

A Forrester Total Economic  
Impact™ Study

Commissioned By Druva

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# The Total Economic Impact™ Of Druva inSync

Driving Cost Savings And Improved  
Productivity With Integrated Data  
Backup, Access, And Sharing

FORRESTER®

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## Executive Summary

In June 2014, Druva commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) enterprises may realize by implementing inSync. The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of inSync on their organizations.

To better understand the benefits, costs, and risks associated with an inSync implementation, Forrester interviewed several customers who implemented inSync. Druva offers inSync as a comprehensive and unified platform for endpoint data protection and governance without compromising end user productivity. Endpoint devices include laptops (PCs or Macs), smartphones, and tablets. For the mobile workforce, inSync offers rich features like seamless endpoint backup, secure file sharing, data loss prevention mechanisms, and data governance capabilities. These features enable full visibility into corporate data stored on any endpoint and can be easily viewed and managed through a centralized console on a single platform. Druva offers both a private (on-premises) and public cloud version of inSync to customers depending on their need and location.

The organizations interviewed wanted to improve backup and recovery of endpoint data in a cost-effective manner as their workforce grew more mobile. A number of these organizations had multiple homegrown and off-the-shelf products implemented on-premises that were not meeting their needs to have a unified and secure platform for endpoint backup and governance. User experience was also a key factor in these organizations' decisions to choose inSync, as consistent backup and global adoption across the organization were goals.

**inSync improves data protection, encryption management, and backup of endpoints while also driving better governance and compliance. The costs and benefits for a composite organization with 3,000 inSync users, based on customer interviews, are:**

- **Investment costs: \$1.28 million.**
- **Total cost savings and benefits: \$3.77 million.**

### INSYNC IMPROVES DATA PROTECTION FOR MOBILE ENDPOINTS, DRIVES COST SAVINGS, AND IMPROVES PRODUCTIVITY

Our interviews with four existing customers and subsequent financial analysis found that a composite organization based on these companies experienced the risk-adjusted ROI, benefits, and costs shown in Figure 1.<sup>1</sup> See Appendix A for a description of the composite organization.

The composite organization analysis points to benefits of \$3,771,742 over three years versus implementation costs of \$1,278,377, adding up to a net present value (NPV) of \$2,493,364.

With inSync, the organizations interviewed were able to improve data protection, security, and backup of endpoints globally; improve compliance and increase efficiency through eDiscovery enablement; enhance the end user experience and increase collaboration with file sync and share; and maximize IT productivity. With inSync's cloud deployment, a number of the organizations interviewed were also able to realize significant savings from avoiding the cost of additional investment in on-premises solutions.

**FIGURE 1**  
Financial Summary Showing Three-Year Risk-Adjusted Results

**ROI:**  
**195%**

**NPV:**  
**\$2,493,364**

**Payback:**  
**0.4 months**

**Improved productivity:**  
**▲ at least 10%**

Source: Forrester Research, Inc.

- › **Benefits.** The composite organization recognized the following benefits from its inSync implementation that represent those experienced by the interviewed companies. These benefits are all expressed in risk-adjusted, net present value terms:
- **Increased compliance with reduced cost of eDiscovery and data collection.** By implementing inSync, organizations interviewed were able to decrease time and effort spent on data collection and consequently lower the cost of eDiscovery for their companies. The composite organization saved \$213,073 worth of manpower over three years by using inSync for litigation data collection and discovery.
  - **Reduced operational overhead for data backup and recovery.** Organizations reported improved IT productivity for their staff by deploying inSync. With the centralization of support processes and self-service through Druva, the composite organization saw a 10% increase in productivity for IT administrators focused on data backup, protection, and recovery. These IT productivity savings are valued at \$80,790 over three years.
  - **Help desk time savings.** In addition to IT admin savings, organizations also reported improved productivity for their service desk operations as inSync drove a reduced number of incidents as well as a shorter time-to-issue-resolution for data recovery. Help desk staff for the composite organization improved their productivity by 10% per year, resulting in a three-year productivity savings of \$308,904.
  - **Improved user experience leading to business end user productivity savings.** End users now had an easier process to back up their data and, for some organizations, collaborate with file sync and share, when compared with their pre-inSync environments. At the same time, easier retrieval of and access to data through inSync enabled users to continue to be productive even when incidents occurred. These business end user productivity savings are valued at \$974,959 over three years for the composite organization.
  - **Cost avoidance savings versus previous on-premises solution.** A number of the organizations interviewed stated that investing in inSync was cheaper than upgrading their legacy data backup on-premises solutions to meet their needs. One company estimated they reduced their costs by 40% when considering the storage infrastructure investment they would have had to make without inSync. The composite organization saved \$1,836,701 over three years by implementing inSync instead of upgrading its legacy backup solution.
  - **Cost savings for separate archiving solution.** Using inSync plus the acquisition of a litigation support tool, the composite organization no longer had to invest in a separate archiving on-premises solution. This has saved the composite organization \$357,313 over the three-year analysis.
  - Other benefits experienced by the organizations interviewed include **improved data protection for endpoints, improved encryption management and backup of endpoints, and ease of management with one platform for data protection and governance.**
- › **Costs.** The composite organization experienced the following costs, expressed in risk-adjusted present value terms:
- **inSync licensing costs.** The composite organization licensed the full suite of inSync, which included file sync and share, governance, data loss prevention, and other services in the cloud, for its 3,000 users. Each user has licenses for inSync on unlimited devices. The total cost to the composite organization for inSync licenses is \$1,141,465 over three years.
  - **Resource costs for implementation and ongoing management.** Organizations interviewed typically took a phased deployment approach for their inSync implementation. These organizations also incurred continuing, albeit minimal, administrative costs for the solution. Total implementation and ongoing management costs of inSync for the composite organization are \$136,912 over the three-year analysis.

## Disclosures

The reader should be aware of the following:

- › The study is commissioned by Druva and delivered by Forrester Consulting. It is not meant to be used as a competitive analysis.
- › Forrester makes no assumptions as to the potential return on investment that other organizations will receive. Forrester strongly advises that readers use their own estimates within the framework provided in the report to determine the appropriateness of an investment in inSync.
- › Druva 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.
- › Druva provided the customer names for the interviews but did not participate in the interviews.

## TEI Framework And Methodology

### INTRODUCTION

From the information provided in the interviews, Forrester has constructed a Total Economic Impact (TEI) framework for those organizations considering implementing inSync. The objective of the framework is to identify the cost, benefit, flexibility, and risk factors that affect the investment decision.

### APPROACH AND METHODOLOGY

Forrester took a multistep approach to evaluate the impact that inSync can have on an organization (see Figure 2). Specifically, we:

- › Interviewed Druva marketing and sales personnel, along with Forrester analysts, to gather data relative to inSync and the marketplace for cloud storage.
- › Interviewed four organizations currently using inSync to obtain data with respect to costs, benefits, and risks.
- › Designed a composite organization based on characteristics of the interviewed organizations (see Appendix A).
- › Constructed a financial model representative of the interviews using the TEI methodology. The financial model is populated with the cost and benefit data obtained from the interviews as applied to the composite organization.
- › Risk-adjusted the financial model based on issues and concerns the interviewed organizations highlighted in interviews. Risk adjustment is a key part of the TEI methodology. While interviewed organizations provided cost and benefit estimates, some categories included a broad range of responses or had a number of outside forces that might have raised or lowered them. For that reason, some cost and benefit totals have been risk-adjusted and are detailed in each relevant section.

Forrester employed four fundamental elements of TEI in modeling inSync's service: benefits, costs, flexibility, and risks.

Given the increasing sophistication that enterprises have regarding ROI analyses related to IT investments, Forrester's TEI methodology serves to provide a complete picture of the total economic impact of purchase decisions. Please see Appendix B for additional information on the TEI methodology.

**FIGURE 2**  
TEI Approach



Source: Forrester Research, Inc.

## Analysis

### COMPOSITE ORGANIZATION

For this study, we conducted interviews with representatives from the following four companies that implemented inSync:

- › A US-based commercial contractor and construction company specializing in advanced technology, life sciences, and healthcare projects with approximately 2,000 employees and over \$2 billion in annual revenue.
- › A global biopharmaceutical firm with over 5,000 employees and \$5 billion in annual revenue.
- › A multinational electronic design automation company with 75 sites globally, 4,500 employees, and over \$1 billion in revenue.
- › A Fortune 500 pharmaceutical and health services corporation with over 75,000 employees worldwide.

Based on these interviews, Forrester constructed a TEI framework, a composite company, and an associated ROI analysis that illustrates the areas financially affected. The composite organization that Forrester synthesized from these results represents a large organization of about 4,500 employees with the following additional characteristics:

- › Has \$2.5 billion in annual revenue.
- › Is a global organization with multiple sites.
- › Has an IT team of about 50 people.
- › Has 3,000 users of inSync with approximately 1.5 devices each.
- › Uses inSync for backup for laptops and desktops.
- › Will consider using inSync for mobile devices in the future.

The key goal of the composite company, also known as *Organization A*, was to implement a reliable and secure solution for centralized backup and recovery of endpoint data. A secondary goal was to improve compliance and facilitate an easier data collection process for litigation.

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*“The most valuable feature of inSync has been the self-serviceability. It is so simple that we can extend that functionality out to any end user and they can manage the backup.”*

~Senior director, enterprise architecture, global biopharmaceutical firm

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### INTERVIEW HIGHLIGHTS

#### *Situation*

A common theme among the four organizations interviewed was a desire to implement a cost-effective centralized solution for backup and recovery of endpoint data that would result in better end user adoption and improved compliance. Most of the interviewees had a mix of multiple backup products implemented in different parts of their organizations. Other drivers for these organizations included:

- › To prevent data loss and protect data for their increasingly mobile workforce.
- › Inconsistent backup for endpoint data across the organization.
- › Failed implementation of an on-premises backup solution that resulted in low user adoption and high cost.

- › Desire to switch to an in-cloud model for endpoint backup and recovery as infrastructure costs for legacy on-premises solutions were increasing due to the volume of data that required backup.
- › To find a cost-effective process of addressing regulatory issues that required longer retention of data for litigation purposes.
- › Cumbersome and time-consuming data collection and eDiscovery.

#### Solution

These organizations selected inSync for endpoint data backup and recovery. A number of these organizations also used inSync to enable eDiscovery, compliance, data loss prevention, and data access. There were some organizations that also used inSync for file sync and share for a smaller segment of their users, though this was a less common use case among the interviewees. All the companies interviewed used inSync in the cloud.

#### Results

The interviews revealed that organizations experienced the following benefits:

- › **Increased compliance and lower costs with improved data collection and eDiscovery enablement.** Using eDiscovery tools and data governance for endpoints saved time for previously laborious data collection processes for litigation and compliance.
- › **Productivity savings for IT administrators, help desk operations, and business end users.** inSync allowed users to access their data faster through self-service and also made the backup and recovery process faster for IT administrators and help desk staff, leading to increased workforce productivity.
- › **Cost avoidance savings for on-premises backup and archiving solutions.** inSync's cloud implementation also contributed to significant savings for organizations that were considering making considerable infrastructure investments in on-premises solutions.
- › **Improved data protection for endpoints with a global solution.** For several customers, inSync was the first time they were able to consistently implement data backup and protection across all endpoints in their organization. They all noted that it was now easier to recover from data loss and retrieve lost information through inSync.

*“inSync gives us security with data in the cloud. We had file encryption and disk encryption stuff before. It's the data in the cloud and crossing the LAN that was the important part — being encrypted at rest.”*

*~Technical architect, multinational electronic design automation company*

- › **Improved encryption management and backup of endpoints,**

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*“We had an in-house, on-premises solution that we used for about six or seven years prior to inSync. We have 20,000 endpoints, and we wanted something more state of the art.”*

*~Service delivery manager, Fortune 500 pharmaceutical and health services company*

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*“With inSync, there are more backups happening. Consistency and regularity are much better than before. We've seen a 30% increase in reliability of the backup.”*

*~Technical architect, multinational electronic design automation company*



**especially for a mobile workforce.** Organizations interviewed saw better data loss prevention through inSync with remote wipe, geolocation, and device encryption, features that they did not have in their pre-Druva environments.

“The key differentiator for Druva is the encryption component. In reality, Druva is not backing up files; they are backing up blocks of data. We have compliance regulations and NDAs, and that encryption is definitely a plus for us.”

*~Director for infrastructure and operations, specialized commercial contractor and construction firm*

- › **Ease of management with one platform for data protection and governance.** Organizations noted the ease of management with inSync’s single administration interface/console. One organization also noted that even with one unified systems approach for data protection and governance, it also appreciated that inSync would work across multiple platforms, as it is a cross-platform organization.

## BENEFITS

Below are the quantified benefits for the composite organization, which reflect those of the organizations interviewed.

### + Improved Compliance And Reduction In Cost Of eDiscovery And Data Collection

Compliance was a major concern for those organizations interviewed in highly regulated industries such as construction and pharmaceuticals. As more and more of their workers were becoming mobile, with sensitive work information on email and on their laptops, these companies wanted to manage risk and improve compliance. These companies chose inSync for endpoint protection and governance. At the same time, they recognized that inSync would also benefit their data collection and eDiscovery process for litigation. As one CIO noted: “The key factor for us was litigation. With a data retention policy of 15 years, obtaining data from the field is not an easy task.” This organization estimated that it has saved \$100,000 in manpower costs for data management and collection for litigation cases with its move to inSync. One organization noted that 50% of its backup team no longer had to support eDiscovery with inSync’s self-service access, while another organization noted that three people in its information security group saw time savings with inSync.

With its inSync implementation, *Organization A* was able to reduce time spent by its IT data backup team to support the eDiscovery process in litigation cases. Prior to inSync, three people on the backup team had to spend 14 days each on every case. This effort was eliminated with inSync. At an average of five cases a year and an annual fully loaded compensation of \$110,500, this represents \$89,250 in annual savings for the organization.

Interviewed organizations provided a range of labor savings as a result of faster eDiscovery for litigation to reflect the variability of their pre-inSync environments. To compensate, this benefit was risk-adjusted and reduced by 4%. The risk-adjusted benefit was \$85,680 per year. See the section on Risks for more detail.

**TABLE 1**  
**Reduction In eDiscovery And Data Collection Costs**

Ref.	Metric	Calculation	Year 1	Year 2	Year 3
A1	Number of cases per year		5	5	5
A2	FTEs on backup team for eDiscovery		3	3	3
A3	Hours spent on each case per FTE	14 days*8 hours	112	112	112
A4	Fully loaded annual compensation		\$110,500	\$110,500	\$110,500
At	Cost savings from faster data collection	$A1*A2*A3*(A4/2,080)$	\$89,250	\$89,250	\$89,250
	Risk adjustment		↓ 4%		
<b>Atr</b>	<b>Cost savings from faster data collection (risk-adjusted)</b>		<b>\$85,680</b>	<b>\$85,680</b>	<b>\$85,680</b>

Source: Forrester Research, Inc.

### ★ Reduced Operational Overhead For Data Backup And Recovery

IT administrative savings around data backup, recovery, and protection was a consistent theme among the organizations interviewed. As one biopharmaceutical firm noted: “Productivity benefits — it’s significant for folks in those areas of backup, eDiscovery, help desk, [and] desktop admin. It’s reduced a lot of cycles for them.” With inSync, IT administrators now spend less time managing the data backup, recovery, and protection processes. One technical architect noted that in their pre-inSync environment, “there was hardware to deal with, logs they had to parse, and they had to contact the user.” Interviewees also remarked that the improvement in functionality of inSync’s management console also contributed to time savings for their systems administrators. Estimates of improved productivity for IT administrators among the organizations interviewed ranged from 5% to 15%.

In *Organization A*’s 50-person IT team, there were six IT administrators focused on data backup, recovery, and protection. These six IT administrators saved, on average, 10% of their time as a result of the inSync implementation. Forrester conservatively estimates that only 50% of those time savings are used for productive work. At an annual fully loaded compensation of \$110,500, the total reduction in operational overhead for data backup and recovery is valued at \$33,150 per year. This benefit was risk-adjusted and further reduced by 2% for variability. The risk-adjusted total benefit resulting from IT administrative time saved for data backup, protection, and recovery was \$32,487 per year.

**TABLE 2**  
**IT Administration Savings**

Ref.	Metric	Calculation	Year 1	Year 2	Year 3
B1	IT FTEs focused on backup		6	6	6
B2	Average time savings		10%	10%	10%
B3	Fully loaded annual compensation		\$110,500	\$110,500	\$110,500
B4	Percentage productivity captured		50%	50%	50%
Bt	IT administration savings	$B1*B2*B3*B4$	\$33,150	\$33,150	\$33,150
	Risk adjustment		↓ 2%		
<b>Btr</b>	<b>IT administration savings (risk-adjusted)</b>		<b>\$32,487</b>	<b>\$32,487</b>	<b>\$32,487</b>

Source: Forrester Research, Inc.

### + Help Desk Time Savings

With inSync's self-service model, organizations interviewed reported a reduction in the number of service desk support tickets for restoration of lost data and files. For incidents such as lost or stolen laptops or hardware failure, it was now easier to restore files and address data loss. Implementing inSync throughout the organization also centralized the support process and improved help desk efficiency. The organizations interviewed estimated productivity savings ranging from 4% to 10% for their help desk staff with their inSync implementation.

The composite organization had 30 people on its help desk team. It saw its productivity improve by 10% as the time it took to address incidents of data loss decreased and the number of service desk tickets for data loss and recovery were reduced with inSync. At an average fully loaded annual compensation of \$84,500 for its help desk staff, which included field engineers, and conservatively assuming that only 50% of that time saved is used for productive work, *Organization A's* help desk productivity savings are valued at \$126,750 per year. This benefit was risk-adjusted and reduced by 2%, resulting in \$124,215 in annual help desk productivity savings for the composite organization.

**TABLE 3**  
**Help Desk Productivity Savings**

Ref.	Metric	Calculation	Year 1	Year 2	Year 3
C1	Help desk FTEs		30	30	30
C2	Average time savings		10%	10%	10%
C3	Fully loaded annual compensation		\$84,500	\$84,500	\$84,500
C4	Productivity capture		50%	50%	50%
Ct	Help desk time savings	$C1 * C2 * C3 * C4$	\$126,750	\$126,750	\$126,750
	Risk adjustment		↓ 2%		
<b>Ctr</b>	<b>Help desk time savings (risk-adjusted)</b>		<b>\$124,215</b>	<b>\$124,215</b>	<b>\$124,215</b>

Source: Forrester Research, Inc.

### + Business End User Productivity Savings

With their inSync implementations, the interviewees could now consistently back up data on endpoint devices throughout their organization and improve end user experience for data recovery. Organizations noted that end users could now easily recover the files on their endpoint devices through inSync's self-service model. One director for infrastructure and operations noted that in their previous environment, users would have to send their laptops to a central location to get their data restored, and they would be without their computers (and thereby, less productive) for a week. This was echoed by interviewees at other organizations — previously, they had an average wait of one week to retrieve files, and now this is less than a day with their inSync implementation. A number of the interviewees also noted that their users had to manually back up their files in the old environment, and now this process is automated with inSync. Organizations that used inSync's file sync and share feature also saw time savings for a select group of users who were active users of this feature.

*Organization A* was able to reduce the time to recover lost endpoint data from 40 hours (five days) to 4 hours as its end users could now easily recover their data through inSync instead of sending their computers to IT. These incidents occurred, on average, 10 times a month. *Organization A* also had a subgroup of heavy users of inSync's file sync and share feature, and this group saved 30 minutes per week as a result of improved collaboration through file sync and share in the first year of implementation. These time savings improved to 1 hour a week as the users became more adept at using this feature to collaborate.

At an average fully loaded annual compensation of \$65,000 per end user, and conservatively assuming that only 75% of these end user productivity savings are captured, the benefit of improved productivity for end users for the composite organization is valued at \$284,063 in the first year of implementation. This figure grows to \$466,875 in the subsequent years. This business end user productivity benefit was also risk-adjusted and reduced by 2%, resulting in \$278,381 in end user productivity savings for *Organization A* in Year 1.

**TABLE 4**  
**Business End User Productivity Savings**

Ref.	Metric	Calculation	Year 1	Year 2	Year 3
D1	Incidents per month where user was without a computer		10	10	10
D2	Previous time without access to data (hours)		40	40	40
D3	Current time without access to data (hours)		4	4	4
D4	Time savings in data restore/access per incident (hours)	D2 - D3	36	36	36
D5	Users who are file-share pros		300	300	300
D6	Time savings in data access/collaboration (hours per week)		0.5	1.0	1.0
D7	Average end user fully loaded annual compensation		\$65,000	\$65,000	\$65,000
D8	Total user time savings per year (hours)	$(D1 * D4 * 12) + (D5 * D6 * 52)$	12,120	19,920	19,920
D9	Percentage productivity captured		75%	75%	75%
Dt	End user productivity savings	$D8 * (D7 / 2080) * D9$	\$284,063	\$466,875	\$466,875
	Risk adjustment		↓ 2%		
<b>Dtr</b>	<b>End user productivity savings (risk-adjusted)</b>		<b>\$278,381</b>	<b>\$457,538</b>	<b>\$457,538</b>

Source: Forrester Research, Inc.

### + Cost Avoidance Savings For On-Premises Solution

By implementing inSync in the cloud, these organizations also saw savings from avoiding the cost of implementing and maintaining their own on-premises solution. The services delivery manager at one Fortune 500 corporate noted that the company had an in-house, on-premises solution for about six or seven years and that one of the main benefits of inSync was the savings it achieved by having its endpoint data backup and recovery solution in the cloud instead of on-premises. A director for infrastructure and operations at one company noted that through inSync, it eliminated 50% of the effort to support an environment for an on-premises endpoint backup and recovery solution. This organization estimated that as its endpoint storage needs grew by 15% annually, it would have spent \$1.8 million for an on-premises solution versus the \$300,000 it would spend for inSync over three years. One global pharmaceutical firm estimated that inSync was 60% cheaper than the storage infrastructure it would have bought and estimated that inSync saved it at least \$1.5 million in upfront costs to upgrade its legacy on-premises solution to fit its needs. The organization also noted it would incur additional costs for three full-time equivalents (FTEs) each year to manage the on-premises environment.

With inSync, *Organization A* avoided an upfront infrastructure investment of \$1.5 million to upgrade its storage environment and continue supporting its legacy on-premises solution. By moving to inSync in the cloud, it also saved the cost of two FTEs per year to support and maintain this environment. At an annual fully loaded compensation of \$110,500 per FTE, the cost avoidance savings for *Organization A* is quantified at approximately \$1.91 million over three years (present value). This

benefit was risk-adjusted and reduced by 4% for variability. The risk-adjusted total benefit of cost avoidance of an on-premises solution savings was \$1,836,701 over three years.

**TABLE 5**  
**Cost Avoidance For On-Premises Solution**

Ref.	Metric	Calculation	Year 1	Year 2	Year 3
E1	Upfront infrastructure investment		\$1,500,000		
E2	FTEs required for support/management		2	2	2
E3	Fully loaded annual compensation		\$110,500	\$110,500	\$110,500
E <sub>t</sub>	Cost avoidance savings for on-premises solution	$E1+(E2 \cdot E3)$	\$1,721,000	\$221,000	\$221,000
	Risk adjustment		↓ 4%		
<b>E<sub>tr</sub></b>	<b>Cost avoidance savings for on-premises solution (risk-adjusted)</b>		<b>\$1,652,160</b>	<b>\$212,160</b>	<b>\$212,160</b>

Source: Forrester Research, Inc.

#### + Cost Avoidance Savings — Archiving Solution

As mentioned earlier, compliance was a growing concern for a number of organizations interviewed and a main factor in their decision to purchase inSync. For these companies, their industries were experiencing increasing regulation. The ability to cost-effectively comply with these regulations to minimize the effect of litigation through more effective eDiscovery was a strategic priority. One organization interviewed stated that its purchase and implementation of inSync in combination with the acquisition of a litigation support tool saved it the cost of investing in a separate archiving solution. This archiving solution would have been a more expensive option for the company.

The composite organization was able to avoid the cost of a separate archiving solution that would have cost \$550,000 upfront with an additional \$40,000 per year in maintenance. To be able to fully utilize inSync archiving features for its needs, *Organization A* also acquired an additional litigation support tool that was compatible with inSync at a cost of \$250,000. Total cost avoidance savings for the organization over three years have a net present value of \$372,201. This benefit was risk-adjusted and reduced by 4% for variability. The risk-adjusted net present value total benefit resulting from cost avoidance of a separate archiving solution was \$357,313.

**TABLE 6**  
**Cost Savings — Archiving Solution**

Ref.	Metric	Calculation	Year 1	Year 2	Year 3
F1	Alternative archiving solution upfront cost		\$550,000		
F2	Alternative archiving solution annual maintenance		\$40,000	\$40,000	\$40,000
F3	Cost for litigation support tool		\$250,000		
Ft	Cost savings — archiving solution	F1 + F2 - F3	\$340,000	\$40,000	\$40,000
	Risk adjustment		↓ 4%		
<b>Ftr</b>	<b>Cost savings — archiving solution (risk-adjusted)</b>		<b>\$326,400</b>	<b>\$38,400</b>	<b>\$38,400</b>

Source: Forrester Research, Inc.

### Total Benefits

Table 7 shows the total of all benefits across the five areas listed above, as well as present values (PVs) discounted at 10%. Over three years, the composite organization expects risk-adjusted total benefits to be a PV of more than \$3.77 million.

**TABLE 7**  
**Total Benefits (Risk-Adjusted)**

Benefit	Initial	Year 1	Year 2	Year 3	Total	Present Value
Reduction in eDiscovery and data collection costs	\$0	\$85,680	\$85,680	\$85,680	\$257,040	\$213,073
IT administration savings	\$0	\$32,487	\$32,487	\$32,487	\$97,461	\$80,790
Help desk time savings	\$0	\$124,215	\$124,215	\$124,215	\$372,645	\$308,904
Business end user productivity savings	\$0	\$278,381	\$457,538	\$457,538	\$1,193,456	\$974,959
Cost avoidance for on-premises solution	\$0	\$1,652,160	\$212,160	\$212,160	\$2,076,480	\$1,836,701
Cost savings — archiving solution	\$0	\$326,400	\$38,400	\$38,400	\$403,200	\$357,313
<b>Total benefits</b>	<b>\$0</b>	<b>\$2,499,323</b>	<b>\$950,480</b>	<b>\$950,480</b>	<b>\$4,400,282</b>	<b>\$3,771,742</b>

Source: Forrester Research, Inc.

*Some numbers throughout the study may not align due to rounding.*

## COSTS

The composite organization experienced a number of costs associated with its inSync solution:

- › inSync licensing costs.
- › Internal resource costs for implementation and ongoing management.

*Organization A* was already implementing a network upgrade as a separate project, so there were no additional network costs with its inSync implementation.

### 💰 inSync Licensing Costs

The composite organization purchased inSync for 3,000 users and multiple devices per user and chose a cloud deployment. The implementation included endpoint backup and recovery, file sync and share, data loss prevention, eDiscovery enablement, and compliance. The total cost to the organization for inSync is \$450,000 per year. To account for variability in inSync fees depending on each organization's endpoint backup requirements, this cost was risk-adjusted up by 2%. The risk-adjusted net present value cost of inSync over the three years was \$1,141,465. See the section on Risks for more detail.

### ⊖ Resource Costs For Implementation And Ongoing Management

Most of the organizations interviewed took a phased approach with their inSync deployments. Ease of deployment with Druva was a consistent theme, with no training or major changes to the IT process required.

*Organization A* had four FTEs spending 50% of their time on the initial implementation for three months. The second phase of the deployment took two months for the same four workers at 50% of their time. Following this, *Organization A* had these same four FTEs each spend 6 hours a month on ongoing management and administration of inSync. The total resource costs for implementation and ongoing management for the composite organization is \$124,466 (net present value) over the three-year analysis. As implementation costs may vary by organization, this cost was risk-adjusted up by 10%. The total net present value risk-adjusted internal labor cost for implementation and ongoing management was \$136,912.

**TABLE 8**  
**Resource Costs — Implementation And Ongoing Management**

Ref.	Metric	Calculation	Initial	Year 1	Year 2	Year 3
F1	FTE resources used		4	4	4	4
F2	Hours spent per FTE		260	233	72	72
F3	Fully loaded annual compensation		\$110,500	\$110,500	\$110,500	\$110,500
Ft	Resource costs — implementation and ongoing management	$F1 * F2 * (F3 / 2080)$	\$55,250	\$49,583	\$15,300	\$15,300
	Risk adjustment		↑ 10%			
<b>Ftr</b>	<b>Resource costs — implementation and ongoing management (risk-adjusted)</b>		<b>\$60,775</b>	<b>\$54,542</b>	<b>\$16,830</b>	<b>\$16,830</b>

Source: Forrester Research, Inc.



## Total Costs

Table 9 shows the total of all costs as well as associated present values, discounted at 10%. Over three years, the composite organization expects costs to total a net present value of approximately \$1.28 million.

**TABLE 9**  
**Total Costs (Risk-Adjusted)**

Cost	Initial	Year 1	Year 2	Year 3	Total	Present Value
inSync licensing costs	\$0	\$459,000	\$459,000	\$459,000	\$1,377,000	\$1,141,465
Resource costs — implementation and ongoing management	\$60,775	\$54,542	\$16,830	\$16,830	\$148,977	\$136,912
<b>Total costs</b>	<b>\$60,775</b>	<b>\$513,542</b>	<b>\$475,830</b>	<b>\$475,830</b>	<b>\$1,525,977</b>	<b>\$1,278,377</b>

Source: Forrester Research, Inc.

## FLEXIBILITY

Flexibility, as defined by TEI, represents an investment in additional capacity or capability that could be turned into business benefit for some future additional investment. This provides an organization with the “right” or the ability to engage in future initiatives but not the obligation to do so. There are multiple scenarios in which a customer might choose to use inSync and later realize additional uses and business opportunities. Flexibility would also be quantified when evaluated as part of a specific project (described in more detail in Appendix B).

The ability to also back up system and application settings is also integrated into the inSync backup and restore solution. With this, customers can gain additional benefits when their organizations go through an OS migration or device refresh as, one interviewee stated, “it is much easier to refresh with data in the cloud.” This organization estimated that the use of inSync for future technology refreshes would save 30% of the time it would normally take its field engineering team to conduct a technology refresh. It also wanted to be able to expand inSync functionality not just to recovery of the files but recovery of the entire desktop as well, noting “there are tremendous benefits as a company to be able to do that very efficiently, and strategically, so that you don’t lose productivity in incidents like hard drive interruption and recovery.”

Additional productivity savings may be realized as organizations expand their use of inSync to other endpoints within the company such as mobile devices (cell phones, iPads, etc.). Organizations also talked about further integrating inSync as part of its compliance and governance ecosystem, with one biopharmaceutical firm stating that building search and indexing type capability in a system to work with inSync would improve its risk management processes. Companies would see gains in enterprise security should they decide to explore this kind of integration for future use.

## RISKS

Forrester defines two types of risk associated with this analysis: “implementation risk” and “impact risk.” Implementation risk is the risk that a proposed investment in inSync may deviate from the original or expected requirements, resulting in higher costs than anticipated. Impact risk refers to the risk that the business or technology needs of the organization may not be met by the investment in inSync, resulting in lower overall total benefits. The greater the uncertainty, the wider the potential range of outcomes for cost and benefit estimates.

**TABLE 10**  
**Benefit And Cost Risk Adjustments**

<b>Benefits</b>	<b>Adjustment</b>
Productivity savings	↓ 2%
All other benefit categories	↓ 4%
<b>Costs</b>	<b>Adjustment</b>
inSync licensing costs	↑ 2%
Resource costs — implementation and ongoing management	↑ 10%

Source: Forrester Research, Inc.

Quantitatively capturing investment risk and impact risk by directly adjusting the financial estimates results provides more meaningful and accurate estimates and a more accurate projection of the ROI. In general, risks affect costs by raising the original estimates, and they affect benefits by reducing the original estimates. The risk-adjusted numbers should be taken as “realistic” expectations since they represent the expected values considering risk.

The following impact risks that affect benefits are identified as part of the analysis:

- › IT and help desk productivity savings are dependent on the size and structure of organizations’ IT teams.
- › Business end user productivity savings will vary depending on the number of inSync users and use cases implemented.
- › Existing data backup, archiving, and data collection systems will vary in organizations’ pre-inSync environment.

The following implementation risks that affect costs are identified as part of this analysis:

- › Annual licensing costs are dependent on the scope of the inSync implementation, as some organizations may choose not to implement the full suite of solutions for inSync.
- › Implementation costs could also vary depending on the complexity of the data migration required.

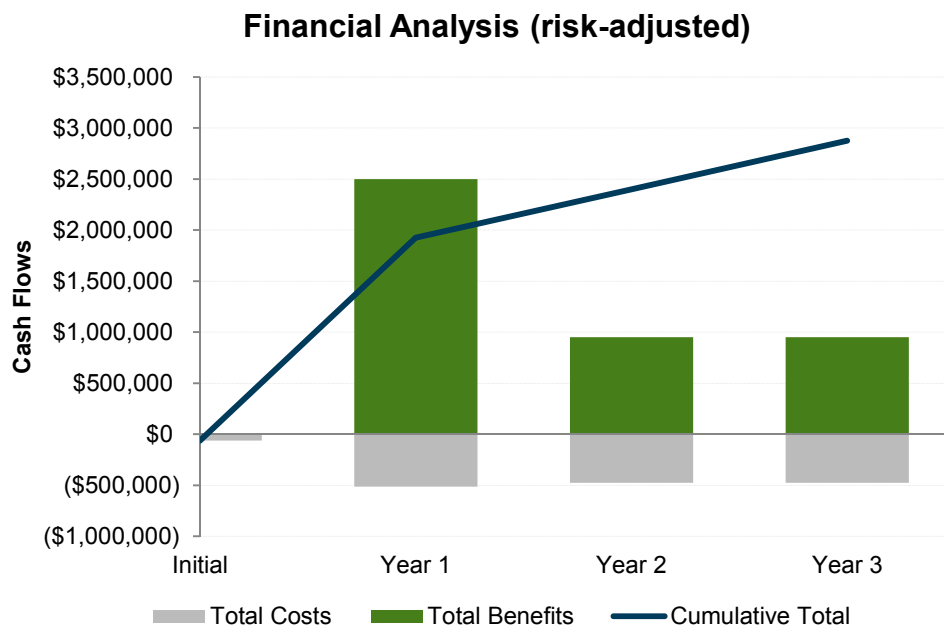
Table 10 shows the values used to adjust for risk and uncertainty in the cost and benefit estimates. Readers are urged to apply their own risk ranges based on their own degree of confidence in the cost and benefit estimates.

## Financial Summary

The financial results calculated in the Benefits and Costs sections can be used to determine the ROI, NPV, and payback period for the composite organization's investment in inSync.

Table 11 below shows the risk-adjusted ROI, NPV, and payback period values. These values are determined by applying the risk-adjustment values from Table 10 in the Risks section to the unadjusted results in each relevant cost and benefit section.

**FIGURE 3**  
Cash Flow Chart (Risk-Adjusted)



Source: Forrester Research, Inc.

**TABLE 11**  
Cash Flow (Risk-Adjusted)

	Initial	Year 1	Year 2	Year 3	Total	Present Value
Costs	(\$60,775)	(\$513,542)	(\$475,830)	(\$475,830)	(\$1,525,977)	(\$1,278,377)
Benefits	\$0	\$2,499,323	\$950,480	\$950,480	\$4,400,282	\$3,771,742
Net benefits	<b>(\$60,775)</b>	<b>\$1,985,782</b>	<b>\$474,650</b>	<b>\$474,650</b>	<b>\$2,874,306</b>	<b>\$2,493,364</b>
ROI	<b>195%</b>					
Payback period	<b>0.4 months</b>					

Source: Forrester Research, Inc.

## Druva inSync: Overview

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

To help solve the risks and challenges associated with proliferation of endpoint devices, Druva created the inSync platform. inSync is a complete and unified IT solution for managing and securing data with no compromise to end user productivity. It has been designed from the ground up with today's mobile workforce in mind to support bring-your-own-devices (BYOD) policies. inSync offers rich features like seamless endpoint backup, secure file sharing, data loss prevention mechanisms, and data governance capabilities. These features enable full visibility into corporate data stored on any endpoint and can be easily viewed and managed through a centralized console on a single platform.



Image source: Druva

Growth and complexity of data in the enterprise has increased sharply, thereby driving storage and bandwidth costs up. Druva takes a unique approach to data deduplication (elimination of redundant data) to help customers address these challenges. inSync's industry-leading and patented global deduplication technology enables customers to dramatically reduce the amount of storage and bandwidth required for backups and file sharing. With inSync's unique global deduplication, customers can see up to 90% savings in storage space, thereby substantially reducing bandwidth requirements and speeding up backups. inSync backs up data in unique and small independent blocks, resulting in scrambled storage and making it difficult to reassemble the file in case of a breach in the system. In addition, these blocks are encrypted (256 bit AES encryption in flight) to further enhance security, and Druva leverages its world-class security certifications to ensure that data is secured safely. inSync offers both an on-premises and cloud option for its customers depending on their needs. Druva uses Amazon Web Services for its cloud deployment, providing the utmost flexible, reliable, scalable, and secure solution for its customers.

Druva brings to market the first endpoint eDiscovery enablement solution. inSync minimizes cost while increasing end user productivity by enabling organizations to search across custodians, data, and devices; quickly place legal holds; and preserve relevant data in place without the need to export it to an intermediary server. With inSync, organizations can easily improve compliance by facilitating an easier data collection process for litigation or internal investigations.

› inSync provides customers:

- Access to data 24x7x365, enabling business continuity to avoid lost productivity from data loss.
- Data breach prevention on lost or stolen devices with end-to-end security, including data encryption in transit, in storage, and on-device.
- Time and resource savings from single-touch mass deployment and centralized management.
- Increased productivity with self-service restore, mobile and web access to data, plus file sharing in an easy-to-use, integrated solution.
- Gain up to 90% less storage and increase bandwidth cost savings with global, block, and application-aware deduplication.

## Appendix A: Composite Organization Description

For this TEI study, Forrester has created a composite organization, *Organization A*, to illustrate the quantifiable benefits and costs of implementing inSync. The composite company is intended to represent a \$2.5 billion global enterprise with headquarters in the US. *Organization A* has 4,500 employees and is based on characteristics of the interviewed customers.

The composite organization that Forrester synthesized from these results represents a global organization that deployed inSync to 3,000 users and over 4,500 endpoints that consist of mostly laptops and desktops. The composite organization was facing rising infrastructure costs to support extending its previous on-premises solution to meet its data growth and backup requirements. In purchasing inSync, *Organization A* has the following objectives:

- › Implement a reliable and secure solution for centralized backup and recovery of endpoint data.
- › Improve compliance by facilitating an easier data collection process for litigation.
- › Manage costs by deploying inSync as part of its overall cloud strategy.

The composite organization had a mix of endpoint backup and recovery solutions, which included a homegrown on-premises solution as well as other out-of-the-box solutions deployed inconsistently throughout the organization. End users would not reliably back up their data as the user experience was typically too time-consuming and cumbersome. Some of the organization's end users would have not backup at all, while others would just use external hard drives. The organization's workforce was also growing increasingly mobile, and there was an executive management push to prevent data loss and protect data in the case of laptop loss.

### FRAMEWORK ASSUMPTIONS

Table 12 provides the model assumptions that Forrester used in this analysis.

The discount rate used in the PV and NPV calculations is 10%, and the time horizon used for the financial modeling is three years. Organizations typically use discount rates between 8% and 16% based on their current environment. Readers are urged to consult with their respective company's finance department to determine the most appropriate discount rate to use within their own organizations.

**TABLE 12**  
**Model Assumptions**

Ref.	Metric	Calculation	Value
G1	Hours per year (M-F, 9-5)		2,080
G2	IT administrator salary		\$85,000
G3	IT help desk salary		\$65,000
G4	Additional percentage added for benefits		30%

Source: Forrester Research, Inc.

## Appendix B: Total Economic Impact™ Overview

Total Economic Impact is a methodology developed by Forrester Research that enhances a company's technology decision-making processes and assists vendors in communicating the value proposition of their products and services to clients. The TEI methodology helps companies demonstrate, justify, and realize the tangible value of IT initiatives to both senior management and other key business stakeholders.

The TEI methodology consists of four components to evaluate investment value: benefits, costs, flexibility, and risks.

### BENEFITS

Benefits represent the value delivered to the user organization — IT and/or business units — by the proposed product or project. Often, product or project justification exercises focus just on IT cost and cost reduction, leaving little room to analyze the effect of the technology on the entire organization. The TEI methodology and the resulting financial model place equal weight on the measure of benefits and the measure of costs, allowing for a full examination of the effect of the technology on the entire organization. Calculation of benefit estimates involves a clear dialogue with the user organization to understand the specific value that is created. In addition, Forrester also requires that there be a clear line of accountability established between the measurement and justification of benefit estimates after the project has been completed. This ensures that benefit estimates tie back directly to the bottom line.

### COSTS

Costs represent the investment necessary to capture the value, or benefits, of the proposed project. IT or the business units may incur costs in the form of fully burdened labor, subcontractors, or materials. Costs consider all the investments and expenses necessary to deliver the proposed value. In addition, the cost category within TEI captures any incremental costs over the existing environment for ongoing costs associated with the solution. All costs must be tied to the benefits that are created.

### FLEXIBILITY

Within the TEI methodology, direct benefits represent one part of the investment value. While direct benefits can typically be the primary way to justify a project, Forrester believes that organizations should be able to measure the strategic value of an investment. Flexibility represents the value that can be obtained for some future additional investment building on top of the initial investment already made. For instance, an investment in an enterprisewide upgrade of an office productivity suite can potentially increase standardization (to increase efficiency) and reduce licensing costs. However, an embedded collaboration feature may translate to greater worker productivity if activated. The collaboration can only be used with additional investment in training at some future point. However, having the ability to capture that benefit has a PV that can be estimated. The flexibility component of TEI captures that value.

### RISKS

Risks measure the uncertainty of benefit and cost estimates contained within the investment. Uncertainty is measured in two ways: 1) the likelihood that the cost and benefit estimates will meet the original projections and 2) the likelihood that the estimates will be measured and tracked over time. TEI applies a probability density function known as "triangular distribution" to the values entered. At a minimum, three values are calculated to estimate the underlying range around each cost and benefit.

## Appendix C: Glossary

**Discount rate:** The interest rate used in cash flow analysis to take into account the time value of money. Companies set their own discount rate based on their business and investment environment. Forrester assumes a yearly discount rate of 10% for this analysis. Organizations typically use discount rates between 8% and 16% based on their current environment. Readers are urged to consult their respective organizations to determine the most appropriate discount rate to use in their own environment.

**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.

**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.

**Payback period:** The breakeven point for an investment. This is the point in time at which net benefits (benefits minus costs) equal initial investment or cost.

**Return on investment (ROI):** A measure of a project's expected return in percentage terms. ROI is calculated by dividing net benefits (benefits minus costs) by costs.

### A NOTE ON CASH FLOW TABLES

The following is a note on the cash flow tables used in this study (see the example table below). The initial investment column contains costs incurred at "time 0" or at the beginning of Year 1. Those costs are not discounted. All other cash flows in years 1 through 3 are discounted using the discount rate (shown in the Framework Assumptions section) at the end of the year. PV calculations are calculated for each total cost and benefit estimate. NPV calculations are not calculated until the summary tables are the sum of the initial investment and the discounted cash flows in each year. Sums and present value calculations of the Total Benefits, Total Costs, and Cash Flow tables may not exactly add up, as some rounding may occur.

TABLE [EXAMPLE]  
Example Table

Ref.	Metric	Calculation	Year 1	Year 2	Year 3

Source: Forrester Research, Inc.

## Appendix D: Endnotes

<sup>1</sup> Forrester risk-adjusts the summary financial metrics to take into account the potential uncertainty of the cost and benefit estimates. For more information on risk, please see page 17.