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Business Value Highlights

280%
five-year ROI

8 months
to payback

50%
lower five-year cost of data backup and recovery operations

19%
lower effective storage costs

30%
more efficient IT infrastructure teams

70%
faster to resolve data loss instances

Almost 3x
more data backups per day

The Economic Impact of Veeam Cloud Data Management Platform

EXECUTIVE SUMMARY

The data replication and protection market remains highly dynamic and robust with IDC currently tracking 39 different companies competing for their part of the $8.9 billion market. Products range from highly specialized point solutions intended for a single purpose to broad-based solutions addressing a number of use cases and implementation scenarios. In modern organizations, virtualized applications make up the vast majority of workloads, though many also have physical and legacy workloads that must be protected. In addition, nearly all organizations now need to protect cloud-based workloads, edge workloads, and the emerging area of containerized workloads.

Differentiating between so many different products and sifting through vendor claims and counterclaims make product selection challenging for IT leaders. Actual customer experience with a product is often the best indicator of value that can be achieved from it. Measuring the value of the Veeam Cloud Data Management Platform using IDC's Business Value methodology via interviews with customers was the goal of this effort.

IDC's research conducted with organizations with enterprise-level operations using Veeam Cloud Data Management Platform demonstrates the strong economic value they have achieved through operational and cost efficiencies as well as employee productivity and revenue gains. Moreover, they have limited data-related risk by establishing more robust data backup and recovery capabilities. Overall, based on interviews with these Veeam customers, IDC projects that they will realize benefits worth an average of $1.11 million per organization ($21,050 per 100 users), which would result in a five-year ROI of 280%, by:

- **Enabling data backup and recovery teams** to complete their activities more efficiently, contributing to a significant reduction in the cost of operating data backup and recovery environments

- **Optimizing staff time requirements and hardware costs** associated with buying, deploying, and managing storage and other IT infrastructure

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- **Improving business outcomes** through greater confidence in data, lower risk, and more impactful development efforts

- **Establishing more robust and functional data backup and recovery environments**, which reduces operational and business risk related to handling and using data

SITUATION OVERVIEW

Hybrid and multicloud data protection has become ubiquitous among today's organizations. IDC's research shows that 90% of IT organizations use cloud for some portion of their data protection. In most cases, this is a hybrid architecture, in which data from on-premises applications is backed up using traditional on-premises (core) methodologies with a secondary copy being stored in the cloud to ensure data survivability in the event of a disaster and as an air gap to protect against malware. The cloud copy may also be used for disaster recovery (DR) staging, analytics, and other secondary uses.

Although cloud has increased application agility and organizational scalability, it has also increased the complexity of recovering data. Organizations must now be prepared to recover data that is geographically distributed through the core, cloud, and edge. Moreover, acceptable recovery times (service levels) are getting shorter and shorter. To meet these requirements, organizations are turning to recovery orchestration tools and suites that can automate the recovery process, resulting in faster recoveries with less human intervention.

In a hybrid cloud architecture, the on-premises copy is kept for rapid restore in response to relatively small, common data losses. The on-premises copy can also be used to restore very large quantities of data in a relatively short period of time. The on-premises architecture may include general-purpose disk arrays, purpose-built backup appliances (PBBAs), or magnetic tape — or a combination of these. In the cloud, the architecture may include various classes of storage (e.g., AWS S3, AWS Glacier, and Azure Blob). Cloud options may also include various levels of service, such as backup as a service (BaaS), disaster recovery as a service (DRaaS), and archive as a service (AaaS). Organizations with remote offices or edge devices may choose to back up that data to the core and then to the cloud or directly to the cloud.

From the prior discussion, it's easy to see that the possible architectural permutations are numerous. Which combination is chosen will depend on service-level requirements, storage economics, and operational considerations. Thus flexibility of data protection solutions is paramount — organizations do not want to be locked into one particular scheme that does not have the ability to adapt to changing organizational needs. In most cases, this will involve

an integrated suite of products that can backup data locally or remotely, can move data to/from the cloud, can orchestrate recovery for everyday needs plus DR, and can be centrally managed using a simple policy engine. In summary, organizations need to simultaneously respond to more complex data protection scenarios with simpler-to-use tools and processes.

VEEAM CLOUD DATA MANAGEMENT PLATFORM OVERVIEW

The Veeam Cloud Data Management Platform, previously known as the Veeam Availability Platform, is an integrated platform of products to support data backup and recovery, recovery orchestration, analytics and monitoring, and cloud data tiering. The specific modules include:

- **Backup and replication:** Backup and replication is the core engine of the platform. Veeam Backup & Replication is best known for its virtual machine (VM) backup but also supports physical workloads and, using extensions, can coordinate backup of legacy workloads such as Oracle and SAP. The product can also protect, replicate, and back up data in the cloud, as well as protecting Office 365 data.

- **Data Labs:** Veeam DataLabs (part of Veeam Backup & Replication) leverages backup data by creating a secondary copy (optionally using Orchestration) that can be used for DevOps testing, staging, DR testing, and so on.

- **Orchestration**: Orchestration through Veeam Availability Orchestrator facilitates the process of disaster recovery by automating process creation, documentation, and testing to ensure business continuity and compliance.

- **Monitoring and analytics:** Veeam ONE, the monitoring and analytics module, provides capacity planning, visibility of distributed environments, and coordination of backup and recovery jobs from a single console.

- **Universal storage APIs:** APIs provide interoperability with a wide range of hypervisors, cloud repositories, and providers and partner hardware systems. APIs also allow cloud service providers to integrate Veeam products into their data protection solutions.

THE BUSINESS VALUE OF VEEAM CLOUD DATA MANAGEMENT PLATFORM

Study Demographics

IDC interviewed 10 organizations about their experiences using the Veeam Cloud Data Management Platform, which includes Veeam Availability Suite, Veeam Backup & Replication, Veeam ONE, Veeam Availability Orchestrator, and Veeam Backup for Office 365. Interviews were designed to understand the impact of Veeam on data backup and recovery activities, IT teams responsible for data and IT infrastructure, costs, and the business. Interviewed Veeam customers were large organizations with enterprise-level operations in terms of both numbers of employees (average of 30,714) and revenue ($4.99 billion per year). They provided experiences from the perspective of organizations based in North America (6) and EMEA (4) and a variety of industry verticals, including facilities management, financial services, healthcare (3), higher education, IT services, nonprofit, packaging, and retail (see Table 1 for additional details).

TABLE 1   Firmographics of Interviewed Organizations

Firmographics	Average	Median
Number of employees	30,714	6,250
Number of IT staff	131	95
Number of business applications	162	150
Revenue per year	$4.99 billion	$3.85 billion
Countries	United States (6) and United Kingdom (4)	
Industries	Facilities management, financial services, healthcare (3), higher education, IT services, nonprofit, packaging, and retail	

n=10   Source: IDC, 2020

Choice and Use of Veeam Cloud Data Management Platform

Interviewed organizations reported robust use cases for the Veeam Cloud Data Management Platform for backing up and protecting their data environments. Most study participants implemented Veeam either to fully replace or to substantially supplement another vendor solutions. They described deploying Veeam after concluding that they needed more robust backup and recovery capabilities, especially in the context of business operations' increasing

dependence on digitization and data. Study participants explained that Veeam best met their needs and expectations in terms of using and protecting data:

- **Impressed by the quality of VM backup:** *"Our backup rate was an issue [with our previous solution]. We looked at different solutions but decided that Veeam was the best. Its strength is in backing up virtual machines due to the close link with vSphere. We also considered its overall features and interface a plus."*

- **Needed confidence in data:** *"Our company wanted a solution with a central pane of glass and reporting capabilities. We also wanted to improve our recovery capabilities and confidence in our data … We ran some tests with other solutions, but Veeam blew everything else away."*

- **Met demands of real-time data environments:** *"We hadn't upgraded our data backup solution for some time … We became 100% virtual, and as part of our longer-term planning, we wanted more immediate backup and restore — the Veeam road map fit these needs perfectly."*

Table 2 reflects the centrality of the Veeam Cloud Data Management Platform to interviewed organizations' overall data environments. They reported using Veeam to back up and support an average of 1,159 virtual machines and over a petabyte of data (1,682TB). For most organizations interviewed, Veeam supports most of their business activities, including those linked to a median of 95% of their revenue. Study participants are using Veeam for a variety of applications and services critical to their businesses, including client-facing services, warehouse management systems, business productivity and ERP applications, and student data systems.

TABLE 2 Use of Veeam Cloud Data Management Platform by Interviewed Customers

	Average	Median
Number of applications	155	125
Number of datacenters	2	2
Number of VMs	1,159	979
Number of TBs	1,682	400
Number of users of applications supported by Veeam	5,270	4,750
Total storage (%)	57	95

n=10   Source: IDC, 2020

Business Value and Quantified Benefits

Interviewed organizations have achieved strong economic value with the Veeam Cloud Data Management Platform by reducing the cost of operating their data backup and recovery environments. Growth to data volumes and expectations creates pressure in terms of staffing and costs, making establishing efficient data environments ever more important. Further, study participants have reduced their data-related risk by improving their ability to backup and recover data and virtualized workloads. Their businesses increasingly depend on the uninterrupted flow of real-time data, which means that outages or an inability to access data can exact heavy costs. Interviewed Veeam customers commented on these benefits:

- **Single platform means simplification:** *"Veeam has simplified our operations. We can get the vast majority of everything, all environments, under one umbrella with Veeam, which is huge."*

- **Real-time data restores:** *"Veeam gives us the capability to get and restore data and recreate what may have happened in real time instead of rebuilding a server, finding the tape, and building a restore that way almost immediately. That is huge for us."*

- **Improved restoration functionality and reduced risk related to data environments:** *"We have been able to restore servers from backups and can check backups more easily and consistently across different offices with Veeam."*

Based on interviews, IDC quantifies the average annual value that Veeam customers will achieve as worth $1.11 million per organization ($21,050 per 100 users) in the following areas (see Figure 1):

- **IT staff productivity benefits:** IT teams responsible for data backup and recovery efforts, managing IT infrastructure, and application development all benefit from more robust, integrated, and automated data environments. IDC puts the value of staff time savings and productivity gains at an annual average of $861,500 per organization ($16,348 per 100 users).

- **Business productivity and risk mitigation benefits:** Business operations benefit from improved confidence and fewer interruptions related to data loss, as well as less quantifiable but very important reductions in risk related to impactful data-related outages or breaches. IDC quantifies the value of increased revenue and user productivity as worth an annual average of $166,500 per organization ($3,159 per 100 users).

- **IT infrastructure cost reduction:** Optimized use of storage and lower data backup and recovery solution costs enable study participants to lower data-related costs. IDC estimates that they will save an average of $81,400 per organization per year ($1,544 per 100 users).

FIGURE 1 Average Annual Benefits per Organization

$1.11 million in total annual benefits per organization
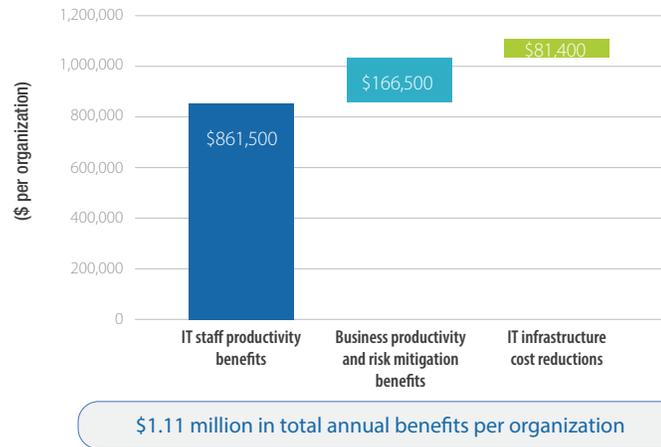
n=10   Source: IDC, 2020

Creating Economic Value Through More Efficient and Effective Data Backup and Recovery

Study participants are realizing significant economic value by using the Veeam Cloud Data Management Platform for data backup and recovery. Most importantly, they have leveraged the platform's functionalities to make teams responsible for data backup and recovery activities significantly more efficient. Alongside platform cost efficiencies, these staff-related benefits have enabled study participants to run data backup and recovery operations at half the cost of their previous environments (50% lower on average). Further, they reported benefiting from capturing more revenue, reducing storage hardware costs, and improving the efficiency of their broader IT infrastructure teams.

Data Backup and Recovery Team Efficiencies and Lower Overall Costs of Operations

Study participants attributed significant efficiencies to the Veeam Cloud Data Management Platform for teams responsible for data backup and recovery activities. As noted, interviewed organizations have leveraged Veeam to carry out more backups, shorten recovery target windows, and meet recovery objectives more frequently. These improvements reflect improved performance levels of data backup and recovery teams, but study participants also linked Veeam to further efficiencies and time savings as the result of automation, orchestration, visibility, and improved performance on a unified platform:

- **Significant day-to-day efficiencies:** *"The labor time savings and the speed of recovery with Veeam have changed everything through the automation, the single pane of glass, and the ease of management … Our disaster recovery teams say they are seeing 10 times improvements regularly due to automation and scripting with Veeam."*

- **Reduced day-to-day workloads:** *"The automation and the ease of management and monitoring due to Veeam's interface simplify processes. As a result, we spend much less time on both day-to-day tasks and DR issues — we can handle 50% more with Veeam."*

- **Efficiencies freeing up more valuable engineering time to focus on other activities:** *"The biggest change with Veeam is that we don't have to use our architects/engineers anymore because it can be done by our operations/administrator staff … Before, engineers had to be more involved with day-to-day management … Engineers have been freed up for innovation, consolidating operations, and redesigning — doing the big stuff."*

As shown in Table 3, these efficiencies have contributed to a significant increase in data backup and recovery teams' productivity levels. With Veeam, they can meet the demands created by growing data environments and the insatiable business demand for data without a commensurate increase in staff time. On average, IDC calculates that interviewed Veeam customers' data backup and recovery teams are 55% more efficient, allowing them to handle more than two times as much work (see Table 3).

TABLE 3 IT Staff Impact — Data Backup and Recovery

	Before Veeam Cloud Data Management Platform	With Veeam Cloud Data Management Platform	Difference	Efficiency with Veeam (%)
FTEs per year per organization	8.2	3.7	4.5	55
Hours per 100 users per year	291	131	160	55
Value of staff time required per organization per year for equivalent workloads	$815,700	$367,100	$448,600	55

n=10   Source: IDC, 2020

Efficiencies for data backup and protection teams alongside lower average platform costs allow interviewed organizations at the enterprise level to support and protect like data environments at a substantially lower cost with the Veeam Cloud Data Management Platform. As shown in Figure 2, IDC calculates that interviewed organizations, with enterprise-level operations with thousands or tens of thousands of IT users, will incur total costs for running their data and backup recovery operations that are 50% lower over five years.

FIGURE 2 Average Five-Year Cost of Data Backup and Recovery
Operations per 100 Users

n=10   Source: IDC, 2020
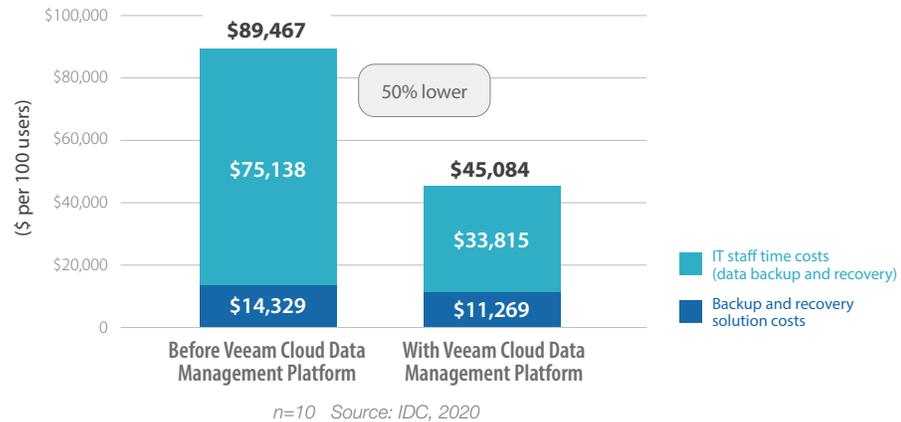
Increasing Business Enablement Through Quality, Agility, and Confidence

Study participants reported providing their businesses with higher data quality, agility, and confidence with Veeam Cloud Data Management Platform. For interviewed Veeam customers, these benefits result in more effective development activities and higher revenue.

In terms of development, study participants described the impact of both better resolving data corruption issues and having the ability to more readily provide sandboxed environments. One interviewed Veeam customer noted: *"Sometimes our development team corrupts data or an entire database and they come to us for help. In the past, it would take anywhere from three or four hours to a day for recovery. With Veeam, we can fix a few TBs in about 40 minutes."* Another organization explained: *"Our offices often ask us for data, which we now can provide. We can set up a sandbox much more quickly with Veeam, two or three times faster — maybe more. That leads to new ideas, to innovation."* These types of benefits contribute to the overall effectiveness of development activities, with IDC calculating an average 11% productivity gain for developers supported by the Veeam platform (see Figure 3).

FIGURE 3 Impact on Application Developer Productivity

n=10   Source: IDC, 2020
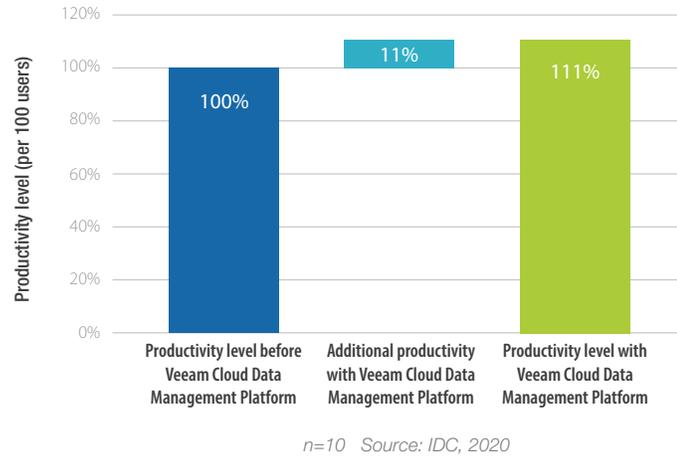
Meanwhile, several study participants described how Veeam has helped them improve business results. One study participant explained how lowering risk and reducing resource requirements for disaster recovery activities have spurred business growth: *"Veeam has saved time that has helped us get our best quarter ever because we are working on more projects simultaneously … With automation and scripting, we've reduced our operating expenses, saved staff time, and increased billable hours."* Another linked its improved ability to deliver data in support of the business to use of Veeam: *"We had never been able to leverage data for business intelligence in the past. With Veeam we can because we have centrally located copies of data to spin up quickly as needed or for testing … There's more consistency of data, which provides us with more confidence in the data."* On average, study participants reported revenue gains of $835,000 per organization per year ($15,844 per 100 users) that they tied to their use of Veeam Cloud Data Management Platform, reflecting the impact to their businesses of having access to high-quality and robust data (see Table 4).

TABLE 4 Business Operations Impact — Revenue

	Per Organization	Per 100 Users
Business impact — Revenue from better addressing business opportunities		
Total additional gross revenue per year	$835,000	$15,844
Assumed margin	15%	15%
Total additional net revenue per year	$125,200	$2,377

n=10   Source: IDC, 2020

IT Infrastructure Cost Benefits

Study participants also linked having more cost-effective and efficient IT environments to their use of Veeam. Most prominently, they discussed how robust deduplication and improved visibility with Veeam allow for more optimized use of storage resources. One study participant noted: *"The way Veeam handles metadata and deduplication has allowed us to shrink our overall data footprint and still maintain what we need in terms of resiliency."* Another spoke to more efficient use of storage: *"This relates to better SQL backups with Veeam and also providing insightful data from backed-up VMs, which gives us a chance to tweak what we do to make optimal use of available storage."* As shown in Figure 4, study participants have leveraged these benefits with Veeam to lower their effective storage costs by 19%, saving over $30,000 over five years per 100TB, a significant savings across data environments that count well over 1PB on average.

FIGURE 4 Average Effective Cost of Storage Over Five Years
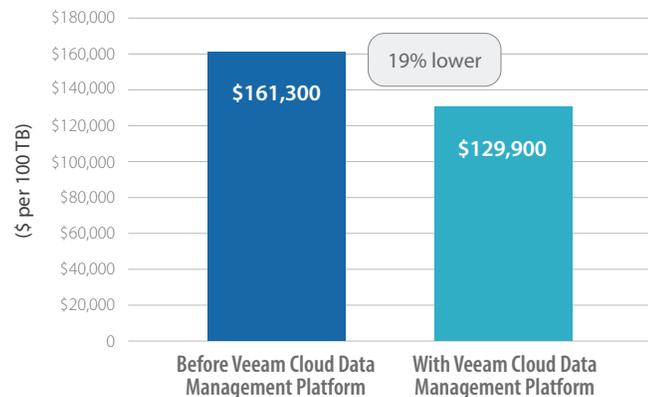
n=10   Source: IDC, 2020

Efficiencies with Veeam extend to the IT infrastructure teams supporting storage and compute environments. These teams benefit from enhanced monitoring, infrastructure use efficiencies, and fewer impactful data-related issues. Importantly, interviewed organizations stressed how these efficiencies with Veeam enable these teams to focus more of their time on strategic and innovative project work: *"We have more bandwidth for project work with Veeam. We are now working on consolidating our server infrastructure across all the offices. That in turn could help with some of the backups that still only happen every other night — that is server related."* As shown in Table 5, IDC puts the average efficiency for these teams supporting infrastructure in their Veeam environments at 30%.

TABLE 5 IT Infrastructure Team Impact

	Before Veeam Cloud Data Management Platform	With Veeam Cloud Data Management Platform	Difference	Efficiency with Veeam (%)
FTEs per year per organization	12.7	8.9	3.8	30
Hours per 100 users per year	454	319	135	30
Value of staff time required per organization per year for equivalent workloads	$1.27 million	$0.89 million	$0.38 million	30

n=10   Source: IDC, 2020

Delivering Improved Data Backup and Recovery Environments

Study participants grapple with the challenge of ensuring the integrity and resiliency of their data environments in the face of strong growth to and increased business reliance on data. This creates various challenges but, most importantly, means that they must have robust data backup and recovery capabilities. As their businesses become increasingly data reliant, they cannot afford interruptions, let alone data-related outages. Study participants articulated the heavy cost of data-related outages for their businesses, reporting an average total cost of $682,200 per hour. This means that interviewed organizations must avoid these types of outages, with one organization explaining: *"We know Veeam works, and the data will be there when we need to access it. We sleep well."*

For study participants, avoiding this type of substantial risk related to their data environments begins with having the ability to handle data problems with speed and agility when they arise. They credited Veeam with significantly enhancing their recovery and response capabilities. One study participant commented: *"Veeam has brought our organization's capabilities to high standards in terms of reliability and consistency of data … We have improved on our ability to recover applications that were not available before. Also, our operational capabilities have improved due to automation benefits."* Another noted: *"Before Veeam, we were probably a six-hour shop for recovery; now we are a one-hour shop. Veeam has also improved our stability … and improved the speed [at which] we can complete recoveries."*

By heading off and quickly addressing data-related problems, interviewed Veeam customers not only minimize their risk profiles but reduce productivity, revenue, and reputational costs associated with data loss and unplanned outages. Figure 5 reflects interviewed organizations' much-improved ability to resolve data loss instances and respond to other data-related problems with Veeam, reporting average improvements of 70% and 72%, respectively.

FIGURE 5 Time to Resolve Data Loss and Respond to Data-Related Problems

n=10   Source: IDC, 2020
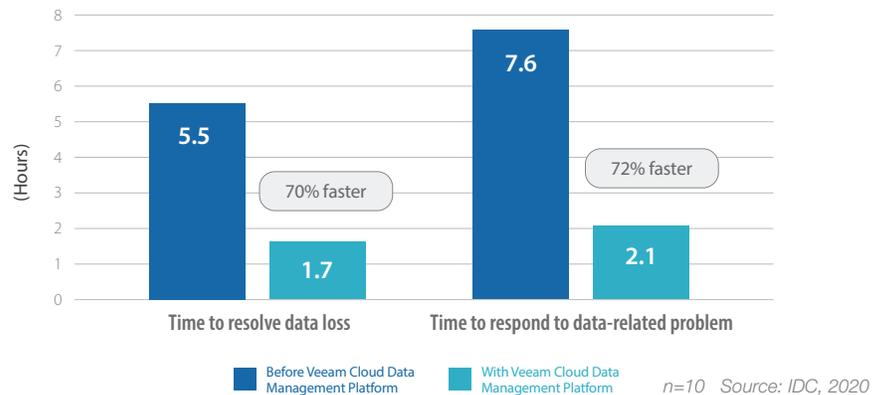
Study participants also must manage associated data-related risk by ensuring robust backups and meeting objectives for recovering data and VMs. They linked much improved backup and recovery capabilities to the use of Veeam, citing automation, orchestration, and the ability to cover disparate data environments with a single platform as beneficial. Interviewed organizations commented on the impact of Veeam on their data backup and recovery activities:

● **Orchestration and automation supporting more consistent and timely backups/ recovery:** *"Veeam has given us the one thing we didn't have before, which is the ability to look and know with orchestration and automation how to keep a schedule. We are in a better position because we can look at the dashboard and … see that everything is green from the dashboard."*

● **Robust data protection and backup despite data growth:** *"Monitoring with Veeam has enabled us to maintain high standards for RPO and RTO despite data growth … VM backup was a main reason we moved to Veeam, and we have been very pleased with the results."*

● **Best solution for backing up vSphere environments:** *"What is important from Veeam for us is having data backed up both onsite and offsite … Our need is primarily for VM backup. Veeam is the best solution for that, again because of the close link with vSphere."*

Figure 6 demonstrates how Veeam has enabled study participants to deliver more robust data backup and recovery capabilities to their businesses. They have brought down their data backup windows by 25% on average — a reduction of more than four hours. Compressed backup windows have enabled more frequent data backups, with interviewed organizations reporting that they execute almost three times more backups per day with Veeam (going from 0.8 to 2.2 per day). In addition, they have tightened their recovery point objectives (RPOs) and

recovery time objectives (RTOs) by an average of 34% and 32%, respectively, cutting more than three hours off each (see Figure 6).

FIGURE 6 Impact on Data Backup and Recovery KPIs

Before Veeam Cloud Data Management Platform · With Veeam Cloud Data Management Platform

n=10 Source: IDC, 2020
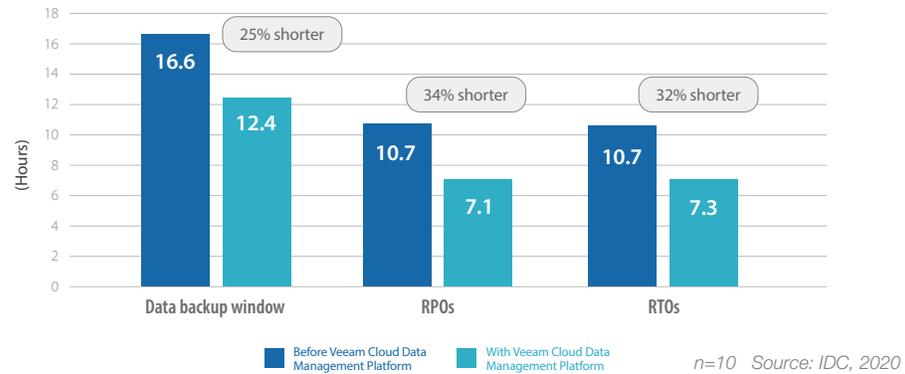
Study participants' much-improved ability to meet RPOs and RTOs also reflects improved data recovery capabilities. Their businesses rely on timely recovery of data and VMs, which means that moving from success rates in the low 60s to achieving 96% of objectives for both RPOs and RTOs is a consequential improvement (see Figure 7).

FIGURE 7 Impact on Meeting Data Backup and Recovery Windows

Before Veeam Cloud Data Management Platform · With Veeam Cloud Data Management Platform

n=10 Source: IDC, 2020
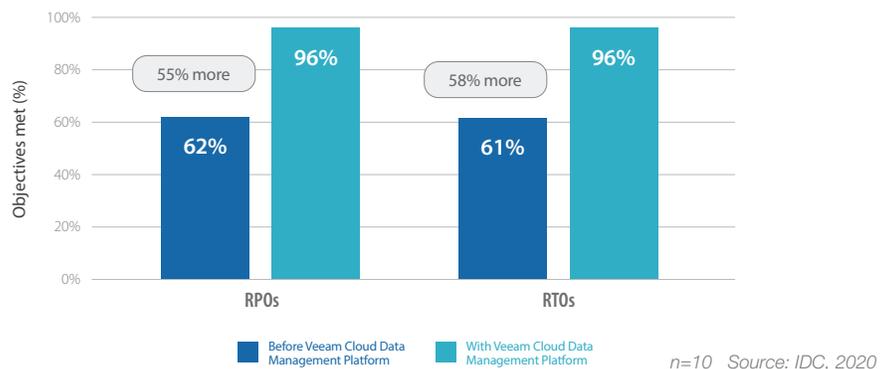
As noted, data-related problems and outages can exact a heavy price on interviewed organizations' business operations. Thus reducing this risk alone carries strong value for them, even if it is challenging to specifically quantify in many cases. More concretely,

several organizations spoke to how Veeam enables them to maintain more consistent and uninterrupted business operations:

- **Supporting business and compliance with more robust handling of data:** *"Our legacy solution could not back up and replicate the data for our ERP system quickly enough. With Veeam we can get data off our onsite location to our offsite location more quickly and efficiently. That kind of thing can have revenue and compliance impact."*

- **Allowing business to run unimpeded:** *"The key benefit we get with Veeam is keeping our clinicians active and their days uninterrupted … We haven't had impactful outages, but the risk is significant."*

Table 6 shows how reducing the frequency of data loss and resolving impactful data loss instances faster with Veeam minimize business losses measured in terms of lost user productivity. With Veeam, study participants reported losing an average of 82% less productive time to data loss (see Table 6).

TABLE 6 Impact on Data Loss

	Before Veeam Cloud Data Management Platform	With Veeam Cloud Data Management Platform	Difference	Benefit with Veeam (%)
Frequency per year	48	32	16	33
Hours of lost productive time per year per 100 users	26	5	21	82
Lost productive time in FTEs per organization per year	0.7	0.1	0.6	82
Cost of lost productivity per year per organization	$51,700	$9,200	$42,500	82

n=10   Source: IDC, 2020

ROI Summary

IDC's analysis of the benefits and investment costs related to interviewed organizations' use of the Veeam Cloud Data Management Platform is presented in Table 7. IDC projects that interviewed organizations will realize five-year discounted benefits worth an average of $3.97 million per organization ($75,362 per 100 users) in higher productivity, lower costs, and higher revenue. To achieve these benefits, interviewed Veeam customers will invest a discounted five-year total of $1.05 million per organization ($19,843 per 100 users). These levels of benefits and investment costs would result in an average five-year ROI of 280%, with breakeven on their investment occurring in an average of eight months.

TABLE 7 ROI Analysis

Five-Year ROI Analysis	Per Organization	Per 100 users
Benefits (discounted)	$3.97 million	$75,362
Investment costs (discounted)	$1.05 million	$19,843
Net present value	$2.92 million	$55,520
ROI (NPV/investment)	280%	280%
Payback	8 months	8 months
Discount factor	12%	12%

n=10   Source: IDC, 2020

CHALLENGES/OPPORTUNITIES

IT leaders are constantly balancing simplicity against effectiveness. On the one hand, they want a single enterprisewide data protection solution that minimizes training and deployment requirements that may not excel at every use case. On the other hand, they may be willing to implement point solutions that address specific use cases well but cannot be integrated and require individual deployment and execution. In fact, our research shows that enterprise organizations typically have three to four backup products deployed within their organization.

Simply put, it is intuitive that no product can address every need for every organization. Veeam is no exception, and as the organization moves forward, it must constantly make trade-offs of market opportunities based on inherently limited development resources. As application deployments proliferate and become more diverse — especially for edge and IoT devices and container microservices — Veeam must continue to choose wisely regarding investment areas to maintain the much higher-than-average growth rate that the organization has enjoyed over the past years.

CONCLUSION

Organizations must protect virtualized, cloud-based, and legacy physical infrastructure workloads while balancing their need for robust data backup and recovery capabilities with keeping down costs and staff time requirements. This balance is especially tricky to achieve for

organizations with enterprise-level operations. Their business strategies and growth prospects increasingly rely on the availability and flow of huge and rising volumes of operational and customer data, but changes to their budgets and staffing resources often do not match the rapid data growth rates.

IDC's study demonstrates the significant economic value that enterprise-level organizations can achieve with the Veeam Cloud Data Management Platform even as they significantly improve their data backup and recovery capabilities. Interviewed Veeam customers reported reducing the cost of operating their data backup and recovery environments by an average of 50% over five years, enabling them to respond to pressures created by growth to their enterprise data environments. These operational cost efficiencies alone constitute substantial economic value, but the value interviewed organizations are achieving with the Veeam Cloud Data Management Platform also includes tangible and less easily quantified value related to reducing operational risk, improved development capabilities, and higher revenue. Overall, IDC projects that interviewed Veeam customers will achieve benefits that outweigh their investment costs by almost four times, which would result in a five-year ROI of 280% and breakeven on their investment in eight months.

APPENDIX

Methodology

IDC's standard business value and ROI methodology was utilized for this project. This methodology is based on gathering data from current users of the Veeam Cloud Data Management Platform as the foundation for the model. Based on interviews with organizations using it, IDC performed a three-step process to calculate the ROI and payback period:

- Gathered quantitative benefit information during the interviews using a before and after assessment of the impact of the Veeam Cloud Data Management Platform. In this study, the benefits included staff time savings and productivity benefits, revenue gains, and cost reductions.

- Created a complete investment (five-year total cost analysis) profile based on the interviews. Investments go beyond the initial and annual costs of using the Veeam Cloud Data Management Platform and can include additional costs related to migrations, planning, consulting, and staff or user training.

- Calculated the ROI and payback period. IDC conducted a depreciated cash flow analysis of the benefits and investments for the organizations' use of Veeam Cloud

Data Management Platform over a five-year period. ROI is the ratio of the net present value (NPV) and the discounted investment. The payback period is the point at which cumulative benefits equal the initial investment.

IDC bases the payback period and ROI calculations on a number of assumptions, which are summarized as follows:

- Time values are multiplied by burdened salary (salary + 28% for benefits and overhead) to quantify efficiency and productivity savings. For purposes of this analysis, IDC has used standard business value assumption of an average fully loaded salary of $100,000 per year for IT staff members and an average fully loaded salary of $70,000 for non-IT staff members. IDC assumes that employees work 1,880 hours per year (47 weeks x 40 hours).

- The net present value of the five-year savings is calculated by subtracting the amount that would have been realized by investing the original sum in an instrument yielding a 12% return to allow for the missed opportunity cost. This accounts for both the assumed cost of money and the assumed rate of return.

- Because the Veeam solutions require a deployment period, the full benefits of the solution are not available during deployment. To capture this reality, IDC prorates the benefits on a monthly basis and then subtracts the deployment time from the first-year savings.

Note: All numbers in this document may not be exact due to rounding.

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