

The Total Economic Impact™ Of OpenText Content Services Private Cloud Platforms

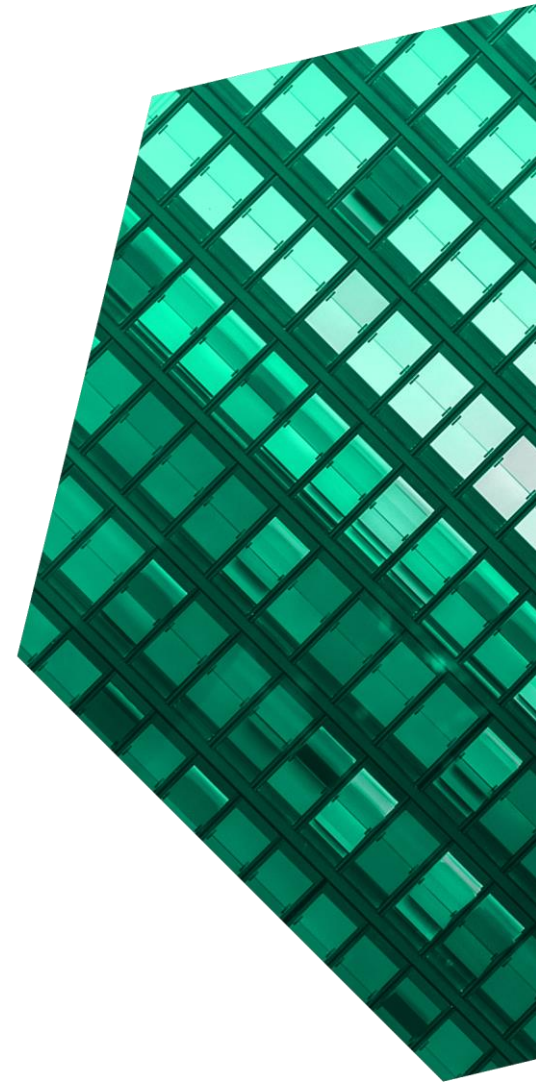
Cost Savings And Business Benefits
Enabled By OpenText Content Services

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Executive Summary

The ways in which an organization stores mission-critical data can have far-reaching and cascading impacts on capital and operational costs, employee and customer experience, and data integrity.¹ Successful content management programs balance the productivity requirements of information workers with the needs of internal stakeholders to automate routine activities and govern digital documents to meet legal or regulatory requirements and scale to meet rapidly changing business needs.

OpenText Content Services Private Cloud Platforms

integrate content into lead applications to deliver secure information management as a managed service at scale. These composable platforms provide customers with the ability to customize their content services and storage capacities to their unique use cases.

OpenText commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) enterprises may realize by deploying OpenText Content Services Private Cloud Platforms.² The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of OpenText Content Services Private Cloud Platforms on their organizations.

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed four representatives with experience using OpenText Content Services Private Cloud Platforms. For the purposes of this study, Forrester aggregated the interviewees' experiences and combined the results

KEY STATISTICS



Return on investment (ROI)
310%



Net present value (NPV)
\$18.37M

into a single composite organization that has 25,000 FTEs supporting global operations in a heavily regulated industry.

Interviewees noted that prior to using OpenText Content Services Private Cloud Platforms, their organizations suffered from excess license, administrative, and third-party costs from sprawling information management tech stacks. Mission-critical information was spread across disparate units, which required multiple resources to coordinate information with manual, error-prone, and time-consuming processes, in environments vulnerable to security and compliance risks.

The interviewees said these limitations further constrained their organizations' abilities to quickly respond to problems and scale effectively. A lack of in-house expertise also led to information security and governance challenges with costly repercussions.

Time savings per business process by Year 3

95%



The interviewees reported that after the investment in OpenText Content Services Private Cloud Platforms, their organizations consolidated their content management into a single platform with OpenText. Interviewees highlighted that by using the platform's enhanced automation and integrations with critical enterprise apps, their organizations improved system availability and productivity for users and consumers of content in the OpenText environments. This allowed their organizations to reallocate valuable resources to higher-value activities.

KEY FINDINGS

Quantified benefits. Three-year, risk-adjusted present value (PV) quantified benefits for the composite organization include:

- **153,000 hours saved by eliminating inefficient workflows with OpenText automated business processes.** With OpenText, the composite organization automates 24 major business processes over three years. This eliminates numerous manual and inefficient business processes, which saves the composite \$5.5 million in labor costs.
- **\$1.9 million in fees, services, and internal labor avoided with infrastructure modernization savings.** The OpenText Content Services Private Cloud Platform's built-in functionality allows the composite to sunset its legacy software, hardware, hosting, backup, and recovery solutions. Leveraging managed services also saves on cloud updates as well as the internal resources that were necessary to manage the complex legacy environment.
- **Up to a 30% reduction in system downtime, improving business continuity and avoiding significant user impacts.** With OpenText, the composite organization avoids up to 145 hours of content management downtime during business hours. The composite decreases the total costs related to troubleshooting incidents while

avoiding costly downtime for content creators. This is worth \$16.4 million to the composite.

- **\$496,000 in costs avoided with decreased risk of noncompliance.** With mission-critical, highly regulated workflows automated in the OpenText environment, the composite organization reduces the risk of human error. As a result, it becomes more compliant with local regulations and avoids costly infractions.

Unquantified benefits. Benefits that provide value for the composite organization but are not quantified in this study include improvements to data security and customer experience and additional sustainability-related impacts.

Costs. Three-year, risk-adjusted PV costs for the composite organization include:

- **OpenText fees totaling \$2.9 million.** The composite organization's OpenText fees grow during the three-year period with the number of licensed users for different use cases.
- **Deployment and training costs of \$3 million.** The composite organization incurs internal deployment costs for development and security, as well as for the involvement of internal resources whose workflows are impacted by OpenText. The composite also incurs costs for third-party implementation (including business configuration) and training internal resources.
- **Ongoing administration costs of \$26,000.** As the composite organization offloads more of its system management to OpenText, it devotes a modest amount of internal administration, starting with 8 hours per month in Year 1 and ramping to 10 hours per month by the end of Year 3.

The representative interviews and financial analysis found that a composite organization experiences benefits of \$24.31 million over three years versus costs of \$5.94 million, adding up to a net present value (NPV) of \$18.37 million and an ROI of 310%.

ROI
310%

BENEFITS PV
\$24.31M

NPV
\$18.37M

PAYBACK
**12
months**

Benefits (Three-Year)

Streamlined business processes with
OpenText automation

\$5.5M

Infrastructure modernization savings

\$1.9M

Improved business continuity

\$16.4M

Reduced business risk

\$496K

**“OpenText is definitely the best
records management system I’ve
used. And I’ve used a lot.
[OpenText] has a solid system and
solid integrations.”**

— Archivist, NGO

TEI FRAMEWORK AND METHODOLOGY

Forrester constructed a Total Economic Impact™ framework for those organizations considering an investment in OpenText Content Services Private Cloud Platforms.

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 OpenText Content Services Private Cloud Platforms can have on an organization.

DISCLOSURES

Readers should be aware of the following:

This study is commissioned by OpenText 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 study to determine the appropriateness of an investment in OpenText Content Services Private Cloud Platforms.

OpenText 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.

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



DUE DILIGENCE

Interviewed OpenText stakeholders and Forrester analysts to gather data relative to OpenText Content Services Private Cloud Platforms



INTERVIEWS

Interviewed four representatives at organizations using OpenText Content Services Private Cloud Platforms to obtain data with respect to costs, benefits, and risks.



COMPOSITE ORGANIZATION

Designed a composite organization based on characteristics of the interviewees' organizations.



FINANCIAL MODEL FRAMEWORK

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



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.

OpenText Content Services Private Cloud Platforms Journey

Drivers leading to the OpenText investment

Interviews			
Role	Industry	Region	Terabytes in OpenText platform
Archivist	NGO	Global	43TB+4TB YoY
Director of document management	Government	Global	120TB
Business systems manager	Agriculture	Global	N/A
Head of people technology	Retail	Australia	70TB

KEY CHALLENGES

Interviewees said that prior to using OpenText Content Services Private Cloud Platforms, their organizations faced challenges with a variety of tools in disparate environments. Integration issues and an inability to efficiently locate content in unstructured information, such as email, drives, or other means of sharing content, led to inefficient business processes, inability to scale, and lack of agility to respond quickly to changing business needs. These challenges manifested in a variety of ways, such as:

- **Excess costs from sprawling tech stacks and many disparate apps with multiple cloud and on-prem versions.** The interviewees' organizations outsourced managed services, hosting, and technical support over several interfaces, and this proved challenging without one central platform.
 - The director of document management at a government organization noted: "[In our prior environment,] we needed to add a lot of customizations. Some of it was security [and] some of it was functionality, but there were a lot of customizations. So, we could not keep up with modern releases because of the work it took to move the customizations between versions."

- The head of people technology at a retail organization shared: "I have 16 applications. I have two versions of one application that's on-prem. Everything else is cloud. Broadly, there are lots of legacy systems for us that are probably still on-premises. We still run some data centers and those types of things, but broadly, all new applications [are cloud]."

"We have a huge CRM. In addition, there are so many tools; you cannot even imagine."

Archivist, NGO

- **High labor costs from insufficient in-house expertise and manual, time-consuming content management processes.** Interviewees described how their organizations' prior content management environments stymied the ability of employees to quickly retrieve sensitive data to respond to business needs.
 - The archivist at the NGO shared: "There's a lot of unstructured information. Of course, we

have structured processes as well, but there are a lot of things that just don't fit into a system. Information would be in drives. We are decommissioning the drives right now. But still, that's what people like to use. [There is also a] lot of information in email. ... Email is still the most used tool for decision-making."

- The archivist at the NGO also described how their organization suffered from a lack of institutional knowledge and subject matter expertise even when outsourcing to a managed service: "The [third-party] consultants often have a low level of knowledge of the system when they start their assignments. On average, one consultant leaves the assignment every year ... [and] the limited handover procedures cause errors and delays during the transition period between one consultant and another. Sometimes there was no overlap between the consultants."
- **Data-quality issues and service interruptions that led to costly unplanned downtime and business disruption.** Performance issues with various integrations impacted team performance and customer experience.
 - The business systems manager at an agriculture organization described the impact: "Because of [our prior system's] performance issues with various integrations, the accounts payable team was not able to make the payments correctly. So, [integration failure] was a continuous issue, and we dealt with that issue for almost two years."
 - The director of document management at the government organization noted how unplanned downtime caused business and end-user disruption: "It was rough. We had systems go down. It was crazy. You could almost set your watch by it."

"Another government agency's ... day-to-day functions happen within our systems. If we go down, this other agency might as well pack it up and go home because they cannot conduct their daily operations."

Director of document management, government

"The risk of data loss [in the prior environment was] high due to the fact that there was no robust disaster recovery procedure or system in place, [and we had] problems with the backups and backup verification."

Archivist, NGO

- The archivist at the NGO described how the lack of effective third-party managed services in maintaining the stability of their organization's archive necessitated a complex internal support structure. The need to monitor the work of consultants meant that six internal resources were involved in capacity issues and complex support procedures, which hindered the effectiveness of the organization's work. They told Forrester: "[What should be] basic tasks had not been performed or have failed. System

monitoring had not been done consistently, even though it was mentioned in the regular tasks of the consultants. Capacity issues and complex support procedures also produced more frequent downtime.”

- **Business and security risks to operations with onerous compliance requirements for information security and document-retention regulations.** Each interviewee said security and compliance were key areas of concern for their organizations. They tended to lack cybersecurity experts in-house, which led to security and compliance concerns.
 - The head of people technology at an Australian retail organization emphasized the importance of complying with all regulations and specifically noted that OpenText has familiarity and expertise with compliance rules in Australia. The interviewee said: “Security and data privacy are critical. In Australia, we have some judicious compliance rules. The focus for OpenText is really around ... personal information and data privacy because, obviously, that solution holds a lot of that.”
 - The director of document management at the government agency described a thorough process for identifying vulnerabilities that could potentially block communications between business units and exacerbate administrative overhead if it weren’t for OpenText. They said: “We have a process where we have to identify absolutely every authorized communication for anything at all whatsoever. Otherwise, it’s blocked. And so, for us, that comes out to be about 30,000 lines in eight environments between three productions. That’s our compliance requirement. Even if it’s not identifying a vulnerability or cybersecurity attack channel, having a firewall wrapped around every

server really makes the administrative overhead significantly harder.”

“We were looking for a product that integrates really well with SAP, can integrate well with [digital signature integrations], and can also manage the volume and capacity that we needed to automate.”

Head of people technology, retail

INVESTMENT OBJECTIVES

The interviewees’ organizations searched for a solution that could offer:

- Flexibility for cloud infrastructure hosting and advanced capacity to enable mission-critical lead app integrations like ERP and productivity tools.
- Geographical presence and local expertise of complex compliance regimes.
- Out-of-the-box automations for productivity and embedded security and information governance.
- Expertise with data security and accuracy, disaster recovery, and backup.

Several interviewees pointed to the degree of flexibility that OpenText provided in terms of deployment configuration. They expressed the need for a highly adaptable solution that could integrate with lead enterprise apps and leverage automation while reducing administrative overhead and capex.

Interviewees cited additional organizational objectives for the OpenText investments, such as to:

- **Provide a secure, compliant, and consistently available centralized workspace for organization-wide utilization.** Interviewees' organizations lacked in-house cybersecurity expertise needed to secure mission critical data in the face of rising cyberattacks. Interviewees also discussed their organizations' need to keep up with complex, highly varied, and ever-changing security and compliance regulations. The archivist at the NGO described how OpenText would augment their organization's cybersecurity: "We were reluctant to move our data because we have sensitive information [and wondered if] it was better off in our control. But then our IT department said he OpenText cybersecurity would most likely be better than our own."
- **Streamline and scale business processes with integration and automation for predictability and scalability.** Interviewees described how providing a secure, modern, centralized workspace for organization-wide apps would allow to digitize with automation and integrations with key business facing apps that could improve employee and customer experience:
 - The head of people technology described the challenge of managing a growing workforce with cumbersome and outdated manual business processes and emphasized the importance of automation. They said: "Particularly when you think about a high level of casual workforce moving in, you need to be able to respond quite quickly: give them a job offer, get them to sign up, and get them into stores. ... I have a nice, automated end-to-end package of that contract produced and sent. And then it goes back through into our document repository for our team members. So, I now have access as a team member to that document from this side as well. It really automates that end to end."

- The business systems manager at the agriculture organization shared, "In the prior environment," metadata fields were not generated properly. So, those were the pain points, and we wanted to come up with a solid document management tool which is recognized, and which can be used by the interface [we have in place]."

"Creating a smooth team member experience is key for us. OpenText enables us to have an automated contract that's integrated with [digital signatures] and then lands back into our SAP ecosystem. Onboarding is swift and we can get our team members into a store working with customers as quickly as possible."

Head of people technology, retail

COMPOSITE ORGANIZATION

Based on the interviews, 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 four interviewees, and it is used to present the aggregate financial analysis in the next section. The composite organization has the following characteristics:

Description of composite. The composite organization has global operations with 25,000 FTEs. The organization operates in a heavily regulated industry with significant compliance requirements, which vary greatly across its operational geographic regions.

The composite organization manages 16 applications across its core ERP and productivity tools. Its prior content management environment faced significant complexity with process gaps and lacked integrations across applications, and experienced frequent downtime with disruption to both content consumers and content creators. As a result, the composite cobbled together dozens of inefficient and outdated workflows to meet minimum business requirements.

Content creators work within human resources, finance, procurement, legal, governance and compliance, records management, and other key business functions involving OpenText integrations and workflows. Content consumers read, download, and search information.³

Deployment characteristics. The composite organization seeks to simplify its content services and offload its infrastructure management, allowing OpenText experts to manage its solution through OpenText Private Cloud Managed Services. The composite launches OpenText content management running in the OpenText Private Cloud in a phased deployment, initially focused on implementing OpenText's enterprise-wide, advanced document and records management capabilities with Microsoft 365 integration, along with integration to SAP, its CRM,

and other enterprise process management applications.

In Year 1 of the investment period, the composite organization launches the phased deployment of its advanced document and records management with integration to SAP SuccessFactors for HR. In this phase, it licenses and trains 500 HR FTEs as content creators for the HR use case. This license also includes access to the employee file across the organization, with 25,000 content consumers.

In Year 2, the composite organization expands its roll-out of OpenText advanced document and records management with integration to M365 and SAP for finance, procurement, operations. This includes additional licenses for 2500 content creator users in those areas, while extending access to business partners.

By Year 3, the composite organization rolls out advanced document and records management with integration to M365 to the remaining employees involved in document creation with 500 sales and marketing staff licensed as content creators.

Roles involved in the deployment include IT and engineering resources dedicated to application deployment, configuration, and security. As integrations are deployed over years 2 and 3, resources in finance, legal, human resources, and other roles are involved in development, testing, and are trained according to their content creators and content consumer roles.

Key Assumptions

- 80 TB +5 TB YOY
- 16 enterprise apps
- 1,500 content creators
- 23,500 content consumers

Analysis Of Benefits

■ Quantified benefit data as applied to the composite

Total Benefits						
Atr	Streamlined business processes with OpenText automation	\$1,061,846	\$2,248,646	\$3,560,357	\$6,870,849	\$5,498,649
Btr	Infrastructure modernization savings	\$917,115	\$663,465	\$663,465	\$2,244,045	\$1,880,530
Ctr	Improved business continuity	\$107,353	\$1,301,790	\$20,308,811	\$21,717,955	\$16,431,764
Dtr	Reduced business risk	\$159,375	\$207,188	\$239,063	\$605,625	\$495,727
Total benefits (risk-adjusted)		\$2,245,689	\$4,421,089	\$24,771,695	\$31,438,474	\$24,306,670

STREAMLINED BUSINESS PROCESSES WITH OPENTEXT AUTOMATION

Evidence and data. Interviewees reported many ways in which their organizations automated multiple, critical business processes.

The business systems manager at an agriculture firm shared that their company's customer support organization introduced barcodes to capture metadata, bundle attachments, and track signatures. They described a business process that involved printing large batches of 30,000 to 40,000 documents and a legacy system that could handle less than a third of the total volume. The interviewee said the prior environment was prone to frequent disruptions that led to information loss and lack of payment to key stakeholders. But they explained that OpenText automated that process, allowing the organization to reattribute several resources to higher-value activities. The interviewee said several other business units adopted this type of automation with OpenText, thus scaling the productivity value.

The head of people technology in retail described how their organization was able to completely digitize its employee files, which led to a host of automation

capabilities. They detailed the business processes related to managing employee job offers (of which their organization processed 60,000 annually), and they mentioned expanding this automation approach to several other components of the employee lifecycle, including scheduling.

The interviewee said that prior to using OpenText, store employees manually conducted these processes as part of their responsibilities, which means the process was duplicated across more than 200 stores. By centralizing and automating this employee management effort, the organization was able to reattribute all of the in-store effort to improving the customer experience and advancing other higher-value activities.

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

- In its prior environment, the composite organization had dozens of large-scale processes with tens of thousands of instances throughout the year. The average number of weekly instances was 800. Examples of these processes include processing large volumes of job offer letters or payments. While the duration

of business practices vary widely, these tasks previously took an average of 10 minutes to complete per instance in the prior environment.

- The composite organization automates four new major business processes in Year 1.
- With added functionality through integrations deployed in Years 1 and 2, the composite automates six additional major business processes in Year 2 and four additional business processes by the end of Year 3 for a cumulative total of 24 processes.

Risks. Forrester recognizes that these results may not be representative of all experiences and that the

benefit will vary between organizations depending on the following factors:

- The number of major business processes automated with OpenText and the total annual instances and duration of these processes.
- The time and effort needed to complete a business process before using OpenText.
- The expertise and average fully burdened annual salaries of content creators.

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 \$5.5 million.

Streamlined Business Processes With OpenText Automation					
			Interviews	Composite	TEI standard
A1	Major business processes automated with OpenText (cumulative)	Interviews	4	8	12
A2	Average instances of each business process per week	Composite	800	800	800
A3	Total instances of automated business processes with OpenText	$A1 \times A2 \times 52$	166,400	332,800	499,200
A4	Average time to complete instance of business process before using OpenText (minutes)	Composite	10	10	10
A5	Average time savings per business process with OpenText	Interviews	85%	90%	95%
A6	Total business process time avoided with OpenText automation (hours)	$(A3 \times A5 \times A4) / 60$	23,573	49,920	79,040
A7	Fully burdened annual salary of a content creator	Composite	\$77	\$77	\$77
A8	Productivity recapture rate	TEI standard	65%	65%	65%
At	Streamlined business processes with OpenText automation	$A6 \times A7 \times A8$	\$1,179,829	\$2,498,496	\$3,955,952
	Risk adjustment	↓10%			
Atr	Streamlined business processes with OpenText automation (risk-adjusted)		\$1,061,846	\$2,248,646	\$3,560,357

INFRASTRUCTURE MODERNIZATION SAVINGS

Evidence and data. Interviewees described how OpenText helped to streamline the complexity and management of their organizations' content services technology stacks.

- The archivist at the NGO reported saving \$2 million annually in infrastructure modernization with OpenText. Their organization saw the following cost savings:
 - \$400,000 for software licenses.
 - \$120,000 for infrastructure hosting.
 - \$125,000 for third-party application support management.
 - \$60,000 for professional services related to performance issues.
 - \$100,000 for a legacy disaster recovery tool.
 - Between \$60,000 and \$90,000 per year for storage costs.
 - \$45,000 for upgrades every 2.5 to three years.
 - 20% of an FTE's time for vendor management.
- The director of document management at the government organization shared: "We have one labor contract. Back when I started, there were four or five different labor contracts. You'd have one contractor on their own contract and then three contractors on another other contract and five of them on another one, and it was just too much to manage. And, so, what we have done in my department is we've consolidated all the labor contracts under one single prime contractor."

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

- With a consolidated content services stack managed by OpenText, the composite organization decommissions legacy solutions and

services for license fees, hosting and hardware, backup and recovery, and third-party services for cloud upgrades.

- Internally, the organization avoids thousands of hours of data migration and hundreds of hours of patching and managing software vendors.

Risks. Forrester recognizes that these results may not be representative of all experiences, and the benefit will vary between organizations depending on the following factors:

- The number of legacy content services technology solutions the organization decommissions with OpenText.
- The total annual internal resource time required to manage and maintain legacy solutions.
- The expertise and average fully burdened annual salaries of resources.

Results. To account for these risks, Forrester adjusted this benefit downward by 5%, yielding a three-year, risk-adjusted total PV of \$1.9 million.

"One of the big drivers for us was basically to simplify the support, [which took] 20% of the time of [a manager of a] content server from a technical administration point of view. ... It was horrible coordination. Now that we are in the [OpenText] cloud, we don't need to coordinate to that degree internally with whoever is doing work here."

Archivist, NGO

Infrastructure Modernization Savings					
Ref.					
B1	Avoided software license fees	Interviews	\$375,000	\$375,000	\$375,000
B2	Avoided hosting and hardware costs	Interviews	\$150,000	\$150,000	\$150,000
B3	Avoided backup and recovery solution fees	Interviews	\$100,000	\$100,000	\$100,000
B4	Avoided third-party managed services costs for cloud upgrades (prorated)	Interviews	\$15,000	\$15,000	\$15,000
B6	Avoided internal labor time needed to migrate data in prior environment (hours)	Interviews	3,000	0	0
B7	Avoided internal labor time for regular patching of complex customizations (hours)	Interviews	240	240	240
B8	Avoided internal labor time to administer third-party content management solutions (hours)	Interviews	416	416	416
B9	Fully burdened annual salary of a content manager	TEI standard	\$89	\$89	\$89
Bt	Infrastructure modernization savings	B5+B10	\$965,384	\$698,384	\$698,384
	Risk adjustment	↓5%			
Btr	Infrastructure modernization savings (risk-adjusted)		\$917,115	\$663,465	\$663,465

IMPROVED BUSINESS CONTINUITY

Evidence and data. Interviewees reported many ways in which their organizations increased uptime and availability and reduced the costly cascading impacts of unplanned downtime.

- The director of document management at the government organization indicated an incremental increase of 23.5% in system availability. The availability with its prior contractor was 76%, and this improved to 99.5% in the OpenText Private Cloud environment.
- The business systems manager in agriculture mentioned that in their organization's prior environment, six supervisors convened in a 1-hour meeting each month just to review issues in addition to the individual effort to resolve each incident. With OpenText, they now meet for 30 minutes every two months if they meet at all. The interviewee said, "Most of the time, the meeting gets canceled because they don't face any issues."
- The archivist at the NGO mentioned that the number of resources involved in troubleshooting at their organization decreased from six in its prior environment to three with OpenText. This is an incremental decrease of 50%.
- The director of document management at the government organization conveyed that for major incidents, cybersecurity protocols could effectively force the affected areas offline completely and cause unplanned downtime. They said this is now effectively neutralized with OpenText.

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

- With OpenText, the composite organization improves the percentage of time the content management system is available to users.

- With this reduction in downtime, the composite assigns fewer resources to troubleshooting, and these resources need less time to remediate downtime issues. This allows costly resources to focus on higher-value activities.
- Improved availability for the composite also impacts its users. Content creators and consumers have varying levels of impact during downtime, so the percentage of FTEs on OpenText increases with growing use cases.
- Forrester applies a productivity recapture rate to these time savings, acknowledging that employees may not apply 100% of the time savings to higher-value activities.

Risks. Forrester recognizes that these results may not be representative of all experiences and that the benefit will vary between organizations depending on the following factors:

- The expertise and average fully burdened annual salaries of resources.
- The total time dedicated to troubleshooting, which will likely depend on the organization's deployment model. An organization with higher availability in its prior environment may see less impact from this benefit.
- The total number of content creators who use OpenText for their workflows.
- The total number of content consumers licensed to engage with the solution.

Results. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV of \$16.4 million.

Improved Business Continuity					
Ref.	Metric	Source	Year 1	Year 2	Year 3
C1	Total content management system downtime in the prior environment (hours)	Composite	208	208	208
C2	Percent reduction in document management system downtime during working hours with OpenText	Interviews	15%	25%	30%
C3	Subtotal: Total business hours of content management system downtime avoided with OpenText	C1*C2	31	52	62
C4	Total troubleshooting time in the prior environment (hours)	Composite	144	144	144
C5	Percent reduction in hours of troubleshooting with OpenText	Interviews	55%	60%	65%
C6	Fully burdened average annual salary of a troubleshooting resource	TEI standard	\$97	\$97	\$97
C7	Productivity recapture rate	TEI standard	65%	65%	65%
C8	Subtotal: Time savings for troubleshooting resources	C4*C5*C6*C7	\$4,994	\$5,448	\$5,901
C9	Content creators	Composite	500	3,000	13,500
C10	Probability of downtime impacting content creators	Composite	2%	15%	55%
C11	Average fully burdened salary of a content creator	A7	\$77	\$77	\$77
C12	Subtotal: Avoided downtime for content creators	C3*C7*C10*C9*C11	\$15,516	\$1,171,170	\$23,040,518
C13	Total content consumers	Composite	25,000	25,000	25,000
C14	Probability of downtime impacting content consumers in the OpenText environment	Composite	0.5%	1%	2%
C15	Average fully burdened salary of a content consumer	TEI standard	\$42	\$42	\$42
C16	Subtotal: Avoided downtime for content consumers	C3*C7*C14*C13*C15	\$105,788	\$354,900	\$846,300
Ct	Improved business continuity	C8+C12+C16	\$126,298	\$1,531,518	\$23,892,719
	Risk adjustment	↓15%			
Ctr	Improved business continuity (risk-adjusted)		\$107,353	\$1,301,790	\$20,308,811
Three-year total: \$21,717,955			Three-year present value: \$16,431,764		

REDUCED BUSINESS RISK

Evidence and data. Interviewees described a host of potential business risks to their organizations. Each company's risks varied in sensitivity, probability, and severity of impacts.

In addition to causing excess labor costs, manual business processes in the organizations' prior environments were prone to errors and noncompliance. While these typically included common risks such as employment violations or missed vendor payments, two interviewees indicated that risks to their organizations' data integrity could impact human security for millions worldwide.

Interviewees shared that with OpenText Content Services Private Cloud Platforms, automating sensitive business processes in a secure environment reduced the probability and severity of numerous potential business risk incidents.

For example, the head of people technology at a retail organization that automated employee files described the high cost of noncompliance and cited frequent litigation related to employment law. They said that by automating the offer letters and leveraging templates within OpenText, their organization greatly reduced its risk of noncompliance.

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

- In its prior environment, the composite organization faced a number of potential business risks, with an average probability of 6% and potential costs averaging up to \$6.25 million.
- As the composite organization shifts most of its mission-critical content to the OpenText environment, it decreases the likelihood of business risk related to the data and the workflow automations connected to it.

Risks. Forrester recognizes that these results may not be representative of all experiences and that the benefit will vary between organizations depending on the following factors:

- The total potential cost of a business risk incident.
- The probability of a business risk incident per year in the organization's prior environment and the number of risk-related processes automated with OpenText.

Results. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV of \$496,000.

Reduced Business Risk					
Ref.	Metric	Source	Year 1	Year 2	Year 3
D1	Total potential cost of a business risk incident	Composite	\$6,250,000	\$6,250,000	\$6,250,000
D2	Probability of a business risk incident in prior environment	Composite	6.0%	6.0%	6.0%
D3	Reduction in risk incidents with OpenText automated business processes	Interviews	50%	65%	75%
D4	Probability of business risk incidents per year with OpenText	D2*(1-D3)	3.0%	2.1%	1.5%
Dt	Reduced business risk	D1*(D2-D4)	\$187,500	\$243,750	\$281,250
	Risk adjustment	↓15%			
Dtr	Reduced business risk (risk-adjusted)		\$159,375	\$207,188	\$239,063
Three-year total: \$605,625			Three-year present value: \$495,727		

UNQUANTIFIED BENEFITS

Interviewees mentioned the following additional benefits that their organizations experienced but were not able to quantify:

- **Data security.** The business systems manager at the agriculture organization discussed the value of OpenText role-based account controls: “We spent a lot of time defining those roles. And then as part of our implementation, we tied our roles directly to our OpenText [integrations]. So, from a risk perspective, I would say with confidence we have the proper users getting the proper security provision when they’re set up in the system.”
- **Improved customer experience.** The head of people technology at the retail organization shared that employee churn is a significant issue. They described how speeding up the onboarding process to get people on the floor faster not only improves their organization’s customer service, but could also potentially increase sales.

FLEXIBILITY

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

- **Alignment with future digital transformation efforts.** Some interviewees said their organization’s OpenText deployment complemented other, broader institutional initiatives. The director of document management in government mentioned their organization’s OpenText deployment would facilitate future efforts towards containerization. They told Forrester: “We are set to go to containers next year. About 50 of our servers are on [the legacy system, and] several of them [are] the database servers. And that’ll save us some steps in our containerization migration.”
- **Extended use cases and functionality.** Several interviewees mentioned that their organization intends to leverage OpenText Content Services across additional business units.
 - The head of people technology in the retail organization indicated that their company plans to extend its employee file automation from the offer stage throughout the entire employee lifecycle: “At the moment, we do all of our new-hire contracts, but we’ve actually just recently done some work on all of our movement letters. You can imagine people move [and transfer] in between roles in-store, so automating every single piece of paper that goes to our team members [is a huge focus for us]. We’ve done a large chunk, and now we’re looking at a lot more of those kinds of processes that occur during the employee lifecycle to automate those as well.”
 - The same interviewee said their organization also engages OpenText Content Services for supply-chain accounts payable. They said: “We are looking at expanding the OpenText document management process into our supply chain [to] our supplier arrangements so [we can] automate contracts with our suppliers. Because, at the moment, that’s quite manual. ... We’re looking at vendor invoice management and Salesforce integration.”
- **Improved organizational visibility, which supports sustainability-related business outcomes.** Interviewees reported infrastructure modernization and automation savings that have direct and indirect sustainability benefits.

The director of document management in government said the OpenText modernization made their organization more resilient, and they also discussed future use of the native OpenText AI integration to help reduce fuel costs and greenhouse gas emissions.

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

Customer Sustainability Journey

A Forrester report from 2021 titled “Guide Your Sustainability Program With The Forrester Sustainability Maturity Model” illustrates the sustainability-related impacts of reducing the organizational footprints of data centers and physical archives. Moving physical files into a hosted private cloud provides opportunities for decreasing carbon emissions by reducing physical sprawl of legacy document storage and data centers and by eliminating their on-premises power and cooling requirements, thus lowering Scope 2 emissions.

The director of document management in government illustrated how their organization plans to use the OpenText-native AI integration to reduce fuel costs and greenhouse gas emissions: “We are hoping the OpenText-native AI integration will help us once we have ingested this decade’s worth of fuel-related documents. ... And then we can ask questions like, ‘How many vehicles are gasoline or diesel?’ We have a bunch of different designations to tell me how many gallons [government agencies] use and how many vehicles have been accounted for. So, there are all kinds of things that we can look at and then show in the future to say, ‘Yes, [this agency] has reduced its consumption of fuels.’”

The same interviewee described how their organization’s shift to a digital OpenText environment conferred resiliency and sustainability to their operation. They told Forrester their organization is more resilient and sustainable from digitizing its legacy paper storage systems, and they described the drastic outcomes of one business unit’s dire situation: “[My organization] had a building that was potentially going to collapse. ... The decades’ worth of documentation was so heavy. The stress fractures in the concrete were growing, and [the organization] had been warned: ‘Get those documents out of there now before we condemn the building and do not let you in to get those documents.’ ... It literally made the building unusable, so [we] were in a crisis. We’ve set up 150 new scan stations. We have been tracking how much we’ve brought in. ... It was beautiful. [So far, we’ve ingested the equivalent of] 43 semi-truckloads full of paper or the 80,000 square-foot warehouse. So, we’ve also saved on the building rent, maintenance, [and] heating.”

Source: “Guide Your Sustainability Program With The Forrester Sustainability Maturity Model,” Forrester Research, Inc., October 27, 2021.

Analysis Of Costs

■ Quantified cost data as applied to the composite

Total Costs							
Ref.	Cost	Initial	Year 1	Year 2	Year 3	Total	Present Value
Etr	OpenText fees	\$0	\$630,000	\$1,050,000	\$1,995,000	\$3,675,000	\$2,939,369
Ftr	Deployment and Training	\$623,927	\$958,763	\$1,784,663	\$0	\$3,367,353	\$2,970,458
Gtr	Ongoing administration	\$0	\$8,971	\$11,214	\$11,214	\$31,399	\$25,849
	Total costs (risk-adjusted)	\$623,927	\$1,597,734	\$2,845,877	\$2,006,214	\$7,073,752	\$5,935,676

OPENTEXT FEES

Evidence and data. Interviewees said fees related to their organizations' specific deployments and use cases ranged from less than \$500,000 to \$2 million per year.

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

- Licensing to support the composite organization's various use cases grows to 3,500 licensed users (content creators) by the end of Year 3.
- The composite organization introduces SAP SuccessFactors in Year 1, and each employee is partially licensed as a "content consumer" for HR-related purposes.
- In Years 2 and 3, the number of licensed content consumers and external partners varies depending on the composite's [use cases](#).
- To support these use cases, the composite organization introduces SAP SuccessFactors, digital signatures, capture, and sharing for enhanced employee management.
- Pricing varies. Contact OpenText for details.

Risks. Forrester recognizes that these results may not be representative of all experiences and that the benefit will vary between organizations depending on the organization's OpenText configuration and the scope and use case of a deployment (e.g., isolated within departments or deployed as an organizationwide solution).

Results. To account for these risks, Forrester adjusted this cost upward by 5%, yielding a three-year, risk-adjusted total PV (discounted at 10%) is \$2.9 million.

OpenText Fees						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
E1	OpenText fees	Composite	\$0	\$600,000	\$1,000,000	\$1,900,000
Et	OpenText fees	E1	\$0	\$600,000	\$1,000,000	\$1,900,000
	Risk adjustment	↑5%				
Etr	OpenText fees (risk-adjusted)		\$0	\$630,000	\$1,050,000	\$1,995,000
Three-year total \$3,675,000			Three-year present value: \$2,939,369			

DEPLOYMENT AND TRAINING

Evidence and data. Interviewees described a range of processes their organizations required to launch their OpenText Content Services Private Cloud Platforms.

Some of the organizations deployed OpenText as part of broader change management efforts to improve and automate business systems.

Interviewees described incurring a mix of deployment costs, including those for internal and third-party deployment efforts as well as for initial and ongoing training to use the OpenText Platforms and lead integrations. Two interviewees reported their organization's initial deployment period was 16 months, and two said deployment lasted 12 months.

- **Internal deployment:** The archivist at the NGO said their organization conducted an internal deployment effort to transfer mission-critical content to OpenText management. Three internal resources each dedicated 20% to 50% of their time to deployment during that period. Further implementation steps taken included data migration, testing, and application; role-based security authentication and development of interfaces, customizations, and internal support structure; and decommissioning backup servers.
 - The business systems manager at the agriculture organization said their company had six internal cloud and infrastructure resources dedicated to setting up the OpenText environment.
 - The head of people technology in retail indicated their organization's OpenText deployment was bundled into a larger change management effort associated with the company's new ERP rollout.
- **Third-party professional deployment and training services:** The business systems manager at the agriculture organization said their organization spent \$1 million for 1.5 years of

implementation services from a third-party partner.

- The director of document management in government said their organization underwent a very large-scale deployment that cost several million dollars, but they noted there were strict security constraints that necessitated the large investment. The interviewee described their organization's rationale for hiring external deployment resources: "We don't do a whole lot of OpenText training necessarily. This [is] part of the reason [we hired] a contractor. We just require that they have and maintain current certifications."

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

- The composite has three overlapping deployment phases, and each lasts six months:
 - The initial period includes 1,500 hours of deployment for onboarding the main content management solution.
 - In Years 1 and 2, the composite deploys lead integrations with decreasing labor effort year over year as OpenText manages a greater portion of the platform.
- The composite's phased deployments also include developer and security resources to manage integrations and secure the environment.
- The composite engages third-party professional services to assist in the deployments.
- The composite only requires minimal training for content creators. They spend 8 hours in training during the initial period, 4 hours in Year 1, and 2 hours in Year 2.

Risks. Forrester recognizes that these results may not be representative of all experiences, and the cost

will vary between organizations depending on the following factors:

- The organization's OpenText configuration and the phases and total deployment hours required for internal content management, developer, and security resources. The total time dedicated to deployment will depend on the organization's deployment model.
 - An organization that opts for internal deployment over a deployment managed by a third party may require more resource effort but incur fewer external costs.
 - An organization that opts for a partner-driven deployment may experience higher external costs with fewer internal resource requirements.
- The total number of content creators trained on OpenText and the total training time required per resource, including the level of training required to automate major business processes.
- The expertise and average fully burdened annual salaries of resources.

Results. To account for these risks, Forrester adjusted this cost upward by 5%, yielding a three-year, risk-adjusted total PV of \$3 million.

“For the initial [image capture integration] implementation, we did hire additional, specifically task-based people from OpenText. [For] the main cloud migration, we didn’t hire any specific task-based people.”

Director of document management, government

Deployment And Training						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
F1	Total content management resource time dedicated to deployment (hours)	Interviews	1,500	750	500	0
F2	Average fully burdened hourly salary of a content manager	B9	\$89	\$89	\$89	\$89
F3	Total developer resource time dedicated to deployment (hours)	Interviews	20	10	5	0
F4	Total security resource time dedicated to deployment (hours)	Interviews	8	4	2	0
F5	Average fully burdened hourly salary of a deployment resources	Composite	\$97	\$97	\$97	\$0
F6	Total internal deployment costs	$(F1 \times F2) + ((F3 + F4) \times F5)$	\$136,216	\$68,108	\$45,179	\$0
F7	Total third-party professional services deployment costs	Interviews	\$150,000	\$75,000	\$37,500	\$0
F8	Content creators trained on OpenText	Composite	500	2,500	10,500	0
F9	Total OpenText training time per content creator (hours)	Interviews	8	4	2	0
F10	Fully burdened average hourly salary of a content creator	A7	\$77	\$77	\$77	\$77
F11	Total training costs	$F8 \times F9 \times F10$	\$308,000	\$770,000	\$1,617,000	\$0
Ft	Deployment and training	$F6 + F7 + F11$	\$594,216	\$913,108	\$1,699,679	\$0
	Risk adjustment	↑5%				
Ftr	Deployment and training (risk-adjusted)		\$623,927	\$958,763	\$1,784,663	\$0
Three-year total: \$3,367,353			Three-year present value: \$2,970,458			

ONGOING ADMINISTRATION

Evidence and data. Interviewees noted that OpenText managed services bore most of the burden of ongoing product administration with minimal internal resource requirements beyond regular meetings with their OpenText teams.

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

- In the first year of the investment, the composite organization dedicates 8 hours per month to administration. These hours slightly ramp up to 10 in Years 2 and 3 as new integrations are incorporated, new business process automations are deployed, and OpenText manages a greater portion of the composite organization's platform.

- The fully burdened average hourly rate of a content creator is \$89.

Risks. Forrester recognizes that these results may not be representative of all experiences and that the cost will vary between organizations depending on the following factors:

- The organization's OpenText configuration and the total time required for regular administration.
- The expertise and average fully burdened annual salaries of resources.

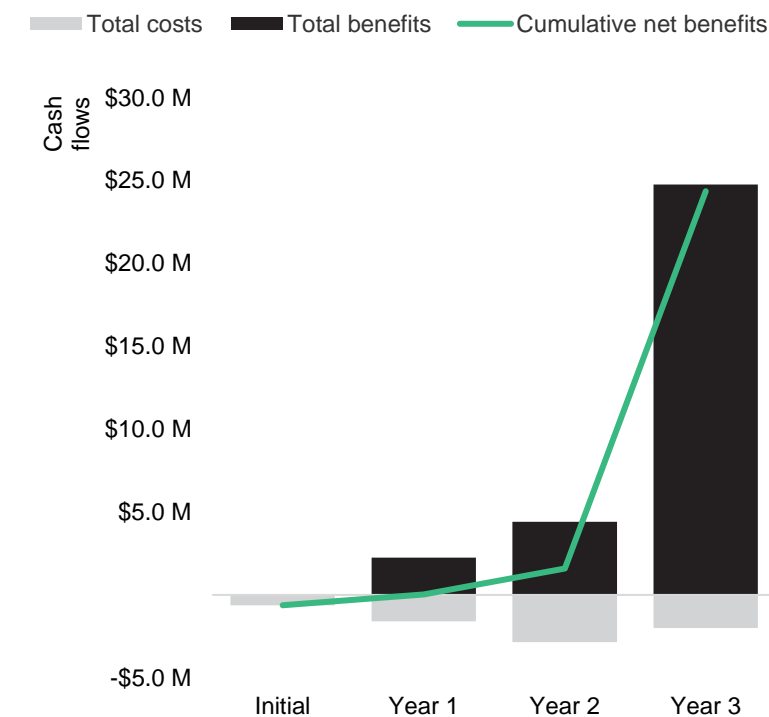
Results. To account for these risks, Forrester adjusted this cost upward by 5%, yielding a three-year, risk-adjusted total PV of \$26,000.

Ongoing Administration						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
G1	Resource time required for regular administration of the OpenText environment (hours)	Composite	0	96	120	120
G2	Fully burdened average hourly salary of a content manager	B9	\$89	\$89	\$89	\$89
Gt	Ongoing administration	Interviews	\$0	\$8,544	\$10,680	\$10,680
	Risk adjustment	↑5%				
Gtr	Ongoing administration (risk-adjusted)		\$0	\$8,971	\$11,214	\$11,214
Three-year total: \$31,399			Three-year present value: \$25,849			

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	(\$623,927)	(\$1,597,734)	(\$2,845,877)	(\$2,006,214)	(\$7,073,752)	(\$5,935,676)
Total benefits	\$0	\$2,245,689	\$4,421,089	\$24,771,695	\$31,438,474	\$24,306,670
Net benefits	(\$623,927)	\$647,955	\$1,575,212	\$22,765,481	\$24,364,722	\$18,370,994
ROI						310%
Payback						12.0 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: Supplemental Material

[“Migrate Your Documents To A Cloud Content Platform With Confidence,”](#) Forrester Research, Inc., March 30, 2023.

[“Measure What Matters: Rethink Success Metrics When Adopting Modern Content Platforms,”](#) Forrester Research, Inc., October 6, 2020.

Appendix C: Endnotes

¹ Source: [“Assess Your Enterprise Content Management Maturity Level,”](#) Forrester Research, Inc., September 6, 2023.

² 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.

³ For the purposes of this study, Forrester defines “content creators” as employees who write documents or document procedures, summarize customer feedback, or produce other content that is stored and maintained in a content services platform. Content creators work within human resources, finance, procurement, legal, governance and compliance, records management, and other key business functions involving OpenText integrations and workflows. For the purposes of this study, Forrester defines “content consumers” as employees who consume content stored in the content services platform by reading, downloading, searching, or otherwise deriving information. With a stable FTE count, percentages of content creators and consumers can fluctuate as these groups overlap.

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