

A Forrester Total Economic Impact Study  
Commissioned By Google  
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## ABOUT FORRESTER CONSULTING

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Google commissioned Forrester Consulting to conduct a Total Economic  
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midmarket organizations may realize by deploying Google Workspace.<sup>1</sup>  
The purpose of this study is to provide readers with a framework to  
evaluate the potential financial impact of Google Workspace on their  
organizations.

Google Workspace offers a set of work applications to enhance the way  
employees interact with each other and the broader business ecosystem.  
To better understand the benefits, costs, and risks associated with this  
investment, Forrester interviewed four midmarket customers with  
experience using Google Workspace.

Midmarket organizations face a different set of challenges than larger  
enterprises or smaller businesses. Midmarket organizations, which are  
often too large for niche solutions but too small to justify enterprise-scale  
tools, find themselves forced into using tools and services that are not  
specifically designed or tailored to their needs. Some common differences  
for midmarket organizations include:

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S D U W Q W K S U R G L W \ Y H Q G R U V

¿ ' L I I L F X O W \ U H F U X L W L Q J D Q G U H W D L Q L Q J W D O H

¿ ) D V W H U H D V L H U D G R S W D R K P D I Q W F K D Q J H P D Q

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Additionally, some midmarket organizations do not intend to stay stuck  
using cumbersome or unwieldy tools for long, looking instead to boast their  
extremely high year-over-year (YoY) growth in both revenue and number  
of employees. High growth rates can compound the challenges highlighted  
above by adding the requirement to efficiently onboard new workers and  
scale up bandwidth to accommodate not only the new users but also the  
new data, applications, and tools that accompany organizational growth  
and acquisitions.

Prior to using Google Workspace, the interviewed organizations used  
a mix of on-premises and cloud collaboration tools. Organizations  
used cloud tools for specific point solutions like chat, data storage, and  
video conferencing, while hosting core applications like email on Q cing, while

Forrester developed a composite organization based on data gathered from the customer interviews to reflect the total economic impact that Google Workspace could have on an organization. The composite organization is representative of the organizations that Forrester interviewed and is used to present the aggregate financial analysis in this study. The composite organization in this study is:

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## TEI Framework And Methodology

From the information provided in the interviews, Forrester has constructed a Total (FRQRPLF ,PSDFWÆ 7(, IUDPHZRUN IRU WKPF considering implementing Google Workspace.

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 Google Workspace can have on an organization:

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



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&\$6( 678'< (PSORIRGU IXQGDPHQWDO LQFRPHFRVW 7(, :RUNVSDFHPSDFW EHQHILWV FRVWV IOH[LLELOL LQFUHDVLRQJ VRSKLVWDFWLRQ WKDW HQWHUSUL UHODWHG WR ,7 LQYHVWPHQWV )RUUHVWHU V 7 FRPSOLWV WIKHRWRWDO HFRQRPLF LPSDFW RI SX 3OHDVH VHH \$SSHQGL[ \$ IRU DGGLWLRQDO LQIRU

### DISCLOSURES

Readers should be aware of the following:

This study is commissioned by Google 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 report to determine the appropriateness of an investment in Google Workspace.

Google reviewed and provided feedback to Forrester, but Forrester maintains editorial control over the study DQG LWV ILQGLQJV DQG G 89RGxð@A' y\$; DQG G 89RGxð@C 8@p`LRð

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BEFORE AND AFTER THE GOOGLE WORKSPACE INVESTMENT

## Interviewed Organizations

For this study, Forrester conducted four interviews with midmarket Google Workspace customers. Interviewed customers include the following:

## Key Challenges Before Google Workspace

Before the investment in Google Workspace, midmarket interviewees described the following challenges with their previous solution:

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WHDPVUWRH YDOXH IRU W\*RRR.EORU:QVWFLQWXLWLYH  
DGPLQWHD QGVHFRVQ XVHU H[SHUDQH/QVHKDW  
RUJDQL]DQXRLFRQERQH Z XVHUV WR WKH SODWIRUP ZLWKRXW  
ODUJH WHFKQLFDYK XVDGHIUWQDNLFDQW YDOXH DGG IRU KLJK  
JURZWK RUJDQL]DWLRQDODGH RQBYZKHWKPHQWV  
DUFKIDWHBWSURSHUW\ PDQHPDHPHQGVRIQUWKKHLP SDFW RI  
IUHHG \*RQH :RUNVSRFHGHG WKH:KDFRZSIDQXQG  
ZLWKRJOH :RUNVSRFHQZHVGLB DOO RWKUKRLXJWLPH  
D FHQWUDOHRODQSDHPWIRUP

\*RRJOH :RU~~N~~W~~S~~D~~P~~S~~O~~H~~D~~G~~Q~~W~~Q~~L~~W~~W~~V~~E~~H~~G~~R~~W~~H~~G~~R~~R~~O~~V  
,7 RYHUKHDG UHR~~X~~U~~D~~D~~G~~V~~T~~M~~L~~U~~R~~Q~~H~~W~~K~~H~~V~~R~~X~~J~~K~~  
DXWRPDWHG SDWFKL~~Q~~H~~Z~~D~~H~~G,7~~S~~G~~L~~E~~F~~W~~H~~Q~~J~~ EHLQJ VHQW LQ E\  
XVHUVL~~D~~S~~Q~~GR~~Y~~H~~G~~W~~H~~E~~L~~Y~~L~~W~~\~~ ZKLFK KHOSV VDYH WLPH GXULQJ  
DXGL~~W~~K~~H~~DG RI WKH ,7 DQG VHFS~~U~~R~~W~~W~~W~~HDP DW D QRQ  
FRPPHQWHG~~W~~R~~I~~D~~W~~I~~S~~H~~L~~L~~H~~:~~Q~~H~~H~~ QRZ W~~Z~~R~~I~~S~~O~~R~~S~~O~~H~~  
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**Description of composite .** The growing midmarket organization based in North America employs 800 people with a 20% YoY revenue growth rate and a 10% YoY employee growth rate. Before its adoption of Google Workspace, the composite organization relied on on-premises storage for email services and subscribed to several cloud software-as-a-service (SaaS) solutions for video conferencing, chat, and data storage. Security systems were outdated, with poor data controls and decentralized platforms. A third-party spam filter was also being used as part of the email service. Onboarding new employees was a largely manual process during this time.

**Deployment characteristics .** The composite organization pursued an 85% adoption rate of Google Workspace in Year 1, while sunsetting several legacy platforms and cloud-based, SaaS subscriptions. By Year 2, the organization had achieved a 100% adoption rate and continued to sunset redundant software licenses when contracts expire. The firm continues to grow quickly through organic growth and acquisitions and fully integrates newly acquired organizations into its Google Workspace ecosystem.

**Key assumptions:**

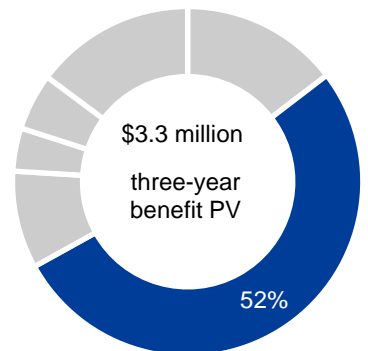
7KH WDEOH DERYHWDOORZ  
EHQHILWV DDFUHRD\W OMLKHWI  
DV ZHOO DV SUHVHQW YI  
GLVFRXQWHG 2YHU WKUI  
WKH FRPBBD\WHDWLRQ  
ULDGMXVWEISQMRVWOWR  
39 RI PLOOLRQ

,PSDFW ULVN LV WKH VL  
RU WHFKQRORJ\ QHHGV I  
RUJDQLJDWLRQ PBI QKW  
LQYHVWPHQWOWLQJ LQ C

¿ \$GRSWLRQ UDWH

¿ 3URILW PDUJLQ

To account for these risks, Forrester adjusted this benefit downward by 20%, yielding an annual benefit ranging from \$244,000 to \$518,800, with a




Increased employee efficiency: 52% of total benefits





ε \*RRJORUNVSDVFLQWHJUDWHIGSOTHWIRUKPH WLPD DQG  
 HIIRUW DVVRFLDWHG ZLW%HLQVIRUQBQR,NDXSDLFMIV  
 PRVW LQWHUYLHZHVCURSGUVRIDMQLQDO DXGLW RQ  
 WKUHL7 VVWVFNHYHQ WKDW FDGHQFH ZDQ,7FKDOO QHQJLQJ WR PHHW  
 PDQDJHU LQ WKH SURSHUW\ PDQD3HWHKQWKLQGXVWU\HISODLQHG SHRSO  
 HFRV\VARRPJOH :RU@ZSDFBIQ DFWXDOO\ WULYLDQO\ GR TXDUWVHUQ WK  
 DXGLW VVURHQWLUH\$W7RXXUDVNDOH WKHUH DUH YHU\ IHZ  
 FRPSDQLHV WKDW , KDYH VHHQDWQDDWDFOR\$QG LHW HO PDQDJH  
 ELJ UHDVRQ IRU WRK D\*RLJOE H V DLXWHHJUDWLRQV JYHUWKLOJLV  
 HYHQWKXFRONHG EDIRRLJQWRQH ZD\ RU WKH RWKHU  
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 WHD2PUJDQLJDWLRQV ZHFDVHESUHRVIRVYXWRDFURVV WKH  
 EXVLQHVVFOXLQVHUJQDD OQXRLQVEIROJGLQJ DQG SURYLVRLOJQJ  
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 IXUWEKHURZ

be possible for us to do the  
 amount of work that we do,  
 ZLWK MXVW WZR SHRSO  
 for some of the tools that  
 Head of IT and security,  
 non-profit



Based on the customer interviews, Forrester estimates for the composite organization:

ε 7KH ,7 WHDP ZDV DEOH WRWRHIDRFRFRDQDWHHU)7(  
 LQLWLQXVLRVWKH UHGXFHG PDLQWHQDQFH HIIRUW DVVRFLDWHG ZLWK  
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ε 7KH ,7 WHDP ZDV DEOH WR UHDOORFDWH DQ DGGLWLRQDO )7( WR IRF)  
 KLJKHUJOLXHLW LQVHLVWRVWKH UHGXFHG HHSIRUW LQ DXGLWLQJ  
 JHQHUUHQV@KURXJK HIILFELHQFSUHYFHGDVWLE  
 VHDUFK IXQFWLRQV

ε 2Q DYHUDJH DUNRQDQHTXLUHG IRU XSGDWH  
 DFWLYLWLHV ZLWK WKHLFKHUV@S@B@XWLRQV W  
 HIIRUWV DVVRFLDWHG ZLWK SH@RRR@HF PDMRL  
 :RUNVSDWKHVH DFWLQLRWRQJHU QHFHVVDU\



Two FTEs are  
 reallocated to focus on  
 tasks that add value and  
 generate revenue for the  
 business.

ε)XOO\ EXUGHQHG KRXDGRV@D@D@U@D@RUV LV

This benefit can vary due to uncertainty related to:

ε 5HTXGUPDLQWHQDQFH HIIRUWV IRU HPDLO DQI

ε 5HTXLUHG HIIRUW IRU LQWHUQDO DXGLWV DQ

ε 5HTXLUHG HIIRUW IRU XSGDWHV DQG SDWFKL

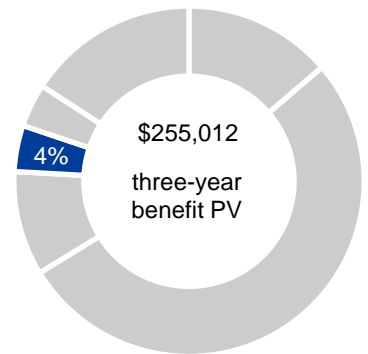
ε)XO@XUGHQHG VDODU\

To account for these risks, Forrester adjusted this benefit downward by 10%, yielding an annual benefit ranging of \$231,768, with a three-year, risk-adjusted total PV of \$576,373.



## IT Security Team Efficiency Gains

Google Workspace provides a host of native security tools and features that are all fully integrated and supported by the platform, eliminating the use of disconnected or bolt-on security solutions. Interviewed organizations noted that with Google Workspace, they were able to reduce the time and effort associated with IT security activities while still improving the overall security posture of their organization. A CIO in the food and beverage industry said: "There is much better visibility with Google Workspace."



IT security team efficiency gains: 4% of total benefits

## Reduced Risk Of Data Breach

A key driver for the investment in Google Workspace for interviewed organizations was the security improvements enabled by having a fully integrated security stack for collaboration tools and email at no additional cost. Organizations struggled with the previous security system and tools that were inadequate and not well coordinated, exposing them to unnecessary risk and generating manual, time-consuming labor for the IT security team. A head of IT and security at a non-profit said: “The real selling point for Google, for me, is that it has allowed us to gain better control over our data, which has allowed us to improve our security posture and gain visibility into where our data is going and what the staff are doing online. These were capabilities that we did not have before that are extremely important because we have been targeted by bad actors.”

Organizations also noted that they were comforted by the fact that Google now managed all of their IT infrastructure related to email and collaboration tools, so their data was afforded the same protections as the rest of Google’s.

Reduced risk of data breach: 5% of total benefits



⌘ \$ UHGXFWRQ RI OHJDF\ VRIWZDUH ODBHQZKVFRI  
LQFUHDVHDVUDQG DV PRUH OHJDF\ VROXWLRQV DUH VXQVHW

This benefit can vary due to uncertainty related to:

- ⌘ 7RWDO RGLXFDQG FRVW RI VHUYHUV
- ⌘ 5HGXFWRQ LQ FRUSRUDWH WUDYHO
- ⌘ 5HGXFWRQ LQ OHJDF\ VRIWZDUH OLFHQVHV

To account for these risks, Forrester adjusted this benefit downward by 10%, yielding an annual benefit ranging from \$252,480 to \$523,776, with a three-year, risk-adjusted total PV of \$945,957 million.

Capex And Opex Savings: Calculation Table					
REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3
F1	Number of servers	Composite organization	53	53	53
F2	Reduction in servers	Composite organization	35%	35%	35%
F3	Amortized annual cost per server	Composite organization	\$2,000	\$2,000	\$2,000
F4	Reduction in corporate travel	Composite organization	\$80,000	\$80,000	\$80,000
F5	Avoided legacy software licenses <sup>2</sup> spam filter, storage/archiving, calendar/collaboration, email	Composite organization	\$163,200	\$316,800	\$464,640
Ft	Capex and opex savings	(F1*F2*F3)+F4+F5	\$280,533	\$434,133	\$581,973
	Risk adjustment	;			
Ftr	Capex and opex savings (risk-adjusted)		\$252,480	\$390,720	\$523,776

### Unquantified Benefits

While there were strong and quantifiable benefits the interviewed organizations observed by using Google Workspace, there were significant qualitative benefits experienced as well. These could potentially be quantified in a financial analysis if given the appropriate data and metrics.



Google Workspace enables automation throughout the organization.

⌘ \$ XWRPDWLRQ HREJORUNVSDQB WKH \*RRJOH  
HFRV\VWHDPDMRU GULYHU EHKLQG PDQ\ RI  
WKLV VWXG\ \$ KHDFXULWVSDRDLQVWDLVZR  
SULPDU\ VHOOLRJRJSDRLQRWLRSDFFPDEZKDW LV  
OHVV \RX GR ZIRWKWKHFKBVW\ DQG WKH IDF\  
DPRXQW RI DXWRPDWLRQ WKDW ZRXOG EH F  
GLIHWVROXWLRQ 7KH DXWRPDWLRQ WKDW  
WKH UHVRQ WKDW ZH FRXOG KDYH RQO\ W  
HQYLURQPHQW

‡ Organizations described efficiencies related to automating employee onboarding and provisioning tasks. A director of IT infrastructure in the software industry said: <sup>3</sup>: H XVH WKH Google Admin tool to develop all kinds of scripts to help us with onboarding J HPSOR\HHV :H↑UH XVLQJ \*RRJOH WR DXWRPDWH employee onboarding by assigning them to different groups and mail groups, and getting their account set up. <sup>7</sup>



# \$ Q D O \ V L V 2 I & R V W V

QUANTIFIED COST DATA AS APPLIED TO THE COMPOSITE

## Total Costs

REF.	COST	INITIAL	YEAR 1	YEAR 2	YEAR 3	TOTAL	PRESENT VALUE
Gtr	Subscription costs	\$0	\$214,200	\$277,200	\$304,920	\$796,320	\$652,909
Htr	Implementation and ongoing support	\$289,408	\$89,586	\$89,586	\$89,586	\$558,166	\$512,195
	Total costs (risk-adjusted)						

## Subscription Costs

Google Workspace for Enterprise includes all of the same applications, security, and management features as Google Workspace for Business, with the following additional products and features:

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- & O R X G 6 H D P D F K W V H D U D F G Z I R W W M R G J H O R I : R U N V S D F H
- , P S U R V H F G U L W G P L Q G F R Q W U R O V

- ‡ Security center for Google Workspace.
- ‡ Data loss prevention (DLP) for Gmail.
- ‡ DLP for Google Drive.
- ‡ Hosted S/MIME for Gmail.
- ‡ Integrate Gmail with compliant third-party archiving tools.
- ‡ Enterprise-grade access control with security key enforcement.
- ‡ Gmail log analysis in BigQuery.

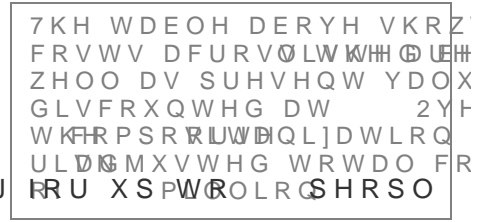
- \* R R H O R X G , G H Q W Q M L H G , \$ O D W I R U P
- & R Q W H [ W D Z D U H Q G S R P L Q W D I R H U P H Q W

Based on the customer interviews, Forrester estimates for the composite organization:

- \$ Q D Q Q X D O V X E V F U L S W L R Q R P U R V W O R H I : R U N S M S L D R X W H U H Q W H U S U L V H

This cost can vary due to uncertainty related to subscription costs and negotiated rates.

To account for these risks, Forrester adjusted this cost upward by 5%, yielding an annual cost ranging from \$214,200 to \$277,200, with a three-year, risk-adjusted total PV of \$652,909.



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,PSOHPHQWDWLRQ ULVN  
SURSRVHG LQYHVWPHQW  
WKH RULJLQDO RU H[SHF  
UHVXOWLQJ LQ KLJKHU F  
DQWLFLSDWLRQDWHU WK  
XQFHUWDLQW\ WKH ZLG  
UDQJH RI RXWFRPHV IRU

## Implementation And Ongoing Support: Calculation Table

REF.	METRIC	CALC.	INITIAL	YEAR 1	YEAR 2	YEAR 3
H1	Number of internal FTEs for implementation	Composite organization	1			
H2	Fully burdened IT salary	C5*2,080	\$120,640	\$120,640	\$120,640	\$120,640
H3	Length of implementation (months)	Composite organization	2			
H4	Professional services	Composite organization	\$100,000	\$25,000	\$25,000	\$25,000







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Total Economic Impact is a methodology developed by Fo



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