

A Forrester Total Economic Impact™  
Study Commissioned By Google  
February 2020

# The Total Economic Impact™ Of Google Workspace

Cost Savings And Business Benefits  
Enabled By Google Workspace For  
Midmarket Businesses - Everything you  
need to get work done in one place.

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## ABOUT FORRESTER CONSULTING

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## Executive Summary

Google commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) midmarket organizations may realize by deploying Google Workspace.<sup>1</sup> The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of Google Workspace on their organizations.

Google Workspace offers a set of work applications to enhance the way employees interact with each other and the broader business ecosystem. To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed four midmarket customers with experience using Google Workspace.

**Midmarket organizations face a different set of challenges than larger enterprises or smaller businesses.** Midmarket organizations, which are often too large for niche solutions but too small to justify enterprise-scale tools, find themselves forced into using tools and services that are not specifically designed or tailored to their needs. Some common differences for midmarket organizations include:

- › Under-resourced IT teams (often offset by outsourcing parts of IT to partners or third-party vendors).
- › Difficulty recruiting and retaining talent.
- › Faster/easier adoption and change management.
- › More cost sensitive.
- › Less sophisticated security tools.

Additionally, some midmarket organizations do not intend to stay stuck using cumbersome or unwieldy tools for long, looking instead to boast their extremely high year-over-year (YoY) growth in both revenue and number of employees. High growth rates can compound the challenges highlighted above by adding the requirement to efficiently onboard new workers and scale up bandwidth to accommodate not only the new users but also the new data, applications, and tools that accompany organizational growth and acquisitions.

**Prior to using Google Workspace, the interviewed organizations used a mix of on-premises and cloud collaboration tools.** Organizations used cloud tools for specific point solutions like chat, data storage, and video conferencing, while hosting core applications like email on-premises. These organizations reported that their previous solutions were slow, out of date, difficult to manage, and were beginning to hinder productivity and collaboration within the business units. Additionally, security leaders recognized the need to consolidate services into a central platform to improve organizational security and control over data.

The interviewed organizations decided to deploy Google Workspace due to its cloud-native platform with built-in security, offering cutting-edge email and collaboration tools while enabling future digital transformation initiatives throughout the business. This resulted in significant benefits, as detailed in this case study. With Google Workspace, organizations were able to improve security, reduce costs, boost revenue, and improve both end user and IT productivity.

### Key Benefits



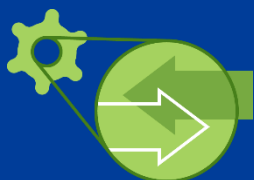
Additional bottom-line profit driven by Google Workspace:  
**\$933,349**



Increased end user and IT productivity:  
**\$3,876,373**



Improved security savings:  
**\$589,898**



CapEx and OpEx savings:  
**\$945,957**

**Forrester developed a composite organization based on data gathered from the customer interviews** to reflect the total economic impact that Google Workspace could have on an organization. The composite organization is representative of the organizations that Forrester interviewed and is used to present the aggregate financial analysis in this study. The composite organization in this study is:

- › Based in the US with \$120M in annual revenue and 800 employees.
- › Showing 20% YoY revenue growth and 10% YoY employee growth.

All values are reported in risk-adjusted three-year present value (PV) unless otherwise indicated.

## Key Financial Findings

**Quantified benefits.** The following risk-adjusted present value (PV) benefits are reflected by the financial analysis associated with the composite midmarket organization.

- › **Top-line revenue growth leading to \$933,439 in additional bottom-line profit through Google Workspace transformation.** Interviewed organizations noted that Google Workspace had a transformational impact to their business. Organizations embraced a culture of collaboration enabled by tools such as Google Drive and Hangouts Meet, facilitating real-time information transfer across the organization. At the same time, the ecosystem benefits of having a cloud-native IT infrastructure for email free up time for IT organizations to tackle bigger projects and contribute to top-line revenue growth.
- › **Increased employee efficiency and productivity totaling \$3.3 million.** Efficiency gains from Google Workspace's collaboration tools and features enhances employee productivity and streamlines workflows. Frictionless integration onto mobile phones affords employees the flexibility to work collaboratively from anywhere. Furthermore, Google Workspace's cloud-based, automated patching services and reduced downtime means that employees can be productive during regular system updates.
- › **IT productivity and efficiency gains totaling \$576,373.** Automated patching and updating of IT systems means that IT professionals are no longer required to oversee these processes. The intuitive user interface and search functions with Google Workspace and its familiarity to many users from personal accounts means that one IT professional can move off of maintenance to focus on adding value to the business. Additionally, IT teams benefit from improved internal audit and reporting processes, which are made more efficient and easier to prepare through Google Workspace's platform.
- › **IT security efficiency gains totaling \$255,012.** Interviewed organizations benefited from Google Workspace's built-in security features. Gmail's security features such as malware, spam, and phishing filters outperforms legacy spam filters in reducing malicious content delivered into user inboxes. Relevant alerts, flexible controls (allowing anyone on the team to handle any ticket), and clear audit logs all allowed the IT security team to reallocate one full-time employee to other, more valuable projects.

"Google is letting midmarket organizations have the kind of control over their data that previously only enterprises could have, and I think that's huge."

*Head of IT and security,  
non-profit*

"The two primary selling points of Google Workspace in my mind are: 1) what it lets you do with security for the cost and 2) the fact that it enables a huge amount of automation that would be much harder to pull off with a different solution."

*Head of IT and security,  
..*



**ROI**  
**449%**



**Benefits PV**  
**\$6.4 million**



**NPV**  
**\$5.2 million**



**Payback**  
**<6 months**

› **Reduced risk of data breach totaling \$334,886.** Interviewed organizations described a significant reduction in the likelihood of a data breach as a result of the Google Workspace ecosystem’s security features, compared to legacy systems. Organizations noted that without Google Workspace, they would be more susceptible to cybersecurity threats that could be detrimental to their business.

› **Reduced capex and opex totaling \$945,957 in bottom-line savings.** As organizations moved their IT infrastructure onto Google Workspace’s cloud-native platform, they realized significant savings on IT hardware. As Google Workspace’s product line outperforms legacy tools, interviewed organizations were able to sunset outdated software licenses and reduce overall costs. Organizations also saved money by reducing the amount of corporate travel required as a result of more effective collaboration tools.

**Unquantified benefits.** The interviewed organizations experienced additional qualitative benefits. These are not quantified in the financial analysis, but were mentioned as significant benefits by customers.

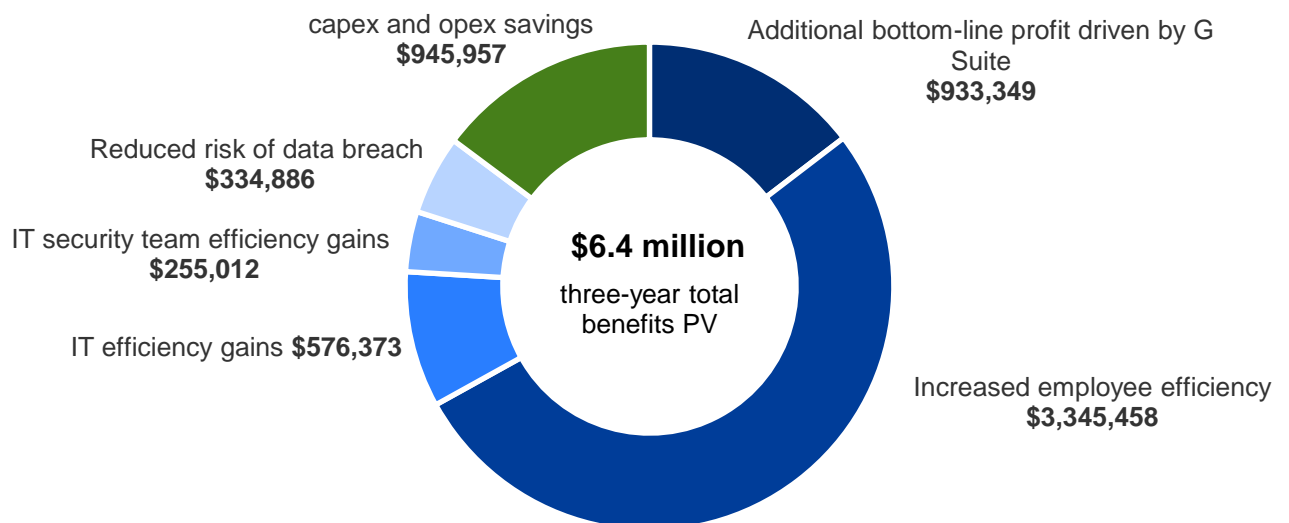
› **Automation helped interviewed organizations to efficiently scale processes and save employees’ time.** Google Workspace provides several built-in automation tools, which allow organizations to automate additional processes themselves. Examples include predictive text on Gmail, automated chatroom creation for IT incident response, and automated onboarding to quickly integrate new hires or recent acquisitions.

**Costs.** The following costs reflect the financial analysis associated with the composite organization.

› **Per-user Google Workspace subscription totaling \$652,909.** Interviewed organizations noted subscription costs for Google Workspace at \$300 per user annually.

› **Implementation and ongoing support costs equating to \$512,195 over three years.** Interviewed organizations described internal implementation costs, training, ongoing support, and professional services.

Forrester’s interviews with four existing customers and subsequent financial analysis found that a composite organization experienced benefits of \$6.4M over three years versus costs of \$1,165,104, adding up to a net present value (NPV) of \$5.2M and an ROI of 449%.



## 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 Google Workspace.

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 Google Workspace can have on an organization:

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



### **DUE DILIGENCE**

Interviewed Google stakeholders and Forrester analysts to gather data relative to Google Workspace.



### **CUSTOMER INTERVIEWS**

Interviewed four organizations using Google Workspace 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 Google Workspace'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 Google 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 Google Workspace.

Google 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.

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

In February 2020, Google Workspace commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) mid-market organizations may realize by deploying and adopting Google Workspace. The benefits and costs shown in this study are based on interviews with midmarket Google Workspace customers in 2019 when the solution was formerly known as G Suite. While the costs and benefits represented in this study are still relevant, since Google Workspace's release in October 2020 new features and functionality may have been added and we encourage all readers to connect with your Google representative for additional details.

# The Google Workspace Customer Journey

## BEFORE AND AFTER THE GOOGLE WORKSPACE INVESTMENT

### Interviewed Organizations

For this study, Forrester conducted four interviews with midmarket Google Workspace customers. Interviewed customers include the following:

| INDUSTRY            | REGION        | INTERVIEWEE                   | GOOGLE WORKSPACE USERS |
|---------------------|---------------|-------------------------------|------------------------|
| Software            | North America | Director of IT Infrastructure | 1,300                  |
| Property management | North America | IT architect                  | 400                    |
| Food and beverage   | North America | Chief information officer     | 3,900                  |
| Non-profit          | North America | Head of IT and security       | 400–600 (seasonal)     |

### Key Challenges Before Google Workspace

Before the investment in Google Workspace, midmarket interviewees described the following challenges with their previous solution:

- › **Inadequate tools for business users and IT teams.** As interviewed organizations grew, outdated legacy systems hindered business performance, delayed onboarding, and prevented effective collaboration throughout the business. A CIO in the food industry stated: “With our previous email and collaboration system, it was hard to figure out how to work. It wasn’t necessarily intuitive, sharing documents was cumbersome, and after about a year we decided it was time to look for something better.” And a director of IT in the property management industry offered the IT perspective, “Previously, we would have file shares everywhere, and you had to set up complicated scripts and VPNs and various other things so people’s laptops could connect to the shared space. You had to deal with file synchronization issues, reversion control, and all sorts of stuff. It was just constant.”
- › **Organizational security and data controls need improvement.** The liability associated with failing to protect sensitive data can be detrimental to an organization, making a centralized security ecosystem a top priority for interviewed organizations. Previous security systems and tools were inadequate and not well coordinated, exposing the organizations to unnecessary risk and generating manual, time-consuming labor for the IT security team. A head of IT and security at a non-profit explained: “I was part of a small crew that was looking at our security posture and found that it was a mess. There were definite security concerns. We needed to centralize our security, we needed to bring our data back under our control.” While a director of IT infrastructure at a software company simply said, “Security was a major driver for the investment.”

“With our previous email and collaboration system, it was hard to figure out how to work. It wasn’t necessarily intuitive, sharing documents was cumbersome, and after about a year we decided it was time to look for something better.”

*CIO, food and beverage*



“Google’s tools are just best in class . . . Google’s ability to deal with spam, to turn up and down security features. The DLP monitoring on email is just so good.”

*IT architect, property management*



- › **High costs of operating and maintaining legacy IT infrastructure and data storage systems.** Legacy on-premises IT infrastructure cost interviewed organizations a significant amount of their IT budget and compute power while leaving organizations at risk of crashes, downtime related to updates and patching, and other issues associated with on-premises architecture. These challenges were compounded for high-growth organizations that are rapidly expanding the number of users and amount of data on their networks. A CIO in the food and beverage industry said: “Email was two-thirds of our storage requirement for our entire enterprise system, far outweighing our ERP. [The] bottom line was that we knew it was taking up too many resources and we just wanted to get it off our system and in the cloud.”

“Email was two-thirds of our storage requirement for our entire enterprise system, far outweighing our ERP. [The] bottom line was that we knew it was taking up too many resources and we just wanted to get it off our system and in the cloud.”

*CIO, food and beverage*



## Why Google Workspace?

Interviewed midmarket organizations stated the following reasons on why they chose Google Workspace to address their challenges:

- › **Investing in Google Workspace represents a bold transformation by providing cutting-edge collaboration tools to transform the way employees work.** Growing organizations wanted to signal to employees that they were investing in the tools and resources that employees need to get work done. An integrated collaboration platform that was both easy to use and emphasized flexibility was a key requirement for this transformation. When coordinating between multiple stakeholders across multiple regions in a business environment, where instantaneous communication is increasingly the norm, the real-time collaboration tools included with Google Workspace Enterprise provided edge midmarket organizations with what they required to remain competitive. The director of IT infrastructure at a software company illustrates the value that Google Workspace provides: “Google Docs and the other Google apps we use for collaborating, all of the products within the Google Workspace set of tools, are just huge for our business. They are big, big contributors to our efficiency.”
- › **Google Workspace has built-in security and data controls.** As cyberthreats continue to evolve, organizations wanted a holistic package designed to reduce security risks across all business processes and to protect sensitive data rather than relying on multiple platforms or outdated legacy systems. A director of IT infrastructure at a software company said: “We’re very bullish on Google security, and we’re deploying their products out of the box. Our security team really loves it. We love the built-in [features]. We love all the security you get from Google Workspace management. It even extends to the Pixelbooks and Chrome so our whole ecosystem is protected.”

“Google Workspace will pay for itself in terms of all the collaboration tools that we get. The ability for people to work together and solve problems together with Google is worth it, in of itself.”

*Director of IT Infrastructure,*



“We converted one of our accounting teams over to Google Sheets completely. They have been on it for weeks now and we have had zero help requests, no requests for training, no requests for anything.”

*IT architect, property management*





- › **Cloud-native platform reduces maintenance effort and enables IT teams to drive value for the business.** Google Workspace’s intuitive admin interface and its focus on user experience means that organizations can quickly onboard new users to the platform without large technical undertakings. This is a significant value add for high-growth organizations and ones with smaller IT departments. The IT architect at a property management firm remarked on the impact of the freed time Google Workspace afforded their company: “What we found with Google Workspace is, not only did we save all of this time through a central management platform, there are certain tasks that we never have to work on again, which has freed up time to take on bigger challenges, more productive challenges that drive value for our business.”
- › **Centralization and control of data in Google Drive.** As midmarket organizations grow, retaining control over their data is crucial to informing strategic business decisions and maintaining a strong security posture. One head of IT and security at a non-profit said, “Google is letting midmarkets have the kind of control over their data that previously only enterprises could have, and I think that’s huge.”

## Key Results With Google Workspace

The interviews revealed that the investment in Google Workspace addressed the challenges interviewees were facing and provided additional benefits:

- › **Additional bottom-line profit driven by Google Workspace.** Interviewed organizations found that the benefits they realized from deploying Google Workspace improved and compounded as users became more comfortable with the tools and began embracing a new style of working. Efficiency gains for the IT team freed up resources to focus on solving inefficiencies, automating processes, and tackling projects that were otherwise sidelined due to a lack of resources. Meanwhile, end users now have more time to focus on driving revenue rather than fighting with inefficient or outdated tools. An IT architect at a property management firm commented on the impact that Google Workspace has had on his employees, stating: “What we have found is Google Workspace makes working so much easier with so much less friction that we actually found people were working too much. We had to tell people on my team, ‘do not work outside of business hours,’ like stop it, because it’s just too easy.”
- › **Frictionless collaboration tools improved end user and IT productivity.** Google’s collaboration tools, such as real-time collaboration in documents, Hangouts Meet for chat and video conferencing, and Drive for document storage and sharing, enabled enhanced productivity and flexibility for end users. The director of IT infrastructure at a software company claims: “Google Workspace will pay for itself in terms of the collaboration tools that we get. The ability for people to work together and solve problems together with Google is worth it, in and of itself.”

“What we found with Google Workspace is, not only did we save all of this time through a central management platform, there are certain tasks that we never have to work on again, which has freed up time to take on bigger challenges, more productive challenges that drive value for our business.”

*IT architect, property*



“Google is letting midmarket organizations have the kind of control over their data that previously only enterprises could have, and I think that’s huge.”

*Head of IT and security, non-profit*



Google Workspace's simple, intuitive administration tools reduced the IT overhead required to run organizations' IT processes through automated patching and updating, fewer IT tickets being sent in by users, and improved IT system visibility, which helps save time during audits. The head of the IT and security team at a non-profit commented on their team's experience: "We're now two people doing all of the IT work. I will say I don't think it would be possible for us to do the amount of work that we do with just two people if it wasn't for some of the tools that Google gives us."

- › **Improved security and protection against attacks.** Organizations were able to centralize data security controls with Google Workspace, allowing IT security teams to operate more efficiently. The director of IT infrastructure at a software company speaks to the improved productivity experienced by their IT security team: "The security logging, auditing, and reporting that's available in Google Workspace Enterprise is really extensive. Our entire security department logs themselves in and pulls their own reports, and they also have other tools that they use with the Google Workspace API in order to collect raw logged data from Google events and to get a full picture of what's happening in our organization. That's really super helpful there."

Regarding the security that Google Workspace email provides, one IT architect in the property management industry said "Google's tools are just best in class . . . Google's ability to deal with spam, to turn up and down security features. The BLP monitoring on email is just so good."

- › **Capex and opex savings.** Interviewed organizations were able to sunset software that Google Workspace's product suite rendered redundant, saving money on subscription costs across a range of tools including but not limited to: video chat solutions, spam filters, data storage solutions, and security tools.

Google Workspace's cloud-native architecture allowed interviewed organizations to reduce capital IT expenditures by eliminating the need to purchase hardware for their email and collaboration tools, shifting costs away from large capital investments towards a more predictable monthly operating expenditure model. One IT architect at a property management firm said: "Thinking back to how many IT guys it took to operate a non-Google Workspace shop versus a Google Workspace shop, I would guess that a 6:1 ratio is probably in the right ballpark. Your total costs are going to drop by probably 80% to 90% for the whole system."

## Composite Organization

Based on the interviews, Forrester constructed a TEI framework, a composite company, and an associated ROI analysis that illustrates the areas financially affected. The composite organization is representative of the four 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:

"People live in Google Workspace. Everyone uses it every day. It's probably their primary tool for everything that they're doing, from engineers to sales, to IT to marketing. It's one app that's ubiquitous."

*Director of IT Infrastructure, software*



"I'm 100% sure our risk of a data breach has gone down. I can say that I am certain that the staff who put everything in Google and are pure Google workers are significantly more secure than they were on our old system. And staff who are on Chromebooks, I don't even worry about them that much."

*Head of IT and security, non-profit*



"We're happy Google Workspace customers. We're expanding our use of Google products because we've been so happy with it. We're a success story with Google for sure."

*Director of IT Infrastructure, software*



**Description of composite.** The growing midmarket organization based in North America employs 800 people with a 20% YoY revenue growth rate and a 10% YoY employee growth rate. Before its adoption of Google Workspace, the composite organization relied on on-premises storage for email services and subscribed to several cloud software-as-a-service (SaaS) solutions for video conferencing, chat, and data storage. Security systems were outdated, with poor data controls and decentralized platforms. A third-party spam filter was also being used as part of the business' cybersecurity portfolio. Onboarding new employees was a largely manual process during this time.

**Deployment characteristics.** The composite organization pursued an 85% adoption rate of Google Workspace in Year 1, while sunsetting several legacy platforms and cloud-based, SaaS subscriptions. By Year 2, the organization had achieved a 100% adoption rate and continued to sunset redundant software licenses when contracts expire. The firm continues to grow quickly through organic growth and acquisitions and fully integrates newly acquired organizations into its Google Workspace ecosystem.



### Key assumptions:

- \$120M revenue
- 20% revenue growth
- 800 employees
- 10% employee growth

# 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            | Additional bottom-line profit driven by Google Workspace | \$244,800   | \$388,800   | \$518,400   | \$1,152,000 | \$933,349     |
| Btr            | Increased employee efficiency                            | \$915,205   | \$1,394,032 | \$1,811,971 | \$4,121,208 | \$3,345,458   |
| Ctr            | IT efficiency gains                                      | \$231,768   | \$231,768   | \$231,768   | \$695,304   | \$576,373     |
| Dtr            | IT security team efficiency gains                        | \$102,544   | \$102,544   | \$102,544   | \$307,632   | \$255,012     |
| Etr            | Reduced risk of data breach                              | \$134,663   | \$134,663   | \$134,663   | \$403,988   | \$334,886     |
| Ftr            | Capex and opex savings                                   | \$252,480   | \$390,720   | \$523,776   | \$1,166,976 | \$945,957     |
|                | Total benefits (risk-adjusted)                           | \$1,881,460 | \$2,642,527 | \$3,323,121 | \$7,847,108 | \$6,391,035   |

## Additional Bottom-Line Profit Driven By Google Workspace

Adopting Google Workspace for the interviewed midmarket organizations represented a fundamental shift in work processes. Google Workspace enabled easy communication and collaboration across the business and for IT teams, it also significantly reduced the amount of work associated with maintenance, onboarding, and security tasks. A key result of these efficiency gains was the ability to reallocate IT workers to form a team tasked specifically with improving business processes, automating remedial tasks, and solving problems across business units.

Business users also experienced time savings related to Google Workspace's email and collaboration tools and were able to reallocate that time to focus on building stronger client relationships, driving additional revenue, and undertaking their own strategic projects that were otherwise stalled or stuck on a wish list.

The ability for organizations to complete these projects, streamline processes, and improve the experience for their customers and employees ultimately drives additional revenue. As organizations continue to evolve and grow with Google Workspace, the effects of these projects begin to compound as more workers are onboarded and exposed to the newly streamlined environment.

Based on the customer interviews, Forrester estimates for the composite organization:

- › Total expected revenue in Year 1 with the legacy solution is \$120 million with a 20% growth rate YoY.
- › Google Workspace drove an additional 2% growth in Year 1, compounding to 2.25% in Year 2 and 2.5% in Year 3.
- › Profit margin is 15%.

This benefit can vary due to uncertainty related to:

- › Growth in revenue attributed to the Google Workspace transformation and initiatives enabled by moving to Google Workspace.

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 have a PV of \$6.4 million.



**Annual bottom-line revenue growth is between 2% and 2.5% in the first three years with Google Workspace.**

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.

- › Adoption rate.
- › Profit margin.

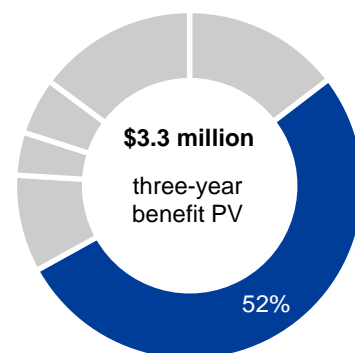
To account for these risks, Forrester adjusted this benefit downward by 20%, yielding an annual benefit ranging from \$244,000 to \$518,800, with a three-year, risk-adjusted total PV of \$933,349.

| Additional Bottom-Line Profit Driven By Google Workspace: Calculation Table |  |                        |               |               |               |
|---|--|------------------------|---------------|---------------|---------------|
| REF.  | METRIC   | CALC.                  | YEAR 1        | YEAR 2        | YEAR 3        |
| A1  | Annual top-line revenue — legacy                         | 20% YoY growth         | \$120,000,000 | \$144,000,000 | \$172,800,000 |
| A2  | Google Workspace adoption rate                           | Composite organization | 85%           | 100%          | 100%          |
| A3  | Additional growth in revenue due to Google Workspace     | Composite organization | 2.0%          | 2.25%         | 2.50%         |
| A4  | Additional revenue — Google Workspace                    | $A1 * A2 * A3$         | \$2,040,000   | \$3,240,000   | \$4,320,000   |
| A5  | Profit margin  | Composite organization | 15%           | 15%           | 15%           |
| At  | Additional bottom-line profit driven by Google Workspace | $A4 * A5$              | \$306,000     | \$486,000     | \$648,000     |
|   | Risk adjustment  | ↓20%                   |               |               |               |

## Increased Employee Efficiency

Interviewed organizations described the following benefits related to employee efficiency:

- › Real-time editing and collaboration on documents, spreadsheets, and slide decks was the top efficiency benefit that interviewed organizations identified. Legacy systems lacked this capability altogether. Other email and collaboration tools, which organizations explored, claimed to have this ability, but upon testing they fell short of the seamless performance offered by Google Workspace. Organizations were able to identify specific projects and tasks that have seen significant efficiency gains due to Google Workspace, such as: 1) being able to prepare a monthly internal strategy document with inputs from over 30 different people or 2) collaborating on a slide deck in real time, rather than sending revisions back and forth. A director of IT infrastructure in the software industry said: “We use the collaboration function in Google Docs to track and record a lot of our main corporate goals. Every decision maker in the company is collaborating on a single worksheet that has a huge amount of information about our goals and our progress and what’s happening in the company. In order to do this with some other software, you’d have to have a dedicated person to manage that worksheet.”



Increased employee efficiency: 52% of total benefits

- › **Google Drive is another tool that organizations identified as driving efficiency across teams.** Real-time access to company or team data from any device and location sped up delivery timelines and allowed executives and managers to add comments and feedback, staying connected to their teams while on the go. One organization used a Drive folder as the central location to manage a multimillion dollar construction project, granting access to consultants, project managers, construction crews, subcontractors, engineers, and facility managers to ensure that everyone was always in the loop and had the latest information about the project. A CIO in the food and beverage industry explained: “He [the project manager] was taking pictures of the site and recording observations and sharing everything with the team through his mobile device. It’s going to streamline the project tremendously, but more importantly, it’s going to minimize misconceptions and misunderstandings. He said it has already improved communication tremendously for all the parties involved.”
- › **Mobile workers see even more benefits.** For mobile workers, like the construction project manager mentioned above, real-time collaboration and access to data was not possible with legacy systems so these capabilities represent a significant improvement to the way that they work, and allow them to feel more connected to the entire business ecosystem.

Based on the customer interviews, Forrester estimates for the composite organization:

- › Eight hundred (800) employees in Year 1, with a growth rate of 10% YoY.
- › Eighty percent (80%) of all employees are in highly collaborative roles.
- › Ten percent (10%) of all employees are highly mobile, spending one or fewer days per week in the office (these employees are not included in the “highly collaborative” category).
- › The adoption rate for Google Workspace is 85% in Year 1, climbing to 100% in Year 2.
- › Productivity gains increase YoY as the size of the ecosystem grows, and as employees grow more familiar and proficient with Google Workspace and its tools.
- › Average hourly fully burdened salary is \$35 across the organization.
- › Employees allocate 40% of the time saved to value-added tasks.

This benefit can vary due to uncertainty related to:

- › The number of employees and their roles.
- › Adoption rate.
- › Improvements in productivity.
- › The productivity capture of time saved for employees.

To account for these risks, Forrester adjusted this benefit downward by 15%, yielding an annual benefit ranging from \$915,205 to \$1.8 million, with a three-year, risk-adjusted total PV of \$3.3 million.

“Google Workspace is great for enabling people to work mobile and remote. I use my phone and I know lots of people in my team, and other teams, use their phones for Google Meet, for Google Docs, and definitely for mail. We’re not going to build and generate a large document on your phone because, who would want to do that? But making changes, updates, and real-time collaboration can all be done on the phone. It all works great.”

*Director of IT Infrastructure, software*



“We’re able to build Sheets in real time to build these models, the whole team participating all around the country. And it’s so fast, the ground you can cover, because you don’t have to go back and forth on revisions, you don’t have the traditional: I’ll do my part, then you have to look at it, interpret it, decide what you think, [and] send it back to me.”

*Director of IT, property management*

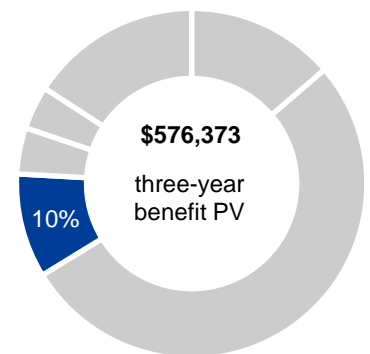


## Increased Employee Efficiency: Calculation Table

| REF.       | METRIC   | CALC.   | YEAR 1        | YEAR 2         | YEAR 3         |
|------------|--|---|---------------|----------------|----------------|
| B1         | Total number of employees  | Composite organization                        | 800           | 880            | 968            |
| B2         | Percent highly collaborative workers   | Composite organization                        | 80%           | 80%            | 80%            |
| B3         | Percent highly mobile workers  | Composite organization                        | 10%           | 10%            | 10%            |
| B4         | Google Workspace adoption rate   | A2  | 85%           | 100%           | 100%           |
| B5         | Time saved for highly collaborative workers: real-time collaboration & mobility (weekly hours)         | Composite organization                        | 1.75          | 2.00           | 2.25           |
| <b>B6</b>  | <b>Subtotal — highly collaborative workers: total real-time collaboration and mobility hours saved</b> | <b><math>((B1*B2-(B1*B3))*B4*B5*52</math></b> | <b>43,316</b> | <b>64,064</b>  | <b>79,279</b>  |
| B7         | Time saved for mobile workers: mobility & real-time collaboration benefit (hours/week)                 | Composite organization                        | 3.50          | 4.00           | 4.50           |
| <b>B8</b>  | <b>Subtotal — mobile workforce: total real-time collaboration and mobility hours saved</b>             | <b><math>B1*B3*B4*B7*52</math></b>            | <b>12,376</b> | <b>18,304</b>  | <b>22,651</b>  |
| B9         | Reduced number and duration of meetings, highly collaborative workers (weekly hours)                   | Composite organization                        | 0.50          | 0.65           | 0.75           |
| B10        | Improved availability and reduced downtime from updates, highly collaborative workers (weekly hours)   | Composite organization                        | 0.25          | 0.30           | 0.50           |
| <b>B11</b> | <b>Subtotal — highly collaborative workers: meeting efficiency and downtime reductions</b>             | <b><math>B1*B2*B4*(B9+B10)*52</math></b>      | <b>21,216</b> | <b>34,778</b>  | <b>50,336</b>  |
| B12        | Average salary, fully burdened (hourly)  | $(55K*1.35)/2,080$                            | \$35          | \$35           | \$35           |
| <b>B13</b> | <b>Total hours saved with Google Workspace</b>   | <b><math>B6+B8+B11</math></b>                 | <b>76,908</b> | <b>117,146</b> | <b>152,266</b> |
| B14        | Productivity capture   | Forrester assumption                          | 40%           | 40%            | 40%            |
| B15        | Total annual increased productive hours  | $B13*B14$                                     | 30,763        | 46,858         | 60,907         |
| Bt         | Increased employee efficiency  | $B15*B12$                                     | \$1,076,712   | \$1,640,038    | \$2,131,730    |
|            | Risk adjustment  | ↓15%  |               |                |                |
| Btr        | Increased employee efficiency (risk-adjusted)  |   | \$915,205     | \$1,394,032    | \$1,811,971    |

## IT Efficiency Gains

Interviewed organizations were able to significantly reduce the amount of maintenance effort associated with their email and collaboration tools by moving to Google Workspace. Eliminating on-premises infrastructure saves both time and money for the IT team, and the fact that Google Workspace's tools are all fully integrated and managed from a single admin console reduces complexity, improves visibility of the environment, and reduces the labor involved with maintenance, updates and patching activities, and troubleshooting issues.



IT efficiency gains: 10%  
of total benefits

- › **Google Workspace’s integrated platform reduces the time and effort associated with internal IT audits.** Before Google Workspace, most interviewed organizations tried to perform one annual audit on their IT stack, but even that cadence was challenging to meet. An IT manager in the property management industry explained: “With this ecosystem [Google Workspace], we can actually trivially do quarterly audits of our entire IT stack. At our scale, there are very few companies that I have seen that could even manage an annual audit. A big reason for that is because of Google’s integrations, everything is eventually hooked back into Google one way or the other.”
- › Automation also played a key role in realizing efficiency gains for the IT team. Organizations were able to automate processes across the business, including internal auditing and onboarding and provisioning. This benefit is further explored in the Unquantified Benefits section further below.

Based on the customer interviews, Forrester estimates for the composite organization:

- › The IT team was able to reallocate one FTE to focus on higher-value initiatives due to the reduced maintenance effort associated with Google Workspace.
- › The IT team was able to reallocate an additional FTE to focus on higher-value initiatives due to the reduced effort in auditing, report generation, and through efficiencies created by improved visibility and search functions.
- › On average, 280 hours are annually required for update and patching activities with the legacy solutions, which includes updates and testing efforts associated with periodic major updates. With Google Workspace, these activities are no longer necessary.
- › Fully burdened hourly salary for IT administrators is \$58.

This benefit can vary due to uncertainty related to:

- › Required maintenance efforts for email and collaboration tools.
- › Required effort for internal audits and reporting.
- › Required effort for updates and patching activities.
- › Fully burdened salary.

To account for these risks, Forrester adjusted this benefit downward by 10%, yielding an annual benefit ranging of \$231,768, with a three-year, risk-adjusted total PV of \$576,373.

“We’re now two people. I will say that I don’t think it would be possible for us to do the amount of work that we do with just two people if it wasn’t for some of the tools that Google gives us.”

*Head of IT and security,  
non-profit*



Two FTEs are reallocated to focus on tasks that add value and generate revenue for the business.



## IT Efficiency Gains: Calculation Table

| REF.      | METRIC   | CALC.                  | YEAR 1       | YEAR 2       | YEAR 3       |
|-----------|--|------------------------|--------------|--------------|--------------|
| C1        | Reduced maintenance effort for email & collaboration tools (FTE)                               | Composite organization | 1            | 1            | 1            |
| C2        | Internal audit & reporting, improved visibility, search and integrations, reduced effort (FTE) | Composite organization | 1            | 1            | 1            |
| <b>C3</b> | <b>Subtotal — IT efficiency gains (hours)</b>  | <b>(C1+C2)*2,080</b>   | <b>4,160</b> | <b>4,160</b> | <b>4,160</b> |
| C4        | Number of hours on update and patching activities  | Composite organization | 280          | 280          | 280          |
| C5        | IT administrator fully burdened salary (hourly)  | Composite organization | \$58         | \$58         | \$58         |
| Ct        | IT efficiency gains  | (C3+C4)*C5             | \$257,520    | \$257,520    | \$257,520    |
|           | Risk adjustment  | ↓10%                   |              |              |              |
| Ctr       | IT efficiency gains (risk-adjusted)  |                        | \$231,768    | \$231,768    | \$231,768    |

## IT Security Team Efficiency Gains

Google Workspace provides a host of native security tools and features that are all fully integrated and supported by the platform, eliminating the use of disconnected or bolt-on security solutions. Interviewed organizations noted that with Google Workspace, they were able to reduce the time and effort associated with IT security activities while still improving the overall security posture of their organization. A CIO in the food and beverage industry said: “There is much better visibility with Google’s admin console. Historically, if a person had an issue through email, it would take us hours to trace down the issue and resolve it. Now, we can do it within minutes.”

- › Interviewed organizations also noted that the simplicity of Google Workspace’s environment allows more junior IT staff to perform functions and resolve issues that would have been too complex in the legacy environment. A CIO in the food and beverage industry said: “Before, with the complexity of our previous solution, me and my senior admin were the only two people that knew what to do and where to go when there was an issue. Now, with Google Workspace, anyone on my team can do it. It’s much easier to manage and has freed up time for all of us.”

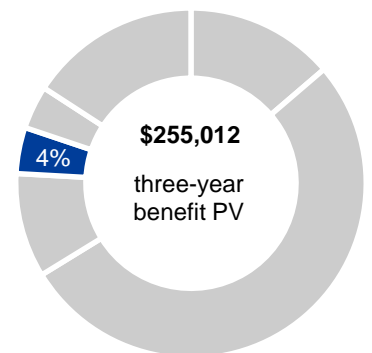
Based on the customer interviews, Forrester estimates for the composite organization:

- › The IT security team is able to reallocate one FTE to focus on higher-value tasks due to the efficiencies enabled by Google Workspace’s security tools.
- › Average fully burdened IT administrator salary is \$120,640, consistent with the \$58 per hour used above.

This benefit can vary due to uncertainty related to:

- › Efficiency gains related to IT security.
- › Annual fully burdened salary.

To account for these risks, Forrester adjusted this benefit downward by 15%, yielding an annual benefit ranging of \$102,544, with a three-year, risk-adjusted total PV of \$255,012.



IT security team efficiency gains: 4% of total benefits



Reallocate 1 FTE to focus on value-driving projects.

## IT Security Team Efficiency Gains: Calculation Table

| REF. | METRIC  | CALC.     | YEAR 1    | YEAR 2    | YEAR 3    |
|------|---|-----------|-----------|-----------|-----------|
| D1   | Efficiency from Google Workspace (clarity and relevance of alerts, ability for anyone on the team to handle any ticket, audit logs, better control) (FTE) | Composite | 1         | 1         | 1         |
| D2   | IT security admin fully burdened salary   | C5*2,080  | \$120,640 | \$120,640 | \$120,640 |
| Dt   | IT Security team efficiency gains   | D1*D2     | \$120,640 | \$120,640 | \$120,640 |
|      | Risk adjustment   | ↓15%      |           |           |           |
| Dtr  | IT Security team efficiency gains (risk-adjusted)   |           | \$102,544 | \$102,544 | \$102,544 |

## Reduced Risk Of Data Breach

A key driver for the investment in Google Workspace for interviewed organizations was the security improvements enabled by having a fully integrated security stack for collaboration tools and email at no additional cost. Organizations struggled with the previous security system and tools that were inadequate and not well coordinated, exposing them to unnecessary risk and generating manual, time-consuming labor for the IT security team. A head of IT and security at a non-profit said: “The real selling point for Google, for me, is that it has allowed us to gain better control over our data, which has allowed us to improve our security posture and gain visibility into where our data is going and what the staff are doing online. These were capabilities that we did not have before that are extremely important because we have been targeted by bad actors in the past.”

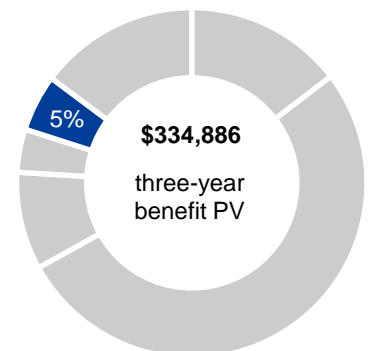
Organizations also noted that they were comforted by the fact that Google now managed all of their IT infrastructure related to email and collaboration tools, so their data was afforded the same protections as the rest of Google’s network, i.e., far better protection than the organizations could ever provide themselves.

Based on the customer interviews, Forrester estimates for the composite organization:

- › A large data breach for a midsized organization is defined as an incident involving 10,000 compromised records or more.
- › The average cost of a customer record data breach is \$150 per record.
- › The likelihood of a customer record data breach was 15% for the legacy IT environment annually. Seventy percent of this risk is attributed to the legacy email and collaboration environment, while 30% is attributed to the rest of the IT environment.
- › Google Workspace improves the security of the email and collaboration environment by 95% (the actual improvement may be higher depending on an organization’s specific IT environment and integrations into Google).

This benefit can vary due to uncertainty related to:

- › Number of customer records at risk.
- › Cost per record lost during a data breach incident.
- › Likelihood of a data breach incident.



Reduced risk of data breach: 5% of total benefits



Reduced risk of a data breach through email or collaboration tools by 95%.

To account for these risks, Forrester adjusted this benefit downward by 10%, yielding an annual benefit of \$149,625, with a three-year, risk-adjusted total PV of \$334,886.

| Reduced Risk Of Data Breach: Calculation Table |  |                        |             |             |             |
|--|--|------------------------|-------------|-------------|-------------|
| REF.   | METRIC   | CALC.                  | YEAR 1      | YEAR 2      | YEAR 3      |
| E1   | Number of records at risk for large data breach  | Composite organization | 10,000      | 10,000      | 10,000      |
| E2   | Cost per record  | Composite organization | \$150       | \$150       | \$150       |
| E3   | Cost per data breach   | E1*E2                  | \$1,500,000 | \$1,500,000 | \$1,500,000 |
| E4   | Likelihood of a data breach (70% attributed to legacy email and collaboration suite, 30% attributed to rest of IT environment) | Composite organization | 15%         | 15%         | 15%         |
| E5   | Expected value of data breach, legacy  | E3*E4                  | \$225,000   | \$225,000   | \$225,000   |
| E6   | Reduction in risk of data breach with Google Workspace   | Composite organization | 95%         | 95%         | 95%         |
| Et   | Reduced risk of data breach  | (E5*70%)*E6            | \$149,625   | \$149,625   | \$149,625   |
|  | Risk adjustment  | ↓10%                   |             |             |             |
| Etr  | Reduced risk of data breach (risk-adjusted)  |                        | \$134,663   | \$134,663   | \$134,663   |

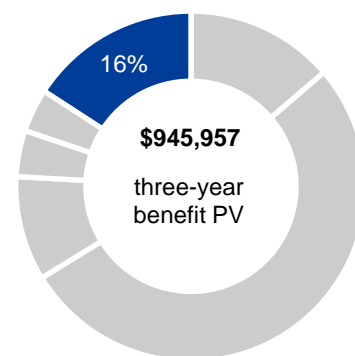
## Capex And Opex Savings

Interviewed organizations noted that they saved on both capital and operating expenditures by moving to Google Workspace. Additionally, the elimination of on-premises infrastructure shifted costs away from a capex model and into an opex model with organizations paying monthly for their IT infrastructure usage. These savings were realized in areas such as:

- › Retired servers.
- › Savings associated with moving from traditional hosting to cloud services.
- › Reduced costs and labor associated with server hardware and maintenance.
- › Reduced legacy IT software license costs from sunsetting third-party tools and software:
  - Spam filter.
  - Content management and data storage platforms.
  - Collaboration solutions.
  - Meeting and calendaring solutions.
  - Mobile device management (MDM).

Based on the customer interviews, Forrester estimates for the composite organization:

- › A 35% reduction in the number of servers needed.
- › An annual amortized capital and maintenance cost of \$2,000 per server.
- › A 10% reduction of corporate travel spending totaling \$80,000 annually.



Capex and opex savings: 16% of total benefits



Reduce amount of IT infrastructure and switch costs from capex to opex with Google Workspace.

- › A reduction of legacy software licenses of \$163,200 in Year 1, which increases in Years 2 and 3 as more legacy solutions are sunset.

This benefit can vary due to uncertainty related to:

- › Total reduction in and cost of servers.
- › Reduction in corporate travel.
- › Reduction in legacy software licenses.

To account for these risks, Forrester adjusted this benefit downward by 10%, yielding an annual benefit ranging from \$252,480 to \$523,776, with a three-year, risk-adjusted total PV of \$945,957 million.

| Capex And Opex Savings: Calculation Table |  |                            |           |           |           |
|---|--|----------------------------|-----------|-----------|-----------|
| REF.                                      | METRIC   | CALC.                      | YEAR 1    | YEAR 2    | YEAR 3    |
| F1  | Number of servers  | Composite organization     | 53        | 53        | 53        |
| F2  | Reduction in servers   | Composite organization     | 35%       | 35%       | 35%       |
| F3  | Amortized annual cost per server   | Composite organization     | \$2,000   | \$2,000   | \$2,000   |
| F4  | Reduction in corporate travel  | Composite organization     | \$80,000  | \$80,000  | \$80,000  |
| F5  | Avoided legacy software licenses — spam filter, storage/archiving, calendar/collaboration, email | Composite organization     | \$163,200 | \$316,800 | \$464,640 |
| Ft  | Capex and opex savings   | $(F1 * F2 * F3) + F4 + F5$ | \$280,533 | \$434,133 | \$581,973 |
|   | Risk adjustment  | ↓10%                       |           |           |           |
| Ftr                                       | Capex and opex savings (risk-adjusted)   |                            | \$252,480 | \$390,720 | \$523,776 |

## Unquantified Benefits

While there were strong and quantifiable benefits the interviewed organizations observed by using Google Workspace, there were significant qualitative benefits experienced as well. These could potentially be quantified in a financial analysis if given the appropriate data and metrics.

- › **Automation**, enabled by Google Workspace and the Google ecosystem, is a major driver behind many of the benefits outlined in this study. A head of IT and security at a non-profit said: “The two primary selling points of Google Workspace, in my mind, are what it lets you do with security for the cost, and the fact that it enables a huge amount of automation that would be much harder to pull off with a different solution. The automation that Google has enabled us to do is the reason that we could have only two people manage the environment.”

- **Organizations described efficiencies related to automating employee onboarding and provisioning tasks.** A director of IT infrastructure in the software industry said: “We use the Google Admin tool to develop all kinds of scripts to help us with onboarding employees. We’re using Google to automate employee onboarding by assigning them to different groups and mail groups, and getting their account set up.”



Google Workspace enables automation throughout the organization.

An IT architect in property management explained the benefits of automated onboarding, “Whether we’re migrating a company that’s got 10 users or 100 users into our organization, it’s going to take about the same amount of time and effort.”

- **One organization was able to build automations into Google Chat that integrate with its IT engineers’ incident management procedures.** A director of IT infrastructure in the software industry explained: “We do incident management with Google Chat. We have automations that will create chatrooms on the fly, and add people to them on the fly and then send alerts. It’s heavy, it’s not just people chatting. There is actually automation going on. It’s a critical tool in our environment for engineers and our site reliability engineering team.”
- **Additional benefits stemming from automation may include: reduced onboarding costs and reduced costs associated with mergers and acquisitions among others.**

## 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 Google Workspace and later realize additional uses and business opportunities, including:

- › **Google’s hardware ecosystem.** Interviewed organizations were taking advantage of many of Google’s hardware products, touting the ease of integration and device management as well as the high performance of the hardware. Organizations are leveraging: Chromebooks and Pixelbooks, Google Pixel phones, Google Jamboards, and Google conference room hardware. Each organization mentioned that they plan to increase the size of its hardware deployment in the next 12 months.

An IT architect in the property management industry is using Google hardware in all of its conference rooms across the country and said: “The telepresence is just so important. If we had to build this ourselves with just what we have today, we would need another four or five guys on the IT team working on it full time and [we’d] have to draw a couple million dollars on it each year in hardware. I can’t even imagine going back to other tools anymore.”

- › **Google’s product and development ecosystem.** After moving to Google Workspace, organizations can take full advantage of the other products offered in Google’s ecosystem to realize additional benefits from their email and collaboration tools, as well as from Google’s product ecosystem. Developers can leverage Google Cloud Platform to develop native apps and automate processes. Analysts can leverage BigQuery and other analytics tools to help understand customers better and inform strategy decisions.

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

“The two primary selling points of Google Workspace, in my mind, are what it lets you do with security for the cost, and the fact that it enables a huge amount of automation that would be much harder to pull off with a different solution. The automation that Google has enabled us to do is the reason that we could have only two people manage the environment.”

*Head of IT and security,  
non-profit*



“This is why we’re purchasing ecosystem instead of a product, because you’re buying into a way of doing business not just a solution, and it touches everything.”

*IT architect, property  
management*



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 |
| Gtr         | Subscription costs                 | \$0       | \$214,200 | \$277,200 | \$304,920 | \$796,320   | \$652,909     |
| Htr         | Implementation and ongoing support | \$289,408 | \$89,586  | \$89,586  | \$89,586  | \$558,166   | \$512,195     |
|             | Total costs (risk-adjusted)        | \$289,408 | \$303,786 | \$366,786 | \$394,506 | \$1,354,486 | \$1,165,104   |

## Subscription Costs

Google Workspace for Enterprise includes all of the same applications, security, and management features as Google Workspace for Business, with the following additional products and features:

- › Hangouts Meet — video and voice conferencing for up to 250 people.
- › Cloud Search — smart search within and outside of Google Workspace.
- › Improved security and admin controls:
  - Security center for Google Workspace.
  - Data loss prevention (DLP) for Gmail.
  - DLP for Google Drive.
  - Hosted S/MIME for Gmail.
  - Integrate Gmail with compliant third-party archiving tools.
  - Enterprise-grade access control with security key enforcement.
  - Gmail log analysis in BigQuery.
- › Google Cloud Identity — a unified IAM/EEM platform.
- › Context aware access for endpoint management.

Based on the customer interviews, Forrester estimates for the composite organization:

- › An annual subscription cost of \$300 per user for Google Workspace enterprise.

This cost can vary due to uncertainty related to subscription costs and negotiated rates.

To account for these risks, Forrester adjusted this cost upward by 5%, yielding an annual cost ranging from \$214,200 to \$277,200, with a three-year, risk-adjusted total PV of \$652,909.

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 have a PV of \$1.17 million.



**Google Workspace  
Enterprise license cost  
\$25 per month per  
employee.**

## Subscription Costs: Calculation Table

| REF. | METRIC                                 | CALC.                  | INITIAL | YEAR 1    | YEAR 2    | YEAR 3    |
|------|--|------------------------|---------|-----------|-----------|-----------|
| G1   | Number of users                        | B1 * B4                |         | 680       | 880       | 968       |
| G2*  | Annual Google Workspace price per user | Composite organization |         | \$300     | \$300     | \$300     |
| Gt   | Subscription costs                     | G1*G2                  | \$0     | \$204,000 | \$264,000 | \$290,400 |
|      | Risk adjustment                        | ↑5%                    |         |           |           |           |
| Gtr  | Subscription costs (risk-adjusted)     |                        | \$0     | \$214,200 | \$277,200 | \$304,920 |

\* Licensing costs are based on customers' interviewed when Google Workspace was formerly known as G Suite. While this analysis is still valid, pricing guidelines and features may have changed so please reach out to your Google Representative for updated licensing information.

## Implementation And Ongoing Support

Interviewed organizations described the following costs related to implementation and ongoing support:

- › Full time staff required for planning and implementation activities.
- › Professional services required for implementation and support.
- › Required training for employees migrating from the legacy system.
- › Labor associated with ongoing change management, support and Google Workspace initiatives.

Based on the customer interviews, Forrester estimates for the composite organization:

- › One full time IT administrator dedicated to planning and implementation for two months.
- › Professional (partner) services required for implementation totaling \$100,000 and ongoing support of \$25,000 annually.
- › Four hours of training per employee migrating from the legacy solution to Google Workspace. Training includes Gmail, Docs, Sheets and Slides.
- › An IT administrator dedicating half of its time to ongoing change management and support of Google Workspace initiatives.

This cost can vary due to uncertainty related to:

- › Length and effort of implementation.
- › Required professional services and training.

To account for these risks, Forrester adjusted this cost upward by 5%, yielding an annual cost ranging from \$89,586 to \$289,408, with a three-year risk-adjusted total PV of \$512,195.

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.



**Two months**  
Total implementation  
and deployment time

## Implementation And Ongoing Support: Calculation Table

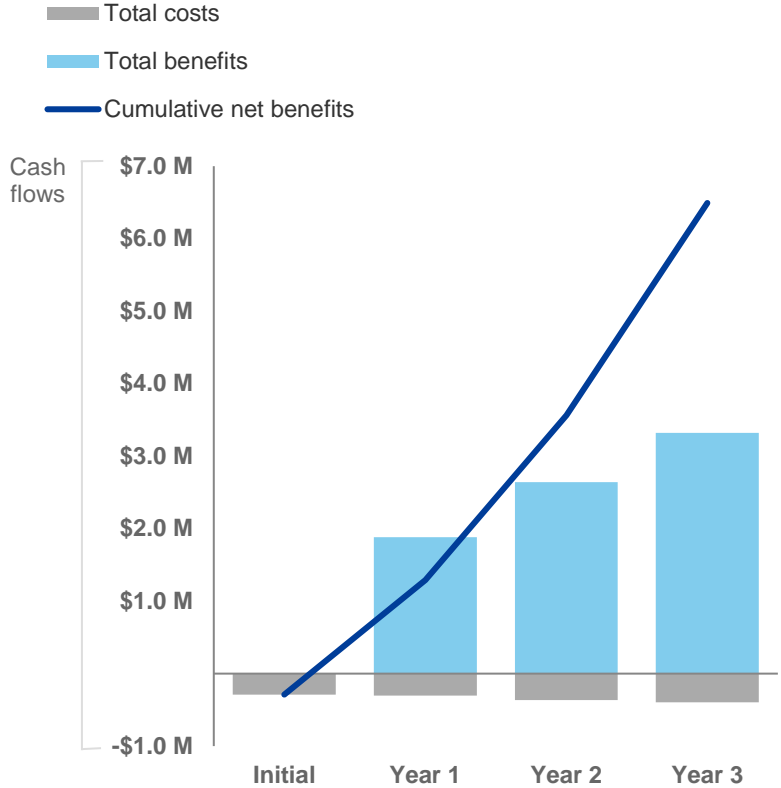
| REF. | METRIC  | CALC.   | INITIAL   | YEAR 1    | YEAR 2    | YEAR 3    |
|------|---|---|-----------|-----------|-----------|-----------|
| H1   | Number of internal FTEs for implementation                                      | Composite organization                                  | 1         |           |           |           |
| H2   | Fully burdened IT salary  | C5*2,080  | \$120,640 | \$120,640 | \$120,640 | \$120,640 |
| H3   | Length of implementation (months)   | Composite organization                                  | 2         |           |           |           |
| H4   | Professional services   | Composite organization                                  | \$100,000 | \$25,000  | \$25,000  | \$25,000  |
| H5   | Google Workspace Adoption – Year 1  | B1*B4   | 680       |           |           |           |
| H6   | Hourly fully burdened salary (company average)                                  | B12   | \$35      | \$35      | \$35      | \$35      |
| H7   | Training time per employee (hours)  | Composite organization                                  | 4         |           |           |           |
| H8   | Number of internal FTEs for maintenance, ongoing change management, and support | Composite organization                                  |           | 0.5       | 0.5       | 0.5       |
| Ht   | Implementation and ongoing support  | $(H1 * H2 * H3 / 12) + H4 + (H5 * H6 * H7) + (H8 * H2)$ | \$275,627 | \$85,320  | \$85,320  | \$85,320  |
|      | Risk adjustment   | ↑5%   |           |           |           |           |
| Htr  | Implementation and ongoing support (risk-adjusted)                              |   | \$289,408 | \$89,586  | \$89,586  | \$89,586  |



# 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)

|                | INITIAL     | YEAR 1      | YEAR 2      | YEAR 3      | TOTAL         | PRESENT VALUE |
|----------------|-------------|-------------|-------------|-------------|---------------|---------------|
| Total costs    | (\$289,408) | (\$303,786) | (\$366,786) | (\$394,506) | (\$1,354,486) | (\$1,165,104) |
| Total benefits | \$0         | \$1,881,460 | \$2,642,527 | \$3,323,121 | \$7,847,108   | \$6,391,035   |
| Net benefits   | (\$289,408) | \$1,577,674 | \$2,275,741 | \$2,928,615 | \$6,492,622   | \$5,225,931   |
| ROI            |             |             |             |             |               | 449%          |
| Payback period |             |             |             |             |               | <6 months     |

# Google Workspace: Overview

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

Google Workspace helps you get more done at work and at home—with communication and collaboration tools known and loved by billions of users, **thoughtfully connected together**. It's a place for shared interests, projects, planning, and group work, with simplicity, ease of use, and helpful features that make any kind of work more satisfying. And it's designed from the ground up with industry-leading security and privacy controls built-in.

## Simple

**An integrated workspace that's simple and easy to use, so you spend less time figuring out how to manage your work and more time actually doing it.**

## Helpful

**Address what's important & let Google handle the rest with best-in-class AI and search technology that helps you work smarter.**

## Flexible

**Designed for flexible, fluid, and fast collaboration - when, where, and how you need it.**

Google Workspace thoughtfully brings together everything teams need to do their best work -messaging, meetings, docs, tasks, and more... It's about improving the employee experience and helping people and teams maximize their impact, so you can bring out the best version of your business.

Google Workspace helps you address key business challenges. For example:

- Coordinate distributed teams. Google Workspace enables your people to come together while they are apart. It makes team building easier and helps foster relationships at work.
- Cross functional groups can work together easily and fluidly - no matter where everyone is working from.
- Collaborate seamlessly with other organizations like customers, partners, and suppliers.
- Hire and retain top talent by providing a delightful recruiting experience for candidates, and delivering a thoughtful working environment where the tools you use everyday are seamlessly integrated.
- Streamline processes like planning and decision making. Execution is faster and straightforward.

# Appendix A: Total Economic Impact

Total Economic Impact is a methodology developed by Forrester Research that enhances a company's technology decision-making processes and assists vendors in communicating the value proposition of their products and services to clients. The TEI methodology helps companies demonstrate, justify, and realize the tangible value of IT initiatives to both senior management and other key business stakeholders.

## Total Economic Impact Approach



**Benefits** represent the value delivered to the business by the product. The TEI methodology places equal weight on the measure of benefits and the measure of costs, allowing for a full examination of the effect of the technology on the entire organization.



**Costs** consider all expenses necessary to deliver the proposed value, or benefits, of the product. The cost category within TEI captures incremental costs over the existing environment for ongoing costs associated with the solution.



**Flexibility** represents the strategic value that can be obtained for some future additional investment building on top of the initial investment already made. Having the ability to capture that benefit has a PV that can be estimated.



**Risks** measure the uncertainty of benefit and cost estimates given: 1) the likelihood that estimates will meet original projections and 2) the likelihood that estimates will be tracked over time. TEI risk factors are based on "triangular distribution."

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



### Present value (PV)

The present or current value of (discounted) cost and benefit estimates given at an interest rate (the discount rate). The PV of costs and benefits feed into the total NPV of cash flows.



### Net present value (NPV)

The present or current value of (discounted) future net cash flows given an interest rate (the discount rate). A positive project NPV normally indicates that the investment should be made, unless other projects have higher NPVs.



### Return on investment (ROI)

A project's expected return in percentage terms. ROI is calculated by dividing net benefits (benefits less costs) by costs.



### Discount rate

The interest rate used in cash flow analysis to take into account the time value of money. Organizations typically use discount rates between 8% and 16%.



### Payback period

The breakeven point for an investment. This is the point in time at which net benefits (benefits minus costs) equal initial investment or cost.

## Appendix B: Endnotes

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<sup>1</sup> Source: For the sake of this study, midmarket organizations are defined as organizations with between 500 and 3,000 full-time equivalent (FTE) workers.