

The Total Economic Impact™ of Red Hat OpenShift Platform Plus

KEY STATISTICS



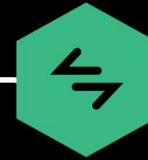
ROI
203%



BENEFITS PV
\$6.92 M



NPV
\$4.63 M



PAYBACK
12 months

Modern application development is increasingly focused on containers, which can be deployed faster and run more efficiently than virtual machines. The cloud enables container deployment at scale, so container strategies have traditionally had strong ties to corporate cloud strategies. As organizations modernize their cloud strategies, containers and other cloud-native technologies are at the center of discussion.¹

Red Hat [OpenShift Platform Plus](#) is an enterprise hybrid cloud application platform built on open source Kubernetes and other upstream projects that enables organizations to build, deploy, and run applications at massive scale. Organizations can distribute containerized applications across on-premises, cloud, and edge environments using OpenShift Platform Plus. Red Hat offers management, security, and storage capabilities with OpenShift Platform Plus.

Red Hat commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) organizations may realize by deploying OpenShift Platform Plus.

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed four representatives with experience using OpenShift Platform Plus. Forrester aggregated the interviewees' experiences into a single composite organization that is a global organization with 10,000 employees and revenue of \$5 billion per year.

Prior to OpenShift Platform Plus, the interviewees' organizations had been using virtual machines, and some were starting to use the OpenShift Container Platform. Interviewees' organizations wanted to focus on cloud-native development, but they faced the following challenges: an infrastructure that was poorly suited for cloud-native application development; application outages and downtime; difficulty scaling applications quickly; and excessive timeframes for application releases and upgrades.

By deploying OpenShift Platform Plus, the interviewees' organizations overcame these



READ THE FULL STUDY

challenges and were able to improve software developer productivity, reduce application downtime, and avoid hiring additional DevOps engineers with Kubernetes experience.

KEY FINDINGS

Quantified benefits. Three-year, risk-adjusted present value (PV) quantified benefits for the composite organization include:

- **Software developer productivity improved by 10%.** OpenShift Platform Plus automated workflows, streamlined collaboration, enabled rapid and easy application scaling, and helped teams conduct code quality checks. Security integration with DevOps workflows (DevSecOps) further enabled rapid vulnerability scanning, monitoring, and debugging. OpenShift Platform Plus enables the composite organization to recapture \$7,746 per software developer per year in additional productivity, driving \$3.1 million in benefits over three years.
- **Application downtime reduced by 24 hours per end user per year.** OpenShift Platform Plus reduced downtime and improved end user productivity by both redistributing workloads, especially if there is a failure (instead of taking down servers), and enabling rolling updates with minimal downtime. OpenShift Platform Plus enables the composite organization to save \$387 per end user per year in lost productivity due to application downtime, resulting in \$2.3 million in benefits over three years.
- **DevOps engineer hiring reduced by five engineers.** OpenShift Platform Plus provided components, management, and support that organizations would otherwise need to develop or integrate themselves when building an application platform for modern containerized software. As tech leaders face a talent crunch, it takes longer and costs more to attract the talent they need.² The composite organization avoids hiring five high-demand DevOps engineers with

Kubernetes experience, avoiding \$1.5 million over three years.

Unquantified benefits. The composite organization also experiences the following qualitative benefits:

- **Enhanced security posture.** Red Hat's Advanced Cluster Security for Kubernetes enables faster and better identification, analysis, and resolution of security vulnerabilities.
- **Upskilling DevOps engineers and software developers.** DevOps engineers want to learn how to deploy and manage a container platform that will enable their organizations' software developers to improve their productivity by spending more time on application development and less time on IT infrastructure activities related to application development.
- **Improved speed and frequency of software releases and updates.**
- **Reduced IT infrastructure costs.**
- **Operations and administration cost savings.**

Synopsis. The representative interviews and financial analysis found that a composite organization experiences benefits of \$6.92 million over three years versus costs of \$2.29 million, adding up to a net present value of \$4.63 million and an ROI of 203%.

“Red Hat OpenShift Platform Plus provides a one-stop shop container platform with add-ons at an effective cost. It’s an important part of an IT modernization strategy to move from monolithic applications to microservices.”

Service Owner, IT professional services

DISCLOSURES

The reader should be aware of the following:

- The study is commissioned by Red Hat and delivered by Forrester Consulting. It is not meant to be a competitive analysis.
- Forrester makes no assumptions as to the potential ROI 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 Red Hat OpenShift Platform Plus.
- Red Hat reviewed and provided feedback to Forrester. 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.
- Red Hat provided the customer names for the interviews but did not participate in the interviews.

ABOUT FORRESTER TEI

Total Economic Impact™ (TEI) 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, risks, and flexibility. <https://go.forrester.com/consulting/content-marketing-consulting/>

© Forrester Research, Inc. All rights reserved.

Appendix: Endnotes

¹ Source: "Executive Guide 2022: Cloud," Forrester Research, Inc., February 21, 2022.

² Source: "A Skills-Based Talent Strategy Is Central To An Adaptive Organization," Forrester Research, Inc., September 26, 2022.