

FORRESTER®

The Total Economic Impact™ Of VMware Success 360

Business Benefits And Cost Savings
Enabled By VMware Success 360

JULY 2022

Table Of Contents

Consulting Team: Richard Cavallaro
Sam Sexton

Executive Summary	1
The VMware Success 360 Customer Journey	6
Key Challenges	6
Investment Objectives	7
Composite Organization	8
Analysis Of Benefits	9
Improved Productivity And Avoided Hires Through VMware Success 360 Upskilling And Reskilling	9
VMware Solution Resiliency Improvement.....	12
Reduced Cost Of VMware Solution-Related Project Management And Support	14
Unquantified Benefits	16
Flexibility	17
Analysis Of Costs	18
VMware Success 360 Fees.....	18
Financial Summary	19
Appendix A: Total Economic Impact	20
Appendix B: Endnotes	21



ABOUT FORRESTER CONSULTING

Forrester Consulting provides independent and objective research-based consulting to help leaders succeed in their organizations. For more information, visit forrester.com/consulting.

© Forrester Research, Inc. All rights reserved. Unauthorized reproduction is strictly prohibited. Information is based on the best available resources. Opinions reflect judgment at the time and are subject to change. Forrester®, Technographics®, Forrester Wave, RoleView, TechRadar, and Total Economic Impact are trademarks of Forrester Research, Inc. All other trademarks are the property of their respective companies.

Executive Summary

VMware Success 360™ helps organizations accelerate initiatives, up-skill resources, and improve the resiliency of VMware solutions to maximize value realization.

[VMware Success 360](#), part of VMware's Customer Success portfolio, aims to help organizations accelerate and maximize the value of their VMware solutions across the entire lifecycle by providing customized success services, digital and in-person learning modules and workshops, and support services.

VMware commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) enterprises may realize by leveraging VMware Success 360.¹ The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of VMware Success 360 on their organizations.

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed four representatives with experience using VMware Success 360. For the purposes of this study, Forrester aggregated the interviewees' experiences and combined the results into a single [composite organization](#) that is industry-agnostic, with 20,000 employees and revenue of \$10 billion per year.

KEY STATISTICS



Return on investment (ROI)
173%



Net present value (NPV)
\$994K

Prior to using VMware Success 360, these interviewees noted how their organizations struggled to concurrently manage all of their VMware solutions and/or initiatives. VMware expertise and project management resources were often in short supply, and some solutions or projects fell by the wayside. Those that were managed were often done so without designating a timeline or defining a desired set of outcomes, leading to suboptimal performance and/or resiliency. VMware expertise was hired externally rather than developed internally.

By leveraging VMware Success 360, the companies' interviewees described improved outcomes with their VMware solutions while decreasing project timelines, improving the responsiveness and efficacy of support, and upskilling their personnel on all things VMware through expert guidance, self-paced digital learning, and workshops.

VMware solutions uptime improvement:

20%



“The VMware Success 360 program helps us keep [our VMware-related projects] moving forward and keep the ball rolling.”

— Senior staff engineer, software

KEY FINDINGS

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

- **Improved personnel productivity by 15% leading to avoided FTE hires worth more than \$750,000.** Through personnel upskilling with VMware Success 360 (through digital learning and support resource access), the composite organization alleviates VMware expertise shortages, improving IT productivity and avoiding additional hires.
- **Improved VMware solution resiliency by 20%.** The composite organization’s VMware solutions’ uptime improves by 20%, resulting from VMware Success 360-enabled staff upskilling, VMware expert support resources, AI-driven proactive support, and a VMware Success Executive escalating top support issues, resulting in reduced business disruption worth nearly \$400,000 over three years.
- **VMware solution-related engagement success management and support savings of more than 300 personnel hours per project, totaling \$350,000.** The VMware Success 360 Success Executive drives activities that increase the velocity, improve the likelihood of success, and reduce internal resource costs for VMware-related projects. These activities include stakeholder alignment, project and timeline planning, and proactive management, which keep VMware projects moving forward faster and more consistently. They save the composite organization on project management hours, in-house and third-party technical support resources, and project oversight in general, saving significant personnel expense. Democratized access to VMware support services and self-paced digital learning tools also serve to reduce the burden on internal support personnel.

Unquantified benefits and flexibility factors.

Benefits that are not quantified in this study include:

- **Faster value from VMware solutions.** Through improved project completion timelines, optimal pathways to project or initiative completion, and VMware expert guidance along the way, most of the interviewees told Forrester that the value that their VMware solutions deliver to end users is accelerated. Given the subjectivity of this value depending on the specific VMware offering and organizational use cases, this benefit was not quantified for the composite analysis, though several interviewees shared specific examples of this value.
- **A single point of contact for all things VMware.** Throughout the interviews conducted for this study, interviewees characterized the Success Executive as a single point of contact for all VMware solutions, delivering value through VMware initiative planning and project management.
- **Accelerated value from current and future VMware solutions.** Through the VMware Success 360 program, interviewees told Forrester they completed their VMware projects

faster than before, accelerating business value delivered by these projects and solutions.

- **Improving organizational VMware knowledge over time.** Interviewees noted that VMware Success 360 helped their organizations' personnel continually upskill on all aspects of VMware, which may manifest in additional successful projects, avoided hires, and improved productivity in the future.

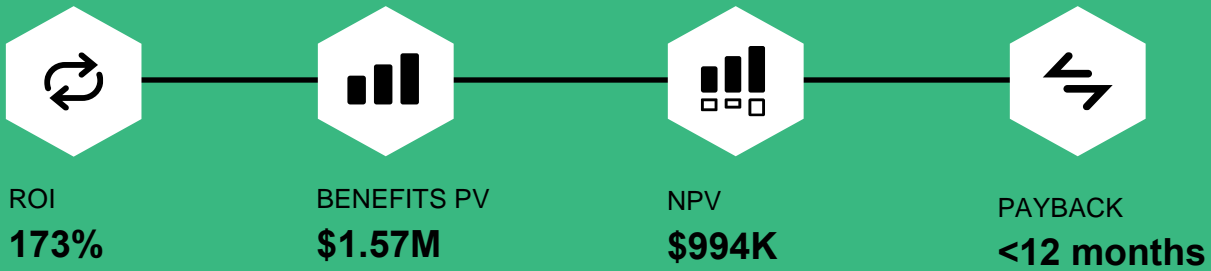
Costs. Three-year, risk-adjusted PV costs for the composite organization include:

- **VMware Success 360 fees.** Organizations pay a fee for VMware Success 360 based on the total spend on their VMware enterprise license agreement (ELA) and the number of VMware solutions supported with VMware Success 360.

The representative interviews and financial analysis found that a composite organization experiences benefits of \$1.57 million over three years versus costs of \$574,000, adding up to a net present value (NPV) of \$994,000 and an ROI of 173%.

“[Our Success Executive] has been great at tracking projects or initiatives and pulling in the right people for each task along the way. This is helping us stay up to date with our VMware products. There’s that organizational aspect of VMware Success 360 where it’s always keeping the wheels turning in regard to key knowledge.”

— Telecommunications engineer, energy



Benefits (Three-Year)



TEI FRAMEWORK AND METHODOLOGY

From the information provided in the interviews, Forrester constructed a Total Economic Impact™ framework for those organizations considering an investment in VMware Success 360.

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 VMware Success 360 can have on an organization.

DISCLOSURES

Readers should be aware of the following:

This study is commissioned by VMware 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 VMware Success 360.

VMware 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.

VMware provided the customer names for the interviews but did not participate in the interviews.



DUE DILIGENCE

Interviewed VMware stakeholders and Forrester analysts to gather data relative to VMware Success 360.



INTERVIEWS

Interviewed four representatives at organizations using VMware Success 360 to obtain data with respect to costs, benefits, and risks.



COMPOSITE ORGANIZATION

Designed a composite organization based on characteristics of the interviewees' 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 interviewees.



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.

The VMware Success 360 Customer Journey

■ Drivers leading to the VMware Success 360 investment

Interviews			
Role	Industry	Region	Revenue
Telecommunications engineer	Energy	North America	~\$3 billion
Director, technology lead	Financial services	Global	~\$60 billion
Global virtualization platform manager	Professional services	Global	~\$20 billion
Senior staff engineer	Software	North America	~\$2 billion

KEY CHALLENGES

Before investing in VMware Success 360, interviewees noted how their organizations struggled with common challenges, including:

- **Inconsistent VMware solution-related project timelines.** Interviewees described challenges related to executing VMware technology adoption projects, particularly around timelines, personnel, and benchmarking. The telecommunications manager at the energy organization noted that just finding the “starting point” for a technology adoption journey was challenging before alignment with a VMware Success Executive. The senior staff engineer at a software company echoed this experience. They said, “Our team had several VMware solutions on our last few ELAs, and some of them were kind of just sitting around not really doing anything for various reasons — usually related to our ability to keep track of projects or keep ourselves honest about what we’re committing to from a timeline standpoint.”
- **Siloed VMware solution-related expertise.** Several interviewees described challenges with VMware-related knowledge being spread unevenly throughout their respective organizations, contributing to the aforementioned

“[VMware Success 360] provides us resources and gives us guidance on our migration projects. For instance, we just completed a major upgrade, and VMware provided experts on the phone for us to work through the pre-planning and support along the way. There were no hiccups at all.”

Senior staff engineer, software

project delays and potentially suboptimal performance. The senior staff engineer at the software firm specifically noted a decentralized IT department in which VMware solutions (and the associated knowledge) were aligned to their team but were required by several different departments, bottlenecking VMware expertise within the organization. They said, “Nowadays, our team doesn’t really need to be involved in other teams’ VMware [solution] endeavors because they can run separate tracks with the Success Executive.”

- **Disequilibrated and reactive support.** Under prior support models, interviewees noted that ticket management was reactive in nature and handled by only those who were aligned to the support agreements, manifesting in delays on both ends of the support function. With VMware Success 360, VMware Skyline support proactively reduces the number of support tickets while access to VMware support experts is democratized across all users.

INVESTMENT OBJECTIVES

The interviewees' organizations searched for a success partner that could:

- Add consistency and structure to project success efforts around VMware initiatives to accelerate project timelines and the related value.
- Increase VMware solution-related expertise across the entire organization by access to digital learning and support resources to any interested team or individual.
- Democratize access to VMware's support teams across the entire organization to minimize support ticket duration and business disruption.

“Sometimes we just tell [our Success Executive], ‘We need a person to talk about this,’ and she’ll have a meeting for us with a VMware expert. We don’t need to go through the formal support channel on that.”

Senior staff engineer, software

“We might have 15 different things going on, but we only have the capacity to focus on the top three ... but with [our Success Executive], we’re in play for all 15.”

Global virtualization platform manager, professional services

COMPOSITE ORGANIZATION

Based on the interviews, 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 it is used to present the aggregate financial analysis in the next section. The composite organization has the following characteristics:

Description of composite. The composite organization is a \$10 billion industry-agnostic global organization with 20,000 employees.

Deployment characteristics. The organization supports its VMware vCloud™, VMware Workspace ONE™, VMware Horizon™, and VMware Tanzu™ products with VMware Success 360 to ensure that the organization's 30-plus IT personnel have access to the support resources, learning, and project-specific guidance needed to support and maximize the value from these solutions. Across these products, 30 IT FTEs (in Year 1) leverage digital learning and attend quarterly workshops, and team leads engage in adoption guidance activities. Four VMware solution-related projects per year (Year 1) are supported by the organization's Success Executive in an effort to accelerate the project timelines and minimize strain on the organization's FTE resources and project management office (PMO).

Key Assumptions

- **\$10 billion industry-agnostic organization**
- **20,000 employees/end users**
- **4 VMware Success 360 projects per year (Year 1)**
- **30+ IT personnel leveraging VMware Success 360 digital learning and workshops**
- **VMware Success 360 supporting VMware vCloud, VMware Horizon, VMware Workspace ONE, VMware Tanzu**

Analysis Of Benefits

■ Quantified benefit data as applied to the composite

Total Benefits						
Ref.	Benefit	Year 1	Year 2	Year 3	Total	Present Value
Atr	Improved productivity and avoided hires through VMware Success 360 upskilling and reskilling	\$289,710	\$308,745	\$327,780	\$926,235	\$764,800
Btr	VMware solution resiliency improvement	\$156,366	\$156,366	\$156,366	\$469,098	\$388,859
Ctr	Reduced cost of VMware solution-related project management and support	\$138,456	\$168,912	\$199,368	\$506,736	\$415,254
	Total benefits (risk-adjusted)	\$584,532	\$634,023	\$683,514	\$1,902,069	\$1,568,913

IMPROVED PRODUCTIVITY AND AVOIDED HIRES THROUGH VMWARE SUCCESS 360 UPSKILLING AND RESKILLING

Evidence and data. Before engaging with VMware Success 360, interviewees described challenges related to skills shortages and related inefficiencies with their VMware solution management. IT staff possessing expertise with particular VMware solutions were in short supply and often over capacity, leading to suboptimal solution performance and/or costly external hires to meet the demand. Despite the need to upskill on the organizations' VMware solutions, staff had no clear path to developing this expertise. By leveraging VMware Success 360, the interviewees' organizations' personnel have a path to developing key VMware skills that drive value for their organizations through:

- FTE productivity savings due to enhanced expertise, efficient training curriculum, and self-support.
- Faster VMware solution deployment timelines and the related accelerated value.
- Avoided external hires through upskilling via digital learning and support resources.

“Training [from VMware Success 360] allows us to dip into our ‘farm system’ for someone who’s already been trained by a VMware professional, rather than hiring someone from the outside who might not be able to walk the walk. We’ve dipped into our minor leagues and hired someone internally and it turned out great. I anticipate doing this in the future whenever the need arises.”

Director, technology lead, financial services

- As part of an organization that relies heavily on its VMware solutions, the director and technology lead at a financial services company explained how critical effective training is to maintaining skills in a fast-paced technology environment.

They said: “In the financial services industry, things are moving at light speed. Training is so critical with all of our VMware [solutions] because we’re constantly upgrading, we’re constantly deploying, and we’re constantly moving to a new version.” The same interviewee noted that several teams within their organization have access to and leverage VMware Success 360’s digital learning, on-demand enablement sessions, and workshops, which in particular their staff has found helpful for developing their skills. The director and technology lead shared: “[VMware Success 360] gives our staff workshops on key topics that would cost a pretty penny to send a handful of people to. And it’s not just my staff — it’s others within the organization. I don’t have to pay anything. Every single time we’ve had follow-ups with SMEs from the workshops, and every single time, they deliver what we’ve asked.”

- The senior staff engineer at a software organization highlighted his IT team’s access to an expert VMware engineer and guidance through VMware Success 360, greatly accelerating the path up the learning curve for any VMware solution. In addition, the organization’s near-400 developers gain self-service functionality, which may impact their own productivity (and ultimately the bottom line).
- By providing project management resources, access to expert support, and self-help tools for users through VMware Success 360, the telecommunications engineer at an energy company detailed a reduced reliance on internal support personnel. They said, “Our service desk and field service teams aren’t having to take as many calls about [support issues] because the users have the power in their hands to solve some of their own issues.”

Modeling and assumptions. For the composite organization and financial model, Forrester makes the following assumptions:

- Thirty FTEs (spending 50 hours per month on VMware solution-related tasks) globally engage in VMware Success 360 activities including digital learning, live workshops, and self-paced guidance sessions, delivering an average 15% productivity uplift through skills improvement and optimizations across the organization’s VMware solutions. Five additional FTEs per year leverage VMware Success 360 offerings in next two years of the analysis as adoption increases.
- The organization avoids hiring 1.5 external FTEs per year through upskilling and internal promotion attributable to skills gained through VMware Success 360.
- The average hourly rate for IT personnel is \$47, and the average fully burdened salary for an external hire is \$130,000.

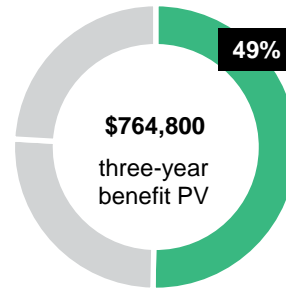
“After completing the [VMware Success 360] success pathway on VMware Workspace ONE, I’ve been able to automate several previously manual processes as well as implement a lot of things that have helped with our users’ productivity.”

*Telecommunications engineer,
energy*

Risks. This benefit will vary among organizations based on:

- The scope and complexity of an organization’s current VMware offerings related to current and future personnel requirements.
- The baseline skill and capacity of an organization’s IT personnel (or those managing VMware solutions).
- The internal promotion of the VMware Success 360 offering as it relates to personnel engagement with the offerings.

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 \$765,000.



Improved Productivity And Avoided Hires Through VMware Success 360 Upskilling And Reskilling

Ref.	Metric	Source	Year 1	Year 2	Year 3
A1	Team members leveraging VMware Success 360	Composite	30	35	40
A2	Hours per month spent on VMware solution-related tasks	Interviews	50	50	50
A3	Productivity savings through self-service training	Interviews	15%	15%	15%
A4	Average hourly rate (rounded)	TEI standard	\$47	\$47	\$47
A5	Annual productivity savings	$(A1 \cdot A2 \cdot A3 \cdot A4) \cdot 12$ months	\$126,900	\$148,050	\$169,200
A6	Avoided FTE hires through reskilling	Interviews	1.5	1.5	1.5
A7	Average fully burdened annual salary for external hire	TEI standard	\$130,000	\$130,000	\$130,000
At	Improved productivity and avoided hires through VMware Success 360 upskilling and reskilling	$A5 + (A6 \cdot A7)$	\$321,900	\$343,050	\$364,200
	Risk adjustment	↓10%			
Atr	Improved productivity and avoided hires through VMware Success 360 upskilling and reskilling (risk-adjusted)		\$289,710	\$308,745	\$327,780

Three-year total: \$926,235 **Three-year present value: \$764,800**

VMWARE SOLUTION RESILIENCY IMPROVEMENT

Evidence and data. Through VMware Success 360-enabled staff upskilling, democratized access to top VMware support personnel, AI-driven proactive support, and a success team, the interviewees spoke to a more resilient set of VMware solutions with VMware Success 360.

- The telecommunications engineer in an energy organization estimated that their highest-priority tickets are now resolved 20% to 30% faster given the escalation and expertise the VMware Success 360 program provides, minimizing disruption to end users with their VMware solutions.
- Effective support ticket assistance from the Success Executive was cited by the director and technology lead at a financial services firm as a key improvement to the organization’s support services with VMware Success 360.
- As continuous development is vital to its business, the senior staff engineer at a software organization cited the improvement to their VMware solutions’ resiliency as the most significant benefit from VMware Success 360, sharing several examples with Forrester around how proactive support and rapid access to subject matter experts (SMEs) helps the company achieve an estimated 20% resiliency improvement for its business-critical VMware Tanzu deployment:
 - A data center outage that would have caused significant internal business user and developer disruption was resolved an estimated 90% faster with VMware Success 360 resources and support, saving an estimated “several million” in lost developer work.
 - The organization’s IT personnel proactively engage with support SMEs to

ensure any updates or changes made on their VMware solutions don’t present any unforeseen issues.

- The VMware Skyline offering was touted as a major benefit to the organization by the senior staff engineer, offering proactive support and an ongoing list of recommendations for the company’s VMware solutions.
- With VMware Success 360, any IT staff member at the professional services firm supporting VMware solutions has direct access to support as opposed to six in the prior environment, improving mean time to issue resolution by eliminating this potential personnel bottleneck.

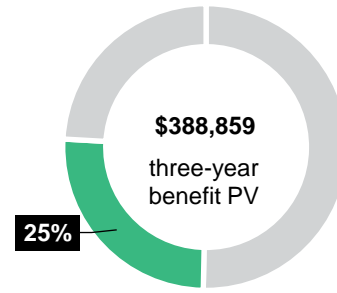
Modeling and assumptions. For the composite organization and financial model, Forrester makes the following assumptions:

- A 99.9% historical VMware solution uptime, or roughly 9 hours of disruption/downtime per year.
- Fifteen percent of the organization’s 20,000 employees rely on VMware solutions within their day-to-day responsibilities.
- The average hourly cost of downtime is \$105,000, calculated based on a blended employee hourly rate.
- A 20% improvement to VMware solution resiliency, based on the interviews.

Risks. This benefit will vary among organizations based on:

- The historical performance of an organization’s VMware solutions.
- The number of employees reliant of VMware solutions in their day-to-day responsibilities.

Results. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV of \$388,000.



VMware Solution Resiliency Improvement					
Ref.	Metric	Source	Year 1	Year 2	Year 3
B1	Annual VMware solution availability	Composite	99.9%	99.9%	99.9%
B2	Percentage of employees relying on VMware solutions	Composite	15%	15%	15%
B3	Hourly cost of VMware solution business disruption	$B2 * 20,000 * \$35$	\$105,000	\$105,000	\$105,000
B4	Improvement to resiliency	Interviews	20%	20%	20%
Bt	VMware solution resiliency improvement	$8,760 * (1 - B1) * B3 * B4$	\$183,960	\$183,960	\$183,960
	Risk adjustment	↓15%			
Btr	VMware solution resiliency improvement (risk-adjusted)		\$156,366	\$156,366	\$156,366
Three-year total: \$469,098			Three-year present value: \$388,859		

REDUCED COST OF VMWARE SOLUTION-RELATED PROJECT MANAGEMENT AND SUPPORT

Evidence and data. Several interviewees touted the benefits of success planning for their VMware initiatives with their Success Executive. Project timelines and outcomes improved significantly due to milestone guidance, accelerating the business value from the related VMware solution(s). Interviewees noted that their VMware-related projects required fewer project management hours, in-house and third-party technical support resources, and project oversight in general, saving significant personnel expense. Democratized access to VMware support services and self-paced digital learning tools also served to reduce the burden on internal support personnel.

- The senior staff engineer at a software organization noted that VMware’s adoption accelerators reduce the internal or contracted need for technical resources, saving expense while delivering a better project outcome.
- The guidance and project management provided by the Success Executive was a theme among all of the interviews conducted by Forrester. The global virtualization platform manager at a professional services firm highlighted the benefit of their Success Executive for their highly technical but very busy team, noting that since working with VMware Success 360, they’ve been able to successfully work on nearly 15 concurrent projects, when in the past, they would have needed to prioritize only three. Successfully managing this project volume internally would have required several additional FTE resources to potentially lesser results.
- Through these resources and weekly engagement with their Success Executive, the telecommunications engineer at an energy company functions as a “one-person team” for supporting the organization’s Workspace ONE

deployment. They said: “I am the team. VMware Success 360 helps me scale back the clutter.” With VMware Success 360, the interviewee has completed several (and counting) success planning tracks with their Success Executive, allowing them to continue optimal support of their organization’s VMware products without bringing on additional project management or support headcount, while also improving their own productivity by an estimated 25% on VMware-related tasks.

- The director and technology lead at a financial services organization noted that their Success Executive has several relationships with different VMware product owners throughout the organization — all under their single VMware Success 360 license, magnifying the value of the VMware relationship across the organization.

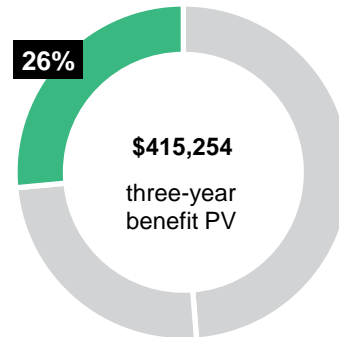
Modeling and assumptions. For the composite organization and the financial model, Forrester makes the following assumptions:

- Four VMware-related projects or initiatives are supported by VMware Success 360 resources in Year 1, increasing annually to 12 in Year 3.
- The average project or initiative lasts three months and requires 30 weekly dedicated project management hours across several FTEs who earn a blended hourly average of \$47.
- A 50% productivity recapture, as all project manager hours freed up will not necessarily be reapplied to other projects.
- The organization pays an additional \$120,000 per year in technical project support resources that are avoided with VMware Success 360. This is a conservative estimate based on the interviews as some organizations paid significantly more based on their VMware solution deployments.

Risks. This benefit will vary among organizations based on:

- The baseline skill and capacity of an organization’s personnel managing VMware projects or initiatives, as well as support staff.
- The scope and complexity of an organization’s current VMware offerings as they relate to current and future personnel requirements and third-party support costs.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV of \$366,000.



Reduced Cost Of VMware Solution-Related Project Management And Support					
Ref.	Metric	Source	Year 1	Year 2	Year 3
C1	Annual VMware projects (deployments, upgrades)	Composite	4	8	12
C2	Dedicated project manager hours required per project	Interviews	360	360	360
C3	Average PM hourly rate	Assumption	\$47	\$47	\$47
C4	Productivity recapture	Assumption	50%	50%	50%
C5	Avoided internal project manager hours	$C1 * C2 * C3 * C4$	\$33,840	\$67,680	\$101,520
C6	Avoided third-party project support	Interviews	\$120,000	\$120,000	\$120,000
Ct	Reduced cost of VMware solution-related project management and support	$C5 + C6$	4	8	12
	Risk adjustment	↓10%			
Ctr	Reduced cost of VMware solution-related project management and support (risk-adjusted)		\$128,304	\$148,608	\$168,912
Three-year total: \$506,736			Three-year present value: \$415,254		

UNQUANTIFIED BENEFITS

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

- **Faster value from VMware solutions.** Through improved project timelines, optimal pathways to project or initiative completion, and VMware expert guidance along the way, most of the interviewees told Forrester that the value that their VMware solutions deliver to end users is accelerated. Given the subjectivity of this value depending on the specific VMware offering and organizational use case, this benefit was not quantified for the composite analysis, though several interviewees shared specific examples of this value.
 - The director and technology lead at the financial services organization highlighted the takeaways of a specific VMware Horizon adoption accelerator workshop where attendees worked out the optimal number of sessions per host for their organization, striking the balance between performance and infrastructure cost. The interviewee estimated that this workshop alone has had a “huge positive financial impact” on the firm’s infrastructure expense.
 - By accelerating the time-to-availability of the VMware solutions supporting the software organization’s developers with VMware Success 360’s offerings, the senior staff engineer noted that developers are able to do their jobs faster, impacting the company’s releases and ultimately its revenue. They summarized, “As a software provider, if anybody has to ask for something from us [VMware Tanzu support], they’ve already lost time trying to get that new feature into the next release for our customers.”

- **A single point of contact for all things VMware.** Throughout the interviews conducted for this study, the Success Executive was characterized as a single point of contact for all aspects of VMware by the interviewees, delivering value through VMware initiative planning, project management, stakeholder alignment, and support assistance. Interviewees also noted that their Success Executive coordinated interactions with the organization’s VMware Technical Account Manager (TAM), complementing the value of each service.

“The collaboration between both our TAM and our [Success Executive] is critical to our operation.

*Director, technology lead,
financial services*

FLEXIBILITY

The value of flexibility is unique to each customer. There are multiple scenarios in which a customer might leverage VMware Success 360 and later realize additional uses and business opportunities, including:

- **Accelerated value from current and future VMware solutions.** Interviewees told Forrester that through the VMware Success 360 program, their VMware solution investments and updates occur more rapidly and frequently, delivering the business value provided by solutions faster than before. Over time, these organizations may realize additional value by being up to date more often and in a better position to upgrade or adopt VMware and non-VMware solutions.
- **Improved organizational VMware knowledge.** Interviewees noted that VMware Success 360 helped their organizations' personnel continually upskill on all things VMware, which may manifest in additional successful projects, avoided hires, and improved productivity in the future.

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							
Ref.	Cost	Initial	Year 1	Year 2	Year 3	Total	Present Value
Dtr	VMware Success 360 fees	\$0	\$231,000	\$231,000	\$231,000	\$693,000	\$574,463
	Total costs (risk-adjusted)	\$0	\$231,000	\$231,000	\$231,000	\$693,000	\$574,463

VMWARE SUCCESS 360 FEES

Organizations pay a fee for VMware Success 360 based on the total spend on their VMware ELA and the number of VMware solutions supported with VMware Success 360.

- Interviewees for this report paid a range of fees for their VMware Success 360 access based on the number of VMware solutions deployed and the scope of the deployment.
- Some of the interviewees' organizations pay for VMware Success 360 as part of a multiyear agreement.

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

- An average annual VMware Success 360 fee of \$220,000 based on the size of the composite

organization and number of VMware solutions supported. This is an average based on the interviews and other VMware-provided customer pricing estimates. For pricing specific to your organization, please contact VMware.

Risks. This cost will vary among organizations based on:

- An organization's size, VMware solutions deployed, and other factors of scope as they relate to VMware Success 360 pricing.

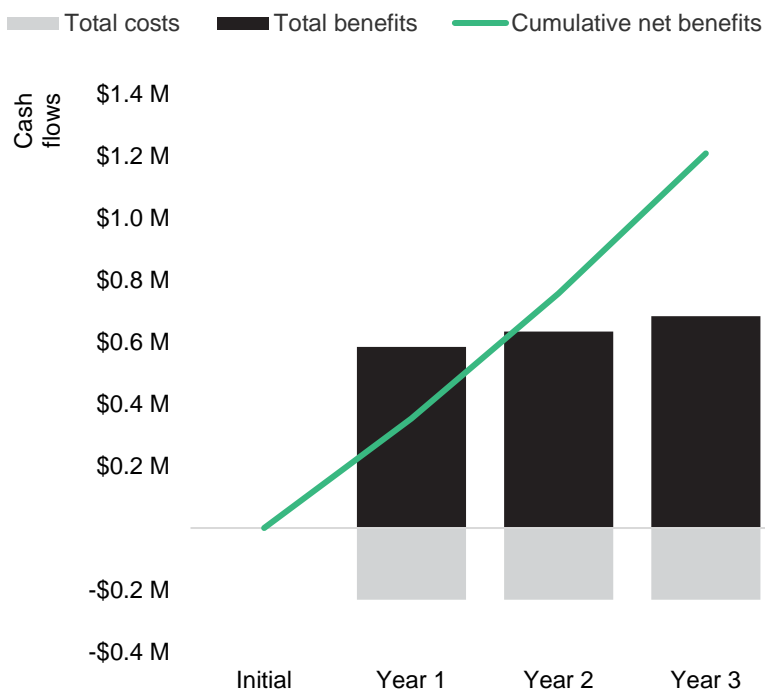
Results. To account for these risks, Forrester adjusted this cost upward by 5%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$574,000.

VMware Success 360 Fees						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
D1	Yearly VMware Success 360 fee	Composite	\$0	\$220,000	\$220,000	\$220,000
Dt	VMware Success 360 fees		\$0	\$220,000	\$220,000	\$220,000
	Risk adjustment	↑5%				
Dtr	VMware Success 360 fees (risk-adjusted)		\$0	\$231,000	\$231,000	\$231,000
Three-year total: \$693,000			Three-year present value: \$574,463			

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, NPV, and payback period for the composite organization's investment. Forrester assumes a yearly discount rate of 10% for this analysis.

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

Cash Flow Analysis (Risk-Adjusted Estimates)

	Initial	Year 1	Year 2	Year 3	Total	Present Value
Total costs	\$0	(\$231,000)	(\$231,000)	(\$231,000)	(\$693,000)	(\$574,463)
Total benefits	\$0	\$584,532	\$634,023	\$683,514	\$1,902,069	\$1,568,913
Net benefits	\$0	\$353,532	\$403,023	\$452,514	\$1,209,069	\$994,450
ROI						173%
Payback period (months)						<12

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: 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.

FORRESTER®