



Sponsored by: **Red Hat**

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Business Value Highlights

368%

three-year ROI

5 months

to payback

35%

lower three-year cost of operations

32%

lower infrastructure costs

38%

more efficient IT infrastructure teams

21%

more productive development teams

63%

less unplanned downtime

The Business Value of Red Hat Solutions and Cost Relationship to Unpaid Alternatives

IDC OPINION

Open source software (OSS) has long held the allure of being available for free use in the form of community-supported projects, in addition to being available in commercially packaged and supported versions that are targeted at business users. That allure of free software has carried with it the belief that by avoiding subscription fees, customers can save money in the long term. Numerous IDC Business Value research studies have found that higher operational costs associated with self-supporting community-based infrastructure software far outstrips the cost of commercial subscription support, when that software is used in a mission-important or mission-critical capacity. The opex associated with maintenance of unsupported infrastructure software begins with the need to maintain expertise on staff to stay close to the project's community; then to vet, qualify and apply upstream fixes and patches to live systems, along with upgrade activities from time to time to stay in synch with the fast-moving upstream code base. That fast churn leads to substantial testing and validation costs for existing applications along with verification of backward compatibility. Those opex costs can quickly meet, and in most cases, exceed the costs associated with a commercial distribution based on that same community project.

This IDC Study takes a look at such a comparison of several Red Hat products including Red Hat Enterprise Linux (including Red Hat Satellite and Red Hat Insights); Red Hat OpenStack, Red Hat OpenShift, and Red Hat Ansible, with community-based alternatives. The cost of deploying, managing and life-cycling these products, both individually and collectively, was considered in comparison to community-based alternatives. In addition, the impact of user productivity — the impact of time to deploy, cost of outages, and related metrics — was considered for these two sets of technologies.

To develop this comparative analysis, IDC interviewed organizations that have deployed subscription-based Red Hat solutions instead of using alternative unpaid community-supported software. The experiences of these study participants demonstrate that the value of subscribing to and using commercially supported Red Hat software substantially outweighs the subscription costs, especially as organizations deploy and use more Red Hat solutions collectively.

Study participants reported not only enabling their development and business operations but reducing the cost of running workloads in their Red Hat environments despite subscription costs. Overall, IDC calculates that interviewed Red Hat customers will realize additional value worth an annual average of \$17,195 per 100 users compared with using unpaid community-supported alternatives and achieve an average three-year ROI of 368% in their investment by:

- **Lowering IT infrastructure costs** by raising server virtualization levels, increasing usage of server capacity, and reducing training and support costs due to leverage of support services available with Red Hat solutions and avoiding the need for do it yourself code patching that is often required when using community supported alternatives
- **Making IT teams more efficient** by providing them with higher functionality including automated patching and updates, as well as high-quality support from Red Hat
- **Delivering more agile and reliable IT operations** by leveraging higher-performing Red Hat solutions and taking advantage of Red Hat provisioning and development functionalities, and avoiding downtime incidents impacting end users
- **Improving business results** by enabling IT organizations to better support ongoing business initiatives, which results in higher revenue.

All told, IDC's research highlights the additional costs to IT operations and businesses that organizations can avoid by reducing IT friction and ensuring higher IT performance through investment in paid Red Hat solutions across their infrastructure stacks.