

FORRESTER®

The Total Economic Impact™ Of ScienceLogic SL1 For Capgemini

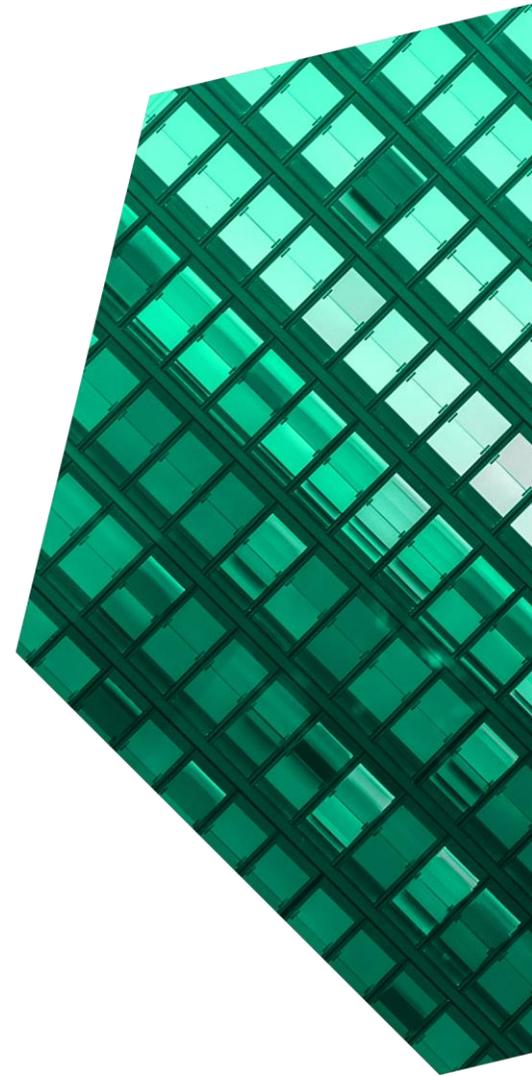
Cost Savings And Business Benefits
Enabled By SL1

JANUARY 2022

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*Consulting Team: Roger Nauth
Kris Peterson*



Executive Summary

ScienceLogic's SL1 is an AI for IT operations (AIOps) and infrastructure monitoring platform that significantly reduces enterprise efforts on IT incident management and resolution. The solution increases productivity by decreasing incident resolution time and by optimizing ticket creation, routing, rerouting, and automating triage and resolution workflows. SL1 reduces incident noise through proprietary functions such as behavioral correlation, dynamic threshold adjustment, and event suppression for false positives.

As the breadth and complexity of IT environments continue to grow, organizations face mounting challenges when maintaining infrastructure that are essential for driving business results. Incident noise from high numbers of unfiltered, ungrouped, and unprioritized events and tickets require extensive time from IT personnel to assess, prioritize, process, and resolve. SL1 helps organizations eliminate visibility gaps, simplify operations, reduce operating costs, reduce event and incident noise, avoid service impacting outages, and resolve incidents faster.

ScienceLogic commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) enterprises may realize by deploying SL1.¹ The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of SL1 on their organizations.

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed Nitin Sahane, the head of the global network operations center (NOC) at Capgemini, a global systems integrator, who has experience using SL1. Forrester used this experience to project a three-year financial analysis. The interviewee noted how their organization was experiencing operational challenges prior to using SL1, including:

- Visibility gaps due to too many siloed monitoring tools with limited IT estate coverage.
- No real-time business service visibility.

KEY STATISTICS



Return on investment (ROI)
111%



Net present value (NPV)
\$3.37M

- An inaccurate and incomplete configuration management database (CMDB).
- High mean time to resolve (MTTR).
- Slow response to users who notified IT of issues before IT was even aware of them.
- Slow to respond to business needs.

The investment in SL1 helped Capgemini achieve many business goals, including the enhancement of AIOps practices and transforming the firm's global IT NOC to reduce operational costs, deliver a better user experience, rapidly respond to business needs, replace and/or minimize tools, reduce event and incident noise, reduce MTTR, improve business service visibility, drive increased incident automation, and shift from being reactive to proactive.

KEY FINDINGS

Quantified benefits. Risk-adjusted present value (PV) quantified benefits include:

- **Avoided effort on ticket creation due to reduced incident noise, worth \$639,000 over three years.** With the reduction of 50,000 annual tickets to only 17,000 over three years through SL1’s extensive deduplication and correlation of events within a service context, Capgemini will have avoided 12,775 hours over those three years spent by business users creating pointless tickets.
- **Avoided effort on ticket routing and rerouting due to reduced incident noise, valued at \$1,277,000 over three years.** Capgemini will have avoided 25,550 hours of systems analysts’ time over three years routing tickets from SL1’s processing and 33,000 tickets with the reduction of incident noise.

\$2.4M avoided effort
 \$4M increased productivity
With SL1



- **Avoided effort due to reduced number of major incidents (SEV [severity] 1 or SEV 2), valued at \$475,000 over three years.** Capgemini experienced 250 major infrastructure performance incidents per year; 20%, 35%, and 50% of those were completely avoided by utilizing SL1 in Years 1, 2, and 3 respectively. With an average MTTR of 5 hours before SL1 is utilized and an average of seven FTEs working on each incident, nearly 7,000 total hours of resolution time are avoided.
- **Increased productivity from decreased MTTR for major incidents, worth \$985,000 over three years.** SL1 increased productivity by decreasing MTTR for the 200, 162, and 125 remaining major incidents in Years 1, 2, and 3 respectively, yielding total savings of over 14,000 hours.

- **Increased productivity from optimized routing and rerouting of tickets, valued at \$2,015,000 over three years.** After eliminating incident noise, SL1 was able to drive increased productivity for the remaining 35,000, 25,000, and 17,000 annual tickets in Years 1, 2, and 3, respectively, by saving half an hour that a systems analyst must take routing each ticket. This time savings yielded 38,500 hours.
- **Increased productivity from the optimization of ticket creation, worth \$1,007,000 over three years.** Increases in productivity are also gained by SL1’s optimization of ticket creation for the remaining 35,000, 25,000, and 17,000 annual tickets in Years 1, 2, and 3 respectively. Capgemini saved 19,250 hours creating tickets using SL1.

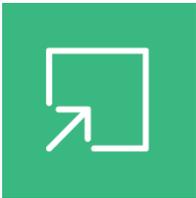
Unquantified benefits. Benefits that are not quantified for this study include:

- **Increased visibility and operational simplicity.** The implementation of SL1 provided Capgemini with improved visibility, including 40 new dashboards for technical and business use and the real-time monitoring of 100 critical services. Capgemini also was able to eliminate seven tools while unifying monitoring and visibility across new and legacy environments, which further accelerated incident assessment, prioritization, and resolution.
- **Better analytics.** Through SL1, Capgemini was able to establish a common operational data lake with consistent application of analytics across all data, which drove increased behavioral correlation of events within a service context and accelerated root-cause analysis.
- **Better IT workflow automation.** Capgemini was able to achieve increased IT workflow automation through multidirectional integrations with four other vendors. SL1 also enabled cost avoidance through data flow and workflow automation and

associated efficiency improvements with resource optimization and automatic CMDB maintenance.

Costs. Risk-adjusted PV costs include:

- **ScienceLogic SL1 software license.** Capgemini paid ScienceLogic SL1 software license fees of \$1,958,000 for Years 1 to 3.



SL1 license fees

\$1,958,000

- **ScienceLogic professional services, support, and maintenance costs.** Capgemini paid ScienceLogic \$614,000 for professional services, support, and maintenance expenses for SL1 implementation over three years, including full-time remote administrative services.
- **Hardware for SL1.** Given that the implementation was on-premises, the expense

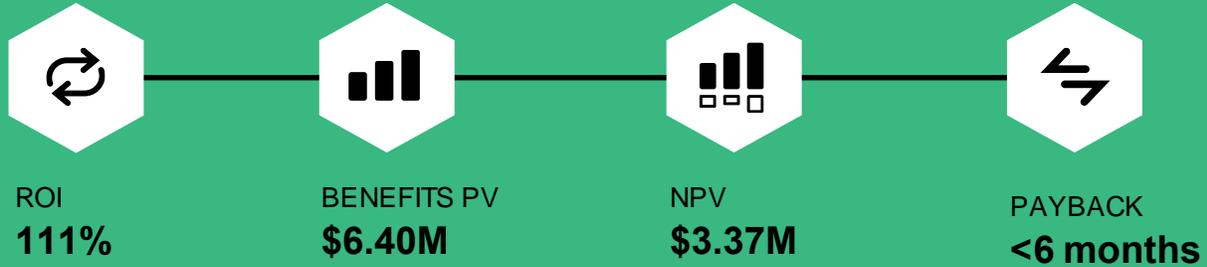
for the hardware on which SL1 was installed was \$243,000.

- **Internal labor costs to plan and deploy SL1.** Capgemini incurred initial internal labor costs to plan and deploy SL1 of \$84,000.
- **Resource time to develop and maintain workflow automation and customizations.** Capgemini spent \$131,000 over three years on the development and maintenance of workflow automation and customizations.

The interview and financial analysis found that the interviewees’ organization experiences benefits of \$6.40M over three years versus costs of \$3.03M, adding up to a net present value (NPV) of \$3.37M million and an ROI of 111%.

“SL1 has improved the organization’s critical IT estate monitoring from 30% to 100%, eliminating visibility gaps. It has supported new and legacy technologies and cloud services under one view.”

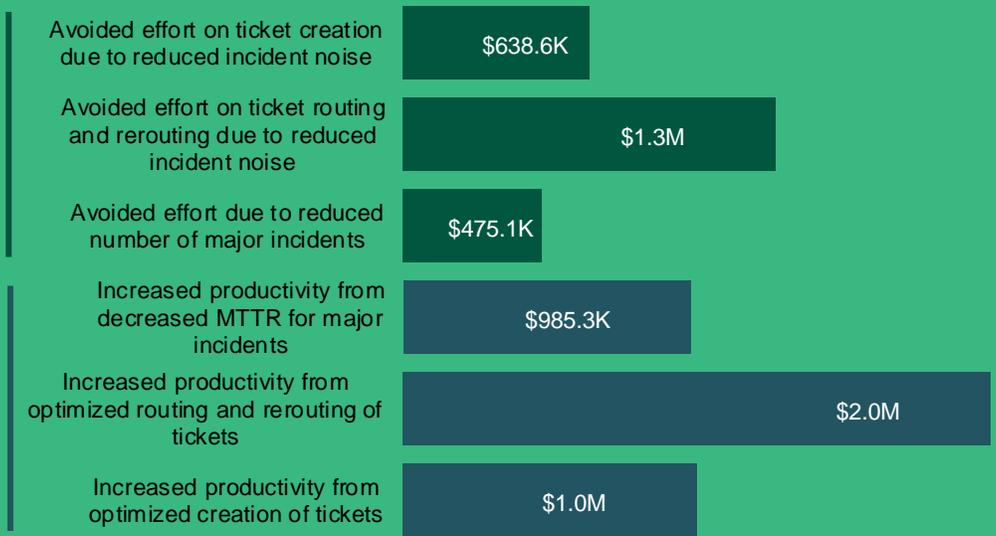
— Nitin Sahane, Head of NOC operations, Capgemini IT



Benefits (Three-Year)

These benefits are derived from SL1's significant elimination of incident noise and major incidents, items that the solution helps avoid completely.

These benefits are generated from SL1's ability to increase productivity by decreasing MTTR and optimizing ticket creation, routing, and rerouting on an ongoing basis.



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 SL1.

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 SL1 can have on an organization.

DISCLOSURES

Readers should be aware of the following:

This study is commissioned by ScienceLogic 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 SL1.

ScienceLogic 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.

ScienceLogic provided the customer name for the interview but did not participate in the interview.



DUE DILIGENCE

Interviewed ScienceLogic stakeholders and Forrester analysts to gather data relative to SL1.



DECISION-MAKER INTERVIEW

Interviewed the decision-maker of an organization using SL1 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 decision-maker.



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 ScienceLogic SL1 Customer Journey

■ Drivers leading to the SL1 investment

INTERVIEWEE'S ORGANIZATION

Forrester interviewed the head of the global NOC at Capgemini whose organization has the following characteristics:

- Global managed service provider with a complex and heterogenous environment.
- Multicultural and multiregional organization, with 20,000 people in North America, 100,000 in Europe, and 135,000 in India.
- IT group supports more than 22 global data centers and cloud platforms with 350 sites, 15,000 network assets, 12,000 servers, 300,000 endpoints, and over 400 corporate applications.

KEY CHALLENGES

The interviewee noted how Capgemini struggled with common challenges, including:

- **Visibility gaps and siloed monitoring tools.**
Capgemini had too many siloed monitoring tools and limited IT estate coverage, with only 30% of new technology deployments being monitored. There was no real-time business service visibility, and there was an inaccurate and incomplete CMDB.
- **High levels of incident noise and long MTTR.**
Capgemini was experiencing significant incident noise with over 50,000 incidents per year and 250 major infrastructure incidents per year. Particularly notable was that the average MTTR was 5 hours, involving 7 FTEs for each major infrastructure performance incident.
- **Inability to move beyond a reactive posture toward proactive business enablement.**
Capgemini was slow in their response to users who often are first to communicate issues and when addressing business' needs.

“We had too many visibility gaps and siloed monitoring tools. The organization had 30% IT estate coverage and 50K incident tickets annually, with significant event noise.”

Nitin Sahane, Head of NOC Operations, Capgemini IT

SOLUTION REQUIREMENTS/INVESTMENT OBJECTIVES

Capgemini searched for a solution that could:

- Provide a single monitoring platform for hybrid cloud and next-generation technologies with point solution integration capabilities.
- Include business service monitoring with cross-domain topology relationships that provide real-time service visibility, reduce noise, and accelerate root-cause analysis.
- Include an automation capability to support event correlation, enrichment, and auto healing.

USE CASE DESCRIPTION

Capgemini's use case was to improve service availability and performance across all infrastructure and applications through a uniform 24/7 incident monitoring and reporting service. Its IT group would provide timely and preemptive alerts to technical support groups and publish IT operational analytics, service availability reports, and dashboards for effective capacity planning. SL1 was deployed on-prem with primary setup in Mumbai, hardware and disaster recovery (DR) setup in Paris, and collectors across multiple data centers. The underlying infrastructure for all critical applications, such as human resources, procurement, and sales, were monitored using SL1.

Analysis Of Benefits

■ Quantified benefit data

Total Benefits						
Ref.	Benefit	Year 1	Year 2	Year 3	Total	Present Value
Atr	Avoided effort on ticket creation due to reduced incident noise	\$162,094	\$270,156	\$356,606	\$788,856	\$638,551
Btr	Avoided effort on ticket routing and rerouting due to reduced incident noise	\$324,188	\$540,313	\$713,213	\$1,577,713	\$1,277,102
Ctr	Avoided effort due to reduced number of major incidents	\$112,262	\$196,394	\$280,526	\$589,181	\$475,128
Dtr	Increased productivity from decreased MTTR for major incidents	\$304,637	\$405,270	\$497,012	\$1,206,918	\$985,288
Etr	Increased productivity from optimized routing and rerouting of tickets	\$1,080,625	\$771,875	\$524,875	\$2,377,375	\$2,014,646
Ftr	Increased productivity from optimized creation of tickets	\$540,313	\$385,938	\$262,438	\$1,188,688	\$1,007,323
	Total benefits (risk-adjusted)	\$2,524,117	\$2,569,945	\$2,634,668	\$7,728,730	\$6,398,038

AVOIDED EFFORT ON TICKET CREATION DUE TO REDUCED INCIDENT NOISE

Evidence and data. The deployment of SL1 provided Capgemini with an opportunity to avoid time spent by business users to create tickets because of the solution’s ability to significantly reduce incident noise.

- The interviewee told Forrester, “There is a 30% noise reduction with behavioral correlation.” This translates to Capgemini having reduced its volume of tickets from 50,000 to 35,000 in Year 1, 25,000 in Year 2, and 17,000 in Year 3.

- There was a 20% reduction in the number of reopened incidents. The solution helped prevent Capgemini from having to “[fix] the same problem over and over again.”

15 minutes

Average time spent creating tickets can be avoided with SL1

Modeling and assumptions. To calculate the value of this benefit, Forrester assumes the following:

- Capgemini reduces annual incident noise and avoids the creation of 15,000 tickets in Year 1, 25,000 in Year 2, and 33,000 in Year 3.

3x reduction in events

50K ► 17K

- It takes an average of 15 minutes for a support analyst to manually create and populate each ticket.
- Seventy percent of tickets are automatically created and populated.
- The average fully burdened hourly salary of a support analyst is \$65.

- The complexity of IT environments.
- The proliferation of incident noise, which can vary depending on organizations' systems, technologies, tools, and processes.

Results. To account for these risks, Forrester adjusted this benefit downward by 5%, yielding a three-year, risk-adjusted total PV of \$639,000.

Risks. The value of this benefit can vary across organizations due to differences in:

Avoided Effort On Ticket Creation Due To Reduced Incident Noise					
Ref.	Metric	Source	Year 1	Year 2	Year 3
A1	Annual number of tickets before SL1 processing of incident noise	Interview	50,000	50,000	50,000
A2	Annual number of tickets after SL1 incident noise processing	Interview	35,000	25,000	17,000
A3	Reduced incident noise due to SL1	A1-A2	15,000	25,000	33,000
A4	Average time support analyst avoided from process of creating each ticket (hours)	Interview	0.25	0.25	0.25
A5	Percent of tickets automatically created	Interview	70%	70%	70%
A6	Annual incident creation time avoided by reducing incident noise (hours)	A3*A4*A5	2,625	4,375	5,775
A7	Average fully burdened hourly salary of support analyst	TEI standard	\$65	\$65	\$65
At	Avoided effort on ticket creation due to reduced incident noise	A6*A7	\$170,625	\$284,375	\$375,375
	Risk adjustment	↓5%			
Atr	Avoided effort on ticket creation due to reduced incident noise (risk-adjusted)		\$162,094	\$270,156	\$356,606
Three-year total: \$788,856			Three-year present value: \$638,551		

AVOIDED EFFORT ON TICKET ROUTING AND REROUTING DUE TO REDUCED INCIDENT NOISE

Evidence and data. The deployment of SL1 enabled Capgemini to avoid 25,550 hours spent by support analysts on an annual basis when routing and rerouting tickets. The solution allowed them to significantly reduce incident noise from 50,000 tickets down to only 17,000.

Modeling and assumptions. To calculate the value of this benefit, Forrester assumes the following:

- Capgemini reduces annual incident noise and avoids the routing and rerouting of 15,000 tickets in Year 1, 25,000 tickets in Year 2, and 33,000 tickets in Year 3.

30 minutes

Average time spent routing and rerouting tickets - can be avoided with SL1

- It takes an average of 30 minutes for a support analyst to route and reroute each ticket.
- The average fully burdened hourly salary of a support analyst is \$65.
- The proliferation of incident noise, which can vary depending on organizations' systems, technologies, and processes.

Risks. The value of this benefit can vary across organizations due to differences in:

- The complexity of IT environments.

Results. To account for these risks, Forrester adjusted this benefit downward by 5%, yielding a three-year, risk-adjusted total PV of \$1,277,000.

Avoided Effort On Ticket Routing And Rerouting Due To Reduced Incident Noise					
Ref.	Metric	Source	Year 1	Year 2	Year 3
B1	Reduced incident noise due to SL1	A3	15,000	25,000	33,000
B2	Average time spent routing and rerouting tickets before SL1 (hours)	Interview	0.50	0.50	0.50
B3	Percent of tickets automatically routed by SL1	Interview	70%	70%	70%
B4	Annual incident time avoided by reducing incident noise (hours)	B1*B2*B3	5,250	8,750	11,550
B5	Average fully burdened hourly salary of support analyst	TEI Standard	\$65	\$65	\$65
Bt	Avoided effort on ticket routing and rerouting due to reduced incident noise	B4*B5	\$341,250	\$568,750	\$750,750
	Risk adjustment	↓5%			
Btr	Avoided effort on ticket routing and rerouting due to reduced incident noise (risk-adjusted)		\$324,188	\$540,313	\$713,213
Three-year total: \$1,577,713			Three-year present value: \$1,277,102		

AVOIDED EFFORT DUE TO REDUCED NUMBER OF MAJOR INCIDENTS

Evidence and data. With the help of SL1, the Capgemini IT team was able to significantly reduce the number of major infrastructure performance incidents per year by proactively exposing these service-impacting issues and enabling faster root-cause identification and resolution through behavioral correlation. The interviewee told Forrester that SL1 is responsible for their organization avoiding 20% of major incidents in Year 1, 35% in Year 2, and 50% in Year 3 — this is a notable achievement given that an average of seven FTEs were originally involved in diagnosing and resolving incidents.

Modeling and assumptions. To calculate the value of this benefit, Forrester assumes the following:

- Capgemini's IT group processes 250 annual major infrastructure performance incidents (SEV 1 or SEV 2).

Reduction of major infrastructure performance incidents:

- 20% by Year 1**
- 35% by Year 2**
- 50% by Year 3**

- Twenty percent or 50 of these incidents are avoided in Year 1, 35% or 88 in Year 2, and 50% or 125 in Year 3 with SL1.
- The MTTR for these incidents averages 5 hours involving seven FTEs prior to SL1.
- Seventy-five percent of the MTTR involves FTEs actively working on major incident resolution. MTTR measures the elapsed time from incident ticketing to resolution and may include time when work is being passed to other team members, resulting in periods of inactivity during this elapsed time.
- The average fully burdened hourly salary of a blend of experienced IT team members is \$90.
- The nature of the major incidents, which will vary across organizations and their IT groups.
- The ability of organizations to assign staff to other value-added tasks.
- The level of effort and time that FTEs in different organizations are dedicated to working on and resolving major incidents.
- The levels and associated compensation of FTEs involved in resolving major incidents as well as the number of FTEs assigned to such incidents.

Results. To account for these risks, Forrester adjusted this benefit downward by 5%, yielding a three-year, risk-adjusted total PV of \$475,000.

Risks. The value of this benefit can vary across organizations due to differences in:

Avoided Effort Due To Reduced Number Of Major Incidents					
Ref.	Metric	Source	Year 1	Year 2	Year 3
C1	Number of major infrastructure performance incidents per year before SL1	Interview	250	250	250
C2	Portion of major level incidents avoided by utilizing SL1	Interview	20%	35%	50%
C3	Number of major infrastructure performance incidents avoided by SL1	C1*C2	50	88	125
C4	MTTR per major incident before SL1 (hours)	Interview	5	5	5
C5	Percentage of MTTR in which FTEs are actively working on major incident resolution	Forrester custom research	75%	75%	75%
C6	Average FTEs involved in each major incident before SL1	Interview	7	7	7
C7	Total annual resolution time avoided for major incidents after SL1 (hours)	C3*C4*C5*C6	1,313	2,297	3,281
C8	Average fully burdened hourly salary of experienced IT team member	TEI Standard	\$90	\$90	\$90
Ct	Avoided effort due to reduced number of major incidents	C7*C8	\$118,170	\$206,730	\$295,290
	Risk adjustment	↓5%			
Ctr	Avoided effort due to reduced number of major incidents (risk-adjusted)		\$112,262	\$196,394	\$280,526
Three-year total: \$589,181			Three-year present value: \$475,128		

INCREASED PRODUCTIVITY FROM DECREASED MTTR FOR MAJOR INCIDENTS

Evidence and data. Capgemini experienced increased productivity from SL1’s behavioral correlation capabilities by accelerating root-cause analysis and decreasing FTEs and MTTR for the major infrastructure performance incidents not completely avoided. The head of the global NOC at Capgemini told Forrester:

- Capgemini experienced 250 major infrastructure performance incidents per year.
- The average MTTR prior to SL1 implementation was between 4 to 6 hours, or 5 hours on average. Additionally, they said, “Our target is to reduce MTTR to less than 3 hours.”
- “For major incidents [the MTTR after SL1] was less than 4 hours in Year 1, with expectations to be 3 hours in Year 2, and 2 hours in Year 3. We intend to optimize it further.”
- Before SL1, “For any major incident, mostly three to four teams get involved with approximate participation from six to eight FTEs.”
- The number of FTEs is gradually decreasing to five in Years 1 and 2 and expected to be four in Year 3.

Modeling and assumptions. To calculate the value of this benefit, Forrester assumes the following:

- Capgemini experiences 250 major infrastructure performance incidents per year, excluding the 20-35% avoided with SL1.
- The MTTR for these incidents averages 5 hours involving seven FTEs prior to SL1. With SL1, the MTTR is gradually reduced to only 2 hours and the FTEs are reduced to four.
- Seventy-five percent of the MTTR involves FTEs actively working on major incident resolution.
- The average fully burdened hourly salary of a blend of experienced IT team members is \$90.

Risks. The value of this benefit can vary across organizations due to differences in:

- The nature of the major incidents, which will vary across organizations and their IT groups.
- The ability of organizations to assign staff to other value-added tasks.
- The level of effort and time that FTEs in different organizations are dedicated to working on and resolving major incidents.
- The levels and associated compensation of FTEs involved in resolving major incidents as well as the number of FTEs assigned to such incidents.

Results. To account for these risks, Forrester adjusted this benefit downward by 5%, yielding a three-year, risk-adjusted total PV of \$985,000.

>14,000 hours

Reduction in MTTR for major incidents with SL 1

Increased Productivity From Decreased MTTR For Major Incidents					
Ref.	Metric	Source	Year 1	Year 2	Year 3
D1	Number of major infrastructure performance incidents per year before SL1	Interview	250	250	250
D2	Number of major infrastructure performance incidents avoided by SL1	C3	50	88	125
D3	Remaining number of major infrastructure performance incidents per year	D1-D2	200	162	125
D4	MTTR per major incident before SL1 (hours)	Interview	5	5	5
D5	MTTR per major incident after SL1 (hours)	Interview	4	3	2
D6	Reduction in MTTR from deploying SL1 (hours)	D4-D5	1	2	3
D7	Percentage of MTTR in which FTEs are actively working on major incident resolution	Forrester custom research	75%	75%	75%
D8	Average FTEs involved in each major incident before SL1	Interview	7	7	7
D9	Average FTEs involved in each major incident after SL1	Interview	5	5	4
D10	Reduction in FTEs involved in each major incident	D8-D9	2	2	3
D11	Total MTTR for major incidents before SL1 (hours)	D1*D4*D7*D8	6,563	6,563	6,563
D12	Total MTTR for major incidents after SL1 (hours)	D3*D5*D7*D9	3,000	1,823	750
D13	Total reduction in MTTR for major incidents (hours)	D11-D12	3,563	4,740	5,813
D14	Average fully burdened hourly salary of experienced systems analyst	TEI standard	\$90	\$90	\$90
Dt	Increased productivity from decreased MTTR for major incidents	D13*D14	\$320,670	\$426,600	\$523,170
	Risk adjustment	↓5%			
Dtr	Increased productivity from decreased MTTR for major incidents (risk-adjusted)		\$304,637	\$405,270	\$497,012
Three-year total: \$1,206,918			Three-year present value: \$985,288		

INCREASED PRODUCTIVITY FROM OPTIMIZED ROUTING AND REROUTING OF TICKETS

Evidence and data. Capgemini experienced increased productivity benefits for the significant number of remaining tickets that the firm’s IT group must process on an ongoing basis; which excludes the incident noise avoided with SL1 as discussed above. According to the interviewee, half an hour is saved routing and routing each ticket with SL1.

Modeling and assumptions. To calculate the value of this benefit, Forrester assumes the following:

- The annual number of tickets reduces over time from 35,000 in Year 1 to 25,000 in Year 2 to 17,000 in Year 3.
- Thirty minutes are saved routing and rerouting each ticket with SL1.
- A support analyst with an \$65 average hourly rate routes each ticket.

Risks. The value of this benefit can vary across organizations due to differences in:

- The ability of organizations to assign staff to other value-added tasks.
- The nature and complexity of the incidents and ability to route these incidents correctly.
- The average fully burdened annual salaries and hourly rates of those users who are routing tickets.

39,000 hours of productivity

Gained by optimizing ticket routing and rerouting with SL1

Results. To account for these risks, Forrester adjusted this benefit downward by 5%, yielding a three-year, risk-adjusted total PV of \$2,015,000.

Increased Productivity From Optimized Routing And Rerouting Of Tickets					
Ref.	Metric	Source	Year 1	Year 2	Year 3
E1	Annual number of tickets after SL1	Interview	35,000	25,000	17,000
E2	Average time spent routing and rerouting tickets before SL1 (hours)	Interview	0.50	0.50	0.50
E3	Average annual time saved routing and rerouting tickets with SL1	E1*E2	17,500	12,500	8,500
E4	Average fully burdened hourly salary of support analyst	TEI standard	\$65	\$65	\$65
Et	Increased productivity from optimized routing and rerouting of tickets	E3*E4	\$1,137,500	\$812,500	\$552,500
	Risk adjustment	↓5%			
Etr	Increased productivity from optimized routing and rerouting of tickets (risk-adjusted)		\$1,080,625	\$771,875	\$524,875
Three-year total: \$2,377,375			Three-year present value: \$2,014,646		

INCREASED PRODUCTIVITY FROM OPTIMIZED CREATION OF TICKETS

Evidence and data. Capgemini experienced increased productivity benefits from SL1’s capability to automatically create and populate the significant number of remaining tickets that the firm’s business users must continue to process on an ongoing basis; which excludes the incident noise avoided with SL1 as discussed above. According to the head of the global NOC at Capgemini, 15 minutes of a business

user’s time are saved when creating each ticket with SL1, allowing for a large productivity gain across Capgemini with 35,000 to 17,000 tickets being created every year.

Modeling and assumptions. To calculate the value of this benefit, Forrester assumes the following:

- The annual number of tickets reduces over time from 35,000 in Year 1 to 25,000 in Year 2 to 17,000 in Year 3.

- Fifteen minutes is saved creating each ticket with SL1.
- A support analyst with a \$65 average hourly rate creates each ticket.

Risks. The value of this benefit can vary across organizations due to differences in:

- The ability of organizations to assign staff to other value-added tasks.
- The average fully burdened annual salaries and hourly rates of those users who are creating tickets.

Results. To account for these risks, Forrester adjusted this benefit downward by 5%, yielding a three-year, risk-adjusted total PV of \$1,007,000.

19,250 hours of productivity

Gained by optimizing ticket creation with SL1

Increased Productivity From Optimized Creation Of Tickets					
Ref.	Metric	Source	Year 1	Year 2	Year 3
F1	Annual number of tickets after SL1	Interview	35,000	25,000	17,000
F2	Average time saved creating each ticket (hours)	Interview	0.25	0.25	0.25
F3	Average annual time saved creating tickets (hours)	F1*F2	8,750	6,250	4,250
F4	Average fully burdened hourly salary of support analyst	TEI standard	\$65	\$65	\$65
Ft	Increased productivity from optimized creation of tickets	F3*F4	\$568,750	\$406,250	\$276,250
	Risk adjustment	↓5%			
Ftr	Increased productivity from optimized creation of tickets (risk-adjusted)		\$540,313	\$385,938	\$262,438
Three-year total: \$1,188,688			Three-year present value: \$1,007,323		

UNQUANTIFIED BENEFITS

Additional benefits Capgemini experienced but was unable to quantify include:

- **Increased visibility and operational simplicity.** The interviewee discussed how SL1 improved the “critical IT estate monitoring from 30% to 100%, eliminating visibility gaps; while supporting new and legacy technologies, and cloud services under one view.” This involved the elimination of seven tools used for monitoring and the

development of over 40 new dashboards that provided Capgemini with technical and business data and reports. Through unified monitoring and visibility, they further accelerated incident assessment, prioritization, and resolution.

- **Better analytics.** SL1 enabled Capgemini to have a common operational data lake with consistent application of analytics across all data, which drove increased behavioral correlation of

events within service context and accelerated root-cause analysis.

- **Better IT workflow automation.** The implementation of SL1 drove cost avoidance and faster root-cause analysis through multidirectional integrations with additional core vendors' solutions. In addition, SL1 enabled cost avoidance through data flow and workflow automation and associated efficiency improvements, including resource optimization and automatic CMDB maintenance.

FLEXIBILITY

Capgemini has experienced increased agility due to the SL1 platform's built-in flexibility:

- Easier to integrate new and emerging technologies into the platform.
- More able to integrate and automate workflows with other IT management ecosystem tools.
- Freedom to switch out other tools in the future, if required.
- Flexibility to apply analytics consistently across all data, including future data integrated into the platform.
- Easier to configure to support changing business requirements.

Flexibility would also be quantified when evaluated as part of a specific project (described in more detail in [Appendix A](#)).

7 tools eliminated
100 critical services monitored in real-time

Analysis Of Costs

■ Quantified cost data

Total Costs							
Ref.	Cost	Initial	Year 1	Year 2	Year 3	Total	Present Value
Gtr	ScienceLogic SL1 software license	\$0	\$787,500	\$787,500	\$787,500	\$2,362,500	\$1,958,396
Htr	ScienceLogic professional services, support, and maintenance costs	\$42,000	\$344,400	\$163,800	\$163,800	\$714,000	\$613,528
Itr	Hardware for SL1	\$168,000	\$52,500	\$32,550	\$0	\$253,050	\$242,628
Jtr	Internal labor costs to plan and deploy SL1	\$84,000	\$0	\$0	\$0	\$84,000	\$84,000
Ktr	Resource time to develop and maintain automation and customizations	\$0	\$52,500	\$52,500	\$52,500	\$157,500	\$130,560
	Total costs (risk-adjusted)	\$294,000	\$1,236,900	\$1,036,350	\$1,003,800	\$3,571,050	\$3,029,112

SCIENCELOGIC SL1 SOFTWARE LICENSE

Evidence and data. ScienceLogic charged an annual SL1 software license fee of \$750,000 annually for Years 1 through 3.

Modeling and assumptions. This cost was valued using data provided by Capgemini and ScienceLogic.

Risks. The value of this cost can vary across organizations due to:

- Preferred pricing if the customer is a desirable tier 1 client.

- Changes in license pricing as customer organizations grow and require additional functionality.

Results. To account for these risks, Forrester adjusted this cost upward by 5%, yielding a three-year, risk-adjusted total PV of \$1,958,000.

ScienceLogic SL1 Software License

Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
G1	ScienceLogic SL1 software license	Interview		\$750,000	\$750,000	\$750,000
Gt	ScienceLogic SL1 software license	G1		\$750,000	\$750,000	\$750,000
	Risk adjustment	↑5%				
Gtr	ScienceLogic SL1 software license (risk-adjusted)		\$0	\$787,500	\$787,500	\$787,500
Three-year total: \$2,362,500			Three-year present value: \$1,958,396			

SCIENCELOGIC PROFESSIONAL SERVICES, SUPPORT, AND MAINTENANCE COSTS

Evidence and data. Capgemini paid ScienceLogic fees for various professional services, support, and maintenance expenses for the implementation of SL1.

- Professional services were \$172,000 in Year 1.
- Ongoing support and maintenance costs were \$40,000 initially, \$328,000 in Year 1, and then \$156,000 annually in Years 2 and 3.

Modeling and assumptions. This cost was valued using data provided by Capgemini and ScienceLogic.

Risks. The value of this cost can vary across organizations due to:

- The scope of services, such as whether and how much remote access and admin services are necessary.
- The required professional support services required for ongoing implementation and change management.

Results. To account for these risks, Forrester adjusted this cost upward by 5%, yielding a three-year, risk-adjusted total PV of \$614,000.

ScienceLogic Professional Services, Support, And Maintenance Costs

Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
H1	ScienceLogic professional services	Interview		\$172,000	\$0	\$0
H2	ScienceLogic ongoing support and maintenance costs (including Remote Access and Admin)	Interview	\$40,000	\$156,000	\$156,000	\$156,000
Ht	ScienceLogic professional services, support, and maintenance costs	H1*H2	\$40,000	\$328,000	\$156,000	\$156,000
	Risk adjustment	↑5%				
Htr	ScienceLogic professional services, support, and maintenance costs (risk-adjusted)		\$42,000	\$344,400	\$163,800	\$163,800
Three-year total: \$714,000			Three-year present value: \$613,528			

HARDWARE FOR SL1

Evidence and data. The upfront cost for the hardware on which SL1 was installed was \$160,000. Hardware upgrade costs were \$50,000 and \$31,000 in Years 1 and 2.

Modeling and assumptions. This cost was valued using data provided by Capgemini and ScienceLogic.

Risks. The value of this cost can vary across organizations due to:

- Existing hardware infrastructure available at the customer organization.

- Whether the customer organization operates in an on-prem, cloud, or hybrid model.

Results. To account for these risks, Forrester adjusted this cost upward by 5%, yielding a three-year, risk-adjusted total PV of \$243,000.

Hardware For SL1						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
I1	Hardware for SL1	Interview	\$160,000	\$50,000	\$31,000	\$0
It	Hardware for SL1	I1	\$160,000	\$50,000	\$31,000	\$0
	Risk adjustment	↑5%				
Itr	Hardware for SL1 (risk-adjusted)		\$168,000	\$52,500	\$32,550	\$0
Three-year total: \$253,050			Three-year present value: \$242,628			

INTERNAL LABOR COSTS TO PLAN AND DEPLOY SL1

Evidence and data. Capgemini incurred initial internal labor costs to plan and deploy SL1 amounting to \$80,000.

Modeling and assumptions. This cost was valued using data provided by Capgemini.

Risks. The value of this cost can vary across organizations due to:

- The average fully burdened annual salaries and hourly rates of the FTEs who are planning and deploying SL1.

- The dedication of the available FTEs on the planning and deployment of the tool.

Results. To account for these risks, Forrester adjusted this cost upward by 5%, yielding a three-year, risk-adjusted total PV of \$84,000.

Internal Labor Costs To Plan And Deploy SL1						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
J1	Internal labor costs to plan and deploy SL1	Interview	\$80,000			
Jt	Internal labor costs to plan and deploy SL1	J1	\$80,000	\$0	\$0	\$0
	Risk adjustment	↑5%				
Jtr	Internal labor costs to plan and deploy SL1 (risk-adjusted)		\$84,000	\$0	\$0	\$0
Three-year total: \$84,000			Three-year present value: \$84,000			

RESOURCE TIME TO DEVELOP AND MAINTAIN AUTOMATION AND CUSTOMIZATIONS

Evidence and data. Capgemini spent \$50,000 annually on the development and maintenance of automation and customizations.

Modeling and assumptions. This cost was valued using data provided by Capgemini.

Risks. The value of this cost can vary across organizations due to:

- The average fully burdened annual salaries and hourly rates of the FTEs who are developing and

maintaining the automation and customizations in SL1.

- The level of dedication or focus of the customer organization’s available FTEs on the development and maintenance of automation and customizations of SL1.

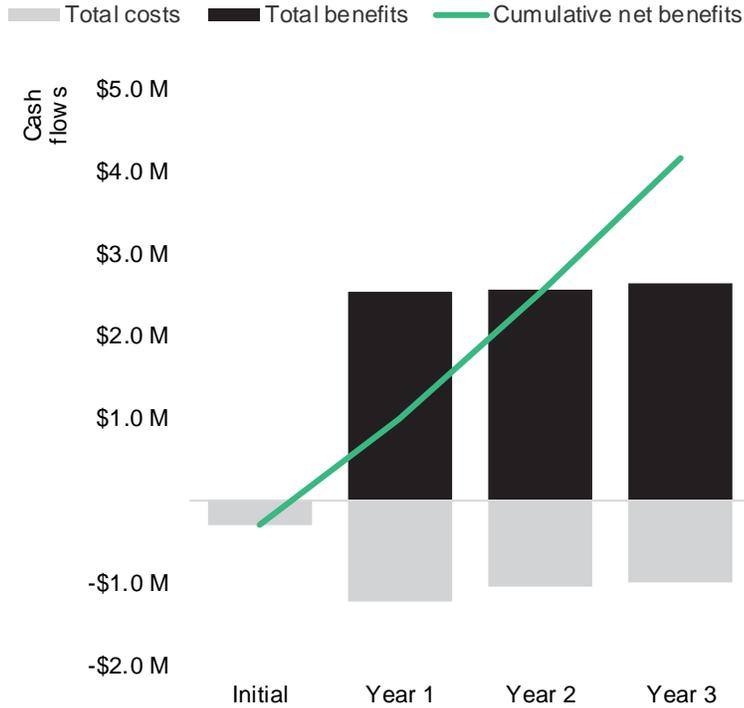
Results. To account for these risks, Forrester adjusted this cost upward by 5%, yielding a three-year, risk-adjusted total PV of \$131,000.

Resource Time To Develop And Maintain Automation And Customizations						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
K1	Resource time to develop automations and customizations	Interview		\$50,000	\$50,000	\$50,000
Kt	Resource time to develop and maintain automation and customizations	K1		\$50,000	\$50,000	\$50,000
	Risk adjustment	↑5%				
Ktr	Resource time to develop and maintain automation and customizations (risk-adjusted)		\$0	\$52,500	\$52,500	\$52,500
Three-year total: \$157,500			Three-year present value: \$130,560			

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 Capgemini'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	(\$294,000)	(\$1,236,900)	(\$1,036,350)	(\$1,003,800)	(\$3,571,050)	(\$3,029,112)
Total benefits	\$0	\$2,524,117	\$2,569,945	\$2,634,668	\$7,728,730	\$6,398,038
Net benefits	(\$294,000)	\$1,287,217	\$1,533,595	\$1,630,868	\$4,157,680	\$3,368,926
ROI						111%

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.

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