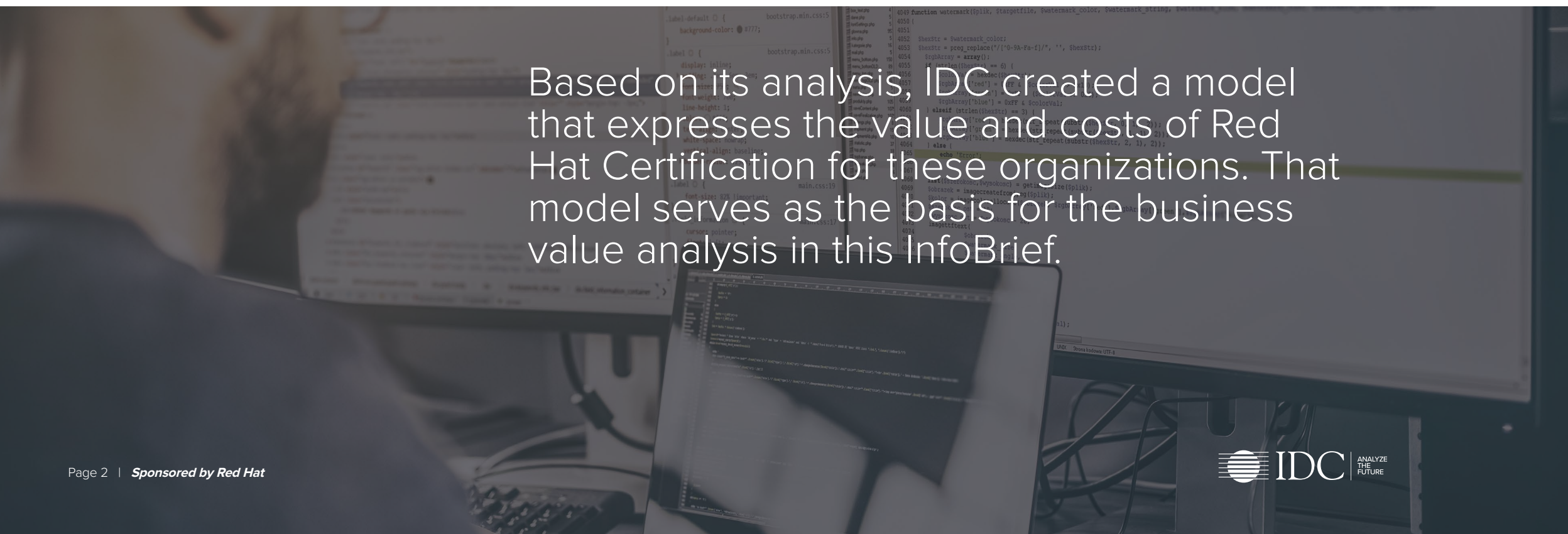# The Business Value of Red Hat Certification

An IDC InfoBrief, *Sponsored by Red Hat* | **April 2018**

In This InfoBrief

IDC conducted research to explore the value and benefits to organizations of having employees earn Red Hat® Certification.

The research included interviews with organizations that have employees who have earned Red Hat Certification. Respondents worldwide, across many different industries, had experience with or knowledge of the benefits and costs of having employees go through the process of earning Red Hat Certification.

Based on its analysis, IDC created a model that expresses the value and costs of Red Hat Certification for these organizations. That model serves as the basis for the business value analysis in this InfoBrief.

Executive Summary

Companies that have Red Hat certified IT staff achieve strong returns on their investment thanks to significant IT team productivity gains and improved operational efficiencies — including greater productivity in number of servers managed, faster problem resolution, and less downtime.

While training itself is important, IDC's analysis shows that a significant portion of this value stems from these employees achieving a high level of mastery. The level of mastery demonstrated by passing the various performance-based exams is what drives the following significant benefits for IT organizations:

Topline Metrics

403%
3-year ROI

34%
Less time with operational tasks

49%
More physical servers per server admin

IT Team Efficiencies

61%
More efficient help desk

36%
More efficient server admin

20%
More productive application developers

Operational Efficiencies

67%
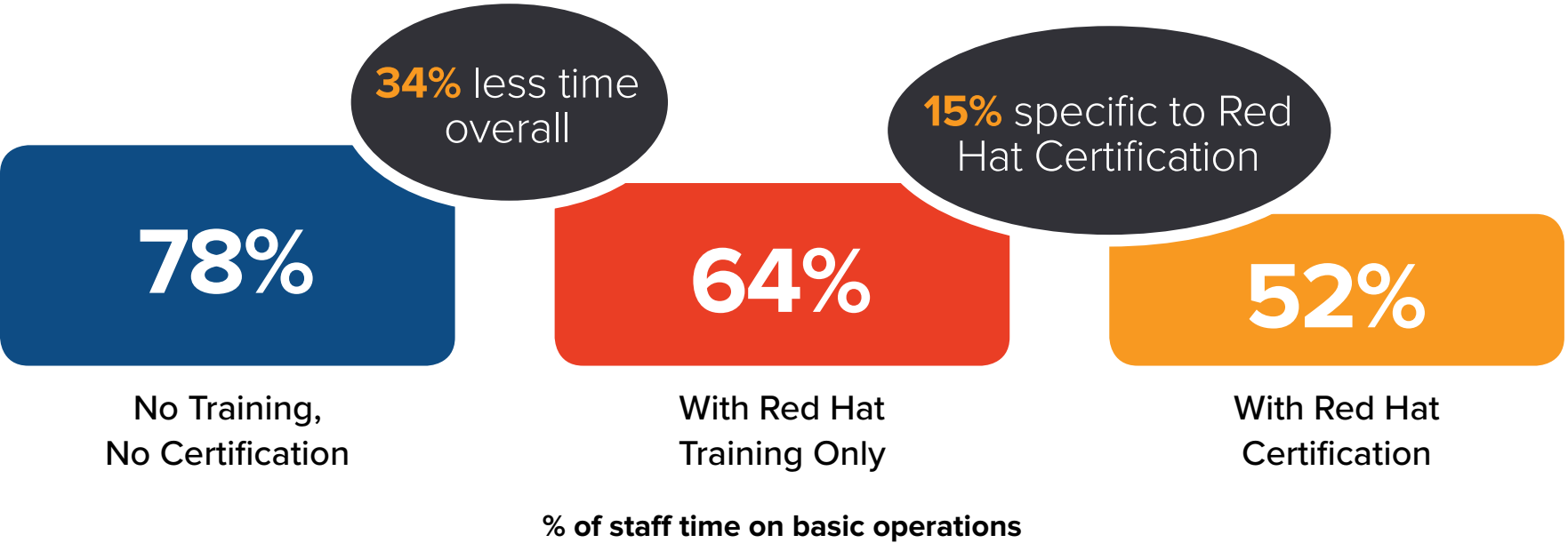Less unplanned downtime

21%
Less staff time to deploy new physical servers

38%
Faster to full productivity of new hires

RED HAT CERTIFICATION BENEFITS

Less Time Spent with Operational Tasks

34% less time overall

15% specific to Red Hat Certification

78%
No Training,
No Certification

64%
With Red Hat
Training Only

52%
With Red Hat
Certification

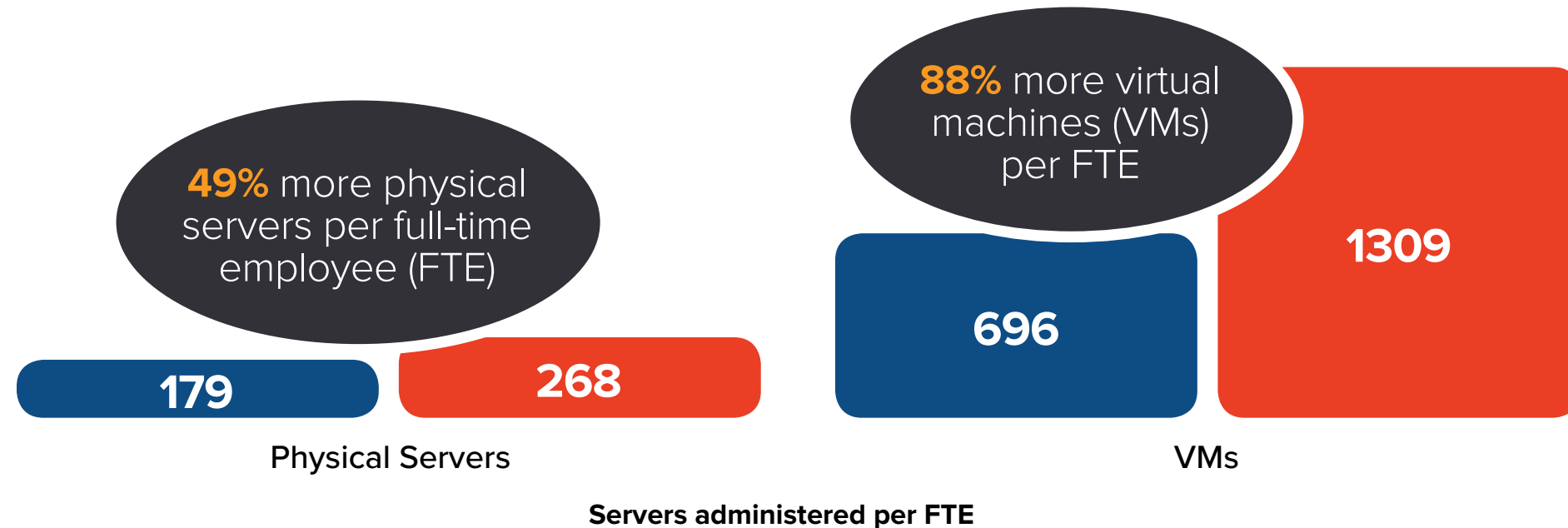**% of staff time on basic operations**

What Customers Say
More efficient core activities: "We have fewer staff supporting more operating system instances than ever before, and having Red Hat certified staff is definitely helping." **— IT Manager, Spark**

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RED HAT CERTIFICATION BENEFITS

More Efficient Server Management

49% more physical servers per full-time employee (FTE)

88% more virtual machines (VMs) per FTE

179

268

Physical Servers

696

1309
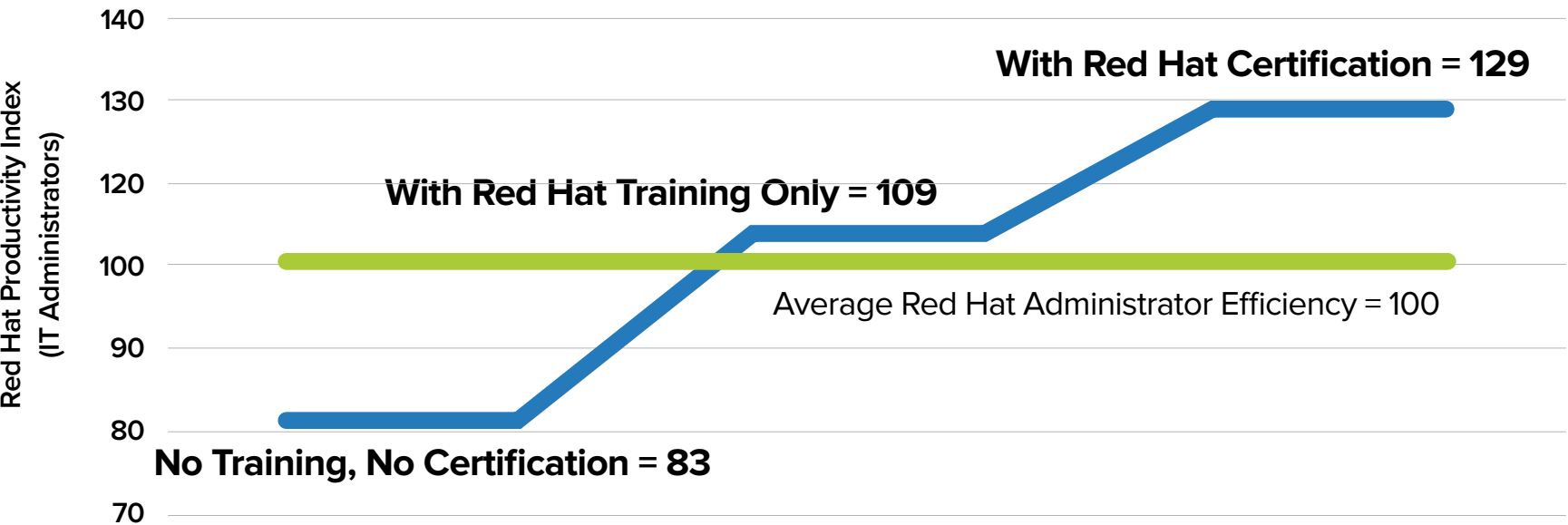
VMs

Servers administered per FTE

What Customers Say

Ensuring core competencies: "We know that when somebody passes a certification test they have a specific skill set. The other thing we want is that the students have a specific level skill set. Generally speaking, any Linux tech out there will have peaks and valleys in their skill levels. Red Hat Training and Certification help us level out those valleys and raise staff up to a standardized level." **— IT Manager, Rackspace**

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RED HAT CERTIFICATION BENEFITS

Higher Server Admin Productivity

With Red Hat Certification = 129

With Red Hat Training Only = 109

Average Red Hat Administrator Efficiency = 100

No Training, No Certification = 83

Red Hat Productivity Index (IT Administrators)

140
130
120
100
90
80
70

What Customers Say

Greater expertise, higher productivity: "Certified staff spend less time researching problems or issues, and are able to respond more quickly to business requirements because of the level of expertise they get from certification and the cumulative knowledge they gain beyond that training. The expertise builds." **— IT Manager, Rackspace**

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RED HAT CERTIFICATION BENEFITS

More Helpful Help Desk

51% less time to handle per ticket

61% less staff time overall

	No Training, No Certification	With Red Hat Training Only	With Red Hat Certification	% Benefit Cert. vs. No Training
Number of tickets per year	8,721	7,701	6,977	20%
Staff time per ticket, hours	2.3	1.6	1.1	51%
Equivalent Full Time Employees	10.2	6.6	4.0	61%

What Customers Say

Better response time: "Staff with Red Hat Certification are able to respond more quickly or problem-solve more quickly, and respond even if they were not tested for that particular occurrence. They know how the system works and where to look for answers. It has improved our response time by 50% in some instances." **— IT Manager, Booz Allen Hamilton**

RED HAT CERTIFICATION BENEFITS

Less Downtime, More Productivity

54% faster outage resolution

67% reduced productivity impact

	No Training, No Certification	With Red Hat Training Only	With Red Hat Certification	% Benefit Cert. vs. No Training
Number of instances per year	22.0	17.7	15.5	30%
MTTR, hours	3.8	2.5	1.8	54%
Equivalent FTEs	5.3	3.0	1.7	67%

What Customers Say

Limit outages: "Having better, more experienced, more knowledgeable, more proficient administrators looking out for things means they are able to proactively determine problems before they become service-impacting. And in the event of any service-impacting event, they are able to restore service quicker." — **IT Manager, Spark**

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RED HAT CERTIFICATION BENEFITS

Greater IT Agility

25% faster to deploy compute resources

	No Training, No Certification	With Red Hat Certification	% Benefit Cert. vs. No Training
Time to deploy new physical server, days	7.3	5.5	25%
Staff time to deploy new physical server, hours	5.5	4.3	21%
Staff time to deploy new VM, hours	2.8	2.1	25%

What Customers Say

Faster-moving staff: "The biggest benefit of Red Hat Certification for our staff is the confidence level of those achieving certification. The speed at which they can do things increases." **— IT Manager, European financial services organization**

RED HAT CERTIFICATION BENEFITS

More Effective App Development

Red Hat Productivity Index (Application Developers)

130
120 — **With Red Hat Certification = 115**
110 — **Red Hat Training Only = 103**
100 — Average Red Hat Application Developer Efficiency = 100
90 — **No Training, No Certification = 92**
80
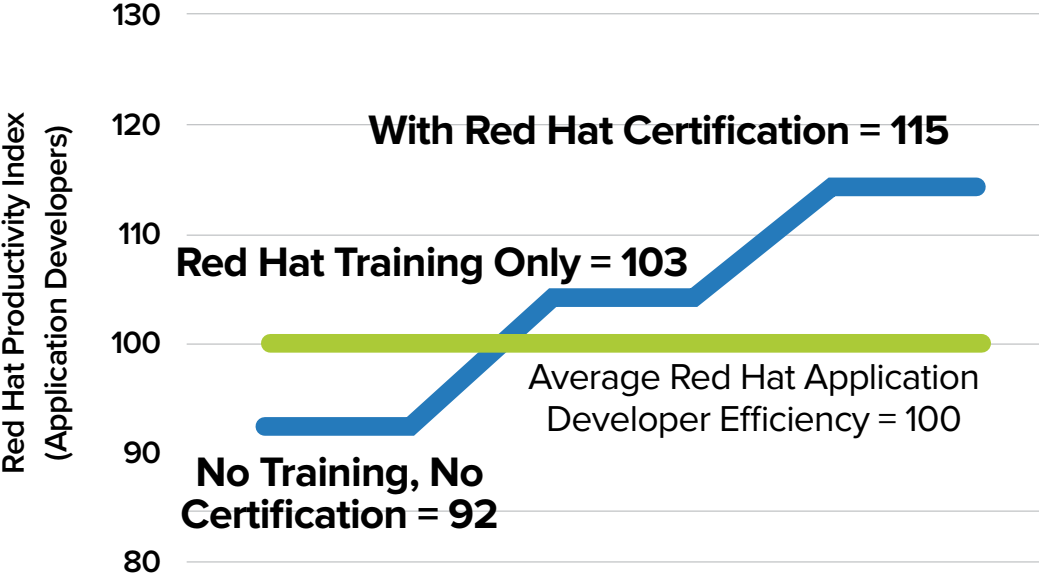
	No Training, No Certification	With Red Hat Certification	% Benefit Certification vs. No Training
Number of new features / year	45	108	142%
Development lifecycle, weeks	6.4	4.3	34%

More functionality provided to users, faster delivery

What Customers Say

More effective development: "Our developers save time with certification because developers are very reliant on other IT teams to deliver what they need. By being certified and working on the Red Hat platform, the time to market is reduced by using self-service technologies, specifically around development within these organizations that allows developers to not be reliant upon other aspects of IT — it puts more of the process in their hands." **— IT Manager, rhipe**

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RED HAT CERTIFICATION BENEFITS

Certified Employees Ramp Up Faster, Stay Longer, and Perform Better

Certified new hires reach full productivity

38% FASTER

than non-certified new hires.

Certified employees stay

15% LONGER

than non-certified employees.

Certified new hires have a

10% GREATER

chance of becoming high-performing contributors.

What Customers Say

Increases tenure: "Most of our employees stay at least seven years. Certification has moved that average up an extra year or two." **— IT Manager, multinational corporation**

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RED HAT CERTIFICATION BENEFITS

Investment Analysis: 403% ROI Over 3 Years

Three-Year ROI Analysis	Per Organization	Per Employee with Certification
Benefit (discounted)	$8.70M	$93,177
Investment (discounted)	$1.73M	$18,539
Net Present Value	$6.97M	$74,638
ROI (NPV/Investment)	403%	403%
Payback (Months)	2-3 months	2-3 months
Discount Factor*	12%	12%

*The net present value of the three-year benefits 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 -- i.e. the discount rate applied in this study. This is the standard discount rate IDC uses in Business Value studies, and accounts for both the assumed cost of money and the assumed rate of return.

What Customers Say

ROI for business: "We believe there is a ... ROI on training and certification that is demonstrable rather than theoretical, and that certification makes a difference based on an individual's role and business unit. Certification shows that training makes a difference day to day in the activities of those people working with Red Hat technology." **— IT Manager, Rackspace**

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Conclusion and Key Takeaways

Red Hat Certification delivers additional value beyond training-only through improved staff performance and operational efficiencies — and is worth the investment at 4x the ROI over three years.

IDC research confirms the following specific benefits:

36%
greater server admin productivity

54%
faster outage resolution

67%
less unplanned downtime

38%
faster to full productivity of new hires

To learn more about Red Hat Certification, please visit: redhat.com/certification

About IDC
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