

Red Hat Ansible Tower Provides Powerful Automation To Simplify And Manage IT Systems

Forrester Consulting conducted a Total Economic Impact™ (TEI) study to provide readers with a framework to evaluate the potential financial impact of Red Hat® Ansible® Tower on their organizations. To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed one customer with experience using Ansible Tower. This summary is based on a full TEI study, which can be downloaded [here](#).

From this customer interview and data analysis, Forrester concluded that Ansible Tower has the following three-year financial impact: \$1.7 million in benefits versus costs of \$704,490, resulting in a net present value (NPV) of \$1.03 million and an ROI of 146%.

Quantified benefits. The following risk-adjusted quantified benefits are representative of those experienced by the company interviewed:

- › **Improved operation efficiency, cutting delivery lead times by 66%.** With Ansible, the organization automated tasks related to provisioning cloud service resources and drastically cut lead times.
- › **Automated appliance functionalities, saving \$389,707.** The organization used Ansible to automate the functionality of key network systems, eliminating the need for costly appliance purchases.
- › **Automated reconfiguration, reducing man hours by 94%.** The organization automated the recovery and reconfiguration process, reducing response times and the need for outside contractors.
- › **Automated security updates, reducing man hours by 80%.** The organization simplified and automated its security update practices, reducing time and resource requirements.

Unquantified benefits. The interviewed organization experienced the following benefits, which are not quantified for this study:

- › **Avoided hiring additional staff.** Simplifying and automating IT tasks eliminated the need to scale the IT department.
- › **Accelerated revenue recognition.** With automated server delivery, the organization recognized revenue faster.
- › **Improved security standards.** The organization adopted mainstream security standards into its scripts, enabling the organization to easily maintain current requirements.
- › **Avoided costly errors.** With process automation, the organization avoided costly errors associated with manual work.
- › **Improved employee morale.** Automation of tasks freed employees to work on more exciting projects, including experimenting with Ansible, which improved morale.
- › **Larger recruitment pool.** With Ansible Automation, the organization reduced its need for specialized programming language skills.

SUMMARY

Based on a commissioned study, “The Total Economic Impact Of Red Hat Ansible Tower”

METHODOLOGY

The objective of the TEI framework is to identify the cost, benefit, flexibility, and risk factors that affect the investment decision. Forrester took a multistep approach to evaluate the impact of Ansible Tower, including interviews with Forrester analysts, Red Hat stakeholders, and one current Ansible Tower customer. Forrester constructed a financial model representative of the interview using the TEI methodology.

RISK ADJUSTMENT

Forrester risk-adjusted the financial model based on issues and concerns of the interviewed organization to account for uncertainties in benefit and cost estimates.



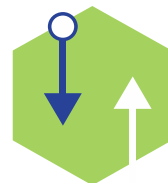
ROI
146%



Benefits PV
\$1.73 million



NPV
\$1.03 million



Payback
< 3 months

The Ansible Customer Journey

For this study, Forrester conducted one interview with a Red Hat Ansible Automation customer. This customer:

- › Is a managed service provider based in the United States, operating worldwide.
- › Manages five data centers across North America and Europe.
- › Employs over 1,000 employees worldwide.
- › Used a Unix platform to manage its data centers prior to deploying Ansible.
- › Uses Ansible Tower to automate and perform tasks on its managed cloud platform, including deploying servers, deploying operating systems, networking, reconfigurations, and patching. The organization manages 1,500 nodes with Ansible Tower.
- › Started by writing Playbooks with Ansible Engine, and then scaled and controlled that automation with Ansible Tower.

“We were trying to do a quick fix on a customer issue, and it became quite repetitive doing it manually, so we started using Ansible. We quickly realized this was a tool that could be built up and rolled out across multiple products and greatly improve the consistency of work and help us complete tasks quicker.”

Lead architect, managed service provider



Key Challenges And Results

The interviewed organization shared the following business challenges that precipitated the Ansible Tower investment:

- › **Time-consuming manual entries.** The organization relied on manual entry of command lines for frequent tasks, which proved to be operationally inefficient.
- › **Difficulty scaling automated cloud platform.** The organization discovered that scaling its cloud platform using command lines was untenable and overwhelmed its workforce.
- › **Skill limitations and costly contractors.** The organization lacked sufficient skills to manage high-level operations and meet customer demands, requiring the company to fill skill gaps with expensive contractors.
- › **Trouble meeting growing customer demands and expectations.** The organization lacked the manpower to meet customer needs at scale when delivering services manually.
- › **Capital-intensive investments in infrastructure hardware.** To scale out its cloud platform and maintain high service quality, the organization required investments in expensive infrastructure appliances.

The interviewed organization achieved key investment results:

- › **Improved operational efficiency.** The organization cut lead times on customer deliveries by automating everyday tasks with Ansible Automation.
- › **Avoided costly infrastructure appliance investments.** Rather than purchase name-brand appliances, the organization replicated the functionality and deployed them on generic Linux systems, which cost 84% less per unit.
- › **Created easy-to-understand Ansible Playbooks.** The organization standardized and simplified processes, developing easy-to-use Playbooks, which enabled senior

“Our automated processes are enabled in Ansible Tower. Now, even individuals who don’t have knowledge about a different operating system or network device are enabled to manage and fix things that are completely outside of their comfort zone. They don’t have to enter things manually or follow a guide. It’s already written and automated for them.”

Lead architect, managed service provider



engineers and subject matter experts to delegate formerly complex tasks.

- › **Improved response times to security incidents.** Incident response time improved by 94% through automated reconfiguration instead of manually working through hundreds of command lines.

Red Hat Ansible Tower Helps Save Costs And Drive Productivity

Red Hat provides an easy-to-use IT automation technology that helps its customers easily deploy apps, manage systems, and achieve DevOps goals across their entire organizations. The interviewed organization used Ansible Tower to automate core IT operations for its cloud service platform, avoid expensive name-brand appliance purchases, and support its cloud service business operations. This organization followed a typical Ansible adoption pattern, as it began with Ansible Engine and writing Playbooks for ad hoc tasks. From there, the organization deployed Ansible Tower, which enabled the company to extend and manage orchestration at scale, ensuring that the entire organization could recognize automation’s benefits.

Over three years, the organization experienced risk-adjusted present value (PV) total benefits of \$1.7 million.

Total Benefits						
REF.	BENEFIT	YEAR 1	YEAR 2	YEAR 3	TOTAL	PRESENT VALUE
Atr	Operational efficiency savings	\$484,500	\$532,950	\$586,245	\$1,603,695	\$1,321,364
Btr	Infrastructure appliance savings	\$0	\$247,000	\$247,000	\$494,000	\$389,707
Ctr	Reconfiguration savings	\$4,845	\$4,845	\$4,845	\$14,535	\$12,049
Dtr	Security update savings	\$2,622	\$2,622	\$2,622	\$7,866	\$6,521
	Total benefits (risk-adjusted)	\$491,967	\$787,417	\$840,712	\$2,120,096	\$1,729,641

- › **Operational efficiency savings.** By automating and streamlining everyday operational tasks, the organization reduced customer delivery lead times by 67%, representing a PV total savings of \$1.3 million over three years.
- › **Infrastructure appliance savings.** The organization automated the functionalities of key network appliances using Ansible Playbooks — describing the workload and deploying it on generic Linux systems. Over the three-year period, this represents a total PV savings of \$389,707.
- › **Reconfiguration savings.** With automation, the organization reduced the time required to recover from a security incident by 94%. Over the three-year analysis, this represents a total PV savings of \$12,049.
- › **Security update savings.** The organization enabled existing staff to complete security updates, saving \$30 per hour when completing security updates. Over a three-year period, this represents a total PV savings of \$6,521.

“The client now knows what they are going to get. We’ve introduced new standards for delivery times, which wasn’t something we could do previously. From a business standpoint, it makes us an option that clients are more likely to choose.”

Lead architect, managed service provider



Ansible Tower Costs Include Annual Subscription, Implementation, Annual Updates, and Training Costs

The interviewed organization experienced four categories of cost associated with the Ansible Tower investment. Over three years, the organization experienced risk-

adjusted PV total costs of \$704,490.

Total Costs

REF.	COST	INITIAL	YEAR 1	YEAR 2	YEAR 3	TOTAL	PRESENT VALUE
Etr	Annual subscription	\$0	\$259,875	\$259,875	\$259,875	\$779,625	\$646,271
Ftr	Implementation and deployment	\$23,874	\$0	\$0	\$0	\$23,874	\$23,874
Gtr	Annual updates	\$0	\$7,560	\$7,560	\$7,560	\$22,680	\$18,801
Htr	Training costs	\$12,206	\$3,091	\$335	\$335	\$15,967	\$15,544
	Total costs (risk-adjusted)	\$36,080	\$270,526	\$267,770	\$267,770	\$842,146	\$704,490

- › **Annual subscription fees.** The annual subscription fee covers future updates as well as 24x7 maintenance and support for the 1,500-node buildout.
- › **Implementation and deployment costs of less than \$25,000.** The organization needed minimal effort and time to deploy Ansible Tower.
- › **Annual update costs of less than \$20,000.** The organization requires one business day per month to conduct Playbook updates.
- › **Training costs of just over \$15,000.** The organization requires minimal training each year to refresh its workforce.

An Ansible Tower Investment Today Can Create Future Opportunities

The value of flexibility is clearly unique to each customer, and the measure of its value varies from organization to organization. There are multiple scenarios in which a customer might choose to implement Ansible Tower and later realize additional uses and business opportunities, including:

- › **Expanding the platform to offer new services to customers.** With Ansible Tower, the organization can streamline ongoing IT operations and refocus its staff on new initiatives. As a result, employees can dedicate hours to developing experimental new services and exploring ways to improve or expand the existing cloud platform.
- › **Deploying Ansible across more service lines.** The organization plans to harness knowledge gained through its experience using Ansible and find ways to simplify, automate, and streamline operations beyond its cloud platform.

“People don’t want to do the same thing day in and day out — they want to try things that are more interesting. We’ve shown our staff that automating these tasks isn’t going to automate away their roles, but it’s going to allow them to spend time on more interesting projects.”

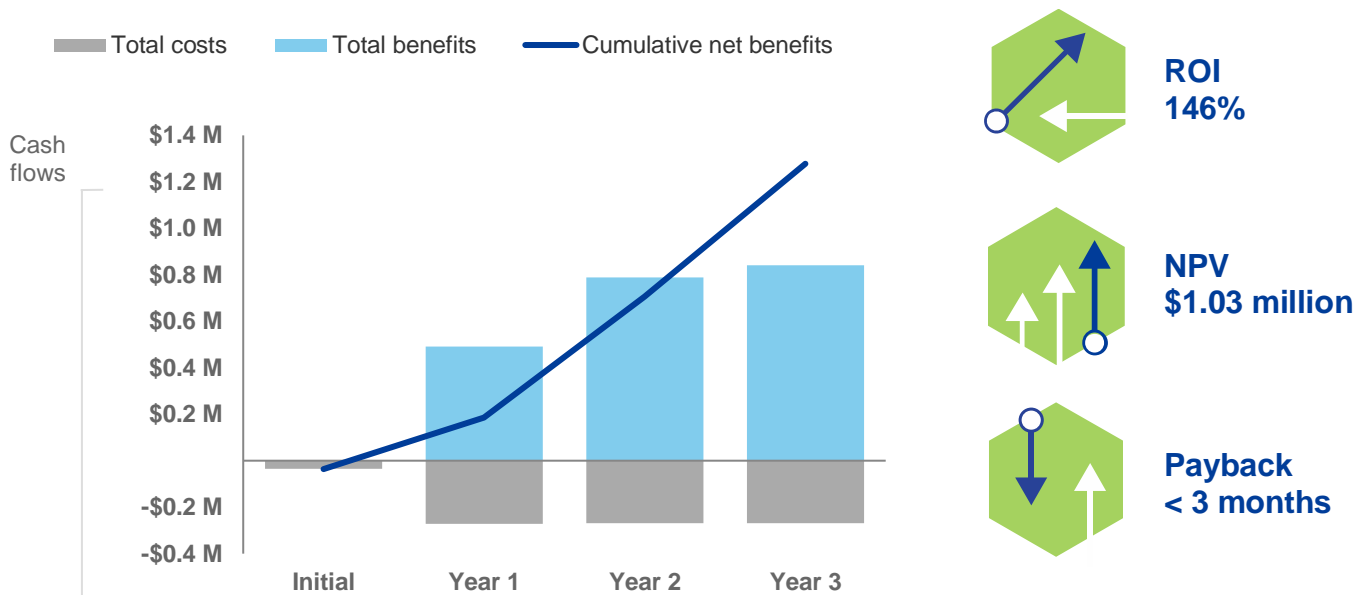
Lead architect, managed service provider



Flexibility, as defined by TEI, represents an investment in additional capacity or capability that could be turned into business benefit for a 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.

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 organization's investment in Ansible Tower Forrester assumes a yearly discount rate of 10% for this analysis.



For more information, you can download the full Red Hat Ansible Tower TEI analysis [here](#).

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 Ansible Tower.
- › 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 name for the interview but did not participate in the interview.

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ABOUT 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/>

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