Forrester Explains the Total Economic Impact™ of Working with AWS Customer Enablement Services

Guest Speakers:

William Martorelli, Analyst, Forrester

Casey Sirotnak, Consultant, Forrester

AWS Speaker:

Anu Kohli, Customer Enablement Marketing Leader

April 2021
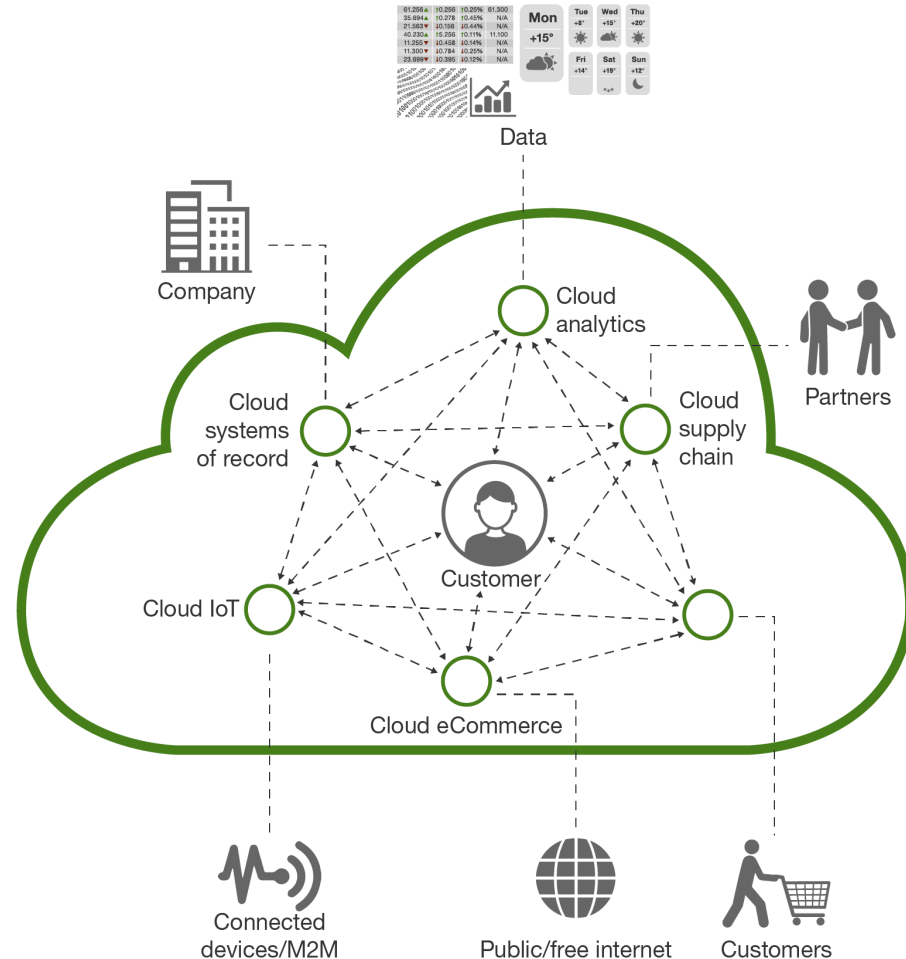
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State of Enterprise Cloud Adoption

Bill Martorelli, Analyst Forrester

Cloud Transformation: The Big Picture

Cloud powers the new connected economy

The fastest digital businesses create connected cloud ecosystems with their customers at the center.

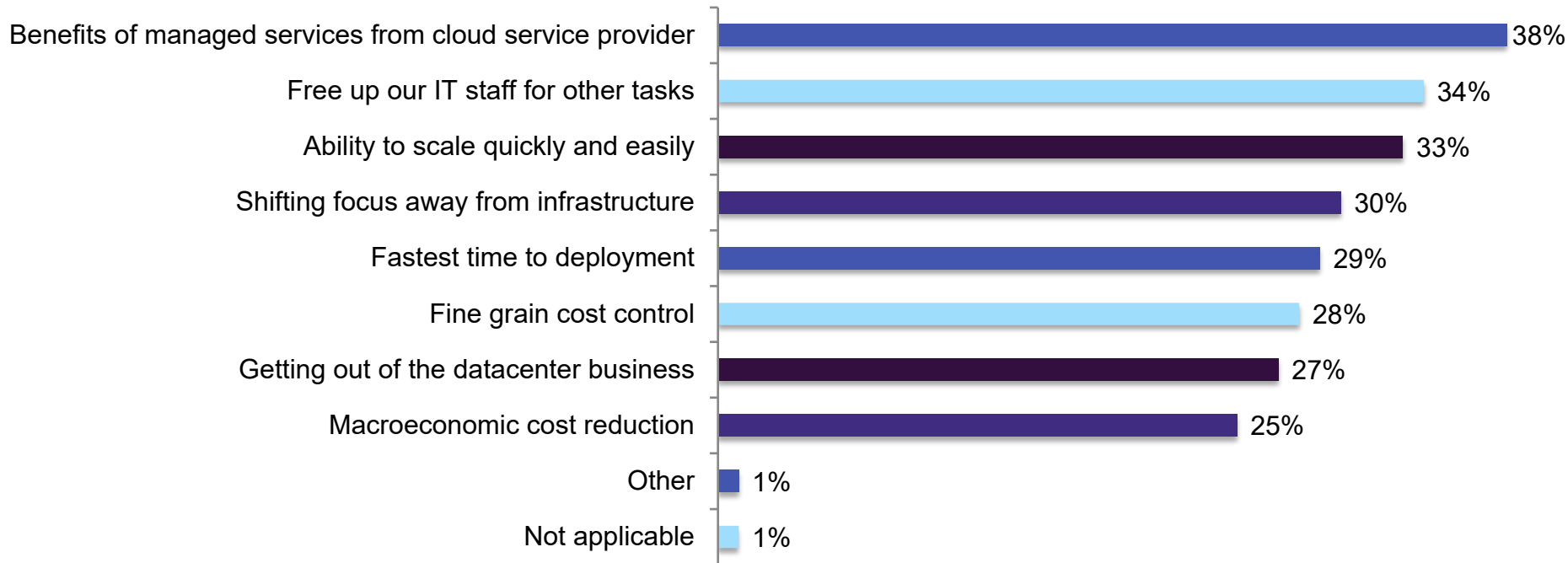Cloud-powered transformation tops the CIO agenda in 2021

Why Cloud? Access to advanced features & scalability drive migration

What are/were the key reasons driving your organization towards the migration to a cloud computing infrastructure?
Source: Business Technographics Infrastructure Survey, 2020
Base: 1189 Infrastructure decision-makers whose firms are adopting cloud platform(s) in France, Germany and the UK
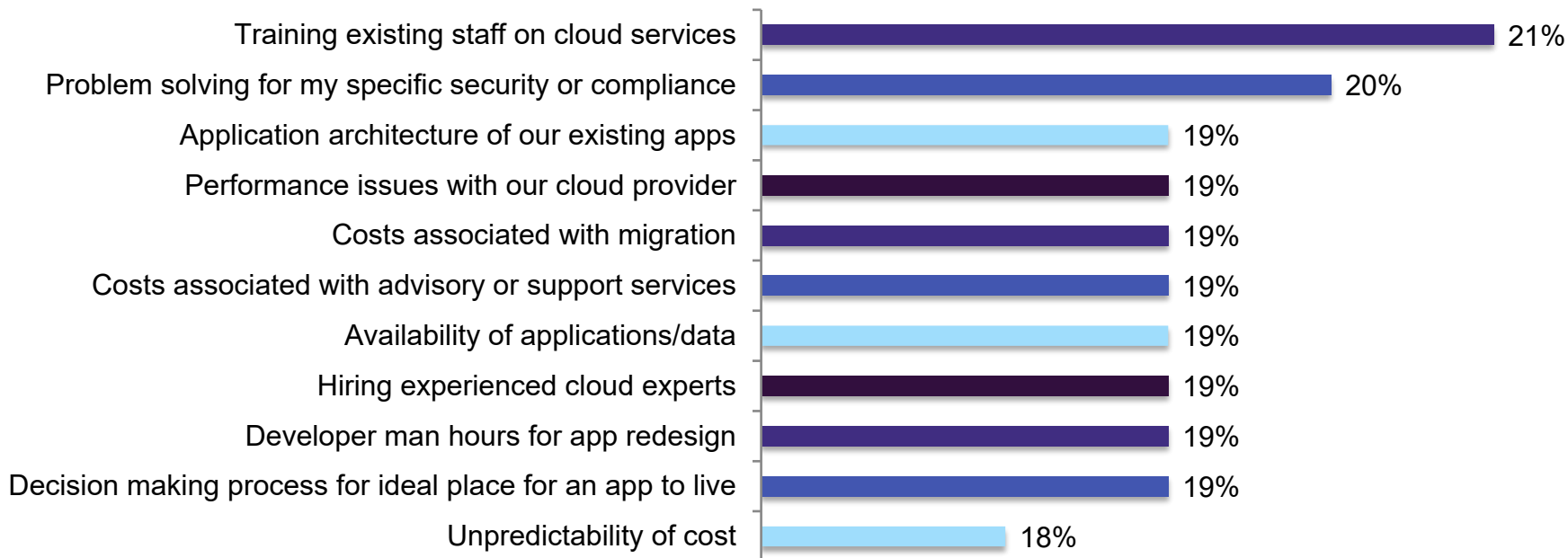
Benefits of managed services from cloud service provider	38%
Free up our IT staff for other tasks	34%
Ability to scale quickly and easily	33%
Shifting focus away from infrastructure	30%
Fastest time to deployment	29%
Fine grain cost control	28%
Getting out of the datacenter business	27%
Macroeconomic cost reduction	25%
Other	1%
Not applicable	1%

What are the major challenges in migrating to the cloud (1)?

What are the biggest challenges faced by your organization or anticipated to be faced by your organization when moving workloads to the public cloud?
Source: Business Technographics Infrastructure Survey, 2020
Base: 2652 Infrastructure decision-makers whose firms are migrating to public cloud
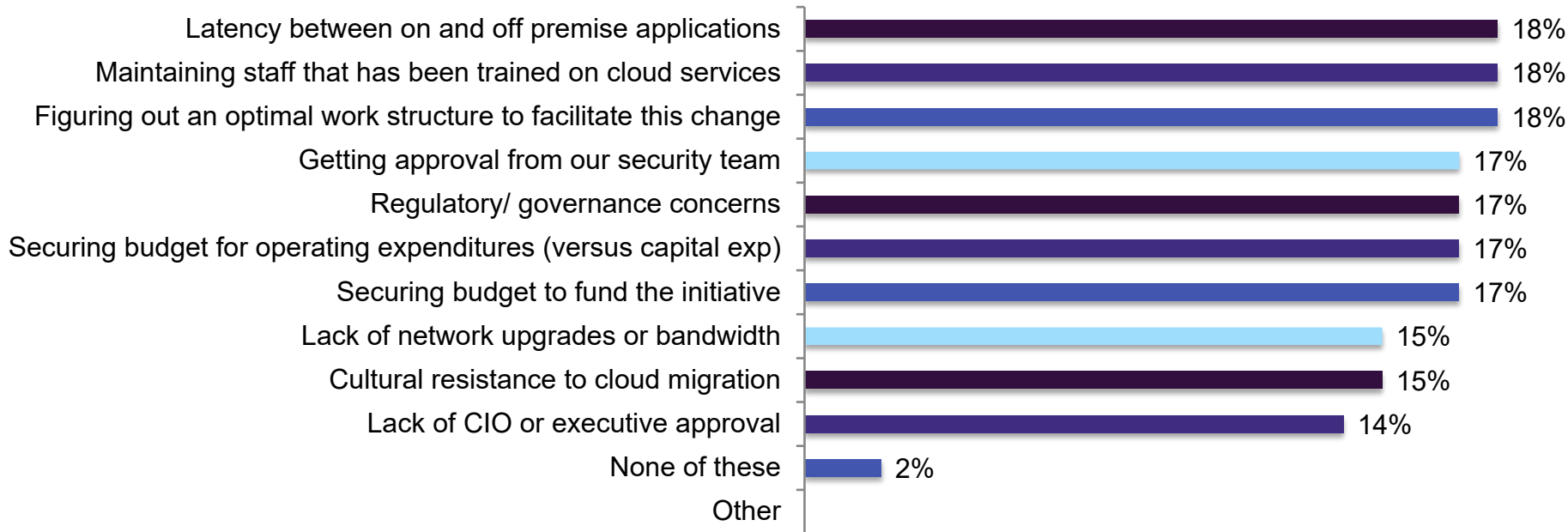
Challenge	Percentage
Training existing staff on cloud services	21%
Problem solving for my specific security or compliance	20%
Application architecture of our existing apps	19%
Performance issues with our cloud provider	19%
Costs associated with migration	19%
Costs associated with advisory or support services	19%
Availability of applications/data	19%
Hiring experienced cloud experts	19%
Developer man hours for app redesign	19%
Decision making process for ideal place for an app to live	19%
Unpredictability of cost	18%

TECHNOGRAPHICS

What are the major challenges in migrating to the cloud (2)?

What are the biggest challenges faced by your organization or anticipated to be faced by your organization when moving workloads to the public cloud?
Source: Business Technographics Infrastructure Survey, 2020
Base: 2652 Infrastructure decision-makers whose firms are migrating to public cloud

Challenge	Percentage
Latency between on and off premise applications	18%
Maintaining staff that has been trained on cloud services	18%
Figuring out an optimal work structure to facilitate this change	18%
Getting approval from our security team	17%
Regulatory/ governance concerns	17%
Securing budget for operating expenditures (versus capital exp)	17%
Securing budget to fund the initiative	17%
Lack of network upgrades or bandwidth	15%
Cultural resistance to cloud migration	15%
Lack of CIO or executive approval	14%
None of these	2%
Other	

FORRESTER® ANALYTICS

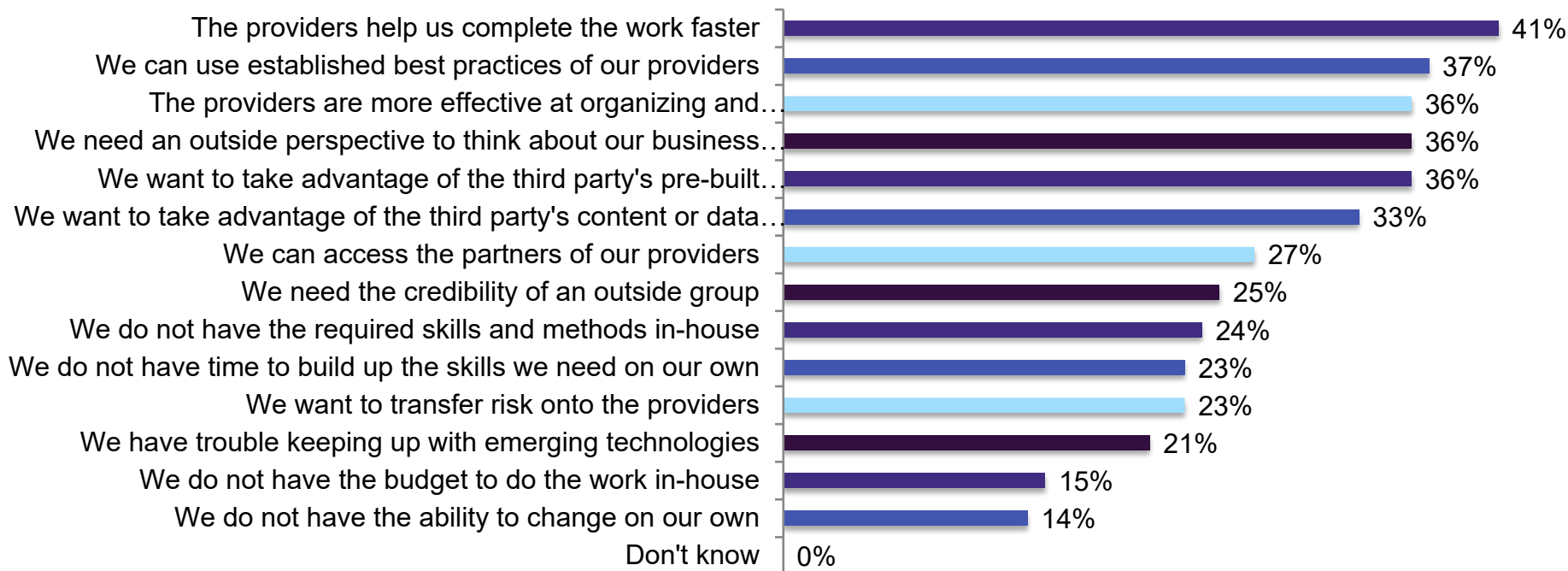# What's holding companies back from migrating faster?

―――

1. Lack of skills to migrate existing workloads or modernize legacy apps.

2. Inexperience with cloud cost models and cloud optimization.

3. Difficult to establish security and compliance policies in cloud

4. Lack of funding for cloud migration services and tools.

5. Resistance from existing operations teams unsure how to manage cloud.
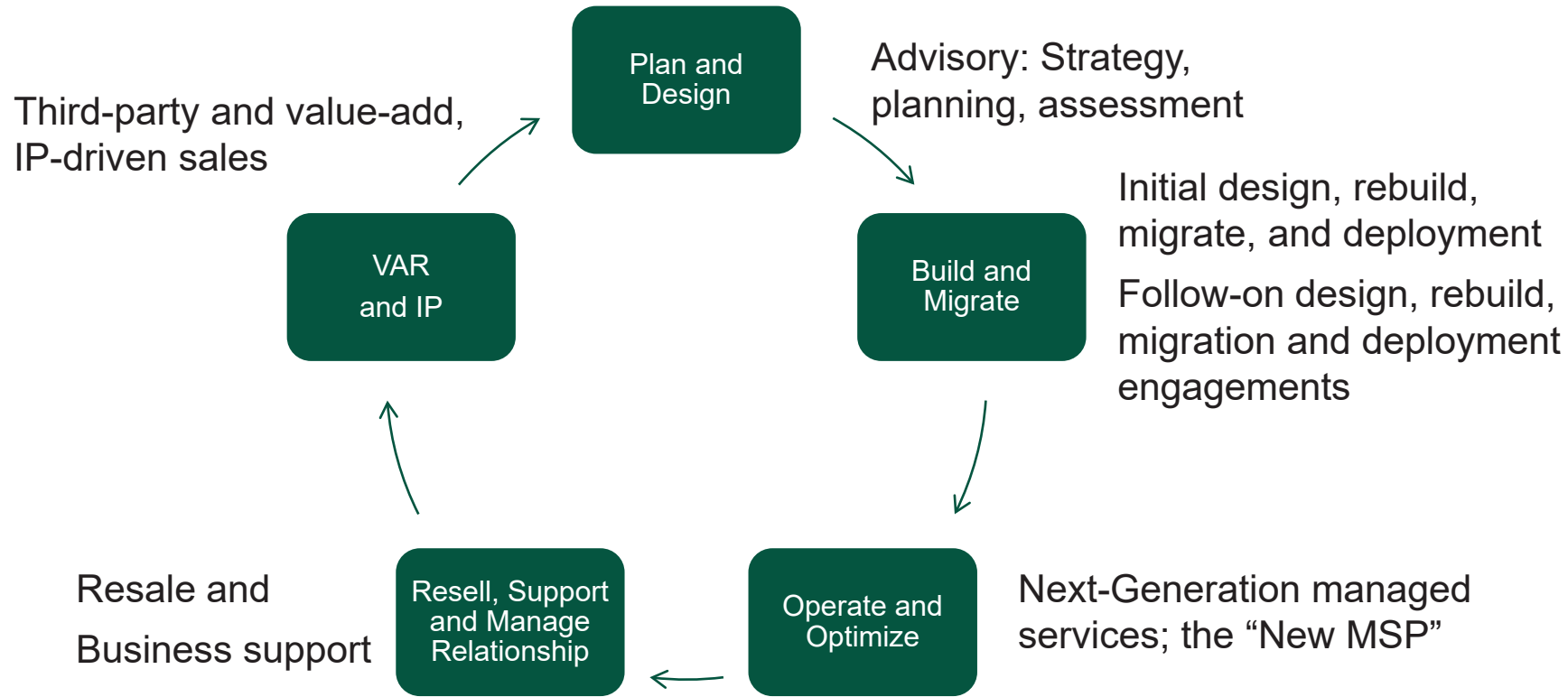
TECHNOGRAPHICS

Benefits of using third-party service providers are many

What do you see as the primary benefit(s) of using third-party service providers?
Source: Business Technographics Business And Technology Services Survey, 2020
Base: 2801 Services decision-makers

Benefit	Percentage
The providers help us complete the work faster	41%
We can use established best practices of our providers	37%
The providers are more effective at organizing and…	36%
We need an outside perspective to think about our business…	36%
We want to take advantage of the third party's pre-built…	36%
We want to take advantage of the third party's content or data…	33%
We can access the partners of our providers	27%
We need the credibility of an outside group	25%
We do not have the required skills and methods in-house	24%
We do not have time to build up the skills we need on our own	23%
We want to transfer risk onto the providers	23%
We have trouble keeping up with emerging technologies	21%
We do not have the budget to do the work in-house	15%
We do not have the ability to change on our own	14%
Don't know	0%

FORRESTER® ANALYTICS

Cloud services often follow a sequential adoption pattern

Plan and Design

Advisory: Strategy, planning, assessment

Build and Migrate

Initial design, rebuild, migrate, and deployment

Follow-on design, rebuild, migration and deployment engagements

Operate and Optimize

Next-Generation managed services; the "New MSP"

Resell, Support and Manage Relationship

Resale and Business support

VAR and IP

Third-party and value-add, IP-driven sales

TECHNOGRAPHICS

Using third-party service providers accelerates digital transformation

Which of the following have had the biggest impact on your organization's digital transformation successes?
Source: Business Technographics Business And Technology Services Survey, 2020
Base: 2655 Services decision-makers who are involved in their organization's digital transformation efforts

Category	Percentage
Working with third-party services providers	36%
Using cloud wherever possible	36%
Involving employees early on	30%
Using an Agile process	29%
Support of executive sponsorship	29%
Assembling cross-functional teams	28%
Establishing outcomes/metrics before we began work	28%
Involving customers early on	25%
Using design-thinking	22%
None of these	1%
Other	0%

FORRESTER ANALYTICS

Customers are pursuing three parallel enterprise strategies
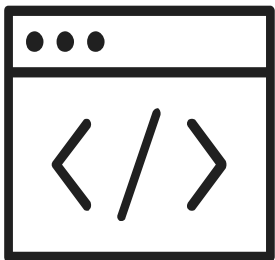
Build new cloud-native apps

"How do we build once and run anywhere?"
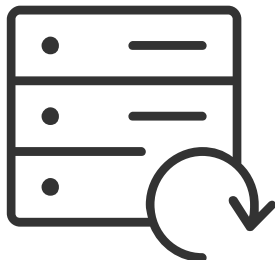
Migrate existing infrastructure

"How do we optimize infrastructure to free innovation funds?"
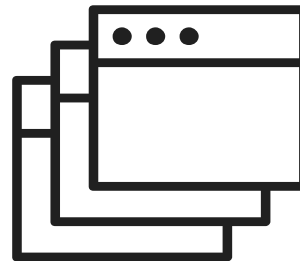
Modernize existing legacy apps

"How do we use cloud-native tech to modernize old apps?"

IT Leaders Are At Different Stages Of The Journey

Identifying

"We have **begun the process** of creating a full inventory of applications. We are also eliminating redundant applications. We are **identifying the business value** and function of each application and optimizing our resources against our applications."
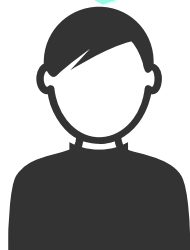
Overhauling

"We have completed stripping out legacy code and rewriting several applications to run in a cloud environment, **but we still have a lot of work to do.**"

Leading

"The most successful improvements are **the integration of artificial intelligence to our applications**, which helps us to get an insight of customer spending pattern. **Machine learning** helps us to analyze data and recommend the best products to meet our customer needs."

Thank You.

Bill Martorelli
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AWS Customer Enablement
Migrate and build faster in the cloud

AWS Professional Services
Accelerate your business outcomes

AWS Support
People, technology, and programs to optimize and secure your environment

AWS Managed Services
Operate your AWS infrastructure on your behalf

AWS IQ
On-demand help from AWS Certified third-party experts

AWS Training and Certification
Build skills and validate expertise

AWS Partners
A global network with deep AWS expertise

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AWS Professional Services
Packaged Offerings to accelerate business outcomes

✓ 100+ Proven Solutions

✓ Packaged based on best practices developed over 1000s of Engagements

✓ Designed to deliver pre-defined Customer outcomes

✓ Everything customers need – playbook, content, artifacts, references, guidance

✓ Leverage AWS Professional Services standardized delivery methodology

Migration
- Migration Readiness Assessment
- Migration Readiness Planning
- Well Architected Framework
- 50 Apps in 50 Days

Security & Infrastructure
- Executive Security Workshop
- Enterprise Security Blueprint
- Security Epics Accelerators
- Risk Governance and Compliance

Advisory
- Cloud Adoption Framework
- People, Product, Operating Model
- Cloud Foundation Team
- Governance at Scale

Emerging Technologies
- AI/ML, Blockchain and IoT
- Data Lake and Analytics
- SAP, Hadoop, Teradata, Redshift
- Amazon Chime, Connect, Neptune

Modernization
- Application Architecture
- Microservices Enablement & Discovery
- AWS Containers
- AppSync for Data Driven Mobile Apps

Industry/Verticals
- Manufacturing Process Improvement
- HIPAA and Genomics on AWS
- Video on Demand, Digital Publishing
- AWS for Energy (Oil & Gas)

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AWS Premium Support

At AWS, we want you to be successful. Our Premium Support plans are designed to give you the right mix of tools and access to expertise so that you can be successful with AWS while optimizing performance, managing risk, and keeping costs under control. Basic Support is included for all AWS customers at no cost

Developer

Recommended if you are experimenting of testing in AWS and want the ability to get technical support during business hours as well as general architectural guidance as you build and test

Business

Recommended if you have production workloads in AWS and 24x7 access to technical support and architectural guidance in context of your use-case

Enterprise

Recommended if you have business and/or mission critical workloads in AWS and want consultative architectural guidance and designated Technical Account Manager

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AWS Managed Services

Augment infrastructure operations domains

Provisioning/onboarding

100+ security & operational guard rails & compliance checks

Monitoring/alerting

Insights & cost optimization—on average 25% savings

88% self-service automation

Patch & backup—100% compliant

Change management

Incident management—47% proactively detected

Service integration

Designated Cloud Architect & Service Delivery Manager

Operational compliances:

ISO   HIPAA   AICPA SOC   PCI   DPC Digital Preservation Coalition   GDPR   NIST   CIS   FR FedRAMP   HITRUST

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AWS Training & Certification

Enable your team with the right training developed by the experts at AWS

Digital training

Free, on-demand courses so your team can learn about the latest services when and where it's convenient

Classroom training

In-person and virtual training from instructors who teach your team in a hands-on learning environment

AWS Certification

Identify skilled professionals to lead cloud initiatives using AWS

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The Total Economic Impact Of AWS Customer Enablement Services

Casey Sirotnak

Consultant, TEI

April, 2021

Agenda

Introduction

What is TEI?

Executive summary

Customer journeys

Financial summary

Question and answer

Please note:
This slide presentation is an abridged, graphical, and complementary representation of a case study.

For a full explanation of methodology and details on model calculations, please refer to the full case study (The Total Economic Impact of AWS Customer Enablement Services, December 2020)

What is TEI?

Understanding the methodology behind the study

"Next-level" business case justifications are increasingly important for technology investments

Over 90% of IT decision makers find value in a business case

Somewhat unimportant, 4%   Not at all important, 3%

Somewhat important, 33%

Very important, 60%
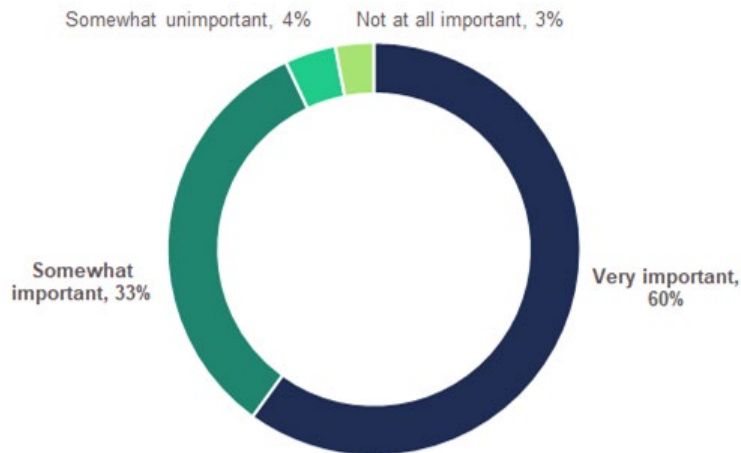
What is an **effective** business case?

		TCO	ROI	TEI
IT impact	IT costs	✓	✓	✓
	IT cost savings	✓	✓	✓
Business impact	User efficiency		✓	✓
	Business effectiveness		✓	✓
Risk/ uncertainty	Risk mitigation			✓
	Risk versus reward			✓
Strategic impact	Scalability			✓
	Flexibility			✓

TEI™ is a proven, consistent, repeatable methodology to justify technology investments

TOTAL ECONOMIC IMPACT

- **+** BENEFITS
- **−** COSTS
- **↗** FLEXIBILITY
- **✓** RISK
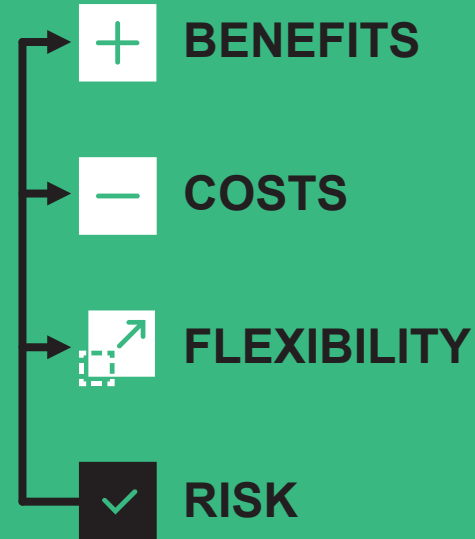
Project approach

Forrester took a multistep approach to evaluate the impact of AWS Customer Enablement Services

DUE DILIGENCE

CUSTOMER INTERVIEWS

COMPOSITE AND FINANCIAL MODEL

WRITE CASE STUDY

REVIEW AND FINALIZE
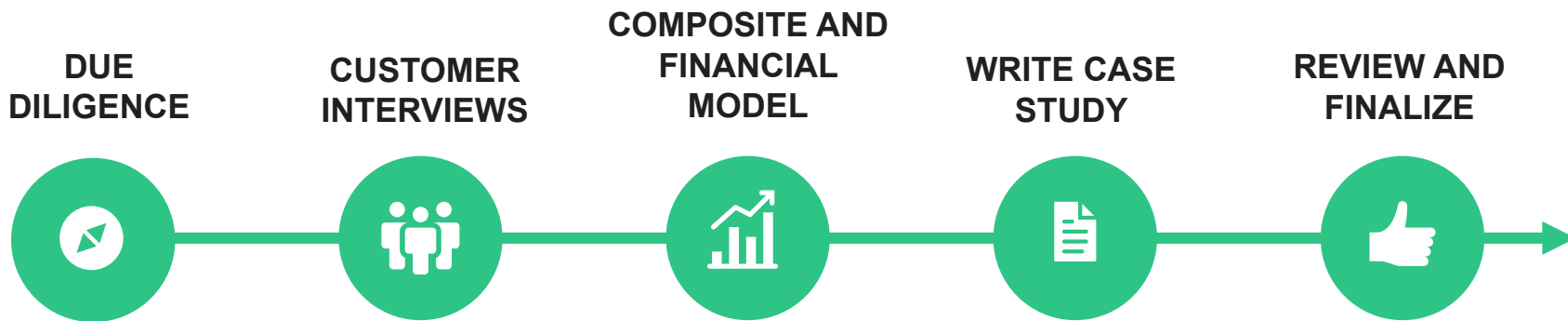
Disclosures

The audience should be aware of the following:

- This document is an abridged webinar version of a full case study (The Total Economic Impact of AWS Customer Enablement Services, December 2020).

- The study is commissioned by AWS and delivered by the Forrester Consulting group.

- Forrester makes no assumptions as to the potential return on investment that other organizations will receive. Forrester strongly advises that readers should use their own estimates within the framework provided in the report to determine the appropriateness of an investment in AWS Customer Enablement Services.

- AWS 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.

- The customer names for the interviews was provided by AWS.

- Forrester does not endorse AWS.

Executive Summary

The key results delivered for this study

Cloud is an innovation engine and key enabler of digital transformation.

- Companies use cloud to build new and compelling customer experiences, modernize aging applications, and drive down infrastructure costs.

- However, organizations struggle to migrate apps to cloud, secure them, and deliver excellent user experience on their own.*

- Organizations look to trusted partners to
  - Understand cloud services
  - Migrate workloads quickly and safely
  - Secure apps and data
  - Manage apps easily at scale

  In order to transform into a more agile, responsive, and cloud native organization.

Business case definitions 101

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.

Forrester has determined the following three-year impact from investing in AWS Customer Enablement Services:

ROI
136%

BENEFITS PV
$28.2M

NPV
$16.2M

"If we were going to hire experts, the thought was: 'Why not hire them from the people who are already plugged into and know our AWS environment?' They can call the developer at any point and get the best training and the best resources, and they have the most skin in the game."

— Executive manager of enterprise technology, financial services

Customer journeys

What Forrester heard from current AWS Customer
Enablement Services customers

Forrester interviewed 7 current users of AWS Customer Enablement Services

Financial Services, North America HQ
- AWS Customer Enablement Services used:
  - AWS Professional Services
  - AWS Training and Certification
  - AWS Enterprise Support

Financial Services, Australia HQ
- AWS Customer Enablement Services used:
  - AWS Professional Services
  - AWS Training and Certification
  - AWS Enterprise Support
  - AWS Managed Services

Energy, Australia HQ
- AWS Customer Enablement Services used:
  - AWS Professional Services
  - AWS Training and Certification
  - AWS Enterprise Support
  - AWS Managed Services

Information Services, North America HQ
- AWS Customer Enablement Services used:
  - AWS Professional Services
  - AWS Training and Certification
  - AWS Enterprise Support

Automotive, North America HQ
- AWS Customer Enablement Services used:
  - AWS Professional Services
  - AWS Training and Certification
  - AWS Enterprise Support

Oil and gas, Europe HQ
- AWS Customer Enablement Services used:
  - AWS Professional Services
  - AWS Training and Certification
  - AWS Enterprise Support

Professional Services, Europe HQ
- AWS Customer Enablement Services used:
  - AWS Professional Services
  - AWS Training and Certification
  - AWS Enterprise Support

Customer journey

The interviewees shared experiences from before and after the AWS Customer Enablement Services investment:

PROJECT GOALS

- **Build** cloud-native applications quickly and safely.
- **Migrate** legacy applications and infrastructure out of costly legacy enterprise data centers with less risk of failure.
- **Operate** applications and infrastructure in the cloud efficiently and effectively.
- **Secure** cloud environments throughout the initial cloud migration journey and beyond.
- **Train** multiple internal development and operations teams to use cloud effectively.

KEY CHALLENGES

- Limited in-house cloud talent.
- Skills gaps in internal teams.
- Inconsistent development strategies within internal teams.

"We had run our own internal data centers for a number of years, and we had come to the conclusion that we were never going to be able to keep running it with just our internal teams."

*-VP of cloud engineering, financial services*

KEY RESULTS

- Improved speed for application development and data center migration.
- Optimized usage of cloud environment.
- Enabled faster innovation efforts.
- Accelerated cost savings.
- Enhanced security.
- Better system performance.
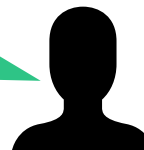
Creating a business case for AWS Customer Enablement Services

Forrester created a composite organization to convey the aggregate financial analysis
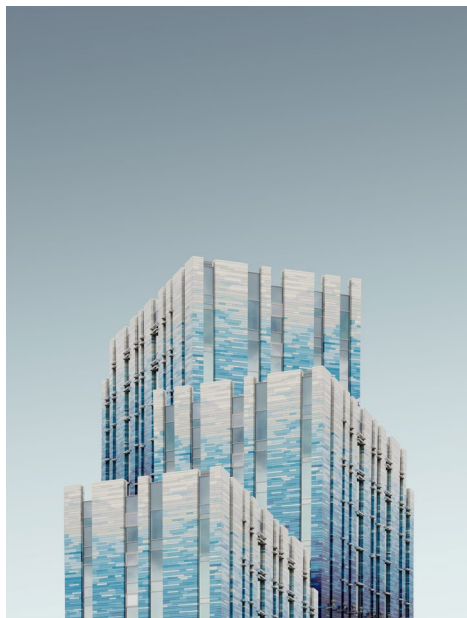
DESCRIPTION OF COMPOSITE

- Global, billion-dollar industry-agnostic organization
- Looked to become cloud-native to better meet business needs

PROJECT CHARACTERISTICS

- Build a cloud environment from scratch and migrate 5,000 servers to the new environment.
- Thousands of applications to operate in cloud environment
- Core teams of 25 DevOps employees

Creating a business case for AWS Customer Enablement Services

Characteristics of the AWS partnership to enable a cloud transformation.

AWS PROFESSIONAL SERVICES

- Migrates an initial set of applications to the cloud.
- Documents a model for future migrations.
- Optimizes legacy applications for the cloud.
- Builds cloud-native applications.

AWS MANAGED SERVICES

- Provides 24/7 monitoring for critical applications (including business applications).
- Delivers additional resources and assistance in operations, obtaining compliance, and building out landing zones.
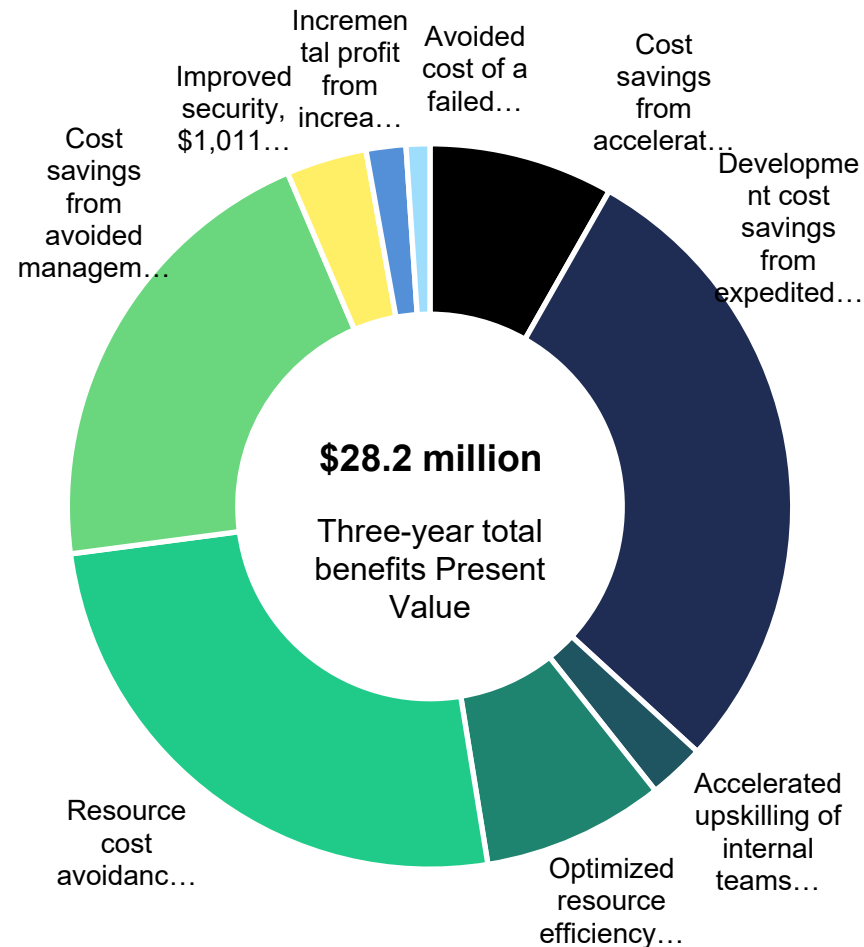
AWS ENTERPRISE SUPPORT

- Provides continuous guidance, planning and operational support throughout the entire transformation.
- Assists in identifying issues and mitigating incidents in applications not managed by AWS Managed Services.

AWS TRAINING AND CERTIFICATION

- Helps internal teams build new skills, learn, apply best practices, and continually optimize the cloud environment throughout the transformation.

Three-year risk-adjusted benefits

Based on interviews with current customer organizations, as applied to the composite

Cost savings from avoided managem…

Improved security, $1,011…

Incremental profit from increa…

Avoided cost of a failed…

Cost savings from accelerat…

Development cost savings from expedited…

$28.2 million

Three-year total benefits Present Value

Accelerated upskilling of internal teams…

Optimized resource efficiency…

Resource cost avoidanc…

Utilizing AWS Professional Services and AWS Managed Services accelerates migration to the cloud, resulting in cost savings:

Cost savings from a cloud migration are realized **one year earlier** when engaging with AWS Customer Enablement Services when compared with conducting a migration project in-house

"Particularly in the early days, there were not a lot of accredited cloud people within the organization. AWS Professional Services brought accredited skills into the mix, and it also helped us understand how we should migrate those applications using AWS best practices."

- Executive manager of enterprise technology, financial services

Working with AWS Professional Services, AWS Enterprise Support and AWS Training & Certification expedites project timelines, resulting in development cost savings:

Three months saved per large project when using AWS Professional Services

One month saved per small project when using AWS Professional Services

"The biggest value AWS Professional Services brings in is the cost of not doing it wrong [and] the cost of redo. We spend so much money on development. And when you are doing something new, you know you are essentially building the first version just to throw it away. AWS Professional Services helped us minimize the resulting rework, which saved us tens of millions of dollars easily."

- Cloud technology steward, automotive

Leveraging AWS Training & Certification streamlines the training approach, accelerating the upskilling of internal teams and employees:

15% reduction in training spend with AWS Training & Certification

Twelve months saved on training cloud teams with AWS Training & Certification

"AWS Training and Certification creates internal capability. That is the original intent: to build real capability on the ground so that as we're investing more and more into the cloud, we have people in-house who are knowledgeable and able to build and operate those environments."

- Executive manager, enterprise tech, financial services

Engaging with AWS Customer Enablement Services to operate the cloud environment optimizes resource efficiencies:

50% efficiency gain for the operational team due to the ability to offset the management of applications for tasks such as monitoring, patching, backup, security, and incident management to AWS

"Once we got to the cloud, we needed to understand how things would work in the cloud so that when things would fail, we would know how to deal with it. AWS knows its stuff. A lot of its activities are automated, or it has dashboards or data feeds that tell [AWS representatives] if we have a problem. It also very quickly identifies what's going on and how we can fix it or it gives us links to its documentation."

- AWS platform manager, oil and gas

Scaling existing teams to meet peak and project-based needs through AWS enables organizations to avoid carrying unnecessary headcount, find the right skills fast, and maintain flexibility in their new environments:

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20 FTEs avoided by utilizing AWS Professional Services and AWS Managed Services for cloud resources

"With AWS Managed Services, we get 24/7 operational support for critical applications without having to hire two to three extra FTE to monitor core applications through shift work, which people are reluctant to do. We do not have a multi-time zone staff, so we would have been negatively impacting people's work-life balance."

- Head of cloud and infrastructure operations, energy

Retiring legacy infrastructure management tools to make way for more efficient cloud operations with AWS leads to cost savings:

20% avoided in additional management infrastructure due to AWS Managed Services

"If I had to go and build a patch management solution, that would require some infrastructure. If I had to build an automated backup solution, that would require a lot of infrastructure."

- Executive general manager, financial services*

Access to AWS expertise, technology, best practices and dedicated resources improves overall security in the cloud environment:

32% reduction in the cost of a security breach with the use of security automation*

31% further reduction in the cost of a breach due to reliance on an incidence response team that follows an incidence response plan*

"With the different technologies available to us with AWS Managed Services, we're doing user audits and intrusion detection we could not do before. And the security tools cover 100% of everything that's running in our environment."

- IT director of operations, manufacturing

Source: "2019 Cost of a Data Breach Report," Ponemon Institute, 2019.

Improved patching success, reduced number of major security incidents, and faster incident response increases application uptime, promoting profit improvement for business applications:

2 hours gained in incremental uptime per month from improved performance with AWS Managed Services

A financial services organization saw 50% reduction in major security incidents, which resulted in fewer disruptions to the business and higher uptime.*

Leveraging the support, knowledge, and hands-on assistance from AWS experts through AWS Customer Enablement Services reduces the chance of a failed migration:

5% reduction in the risk of a migration failure with AWS

"With AWS Managed Services, we had all the confidence of a successful migration. If we had not been successful, it would have impacted performance. It would have impacted the security. It would have impacted the resilience. And it would have impacted the cost. So, there was a lot on the line."

- Executive manager of enterprise tech, financial services

Benefits to using AWS Customer Enablement Services that the customers couldn't quantify

Enabled faster innovation

Heightened confidence for development teams and quality of their outputs

Provided better service for end customers

Created a more engaged cloud culture

"[Due to the skills built up through AWS engagements] it's much easier for somebody if they have an innovative idea to pick up the phone or drop an email to another employee and say, 'Hey, I've got this idea. Can we actually do this?' Yep, we can do it. And, two days later, it's working."

-AWS platform manager, oil and gas

Flexibility: Future Benefits of using AWS Customer Enablement Services

Continued partnership ensures ongoing success in cloud initiatives

"With AWS as a partner, not only were we more assured that we were doing it [migrating] right, we were also avoiding the pitfalls that others – the industry at large – had already learned. AWS Managed Services also gave us more credibility when we talk to the board and others [because] we had engaged with experts who have completed successful migrations for tens of thousands of companies, and so forth."

-CIO, information services

Three-year risk-adjusted costs

Annual charges paid to AWS for AWS Managed Services, AWS Professional Services, AWS Training and Certification, and AWS Enterprise Support.

Other cost considerations:
- Internal resources assigned to project and vendor management.
- Time spent on training by employees.
- Additional professional services resources.
- Travel costs for service providers to meet at customer sites.

$11,961,0

three-year
total costs PV
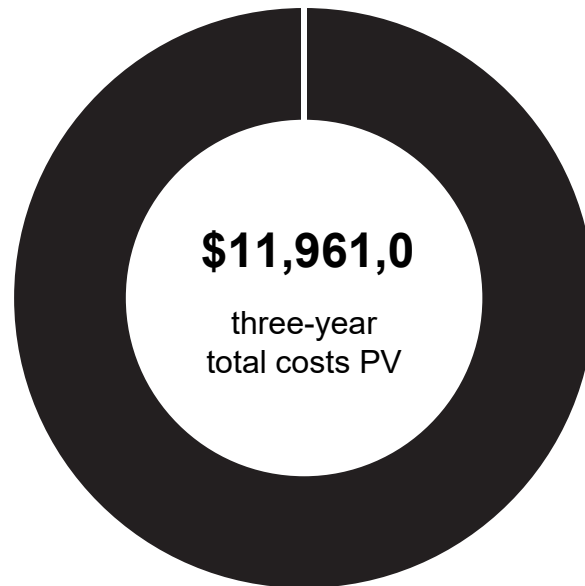
Financial Summary

Revisiting the key results

Financial summary

Three-year risk-adjusted results

136%

Return on investment (ROI)

$16.2M

Net present value (NPV)

Cash Flow Chart (Risk-Adjusted)

Legend: Total costs ■ Total benefits ■ Cumulative net benefits —

Y-axis (Cash flows):
- $25,000,000
- $20,000,000
- $15,000,000
- $10,000,000
- $5,000,000
- $0
- ($5,000,000)
- ($10,000,000)

X-axis: Initial, Year 1, Year 2, Year 3
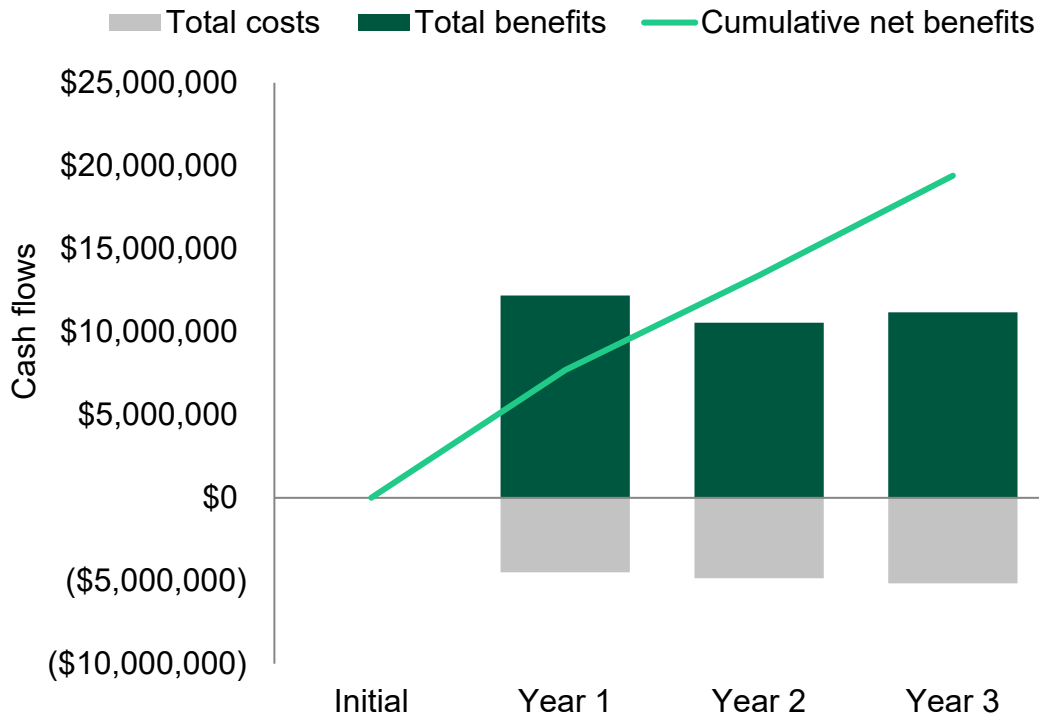
Thank You.

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For more information

Download Forrester Total Economic Impact™ for AWS Customer Enablement services
http://bit.ly/CE-TEI

Visit
https://aws.amazon.com/customer-enablement

aws cloud adoption framework

Q&A

aws cloud adoption framework