The Total Economic Impact™ Of Dell Premier

Cost Savings And Business Benefits Enabled By Premier
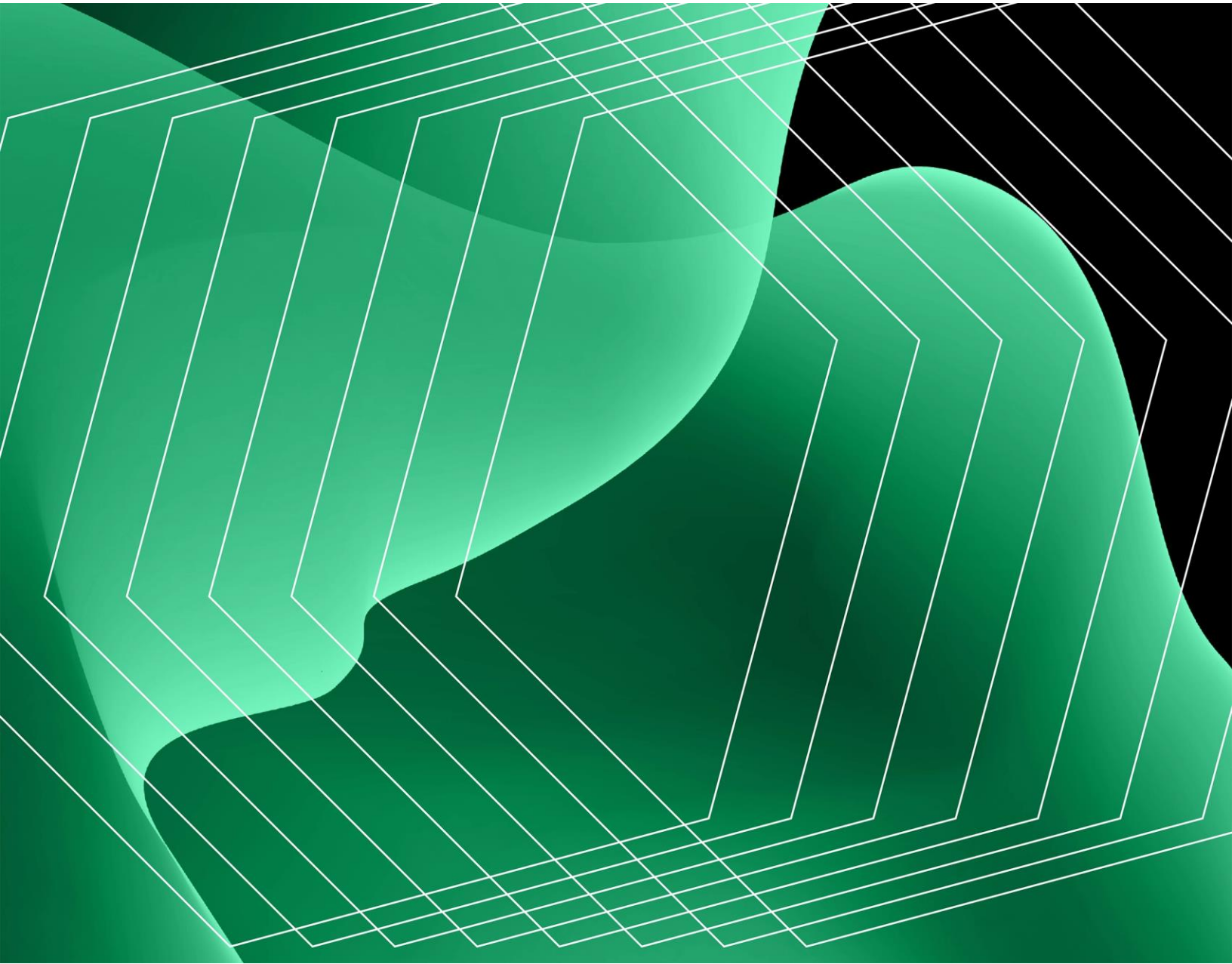
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Executive Summary

Common challenges like fragmented processes, noncompliant purchases, rogue spending, security flaws, and device inconsistencies plague IT procurement teams, who are increasingly seeking automation. Dell Premier offers quick e-procurement and streamlined processes through a centralized online portal and integrations. These solutions enable productivity enhancements, risk management, and cost controls; and frees up procurement resources to focus on strategic initiatives.

Dell Premier brings innovation to e-procurement through its suite of complimentary tools designed to simplify and expand access to IT purchasing, asset management, and accelerated deployment. Dell Premier saves organizations time and money, and improves employee productivity.

Dell Premier offers a single site that is personalized for specific buying needs, with consistent pricing and products. IT procurement teams can customize solutions according to whether they need to digitally modernize locally or globally. For both local and global businesses, Dell integrates Premier with ERP systems to streamline the purchasing process for punchout or buyer-hosted catalogs. Dell's API technology allows teams to extend their existing IT service management (ITSM) systems, even if they're hosted by another provider, to Dell's Premier purchasing environment. Dell customers can deploy any combination — if not all — of the solutions to best serve their business and IT needs.

Dell Technologies and AMD 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.[1] Dell Technologies and AMD, who continually partner with each other to evolve their own technologies, are now also working together to provide modern data center solutions that power digital innovation for other businesses. The partnership seeks to advance technological boundaries, which will aid businesses in accelerating growth, optimizing operations, and minimizing risks. This study serves to equip readers with a comprehensive framework for evaluating Premier's potential financial impact, driving innovation by addressing challenges, enhancing efficiencies, and enabling next-generation outcomes.

Return on investment (ROI)
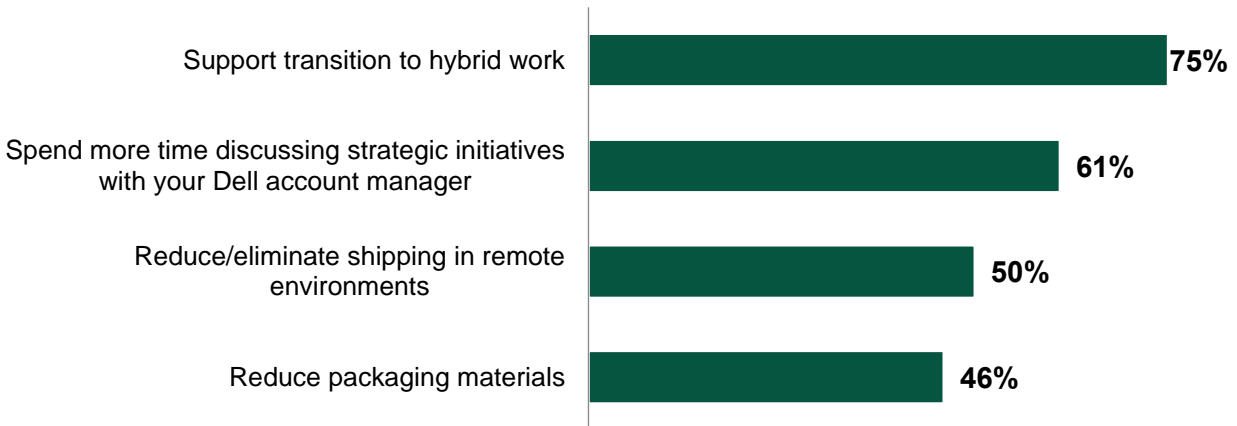**324%**

Net present value (NPV)
$2.36M

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed six representatives at four organizations and surveyed 207 additional respondents with experience using Premier. Survey respondents came from organizations across 10 countries: 41% from APAC, 29% from EMEA, 20% from North America, and 10% from South America. Their organizations ranged in size, between 100 to more than 20,000 employees. For the purposes of this study, Forrester aggregated the interviewees' experiences and combined the results into a single composite organization that is a global enterprise with $5 billion in annual revenue and has 25,000 employees, and 95% of employees interact directly with Premier through their ITSM system. The procurement team comprises 25 people and the composite organization's annual spending averages $22.5 million, or $900 per employee. All financial findings presented in this study are based on the details of the composite organization.

Interviewees said that prior to using Premier, their organizations navigated decentralized IT procurement processes that demanded substantial time and effort to coordinate equipment orders across departments. Manual processes created common issues like inconsistent pricing and the lack of standardized device configurations for orders globally. This led to rogue spending and a loss of productivity across the organization.

After the investment in Premier, the interviewees gained access to a centralized IT purchasing platform that automates workflows, which creates efficiencies for procurement and IT teams as well as new hires. With standard configurations and custom personalized product bundles, teams can better control spending across all users. Access to Premier also enhances the relationship organizations share with their Dell representative, who engages in high-level strategic solutioning.

"What outcomes of working with Dell Premier have you experienced at your organization? (Select all that apply.)"

Support transition to hybrid work	**75%**
Spend more time discussing strategic initiatives with your Dell account manager	**61%**
Reduce/eliminate shipping in remote environments	**50%**
Reduce packaging materials	**46%**

Base: 207 global decision-makers who are managers and above in IT roles
Source: A commissioned study conducted by Forrester Consulting on behalf of Dell and AMD, November 2023

KEY FINDINGS

Quantified benefits. Three-year, risk-adjusted present value (PV) quantified benefits for the composite organization include:

- **Increased efficiency of procurement team by 20%.** The procurement team reduces the amount of resources dedicated to the entire procurement lifecycle from quoting through to delivery as a result of automation through Premier. This is worth $430,000 over a three-year term.

- **Increased efficiency of IT team due to 15% reduction in helpdesk tickets and 30 minutes saved per device on time to configure a system.** The IT team gains efficiencies in two areas with process and device standardizations. Time spent on configuring Dell devices was cut by 30 minutes per device, and time dedicated to answering end users' IT procurement-related helpdesk ticket requests was reduced by 15%. These are worth $449,000 over a three-year term.

- **Decreased device costs by 10% due to standardization.** Device standardization prevents excessive procurement of devices for specific user groups and ensures negotiated discounts are applied consistently across orders. This saves the composite organization $2 million over a three-year period.

- **Increased new hire efficiency by receiving equipment 67% faster.** Access to Dell equipment at the time of onboarding enables new hires to realize an improved speed to productivity. This generates value-add from new hires for the organization that is worth $249,000 over three years.

Reduced annual IT-related procurement effort:

Up to 20%

Unquantified benefits. Benefits that provide value for the composite organization but are not quantified for this study include:

- **Increased ability for self-service.** Premier's platform is easy to navigate, which allows end users to procure Dell equipment without disrupting the procurement team. It also allows for cross-functional teams to complete necessary reporting and manage order statuses, purchase histories, and accounts.

- **Improved shipping accuracy.** Accurate forecasting enables procurement teams and end users alike to effectively plan for periods of productivity spikes that require Dell devices, rather than waiting and wasting resources.

- **Strengthened relationship with Dell representative.** Automation allows the Dell representative to focus on strategically supporting the organization's future procurement direction, beyond providing order support and quote assistance.

Costs. Three-year, risk-adjusted PV costs for the composite organization include:

- **Initial internal effort.** Some internal effort is necessary for implementation and maintenance, more so in relation to integrations of internal systems (e.g., ERP, ITSM) to Premier. The initial setup took four full-time employees (FTEs) three months to complete.

- **Ongoing internal management and programmatic expenses.** One and a half procurement FTEs dedicate their time to ongoing internal management and development of Premier. Configuration costs total $75,000 annually.

The representative interviews and financial analysis found that a composite organization experiences benefits of $3.09 million over three years versus costs of $728,000, adding up to a net present value (NPV) of $2.36 million and an ROI of 324%.

> "Our company grows faster than processes sometimes allow. Dell Premier provided the answer that we needed. Where do we go to look at our quotes, orders, order our equipment, or download our invoices? Rather than having to juggle between three different Dell websites or engage our inside salesperson, there's one central place where we can do everything."
>
> **HEAD OF IT OPERATIONS, TRAFFIC CONTROL SERVICES AND SAFETY**

Return on investment

324%

Benefits PV

$3.09M

Net present value
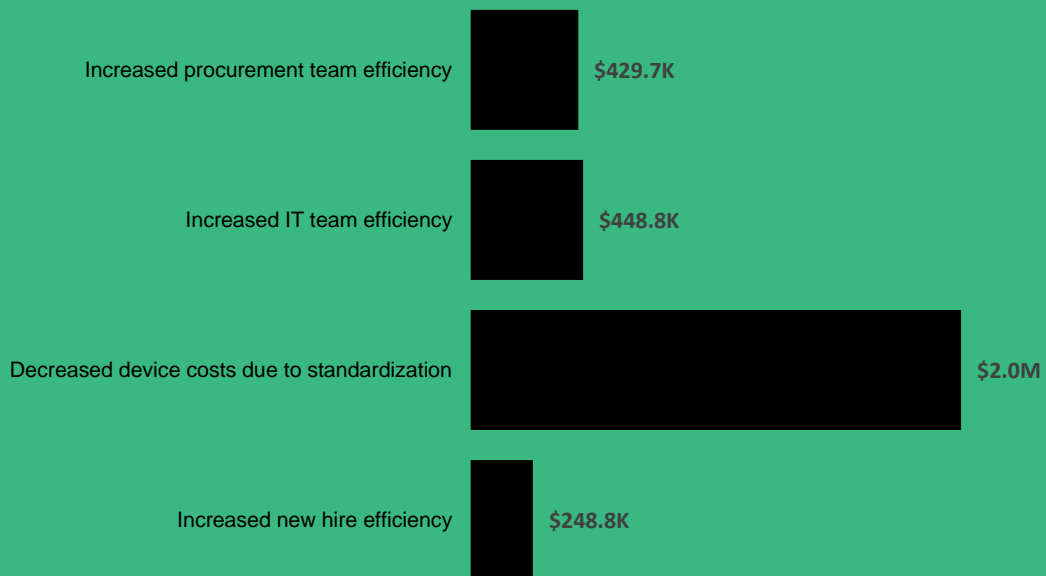
$2.36M

Payback

<6 months

Benefits (Three-Year)

Increased procurement team efficiency $429.7K

Increased IT team efficiency $448.8K

Decreased device costs due to standardization $2.0M

Increased new hire efficiency $248.8K

TEI FRAMEWORK AND METHODOLOGY

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

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 can have on an organization.

DISCLOSURES
Readers should be aware of the following:

This study is commissioned by Dell Technologies and AMD 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.

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.

1. Due Diligence
Interviewed Dell stakeholders and Forrester analysts to gather data relative to Premier.

2. Interviews and Survey
Interviewed six representatives at four organizations and surveyed 207 respondents at organizations using Premier to obtain data about costs, benefits, and risks.

3. Composite Organization
Designed a composite organization based on characteristics of the interviewees' organizations.

4. 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 interviewees.

5. 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 Customer Journey

Drivers leading to the Premier investment

Interviews						
Role	Industry	Region	Revenue	Employees	Premier Users	Annual Dell Spending
• Global IT order fulfillment director • Order support leader	Advanced technology manufacturer	Global	$35 billion	150,000	50	$51 million
Head of IT operations	Traffic control services and safety	US	$300 million	200	8	$291,000
• IT procurement specialist • IT procurement analyst	HVAC and refrigeration systems manufacturing	Global	$17 billion	39,000	30	$7.7 million
Manager of end-user computing	Truck, bus, and diesel engine manufacturing	Global	$11 billion	14,500	10	$7.8 million

KEY CHALLENGES

Forrester interviewed six decision-makers at four organizations and surveyed users at 207 organizations with experience using Premier. For more details on the respondents who participated in this study, see Appendix B.

Before adopting Premier, customers coordinated their IT purchasing processes through a myriad of disjointed methods, such as ordering directly from their Dell representative via email or over the phone, and building internal applications to streamline ordering across individual departments.

The interviewees noted how their organizations struggled with common challenges, including:

- **Manual and decentralized procurement processes.** Procurement teams emphasized that coordinating IT purchasing across disparate departments was

time consuming, especially as companies scaled and employee needs rose in complexity. Access to multiple avenues of purchasing equipment caused procurement teams to spend additional time ensuring orders were not duplicative and account for the full investment in Dell devices at the end of each billing cycle. The order support leader at the advanced technology manufacturer said: "We used a homegrown application that talked to Dell. It's retiring at the end of this month. Prior to that, we were actually purchasing with a corporate p-card for Dell orders. We were just emailing in our orders and putting them on a p-card, balancing that every month."

- **Lack of standardization across devices.** Without a centralized catalog or a defined process that standardizes device ordering, teams often procured devices with advanced capabilities to end users, paying extra for capabilities that were unutilized. Ordering teams generated individual quotes each time an order was placed, rather than using automation to reference a past order. A lack of standardization also increased the volume of IT support tickets from end users and delayed immediate productivity for new hires as IT teams dedicated additional time to specific device configurations.

- **Inconsistent pricing across global locations.** For companies with global operations, teams noted the additional time required to manually compare equipment prices across geographies when inconsistencies arose and to ensure features (e.g., corporate discounts) were consistently applied.

INVESTMENT OBJECTIVES

The interviewees' organizations searched for a solution that could:

- Provide a secure and authenticated online procurement platform to enable onboarding demands and manage IT lifecycles.

- Attain streamlined, automated, global processes.

- Integrate with ITSM and ERP solutions.

- Track standard configurations.

- Provide a global reach to support current and future expansion needs.

"What are some key factors that drove your decision to adopt Premier? (Select all that apply.)"
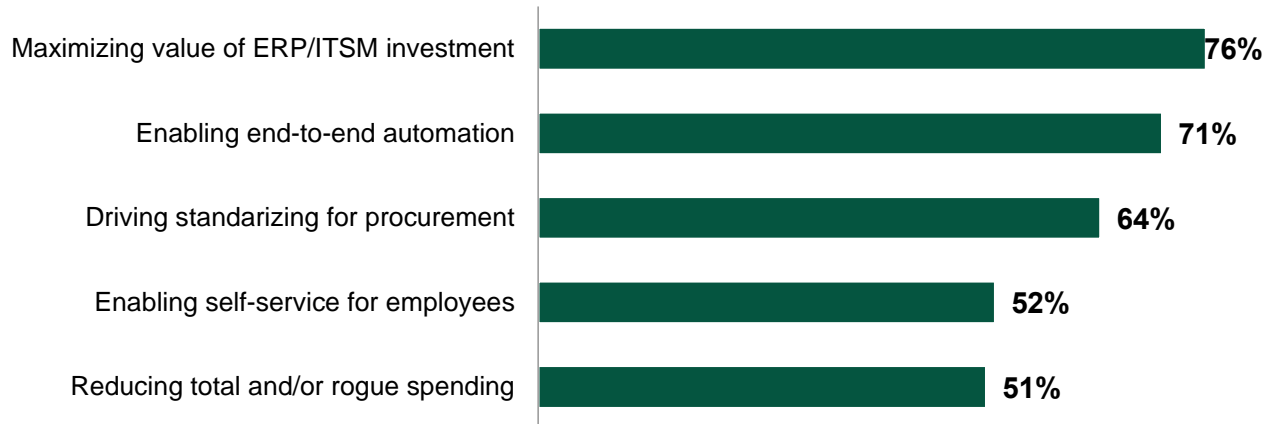
Maximizing value of ERP/ITSM investment	**76%**
Enabling end-to-end automation	**71%**
Driving standarizing for procurement	**64%**
Enabling self-service for employees	**52%**
Reducing total and/or rogue spending	**51%**

Base: 207 global decision-makers who are managers and above in IT roles
Source: A commissioned study conducted by Forrester Consulting on behalf of Dell and AMD, November 2023

> "We wanted a solution that would provide us with a scalable and sustainable way to procure IT equipment while maintaining or optimizing efficiency."
>
> **HEAD OF IT OPERATIONS, TRAFFIC CONTROL SERVICES AND SAFETY**

COMPOSITE ORGANIZATION

Based on the interviews, Forrester constructed a TEI framework, a composite company, and an ROI analysis that illustrates the areas financially affected. The composite organization is representative of the four organizations where the six interviewees are from, and it is used to present the aggregate financial analysis in the next section. The composite organization has the following characteristics:

Description of composite. The global enterprise has $5 billion in annual revenue with 25,000 employees, 95% of whom directly interact with Premier through their ITSM. The

organization has a procurement team of 25 people and an annual spending with Dell of $22.5 million (i.e., $900 per employee). The composite has integrated its ERP system with Premier.

Key Assumptions

Global operations

$5 billion revenue

25,000 employees

Annual spending of $22.5 million

Procurement team of 25 people

"The investment for us was a no-brainer. In a fast-moving organization, there's constant change. As people, we tend to not like change unless it's for our benefit. Premier was one of those things where there were almost no trade-offs. Sure, we had to set up a new account, we had to make sure that our accounting department had proper permissions. … I'd say Premier took us all of 15 minutes to set up. It was very straightforward. The great thing was Dell provided a path to migrate or transpose our existing account and centralize it all within Premier."

HEAD OF IT OPERATIONS, TRAFFIC CONTROL SERVICES AND SAFETY

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	Increased procurement team efficiency	$105,719	$211,438	$211,438	$528,595	$429,706
Btr	Increased IT team efficiency	$180,471	$180,471	$180,471	$541,416	$448,806
Ctr	Decreased device costs due to standardization	$787,469	$787,469	$787,469	$2,362,406	$1,958,318
Dtr	Increased new hire efficiency	$61,200	$122,400	$122,400	$306,000	$248,754
	Total benefits (risk-adjusted)	$1,134,859	$1,301,778	$1,301,778	$3,738,417	$3,085,584

INCREASED PROCUREMENT TEAM EFFICIENCY

Evidence and data. Centralizing procurement improves team efficiency and effectiveness, which allows existing team members to reallocate their time to higher-value projects and allows the organization to avoid hiring additional people to the team. Interviewees noted:

- They saved 25 minutes per Dell transaction.

- They saved 50% of time spent on global order workflow processes.

- Each team member saved 2 hours per month on forecasting and reporting activities.

- Time savings of 80% by matching pricing across locations.

- Avoided growing the ordering agent team by 40%.

The survey looked at procurement efficiency gains across a range of activities like purchasing, reporting, and tracking Dell equipment, as well as getting pricing, ensuring compliance requirements, and setting product standards for global locations. Respondents reported significant reductions in time spent across these activities.

"Now, thinking of how Local Portal helped streamline daily operations of procurement, what do you think is the percentage reduction in time spent by procurement for each of these tasks? (Select one per row.)"

Legend:
- ■ Completely eliminated
- ■ Less than 5% reduction
- ■ 5% to 10% reduction
- ■ 11% to 15% reduction
- ■ 16% to 25% reduction
- ■ 26% to 50% reduction
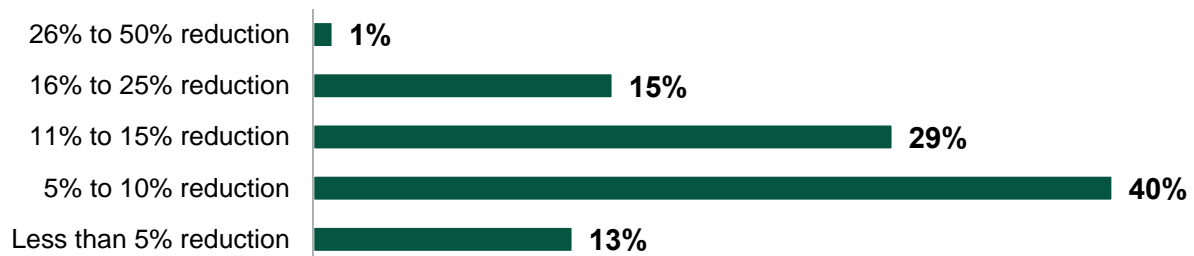- ■ More than 50% reduction

Task	Completely eliminated	Less than 5%	5% to 10%	11% to 15%	16% to 25%	26% to 50%	More than 50%
Tracking and reporting	2%	10%	28%	34%	14%	7%	5%
Supporting employees through purchasing	2%	11%	29%	29%	13%	12%	4%
Order processing	4%	12%	19%	30%	18%	12%	5%
Order delivery	4%	13%	24%	28%	17%	8%	6%

Base: 83 global decision-makers who are managers and above in IT roles who use Local Portal
Source: A commissioned study conducted by Forrester Consulting on behalf of Dell and AMD, November 2023

"You noted that Global Portal has enabled one-stop shopping for your global procurement needs. Using your best estimate, what is the average percentage reduction in time spent on global procurement needs as a result of Global Portal?"

26% to 50% reduction	1%
16% to 25% reduction	15%
11% to 15% reduction	29%
5% to 10% reduction	40%
Less than 5% reduction	13%

Base: 92 global decision-makers who are managers and above in IT roles who use Global Portal
Source: A commissioned study conducted by Forrester Consulting on behalf of Dell and AMD, November 2023

> "My accounting team is changing the way I capitalize or expense equipment. [Dell Premier] saved me a lot of time — I can go get the reports and then I can forecast to the Dell site in an hour or two. That saved me a couple hours rather than going through my ERP system, looking manually at what my spending was."
>
> **MANAGER OF END-USER COMPUTING, TRUCK, BUS, AND DIESEL ENGINE MANUFACTURER**

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

- The procurement team reduces their effort by 20% with Premier. They only realize half of this efficiency in Year 1 as they adjust to and enable the new processes.

- The average fully-burdened cost, or annual salary with benefits and payroll taxes, of a procurement professional is $99,500.

- A productivity recapture 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 having streamlined processes and putting similar vendor procurement systems in place.

- Having lower fully-burdened salary costs.

- The size and experience level of the procurement team.

Results. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of $430,000.

"[Premier] cut down a lot of the back-and-forth communication between Dell and us. We're able to do a lot of things, such as adding standard configurations, doing our own quotes, looking up our own orders, downloading our own invoices, running reports to a certain degree without ever having to engage a Dell person directly. For my team specifically, it's cut down by about 75%. It's allowed us to reinvest that time into things that our technicians need to handle directly, whereas before, they were using that time to navigate through the different decentralized channels in procuring IT equipment."

ORDER SUPPORT LEADER, ADVANCED TECHNOLOGY MANUFACTURER

Increased Procurement Team Efficiency					
Ref.	Metric	Source	Year 1	Year 2	Year 3
A1	Employees	Composite	25,000	25,000	25,000
A2	Procurement team members	Composite	25	25	25
A3	Reduced procurement effort	Composite	10%	20%	20%
A4	Procurement effort after Premier	A2*A3	2.5	5.0	5.0
A5	Average annual fully-burdened cost of a procurement professional	TEI standard	$99,500	$99,500	$99,500
A6	Productivity recapture	TEI standard	50%	50%	50%
At	Increased procurement team efficiency	A4*A5*A6	$124,375	$248,750	$248,750
	Risk adjustment	↓15%			
Atr	Increased procurement team efficiency (risk-adjusted)		$105,719	$211,438	$211,438
	Three-year total: $528,595		Three-year present value: $429,706		

INCREASED IT TEAM EFFICIENCY

Evidence and data. Interviewees reported that deploying Dell Premier 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 most necessary services were built into standard configurations. Additionally, with standard, preconfigured devices, IT teams spent less time addressing IT helpdesk tickets related to their Dell equipment as employees submitted less unique requests over time. The manager of end-user computing at the truck, bus, and diesel engine manufacturer told Forrester: "By having a standard configuration, everything's already built into our onboarding process. If an employee was to bring another machine, we would have to configure and customize it. Because we can keep a standard system through the Premier, they're only ordering what we can just get out the door in quick manner. It does save a lot of time."

Interviewee examples included:

- Time savings of 25% for setting up hardware, which reduced device configuration time from 1 hour to 45 minutes.

Survey responses noted time savings for an IT employee to set up hardware:

- For those who purchased equipment locally, 60% of respondents reduced setting up hardware by more than 11%.

- For those who purchased equipment globally, 73% of respondents reduced setting up hardware by more than 11%.

Survey responses also noted the percentage decrease in helpdesk tickets and calls related to Dell products/purchases:

- For those purchasing equipment locally, 50% of respondents reduced purchasing helpdesk tickets between 11% and 25%.

- For those purchasing equipment globally, 46% of respondents reduced purchasing helpdesk tickets between 11% and 25%.

15%

Reduction in IT tickets submitted for procurement support.

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

- The organization operates on a three-year IT estate refresh schedule, meaning 8,333 new devices are purchased annually.

- With Premier, IT reduces the time spent on device configuration by 30 minutes.

- The average fully-burdened hourly cost of an IT professional is $63.

- A productivity recapture of 50% is applied to the device configuration benefit as not all of the time savings translate into completing additional work.

- Employees submit 3,700 IT helpdesk tickets annually.

- With Premier, employees submit 15% less tickets annually.

- Each ticket requires 15 minutes of IT time.

- The average fully-burdened hourly salary of a helpdesk analyst is $35.

- A productivity recapture of 75% is applied to the IT helpdesk support benefit because not all of the time savings translate into completing 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 and helpdesk resources.

- Having minimal IT ticket submissions.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of $449,000.

> "It has allowed us to get away from having to have different groups managed in different countries. Corporate IT has taken control of owning it for the world for the most part with a few exceptions, whereas it used to be very decentralized and every business would have their own groups."
>
> GLOBAL IT ORDER FULFILLMENT DIRECTOR, ADVANCED TECHNOLOGY MANUFACTURER

Increased IT Team Efficiency					
Ref.	**Metric**	**Source**	**Year 1**	**Year 2**	**Year 3**
B1	Devices purchased (rounded)	Composite	8,333	8,333	8,333
B2	Configuration time savings per device (hours)	Composite	0.5	0.5	0.5
B3	Productivity recapture	TEI standard	75%	75%	75%
B4	Total time savings (hours)	B1*B2*B3	3,125	3,125	3,125
B5	Fully-burdened hourly salary for an IT professional	TEI standard	$63	$63	$63
B6	**Subtotal: Total IT labor savings for optimized configuration time**	**B4*B5**	**$196,875**	**$196,875**	**$196,875**
B7	Helpdesk tickets related to IT prior to Dell Premier	Composite	3,700	3,700	3,700
B8	Percentage reduction in tickets submitted after Dell Premier	Composite	15%	15%	15%
B9	Avoided helpdesk tickets related to IT after Dell Premier	B6*B7	555	555	555
B10	Hours required for each ticket	Composite	0.25	0.25	0.25
B11	Total hours avoided (rounded)	B9*B10	139	139	139
B12	Productivity recapture	TEI standard	75%	75%	75%
B13	Fully-burdened hourly salary of a helpdesk analyst	TEI standard	$35	$35	$35
B14	**Subtotal: Total savings for IT helpdesk support on procurement-related tickets**	**B11*B12*B13**	**$3,649**	**$3,649**	**$3,649**
Bt	Increased IT team efficiency	B6+B14	$200,524	$200,524	$200,524
	Risk adjustment	↓10%			
Btr	Increased IT team efficiency (risk-adjusted)		$180,472	$180,472	$180,472
	Three-year total: $541,416		**Three-year present value: $448,806**		

DECREASED DEVICE COSTS DUE TO STANDARDIZATION

Evidence and data. Interviewees said that they were able to reduce device costs in several ways. Encouraging staff to order through Premier's catalog 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 spending data. Creating standard configurations for different user profiles kept employees from buying devices at a higher cost. Interviewees shared:

- Cost savings of 10% to 30% per purchased machines.

- Savings between $600 and $1,500 per purchased machine.

- Reduced the number of configurations from 500 to 12 standards.

10%

Reduction in purchase cost per device.

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

- It operates on a three-year IT estate refresh schedule, meaning 8,333 new devices are purchased annually.

- The purchase cost per device prior to adopting Premier was $1,050.

- Premier reduces the purchase cost by 10%, or a savings of $105 per device.

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 highly-specified hardware.

- Already having controls in place to prevent rogue or maverick spending.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of $2 million.

Decreased Device Costs Due To Standardization

Ref.	Metric	Source	Year 1	Year 2	Year 3
C1	Devices purchased	B1	8,333	8,333	8,333
C2	Previous purchase cost per device	Composite	$1,050	$1,050	$1,050
C3	Percentage of reduced purchase cost with Dell Premier	Composite	10%	10%	10%
C4	Savings per device with Dell Premier	C2*C3	$105	$105	$105
Ct	Decreased device costs due to standardization	C1*C4	$874,965	$874,965	$874,965
	Risk adjustment	↓10%			
Ctr	Decreased device costs due to standardization (risk-adjusted)		$787,469	$787,469	$787,469
	Three-year total: $2,362,407		**Three-year present value: $1,958,318**		

"Employees feel more empowered to say, "I need [a new device.]" I can just order it automatically, not waiting for anybody to go ahead and process this for me."

IT PROCUREMENT SPECIALIST, HVAC AND REFRIGERATION SYSTEMS MANUFACTURER

> "We've continued to get more efficient with the standards that we have and we're getting better at figuring out what people truly need. … At one point in time, when I first came in, I think we had almost 500 different configurations in the system because people were ordering their own stuff. Now we have about 10 to 12 standards."
>
> **GLOBAL IT ORDER FULFILLMENT DIRECTOR, ADVANCED TECHNOLOGY MANUFACTURER**

INCREASED NEW HIRE EFFICIENCY

Evidence and data. Interviewees shared that new hires were able to realize an improved speed to productivity as Dell equipment were ready for use immediately upon onboarding. A streamlined ordering process and standard configurations enabled the devices to reach new employees with little customization, eliminating the potential for further delays.

The IT procurement specialist at the HVAC and refrigeration systems manufacturer told Forrester: "One of the issues we always had was with new hires. We had to wait for a ticket to be able to place an order for a new hire. Nowadays, they don't have to wait. They know that a new hire is going to come on board. They just order the equipment and that equipment will be waiting for that new hire to start."

Interviewees shared:

- Increased percentage of hardware delivered on the first day for new hires from 70% five years ago to 98% to 99% today.

- New hires used to wait two to three days for equipment to arrive. Now, equipment is ready for immediate productivity when they join.

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

- New hires comprise 9% of total employees annually.

- Before Premier, it takes an average of three working days for a new hire to receive their Dell equipment.

- With Premier, this time is reduced to one working day.

- During the new hire ramp period, each new hire is 20% productive.

- The fully-burdened hourly salary of a new hire is $40.

- A productivity recapture of 75% is applied because not all of the time savings translate into completion of additional work.

67%

Decrease in time needed for new hires to receive equipment.

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

- The number and location of new hires.

- The speed at which new hires contribute productive work.

- The nature of work new hires contribute.

Results. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of $249,000.

	Increased New Hire Efficiency				
Ref.	**Metric**	**Source**	**Year 1**	**Year 2**	**Year 3**
D1	Employees	A1	25,000	25,000	25,000
D2	Percentage of employees who are new hires each year	Composite	9%	9%	9%
D3	New hires each year	D1*D2	2,250	2,250	2,250
D4	Average hours needed for new hire to receive equipment before Dell Premier	Composite	24	24	24
D5	Average hours needed for new hire to receive equipment with Dell Premier	Composite	16	8	8
D6	Decrease in hours needed for new hire to receive equipment with Dell Premier	D4-D5	8	16	16
D7	Percentage productivity of new hire during ramp	Composite	20%	20%	20%
D8	Fully-burdened hourly salary of average employee	TEI standard	$40	$40	$40
D9	Productivity recapture	TEI standard	50%	50%	50%
Dt	Increased new hire efficiency	D3*D6*D7*D8*D9	$72,000	$144,000	$144,000
	Risk adjustment	↓15%			
Dtr	Increased new hire efficiency (risk-adjusted)		$61,200	$122,400	$122,400
	Three-year total: $306,000		**Three-year present value: $248,754**		

"Our new hires are generally getting their computers on day one. That's due to ready ship being available globally now, and as well as our stockrooms having machines in them. We strive to try to get them their PCs on day one so they're up and ready to go."
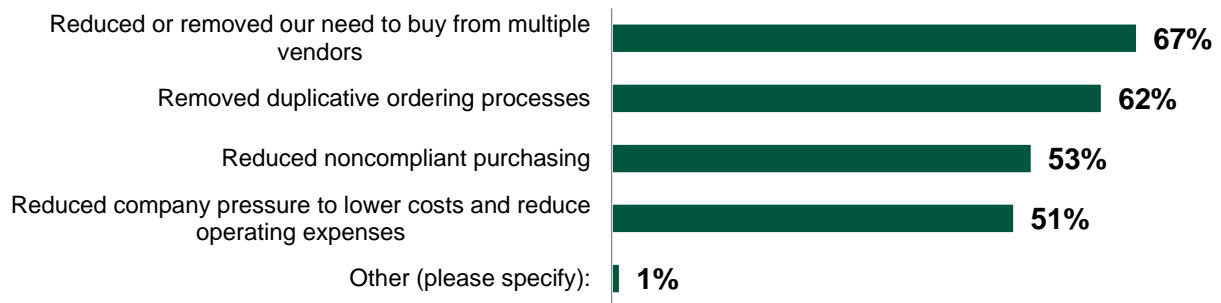
ORDER SUPPORT LEADER, ADVANCED TECHNOLOGY MANUFACTURER

"One of the issues that we always had was with new hires. We had to wait for a ticket to be able to place an order for a new hire. Nowadays, they don't have to wait. They know that a new hire is going to come on board. They just order the equipment and that equipment will be waiting for that new hire to start."

IT PROCUREMENT SPECIALIST, HVAC & REFRIGERATION SYSTEMS MANUFACTURER
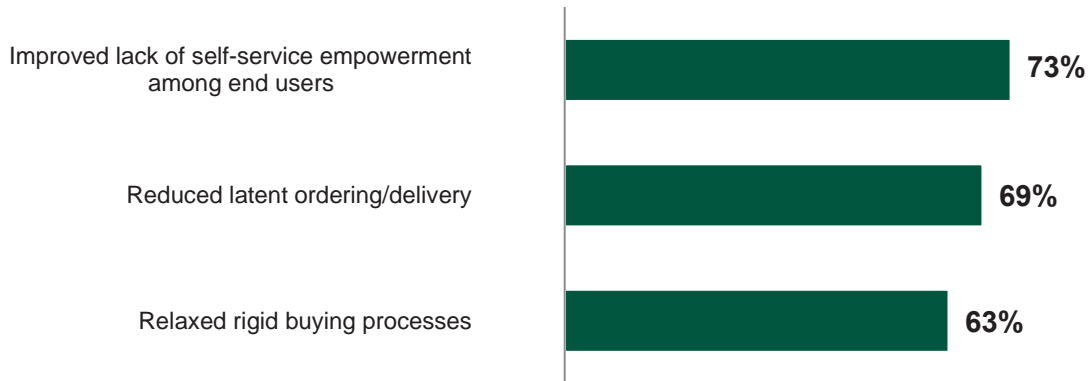
ERP And ITSM Integration Spotlight

When asked "What has ERP integration solved in your environment?", survey respondents shared:

Reduced or removed our need to buy from multiple vendors	67%
Removed duplicative ordering processes	62%
Reduced noncompliant purchasing	53%
Reduced company pressure to lower costs and reduce operating expenses	51%
Other (please specify):	1%

Base: 90 global decision-makers who are managers and above in IT roles who use an ERP integration
Source: A commissioned study conducted by Forrester Consulting on behalf of Dell and AMD, November 2023

When asked, "What has ITSM integration solved in your environment?", survey respondents shared:

Improved lack of self-service empowerment among end users	73%
Reduced latent ordering/delivery	69%
Relaxed rigid buying processes	63%

Base: 108 global decision-makers who are managers and above in IT roles who use an ITSM integration
Source: A commissioned study conducted by Forrester Consulting on behalf of Dell and AMD, November 2023

UNQUANTIFIED BENEFITS

Interviewees mentioned the following additional benefits that their organizations experienced but were not able to quantify:

- **Increased ability for self-service.** A streamlined platform that is easy to navigate provides end users the opportunity to independently order their own equipment (e.g., standard devices and accessories) as needed. It also allows cross-functional teams (e.g., accounting) to easily pull reporting data without disrupting the procurement team.

> "Whoever designed Dell Premier really focused on minimizing the amount of mouse clicks. The great thing is it is customizable."
>
> **HEAD OF IT OPERATIONS, TRAFFIC CONTROL SERVICES AND SAFETY**

> "If our accounting and finance department wants to do reconciliation on POs [purchase orders], it's very simple for them to go into the portal, look up the order number, the invoice number, the PO number and download necessary items. … Before, they had to talk with Dell financial services and email back and forth."
>
> HEAD OF IT OPERATIONS, TRAFFIC CONTROL SERVICES AND SAFETY

- **Improved shipping accuracy.** With accurate shipping projections, procurement teams and end users can effectively plan for periods of productivity that demand Dell devices, rather than wasting productivity due to inaccurate forecasting.

  - Explaining the process in detail, the IT procurement specialist at the HVAC and refrigeration systems manufacturer noted: "[Premier] sends us an email so you can track your order. You know exactly where your order is. It's been shipped. It's on the state of being shipped. You can receive a tracking number. This type of communication is good."

- **Strengthened relationship with Dell representative.** With automation in place for the global workflow ordering process, the Dell account representative focuses on providing additional areas of continuous improvement for customers. Interviewees shared:

  - The manager of end-user computing at the truck, bus, and diesel engine manufacturer explained that their team leverages Premier for many tasks on their own, but turn to Dell for additional assistance. They told Forrester: "My Dell rep is my backup solution so if I do need something or if I have any issues, they're always there to help solve it. It's been very helpful."

  - The head of IT operations at the traffic control services and safety organization said: "The great thing about our inside salesperson is that

they always try to connect us with the proper resource at Dell. They're always open to suggestions. If we request, "Hey, we're looking to integrate this platform or we'd really love to see this feature within Premier," they take that feedback and you can tell it's in earnest. They don't simply say, "Drop a line into this box and we'll never open the box." It's a two-way partnership."

> "Our company comes with a "mom-and-pop" mentality. Personal relationships carry a lot of weight. Our relationship with Dell continues to add value to us, largely because of how our account representative engages with different resources at Dell. It has been nothing short of amazing."
>
> **HEAD OF IT OPERATIONS, TRAFFIC CONTROL SERVICES AND SAFETY**

FLEXIBILITY

The value of flexibility is unique to each customer. There are multiple scenarios in which a customer might implement Premier and later realize additional uses and business opportunities, including:

- **Sustainability.** The manager of end-user computing at the truck, bus, and diesel engine manufacturer shared their organization's internal goal to maximize sustainability efforts when ordering future Dell equipment. This included procuring more energy-efficient devices and implementing drop-shipping processes. They noted: "If I were to buy a single curved [monitor], I'm essentially buying four monitors because the cost is much higher but at the same time more [efficient] — we're being more green and we do see some energy savings. We're trying to get that balance and understanding of whether we go more expensive or push for a green footprint."

> "We have a green IT project that started this year and a lot of that's looking at how we make energy and packaging savings. We've been looking at ordering in bulk quantities more this year. … We are looking into drop-shipping next year. I'd say that makes a difference."
>
> **MANAGER OF END-USER COMPUTING, TRUCK, BUS, AND DIESEL ENGINE MANUFACTURER**

- **ERP and ITSM integrations.** Organizations that do not need ERP or ITSM integrations at the time of initial Premier deployment may realize additional benefits once integrations are implemented.

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

> "I feel much more confident now that we are using Premier globally."
>
> **ORDER SUPPORT LEADER, ADVANCED TECHNOLOGY MANUFACTURER**

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	Initial internal setup cost of Dell Premier	$114,430	$0	$0	$0	$114,430	$114,430
Ftr	Ongoing internal management and programmatic expenses	$0	$246,675	$246,675	$246,675	$740,025	$613,444
	Total costs (risk-adjusted)	$114,430	$246,675	$246,675	$246,675	$854,455	$727,874

INITIAL INTERNAL EFFORT SETUP COST OF DELL PREMIER

Evidence and data. Interviewees shared that it was generally quick and easy to implement Premier. Dell enables Premier for organizations with little involvement needed from the customer. However, some internal effort is required to perform the ERP and ITSM 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 four FTEs approximately three months.

- The total fully-burdened monthly salary of the four FTEs involved in the setup is $8,292.

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

- A larger, more complex rollout which impacts timelines.

- More hands-on ongoing management by the customer.

- Team responsiveness which affects request cancellations or delays.

Results. To account for these risks, Forrester adjusted this cost upward by 15%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of $114,000.

> "The setup included a 20-minute phone call with the Dell rep. It's simple to navigate and simple to use."
>
> **MANAGER OF END-USER COMPUTING, TRUCK, BUS, AND DIESEL ENGINE MANUFACTURER**

Initial Internal Setup Cost Of Dell Premier						
Ref.	**Metric**	**Source**	**Initial**	**Year 1**	**Year 2**	**Year 3**
E1	Number of FTEs involved in setting up Dell Premier	Composite	4	0	0	0
E2	Months required to set up Dell Premier	Composite	3	0	0	0
E3	Fully-burdened monthly salary of FTEs involved in setting up Dell Premier (rounded)	Composite	$8,292	$0	$0	$0
Et	Initial internal setup cost of Dell Premier	E1*E2*E3	$99,504	$0	$0	$0
	Risk adjustment	↑15%				
Etr	Initial internal setup cost of Dell Premier (risk-adjusted)		$114,430	$0	$0	$0
	Three-year total: $114,430		**Three-year present value: $114,430**			

ONGOING INTERNAL MANAGEMENT AND PROGRAMMATIC EXPENSES

Evidence and data. One and a half FTEs are dedicated to ongoing management and development of the solution suite.

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

- One and a half FTEs manage Dell Premier on an ongoing basis.

- A configuration cost of $75,000 is incurred annually.

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

- A larger, more complex set of integrated systems.

Results. To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of $613,000.

Ongoing Internal Management And Programmatic Expenses						
Ref.	**Metric**	**Source**	**Initial**	**Year 1**	**Year 2**	**Year 3**
F1	FTEs involved in ongoing management and development	Composite	0	1.50	1.50	1.50
F2	Average fully-burdened annual salary of an experienced procurement manager	TEI standard	$0	$99,500	$99,500	$99,500
F3	Configuration costs	Composite	$0	$75,000	$75,000	$75,000
Ft	Ongoing internal management and programmatic expenses	(F1*F2)+F3	$0	$224,250	$224,250	$224,250
	Risk adjustment	↑10%				
Ftr	Ongoing internal management and programmatic expenses (risk-adjusted)		$0	$246,675	$246,675	$246,675
	Three-year total: $740,025			**Three-year present value: $613,444**		

Financial Summary

Consolidated Three-Year Risk-Adjusted Metrics

Cash Flow Chart (Risk-Adjusted)
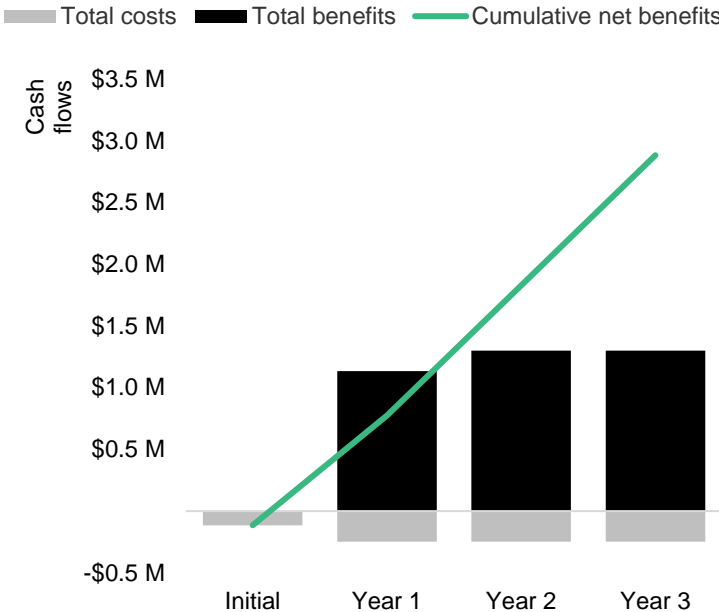
The financial results calculated in the Benefits and Costs sections can be used to determine the ROI, NPV, and payback period for the composite organization's investment. Forrester assumes a yearly discount rate of 10% for this analysis.

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 Analysis (Risk-Adjusted Estimates)						
	Initial	**Year 1**	**Year 2**	**Year 3**	**Total**	**Present Value**
Total costs	($114,430)	($246,675)	($246,675)	($246,675)	($854,455)	($727,874)
Total benefits	$0	$1,134,859	$1,301,777	$1,301,777	$3,738,413	$3,085,584
Net benefits	($114,430)	$888,184	$1,055,102	$1,055,102	$2,883,958	$2,357,710
ROI						324%
Payback period						Less than 6 months

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."

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%.
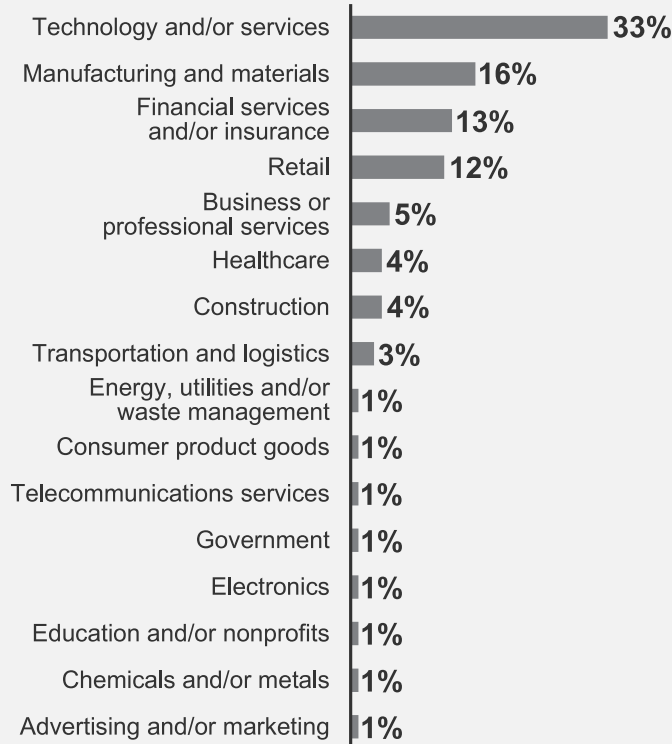
Payback Period

The breakeven point for an investment. This is the point in time at which net benefits (benefits minus costs) equal initial investment or cost.
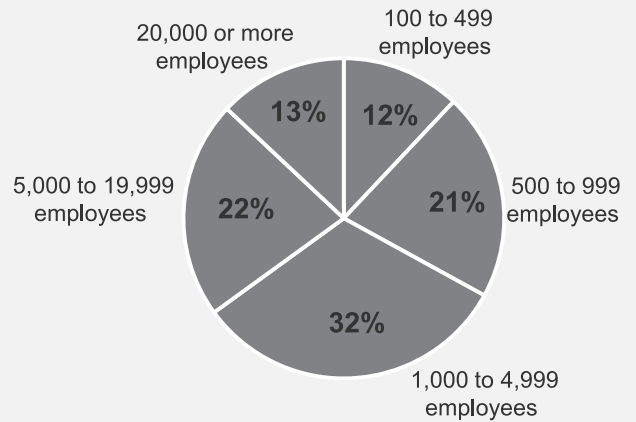
The initial investment column contains costs incurred at "time 0" or at the beginning of Year 1 that are not discounted. All other cash flows are discounted using the discount rate at the end of the year. PV calculations are calculated for each total cost and benefit estimate. NPV calculations in the 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.
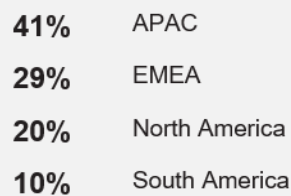
APPENDIX B: SURVEY DEMOGRAPHICS

"Which of the following best describes the industry to which your company belongs?"

Industry	
Technology and/or services	33%
Manufacturing and materials	16%
Financial services and/or insurance	13%
Retail	12%
Business or professional services	5%
Healthcare	4%
Construction	4%
Transportation and logistics	3%
Energy, utilities and/or waste management	1%
Consumer product goods	1%
Telecommunications services	1%
Government	1%
Electronics	1%
Education and/or nonprofits	1%
Chemicals and/or metals	1%
Advertising and/or marketing	1%

"Using your best estimate, how many employees work for your organization worldwide?"

- 100 to 499 employees: 12%
- 500 to 999 employees: 21%
- 1,000 to 4,999 employees: 32%
- 5,000 to 19,999 employees: 22%
- 20,000 or more employees: 13%

"In which region are you located?"

41%	APAC
29%	EMEA
20%	North America
10%	South America

"What components of the Dell Premier do you use? (Select all that apply.)"
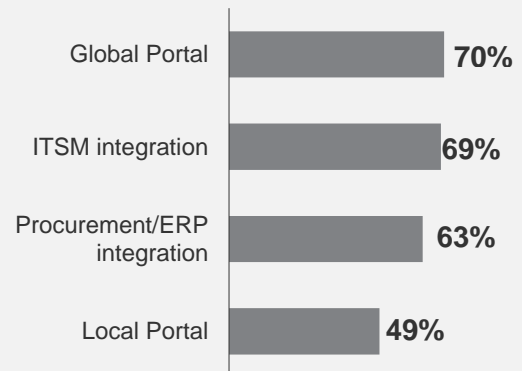
Global Portal	70%
ITSM integration	69%
Procurement/ERP integration	63%
Local Portal	49%

Base: 207 global decision-makers who are managers and above in IT roles
Source: A commissioned study conducted by Forrester Consulting on behalf of Dell and AMD, November 2023

Appendix C: Supplemental Material

Related Forrester Research

"2023 Buyer Insights: Procurement Professional," Forrester Research, Inc., December 4, 2023.

"Transform Procurement For Future Fit Supply Chains," Forrester Research, Inc., August 21, 2023.

APPENDIX D: ENDNOTES

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[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.

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