Sponsored by:
Veeam and HPE Nimble Storage

Authors:
Phil Goodwin
Matthew Marden

December 2019

Business Value Highlights

278%
five-year ROI

7 months
to breakeven

68%
lower five-year cost of operations

>3.5 times
more data backups

56%
shorter RPOs

43%
shorter RTOs

72%
more efficient data backup and recovery teams

99.6%
less unplanned downtime

Veeam + HPE Nimble Storage: Five-Year ROI of 278%

EXECUTIVE SUMMARY

The growing importance of data increasingly compels organizations to provide robust data services in order to achieve faster insights that drive their business operations. With data becoming more dynamic and diverse, data availability has never been more essential and challenging. IDC interviewed organizations supporting their data backup and recovery environments with a solution set consisting of Veeam Cloud Data Management software combined with HPE Nimble Storage to understand, validate, and quantify the value of the combined vendor approach. Interviewed organizations reported that the Veeam and HPE Nimble Storage solution has made data backup and recovery operations more robust, efficient, and cost effective, which has resulted in significant business value and enabled them to limit the business risks of data-related incidents. IDC quantified the value of the organizations' investment in the integrated Veeam and HPE Nimble Storage solution at an average of $630,900 per year, which would result in an average five-year ROI of 278% by:

- Fostering more effective and timely data backup and recovery operations, leading to reduced business and operational risk

- Reducing the overall cost of data-related outages and their impact on user productivity and business outcomes

- Decreasing the staff time needed for managing data backup and recovery operations and environments

- Optimizing storage hardware costs through higher performance and by using features of the combined solution set, such as data deduplication and compression

SITUATION OVERVIEW

Data-driven organizations seek competitive advantage through faster, more insightful decision making enabled by better, more available data. IDC research shows that more than half of digital transformation (DX) efforts involve updated data protection systems, consuming more than 30% of the DX budget. The reason seems obvious: Organizations cannot be data driven if the data is offline.

At the same time, the application environment that creates data is becoming more complex. Applications generate data from on-premises locations, cloud, software as a service (SaaS), Internet of Things (IoT), and edge devices. Moreover, data is being stored in a myriad of forms, including unstructured, structured, NoSQL, and numerous file systems. The result is data silos with different data backup, retention, and management requirements.

Modern IT organizations find themselves in a position where they must deal with this growing complexity not only with the same number of staff members but also with more generalists and fewer specialists. During the 2nd Platform era (client/server), IT organizations commonly had backup administrators whose sole responsibility was to optimize their respective areas. Much time was spent fine-tuning policies and performance as well as attending to daily administrative tasks. In fact, it was not uncommon for these administrators to spend up to a third of their day triaging and correcting failed backup and restore jobs.

Currently, in the 3rd Platform era (virtual infrastructure [VI]), fewer and fewer organizations have the luxury of such job specialization. Instead, the VI administrators are more generalist in nature and have responsibility for managing the VI, storage, and backup systems. It is essentially impossible for these generalists to spend the necessary time learning the details of numerous systems and tools. They also cannot afford to spend two to three hours per day chasing and correcting failed jobs.

To complicate data protection operations even further, service-level requirements continue to become more demanding in what we call the "new race to zero." This means that organizations are driving toward environments that deliver zero downtime with zero data loss. Although this goal is not yet practical for any but the most demanding applications, recovery point objective (RPO) and recovery time objective (RTO) service levels are now commonly expressed in minutes. Certainly, data-driven organizations require these high levels of data availability to gain the competitive advantage they seek.

Because of these numerous factors, IT organizations are looking for backup solutions with the following characteristics:

● Simple deployment and setup to get going quickly and protect new workloads as they are deployed

● Rapid, reliable data restoration

● Extensive automation to minimize human labor

● High performance with minimal tuning requirements to meet backup and restore windows

● High reliability to ensure successful backup/restore job completion

● Service-level delivery that meets the organization's data availability requirements

VEEAM AND HPE NIMBLE STORAGE OVERVIEW

Veeam and HPE have successfully partnered to deliver comprehensive data protection solutions for nearly 10 years. Veeam's flagship software, the Veeam Availability Suite, is optimized for virtual environments, yet also addresses the needs of cloud and physical infrastructure backup. HPE Nimble Storage provides a highly automated, flash-accelerated data protection platform to deliver faster backup and rapid recovery with minimal management or dedicated expertise.

A brief overview of the Veeam products contributing to the Veeam-HPE Nimble Storage solution is as follows:

● **Veeam Availability Suite.** Veeam Availability Suite is designed to provide data protection capabilities for virtual, physical, and cloud workloads from a single management point. The hallmarks of Veeam's solution are simple implementation and management. Veeam Availability Suite has four key components:

  ● **Veeam Backup & Recovery**. Veeam Backup & Recovery is at the center of the company's product portfolio. It was originally designed to back up virtual environments, an attribute that remains core to its value proposition. It provides backup/recovery for on-premises workloads that include a cloud tiering capability and Veeam Cloud Connect, plus agents for Windows and Linux physical Workloads. The product also offers SAP HANA and Oracle RMAN plug-ins.

  ● **Veeam ONE.** Veeam ONE provides monitoring and reporting across physical and virtual environments. Capabilities include backup monitoring, reporting, and

IDC
ANALYZE THE FUTURE

alerting to ensure service-level agreement (SLA) attainment. It also provides capacity planning and forecasting, as well as chargeback and billing.

- **Veeam Explorer.** Veeam Explorer, with support for Storage Snapshots, Active Directory, SQL Server, Exchange, and more, provides item-level recovery to deliver faster RTO of virtual machines (VMs), files, and so forth.

- **Veeam DataLabs.** Veeam DataLabs leverages backup data to assist with test/development, disaster recovery (DR) analytics, and other secondary use cases.

The HPE Nimble Storage products considered in this solution include:

- **HPE Nimble Storage** — HPE Nimble Storage is designed to optimize business continuity with an intelligent, flash-based architecture to minimize system management requirements. The flash acceleration can help meet stringent service-level requirements with nondisruptive capacity and performance scaling.

- **HPE InfoSight** — HPE InfoSight provides real-time oversight of the infrastructure by monitoring and analyzing millions of sensors. The product uses machine learning technology to predict and resolve problems automatically.

THE BUSINESS VALUE OF VEEAM WITH HPE NIMBLE STORAGE

Study Demographics

IDC conducted research that explored the value and benefits for organizations of using Veeam data management software in combination with HPE Nimble Storage to support a variety of business applications and workloads. The project included interviews with eight organizations that have experience and knowledge about the solution set's benefits and costs. Interviews were in-depth in nature and covered a variety of quantitative and qualitative topics about the impact on their data backup and recovery activities, storage staff time requirements and costs, and business activities.

Table 1 presents study demographics and profiles. Organizations interviewed had an average base of 3,883 employees and annual revenue of $1.57 billion. Four companies were based in the United States, three in the United Kingdom, and one in Australia. In addition, there was a good mix of vertical industries: education, government, healthcare, hospitality, manufacturing, marketing, professional services, and service provider.

TABLE 1 Firmographics of Interviewed Organizations

Firmographics	Average	Median
Number of employees	3,883	1,625
Number of IT staff	165	60
Number of business applications	55	25
Revenue per year	$1.57 billion	$846 million
Countries	United States (4), United Kingdom (3), Australia	
Industry	Education, government, healthcare, hospitality, manufacturing, marketing, professional services, service provider	

Source: IDC, 2019

Choice and Use of Veeam and HPE Nimble Storage

Interviewed organizations discussed the reasons for combining Veeam data management software with HPE Nimble Storage. While they cited a variety of considerations, such as the need to conduct backups at scale and complete data recovery activities faster, their decisions boiled down to requiring more effective and robust data backup and recovery activities. Stated otherwise, they had concluded that their previous solutions could no longer meet their business needs. Study participants elaborated:

- **Need for more robust and frequent data backups:** *"Our previous solution was not fit to purpose. It was impossible for us to back up within our window, which became inadequate. Because backup was offsite, we needed seven days from a recovery point perspective, while backup takes four hours with Veeam and HPE Nimble Storage."*

- **Business needs to restore significantly faster (CloudIT):** *"Ease of use and quickness to restore were two of the main drivers for choosing Veeam and HPE Nimble Storage … We were having issues around restores, so speed to restore was the key motivation for making the change."*

- **Ability to restore single workloads (Bridgend County):** *"We wanted the ability to restore from a single workload, which we can do with Veeam and HPE Nimble Storage. Also, we can see a snapshot of the storage from within Veeam, which is quite innovative."*

- **Need to support extensive virtual desktop environment (Pearland ISD):** *"We moved to HPE Nimble Storage when refreshing storage arrays and added Veeam on HPE's recommendation. We run thousands of virtual desktops, so we were looking for a powerful*

array but with a small footprint. Veeam was recommended by HPE Nimble as the best solution."

Table 2 provides details about the interviewed organizations' use of the Veeam and HPE Nimble Storage platform. As shown, these Veeam and HPE Nimble Storage customers are supporting 659TB of data on an average on four HPE Nimble Storage arrays across two datacenters. Most employees at these organizations are using applications supported by the Veeam and HPE Nimble Storage platform, demonstrating the centrality of the combined solution set to their business operations. On average and by median, study participants had been using the combined solution for three years at the time of the interviews, showing a strong experience base from which to discuss the benefits and costs of Veeam and HPE Nimble Storage.

TABLE 2 Veeam and HPE Nimble Storage Use by Interviewed Customers

	Average	Median
Number of HPE Nimble Storage arrays	4	3
Number of terabytes	659	640
Number of datacenters	2	2
Number of virtual machines (VMs)	246	228
Number of users of applications supported by Veeam and HPE Nimble Storage	3,447	450
Number of years using combined solution	3	3

Source: IDC, 2019

Business Value and Quantified Benefits

Interviewed organizations reported achieving strong value with the combined Veeam HPE Nimble Storage solution by making their data backup and recovery operations and environments more robust, effective, and cost efficient. Study participants praised the combined Veeam and HPE Nimble Storage platform, noting especially that the integration of the solutions is beneficial:
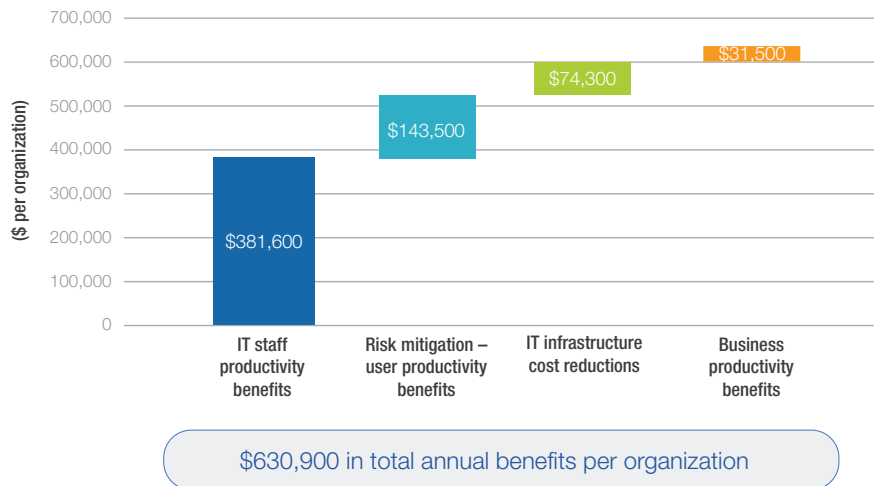
● **Overall quality of combined solution (Pearland ISD):** *"Our Veeam and HPE Nimble Storage environment is rock solid with hardly any problems. Our HPE Nimble Storage arrays never miss a beat, and Veeam does not require a lot of work on our end. It does what it is supposed to do."*

- **Lower hard costs and higher overall quality:** *"Our CTO has said that the Veeam and HPE Nimble Storage combination is 30% less expensive than before in hard costs. It's hard to put your finger on soft costs, but I feel we have been lucky we made the right move. It always comes back to having that single piece of software that does everything we need for backup, and running it on HPE Nimble Storage gives us assurance and streamlines our processes."*

- **Strong integration leads to important performance gains:** *"The integration of Veeam and HPE Nimble Storage is awesome and drastically reduces our backup window."*

For study participants, this leads to several significant operational advantages, including reducing risk related to the data their businesses increasingly leverage to establish a competitive advantage, as well as the ability to continue to grow their data environments in a cost-effective manner. IDC's analysis shows that these benefits translate into significant value, which IDC quantifies as being worth an annual average of $630,900 per organization over five years ($18,300 per 100 users) in the following areas:

- **IT staff productivity benefits:** Enabling faster and more robust data backup and recovery operations means that these teams are more efficient, while consolidated storage environments create efficiencies for infrastructure teams. IDC quantifies the value of these IT staff efficiencies at an annual average of $381,600 per organization ($11,100 per 100 users).

- **Risk mitigation — user productivity benefits:** Reducing the frequency of outages related to backup and recovery activities means higher employee productivity and less revenue loss. IDC quantifies the value of higher employee productivity and revenue at an annual average of $143,500 per organization ($4,200 per 100 users).

- **IT infrastructure cost reduction:** Leveraging capabilities of the combined solution set, such as deduplication and high performance, reduces the costs of building and running data backup and recovery environments. IDC calculates these savings as being worth an average of $74,300 per year per organization ($2,200 per 100 users).

- **Business productivity benefits:** Having improved data backup and recovery operations enables organizations to better address business opportunities because they have more confidence that they can leverage data to their business benefit. This translates into additional revenue that IDC calculates at an average of $31,500 per year per organization ($900 per 100 users).

See Figure 1 for average annual benefits per organization.

FIGURE 1 Average Annual Benefits per Organization

Source: IDC, 2019

Improved Data Backup and Recovery Operations

Study participants reported that combining Veeam data management software with HPE Nimble Storage has enabled them to deliver more robust and effective data backup and recovery environments to their businesses. For interviewed organizations, these improvements are critical in reducing operational and business risk associated with the movement, consumption, and storage of increasingly voluminous data as well as ensuring more cost-effective data environments.

Study participants cited features and capabilities of the combined Veeam and HPE Nimble Storage solution that are enabling these improvements, such as the ability to conduct more frequent and numerous backups, restoring data in significantly less time, storing backed-up data for longer, and improving the quality of data recoveries. Study participants commented on these and other benefits:

● **Ability to carry out backups at volume:** *"The guesswork of running one backup job and wondering when it will end and when to start the next job has completely disappeared with Veeam and HPE Nimble Storage. We have the ability to stack jobs without any guesswork."*

● **Assurance of recovery in very little time (Australian Dental Association NSW Branch):** *"We now need about five minutes to recover with Veeam and HPE Nimble Storage. In the past, we had to call external resources, and someone would have to come in and thumb through backups that may or may not work, meaning that we did not know if we would be able to recover."*

● **Quality of recovery with Veeam and power of HPE Nimble Storage:** *"Veeam does a good job of recovering, and restoration jobs paired with HPE Nimble Storage are very fast and powerful. For example, powering on VM in a DR scenario is now almost instantaneous."*

● **Snapshot functionality means much faster time to restore after failures (CloudIT):** *"By leveraging Veeam's ability to access HPE Nimble Storage snapshots directly, the mean time to restore for a failure is exponentially reduced. For example, we had to deal with a ransomware attack and were able to restore within 15 minutes, and this would have taken days previously."*

Table 3 provides detailed data on key data backup and recovery metrics. Study participants reported that the combined functionality of Veeam software with HPE Nimble Storage infrastructure enabled significant improvements, in both the frequency and the duration of activities. For example, interviewed organizations reported being able to carry out far more data backups (272% more) even as they meet more backup window targets (77% more). They are achieving these improvements even as they have reduced RPOs and RTOs (56% and 43% shorter, respectively). They also noted the beneficial impact on data recovery activities, reducing the frequency of recoveries required by 33%, but needing 97% less staff time to carry out recovery activities when required to do so.

For study participants, these metrics reflect significant value in making core activities related to maintaining and using data more robust and efficient. They have increased confidence that they have a platform with Veeam and HPE Nimble Storage that can meet business requirements in terms of backing up and recovering data and have allayed concerns that these activities will interfere with daily business operations. The result is substantially lower risk associated with their operational data and increased confidence that they will have access to the data their businesses require.

TABLE 3 Key Backup and Recovery Metrics

	Before Veeam and HPE Nimble Storage	With Veeam and HPE Nimble Storage	Difference	Benefit with Veeam and HPE Nimble Storage (%)
Data backups				
Number of data backups per month	22	82	60	272
Data backup window target (hours)	19.7	6.4	13.3	67
Data backups meeting window target (%)	56	100	43	77
Data recovery				
Number of data recoveries required per year	7.2	4.8	2.3	33
Recovery point objective (hours)	29.1	12.8	16.3	56
Recovery time objective (hours)	14.7	8.4	6.3	43
Staff time required per data recovery (hours)	11.8	0.3	11.4	97

Source: IDC, 2019

Reduced Cost of Business Risk and Improved Business Results

As data permeates their business operations, interviewed organizations face increasing data-related risk. This risk can be expressed in financial terms on their operations and from the perspective of their reputations and operations. When it comes to data-related activities and their Veeam and HPE Nimble Storage solutions, interviewed organizations stressed the importance to their businesses of being able to carry out frequent, timely, and nonintrusive data backups and recovering data when required in a robust and timely manner to limit costs and business interruptions related to data.

In describing the benefits of the Veeam and HPE Nimble Storage in reducing data-related risk, study participants specifically called out the benefits of easy replication from one datacenter to another, high availability, and the ability to add capacity as needed to address fluctuations in business demand. Study participants commented on these and other benefits:

- **Platform integration supports more robust operations (Bridgend County):** *"The integration of Veeam with HPE Nimble Storage has created a more robust and adaptable environment for us."*

- **Reduce risk with datacenter replication capabilities (CloudIT):** *"With the Veeam and HPE Nimble Storage implementation, we can easily replicate from one datacenter to another. We did not have that technology before."*

One important business benefit affecting organizations across the board is reducing unplanned downtime. One study participant noted that there was much less risk related to availability with its Veeam and HPE Nimble Storage platform: *"Previously, we ran on an environment that could crash at any time. Our website is hosted, so our website would crash and would be down for a long time … Now with Veeam and HPE Nimble Storage, we replicated our storage to the cloud provider. If we needed it, we could just ring them up, and this improves our resiliency. With Veeam and HPE Nimble Storage, we now have a proper backup plan. That's the big difference, the DR capability."*

Table 4 shows how interviewed organizations have leveraged the combined Veeam and HPE Nimble Storage solution to nearly eliminate impactful unplanned downtime related to activities on the platform. All but one interviewed organization reported experiencing no impactful unplanned outages with the Veeam and HPE Nimble Storage solution, reflected in an average reduction of 99.6% in lost productive time related to unplanned downtime.

TABLE 4 Unplanned Downtime Impact

	Before Veeam and HPE Nimble Storage	With Veeam and HPE Nimble Storage	Difference	Benefit with Veeam and HPE Nimble Storage (%)
Frequency per year	16.6	0.1	16.5	99.6
Hours of lost productive time per year per user	1.0	0.0	1.0	99.6
Lost productive time in FTEs per organization per year	1.8	0.0	1.8	99.6
Cost of lost productivity per year per organization	$124,000	$500	$123,500	99.6

Source: IDC, 2019

Beyond almost eliminating impactful unplanned outages, interviewed organizations also discussed how having increased confidence in data security with Veeam and HPE Nimble Storage helps them better run their businesses and capture more revenue related to use of their data. They provided examples:

- **Ability to add capacity as needed to address business demand (Australian Dental Association NSW Branch):** *"We have created headroom with our last infrastructure refresh. Having Veeam and HPE Nimble Storage allows us to add additional servers as needed to accommodate business needs without the capital expenditure cost."*

- **Improve competitive position and pricing:** *"By switching to Veeam and HPE Nimble Storage, we doubled the margins of the solution we were offering our cloud clients ... These savings are a combination of staffing, hardware, and software costs."*

Table 5 shows the positive revenue impacts that resulted for study participants after deploying Veeam with HPE Nimble Storage. As shown, on a per-organization basis, the revenue impact from better addressing business opportunities included total additional revenue per year of $210,200, while organizations also avoided the loss of an average of $151,900 per organization per year related to unplanned downtime.

TABLE 5 Business Operations Impact: Revenue

	Per Organization	Per 100 Users
Business impact — Revenue from better addressing business opportunities		
Total additional revenue per year	$210,200	$6,100
Assumed operating margin	15%	15%
Total operating margin impact per year	$31,500	$900
Unplanned downtime impact — Revenue losses avoided		
Revenue losses avoided per year	$151,900	$4,400
Assumed operating margin	15%	15%
Total operating margin impact per year	$22,800	$700

Source: IDC, 2019

IT Staff Efficiencies

Study participants also reported that the combined Veeam and HPE Nimble Storage solution has enabled key IT teams to work more efficiently and effectively. In particular, data backup and recovery teams benefit from much-improved ability to carry out backups and recovery activities with greater ease, as discussed in this white paper. One study participant described how its data backup and recovery team has benefited from the functionality of the combined solution: *"We use the backup dashboard with Veeam ONE and see immediately the status of all of our repositories and servers, so we get a grasp of our daily standing on the past few days' backups."*

Meanwhile, several organizations noted efficiencies and time savings that have allowed them to repurpose staff time for other activities. One interviewed organization said, *"Veeam and HPE Nimble Storage frees up staff for other functions because they are not spending time monitoring and evaluating backups. The efficiencies all start with the ability to monitor and see the entire environment. Everything flows from that." Another echoed this theme: "With efficiencies from Veeam and HPE Nimble Storage, we've been able to enable colleagues to perform simpler file restores on their own without waiting for support from other teams. There are also other operational efficiencies. It frees up staff time to expedite help desk tickets. In general, we can respond quicker to business requirements."*

Table 6 shows the impact for data backup and recovery teams tied to the greater efficiencies provided by the Veeam and HPE Nimble Storage solution. IDC calculates that these teams benefit from efficiencies of an average of 72%, enabling them to carry out these types of data-related activities with far more efficiency with the Veeam and HPE Nimble Storage solution.

TABLE 6 IT Staff Impact, Data Backup, and Recovery

	Before Veeam and HPE Nimble Storage	With Veeam and HPE Nimble Storage	Difference	Benefit with Veeam and HPE Nimble Storage (%)
FTEs per year per organization	2.1	0.6	1.5	72
Hours per 100 users per year	115	32	83	72
Value of staff time required per organization per year for equivalent workloads	$211,500	$58,900	$152,600	72

Source: IDC, 2019

Study participants also reported that their storage infrastructure teams benefit from consolidated HPE Nimble Storage footprints and software-driven functionality in maintaining and supporting their data environments. One study participant commented: *"Veeam and HPE Nimble Storage just provide more visibility into the solution — for example, when we need to add additional storage or when we have components failing. Support from HPE Nimble Storage is top notch in that area. They can ship us out equipment in four hours to our datacenter before we even know there is an issue."* As previously described, several customers linked faster restores and recovery to efficiencies for their broader storage environments, including staff responsible for managing storage infrastructure. Table 7 shows the average impact on their storage infrastructure teams, with an average efficiency of 32%.

TABLE 7 IT Storage Infrastructure Impact

	Before Veeam and HPE Nimble Storage	With Veeam and HPE Nimble Storage	Difference	Benefit with Veeam and HPE Nimble Storage (%)
FTEs per year	7.4	5.0	2.4	32
Hours per 100 users per year	404	275	129	32
Value of staff time required per organization per year for equivalent workloads	$741,300	$503,700	$237,600	32

Source: IDC, 2019

Lower Cost of Backup, Recovery, and Data Protection

Study participants reported that they have been able to build more cost-effective backup and recovery environments using Veeam data management software and HPE Nimble Storage. Cost efficiencies included both capex and opex requirements. Interviewed organizations described specific benefits, including strong price–performance ratios, the need for less overall storage
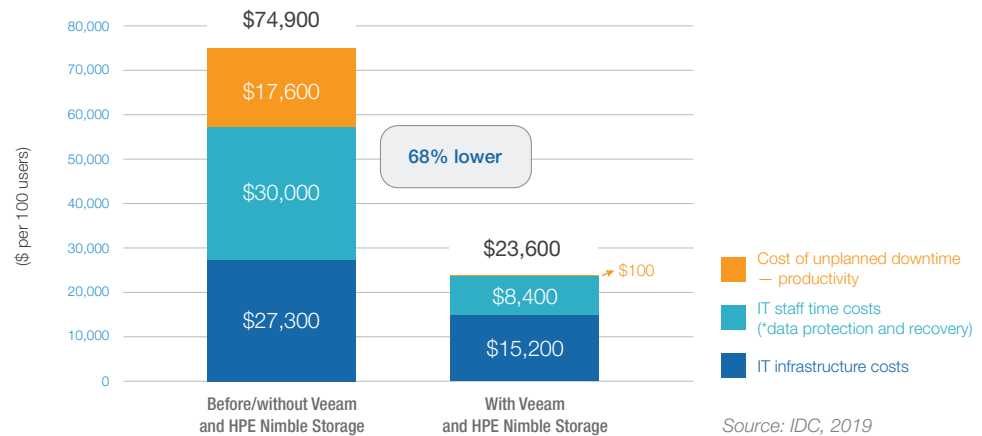
capacity, and the advantages provided by data compression. Study participants commented on these and other benefits:

- **Improved performance means less storage required:** *"We estimate at least a 50% reduction in storage costs with Veeam and HPE Nimble Storage. Instead of buying a 50–60TB storage device, we can do the same work on a 15TB HPE Nimble Storage array because of the all-flash."*

- **Data compression capabilities enable substantial storage efficiencies (Australian Dental Association NSW Branch):** *"We use Veeam and HPE Nimble Storage to do 14 daily, 22 weekly, 12 monthly, and 7 yearly backups. To do this, Veaam compressed 540TB of data down to 19.6TB by tracking block-level delta ... This is saving us $75,000 one time and $15,000 per year."*

- **Benefits in terms of performance and functionality are most important:** *"Veeam and HPE Nimble Storage is more expensive than our previous environment, but we moved up from a Yugo to a Cadillac. It is worth it because of the flexibility and all the things it does for us. It is night and day. Trying to make the comparison is just not fair."*

Overall, these organizations reported that their costs were 44% lower with the Veeam and HPE Nimble Storage solution than building out an alternative environment for equivalent workloads.

Figure 2 shows the overall five-year cost of operations for these organizations, including hardware requirements, staff time for data backup and recovery activities, and the cost of lost productivity due to unplanned downtime. The 68% savings that IDC projects these organizations will realize underscore the cost-effective nature of the Veeam and HPE Nimble Storage combined solution, in addition to delivering much-improved functionality.

FIGURE 2 Average Five-Year Cost of Operations per 100 Users

Source: IDC, 2019

ROI Summary

IDC's analysis of the benefits and costs related to the study participants' use of the Veeam and HPE Nimble Storage solution is presented in Table 8. IDC calculates that, on a per-organization basis, interviewed organizations will achieve a total discounted five-year benefit of $2.26 million ($65,600 per 100 users) based on efficiencies for data protection and recovery teams and other IT teams, reducing the cost of risk associated with unplanned outages, higher revenue, and lower costs as described. These benefits compare with projected total discounted investment costs over five years of $0.60 million on a per organization basis ($17,400 per 100 users). Based on these benefits and investment costs, IDC projects an average five-year ROI of 278% and breakeven on investment in seven months.

TABLE 8 ROI Analysis

Five-Year ROI Analysis	Per Organization	Per 100 Users
Benefit (discounted)	$2.26 million	$65,600
Investment costs (discounted)	$0.60 million	$17,400
Net present value (NPV)	$1.66 million	$48,200
ROI (NPV/investment)	278%	278%
Payback period	7 months	7 months
Discount factor	12%	12%

Source: IDC, 2019

CHALLENGES/OPPORTUNITIES

Veeam and HPE have had a strong relationship for a number of years with many successful joint customer deployments. However, as with any partnership, the long-term success depends upon continual cooperation of both parties to keep product road maps in sync and to make the necessary R&D investment in the joint solution. We believe this will continue to be the case with Veeam and HPE but is by nature different from a single solution from a single vendor. Even so, the joint solution can also give customers added flexibility to evolve the solution to their own needs rather than being locked into a single solution.

CONCLUSION

As organizations face pressure to generate value through their operational data, they also must find ways to handle increasing volumes of dynamic and diverse data. Greater business reliance on data means that data availability becomes more essential and compels organizations to ensure that data-related activities do not hinder or slow business activities or create undue operational risk.

IDC's study demonstrates the value for interviewed organizations of supporting their data backup and recovery environments with the integrated Veeam data management software and HPE Nimble Storage solution set. Veeam and HPE Nimble Storage customers reported making their data backup and recovery operations significantly more robust and efficient. They described marked improvements measured in both key performance indicators such as RPO and RTO and the ability of teams responsible for data backup and recovery efforts to support growing data environments effectively and efficiently.

These benefits carry demonstrable financial value for interviewed organizations, while their ability to limit operational risk associated with their data environments with the Veeam and HPE Nimble Storage solution not only brings tangible benefits but also, just as importantly, limits less quantifiable but potentially very significant business risk associated with data-related breaches, losses, or other incidents. Overall, IDC's analysis shows that study participants will achieve an almost 4:1 return on their investment — 278% — in the integrated Veeam and HPE Nimble Storage solution set over five years.

APPENDIX

Methodology

IDC's standard ROI methodology was utilized for this white paper. This methodology is based on gathering data from current users of Veeam data management software with HPE Nimble Storage as the foundation for the model. Based on interviews with organizations using the solution, 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 Veeam and HPE Nimble Storage.** 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 Veeam and

HPE Nimble Storage 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 and HPE Nimble Storage 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 manager productivity savings. For purposes of this analysis, based on the geographic locations of the interviewed organizations, IDC has used assumptions of an average fully loaded salary of $100,000 per year for IT staff members and an average fully loaded salary of $70,000 per year 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.

● Further, because the Veeam and HPE Nimble Storage solution requires 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.

IDC Global Headquarters

5 Speen Street
Framingham, MA 01701
USA
508.872.8200
Twitter: @IDC
idc-insights-community.com
www.idc.com

About IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications and consumer technology markets. IDC helps IT professionals, business executives, and the investment community make fact-based decisions on technology purchases and business strategy. More than 1,100 IDC analysts provide global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries worldwide. For 50 years, IDC has provided strategic insights to help our clients achieve their key business objectives. IDC is a subsidiary of IDG, the world's leading technology media, research, and events company.