

The Forrester Total Economic Impact™ of Microsoft Office 365 – Corporate Accounts

Challenges and objectives

Forrester worked with Microsoft to analyze the total economic impact that Office 365 has on its Corporate Accounts customers (150 to 2,000 users), who shared their business outcomes and objectives:

“Before Office 365, we had no centralized way of reporting, no way of seeing what was going on across our different offices. **Office 365 created visibility into pieces of the business that was never there before.**”



“Cloud was a huge factor. **Cloud delivery solved a number of headaches for us** - collaboration headaches, architecture and server rack headaches, VPN and network access headaches.”



We had a need for business collaboration. We need video, we needed document collaboration, we needed to get our mobile workforce up to speed...**we needed to evolve. Office 365 made us say ‘Wow!’**”



Summary of benefits

Through interviews, surveys, and data aggregation, Forrester concluded that Office 365 has the following financial impact on an organization with 150 to 2000 users:



ROI/IRR

156%/311%



Payback

6.7 months



NPV

\$2.1M

More importantly, the TEI study looked at benefits and related costs across five areas:

Net Present Value*
THREE YEAR ANALYSIS

Benefits:
\$3.4M

Costs:
\$1.3M



Technology



\$1.26M

In hardware, software and IT labor savings



Mobility

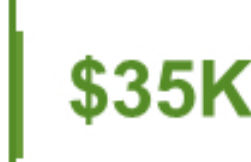


\$2.1M

In worker efficiency with anytime access



Control & Compliance



\$35K

In lower compliance costs



Business Intelligence



\$453K

In savings through better decisions from more timely access to data



Enterprise Social



\$368K

In greater efficiency

Office 365 by the numbers



\$594,444

Costs avoided in back-end hardware and Microsoft Server licenses



1 hour

Time saved each day due to anytime, anywhere access for mobile workers



45%

Reduction in implementation effort compared to on-premises solution



\$209,250

Savings over three years from elimination of third party social/collaboration tools

Disclosures

The reader should be aware of the following:

- This document is an abridged version of a full case study: The Total Economic Impact Of Microsoft Office 365, February 2015.
- The study was commissioned by Microsoft and delivered by the Forrester Consulting group.
- Forrester makes no assumptions as to the potential return on investment that other organizations will receive.

Please read the full case study for additional disclosures.

TEI Methodology

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

*Values of costs and benefits are representative of a composite organization constructed from aggregated feedback based on interviews with four Office 365 customers and a survey of 150 users.