custom solutions in Sanity using their tools. This allows us to integrate more parts of the business in one place. Before, there were multiple disparate spreadsheets with information about products. Now, we have those shored up in a single place in Sanity; everyone at the company can reference this, which led to a lot less errors. This is a big deal to us, as these errors sometimes had catastrophic downstream effects — like products not being available on the site in certain places."

**Modeling and assumptions.** Based on the interviews, Forrester assumes the following about the composite organization:

- The composite organization has an average of four downtime episodes a year before implementing Sanity.
- Each downtime episode costs the organization $1 million in sales.

- The composite organization has a net profit margin of 12%.
- After implementing Sanity, the composite only has one system disruption per year.

**Risks.** An organization's realization of the benefits due to savings from reduced downtime may vary due to several factors, including:

- The number of system disruptions that an organization experiences annually before deploying Sanity.
- The actual cost of a system disruption for that organization.
- The organization's net profit margin.

**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 $716,000.

> *"We don't have downtime anymore because the high availability and durability of Sanity's data store is a great service. In the last year, we have had one major incident, and Sanity quickly jumped on a call with us and we were able to roll it back."*
>
> **Director of digital engineering, e-commerce**

| Ref. | Metric | Source | Year 1 | Year 2 | Year 3 |
|------|--------|--------|--------|--------|--------|
| | **Savings From Reduced Downtime** | | | | |
| B1 | Service disruptions before Sanity | Interviews | 4 | 4 | 4 |
| B2 | Service disruptions after Sanity | Interviews | 1 | 1 | 1 |
| **B3** | **Subtotal: avoided disruptions** | **B1-B2** | **3** | **3** | **3** |
| B4 | Lost sales per downtime episode | Interviews | $1,000,000 | $1,000,000 | $1,000,000 |
| B5 | Operating margin | Composite | 12% | 12% | 12% |
| **B6** | **Subtotal: lost profits per episode** | **B4*B5** | **$120,000** | **$120,000** | **$120,000** |
| Bt | Savings from reduced downtime | B3*B6 | $360,000 | $360,000 | $360,000 |
| | Risk adjustment | ↓20% | | | |
| Btr | Savings from reduced downtime (risk-adjusted) | | $288,000 | $288,000 | $288,000 |
| | Three-year total: $864,000 | | Three-year present value: $716,213 | | |

## Cost Savings From Replacing Legacy Tools

**Evidence and data.** Interviewees told Forrester that their organizations replaced legacy CMSes or homegrown solutions that hindered scalability by adopting Sanity, while also enhancing functionality. They said this increased flexibility and scalability enabling teams to work faster and smarter. They also noted that Sanity replicates the core functions of their legacy tools — such as content creation, editing, publishing, transaction processing, and tracking — while introducing advanced features like real-time collaboration and structured content modeling. The director of digital engineering at an e-commerce organization stated: "Finally, we have a modern content management system. … The things we can do within one solution — from batch updates and scheduled publishing, not having to rely on external processes for cache invalidation, to having very clear layouts and collections — along with other tools that make the studio just right."

**Modeling and assumptions.** Based on the interviews, Forrester assumes the following about the composite organization:

- The composite organization replaces two legacy tools.
- Each legacy tool costs an average of $60,000 annually.

**Risks.** An organization's realization of benefits due to the replacement of legacy tools may vary due to several factors, including:

- The complexity of the content an organization creates and manages.
- The number of tools within the organization's technology stack that can be replaced by Sanity.
- The average cost of a legacy tool.

**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 $239,000.

> *"The difference with Sanity is that it is very developer friendly. While the CMS concept is not new, the fact that it is developer friendly enabled us to get AI integrations up and running quite quickly — and that is unique to Sanity. They have a unique way of doing it that the competition cannot replicate."*
>
> **CTO, hospitality**

| Cost Savings From Replacing Legacy Tools | | | | | |
|---|---|---|---|---|---|
| **Ref.** | **Metric** | **Source** | **Year 1** | **Year 2** | **Year 3** |
| C1 | Legacy content creation/management tools replaced | Interviews | 2 | 2 | 2 |
| C2 | Average annual license cost per legacy content creation/management tool | Interviews | $60,000 | $60,000 | $60,000 |
| Ct | Cost savings from replacing legacy tools | C1*C2 | $120,000 | $120,000 | $120,000 |
| | Risk adjustment | ↓20% | | | |
| Ctr | Cost savings from replacing legacy tools replacement (risk-adjusted) | | $96,000 | $96,000 | $96,000 |
| | Three-year total: $288,000 | | | Three-year present value: $238,738 | |

## Unquantified Benefits

Interviewees mentioned the following additional benefits that their organizations experienced but were not able to quantify:

- **Scalable content operations and centralized workflows.** The interviewees told Forrester that Sanity helped their organizations scale their content operations by providing a flexible and efficient platform for managing complex workflows. The senior VP at a digital media company explained: "Previously, when we needed to launch an editorial series product, a guide, a gated experience, it was challenging. We wondered, 'Where does this live? How do we build this? Is it hard coded? Is there a CMS? What third-party thing would we need to get?' But with Sanity, when we need to create a new experience, it's easy — it's in Sanity and this is how we do it. The extensibility of building with Sanity is honestly endless and too easy. We have so much stuff in there. We have our home-page layout, our navigation, and our subscribe pages. We have terms and conditions documents and so many other things on our Sanity platform. Now, it's a no-brainer where workflows are going to live, and it's so easy for folks."

  Interviewees also told Forrester that Sanity's structured content model allows teams to reuse and adapt content across multiple platforms, saving time and resources as operations grow. Teams can create, edit, and organize content in one unified platform, eliminating the inefficiencies caused by scattered tools and systems. They noted that Sanity's real-time collaboration features ensure that everyone is working with the most up-to-date information, which streamlines communication and reduces errors. The CTO of a hospitality company explained: "Sanity's flexible structure and API-first design makes it easy to connect with other tools, ensuring seamless integration across the organization. By centralizing workflows within Sanity, our teams work more efficiently, maintain consistency, and deliver high-quality content faster even as the volume of content expands."

- **Experienced and responsive vendor support.** Interviewees told Forrester that Sanity provides comprehensive and responsive vendor support, ensuring their organizations get the most out of their content operating systems. They said that Sanity's dedicated team offers expert guidance, helping their organizations navigate technical challenges and optimize workflows. The

director of digital engineering at an e-commerce organization explained: "We've had a good partnership with Sanity, from their customer service leadership to our customer success account representative as well as any of their technical deep-dive representatives that we need. They've given us great customer support, and they've really listened, too. We look at them as a great partner in expanding the future of where we want to go."

Interviewees also noted that Sanity's support team has fast response times and addresses issues promptly, minimizing disruptions and downtime: The support team actively collaborates with them to understand their unique needs, offering tailored solutions and advice for scaling operations. Interviewees said Sanity also provides extensive documentation and resources, empowering their teams to troubleshoot independently while still having access to expert assistance when needed. And interviewees described how Sanity's commitment to ongoing improvement ensures that their feedback is heard and incorporated into platform updates, while regular communication keeps users informed about new features, best practices, and upcoming changes. Interviewees told Forrester that with Sanity's strong vendor support, they can focus on creating and delivering content without worrying about technical roadblocks.

> *"The solutions engineer that we had worked with on the POC is just continuing the support work. I'm pretty sure we had weekly calls with them. We have a Slack channel with them still four and a half years later. We were consulting with them a lot, and they were incredibly responsive. To this day, they remain incredibly responsive. We get responses within an hour as they'll ticket and work on things with us. Sanity was right alongside with us as we were going through this process."*
>
> **Senior VP/head of product, digital media**

## Flexibility

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

- **Expanding digital experiences into new channels.** Sanity's structured content delivery via APIs enables the composite to support multichannel digital experiences, from websites to mobile apps and emerging platforms like voice assistants or AR/VR interfaces. The composite can use Sanity's real-time editing capabilities and collaborative workflows to efficiently manage complex content structures. The platform's scalability ensures that it can grow alongside the composite's needs as it expands to new channels and markets and handles higher traffic volumes.

- **Integrating with new applications and other third-party tools.** Sanity's focus on developer-friendly tools and integrations means the composite can access cutting-edge technologies and frameworks without being limited by the CMS itself. The platform's ability to integrate with third-party tools, such as analytics or automation solutions, means the composite could use it in the future to optimize workflows and gain deeper insights into user engagement.

- **Addressing new use cases** Sanity's flexibility in managing structured data means the composite can use it for more than just traditional content, such as product catalogs, internal knowledge bases, or even IoT device content. Sanity also allows users to configure the editing interface and customize its administrative interface, Sanity Studio: This gives the composite the potential to make editors' lives easier, unlock other new use cases — such as knowledge bases for interactive AI, internal apps and dashboards, or interactive digital experiences in physical spaces — and adapt to changing industry trends or consumer behaviors.

Flexibility would also be quantified when evaluated as part of a specific project (described in more detail in Total Economic Impact Approach).

## 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** |
| Dtr | Solution cost | $0 | $140,800 | $140,800 | $140,800 | $422,400 | $350,149 |
| Etr | Implementation and operations costs | $14,080 | $42,240 | $42,240 | $42,240 | $140,800 | $119,125 |
| | Total costs (risk-adjusted) | $14,080 | $183,040 | $183,040 | $183,040 | $563,200 | $469,274 |

## Solution Cost

**Evidence and data.** Interviewees told Forrester their organizations worked with Sanity to determine the subscription level needed for their business needs. Internal developers worked with Sanity to determine the price by considering what they needed in terms of the number of API requests, bandwidth volumes, number of datasets, features and integrations, and premium support.

**Modeling and assumptions.** Based on the interviews, Forrester assumes the following about the composite organization:

- The composite organization buys an Enterprise E1 subscription for $80,000 annually.
- It adds on API requests, bandwidth, datasets, features, and integrations worth $24,000 annually.
- The composite organization has premium support worth $24,000 annually.

**Risks.** An organization's solution costs may vary due to several factors, including:

- The level of subscription needed for its core business needs.
- The volume of API requests and bandwidth the organization consumes monthly.
- The number of datasets the organization wants to operate.
- The number of third-party integrations needed to operate.
- The level of support required from Sanity.

**Results.** To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of $350,000.

| Solution Cost | | | | | | |
|---|---|---|---|---|---|---|
| **Ref.** | **Metric** | **Source** | **Initial** | **Year 1** | **Year 2** | **Year 3** |
| D1 | Enterprise E1 license | Sanity | | $80,000 | $80,000 | $80,000 |
| D2 | Add-ons | Sanity | | $24,000 | $24,000 | $24,000 |
| D3 | Support/SLA | Sanity | | $24,000 | $24,000 | $24,000 |
| Dt | Solution cost | D1+D2+D3 | $0 | $128,000 | $128,000 | $128,000 |
| | Risk adjustment | ↑10% | | | | |
| Dtr | Solution cost (risk-adjusted) | | $0 | $140,800 | $140,800 | $140,800 |
| | Three-year total: $422,400 | | | Three-year present value: $350,149 | | |

## Implementation And Operations Costs

**Evidence and data.** Interviewees told Forrester that they needed developer expertise to set up projects and production studios; these costs fell outside the solution subscription costs. Interviewees said their organizations hired internal developers to design and set up their platforms; they then stayed on to maintain and scale them.

**Modeling and assumptions.** Based on the interviews, Forrester assumes the following about the composite organization:

- The composite organization hires two developers who each spend 10 hours a week for a month to set up the initial studios.
- The two developers then stay on after the start of production, each spending 5 hours per month maintaining and scaling the platform to meet the composite's content needs.

**Risks.** An organization's implementation and operations costs may vary due to several factors, including:

- The skill set of the developers hired and how fast they can design and maintain Sanity studios.
- The average salaries of the developers hired.
- The complexity of the organization's environment and how many developer hours are needed to build and sustain it.
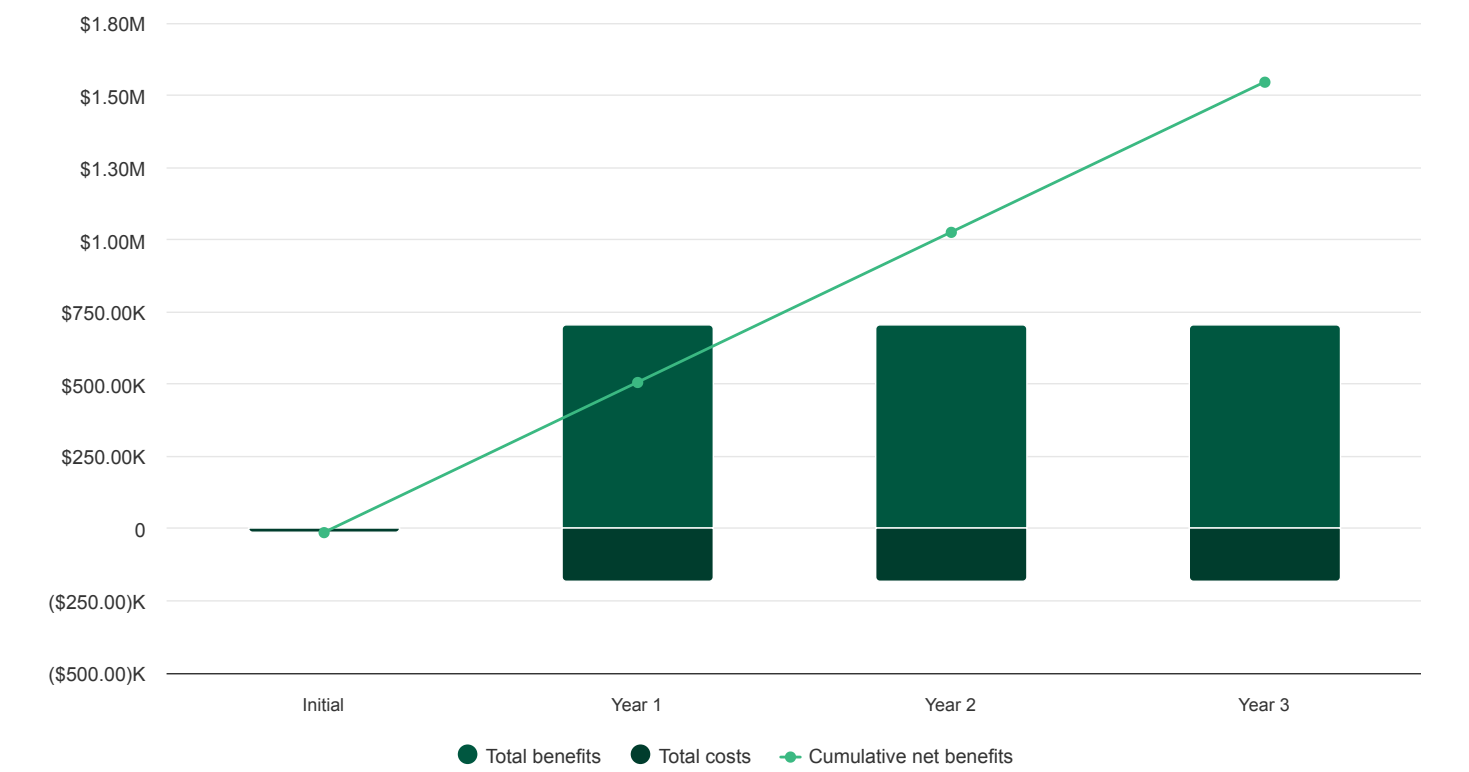
**Results.** To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of $119,000.

| Implementation And Operations Costs | | | | | | |
|------|--------|--------|---------|--------|--------|--------|
| Ref. | Metric | Source | Initial | Year 1 | Year 2 | Year 3 |
| E1 | FTE developers used | Composite | 2 | 2 | 2 | 2 |
| E2 | Developer hours per FTE | Interviews | 80 | 240 | 240 | 240 |
| E3 | Fully burdened hourly rate per developer | Interviews | $80 | $80 | $80 | $80 |
| Et | Implementation and operations costs | E1*E2*E3 | $12,800 | $38,400 | $38,400 | $38,400 |
| | Risk adjustment | ↑10% | | | | |
| Etr | Implementation and operations costs (risk-adjusted) | | $14,080 | $42,240 | $42,240 | $42,240 |
| | Three-year total: $140,800 | | | Three-year present value: $119,125 | | |

# Financial Summary

## Consolidated Three-Year, Risk-Adjusted Metrics

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## Cash Flow Chart (Risk-Adjusted)



Legend: Total benefits · Total costs · Cumulative net benefits

| Cash Flow Analysis (Risk-Adjusted) | | | | | |
|---|---|---|---|---|---|
| | **Initial** | **Year 1** | **Year 2** | **Year 3** | **Total** | **Present Value** |
| Total costs | ($14,080) | ($183,040) | ($183,040) | ($183,040) | ($563,200) | ($469,274) |
| Total benefits | $0 | $702,750 | $702,750 | $702,750 | $2,108,250 | $1,747,635 |
| Net benefits | ($14,080) | $519,710 | $519,710 | $519,710 | $1,545,050 | $1,278,361 |
| ROI | | | | | | 272% |
| Payback | | | | | | <6 months |

## Please Note

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.

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.

# TEI Framework And Methodology

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

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 Sanity can have on an organization.

## Due Diligence

Interviewed Sanity stakeholders and Forrester analysts to gather data relative to Sanity.

## Interviews

Interviewed four decision-makers at organizations using Sanity to obtain data about costs, benefits, and risks.

## Composite Organization

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

## Financial Model Framework

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

## Case Study

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

# Glossary

## Total Economic Impact Approach

### Benefits

Benefits represent the value the solution delivers to the business. The TEI methodology places equal weight on the measure of benefits and costs, allowing for a full examination of the solution's effect on the entire organization.

### Costs

Costs comprise all expenses necessary to deliver the proposed value, or benefits, of the solution. The methodology captures implementation and ongoing costs associated with the solution.

### Flexibility

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

### Risks

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."

## Financial Terminology

### 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

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

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

Page 17

# Appendixes

## 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 solution providers in communicating their value proposition to clients. The TEI methodology helps companies demonstrate, justify, and realize the tangible value of business and technology initiatives to both senior management and other key stakeholders.

## APPENDIX B

### Endnotes

[1] Source: The Content Management Systems Landscape, Q4 2024, Forrester Research, October 21, 2024.

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

## Disclosures