

## Case Study: How Forrester Helped Software AG Calculate the Value of SOA

<b>Who</b>	Director of Market Strategy Software AG
<b>Why Forrester</b>	Forrester's Total Economic Impact™ (TEI) methodology — and demonstrated service-oriented architecture (SOA) expertise — would prove invaluable to Software AG as it showed customers and prospects how to calculate the ROI of an SOA investment. Forrester created an online tool that would help Software AG's sales force quickly demonstrate the financial benefits of an SOA investment.
<b>Challenge</b>	<p>Calculating the value of SOA is difficult. There are many elements to take into account, which vary from one organization to the next (even in the same industry) and overwhelm any set of simple formulas. Forrester Consulting was challenged with creating an interactive tool that would frame the value of SOA for individual organizations. It would also provide a quick start for calculating the ROI of SOA initiatives. The SOA Value Assessment tool would:</p> <ul style="list-style-type: none"> <li>• Demonstrate the business value of SOA, in financial terms, specific to the organization using the tool.</li> <li>• Help Software AG's sales team to generate leads, shorten the sales cycle, and improve win rates through identifying the correct audience.</li> <li>• Communicate the value proposition directly and immediately to the prospect using a Web-based interface.</li> </ul>
<b>Forrester Approach</b>	<p>Forrester sought to conduct a sufficiently rigorous analysis to estimate the expected risk-adjusted and non-risk-adjusted business case. Forrester's approach to the engagement:</p> <ul style="list-style-type: none"> <li>• Gather information from interviews with Software AG executives.</li> <li>• Employ Forrester's extensive knowledge of typical SOA benefits, costs, flexibility, and risks.</li> <li>• Create a tool to estimate potential benefits, flexibility, and risk of SOA.</li> </ul> <p>Forrester and Software AG worked in partnership to structure a series of questions that became the basis of the SOA Value Assessment.</p>
<b>Results</b>	<p>The SOA Value Assessment tool has received very positive feedback from customers and from Software AG's sales force. The final achievement was much more comprehensive than originally envisioned. To ensure the project's success and make the tool unique in the marketplace, Forrester added expert SOA analysis and IT governance expertise to the TEI methodology. Software AG will look to Forrester Consulting for guidance in adjusting the tool as SOA products for IT infrastructure mature.</p>

*"Forrester's TEI methodology, combined with their field experience, is unique in the market. We worked together in a way that was open and efficient and accomplished a lot in a short time. Our experience with Forrester has been great."*

— Lars Drexler, Director of Market Strategy, Software AG



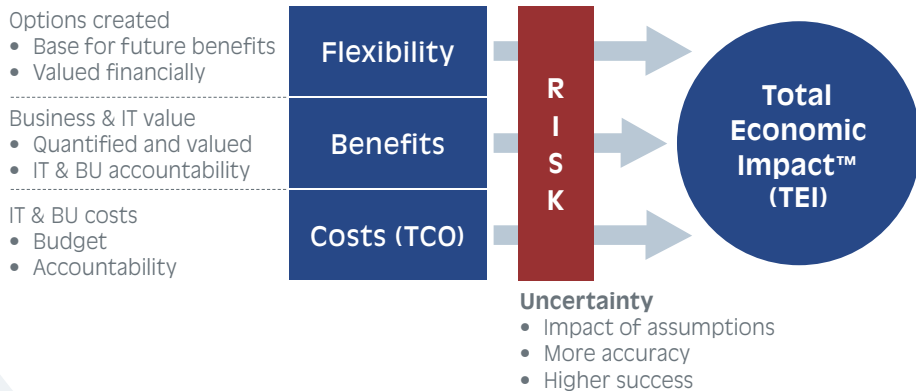
Few companies worldwide have a meaningful way to measure the value of IT and IT projects before making an investment, driving cost comparisons to the forefront of their decisions among providers. Most technology providers only talk about features and functions when they should be helping potential clients understand benefits. To differentiate the real value of your solution to customers, you must be able to communicate the complete return on your clients' financial investments.

Forrester's Total Economic Impact™ (TEI) is the most comprehensive methodology for determining the value of IT by balancing cost with three other equally significant factors — benefits, flexibility, and risk. Through TEI assessments, you are able to demonstrate the tangible business value and return on investment (ROI) of your products and services, as well as develop compelling sales proposals and marketing messages that are relevant to both IT professionals and business stakeholders.

## The TEI™ Advantage: Targeting The Issues You Face

TEI analysts and technology experts integrate a number of financial modeling techniques to arrive at a realistic (and risk-adjusted) ROI — one that fully values the benefits and flexibility of your solution. TEI is customizable, practical, and easy to follow while at the same time providing you with a sophisticated financial framework for quantifying and communicating the true business value of your products and services. The issues TEI addresses include how to:

- Help your clients develop a business case to justify the purchase of your product or service.
- Differentiate your selling approach from competitors'.
- Draw attention toward value and away from cost when clients are making purchase decisions.
- Determine the criteria your prospects are assessing when evaluating your products or services.
- Pinpoint which hot buttons are most likely to influence a purchase decision with each client.
- Improve your solutions to ensure maximum ROI for your clients.



*“In the presence of perceived value, cost is a secondary concern.”*

— Bob Cormier, principal consultant  
Forrester Research

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