

# Total Economic Impact of ServiceNow

ServiceNow drives value across IT, HR and Customer Service

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ServiceNow commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) enterprises may realize by modernizing IT service management (ITSM); improving IT operations management (ITOM) and eliminating service outages and optimizing performance with real-time analytics.

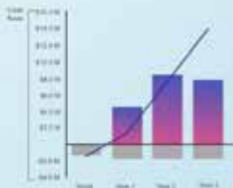


Prior to using ServiceNow, the customers used alternative ITSM and ITOM solutions (on-premises). They felt these solutions were too cumbersome because they required significant customization, maintenance, and upgrades that were time consuming and expensive. The organizations had also made acquisitions and accumulated overlapping systems and licenses for service desk solutions. After implementing ServiceNow, customers increased IT productivity and responsiveness while lowering costs.

servicenow



The financial results calculated in the Benefits and Costs sections can be used to determine the ROI and NPV for the composite organization's investment. Forrester assumes a yearly discount rate of 10% for this analysis.



CONSOLIDATED THREE-YEAR RISK-ADJUSTED METRICS

Legend: Net costs (blue), Net benefits (green), Cumulative benefits (red)

Year	Net costs	Net benefits	Cumulative benefits
Year 0	\$1,100,000	\$0	\$1,100,000
Year 1	\$1,100,000	\$1,100,000	\$1,100,000
Year 2	\$1,100,000	\$2,200,000	\$2,200,000
Year 3	\$1,100,000	\$3,300,000	\$3,300,000

This analysis shows that the customers interviewed for this study experienced significant financial benefits, particularly around improvements in IT productivity and cost savings. The IT organizations drove higher service levels for their customers through maturing their ITIL processes, automating common IT request processes, and eliminating service outages. They emphasized how ServiceNow provided a better end user service experience to their employees and enabled employee productivity across the organization through an easy-to-navigate self-service portal, knowledge management, and integrated mobility. This prompted an increase in customer survey results by as much as 6%, as well as a change in the perception of IT from task doer to business partner.