The Total Economic Impact™ Of Microsoft Unified

Cost Savings And Business Benefits Enabled By Microsoft Unified’s Support Solutions

JUNE 2022
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Executive Summary

IT support through Microsoft Unified adds significant value to organizations as they seek to lessen the burdens of keeping up with technology to maintain the health of their Microsoft investments. And, with the rapid expansion of cloud and mobile computing demands, it optimizes their growing IT footprints to support the modernization of businesses more effectively.

Microsoft Unified provides a core package services for organizations’ IT health, including support, training, proactive risk assessments, and responsive fixes for internally and externally facing applications and workloads. This core service is augmented with a bespoke set of add-ons and enhancements for each customer setting and need, including engineer-led performance optimizations of Microsoft resources and expert guidance for the implementation of an organization’s IT modernization efforts.

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

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed four respondents and surveyed 210 respondents with experience using Microsoft Unified. For the purposes of this study, Forrester aggregated the experiences of the interviewees and survey respondents and combined the results into a single composite organization that is a global professional services firm with revenue of $800 million per year.

Prior to using Microsoft Unified, interviewees noted how their organizations struggled with adopting a proactive stance to the management of their IT settings. Overcoming routine and critical downtime

35% Faster cloud migrations

94% Positive ratings

80% Faster time to resolution during critical downtime

67% Reduction in critical downtime events

¹ The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of Microsoft Unified on their organizations.
events required management resources and
impacted user productivity as well as revenue. The
proactive elements of IT training, health
assessments, and optimizations also added up to
significant ad hoc costs. Ultimately, keeping up with
technology and implementations to transform their
organizations’ applications and workloads proved
difficult without an effective partner to provide a mix
of proactive IT health, modernization expertise, and
necessary responsive services in one place.

After the investment in Microsoft Unified, the
interviewees experienced cost and productivity
savings with improved implementations, reduced
downtime, and savings from training and
engineering-led assessments that had been out of
pocket previously. They also experienced support
that was available organization-wide and not to a
more select set of IT gatekeepers.

**KEY FINDINGS**

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

- **Avoided investment in product training and
education, totaling $168,000 over three years.**
The Microsoft Services Hub provides an on-
demand repository of competency-instilling
content for staff, replacing externally procured
training assets. Microsoft’s customer success
team curates these utilizations to meet the needs
of the composite organization’s overall training and improvement agenda.

- **Avoided cost of risk assessments worth
$254,000 over three years.** Risk assessments
are an intrinsic element of proactive IT health
and, prior to Microsoft Unified, were paid for on
an ad hoc basis. Beyond the cost savings,
Microsoft Unified targets risk assessments as
part of developing an overall improvement
agenda for the composite organization.

- **Responsive support offers faster time to
resolution, worth $79,000 over three years.**
The composite organization saves 2.5 hours in
resolving outages, which is time savings that its
internal support teams redeploy towards more
value-added opportunities.

- **Reduction of business-facing end user
downtime worth $79,000 over three years.**
Much of the internally facing context of the
composite’s business environment relies on a
range of Microsoft workloads. By reducing the
frequency of downtime events by 30%, and
improving the time to resolution for these
incidents by 60%, Microsoft Unified saves end
users significant time and productivity over three
years.

- **Avoided profit losses from critical downtime
worth $258,000 over three years.** Microsoft
Unified moves the composite organization from
an orientation of effective event resolution to,
EXECUTIVE SUMMARY

“Which of the following proactive support benefits has your organization experienced due to the investment in Microsoft Unified?”

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improved cost efficiency of cloud environments</td>
<td>57%</td>
</tr>
<tr>
<td>Improved efficiency of operational processes</td>
<td>56%</td>
</tr>
<tr>
<td>Accelerated adoption of solutions or capabilities across the organization</td>
<td>53%</td>
</tr>
<tr>
<td>Reduced risk of a security breach</td>
<td>43%</td>
</tr>
<tr>
<td>Accelerating your cloud migration or ability to migrate more workloads</td>
<td>41%</td>
</tr>
<tr>
<td>Reduced labor costs or third-party costs</td>
<td>32%</td>
</tr>
</tbody>
</table>

Base: 210 technology decision-makers/managers of Microsoft Unified services
Source: A commissioned study conducted by Forrester Consulting on behalf of Microsoft, September 2021

Based on the results of assessments and proactive fixes, a path that prevents these in the first place.

- **Cost savings from accelerated faster cloud migrations worth $146,000 over three years.** Cloud migrations, particularly to a platform-as-a-service (PaaS) architecture, are often complex efforts that require specialized cloud and on-premises skill sets to execute. Through Microsoft Unified, the composite organization realizes faster and more certain implementations.

- **Accelerated adoption of solutions and capabilities enabled $286,000 over three years.** The faster implementation of applications drives measurable productivity gains. For the composite organization, such implementations with the assistance of Microsoft Unified saves an average of 11 weeks and contributes 1.25 hours of gained productivity weekly per employee, which creates significant value.

- **Improved efficiency of cloud environments worth $421,000 over three years.** The expert guidance of Microsoft-led cloud implementations results in avoided IT costs for the composite organization. The composite experiences compute and storage cost savings because of proactive design, as well as significantly reduces ongoing IT management for site reliability engineering compared to previous environments and implementations.

**Unquantified benefits.** Benefits that are not quantified for this study include:

- **CSAM cross-cutting capabilities to address wide ranging technology support needs.** Interviewees related the value of the partnership with Microsoft and their customer success account manager (CSAM) in effectively orchestrating the many assets of support in an overall improvement and implementation agenda. As the technology vendor manager at the healthcare organization shared, “We rely on Microsoft Support to cover a lot, and they have transcended the service by being very active to create a strategic partnership with our vendors, and help guide us with specific solutions and practices that other businesses [in our space] have applied.”
EXECUTIVE SUMMARY

• **Simplify GDPR compliance over multiple geographies.** Interviewees described the ease with which Microsoft Unified reduced the potential burden of adhering to data privacy regulations across their operating environments.

• **Services Hub functioned as an important resource, bringing heightened awareness, visibility, and action around potential risks.** The automated capabilities included in the Services Hub, such as product alerts, on-demand education, and on-demand risk assessments, interviewees better recognized when a given Microsoft workload was out of date, functioning suboptimally, or at risk of downtime.

• **Support not limited to Microsoft as a solutions partner.** Interviewees also spoke to the value of the cross-support role Microsoft played in their organizations. This was cited as particularly important in settings that had deployed apps developed as a partnership between Microsoft and another vendor.

**Costs.** Three-year, risk-adjusted PV costs include:

• **Cost of Microsoft Unified.** For the attributes of the composite organization created in the modeling, the cost of core support and proactive add-ons totaled $479,000.

The financial analysis which is based on the interviews and survey found that a composite organization experiences benefits of $1.69 million over three years versus costs of $479,000, adding up to a net present value (NPV) of $1.21 million and an ROI of 253%.

“**What has been your organization's overall experience with Microsoft Unified?**”

<table>
<thead>
<tr>
<th>Rating</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very positive</td>
<td>50%</td>
</tr>
<tr>
<td>Positive</td>
<td>36%</td>
</tr>
<tr>
<td>Slightly positive</td>
<td>8%</td>
</tr>
<tr>
<td>Neutral</td>
<td>4%</td>
</tr>
<tr>
<td>Slightly negative</td>
<td>2%</td>
</tr>
</tbody>
</table>

Base: 210 technology decision-makers/managers of Microsoft Unified services
Source: A commissioned study conducted by Forrester Consulting on behalf of Microsoft, September 2021
“We know that an important part of Microsoft Unified is what we don’t see. We have preventative measures before we can experience a service issue.”

— Technology vendor manager, healthcare
EXECUTIVE SUMMARY

TEI FRAMEWORK AND METHODOLOGY

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

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 Microsoft Unified can have on an organization.

DUE DILIGENCE
Interviewed Microsoft stakeholders and Forrester analysts to gather data relative to Microsoft Unified.

INTERVIEWS AND SURVEY
Interviewed four interviewees and surveyed 210 respondents at organizations using Microsoft Unified to obtain data with respect to costs, benefits, and risks.

COMPOSITE ORGANIZATION
Designed a composite organization based on characteristics of the interviewees and survey respondents.

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

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.

DISCLOSURES

Readers should be aware of the following:

This study is commissioned by Microsoft 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 Microsoft Unified.

Microsoft 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.

Microsoft 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.
KEY CHALLENGES
Forrester interviewed four representatives and surveyed 210 respondents with experience using Microsoft Unified at their organizations. For more details on these individuals and the organizations they represent, see Appendix B.

Before investing in Microsoft Unified, organizations’ IT groups relied on a range of support solutions for their Microsoft-based applications, workflows, and to assist in their growth and modernization objectives. Organizations had, in the past, internally managed support for their Microsoft applications and reached out for per-incident fixes, or had relied on third parties that partnered with Microsoft to resell and provide consulting services and support. IT staff training to increase Microsoft proficiencies was also acquired on an ad hoc basis or as part of third-party services.

Organizations found the mix of service providers costly and less capable of providing holistic, best-practice guidance to their increasing set of IT modernization needs. The at-large digital transformations underway meant these organizations needed to support not only new workloads and processes, but also additional endpoints and particularly mobile devices, all in a highly secure environment. Interviewees found their internal capabilities to stay on top of such transformations on their own was limited, and that the modernization need represented a significant expansion of expertise and support requirement.

The global director, enterprise architecture at the global professional services organization, “Mobile device management alone expanded our needs considerably, entailing workloads in email, “We had decided on cloud-first as our model even before the pandemic. The work agility of this model just reinforced we wanted to do, and Microsoft Unified helped us accelerate our digital transformation.”

Global director, enterprise architecture, professional services

“Our which of the following Microsoft products is your organization currently using?”

- Microsoft 365 Enterprise: 80%
- Microsoft Teams: 76%
- Microsoft Surface devices: 61%
- Office (365 or legacy versions): 51%
- Server products (i.e. SQL): 48%
- Azure: 46%
- Windows (Any generation): 46%
- Dynamics 365: 42%
- Windows Defender ATP: 39%
- SharePoint or OneDrive: 39%
- Business Applications: 32%
- Enterprise Mobility: 31%
- Power Apps or Power BI: 21%
- Intune: 4%
- Other, please specify: 1%

Base: 210 technology decision-makers/managers of Microsoft Unified services. Source: A commissioned study conducted by Forrester Consulting on behalf of Microsoft, September 2021
Undertakings such as migrating Microsoft workloads to the cloud resulted in significant time and effort to research internationally and often necessitated longer implementations. These efforts were also sometimes executed incorrectly, leading to extra effort and lost productivity.

To help maximize the value of their Microsoft workloads, organizations invested in on-demand training for IT staff to support critical operations. These were additional costs, procured through third-party Microsoft partners. Beyond training, organizations further invested in risk assessments as a preventative measure to ensure peak uptime. These assessments generally involved a third-party engineer to assess the health of their Microsoft environments, which added to organizations’ support costs.

In assessing their needs for responsive support, interviewees also found the mix of service providers was costly. While internal teams could capably handle tier-one and tier-two Microsoft support issues, tackling new issues took time to research and resolve, resulting in lost productivity for IT staff and extended downtime for end users. This was particularly the case in significant tier-three or mission-critical issues that typically required the expertise of a technical engineer. Extended resolution times had a direct impact on production and sales.

Finally, investing time to procure technical support rather than aligning resources to transform and optimize the usage of Microsoft workloads before problems took root was ultimately self-defeating. Organizations sought to take a more proactive stance to assess and optimize the health of their Microsoft environments.

Without a unifying point of expertise on Microsoft apps, workloads, and health, organizations lacked a cogent, rational, and value-added framework to meet their needs. An ad hoc approach to responsive fixes, training assistance for IT, designated support engineering, and a host of expert-led, solution-specific engagements created uncertainties for organizations as they struggled to effectively support the demands of their fast-evolving IT environment. Moreover, the fast pace of digital transformation left organizations searching for unifying expertise in the

“As we get more mature in completing our journey to the cloud, I don’t see support ramping down at all. If anything, I see the opposite. Once we have all the parts in place, there is going to be a greater need for engineering and support across this spectrum, as well as the expansions based on what projects and programs we look at next.”

Global director, enterprise architecture, professional services
design and implementation of their modernization needs.

INVESTMENT OBJECTIVES
The interviewees’ organizations searched for an in-depth partnership to cover a critical range of services to create value throughout their IT support and transformation needs. For one, they looked to minimize the time and incidence of responding to fixes by moving towards a proactive stance with assessments and engineering to prevent these in the first place. Additionally, they wished to lower training costs and maximize effectiveness to position IT staff to gain critical operating insights and take on higher-value tasks. Finally, they sought the critical expertise and wherewithal to help them plan, guide, and implement future Microsoft investments. They wanted a solution to help them:

- **Adopt a proactive posture to supporting existing applications and workloads.** Microsoft Unified was seen as a critical foundation to improve solution performance, resiliency, and development in the form of proactive health assessments and interventions and tuning. These improved performance and reliability in network architecture and databases as interviewees’ businesses could expand successfully and minimize disruption. As the sr. business architect from the financial services firm related, "Microsoft’s review and advice through Support has been critical to our modernization, whether it’s the knowhow to migrate infrastructure without bringing us down as a financial institution, to reviewing our database environment to accommodate the demands of burgeoning customer and mobile transaction growth."

The global director, enterprise architecture from the global professional services organization added: "Assessments make sure we have set up foundations correctly, take advantage of security features specific to our business, and ensure that corporate data can’t be placed to services with inadequate coverage. These are all practical, value-building exercises that help prevent future incidents."

- **Realize the benefits of a proactive stance with reduced routine downtime.** The executive from the manufacturing firm shared: "There used to be an average of 40 tickets a month with users locked out of their accounts. And they had to be connected to our VPN for our help desk to intervene. We have been synced with Azure Active Directory to enable self-service, and now get zero tickets like this. It’s a typical but important benefit reducing user downtime as well as internal service costs."

- **Improve time to resolution and visibility.** A comprehensive approach to support created lower resolution times, propelled by improved visibility and resource allocation. As the global director, enterprise architecture from the global professional services organization stated: "The holistic approach we see gets us to resolution faster than before. For one, we use a dedicated engineer for some non-priority-one support requirements, so we don’t have to escalate these tickets, and we have close monitoring on P1 and P2 from our customer success manager. So, we have strong visibility and feedback on where we are, what’s been resolved, and how the remainder are being escalated for resolution."

- **Improve uptime for positive revenue effects.** The executive from the financial services

"As an IT function, Microsoft Unified saves us time and keeps the ratio of the number of users we support very efficient as we grow.”

**IT support director, manufacturing**
organization related, “With our program of assessments in Support, we haven’t faced the same customer downtime and revenue loss.

• **Provision workloads and environments faster and more effectively than possible on their own.** The global director, enterprise architecture from the global professional services stated: “We’re investing in additional Designated Support Engineers for [Microsoft 365] (M365) as we roll out deployments for QA. Having alignment on sizing, provisioning, and configurations, the proactive stance we are able to take is very important as we move these workloads.”

• **Meet emerging work and user needs.** Interviewees sought support to expand devices and work from home implementations flawlessly. The IT support director from the manufacturing organization shared: “Having onboarded an array of supporting security services, including Enterprise Mobility and M365, for our workforce, at the employee level, the number of services we are supporting has doubled in the past three years. We’ve vastly expanded our Microsoft footprint and therefore opportunity for many more incidents, yet these have not gone up at all with the proactive stance of Microsoft Support.” The sr. business architect from the financial services organization added, “We had our Azure environment optimized for our new mobile applications via Microsoft Unified.”

• **Improve user productivity** The global director, enterprise architecture from the global professional services firm related: “We have a number of different platforms for documents. Getting a modernized platform has greatly simplified our archival research and discovery, which is now 30% to 40% more productive on M365. Support helped us get there significantly faster to take advantage of these productivities.”

• **Enable IT to provide the highest value through improved training and learning.** The sr. business architect at the financial services organization related, “Our CSAM helps guide training in practice areas that build our internal strengths as well as cycling technicians through these trainings effectively.”

### Key Assumptions
- $800 million revenue
- Professional services organization
- 25 core IT professionals
- Hybrid cloud and on-prem deployments
- Unified Enterprise
- Enhanced solution add-ons
- Proactive expert-led engagements

### COMPOSITE ORGANIZATION

Based on the interviews and survey, 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 four interviewees and the 210 survey respondents, 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 global, multimillion-dollar, B2B organization provides professional services and online product delivery that drives its revenue. The composite organization has a strong brand, global operations, and depends on its IT function for near-flawless delivery of internal production, as well as to convey a strong online presence for its customers and brand.

**Deployment characteristics.** The composite organization serves global markets from office and
at-home work locations. Its core Microsoft Unified through Microsoft is resourced with investments in Enhanced solution add-ons. The composite organization included support for mission critical, designated support engineering, and support via technical advisory to guide the development of Microsoft technologies and capabilities in the organization.

Proactive services were also implemented in the composite, including expert led, solution specific engagements in security, disaster recovery, performance tuning and optimization, and well-architected assessments.
Analysis Of Benefits

Quantified benefit data as applied to the composite

### Total Benefits

<table>
<thead>
<tr>
<th>Ref.</th>
<th>Benefit</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Total</th>
<th>Present Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Atr</td>
<td>Avoided costs of product training and education</td>
<td>$67,500</td>
<td>$67,500</td>
<td>$67,500</td>
<td>$202,500</td>
<td>$167,863</td>
</tr>
<tr>
<td>Btr</td>
<td>Avoided cost of risk assessments</td>
<td>$102,000</td>
<td>$102,000</td>
<td>$102,000</td>
<td>$306,000</td>
<td>$253,659</td>
</tr>
<tr>
<td>Ctr</td>
<td>Time savings from routine Microsoft Unified usage</td>
<td>$31,894</td>
<td>$31,894</td>
<td>$31,894</td>
<td>$95,681</td>
<td>$79,315</td>
</tr>
<tr>
<td>Dtr</td>
<td>Cost savings from reduced downtime for internally facing applications</td>
<td>$31,726</td>
<td>$31,726</td>
<td>$31,726</td>
<td>$95,178</td>
<td>$78,898</td>
</tr>
<tr>
<td>Etr</td>
<td>Avoided profit losses from critical downtime</td>
<td>$103,562</td>
<td>$103,562</td>
<td>$103,562</td>
<td>$310,685</td>
<td>$257,542</td>
</tr>
<tr>
<td>Ftr</td>
<td>Cost savings from accelerated cloud migration</td>
<td>$58,826</td>
<td>$58,826</td>
<td>$58,826</td>
<td>$176,479</td>
<td>$146,292</td>
</tr>
<tr>
<td>Gtr</td>
<td>Savings from accelerated adoption of solutions/capabilities</td>
<td>$168,300</td>
<td>$84,150</td>
<td>$84,150</td>
<td>$336,600</td>
<td>$285,769</td>
</tr>
<tr>
<td>Htr</td>
<td>Improved efficiency of cloud environment with Microsoft Unified</td>
<td>$163,980</td>
<td>$169,380</td>
<td>$175,320</td>
<td>$508,680</td>
<td>$420,777</td>
</tr>
<tr>
<td></td>
<td>Total benefits (risk-adjusted)</td>
<td>$727,788</td>
<td>$649,038</td>
<td>$654,978</td>
<td>$2,031,803</td>
<td>$1,690,115</td>
</tr>
</tbody>
</table>

### AVOIDED COSTS OF PRODUCT TRAINING AND EDUCATION

**Evidence and data.** The interviewees noted the Services Hub provided training that enabled them to keep pace of change with Microsoft technology and gain the relevant skills needed to ensure updates and new technologies were deployed and operated optimally. Organizations could train their IT employees with on-demand material directly from Microsoft and eliminate the need to pay third parties for educational content.

Before the Microsoft Unified investment, organizations identified and took individual digital IT training courses delivered through a third-party Microsoft partner at an extra expense.

Through the Services Hub, IT and related staff had access to critical content without additional charge.

The IT support director at the manufacturing firm noted: “Not only are these costs covered, unlike what we experienced previously, this is not training for training’s sake. This is training with outcomes in mind.”

Interviewees also noted the value-added role of the customer success account manager (CSAM) and their understanding of the account and the organizations’ evolving needs to identify program training opportunities to meet those needs. The global director, enterprise architecture at the global professional services firm conveyed, “I provide an overall area I’d like to build up our capabilities on and [the CSAM will] identify the training to take, which gets pushed out to my team to complete.”
**Modeling and assumptions.** For the composite organization, Forrester assumes:

- Fifteen IT employees go through two training programs that require four days to complete annually.
- The cost of the training program is $2,500 per on-demand training course at no additional charge.

**Risks.** The savings will vary with:

- The number of employees taking digital Microsoft courses.
- The number of courses taken per employee.

**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 $168,000.

### Avoided Costs Of Product Training And Education

<table>
<thead>
<tr>
<th>Ref.</th>
<th>Metric</th>
<th>Source</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>A1</td>
<td>Number of FTEs taking an on-demand, four-day training course for MSFT workloads</td>
<td>Composite</td>
<td>15</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>A2</td>
<td>Number of on-demand courses taken per FTE</td>
<td>Composite</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>A3</td>
<td>Price per on-demand training course</td>
<td>Composite</td>
<td>$2,500</td>
<td>$2,500</td>
<td>$2,500</td>
</tr>
<tr>
<td>At</td>
<td>Avoided costs of product training and education</td>
<td>A1<em>A2</em>A3</td>
<td>$75,000</td>
<td>$75,000</td>
<td>$75,000</td>
</tr>
<tr>
<td>Atr</td>
<td>Avoided costs of product training and education (risk-adjusted)</td>
<td>↓10%</td>
<td>$67,500</td>
<td>$67,500</td>
<td>$67,500</td>
</tr>
</tbody>
</table>

**Three-year total: $202,500**

**Three-year present value: $167,863**
AVOIED COST OF RISK ASSESSMENTS

Evidence and data. Risk assessments were a proactive service within support to optimize the speed and performance of Microsoft environments and keep these at low risk of downtime. Assessments could determine the health of organizations’ Microsoft environments, assist in deploying new technology, or deploy updates or improve security and performance for key Microsoft workloads. Such efforts took on increased urgency with the continued elevation of global cybersecurity risks. Microsoft had a risk assessment catalogue that could run without limits as well specific assessment programs that could be included as add-ons based on need.

Before Microsoft Unified, interviewees and survey respondents ran regular engineer-led risk assessments with third parties several times per year, often paid on an hourly basis. The interviewees noted that Microsoft Unified allowed them to avoid a significant percentage of the costs they used to incur.

Following the investment in Microsoft Unified, interviewees and survey respondents noted cost savings and a significant level of value creation in performance and security. As the sr. business architect at the financial services organization related, “We’ve covered, proactively, security, compliance, the Azure environment including network loads, infrastructure, and migration, as well as our burgeoning need for remote services for the enterprise.” Interviewees also noted as a result of assessments they received critical security automations for which they previously had little awareness.

Modeling and assumptions. For the composite organization, Forrester assumes:

- The organization pays for these resources by the hour, which results in a cost of $40,000 per third-party support.
- The organization experiences a reduction in three assessments annually.

<table>
<thead>
<tr>
<th>Ref.</th>
<th>Metric</th>
<th>Source</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>B1</td>
<td>External/engineer-led Microsoft risk assessments held annually before using Microsoft Unified Enterprise</td>
<td>Composite</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>B2</td>
<td>Reduction in external/engineer-led Microsoft risk assessments held annually</td>
<td>Composite</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>B3</td>
<td>Previous engineering assessments/third-party support</td>
<td>Survey</td>
<td>$40,000</td>
<td>$40,000</td>
<td>$40,000</td>
</tr>
<tr>
<td>Bt</td>
<td>Avoided cost of risk assessments</td>
<td>B2*B3</td>
<td>$120,000</td>
<td>$120,000</td>
<td>$120,000</td>
</tr>
<tr>
<td>Btr</td>
<td>Avoided cost of risk assessments (risk-adjusted)</td>
<td>↓15%</td>
<td>$120,000</td>
<td>$120,000</td>
<td>$120,000</td>
</tr>
</tbody>
</table>

Three-year total: $306,000

Three-year present value: $253,659

"These assessments used to add more cost, but, importantly, through Support we are better positioned to frame the larger picture of where we are and where we need to go.”

Sr. business architect, financial services
**Risks.** The savings will vary with:

- The number, type and complexity of risk assessments the organization needs.
- The length of each engagement.

**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 $254,000.
TIME SAVINGS FROM ROUTINE MICROSOFT UNIFIED USAGE

Evidence and data. With Microsoft Unified, IT teams contacted Microsoft as early or often as needed for responsive support and relied on Microsoft to find the right level of technical expertise to address the issue.

Previously, addressing performance issues or addressing disruptions with workloads was a time-consuming task for the interviewees’ organizations and survey respondents. New issues were thoroughly researched before arriving at a solution and could be passed around within the IT team or with an external support provider to resolve the issue. This resulted in poor visibility for the raft of service items and created additional follow-up work within these organizations IT management.

The survey of 210 IT managers showed on average 2.5 hours saved in service issues with Microsoft Unified. IT teams utilized these recaptured hours of productivity and redeployed those hours into more value-added opportunities.

The global director, enterprise architecture from the global professional services organization noted: “The approach through support gets us to resolution faster. We also have strong visibility and feedback on where we are, what’s been resolved, and how the remainder are being escalated for resolution.” The technology vendor manager at the healthcare concern added, “The dashboard support constructed features, improved visibility of incidents and resolution, and created time savings internally.”

Modeling and assumptions. For the composite organization, Forrester assumes:

- The 2.5 average hourly savings is applied to annual total of service tickets seen in an organization the size of the Forrester composite.
- Forrester uses a standard 50% productivity recapture rate to apply to the time savings of IT staff relying on Microsoft Unified.

Risks. The savings will vary with:

- The average number of noncritical service issues.
- The average time taken internally to resolve service issues prior to Microsoft Unified.

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 $79,000.

<table>
<thead>
<tr>
<th>Ref.</th>
<th>Metric</th>
<th>Source</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>C1</td>
<td>Total noncritical Microsoft support events prior to Microsoft Unified</td>
<td>Composite</td>
<td>450</td>
<td>450</td>
<td>450</td>
</tr>
<tr>
<td>C2</td>
<td>Hours saved by resolving one noncritical Microsoft issue with product support</td>
<td>Survey</td>
<td>2.5</td>
<td>2.5</td>
<td>2.5</td>
</tr>
<tr>
<td>C3</td>
<td>Fully burdened blended hourly salary per IT employee</td>
<td>Composite</td>
<td>$63</td>
<td>$63</td>
<td>$63</td>
</tr>
<tr>
<td>C4</td>
<td>Productivity recapture rate</td>
<td>TEI standard</td>
<td>50%</td>
<td>50%</td>
<td>50%</td>
</tr>
<tr>
<td>Ct</td>
<td>Time savings from routine Microsoft Unified usage</td>
<td>C1<em>C2</em>C3*C4</td>
<td>$35,438</td>
<td>$35,438</td>
<td>$35,438</td>
</tr>
</tbody>
</table>

Risk adjustment ↓10%

| Ctr  | Time savings from routine Microsoft Unified usage (risk-adjusted)       | $31,894    | $31,894 | $31,894 |

Three-year total: $95,681

Three-year present value: $79,315
COST SAVINGS FROM REDUCED DOWNTIME FOR INTERNALLY FACING APPLICATIONS

Evidence and data. Interviewees noted that the proactive design of Microsoft Unified, including dependency mapping, risk assessments, and technical account management, reduced the frequency of downtime events for internal business-facing Microsoft applications.

Before Microsoft Unified, businesses grappled with a greater degree of disruption that, while not considered critical or catastrophic, had an impact on users and demanded hours of IT service time.

The proactive, preventative measures implemented through Microsoft Unified enabled interviewees and survey respondents to experience fewer service issues affecting users and reduce demand for IT team support and time for issue remediations. The survey of 210 IT managers showed that with Microsoft Unified they experienced, on average, a 30% reduction in downtime.

The IT support director from the manufacturing organization related: “With the design in our work under Microsoft Unified, services tenancy is spread across multiple resources now, so if there is ever an issue, it only affects a small subsection of users of that particular resource. It’s of no effect to the whole organization, and we come to resolution quickly minimizing the total downtime.” The technology vendor manager in healthcare added, “We had a fix in Exchange Server via Support that took place even before we saw internally that there was a service issue.”

Modeling and assumptions. For the composite organization, Forrester assumes a standard 50% productivity recapture rate for the reduced downtime users experience in internally facing applications following the implementation of Microsoft Unified services.

Risks. The savings will vary with the number, complexity, and interdependencies of Microsoft applications.

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 $79,000.

### Cost Savings From Reduced Downtime For Internally Facing Applications

<table>
<thead>
<tr>
<th>Ref.</th>
<th>Metric</th>
<th>Source</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>D1</td>
<td>Noncritical downtime events experienced per year for internally facing applications in previous environment</td>
<td>Survey</td>
<td>16.0</td>
<td>16.0</td>
<td>16.0</td>
</tr>
<tr>
<td>D2</td>
<td>Noncritical downtime events experienced per year for internally facing applications using Microsoft Unified</td>
<td>Survey</td>
<td>11.2</td>
<td>11.2</td>
<td>11.2</td>
</tr>
<tr>
<td>D3</td>
<td>Avoided noncritical downtime events per year for internally facing applications using Microsoft Unified</td>
<td>D1-D2</td>
<td>4.8</td>
<td>4.8</td>
<td>4.8</td>
</tr>
<tr>
<td>D4</td>
<td>Hours needed to remediate each noncritical event for internally facing applications without Microsoft product support</td>
<td>Survey</td>
<td>12</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>D5</td>
<td>Number of end users impacted per noncritical downtime event</td>
<td>Survey</td>
<td>18</td>
<td>18</td>
<td>18</td>
</tr>
<tr>
<td>D6</td>
<td>Fully burdened hourly salary for developer</td>
<td>Composite</td>
<td>$68</td>
<td>$68</td>
<td>$68</td>
</tr>
<tr>
<td>D7</td>
<td>Productivity recapture</td>
<td>Assumption</td>
<td>50%</td>
<td>50%</td>
<td>50%</td>
</tr>
<tr>
<td>Dt</td>
<td>Cost savings from reduced downtime for internally facing applications</td>
<td>D3<em>D4</em>D5<em>D6</em>D7</td>
<td>$35,251</td>
<td>$35,251</td>
<td>$35,251</td>
</tr>
<tr>
<td>Dtr</td>
<td>Cost savings from reduced downtime for internally facing applications (risk-adjusted)</td>
<td>$31,726</td>
<td>$31,726</td>
<td>$31,726</td>
<td></td>
</tr>
</tbody>
</table>

Three-year total: $95,178

Three-year present value: $78,898
AVOIED PROFIT LOSSES FROM CRITICAL DOWNTIME

Evidence and data. Interviewees conveyed that with Microsoft Unified, their organizations had both better visibility into the health of their Microsoft environments and access to the tools to keep their environments up to date and at low risk of downtime.

Before their experience with Microsoft Unified, interviewees and survey respondents reported critical downtime events took place more often with impacts to their revenue-generating operations.

Historically, product support focused on effective resolution of these downtime events once they occurred, but did not effectively address the reasons, such as out-of-date technology or security vulnerabilities that led to their occurrence.

With Microsoft Unified, a group of 210 survey respondents experienced a two-thirds reduction in the incidence of critical downtime events. The executives interviewed in depth also related significant improvements. The IT support director from the manufacturing organization stated: “We are building in more security more effectively with Microsoft Unified. We’ve experienced faster deployments, and Support highlighted automations we weren’t even aware of. All told, exposure to critical outages has been greatly reduced.”

### Avoided Profit Losses From Critical Downtime

<table>
<thead>
<tr>
<th>Ref.</th>
<th>Metric</th>
<th>Source</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>E1</td>
<td>Critical downtime events experienced before Microsoft Unified</td>
<td>Survey</td>
<td>9</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>E2</td>
<td>Critical downtime events per year with Microsoft Unified</td>
<td>Survey</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>E3</td>
<td>Hours of production lost per critical downtime event before Microsoft Unified</td>
<td>Survey</td>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>E4</td>
<td>Hours of production lost per critical downtime event with Microsoft Unified</td>
<td>Survey</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>E5</td>
<td>Total annual revenue</td>
<td>Composite</td>
<td>$800,000,000</td>
<td>$800,000,000</td>
<td>$800,000,000</td>
</tr>
<tr>
<td>E6</td>
<td>Percentage of revenue production impacted per critical downtime event</td>
<td>Assumption</td>
<td>25%</td>
<td>25%</td>
<td>25%</td>
</tr>
<tr>
<td>E7</td>
<td>Operating days per year for impacted business</td>
<td>TEI standard</td>
<td>365</td>
<td>365</td>
<td>365</td>
</tr>
<tr>
<td>E8</td>
<td>Hours per day</td>
<td>TEI standard</td>
<td>24</td>
<td>24</td>
<td>24</td>
</tr>
<tr>
<td>E9</td>
<td>Revenue generated per hour of production</td>
<td>(E5<em>E6)/(E7</em>E8)</td>
<td>$22,831</td>
<td>$22,831</td>
<td>$22,831</td>
</tr>
<tr>
<td>E10</td>
<td>Percent of lost production revenue that is not recaptured</td>
<td>Estimate</td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
</tr>
<tr>
<td>E11</td>
<td>Gross margin</td>
<td>Estimate</td>
<td>30%</td>
<td>30%</td>
<td>30%</td>
</tr>
<tr>
<td>E12</td>
<td>Profit loss per hour impacted by critical downtime event</td>
<td>E9<em>E10</em>E11</td>
<td>$1,370</td>
<td>$1,370</td>
<td>$1,370</td>
</tr>
<tr>
<td>E13</td>
<td>Profit at risk from downtime in previous environment</td>
<td>E1<em>E3</em>E12</td>
<td>$123,288</td>
<td>$123,288</td>
<td>$123,288</td>
</tr>
<tr>
<td>E14</td>
<td>Profit at risk from downtime using Microsoft Unified</td>
<td>E2<em>E3</em>E12</td>
<td>$8,219</td>
<td>$8,219</td>
<td>$8,219</td>
</tr>
<tr>
<td>E15</td>
<td>Avoided profit losses from critical downtime</td>
<td>E13-E14</td>
<td>$115,068</td>
<td>$115,068</td>
<td>$115,068</td>
</tr>
<tr>
<td></td>
<td>Risk adjustment</td>
<td>↓10%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>E1r</td>
<td>Avoided profit losses from critical downtime (risk-adjusted)</td>
<td></td>
<td>$103,562</td>
<td>$103,562</td>
<td>$103,562</td>
</tr>
</tbody>
</table>

Three-year total: $310,685  
Three-year present value: $257,542
The technology vendor manager from the healthcare organization stated: “We had a full feature customer-facing app running on Azure when a critical component went down. Microsoft engineers’ intervention reduced our time offline compared to other incidents we used to face.”

**Modeling and assumptions.** For the composite organization, Forrester assumes:

- The reduction in critical events and the number of downtime hours following Microsoft Unified are applied against the composite organization’s total revenue.
- Some 25% of production revenue is impacted during the length of the downtime event.
- Twenty percent of the revenue time impacted during the event is not recaptured with customer.

**Risks.** The savings will vary with:

- The number and severity of critical downtime events experienced before Microsoft Unified.
- The impact on revenue production for each organizational setting.
- The ultimate impact on revenue.

**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 $258,000.
COST SAVINGS FROM ACCELERATED CLOUD MIGRATION.

Evidence and data. Interviewees described a faster and more flawless cloud migration process with Microsoft Unified, and survey respondents overall depicted an average 35% acceleration in the implementation. In the interviews, these were related as taking place even faster in some instances.

Attempts to migrate an on-premises workload to its cloud-equivalent counterparts before Microsoft Unified resulted in examples where the application could not work on the cloud as it did on-premises or had dependencies across other workloads that needed to be accounted for before migrating. Issues of identity, governance, and security could also slow implementations.

The global director, enterprise architecture at a professional services organization related: “As a global professional services firm, identity was a key area for us. We had a great deal to unwind in how this was set up in our legacy environments, and Microsoft has many tools that untangled these far more quickly in our cloud journey.”

Modeling and assumptions. For the composite organization, Forrester assumes:

- The time savings of 35% utilizing Microsoft Unified in end-to-end implementation. This is

### Cost Savings From Accelerated Cloud Migration

<table>
<thead>
<tr>
<th>Ref.</th>
<th>Metric</th>
<th>Source</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>F1</td>
<td>Number of solution architects and software engineer FTEs to execute cloud workload migration</td>
<td>Composite</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>F2</td>
<td>Engineer time need to execute cloud workload migration (days)</td>
<td>Composite</td>
<td>90</td>
<td>90</td>
<td>90</td>
</tr>
<tr>
<td>F3</td>
<td>Fully burdened daily rate for engineers</td>
<td>Composite</td>
<td>$550</td>
<td>$550</td>
<td>$550</td>
</tr>
<tr>
<td>F4</td>
<td>Number of IT service team/SRE FTEs needed to execute cloud migration</td>
<td>Composite</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>F5</td>
<td>IT service team/SRE time needed to execute cloud migrations (days) FTEs</td>
<td>Composite</td>
<td>90</td>
<td>90</td>
<td>90</td>
</tr>
<tr>
<td>F6</td>
<td>Fully burdened daily rate for IT service team lead</td>
<td>Composite</td>
<td>$525</td>
<td>$525</td>
<td>$525</td>
</tr>
<tr>
<td>F7</td>
<td>Number of project management FTEs to execute cloud workload migration</td>
<td>Composite</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>F8</td>
<td>Project management time needed to execute cloud workload migration (days)</td>
<td>Composite</td>
<td>90</td>
<td>90</td>
<td>90</td>
</tr>
<tr>
<td>F9</td>
<td>Fully burdened daily rate for project manager</td>
<td>Composite</td>
<td>$450</td>
<td>$450</td>
<td>$450</td>
</tr>
<tr>
<td>F10</td>
<td>Total internal cost to execute internal cloud migration</td>
<td>F1*F2+F3+F4+F5+F6+F7+F8+F9</td>
<td>$186,750</td>
<td>$186,750</td>
<td>$186,750</td>
</tr>
<tr>
<td>F11</td>
<td>Reduction in time to complete cloud migration by leveraging Microsoft Unified</td>
<td>Survey</td>
<td>35%</td>
<td>35%</td>
<td>35%</td>
</tr>
<tr>
<td>F12</td>
<td>Cost savings from accelerated cloud migration</td>
<td>F10*F11</td>
<td>$65,363</td>
<td>$65,363</td>
<td>$65,363</td>
</tr>
<tr>
<td></td>
<td>Risk adjustment ↓10%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>F13</td>
<td>Cost savings from accelerated cloud migration (risk-adjusted)</td>
<td></td>
<td>$58,826</td>
<td>$58,826</td>
<td>$58,826</td>
</tr>
<tr>
<td></td>
<td>Three-year total: $176,479</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Three-year present value: $146,292</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
applied to the composite organization’s IT team leading the effort internally.

- The IT team includes solution architects, site reliability engineers (SREs), and project managers over the number of FTE days for each role.

**Risks.** The savings will vary with:

- The size, complexity, and number of cloud migrations, locations, and safe data harboring needs.
- The size of the IT roles required to support the migration effort.

**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 $146,000.
SAVINGS FROM ACCELERATED ADOPTION OF SOLUTIONS/CAPABILITIES

Evidence and data. The interviewees’ organizations accelerated adoption of the comprehensive set of Microsoft solutions and capabilities through Microsoft Unified, accruing productivity benefits.

The global director, enterprise architecture from the global professional services firm noted, “Our engagement with Microsoft Unified helped us design and put together the process for Exchange, Teams, SharePoint, and OneDrive deployment, which helped us accelerate these significantly.”

The sr. business architect from the financial services firm conveyed, “The Microsoft team engaged with the migrations we have planned, such as Exchange Online, as well as the file shares of SharePoint and OneDrive for rapid deployment over our operation.”

Modeling and assumptions. For the composite organization, Forrester assumes:

- The faster deployment of productivity enhancing applications, such as Teams, SharePoint, and OneDrive, generate weekly productivity gains of 1.25 hours and a standard Forrester productivity recapture rate of 50%.
- The results are applied to the 11 weeks saved in Microsoft Unified accelerated applications/solutions in Year 1, and five and a half weeks in Years 2 and 3.
- Eight hundred users are positively affected.
- The fully burdened hourly salary of users positively affected is $36.

Risks. The savings will vary with:

- The number of productivity-enhancing solutions implemented with Microsoft Unified, as well as their utilization in each organizational setting
- The number of users positively affected.

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 $286,000.

<table>
<thead>
<tr>
<th>Savings From Accelerated Adoption Of Solutions/Capabilities</th>
<th>Source</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ref.</td>
<td>Metric</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G1</td>
<td>Weeks saved in Microsoft Unified accelerated applications/solutions</td>
<td>Survey</td>
<td>11.0</td>
<td>5.5</td>
</tr>
<tr>
<td>G2</td>
<td>Number of users positively affected</td>
<td>Survey</td>
<td>800</td>
<td>800</td>
</tr>
<tr>
<td>G3</td>
<td>Fully burdened hourly salary of users positively affected</td>
<td>Composite</td>
<td>$36</td>
<td>$36</td>
</tr>
<tr>
<td>G4</td>
<td>User hours saved per week</td>
<td>Assumption</td>
<td>1.25</td>
<td>1.25</td>
</tr>
<tr>
<td>G5</td>
<td>Productivity recapture rate</td>
<td>Composite</td>
<td>50%</td>
<td>50%</td>
</tr>
<tr>
<td>Gt</td>
<td>Savings from accelerated adoption of solutions/capabilities</td>
<td>G1<em>G2</em>G3<em>G4</em>G5</td>
<td>$198,000</td>
<td>$99,000</td>
</tr>
<tr>
<td>Gtr</td>
<td>Savings from accelerated adoption of solutions/capabilities (risk-adjusted)</td>
<td>↓15%</td>
<td>$168,300</td>
<td>$84,150</td>
</tr>
</tbody>
</table>

Three-year total: $336,600
Three-year present value: $285,769
IMPROVED EFFICIENCY OF CLOUD ENVIRONMENT WITH MICROSOFT UNIFIED

**Evidence and data.** The interviewees’ organizations saved in compute and storage costs due to the guidance of a Microsoft-led cloud implementation. Survey respondents noted an average $5,000 monthly savings from proactive design and cost optimization strategies Microsoft Unified brought in their cloud implementations. Survey respondents also described a 9.4% savings in their IT management time for site reliability engineering following a Microsoft-led implementation.

The global director, enterprise architecture from the global professional services organization described, “The design of our cloud framework with the proactive elements of Microsoft Unified helps minimize consumption with both compute and storage costs with Azure.” The technology vendor manager in healthcare added, “The engineering design work in our Support add-on helped optimize cloud consumption and created an immediate payback to our investment.”

**Modeling and assumptions.** For the composite organization, Forrester assumes:
- The $5,000 monthly savings from efficient design expands with the growth of compute and storage demand over the three-year forecast. Demand increases 10% in each year.
- The average 9.4% reduction in cloud in FTE cloud operational costs is applied to the composite organization’s 10 site reliability engineers.
- The fast growth of compute activity is denoted as a 10% year-over-year growth rate in consumption cost to meet demand need.

**Risks.** The savings may vary with:
- Total cloud and storage demand size and potential optimizations for each company’s setting.
- The growth in demand experienced annually.
- The FTE management efficiencies experienced in each organizational setting.

**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 $421,000.

### Improved Efficiency Of Cloud Environment With Microsoft Unified

<table>
<thead>
<tr>
<th>Ref.</th>
<th>Metric</th>
<th>Source</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>Monthly cost savings with proactive support design-assisted cloud deployment and management</td>
<td>Survey</td>
<td>$5,000</td>
<td>$5,500</td>
<td>$6,050</td>
</tr>
<tr>
<td>H2</td>
<td>Annualized cost savings from proactive support assisted cloud cost efficiencies</td>
<td>H1*12</td>
<td>$60,000</td>
<td>$66,000</td>
<td>$72,600</td>
</tr>
<tr>
<td>H3</td>
<td>IT management FTE savings of cloud operational processes</td>
<td>Survey</td>
<td>9.4%</td>
<td>9.4%</td>
<td>9.4%</td>
</tr>
<tr>
<td>H4</td>
<td>10 IT Ops managers</td>
<td>Composite</td>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>H5</td>
<td>FTE IT management savings of operational processes in infrastructure, app management, and DevOps</td>
<td>H3*H4</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>H6</td>
<td>Fully burdened IT manager salary (annual)</td>
<td>Composite</td>
<td>$130,000</td>
<td>$130,000</td>
<td>$130,000</td>
</tr>
<tr>
<td>H7</td>
<td>FTE cost savings of management processes created with Microsoft Unified</td>
<td>H5*H6</td>
<td>$122,200</td>
<td>$122,200</td>
<td>$122,200</td>
</tr>
<tr>
<td>Ht</td>
<td>Improved efficiency of cloud environment with Microsoft Unified</td>
<td>H2+H7</td>
<td>$182,200</td>
<td>$188,200</td>
<td>$194,800</td>
</tr>
<tr>
<td>Htr</td>
<td>Improved efficiency of cloud environment with Microsoft Unified (risk-adjusted)</td>
<td>↓10%</td>
<td>$163,980</td>
<td>$169,380</td>
<td>$175,320</td>
</tr>
</tbody>
</table>

**Three-year total:** $508,680

**Three-year present value:** $420,777
UNQUANTIFIED BENEFITS

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

- **CSAM cross-cutting capabilities to address wide ranging technology support needs.** Interviewees took note of the added value their success managers provided across the major service elements of their contracts. From providing core value-adds in proactive services; a strategic framework to identify longer-term investment needs and marshal internal Microsoft resources towards those ends; as well as adding tactical visibility of support resolution to responsive fixes, the CSAMs were cited as adding value across the many touchpoints of the support relationship. As the executive at the financial services organization related: “Overall, our CSAM has been instrumental. Familiar with our industry context, our specific infrastructure environment, and applied resources through the technical account teams to create additional value as we seek to modernize.”

- **Simplify GDPR compliance over multiple geographies.** Interviewees described the ease with which Microsoft Unified reduced the potential burden of adhering to data privacy regulations across their operating environments. As the chief technology officer from the global professional services organization stated: “Everything is simplified by the Support Engineering. Our Office365 environment is multi-geo and we were able to regionalize data in accordance with the privacy regulations of each of our global locations. The agility Support provided us from a compliance standpoint was very important.”

- **Services Hub functioned as an important resource, bringing heightened awareness, visibility, and action around potential risks.** The automated capabilities included in the Services Hub, such as product alerts, on-demand education, and on-demand risk assessments, interviewees better recognized when a given Microsoft workload was out of date, functioning suboptimally, or at risk of downtime.

- **Microsoft has become a trusted partner through its support services.** The global director, enterprise architecture at the professional services organization conveyed, “Working with Microsoft Unified not only helps us accelerate design, configure, and deploy, but the level of engagement in this process serves as in-depth training for our team to understand the inner workings of our Microsoft solutions.”

- **Support not limited to Microsoft as a solutions partner.** Interviewees also spoke to the value of the cross-support role Microsoft played in their organizations. The technology vendor manager at the healthcare organization noted, “We’re a multivendor environment and one of the key value points is how [Microsoft]s engaged in helping optimize. This is important to us as there are several aspects in which we have partnerships in initiatives and apps.”

FLEXIBILITY

The value of flexibility is unique to each customer. There are multiple scenarios in which a customer might implement Microsoft Unified and later realize additional uses and business opportunities, including the flexibility to add applications and workloads without additional support costs during the year. Organizations were free to enjoy support for new applications and workloads purchased through Microsoft without any additional cost commitment until the next contract year of their Microsoft Unified package.

Flexibility would also be quantified when evaluated as part of a specific project (described in more detail in Appendix A).
Analysis Of Costs

Quantified cost data as applied to the composite

**Total Costs**

<table>
<thead>
<tr>
<th>Ref.</th>
<th>Cost of Microsoft Unified</th>
<th>Initial</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Total</th>
<th>Present Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>It</td>
<td>Cost of Microsoft Unified</td>
<td>$0</td>
<td>$192,500</td>
<td>$192,500</td>
<td>$192,500</td>
<td>$577,500</td>
<td>$478,719</td>
</tr>
<tr>
<td></td>
<td>Total costs (risk-adjusted)</td>
<td>$0</td>
<td>$192,500</td>
<td>$192,500</td>
<td>$192,500</td>
<td>$577,500</td>
<td>$478,719</td>
</tr>
</tbody>
</table>

**COST OF MICROSOFT UNIFIED**

**Evidence and data.** Interviewees had their core Microsoft Unified offering resourced with additional proactive services, including flexible investments to meet emerging needs. In total, this package provided a comprehensive set of responsive, proactive, and developmental support.

**Modeling and assumptions.** For the composite organization, Forrester assumes the composite organization has a total based on the core support offering of assessments, training, and responsive fixes and the package additional services that are based on the cost of the organization’s overall set of Microsoft purchases to run workloads and applications.

**Risks.** The cost of Microsoft Unified will vary with:

- Organizations’ level of investment with Microsoft applications and workloads.
- The additional proactive services beyond the core and flexible allowance amounts that may be needed given their size and computing environments.

**Results.** To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of $479,000.

**Cost Of Microsoft Unified**

<table>
<thead>
<tr>
<th>Ref.</th>
<th>Metric</th>
<th>Source</th>
<th>Initial</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>I1</td>
<td>Base cost of Microsoft Unified</td>
<td>Composite</td>
<td>$125,000</td>
<td>$125,000</td>
<td>$125,000</td>
<td></td>
</tr>
<tr>
<td>I2</td>
<td>Proactive services add-ons</td>
<td>Composite</td>
<td>$75,000</td>
<td>$75,000</td>
<td>$75,000</td>
<td></td>
</tr>
<tr>
<td>I3</td>
<td>Flexible proactive allowance</td>
<td>Composite</td>
<td>($25,000)</td>
<td>($25,000)</td>
<td>($25,000)</td>
<td></td>
</tr>
<tr>
<td>It</td>
<td>Cost of Microsoft Unified</td>
<td>H1+H2+H3</td>
<td>$0</td>
<td>$175,000</td>
<td>$175,000</td>
<td>$175,000</td>
</tr>
<tr>
<td></td>
<td>Risk adjustment</td>
<td>↑10%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Itr</td>
<td>Cost of Microsoft Unified (risk-adjusted)</td>
<td></td>
<td>$0</td>
<td>$192,500</td>
<td>$192,500</td>
<td>$192,500</td>
</tr>
</tbody>
</table>

**Three-year total: $577,500**

**Three-year present value: $478,719**
Financial Summary

CONSOLIDATED THREE-YEAR RISK-ADJUSTED METRICS

Cash Flow Chart (Risk-Adjusted)

The financial results calculated in the Benefits and Costs sections can be used to determine the ROI and NPV for the composite organization’s investment. Forrester assumes a yearly discount rate of 10% for this analysis.

These risk-adjusted ROI and NPV values are determined by applying risk-adjustment factors to the unadjusted results in each Benefit and Cost section.

Cash Flow Analysis (Risk-Adjusted Estimates)

<table>
<thead>
<tr>
<th></th>
<th>Initial</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Total</th>
<th>Present Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total costs</td>
<td>$0</td>
<td>($192,500)</td>
<td>($192,500)</td>
<td>($192,500)</td>
<td>($577,500)</td>
<td>($478,719)</td>
</tr>
<tr>
<td>Total benefits</td>
<td>$0</td>
<td>$727,788</td>
<td>$649,038</td>
<td>$654,978</td>
<td>$2,031,803</td>
<td>$1,690,115</td>
</tr>
<tr>
<td>Net benefits</td>
<td>$0</td>
<td>$535,288</td>
<td>$456,538</td>
<td>$462,478</td>
<td>$1,454,303</td>
<td>$1,211,396</td>
</tr>
<tr>
<td>Cumulative ROI</td>
<td>278%</td>
<td>258%</td>
<td>253%</td>
<td>253%</td>
<td>253%</td>
<td></td>
</tr>
</tbody>
</table>
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 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.

TOTAL ECONOMIC IMPACT APPROACH

Benefits represent the value delivered to the business by the product. The TEI methodology places equal weight on the measure of benefits and the measure of costs, allowing for a full examination of the effect of the technology on the entire organization.

Costs consider all expenses necessary to deliver the proposed value, or benefits, of the product. The cost category within TEI captures incremental costs over the existing environment for ongoing costs associated with the solution.

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

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.”

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.

PRESENT VALUE (PV)
The present or current value of (discounted) cost and benefit estimates given at an interest rate (the discount rate). The PV of costs and benefits feed into the total NPV of cash flows.

NET PRESENT VALUE (NPV)
The present or current value of (discounted) future net cash flows given an interest rate (the discount rate). A positive project NPV normally indicates that the investment should be made, unless other projects have higher NPVs.

RETURN ON INVESTMENT (ROI)
A project’s expected return in percentage terms. ROI is calculated by dividing net benefits (benefits less costs) by costs.

DISCOUNT RATE
The interest rate used in cash flow analysis to take into account the time value of money. Organizations typically use discount rates between 8% and 16%.

PAYBACK 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.
Appendix B: Interview And Survey Demographics

<table>
<thead>
<tr>
<th>Role</th>
<th>Industry</th>
<th>Region</th>
<th>Employees</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technology vendor manager</td>
<td>Healthcare</td>
<td>North America</td>
<td>12,500</td>
<td>$12 billion</td>
</tr>
<tr>
<td>IT support director</td>
<td>Manufacturing</td>
<td>Europe</td>
<td>5,000</td>
<td>$750 million</td>
</tr>
<tr>
<td>Global director, enterprise architecture</td>
<td>Professional services</td>
<td>Global</td>
<td>3,500</td>
<td>$1 billion</td>
</tr>
<tr>
<td>Sr. business architect</td>
<td>Financial services</td>
<td>Europe</td>
<td>2,800</td>
<td>$450 million</td>
</tr>
</tbody>
</table>

Survey Demographics

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

- Technology/Services: 31%
- Manufacturing: 15%
- Retail: 11%
- Financial Services: 9%
- Telecommunications: 6%
- Construction: 4%
- Healthcare: 4%
- Oil, Gas, Utilities: 4%
- High-Tech Products: 2%
- Industrial Products: 2%
- Professional Services: 2%
- Other: 2%
- Education: 1%
- Insurance: 1%
- Transportation: 1%
- Wholesale: 1%

“Using your best estimate, what is your organization's annual revenue?”

- More than $5B: 10%
- $1M to $199M: 9%
- $200M to $299M: 5%
- $299M to $399M: 6%
- $400M to $499M: 11%
- $500M to $999M: 28%

“Which title best describes your position at your organization?”

- 39% Director (manage a team of managers and high-level contributors)
- 26% Manager (manage a team of functional practitioners)
- 20% C-level executive (e.g., CEO, CMO)
- 16% Vice president (in charge of one/several large departments)

Base: 210 technology decision-makers/managers of Microsoft Unified services
Source: A commissioned study conducted by Forrester Consulting on behalf of Microsoft, September 2021
Appendix C: Endnotes

1 Total Economic Impact 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.