

# Forrester: The Total Economic Impact™ Of IBM Hybrid IT Support Webinar

—  
**Forrester:**  
Jennifer Adams  
Principal Consultant

**IBM:**  
Danilo P. Florido  
Global Offering Leader  
Technology Lifecycle Services

May 10th, 2023

# The Total Economic Impact™ Of IBM Hybrid IT Support Webinar

---

**Jennifer Adams**  
Principal Consultant

May 10th, 2023

BOLD  
AT  
WORK

# Agenda

- Introduction
- What is TEI?
- Executive summary
- Customer journeys
- Study results
- Financial summary
- Question and answer

**Please note:**

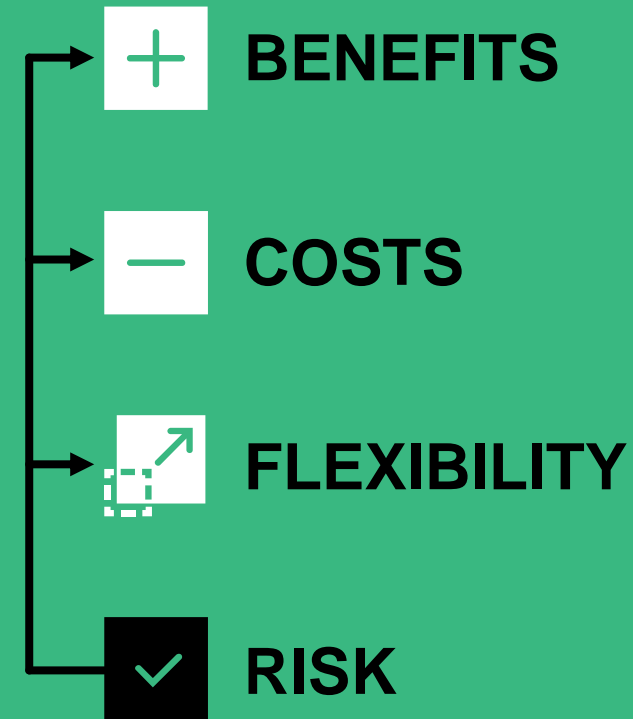
IBM Technology Lifecycle Services offers both IBM Systems Support and IBM Multivendor Support, together referred to as IBM Hybrid IT Support.

This slide presentation is an abridged, graphical, and complementary representation of a case study.

For a full explanation of methodology and details on model calculations, please refer to the full case study (The Total Economic Impact Of IBM Hybrid IT Support, January 2023).

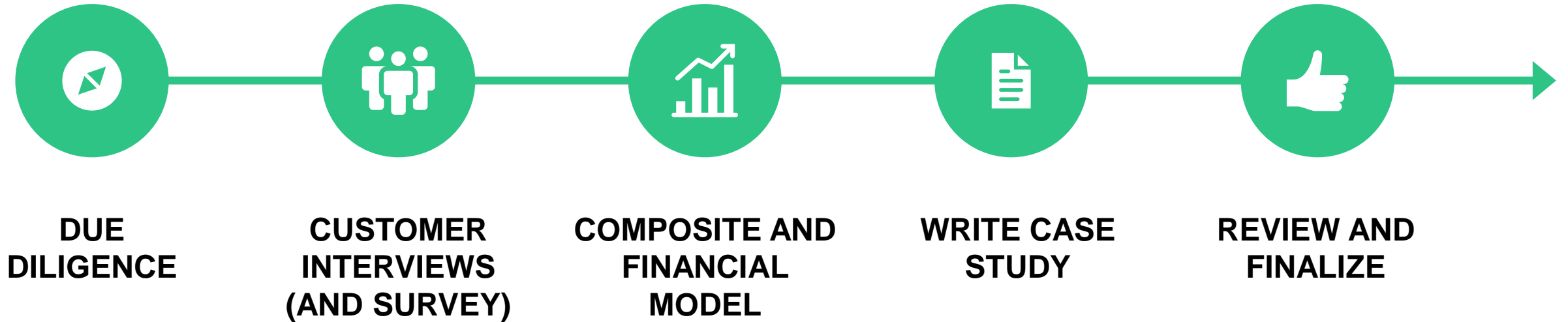
TEI™ is a proven,  
consistent, repeatable  
methodology to  
justify technology  
investments.

## TOTAL ECONOMIC IMPACT



# Project approach

Forrester took a multistep approach to evaluate the impact of IBM Hybrid IT Support.



Source: A Total Economic Impact™ Of IBM Hybrid IT Support, a commissioned study conducted by Forrester Consulting on behalf of IBM, January 2023.

# Disclosures

The audience should be aware of the following:

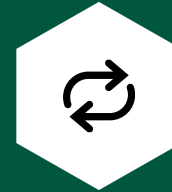
- This document is an abridged webinar version of a full case study (The Total Economic Impact of IBM Hybrid IT Support, January 2023).
- The study is commissioned by IBM and delivered by the Forrester Consulting group.
- Forrester makes no assumptions as to the potential return on investment that other organizations will receive. Forrester strongly advises that readers should use their own estimates within the framework provided in the study to determine the appropriateness of an investment in IBM Hybrid IT Support.
- IBM 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.
- The customer's names for the interviews were provided by IBM.
- Forrester does not endorse IBM.

# Three-year impact

Based on an analysis of IBM customer feedback and quantified benefit, cost, risk, and flexibility factors

“We knew that choosing IBM would give us a partner that we could trust.”

— Senior director software engineering, software



Hardware support cost reduction

**25%**



BENEFITS

**\$3.54M**



PAYBACK

**<6 months**

# Forrester interviewed 5 representative from organizations using IBM Hybrid IT Support

**Telecommunications – senior engineer, \$135 billion annual revenue**

**Financial services – storage capacity planner, \$5 billion**

**Software – senior director, software engineering, \$22 billion**

**Retail – senior director engineering, \$25 billion**

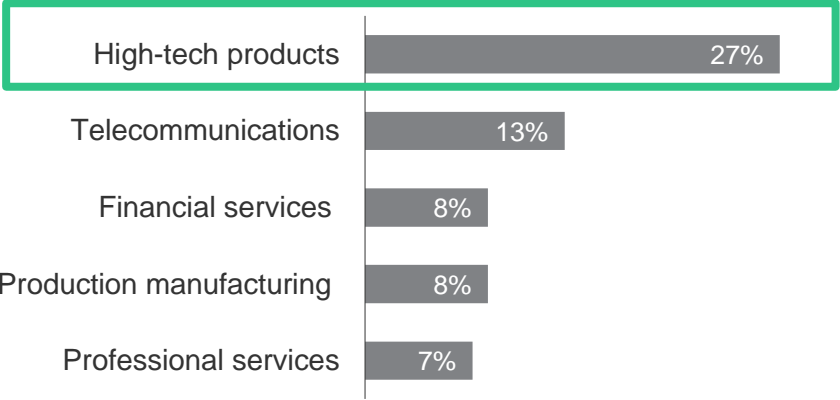
**Retail – senior manager network infrastructure, \$15 billion**

Source: A Total Economic Impact™ Of IBM Hybrid IT Support, a commissioned study conducted by Forrester Consulting on behalf of IBM, January 2023.

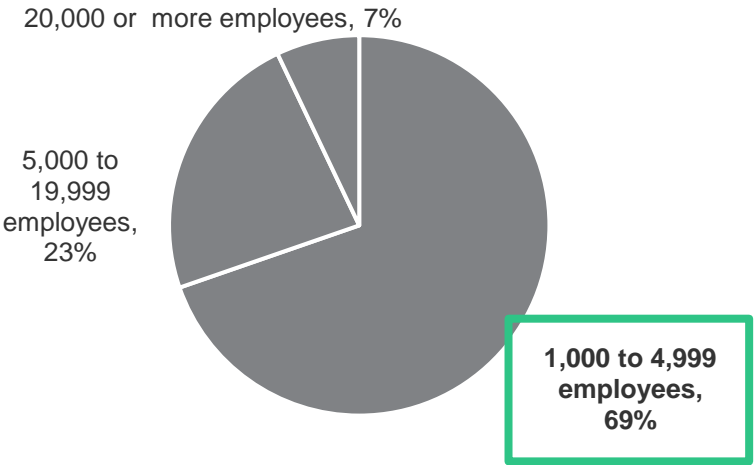


# Forrester also conducted a market survey

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



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

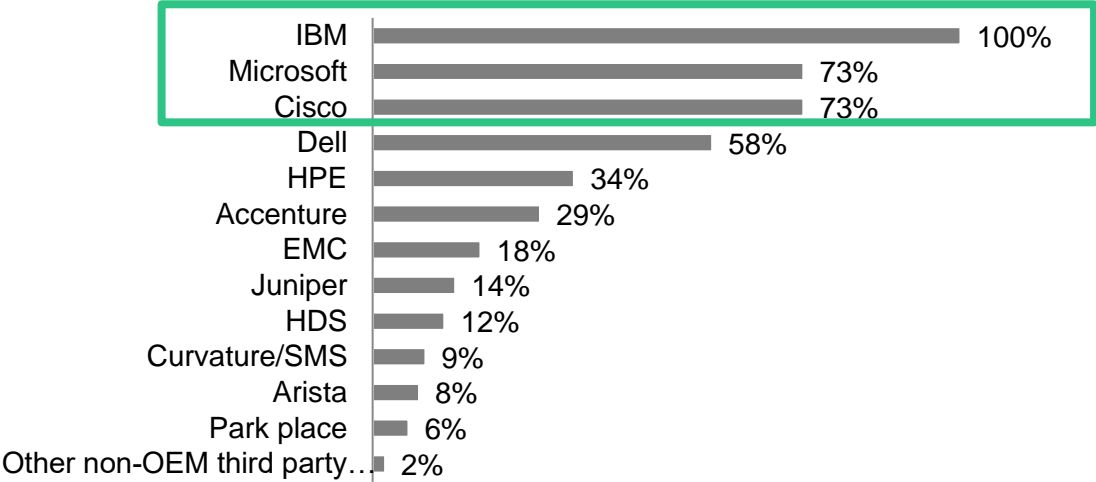


“In which country are you located?”



7% Japan  
7% Germany  
6% France  
3% Canada

“What vendors or manufacturers do you currently use for support services in your IT environment?”

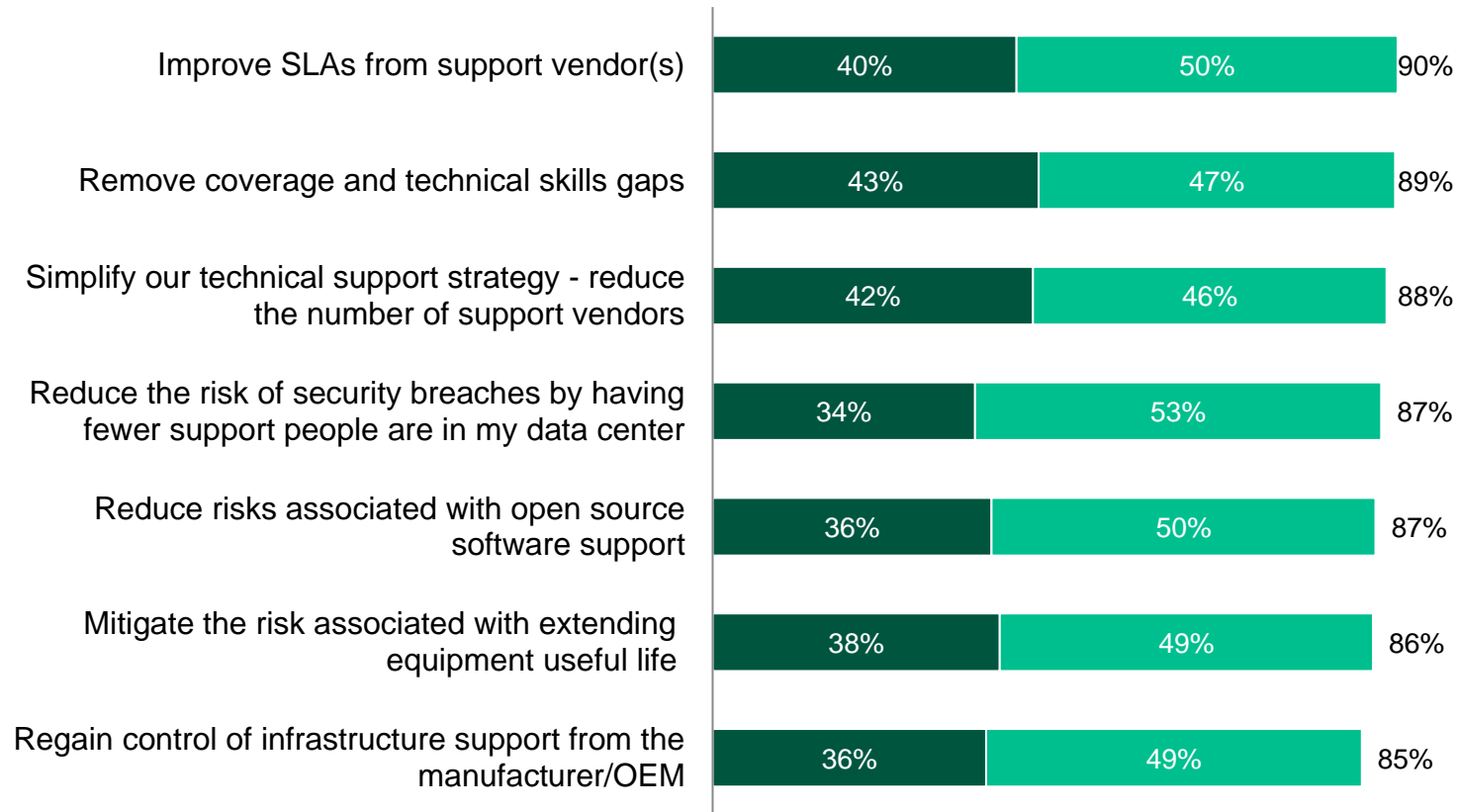


Source: A Total Economic Impact™ Of IBM Hybrid IT Support, a commissioned study conducted by Forrester Consulting on behalf of IBM, January 2023.

# Prior challenges

“On a scale of 1 to 5, how important are the following technical, service, and risk drivers in your support strategy?”

■ Somewhat important ■ Very important



Source: A Total Economic Impact™ Of IBM Hybrid IT Support, a commissioned study conducted by Forrester Consulting on behalf of IBM, January 2023.

© Forrester Research, Inc. All rights reserved.

- Needed to improve support budget efficiencies.
- Data center environments were becoming increasingly diverse.
- Increasing importance of open source
- Internal IT and engineering teams were stretched thin.

# Key results

## Impacts from the investment

- Organizations saved time and money on hardware and software maintenance.
- Lean IT and engineering teams could focus on higher priority tasks including customer support
- Budget and resources were freed for digital transformation and other initiatives.

“IBM said they could take over the hardware maintenance for basically anything installed on our data center floor. We gave the inventory to IBM, and they offered us significant savings.”

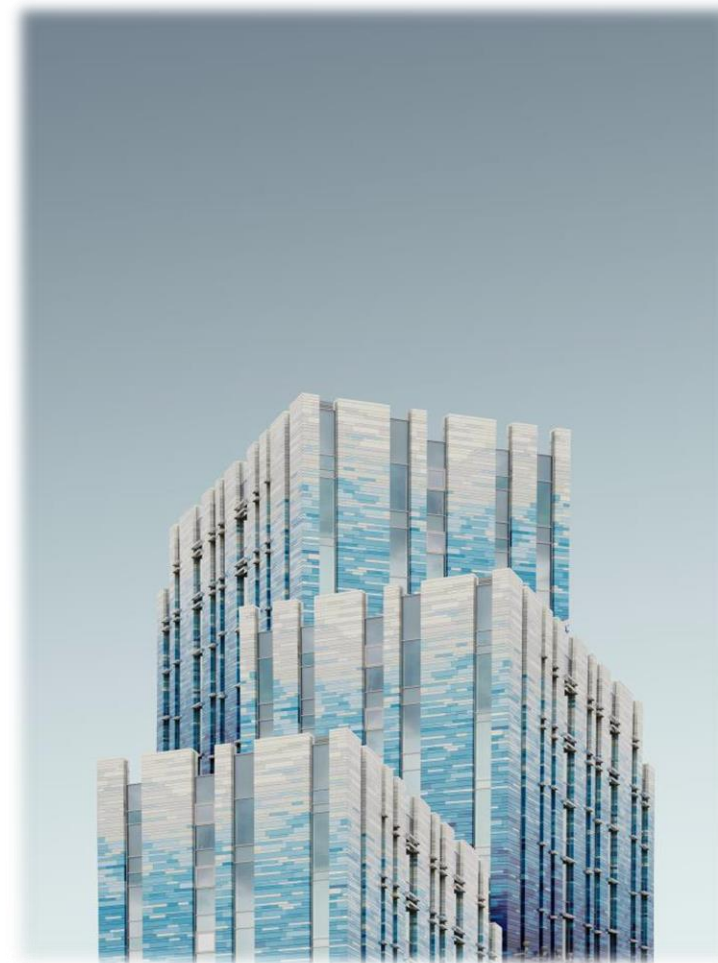
— Senior director engineering, retail

# Creating a business case for Hybrid IT Support

Forrester created a composite organization to convey the aggregate financial analysis.

**REVENUE**  
\$5 billion annual

**EMPLOYEES**  
10,000



**IBM supports hardware, software, and open-source software.**

**Hardware support for 3,000 devices including servers, storage arrays, and networking equipment.**

Source: A Total Economic Impact™ Of IBM Hybrid IT Support, a commissioned study conducted by Forrester Consulting on behalf of IBM, January 2023.

# Three-year, risk-adjusted benefits

Based on the composite organization

## Benefits (Three-Year)

Reduced hardware maintenance and  
support spending

\$2.0M

Mitigated effects of hardware outages

\$1.1M

Reduced time spent on open source  
software support

\$402.9K

Reduced time spend on vendor  
management

\$19.7K

Reduced time spent on hardware  
support (risk-adjusted)

\$18.0K

Reduced time spent on third-party  
proprietary software issues

\$15.4K

Source: A Total Economic Impact™ Of IBM Hybrid IT Support, a  
commissioned study conducted by Forrester Consulting on behalf of  
IBM, January 2023.

© Forrester Research, Inc. All rights reserved.

# Avoided hardware maintenance and support spending

## CUSTOMER EXPERIENCE

“IBM said they could take over the hardware maintenance for basically anything installed on our data center floor. We gave the inventory to IBM, and they offered us significant savings.”

— Senior director  
engineering, retail

## CAPTURING VALUE

**25% reduction** in  
hardware  
maintenance and  
support spending

## FINANCIAL IMPACT

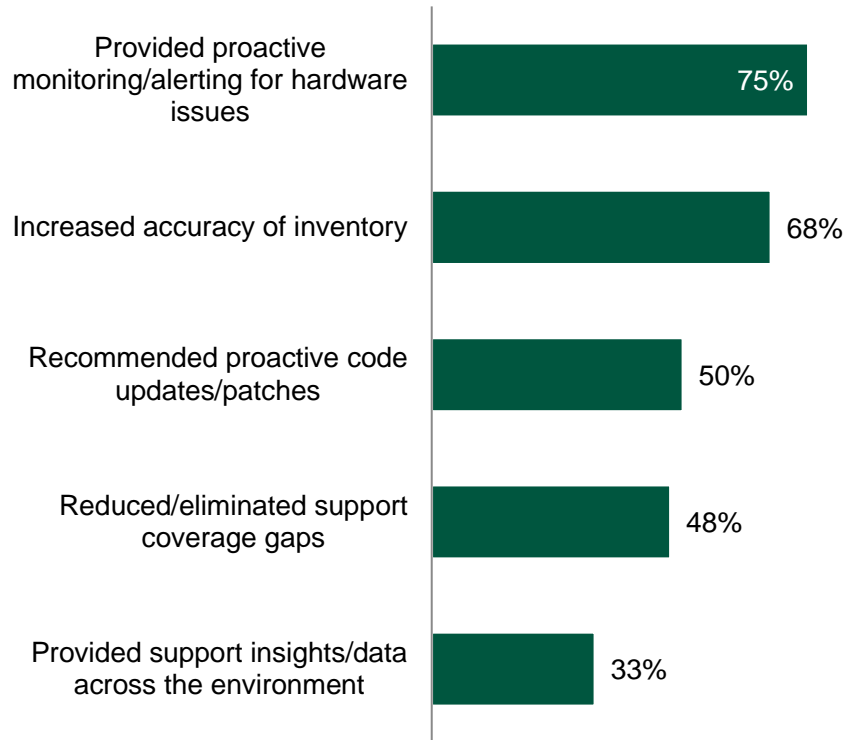
**\$2.0M**

Avoided over 3 years

Source: A Total Economic Impact™ Of IBM Hybrid IT Support, a commissioned study conducted by Forrester Consulting on behalf of IBM, January 2023.

# Mitigated effects of hardware outages

**“You indicated that your organization has avoided hardware incidents / outages with IBM support services. How has IBM support services helped your organization avoid hardware incidents / outages?”**



## CAPTURING VALUE

**21% reduction in mean time to resolve (MTTR)**

## FINANCIAL IMPACT

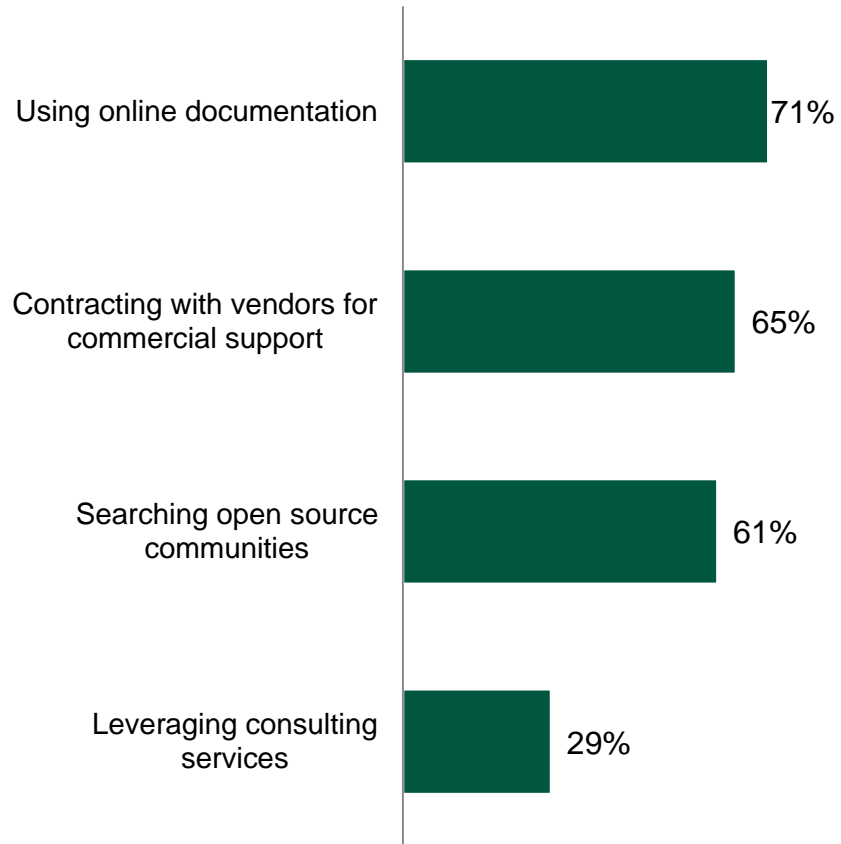
**\$1.1M**

**Benefit across 3-year analysis**

Source: A Total Economic Impact™ Of IBM Hybrid IT Support, a commissioned study conducted by Forrester Consulting on behalf of IBM, January 2023.

# Reduced time spent on open source software support

“You indicated that you've reduced the time/labor needed for open source support issues. How did your organization handle open source support issues prior to using IBM support services?”



## CAPTURING VALUE

**20% reduction in time spent on open source software support**

## FINANCIAL IMPACT

**\$402.9K**

Benefit across 3-year analysis

Source: A Total Economic Impact™ Of IBM Hybrid IT Support, a commissioned study conducted by Forrester Consulting on behalf of IBM, January 2023.



# Additional benefits from IBM Hybrid IT Support

## CUSTOMER EXPERIENCE

“While we [IT] are not revenue generating, we support all the revenue generating business lines. They are our customers and we supply all the widgets. I'm seeing resource challenges and people not being able to get the work done. Resources are our number one problem; it hampers everything else.”

— **Storage capacity planner,  
financial services**

**20% reduction** in time spent on hardware support – time freed up for digital transformation and other business initiatives

**51%** of survey respondents found that IBM improved IT teams' ability to consistently support business needs and improve their brands

Source: A Total Economic Impact™ Of IBM Hybrid IT Support, a commissioned study conducted by Forrester Consulting on behalf of IBM, January 2023.

© Forrester Research, Inc. All rights reserved.

# Additional benefits from IBM Hybrid IT Support (cont'd)

**17% reduction** in time spent on third-party proprietary software issues

## CUSTOMER EXPERIENCE

“We cannot let our customers be exposed in any way to a software vulnerability. With IBM, I can sleep better at night and our engineering team has piece of mind.”

— Senior director software engineering, software

**22% reduction** in time spent on vendor management

## CUSTOMER EXPERIENCE

“It was probably 60 to 90 days to transition support to IBM. They taught us the new ticketing process, escalation process and monthly review process.”

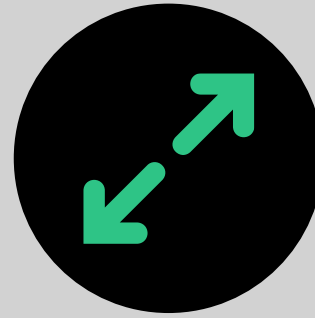
— Senior director engineering, retail

Source: A Total Economic Impact™ Of IBM Hybrid IT Support, a commissioned study conducted by Forrester Consulting on behalf of IBM, January 2023.

# There are benefits to using IBM Hybrid IT Support that customers experienced but were not quantified



Avoided hardware outages



Extended equipment useful life.



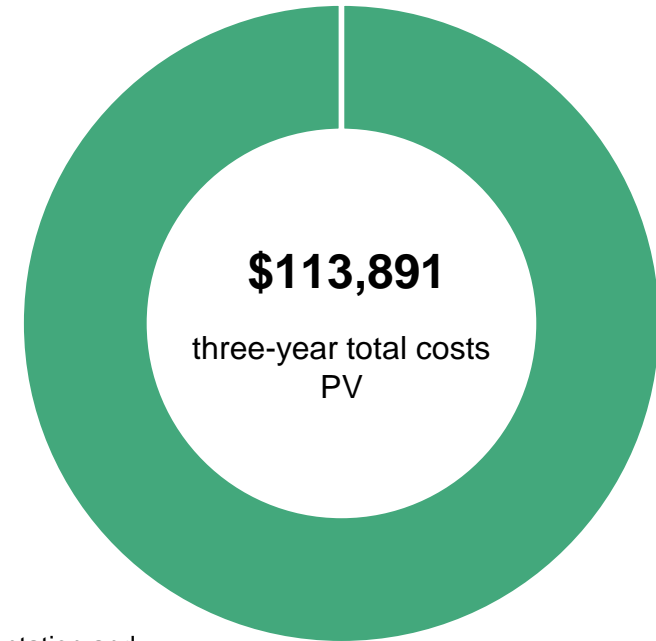
Freed up budget and staff to support digital transformation initiatives

Source: A Total Economic Impact™ Of IBM Hybrid IT Support, a commissioned study conducted by Forrester Consulting on behalf of IBM, January 2023.

© Forrester Research, Inc. All rights reserved.

# Three-year, risk-adjusted costs

Incremental cost and effort to implement  
and use the IBM Hybrid IT Support



Implementation and  
training, \$113,891

Cost of implementation and  
training

Source: A Total Economic Impact™ Of IBM Hybrid IT Support, a  
commissioned study conducted by Forrester Consulting on behalf of  
IBM, January 2023.

© Forrester Research, Inc. All rights reserved.

# Thank You.

---

**Jennifer Adams**

Principal Consultant

Forrester TEI

[jadams@forrester.com](mailto:jadams@forrester.com)

BOLD  
AT  
WORK

# Business case definitions 101



## **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.



## **Payback period**

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

# Forrester: The Total Economic Impact™ Of IBM Hybrid IT Support

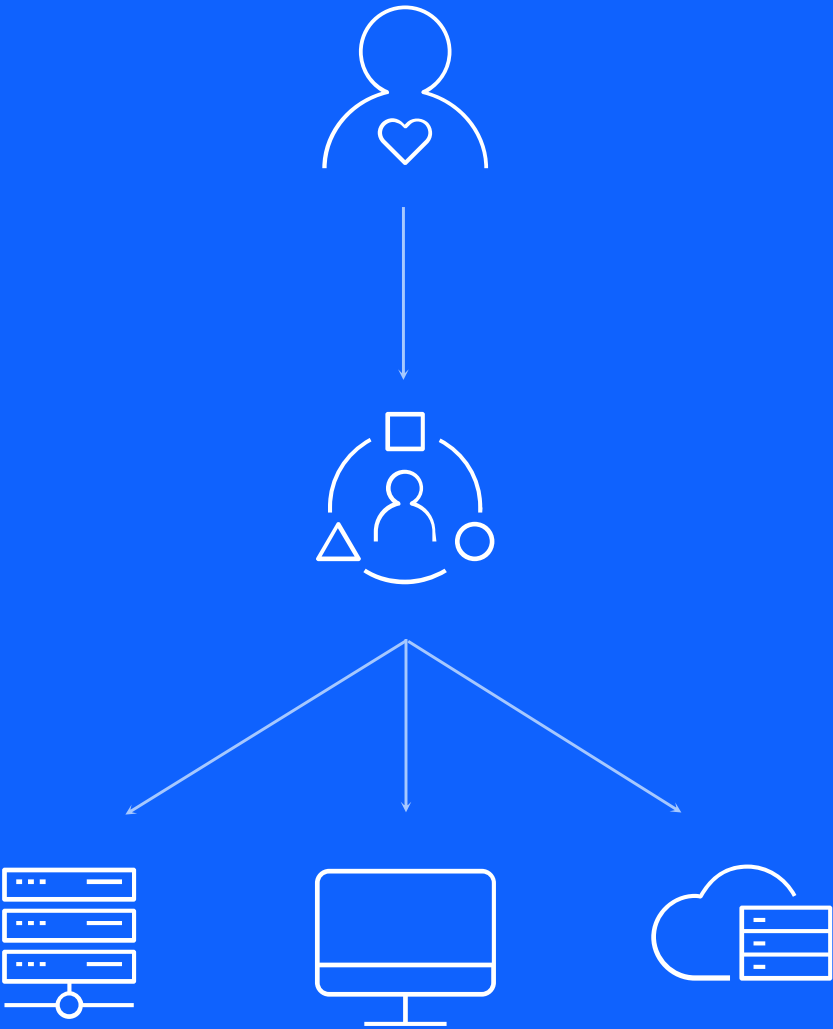
lower cost and drive high availability and security across the data center

---

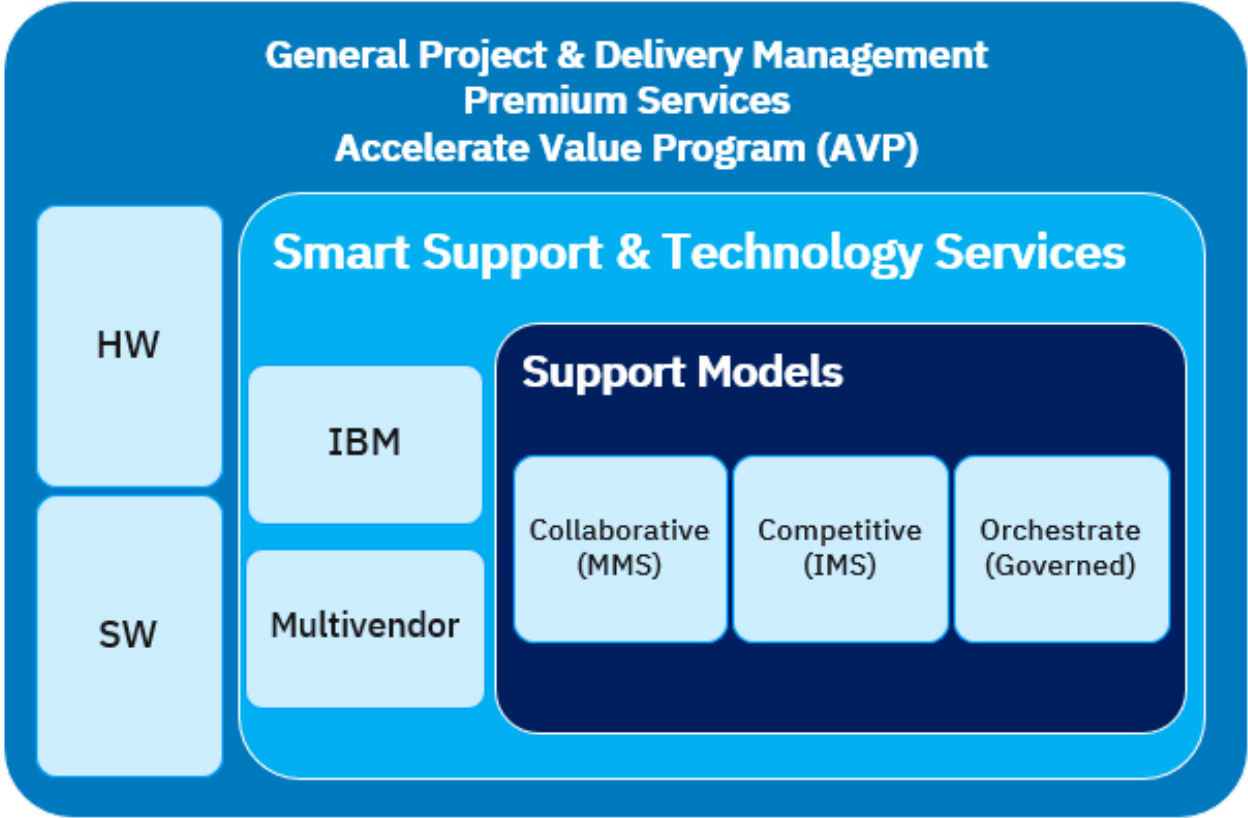
Danilo P. Florido  
Global Offering Leader  
IBM Technology Lifecycle Services

May 10<sup>th</sup>, 2023

# Integrated Datacenter Support



## Hybrid IT Datacenter Support framework



## Datacenter Support Lifecycle

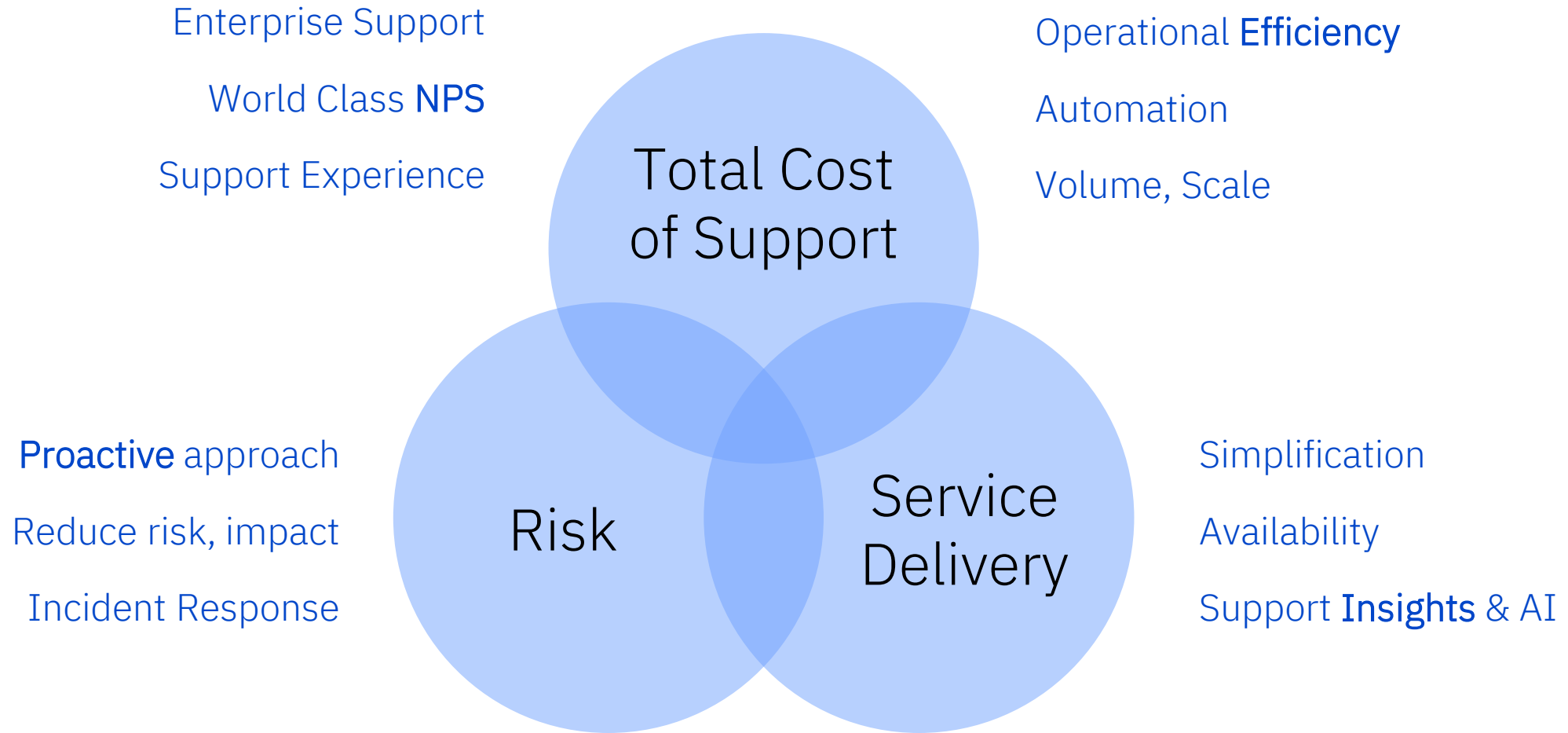
powered by TLS Support Insights

IT Infrastructure

Servers, Storage, Networking, Security, Software



# Our Success Factor



# Integrated Datacenter Support Evolution

## Co Creation

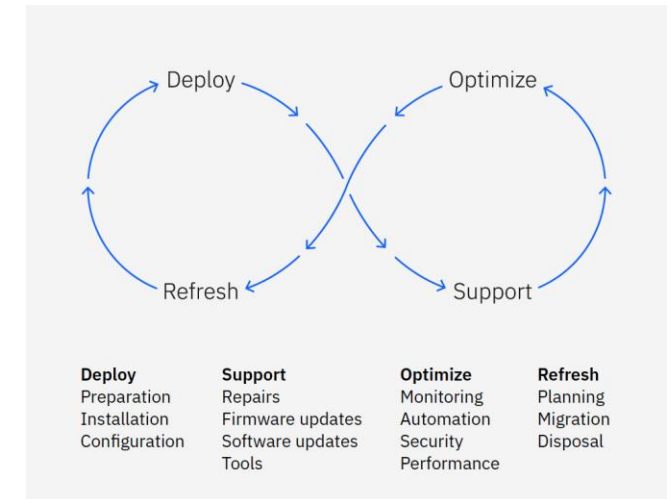
- Datacenter Support Design Thinking Workshop
- Datacenter Technology Support Assessment

## Lifecycle Services

- Increase efficiency from Modernization deployment to Support Extension
- Client Success Management

## Continuous Improvement

- Year to Year operational efficiency improvements powered by AI & Automation
- Leverage support experience to maximize return on Hybrid IT modernization, digital transformation



# Next Steps

1. Estimate today your potential benefit: <https://tools.totaleconomicimpact.com/go/ibm/hybriditsupport/index.html>
2. Contact your Seller to schedule a workshop

## Danilo Pedro Florido

Global Datacenter Support Offering Leader

IBM Technology Lifecycle Services

[danilo@ibm.com](mailto:danilo@ibm.com)

<https://www.linkedin.com/in/danilopedroflorido/>

## Additional resources

### IBM Multivendor support web page

<https://www.ibm.com/services/multivendor-support>

### E-book

Optimize your infrastructure with technology lifecycle services

<https://www.ibm.com/downloads/cas/RR3GAPO6>

### Solution Brief

IBM Support Services for Multivendor Server, Storage, Network and Security

[www.ibm.com/downloads/cas/ZR0A90WA](https://www.ibm.com/downloads/cas/ZR0A90WA)

