

FORRESTER®

The Total Economic Impact™ Of Dell Premier Solutions

Simplified Purchasing And Reduced Costs
Enabled By Premier Solutions

AUGUST 2021

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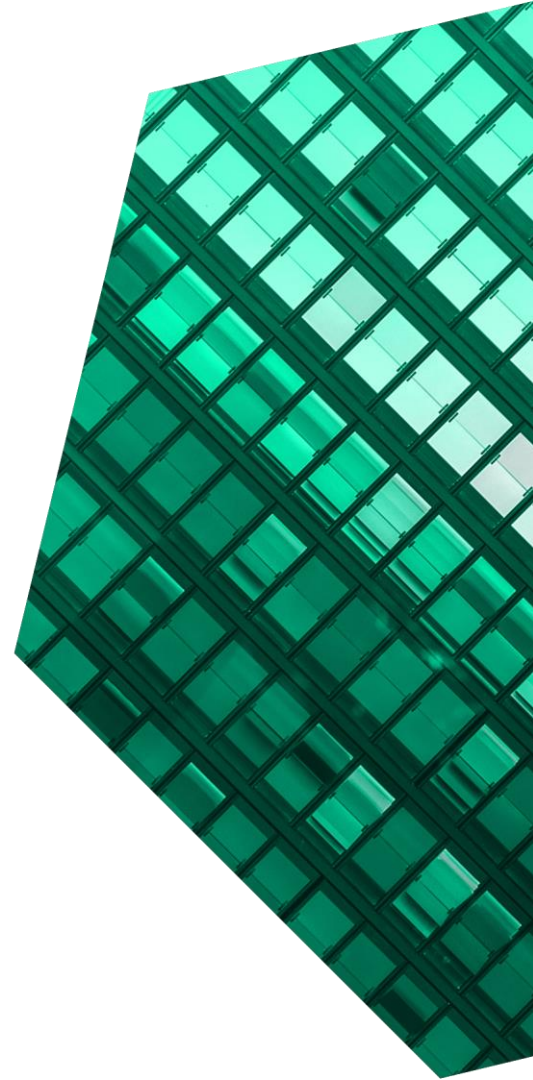
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ABOUT FORRESTER CONSULTING

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Executive Summary

Traditional IT procurement processes are often complicated and time-consuming, limiting IT and procurement teams' ability to focus on more strategic initiatives. Dell Premier Solutions offers a suite of complimentary tools designed to simplify and expand access to IT purchasing, asset management, and accelerated deployment. By modernizing IT procurement with Dell Premier Solutions, organizations save time and money, as well as improve employee productivity.

Dell and Intel commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) enterprises may realize by deploying [Premier Solutions](#).¹ The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of Premier Solutions on their organizations. The Dell Premier Solutions suite encompasses four key solutions: Premier Pages, Global Portal, Enterprise Resource Planning (ERP) Integration, and IT Service Management (ITSM) Integration. Dell customers are able to deploy any combination — or all — of the solutions to best serve their business and IT needs.

- **Premier Pages** are local online solution platforms, customized for an organization's country-specific procurement needs.
- **Global Portal** is the international counterpart to Premier Pages, providing a single destination for global procurement needs. Global Portal is only available to customers enrolled in the Global Customer Program, which requires a minimum annual spend with Dell.
- **ERP Integration** is a procurement integration solution that integrates Dell's Premier Pages or Global Portal with almost any e-procurement platform that a customer is currently using, such as Ariba or Coupa, through either a punchout or buyer-hosted catalog.

KEY BENEFITS



Improved procurement team efficiency:
15% (of total hours)



Reduced device configuration effort:
30 minutes (per device)



Reduced device cost due to standardization:
\$68 (per device)



Reduced employee downtime:
15% (per transaction)

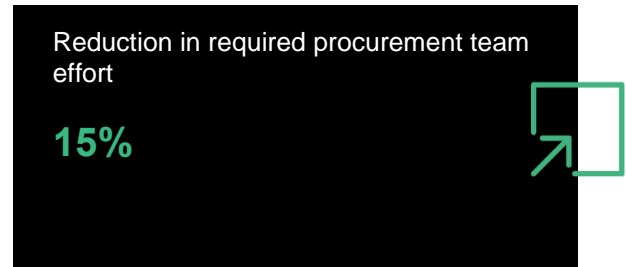
- **ITSM Integration** is a solution that connects to a customer's existing ITSM software, such as ServiceNow or Remedy, to allow for self-service workflows. This type of integration enables persona-based purchasing controls, automated approvals, and increased employee satisfaction and devices on hand.

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed five procurement team members at three customer organizations and surveyed 263 additional customers with experience using Premier Solutions. [Survey respondents](#) came from 12 countries and ranged in size from 100 to more than 20,000 employees. For

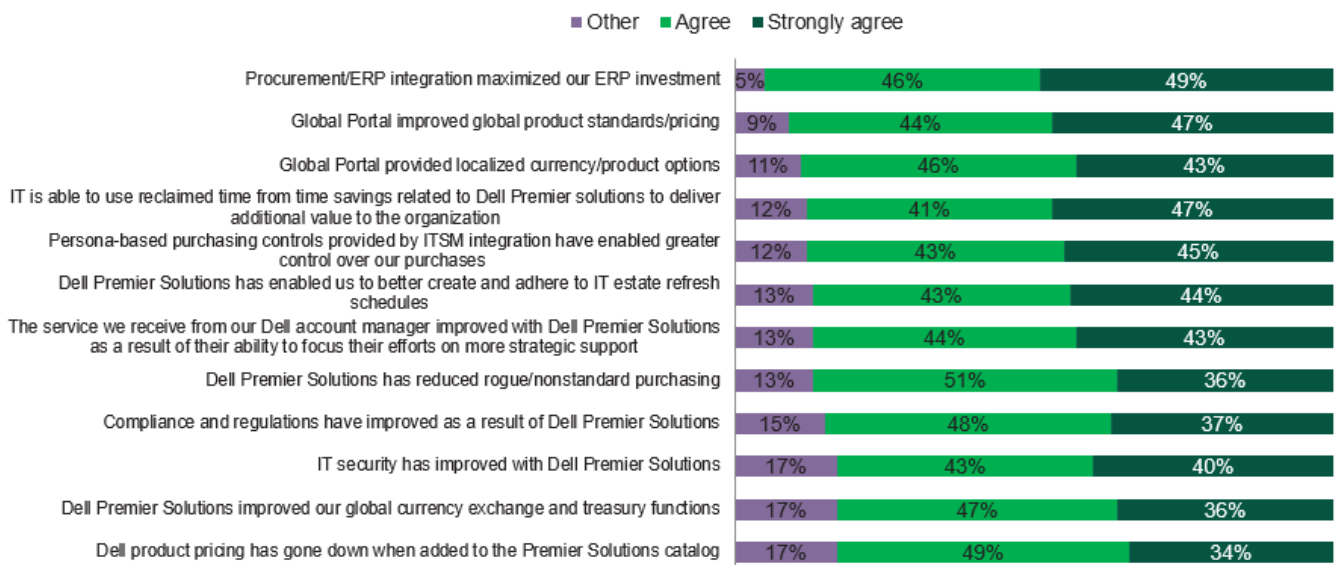
the purposes of this study, Forrester aggregated the experiences of the interviewed and surveyed customers and combined the results into a single, 15,000-employee composite organization with a 30-person procurement team and an annual spend of \$13.5 million with Dell. All financial findings presented in this study are based on the details of the composite organization.

Prior to using Premier Solutions, the customers struggled with traditionally complicated IT procurement processes, hallmarked by multiple vendors, lack of product standards and standardized pricing, and difficulty servicing all employees across the organization. There were also problems around rogue spending, people ordering over-specified hardware with a higher-than-necessary cost, and lost productivity for IT and procurement teams as well as employees and their managers.

Since adopting Premier Solutions, the customers have benefitted greatly from the automation, flexibility, and insights that came from the tools. Key results from the adoption include procurement team efficiency, device configuration time savings, and cost savings due to device standardization. These findings are consistent across interviewed and surveyed customers, regardless of size or geographic location.



“How much do you agree with each of the following statements?”



Base: 263 Dell Premier Solutions users

Source: A commissioned study conducted by Forrester Consulting on behalf of Dell, May 2021

KEY FINDINGS

Quantified benefits. Risk-adjusted present value (PV) quantified benefits over the four-year life of the study include:

- **Reduced procurement team effort associated with IT hardware purchasing by 15%.** With Premier Solutions automating procurement and empowering employees to manage their IT purchasing end-to-end, the procurement organization was able to reduce effort and reallocate resources to more strategic endeavors. These time savings were across the entire procurement lifecycle from quoting through to delivery. In Year 1 of the study, this time savings was 7.5%, increasing to 15% in Years 2 through 4. This was worth \$880,000.

“With Dell Premier, we were able to decentralize electronic buying by providing different departments with the tools and information they need to handle their own purchasing. The central procurement team doesn’t have to be involved in day-to-day purchases, which means we didn’t have to add headcount.”

Strategic purchasing manager, higher education

- **The IT organization saved 1,875 hours on device configuration annually.** Dell Premier Solutions makes it easier to create standard product catalogs and ensure that everyone orders from the catalogs. The increased product standardization and elimination of rogue device purchasing makes it easier to configure and provision devices. This translates into about 30 minutes of configuration time savings per device for the composite organization’s IT organization. The IT time savings came out to \$158,000.

“Premier Solutions is part of our overall project with Dell to reduce device configuration effort. All together, we expect to save two to three hours per device.”

IT order fulfillment leader, conglomerate

- **Reduced purchase cost per device by \$68 due to product standardization.** Lack of standard configurations prior to adopting the Dell Premier Solution suite resulted in rogue spending, both as a result of employees buying configurations they did not need and purchasing from different vendors at noncompetitive pricing. With purchasing insulated within Premier, customers saved \$726,000 over the life of the study.

“Dell Premier helped us achieve product standardization using historical data. This is going to save us a lot on device and transaction costs.”

Chief procurement officer, higher education

- **Increased employee productivity can save 39 thousand hours per year.** Prior to adopting Premier Solutions, employees lost valuable working time to making purchasing requests for new devices, as well as experiencing downtime while awaiting their orders. With Premier Solutions, employees reclaim that time and get back to work faster. Forrester found that downtime was reduced by 15% and self-service ordering saved 1.5 hours per purchase. This \$2.48 million in time savings was not included in the financial analysis to focus on hard savings.

“Our day one, new-hire onboarding success rate has increased from 80% to 98%. Making it easier to order PCs is the biggest component of this.”

IT order fulfillment leader, conglomerate

Unquantified benefits. Benefits that are not quantified for this study include:

- **Happier employees.** Both interviewees and survey respondents reported an increase in employee satisfaction scores since implementing Premier Solutions in their environment. Survey respondents reported procurement-related employee satisfaction Net Promoter Scores² increasing from 42 to 70 because of the addition of Premier Solutions.

“Our order-related CSAT (customer satisfaction) score has increased from 80% to 92%. Dell Premier solutions is responsible for one-third of the improvement.”

IT order fulfillment leader, conglomerate

- **Better security and compliance.** Adopting Premier Solutions helps organizations boost device security by better enforcing security standards and only making available approved configurations. Furthermore, the ability to set necessary product standards from country to country ensures compliance across a global enterprise. Eighty-five percent of survey respondents agreed that “Compliance and regulations have improved with Dell Premier Solutions,” and 83% agreed that “IT security has improved with Dell solutions.” Security is also improved because employees are not making purchases from vendors with insecure websites and marketplaces.

“This helps us a lot with compliance. There are many items around IT security that we have to report to the US federal government, and Premier Solutions reporting makes that easier.”

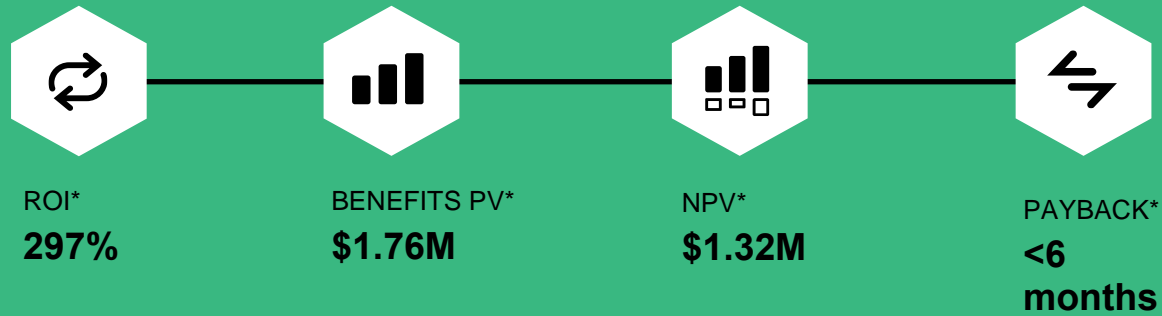
Chief procurement officer, higher education

Costs. Risk-adjusted PV costs include:

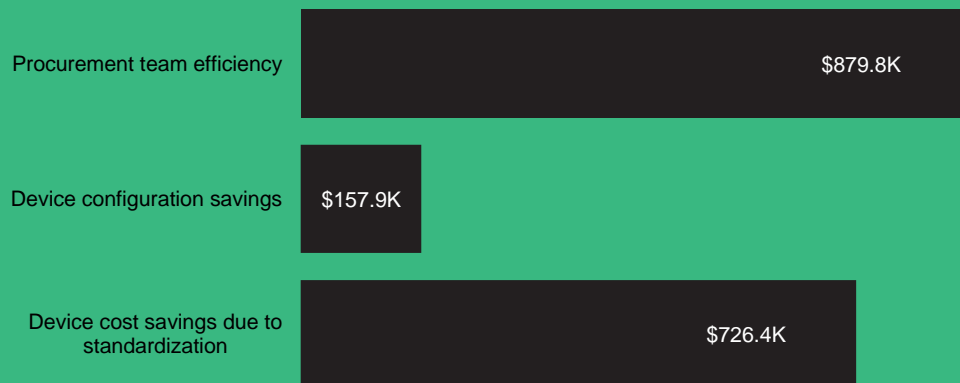
- **Internal effort was \$361,409.** While Dell offers Premier Solutions at no additional cost to its customers, some internal effort is necessary for implementation and maintenance, more so in relation to integrations than Premier Pages or Global Portal. The initial setup took three FTEs two months to complete. Ongoing management and development required one FTE.

SUMMARY OF QUANTIFIED FINDINGS

The financial analysis based on the customer interviews and survey found that a composite organization experiences benefits of \$1.76 million over four years versus costs of \$444,000, adding up to a net present value (NPV) of \$1.32 million and an ROI of 297%.



Benefits (Four-Year)



*See [Appendix A](#) for definitions of financial terms.

TEI FRAMEWORK AND METHODOLOGY

From the information provided in the interviews and survey, Forrester constructed a Total Economic Impact™ framework for those organizations considering an investment in Premier Solutions.

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 Premier Solutions can have on an organization.

DISCLOSURES

Readers should be aware of the following:

This study is commissioned by Dell and Intel 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 study to determine the appropriateness of an investment in Premier Solutions.

Dell 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.

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

Forrester fielded the double-blind survey using a third-party survey partner.



DUE DILIGENCE

Interviewed Dell stakeholders and Forrester analysts to gather data relative to the Premier Solutions.



CUSTOMER INTERVIEWS AND SURVEY

Interviewed five decision-makers and surveyed 263 decision-makers at organizations using Premier Solutions to obtain data with respect to costs, benefits, and risks.



COMPOSITE ORGANIZATION

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



FINANCIAL MODEL FRAMEWORK

Constructed a financial model representative of the interviews and survey 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 the investment impact: benefits, costs, flexibility, and risks. Given the increasing sophistication of ROI analyses related to IT investments, Forrester's TEI methodology provides a complete picture of the total economic impact of purchase decisions. Please see Appendix A for additional information on the TEI methodology.

The Dell Premier Solutions Customer Journey

Drivers leading to the Premier Solutions investment

KEY CHALLENGES

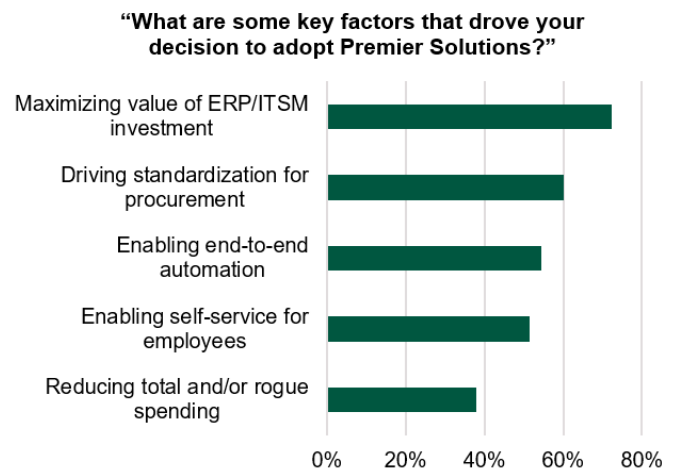
Forrester interviewed three decision-makers and surveyed users at 263 organizations with experience using Premier Solutions. For more details on the organizations that participated in this study, see [Appendix B](#).

Before adopting Premier Solutions, customers either coordinated all of their IT purchasing through the procurement organization or allowed departments to engage in independent purchasing and submit receipts for budget tracking. The former usually entailed manual processes and multiple vendors, making for arduous tasks that cost everyone involved valuable time and effort. The latter resulted in a messy ecosystem of disparate devices that were difficult to manage and secure, as well as excessively high operating expenses.

The organizations struggled with common challenges prior to implementing Premier Solutions, including:

- **Traditionally complicated IT procurement and rigid buying process.** Companies had cumbersome and disparate procurement processes, which created a range of procurement-related problems from delayed order and delivery to excessive spend. These problems became worse as companies grew, including more support of frontline workers. Additionally, work-from-home push during the COVID-19 pandemic made it very difficult to continue with their previous, manual processes.
- **Lack of self-service empowerment among end users.** Many companies had initiatives to decentralize procurement activities through the use of ITSM and other tools in order to free up procurement and IT teams' time. IT hardware purchasing was one area where they continued to struggle, compared to other purchase areas, because it affects almost every employee.

- **Lack of standardization for products and pricing.** Companies that were buying from multiple vendors or had little control over what users were buying from approved vendors found themselves with very heterogeneous IT estates. This caused a lot of headaches with regard to managing devices, implementing company-mandated security, and ensuring that employees had the tools they needed. This also resulted in higher spend because people would buy overly specified devices or not take advantage of negotiated pricing.
- **Global business complexity.** International companies experienced all of the aforementioned challenges at increased levels, as well as encountering additional ones. These included managing global treasury and foreign exchange, adhering to country-specific regulations, and ensuring that the corporate IT standards were uniformly followed around the globe.



Base: 263 Dell Premier Solutions users

Source: A commissioned study conducted by Forrester Consulting on behalf of Dell, May 2021

SOLUTION REQUIREMENTS

- A secure, authenticated online procurement platform to enable onboarding demands and manage IT lifecycles, while providing negotiated and/or contract pricing.
- Global reach to support current and future expansion needs.
- Robust reporting capabilities and visibility into real-time order status.
- Capability to integrate either a punchout catalog or buyer-hosted catalog, depending on customer needs, into existing e-procurement solutions for an automated procure-to-pay process
- Capability to integrate with ITSM software to support self-service procurement and persona-based purchasing workflows

COMPOSITE ORGANIZATION

Based on the interviews and survey, Forrester constructed a TEI framework, a composite company, and a ROI analysis that illustrates the areas financially affected. The composite organization is representative of the three companies that Forrester interviewed and the 263 companies that Forrester surveyed and is used to present the aggregate financial analysis in the next section. The composite organization has the following characteristics:

Description of composite. The multibillion-dollar finance organization is headquartered in the US with global operations. The organization has more than 15,000 employees, 95% of whom directly interact with Premier Solutions through their ITSM system. The procurement team consists of 30 people. The average annual spend with Dell is \$13.5 million, or \$900 per employee.

Deployment characteristics. The organization has all four Premier Solution elements deployed: Premier Pages, Global Portal, ERP Integration, and ITSM Integration. Country-specific Premier Pages are in place where Global Portal cannot be used for a range of technical or compliance reasons.

Key Assumptions

- **15,000 employees**
- **14,250 Premier Solutions users**
- **30-person procurement team**
- **All four Premier Solutions components deployed**

Analysis Of Benefits

■ Quantified benefit data as applied to the composite

Total Benefits

Ref.	Benefit	Year 1	Year 2	Year 3	Year 4	Total	Present Value
Atr	Procurement team efficiency	\$162,000	\$324,000	\$324,000	\$324,000	\$1,134,000	\$879,764
Btr	Device configuration savings	\$49,805	\$49,805	\$49,805	\$49,805	\$199,219	\$157,874
Ctr	Device cost savings due to standardization	\$229,163	\$229,163	\$229,163	\$229,163	\$916,650	\$726,414
	Total benefits (risk-adjusted)	\$440,967	\$602,967	\$602,967	\$602,967	\$2,249,869	\$1,764,052

PROCUREMENT TEAM EFFICIENCY

Evidence and data. Interviewees shared many examples of how procurement team efficiency and effectiveness have improved. These improvements free up existing team members to work on higher-value projects and allows the organization to avoid hiring additional people to the team. Some examples from the interviews included:

- Saving 20 minutes per transaction.
- Avoiding growing the procurement team by 7%.
- Reassigning 10% of the procurement team to other, higher-value activities.
- Avoiding upward of 90% of orders requiring any manual steps for review or approval.

The survey looked at procurement efficiency gains across a range of activities. Respondents of all sizes and regions reported significant reductions in time spent across these activities.

Procurement Team Efficiency (By Company Size)

Task	All	Small	Med.	Large
Supporting employees through purchasing	18.6%	19.4%	18.0%	18.0%
Getting quotes	19.3%	18.7%	20.4%	16.8%
Order processing	19.9%	19.7%	20.0%	19.0%
Invoice processing	20.1%	21.0%	19.6%	18.7%
Tracking and reporting	19.4%	19.9%	19.3%	17.6%
Order delivery	17.5%	17.4%	17.2%	17.1%
Creating/managing catalogs	20.4%	20.6%	20.4%	19.3%
Managing pricing	19.1%	20.4%	18.2%	19.6%
Average	19.3%	19.6%	19.2%	18.3%

Note: Small is less than 1,000 employees, Medium is 1,000 to 5,000 employees, and Large is more than 5,000 employees.

Procurement Team Efficiency (By Region)

Task	All	NA	SA	EMEA	APAC
Supporting employees through purchasing	18.6%	20.7%	21.6%	16.5%	20.1%
Getting quotes	19.3%	22.2%	22.4%	17.8%	19.7%
Order processing	19.9%	26.9%	20.6%	18.3%	19.4%
Invoice processing	20.1%	23.5%	21.6%	19.4%	19.4%
Tracking and reporting	19.4%	22.8%	24.7%	16.4%	20.7%
Order delivery	17.5%	21.6%	25.5%	15.2%	17.1%
Creating/managing catalogs	20.4%	29.6%	23.6%	18.0%	19.5%
Managing pricing	19.1%	21.4%	24.7%	16.9%	19.8%
Average	19.3%	23.6%	23.1%	17.3%	19.5%

Note: NA is North America; SA is South America; EMEA is Europe, Middle East, and Africa; APAC is Asia Pacific.

Modeling and assumptions. For the composite organization, Forrester assumes the following:

- The procurement team reduces their effort by 15% with Premier Solutions in place. They only realize half of this efficiency in Year 1 as they are acclimating to the Premier Solutions suite.
- The average fully burdened cost, or annual salary with benefits and payroll taxes, of a procurement professional is \$90,000.
- A productivity capture of 50% is applied because not all time savings translate into completion of additional work.

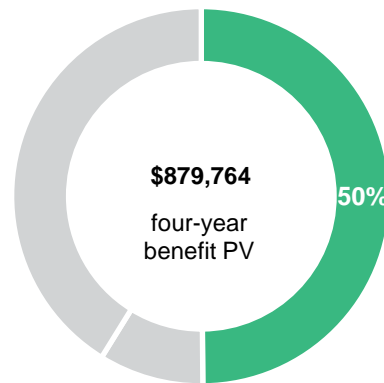
“I have set configurations for different employee types. Telling people what they can have is much easier and efficient.”

IT manager, transportation and logistics

Risks. Some factors that could result in this benefit being lower than that reported by interviewees include:

- Already having streamlined processes and putting similar vendor procurement systems in place.
- Having lower fully burdened salary costs.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a four-year, risk-adjusted total PV (discounted at 10%) of \$879,764.



Procurement Team Efficiency						
Ref.	Metric	Calculation	Year 1	Year 2	Year 3	Year 4
A1	Number of employees	Composite	15,000	15,000	15,000	15,000
A2	Number of procurement team members	A1/500 employees	30	30	30	30
A3	Reduced procurement effort	15% (half of benefit is realized in Year 1)	7.5%	15.0%	15.0%	15.0%
A4	Reduced procurement effort (FTEs)	A2*A3 [rounded down]	2	4	4	4
A5	Average fully burdened cost (annually)	Industry	\$90,000	\$90,000	\$90,000	\$90,000
At	Procurement team efficiency	A4*A5	\$180,000	\$360,000	\$360,000	\$360,000
	Risk adjustment	↓10%				
Atr	Procurement team efficiency (risk-adjusted)		\$162,000	\$324,000	\$324,000	\$324,000
Four-year total: \$1,134,000			Four-year present value: \$879,764			

DEVICE CONFIGURATION SAVINGS

Evidence and data. Interviewees reported that deploying Premier Solutions in their environments improved product standardization and eliminated rogue hardware purchasing. This made it easier for the customers' IT organizations to configure and provision new devices, as many necessary services were built into standard configurations. This was especially advantageous with more employees working from home during the COVID-19 pandemic, allowing for devices to be more quickly ready for use and automating new-hire and existing-employee device refresh configuration processes. Some interviewee examples include:

- One interviewee reported Premier Solutions reducing device configuration time from 2 hours to 1.5 hours.
- Another interviewee said that Premier Solutions is contributing to a total configuration savings of 2 to 3 hours per device as part of an overall procurement reengineering project with Dell.

The survey asked the “Percent reduction in time spent by an IT employee to set up hardware.” The average reported time savings across all respondents was 18.3%; broken out by company size and location, the savings were:

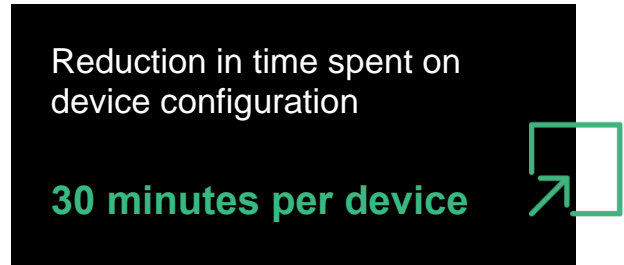
- Time savings by size: Small 20.2%, Medium 16.9%, Large 18.9%.
- Time savings by region: North America 22.4%, South America 24.1%, EMEA 14.9%, APAC 19.0%.

Modeling and assumptions. For the composite organization, Forrester assumes the following:

- The organization operates on a four-year IT estate refresh schedule, meaning 3,750 new devices are purchased annually.
- IT previously spent 2 hours per device on configuration tasks. With Premier, they reduced

the time spent by 30 minutes, per the interviewees' experiences.

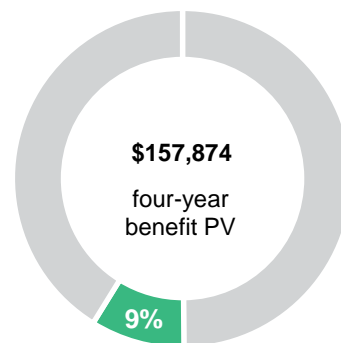
- The average fully burdened cost, or hourly rate, of an IT professional is \$62.50 per hour.
- A productivity capture of 50% is applied because not all time savings translate into completion of additional work.



Risks. Some factors that could result in this benefit being lower than that reported by interviewees include:

- Already automating or outsourcing device configuration.
- Having minimal configuration needs.
- Having lower fully burdened costs for IT resources.

Results. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a four-year, risk-adjusted total PV of \$157,874.



Device Configuration Savings						
Ref.	Metric	Calculation	Year 1	Year 2	Year 3	Year 4
B1	Number of devices purchased		3,750	3,750	3,750	3,750
B2	Configuration time savings per device (hours)	2 hours-1.5 hours	0.5	0.5	0.5	0.5
B3	Total time savings (hours)	B1*B2	1,875	1,875	1,875	1,875
B4	IT fully burdened cost (hourly)	\$130,000/2,080 hours	\$62.50	\$62.50	\$62.50	\$62.50
B5	Total labor savings	B3*B4	\$117,188	\$117,188	\$117,188	\$117,188
B6	Productivity capture		50%	50%	50%	50%
Bt	Device configuration savings	B5*B6	\$58,594	\$58,594	\$58,594	\$58,594
	Risk adjustment	↓15%				
Btr	Device configuration savings (risk-adjusted)		\$49,805	\$49,805	\$49,805	\$49,805
Four-year total: \$199,219			Four-year present value: \$157,874			

DEVICE COST SAVINGS DUE TO STANDARDIZATION

Evidence and data. Interviewees said that they were able to reduce device costs in several ways. Creating standard configurations for different user profiles kept employees from over-specifying devices at a higher cost. Encouraging staff to order through Premier Solutions ensured that negotiated pricing was being applied. Preventing rogue spending kept employees from buying from higher-priced sources and ensured that customers could centralize and easily access Dell spend data. Interviewees shared the following examples:

- Seven percent to 20% reduction in expenditures due to product standardization.
- A PC lifetime savings of \$300 over the standard refresh cycle.
- Inclusion of extended warranties at a much lower cost.

- Reducing from 400 configuration variations down to 10 standards.

Modeling and assumptions. For the composite organization, Forrester assumes the following:

- The organization operates on a four-year IT estate refresh schedule, meaning 3,750 new devices are purchased annually.
- The purchase cost per device prior to adopting Premier Solutions was \$970.
- The reduction in purchase cost with Premier Solutions is 7%, or \$68 per device.

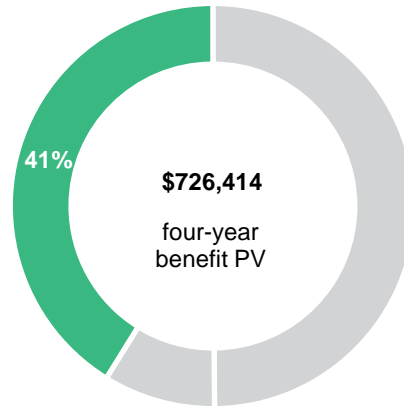
“We saw a reduction of over 20% in average PC costs by driving standardization. We provide employees with the type of device they need for their role.”

IT order fulfillment leader, conglomerate

Risks. Some factors that could result in this benefit being lower than that reported by interviewees include:

- Already having controls in place to keep people from buying excessively high-specified hardware.
- Already having controls in place to prevent rogue spending.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a four-year, risk-adjusted total PV of \$726,414.



Device Cost Savings Due To Standardization

Ref.	Metric	Calculation	Year 1	Year 2	Year 3	Year 4
C1	Number of devices purchased	B1	3,750	3,750	3,750	3,750
C2	Previous purchase cost per device		\$970	\$970	\$970	\$970
C3	Reduction in purchase cost w/ Premier		7%	7%	7%	7%
C4	Savings per device w/ Premier	C2*C3	\$68	\$68	\$68	\$68
Ct	Device cost savings due to standardization	C1*C4	\$254,625	\$254,625	\$254,625	\$254,625
	Risk adjustment	↓10%				
Ctr	Device cost savings due to standardization (risk-adjusted)		\$229,163	\$229,163	\$229,163	\$229,163
Four-year total: \$916,650			Four-year present value: \$726,414			

EMPLOYEE PRODUCTIVITY

Evidence and data. This benefit was not included in the ROI analysis because many companies consider it a soft savings. Nonetheless, it is a potentially large benefit that Forrester quantified. Premier Solutions significantly reduces the time employees spend ordering computers, as well as the time spent waiting for the devices to arrive. This can be especially valuable when onboarding new employees. Overall, these benefits are especially higher when Premier Solutions is integrated with the ITSM system.

Interviewees shared the following examples of how employee productivity has improved:

- Device user procurement time was reduced from 60 to 20 minutes.
- Manager approval time was reduced from 15 minutes to effectively 0 minutes.
- Total elapsed ordering time was reduced from days to minutes because approvals are automated.
- Day-one new-hire onboarding success was increased from 80% to 98%.

Modeling and assumptions. For the composite organization, Forrester assumes the following:

- Users who directly interact with Premier Solutions

“The biggest benefit is time savings from ease of use. Shoppers aren’t spending a lot of time building their requests.”

Chief procurement officer, higher education

via an ITSM integration save 1.5 hours per purchase.

- Other recipients of new devices have a 15% reduction in downtime.

- A 50% productivity capture is applied because not all time savings results in additional, value-added work being completed.

Risks. Some factors that could result in this benefit being lower than interviewees reported include:

- Fewer employees directly ordering via Premier Solutions.
- Less downtime spent on prolonged procurement processes.
- Lower fully burdened cost.

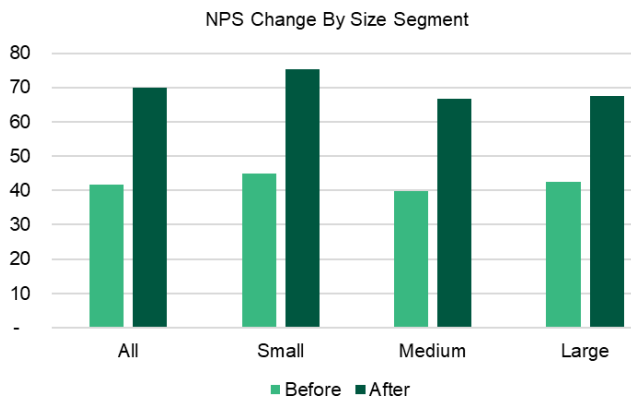
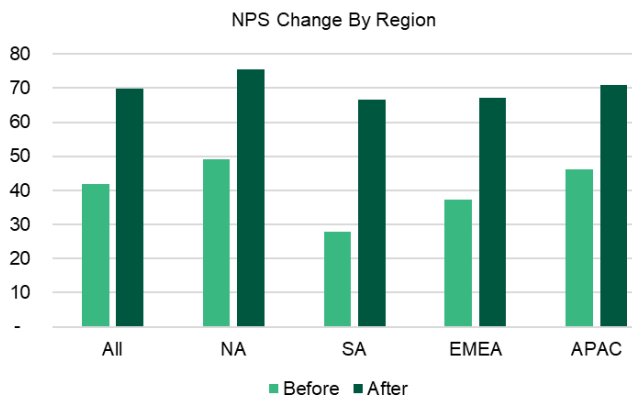
Results. To account for these risks, Forrester adjusted this benefit downward by 20%, yielding a four-year, risk-adjusted total PV of \$2,478,439.

Employee Productivity						
Ref.	Metric	Calculation	Year 1	Year 2	Year 3	Year 4
XX1	Number of self-service users	(15,000*95%)/4 years	3,563	3,563	3,563	3,563
XX2	Self-service user purchasing time savings (hours)		1.5	1.5	1.5	1.5
XX3	Number of employees receiving new devices	B1	3,750	3,750	3,750	3,750
XX4	End user downtime prior to Premier Solutions (hours)	7.5 days*8 hours	60	60	60	60
XX5	Reduction in end-user downtime with Premier		15%	15%	15%	15%
XX6	Total time savings (hours)	(XX1*XX2)+(XX3*XX4*XX5)	39,094	39,094	39,094	39,094
XX7	Average fully burdened cost (hourly)	\$104,000/2,080 hours	\$50	\$50	\$50	\$50
XX8	Total labor savings	XX6*XX7	\$1,954,688	\$1,954,688	\$1,954,688	\$1,954,688
XX9	Productivity capture		50%	50%	50%	50%
XXt	Employee productivity	XX6*XX7*XX8	\$977,344	\$977,344	\$977,344	\$977,344
	Risk adjustment	↓20%				
XXtr	Employee productivity (risk-adjusted)		\$781,875	\$781,875	\$781,875	\$781,875
Four-year total: \$3,127,500			Four-year present value: \$2,478,439			

UNQUANTIFIED BENEFITS

Additional benefits that customers experienced but were not able to quantify include:

- **Happier employees.** One interviewee reported that employee satisfaction scores are up 12% since the organization adopted Premier Solutions, and 30% of that uptick is directly attributable to its implementation. The survey also looked at IT procurement improvements in employee satisfaction Net Promoter Score, and the results by region company size are shown in the charts below:



- **Better security and compliance.** Eighty-five percent of survey respondents said that “Compliance and regulations have improved as a result of Dell Premier Solutions,” and 83% said that “IT security has improved with Dell Premier Solutions.” Leading reasons for this were better application of security and secure images, improved ability to keep non-sanctioned devices

off of internal networks, and fewer numbers of device types, making managing IT security easier. Additionally, Forrester’s research³ has found that Chief Procurement Officers want better compliance, security, and visibility, and this can best be achieved by providing eProcurement solutions that are fast and easy to use. Otherwise, employees will buy outside of approved channels, which “exposes the company to risks from unsafe, insecure, or unethical suppliers if employees start buying directly from the sellers’ website or from unregulated marketplaces.”

FLEXIBILITY

The value of flexibility is unique to each customer. There are multiple scenarios in which a customer might implement Premier Solutions and later realize additional uses and business opportunities. Some examples include adding other Premier Solution components (e.g., ERP integration) after the initial implementation and extending ordering self-service to more employees. Flexibility would also be quantified when evaluated as part of a specific project (described in more detail in [Appendix A](#)). Flexibility benefits were not included in the financial analysis.

Analysis Of Costs

■ Quantified cost data as applied to the composite

Total Costs								
Ref.	Cost	Initial	Year 1	Year 2	Year 3	Year 4	Total	Present Value
Dtr	Internal effort	\$60,500	\$121,000	\$121,000	\$121,000	\$121,000	\$544,500	\$444,054
	Total costs (risk-adjusted)	\$60,500	\$121,000	\$121,000	\$121,000	\$121,000	\$544,500	\$444,054

INTERNAL EFFORT

Evidence and data. Interviewees shared that it was generally quick, easy, and costless to implement Dell Premier Solutions. Dell enables Premier Pages for organizations with little involvement needed from the customer. There was, however, some internal effort required to perform the integration work alongside Dell.

Modeling and assumptions. For the composite organization, Forrester assumes the following:

- The initial setup to bring on all four Premier solutions took three FTEs approximately two months.

- One FTE was included for ongoing management and development of the solution suite.

Risks. Some factors that could result in this cost being higher than reported include:

- A larger, more complex rollout.
- More hands-on ongoing management by the customer.

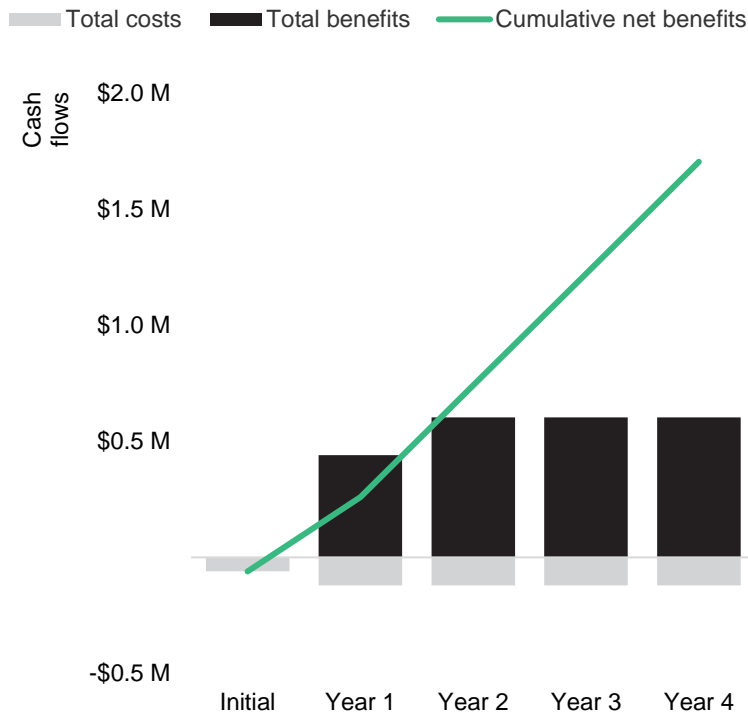
Results. To account for these risks, Forrester adjusted this cost upward by 10%, yielding a four-year, risk-adjusted total PV (discounted at 10%) of \$544,500.

Internal Effort								
Ref.	Metric	Calculation	Initial	Year 1	Year 2	Year 3	Year 4	
D1	Initial setup	3 FTEs*2 months*(\$110,000/12 months)	\$55,000					
D2	Ongoing management and development	1 FTE*\$110K		\$110,000	\$110,000	\$110,000	\$110,000	
Dt	Internal effort	E1+E2	\$55,000	\$110,000	\$110,000	\$110,000	\$110,000	
	Risk adjustment	↑10%						
Dtr	Internal effort (risk-adjusted)		\$60,500	\$121,000	\$121,000	\$121,000	\$121,000	
Four-year total: \$544,500			Four-year present value: \$444,054					

Financial Summary

CONSOLIDATED FOUR-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 Estimates)

	Initial	Year 1	Year 2	Year 3	Year 4	Total	Present Value
Total costs	(\$60,500)	(\$121,000)	(\$121,000)	(\$121,000)	(\$121,000)	(\$544,500)	(\$444,054)
Total benefits	\$0	\$440,967	\$602,967	\$602,967	\$602,967	\$2,249,869	\$1,764,052
Net benefits	(\$60,500)	\$319,967	\$481,967	\$481,967	\$481,967	\$1,705,369	\$1,319,998
ROI							297%
Payback period (months)							<6

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%.



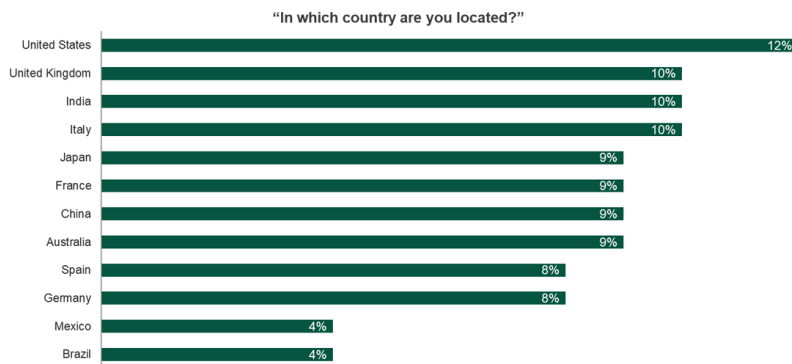
PAYBACK PERIOD

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

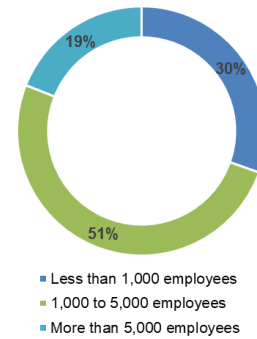
Appendix B: Interview And Survey Demographics

Interviewed Organizations			
Industry	Region	Interviewee	Number of annual Dell transactions
Higher education	North America	<ul style="list-style-type: none"> eProcurement manager Strategic purchasing manager Chief procurement officer 	5,500
Transportation and logistics	North America	IT manager	40
Conglomerate	Global	IT order fulfillment leader	25,000

Survey Demographics



"How many employees work for your organization?"



Base: 263 Dell Premier Solutions user

Source: A commissioned study conducted by Forrester Consulting on behalf of Dell and Intel, May 2021

Appendix C: Endnotes

¹ 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.

² Net Promoter and NPS are registered service marks, and Net Promoter Score is a service mark, of Bain & Company, Inc., Satmetrix Systems, Inc., and Fred Reichheld.

³ Source" "Now Tech eProcurement, Q4 2019." Forrester Research, Inc. October 2019.

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