



# What is the Forrester Total Economic Impact™ of Microsoft Office 365 for Enterprise Customers?

Forrester worked with Microsoft to analyze the total economic impact that Office 365 has on a number of its customers, who shared these business challenges and objectives:



“We were reaching a tipping point with over half of our system users being mobile users. **All roads lead to mobile first** and we needed to support it through the cloud.”



“Moving to Office 365 is part of an overall program to **cut support costs in half**. To do that we needed to move to more of a consumer style support model.”



“Business executives asked “how can [we] **reduce IT costs and increase productivity?**”

Through interviews, surveys, and data aggregation, Forrester concluded the following financial impact Office 365 has on a representative organization with 2,500 users:



**ROI / IRR:**  
**162% / 468%**



**Payback:**  
**7 months**



**NPV:**  
**\$4.4 Million**

TEI looked at benefits and related costs across five areas.



**Technology** Reduced hardware, software, and IT labor costs.



**Mobility** Improved worker efficiency from anywhere access to information and applications.



**Control & Compliance** Lower compliance cost and effort by using built-in industry standards.

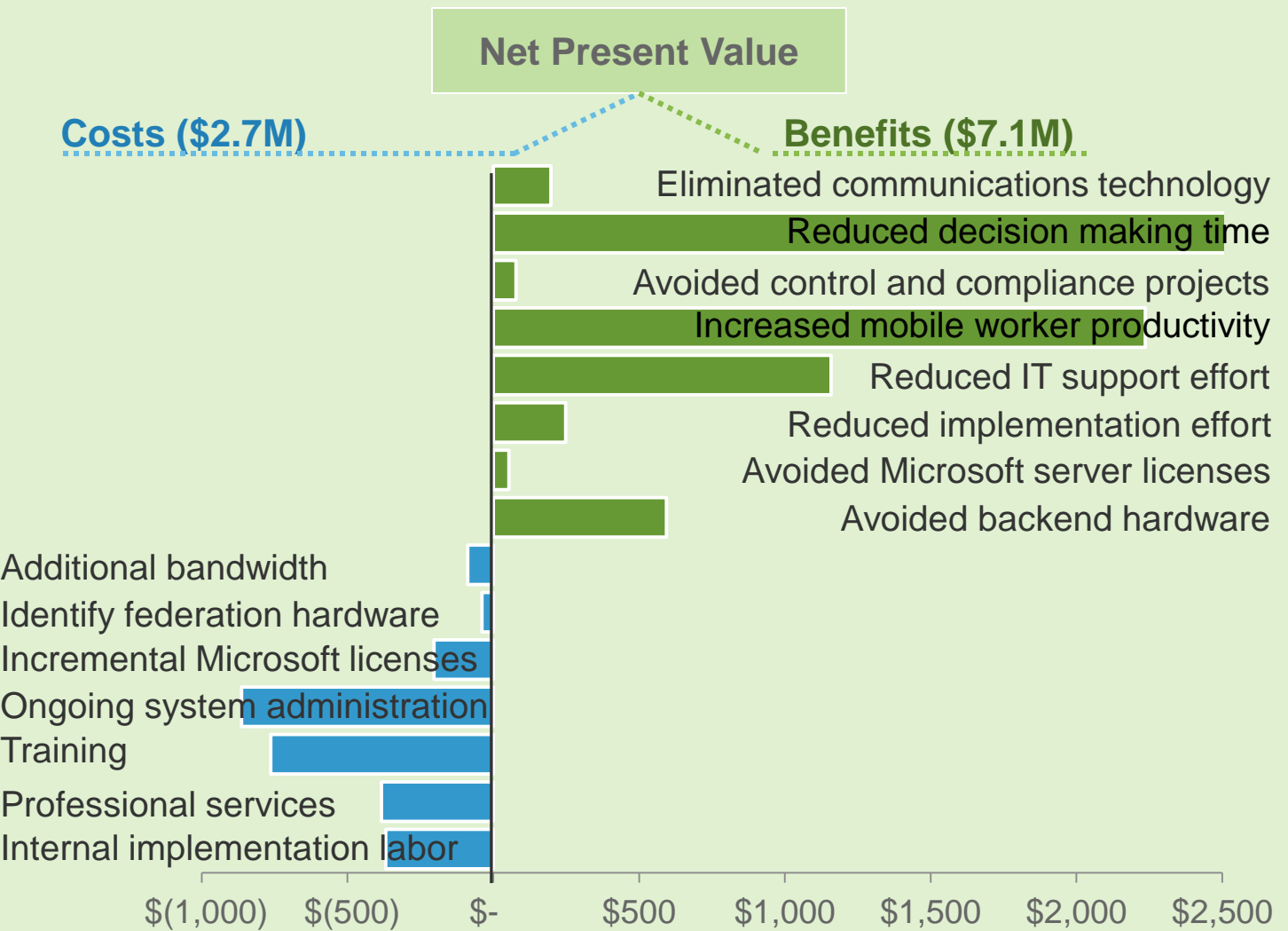


**Business Intelligence** Better decisions through more timely access to data across multiple repositories.



**Enterprise Social** Greater collaboration time by using social features into Office 365.

In each category, we quantified at least one example of how these benefits were realized:



\*In thousands. Based on three-year risk-adjusted figures. Values of costs and benefits are representative of a composite organization constructed from aggregated feedback based on interviews and surveys with Microsoft customers.

## Microsoft Office 365 by the Numbers (survey results)

**11.2%**

Reduction in Microsoft licensing costs.

**9.4%**

Reduction in third-party software license and software costs.

**42%**

Portion of survey respondents who reported increased user productivity from mobile access.

**73%**

Reduction in the number of data breaches.

**45%**

Portion of survey respondents who reported improved employee performance from better business intelligence.

**10%**

Average employee productivity improvement from built-in social tools, e.g. Yammer.

### Disclosures

The reader should be aware of the following:

- This document is an abridged version of a full case study: The Total Economic Impact Of Microsoft Office 365 – Enterprise Customers, October 2014. The document can be found at [TEI of Microsoft Office 365 - Enterprise Customers](http://www.forrester.com/marketing/product/consulting/tei.html).
- The study was commissioned by Microsoft and delivered by the Forrester Consulting group.
- Forrester makes no assumptions as to the potential return on investment that other organizations will receive.
- Please read the full case study for additional disclosures.

### TEI Methodology

Total Economic Impact™ (TEI) 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. The TEI methodology consists of four components to evaluate investment value: benefits, costs, risks, and flexibility. (<http://www.forrester.com/marketing/product/consulting/tei.html>)