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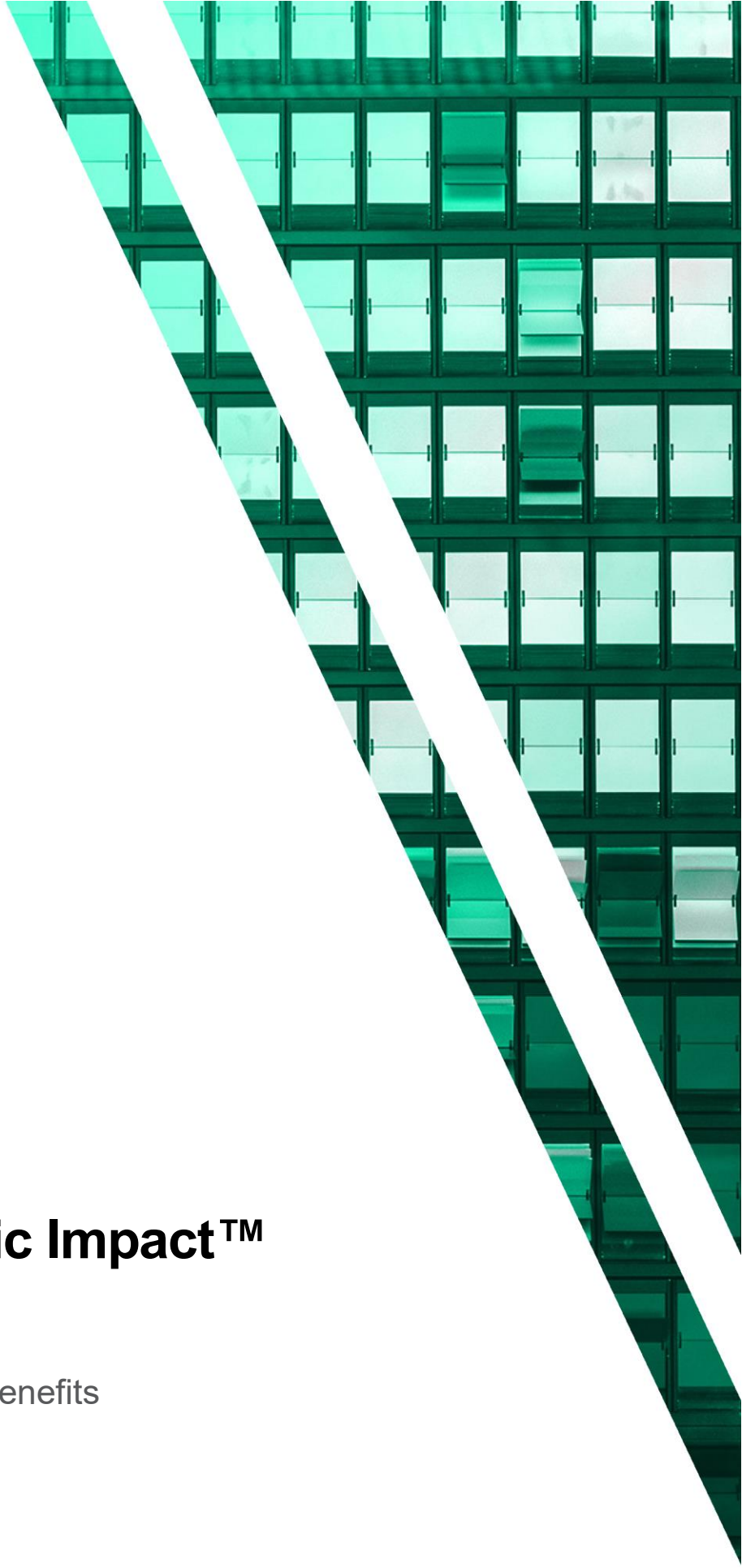

The Total Economic Impact™ Of Platform.sh

Cost Savings And Business Benefits Enabled By Platform.sh

MARCH 2022

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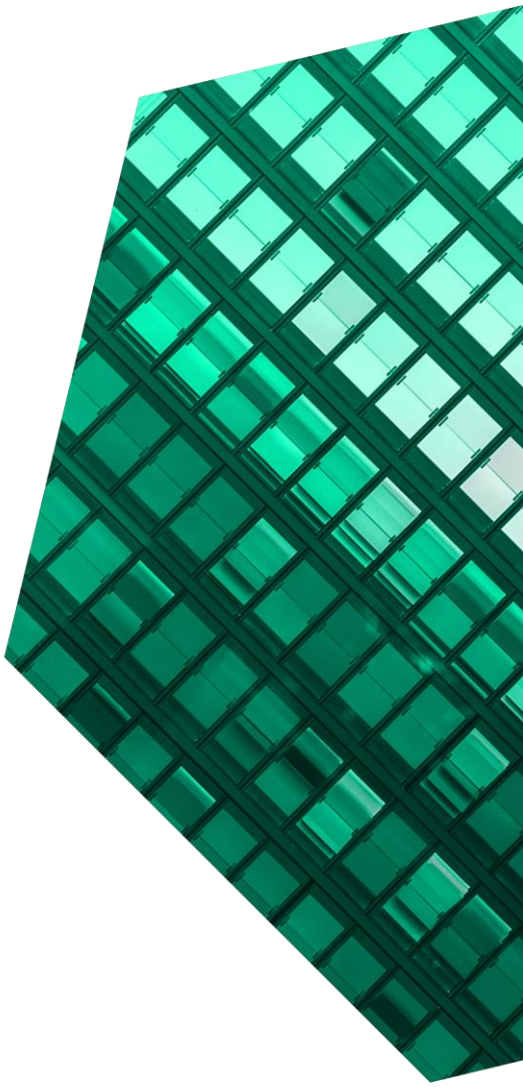


ABOUT FORRESTER CONSULTING

Forrester Consulting provides independent and objective research-based consulting to help leaders succeed in their organizations. For more information, visit forrester.com/consulting.

Executive Summary

For e-business organizations, managing a fleet of websites and web applications at scale is often challenging and limits IT/DevOps teams' abilities to meet customer requirements. Platform.sh has built-in tools designed to build, deploy, and manage a fleet of websites and web applications more efficiently while maintaining continuous integration/continuous delivery (CI/CD) processes. It helps organizations save time and money, and it improves deployment stability and efficiency.

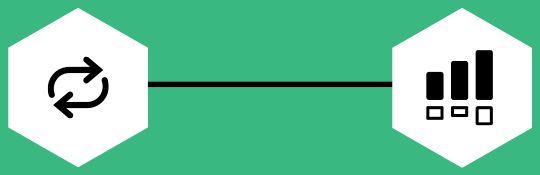
Platform.sh is a unified, secure, enterprise-grade cloud platform for building, running, and scaling web applications. It is an end-to-end solution for managing a fleet of websites and apps. And because infrastructure and workflows are handled from the start, apps work seamlessly, which enables organizations to focus on making faster changes, collaborating effectively, and scaling efficiently.

Platform.sh 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.[1] The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of Platform.sh on their organizations.

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed three decision-makers and surveyed five decision-makers with experience using Platform.sh at their organizations. For the purposes of this study, Forrester aggregated the experiences of the decision-makers and combined the results into a single composite organization.[2]

Prior to using Platform.sh, decision-makers' organizations encountered inefficient processes and in-house solutions for managing their websites and web applications. They said their organizations experienced several challenges coordinating tasks with multiple vendors and that vendor solutions carried technical issues and limitations. Decision-makers sought a solution that would allow their organizations to enhance the efficiency and effectiveness of developing, launching, and managing websites and web applications at scale.

KEY STATISTICS



Return on investment (ROI)
219%

Net present value (NPV)
$1.12M

They shared how their organizations changed vendors hoping for better results. However, prior attempts yielded limited success and left decision-makers with a need to reduce duplicated efforts and inefficiencies, a need to develop and deploy faster, a need to consolidate to one provider to remove the complexity of managing multiple solutions, and the challenge of managing a fleet of websites and applications with inconsistent performance.

After the investment in Platform.sh, decision-makers' organizations experienced increased efficiency, reduced operating costs, and faster iteration and deployment, and they've gained the ability to effectively manage growing fleets of websites and web applications.

KEY FINDINGS

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

- **Decreased IT/DevOps operating costs.** Decision-makers said their organizations have been able to build and manage the application lifecycle of growing fleets of websites and web applications without having to build infrastructure or in-house DevOps tools. As a result, their organizations avoided incurring additional operating costs, including costs associated with hiring additional FTEs to develop minimally viable products. For the composite organization, decreased IT/DevOps operating costs are worth $1 million over three years.
- **Increased IT/DevOps efficiency.** Platform.sh's end-to-end solution enabled the decision-makers' organizations to experience greater efficiency by reducing the need to coordinate tasks across multiple vendors. Platform.sh's built-in tools and functionality also improved efficiency by removing infrastructure maintenance tasks while allowing them to iterate faster and deploy more quickly. For the composite organization, increased IT/DevOps efficiency is worth $261,800 over three years.

Decreased IT/DevOps operating costs worth

$1 million

- **Eliminated alternate solutions.** Decision-makers said there were challenges associated with managing multiple contracts and paying different vendors to perform certain tasks (e.g., monitoring tool, ticketing tool, content delivery network [CDN], etc.) Decision-makers told

> **"We spend significantly less time on DevOps. With Platform.sh, we have found a solution that allows us to do rapid prototyping as well as continually improve our CI/CD processes."**
>
> — Web developer, education

Forrester that when they considered all the amounts they were paying several vendors and compared those totals to what they would pay Platform.sh, they found alternate solutions to be 15% more expensive. For the composite organization, eliminating alternate solutions is worth $333,800 over three years.

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

- **Being able to innovate faster.** Decision-makers shared that Platform.sh has enabled the creation and deployment of innovative solutions. Because Platform.sh includes a prebuilt suite of DevOps tooling, decision-makers said they have more time to develop creative solutions that address customer needs.
- **Real-time deployment**. Decision-makers said Platform.sh's built-in CI/CD workflows and tools have enabled their organizations to deploy anytime without encountering bottlenecks. They also said cloning production environments facilitated real-time code deployment.
- **Having improved stability of deployment**. Decision-makers said Platform.sh helped improve the stability of deployments. They said it leverages standard native containers and provides orchestration that support deployments.
- **Having a solution that is built for scale.** Decision-makers said Platform.sh's tools and functionality allow for an unlimited number of websites and website applications to be built, launched and managed at scale. They said their organizations could build multiple solutions for multiple use cases through Platform.sh.
- **Enhanced data security.** Decision-makers said Platform.sh has improved data security and compliance. They said their organizations have experienced enhanced data security because Platform.sh encrypts data at all stages (from development to production), uses public key infrastructure (PKI) and two-factor authentication to keep access secure, and delivers security patches automatically.

Costs. Risk-adjusted PV costs include:

- **Internal effort costs.** Decision-makers said their organizations needed internal resources to implement Platform.sh. For the composite organization, implementation takes two months to complete, and the total internal effort costs (including implementation and ongoing internal management effort) are $139,200.
- **Platform.sh fees.** The composite organization pays a total of $370,100 in fees over three years.

The financial analysis which is based on the decision-maker interviews and survey found that a composite organization experiences benefits of $1.62 million over three years versus costs of $509,000, adding up to a net present value (NPV) of $1.12 million and an ROI of 219%.

During Year 1, efficiency increases by

15%

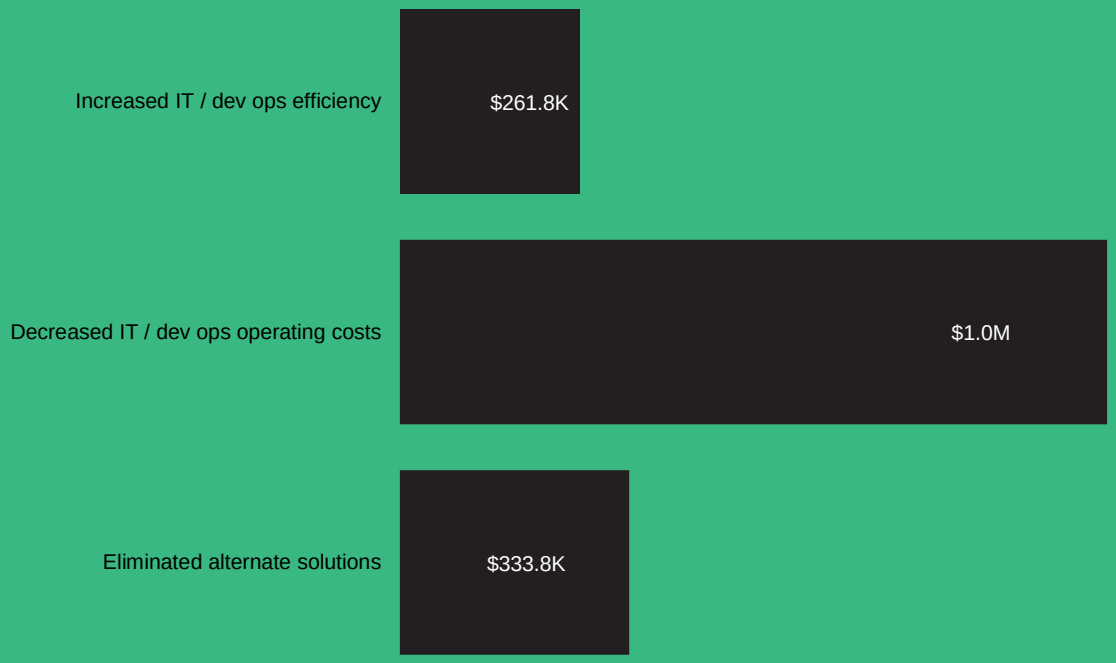
ROI
219%

BENEFITS PV
$1.62M

NPV
$1.12M

PAYBACK
7 months

Benefits (Three-Year)



TEI FRAMEWORK AND METHODOLOGY

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

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 Platform.sh can have on an organization.

DUE DILIGENCE

Interviewed Platform.sh stakeholders and Forrester analysts to gather data relative to Platform.sh.

DECISION-MAKER INTERVIEWS AND SURVEY

Interviewed three decision-makers and surveyed five decision-makers at organizations using Platform.sh to obtain data with respect to costs, benefits, and risks.

COMPOSITE ORGANIZATION

Designed a composite organization based on characteristics of the interviewed and surveyed decision-makers.

FINANCIAL MODEL FRAMEWORK

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

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 Platform.sh Customer Journey

Drivers leading to the Platform.sh investment

KEY CHALLENGES

Forrester interviewed three decision-makers and surveyed five decision-makers with experience using Platform.sh at their organizations. For more details on these individuals and the organizations they represent, see Appendix B.

Decision-makers' organizations experienced difficulties working with vendors. They spent too much time and money on infrastructure maintenance tasks. Technical solutions did not yield productive results, and they needed to find a solution to help manage growing fleets of websites and web applications.

The decision-makers noted how their organizations struggled with common challenges, including:

- **Challenges with previous vendors.** Decision-makers' organizations encountered several challenges when working with vendors. It was particularly challenging to use multiple vendors because some were unavailable when attempting to coordinate them. Decision-makers said their processes had become very inefficient.

  An editor at a publishing company told Forrester: "With the previous vendor, we experienced hosting problems and SLAs [service-level agreements] were not met. It was painful for us and for our web agency to work with vendors to update our websites. And some vendors were not readily available, so we could not complete the necessary work."

  A director of digital service at an education organization shared with Forrester: "Initially, we had multiple vendors and several web developers, both internal and external, who needed to work together. It was challenging to try to coordinate everyone."

"We had an inefficient process and had to coordinate multiple tasks with several vendors. We could not control deployments, and [we] experienced ongoing challenges."

- Editor, publishing

Each decision-maker said the need to reduce duplicated efforts and inefficiencies and the need to consolidate to one provider to remove complexity of managing multiple solutions were reasons for seeking a new solution.

- **Previous technical solutions were ineffective.** Decision-makers experienced technical issues and limitations when working with vendor solutions. Some of the solutions (e.g., traditional web hosting) rendered ineffective results and caused websites and applications to crash frequently.

  Decision-makers also said it was challenging was to push code changes to production, build websites and applications, and manage them. A web developer at an education organization explained to Forrester: "Other vendors' traditional architectural approaches of having standalone sites, all of which have to be provisioned individually, could not work for us."

An editor shared: “Traffic supply could take up all the resource of a server and cause it to crash, shutting down all websites. The websites broke down frequently, and we had to contact the vendor to manage many ongoing issues.”

A web developer said: “We used to struggle a lot with just making sure that our local development setups were in sync with each other, and then also with what we were running in production.”

Decision-makers said they had pressing needs to develop and deploy faster and to address inconsistent performance across their organizations’ fleets of websites and applications.

- **Opportunity to improve development and management of websites and web applications.** Decision-makers said it was important to improve the way their organizations built and managed their websites and web applications. They sought a solution that would allow their organizations to enhance the efficiency and effectiveness of developing, launching, and managing websites and web applications at scale.

  Each decision-maker shared that they had experienced the challenge of managing a growing fleet of websites and applications and sought a solution that would support scaling.

- **Opportunity to enhance data protection.** Decision-makers said their organizations needed a solution that would enhance data protection and security and that protecting data from compromise and ensuring data privacy were important considerations.

  A director of digital service told Forrester: “We needed a solution that could give us control of our web hosting platform. We wanted to stop web content managers and external vendors from having unfettered access to data.”

“We wanted to change our development process. We wanted to be able to do rapid prototyping and have a tool that would allow us to easily replicate our entire environment and test changes quickly.”

– Web developer, education

SOLUTION REQUIREMENTS/INVESTMENT OBJECTIVES

The decision-makers searched for a solution that could:

- Deliver a single end-to-end web platform that would eliminate the need to work with multiple vendors to complete different tasks.
- Help build, launch, and manage several websites and web applications as their organizations grew.
- Provide prebuilt DevOps tooling to help build websites and web applications.
- Increase efficiency by removing infrastructure maintenance tasks and infrastructure costs.
- Provide production environments that could be easily cloned to test new features and updates.
- Enable faster iteration and deployment.
- Support multiple architectures (e.g., monolith, microservice, serverless), frameworks, and languages with a single platform.

COMPOSITE ORGANIZATION

Based on the interviews and survey, Forrester constructed a TEI framework, a composite company, and an ROI analysis that illustrates the areas financially affected. The composite organization is representative of the three decision-makers that Forrester interviewed and five surveyed decision-makers with organizations that have between 3,000 and 23,000 employees. Their experiences were used to present the aggregate financial analysis in the next section. The composite organization has the following characteristics:

Description of composite. The composite organization is a global organization with 10,000 employees. It has customers around the world and uses an e-business model. The organization has a strong brand, global operations, a large customer base, and a strong online presence.

Deployment characteristics. The organization has global operations and uses Platform.sh to manage websites and web applications. It has been a Platform.sh customer for three years and uses Platform.sh to develop, deploy, host, and secure all its websites and web applications.

Key assumptions

- **Global organization**
- **10,000 employees**
- **E-business model**
- **Has been using Platform.sh for 3 years**

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	Increased IT/DevOps efficiency	$64,800	$108,000	$151,200	$324,000	$261,764
Btr	Decreased IT/DevOps operating costs	$144,000	$432,000	$720,000	$1,296,000	$1,028,881
Ctr	Eliminated alternate solutions	$77,625	$139,725	$196,650	$414,000	$333,789
	Total benefits (risk-adjusted)	$286,425	$679,725	$1,067,850	$2,034,000	$1,624,434

INCREASED IT/DEVOPS EFFICIENCY

Evidence and data. Platform.sh enabled the decision-makers' organizations to experience greater efficiency by reducing the need to coordinate tasks across multiple vendors. Its built-in tools and functionality also improved efficiency by removing infrastructure maintenance tasks while allowing the organizations to iterate faster and deploy more quickly.

- A web developer told Forrester: "Platform.sh allowed us to accomplish more and get things done more quickly than we would have with any other solution. The platform has made our processes more efficient. My team now has more time to work on several projects. Platform.sh has enabled us to have a leaner development workflow, prototype more rapidly, and make continuous and integrated changes in a way that doesn't sacrifice performance."
- A director of digital service shared: "Before Platform.sh, configuration changes could take several days. Platform.sh has allowed us to process these changes 35% faster."
- An editor said: "With Platform.sh, we have gained velocity [and] speed. Deploying a change to a website now takes a few minutes. With Platform.sh, we can test every new feature [and] every new corrective task. We can test everything quickly, saving us 30% to 40% of time."
- Decision-makers reported that since their organizations started using Platform.sh, they have experienced increased user productivity and seen a 35% average increase in efficiency from building to deployment, which includes reduced time to complete user acceptance testing.

Modeling and assumptions. Forrester makes the following assumptions about the composite organization:

- The composite's IT/DevOps team is comprised of six FTEs.
- The organization sees a 15% increase in efficiency in Year 1 because it takes the IT/DevOps team less time to build and manage websites and web applications. Efficiency continues to increase over time as the organization continues to leverage Platform.sh's tools and functionality.
- The fully burdened annual salary (with benefits and taxes paid by the organization) for an IT/DevOps team member is $160,000. This fully

burdened salary is what a DevOps engineer with this level of experience earns in the US.

- The organization recaptures 50% of productivity because not all hours gained from efficiency translate into additional work being completed.

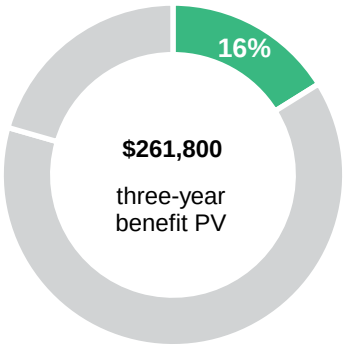
"We used to be much slower deploying changes to our websites and would have to turn in tickets to our vendor and wait in line for responses. Since we started using Platform.sh, we can go directly into the platform, identify issues, and solve them quickly."

– *Director of digital service, education*

Risks. Potential risks that can impact this benefit include:

- A decrease in efficiency rate.
- A decrease in productivity capture.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of $261,800.



Increased IT/DevOps Efficiency					
Ref.	**Metric**	**Source**	**Year 1**	**Year 2**	**Year 3**
A1	IT/DevOps team size (FTEs)	Interviews/survey	6.0	6.0	6.0
A2	Increased efficiency	Interviews/survey	15%	25%	35%
A3	Total team efficiency gains (hours) (rounded down)	A1*A2*2,080 hours	1,872	3,120	4,368
A4	IT/DevOps team member fully burdened cost	TEI Standard	$160,000	$160,000	$160,000
A5	Team efficiency benefit	A3*A4/2,080 hours	$144,000	$240,000	$336,000
A6	Productivity capture	Assumption	50%	50%	50%
A7	IT/DevOps team net benefit from efficiency gains	A5*A6	$72,000	$120,000	$168,000
At	Increased IT/DevOps efficiency	A7	$72,000	$120,000	$168,000
	Risk adjustment	↓10%			
Atr	Increased IT/DevOps efficiency (risk-adjusted)		$64,800	$108,000	$151,200
	Three-year total: $324,000			**Three-year present value: $261,764**	

DECREASED IT/DEVOPS OPERATING COSTS

Evidence and data. Platform.sh enabled decision-makers' organizations to build and manage the application lifecycles of growing fleets of websites and web applications. Decision-makers gained the ability to easily clone production environments, including data and configuration and testing and previewing new features and updates without having to build infrastructure or in-house DevOps tools. As a result, decision-makers' organizations avoided incurring additional operating costs, including costs associated with hiring additional FTEs to develop a minimally viable product to deliver tools and functionality similar to what Platform.sh offers.

- A web developer told Forrester: "Platform.sh has helped us get into an effective containerized-based workflow so that when I make any changes, my team can rapidly integrate those into their local development environments. Developing a robust internal, in-house solution that can deliver Platform.sh's functionality, would require a significant investment in infrastructure and engineers."
- The same web developer said: "Our team's job has been to manage websites and apps, continually enhance them, and not have to worry about the [development] workflows. Platform.sh has enabled us to work rapidly and flexibly while quickly solving issues that matter to our stakeholders. And we've been able to do all of this without having to invest in building our own solution and hiring a team of engineers."
- An editor told Forrester: "Because of Platform.sh's tools and functionality, we have not had to make any additional internal investments. If Platform.sh did not exist, we would have to hire several engineers to develop a solution that may or may not work. Through Platform.sh, we have saved money and have been able to focus on major strategic projects."

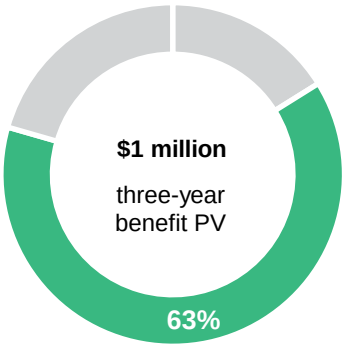
- A director of digital service said: “We have been able to automate several processes that used to be manual. We also have the tools to roll back changes and have access to environments where we can test things before they go live. Moreover, we have experienced increased reliability. If we had to develop a solution that could accomplish all this, it would be very expensive.”
- Decision-makers said that since their organizations began using Platform.sh, they have been able to avoid hiring up to five DevOps FTEs.

Modeling and assumptions. Forrester makes the following assumptions about the composite organization:

- The composite requires one FTE in Year 1 to start working on developing a minimally viable in-house solution that provides a basic level of support for the management of a fixed number of websites and web applications.
- As the organization continues to grow and build and manage more websites and web applications, it needs to hire additional FTEs to handle the complexity and volume of work associated with developing DevOps tools and enhancing development processes.
- The fully burdened annual salary for a DevOps FTE team member is $160,000.
- The solution built in-house yields a minimally viable product that is not guaranteed to offer the same tools and functionality as Platform.sh.

Risks. There are potential risks that can impact this benefit, including if the annual fully burdened cost of an FTE is less than $160,000.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV of $1 million.



Decreased IT/DevOps Operating Costs

Ref.	Metric	Source	Year 1	Year 2	Year 3
B1	Cumulative IT/DevOps team avoided added headcount (FTEs)	Interviews/survey	1.0	3.0	5.0
B2	IT/DevOps team member fully burdened cost	TEI Standard	$160,000	$160,000	$160,000
B3	IT team total avoided labor costs	B1*B2	$160,000	$480,000	$800,000
Bt	Decreased IT/DevOps operating costs	B3	$160,000	$480,000	$800,000
	Risk adjustment	↓10%			
Btr	Decreased IT/DevOps operating costs (risk-adjusted)		$144,000	$432,000	$720,000
	Three-year total: $1,296,000			**Three-year present value: $1,028,881**	

ELIMINATED ALTERNATE SOLUTIONS

Evidence and data. Decision-makers said there are challenges associated with managing multiple contracts and paying different vendors to perform certain processes (e.g., monitoring tool, ticketing tool, CDN, etc.). Decision-makers told Forrester that when they considered what their organizations were paying several vendors and compared those totals to what they would pay Platform.sh, they found that alternate solutions were 15% more expensive.

- A director of digital service told Forrester, "We have seen a drastic reduction in the amount of spend going to vendors."
- A web developer said: "Platform.sh has provided a higher level of support than previous vendors. Platform.sh's functionality and support have also removed the challenges of needing to coordinate our work with multiple vendors and managing different contracts. It would have cost us approximately 15% more to work with other vendors."
- An editor told Forrester: "Platform.sh has made our processes more flexible and agile while helping us avoid the problems and challenges of having to work with several vendors and having to pay them separately for different tasks."
- Decision-makers said Platform.sh eliminated hardware and/or software costs associated with previous solutions. They indicated that from a total cost of ownership (TCO) perspective, Platform.sh costs 15% less.

Modeling and assumptions. Forrester makes the following assumptions about the composite organization:

- The composite pays Platform.sh $75,000 in fees in Year 1. These fees increase as the organization's fleet volume increases.
- The cost of the composite's alternate solutions is 15% higher than the cost of Platform.sh fees.

Risks. There are potential risks that can impact this benefit:

- The difference in cost between Platform.sh and other solutions is less than 15%.
- Alternate solutions become less expensive, thereby the savings would be lower than 15%.

> **"We have been able to leverage Platform.sh, fix errors, and quickly push code changes from the clone environment to production. The solution has met all our needs and fits with the budget that we had to work from."**
>
> *– Web developer, education*

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV of $333,800.

Eliminated Alternate Solutions					
Ref.	**Metric**	**Source**	**Year 1**	**Year 2**	**Year 3**
C1	Eliminated alternate solutions	E1+15%	$86,250	$155,250	$218,500
Ct	Eliminated alternate solutions	C1	$86,250	$155,250	$218,500
	Risk adjustment	↓10%			
Ctr	Eliminated alternate solutions (risk-adjusted)		$77,625	$139,725	$196,650
	Three-year total: $414,000		**Three-year present value: $333,789**		

UNQUANTIFIED BENEFITS

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

- **Being able to innovate faster.** Decision-makers said that Platform.sh enabled the creation and deployment of innovative solutions. Because Platform.sh includes a prebuilt suite of DevOps tooling, decision-makers said they have more time to develop creative solutions that address customer needs.

  An editor told Forrester: "We have spent less time in deployment integration and dedicated more time to testing and innovating and solving customer challenges."

  A director of digital service said: "The workflow of provisioning and creating websites has been so much more effective. The effectiveness of our content managers has improved as Platform.sh has supported their creativity."

- **Real-time deployment.** Decision-makers said Platform.sh's built-in CI/CD workflows and tools enabled their organizations to deploy anytime without encountering bottlenecks. They said cloning production environments facilitated real-time code deployment.

  An editor shared: "Platform.sh has allowed us to test more features separately [and] clone our production environment, enabling us to deploy anytime we are ready."

  A director of digital service said: "We can easily bring websites live either after they've been modified or if they are brand-new. We can fix any errors and don't have to have our developers go back to fix things. We can release changes quickly."

- **Having improved stability of deployment.** Decision-makers said Platform.sh helped improve the stability of deployments. They said it leverages standard native containers and provides orchestration, which supports deployments.

  An editor said, "With Platform.sh, we have seen an improvement in the stability of deployment integration."

  A director of digital service said, "We have been able to deploy quickly, securely, and consistently while minimizing downtime."

- **Having a solution that is built for scale.** Decision-makers told Forrester that Platform.sh's tools and functionality allows for an unlimited number of websites and website applications to be built, launched, and managed at scale. Decision-makers said their organizations could

build multiple solutions for multiple use cases through Platform.sh.

An editor shared with Forrester: “Since we migrated all our websites to Platform.sh’s dedicated environment, we have been able to manage them effectively, make changes to them without affecting the rest, and build more modern sites.”

- **Enhanced data security.** Decision-makers said Platform.sh improved data security and compliance. Their organizations have experienced enhanced data security because Platform.sh encrypts data at all stages (from development to production), uses PKI and two-factor authentication to keep access secure, and delivers security patches automatically.

  A director of digital service told Forrester, “Security was a huge benefit for us. We have been able to address our data security concerns.”

FLEXIBILITY

The value of flexibility is unique to each customer. There are multiple scenarios in which a customer might implement a solution and later realize additional uses and business opportunities. Some examples include increasingly using Platform.sh’s included production cloud hosting with multicloud support and leveraging them after the initial implementation and extending their use across more employees in the organization. Forrester did not include any flexibility benefits in the financial analysis.

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**
Dtr	Internal effort costs	$55,650	$33,600	$33,600	$33,600	$156,450	$139,208
Etr	Platform.sh fees	$31,500	$78,750	$141,750	$199,500	$451,500	$370,127
	Total costs (risk-adjusted)	$87,150	$112,350	$175,350	$233,100	$607,950	$509,335

INTERNAL EFFORT COSTS

Evidence and data. Decision-makers reported that their organizations needed internal resources to implement Platform.sh.

- Decision-makers' organizations needed two FTEs to assist with the implementation.
- Decision-makers told Forrester that it took approximately two months to implement Platform.sh. An editor said, "Implementing Platform.sh required two FTEs a couple of months."
- Decision-makers shared that there is an ongoing internal management effort.

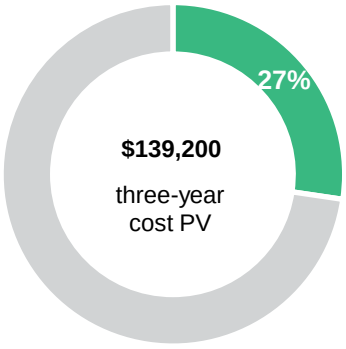
Modeling and assumptions. Forrester makes the following assumptions about the composite organization:

- The composite requires two FTEs to implement Platform.sh.
- It takes the organization two months to implement Platform.sh.
- The fully burdened annual cost of one FTE working on the implementation is $160,000.
- There is an ongoing internal management effort cost of 20% of one FTE.

Risks. There are potential risks that can impact the internal effort costs, including:

- The organization needs more than two FTEs to implement.
- It takes the organization more than two months to implement.
- The ongoing internal management effort cost is greater than 20% of one FTE.

Results. To account for these risks, Forrester adjusted this cost upward by 5%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of $139,200.



Internal Effort Costs						
Ref.	**Metric**	**Source**	**Initial**	**Year 1**	**Year 2**	**Year 3**
D1	Number of internal implementation FTEs	Interviews/survey	2.0			
D2	Implementation time (months)	Interviews/survey	2.0			
D3	FTE fully burdened cost (monthly)	TEI Standard	$13,333			
D4	Internal implementation costs (rounded down)	D1*D2*D3	$53,000			
D5	Ongoing internal management effort	TEI Standard		$32,000	$32,000	$32,000
Dt	Internal effort costs	D4+D5	$53,000	$32,000	$32,000	$32,000
	Risk adjustment	↑5%				
Dtr	Internal effort costs (risk-adjusted)		$55,650	$33,600	$33,600	$33,600
	Three-year total: $156,450			**Three-year present value: $139,208**		

PLATFORM.SH FEES

Evidence and data. Decision-makers said their organizations pay ongoing fees to Platform.sh under the Enterprise plan.

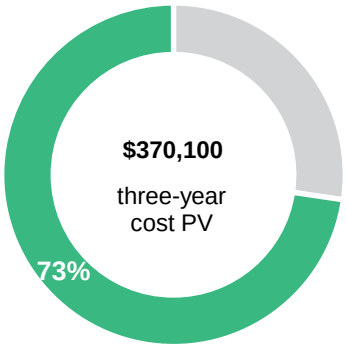
- The amount that each decision-maker's organization paid is based on fleet volume (i.e., the volume of websites and web applications).
- Decision-makers said that their organizations paid an initial fee of $30,000.

Modeling and assumptions. Forrester makes the following assumptions about the composite organization:

- The composite pays an initial fee of $30,000.
- In Year 1, the organization pays approximately $75,000 for a fleet volume of 50 web applications. In Year 2, it pays $135,000 for a volume of 110 web applications. And in Year 3, it pays $190,000 for a volume of 160 web applications.
- The composite's pricing increases as its fleet volume increases.

Risks. There are potential risks that can impact the Platform.sh fees cost, including if initial fees are higher than $30,000.

Results. To account for these risks, Forrester adjusted this cost upward by 5%, yielding a three-year, risk-adjusted total PV of $370,100.



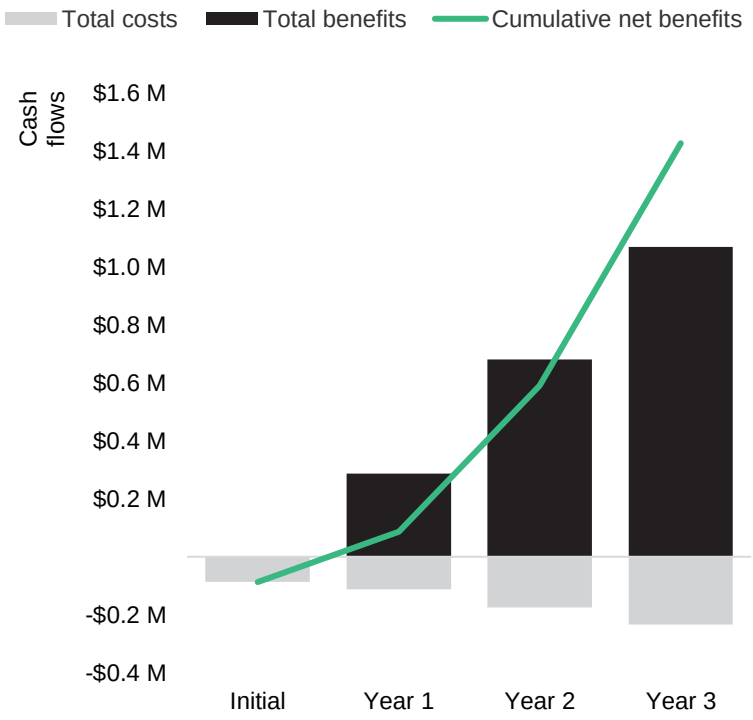
Platform.sh Fees

Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
E1	Platform.sh fees	Composite	$30,000	$75,000	$135,000	$190,000
Et	Platform.sh fees	E1	$30,000	$75,000	$135,000	$190,000
	Risk adjustment	↑5%				
Etr	Platform.sh fees (risk-adjusted)		$31,500	$78,750	$141,750	$199,500
	Three-year total: $451,500			**Three-year present value: $370,127**		

Financial Summary

CONSOLIDATED THREE-YEAR RISK-ADJUSTED METRICS

Cash Flow Chart (Risk-Adjusted)



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	($87,150)	($112,350)	($175,350)	($233,100)	($607,950)	($509,335)
Total benefits	$0	$286,425	$679,725	$1,067,850	$2,034,000	$1,624,434
Net benefits	($87,150)	$174,075	$504,375	$834,750	$1,426,050	$1,115,099
ROI						219%
Payback period (months)						7.0

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."

The initial investment column contains costs incurred at "time 0" or at the beginning of Year 1 that are not discounted. All other cash flows are discounted using the discount rate at the end of the year. PV calculations are calculated for each total cost and benefit estimate. NPV calculations in the summary tables are the sum of the initial investment and the discounted cash flows in each year. Sums and present value calculations of the Total Benefits, Total Costs, and Cash Flow tables may not exactly add up, as some rounding may occur.

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: Interview and Survey Demographics

Interviewed Decision-Makers			
Interviewee	**Industry**	**Region**	**Number of employees**
Director of digital service	Education	North America	23,000
Editor	Publishing	Europe	3,000
Web developer	Education	North America	18,000

Survey Demographics

Surveyed Decision-Makers			
Interviewee	**Industry**	**Region**	**Number of employees**
Senior systems analyst	Government	Europe	5,000 to 19,999
Senior manager of web development	Manufacturing and materials	North America	5,000 to 19,999
VP of marketing technology	Travel and hospitality	North America	100 to 499
VP of technology	Education	North America	2 to 99
IT manager	Education	North America	5,000 to 19,999

Appendix C: Endnotes

[1] 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.

[2] Interviews were conducted with multi-site clients only. The figures presented in this report reflect a fleet of mixed sites in terms of sizes, traffic, and criticality. While Platform.sh will still provide a positive ROI for single sites (e.g., e-commerce, web app), the conclusion from this report can't be used as-is.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