Executive Summary

The Business Value of Red Hat Solutions Compared to Unpaid Alternatives

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%** | **21% fewer** | **35% faster** |
| three-year ROI | servers required | development life cycles |
| **6 months** | **32% more efficient** | **81% less** |
| to payback | IT infrastructure teams | unplanned downtime |
| **16% lower** | **65% faster** | **$9.23M average** |
| three-year cost of operations | to identify security risks | higher net revenue per year per organization |
subscriptions compared with unpaid, unsupported software. Study participants reported that
ey 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.
About IDC

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