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Thought Leadership Paper
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Modern Compute Is The Foundation For Your IT Transformation

Failure To Update Can Stunt Your Growth

Table Of Contents

- 1 Executive Summary
- 2 Business Objectives Drive The Need To Modernize Compute Infrastructure
- 4 Why Can't Your Current Compute Infrastructure Support IT Transformation?
- 6 The Benefits From Modern Compute Are Profound
- 8 Key Recommendations
- 9 Appendix

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Modernizing compute leads to an average of:

- 22% faster time to market
- 27% reduction in downtime
- 19% reduction in IT time spent on security incidents

Executive Summary

The modernity of your compute footprint has a critical impact on IT transformation. Modern infrastructure scales to meet business demands to enable faster time-to-market, to decrease downtime, and to provide a more secure platform versus the legacy hardware. In order to achieve a significant competitive advantage, you need to invest in modernizing the compute portion of your infrastructure.

In October 2017, Dell EMC and Intel commissioned Forrester Consulting to evaluate the impact that modern compute infrastructure has on IT transformation. Forrester conducted an online survey of 361 IT decision makers with responsibility for hardware infrastructure strategy from enterprises around the globe to explore this topic. In this paper, you will learn how:

KEY FINDINGS

- › **Updating compute enables enterprises to address customer's needs faster.** As firms work to gain new customers and improve customer satisfaction, seven out of ten companies want to gain a competitive edge over traditional and emerging competitors. Ninety five percent of enterprises report that modernized compute drives faster time to market—as much as 22% on average. This enables them to update their services faster, respond to competitors quicker, and overall, to improve their customer's user experience.
- › **Modern compute is the bedrock for faster, more reliable applications.** Ninety-five percent reported significantly reduced downtime by an average of 27%. For a company with \$100M in annual revenue and 20 mission-critical applications, every hour of downtime affecting 1,000 customers can cost \$150K.¹
- › **The security operations burden is significantly reduced.** Ninety-three percent of enterprises saved time by not having to respond to as many security incidents. And 59% expected to have less data breaches, while 50% expected less of an impact from inappropriate levels of access. On average, 19% of IT's time was saved from addressing security incidents.

Business Objectives Drive The Need To Modernize Compute Infrastructure



Enterprises are continually working to keep up with the pace of increasingly demanding business needs. There are a multitude of business priorities that need IT support to be successful. While there's consensus that infrastructure is a critical backbone to reach business objectives (88% say it is critical to executing business priorities), 73% of companies report their infrastructure needs change to support business needs. Our survey found that:

- › **Business priorities are focused on the customer.** Firms are prioritizing reaching new customers (78%), delivering better data insights on customers (75%), and improving customer satisfaction (74%). Approximately seven out of ten companies want to gain a competitive edge over traditional and emerging competitors. Interestingly, while reducing OPEX and CAPEX was critical, it was not as important a driver as this customer focus (see Figure 1).

Figure 1
The Customer Is The Top Business Priority

“Which of the following are your organization’s overall business priorities?”



Reducing Expenditures Is A Lower Priority



Base: 361 global decision makers with responsibility over hardware infrastructure strategy.
Source: A commissioned study conducted by Forrester Consulting on behalf of Dell EMC and Intel, January 2018

- › **Infrastructure is a priority, but at most enterprises it currently falls short.** Nearly nine out of ten companies (88%) report IT infrastructure is a priority. However, 73% say their current infrastructure does not support their evolving or digital business needs. Twenty-two percent say they need to make significant changes to their infrastructure (see Figure 2).

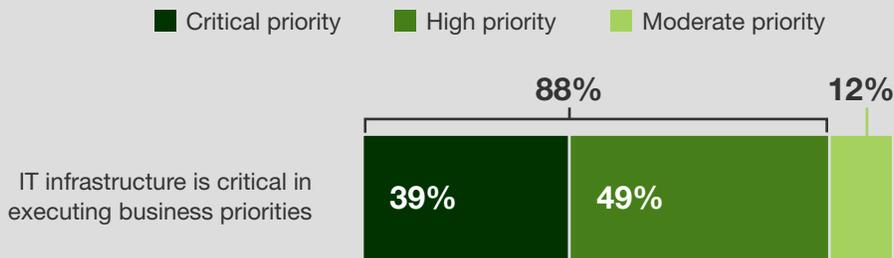
The net result is that enterprises need modern compute infrastructure that offers excellent performance, requires less downtime (both for basic operations and security incidents), and frees up time to innovate. However, they often try to make do with what they have.

73% percent of companies need to change their infrastructure to support business needs.

Figure 2

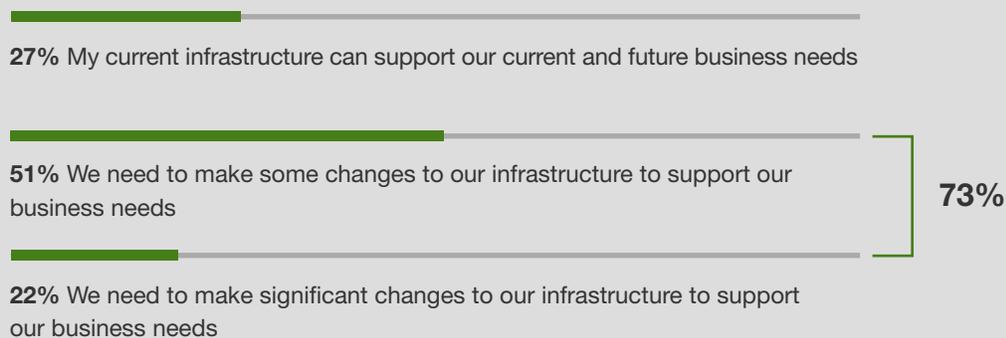
Infrastructure Is Critical To Business Priorities

“How critical is IT infrastructure to executing your business priorities?”



However, 73% Of Enterprises Need To Make Infrastructure Changes

“Which of the following best describes your organization’s current infrastructure, as it relates to your current and future business needs?”



Base: 361 global decision makers with responsibility over hardware infrastructure strategy
 Source: A commissioned study conducted by Forrester Consulting on behalf of Dell EMC and Intel, January 2018

Why Can't Your Current Compute Infrastructure Support IT Transformation?

Many companies hope to innovate while maintaining their current compute footprint. Those that try to, face significant challenges. Our survey found that:

- › **Various intersecting priorities still exist with legacy infrastructure.** Companies report having concerns around efficiency, security, and risk, and having the skill sets needed to manage modern workloads (see Figure 3).

Figure 3

Why Current Infrastructure Can't Support IT Transformation

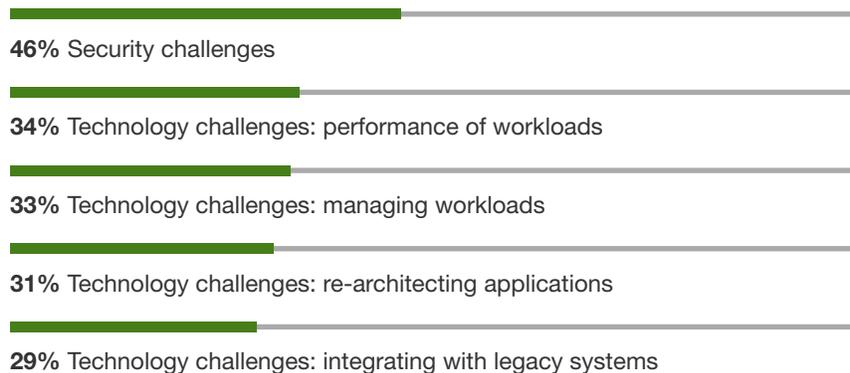


Base: 261 global decision makers with responsibility over hardware infrastructure strategy
 Source: A commissioned study conducted by Forrester Consulting on behalf of Dell EMC and Intel, January 2018

- › **Ninety-eight percent of infrastructure professionals face challenges executing their strategy (see Figure 4).**
 - Nearly half of companies have experienced security challenges, while 19% report compliance challenges. This takes time away from innovation as enterprises instead need to focus on reducing their risk profile and maintaining governance. This theme is carried into their considerations for compute and server solutions as 59% are concerned about the potential for breaches and 57% are worried about keeping firmware up-to-date.
 - They are challenged by the performance and management of workloads, in addition to monitoring the costs of those workloads. Attention is overly focused on running the business, rather than growing it; 26% say they're not moving at the speed business demands.
 - Upgrading legacy systems is a hindrance as they typically house critical applications. Integration with legacy systems is challenging and energy must be spent on re-architecting and re-engineering.

Figure 4
Security And Workload Challenges Burden Infrastructure Strategy

“Which of the following specific challenges have you experienced by implementing your current infrastructure strategy?”

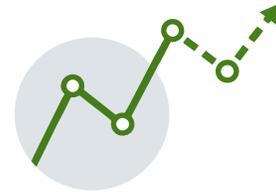


Modernizing compute reduces time spent responding to security incidents by 19%.

Base: 361 global decision makers with responsibility over hardware infrastructure strategy
 Source: A commissioned study conducted by Forrester Consulting on behalf of Dell EMC and Intel, January 2018

The Benefits From Modern Compute Are Profound

Modernizing compute leads to better customer experiences, more reliable applications, and more time available for innovation. For example, 34% were able to achieve faster customer response times. Our survey also found that:

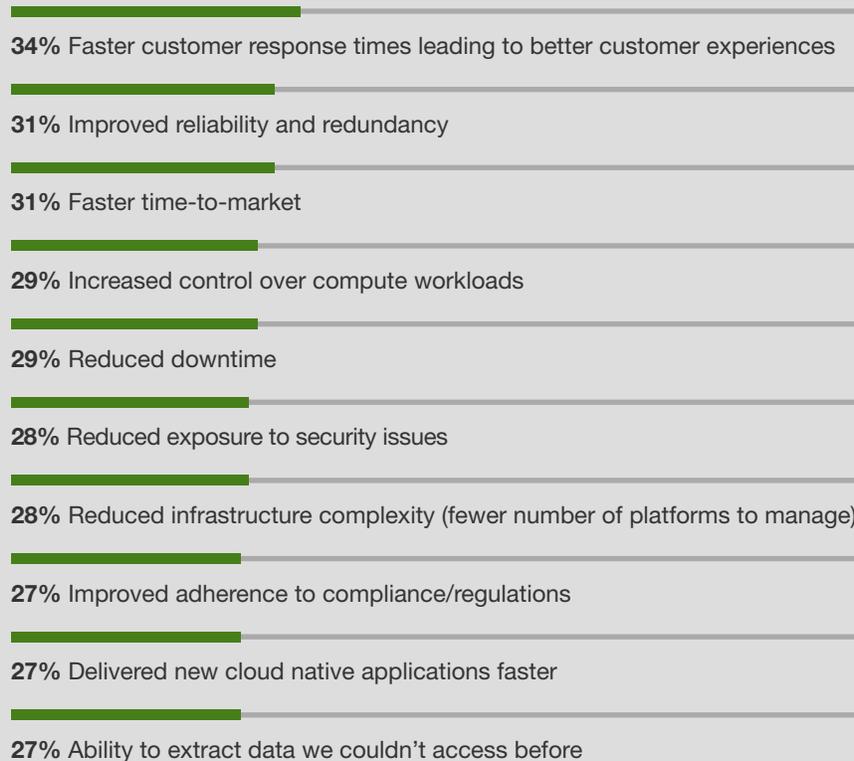


- › **Customers were directly and positively impacted.** More than a third of companies have experienced, or anticipate experiencing, significantly better response times for their customers. Three out of 10 were able to improve reliability, and 29% were able to increase the control they have over compute workloads (see Figure 5). And modernizing compute resulted in faster time-to-market in 95% of firms.

Figure 5

Realized Or Anticipated Benefits Of Modernization

“Which of the following benefits have you experienced, or do you anticipate by modernizing your compute infrastructure strategy?”



Base: 361 global decision makers with responsibility over hardware infrastructure strategy
Source: A commissioned study conducted by Forrester Consulting on behalf of Dell EMC and Intel, January 2018

- › **Modern compute improves OPEX.** On average, enterprises that modernized compute were able to save 13% on IT OPEX spending, and an average of 22% of those savings were reinvested into IT transformation projects. Those projects can often offset the cost of updating compute.
- › **Innovation grew as a result.** Companies updating compute were able to decrease downtime by an average of 27%, as well as reducing time spent on responding to security incidents by 19%. They were able to reinvest 19% of their time and devote it to innovation (see Figure 6). Reinvesting this time on innovation supports the drive toward gaining a competitive edge, as seven out of ten companies are reportedly prioritizing.

Figure 6

Modernizing Compute Infrastructure Leads To Results

Modernizing compute and/or servers has allowed for:

Leading to an average of:

 <p>Reduction in the time IT spends on manual tasks</p>	<p>19% more time that the IT organization can now devote to innovation</p> <p>24% of time saved is reinvested in strategic IT initiatives</p>
 <p>Faster time to market</p>	<p>22% faster time to market</p>
 <p>Reduced downtime</p>	<p>27% downtime saved</p>
 <p>Reduction in time spent responding to security incidents</p>	<p>19% of time saved</p>
 <p>Reduction in IT OPEX</p>	<p>13% savings in IT OPEX</p> <p>22% of OPEX savings reinvested in new IT transformation projects</p>

Note: Percentages represent mean averages

Base: Varies by metric; 361 global decision makers with responsibility over hardware infrastructure strategy

Source: A commissioned study conducted by Forrester Consulting on behalf of Dell EMC and Intel, January 2018

Key Recommendations

Too often, compute is ignored as a critical part of IT transformation efforts. This is a fatal mistake that impacts an enterprise's ability to obtain, serve, and retain customers. Forrester's in-depth survey yielded several important recommendations:



Refresh your compute infrastructure regularly to achieve tangible business results. Those that refresh more frequently are able to extract more benefits from their investment than those who update less frequently.



Engage security as part of your procurement cycle. Security teams are often brought in after compute infrastructure has been deployed. Given the impact it has on improving incident response time, security professionals should have some input in compute selection.



Review your system management layers. While the hardware is important, equally important is the automation that drives it. Ensure the two integrate at a fundamental level; most vendors will enable this with their own tooling.



Don't necessarily focus on lowering OPEX — it can address itself. While not typically a cost reduction exercise, modernizing compute can often lead to lower overall OPEX costs. Enterprises that modernized compute were able to save an average of 13% on IT OPEX spending. Ensure any resources saved are monitored and reinvested into innovation.

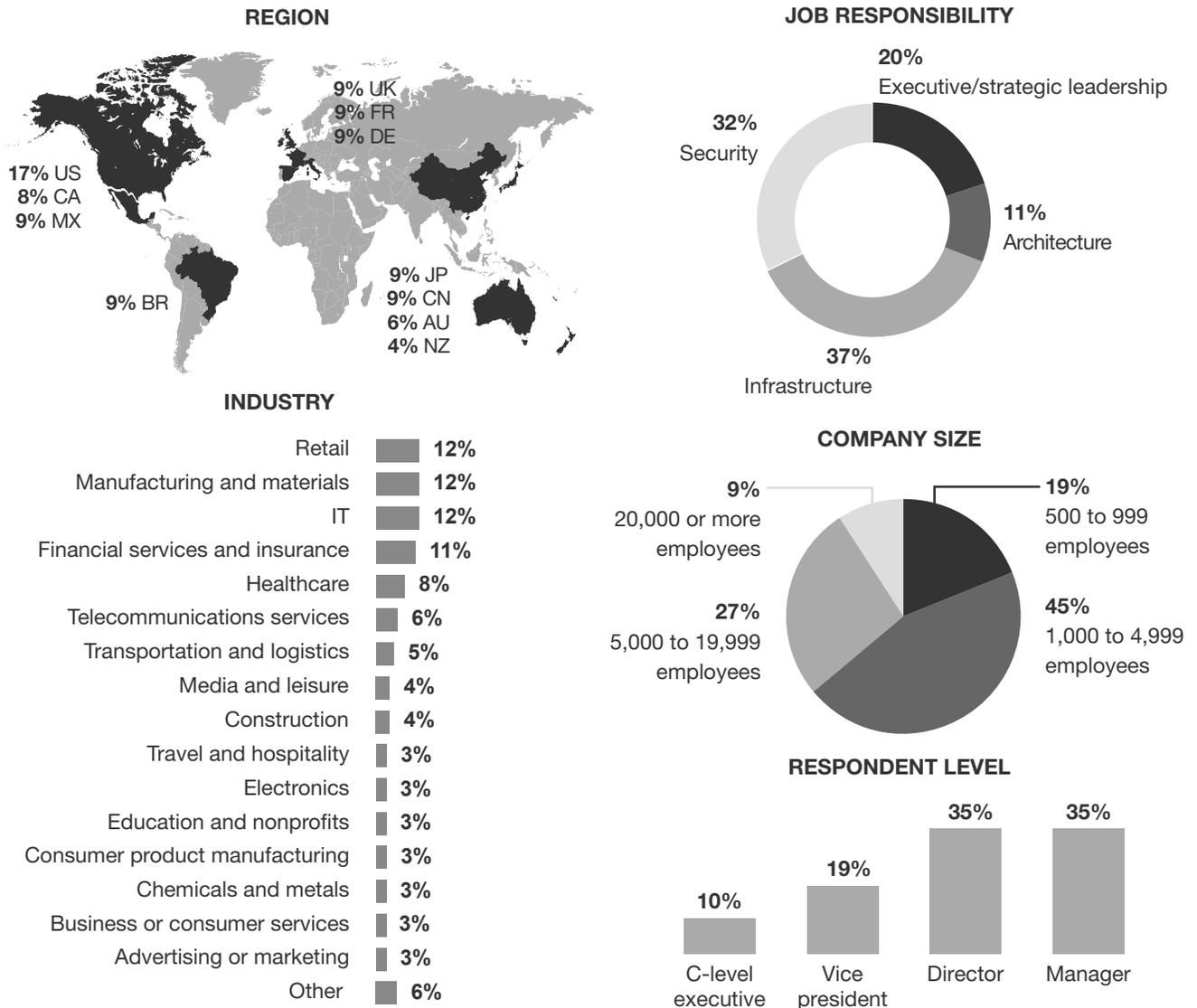


Reinvest in innovation. Time saved by not having to manually address operational issues can be reinvested in strategic and innovative projects. Spend this extra energy on delivering significantly improved customer experiences.

Appendix A: Methodology

In this study, Forrester conducted an online survey of 361 enterprises in North America, Latin America, EMEA, and Asia Pacific to evaluate the impact that modern compute infrastructure has on IT transformation. Survey participants included infrastructure decision makers in IT management. The study began in December 2017 and was completed in January 2018.

Appendix B: Demographics/Data



Base: 361 global decision makers with responsibility over hardware infrastructure strategy.
 Source: A commissioned study conducted by Forrester Consulting on behalf of Dell EMC and Intel, January 2018

Appendix C

ENDNOTES

¹ Source: "Identify And Estimate The Costs Of Downtime On Your Business," Forrester Research, Inc., October 12, 2017.