

The Total Economic Impact™ Of M-Files

TOTAL ECONOMIC IMPACT

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A FORRESTER TOTAL ECONOMIC IMPACT STUDY COMMISSIONED BY M-FILES, MAY 2026

COST SAVINGS AND BUSINESS BENEFITS ENABLED BY M-FILES

The Forrester logo is displayed in white, serif, all-caps font within a black rectangular box. The background of the lower half of the page features abstract, flowing shapes in various shades of green and teal, set against a black background.

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Executive Summary

M-Files empowers organizations to control, manage, enrich, and contextualize their documents for business-critical workflows — serving both the human users who depend on them and the AI agents that require accurate, well-governed enterprise information to operate effectively.

Built on a metadata-driven architecture and enterprise knowledge graph, M-Files runs natively on Microsoft 365 and integrates across established technology platforms — meeting users where they already work and delivering secure, effective document management without disrupting existing workflows. M-Files enables a single, unified view of an organization's entire document estate, together with the business context that makes it meaningful. Clear governance, audit trails, and accountability are built in to allow organizations to protect against AI liability by ensuring that AI outputs can always be traced back to trusted, well-managed sources. Users are enabled to discover, work with, and manage documents faster and in context while automating key workflows to support quality, consistency, and better business outcomes. M-Files actively structures, organizes, and contextualizes data inputs for AI and agentic use, ensuring that the information powering business-critical models is fit for purpose.

M-Files commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) enterprises may realize by deploying the M-Files platform.¹ The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of M-Files on their organizations.

301%

Return on investment (ROI)

\$8.0M

Net present value (NPV)

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed five decision-makers at four organizations with experience using M-Files. For the purposes of this study, Forrester aggregated the experiences of the interviewees and combined the results into a single composite organization, which is an industry-agnostic organization with 1,000 M-Files users and \$1 billion in annual revenue.

After implementing M-Files, the interviewees' organizations saw significant improvements to workflow automation (including process speed and possibilities for automation); user productivity driven by improved document search, discovery, and document-related work (including M-Files Aino [a natural language assistant] use); AI capabilities; and key technology platform integration (including Microsoft 365). Governance and security tasks are automated consistently, saving additional user hours while improving the speed and quality of compliance audits. Overall, organizations' AI investments benefited from M-Files' metadata-driven architecture by supplying their AI applications with context- and insight-rich documents and supporting user productivity and quality improvements. These gains in productivity, automation, and quality ultimately led to faster project timelines, accelerating revenue and/or business results.

Key Findings

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

- **Increased document search, discovery, summarization, and related work velocity by 65%.** After deploying M-Files, the composite organization's users more effectively search for and discover files related to their work in context, achieving significant time savings in search and potential rework. It finds that AI investments such as AI assistants become more valuable when built on M-Files' metadata-driven, governed information architecture. With structured, contextualized, and controlled content, the composite generates more accurate, relevant, and trustworthy outputs via solutions such as M-Files

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Aino AI and Microsoft Copilot — driving greater user productivity and additional efficiencies across document lifecycles and workflows.

- **Improved document filing times of 70%.** M-Files operates as a system of action for document filing practices, among other efficiencies. The composite organization's users save manual effort and reduce the likelihood of inconsistencies or errors via M-Files' automated metadata tagging, document queuing, and coordination and execution improvements.
- **Increased workflow efficiency by 75%.** M-Files enables end-to-end automation capabilities and efficiencies to key and common workflows specific to the composite organization's business, driving user efficiencies. The composite onboards additional workflow automations in subsequent years, delivering additional benefits for users as its workflow automation requirements evolve.
- **Accelerated project timelines by 10%, expediting revenue and profit.** By accelerating key business workflows and driving user efficiency across different levels of the business, some of the composite organization's project timelines improve in ways that are attributable to M-Files, accelerating revenue recognition and increasing profitability.
- **Automated compliance tasks on new documents, yielding 14 hours of time savings annually per knowledge worker and 30% time savings for auditors.** M-Files' automation of compliance tasks improves the composite organization's adherence to security and compliance requirements, saving user time spent on file-related compliance tasks and audits and reducing the likelihood of data breaches and related penalties or reputational damage. Auditors benefit from improved consistency and visibility into document access, history, and classification, leading to faster, higher-quality audits.
- **Legacy cost savings.** Following the M-Files deployment, the composite organization decommissions overlapping legacy document management platforms, reducing recurring license, infrastructure, and system administration costs while simplifying its document management architecture through a single cloud-based solution.

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

- **Additional productivity enhancements and integration with Microsoft.** M-Files amplifies, extends, and protects the value of the composite organization's Microsoft 365 investment by natively embedding structured, governed content directly into everyday tools like Teams, Outlook, Excel, PowerPoint, and Word. This enables users to work more efficiently in familiar environments while helping the organization maximize its Microsoft spend, including through programs such as the Microsoft Azure Consumption Commitment.
- **Improved employee experience.** User efficiencies fostered by M-Files contribute to document and business-critical workflows that are faster, less reliant on cumbersome manual work, and more manageable, providing a better experience for knowledge workers who regularly deal in files.
- **Strong integration landscape.** M-Files' integrations with widely used enterprise platforms allow the composite organization to connect content (and the related business context) with core business systems and workflows. By enabling users to access and manage documents directly within the applications they use daily, M-Files reduces friction, improves adoption, and enhances end-to-end process efficiency.
- **Support from the M-Files team.** The composite organization benefits from a collaborative partnership with the M-Files team, ensuring full value realization now and in the future.
- **Ease of internal support.** Supporting the M-Files deployment is easier than supporting previous solutions for the composite's internal staff, saving IT resource time while ensuring uptime and value for end users.

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

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- **M-Files licensing, hosting, implementation, and professional services costs.** The composite organization pays annual fees to M-Files for licensing and hosting as well as implementation and advisory services. For the composite organization, these total just more than \$2.1 million over three years.
- **Internal costs for implementation and ongoing management.** A small group of employees at the composite organization dedicates some of its time to the implementation and ongoing management of M-Files. This costs the composite \$542,000 over three years.

The financial analysis that is based on the interviews found that a composite organization experiences benefits of \$10.7 million over three years versus costs of \$2.7 million, adding up to a net present value (NPV) of \$8.0 million and an ROI of 301%.

“Our potential to grow [with M-Files] is limitless. We can get as much storage as we need. We can buy licensing as we need it and we’re not really locked into anything. Our M-Files adoption can grow as we grow. Within the first three months of the adoption of our first use case, we’ve probably tripled our licenses and quadrupled our storage just because it grew exponentially faster than we thought it was going to. People quickly saw the benefit of what M-Files could do for them.”

Director of architecture technology, construction

“AI is very big thing for us, and we are really leaning on [Microsoft] Copilot. However, Copilot utilizes whatever information it may find, and in practice, may not pull the latest or most relevant information for us. [M-Files] ensures we have the metadata to narrow down the results so we can fully utilize the AI.”

Service manager, content management, manufacturing

“With M-Files, customizability has always been there. We can automate any process or workflow that we want to on M-Files ... even those that weren’t possible on other [solutions]. We can always build what we want, which has been a huge value to us.”

Internal service manager, professional services

Key Statistics

301%

Return on investment (ROI)

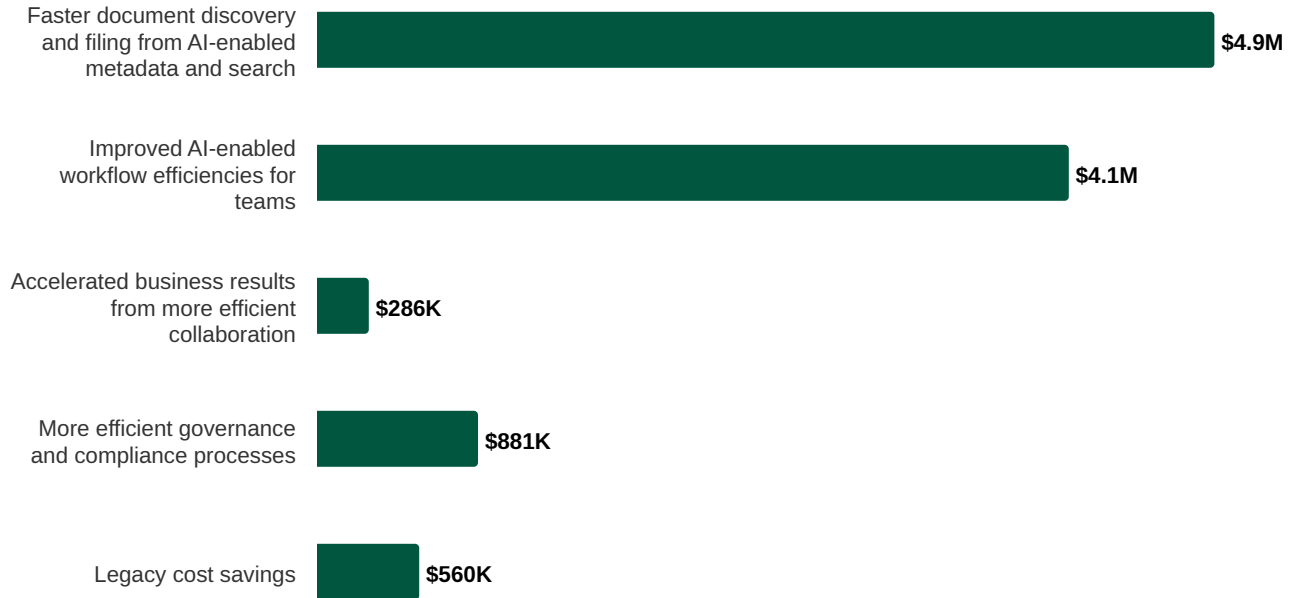
\$10.7M

Benefits PV

\$8.0M

Net present value (NPV)

Benefits (Three-Year)



The M-Files Customer Journey

Drivers leading to the M-Files investment

Interviews			
Role	Industry	Region	Employees
Director of architecture technology	Construction	North America	~5,000
CIO	Insurance	North America	~1,500
Service manager, content management	Manufacturing	Europe	~18,000
CIO Internal service manager	Professional services	Europe	~1,500

Key Challenges

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

- Inefficient document management processes and workflows creating operational issues and business risk exposure.** Several interviewees noted that before adopting M-Files, disparate document and file management practices across teams and systems led to rework, duplication, and version control issues. These inefficiencies not only reduced productivity but also increased operational costs and business risk by making it difficult to ensure that employees were working from accurate, up-to-date, and properly governed information.
- Meeting security and compliance requirements.** Interviewees, particularly in regulated industries but also more broadly, described how inconsistent and decentralized document management practices created significant business risk. Limited visibility and control over documents increased exposure to compliance violations, audit challenges, contractual risk, and potential data loss while requiring substantial manual effort to enforce governance policies.
- Limiting the value of AI investments.** The lack of structured, well-governed document environments constrained the value of AI investments such as Microsoft Copilot, as unstructured and poorly classified content led to inconsistent and unreliable outputs. Several interviewees noted that to position themselves for these types of AI investments, M-Files' metadata-driven approach to file classification was a must-have to get their document estates in order.
- Addressing the shortcomings and expanding costs of previous solutions.** Several interviewees explained that legacy and on-premises systems were difficult to scale with growing document volumes, resulting in rising infrastructure and maintenance costs and adding user complexity. These limitations further constrained organizations' abilities to modernize and enforce consistent governance. The director of architecture technology in the construction industry summarized: "We've been trying to find a singular [document management solution] to fit our needs as an organization. M-Files is fully cloud for us, which is an initiative our company has been focusing on for the last three to four years. M-Files helped us get rid out our network shares, largest [on-premises] SharePoint document libraries, and other data repositories."
- Unifying different regions and offices.** Some interviewees explained that organizational growth through expansion and acquisition introduced fragmentation, with different offices and business units operating disparate systems and processes. This environment made it difficult to standardize document management practices, enforce governance, and enable consistent ways of working.

Solution Requirements

The interviewees searched for a solution that could:

- Integrate with several different technology platforms.
- Support standardization with Microsoft 365 (for organizations using Microsoft).
- Comply with multiple regulatory requirements.
- Support configuration across several different regions and departments.

“All of our work absolutely requires having the right data. It used to take someone a lot of time not only to find the right information they needed to do their job but also to make sure the data was accurate. We had multiple projects where the wrong data was pulled at the wrong time, which could cost us 5 or 6 hours [per user] per week.”

Director of architecture technology, construction

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 organization is a global, industry-agnostic, \$1 billion-dollar organization with 1,000 knowledge workers, 400 of whom are specialized and work on the organization's more complex workflows and revenue-generating projects.
- **Deployment characteristics.** A cloud-based M-Files deployment replaces the composite organization's legacy on-premises document management solution with the support of M-Files professional services and internal staff. It integrates M-Files across several of its other key technology platforms, including enterprise resource planning, customer relationship management (CRM), and the full range of Microsoft 365 native solutions, including Microsoft Copilot. Of the organization's 1,000 M-Files users, 600 are back-office knowledge workers and 400 are specialized employees dealing in complex information, file types, and workflows. Across the organization, more than 4 million files are managed on M-Files, which increases annually.

KEY ASSUMPTIONS

- \$1 billion revenue
- 1,000 M-Files users
- Integrated across multiple key technology platforms including Microsoft 365
- More than 4 million files managed on M-Files

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	Faster document discovery and filing from AI-enabled metadata and search	\$1,952,167	\$1,952,167	\$1,952,167	\$5,856,500	\$4,854,750
Btr	Improved AI-enabled workflow efficiencies for teams	\$1,263,600	\$1,263,600	\$2,527,200	\$5,054,400	\$4,091,748
Ctr	Accelerated business results from more efficient collaboration	\$115,200	\$115,200	\$115,200	\$345,600	\$286,485
Dtr	More efficient governance and compliance processes	\$354,120	\$354,120	\$354,120	\$1,062,360	\$880,644
Etr	Legacy cost savings	\$225,000	\$225,000	\$225,000	\$675,000	\$559,542
	Total benefits (risk-adjusted)	\$3,910,087	\$3,910,087	\$5,173,687	\$12,993,860	\$10,673,169

Faster Document Discovery And Filing From AI-Enabled Metadata And Search

Evidence and data. Before deploying M-Files, interviewees said that inconsistent document and file management practices on legacy solutions resulted in challenges related to file search and data filing, leading to user inefficiencies that cost them hundreds of hours per month. After deploying M-Files, users could more effectively search for and discover files related to their work in context, achieving time savings in search and potential rework. Furthermore, several interviewees noted that AI assistants became more valuable due to M-Files’ metadata approach, providing additional savings for users, as solutions such as M-Files’ Aino AI and Microsoft Copilot combined to drive productivity enhancements across document lifecycles and user workflows. Document filing practices also improved among the interviewees’ organizations on M-Files, as automation of metadata tagging and document queuing saved manual effort while reducing the likelihood of inconsistency and errors.

- Before M-Files, the construction organization required significant personnel effort to classify data across a disconnected set of solutions. The director of architecture technology explained: “Not only was time spent by the [user] but instructing people how to classify data was cumbersome and manual. With M-Files, since we’re already using other applications with metadata structure, we’ve built direct integrations with those applications. We get live data feeds every day. We don’t need to be the ones [taking time away from our core responsibilities] managing these things anymore. We’re just letting the structure create itself in M-Files.” Since adopting M-Files, they have uploaded more than 5 million files to a single repository with a “very high success rate” of having all of the right contextual information tagged.
- The same interviewee explained that the value of M-Files as a single source of truth for all documents and files extended beyond the architectural group to other internal functions and external partners that required access. M-Files allows them to locate the information they need, in the context for which they need it (e.g., sales teams requiring architectural plans, external subcontractors requiring the plans to bid on projects).
- The CIO at the professional services firm explained how their tax and legal services teams leveraged M-Files Aino to review lengthy legal documents, saving time and eliminating manual work. They said: “In the old days, an associate or senior associate needed to go through the documents manually. M-Files [Aino] can find the same answers much quicker and then bring back a summarization of answers in context with certain laws and precedent based on previous cases in our system. Now our associates can utilize these summaries to save time on their current client cases.”
- At the manufacturing organization, the service manager of content management explained how M-Files’ metadata approach added context to the organization’s Microsoft Copilot search, ensuring that it pulled the most recent and relevant information

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for those querying.

- The same interviewee stressed the importance of M-Files as a searchable, single source of truth for highly technical documents and files related to their products, especially for engineers and service technicians who required 24/7 access to the most recent documentation.
- By integrating M-Files directly into the CRM platform, the CIO at the insurance organization said that employees longer toggle between multiple solutions to search for, work on, and file relevant documents, yielding significant time savings across nearly 400 employees engaged in these tasks.

Modeling and assumptions. For the composite organization, Forrester makes the following assumptions:

- The organization's 1,000 M-Files users spend an average of 2 hours per week searching for documents or files.
- After implementing M-Files, search time decreases by an average of 65% across these users, attributable to context-driven search and integration with AI solutions such as Microsoft Copilot.
- Of the organization's M-Files users, 400 are responsible for filing documents. They file an average of 20 documents per week and spend 5 minutes per document on tasks such as metadata tagging and queuing.
- With M-Files, they file documents 70% faster with more accuracy and consistency in areas such as naming conventions.
- The average fully burdened hourly rate for an employee is \$50.
- There is a productivity recapture of 50%, as not all time reclaimed will be reallocated toward value-added activities.

Risks. This benefit will vary among organizations based on:

- The number of employees and the scope of their responsibilities within an organization relative to the time spent searching for documents.
- An organization's legacy document management solutions relative to the potential for improvement on M-Files.
- An organization's set of complementary solutions (e.g., Microsoft 365 Copilot for search) that may increase the value of M-Files in certain business contexts.

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 \$4.9 million.

65%

Improvement to document search, discovery, and summarization times

“Our architects were responsible for a lot more than they should have been. They have a lot of work on their plate as it is, but filing and maintaining the classification for files and data on the back end took people a collective 40 hours a week to keep things updated the way they needed to be. That has all gone away with M-Files.”

Director of architecture technology, construction

Faster Document Discovery And Filing From AI-Enabled Metadata And Search

Ref.	Metric	Source	Year 1	Year 2	Year 3
A1	Average time spent per user per week searching for documents (hours)	Composite	2	2	2
A2	Improvement to search, discovery, and understanding with M-Files, Aino, and integration with Copilot	Interviews	65%	65%	65%
A3	Average time saved per user (hours)	A1*A2*52 weeks	67.6	67.6	67.6
A4	Total M-Files users	Composite	1,000	1,000	1,000
A5	Subtotal: Total organizational time saved with AI-enabled document search and discovery (hours)	A3*A4	67,600	67,600	67,600
A6	Specialized users responsible for document filing	A4*40%	400	400	400
A7	Average documents filed per week	Composite	20	20	20
A8	Average filing time per document (minutes)	Composite	5	5	5
A9	Improvement to filing efficiency with M-Files	Interviews	70%	70%	70%
A10	Subtotal: Total organizational time saved with improved document filing (hours)	(A6*A7*A8/60) *A9*52 weeks	24,267	24,267	24,267
A11	Fully burdened hourly rate for a user	Composite	\$50	\$50	\$50
A12	Productivity recapture	TEI methodology	50%	50%	50%
At	Faster document discovery and filing from AI-enabled metadata and search	(A5+A10)*A11*A12	\$2,296,667	\$2,296,667	\$2,296,667
	Risk adjustment	115%			
Atr	Faster document discovery and filing from AI-enabled metadata and search (risk-adjusted)		\$1,952,167	\$1,952,167	\$1,952,167

Three-year total: \$5,856,500

Three-year present value: \$4,854,750

Improved AI-Enabled Workflow Efficiencies For Teams

Evidence and data. Interviewees explained that M-Files enabled end-to-end automation capabilities and efficiencies to key (and complex) workflows specific to their businesses, driving user efficiencies while accelerating these workflows.

- The director of architecture technology at the construction organization explained that M-Files greatly improved workflows for their architectural teams in different regions by providing automation, templates, and instantaneous, contextual access to

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relevant files for the appropriate personnel. These savings averaged 5 to 6 hours per week and sometimes reached up to 10 hours per week. They said: “M-Files paid for itself almost immediately by adding automation and reducing the latency between our architectural teams. Everyone is using the same data, and we aren’t waiting for someone else in another office to upload. We used to have people going to get coffee before they could actually start working on something. And they’re doing this hundreds of times a month across the whole team, if not more. We were paying people to wait, which is obviously not something that we want to be doing. With M-Files, our architecture teams can work collaboratively without skipping a beat.”

- The same interviewee detailed additional workflows related to architecture within the organization, noting that templates and automation on M-Files had reduced friction with receiving and considering bids from their network of up to 400 construction partners. Previously manual workflows requiring emails, filing, information retrieval, and costly data storage were automated via self-service workflows. They concluded: “We have 36 divisions across the country, and all 36 had their own unique way of working with architecture or our external partners prior to M-Files. We now have the majority of our divisions onboarded to M-Files and working in the same way. But now, onboarding anybody, whether they’re internal or an external partner or vendor, is much easier on M-Files when we’ve established a consistent way of working.”
- Across the professional services organization’s tax and legal services team, several key workflows had been automated, saving a conservative 30% to 50% of staff time depending on the specific workflow and allowing the organization to service more clients without having to hire additional headcount.

Modeling and assumptions. For the composite organization, Forrester makes the following assumptions:

- On average, 400 of the composite organization’s specialized users complete one instance of a specialized workflow on M-Files per week. This increases to two instances per week by Year 3 of the analysis as additional workflows are added to M-Files.
- Each instance of a specialized workflow takes 3 hours to complete, on average.
- With M-Files, the duration of each workflow decreases by 75%.
- The average fully burdened hourly rate for a specialized user is \$60.
- There is a productivity recapture of 50%, as not all time reclaimed will be reallocated toward value-added activities.

Risks. This benefit will vary among organizations based on:

- The specific workflows and use cases onboarded to M-Files for an organization relative to the time spent and potential time savings achievable on M-Files.
- The number of users within an organization who engage in specialized workflows.
- The skill and capacity of users engaging in specialized workflows on M-Files.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$4.1 million.

75%

Time reduction on core business workflows

“Working across different vendors and trade partners or across different divisions is much easier with M-Files because we’ve established automation and consistency in these [workflows]. It’s not a completely new way of working each time as it was previously. It’s really given us the ability to streamline our processes from front to back.”

Director of architecture technology, construction

Improved AI-Enabled Workflow Efficiencies For Teams

Ref.	Metric	Source	Year 1	Year 2	Year 3
B1	Users dealing in specialized workflows	Composite	400	400	400
B2	Instances of specialized workflows per week	Composite	1	1	2
B3	Average time per workflow (hours)	Composite	3	3	3
B4	Organizational time spent annually on specialized workflows (hours)	$B1*B2*B3*52$	62,400	62,400	124,800
B5	Time savings per specialized workflow with M-Files	Interviews	75%	75%	75%
B6	Fully burdened hourly rate for a specialized user	Composite	\$60	\$60	\$60
B7	Productivity recapture	TEI methodology	50%	50%	50%
Bt	Improved AI-enabled workflow efficiencies for teams	$B4*B5*B6*B7$	\$1,404,000	\$1,404,000	\$2,808,000
	Risk adjustment	110%			
Btr	Improved AI-enabled workflow efficiencies for teams (risk-adjusted)		\$1,263,600	\$1,263,600	\$2,527,200
Three-year total: \$5,054,400			Three-year present value: \$4,091,748		

Accelerated Business Results From More Efficient Collaboration

Evidence and data. By accelerating key business workflows (as quantified in Benefit B), some interviewees attributed faster project completion timelines and revenue recognition largely to the process improvements attributable to M-Files.

Resulting from workflow efficiencies across the architecture teams, other internal teams, and external partners (as detailed above), the director of architecture technology at the construction organization explained that project timelines had ultimately improved in a way that was attributable to M-Files-enabled efficiencies. They estimated that before adopting M-Files, they wasted “tens of hundreds of hours” in project time frames from the aforementioned inefficiencies related to file management and workflows. With M-Files, the architecture team works an estimated 25% faster, ultimately contributing to an improved time to market for the company’s end developments when combined with the efficiency gains among external partners.

Modeling and assumptions. For the composite organization, Forrester makes the following assumptions:

- Downstream efficiency increases attributable to M-Files (e.g., faster project timelines, fewer errors) affect 24 revenue-generating projects annually for the composite organization.
- Each project is worth \$500,000 in revenue to the composite organization.

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- On average, it completes projects 10% faster, attributable to M-Files.
- The net margin for each project is 12%, as Forrester measures this benefit in terms of profit.

Risks. This benefit will vary among organizations based on:

- An organization’s industry and business model relative to the potential for M-Files efficiency gains to affect project timelines and results.
- The typical duration and revenue associated with a typical project at the composite organization.

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 \$286,000.

10%

Project acceleration attributable to M-Files efficiencies

“We are a production home builder that really operates like a manufacturer. The speed at which we operate from the time we buy land to the time we close the community is very quick, but it all depends on the timeliness of everything that we do behind the scenes. Making sure people have access to the data they need when they need it, knowing contextually why they need it, and then enabling them to share that data with other teams is one of the most important things we do to keep our operational efficiency up.”

Director of architecture technology, construction

Accelerated Business Results From More Efficient Collaboration

Ref.	Metric	Source	Year 1	Year 2	Year 3
C1	Products affected	Composite	24	24	24
C2	Average revenue per project	Composite	\$500,000	\$500,000	\$500,000
C3	Project acceleration	Interviews	10%	10%	10%
C4	Net margin	Composite	12%	12%	12%
Ct	Accelerated business results from more efficient collaboration	C1*C2*C3*C4	\$144,000	\$144,000	\$144,000
	Risk adjustment	↓20%			
Ctr	Accelerated business results from more efficient collaboration (risk-adjusted)		\$115,200	\$115,200	\$115,200
Three-year total: \$345,600			Three-year present value: \$286,485		

More Efficient Governance And Compliance Processes

Evidence and data. Interviewees explained that M-Files improved their organizations' adherence to security and compliance requirements, saving user time on file-related compliance tasks and audits while potentially avoiding data breaches and related penalties or reputational damage. Several interviewees in highly regulated industries (e.g., insurance, professional services) explained that M-Files helped them navigate and stay compliant with complex regulatory requirements specific to their industries and to the different regions in which they operated.

- The service manager of content management at the European manufacturing organization explained that M-Files allowed the organization to stay GDPR compliant across more than 10 million documents while improving the quality and speed of compliance audits via improved visibility and document lifecycle history automation.
- The CIO at the insurance organization noted that they must comply with a myriad of regulatory requirements including NYDFS, CCPA, and HIPAA. M-Files allowed the organization to remain compliant with all of the requirements via automated tagging and classification, limiting the burden on staff to manage these tasks manually.
- The same interviewee from the professional services organization cited document access control, automated classification, and version history as key facilitators of their improved compliance processes. The interviewee also noted that the quality and consistency of these compliance reviews improved with M-Files.

Modeling and assumptions. For the composite organization, Forrester makes the following assumptions:

- On average, the composite files 416,000 new documents annually.
- M-Files security and compliance requirement automation saves 2 minutes of employee time per document.
- Three FTEs save 30% of the time required for compliance audits annually with M-Files.
- The average fully burdened hourly rate for a user engaged with compliance and audit tasks is \$50.
- There is a productivity recapture of 50%, as not all time reclaimed will be reallocated toward value-added activities.

Risks. This benefit will vary among organizations based on:

- The annual number of net-new documents at an organization and its compliance and security requirements.
- An organization's pre-M-Files compliance and audit capabilities relative to potential for improvement with M-Files.
- Industry-specific security and/or compliance regulations relative to the number of staff tasked with compliance and/or audit activities.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$881,000.

30%

Time savings on internal compliance audits

“Risk and legal are on us all the time for things related to compliance. We’ve always struggled with that because it’s always been a manual process for everybody to do it, no matter what department you were in. So the ability to automate these compliance tasks on M-Files is a huge win for a lot of people because most departments have one or two people solely dedicated to this. Being able to free those people up and allowing them to do the work that they were actually hired to do is important for our bottom line.”

Director of architecture technology, construction

More Efficient Governance And Compliance Processes

Ref.	Metric	Source	Year 1	Year 2	Year 3
D1	New documents filed	A6*A7*52 weeks	416,000	416,000	416,000
D2	Time saved handling documents due to automating security and compliance with M-Files (minutes)	Interviews	2	2	2
D3	Subtotal: Total organizational time saved from automating security and compliance with M-Files (hours)	(D1*D2)/60	13,868	13,868	13,868
D4	Employee time dedicated to audits (hours for three FTEs)	Composite	6,240	6,240	6,240
D5	Improvement in completing internal audit work with M-Files	Interviews	30%	30%	30%
D6	Subtotal: Total employee time saved due to more efficient audits (hours)	D4*D5	1,872	1,872	1,872
D7	Fully burdened hourly rate for a user	Composite	\$50	\$50	\$50
D8	Productivity recapture	TEI methodology	50%	50%	50%
Dt	More efficient governance and compliance processes	(D3+D6) *D7*D8	\$393,467	\$393,467	\$393,467
	Risk adjustment	:10%			
Dtr	More efficient governance and compliance processes (risk-adjusted)		\$354,120	\$354,120	\$354,120
Three-year total: \$1,062,360			Three-year present value: \$880,644		

Legacy Cost Savings

Evidence and data. After deploying M-Files, interviewees’ organizations could retire redundant legacy document management solutions and eliminate the associated technology and management costs. Some interviewees noted that they had deployed different solutions for different areas of the document management lifecycle (e.g., for classification and templates), contributing to additional costs.

- The director of architecture technology at the construction organization noted that M-Files in the cloud allowed their organization to offset costs that taxed their on-premises solutions, explaining: “We’ve saved probably \$1 million to \$2 million going to the cloud on M-Files out of the gate, proving to the business that this has been a home run for us, offsetting the cost of implementation almost immediately.”

The Total Economic Impact™ Of M-Files

- By decommissioning legacy document management solutions after onboarding M-Files, the insurance organization retired roughly the equivalent cost of their M-Files investment while gaining significant functionality improvements.

Modeling and assumptions. Forrester assumes that the composite organization saves \$250,000 annually after decommissioning legacy document management solutions. This cost includes license fees and associated technology and management costs.

Risks. This benefit will vary among organizations based on:

- An organization’s legacy document management solutions and capabilities relative to potential cost savings.
- The hosting specifics (e.g., cloud, on-premises) of an organization’s legacy document management solutions.
- The degree to which an organization can retire legacy solutions given factors such as contract specifics, departmental dependencies, etc.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$560,000.

“The net cost is lower with M-Files, but we also get access for more users and a lot more capabilities.”

CIO, insurance

Legacy Cost Savings

Ref.	Metric	Source	Year 1	Year 2	Year 3
E1	Decommissioned legacy systems	Composite	\$250,000	\$250,000	\$250,000
Et	Legacy cost savings	E1	\$250,000	\$250,000	\$250,000
	Risk adjustment	↓10%			
Etr	Legacy cost savings (risk-adjusted)		\$225,000	\$225,000	\$225,000
Three-year total: \$675,000			Three-year present value: \$559,542		

Unquantified Benefits

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

- **Additional productivity enhancements and integration with Microsoft.** Interviewees found that M-Files amplified, extended, and protected the value of their Microsoft 365 investments by natively embedding structured, governed content directly into everyday tools like Teams, Outlook, Excel, PowerPoint, and Word. The director of architecture technology at the construction organization summarized: “Our Microsoft applications are the ones we’re in every single day. So having direct access to M-Files and having the data that you need, when you need it, at your fingertips is a huge benefit. We connected some of our SharePoint libraries directly into M-Files as well.”

- **Improved employee experience.** Interviewees explained that user efficiencies fostered by M-Files contributed to document and file management workflows that were faster, less reliant on cumbersome manual work, and overall more manageable, providing a better experience for knowledge workers who regularly deal in files.
- **Integration landscape.** Several interviewees highlighted the importance of M-Files' expansive integration landscape across many of the largest technology platform vendors, especially as their organizations grew and potentially required integration with additional solutions. The CIO at the insurance organization explained: "We put a lot of emphasis on having the best employee experiences and client experiences we can. So, we needed a platform like M-Files that would integrate directly into [our CRM]. We don't want people swivel chairing back and forth."
- **Support from the M-Files team.** Every interviewee characterized their organization's relationship with the M-Files team as a collaborative, helpful, and productive partnership — allowing them to get the most value out of their M-Files investments.
- **Ease of internal support.** Some interviewees explained that supporting their M-Files deployment internally, particularly the SaaS deployment, was much easier than supporting previous solutions. The CIO and the internal service manager at the professional services firm noted that a business analyst could support M-Files, rather than a developer or IT resource.

"The M-Files team as a whole is just fantastic. All the way from the sales group to the support group, they'll get back to us normally faster than their SLA. The team is first-rate from top to bottom. They're genuinely invested in our success."

Director of architecture technology, construction

Flexibility

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

- **Additional value from AI investments.** Several interviewees explained that their organization's M-Files adoption was a key step to put their document and file landscape in order, helping them get the most value out of AI investments (e.g., AI assistants, AI-user productivity tools). The longer that an organization has M-Files deployed, the more files will be filed and classified on the platform, resulting in the potential for additional value from these investments given more consistent metadata tagging, contextual information, and consistency in tagging.
- **Expansion to additional use cases or workflows.** While interviewees detailed key workflows and use cases within their organizations and business contexts that they had automated on M-Files, each also noted having more automation planned for additional use cases, increasing the potential for value delivered by M-Files in subsequent years. The director of architecture technology at the construction organization noted that the success of their initial M-Files use case within their group (automating significant portions of their collaboration between architects and builders) has contributed to the imminent rollout of additional M-Files use cases to 300 users in their land surveying division, with more to come. The CIO at the professional services organization indicated that they would be creating additional workflows for region-specific regulatory requirements, furthering the productivity and compliance value they have already achieved with M-Files.

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

“As we continue to adopt M-Files, there’s going to be more value with AI in Microsoft Copilot and taking advantage of some of the value of genAI. I also think Microsoft Purview with M-Files is going to deliver additional security benefits for us in understanding where our data is going and who has access to it.”

CIO, insurance

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
Ftr	M-Files license and services fees	\$0	\$907,200	\$819,000	\$819,000	\$2,545,200	\$2,116,914
Gtr	Internal personnel costs for implementation and ongoing management	\$0	\$378,000	\$126,000	\$126,000	\$630,000	\$542,434
	Total costs (risk-adjusted)	\$0	\$1,285,200	\$945,000	\$945,000	\$3,175,200	\$2,659,348

M-Files License And Services Fees

Evidence and data. The interviewees’ organizations paid M-Files for licensing, hosting, implementation, and professional services based on:

- The number of M-Files users and functionality per user, as M-Files has a large selection of modules and add-ons. Organizations made selections according to their users’ needs.
- Where they deployed M-Files: in the cloud, on-premises, or as a hybrid implementation.

Modeling and assumptions. For the composite organization, Forrester makes the following assumptions.

- The composite pays \$696,000 annually for user licensing and hosting costs. This figure represents a mix of license types, including M-Files Essentials and M-Files Enterprise and considers the different needs of the composite organization’s users.
- This composite organization pays \$168,000 for professional services in Year 1 and \$84,000 per year in Years 2 and 3.
- List pricing has been provided by M-Files and configured for the composite organization’s users as detailed below. Pricing may vary. Contact M-Files for additional details.

Risks. This cost will vary among organizations based on:

- Organization-specific pricing given the number and needs of the users.
- An organization’s desired level of implementation and advisory services.
- An organization’s hosting scenario.

Results. To account for these risks, Forrester adjusted this cost upward by 5%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$2.1 million.

M-Files License And Services Fees						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
F1	Annual licensing cost for M-Files users	M-Files list pricing		\$696,000	\$696,000	\$696,000
F2	Professional services	Composite		\$168,000	\$84,000	\$84,000
Ft	M-Files license and services fees	F1+F2	\$0	\$864,000	\$780,000	\$780,000
	Risk adjustment	↑5%				
Ftr	M-Files license and services fees (risk-adjusted)		\$0	\$907,200	\$819,000	\$819,000
Three-year total: \$2,545,200			Three-year present value: \$2,116,914			

Internal Personnel Costs For Implementation And Ongoing Management

Among the interviewees' organizations, a small group of employees dedicated some of their time to implementing, migrating to, and managing M-Files in the first year. In subsequent years, ongoing management required fewer personnel resources on average.

Modeling and assumptions. For the composite organization, Forrester makes the following assumptions:

- The composite dedicates three FTEs to implementation and management of M-Files in Year 1, which decreases to one FTE in Years 2 and 3.
- The average fully burdened annual salary for an employee involved in M-Files implementation and management is \$120,000.

Risks. This cost will vary among organizations based on:

- The number of FTEs involved in implementation and ongoing management of M-Files at an organization.
- The scope of an organization's M-Files implementation and ongoing adoption.
- The skill and capacity of internal resources to support the M-Files implementation and ongoing management.

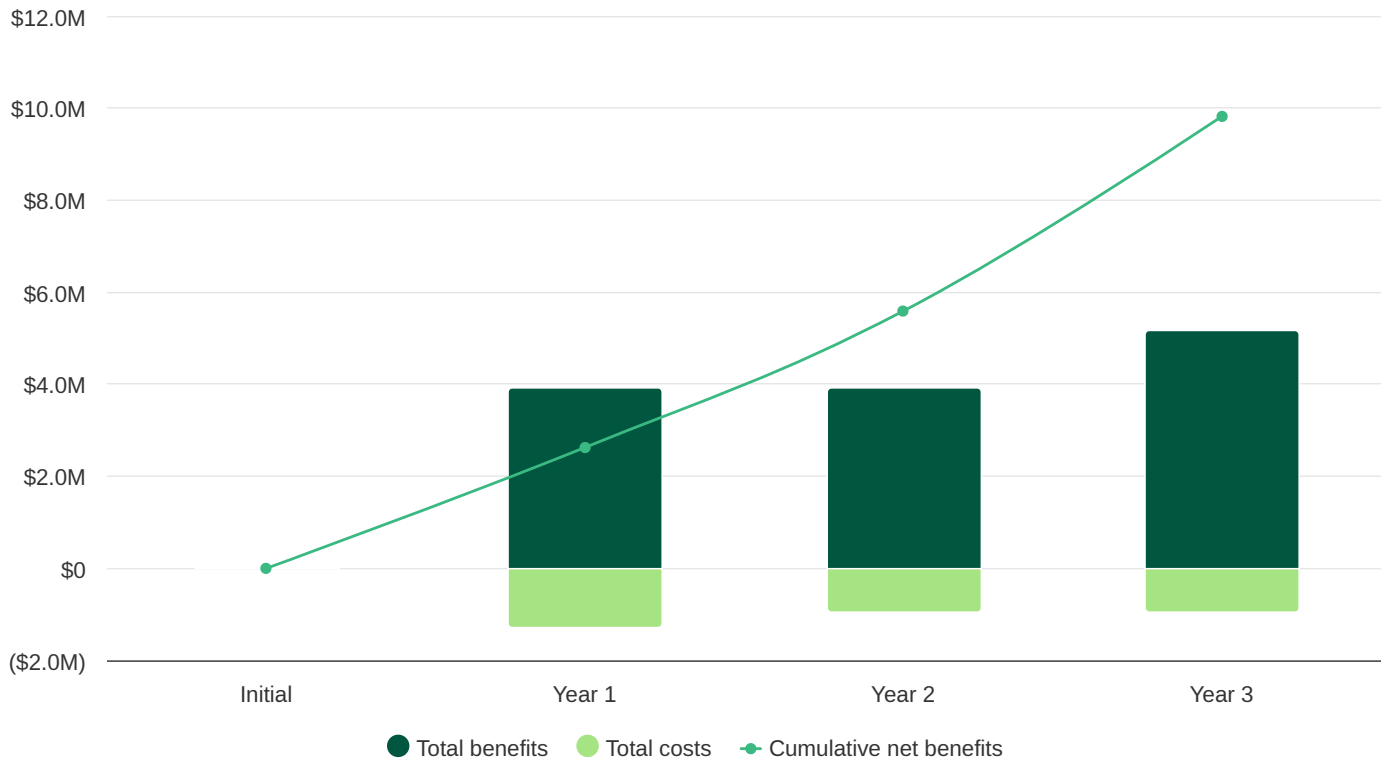
Results. To account for these variances, Forrester adjusted this cost upward by 5%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$542,000.

Internal Personnel Costs For Implementation And Ongoing Management						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
G1	FTEs involved in implementation and ongoing management	Composite		3	1	1
G2	Fully burdened annual salary for an FTE involved in implementation and ongoing management	Composite		\$120,000	\$120,000	\$120,000
Gt	Internal personnel costs for implementation and ongoing management	G1*G2	\$0	\$360,000	\$120,000	\$120,000
	Risk adjustment	↑5%				
Gtr	Internal personnel costs for implementation and ongoing management (risk-adjusted)		\$0	\$378,000	\$126,000	\$126,000
Three-year total: \$630,000			Three-year present value: \$542,434			

Financial Summary

Consolidated Three-Year, Risk-Adjusted Metrics

Cash Flow Chart (Risk-Adjusted)



Cash Flow Analysis (Risk-Adjusted)

	Initial	Year 1	Year 2	Year 3	Total	Present Value
Total costs	\$0	(\$1,285,200)	(\$945,000)	(\$945,000)	(\$3,175,200)	(\$2,659,348)
Total benefits	\$0	\$3,910,087	\$3,910,087	\$5,173,687	\$12,993,860	\$10,673,169
Net benefits	\$0	\$2,624,887	\$2,965,087	\$4,228,687	\$9,818,660	\$8,013,821
ROI						301%

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 M-Files.

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 M-Files can have on an organization.

Due Diligence

Interviewed M-Files stakeholders and Forrester analysts to gather data relative to M-Files.

Interviews

Interviewed five decision-makers at organizations using M-Files 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 PVs 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.

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 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

Readers should be aware of the following:

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

Forrester makes no assumptions as to the potential ROI that other organizations will receive. Forrester strongly advises that readers use their own estimates within the framework provided in the study to determine the appropriateness of an investment in M-Files. For any interactive functionality, the intent is for the questions to solicit inputs specific to a prospect's business. Forrester believes that this analysis is representative of what companies may achieve with M-Files based on the inputs provided and any assumptions made. Forrester does not endorse M-Files or its offerings. Although great care has been taken to ensure the accuracy and completeness of this model, M-Files and Forrester Research are unable to accept any legal responsibility for any actions taken on the basis of the information contained herein.

M-Files 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.

M-Files provided the customer names for the interviews but did not participate in the interviews.

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