

A Forrester Total Economic Impact™  
Study Commissioned By Microsoft  
May 2018

# Maximizing Your ROI From Microsoft 365 Enterprise With Microsoft Surface

Cost Savings And Business Benefits  
Enabled By Using Microsoft 365 Powered  
Surface Devices

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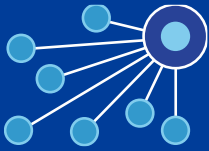
**Project Director:**  
Adam Schlegel

## ABOUT FORRESTER CONSULTING

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## Benefits And Costs Of Microsoft 365 Powered Surface Devices



**\$2,720**

Additional net present value per user using Microsoft 365 on Surface (based on 1,500 users)



**11%**

Increase in ROI on your investment in Microsoft 365 Enterprise E5 when used on a Surface device



**76%**

Agree that M365 powered Surface devices have helped improve employee retention

## Executive Summary

In order to rapidly innovate, better serve customers, and engage workers, organizations across the globe are looking to technology-driven solutions that improve information sharing, enhance teamwork, accelerate decision making, and drive process efficiencies.<sup>1</sup> Organizations looking to further improve the performance of their employees are now looking to modern devices with next-generation capabilities, including voice recognition, digital pens, and touchscreens, to further empower their digitally-driven workforces. This strategy is working: 62% of information workers agree that using these next-generation technologies help to make them more productive in their jobs.<sup>2</sup>

In the Forrester Consulting study, "Achieving Digital Business Transformation With Microsoft 365 Enterprise E5," Forrester explored the Total Economic Impact™ (TEI) of Microsoft 365 Enterprise E5, Microsoft's most feature rich version of Microsoft 365, consisting of Office 365, Windows 10, and Enterprise Mobility + Security (EMS).<sup>3</sup> In this study, Microsoft commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study to examine the potential return on investment (ROI) enterprises may realize by implementing Microsoft 365 Enterprise on Microsoft Surface devices, looking closely at how Microsoft Surface helps augment and compound the business benefits of Microsoft 365. The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of Microsoft 365 powered Surface devices on their organizations.

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed and surveyed hundreds of customers across seven countries, with experience using Microsoft 365 running on Microsoft Surface devices. Prior to Microsoft Surface, customers used a multitude of devices, with the majority of organizations issuing multiple devices to employees for work, including PCs, desktops, and tablets. In addition, these customers typically had a mix of primarily on-premises software solutions for their enterprise collaboration, productivity, communication, and security needs. They struggled with ballooning IT cost structures, poor manageability, and found it increasingly difficult to empower their workforces with the tools they need to work together to grow the business.



**ROI**  
**112%**



**NPV**  
**\$11.13 million**



**Payback**  
**16 months**



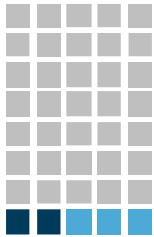
**NPV per user**  
**\$7,420\***

\*Based on 1,500 users

## Key Findings

**Quantified benefits.** The following risk-adjusted present value (PV) quantified benefits are representative of those experienced by the organizations interviewed and surveyed by Forrester, as realized by the 1,500-user composite organization built for this study:

- › **Workers realized nearly five hours in weekly productivity gains on common daily tasks and business processes using Microsoft 365 on Surface, equating to more than 12% of the average workweek.<sup>1</sup>** Interviewees and survey respondents indicated that they were able to further improve communication, information sharing, and other daily business workflows, more than doubling the employee productivity gains seen from using Microsoft 365 Enterprise without Surface. The three-year PV for this productivity improvement was \$9.6 million.
- › **Creative tasks were streamlined, saving creative workers 27 minutes per day, or over 5% of their average workweek.** Using features and capabilities including Pen, Touch, Dial, 3D in PowerPoint, collaboration features in Skype, and Microsoft Teams, creative tasks, such as building marketing strategies, developing new products, and solving operational challenges, were streamlined using Microsoft 365 powered Surface devices. The three-year PV for this benefit totaled \$1.1 million for the composite organization.
- › **Enhanced teamwork capabilities using Microsoft 365 Enterprise powered Surface devices saved employees over three hours each week, equating to 8% of the average workweek.** By using Surface's fully native pen functionality in OneNote, Miracast to project from Surface, Surface Hub for two-way whiteboarding and notetaking, and Microsoft Teams, the interviewed and surveyed organizations were able to eliminate many of the unnecessary inefficiencies that typically plague teams. The three-year PV for this benefit totaled nearly \$3.2 million for the composite organization.
- › **Business decision making by senior leadership was accelerated by nearly 21%.** Using Microsoft 365 Enterprise to enable real-time access and collaboration with colleagues, information, and documents, along with the teamwork efficiencies of Microsoft Surface, leaders reduced decision making time by nearly 21% versus 18% for leaders using Microsoft 365 Enterprise by itself. By using Microsoft Surface's features, including Touch and Pen to ink and send feedback on emails and documents, the composite organization was able to bring solutions to market faster, leading to three-year PV business benefits totaling nearly \$300,000.
- › **Product development overhead costs were reduced by 11%.** Organizations interviewed and surveyed for this study accelerated time-to-market and reduced product development costs through better task prioritization, research and development (R&D) collaboration, and improved data management and analytics capabilities. Based on 15 annual product development activities, the three-year PV savings totaled nearly \$300,000.

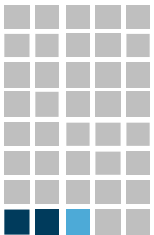


Additional hours saved weekly with Surface

Hours per week saved with Microsoft 365



27 minutes saved per day on creative tasks



Additional hours saved weekly with Surface

Hours per week saved with Microsoft 365



21% faster time-to-decision with Microsoft 365 + Surface

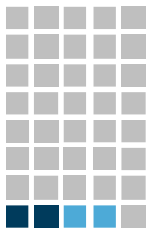
18% faster time-to-decision with Microsoft 365



11% reduction in product development costs with Microsoft 365 + Surface

10.2% reduction in product development costs with Microsoft 365

<sup>1</sup> Assumes 40-hour average workweek



Additional hours saved weekly with Surface

Hours per week saved with Microsoft 365



An average of nearly **five additional hours** in time savings per employee using Surface over three years



Nearly **15% additional reduction** using Microsoft 365 on Surface



**15% reduction** in device and application performance tickets with Surface



**80% reduction** in security breach costs

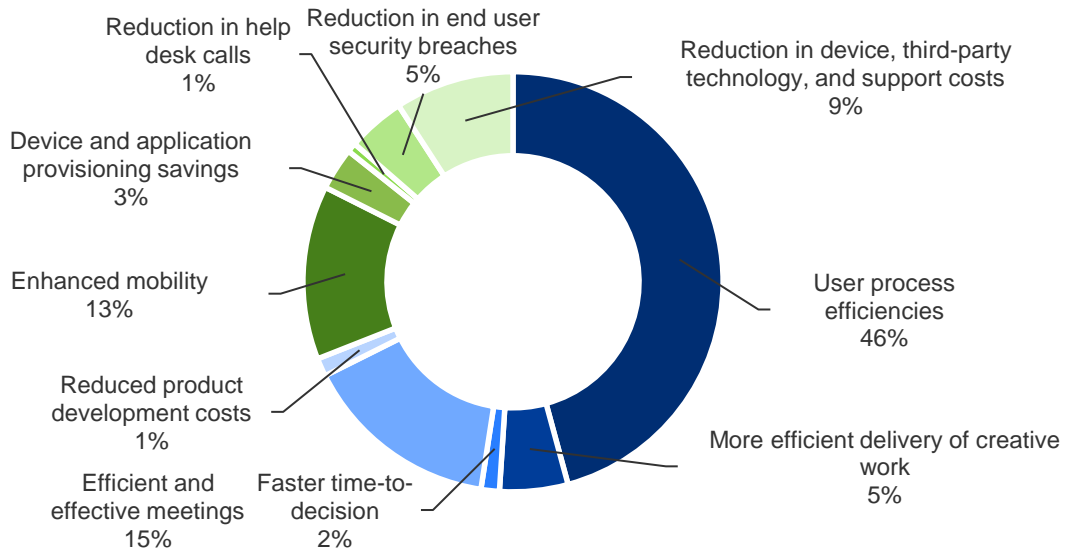
**50% reduction** in annual breach volume



Over **\$600** in additional cost savings over three-years using Microsoft 365 on Surface

- › **The mobility benefits of Surface combined with secure remote access features of Microsoft 365 Enterprise saved mobile workers over four hours per week, equating to over 11% of the average workweek.** Surface’s mobility features, including eSIM to enable secure work from anywhere, strong battery life, and the ability to run multiple applications side-by-side, compounded the mobility benefits of Microsoft 365 Enterprise, providing a PV total benefits of over \$2.8 million over the three-year analysis.
- › **IT saved two and a half hours per application provisioning request and over 25 minutes configuring each device.** The combined device, application, and security configuration and provisioning synergies of Microsoft Surface, Windows AutoPilot, Windows 10, and EMS improved IT productivity, saving the composite organization a total PV of over \$680,000 over the three-year analysis.
- › **Help desk calls for password resets were reduced by over 86%, while device and application performance related tickets were reduced by 15%.** Interviewees and survey respondents indicated that the stability of Surface resulted in fewer incidents of crashing, nearly eliminated the number of password reset focused help desk tickets from Microsoft 365 powered Surface device users. The total PV of this benefit category over three years, after adjusting for risk, was \$151,041.
- › **Security breach remediation costs were reduced by 80% and the number of annual breaches were reduced by 50%.** Using two-factor authentication, Advanced Threat Analytics, and Surface Enterprise Management Mode (SEM M), the composite organization reduced their breach remediation costs by a PV of nearly \$1 million over the three-year analysis.
- › **Reduction in several third-party technology costs, devices, infrastructure, and IT support requirements.** A wide variety of third-party technology, device, and support costs were reduced or eliminated using Microsoft 365 powered Surface devices, saving the organization a PV of over \$1.9 million over three years.

### Total PV Benefits Of Microsoft 365 Powered Surface

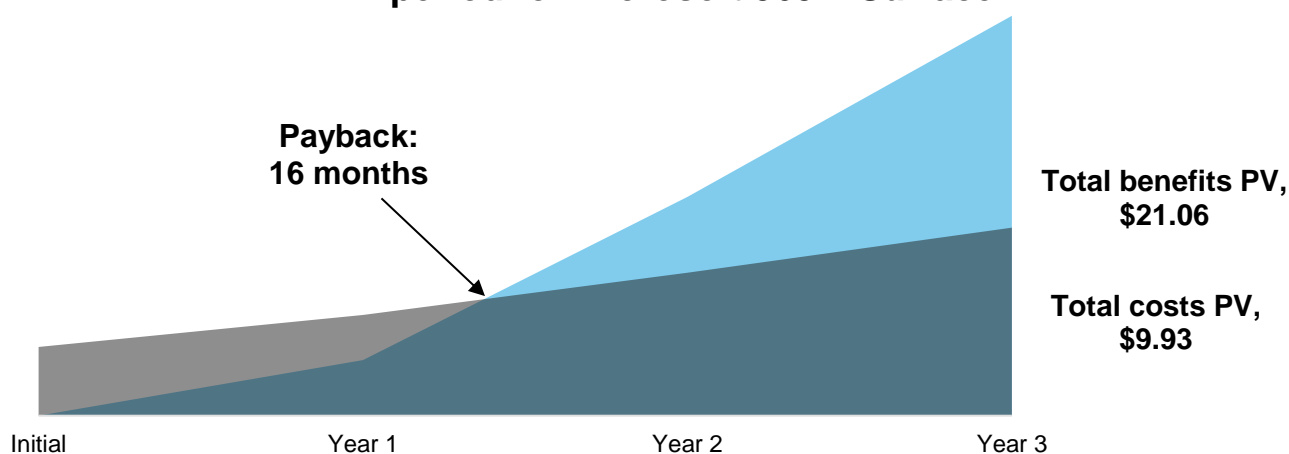


**Costs.** The interviewed and surveyed organizations experienced the following risk and present-value adjusted costs, which have been included in the financial analysis for the composite organization:

- › **Microsoft Surface devices and Microsoft 365 Enterprise E5 licenses were required for all 1,500 users.** These costs include Microsoft Surface device hardware costs outside of the normal refresh cycle, which assumes a mix of device models including Surface Pro, Surface laptop, and Surface Studio. In addition, the composite organization invested in several Surface Hubs for several team conference rooms and for a small set of senior leaders. Lastly, this cost category includes the cost of Microsoft 365 Enterprise E5 licenses.
- › **Internal and external implementation resources included IT and line-of-business employees over a 12-month period, along with outsourced services during the implementation phase and in subsequent years.** In order to pilot, build a proof-of-concept (POC), and deploy Microsoft 365 Enterprise E5, Surface devices, and Surface Hub, the composite organization used a combination of existing internal resources in IT and the lines-of-business, along with outsourced professional and managed services delivered by Microsoft partners.
- › **IT and end user training were provided on an ongoing basis.** The IT organization received 150 training sessions related to Microsoft Surface, Surface Hub, and Microsoft 365 Enterprise E5 during the initial implementation phase of the project, along with occasional training in subsequent years of the analysis. In addition, two FTEs were commissioned with creating an end user training program, curriculum, and content, along with building a learning portal for end users on SharePoint Online.
- › **Several full-time equivalent (FTE) employees provided ongoing system administration and support for Microsoft 365 Enterprise E5 and Surface.** The composite organization allocated several FTEs for ongoing system configuration, provisioning, and updating, along with device configuration and deployment, help desk ticket resolution, and other system administration and support activities. The organization's use of a managed service provider limited the amount of IT resources required for ongoing system administration and support.

Forrester's interviews with two existing customers and survey of 308 customers across seven countries, and subsequent financial analysis, found that an organization based on these customers experienced benefits of \$21.06 million over three years versus costs of \$9.93 million, adding up to a net present value (NPV) of \$11.13 million and an ROI of 112%.

### Financial summary: business benefits, costs, and payback period for Microsoft 365 + Surface



The TEI methodology helps companies demonstrate, justify, and realize the tangible value of IT initiatives to both senior management and other key business stakeholders.

## TEI Framework And Methodology

From the information provided in the interviews and survey, Forrester has constructed a Total Economic Impact™ (TEI) framework for those organizations considering implementing Microsoft 365 Enterprise for their workforce on Microsoft Surface devices.

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 using Microsoft 365 Enterprise on Microsoft Surface devices can have on an organization:



### **DUE DILIGENCE**

Interviewed Microsoft stakeholders and Forrester analysts to gather data relative to Microsoft 365 and Microsoft Surface.



### **CUSTOMER INTERVIEWS AND SURVEY**

Interviewed two organizations and surveyed 308 customers using both Microsoft 365 and Microsoft Surface to obtain data with respect to costs, benefits, and risks.



### **COMPOSITE ORGANIZATION**

Designed a composite organization based on characteristics of the interviewed and surveyed customers.



### **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 interviewed organizations.



### **CASE STUDY**

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

## DISCLOSURES

Readers should be aware of the following:

This study is commissioned by Microsoft 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 Microsoft 365 powered Surface devices.

Microsoft 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.

Microsoft did not participate in the interviews.

# The Microsoft 365 Powered Surface Device Customer Journey

## BEFORE AND AFTER THE INVESTMENT IN MICROSOFT 365 AND SURFACE

### Interviewed Organizations

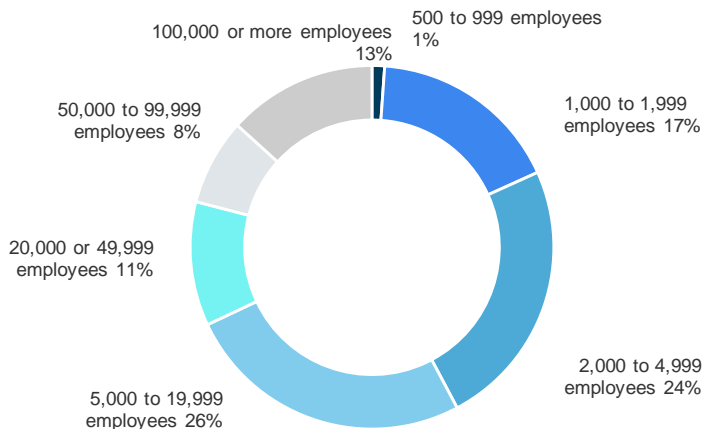
For this study, Forrester conducted two interviews with organizations who provided both Microsoft 365 Enterprise and Microsoft Surface devices to a subset of their workforces. Interviewed customers include the following:

INDUSTRY	REGION	INTERVIEWEE	DEPLOYMENT CHARACTERISTICS
Financial services	United Kingdom	Managing director, technology	<ul style="list-style-type: none"> <li>2,500 Microsoft Surface and Microsoft 365 Enterprise E5 users</li> <li>Entire wealth management function using Microsoft 365 powered Surface devices</li> </ul>
Healthcare	United States	Enterprise infrastructure architect	<ul style="list-style-type: none"> <li>\$11 billion in annual revenue</li> <li>75K users and a quarter million endpoints</li> <li>1,000 Microsoft Surface and Microsoft 365 Enterprise E5 users</li> </ul>

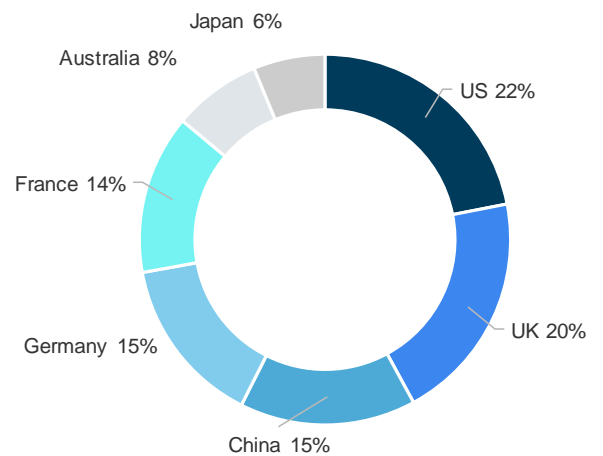
### Surveyed Organizations

For this study, Forrester surveyed 308 IT and business decision makers using both Microsoft 365 Enterprise and Microsoft Surface devices, including Surface Pro, Surface Book, Surface laptop, and Surface Studio, in their businesses. Survey respondents came from a variety of organization sizes across seven countries, including the Australia, China, France, Germany, Japan, United States, and the United Kingdom.

#### How Many Employees Work For Your Organization Worldwide?



#### In What Geographic Region Are You Located?



Base: 308 Global Microsoft 365 Powered Surface device users

Source: A commissioned study conducted by Forrester Consulting on behalf of Microsoft, January 2018

### Key Challenges And Business Objectives

Interviewed and surveyed companies experienced a number of common challenges and shared a number of



key business objectives that led them to seek productivity enhancing modern devices and a secure, cloud productivity and collaboration solution. Some of these challenges include the following:

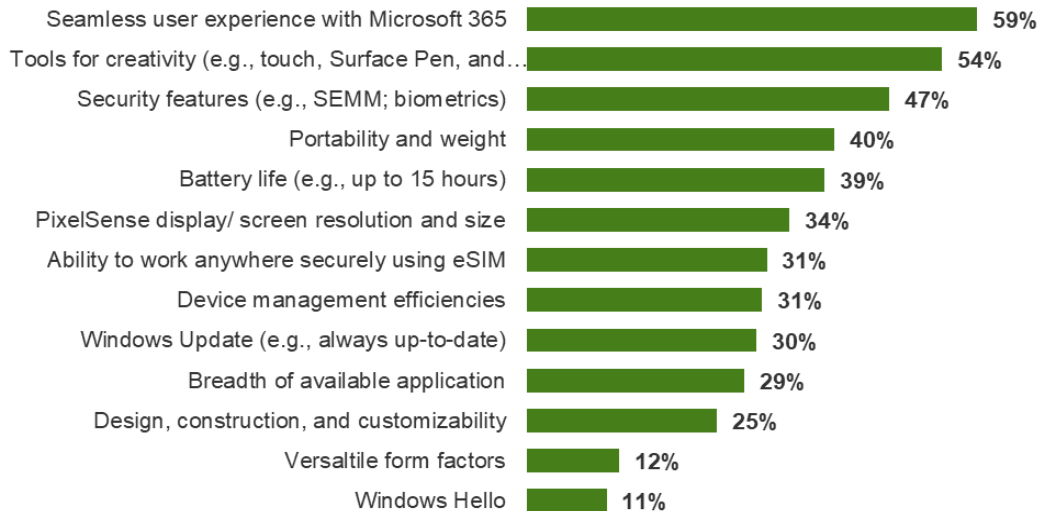
- › **Boosting employee productivity.** Survey respondents indicated that the top reason that their organizations deployed Microsoft Surface devices along with Microsoft 365 Enterprise was to improve their employees' productivity through tools and technologies that improved communication, fostered collaboration, and streamlined business workflows.
- › **Enhancing workforce creativity and teamwork.** Interviewees and survey respondents sought to improve collaboration among their employees, regions, and lines-of-business (LOBs). Furthermore, organizations noted that they were looking for devices that augmented employee performance on creative tasks, such as creating new products and services, building innovative content and marketing strategies, improving their customer's experience, and solving operational challenges.
- › **Reducing costs and improving IT manageability.** Some of the challenges voiced by customers were: the growing IT complexity; the intensive infrastructure requirements; and the difficulties managing heterogeneous applications across highly distributed workforces. Organizations were looking to reduce costs, eliminate redundant applications and infrastructure, and improve IT manageability over their IT estates.
- › **Improving security and compliance.** In the face of growing security and compliance challenges, organizations needed to cost-effectively deliver a solution that meets the needs of their highly mobile, collaborative workforces, while concurrently meeting the security needs of their organizations.

### Key Reasons For Deploying Microsoft 365 On Surface Devices

"Showing top eight responses"



## Top Features Of Microsoft Surface



Base: 308 Global Microsoft 365 Powered Surface device users

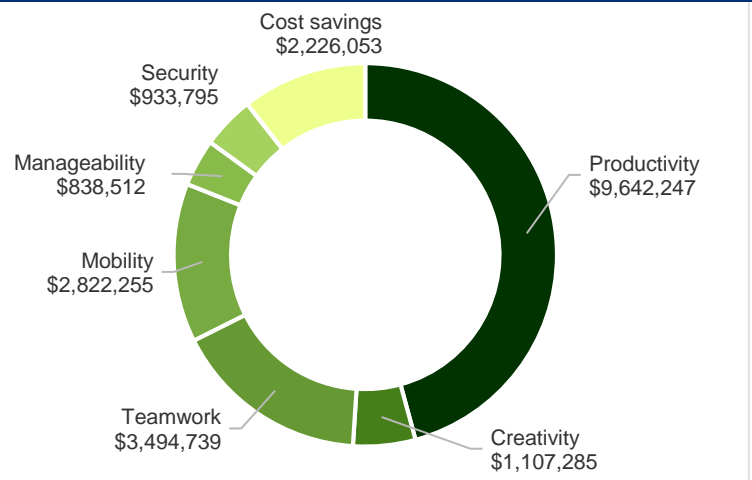
Source: A commissioned study conducted by Forrester Consulting on behalf of Microsoft, January 2018

## Key Business Results

The interview and survey data revealed that key results from customers' investments in Microsoft 365 powered Surface device include:

- › **Enhanced productivity.** By empowering employees with time saving technologies, employees were able to spend more time building new offerings, improving customer experience, and implementing operational improvements to other areas of the business. Relative to using Microsoft 365 Enterprise alone, Surface and Microsoft 365 users saw three additional hours in weekly productivity gains.
- › **Better workforce teamwork, mobility, and creativity.** Given the strategic importance of improving workforce collaboration, innovation, and creativity for organizations across a myriad of industries, 85% of survey respondents indicated that Microsoft 365 powered Surface devices had helped their employees become more collaborative, and 80% said that Microsoft 365 powered Surface devices made their employees more creative.
- › **IT cost savings and improvements in manageability.** Organizations were able to save money by reducing or eliminating redundant third-party technologies, infrastructure, and IT support requirements. In addition, device and application configuration, provisioning, and management efficiencies of Microsoft Surface and Microsoft 365 Enterprise helped to save IT time and ensure that employees could remain productive with as little downtime as possible.
- › **Improved security.** Interviewees and survey respondents were able to improve enterprise security, reducing both the number of security

## Microsoft 365 Powered Devices: Key Results For The Composite Organization



breaches along with their breach remediation costs, without impacting workforce efficiency or employee experience.

- › **Improved employee experience.** Seventy-six percent of survey respondents indicated that Microsoft 365 and Surface helped improve employee retention; 75% agree that Microsoft 365 and Surface has improved employee satisfaction; and 71% believe that Microsoft 365 and Surface has positioned their organization as a top employer.

### Microsoft 365 + Surface: Impact On Employee Experience



**76%**

Agree that M365 powered Surface devices have helped improve employee retention



**75%**

Agree that M365 powered Surface devices improved employee satisfaction



**71%**

Agree that M365 powered Surface devices have helped position their organization as a top employer

Base: 308 Global Microsoft 365 Powered Surface device users

Source: A commissioned study conducted by Forrester Consulting on behalf of Microsoft, January 2018

## Composite Organization

Based on the interviews and survey, Forrester constructed a TEI framework, a composite company, and an associated ROI analysis that illustrates the areas financially affected. The composite organization is representative of the companies that Forrester interviewed and surveyed and is used to present the aggregate financial analysis in the next section. The composite organization that Forrester synthesized from the customer data has the following characteristics:

**Description of composite.** The organization is a global financial services company with a highly distributed workforce and a strong presence throughout the US, Western Europe, China, Japan, and Australia. The company has 5,000 employees worldwide, with 1,000 employees using Microsoft Surface and Microsoft 365 Enterprise E5. Over the course of this three-year analysis, it plans to add an additional 250 Microsoft 365 powered Surface device users in years 2 and 3.

Prior to adopting Microsoft Surface, the organization offered employees a variety PC, Desktop, and tablet devices; with a significant portion of employees using more than one device for work. Before using Microsoft 365 Enterprise E5, the composite organization had a mix of mainly on-premises Microsoft and non-Microsoft technologies for enterprise collaboration, communication, productivity, and security.

**Deployment characteristics.** The organization has a mix of Microsoft Surface device models, including Surface Pro, Surface Book, Surface laptop, and Surface Studio, across its Surface user group. These devices are set up and configured using AutoPilot. In addition, the composite organization invested in several Surface Hubs for several team conference rooms and senior leaders.

In its journey to Microsoft 365 Enterprise E5, the organization began by configuring and deploying Office 365 to users, providing the majority of features to users within a 10-month period. In parallel, the organization rolled out EMS and Windows 10 to all Microsoft 365 powered Surface device users, and, where required, did some application remediation around Windows 10. In addition, the organization spent several months post-deployment activating collaboration and communication workloads, including a public switched telephone network (PTSN) and private branch exchange (PBX) solutions, migrating workflows to SharePoint Online, and deploying Advanced Threat Protection (ATP).

# Analysis Of Benefits

## QUANTIFIED BENEFIT DATA AS APPLIED TO THE COMPOSITE

### Total Benefits

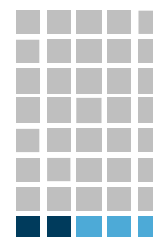
REF.	BENEFIT	YEAR 1	YEAR 2	YEAR 3	TOTAL	PRESENT VALUE
Atr	Improved productivity from better communication, information sharing, and process efficiencies	\$1,290,938	\$4,900,781	\$5,880,938	\$12,072,656	\$9,642,247
Btr	More efficient delivery of creative work	\$147,422	\$563,694	\$675,352	\$1,386,468	\$1,107,285
Ctr	Faster time-to-decision	\$46,406	\$154,688	\$170,156	\$371,250	\$297,869
Dtr	Efficient and effective meetings	\$430,313	\$1,623,633	\$1,948,360	\$4,002,305	\$3,196,870
Etr	Reduced product development costs	\$52,470	\$157,410	\$157,410	\$367,290	\$296,055
Ftr	Enhanced mobility to work securely from anywhere	\$378,675	\$1,434,917	\$1,719,816	\$3,533,408	\$2,822,255
Gtr	Device and application provisioning savings	\$249,008	\$267,782	\$319,165	\$835,955	\$687,471
Htr	Reduction in help desk calls	\$55,296	\$61,110	\$66,906	\$183,312	\$151,041
Itr	Reduction in end user security breaches	\$363,593	\$376,299	\$389,005	\$1,128,897	\$933,795
Jtr	Reduction in device, third-party technology, and support costs	\$225,000	\$852,636	\$1,358,679	\$2,436,314	\$1,929,998
	Total benefits (risk-adjusted)	\$3,239,120	\$10,392,950	\$12,685,786	\$26,317,856	\$21,064,886

## + Improved Productivity From Better Communication, Information Sharing, And Process Efficiencies

According to survey respondents, improving employee productivity through the delivery of tools and technologies to streamline workflows, communication, and collaboration was the top business objective in selecting to deploy Microsoft 365 on Surface devices. By increasing the efficiency of group, department, and role-level business processes, employees can allocate more time in building new offerings, improving the customer experience, and implementing operational improvements to other areas of the business.

The Forrester Consulting case study, "Achieving Digital Business Transformation With Microsoft 365 Enterprise E5," found average daily time savings on core work activities of 22 minutes per day, per employee, as a result of the time saving productivity tools within the Microsoft 365 Enterprise E5 toolkit. Interviewees and survey respondents for this study indicated that these efficiency gains were compounded by their use of Microsoft Surface. Our survey identified average savings of over 13 minutes per employee each day, with customers indicating that Surface's Touch, Pen, Dial, and Windows Hello features had boosted user productivity. Furthermore, interviewees and survey respondents noted that they had seen nearly

The table above shows the total of all benefits across the areas listed below, as well as present values (PVs) discounted at 10%. Over three years, the composite organization expects risk-adjusted total benefits to be a PV of just over \$21 million.



Additional hours saved weekly with Surface

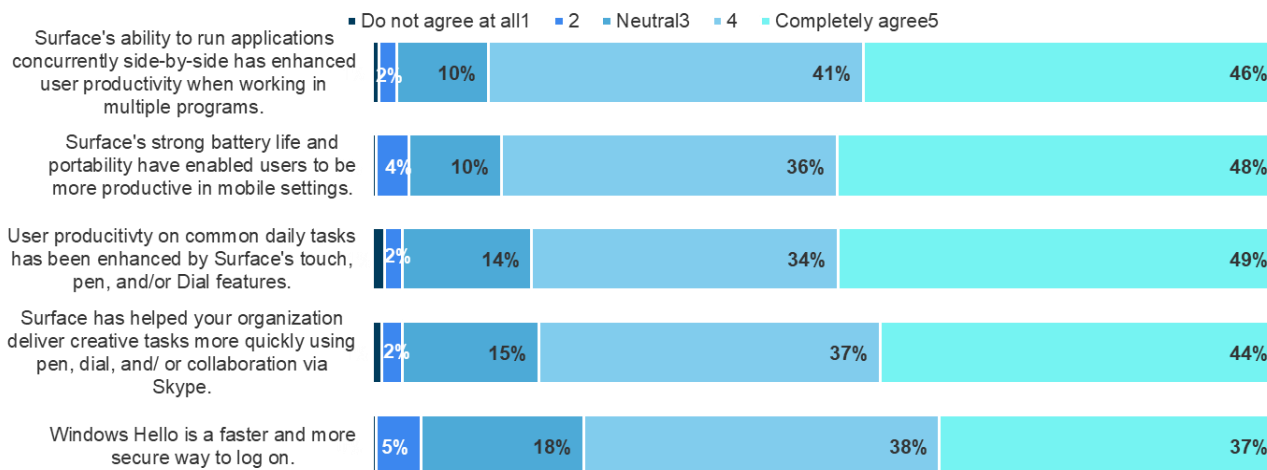
Hours per week saved with Microsoft 365

**3 additional hours per week saved using Microsoft 365 Enterprise on Surface**

45 minutes in per employee daily productivity gains on core work activities using Microsoft 365 on a Surface device; an increase of 23 minutes per day over using just Microsoft 365 Enterprise E5 regardless of device type. In total, employees were able to accrue, on average, nearly five hours in weekly productivity gains on common daily tasks and business processes using Microsoft 365 on Surface, equating to more than 12% of the average workweek.

## Key Factors Driving Surface Business

“On a scale of 1 to 5, how much do you agree with the following statements?”



Base: 308 global Microsoft 365 powered Surface device users

Source: A commissioned study conducted by Forrester Consulting on behalf of Microsoft, January 2018

In modeling the financial impact of Microsoft 365 powered Surface devices in driving employee and organizational productivity improvements, Forrester made the following assumptions:

- On average, employees experienced 45 minutes in time savings from better communication and information sharing efficiencies, and an additional 13.8 minutes in per employee average daily time savings from the impact of Surface’s productivity features on the efficiency of common daily tasks.
- Only a third of these time savings were realized in the first year as users became familiar with the productivity features of Surface and Microsoft 365.
- A fully burdened (including benefits and taxes) hourly salary rate of \$42.50 was used for this analysis, based on an \$85,000 fully loaded annual salary and 2,000 working hours per year.
- A 50% productivity capture rate was included in this analysis, since not every minute of time saved will translate into additional value-add work.

The magnitude of these process efficiency gains will vary significantly depending on the number of users, the unique skills sets of your employees, and the specific devices and productivity tools that were in place prior adopting Microsoft 365 powered Surface devices. Furthermore, adoption and change management challenges can impact the realization of the productivity gains above. To account for these risks, Forrester adjusted this benefit downward by 25%, yielding a three-year

“Our wealth managers are constantly collaborating with the trade desk, and Microsoft 365 powered Surface devices make it easier for them to navigate information and communicate with the team.”

*Managing director, financial services*



Impact risk is the risk that the business or technology needs of the organization may not be met by the investment, resulting in lower overall total benefits. The greater the uncertainty, the wider the potential range of outcomes for benefit estimates.

risk-adjusted total PV of \$9,642,247.

### Improved Productivity From Better Communication, Information Sharing, And Processes: Calculation Table

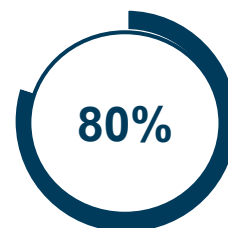
REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3
A1	Productivity improvements from better communication and information sharing (annual hours per employee)	.75 hours*250 days (33% benefits realized in Year 1)	62	188	188
A2	Time saved on common daily tasks due to Surface's productivity features (per user daily savings in hours)	.23 hours *250 (50% of benefit realized in Year 1)	19	58	58
A3	Number of affected users	250 users per year growth	1,000	1,250	1,500
A4	Total time savings from productivity improvements	(A1+A2)*A3 *\$42.50 (rounded)	\$3,442,500	\$13,068,750	\$15,682,500
A5	Productivity capture		50%	50%	50%
At	Improved productivity from better communication, information sharing, and process efficiencies	A4*A5	\$1,721,250	\$6,534,375	\$7,841,250
	Risk adjustment	↓25%			
Atr	Improved productivity from better communication, information sharing, and process efficiencies (risk-adjusted)		\$1,290,938	\$4,900,781	\$5,880,938

## + More Efficient Delivery Of Creative Work

The productivity gains of Microsoft 365 powered Surface devices extend beyond the everyday tasks of information workers into more creative tasks, including: creating new products and services; building innovative content and marketing campaigns; solving operational challenges; and building differentiated customer experiences. Interviewees and survey respondents noted that employee creativity was augmented using features including Pen, Touch, Microsoft Dial, 3D in PowerPoint, and the collaboration features of Microsoft Teams, saving creative workers an average of 27 minutes per day.

In calculating the business impact of more efficient delivery of creative tasks and workflows using Microsoft 365 powered Surface devices, Forrester made the following assumptions for the composite organization:

- › Twenty-five percent of the composite organization's Microsoft 365 and Surface users were in highly creative job functions. Only these users experienced this benefit. Impacted job roles include product managers, product marketers, and research and development engineers.
- › Each creative worker saved, on average, 27 minutes (.45 hours) per day, equating to over 5% of the average workweek. One-third of this benefit was realized in Year 1 of this analysis as employees learned how to use these tools effectively.
- › A \$42.50 fully burdened hourly cost (as used above) was used in calculating the business impact of improved creative processes.



**Of survey respondents indicated that Microsoft Surface + Microsoft 365 helped employees be more creative.**

- › A 50% productivity capture rate was included in this analysis, since not all-time savings translate into additional value-add work.

Survey and interviews responses revealed a range of creative process productivity gains related to Microsoft 365 and Surface. Furthermore, the realization of these creative process productivity gains will vary based on the number of users in creative roles and the creative tools in place prior to adopting Surface and Microsoft 365. To account for these risks, Forrester adjusted this benefit downward by 25%, yielding a three-year risk-adjusted total PV of just over \$1.1 million.

#### More Efficient Delivery Of Creative Work: Calculation Table

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3
B1	Time saved delivering creative tasks, per employee (annual)	.45 hours*250 (33% of benefit realized in Year 1)	37	113	113
B2	Number of affected users	Total users*25% (rounded)	250	313	375
B3	Total time savings on creative tasks	B1*B2*\$42.50 (rounded)	\$393,125	\$1,503,183	\$1,800,938
B4	Productivity capture		50%	50%	50%
Bt	More efficient delivery of creative work	B3*B4	\$196,563	\$751,592	\$900,469
	Risk adjustment	↓25%			
Btr	More efficient delivery of creative work (risk-adjusted)		\$147,422	\$563,694	\$675,352

## + Faster Time-To-Decision

The Forrester Consulting study, “Achieving Digital Business Transformation With Microsoft 365 Enterprise E5,” found that Microsoft 365 Enterprise E5 helped leaders quickly make better decisions, leveraging data and analytics tools including Power BI Pro, Delve, and MyAnalytics. These tools used in conjunction vastly improved and expedited organizational data and information discovery, while enabling senior decision makers to collaborate with their peers to interpret data, helping accelerate business decision making by 18%.

Interview and survey respondents for this study revealed that decision making was further expedited using Surface devices, Surface Hub, and Microsoft 365 Enterprise together to enable real-time access and collaboration with colleagues, information, and documents. The survey revealed that senior leader decision-making time was accelerated by nearly 21% using both Surface and Microsoft 365 versus 18% for leaders using Microsoft 365 Enterprise on any device.

In modeling the impact of faster decision making using Microsoft 365 powered Surface devices on the composite organization, Forrester made the following assumptions:

- › Total annual revenue from new products and services delivered by the composite organization totaled \$25 million in Year 1, growing by 10% in subsequent years of the analysis. Note that only one-third or \$8.25 million, of the new product revenue was impacted by Microsoft 365 powered Surface device users in Year 1, due to the deployment time and learning curve associated with both Microsoft 365 and Surface.



21% acceleration in decision-making time with Surface and Microsoft 365

- › Of the revenue, 1.5% is assumed to be attributable to faster time-to-market for new offerings due to improved and faster decision making.
- › A 50% operating margin was applied to determine the bottom-line impact of this business benefit.

Decision making processes will vary across organizations, while new offering revenues and operating margins will vary widely across organizations, industries, and regions. To account for these risks, Forrester adjusted this benefit downward by 25%, yielding a three-year risk-adjusted total PV of \$297,869.

#### Faster Time-To-Decision: Calculation Table

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3
C1	New products and service revenue	\$25M base w/ 10% growth in years 2 and 3; 33% value realization in Year 1	\$8,250,000	\$27,500,000	\$30,250,000
C2	Increase in revenue from faster time-to-market		1.5%	1.5%	1.5%
C3	New revenue from fast time-to-market attributable to M365 powered Surface devices	C1*C2 (rounded)	\$123,750	\$412,500	\$453,750
C4	Operating margin		50%	50%	50%
Ct	Faster time-to-decision	C3*C4	\$61,875	\$206,250	\$226,875
	Risk adjustment	↓25%			
Ctr	Faster time-to-decision risk-adjusted)		\$46,406	\$154,688	\$170,156

## + Efficient And Effective Meetings

Ineffective meetings and time wasted trying to set up and participate in virtual meetings has long hindered efficient teamwork and collaboration. These challenges are only growing in magnitude as teams become increasingly remote and geographically distributed.

In the study, “Achieving Digital Business Transformation With Microsoft 365 Enterprise E5,” Forrester Consulting found that Microsoft 365, particularly Microsoft Teams, helped save employees an average of 27.25 minutes per day by enabling more efficient meetings. Due to the combined efficiencies of the fully native pen functionality in OneNote, Miracast on Surface, two-way whiteboarding on Surface Hub, and electronic screenshots and note taking on Surface Hub, an overwhelming 81% of survey respondents indicated that the use of Surface has further enhanced the meeting effectiveness benefits of Microsoft 365. Our analysis found that employees saved, on average, just over three hours each week from better teamwork using Surface and Microsoft 365, equating to 8% of the average workweek. Furthermore, the use of Surface in addition to Microsoft 365 saved workers an additional hour each week on teamwork relative to Microsoft 365 Enterprise users working on any device.

For the composite organization, Forrester assumes the following:

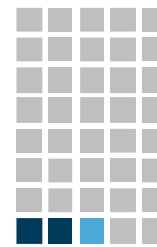
“We spend two hours or more in meetings every day. After every meeting, someone had to take screenshots of the whiteboard with their phone and transcribe and send the notes to our project team. This process has been completely eliminated using Surface Hub.”

*Enterprise infrastructure architect, healthcare*





- › Fifty percent of Microsoft 365 powered Surface users were considered “highly collaborative,” spending multiple hours per day in meetings. While this analysis assumes that only highly collaborative employees accrued this benefit, other workers should experience some degree of efficiency gains.
- › Each applicable employee saved, on average, over 39 minutes (.65 hours) per day from meeting efficiencies. One-third of this benefit was realized in Year 1 of this analysis due to the deployment time and learning curve associated with gaining mastery over the Microsoft 365 and Surface tools and capabilities for teamwork.
- › The same \$42.50 fully-burdened hourly cost was used in calculating the business impact of improved meeting efficiencies.
- › A 50% productivity capture rate was included in this analysis similar to the benefit categories above.



Additional hours saved weekly with Surface

Hours per week saved with Microsoft 365

**1 additional hour per week saved using Microsoft 365 Enterprise on Surface**

Meeting efficiency improvements varied across interviewed and surveyed organizations, based on how collaborative their organizations were and which collaboration and communication technologies they originally had in place. To account for these risks, Forrester adjusted this benefit downward by 25%, yielding a three-year risk-adjusted total PV of just under \$3.2 million.

### Efficient And Effective Meetings: Calculation Table

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3
D1	Time saved	.65 hours*250 (33% of benefit realized in Year 1)	54	163	163
D2	Number of affected users	Total users*50% (rounded)	500	625	750
D3	Meeting efficiency gains	D1*D2*\$42.50 (rounded)	\$1,147,500	\$4,329,688	\$5,195,625
D4	Productivity capture		50%	50%	50%
Dt	Efficient and effective meetings	D3*D4	\$573,750	\$2,164,844	\$2,597,813
	Risk adjustment	↓25%			
Dtr	Efficient and effective meetings (risk-adjusted)		\$430,313	\$1,623,633	\$1,948,360

### + Reduced Product Development Costs

Interviewees and survey respondents using Microsoft 365 powered Surface devices revealed that they were able to further reduce their product development costs beyond what customers using Microsoft 365 Enterprise on any device reported. Surface and Microsoft 365 users indicated that they were able to accelerate time-to-market through better task prioritization using Microsoft Teams and collaborative note taking and feedback delivery with research and development (R&D), product management, and marketing team members using inking on Surface and Surface Hub. Furthermore, customer’s enhanced data management and analytics capabilities with Microsoft 365 Enterprise E5 helped identify and share key customer and market trends faster, expediting time-to-value and speed-to-market. Our survey revealed that Microsoft 365 and



11% reduction in product development costs with Microsoft 365 + Surface

10.2% reduction in product development costs with Microsoft 365

Surface users saw an 11% reduction in product development costs.

In modeling the impact of faster decision-making using Microsoft 365 powered Surface devices on the composite organization, Forrester made the following assumptions:

- › The composite organization engages in 15 major product development initiatives annually. In accordance with the conservative nature of this analysis, Forrester assumes that Microsoft technologies only impacted one-third of projects during Year 1 of the analysis, as users ramped up on the collaboration, analytics, and productivity features of Surface and Microsoft 365 Enterprise E5.
- › Average internal resource and management coordination costs to bring a new feature or product change to market averaged a conservative \$106,000 per initiative.
- › Internal product development costs were reduced by 11% for Microsoft 365 powered Surface device customers, relative to 10.2% for organizations using Microsoft 365 on any device. This amounts to an approximate 9% increase in product development cost savings for organizations using both Surface and Microsoft 365 Enterprise E5.

Actual product development cost savings will be highly contingent on the volume and cost of new product features and releases put out by an organization. Furthermore, this benefit may be lower if Surface and Microsoft 365 Enterprise is not used heavily for the research and development and product management business functions. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year risk-adjusted total PV of \$296,055.

“When I look at some of our development teams that use Surface devices, and the requirements and collaboration needed for DevOps, such as standing up infrastructure and moving resources around in the development cycle — it’s easier and more efficient using Surface devices.”

*Enterprise infrastructure architect,  
healthcare*

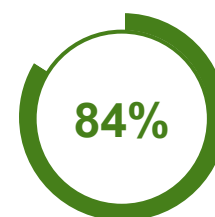


#### Reduced Product Development Costs: Calculation Table

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3
E1	Number of product development initiatives per year		5	15	15
E2	Original product development costs		\$106,000	\$106,000	\$106,000
E3	Cost reduction		11%	11%	11%
Et	Reduced product development costs	$E1 * E2 * E3$ (rounded)	\$58,300	\$174,900	\$174,900
	Risk adjustment	↓10%			
Etr	Reduced product development costs (risk-adjusted)		\$52,470	\$157,410	\$157,410

#### + Enhanced Mobility To Work Securely From Anywhere

According to survey respondents, strong battery life, portability, and weight were ranked as some of the top features of using Microsoft Surface. These provided significant value to highly mobile employees, including sales professionals, consultants, auditors, and field engineers. Forrester Consulting’s earlier analysis of Microsoft 365 Enterprise E5 found that mobile workers saw some of the most substantial productivity gains from their organization’s investment. By providing mobile workers with secure access to information, documents, systems, and people from anywhere, on any device, the study found that Microsoft 365 Enterprise E5 brought highly mobile workers twenty-four minutes (0.4 hours) in daily time savings.



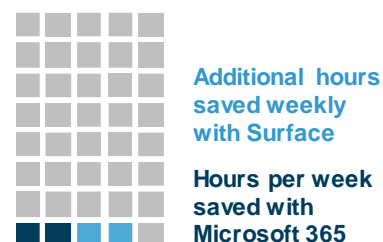
**Believe Surface  
and M365 has  
made employees  
more productive in  
mobile settings.**

Survey respondents reported that Surface's strong battery life and portability, eSIM (to enable secure work from anywhere), and ability to run applications concurrently side-by-side saved each highly mobile employee, on average, 28 minutes per day. Using both Microsoft Surface and Microsoft 365 Enterprise E5, these highly mobile workers saved just over 52 minutes a day due to the time saving features of Surface and Microsoft 365 for mobile workers.

In modeling the business value of improved productivity for mobile workers, Forrester made the following assumptions:

- › From the interviews, we learned that approximately one-third of Microsoft Surface users fell into the highly mobile category, which we use to calculate this benefit category. While this analysis assumes that only highly mobile employees accrued this benefit, virtually any user would gain some degree of productivity gain from using Surface in mobile settings.
- › Each applicable employee saved, on average, over 52 minutes (.87 hours) per day from improved mobility using Microsoft 365 on a Surface device. One-third of this benefit is realized in Year 1 of this analysis due to the deployment time and learning curve associated with effectively integrating Microsoft 365 and Surface into your workflows on the go.
- › The same \$42.50 fully burdened hourly cost was used in calculating this benefit category.
- › A 50% productivity capture was included in this analysis.

Given that adoption of time-saving mobile tools and technologies varies significantly across job roles and individuals, Forrester adjusted this benefit downward by 25%, yielding a three-year risk-adjusted total PV of \$2,822,255.



**2 additional hours per week saved using Microsoft 365 Enterprise on Surface**

“Microsoft 365 powered Surface devices have greatly eased access to critical information and content in the field, improving our sales function and helping us drive growth.”

*Survey respondent*



### Enhanced Mobility To Work Securely From Anywhere: Calculation Table

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3
F1	Time savings (hours per year)	.87 hours*250 days (50% value capture Year 1)	72	218	218
F2	Number of affected users	Total users*33%	330	413	495
F3	Total time savings	F1*F2*\$42.50 (rounded)	\$1,009,800	\$3,826,445	\$4,586,175
F4	Productivity capture		50%	50%	50%
Ft	Enhanced mobility	F3*F4	\$504,900	\$1,913,223	\$2,293,088
	Risk adjustment	↓25%			
Ftr	Enhanced mobility (risk-adjusted)		\$378,675	\$1,434,917	\$1,719,816

### + Device And Application Provisioning Savings

Only 19% of global information workers indicate that it's a simple process to obtain approval and then access to the data they need for their jobs.<sup>4</sup> This comes as no surprise, as the need to ensure enterprise security and effective data governance often means cumbersome provisioning processes that hinder employee productivity and strain IT.

A common theme from interviews and survey respondents was the desire to bolster employee productivity, employee self-service, and improve the employee experience, while simultaneously ensuring enterprise and data security. Although organizations regularly struggled to maintain a reasonable balance between providing employees with time saving tools and ensuring effective security measures, Forrester learned that the following features and capabilities of Microsoft Surface and Microsoft 365 Enterprise saved IT time and ensured that users can remain productive through IT automation and self-service.

- › **Automated device configuration and provisioning using Windows AutoPilot.** The process of configuring and provisioning devices for new hires and other employees was reduced from 25 minutes per device to just seconds using AutoPilot, reducing strain on IT and eliminating wasteful employee downtime.
- › **Quickly secure and manage firmware settings using Security Enterprise Management Mode (SEMM) for Microsoft Surface.** SEMM lets IT streamline the process of configuring, deploying, and managing robust, firmware-level security settings covering Wi-Fi, Bluetooth, cameras, USB, microphones, micro SD card, and other hardware features. Survey respondents that used SEMM revealed that they saved an average of two and a half hours per device configuring hardware settings using SEMM relative to alternative solutions.
- › **Security and self-service capabilities delivered through Windows 10, System Center Configuration Manager (SCCM), Microsoft Intune, and the Windows Store for Business.** Collectively, these tools ensure that users can access and install the right versions of the appropriate applications for their role, team, and department in a simple, self-service way. These capabilities not only prevented employees from downloading inappropriate applications, but ensured that users could remain productive with minimal downtime, while reducing strain on IT.
- › **Expedited application provisioning in bulk using EMS and Azure Active Directory Premium.** EMS gives IT the tools it needs to easily provision groups of users in bulk across thousands of applications and gives IT administrators time saving tools such as Azure Active Directory to help assign and manage application privileges via existing groups in Active Directory. Furthermore, the modern device management capabilities of Microsoft Intune and SCCM reduced IT administration and management time, saving organizations time and money.

For the composite organization, Forrester assumes the following:

- › On average, each user made three application provisioning requests per year across EMS and Windows 10. Each Surface device also needed to be configured and deployed, with half of these devices needing the advanced firmware-level security features enabled through SEMM.
- › Application provisioning time was reduced by 155 minutes, or 2.6 hours, per request.
- › Device configuration and deployment times were reduced by 24 minutes per device.
- › Device security configuration and customization times was reduced by 2.5 hours per device.

**78%**



Of respondents agree they have **reduced IT time and labor to configure and deploy Surface devices vs. non-Surface devices**

**78%**



Of respondents agree that **Microsoft Surface reduced the IT time and labor to manage and update Microsoft 365**

“We used to provision applications and configure devices and security settings at the device level. Now, with Microsoft 365 and Microsoft Surface, this process is very simple. We can configure, monitor, and enable or disable features remotely from a centralized point of control.”

*Managing director, financial services*



- › A \$62 fully burdened hourly cost was used to account for these IT time savings. Notably, these activities would also create employee downtime as well, but we have not included these employee time savings due to the conservative nature of this analysis.
- › A 50% productivity capture rate was included in this analysis similar to other productivity benefits.

This benefit will vary based on the number of requests made, the numbers of devices configured, and the number of employees requiring customized firmware-level security settings. Furthermore, gains are dependent on the level of self-service and automation leveraged by your organization prior to adopting Microsoft Surface and Microsoft 365 Enterprise. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year risk-adjusted PV of \$687,471.

#### Device And Application Provisioning Savings: Calculation Table

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3
G1	Total number of Microsoft 365 powered Surface users	Total users	1,000	1,250	1,500
G2	Number of new devices deployed, annually	Net new users each year	1,000	250	250
G3	Number of devices with advanced security features and customization	G1*50%	500	125	125
G4	Application requests (EMS and Windows 10)	G1*3	3,000	3,750	4,500
G5	Application provisioning time savings (hours), per user	Finding	2.6	2.6	2.6
G6	Device configuration time savings (hours), per user	Finding	0.4	0.4	0.4
G7	SEMM security customization time savings (hours), per user	Finding	2.5	2.5	2.5
G8	Total time savings	(G2*G6*\$62)+(G3*G7*\$62)+(G4*G5*\$62)	\$585,900	\$630,075	\$750,975
G9	Productivity capture		50%	50%	50%
Gt	Device and application provisioning savings	G8*G9	\$292,950	\$315,038	\$375,488
	Risk adjustment	↓15%			
Gtr	Device and application provisioning savings (risk-adjusted)		\$249,008	\$267,782	\$319,165

## + Reduction In Help Desk Calls

Microsoft 365 and Surface helped reduce help desk call volumes. Prior to using Microsoft 365, organizations typically did not provide self-service tools for users to reset their own passwords, which hurt the efficiency of users who were locked out of their devices and applications. This also added significantly to the workloads of IT support staff. Our analysis found that help desk calls related to password resets were reduced by 86% using the self-service capabilities from EMS to administer password resets.

In addition, customers indicated that Microsoft Surface devices were more stable than other devices they supported, resulting in fewer monthly help desk tickets related to device and application performance issues. Survey respondents indicated that, on average, they were able to reduce monthly help desk ticket volumes related to device and application performance issues by 15% for their Microsoft 365 Surface powered device users, saving both IT and employees significant time. One interviewee estimated its help desk ticket volume reduction from using Microsoft Surface at approximately 20% to 30%.

For the composite organization, Forrester assumes the following:

- › The help desk received, on average, one and a half password-related tickets per user annually. Eighty-six percent of password-related tickets could be resolved using self-service tools in EMS according to our findings.
- › In addition, the help desk received, on average, 990 help desk tickets per month from device and application performance issues. This was reduced by 15% using Microsoft 365 and Microsoft Surface.
- › The average help desk call cost was \$20.

This benefit may be lower if self-service tools are already in the place and the magnitude of this benefit will be dependent on the actual volume of help desk tickets your organization currently receives from users. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year risk-adjusted total PV of \$151,041.

“Other devices that we support have been less stable than [Microsoft] Surface and we see more incidents of crashing, rebooting, and missing data. We have probably seen a 20% to 30% reduction in help desk calls from our [Microsoft] Surface users.”

*Managing director, financial services*



#### Reduction In Help Desk Calls: Calculation Table

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3
H1	Number of password related help desk calls	1.5 tickets per user, per year	1,500	1,875	2,250
H2	Number of device and application performance related help desk calls (per month)	990 per month *12	11,880	11,880	11,880
H3	Reduction in password reset calls	H1*86.1%	1,290	1,613	1,935
H4	Reduction in device and application performance calls	H2*15%	1,782	1,782	1,782
H5	Cost per call		\$20	\$20	\$20
Ht	Reduction in help desk calls	(H3+H4)*H5 [rounded]	\$61,440	\$67,900	\$74,340
	Risk adjustment	↓10%			
Htr	Reduction in help desk calls (risk-adjusted)		\$55,296	\$61,110	\$66,906

## + Reduction In End User Security Breaches

Improved end user security using the suite of security and compliance tools across Microsoft Surface, Office 365, Windows 10, and EMS was often cited as a key benefit of adopting and using Microsoft 365 powered Surface devices. Customers were highly leveraging tools within Microsoft 365 Enterprise, including two-factor authentication, Advanced Threat Analytics, and modern desktop management capabilities in Microsoft Intune to lock and wipe lost or stolen devices, to improve end user



**80% reduction in security breach costs**

**50% reduction in annual breach volume**

security, and to reduce the probability of a breach. Furthermore, the strong firmware-level security features of Microsoft Surface, including SEMM, helped further bolster enterprise security by enabling IT to deliver devices with custom security settings.

Survey respondents revealed that they were able to cut the number of annual breaches experienced by their organization in half, while reducing the remediation costs for remaining breaches by 80% using Microsoft 365 powered Surface devices. Customers noted that remaining breaches were much less significant, and hence, less costly to remediate following their adoption of both Microsoft 365 and Surface.

For the composite organization, Forrester assumes the following:

- › Microsoft 365 powered Surface device users represent between 20% and 30% of the composite organization’s total employee count over the analysis period.
- › The probability of a breach was assumed to be 15% each year. Security event probabilities and remediation costs were taken from other Forrester and Ponemon Institute research.

This benefit will vary based on the specific security solutions and devices an organization has in place prior to adopting Microsoft 365 powered Surface devices. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year risk-adjusted total PV of \$933,795.

### Reduction In End User Security Breaches: Calculation Table

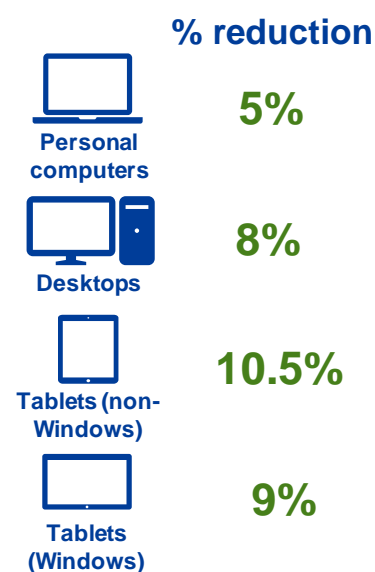
REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3
I1	Surface users as percentage of company	Total users	20%	25%	30%
I2	Reduction in data breach volume	Survey finding	52%	52%	52%
I3	Probability of a material breach (annual)	Source: Ponemon Institute	15%	15%	15%
I4	Average cost to recover from a security incident — internal incident	Source: Ponemon Institute	\$3,620,000	\$3,620,000	\$3,620,000
I5	Reduction breach remediation costs	Survey finding	80%	80%	80%
It	Reduction in end user security breaches	$(I1*I2*I3*I4)+((1-I2)*I4*(1-I5))$ [rounded]	\$403,992	\$418,110	\$432,228
	Risk adjustment	↓10%			
Itr	Reduction in end user security breaches (risk-adjusted)		\$363,593	\$376,299	\$389,005

## + Reduction In Device, Third-Party Technology, And Support Costs

Prior to investing in Microsoft 365 powered Surface devices, customers relied on a variety of third-party collaboration, communication, security, and mobility technologies purchased from multiple vendors. Our findings from both the survey and in-depth interviews indicate that the majority of customers were able to eliminate a variety of devices and third-party technologies, reducing licensing costs, infrastructure costs, and the IT labor required to support and administer these products.

Survey respondents also revealed that Microsoft Surface enabled them to retire and eliminate a number of redundant devices following their investment in Microsoft 365 powered Surface devices. Some specific device and support savings included in this benefit category include:

- › A 5% average reduction in the number of employee PCs.
- › An 8% average reduction in the number of employee desktop devices.



- › A 10.5% reduction in the number of employee non-Windows tablet devices.
- › A 9% reduction in the number of employee Windows tablet devices.

For the financial analysis, Forrester made the following assumptions:

- › All mobile device management (MDM), infrastructure, IT support, telecom, PBX technologies, web conferencing technologies, and other cost savings are documented in the table below with supporting notes, calculations, and sources provided in the Calculations column.
- › All legacy device reductions occur in Year 3, consistent with the composite organization's device refresh cycle. All device reduction figures are based off the total number of Microsoft 365 powered Surface device users in Year 1 (i.e., 1,000 users). The assumptions in calculating device savings are as follows:

#### Device Reduction Realized In Year 3

Device category	Number of devices eliminated (% reduction*1000)	Average cost per device
PC	49	\$700
Desktop	85	\$550
Non-Windows	105	\$599
Windows tablets	99	\$300

The magnitude of this benefit will vary based on the specific third-party applications, infrastructure, and devices an organization has in place prior to adopting Microsoft 365 powered Surface devices, along with each customer's willingness to quickly retire and eliminate legacy solutions from their environment. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year risk-adjusted total PV of \$1,929,998.



## Reduction In Device, Third-party Technology, And Support Costs: Calculation Table

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3
J1	Infrastructure spend savings — legacy, on-premises MDM solution	\$228,000*40%	\$0	\$91,200	\$91,200
J2	Annual maintenance and license savings — legacy MDM solution	\$18*4,000 user devices*75%	\$0	\$16,875	\$20,250
J3	MDM savings		\$0	\$108,075	\$111,450
J4	Eliminated desktop and laptop security spend	Users * \$41	\$0	\$51,250	\$61,500
J5	PBX technologies	M365 E study		\$65,620	\$65,620
J6	Web conferencing	M365 E study	\$65,000	\$130,000	\$130,000
J7	Long distance and mobile phone charges	M365 E study	\$70,000	\$140,000	\$140,000
J8	Telecom support costs	M365 E study		\$62,428	\$62,428
J9	Eliminated on premises hardware	Maintenance 15%	\$115,000	\$15,000	\$15,000
J10	Reduced IT ongoing support	6 FTEs*\$125,000 [50% Year 1)	\$0	\$375,000	\$750,000
J11	Reduction of legacy device costs		\$0	\$0	\$173,645
Jt	Reduction in device, third-party technology, and support costs	sum(J3-J11)	\$250,000	\$947,373	\$1,509,643
	Risk adjustment	↓10%			
Jtr	Reduction in device, third-party technology, and support costs (risk-adjusted)		\$225,000	\$852,636	\$1,358,679

## Flexibility

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 Microsoft 365 Enterprise and Microsoft Surface and later realize additional uses and business opportunities. Flexibility would also be quantified when evaluated as part of a specific project (described in more detail in Appendix A).

This analysis focuses on the business impact of issuing Microsoft 365 powered Surface devices to a relatively small subset of organizational users, which is consistent with the findings from the interviews and survey. While customers did indicate that Microsoft Surface devices would continue to be issued only to select departments, LOBs, and user groups, the survey indicated that 79% of respondents using Microsoft 365 powered Surface devices plan to increase the number of Surface users over the next 12 months. By expanding usage of Microsoft Surface and Microsoft 365 to new users, organizations should be able to scale the business benefits and impacts discussed in this study to more users within the organization. Note that none of these flexibility benefits were included in the ROI analysis.

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.



**79%**

Plan to increase the number of users over the next year

# 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
Ktr	Surface device and Microsoft 365 licensing	\$1,411,200	\$718,200	\$1,212,750	\$1,411,200	\$4,753,350	\$4,126,637
Ltr	Internal implementation effort	\$1,980,000	\$837,833	\$852,500	\$1,017,500	\$4,687,833	\$4,210,675
Mtr	Training	\$236,500	\$26,400	\$200,200	\$200,200	\$663,300	\$576,368
Ntr	Ongoing system administration	\$0	\$287,700	\$418,950	\$550,200	\$1,256,850	\$1,021,159
	Total costs (risk-adjusted)	\$3,627,700	\$1,870,133	\$2,684,400	\$3,179,100	\$11,361,333	\$9,934,839

## Microsoft Surface Devices And Microsoft 365 Enterprise Licensing Costs

Organizations made one-time investments in Microsoft Surface devices, including Surface Pro, Surface Laptop, Surface Studio, Surface Book, and Surface Hub, and ongoing investments in Microsoft 365 Enterprise E5 license subscriptions. In addition, end-of-life device costs, including device wipe and recycling processes, were included in the third year of this analysis, which assumes a three-year device refresh cycle.

The composite organization has 1,000 Microsoft 365 powered Surface device users in Year 1, with the total user count growing to 1,500 by Year 3. Forrester used average Surface device prices and Surface Hub hardware expenses as provided by customers. It is important to note that Microsoft Surface devices come at a variety of price points and expenses may be significantly lower if your organization purchases different Surface models with less robust features. Forrester used the list price of \$57 per month for Microsoft 365 Enterprise E5 licenses. Readers are encouraged to work with their Microsoft partners to understand what the cost would be for their own organizations.

This cost category was risk-adjusted upward by 5% to account for variance in the specific models and specifications in Surface devices procured and to account for out-of-cycle refreshes of devices. The three-year risk-adjusted total PV for Microsoft Surface device and Microsoft 365 Enterprise licensing totaled just over \$4.1 million.

The table above shows the total of all costs across the areas listed below, as well as present values (PVs) discounted at 10%. Over three years, the composite organization expects risk-adjusted total costs to be a PV of just over \$9.9 million.

Implementation risk is the risk that a proposed investment may deviate from the original or expected requirements, resulting in higher costs than anticipated. The greater the uncertainty, the wider the potential range of outcomes for cost estimates.

## Microsoft Surface Device And Microsoft 365 Enterprise Licensing Costs: Calculation Table

REF.	METRIC	CALC.	INITIAL	YEAR 1	YEAR 2	YEAR 3
K1	Number of devices procured	Total users	1,000		250	250
K2	Cost per Surface device (Pro)		\$1,200		\$1,200	\$1,200
K3	Surface Hub devices	Assumes 3 small, 6 large	\$144,000			
K4	End-of-life services cost (device wipe, recycle)	\$18*users deployed in Year 1				\$18,000
K5	Microsoft 365 Enterprise E5 license cost	\$57*12 months		\$684,000	\$855,000	\$1,026,000
Kt	Surface device and Microsoft 365 licensing costs	(K1*K2)+K4+K5	\$1,344,000	\$684,000	\$1,155,000	\$1,344,000
	Risk adjustment	↑5%				
Ktr	Surface device and Microsoft 365 licensing costs (risk-adjusted)		\$1,411,200	\$718,200	\$1,212,750	\$1,411,200

### Implementation Resources And Outsource Costs

In order to pilot, build a proof-of-concept, migrate, and deploy Microsoft 365 Enterprise E5, Surface Hub, and roll out Microsoft Surface devices to the composite organization's users, it allocated a number of internal resources from both IT and the LOBs for a period of 10 months. The internal project team consisted of 10 employees from IT and the equivalent of four FTEs from the organizations various business units.

Interviewees and survey respondents indicated that LOB involvement was critical in order to ensure all business requirements were surfaced and shared. New digitally transformed business processes could be documented and change management leaders could be appointed as Microsoft 365 Enterprise workloads were rolled out to users. Lastly, the organization spent an additional two months post-deployment activating incremental collaboration and communication workloads, including PTSN and PBX solutions, migrating workflows to SharePoint Online, deploying Advanced Threat Protection (ATP).

In addition to the internal resources used to help deploy Microsoft 365 powered Surface devices, the composite organization leveraged Microsoft partners for the following:

- › **Professional services.** The composite organization leveraged a Microsoft partner in the Initial phase of this analysis to analyze its existing infrastructure and existing productivity, collaboration, and security systems. The partner helped to build a long-term road map for the organization, to build a pilot around Microsoft 365, to support the migration and deployment effort, and to assist with back-end integration challenges. In subsequent years, the composite organization leveraged its professional services partner for ongoing change management and adoption consulting to ensure effective utilization of Microsoft Surface and the Microsoft 365 Enterprise workloads.
- › **Managed services.** Customers leverage Microsoft partners for everything from technical and end user support to fully outsourced IT



**10 months**  
Initial pilot,  
implementation, and  
deployment time

services that provide users with devices, modern desktop management, and Microsoft 365 update services that ensure all your Microsoft 365 Enterprise workloads are always up-to-date. The composite organization leveraged both internal resources and outsourced managed services for ongoing administration and support of Microsoft 365 and Surface users. Outsourced managed services included premium technical and end user support, security monitoring, and modern desktop management services via Intune, and came at a monthly cost of \$50 per user, per month.

Internal implementation and outsource costs will vary greatly depending on the size of the organization and their existing internal engineering and development skill sets. To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year risk-adjusted total PV of just over \$4.2 million.

#### Implementation Resources And Outsource Costs: Calculation Table

REF.	METRIC	CALC.	INITIAL	YEAR 1	YEAR 2	YEAR 3
L1	Number of months	2-month pilot; 8-month deployment	10	2		
L2	Number of IT FTE resources		10	4		
L3	Number of LOB resources		4	2		
L4	IT fully burdened monthly resource cost	(\$124,000/12) *L1*L2	\$1,041,667	\$83,333		
L5	LOB fully burdened monthly resource cost	(\$85,000/12) *L1*L3	\$283,333	\$28,333		
L6	Microsoft 365 Pilot and POC	Benchmark	\$75,000			
L7	Microsoft 365 deployment professional services	Benchmark	\$400,000			
L8	Ongoing professional services			\$50,000	\$25,000	\$25,000
L9	Managed services			\$600,000	\$750,000	\$900,000
Lt	Internal implementation effort	Sum(L4-L9)	\$1,800,000	\$761,667	\$775,000	\$925,000
	Risk adjustment	↑10%				
Ltr	Internal implementation effort (risk-adjusted)		\$1,980,000	\$837,833	\$852,500	\$1,017,500

## Training

The composite organization used an outside partner to provide training to the IT department on managing and using Microsoft Surface and Microsoft 365 Enterprise E5 solutions. Forrester assumes that each training day costs \$300 per user, per session. The number of training sessions attended by IT can be found in row M1 in the table below.

In order to facilitate end user training, the composite organization allocated two FTEs to create an end user training program. Furthermore, these resources built out a learning portal on SharePoint Online and worked with the LOBs using both Microsoft Surface and Microsoft 365 Enterprise to ensure users understood how to use the products and to roll out training around new workloads and features as they became

available.

Training requirements will vary depending on both IT and end users' technical proficiency and familiarity with Microsoft technologies. To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year risk-adjusted total PV of just over \$576,000.

#### Training: Calculation Table

REF.	METRIC	CALC.	INITIAL	YEAR 1	YEAR 2	YEAR 3
M1	Number of IT training session seats used		150	80	40	40
M2	Cost per training session seat		\$300	\$300	\$300	\$300
M3	End user training		\$170,000		\$170,000	\$170,000
Mt	Training		\$215,000	\$24,000	\$182,000	\$182,000
	Risk adjustment	↑10%				
Mtr	Training (risk-adjusted)		\$236,500	\$26,400	\$200,200	\$200,200

#### Ongoing System Administration Costs

The composite organization has two FTEs focused on administration and support for Microsoft Surface users and Microsoft 365 Enterprise E5 workloads. These employees are responsible for: configuring and deploying new Surface devices; updating, supporting, and provisioning Microsoft 365 Enterprise E5 workloads; rolling out new solution components; and dealing with any Microsoft technology related help desk tickets. Lastly, the composite organization required incremental bandwidth to implement and run its Microsoft 365 Enterprise voice and conferencing solutions, cloud storage, and SharePoint sites.

The actual level of ongoing administration and support required will vary depending on the number of users, the specific workloads deployed, and technical skill sets and Microsoft technology familiarity existing within your IT organization. To account for these risks, Forrester adjusted this cost upward by 5%, yielding a three-year risk-adjusted total PV of just over \$1 million.



**Two FTEs**  
spend 100% of their time on ongoing management of Microsoft Surface and Microsoft 365.

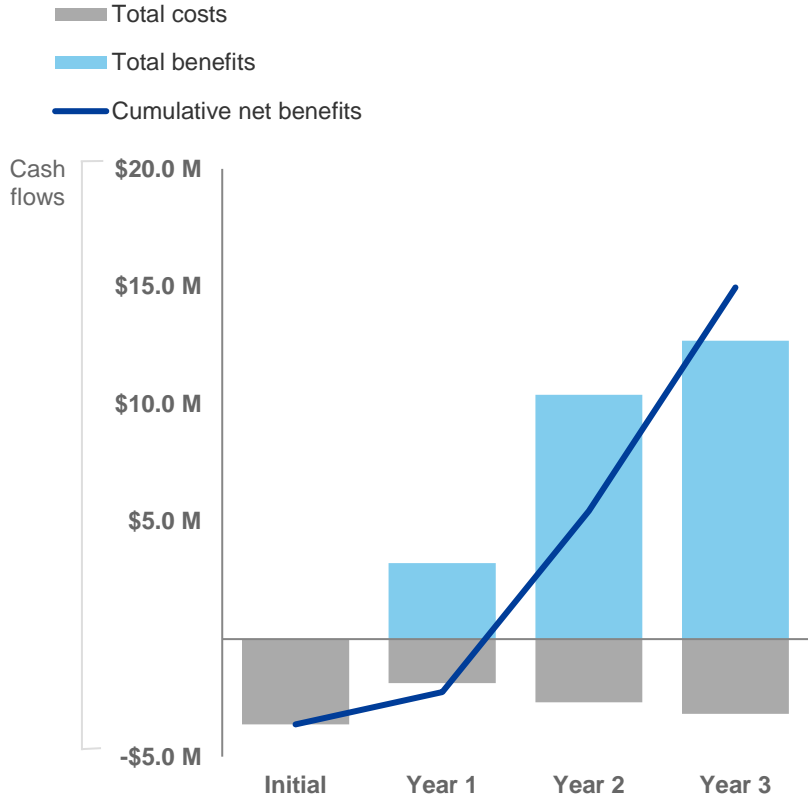
#### Ongoing System Administration Costs: Calculation Table

REF.	METRIC	CALC.	INITIAL	YEAR 1	YEAR 2	YEAR 3
N1	Number of FTEs			2.0	3.0	4.0
N2	Fully burdened cost			\$125,000	\$125,000	\$125,000
N3	Incremental bandwidth			\$24,000	\$24,000	\$24,000
Nt	Ongoing system administration			\$274,000	\$399,000	\$524,000
	Risk adjustment	↑5%				
Ntr	Ongoing system administration (risk-adjusted)			\$287,700	\$418,950	\$550,200

# 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 Table (Risk-Adjusted)

	INITIAL	YEAR 1	YEAR 2	YEAR 3	TOTAL	PRESENT VALUE
Total costs	(\$3,627,700)	(\$1,870,133)	(\$2,684,400)	(\$3,179,100)	(\$11,361,333)	(\$9,934,839)
Total benefits	\$0	\$3,239,120	\$10,392,950	\$12,685,786	\$26,317,856	\$21,064,886
Net benefits	(\$3,627,700)	\$1,368,986	\$7,708,550	\$9,506,686	\$14,956,522	\$11,130,047
ROI						112%
Payback period						16 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."

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: Endnotes

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<sup>1</sup> Source: Forrester's Q1 2018 North American Enterprise Collaboration Tech Tide™ Online Survey.

<sup>2</sup> Source: Forrester Data Global Business Technographics Workforce Benchmark Survey, 2017, Forrester Research, Inc.

<sup>3</sup> Source: "The Total Economic Impact of Microsoft 365 Enterprise E5," a commissioned study conducted by Forrester Consulting on behalf of Microsoft, September 2017.

<sup>4</sup> Source: Forrester Data Global Business Technographics Workforce Benchmark Recontact Survey, 2017, Forrester Research, Inc.