FORRESTER®

The Total Economic Impact™ Of IBM Cloud Pak For Integration

Cost Savings And Business Benefits Enabled By Cloud Pak For Integration

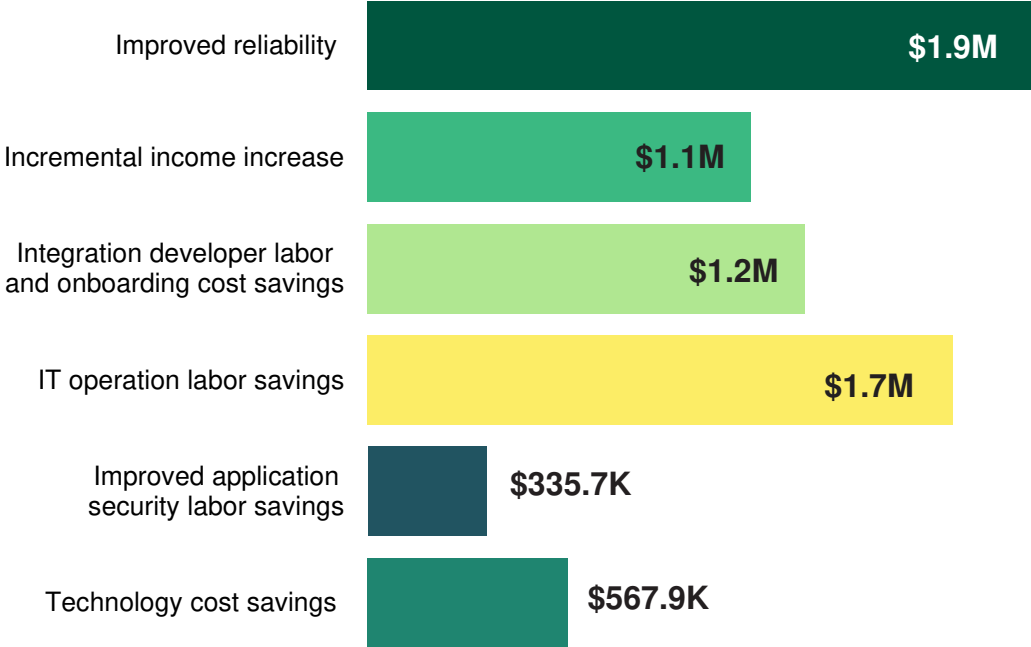"We were on seven different technology stacks with seven customized integration teams. Now, everything's on one technology stack, one integration framework, one integration platform, and one development language. There's only one way of doing things."

— CTO, professional services

Key Findings

Benefits (Three-Year)

Category	Value
Improved reliability	$1.9M
Incremental income increase	$1.1M
Integration developer labor and onboarding cost savings	$1.2M
IT operation labor savings	$1.7M
Improved application security labor savings	$335.7K
Technology cost savings	$567.9K

IBM Cloud Pak® for Integration is a hybrid integration platform that supports multiple styles of integration within a single, unified experience. IBM Cloud Pak for Integration unlocks business data and assets as APIs, connects cloud and on-premises applications, delivers messaging and events reliably and in real-time, and transfers data at high speed across any cloud, all with enterprise-grade security, scalability, and reliability.

Key Metrics

ROI
151%

BENEFITS PV
$6.8M million

NPV
$4.1 million

PAYBACK
<6 months

Methodology

CUSTOMER INTERVIEWS
Interviewed five decision-makers at organizations using Cloud Pak for Integration to obtain data with respect to costs, benefits, and risks.

COMPOSITE ORGANIZATIONS
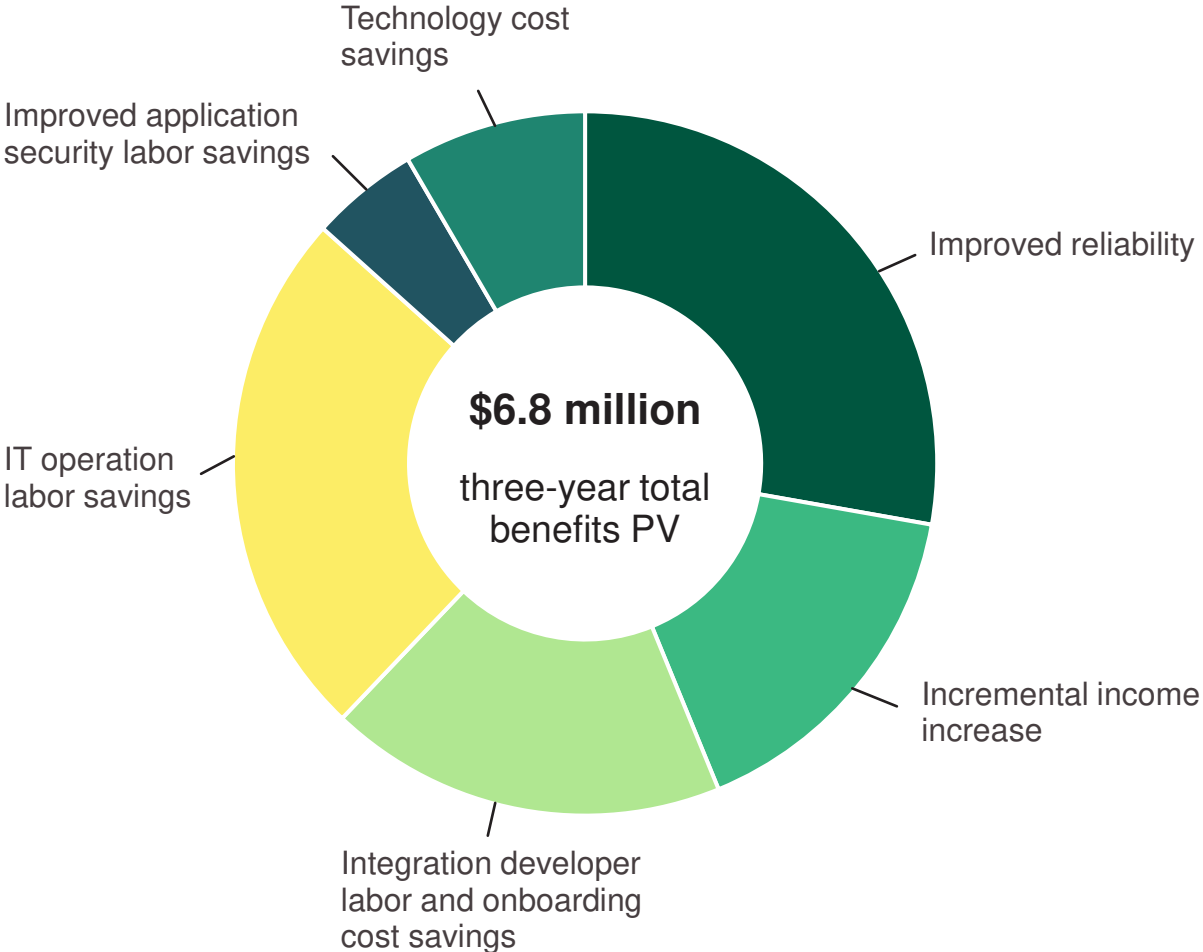Designed a composite organization based on characteristics of the interviewed organizations.

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

Customer Interviewees

Industry	Interviewee Title	Revenue
Financial services	Infrastructure tech lead	$50B+
Healthcare	Director of IT	$5B+
Technology and professional services	CISO	$4B+
Professional services	CTO	$1B+
Technology	CISO	$100M+

Total Benefits

Technology cost savings

Improved application security labor savings

Improved reliability

IT operation labor savings

$6.8 million

three-year total benefits PV

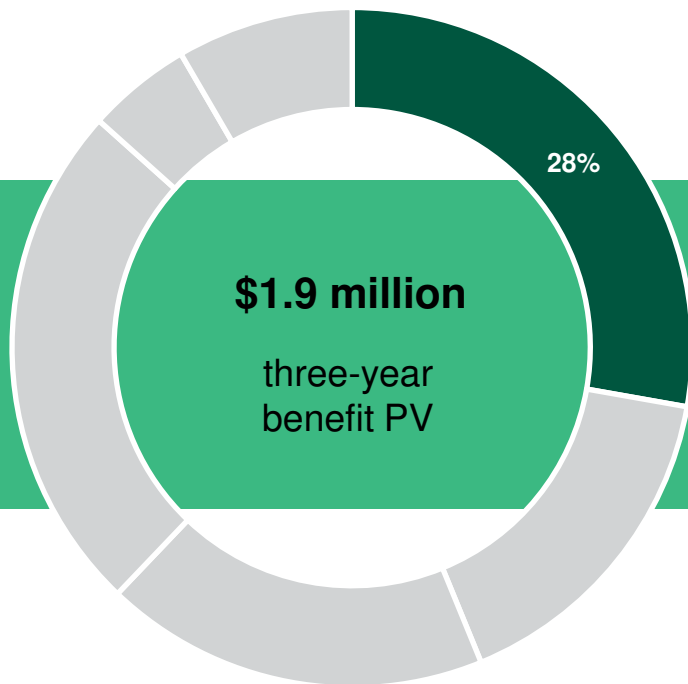Incremental income increase

Integration developer labor and onboarding cost savings

Improved reliability results in an up to 60% reduction in production outages.

IBM Cloud Pak for Integration improved the quality and resiliency of integrations across application, API, enterprise messaging, event streaming, and high-speed data transfers. **Interviewed customers said that they reduced production application downtime by 40% to 60%, equating to improved reliability cost savings of $1.9 million over three years.**

In prior environments, integrations often led to outages and degradation of production services, impacting customer service, revenue, employee experience, and productivity, while requiring huge efforts in finding, diagnosing, and resolving incidents. After investing in IBM Cloud Pak for Integration, **customers reported drastic reductions in production system downtime and degradation**.

28%

$1.9 million

three-year
benefit PV

Reduction in unplanned
outages using IBM Cloud
Pak for Integration

40% to 60%

"When we upgraded one of our legacy apps or a third-party app to a new version, oftentimes the custom-written integrations would break and would result in a production outage. When we use the Cloud Pak integrations, especially the out-of-the-box integrations, they're basically designed to map out an update so that when you make changes to either side it then gets remapped, and the integration continues to function."
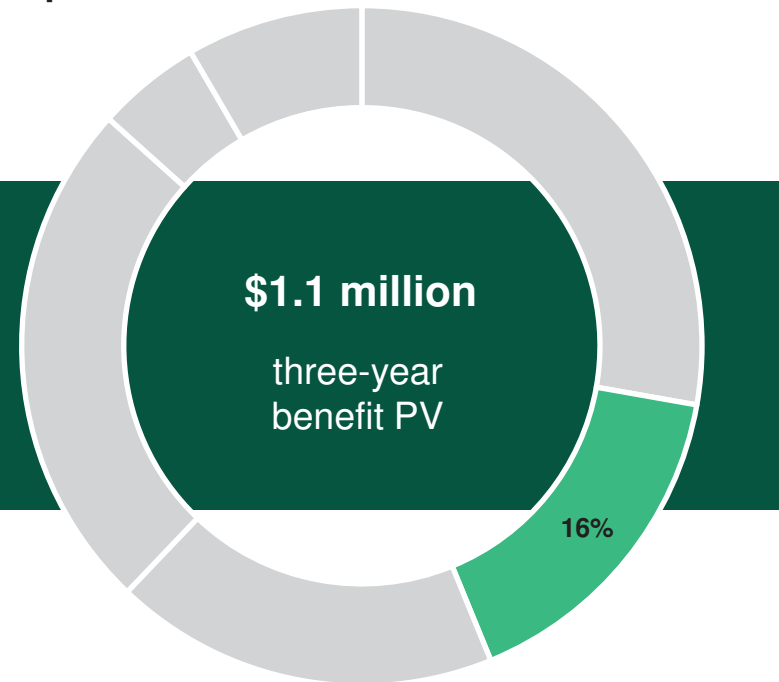
— CISO, technology and professional services firm

Incremental income increase of $1.1 million three-year benefit PV from improved innovation.

By leveraging Cloud Pak for Integration, organizations improved efficiency and developed more revenue-generating applications and services than they could in their previous environment. This drove greater innovation and improved employee and customer experience. **Innovation improvements drove $1.1 million of additional incremental income over three years**.

Through new capabilities provided across IBM Cloud Pak for Integration's feature set, as well as improved efficiency in using those features, **organizations developed more revenue-generating services and applications than they could in their previous environment, driving greater innovation, employee experience, and customer experience**.
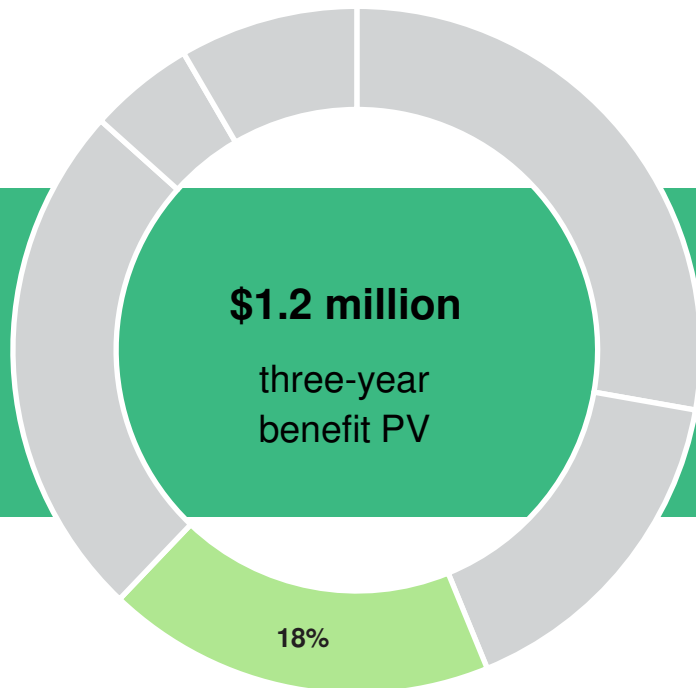

$1.1 million

three-year
benefit PV

16%

"Because it takes a third of the time to do an integration, we've been able to do a lot more of them, which means we've been able to add a lot more features and functionality to our applications through integration than we would have otherwise. It's allowed us to implement more revenue-increasing changes, because we don't have to do the manual integration work."

— CISO, technology

Integration developer labor and onboarding cost savings result in reduced integration development time of 35% and faster developer onboarding time of 66%.

IBM Cloud Pak for Integration accelerated integration development speed because of its low-code, drag-and-drop developer interfaces, prebuilt and reusable integrations, shared asset repository, and automation features. Training was easier because of its simplified tooling and framework. **Integration developer labor efficiency and decreased onboarding costs resulted in $1.2 million in savings over three years**.

In prior environments, interviewed customers had multiple, siloed tooling depending on integration style and use cases. Consolidating and rationalizing legacy solutions into IBM standardized integrations into a unified platform, improving integration developer collaboration; minimizing switching costs; and enabling development across various use cases without sacrificing productivity or quality.

$1.2 million

three-year benefit PV

18%

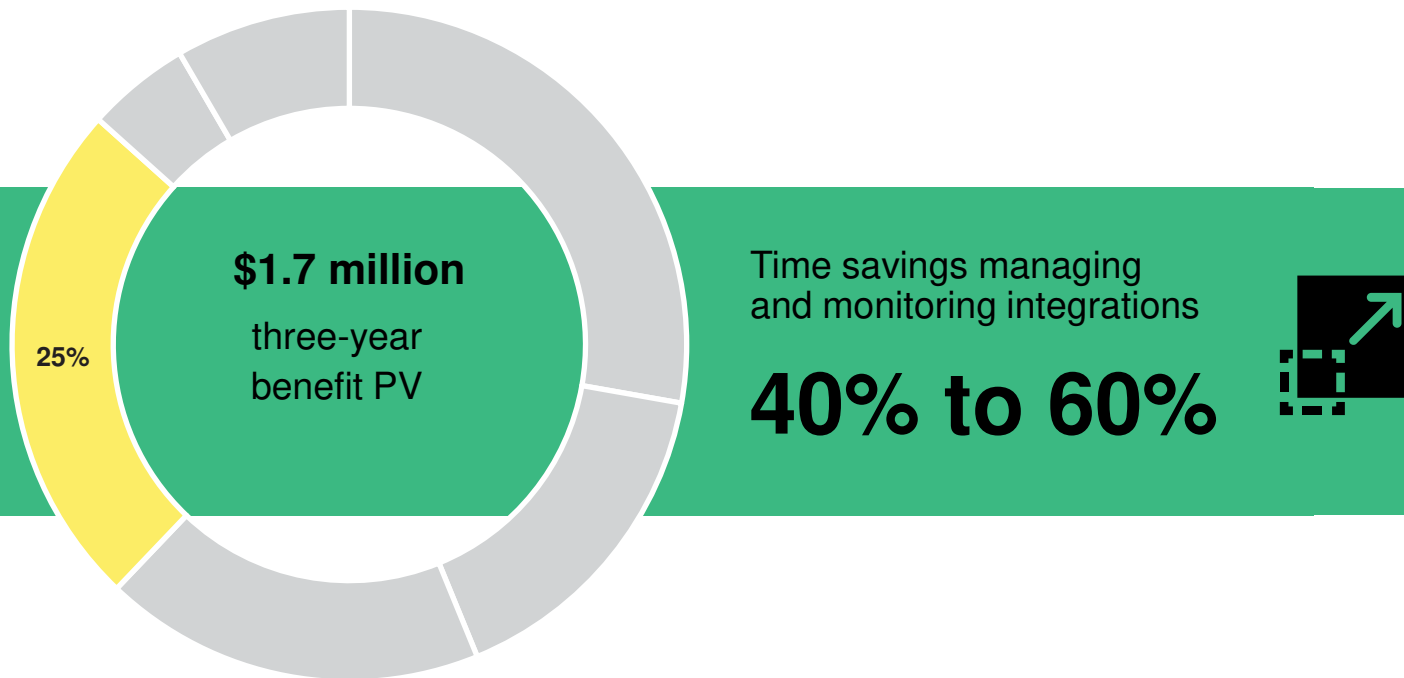Reduction in integration time using IBM Cloud Pak for Integration

35% to 55%

"Most of the integrations require about one-third the amount of time that we previously allocated to dev teams for integration. Before, we were building the integration from scratch. Now, we're essentially going in contact and drag-and-drop it, and mapping, and it's done."

— CISO, technology and professional services firm

IT operation labor savings results up to a 60% time savings in managing integrations.

Cloud Pak for Integration improved integration management by minimizing maintenance and troubleshooting, bettered visibility and administration, and automated monitoring and alerting. IT operations spent less time managing integrations and drastically reduced time spent investigating issues with application and API services. Dashboards provided valuable insights into integration performance, and automated alerts accelerated remediation and increased uptime. **IT operation labor savings equate to a cost savings of $1.7 million over three years**.
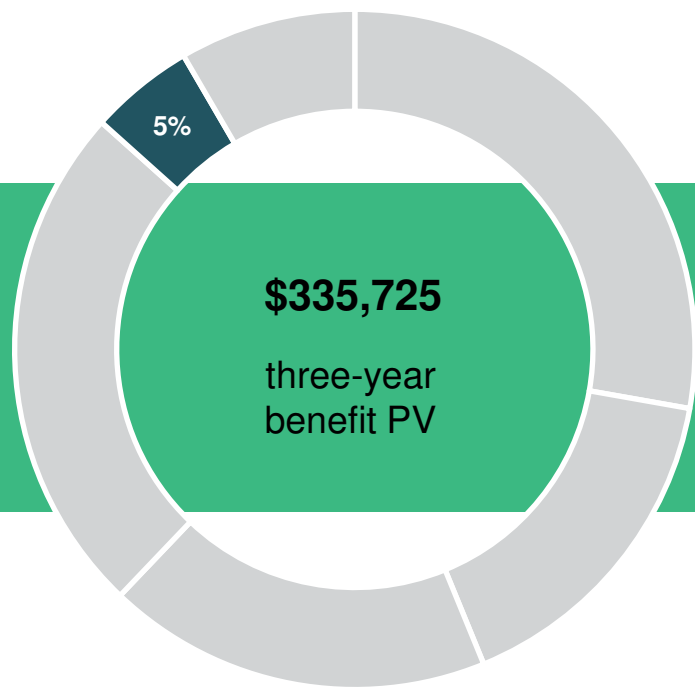
$1.7 million

three-year
benefit PV

25%

Time savings managing
and monitoring integrations

40% to 60%

"IBM improved our IT operations efficiency by 40% to 50% compared to our previous tools. IBM has better documentation, requires less testing, and is enterprise-ready, allowing our IT operations to spend less time on certain activities and to utilize tools faster."

— CISO, technology

Improved application security labor savings result in a reduction in application security labor by 10%.

Cloud Pak for Integration offers robust security frameworks and capabilities, such as end-to-end encryption, identity and access management, and consistent security policies to comply with security and privacy regulations. With IBM, organizations reduced security incidents and vulnerabilities, maintained stronger compliance controls, streamlined audit reviews, reduced the chance of breaches, improved brand reputation and the quality of business services, and reduced security labor workloads. **The reduction in need for application security labor is worth $336,000 over three years**.

5%

$335,725

three-year
benefit PV

Reduction in labor
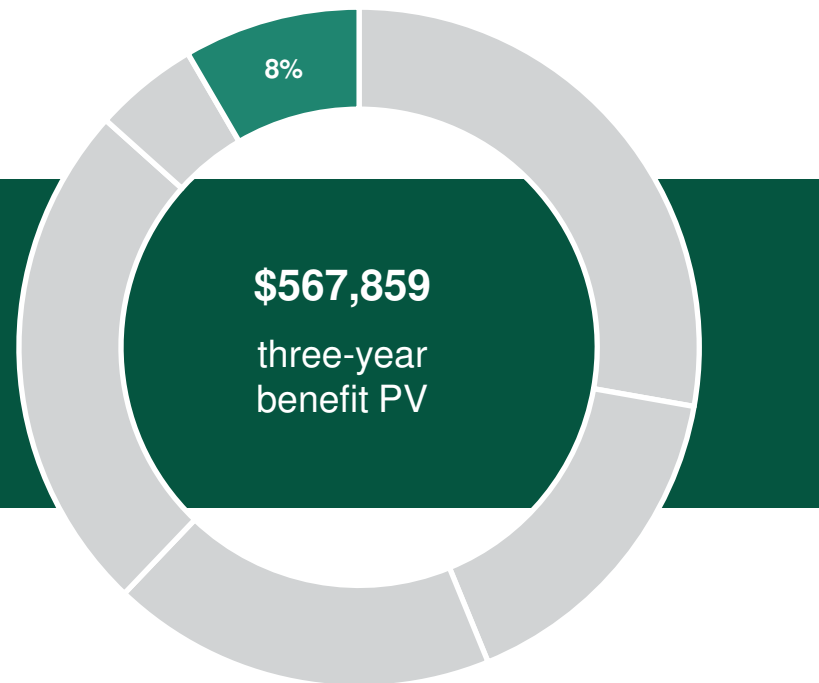requirements for application
security engineers

10%

"Using IBM took about 5% to 10% of our workload off of our application security engineers' plates. We probably eliminated work for one application security engineer from switching to these integrations instead of building them."

— CISO, technology and professional services firm

Technology cost savings result in $568,859 three-year benefit PV.

Consolidating application integration, API management, message queue (MQ), and event streaming into one platform minimized technology sprawl, allowing organizations to decommission legacy integration and security technologies. **This saves $568,000 in legacy licensing, infrastructure, and support over three years**.

8%

$567,859
three-year
benefit PV

"By utilizing IBM Cloud Pak for Integration, we can sync information from on-prem solutions to cloud solutions to give much more real-time information than what we had in our previous environment."

— Director of IT, healthcare

Unquantified Benefits

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

Enhanced user and customer experience.

Reduced chance of breach.

Improved compliance.

Improved scalability and agility in the cloud.

Seamless integration across hybrid cloud infrastructure.

Improved allocation of higher-skilled labor to value-added tasks. Better employee experience.

"We can now build integrations that improve our products that we might not have previously decided to do because of the level of effort. We can integrate applications much easier and get more creative in the types of integrations that can build."

CTO, technology and professional services

Increased contact center efficiencies.

Enhanced developer experience.

IBM ecosystem efficiencies.

"Moving to IBM Cloud Pak for Integration is reducing complexity. It's created a career track, if you will. Instead of requiring people to learn seven different ways of doing things, they can specialize in one."

CTO, professional services

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.

Return on investment (ROI)
A project's expected return in percentage terms. ROI is calculated by dividing net benefits (benefits less costs) by costs.

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.

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.

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