




Executive Summary

The Business Value of Red Hat Solutions Compared to Unpaid Alternatives

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IT organizations are adopting a variety of open source software solutions to perform system infrastructure tasks including configuration, deployment, and management functions. Open source software can be obtained as community-based (unpaid and unsupported) distributions or as vendor-based paid commercial-grade distributions with maintenance and support services. Unpaid, unsupported open source software reduces the expense of licensing or subscription costs; however, it places the burden of maintenance and support onto the IT organization. Paid solutions, while incurring licensing or subscription fees, can bring efficiencies that achieve higher value and minimize overall costs when compared with unpaid alternatives.

IDC spoke with organizations that have invested in paid Red Hat solutions (including Red Hat Enterprise Linux, which comprises Red Hat Insights and Red Hat Smart Management with Satellite) to understand the value they achieve by paying for Red Hat [continued next page...](#)

BUSINESS VALUE HIGHLIGHTS

573%
three-year ROI

6 months
to payback

16% lower
three-year cost of operations

21% fewer
servers required

32% more efficient
IT infrastructure teams

65% faster
to identify security risks

35% faster
development life cycles

81% less
unplanned downtime

\$9.23M average
higher net revenue per year
per organization

subscriptions compared with unpaid, unsupported software. Study participants reported that they gain staff, cost, and business efficiencies that collectively far outweigh the additional cost of Red Hat subscriptions. As a result, despite taking on the cost of Red Hat subscriptions, the organizations end up realizing cost savings and other value that IDC quantifies as being worth nearly seven times (573% three-year ROI) the investment costs.

This is achieved by:

- ▶ Reducing the overall cost of running equivalent workloads by optimizing infrastructure requirements and saving staff time
- ▶ Enhancing security to minimize operational risk and enable teams responsible for security
- ▶ Creating more agile IT environments that allow for more timely and effective development efforts
- ▶ Improved business results via a more scalable, high-performing IT infrastructure foundation

These results highlight the extent to which organizations often have far more to gain by investing in software that can deliver the levels of efficiency, agility, and performance that their businesses demand than by focusing on costs in weighing the comparative value of a software solution.

[Download the white paper](#)

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