A Forrester Total Economic Impact™
Study Commissioned By Atlassian
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The Total Economic Impact™ Of Atlassian For ITSM

Cost Savings And Business Benefits Enabled By Jira Service Management

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Project Director:
Yi Qin Teow

Contributor:
Reggie Lau

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Benefits And Costs

Improvement in ticket handling time:
61%

Cost savings from retirement of traditional ITSM tools:
$819,169

Ticket deflection due to self-service capabilities:
20%

Executive Summary

IT service management (ITSM), often equated with the information technology infrastructure library (ITIL), stemmed from the fundamental need for a more efficient and effective way of providing IT services amidst the growing complexity of IT infrastructure. Over the past few years, in response to the rapid digital development, ITSM has evolved to incorporate emerging technologies (e.g., AI, machine learning (ML)) and processes (e.g., DevOps) to meet the demand for greater agility and velocity. On top of managing service requests, ITSM tools are also deployed to support IT teams in more effective practices, such as incident management and change enablement. These integrated capabilities allow IT teams to reduce service downtimes and ensure minimal service disruption, which may otherwise cause direct negative impact on the business.

This success of ITSM tools as a solution to IT service management has resulted in its capabilities being extended to business-centric use cases (e.g., HR, facilities, engineering, legal, and other internal shared services). This is known as enterprise service management (ESM).

With a foundation in ITSM, ESM provides users with fast, seamless access to both enterprise business and IT service information, assistance and approvals through the power of automation and self-service capabilities. While ESM solutions are still in a nascent phase, the huge enterprise integration value that ESM can potentially deliver will continue to drive greater enterprise adoption as employee experience takes center stage.

Furthermore, gone are the days where employees relied on emails, phone calls, or walk-up help desks to get a response to their service requests. The rise of digitalization has not only fueled increased expectations in operational efficiencies, but it has also given birth to a culture of self-service. Atlassian's Jira Service Management (JSD) supports an adaptable approach to ITSM and ESM, delivering ease of use, collaboration, and knowledge sharing over complex, inflexible workflows. Agents are able to gain efficiencies through simpler triage and resolution of service requests. For users, the simple one-stop self-service portal allows them to submit their requests or individually find answers to their queries easily.

Atlassian commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential ROI enterprises may realize by deploying Jira Service Management. The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of the Jira Service Management on their organizations.

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed five enterprise customers with years of experience using Jira Service Management. Prior to adopting Jira Service Management, the interviewed customers were mostly using either a traditional ITSM tool or a combination of various interaction channels (e.g., email, phone, walk-up help desk) to manage their service requests. These customers thus looked to Jira Service Management as a solution to eliminate the inefficiencies in their current service management approaches. In achieving that objective, they also experienced improved cross-team collaboration, as well as a more positive user experience.

Forrester designed a composite organization named "Deagon Travel" to represent the study's findings and combined customer interview feedback.

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Key Findings

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

- **Improved service agent productivity ($2,023,906).** This benefit focuses on the improved efficiency gained by service teams, such as IT, HR, and finance service agents due to the improved speed-of-service request fulfilment and reduction in ticket volume enabled by the self-service capabilities of Jira Service Management. With the integration of Confluence (Atlassian's collaboration software) as a knowledge base, users are able to more easily find answers to their questions from the library of knowledge base articles, guides, and FAQs without filing a service request. A 20% ticket deflection rate was observed alongside a significant increase in clickthrough from Jira Service Management to Confluence. Specifically, the HR team alone saw a 230% increase in visits to Confluence after the implementation of Jira Service Management.
- **Improved infrastructure support team productivity ($918,789).** This benefit focuses on the reduced ticket handling time due to the improved collaboration and communication between the infrastructure support team and the engineering and software development team, enabled by the Jira Service Management platform. Instead of back-and-forth communication or siloed information between the requestors, the support staff are now able to receive sufficient information within the submitted tickets to resolve incident and infrastructure requests faster. As such, support staff not only gained 61% improvement in productivity, but were also able to meet their SLA goals 85% of the time.
- **Cost savings due to the retirement of traditional ITSM tools ($819,169).** With the adoption of Jira Service Management, the traditional ITSM tools were retired, resulting in direct cost savings due to lower monthly subscription fees and contracts. Additional cost savings were sustained by both a shorter implementation time and less need for specialized consultants to implement complex workflows.
- **Improved end user productivity ($322,689).** The improved service request process has not only improved user satisfaction, but it has also resulted in improved user productivity due to the self-service functions available on the user portal. As such, users save time in getting answers to their queries or are able to file a service request much faster. On average, an employee saves 30 minutes per quarter in service requests.

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

- **Improved cross-team collaboration.** The out-of-the-box features of Jira Service Management has also enabled various teams to work together more collaboratively. For instance, the ability of the platform to link tickets across teams means that the IT team can triage and hand off bug-fix requests that come to their service desk/development team easily within the platform.

ROI
246%

Benefits PV
$4,084,553

NPV
$2,903,816

Payback
<6 months

› **Improved user experience.** End users have benefited from the simple, intuitive interface of Jira Service Management. With the introduction of the Jira Service Management simple built-in mechanism to measure CSAT
(customer satisfaction), the interviewed organizations have kickstarted their process of collecting user feedback. The organization now receives 40 to 50 user feedback reports per month, with the average satisfaction rating being 4.8 out of 5. The volume of complaints has declined, and the ease of use of the Jira Service Management platform is one of the most commonly received pieces of positive feedback.

Costs. The interviewed organizations experienced the following risk-adjusted PV costs:

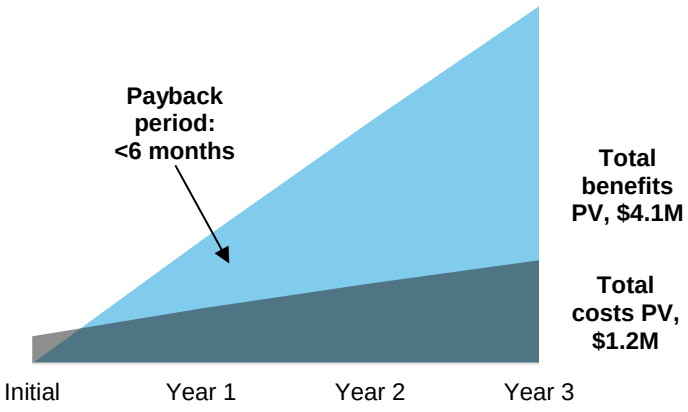
› **Jira Service Management solution cost ($391,729).** The solution cost for this study is based on a self-managed Data Center offering, comprising of the license cost for 1,000 agents and the purchase of two Jira Service Management add-on applications: 1) Refined for Jira Service Management and 2) Riada Insight. Readers are encouraged to refer to Atlassian's website for a sample of list pricings based on a company's needs and anticipated usage volume.

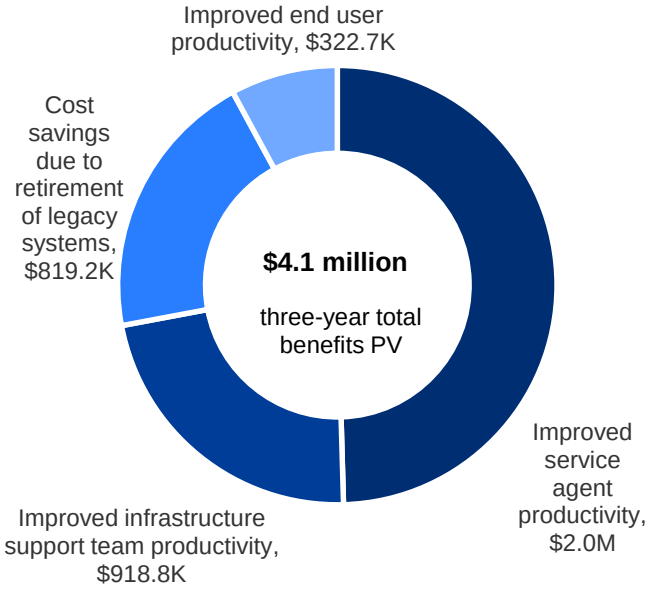
› **Initial setup cost ($312,627).** This cost mainly accounts for costs associated with the implementation of the Jira Service Management, which was executed alongside the organization's migration to Atlassian's Data Center offering. The cost includes third-party consulting fees for setup
(such as integrations and workflow configurations), training hours for the agents, and the user learning hours for the rest of the organization.

› **Professional services cost ($476,381).** The interviewed organizations incurred ongoing costs from managed services and internal FTEs dedicated to support the administration of Jira Service Management across the organization.

Forrester's interviews with five existing customers and subsequent financial analysis found that an organization based on these interviewed organizations experienced benefits of $4,084,553 over three years versus costs of $1,180,737, adding up to a net present value (NPV) of $2,903,816 and an ROI of 246%.

Financial Summary





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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 Atlassian Jira Service Management.

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 Atlassian Jira Service Management can have on an organization:

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

DUE DILIGENCE
Interviewed Atlassian stakeholders and Forrester analysts to gather data relative to Jira Service Management.

CUSTOMER INTERVIEWS
Interviewed four organizations using Jira Service Management 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 Atlassian Jira Service Desk'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.

The Jira Service Management Customer Journey

BEFORE AND AFTER THE INVESTMENT OF JIRA SERVICE MANAGEMENT

Interviewed Organizations

For this study, Forrester conducted five interviews with Atlassian Jira Service Management customers. Interviewed customers include the following:

INDUSTRY	REGION	INTERVIEWEE	NUMBER OF USERS
Application performance management	Global	Atlassian suite engineering lead & Jira administrator	~2,100
Consumer electronics	Global	Jira administrator	~4,500
Education	United States	Chief IT architect	~58,000
Public sector	United States	Jira global administrator (contractor)	~100,000
Travel	Global	Senior Atlassian infrastructure engineer	~9,000

Key Challenges

The five interviewed organizations experienced the following key challenges before deploying Jira Service Management:

- **Inflexibility and high cost of traditional ITSM tools.** The use of legacy ITIL-based service desks created rigidity and complexity in workflows that limited service teams' ability to effectively configure and manage their service requests. For instance, many of the traditional ITSM tools lacked the flexibility that would allow admins to easily customize workflows and service request forms in a way that would best serve their service agents and end users' needs. As such, tickets may be routed to the wrong service agents, in which admins were not able to quickly adapt the workflow in response. Also, insufficient information captured within the service request ticket resulted in frequent back-and-forth communication with users that elongated resolution time. A service request that could have been completed within 15 minutes took 3 to 4 hours, as users typically took 1 to 2 hours to respond. Furthermore, the high cost of maintaining these traditional ITSM tools prompted service teams to explore alternative solutions that warranted greater room for customization.
- **Cumbersome service management processes.** Service teams that did not have a service desk functionality were inundated with service requests coming from emails, phone calls, and walk-up help desk requests. There was no structured way to categorize or manage the resolution of these service requests in a timely manner. A protracted amount of time was spent switching between multiple service channels and chasing down inactive requests. Also, service agents had to manually redirect users or route erroneous service requests to the right service teams. Knowledge was not integrated into the process and both service agents and end users could not easily find the information they need.

> "The number of our IT support agents has not grown ever since we implemented Jira Service Management. In fact, it has gotten smaller. Each IT support agent is now able to support a greater number of employees."
>
> *Engineering lead, application performance management*

> "We brought in a full-time engineer to work on Jira Service Management and were able to deploy it across the organization at a lower cost than the other products."
>
> *Chief IT architect, research university*

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- **Lack of visibility on service quality.** Prior to using Jira Service Management, most service teams did not have any KPIs or service-level agreements (SLAs) in place to gauge how well they were performing against agreed service standards. Critical operational measures such as average time-to-resolution, first-time resolution rate, or size of backlogs were not tracked, thus there were no insights into teams' service efficiency. Likewise, user satisfaction and feedback with the handling of service requests were not collected to understand and address user pain points.

Solution Requirements

The interviewed organizations searched for a solution that could:

- Provide greater flexibility and ease of use in configuring workflows and managing service requests.
- Enable automation of workflows so that service agents can prioritize and focus on resolving service requests that are more important and urgent.
- Improve collaboration across various service and development teams.
- Easily track and measure service performance against KPIs and SLAs.
- Provide greater cost efficiency and shorter implementation timeframes.

> "With Jira Service Management, we are able to keep within our SLA goals very well. We meet them about 80% to 85% of the time."
>
> *Jira administrator, audio electronics company*

Key Results

The interviews revealed that key results from the Jira Service Management investment include:

- **More flexible approach to service management.** Jira Service Management has enabled the administrators to leverage on the automation and configuration capabilities to design workflows that best suit their team's needs. Also, the availability of over 900 applications on the marketplace allows for customization of the service desk based on their needs. As such, teams are able to move quickly to complete service requests, foster transparency, and better align with agile and DevOps teams while supporting the valuable ITIL practices to standardize operations as the organization continues to grow.
- **Employee productivity gains.** The implementation of Jira Service Management has brought about productivity gains throughout the organization. Support staff are able to work more collaboratively and resolve service requests more efficiently, focusing on service requests that are more important and require their attention. For instance, the infrastructure support team gained a 61% improvement in productivity and is able to service a greater volume of users with the same team size. The self-service capabilities of the user portal, supported by a robust knowledge base, have also enabled users to get answers to their queries or fill a service request faster.

- **Improved user experience.** The simple, intuitive user interface of the Jira Service Management has improved the user experience for both service agents and end users. Instead of complex workflows limited to only a few trained power users, the ease of use has led to quicker and more widespread adoption across the organization. Where processes to track and measure service performance were previously nonexistent, implementing Jira Service Management has helped the organizations to administer a structured approach to collecting and analyzing user feedback. Identified user pain points are then looked into and improvements are subsequently made to address those challenges. This greater focus on user experience has thus resulted in a high average satisfaction rating of 4.8 out of 5.

"We have drastically improved how fast we take to complete a request because we have the right people in the right role, and they know how to quickly fulfil a request."

Jira global administrator, US government agency

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 five 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:

Deagon Travel

Description of composite. Deagon Travel is a leading online marketplace and hospitality service brokerage company headquartered in San Francisco, United States, with a current employee size of 9,000. With its early days as a technology startup, the organization had been able to ride on the digital boom and experienced exponential growth in the last decade.

Deployment characteristics. Prior to adopting Jira Service Management, Jira Software was already in use by the engineering and software development team to manage their software development projects in an agile and collaborative manner. The efficiency gains from Jira Software led the organization to explore Jira Service Management as a solution for more effective management of service requests across the organization. In addition, the team's existing familiarity with Jira would enable them with the knowledge to quickly deploy and easily maintain Jira Service Management. The successful six-month proof of concept (POC) provided a strong business case for the adoption of Jira Service Management, which thus resulted in the implementation of Jira Service Management executed alongside the organization's migration to Atlassian's self-managed Data Center offering. Legacy ITIL-based service desk platforms and traditional tools such as emails and phone calls were eliminated in the process.

The benefits garnered by this user-friendly platform has resulted in its increased adoption across nontechnical teams as well. Jira Service Management is being deployed by various teams across the organization for service request management today, from IT, HR, and finance to infrastructure support teams.

In addition, Jira Service Management has also proved to be handy in supporting incident management and change enablement processes. In times of both planned and unplanned service incidents, Jira Service Management portal is used to alert and communicate detailed information to users. A community chat room is also set up to point users to the required information on Confluence. As for change enablement, Jira Service Management

Composite assumptions:

- 9,000 Jira Service Management users
- 750 agents

is used to first determine the appropriate support tier based on the type of change request. For instance, workflow modifications are classified as Tier 2 while permission scheme changes are classified as Tier 1. Typically used by software development teams, the change request process allows the creation of linked issues into their Jira Software projects. Jira Service Management automation then enables actions to be triggered based on changes made to the linked issues.

As the use of Jira Service Management continues to scale, more use cases are continuously being explored to enable more efficient service management processes across the organization.

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	Improved service agent productivity	$754,721	$816,230	$882,753	$2,453,704	$2,023,906
Btr	Improved infrastructure support team productivity	$342,619	$370,543	$400,742	$1,113,904	$918,789
Ctr	Cost savings due to the retirement of traditional ITSM tools	$329,400	$329,400	$329,400	$988,200	$819,169
Dtr	Improved end user productivity	$120,332	$130,139	$140,745	$391,216	$322,689

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 $4 million.

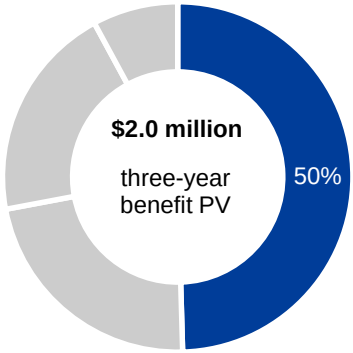
Improved Service Agent Productivity

Prior to Jira Service Management, various disparate legacy service desk platforms and traditional tools such as emails and phone calls were being used across the organization to manage service requests. However, as the size of the organization grew, the service teams found it increasingly challenging to manage the increased ticket volume, realizing the need for a more flexible, easy-to-use service desk with added functionalities that would enhance the efficiency of the team to better serve the needs of the growing user base.

The IT team took the lead in the adoption of Jira Service Management to replace their legacy ITIL-based service desk system. The successful use case led to the uptake of Jira Service Management by other teams in the organization, such as the HR and finance teams.

The ease of use and team-centric features of Jira Service Management have enabled service agents to resolve service requests in a faster and more collaborative manner. For instance, the ability of the platform to link tickets across teams means that the HR team can triage and hand off IT onboarding queries that come to their service desk to the IT team easily within the platform. Also, the work queue interface provides service agents a common view of the service request resolution process and helps them to more efficiently stay on top of requests while focusing on more critical tasks. As such, service agents experience an improvement in work productivity, which contributed to an improved speed-of-service request fulfilment.

Furthermore, the self-service capabilities enabled by the integration of Jira Service Management and Confluence resulted in ticket volume reduction due to ticket deflection. The Smart-Graph technology on self-service portals learns and recommends answers to users while they fill out their request, potentially deflecting the submission of a service request ticket. Across the organization, a significant increase in clickthrough volume from Jira Service Management to Confluence was observed, with a 20% ticket deflection rate achieved. Specifically, the HR team saw a 230% increase in hits to Confluence articles after the implementation of Jira Service



Improved service agent productivity:
50% of total benefits

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.

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Management. An average ticket handling time of 0.64 hour is conservatively assumed in this model.[1]

Forrester adjusts productivity formulas with a productivity conversion ratio to be realistic and conservative in modelling. Productivity conversion considers that not every minute gained in productivity is put directly back into productive work: Employees could use the time to take a longer break, leave work on time, etc. The productivity conversion ratio for this study is 50%.

Companies should also consider the potential impact of productivity and what it could allow employees to achieve (e.g., resolve one more service request). Forrester does not suggest speculating on the values of these potential actions and incorporating them into an ROI model, but companies should consider these as potential and flexibility factors.

The model accounts for risks that could impact the value of benefits:

- Variance in user adoption rate of Jira Service Management.
- Variance in salaries by role.
- Variance in handling time of agents.

To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV of $2,023,906.

Improved Service Agent Productivity: Calculation Table					
REF.	**METRIC**	**CALC.**	**YEAR 1**	**YEAR 2**	**YEAR 3**
A1	Number of users included in JSD	Year 1: composite Years 2 and 3: $A1_{py}$*105%	9,000	9,450	9,923
A2	Pre-JSD average annual number of tickets filed per user	Assumption	42	42	42
A3	Pre-JSD average annual total number of tickets filed	A1*A2	378,000	396,900	416,745
A4	Ticket deflection due to self-service capabilities	Composite	20%	20%	20%
A5	Post-JSD average annual total number of tickets filed	(1-A4)*A3	302,400	317,520	333,396
A6	Average handling time per ticket (hours)	Composite	0.64	0.64	0.64
A7	Average agent fully loaded salary	Year 1: assumption Years 2 and 3: $A7_{py}$*103%	$72,100	$74,263	$76,491
A8	Productivity conversion	Assumption	50%	50%	50%
At	Improved service agent productivity	(A3-A5)*A6* (A7/2,080)*A8	$838,578	$906,923	$980,837
	Risk adjustment	↓10%			
Atr	Improved service agent productivity (risk-adjusted)		$754,721	$816,230	$882,753

Improved Infrastructure Support Team Productivity

The infrastructure support team services the needs of the engineering and software development teams, helping to manage over 70 different ongoing engineering applications. However, the poor ease of use and inflexibility of the traditional ITSM tool that the team was using posed challenges in completing the requests on a timely basis. There was often insufficient information captured within the ticket, which resulted in the support staff having to go back to the user to get the required information to complete the service request.

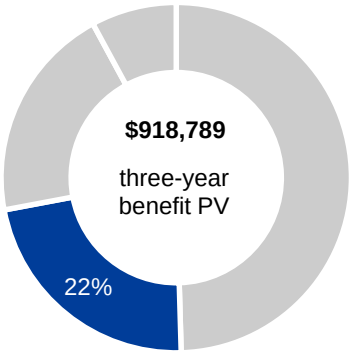
With Jira Service Management, the infrastructure support team was able to design and customize the service request forms in a way that enabled the gathering of required information in the first instance. Also, there was improved collaboration and communication between the infrastructure support staff and the engineering and software development teams because they were working on a single platform. These resulted in 61% handling time improvement per request, which meant that the support team is able to keep up with the increased volume of service request tickets without having to hire more staff. Ticket resolution time was also significantly reduced from 3 to 4 hours to just 1 to 2 hours. The ability of the support team to meet their SLA goals 85% of the time indicates improvement in first-time resolution rate.

A productivity conversion ratio of 50% is also applied in the calculation of this benefit, with the assumption that only 50% of the time saved will actually be converted into productive output.

The model accounts for risks that could impact the value of benefits:

- Variance in volume of tickets.
- Variance in salaries by role.
- Variance in handling time of Jira administrative staff.

To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV of $918,789.



Improved infrastructure support team productivity: **22%** of total benefits

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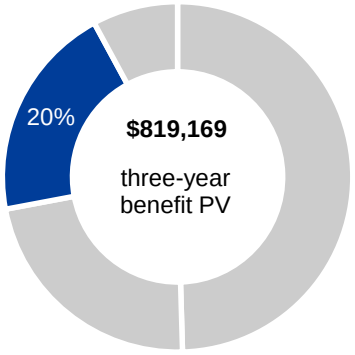
Improved Infrastructure Support Team Productivity: Calculation Table					
REF.	**METRIC**	**CALC.**	**YEAR 1**	**YEAR 2**	**YEAR 3**
B1	Average weekly number of tickets per support staff	Year 1: composite Years 2 and 3: $B1_{py}$*105%	180	189	198
B2	Number of support staff	Composite	6	6	6
B3	Average annual number of tickets	B1*B2*52	56,160	58,968	61,916
B4	Pre-JSD handling time per ticket (hours)	Composite	0.64	0.64	0.64
B5	Post-JSD handling time improvement per ticket	Composite	61%	61%	61%
B6	Post-JSD handling time per ticket (hours)	B4*(1-B5)	0.25	0.25	0.25
B7	Average employee fully loaded salary	Year 1: assumption Years 2 and 3: $B7_{py}$*103%	$72,100	$74,263	$76,491
B8	Productivity conversion	Assumption	50%	50%	50%
Bt	Improved infrastructure support team productivity	B3*(B4-B6)*(B7/2,080)*B8	$380,688	$411,714	$445,269
	Risk adjustment	↓10%			
Btr	Improved infrastructure support team productivity (risk-adjusted)		$342,619	$370,543	$400,742

Cost Savings Due To The Retirement Of Traditional ITSM Tools

The use of traditional ITSM tool was not only inflexible and bureaucratic, but it was also expensive to maintain. With a growing user base, the IT team began sourcing for alternative ITSM solutions that were more adaptable, scalable, and cost-effective. Multiple service management solutions were considered, but the team eventually decided on Jira Service Management due to its affordability, as well as its flexibility that allowed for greater customization and ease of implementation. For the infrastructure support team, the seamless integration with Jira Software and the team's existing familiarity with the Jira platform made Jira Service Management a clear win over other options.

When the teams migrated over to Jira Service Management, they retired the traditional ITSM tools that then no longer needed to be upgraded, maintained, and supported.

To estimate the associated system cost savings, the following assumptions were made:



Cost savings due to the retirement of traditional ITSM tools:
20% of total benefits

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- The traditional ITSM tools were retired at the go-live date of Jira Service Management, i.e., the beginning of Year 1.
- No increase was made in the costs of traditional ITSM tools across the three-year period.

The model accounts for a risk adjustment that could impact the value of benefits. Below are risks to keep in mind:

- Uncertainty of avoided upgrade and maintenance costs.

To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV of $819,169.

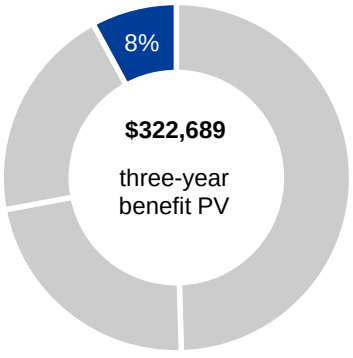
Cost Savings Due To The Retirement Of Traditional ITSM Tools: Calculation Table

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3
C1	Cost of traditional ITSM tool per IT agent	Composite	$1,080	$1,080	$1,080
C2	Number of IT agents	Composite	250	250	250
C3	Cost of traditional ITSM tool for engineering and software development team	Composite	$96,000	$96,000	$96,000
Ct	Cost savings due to the retirement of traditional ITSM tools	(C1*C2)+C3	$366,000	$366,000	$366,000
	Risk adjustment	↓10%			
Ctr	Cost savings due to the retirement of traditional ITSM tools (risk-adjusted)		$329,400	$329,400	$329,400

Improved End User Productivity

The wide range of customization features available on Jira Service Management enabled the design of attractive, modern-looking user portals, which not only appealed to users, but also aligns to the strong design culture of the organization. This simple and intuitive user interface of the Jira Service Management customer portal, being well integrated with Confluence as a knowledge base, provides users self-service capabilities that address their needs in a more efficient manner. Before even filing a service request ticket, they are automatically directed to knowledge base articles, FAQs, or guides that could potentially resolve their queries or issues. Also, effective triage of service requests reduces back-and-forth communication between users and agents.

Deagon Travel has 9,000 employees, and the model attributes an estimated 10 minutes average time savings per month for each employee with the efficiency provided by Jira Service Management.[2] This figure is based off the assumption of an approximate 10% time savings (3 minutes) per ticket from an average legacy time spent by each employee on a service request ticket of 30 minutes (includes time spent writing, submitting, and interacting with a service agent). With employees filing an average of three to four service request tickets per month, this amounts to about 2 hours of work time saved per employee annually.



Improved end user productivity:
8% of total benefits

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A productivity conversion ratio of 30% is also applied in the calculation of this benefit, with the assumption that only 30% of the time saved will actually be converted into productive output. A slightly lower productive conversion ratio is applied here with the understanding that an average employee is less likely to put efficiency gains from the service request process back into productive work, as compared to service agents.

The model accounts for risks that could impact the value of benefits:

- Variance in time saved per user.
- Variance in salaries by role.
- Variance in productivity conversion ratio.

To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV of $322,689.

Improved End User Productivity: Calculation Table

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3
D1	Number of users included in JSD	A1	9,000	9,450	9,923
D2	Time saved per month due to improved service request process (mins)	Assumption	10	10	10
D3	Average employee fully loaded salary	Year 1: assumption Years 2 and 3: $D3_{py}$*103%	$51,500	$53,045	$54,636
D4	Productivity conversion	Assumption	30%	30%	30%
Dt	Improved end user productivity	D1*(D2/60)*12*(D3/2,080)*D4	$133,702	$144,599	$156,383
	Risk adjustment	↓10%			
Dtr	Improved end user productivity (risk-adjusted)		$120,332	$130,139	$140,745

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 Jira Service Management and later realize additional uses and business opportunities, including:

- **Extending the deployment of Jira Service Management to other teams.** With its intuitive and adaptable approach to enterprise service management, the use of Jira Service Management can be easily extended to other business units that have not yet adopted Jira Service Management. The integration of multiple service desks on a single platform improves the cross-team collaboration across service teams while a single user portal helps users to submit their service request to the right team in the first instance.

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.

- **Deploying Jira Service Management for other service management processes.** On top of service request management, Jira Service Management can be utilized for other service management use cases, such as incident management and change enablement. The flexibility to easily customize request forms, and the availability of Jira Service Management portal alerts to communicate important information, helps to streamline incident recovery processes. Similarly, the ability to predetermine the appropriate support tier for different types of change request and easily link change requests to the relevant Jira Software projects allow for traceability and transparency of the change request process.
- **Leveraging Jira Service Management for external use cases.** The use of Jira Service Management can also be expanded to external users such as vendors and customers. For example, providing third-party developers access to the service desk can enable greater efficiency and traceability of queries or issues raised to the internal project teams.

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

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	JSD solution cost	$0	$157,520	$157,520	$157,520	$472,560	$391,729
Ftr	Initial setup cost	$312,627	$0	$0	$0	$312,627	$312,627
Gtr	Ongoing professional services cost	$0	$189,310	$191,689	$194,140	$575,139	$476,381
	Total costs (risk-adjusted)	$312,627	$346,830	$349,209	$351,660	$1,360,327	$1,180,737

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 more than $1 million.

Jira Service Management Solution Cost

The Jira Service Management license cost is calculated based on a Data Center offering. The total license cost will differ based on an organization's deployment needs (Cloud, Server, or Data Center) and the number of agents licensed on the system. A sample of list pricing is available on Atlassian's website, but Atlassian can provide a more tailored quote upon request. This study is modeled with a 1,000-agent license across all three years.

The solution cost also factored into the purchase of two marketplace applications — Refined for Jira Service Management and Riada Insight, when Jira Service Management was implemented. Refined enables teams to customize and brand their Jira Service Management themes as well as add rich content to further enhance customer service experience. On the other hand, Riada Insight enhances asset management capabilities with its visualization and automation features. Other marketplace applications, such as ScriptRunner, that are in use are not factored in the model as they were preexisting on Jira Software prior to the implementation of Jira Service Management.

The model accounts for risks that could impact the value of costs:

- Variance in deployment model and organizational needs for Jira Service Management.
- Variance in marketplace app costs.

To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year, risk-adjusted total PV of $391,729.

DEVICE42

An alternative asset management application would be **Device42's CMDB.**

Key features:

- Full auto-discovery capabilities to populate Jira Service Desk's CMDB.
- Dependency mapping capability for the entire IT infrastructure stack.
- Support advanced IT automation and hardware and software audits.
- Seamless integration with commonly used IT software (e.g., Confluence, Jira Service Management, automation tools such as Ansible, SIEM tools such as Splunk and Logstash).

Did you know?

If the cloud deployment was used with license subscription for 1,000 agents, the ROI would have been **308%.**

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Jira Service Management Solution Cost: Calculation Table						
REF.	METRIC	CALC.	INITIAL	YEAR 1	YEAR 2	YEAR 3
E1	JSD license cost	Composite		$108,000	$108,000	$108,000
E2	JSD marketplace application cost	Composite		$35,200	$35,200	$35,200
Et	JSD solution cost	E1+E2		$143,200	$143,200	$143,200
	Risk adjustment	↑10%				
Etr	JSD solution cost (risk-adjusted)		$0	$157,520	$157,520	$157,520

Initial Setup Cost

The initial setup cost mainly accounts for costs associated with the implementation of Jira Service Management, which was executed alongside the organization's migration to Atlassian's Data Center offering. Since Jira Software was already in place, the implementation of Jira Service Management was relatively easier and took a lesser amount of time. The cost includes the setup fees of the professional service provider, initial system health check fees, training hours for the agents, and the user learning hours for the rest of the organization.

A professional service provider was engaged to provide professional support during the two-month implementation period. This includes performing the system setup, systems integration, data migration, as well as workflow configuration. At the end of the implementation, a system health check was performed to ensure that the Jira Service Management platform was ready for use.

Training for the 750 agents was conducted internally by the two implementation employees, who were both subject matter experts for Atlassian's suite of products. The in-house training took 3 hours, with a prior training preparation time of 40 hours.

As for the average Jira Service Management user, a 0.5-hour learning time is accounted for the initial average time spent familiarizing themselves with the new user portal and attending information sharing session hosted internally as part of the organization's rollout program of Jira Service Management. Employees who were using traditional tools such as emails and phone calls prior to Jira Service Management may require more onboarding time as compared to employees who have experience filing service request tickets through service desk platforms.

The model accounts for risks that could impact the value of costs:

- Complexity of environment and deployment.
- Variance in training needs and standing knowledge of Jira Service Management.
- Variance in salaries by role.

To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year, risk-adjusted total PV of $312,627.

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.

2 months

Total implementation time for Jira Service Management

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Initial Setup Cost: Calculation Table						
REF.	**METRIC**	**CALC.**	**INITIAL**	**YEAR 1**	**YEAR 2**	**YEAR 3**
F1	Managed services fees	Composite	$100,000			
F2	Trainer preparation hours	Composite	40			
F3	Total number of agents	Composite	750			
F4	Training hours per agent	Composite	3			
F5	Number of users included in JSD	Composite	9,000			
F6	Learning hours per user	Composite	0.5			
F7	Total training and learning hours	(F3*F4)+ ((F5-F3)*F6)	6,375			
F8	Average employee fully loaded salary	Assumption	$50,000			
F9	System health check fees	Composite	$30,000			
Ft	Initial setup cost	((F2+F7)* (F8/2,080))+ F1+F9	$284,207	$0	$0	$0
	Risk adjustment	↑10%				
Ftr	Initial setup cost (risk-adjusted)		$312,627	$0	$0	$0

Ongoing Professional Services Cost

An ongoing managed services fee of $100,000 will be incurred on a yearly basis to help optimize ITSM processes, architecture, implementation, and management involving Jira Service Management and other Atlassian tools supporting the ITSM solution. Also, an internal resource is allocated to provide full-time support on all Jira Service Management support and administration matters.

The model accounts for risks that could impact the value of costs:

- Maturity of existing processes and ease of transferring to new environment.
- Complexity of environment and deployment.

To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year, risk-adjusted total PV of $476,381.

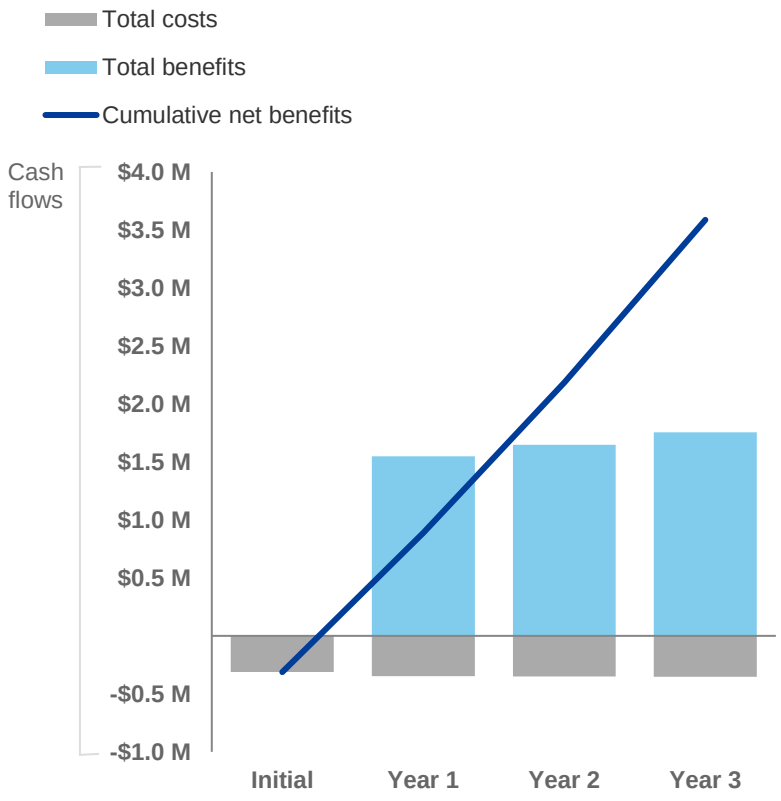
Ongoing Professional Services Cost: Calculation Table

REF.	METRIC	CALC.	INITIAL	YEAR 1	YEAR 2	YEAR 3
G1	Ongoing managed services fees	Composite		$100,000	$100,000	$100,000
G2	Number of internal full-time resources	Composite		1	1	1
G3	Average agent fully loaded salary	Year 1: assumption Years 2 and 3: $G3_{py}$*103%		$72,100	$74,263	$76,491
Gt	Ongoing professional services cost	G1+(G2*G3)		$172,100	$174,263	$176,491
	Risk adjustment	↑10%				
Gtr	Ongoing professional services cost (risk-adjusted)		$0	$189,310	$191,689	$194,140

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	($312,627)	($346,830)	($349,209)	($351,660)	($1,360,327)	($1,180,737)
Total benefits	$0	$1,547,072	$1,646,312	$1,753,640	$4,947,023	$4,084,553
Net benefits	($312,627)	$1,200,242	$1,297,102	$1,401,980	$3,586,697	$2,903,816
ROI						246%
Payback period						<6 months

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Overview of Atlassian for ITSM

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

The Atlassian ITSM Solution

Atlassian provides the technology backbone with the most critical collaborative workflows to help modern IT organizations plan, build, deliver, and ensure services are always on. Our approach to ITSM provides the essentials out of the box, integrated with a broad ecosystem of best-in-class apps. Instead of complex and inflexible workflows, our ITSM solution focuses on ease of use, collaboration, and knowledge sharing so IT teams can gain efficiencies, stay nimble, and focus on delivering value.

At the core of our ITSM solution is Jira Service Management which covers common ITIL practices out of the box. Jira Software supports project delivery and Confluence enables knowledge management. Opsgenie and Statuspage comprise a modern incident management solution. This seamless integration enables IT ops, IT support, and dev teams to run a full feedback loop from the time an incident is reported, all the way to the developer backlog and back to the reporter once the problem has been resolved.

Accelerate service delivery

Get started quickly and deliver value faster—without the cost and complexity of traditional ITSM tools. Create new services, request forms, workflows, and rules with intuitive, codeless set up and configuration. Customers can easily find help with a self-service portal and automated knowledge base suggestions when you add Confluence to Jira Service Management.

Adapt to your team's workflows

Configure out-of-the-box ITIL workflows to match the way your teams work. Extend the power of your ITSM by seamlessly integrating Jira Service Management with over 900 best-in-class apps from the Atlassian Marketplace.

Drive seamless collaboration

Build team culture and practices with open and collaborative workflows. Link Jira Service Management with Jira Software and Opsgenie to bring IT, ops, and developer teams together on one platform to resolve incidents faster and push changes with confidence.

Our products serve over 119,000 customers of all shapes and sizes, in virtually every industry.

To learn more about Atlassian for ITSM, visit https://www.atlassian.com/software/jira/service-desk.

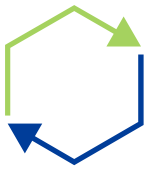
Appendix A: Total Economic Impact

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

Total Economic Impact Approach

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

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



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

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

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

Present value (PV)

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

Net present value (NPV)

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

Return on investment (ROI)

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

Discount rate

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

Payback period

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

Appendix B: Supplemental Material

Related Forrester Research

“Shift To Enterprise Service Management To Improve The Employee Experience,” Forrester Research, Inc., February 12, 2018.

“The Forrester Wave™: Enterprise Service Management, Q3 2018,” Forrester Research, Inc., August 23, 2018.

Appendix C: Endnote

[1] Tickets handled by service agents differ from tickets handled by the infrastructure support team. However, as interviewed customers were not able to provide average ticket handling time for service agents, the model conservatively assumes service agent tickets to have a similar average handle time as infrastructure support tickets.

[2] The estimated average time savings of 10 minutes per month per employee due to improved end user productivity is a conservative assumption used in this model. The time savings incurred may differ across employees and organizations, depending on the average number of service request tickets filed per employee and the complexity of the service requests.