

FORRESTER®

The Total Economic Impact™ Of Cohesity

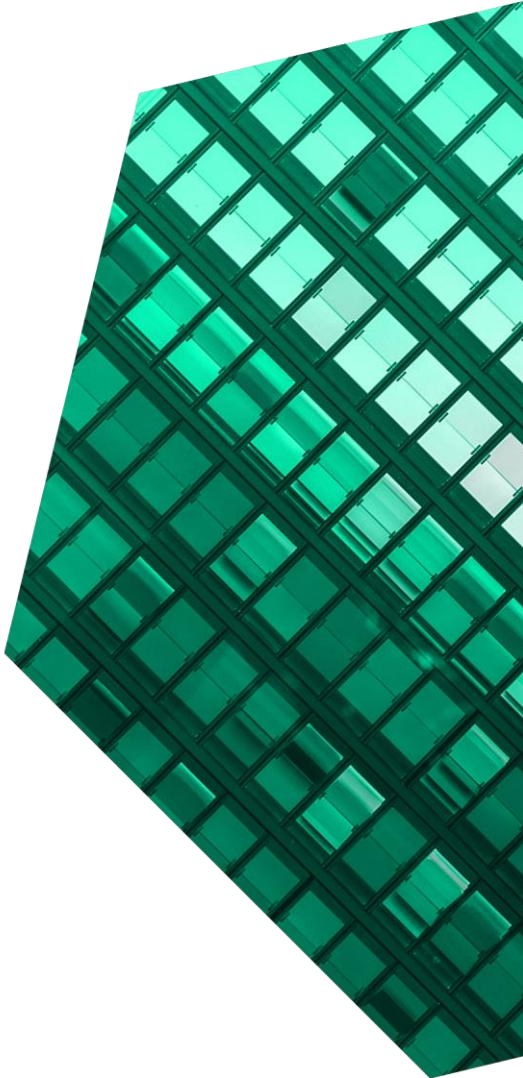
Cost Savings And Business Benefits
Enabled By Cohesity

AUGUST 2020

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Consulting Team: *Corey McNair, Consultant*
Mbenoye Diagne,
Associate Consultant

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Executive Summary

Data management has long been a priority for organizations handling large amounts of data. It's especially a point of emphasis in 2020 as organizations are moving an increasing amount of data to the cloud and shifting to remote operations, which limits access to on-premises legacy storage solutions. Underscoring the importance of data, this year's Forrester Analytics Business Technographics® Data And Analytics Survey shows that decision makers in IT are dedicating 35.7% of their IT budgets to data, data management, and analytics in 2020.¹

Given that IT teams are willing to invest a significant amount of money in data management, they need a reliable solution to justify the costs. As a data management solution, Cohesity provides backup and recovery capabilities for both modern and traditional data sources as well as file and object services for unstructured data on a single software-defined platform. Cohesity presents and manages stored data in a single-pane view through Helios, its software-as-a-service (SaaS) offering, helping to eliminate organizational complexity and data fragmentation.

[Cohesity](#) commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) enterprises may realize by deploying the solution. The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of Cohesity on their organizations.

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed four customers at organizations that are using Cohesity. For the purposes of this study, Forrester aggregated the experiences of their organizations and combined the results into a single [composite organization](#).

The interviewed customers said their organizations primarily used on-premises backup and storage solutions prior to using Cohesity. However, interest in moving data storage to the cloud and breaking down data silos drove their companies to investigate

KEY STATISTICS



Return on investment (ROI)
150%



Net present value (NPV)
\$14.0M

Cohesity. Since adopting the solution, the organizations have reduced data storage costs and improved data manageability.

Key results from the investment include:

- **Cost effective, modernized backup infrastructure.** Interviewees said their organizations were able to cut backup licensing and storage costs because Cohesity's license cost is tied to the amount of back-end terabyte (TB) of raw storage capacity vs. the front-end capacity of previous vendors, and it has a lower cost rate per TB. As for hardware, interviewees said their organizations were able to retire legacy on-premises proprietary solutions and save additional costs on more expensive maintenance costs for those machines.
- **Improved data visibility and manageability.** Interviewees said Cohesity's ability to bring data streams and workloads into a single platform

enabled their organizations to monitor workload performance among clusters and the migration of data between locations to quickly identify where specific data streams reside. Improved visibility helped collaborative efforts among engineers as they could better prioritize workloads to avoid the snowballing effect of changes creating more work for the team.

- **Strong vendor support.** Interviewees reported that Cohesity has been a reliable partner in supporting data management. The storage architect at a large telecom company said: “If a backup fails for a night, it’s not the end of the world because, by the next day, Cohesity has either a solution or a workaround while [support] works on a final solution for us within a 24-hour period. [Cohesity’s] support and engineering resources have been incredible.”
- **Reliable solution performance.** Interviewees said their organizations traditionally plan for network downtime to happen as it’s perceived to be inevitable. However, improved data visibility enabled engineers to recognize potentially larger issues in their data management infrastructures and to take preventative actions to avoid downtime. This reduced time spent on later remediation, and it limited potential financial losses.



Cost savings on backup software licensing
\$20.5M

KEY FINDINGS

Quantified benefits. Risk-adjusted present value (PV) quantified benefits include:

- **66% reduction of backup and data management costs.** Interviewees said their organizations previously spent upwards of \$3,000 per front-end TB for backup and storage with their legacy backup solutions. The organizations also purchased storage capacity based on the total space needed for data before deduplication took place, resulting in more spend than needed. Cohesity offered more affordable pricing per TB and only charged based on the amount of back-end TB post-deduplication and compression within their backups, resulting in cost savings of millions of dollars.
- **Saved thousands of hours on planned downtime work.** Cohesity’s data consolidation and non-disruptive upgrades/expansions helped the interviewees’ organizations to reduce data fragmentation and increase agile work with data. Employees were able to recover time spent on preventative work that previously took hours out of their day, resulting in a better employee experience.

“With Cohesity, everything is wrapped together in a nice UI. We always have an up-to-date view when replication happens between on-premises and the cloud, like how much data has been transferred and how much time is left.”

TechOps architect, financial services

- **Reduced system downtime by hours.** Restoring systems from downtime events previously took several hours of time on legacy backup solutions. Since adopting Cohesity, interviewees’ organizations have virtually eliminated scheduled downtime and cut unplanned downtime to minutes while reducing the risk of lost production time.

- **Over \$200,000 of capital expenditure savings.** Interviewees said Cohesity helped their organizations avoid spending on unnecessary proprietary hardware, maintenance, and off-site storage for tapes. Together, these savings totaled hundreds of thousands of dollars.

Unquantified benefits. Benefits that are not quantified for this study include:

- **Reduced security risk.** With Helios' anomaly detection, virus scanning, and immutable file systems, the interviewees' organizations could leverage Cohesity to reduce the vulnerability of their data. Several interviewees said setting up and running Helios' machine learning-based anomaly detection feature was a priority.
- **Cohesity team support.** Interviewees cited Cohesity's availability to quickly answer questions and provide technical support as a welcome change, and it reduced effort spent fixing urgent technical issues on their own.
- **Improved production testing.** A senior technical consultant said that, with Cohesity, their team could create temporary zero-cost snapshots of their organization's production data and use it for testing purposes. This feature saved the interviewees' organizations a small amount of costs.

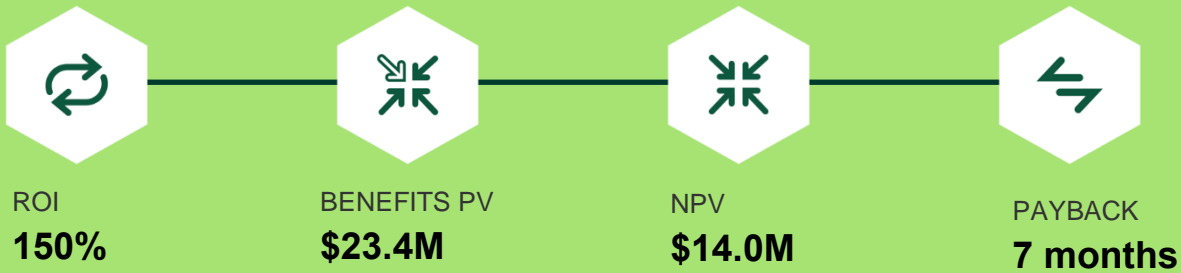
Costs. Risk-adjusted PV costs include:

- **Cohesity investment costs.** Several of the interviewees said their organization initially deployed Cohesity for backup purposes. Ongoing licensing spend is based on a structure of software license cost per back-end TB of raw storage capacity.
- **Implementation and maintenance costs.** Interviewees shared varying timelines for implementation of Cohesity, with planning taking up the bulk of their time. Integration of Cohesity itself happened very quickly.

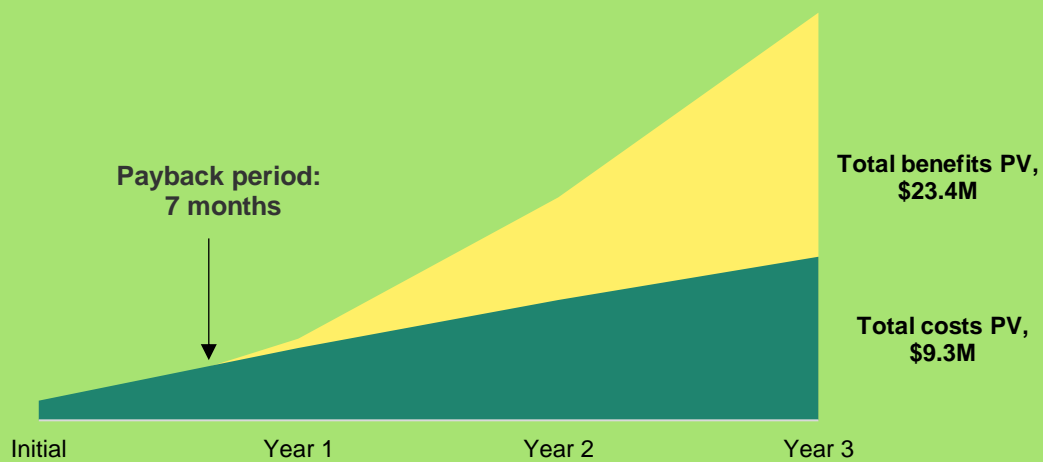
The customer interviews and financial analysis found that a composite organization would experience benefits of \$23,358,016 over three years versus costs of \$9,347,796, adding up to a net present value (NPV) of \$14,010,220 and an ROI of 150%.

“The two pieces that made Cohesity a hands-down winner was it was affordable and a data platform first to go along with its backup capabilities. From a capital expenditure perspective, it was half the cost of our incumbent, and still 20% to 25% more affordable than other options we considered.”

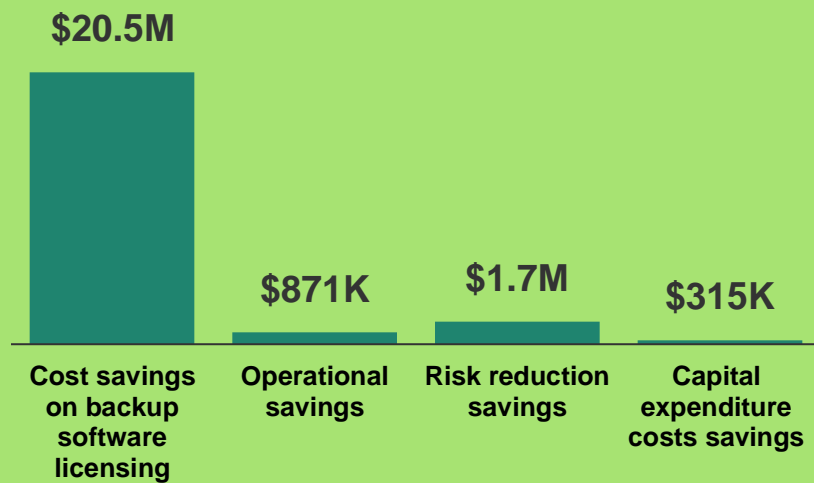
Storage architect, telecom



Financial Summary



Benefits (Three-Year)



TEI FRAMEWORK AND METHODOLOGY

From the information provided in the interviews, Forrester constructed a Total Economic Impact™ framework for those organizations considering an investment in Cohesity.

The objective of the 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 that Cohesity can have on an organization.

DISCLOSURES

Readers should be aware of the following:

This study is commissioned by Cohesity and delivered by Forrester Consulting. It is not meant to be used as 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 Cohesity.

Cohesity reviewed and provided feedback to Forrester, but 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 of the study.

Cohesity provided the customer names for the interviews but did not participate in the interviews.



DUE DILIGENCE

Interviewed Cohesity stakeholders and Forrester analysts to gather data relative to the Cohesity.



CUSTOMER INTERVIEWS

Interviewed four decision makers at organizations using Cohesity to obtain data with respect to costs, benefits, and risks.



COMPOSITE ORGANIZATION

Designed a composite organization based on characteristics of the interviewed organizations.



FINANCIAL MODEL FRAMEWORK

Constructed a financial model representative of the interviews using the TEI methodology and risk-adjusted the financial model based on issues and concerns of the interviewed organizations.



CASE STUDY

Employed four fundamental elements of TEI in modeling the investment impact: benefits, costs, flexibility, and risks. Given the increasing sophistication of ROI analyses related to IT investments, Forrester's TEI methodology provides a complete picture of the total economic impact of purchase decisions. Please see Appendix A for additional information on the TEI methodology.

The Cohesity Customer Journey

■ Drivers leading to a Cohesity investment

Interviewed Organizations			
Industry	Region	Interviewee	Number of data centers
Automotive	Headquartered in North America	Senior analyst, data protection	~20
Financial services	Headquartered in North America	TechOps architect	2
Technology	Headquartered in Asia-Pacific	Senior technical consultant	4
Telecom	Headquartered in Europe	Storage architect	2

KEY CHALLENGES

The interviewees said their organizations faced several challenges prior to adopting Cohesity, including:

- **Expensive, outdated legacy on-premises backup solutions.** Each of the interviewees said their organization used backup storage solutions that carried significant costs toward hardware, software licensing, and maintenance. With their previous solutions, shifting data to the cloud would've incurred additional costs. Decision makers were also concerned because those previous solutions were not cloud-first in data management, so migrating to the cloud would have required extensive planning and time, and it would have technical limitations with scalability.

“A lot of our motivation to look for a new solution had to do with cost and hitting a point where the age of our backup technology was getting to end of support.”

Storage architect, telecom

- **Siloed data streams.** Interviewees said their organizations dealt with siloed data streams as a result of managing multiple data centers, physical servers, and network-attached storage (NAS).

This often led to peaks and valleys in performance where some servers could handle workloads just fine while others struggled, and it was not immediately clear as to why. Duplicate files appearing in separate instances and/or locations also hampered performance and took up more space.

- **Poor vendor support.** When backup systems would go down or experience problems, it would take days to receive support with previous solutions. Meanwhile, some supplier updates resulted in bugs that left data storage systems vulnerable and required time to fix on the customer end.

SOLUTION REQUIREMENTS

The interviewees said their organization searched for a solution that was:

- Cost effective and enabled the organization to safely shift to cloud storage.
- Intuitive for users and streamlined data management capabilities.
- Reliable with robust vendor support.

COMPOSITE ORGANIZATION

Based on the interviews, Forrester constructed a TEI framework, a composite company, and a ROI analysis that illustrates the areas financially affected. The composite organization is representative of the four interviewees' companies, and it is used to present the aggregate financial analysis in the next section. The composite organization has the following characteristics:

Description of composite. The composite business is a B2C company headquartered in North America with a global presence and \$20 billion in annual revenue. The B2C company has six data centers that utilize a mix of on-premises and cloud environments, and it plans to further shift data storage to the cloud, totaling eight petabytes (PBs) in back-end licensed storage from Cohesity.

Deployment characteristics. Systems teams plan to spend two months planning implementation of Cohesity and one month installing and migrating, which requires time from 12 full-time equivalent (FTE) employees, including application owners, and VM and database administrators. One FTE will handle ongoing maintenance on Cohesity itself. Decision makers plan to shift a portion of data stored on previous solutions to Cohesity in Year 1 and then have the solution manage roughly 90% of its data by Year 3.

“We started looking at who we could build a relationship with over the next 30 years — who can develop with us, help us move to the cloud, and bring in all the new bells and whistles into our infrastructure.”

Senior analyst, data protection, automotive

Key assumptions

- **Mix of on-prem and cloud data management**
- **6 data centers**
- **8 PB of front-end storage**

Analysis Of Benefits

■ Quantified benefit data as applied to the composite

Total Benefits						
Ref.	Benefit	Year 1	Year 2	Year 3	Total	Present Value
Atr	Cost savings on backup software licensing	\$4,500,000	\$9,000,000	\$11,880,000	\$25,380,000	\$20,454,545
Btr	Operational savings	\$223,452	\$402,678	\$446,904	\$1,073,034	\$871,696
Ctr	Risk reduction savings	\$690,300	\$690,300	\$690,300	\$2,070,900	\$1,716,674
Dtr	Capital expenditure costs savings	\$90,000	\$135,000	\$162,000	\$387,000	\$315,101
	Total benefits (risk-adjusted)	\$5,503,752	\$10,227,978	\$13,179,204	\$28,910,934	\$23,358,016

COST SAVINGS ON BACKUP SOFTWARE LICENSING

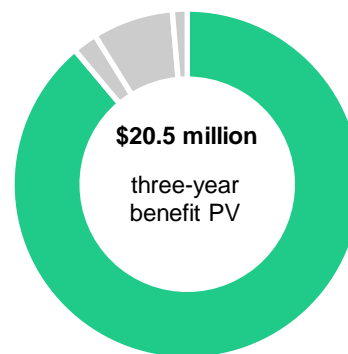
What customers said. Before using Cohesity, interviewees said their organizations purchased backup software licenses and data storage capacity based on how much they needed prior to deduplication. As a result, the organizations incurred additional costs for storage space and software licensing and accumulated charges on a per-TB basis with each TB costing upwards of \$3,000.

The interviewees said that since adopting Cohesity, their organizations were able to purchase backup storage capacity based on back-end TB of raw storage capacity or the amount of space following deduplication and compression. This difference helped the organizations to avoid unnecessary spending. Cohesity charges on a per-TB basis as well, but it is at a noticeably lower cost than what the organizations were previously paying.

According to interviewees, the quality of deduplication and Cohesity’s recognition of more duplicated files for removal accelerated savings. The senior analyst of data protection at an automotive company said: “The deduplication that happens with Cohesity is, at minimum, six times better than other previous backup solutions. We realized we don’t

need to buy that much backup software and storage capacity. We don’t need to buy that much licensing. It saves the company huge amounts.”

Taken together, these factors enabled interviewees’ organizations to cut storage capacity costs by at least 50%.



Cost savings on backup software licensing: 89% of total benefits

Modeling and assumptions. For the composite organization, Forrester assumes:

- The B2C company has 8 PB of data, and it paid \$20 million annually to its legacy storage solution to store it.
- Cohesity offers backup software and storage capacity at a more affordable rate than the legacy

solution, and it improves deduplication capabilities.

- As the company migrates more data to Cohesity each year and reduces the amount of storage capacity being occupied, the percentage of savings increases from 25% in Year 1 to 66% in Year 3. By the end of the three-year period, 90% of the composite organization’s data lives on Cohesity.

- Results will vary for companies based on the amount of data being stored, previous costs for storage solutions, and the speed with which they plan to migrate data to Cohesity.

To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$20.4 million.

Risks. This section details the potential risks that can impact the benefit. These can be both qualitative and quantitative.

Cost Savings On Backup Software Licensing					
Ref.	Metric	Calculation	Year 1	Year 2	Year 3
A1	Cohesity backup storage capacity covered by licensing (PB)	Assumption	8	8	8
A2	Licensing cost with previous solution	Assumption	\$20,000,000	\$20,000,000	\$20,000,000
A3	Reduction in cost by moving to Cohesity	Interviews	25%	50%	66%
At	Cost savings on backup software licensing	A2*A3	\$5,000,000	\$10,000,000	\$13,200,000
	Risk adjustment	↓10%			
Atr	Cost savings on backup software licensing		\$4,500,000	\$9,000,000	\$11,880,000
Three-year total: \$25,380,000			Three-year present value: \$20,454,545		

OPERATIONAL SAVINGS

What customers said. Cohesity’s ability to consolidate data onto a single web-scale platform and single global view through Helios helped to eliminate data fragmentation, produced tangible time savings for interviewees’ organizations. The senior analyst of data protection at a global automotive company said their engineering team previously dedicated 30% of its time to buffer work or do preventative/remediation work on network infrastructure to avoid potential downtime or errors. Meanwhile, the team dedicated 70% of work time to agile work or data workload requests.

Since Cohesity enabled the team to view performance of all data workloads on servers in one view, they no longer worry as much about backup failures because they can safely balance workloads across their system. What’s more, the team can use Cohesity to create temporary snapshots (zero-cost clones) of backed-up environments to run performance tests without having to rebuild or copy data into other environments. As a result, the team was able to reduce the 30% of time dedicated to buffer work down to 5% of total work time.

Interviewees said the way in which Cohesity streamlines the visibility of data and workloads helped their organizations reassess the number of

servers they used. By not adding servers while offloading some as well, the organizations were able to reclaim time they would have spent on installation and maintenance. The TechOps architect at a financial services company said: “Cohesity makes it easier for me from the manageability side. A lot of workers are no longer spending a lot of their time adding storage or moving things around just to maintain performance. The biggest thing we see is that it allows me to manage data at a large scale.”

Reduction of time spent
on planned work

100%


Modeling and assumptions. For the composite organization, Forrester assumes:

- The organization has the FTE of 12 application owners conducting preventive work on their applications through testing.
- Cohesity’s ability to produce temporary snapshots (zero-cost clones) and eliminate nearly all planned downtime helps application owners at the composite organization gain 50% of their time back within Year 1 of deployment. Time savings increase to 75% in Year 2 and 100% in Year 3 as the organization moves more data to Cohesity and application owners have more data available to create temporary snapshots.
- Before adopting Cohesity, it took application owners two hours per day to create testing environments across 252 working days (excludes weekends and holidays).
- The productivity recaptured for time savings is 50%, as the time savings help employees to avoid working late nights and weekends, helping to facilitate a better employee experience.

- The fully loaded hourly rate for application owners is \$65.
- Before adopting Cohesity, the organization had three backup administrators providing support to their backup solution, including maintenance and troubleshooting.
- Reliable backup performance from Cohesity enables the organization to reduce the number of backup administrators from three to two in Year 1. The number of administrators is reduced to one in Years 2 and 3 when data is fully migrated over to Cohesity.

Risks. The productivity savings will vary based on:

- The number of application owners and backup administrators, and their hourly rate.
- The amount of data managed and the timeline for migrating it to Cohesity will impact the speed-to-value of the result.

To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV of \$871,696.

Operational Savings					
Ref.	Metric	Calculation	Year 1	Year 2	Year 3
B1	Current full-time equivalent of application owners on team	Interviews	12	12	12
B2	Reduction of time spent on planned downtime work	Interviews	50%	75%	100%
B3	Time saved annually since adopting Cohesity	$B1 * B2 * 2 \text{ hours per day} * 252 \text{ working days}$	3,024	4,536	6,048
B4	Productivity recapture	Assumption	50%	50%	50%
B5	Fully loaded hourly rate for application owners	Assumption	\$65	\$65	\$65
B6	Productivity value on downtime work	$B3 * B4 * B5$	\$98,280	\$147,420	\$196,560
B7	Number of full-time equivalent backup administrators before Cohesity	Interviews	3	3	3
B8	Number of full-time equivalent backup administrators after Cohesity	Interviews	2	1	1
B9	Annual salary of backup administrators	Assumption	\$150,000	\$150,000	\$150,000
B10	Backup administrator savings	$(B7 - B8) * B9$	\$150,000	\$300,000	\$300,000
Bt	Operational savings	$B3 * B4 * B5$	\$248,280	\$447,420	\$496,560
	Risk adjustment	↓10%			
Btr	Operational savings (risk-adjusted)		\$223,452	\$402,678	\$446,904
Three-year total: \$1,073,034			Three-year present value: \$871,696		

RISK REDUCTION SAVINGS

What customers said. Before interviewees adopted Cohesity, restoring an environment that experienced downtime would require several hours at a time. With the speed of Cohesity’s backup technology, file or server restoration takes place within a matter of minutes.

While the frequency of downtime for some organizations can be small, they can lose business if a backup experiences failure or takes hours to complete a restore. The senior analyst of data protection at a global automotive company shared how Cohesity provides additional peace of mind: “With Cohesity, I went four weeks without a backup failure. We got nervous whether we were really

backing up anything. We went and did 395 restores to see if the system was really backing up anything and all of them recovered. We can now kind of breathe better. It’s pretty self-automated. It’s self-healing.”

Modeling and assumptions. For the composite organization, Forrester assumes:

- The B2C company experiences one critical downtime event annually that presents a security risk and impacts its data centers’ availability. The downtime occurrence lasts for roughly 8 hours.
- With Cohesity, time spent on fully restoring systems takes a few minutes vs. hours with the previous backup solution.

- The company stands to lose \$100,000 for every hour its services are down.

Risks. The risk reduction savings will vary based on.

- The frequency with which organizations experience critical downtime events that require a system restore and the length of time for which they last.

- The level of financial risk that a company faces for each hour during downtime.

To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV of \$1.72 million.

Risk Reduction Savings					
Ref.	Metric	Calculation	Year 1	Year 2	Year 3
C1	Number of critical downtime events per year that impact data centers	Assumption	1	1	1
C2	Downtime before adopting Cohesity (hours)	Interviews	8	8	8
C3	Downtime since adopting Cohesity (minutes)	Interviews: 20 mins Calc: 20/60 mins (rounded)	0.33	0.33	0.33
C4	Cost per hour of downtime	Assumption	\$100,000	\$100,000	\$100,000
Ct	Risk reduction savings	$C1*(C2-C3)*C4$	\$767,000	\$767,000	\$767,000
	Risk adjustment	↓10%			
Ctr	Risk reduction savings (risk-adjusted)		\$690,300	\$690,300	\$690,300
Three-year total: \$2,070,900			Three-year present value: \$1,716,674		

CAPITAL EXPENDITURE COST SAVINGS

What customers said. Alongside operational savings, interviewees said their organizations were able to cut capital expenditures related to hardware, maintenance, and off-site storage. Although each of these savings on their own are relatively small, the savings add up because they reoccur year after year.

For the storage architect at a telecom company, a key driver of savings was not having to sign an enterprise licensing agreement (ELA) where hardware was part of the agreement. The interviewee shared: “We are going to shut down our old backup appliances and we’re no longer going to pay maintenance on that. We actually had some old storage arrays that were used for media storage on

the backup side that are being shut down as well. That’s part of the whole capex savings of Cohesity.”

Some of the interviewees said their organization saved costs in their migration to the cloud. The senior analyst of data protection at an automotive company described previously using servers with software that did not allow users to copy data directly to cloud service providers they planned to use. The company needed intermediary servers that the vendor could write to and then copy the data over to the desired cloud location later. Cohesity allowed the company to directly write data to cloud instances it had purchased, avoiding additional costs all together.

As for tapes or any objects holding data, interviewees’ organizations were able to copy that information to the cloud through Cohesity. That

previously was not possible with tapes. The organizations reduced their data volume which helped avoid rental fee costs for physical storage.

Modeling and assumptions. For the composite organization, Forrester assumes:

- The B2C company stands to save \$200,000 in capital expenditure savings from its investment in Cohesity. These savings are recurring.
- In Year 1, the company realizes 50% savings from reduced spending on server maintenance. This value increases to 75% in Year 2 as more data is moved to the cloud. In Year 3, the company migrates data to the cloud from tapes that had been in physical restorage facilities and incurred rental fees, resulting in 90% of the total savings realized.

Risks. The risk reduction savings will vary based on:

- The speed with which an organization plans to move its data to Cohesity.

To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted PV of \$315,000.

Capital Expenditure Cost Savings					
Ref.	Metric	Calculation	Year 1	Year 2	Year 3
D1	Avoidable additional costs	Interviews	\$200,000	\$200,000	\$200,000
D2	Reduction with Cohesity	Interviews	50%	75%	90%
Dt	Capital expenditure costs savings with Cohesity		\$100,000	\$150,000	\$180,000
	Risk adjustment	↓10%			
Dtr	Capital expenditure costs savings with Cohesity (risk-adjusted)		\$90,000	\$135,000	\$162,000
Three-year total: \$387,000			Three-year present value: \$315,101		

UNQUANTIFIED BENEFITS

Additional benefits that customers experienced but were not able to quantify include:

- **Reduced security risk.** With Helios, the interviewees' organizations could leverage anomaly detection, virus scanning features, and immutable file system to reduce the vulnerability of their data. Security savings are not typically a day 1 benefits, as it takes companies time to migrate their data to Cohesity before fully leveraging security measures.

The interviewees' organizations were either still going through the approval process for use of particular security features integrated into Cohesity or they had elected to keep their prior security features in place, hence those benefits falling into the unquantified category.

- **Cohesity team support.** Interviewees reported that the support team at Cohesity reliably provided helpful recommendations and feedback when requested, offering solutions within a 24-hour period.

In regard to moving to the cloud, Cohesity is an active partner helping with that planning. The senior analyst of data protection at an automotive company said: "Our cloud team made a mistake of not having a backup and recovery strategy in the cloud. Cohesity told us that we needed a replication strategy. So, we're in discussions now on what we need to do from a backup and recovery perspective."

- **Improved production testing.** The senior technical consultant at a technology company said their organization historically relied on static sets of data in a separate server to test new versions of core application. It would run tests separately against a current version of the application to ensure the output was the same and the engine wasn't broken. The company had

to pay for this additional storage to continue tests.

With Cohesity, the consultant's team can create temporary zero-cost clones of production data and use it for testing purposes. The consultant said: "Basically, the snapshots don't take any additional space. We can generate a full copy of production without using any additional storage, so there's zero cost impact of doing that. We did save a little bit of cost by not having to keep this old, static data in storage."

While the hard cost financial savings are small, time savings from avoiding recreating environments are more significant and are included in the quantified productivity value calculation.

FLEXIBILITY

The value of flexibility is unique to each customer. There are multiple scenarios in which a customer might implement Cohesity and later realize additional uses and business opportunities, including:

- **Mobile access to data.** An automotive company used the Helios mobile app for three months to view its data workloads, which helped to improve collaboration. The senior analyst of data protection said: "I don't have to log into a system, and I'm already sending emails and text messages to my operations team to make sure they're addressing situations. It makes it more convenient to stay plugged in without plugging in." The analyst also indicated their organization is interested in further exploring how the mobile app could incorporate more data analytics and intelligence in-app.

Flexibility would also be quantified when evaluated as part of a specific project (described in more detail in [Appendix A](#)).

Analysis Of Costs

■ Quantified cost data as applied to the composite

Total Costs							
Ref.	Cost	Initial	Year 1	Year 2	Year 3	Total	Present Value
Etr	Cohesity investment costs	\$1,100,000	\$3,300,000	\$3,300,000	\$3,300,000	\$11,000,000	\$9,306,612
Ftr	Implementation and maintenance costs	\$41,184	\$0	\$0	\$0	\$41,184	\$41,184
	Total costs (risk-adjusted)	\$1,141,184	\$3,300,000	\$3,300,000	\$3,300,000	\$11,041,184	\$9,347,796

COHESITY INVESTMENT COSTS

Several of the interviewees said their organization purchased some initial hardware for backup purposes with Cohesity's software. One organization paid an additional nominal amount to Cohesity to provide a representative to assist with implementation.

After the initial cost, ongoing software licensing spending is based on a structure of cost per back-end TB of raw storage capacity. Costs varied for the interviewees' organizations, and the composite organization spend represents an average.

The cost calculation will vary based on:

- The amount of data that goes through deduplication and is managed with Cohesity.

To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$9.3 million.

Cohesity Investment Costs						
Ref.	Metric	Calculation	Initial	Year 1	Year 2	Year 3
E1	Cohesity hardware, license, and support costs		\$1,000,000	\$3,000,000	\$3,000,000	\$3,000,000
Et	Cohesity investment costs	E1	\$1,000,000	\$3,000,000	\$3,000,000	\$3,000,000
	Risk adjustment	↑10%				
Etr	Cohesity investment costs (risk-adjusted)		\$1,100,000	\$3,300,000	\$3,300,000	\$3,300,000
Three-year total: \$11,000,000			Three-year present value: \$9,306,612			

IMPLEMENTATION AND MAINTENANCE COSTS

The interviewees shared varying timelines for implementation of Cohesity, with planning taking up the bulk of the time while integration of the solution happened very quickly. The composite organization spends two months planning for integration and one month on the integration itself, alongside testing to make sure it's running smoothly. Various team members, including application owners, and VM and database administrators are involved and dedicate a portion of their time.

The cost of the calculation will vary based on:

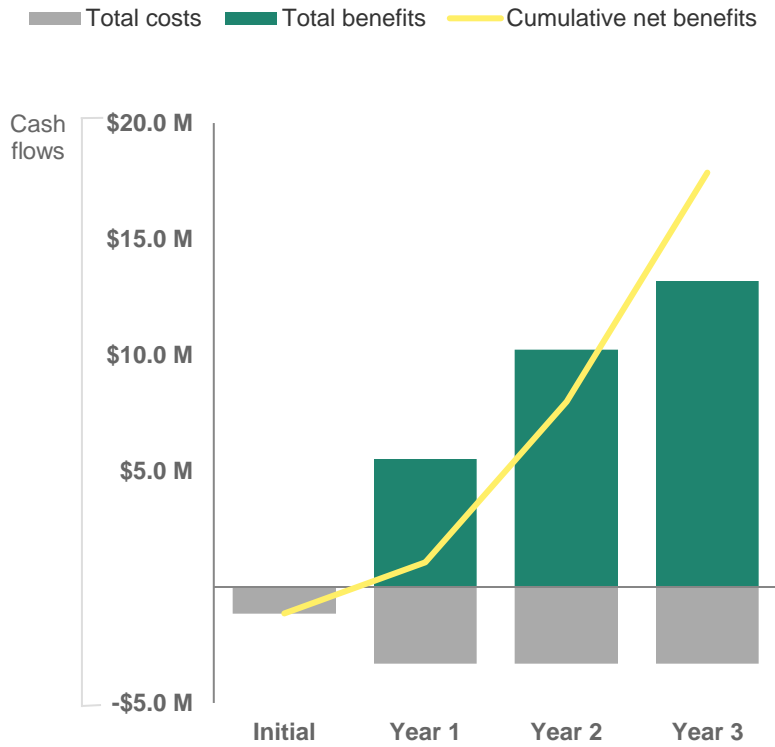
- The complexity of network infrastructure and how much time is needed to plan for integration.

To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year, risk-adjusted total PV of \$41,184.

Implementation And Maintenance Costs						
Ref.	Metric	Calculation	Initial	Year 1	Year 2	Year 3
F1	Time spent on implementation (weeks)	Interviews	12			
F2	Number of FTEs supporting implementation and maintenance	Interviews	12			
F3	Percentage of team working on implementation in a given week		50%			
F4	Total hours spent on implementation	Initial: F1*F2*F3*8 hours per week	576			
F5	Fully loaded hourly rate for storage and infrastructure analysts	Assumption	\$65			
Ft	Implementation and maintenance costs	F4*F5	\$37,440			
	Risk adjustment	↑10%				
Ftr	Implementation and maintenance costs (risk-adjusted)		\$41,184			
Three-year total: \$41,184			Three-year present value: \$41,184			

Financial Summary

CONSOLIDATED THREE-YEAR RISK-ADJUSTED METRICS



The financial results calculated in the Benefits and Costs sections can be used to determine the ROI, NPV, and payback period for the composite organization's investment. Forrester assumes a yearly discount rate of 10% for this analysis.

These risk-adjusted ROI, NPV, and payback period values are determined by applying risk-adjustment factors to the unadjusted results in each Benefit and Cost section.

Cash Flow Analysis (Risk-Adjusted Estimates)

	Initial	Year 1	Year 2	Year 3	Total	Present Value
Total costs	(\$1,141,184)	(\$3,300,000)	(\$3,300,000)	(\$3,300,000)	(\$11,041,184)	(\$9,347,796)
Total benefits	\$0	\$5,503,752	\$10,227,978	\$13,179,204	\$28,910,934	\$23,358,016
Net benefits	(\$1,141,184)	\$2,203,752	\$6,927,978	\$9,879,204	\$17,869,750	\$14,010,220
ROI						150%
Payback						7 months

Appendix A: Total Economic Impact

Total Economic Impact 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.

TOTAL ECONOMIC IMPACT APPROACH

Benefits represent the value delivered to the business by the product. The TEI methodology places equal weight on the measure of benefits and the measure of costs, allowing for a full examination of the effect of the technology on the entire organization.

Costs consider all expenses necessary to deliver the proposed value, or benefits, of the product. The cost category within TEI captures incremental costs over the existing environment for ongoing costs associated with the solution.

Flexibility represents the strategic value that can be obtained for some future additional investment building on top of the initial investment already made. Having the ability to capture that benefit has a PV that can be estimated.

Risks measure the uncertainty of benefit and cost estimates given: 1) the likelihood that estimates will meet original projections and 2) the likelihood that estimates will be tracked over time. TEI risk factors are based on "triangular distribution."



PRESENT VALUE (PV)

The present or current value of (discounted) cost and benefit estimates given at an interest rate (the discount rate). The PV of costs and benefits feed into the total NPV of cash flows.



NET PRESENT VALUE (NPV)

The present or current value of (discounted) future net cash flows given an interest rate (the discount rate). A positive project NPV normally indicates that the investment should be made, unless other projects have higher NPVs.



RETURN ON INVESTMENT (ROI)

A project's expected return in percentage terms. ROI is calculated by dividing net benefits (benefits less costs) by costs.



DISCOUNT RATE

The interest rate used in cash flow analysis to take into account the time value of money. Organizations typically use discount rates between 8% and 16%.



PAYBACK PERIOD

The breakeven point for an investment. This is the point in time at which net benefits (benefits minus costs) equal initial investment or cost.

Appendix B: Endnotes

¹ Source: Forrester Analytics Business Technographics® Data And Analytics Survey, 2020.

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