

A Forrester Total Economic Impact™
Study Commissioned By SnapLogic
June 2020

The Total Economic Impact™ Of SnapLogic

Cost Savings And Business Benefits
Enabled By SnapLogic's Integration
Platform

Table Of Contents

Executive Summary	1
Key Findings	1
TEI Framework And Methodology	4
The Integration Platform Customer Journey	5
Interviewed Organizations	5
Key Challenges	5
Solution Requirements	5
Key Results	6
Composite Organization	7
Analysis Of Benefits	8
Optimized Cloud Cost	8
Enabled Incremental Revenue (Profit)	9
Improved Developer Productivity	11
Reduction In Maintenance Costs	12
Unquantified Benefits	13
Flexibility	14
Analysis Of Costs	15
SnapLogic Subscription Fees	15
Implementation And Ongoing Costs	16
Financial Summary	17
SnapLogic Integration Platform: Overview	18
Appendix A: Total Economic Impact	19

Project Director:
Mark Lauritano

ABOUT FORRESTER CONSULTING

Forrester Consulting provides independent and objective research-based consulting to help leaders succeed in their organizations. Ranging in scope from a short strategy session to custom projects, Forrester's Consulting services connect you directly with research analysts who apply expert insight to your specific business challenges. For more information, visit forrester.com/consulting.

© 2020, Forrester Research, Inc. All rights reserved. Unauthorized reproduction is strictly prohibited. Information is based on best available resources. Opinions reflect judgment at the time and are subject to change. Forrester®, Technographics®, Forrester Wave, RoleView, TechRadar, and Total Economic Impact are trademarks of Forrester Research, Inc. All other trademarks are the property of their respective companies. For additional information, go to forrester.com.

Executive Summary

Key Benefits



Optimized cloud cost:
\$1.7 million



Enabled incremental revenue
(profit):
\$850,000+



Improved developer productivity:
\$770,000+

“SnapLogic is pretty integral to what we are doing as a company. It enabled us to do new things with greater speed and efficiency. Given all that, I would say it plays a direct role in improving our business revenue.”

Director of engineering and architecture, education services



SnapLogic provides a hybrid cloud integration platform for its customers to use as part of their digital transformation strategies. SnapLogic commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) enterprises may realize by deploying its integration platform. The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of SnapLogic on their organizations.

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed two B2C customers with two to four years of experience using SnapLogic. With SnapLogic’s integration platform, customers accelerated their digital initiatives by integrating applications, data, APIs, devices, and partners. Designed for enterprise customers, SnapLogic accommodates cloud, hybrid, and on-premises integration flows. The organizations utilized the integration platform to automate the monitoring, development, and maintenance of interfaces, increasing the fluidity of their data while improving their IT and business efficiency and agility.

Prior to using SnapLogic, the customers shared that developers typically hand-coded application and data integrations with the classic separation between lines of business and IT. Interviewees viewed this activity as a costly, labor-intensive, and time-consuming task rather than something that could empower business units to build real-time integration solutions designed to create new revenue streams. These limitations left IT teams straining to manage the entire application and data lifecycle and business units struggling to innovate and develop new products or services and get them to market quickly.

Key Findings

Forrester’s interviews with two existing customers and subsequent financial analysis allowed us to craft a composite organization that experiences benefits of \$3.9 million over three years versus costs of \$657,328, adding up to a net present value (NPV) of \$3.3 million and an ROI of 498%.

Quantified benefits. The following risk-adjusted present value (PV) quantified benefits are representative of those experienced by the companies interviewed and are modeled by the composite organization:

- › **Facilitates the development of a cloud-based data platform that reduces cloud costs by 70%.** The organization’s digital transformation entails consolidating business, learning, and functional systems on the cloud. The new application and data platform ingests all the data sets needed for reporting while accommodating compliance requirements and enabling backup copies of the data. SnapLogic’s impact on the migration is worth \$1.7 million to the organization.
- › **Enables nearly \$1 million in new business revenue from initiatives that failed in the past.** The manager of data integration services at an interviewed company told Forrester: “We wanted the business units to have more control and own the integrations that powered their work.” By ingesting data sets from multiple systems and quickly providing it to data science and learning science teams, SnapLogic enables lines of business to build new products that would previously have been passed over due to the time and effort required.



ROI
498%



Benefits PV
\$3.9 million



NPV
\$3.3 million



Payback
within a year

- › **Reduces time required by developers to build integrations by 70%.** Prior to deploying SnapLogic, the composite organization was hand-coding integrations. The result was a drawn-out integration lifecycle that was a burden to maintain. SnapLogic provides templates and Iris, its AI-powered integration design feature, to simplify the work of citizen integrators, tech specialists, and operations staff. The increased speed in development is valued at more than \$770,000.
- › **Reduces headcount needed to maintain integrations by 50%.** Updates to applications frequently require teams of both application and data developers to modify integrations. SnapLogic eliminates this maintenance by unifying both application and data integrations into one platform and providing prebuilt connections (called “Snaps” in the product’s parlance) that are automatically updated on the platform prior to new releases by software vendors. The unified integrated platform reduces overhead and maintenance costs, saving the organization more than \$640,000.

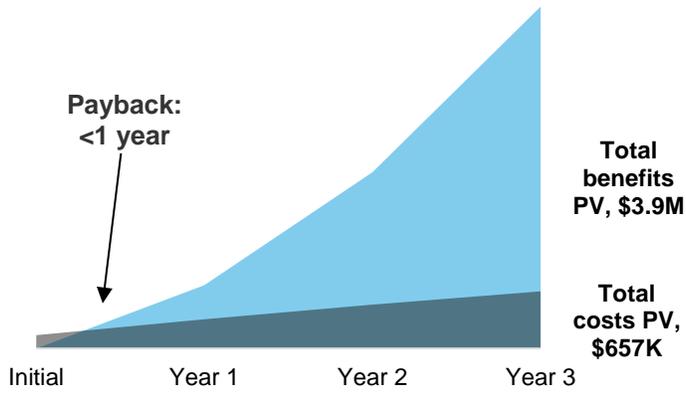
Unquantified benefits. The interviewed organizations experienced the following benefits, which are not quantified for this study:

- › **Avoided a mismatch of infrastructure investments and business integration demands.** Organizations value the flexibility that SnapLogic provides system architects. Firms can run data processes within their own data centers or clouds, within their firewalls, or within their virtual private clouds or SnapLogic’s cloud. This allows businesses to modify or lower their infrastructure investment in sync with their adoption of the integration platform.
- › **Increased confidence in integration flows.** The case study organizations are required to maintain databases that produce accurate financial reports that are SOC-compliant and auditable and in which everything is logged and proper access control policies are in place. The monitoring and tracking capabilities built into SnapLogic provide customers greater confidence in their integration flows.

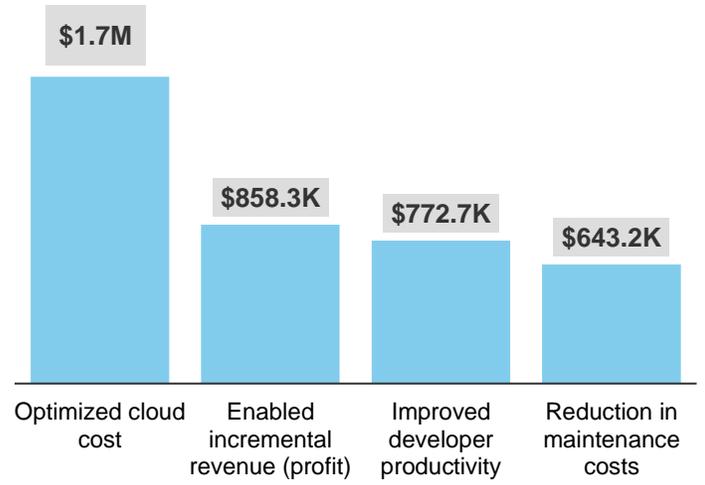
Costs. The interviewed organizations experienced the following risk-adjusted PV costs, modeled by the composite organization:

- › **SnapLogic subscription fees of \$492,397 over three years.** This fee encompasses an enterprise-level subscription, including professional services support. In addition, the organization purchases some modules containing premium Snap Packs and API Management.
- › **Implementation and ongoing costs of \$164,931.** This cost includes the effort of eight employees applying 45% of their time to the project for three months, as well as the infrastructure for the hybrid deployment. Ongoing costs are limited to the maintenance of the servers.

Financial Summary



Benefits (Three-Year)



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, Forrester has constructed a Total Economic Impact™ (TEI) framework for those organizations considering implementing SnapLogic.

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 SnapLogic can have on an organization:



DUE DILIGENCE

Interviewed SnapLogic stakeholders and Forrester analysts to gather data relative to Integration Platform.



CUSTOMER INTERVIEWS

Interviewed two organizations using SnapLogic's integration platform to obtain data with respect to costs, benefits, and risks.



COMPOSITE ORGANIZATION

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



FINANCIAL MODEL FRAMEWORK

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



CASE STUDY

Employed four fundamental elements of TEI in modeling SnapLogic's integration platform's impact: 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 SnapLogic 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 SnapLogic's integration platform.

SnapLogic 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.

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

The Integration Platform Customer Journey

BEFORE AND AFTER THE INTEGRATION PLATFORM INVESTMENT

Interviewed Organizations

For this study, Forrester conducted two interviews with SnapLogic customers. Interviewed customers include the following:

INDUSTRY	REGION	INTERVIEWEE	PRIOR INTEGRATION MECHANISM
Retail	Global, headquartered in Europe	Manager of data integration services	On-premises, semiautomated file exchange, data flows between systems hand-coded from scratch
Education services	Multinational, headquartered in US	Director of engineering and architecture	On-premises, data extraction from multiple application systems to a data warehouse coded by ETL developers and data engineers

Key Challenges

Prior to investing in SnapLogic's integration platform, interviewed organizations struggled with similar challenges:

- › **IT operations and shared services struggled to meet business needs.** Organizations' prior environments were based upon a classic separation between a business unit and IT. The typical integration project commenced with the business creating requirements and passing them to IT with a translation exercise in between. From that point forward, IT was responsible for the overall design, development, maintenance, and any other tasks related to the integration. Although it got the job done, the manager of data integration services told Forrester, "We wanted the business units to have more control and own the integrations that powered their work."
- › **Integrating disparate systems was complex and required specialized skills.** The director of engineering and architecture said: "We had almost 20 or more engineers or ETL [extract, transform, load] developers working on creating a data warehouse. We were spending millions of dollars each year just to help us report on basic operational numbers and gain a better understanding of our customers."
- › **Organizations could not provide accurate reporting.** The director of engineering and architecture also told Forrester: "Our challenge was that even basic financial reporting was a big pain. We were unable to get accurate results because the finance team used to pull data from the business system and the GL [general ledger] system. Then the marketing team used to pull it from our CRM. So there was a huge discrepancy in just reporting the basic numbers."

"We wanted the business units to have more control and own the integrations that powered their work."

Manager of data integration services, retail



"We had almost 20 or more engineers or ETL developers working on creating a data warehouse. We were spending millions of dollars each year just to help us report on basic operational numbers and gain a better understanding of our customers."

Director of engineering and architecture, education services



Solution Requirements

The interviewed organizations searched for a solution that could:

- › Simplify the integration process to enable people from business units with limited or no IT knowledge to design, develop, and maintain their data flows.
- › Accommodate business solutions that require near-real-time or real-time integrations.
- › Provide the necessary support services, going beyond an off-the-shelf tool, to achieve the target architecture.
- › Empower business and stop the classic separation between a business and IT.

Key Results

The interviews revealed that key results from the SnapLogic investment include:

- › **An enhanced level of collaboration and shared insights between IT and business stakeholders.** The manager of data integration services shared: “We use a common language that is SnapLogic. We talk about Snaps and Snap access ,and that is easy for everyone to understand. There has been a huge improvement in how we work across the lifetime of an integration.”
- › **Avoided time and costs associated with an on-premises solution.** Interviewees appreciated the flexibility of SnapLogic’s platform to operate in alignment with their architecture. The director of engineering and architecture said: “From a security point, our guidelines were that we will not share the data or allow our data to go outside our premises. That meant we had to install our own processing servers behind the firewall. But SnapLogic had an idea about how they would be able to achieve that using their cloud instances, and that really helped boost our productivity.”

“We use a common language that is SnapLogic. We talk about Snaps and Snap access and that is easy for everyone to understand. There has been a huge improvement in how we work across the lifetime of an integration.”

Manager of data integration services, retail



- › **Greater control over data flows and improved data governance.** The director of engineering and architecture told Forrester: “We redesigned all of the data flows from our existing data warehouse, building the new flows completely out of SnapLogic. It was a good value-add in terms of cost savings, in terms of maintenance, in terms of having replicated data across systems, and making good access control policies to govern it.”
- › **Reduced dependence upon external data architects and engineers for integration projects.** The manager of data integration services said: “With the prior solution, we depended a lot more on external developers. We wanted to avoid that. One of the key factors [for] why we selected SnapLogic was the ease of use. Now we are more self-contained; our use of external resources has been reduced by 60% to 70% and is limited to integration projects that are less well-defined or extremely complex.”
- › **Unlocked data value from business systems and revealed insights that were previously unattainable.** The director of engineering and architecture reported: “SnapLogic enabled us to integrate systems and data sets that were previously unimaginable for a company like ours to even think about, such as conducting more in-depth profitability analysis on different activities and products. The platform enabled us to uncover insights that were hidden within those data sets, which would have stayed hidden if we were not able to tap into them.”

“SnapLogic enabled us to integrate systems and data sets that were previously unimaginable for a company like ours to even think about, such as conducting more in-depth profitability analysis on different activities and products. The platform enabled us to uncover insights that were hidden within those data sets, which would have stayed hidden if we were not able to tap into them.”

Director of engineering and architecture, education services



Composite Organization

Based on the interviews, Forrester constructed a TEI framework, a composite company, and an associated ROI analysis that illustrates the financial impact of their use of SnapLogic. The composite organization is representative of the two companies that Forrester interviewed and is used to present the aggregate financial analysis in the next section. The composite organization that Forrester synthesized from the customer interviews has the following characteristics:

- › Global, \$5 billion business-to-consumer organization with a strong online and offline presence that provides sales, customer support, and service/warranty support for its consumer products.
- › Prior to deploying the SnapLogic, the organization relied on hand-coded integrations for applications and data across a disparate set of business systems operating in a hybrid cloud environment.



Key assumptions

11 IT integration developers and engineers
25 to 35 integration projects per year
120 hours: average time per developer to complete an integration project using prior solution

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	Optimized cloud cost	\$297,500	\$595,000	\$1,190,000	\$2,082,500	\$1,656,255
Btr	Enabled incremental revenue (profit)	\$127,500	\$318,750	\$637,500	\$1,083,750	\$858,302
Ctr	Improved developer productivity	\$261,692	\$314,031	\$366,369	\$942,092	\$772,690
Dtr	Reduction in maintenance costs	\$114,000	\$342,000	\$342,000	\$798,000	\$643,231
	Total benefits (risk-adjusted)	\$800,692	\$1,569,781	\$2,535,869	\$4,906,342	\$3,930,478

Optimized Cloud Cost

Interviewed executives told Forrester that, prior to deploying SnapLogic, on-premises and cloud-based business systems were poorly integrated, were expensive to maintain, and lacked appropriate data governance. Providing the required security and data governance amid an escalation in data velocity and complexity was a real challenge.

Faced with similar challenges, the composite organization chooses to invest in a major migration and consolidation of the data in their applications to a cloud-based data lake solution. The initial build ingests data from four critical business systems with different data formats. As a key requirement, the data flows needed to ensure data quality. To meet this need, the data consolidation project used SnapLogic features to implement logging and hashing to validate the integrity of data being extracted from the source and loaded into the target. This certifies that the source and target data are the same in terms of character matches, timestamps, time zones, decimal points, etc.

With the data lake in place and the data integration platform up and running, the composite organization can further consolidate and decommission numerous legacy applications. The composite finds that the applications were providing reporting that could easily be recreated from SnapLogic's integration platform.

For the composite organization, Forrester assumes that:

- › Annual costs for the cloud computing platform prior to deploying SnapLogic totaled \$10 million.
- › The redesign is phased in over three years.
- › The creation of the data lake and consolidation of business systems reduce annual cloud platform costs by 70%.
- › SnapLogic's contribution to the new data and application architecture solution represents 20% of the cost savings.

Initiatives to optimize cloud costs will vary based on:

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 more than \$3.9 million.

"I'm sure other companies were doing cloud migration and system consolidation too. However, SnapLogic really helped us accelerate a lot of things that typically, if you try to do this with any of those traditional integration software products, would have taken us way longer, and probably some of these would not have even been possible."

Director of engineering and architecture, education services



- › The organization's current business systems architecture and data governance policies.
- › The design of the new data architecture solution.
- › The degree to which the enterprise uses SnapLogic to replace the role of existing applications.

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.

To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year risk-adjusted total PV of \$1,656,255.

Optimized Cloud Cost: Calculation Table

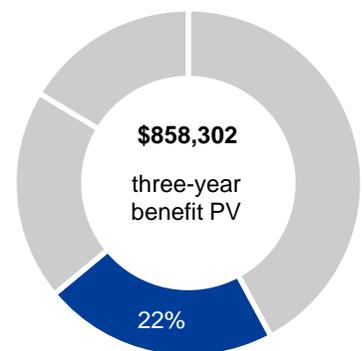
REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3
A1	Prior architecture cloud cost		\$10,000,000	\$10,000,000	\$10,000,000
A2	Cloud cost with new data platform supported by SnapLogic		\$3,000,000	\$3,000,000	\$3,000,000
A3	Phased implementation		25%	50%	100%
A4	Percent attributed to SnapLogic		20%	20%	20%
At	Optimized cloud cost	$(A1-A2)*A3*A4$	\$350,000	\$700,000	\$1,400,000
	Risk adjustment	↓15%			
Atr	Optimized cloud cost (risk-adjusted)		\$297,500	\$595,000	\$1,190,000

Enabled Incremental Revenue (Profit)

Many organizations view data integration as an inconvenient cost when implementing a new business application for their CRM, human capital management (HCM), or supply chain management systems. The perception can be that data integration is simply a cost, rather than an enabler of business innovation and digital transformation.

However, the organizations interviewed by Forrester did not hold this view. They intentionally leveraged SnapLogic to empower lines of business to provide real-time solutions to their customers that were previously unattainable or too expensive to undertake.

- › The manager of data integration services said, "When you have the cooperation of business and the design is made mainly by the people closest to the business solutions, and they have the capability to design at a very high level, you get a clean, very nicely designed integration."
- › The educational services firm used the integration platform to enhance existing offerings and build new products. The director of engineering and architecture shared: "We are able to garner new insights from the data that we collected — everything from doing product usage to feature usability to A/B testing to financial usage satisfaction. We developed efficacy studies to accurately predict what content the students should learn to improve their outcome or their scores. Efficacy is something that we were not even able to think about before, because it is very complicated to build. We are able to do it now."



Enabled incremental revenue (profit): **22%** of total benefits

- › The integration platform contributed indirectly to business initiatives as well. For example, the director of engineering and architecture for the education services firm stated: “We are able to undertake data profiling that empowers our end users and helps us prepare for building a product platform that effectively helps millions of students across different channels, devices, and locations. We are able to tell our business customers, ‘Hey, you could use any tool, any technology, any data format, any database you want and data comes in different velocities, we can tap into that.’ By combining SnapLogic with a cloud-based function-as-a-service product, we can stream data real-time onto our data lake environment.”
- › Interviewees cited cases where SnapLogic improved business operations. One customer utilized the integration platform to expand the capabilities of its contact center. By joining the CRM and general ledger systems, the company created a customized data mart that provided much more value. The director of engineering and architecture said: “Now we can identify where most of our calls [are] coming from, how long they [are] taking, which customer contact folks are better or more efficient at handling certain types of requests, and what time of the day those calls are coming in. SnapLogic helped me deliver better business performance and provide business benefits apart from IT operational benefits.”

“SnapLogic helped me deliver better business performance and provide business benefits apart from IT operational benefits.”

Director of engineering and architecture, education services



For the composite organization, Forrester assumes that:

- › Integrating customer satisfaction with customer financial data drives product innovation into areas that have the greatest potential to add value and generate incremental revenue.
- › Adoption of the integration platform increases steadily over a three-year period, and business units consider capabilities that were not considered before due to technical limitations.
- › The operating margin is 15%.

Incremental profit from the deployment of an integration platform will vary with:

- › The organization's commitment to leveraging the capabilities of the platform and empowering business units.
- › The number of business systems that are already in place and the extent to which are currently integrated.
- › The business processes and customer experiences that the firm improves via better integration.
- › The organization's profit margin.

To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year risk-adjusted total PV of \$858,302.

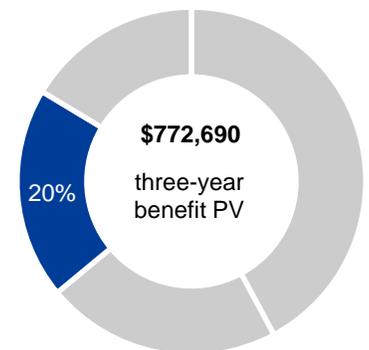
Enabled Incremental Revenue (Profit): Calculation Table

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3
B1	New product and service revenue streams		1,000,000	2,500,000	5,000,000
B2	Operating margin		15%	15%	15%
Bt	Enabled incremental revenue (profit)	B1*B2	\$150,000	\$375,000	\$750,000
	Risk adjustment	↓15%			
Btr	Enabled incremental revenue (profit) (risk-adjusted)		\$127,500	\$318,750	\$637,500

Improved Developer Productivity

Interviewees cited numerous ways in which the deployment of SnapLogic boosted developer productivity and shortened integration project timelines at their organizations. A key aspect of the productivity improvement was the transformation in the relationship between IT data engineers and business unit stakeholders. As business executives and citizen integrators gain an appreciation of the platform's ability to address application integration, data integration, API management, B2B integration, and data engineering, they can better communicate their needs and design or even develop their integrations. As a result, the IT data team or engineering team is transformed from a service provider to a partner with its business customers.

- › Customers pointed to several specific features of the platform that drove developer productivity. The retail interviewee spoke highly of the ways in which developers can pull up patterns or templates for future projects. These patterns can be from past internal integrations or from a community that shares patterns within a catalog directly accessible from the SnapLogic environment. The manager of data integration services said: "One aspect of using the platform that is evangelized: 'Do not redevelop each time; instead identify and develop using patterns.' With that mindset, the time to get integrations into production is extremely reduced. Our experience is that the time-to-market has been reduced to one-third the prior environment."
- › In addition, Iris, an AI (artificial intelligence) technology developed by SnapLogic, aims to improve the productivity of IT and business-line developers by recommending the next step right on their integration flow. The AI and machine learning (ML) tools are designed to leverage over 500 prebuilt Snaps or connectors that are configured for all the major business source systems.
- › Interviewees also appreciated the platform's flexible APIs that provided developers with added control. The director of engineering and architecture said: "The platform uses bulk APIs, so the loading is fast, but at the same time, they give users a choice. If my job fails for whatever reason say I am loading a million records, I can put in a breakpoint so we do not have to restart everything again, it will start from the point it failed. Those kinds of things make it very easy to tweak and configure, which gives us the flexibility to control, to monitor, to identify issues. If something fails, we do not have to restart everything again; it will start from the point it failed. Since we do not



Improved developer productivity: **20%** of total benefits

"One aspect of using the platform that is evangelized: 'Do not redevelop each time; instead identify and develop using patterns.' With that mindset, the time to get integrations into production is extremely reduced. Our experience is that the time-to-market has been reduced to one-third the prior environment."

Manager of data integration services, retail



have to design and factor those things into every integration, it saves a lot of time.”

For the composite organization, Forrester assumes that:

- › The number of new integration projects completed each year increases as business units recognize the possibilities to create new data flows that are necessary to support business initiatives.
- › On average, the project team bills 120 hours for each integration.
- › After deploying SnapLogic, the development timeline decreases by 70%.
- › Average full-time equivalent (FTE) costs combine external and internal IT integration development staff.
- › Project team members realize 30% of the potential productivity improvement.



SnapLogic improves developer productivity by 70%.

Improved developer productivity will vary with:

- › The size of the project integration team and its knowledge of integration design, as well as the business requirements.
- › The number and average length of integration projects conducted each year.

To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year risk-adjusted total PV of \$772,690.

Improved Developer Productivity: Calculation Table

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3
C1	Number of new integrations		25	30	35
C2	Prior solution average hours billed per integration project		120	120	120
C3	Reduction in development time		70%	70%	70%
C4	Number of IT staff on integration team		8	8	8
C5	Average FTE cost		\$120,000	\$120,000	\$120,000
C6	Staff productivity capture		30%	30%	30%
Ct	Improved developer productivity	$C1 * C2 * C3 / 2,080 \text{ hours} * C4 * C5 * C6$	\$290,769	\$348,923	\$407,077
	Risk adjustment	↓10%			
Ctr	Improved developer productivity (risk-adjusted)		\$261,692	\$314,031	\$366,369

Reduction In Maintenance Costs

For many organizations, IT processes are a leading focus of digital transformation efforts. Hand-coded integrations between applications require continual maintenance to keep pace with updates, as well as evolving business needs. This task becomes even more challenging with increasingly complex data structures and business units need for real-time data flows. The interviewed organizations acknowledged several features of SnapLogic that improved their level of automation and significantly reduced integration maintenance tasks.

For the retailer, SnapLogic’s ease of use facilitated its adoption by business units and drove maintenance costs down. The manager of data integration services said: “This collaboration with the lines of business affects the ease of maintenance and supports a very streamlined continuous improvement process that makes things a lot smoother. There has been a huge improvement in how we work across the lifetime of an integration. I do not need as many people to maintain the integrations. There has been a reduction in costs there; when it comes to FTEs, it’s been cut in half.”

The education services organization pointed to SnapLogic’s preconfigured Snaps or connectors as a key factor in reducing integration maintenance. The platform contains more than 500 Snaps that are maintained with the most recent application updates. The director of engineering and architecture shared: “We really appreciate all of the different varieties of connectors available from SnapLogic. We can access Snaps for SaaS [software-as-a-service] providers that are heavily used across the industry. So now we have ready-made connectors and configuring them is very easy.”

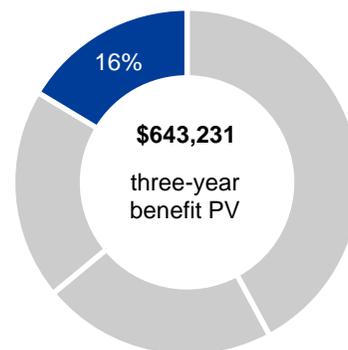
For the composite organization, Forrester assumes that:

- › Over two years, the organization gradually replaces legacy hand-coded integrations with SnapLogic, reducing the number of IT FTEs devoted to maintenance by three.
- › The fully loaded annual salary of a data engineer is \$120,000.

The reduction in maintenance costs will vary with:

- › The number of data engineers dedicated to integration maintenance.
- › The timetable for replicating legacy integrations with SnapLogic.

To account for these risks, Forrester adjusted this benefit downward by 5%, yielding a three-year risk adjusted total PV of \$643,231.



Reduction in maintenance costs: 16% of total benefits

“There has been a huge improvement in how we work across the lifetime of an integration. I do not need as many people to maintain the integrations. There has been a reduction in costs there; when it comes to FTEs, it’s been cut in half.”

Manager of data integration services, retail



Reduction In Maintenance Costs: Calculation Table

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3
D1	Number of data engineer FTEs saved		1	3	3
D2	Average FTE cost		\$120,000	\$120,000	\$120,000
Dt	Reduction in maintenance costs	D1*D2	\$120,000	\$360,000	\$360,000
	Risk adjustment	↓5%			
Dtr	Reduction in maintenance costs (risk-adjusted)		\$114,000	\$342,000	\$342,000

Unquantified Benefits

In addition to the benefits outlined above, the interviewed executives shared other benefits that did not have specific financial implications. Specifically, the companies benefited in the following ways:

- › **Avoided a mismatch of infrastructure investments and business integration demands.** The manager of data integration services said: “Alternative solutions required a more significant or in some cases a really significant initial investment in hardware and a subsequent expansion. The way that we would be expanding our infrastructure would not be going hand in hand with the actual demand that we would receive from business. The flexibility built into the SnapLogic solution allowed us a moderate or lower our hardware investment so that it would be connected to the adoption rate of the platform.”
- › **Increased confidence in integration flows.** The director of engineering and architecture shared: “We are very confident in our data integrations because we put a lot of monitoring and tracking into the data flows. Our main database is SOC-compliant, and we have financial reports going out of it; we must ensure that everything is auditable, everything is logged, and we have access control policies in place. So I would say we are much more confident now than we were in our prior solution.”



SnapLogic is designed to be deployed in cloud, hybrid, and on-premises environments.

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 SnapLogic and later realize additional uses and business opportunities, including:

- › **Continuing the digital transformation process.** By deploying a cloud-based integration solution, such as SnapLogic, organizations are well-positioned because they have large libraries of connectors to SaaS applications. The manager of data integrations said, “Investing in SaaS solutions adds a lot to our flexibility, and it’s the only way to go for a company that has a multinational presence.”
- › **Improved data velocity, which enables future business initiatives.** The director of engineering and architecture shared: “The higher velocity of the data we have today will help us to uncover insights that are hidden within data sets. We can undertake profitability analysis on new activities in different products to identify potential revenues, as well as bottlenecks or wastes in terms of resources. These types of insights ultimately lead to improved ROI.”

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

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.

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	SnapLogic subscription fees	\$0	\$198,000	\$198,000	\$198,000	\$594,000	\$492,397
Ftr	Implementation and ongoing costs	\$151,800	\$5,280	\$5,280	\$5,280	\$167,640	\$164,931
	Total costs (risk-adjusted)	\$151,800	\$203,280	\$203,280	\$203,280	\$761,640	\$657,328

SnapLogic Subscription Fees

The composite organization incurs software subscription fees for the SnapLogic integration platform. The enterprise-level annual recurring subscription fees total \$100,000 and include Core Snaps Packs (96+ Snaps), Database Snap Packs (16 Snaps), and access to free Community Snap Packs.

The composite organization purchases additional enterprise capabilities on an a-la-carte basis, totaling \$80,000. These include premium Snap Packs and API Management that the organization uses to expand its integration capabilities.

SnapLogic's subscription fees include professional services.

Subscription fees will vary depending upon the integration needs of each organization. To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year risk-adjusted total PV of \$492,397.

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 \$657,328.

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.

SnapLogic Subscription Fees: Calculation Table

REF.	METRIC	CALC.	INITIAL	YEAR 1	YEAR 2	YEAR 3
E1	Enterprise subscription fees			\$100,000	\$100,000	\$100,000
E2	Add-ons for premium Snap Packs and API Management			\$80,000	\$80,000	\$80,000
Et	SnapLogic subscription fees	E1+E2	\$0	\$180,000	\$180,000	\$180,000
	Risk adjustment	↑10%				
Etr	SnapLogic subscription fees (risk-adjusted)		\$0	\$198,000	\$198,000	\$198,000

Implementation And Ongoing Costs

Interviewed organizations described the SnapLogic implementation as a relatively quick process that required:

- › Involvement from several FTEs, including enterprise architects, developers, representatives of the business units, and IT leadership, to match the requirements from business with the capabilities offered by SnapLogic.
- › An initial investment in servers, including setup, and ongoing maintenance fees.

Each interviewee's planning and implementation period was unique, varied from one and a half to three months, and involved between six and eight FTEs.

For the composite organization, Forrester assumes that:

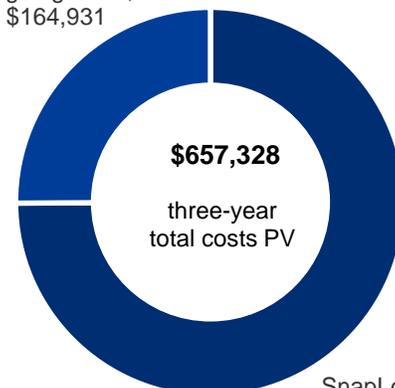
- › Eight FTEs, including enterprise architects, developers, and business stakeholders, are involved in the planning and implementation, which lasts three months.
- › Infrastructure investments for the hybrid deployment total \$24,000 with an additional \$6,000 of internal costs to set up the servers. Ongoing maintenance of the infrastructure is \$4,800 per year.

The cost of the implementation will vary based on:

- › The environment in which SnapLogic is being deployed.
- › The number and salaries of the FTEs dedicated to the planning and implementation.

To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year risk-adjusted total PV of \$164,931.

Implementation and ongoing costs, \$164,931



SnapLogic subscription fees, \$492,397

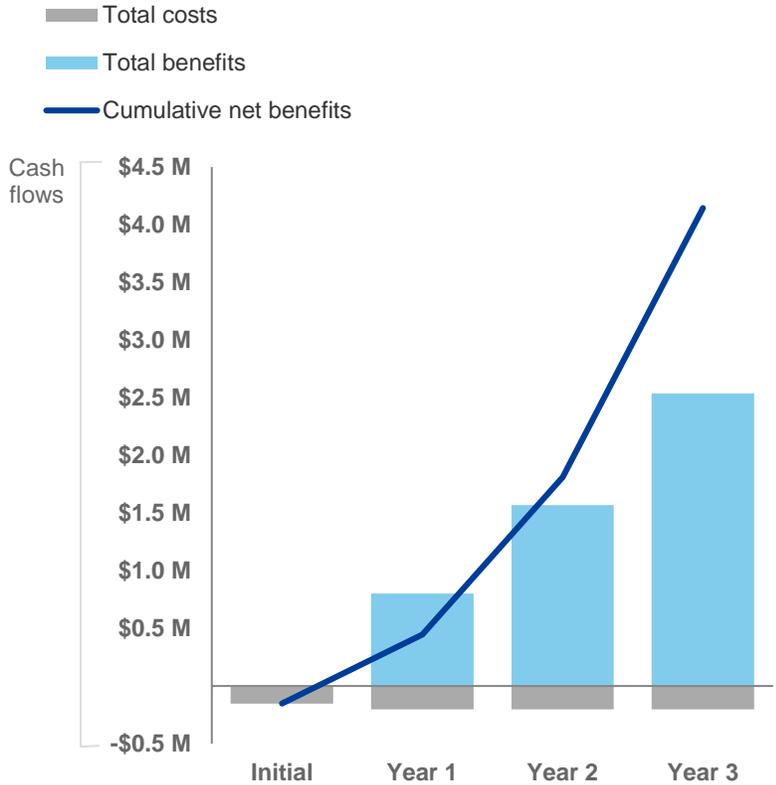
Implementation And Ongoing Costs: Calculation Table

REF.	METRIC	CALC.	INITIAL	YEAR 1	YEAR 2	YEAR 3
F1	Number of stakeholders (FTEs)	8 people*45% (percent of time focused on implementation)	3.6			
F2	Implementation phase (% of year)		25%			
F3	Average fully burdened salary		\$120,000			
F4	Infrastructure (servers)		\$24,000	\$24,000	\$24,000	\$24,000
F5	Internal cost to set up servers		\$6,000			
F6	Maintenance fees for infrastructure	F4*20%		\$4,800	\$4,800	\$4,800
Ft	Implementation and ongoing costs	(F1*F2*F3)+F4+F5+F6	\$138,000	\$4,800	\$4,800	\$4,800
	Risk adjustment	↑10%				
Ftr	Implementation and ongoing costs (risk-adjusted)		\$151,800	\$5,280	\$5,280	\$5,280

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.

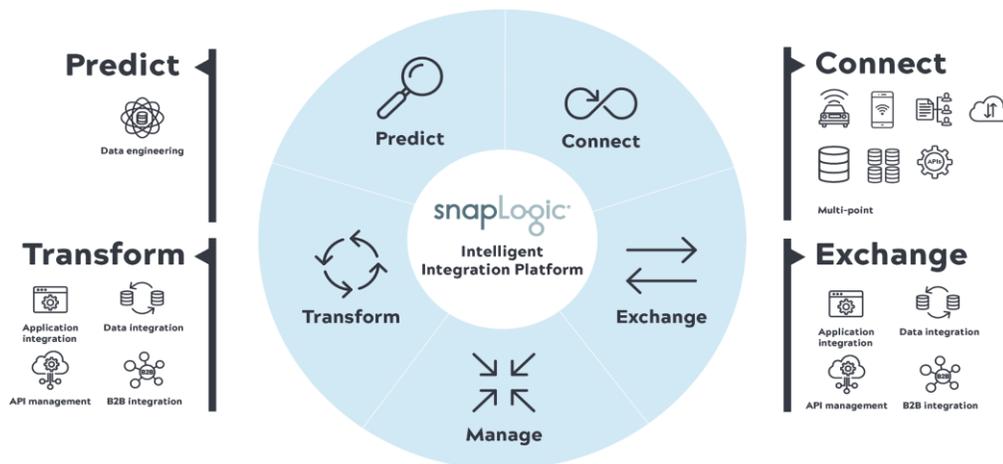
Cash Flow Table (Risk-Adjusted)

	INITIAL	YEAR 1	YEAR 2	YEAR 3	TOTAL	PRESENT VALUE
Total costs	(\$151,800)	(\$203,280)	(\$203,280)	(\$203,280)	(\$761,640)	(\$657,328)
Total benefits	\$0	\$800,692	\$1,569,781	\$2,535,869	\$4,906,342	\$3,930,478
Net benefits	(\$151,800)	\$597,412	\$1,366,501	\$2,332,589	\$4,144,702	\$3,273,150
ROI						498%
Payback period						<6 months

SnapLogic Integration Platform: Overview

The following information is provided by SnapLogic. Forrester has not validated any claims and does not endorse SnapLogic or its offerings.

Finally, enterprise integration made simple.



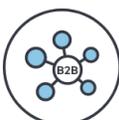
The SnapLogic Intelligent Integration Platform (IIP) is a self-service, AI-powered platform that integrates data from any source, in any environment, and at any speed — all at scale. With one unified platform, IIP is the foundation for an ever-growing suite of product extensions aimed at solving unique integration challenges, like:



Application & Data Integration: Connecting endpoints is as easy as drag and drop. More than 500 Snaps connect with ERP, CRM, HCM, Hadoop, Spark, analytics, identity management, social media, online storage, relational, columnar, and key-value databases and technologies such as XML, JSON, OAuth, SOAP, and REST.



API Management: SnapLogic API Management (APIM) provides a seamless, end-to-end solution for achieving lifecycle API management. It enables you to build a rich digital ecosystem and accelerate connectivity across channels and partners.



B2B Integration: SnapLogic helps modernize your B2B integrations to support the high volume of EDI transactions from your trading partner ecosystem. The IIP integrates with a cloud-based B2B gateway to offer partner management, out-of-the-box EDI document support, and EDI translation. These prebuilt integrations with a B2B gateway enable you to both push and ingest EDI documents to trading partners.



Big Data: SnapLogic eXtreme takes on big data integrations, letting enterprise business and IT professionals easily process large amounts of data and perform complex transformations — without requiring the specialized skills typically necessary for data integration and management. You can now reduce the time and effort it takes to support business goals and use data as a strategic asset.



Data Engineering: SnapLogic Data Science offers a self-service alternative to machine learning that accelerates and increases the success of your ML projects. Now, data engineers and scientists, DevOps, and anyone else in the ML lifecycle can take a visual drag-and-drop approach to collecting data, developing and then deploying ML models.



Enterprise Automation: The IIP delivers an integration-platform-as-a-service (iPaaS) solution that is supercharged with automation and that empowers you to reduce friction in your process flows. The data needed for applications flows smoothly and quickly, from one stage to another, as you define it.

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.