

A Forrester Total Economic Impact™  
Study Commissioned By Veritas  
November 2018

# The Total Economic Impact™ Of Veritas Access Appliance

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# Executive Summary

Veritas™ Access is a software-defined storage solution optimized for archival and backup workloads. Access can be deployed as software-defined (software only; customer installs on their own commodity hardware), or as a Veritas-supplied turnkey appliance. The appliance is targeted to replacing traditional tape archiving and storage.

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

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed a customer with experience using the Veritas Access Appliance. The customer told Forrester that Veritas provides a powerful graphical user interface (GUI), superb customer support, and a more aggressive price point than comparable systems

Prior to using Access, the interviewed customer was using aging systems that were nearing their end-of-life. The company faced requirements to upgrade and renew the current systems or swap them out for new appliances from another vendor. While evaluating potential systems, the customer found that Veritas Access provided a superior graphical user interface (GUI) and sold the appliance at a lower price than competitors.

After deploying the Access Appliance, the organization experienced an improvement in the productivity of its storage team due to the more effective GUI, better customer support, and more reliable performance. The executive said during the interview: “We have a storage team of seven people and manage about two petabytes of data around the clock for the 7x24 support required for hospitals. Veritas simply made work simpler. My boss is now pushing us to migrate additional data more rapidly!”

## Key Findings

**Quantified benefits.** The interviewed organization experienced the following risk-adjusted present value (PV) quantified benefits:

- › **Avoided cost to renew and upgrade previous appliance of \$328,439.** The organization incurred a \$100,000 cost to prolong the life of its previous appliance and would have required purchasing a new asset along with the annual maintenance fees of 18%, based on the original purchase price of \$200,000.
- › **Reduced time for storage team to manage archiving valued at \$63,787.** The work with Access required about 20% less time to accomplish the same tasks. At the outset, the organization put about 10% of its data on Access and increased that level to 30% in Year 2, reaching a total of 600 terabytes.

## Benefits And Costs



Avoided cost to renew and upgrade previous appliance:  
**\$328,439**



Reduced time for storage team to manage archiving:  
**\$63,787**



Total cost over three years:  
**\$246,098**



**ROI**  
**59%**



**Benefits PV**  
**\$392,226**



**NPV**  
**\$146,128**



**Payback**  
**16.0 months**

**Unquantified benefits.** The interviewed organization experienced the following benefits, which are not quantified for this study:

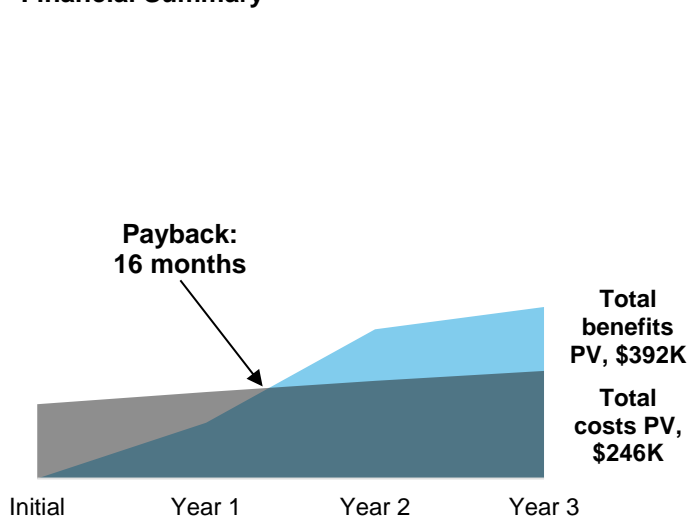
- › **Impacting the efficiency of supporting audit and compliance requirements.** At the time of this study, the interviewed executive indicated that using Veritas Access had not impacted the cost of supporting audits, but fully expects that, as the company undergoes additional audits, especially in the highly regulated healthcare industry, this benefit will become measurable.

**Costs.** The interviewed organization experienced the following risk-adjusted PV costs:

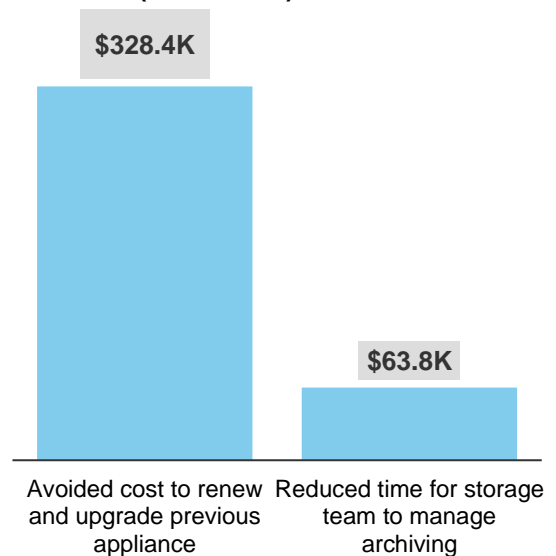
- › **Cost to purchase, implement, and maintain Veritas Access over three years totaling \$246,098.** The organization paid \$170,000 for the Access asset and an 18% maintenance fee each year.

Forrester’s interview with an existing customer and subsequent financial analysis found that the interviewed organization experienced benefits of \$392,226 over three years versus costs of \$246,098, adding up to a net present value (NPV) of \$146,128 and an ROI of 59%.

**Financial Summary**



**Benefits (Three-Year)**



The TEI methodology helps companies demonstrate, justify, and realize the tangible value of IT initiatives to both senior management and other key business stakeholders.

## TEI Framework And Methodology

From the information provided in the interview, Forrester has constructed a Total Economic Impact™ (TEI) framework for those organizations considering implementing Veritas Access.

The objective of the framework is to identify the cost, benefit, and risk factors that affect the investment decision. Forrester took a multistep approach to evaluate the impact that Access can have on an organization:



### **DUE DILIGENCE**

Interviewed Veritas stakeholders and Forrester analysts to gather data relative to Access.



### **CUSTOMER INTERVIEW**

Interviewed an organization using Access to obtain data with respect to costs, benefits, and risks.



### **FINANCIAL MODEL FRAMEWORK**

Constructed a financial model representative of the interview using the TEI methodology and risk-adjusted the financial model based on issues and concerns of the interviewed organization.



### **CASE STUDY**

Employed three fundamental elements of TEI in modeling Veritas Access's impact: benefits, costs, and risks. Given the increasing sophistication that enterprises have regarding ROI analyses related to IT investments, Forrester's TEI methodology serves to provide 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 Veritas 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 report to determine the appropriateness of an investment in Veritas Access.

Veritas 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.

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

# The Access Customer Journey

## BEFORE AND AFTER THE ACCESS INVESTMENT

### Interviewed Organization

For this study, Forrester interviewed a Veritas Access Appliance customer that:

- › Operates a series of medical clinics and hospitals in a major city in North America.
- › Grows both organically and through acquisition.
- › Works to consolidate multiple data centers.
- › Manages two petabytes of storage, including premium, flash-storage systems for operating data and lower-cost systems to archive data.

### Key Challenges

During the interview, the executive shared the following challenges and issues that led the organization to look for a new solution:

- › **Facing end-of-life for existing archival system.** The executive said: “We had two units from two different vendors. Both were reaching the end of their life, performed too slow and were tedious to manage. Thus, we were facing a renewal fee for products that were out of date and more expensive than Veritas. Changing was a no-brainer.”
- › **Using the most cost-effective and efficient system possible.** The executive told Forrester, “We needed a solution that was affordable storage and where we could dump shared files from users across the company. Because we were talking about stale files, we wanted the most cost-effective solution possible.”
- › **Struggling to get good customer support.** The executive described his experience as: “We would go online and file a request for support and they would get back to us hours later. And the quality of service was going downhill.”

“We needed a solution that was affordable storage and where we could dump shared files from users across the company. Because we were talking about stale files, we wanted the most cost-effective solution possible.”

*Director, storage management,  
healthcare company*



### Solution Requirements

The interviewed organization searched for a solution that:

- › **Provided good customer support.** The client described his organization’s reasoning: “We had other Veritas products and they performed well. It was kind of like having a specific brand of automobile that decides to start making airplanes. You might realize that the car was a great experience and try their new airplane just because of that history. Veritas has never failed me.”
- › **Was priced lower price than competitive solutions.** During the interview, the executive indicated that price was ultimately the criterion that swayed the decision. He indicated, “The technology from Veritas was as good or better than more expensive competitors, which made the decision very simple for us.”

## Key Results

The interview revealed that key results from the Access investment include:

- › **Responsive support from Veritas to resolve problems.** The executive continued: “Support from Veritas was great. We had a minor configuration problem on the system when it wasn’t picking up some of the key file attributes that we needed, but Veritas was very responsive, and we had it fixed and working perfectly within a couple weeks.”
- › **Effective graphical user interface.** He added: “The GUI is simple to understand and is user-friendly. Veritas created a demo for us when we were evaluating options and the GUI was a key feature in our decision.”
- › **Flexible methods for conducting customer support.** The executive also told Forrester: “Sometimes we just want people to show us. Veritas was willing to use a screen-sharing technology, which was important to us even though it wasn’t their normal approach. That’s good customer service and made it easy for my team. Everybody wants to find an easy button in life.”

“Support from Veritas was great. We had a minor configuration problem on the system when it wasn’t picking up some of the key file attributes that we needed, but Veritas was very responsive, and we had it fixed and working perfectly within a couple weeks.”

*Director, storage management,  
healthcare company*



# Analysis Of Benefits

## QUANTIFIED BENEFIT DATA

Total Benefits						
REF.	BENEFIT	YEAR 1	YEAR 2	YEAR 3	TOTAL	PRESENT VALUE
Atr	Avoided cost to renew and upgrade previous appliance	\$129,200	\$224,200	\$34,200	\$387,600	\$328,439
Btr	Reduced time for storage team to manage archiving	\$11,305	\$33,915	\$33,915	\$79,135	\$63,787
	Total benefits (risk-adjusted)	\$140,505	\$258,115	\$68,115	\$466,735	\$392,226

## Avoided Cost To Renew And Upgrade Previous Appliance

The interviewed organization told Forrester that its previous appliance had reached the end of life. The organization:

- › Paid a \$100,000 upgrade fee to extend the life of the previous appliance for about 18 months while the team reevaluated its approach.
- › Faced the requirement to purchase a newer appliance from the same vendor, which would have cost an additional \$200,000, which would have occurred in Year 2 of Forrester financial model.
- › Incurred annual maintenance costs of 18% of the asset purchase, resulting in a \$36,000 annual fee. It incurred this fee on the previous platform and would have paid the same on the new appliance, if it had made that purchase.

This model assumes that organizations have existing, aging appliances from other providers that required upgrading or replacing. To account for this risk, Forrester adjusted this benefit downward by 5%, yielding a three-year risk-adjusted total PV of \$328,439.

The table above shows the total of all benefits across the areas listed below, as well as present values (PVs) discounted at 10%. Over three years, the interviewed organization expects risk-adjusted total benefits to be a PV of \$392,226.

Impact risk is the risk that the business or technology needs of the organization may not be met by the investment, resulting in lower overall total benefits. The greater the uncertainty, the wider the potential range of outcomes for benefit estimates.

## Avoided Cost To Renew And Upgrade Previous Appliance: Calculation Table

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3
A1	Cost for system upgrade/renewal		\$100,000		
A2	Cost for purchasing replacement system			\$200,000	
A3	Annual maintenance cost	\$200,000*18%	\$36,000	\$36,000	\$36,000
At	Avoided cost to renew and upgrade previous appliance	A1+A2+A3	\$136,000	\$236,000	\$36,000
	Risk adjustment	↓5%			
Atr	Avoided cost to renew and upgrade previous appliance (risk-adjusted)		\$129,200	\$224,200	\$34,200



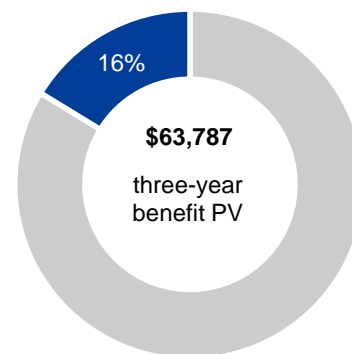
## Reduced Time For Storage Team To Manage Archiving

The features and capabilities built into Veritas Access impacted the productivity of the company's storage management team. Features that the company specially called out include:

- › Improved functionality from the graphical user interface.
- › Superior (more rapid and better quality) customer service.
- › Support adapting the product to meet requirements.

The interviewed executive told Forrester that Access positively impacted a team of seven people with an average burdened salary of \$85,000. In Year 1, 10% of storage was located on the Veritas appliance, but that increased to 30% in Year 2.

The result was a 20% reduction in time (increase in productivity) to perform the same tasks, which could vary based on the current operating methods used by readers. To account for this uncertainty, Forrester adjusted this benefit downward by 5%, yielding a three-year risk-adjusted total PV of \$63,787.



Reduced time for storage team to manage archiving: **16%** of total benefits

**Reduced Time For Storage Team To Manage Archiving: Calculation Table**

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3
B1	Storage management team members		7	7	7
B2	Percent of storage on Veritas system		10%	30%	30%
B3	Average burdened salary		\$85,000	\$85,000	\$85,000
B3	Reduced time spent doing the same tasks		20%	20%	20%
Bt	Reduced time for storage team to manage archiving	$B1*B2*B3*B4$	\$11,900	\$35,700	\$35,700
	Risk adjustment	↓5%			
Btr	Reduced time for storage team to manage archiving (risk-adjusted)		\$11,305	\$33,915	\$33,915

## Unquantified Benefits

In addition to the benefits outlined above, the interviewed executive shared other benefits that did not have specific financial implications. Specifically, the company benefited by:

- › **Impacting the efficiency of supporting audit and compliance requirements.** At the time of this study, the interviewed executive indicated that using Veritas Access had not impacted the cost of supporting audits, but fully expects that as the company undergoes additional audits, especially in the highly regulated healthcare industry, this benefit will become measurable.

Implementation risk is the risk that a proposed investment may deviate from the original or expected requirements, resulting in higher costs than anticipated. The greater the uncertainty, the wider the potential range of outcomes for cost estimates.

# Analysis Of Costs

## QUANTIFIED COST DATA

### Total Costs

REF.	COST	INITIAL	YEAR 1	YEAR 2	YEAR 3	TOTAL	PRESENT VALUE
Ctr	Cost to purchase and maintain	\$170,000	\$30,600	\$30,600	\$30,600	\$261,800	\$246,098
	Total costs (risk-adjusted)	\$170,000	\$30,600	\$30,600	\$30,600	\$261,800	\$246,098

### Cost To Purchase And Maintain Appliance

The organization incurred the following costs in its purchase of a Veritas Access appliance:

- › Capital expenditure of \$170,000 for a 600-terabyte appliance.
- › Maintenance fee of 18% per year costing \$30,600.

Implementation costs were included with the asset purchase.

Forrester did not risk-adjust this cost, yielding a three-year risk-adjusted total PV of \$246,098.

The table above shows the total of all costs across the areas listed below, as well as present values (PVs) discounted at 10%. Over three years, the interviewed organization expects risk-adjusted total costs to be a PV of \$246,098.

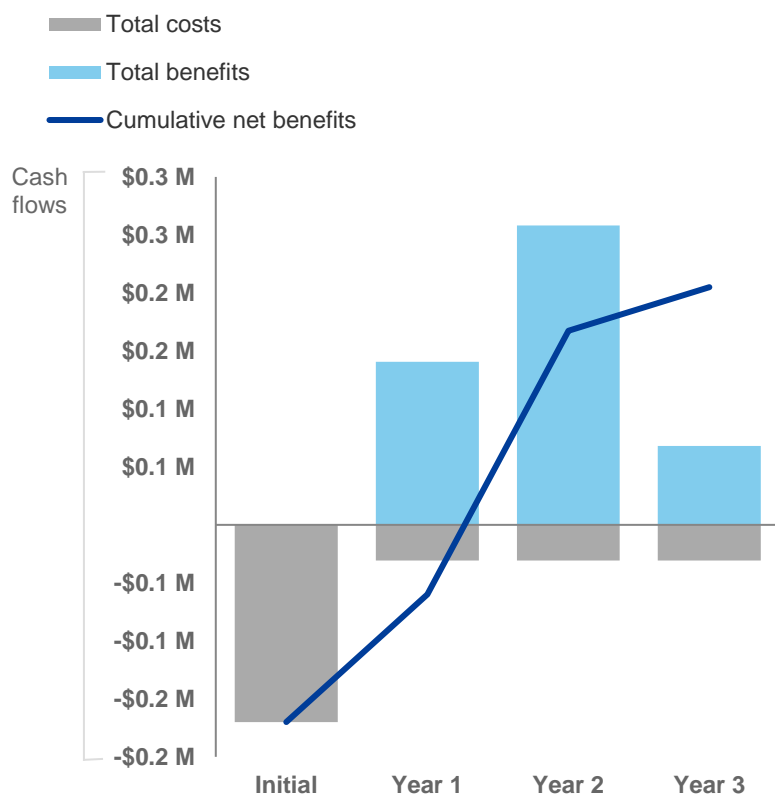
### Cost To Purchase And Maintain: Calculation Table

REF.	METRIC	CALC.	INITIAL	YEAR 1	YEAR 2	YEAR 3
C1	Cost to purchase appliance		\$170,000			
C2	Annual maintenance cost	\$170,000*18%		\$30,600	\$30,600	\$30,600
Ct	Cost to purchase and maintain appliance	C1+C2	\$170,000	\$30,600	\$30,600	\$30,600
	Risk adjustment	↑0%		□		
Ctr	Cost to purchase and maintain appliance (risk-adjusted)		\$170,000	\$30,600	\$30,600	\$30,600

# 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 interviewed 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 Table (Risk-Adjusted)

	INITIAL	YEAR 1	YEAR 2	YEAR 3	TOTAL	PRESENT VALUE
Total costs	(\$170,000)	(\$30,600)	(\$30,600)	(\$30,600)	(\$261,800)	(\$246,098)
Total benefits	\$0	\$140,505	\$258,115	\$68,115	\$466,735	\$392,226
Net benefits	(\$170,000)	\$109,905	\$227,515	\$37,515	\$204,935	\$146,128
ROI						59%
Payback period						16 months

# Veritas Access: Overview

The following information is provided by Veritas. Forrester has not validated any claims and does not endorse Veritas or its offerings.

The Veritas™ Access Appliance is a turnkey deployment of Veritas' software-defined Access scale-out network attached storage. The appliance is cost-optimized and tuned for high-capacity workloads like long-term retention (LTR), tape replacement, and archiving.

The Access Appliance fills a cost/performance gap between costly primary storage and economic (but lower-performing) tertiary storage like tape and public cloud. It allows large amounts (petabytes) of very cost-effective, on-premises storage while giving administrators a much lower RTO (recovery time objective). In short, the appliance provides performance comparable to primary storage with the cost profile of tape or cloud.

Like all Veritas appliances, Veritas™ Access 3340 Appliance comes with everything needed to begin using the system in production, including pretuned OS, security enhancements, simplified hardware and software monitoring, and the proven Veritas™ Access software. Veritas appliances are tested, tuned, deployed, and supported as a complete appliance — giving customers a solid, tested, optimized, and fully supported solution that can be deployed quickly. Features include:

- Reduced capex — cost-optimized and tuned for high-capacity workloads. Access delivers near-primary storage performance at or below the price point of tape and cloud.
- Highly scalable — The Veritas™ Access 3340 Appliance is a pay-as-you-grow appliance model that starts at 700 TB of usable capacity and scales to 2.8 PB.
- Reduced management costs — A single pane of glass to manage multiple instances, including integration with Veritas NetBackup™ and Veritas Enterprise Vault™.
- Veritas NetBackup integration — Provides complete, single-vendor solution with deep NBU integration for end-to-end optimization, simplified management, and streamlined support.
- Enterprise Vault™ integration — The Veritas Access 3340 Appliance also works as a primary archive store for Veritas Enterprise Vault, offering compliant and flexible storage for archive retention.
- Cost effective tape replacement — Replace and consolidate cumbersome and costly tape storage to meet demanding recovery time objectives.

# 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.