

# Top Four Tips For Transforming Your Hybrid IT Environment

According to Forrester, “delivering software with speed and quality is now essential ... and customers won’t wait.”<sup>1</sup> Due to the rapid pace of changing technology capabilities and customer expectations, businesses are searching for ways to accelerate application development and maintenance by modernizing their infrastructure. An open hybrid cloud approach can help organizations achieve the full potential of their workloads, solve legacy technology challenges, and accelerate future transformation.

IBM, in conjunction with Red Hat, offers a wide array of services and solutions for organizations to build, modernize, and manage applications and infrastructure at scale — allowing organizations to shed legacy costs, better serve customers, and be more competitive in the future. Forrester conducted three studies spanning a wide scope of IBM capabilities for the hybrid multicloud journey: from creating a cloud strategy, to migration and development, to managing and maintaining an enterprise-class multicloud environment. Business decision-makers interviewed by Forrester highlighted a host of benefits across their cloud journeys.

## Strategy Is Just The Start

Once an organization defines its cloud strategy, it must address modernizing its infrastructure and applications to meet organizational goals. Considering that the pace of changing technology capabilities and customer expectations is only increasing, the answer today may not be the answer tomorrow — so building solutions with flexibility is essential.

Interviewed decision-makers found their firms had the freedom to engage in transformative new practices once they were no longer constrained by the limitations of their physical hardware and aging application portfolios. Firms could use these initiatives to cut costs and provide new capabilities to win, retain, and delight customers.

## Finding The Right Balance

To do this, organizations need an environment that balances speed, flexibility, and dependability. For organizations seeking modernization for long-term success, finding that right balance is challenging. Leaders interviewed by Forrester looked to cloud technologies and open source solutions to enable their transformation but faced major challenges: How could they ensure enterprise dependability while also avoiding lock-in? How could they bring life to their legacy applications and infrastructure without starting from scratch? How could they get moving?

According to Forrester, “cloud migration is driving the latest phase of application modernization — and companies of all sizes require assistance in making their cloud journeys.”<sup>2</sup> The reason for assistance is simple: While cloud migration includes lift-and-shift of workloads to the cloud, simple migration is not enough to maximize the benefits of modernizing apps.<sup>3</sup>

## SUMMARY

Based on three studies commissioned by IBM: [“The Total Economic Impact Of Optimizing And Managing Your Hybrid Multicloud,”](#) [“Emerging Technology Assessment: The Total Economic Impact Of Using Both IBM And Red Hat Solutions Together,”](#) and [“The Total Economic Impact Of IBM Hybrid IT Support.”](#)

## METHODOLOGY

The objective of the TEI 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 of these IBM solutions, including interviews with Forrester analysts, IBM stakeholders, and current IBM customers. Forrester constructed a financial model for each study representative of these interviews.

## COMPOSITE ORGANIZATION

These studies use a composite organization, based on the interviewees, to present the aggregate financial analyses.

## RISK ADJUSTMENT

Forrester risk-adjusted the financial models based on issues and concerns of the interviewed organizations to account for uncertainties in benefit and cost estimates.

In [The Total Economic Impact Of Optimizing And Managing Your Hybrid Multicloud](#), the composite organization reduces the costs associated with application migration and modernization by 34% by partnering with expert resources from IBM. One interviewee explained: “IBM helped us lay out a game plan [on] how best to approach our migration. They really helped on the back end of the approach — how to think about clustering of apps, how to face it. We used IBM to plan out our timeframes, how to resource our actions and execute. The resource cost of our migration was within budget — in fact, it was better than we had budgeted for.”

### Take Advantage Of Open Source Solutions

Forrester recommends leveraging containerization, microservices, and the cloud to improve portability, reduce costs, and improve business value.<sup>4</sup> However, major business transformations involving these technologies carry a significant risk of failure for firms that do engage a strategic partner. IBM offers a wide array of services for Red Hat to help organizations realize the full potential of transformative technologies and ensure success deployment.

In [The Total Economic Impact Of Using Both IBM And Red Hat Solutions Together](#), interviewees found that modernization enabled administrators and developers alike to eliminate wasteful manual tasks, spend less time waiting for manual steps to be complete, and complete work faster — saving labor costs, accelerating work, and enhancing employee experience. Companies could access a larger talent pool and better attract, hire, and retain employees. Quantified examples included reallocating 33% to 90% of infrastructure administration labor and accelerating development cycles by up to 66%.

### Use Modernization As A Catalyst For Further Cost Savings

Organizations can use modernization initiatives as a watershed moment to look at their existing environments and streamline costs by centralizing support tasks across a heterogeneous environment with a single vendor. This allows organizations to refocus more of their in-house IT teams and IT budgets on innovation instead of managing multiple support tools and vendors as well as the risk of support lapses.

While Forrester is predicting a downturn in total tech spending for 2021, total spending levels remain higher than four years ago with new technology investments totaling over \$90 billion.<sup>5</sup> As organizations invest in new technology, they often increase the number of vendors supplying the various offerings, causing them to increase spending on hardware and software support. Technology staff spend a significant amount of time managing a varied heterogeneous environment without support solutions that span across support tools and vendors. CIOs and other IT decision-makers must invest their IT budgets effectively to ensure they are winning, retaining, and serving their customers. Optimizing the amount of time and cost spent on support enables these decision-makers to pursue strategic investments.

In [The Total Economic Impact Of IBM Hybrid IT Support](#), interviewees highlighted a reduction in maintenance and support spending of 30% with IBM. In legacy environments, organizations relied on original equipment manufacturers (OEMs) and third parties to provide support for their organizations’ data centers and software. This support often proved expensive to use and arduous to maintain. By streamlining



Reduce application migration and modernization costs by 34%



33% to 90% reallocation of infrastructure administration labor



30% reduction in maintenance and support spending with IBM

“We were looking for a platform that would be highly scalable, resilient, and future-proof. We didn’t want to buy something and have to go back to the board five years later.”

*Chief technology and operations officer, APAC financial services*



hardware and software support contracts from OEMs and third parties to IBM, customers could take advantage of IBM's advanced support management technologies to reduce costs and reallocate employee time to more pressing business concerns.

## Partnering With IBM Avoids Modernization Costs And Reduces Operational Costs

Organizations that partnered with IBM to optimize and manage their hybrid multicloud environments experienced the following benefits. To find out more, see the full report [here](#).

- › Reduced application migration and modernization costs.
- › Reduced risk of application disruption.
- › Reduced ongoing operational costs.
- › Reduced data center footprint.
- › Improved operating income.

## Reduce Support Costs And Complexity With IBM

Organizations using IBM's multivendor management services experienced the following benefits. To find out more, please see the full report [here](#).

- › Reduction in maintenance and support spending.
- › Reduced time spent on hardware support tasks.
- › Mitigating the effects of hardware outages.
- › Open-source software support time savings and a reduction in support spending.
- › Reduced time staff spend supporting third-party proprietary software providers.
- › Streamlining vendor management.

## IBM And Red Hat Enable Significant Returns

Organizations using both IBM and Red Hat together experienced the following benefits. To learn more, please see the full report [here](#).

- › Workforce productivity and acceleration.
- › Enhanced business outcomes.
- › Improved organizational agility and flexibility.



Click here to calculate your potential savings.

"We are now opex instead of capex. You're allowed to focus on improving the actual customer experience and the software, which is your core deliverable, as opposed to actually managing infrastructure."

Chief product officer, B2B software



"The strategic value of working with IBM — and probably one of the areas where we saw the most cost savings — was the smoothness of migration. It was in our control and exactly as expected. The migration forced us to look at our own infrastructure and do so with an independent partner who would ask difficult questions. You have an excellent partner asking you about numbers and parts and, 'Where are your dependencies in terms of downtime when you migrate this?'"

Chief product officer, B2B software



## Endnotes

<sup>1</sup> Source: “Faster Software Delivery Will Accelerate Digital Transformation,” Forrester Research, Inc., April 12, 2018.

<sup>2</sup> Source: “The Forrester Wave™: Application Modernization And Migration Services, Q3 2019,” Forrester Research, Inc., July 16, 2019.

<sup>3</sup> Source: “Use Modernization And Migration Services To Speed Your Cloud Migration,” Forrester Research, Inc., June 4, 2019.

<sup>4</sup> Ibid.

<sup>5</sup> Source: “US Tech Market Outlook For 2020 To 2021,” Forrester Research, Inc., August 26, 2020.

## Disclosures

The reader should be aware of the following:

The studies were commissioned by IBM and delivered by Forrester Consulting. They are 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 reports to determine the appropriateness of an investment in IBM and Red Hat services.

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.

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### **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:

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