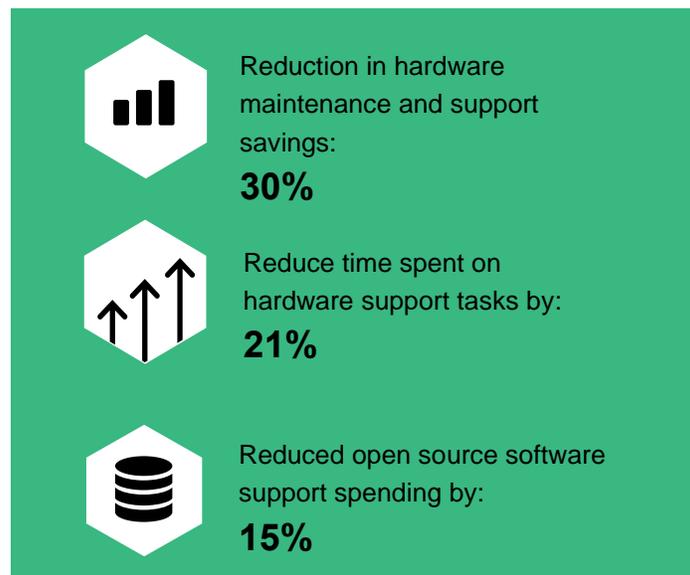
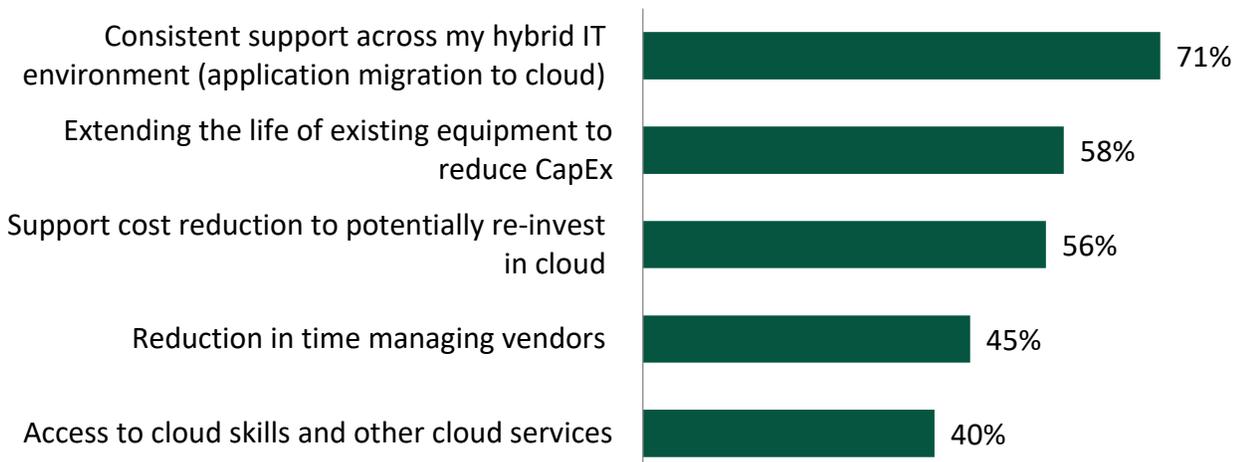


# IBM Hybrid IT Support Accelerates Cloud Adoption with Streamlined Hardware and Software Maintenance, Increased Business Flexibility and Reduced Costs

IBM commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) enterprises may realize by deploying [IBM Multivendor Support Services \(MVS\)](#) to maintain hybrid IT infrastructures located on-premises or off-premises (including data centers, private clouds, public clouds, connected devices and more)-with orchestration among the various platforms. The purpose of the study is to provide readers with a framework to evaluate the potential financial impact of IBM MVS on their organizations. To better understand the benefits, costs, and risks associated with this investment, Forrester conducted surveyed 286 additional organizations with experience using IBM MVS.



## How has IBM support services helped in your journey to the cloud?



Base: 286 US, Asian, and European IT decision-makers  
 Source: A commissioned study conducted by Forrester Consulting on behalf of IBM, January 2021

[→ READ THE FULL STUDY HERE](#)

As organizations attempt to digitize their IT environment, many are left attempting to manage support for both cloud and on-premises infrastructures. Hybrid environments present IT leaders with the challenge of managing their growing data centers in cost effective ways. Many organizations run environments that rely on multiple vendors to support the hardware and software they use. In a survey of IT decision-makers, Forrester found that about half of respondents expect their hardware and software environments to get more diverse and only 15% or less expect them to get less diverse. This diversity leads to significant time spent managing support vendors, extends the timeline to resolve hardware and software incidents, and leads to an overall increase in support spending. The more organizations invest time and money into their on-premise datacenter, the more they hinder their own cloud migration. Finding a way to mitigate the costs associated with on-premise data centers allows IT leaders to reinvest these funds into their cloud deployments.

After the investment in IBM MVS, the organizations were able to reduce the complexity of their IT support environment, optimize their spending on hardware maintenance and support, improve availability and reduce the impact of outages, save time on their hardware support, improve total ROI for their open source and third-party proprietary software support spending. These combined cost and time savings enabled organizations to reallocate resources and funding to other core areas of the business such as cloud, AI, or IOT.

## INVESTMENT DRIVERS

The interviewed and surveyed organizations struggled with common challenges including:

- **Desire to improve availability and reduce the impact of outages.** Disruption in business-critical hardware has significant financial impacts. 97% of survey respondents indicated that the improvement in availability of their datacenter

equipment is a key driver in their datacenter support strategy. Organizations also sought a solution that could reduce the impact of these outages. A multitude of support vendors meant navigating complex processes and multiple support contacts while attempting to resolve an outage, extending the time to resolution.

- **Need to simplify support for the IT environment.** 91% of the surveyed organizations sought to reduce the amount of time employees spend managing support vendors and auditing devices. 91% of respondents also wanted to reduce the number of support vendors to simplify their technical support strategy. Managing relationships with multiple vendors was too time consuming, and organizations wanted to reduce time spent on vendor management so staff could focus on more pressing business needs.
- **Difficulty adapting to organizational changes.** Organizations struggled to adapt to changes required by the business while relying on a diverse hardware and software environment with multiple support providers and service level agreements (SLAs). IT staff spent time communicating with vendors attempting to explain new and developing policies or other various organizational changes. This often-caused dissimilar IT practices across organizations, leading to inefficient practices and confusion during periods of downtime.

**“If I want to address something in my hardware stack, I can go to a one stop shop. I am not having to tell a variety of vendors different stories. I have a single thread to work from. Using MVS saves us from a great deal of confusion.”**

*Capacity infrastructure planner,  
hardware manufacturing*

- **Desire to track assets more effectively.** Many survey respondents listed enabling proactive planning for equipment upgrades as an important driver in their datacenter support strategy, and 89% sought to remove support coverage gaps. To enhance planning, organizations needed greater insight into their environments. Relying on a variety of different hardware and software vendors made tracking assets a daunting task. As these companies grew, tracking assets became increasingly difficult.

### COMPOSITE ORGANIZATION

Based on the interviews and survey, Forrester constructed a TEI framework, a composite company, and financial analysis that illustrates the areas financially affected, covered in greater detail in the full study.

**Description of composite:** The composite is a global organization with over 25,000 employees and \$4 billion in annual revenue. Prior to investing in IBM MVS, the composite organization had a heterogeneous data-center environment with multiple IT support vendors across their multi cloud environment.

#### Characteristics of the composite

- **\$4B annual revenue**
- **25,000 employees**
- **Support for 1,400 devices transferred to IBM MVS by Year 3**
- **Support coverage for open source and 3<sup>rd</sup> party proprietary software**

### KEY RESULTS

**Quantified benefits.** Risk-adjusted present value (PV) quantified benefits include:

#### Reduced hardware maintenance and support spending by 30%

- Prior to adopting IBM MVS, respondents relied on multiple OEM providers to support their IT infrastructure but with IBM MVS, a single provider consolidates support contracts, reducing overall hardware support and maintenance spending.
- Organizations using IBM MVS save an average of \$4.3M over three years by enabling predictive maintenance, AI capabilities, proactive monitoring, and asset life-cycle management.

#### Reduced time spent on hardware support of 22%

- IBM MVS enables organizations to streamline inventory management tasks. IBM's proprietary asset management and support portal to reduce the time they spent on hardware support tasks allowing resources to be reallocated to more productive tasks savings \$21,000 over three years.

#### Mitigated the effects of hardware outages saving over \$400K in resolution costs

- IBM leverages existing relationships with OEMs to diagnose hardware issues and expedite their resolution to minimize the impact on organizations. Less time is spent diagnosing the failure and more on resolving to minimizing the impact.
- By assisting with problem determination and fast accelerated parts replacement services, IBM helps organizations recover faster, saving over \$400,000 over three years.

**Reduced open source software support time savings of 21% and a reduction in support spending by 15%**

- Many organizations leverage community open source software stacks to modernize their IT initiatives. In legacy workflows, these organizations depended on open source communities, open source vendors, and consulting services for their open source support.
- IBM provides organizations with 24/7 remote access to industry experts who can help quickly diagnose and resolve issues that arise in open source environments. This enables organizations to reduce the amount of time they would spend searching through open source communities and reduce their total open source software support spending by \$333,000 over three years.

**Reduced spending on 3<sup>rd</sup> party proprietary software by 22%**

- Survey respondents noted that an additional benefit of using IBM for their software support is their ability to reduce the total time their employees spend interacting with 3<sup>rd</sup> party proprietary software providers. This leads to an additional \$21,000 in savings.

**Streamlined vendor management with IBM reduces staff time spent on these tasks by 21%**

- Consolidating IT support vendors to one central IT support system allows organizations to reduce the time they spend maintaining multiple support relationships leading to over \$25,000 in savings.

**UNQUANTIFIED BENEFITS**

Additional benefits that organizations experienced but were not able to quantify include:

- **Increased business flexibility to reallocate funds to other core areas of the business such as cloud, AI, or IOT.** Interviewees and

survey respondents noted that the savings they experience by streamlining their support environment with IBM MVS can be used to fund other initiatives.

- **Reduce the number of hardware incidents experienced.** Many survey respondents noted that by investing in IBM support they avoid several of the costly hardware incidents that they experienced with their OEM support providers.
- **Extend the useful life of hardware equipment.** The participating organizations noted that investing in IBM support allows them to extend the life of their investments. Forty six percent of survey participants noted that MVS helps them defer or save on their capital expenses by extending the useful life of their various hardware solutions
- **Easily allocate support licenses to provide coverage to the correct devices.** IBM MVS provides organizations with the flexibility to change their support strategy as their needs change. About fifty percent of survey participants stated their data centers are become more diverse for hardware and software, and as a result they need a support solution that can adapt to these changes. IBM provides flexibility within its coverage options to quickly adjust support contracts to cover devices that are being used by organizations
- **Avoid upgrading hardware equipment on the OEM's schedule.** Extending the useful life of hardware devices has the added benefit of allowing organizations to avoid costly device upgrades. OEM's offer limited or no support for older devices, requiring organizations to upgrade devices frequently. IBM MVS allows organizations to adjust these upgrade cycles to better suit their needs leading to more potential savings.

## IBM MVS COSTS

The fees paid to IBM vary with the number and type of devices that are under the support agreement. In addition to these factors, the total cost to use IBM MVS can vary based on the age and rarity of the device as finding spare parts is more challenging for some devices, which tends to raise the cost organizations will pay per device.

- **IBM MVS use costs.** To best represent the cost of using IBM MVS in the model, the costs for IBM MVS support are highlighted in the first benefit calculation. Per the survey responses, the cost of IBM MVS is 30% lower than previous support costs. To account for a staggered transition from existing partnerships, the composite has an incremental increase in the number of devices covered under the IBM support agreement each year

**Planning and training costs.** Organizations incurred costs associated with planning the migrations to IBM MVS and training essential personnel on the data provided through IBM MVS. The composite spends 100 total internal hours upfront to plan the transition of hardware and software to IBM support. The organization spends 40 hours each year identifying and communicating to IBM which items should go on or come off support. One hundred staff members participate in 4 hours of ongoing training each year on how to use data provided by IBM as part of support escalation processes.

## TOTAL ECONOMIC IMPACT ANALYSIS

For more information, download the full report “[The Total Economic Impact™ of IBM Hybrid IT Support](#)”, commissioned by IBM and delivered by Forrester Consulting.

## STUDY FINDINGS

Forrester surveyed 286 companies and interviewed three organizations with experience using the IBM Multivendor Support Services and combined the results into a three-year composite organization financial analysis. Risk-adjusted present value (PV) quantified benefits include:

- Reduced hardware maintenance and support spending, \$4,327,766
- Reduced time spent on hardware support, \$21,297
- Mitigated effects of hardware outages, \$402,099
- Reduced open source software support spending with IBM MVS, \$333,507
- Reduced spending on third party proprietary software spending, \$25,281

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## DISCLOSURES

The reader should be aware of the following:

- The study is commissioned by IBM and delivered by Forrester Consulting. It is not meant to be a competitive analysis.
- Forrester makes no assumptions as to the potential ROI that other organizations will receive. Forrester strongly advises that readers use their own estimates within the framework provided in the report to determine the appropriateness of an investment in IBM MVS.
- IBM reviewed and provided feedback to Forrester. 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.
- IBM provided the customer names for the interviews but did not participate in the interviews.
- Forrester fielded the double-blind survey using a third-party survey partner.

## ABOUT TEI

Total Economic Impact™ (TEI) is a methodology developed by Forrester Research that enhances a company's technology decision-making processes and assists vendors in communicating the value proposition of their products and services to clients. The TEI methodology helps companies demonstrate, justify, and realize the tangible value of IT initiatives to both senior management and other key business stakeholders. The TEI methodology consists of four components to evaluate investment value: benefits, costs, risks, and flexibility.