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Business Value Highlights

373%

average five-year ROI

\$16,633

average annual benefits per 100 users per year

42%

less IT staff time required

74%

less unplanned downtime

44%

faster deployment of new applications and features

The Value of Standardizing on Red Hat Infrastructure Solutions

EXECUTIVE SUMMARY

The IT industry has long been conflicted between the technical advantages associated with using a collection of best-of-breed solutions and the efficiency and relative simplicity associated with using a smaller number of vendors and products. The latter approach of reducing the vendor count and driving less product diversity helps a company enjoy improved out-of-the-box integration and can effectively deploy IT with increasingly consistent configurations.

While it would be inaccurate to suggest that there is no longer any place for a mix-and-match integration of best-of-breed IT solutions, the reality is that the payback for that type of activity has been moving steadily up the stack, closer to the application layer. The most meaningful difference that onsite IT staff can make in application performance and functionality has moved above infrastructure software. More than 10 years ago, it was reasonable to argue that IT staff could deliver better infrastructure solutions through customization. But for most organizations, that is no longer the case.

Instead, a standardized infrastructure software stack that increasingly mimics the standardized infrastructure that cloud providers deliver to customers is becoming the preferred approach to delivering cost-effective on-premises IT today. This trend is effectively a pivot on IT optimization and modernization.

In real terms, this renewed focus means standardizing on a small number of operating systems vendors — typically Microsoft and a Linux distribution vendor — and embracing the products of those vendors without unique variations in each deployment. It's all about embracing a standardized and consistent approach to management, patching, and updating as well as a well-defined life cycle that effectively moves all systems to new operating system releases as soon as those new versions have been qualified by IT.

To understand the operational and business impact of investing in a commercial Linux subscription with supporting management software, IDC interviewed seven organizations that have largely standardized their Linux environments on the Red Hat Enterprise Linux (RHEL) operating system and are using the Red Hat Satellite (Satellite) management system. These organizations reported that their investment in Red Hat enables them to maintain efficient, reliable, and scalable Linux environments for their most important business operations. IDC projects that as a result, these organizations will achieve average annual business benefits worth \$16,633 per 100 users per year over five years compared with using another Linux distribution, which equates to an average five-year return on their investment (ROI) in Red Hat of 373%, by:

- » Needing substantially less IT staff time to deploy, manage, and support servers running Linux operating systems
- » Minimizing the impact of unplanned outages on employees and business operations
- » Reducing certain datacenter-related costs, such as licensing costs
- » Achieving better business outcomes through strong application performance and greater agility in their Linux server environments

These results show that interviewed organizations are achieving strong benefits from making the investment in standardized infrastructure with management tools, showing the substantial value of investing in RHEL and Satellite management software for these organizations.

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