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The Total Economic Impact™ Of Atlassian Jira Service Management

Cost Savings And Business Benefits
Enabled By Jira Service Management

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ABOUT FORRESTER CONSULTING

Forrester provides independent and objective research-based consulting to help leaders deliver key transformation outcomes. Fueled by our customer-obsessed research, Forrester's seasoned consultants partner with leaders to execute on their priorities using a unique engagement model that tailors to diverse needs and ensures lasting impact. For more information, visit forrester.com/consulting.

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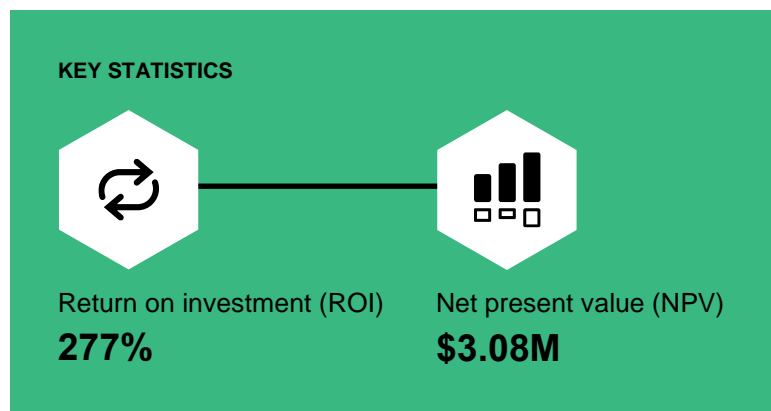
Executive Summary

With a rise in distributed and remote IT, operations, and service teams, organizations must find a service management tool that lets them simultaneously move fast, enable flexible working styles, and maintain visibility and connection between teams. Atlassian Jira Service Management is an enterprise service management platform that delivers accelerated time to value and enhanced visibility and connectivity between teams for organizations to deliver efficient and effective services for employees and customers.

To drive top-tier customer and employee experiences, organizations must deliver internal and external services that are responsive and easy to use. Providing a fast and seamless service experience requires automation and end-to-end visibility.¹ IT service management (ITSM) tools enable seamless and holistic management of IT service delivery to customers, helping organizations accomplish these ambitions. Modern ITSM solutions cover the full range of IT services, including request, change, incident, knowledge, and asset management.

For organizations looking to provide exceptional experiences across business teams, enterprise service management (ESM) offers an answer. As the next evolution of ITSM, ESM provides service management capabilities to business-centric use cases, connecting business and IT service teams without sacrificing visibility or ease of use. ESM increases the formalization and predictability of services at the organizational level while supporting core ITSM processes and speeding overall service delivery.²

Atlassian's Jira Service Management provides capabilities for a range of ITSM and ESM practices, linking all service teams together on one platform. This connected experience delivers ease of use, collaboration, and automated workflows across teams. Integration with Jira Software further unites service and operations teams with developers,



removing silos and accelerating workflows. With business and IT service teams, operations, and developers working in a connected environment, end users benefit from a high-velocity, responsive, and transparent service experience.

Atlassian commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) enterprises may realize by deploying Jira Service Management.³ The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of Jira Service Management on their organizations.

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed nine representatives at six organizations with experience using Jira Service Management. For the purposes of this study, Forrester aggregated the interviewees' experiences and combined the results

into a single composite organization that is a global hospitality services company with 10,000 employees that earns \$2 billion in annual revenue.

Prior to using Jira Service Management, the interviewees' organizations used other service management tools to manage requests, incidents, and changes. However, they found that these tools were costly to buy and maintain; employees wasted time context switching between multiple platforms; and end users and decision-makers had little visibility into request statuses.

After the investment in Jira Service Management, the interviewees improved the efficiency of their request management processes and stood up additional workflows for business teams. They also implemented all core capabilities of Jira Service Management, such as incident management, change management, and asset management, across their organizations. Key results from the investment include improved productivity across service desk, IT operations, and developer teams.

KEY FINDINGS

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

- **A 10% reduction in service requests and 15% decrease in resolution time.** The composite sees improved service desk productivity across both business and customer service teams as well as an IT service team using Jira Service Management. Jira Service Management's request and knowledge management capabilities creates a more direct escalation path and reduces triage time for requests, improves ticket tracking and handling, increases visibility and collaboration, reduces ticket volume due to self-service, and cumulatively leads to faster request fulfillment. Over three years, the improved service desk productivity is worth more than \$1.4 million to the composite organization.
- **Improved end-user productivity savings of \$408,000.** Jira Service Management's easy-to-use interface, faster ticket resolution, improved request visibility, and self-service options saves employees 5 minutes per request they file. The time they save from not looking for help or waiting for resolutions improves productivity and allows employees to focus on work that matters.
- **IT operations team savings of 115 hours monthly.** Jira Service Management's connection to Jira Software and enterprise management practices increases visibility into risks, problems, hardware, and software across the organization, as well as improves collaboration between development and IT operations teams. With increased visibility and collaboration, teams make better decisions and minimize risk. Ultimately, IT operations employees save time identifying the root cause of problems, responding to incidents, and streamlining change approvals with Jira Service Management. Over three years, improved IT operations productivity is worth \$74,000 to the composite organization.
- **Improved engineer and decision-maker productivity saves \$152,000.** Automatic routing and self-service decreases the overall volume of tickets engineers resolved, while improving visibility, communication, and the use of a single platform between operations and engineering teams reduces overall ticket-handling time. Administrators and decision-makers save time

“[Jira Service Management] has already allowed us to be quite agile with how we are working with IT and DevOps.”

Senior application engineer, healthcare

Monthly time saved by engineering teams:

167 hours



through more distributed organizational control and standardized, automatic reporting. Over three years, this improved productivity is worth over \$152,000 to the composite.

- **Retiring a previous solution saves \$2.0 million.** In license costs alone, the composite saves \$840,000 per year by switching to Jira Service Management from a legacy service management solution. In addition to licenses, the organization reduces spending on management labor and services costs by another \$120,000 per year.
- **IT cost efficiencies of \$114,000 in Year 3.** Jira Service Management capabilities specific to asset and change management practices enable cost efficiencies through better decision-making and increases visibility across the composite organization's software and hardware expenditure. Over three years, these IT cost efficiencies are worth \$114,000 to the composite.

Unquantified benefits. Benefits that provide value but are not quantified in this study include:

- **Improved cross-functional alignment.** Enhanced reporting and cross-team visibility into workflows and team statuses with Jira Service Management also enabled transparency and alignment during team discussions.
- **Improved employee and customer experience.** Individuals across service desk, IT, and engineering teams who saved time with Jira Service Management curated a better work-life

balance or reinvest time into additional work they valued.

- **Revenue loss avoidance.** Retail stores at the interviewed CEO's organization occasionally faced incidents that took them offline. When offline, they were unable to generate revenue as long as their problem was unresolved. Faster problem resolution with Jira Service Management meant that revenue loss was avoided when stores could get back online.
- **Visibility into and consistency in team performance and reporting.** With data aggregation and out-of-the-box reporting available in Jira Service Management, decision-makers could easily track team performance and timelines across teams.
- **Business team productivity.** Implementing request management with Jira Service Management for business teams, including HR, legal, real estate, finance, cybersecurity, construction, facilities, and loss prevention, led to handling requests faster. These teams saved time with a more efficient process and improved their end-user experiences.
- **Confidence in data security.** The software organization chose Atlassian for Atlassian's commitment to data protection and complying to General Data Protection Regulations (GDPR).
- **Improved stability and scalability.** Jira Service Management improved stability and led one interviewee's organization in becoming more scalable and better able to weather growth as they became more efficient in and added automation to processes and workflows with Jira Service Management.

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

- **Jira Service Management solution licensing costs totaling \$430,000.** Jira Service Management's pricing tiers differ by the number of agents supported, amount of storage provided, and level of support an organization receives. These factors are used to determine the pricing per agent. The composite purchases Jira Service Management Premium licenses. Enterprise service management capabilities for business teams are included in the Premium plan at no additional cost.
- **Implementation and training totaling \$338,000.** It takes four months for 3.25 full-time equivalent (FTE) internal employees to implement request, problem, asset, change, and knowledge management capabilities. The composite spends \$100,000 to work with a professional services team between the initial period and in Year 1. All service agents, as well as end users, incur minor internal labor costs for their time spent in training on the Jira Service Management portal.

- **Ongoing management totaling \$344,000 in labor costs.** The composite organization has 1.25 FTE employees focused on supporting Jira Service Management. The optimization of service management processes and architecture and implementation of new service desks across additional teams or use cases takes an additional 0.1 to 0.25 FTE employees.

The representative interviews and financial analysis found that a composite organization experiences benefits of \$4.19 million over three years versus costs of \$1.11 million, adding up to a net present value (NPV) of \$3.08 million and an ROI of 277%.

“[We] make better decisions, [know] what to focus on, what’s wrong with the process ... It lets us focus and deep dive. And [Jira Service Management has] assisted in finding trends and the root issues of problems.”

— Senior manager of IT support services, recruiting



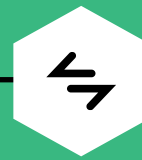
ROI
277%



BENEFITS PV
\$4.19M

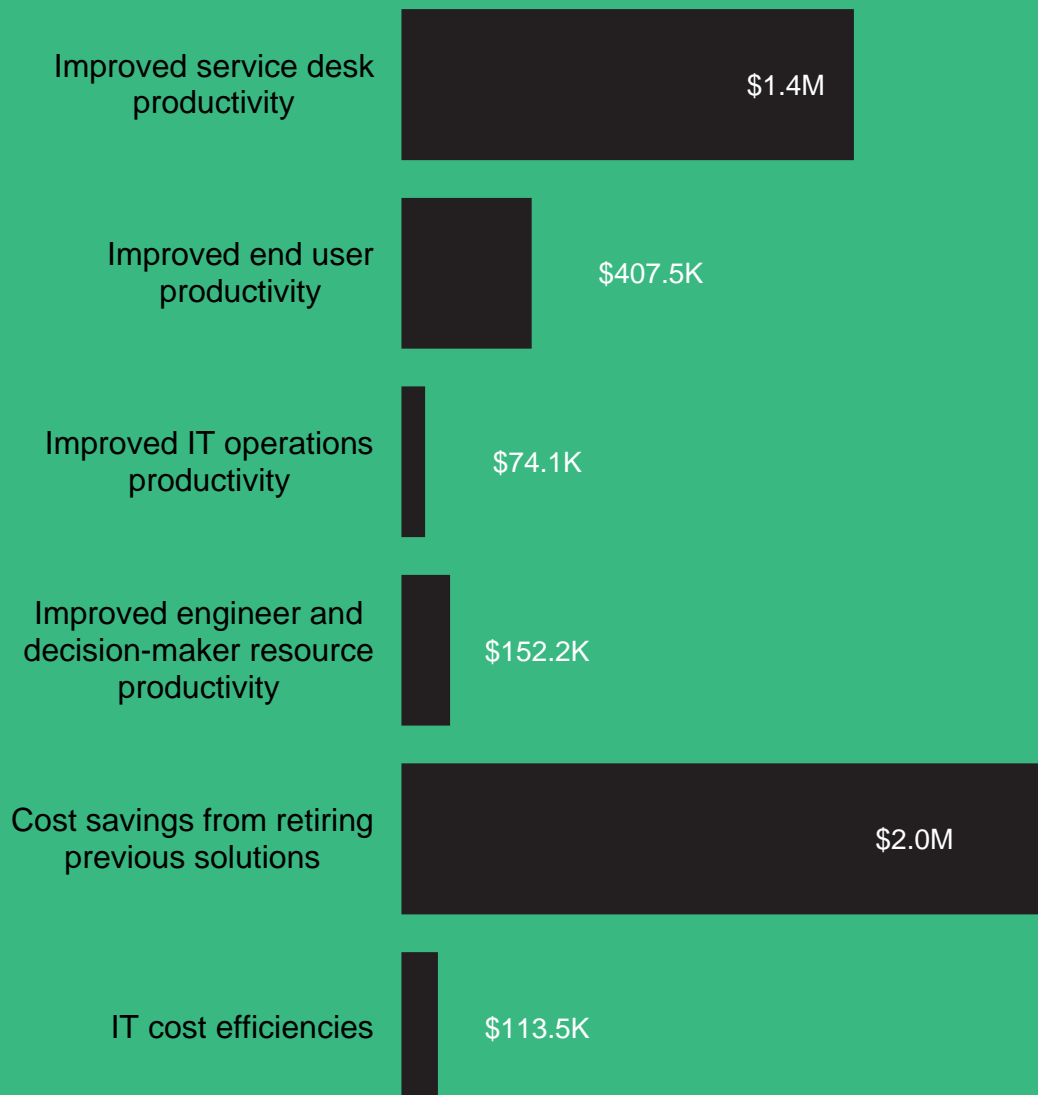


NPV
\$3.08M



PAYBACK
<6 months

Benefits (Three-Year)



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 Jira Service Management.

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 Jira Service Management can have on an organization.

DISCLOSURES

Readers should be aware of the following:

This study is commissioned by Atlassian 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 Jira Service Management.

Atlassian 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.

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



DUE DILIGENCE

Interviewed Atlassian stakeholders and Forrester analysts to gather data relative to Jira Service Management.



INTERVIEWS

Interviewed nine representatives at organizations using Jira Service Management to obtain data with respect to costs, benefits, and risks.



COMPOSITE ORGANIZATION

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



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.



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 Atlassian Jira Service Management Customer Journey

■ Drivers leading to the Jira Service Management investment

| Interviews | | | | |
|---|------------|-----------|-----------------------------------|--|
| Role | Industry | Employees | Jira Service Management End Users | Jira Service Management Use Case |
| Senior manager of IT support services | Recruiting | 3,200 | Employees | Service management Incident and problem management Change management |
| Atlassian administrator | Recruiting | 3,200 | Employees | Service management Incident and problem management Change management |
| Manager of store and support tool engineering | Retail | 15,000 | Employees, customers | Service management |
| Executive consultant, operations and customer support | Software | 800 | Employees, customers | Service management Incident management Knowledge management |
| Senior operations analyst, global support | Software | 800 | Employees, customers | Service management Incident management Knowledge management |
| Chief information officer | Retail | 88,000 | Employees, customers | Service management Incident and problem management Knowledge management |
| Assistant vice president of support services | Retail | 88,000 | Employees, customers | Service management Incident and problem management Knowledge management |
| Senior IT application engineer | Healthcare | 5,000 | Employees, customers | Service management Incident and problem management Knowledge management Change management Asset management |
| IT support engineer | Energy | 171,000 | Employees, customers | Service management Incident and problem management Knowledge management Change management Asset management |

KEY CHALLENGES

Forrester spoke to nine representatives at six organizations with experience using Jira Service Management. Prior to deploying Jira Service Management, most of the interviewees' organizations used another service management tool with varying levels of sophistication ranging from a heavily modified CRM system to a fully advanced ITSM solution.

Some organizations used multiple tools between IT and other service teams, but all business teams

handled internal requests via email. The organizations also lacked tools or processes for formal asset/service configuration management, change management, and problem/incident management. Knowledge management was largely limited to standard collaboration tools.

Nearly all the organizations' engineering teams used Jira Software before their Jira Service Management investment, though one organization implemented the two Jira products simultaneously. Without Jira Service Management, the interviewees' organizations struggled with challenges, including:

“We wanted more automated and efficient IT operations and we got that right out of the gate.”

Manager of store and support tool engineering, retail

- **Wasted time context switching between platforms.** With support, IT operations, and development using separate tools, visibility was limited and workflows were less streamlined across the teams. Employees on each team spent valuable time transferring or duplicating information between siloed systems when requests required technical assistance.
- **Inadequate legacy service management tools.** Interviewees spoke of their previous solutions as inefficient, costly to maintain, and lacking key functionalities, such as reporting and KPI tracking. The senior manager of IT support services at the recruiting organization told Forrester, “We could make it kind of work for the basic things, but there wasn’t any automation and the functionality was really minimal.” Even very sophisticated tools had areas of inadequacy. The IT support engineer at an energy company noted: “[When I had a problem with the previous solution] I didn’t have [access to] help online, on YouTube, or in communities to share information. The [previous solution] is very, very close [fisted] with that.”
- **Little end-user visibility.** End users often had no or limited visibility into the status of their requests, which led to frustration and bogged down service agents with status update requests.
- **Inefficient business team request handling.** Non-IT teams, such as HR, finance, and legal, who handled internal requests and updates did

so via email, which was inefficient and error prone. The senior IT application engineer at the healthcare organization described: “Pain points were that they were using emails for requests and had poor visibility of the requests and no way of tracking the levels of support. There was a lack of ownership.”

- **Costly or difficult setup or expansion of existing tool.** While organizations often wanted to extend service management practices to business teams, their existing service management tools were complex and costly to deploy, delaying time to value and making it difficult to spin up service experiences quickly for new teams.

INVESTMENT OBJECTIVES

The interviewees’ organizations searched for a solution that:

- Integrated well with existing software (usually Jira Software).
- Was customizable and flexible.
- Was sophisticated in workflows and data protection.
- Was scalable and easy to expand to additional teams and use cases.
- Was cost efficient to purchase and maintain.

“We wanted more seamlessness between what we do with Jira projects and what we do with [Jira Service Management], so we can easily move tickets between the two different environments.”

Assistant vice president of support services, retail

After evaluating multiple vendors, the interviewees' organizations chose Jira Service Management and began deployment. Goals the interviewees had for their Jira Service Management deployment included:

- Streamlining and automating service processes.
- Consolidating their service management tech stack to a single enterprisewide solution.
- Increasing service visibility and the volume of reporting across the organization.
- Improving their end-user experience.
- Realizing the benefits of a cloud deployment, including a lower maintenance cost of a prior solution.

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 nine interviewees from six organizations, 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 hospitality services organization earns \$2 billion in annual revenue. The organization has 10,000 employees and 20,000 customers. The organization maintains two main service desks: an internal, employee-facing IT service desk with 75 agents and a service desk to support customers externally with 625 agents. Prior to deploying Jira Service Management, the composite organization leverages a different large ITSM solution for both internal and external service desks but did not have tools in place to support service management for business teams, problem and incident, asset and service configuration management, change management, or knowledge management. The composite organization's software development team uses Jira Software.

Key Assumptions

- **\$2 billion annual revenue**
- **10,000 employees**
- **20,000 customers**
- **800 total Jira Service Management agents**

Deployment characteristics. The composite deploys Jira Service Management in the cloud to support request management for their IT and customer service teams as well as problem and incident, asset and service configuration management, change management, and knowledge management. The composite stands up service management instances for their HR team during Year 1 and for their facilities, legal, and finance teams in Year 2.

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 | Improved service desk productivity | \$516,224 | \$577,254 | \$624,128 | \$1,717,606 | \$1,415,281 |
| Btr | Improved end-user productivity | \$152,000 | \$164,667 | \$177,333 | \$494,000 | \$407,503 |
| Ctr | Improved IT operations productivity | \$29,808 | \$29,808 | \$29,808 | \$89,424 | \$74,128 |
| Dtr | Improved engineer and decision-maker resource productivity | \$61,200 | \$61,200 | \$61,200 | \$183,600 | \$152,195 |
| Etr | Cost savings from retiring previous solutions | \$816,000 | \$816,000 | \$816,000 | \$2,448,000 | \$2,029,271 |
| Ftr | IT cost efficiencies | \$0 | \$48,750 | \$97,500 | \$146,250 | \$113,542 |
| Total benefits (risk-adjusted) | | \$1,575,232 | \$1,697,679 | \$1,805,969 | \$5,078,880 | \$4,191,920 |

IMPROVED SERVICE DESK PRODUCTIVITY

Evidence and data. The interviewees' organizations realized their greatest savings with Jira Service Management through improved service desk productivity across business and customer service teams as well as an IT support team. The solution's native request and knowledge management capabilities created a more direct escalation path and reduced triage for tickets; improved ticket tracking and handling visibility and collaboration; reduced ticket volume due to self-service; and led to faster request fulfillment. Jira Service Management helped the interviewees' organizations achieve the following results:

- **A reduction in ticket volume.** With the integration of Confluence, Atlassian's content collaboration software, users easily found answers to their questions from an internal living library of knowledge base articles, guides, and FAQs, saving them from filing a service request. Self-service fulfillment increased over time as the knowledge base became more comprehensive

and users adjusted to the new source of information. The chief information officer (CIO) at a retail organization told Forrester: "[When] taking a ticket, we might reply to the user and give them a link and say, 'Here's exactly the step-by-step that would answer your question.' And that helps because we're pointing them to an article and teaching that [self-serve] behavior in the future."

- **Reduced triage and provided a more direct escalation path.** The Atlassian administrator at the recruiting organization noted that they could dramatically reduce time spent on triage with Jira Service Management's back-end automation, saying, "We know just by some keywords in the ticket that it's going to go to a specific team, so the service desk doesn't have to get their hands on it and they can spend their time on tickets that are related directly to them."

The senior manager of IT support services at the same organization described streamlining a previously convoluted ticket routing process with Jira Service Management. Instead of escalating

tickets through an app support team and secondarily needing to pass on information to a developer, the interviewee said: “[Agents] don’t have to recreate the ticket. They just move from one project to the next.”

The IT support engineer at an energy company described increased visibility into their work with Jira Service Management. Unlike with their previous solution, each IT service team member could see and track their own tickets in real time. With Jira Service Management, they could also assign different service-level agreements (SLAs) for different service areas and IT communicated problems to other teams faster.

- **Faster request fulfillment through reduced context switching and more available information.** The manager of store and support tool engineering at the retail organization noted that when they had different tools for service management and software engineering, their engineers were constantly contact switching between platforms, limiting their productivity. They told Forrester: “They should be doing engineering things and trying to get out of the day-to-day operational weeds. Eliminating the barrier of having to go between two different platforms was big for them.”

The same manager described that in addition to helping users self-serve, incorporating Confluence spaces into the portal helped agents work through issues faster. Knowledge base articles would pop up alongside tickets for agents to quickly review for applicable advice to save time on common issue resolution.

Additionally, tickets could be created with more user information already available, and agents found it easier to contact end users to collect any additional details they needed after a ticket was created. The senior manager of IT support services at the recruiting organization told Forrester: “Every time a technician leaves a

“The escalation path between the tier one, tier two teams to the engineers has become a lot more efficient.”

Manager of store and support tool engineering, retail

comment for the customer, it will email out and [end users] can see a ticket history. They can see a lot of good information and can communicate with the technician through that portal.”

The retail CIO described similar improvements in ticket-resolution time with access to more prefilled information inside of Jira Service Management. They noted: “[Agents] come up with canned responses, which are inside of Jira, and try to find efficiencies when they’re taking calls. So, [they use] less keystrokes by being able to use canned responses and just pop information back to the end user.”

- **Increased service agent productivity.** The executive consultant of operations and customer support at the software organization saw daily improvements in service agent productivity with Jira Service Management because it allowed them to focus on ticket resolution rather than handling unrelated tasks. They stated: “The agents wore so many hats. They would be pulled aside to do reports or problem management with the development teams. Some of them would go out and just pull data around how many tickets were opened against professional services that might not have been updated, because professional services would always do work in Jira Software and never come back and close. [The service agents] were doing the cleanup.” They estimated that agents spent at least 25% of their week cleaning up old tickets from other

systems and doing other extraneous activities instead of actually resolving tickets, work that was eliminated with Jira Service Management.

The retail CIO mentioned that when end users didn't have visibility into their ticket status, they would contact the IT team and ask for updates, derailing the agents to take some additional calls to give individuals detail on their tickets. Jira Service Management's increased end-user visibility, dramatically lessening call volume for ticket status updates.

The manager of store and support tool engineering at a retail organization noted that despite adding new stores and facing a 10% increase in ticket volume, their organization hadn't had to add service agent headcount to support teams due to productivity increases with Jira Service Management.

- **Increased business team productivity.** With Jira Service Management, it was easy for interviewees' organizations to stand up new service desks for business teams, such as HR, facilities, legal, or security, so that they could route requests through a central service portal and realize the same efficiency benefits. For business teams who implemented Jira Service Management, moving from emails and phone calls to a comprehensive service management

platform created incredible efficiencies and time savings.

Service teams that previously did not have a service management tool were swamped with service requests from emails, phone calls, and walk-up help desk requests. They had no structured way to categorize or manage the resolution of the service requests and spent time switching between service channels. Using Jira Service Management, individual teams could define their own service delivery forms and workflows to quickly deliver service and support in the most efficient way for their team.

Modeling and assumptions. Forrester modeled this benefit based on the following information:

- The composite organization's IT service desk receives 10,000 tickets per month before Jira Service Management.
- The average ticket-handling time is 32 minutes before Jira Service Management.
- With knowledge management powered by Confluence, end users log 5% fewer tickets in Year 1, 8% fewer in Year 2, and 10% fewer in Year 3.
- The customer-facing service desk receives 10,000 tickets per month from 20,000 customers.
- The organization's Jira Service Management instances for the HR, facilities, legal, and finance teams receive an additional 10,000 tickets in Year 2 and 20,000 tickets in Year 3.
- Ticket-handling time across service desks is reduced by 15% with Jira Service Management, saving agents about 5 minutes per ticket.
- The average hourly fully burdened salary is \$32 for an IT service desk employee and \$29 for a customer-facing service desk agent.

“We had 70% SLA [before] with the change of the tool [to Jira Service Management and] the support of the director and all the managers, we reached 98% to 99% accomplished [within] SLA.”

IT support engineer, energy

- All of employees' saved time is recaptured as productivity due to the task-based service desk structure.

Risks. The expected financial impact is subject to risks and variation based on factors including the organization's:

- Jira Service Management scope of deployment and use cases.
- Prior service management system's capabilities and level of sophistication.
- Average number of tickets received and average handling time per ticket before Jira Service Management.

- The volume of ticket deflection and decrease in ticket-handling time achieved with Jira Service Management.
- Compensation amounts and structures for employees and recapture rates of productivity on saved time.

Results. To account for these risks, Forrester adjusted this benefit downward by 20%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$1.4 million.

| Improved Service Desk Productivity | | | | | |
|------------------------------------|--|---|---------------------------------------|-----------|-----------|
| Ref. | Metric | Source | Year 1 | Year 2 | Year 3 |
| A1 | Average annual number of IT tickets received before Jira Service Management | Composite | 120,000 | 120,000 | 120,000 |
| A2 | IT ticket deflection due to self-service capabilities | Interviews | 5% | 8% | 10% |
| A3 | Average handling time per IT ticket before Jira Service Management (minutes) | Composite | 32 | 32 | 32 |
| A4 | Average IT support fully burdened hourly salary | TEI standard | \$32 | \$32 | \$32 |
| A5 | Subtotal: Time savings from IT service desk ticket deflection | $((A1 \times A2 \times A3) / 60) \times A4$ | \$102,400 | \$163,840 | \$204,800 |
| A6 | Average annual number of tickets received with Jira Service Management | Composite | 234,000 | 240,400 | 248,000 |
| A7 | Percentage decrease in handling time per ticket with Jira Service Management | Interviews | 15% | 15% | 15% |
| A8 | Minutes of reduced handling time per ticket with Jira Service Management | $A3 \times A7$ | 4.8 | 4.8 | 4.8 |
| A9 | Average customer service agent fully burdened hourly salary | TEI standard | \$29 | \$29 | \$29 |
| A10 | Subtotal: Time savings from reduced ticket-handling time | $(A6 \times A8) / 60 \times A9$ | \$542,880 | \$557,728 | \$575,360 |
| At | Improved service desk productivity | $A5 + A10$ | \$645,280 | \$721,568 | \$780,160 |
| | Risk adjustment | ↓20% | | | |
| Atr | Improved service desk productivity (risk-adjusted) | | \$516,224 | \$577,254 | \$624,128 |
| Three-year total: \$1,717,606 | | | Three-year present value: \$1,415,281 | | |

IMPROVED END-USER PRODUCTIVITY

Evidence and data. Jira Service Management's easy-to-use interface, faster ticket resolution, improved ticket visibility, and self-service options improved not only end-user satisfaction, but also end-user productivity. On average, employees saved 5 minutes per request they filed or 15 minutes per quarter. Less time spent looking for help or waiting for resolutions allowed employees to be more productive and focus on work that matters to them.

- The retail manager of store and support tool engineering called out Jira Service Management's improved user experience, saying: "I remember a lot of comments about how the look and feel was so much cleaner than what we were used to with the prior system. It's a win for end users when they see a more simplistic, easy-to-look-at solution."
- Increased visibility provided end users with real-time updates into where their requests were in the pipeline. The senior IT application engineer in healthcare said, "[Jira Service Management] has definitely provided more visibility for customers, so they can lock onto the platform, see the statuses of their requests, comment on what they need to comment on there, instead of just sending an email and waiting for a response and having no idea what's happening."
- With visibility into their request status, users no longer contacted the IT team to ask for updates and instead could check their ticket status in a few seconds. The CIO of a retail organization noted, "Stores can see where their tickets are at, how it's progressing, and what the resolution is, whereas before, they might have had to call a support or ask a question."
- When requests were resolved faster, the length of business disruption decreased for ticket filers. They could return to their duties faster. For each ticket that was deflected with access to self-service information in Jira Service Management's

"The customer portal and the agent portal are simpler and easier to work with than [our previous solution]."

IT support engineer, energy

knowledge base, users had to spend a few minutes reading a document but resolved their issue faster and did not have to deal with the back and forth required when filling out ticket information.

Modeling and assumptions. Forrester modeled this benefit based on the following information:

- Each of the composite organization's 10,000 employees logs 12 IT tickets on average in Year 1 through Jira Service Management.
- With the rollout of Jira Service Management to the organization's HR and facilities teams in Year 2 and legal and finance teams in Year 3, employees log 13 total tickets in Year 2 and 14 tickets in Year 3 on average.
- Each end user saves 5 minutes on average per ticket logged with Jira Service Management.
- The average employee's hourly fully burdened salary is \$38.
- Fifty percent of all employees' saved time is recaptured for added productivity

Risks. The expected financial impact is subject to risks and variation based on factors including the organization's:

- Jira Service Management scope of deployment and use cases.
- Prior service management system's capabilities and level of sophistication.

- Degree of improved ticket-resolution times and self-service tickets.
- Number of employees using Jira Service Management as a service desk and number of tickets logged per employee.
- Compensation amounts and structures for employees and recapture rates of productivity on saved time.

Results. To account for these risks, Forrester adjusted this benefit downward by 20%, yielding a three-year, risk-adjusted total PV of \$408,000.

| Improved End-User Productivity | | | | | |
|--------------------------------|---|------------------|-------------------------------------|-----------|-----------|
| Ref. | Metric | Source | Year 1 | Year 2 | Year 3 |
| B1 | Number of employees | Composite | 10,000 | 10,000 | 10,000 |
| B2 | Average annual number of tickets logged with Jira Service Management per employee | Composite | 12 | 13 | 14 |
| B3 | User minutes saved per ticket | Interviews | 5 | 5 | 5 |
| B4 | Average fully burdened hourly salary | TEI standard | \$38 | \$38 | \$38 |
| B5 | Productivity recapture rate | TEI standard | 50% | 50% | 50% |
| Bt | Improved end-user productivity | $B1*B2*B3*B5/60$ | \$190,000 | \$205,833 | \$221,667 |
| | Risk adjustment | ↓20% | | | |
| Btr | Improved end-user productivity (risk-adjusted) | | \$152,000 | \$164,667 | \$177,333 |
| Three-year total: \$494,000 | | | Three-year present value: \$407,503 | | |

IMPROVED IT OPERATIONS PRODUCTIVITY

Evidence and data. Jira Service Management's connection to Jira Software created a seamless handoff between IT support, IT operations, and development. With both in place, the interviewees' organization IT operations teams matched the pace of agile development teams and responded to incidents more quickly and efficiently.

Most organizations did not use a formal problem and incident management tool before Jira Service Management, and Jira Service Management's problem and incident management, change management, and asset management capabilities benefitted IT operations teams as well. These enterprise management practices increased visibility into risks, problems, and hardware and software across their organizations, as well as improving collaboration between teams. With increased visibility and collaboration, teams made better decisions and minimized risk. Ultimately, IT operations employees saved time getting to the root cause of problems, responding to incidents, and streamlining change approvals with Jira Service Management.

- The retail assistant VP of support services described that their support team collaborates frequently with different IT team leads, and they all use Jira Software as the reference point to focus on issues. With Jira Service Management, incoming problem tickets could not only describe an issue and its user impact, but also tie in screenshots of the error, links, and all other incoming tickets with a similar issue. This saved time the teams time with the assistant VP describing: "When teams pick up those problems, they don't have to go back and forth forever asking, 'What stores are having this and what are they seeing?' All those questions are answered in the ticket."
- The IT support engineer at the energy organization noted their IT team members resolved incidents faster with Jira Service

Management. Attaching a comment to a problem ticket triggered automatic routing to the right person instead of their previous process of following up with other agents or managers via email and waiting for a response.

- Organizations using asset management in conjunction with problem and incident management gained visibility into their application landscapes, which also resolved problems faster. The senior IT application engineer at the healthcare organization told Forrester: "We track all the applications in our [configuration management database] (CMDB) and asset management tool [in Jira Service Management] and connect it to users and then users to devices. We see the IT landscape of the company much better. Our support teams instantly get the full picture of a problem when it comes in. They know the computers the users are using without having to go to a different system and logging in to another system and then checking with the user."

“[A benefit of Jira Service Management’s problem management is] the ability to link multiple incidents to a problem, keep the problem open for a few months to make sure it happened once and it didn’t happen again. Did we fix it and actually have time to validate the fix through problem management?”

Executive consultant, operations and customer support, software

- The ease of tracking problems, incidents, and change approvals with Jira Service Management informed decision-making to ensure continuous improvement. The director of IT at the recruiting organization said, “Tracking and reporting on problems and incidents allows us to investigate proactive responses, automation, and process improvements.” The energy IT support engineer described that their IT team used to manually create change reports to track changes and outcomes. With Jira Service Management, they connected change tracking to PowerBI so project managers had 24/7 access to a dashboard.
- Before Jira Service Management’s problem/incident management, the interviewees’ organizations undertook problem cause analysis manually. The executive consultant of operations and customer support at a software organization told Forrester, “[The team] did not have a problem management form, so they were working an incident ticket and then when the incident was resolved or when it was a high-priority incident P1, P2, they would create a secondary incident and truly do cause analysis.”
- IT operations teams also saved time with change management in Jira Service Management delivering a better understanding of the types of changes they made and their outcomes. With a clearer, centralized change approval process and manager visibility into outcomes and risks, change approvals were more efficient and completed faster. Fewer changes were made that were unnecessary or caused problems. The senior IT application engineer at the healthcare organization said: “We are proactively reviewing the changes that have been made and we are less prone to making big changes without notifying people. People aren’t restarting servers or anything like that unless there’s an absolute need.”

Modeling and assumptions. Forrester modeled this benefit based on the following information:

- The composite organization logs 25 problems per month through Jira Service Management’s problem management incidence and the IT operations team saves 35 minutes per problem on average with efficiencies Jira Service Management creates.
- Each of the 30 change requests pushed per month takes 40 hours on average to complete, one-third of which is active time for IT ops employees.
- Change requests are approved 25% faster with Jira Service Management, saving IT ops employees 3 hours per change request.
- The average hourly fully burdened salary is \$54 for an IT ops employee.
- Fifty percent of all employees’ saved time is recaptured for added productivity

Risks. The expected financial impact is subject to risks and variation based on factors including the organization’s:

- Jira Service Management scope of deployment and use cases.
- Prior service management system’s capabilities, and level of sophistication, as well as the presence of formal problem and incident management or change management at the organization before Jira Service Management implementation.
- Number of problems and incidents logged by its IT operations team per month and associated time savings per problem and incident with Jira Service Management.
- Number of change requests pushed per month, average number of work hours per change request, and flexibility in updating change

approval processes with Jira Service Management.

- Compensation amounts and structures for IT operations employees and recapture rates of productivity on saved time.

Results. To account for these risks, Forrester adjusted this benefit downward by 20%, yielding a three-year, risk-adjusted total PV of \$74,000

| Improved IT Operations Productivity | | | | | |
|-------------------------------------|--|--------------------------------------|----------|----------|----------|
| Ref. | Metric | Source | Year 1 | Year 2 | Year 3 |
| C1 | Average number of problems resolved per month by IT operations | Composite | 25 | 25 | 25 |
| C2 | Average number of minutes saved per problem and associated incidents | Interviews | 35 | 35 | 35 |
| C3 | Average number of IT change requests pushed per month | Composite | 30 | 30 | 30 |
| C4 | Work hours to completion of change request | Interviews | 40 | 40 | 40 |
| C5 | Percentage decrease in change approval time | Interviews | 25% | 25% | 25% |
| C6 | Average hours saved per change request | $C4 \times C5 / 3$ | 3 | 3 | 3 |
| C7 | Total hours saved per month by IT operation team | $(C1 \times C2) / 60 + C3 \times C6$ | 115 | 115 | 115 |
| C8 | IT operations average fully burdened hourly salary | TEI standard | \$54 | \$54 | \$54 |
| C9 | Productivity recapture rate | TEI standard | 50% | 50% | 50% |
| Ct | Improved IT operations productivity | $C7 \times 12 \times C8 \times C9$ | \$37,260 | \$37,260 | \$37,260 |
| | Risk adjustment | ↓20% | | | |
| Ctr | Improved IT operations productivity (risk-adjusted) | | \$29,808 | \$29,808 | \$29,808 |
| Three-year total: \$89,424 | | Three-year present value: \$74,128 | | | |

IMPROVED ENGINEER AND DECISION-MAKER RESOURCE PRODUCTIVITY

Evidence and data. Connectivity between Jira Software and Jira enterprise service management saved engineers and decision-makers time as well as IT operations, end users, and service teams. Automatic routing and self-service decreased the overall volume of tickets engineers resolved, while improved visibility, communication, and the use of a single platform between the service desk teams and the engineering teams reduced overall ticket-handling time for both parties. Administrators and decision-makers saved time through more distributed organizational control and standardized, automatic reporting.

- With Jira Service Management, agents resolved more tickets at first call and fewer tickets were routed to engineering teams. Better content collaboration and management with Jira Service Management's Confluence-powered knowledge base ensured the least technical possible resolved tickets, and thus fewer tickets got routed up to engineering teams. The manager of store and support tool engineering told Forrester: "[Jira Service Management has] made [work] easier for the engineering teams. They can say, 'This is something that the tech desk should be able to resolve.' So, they write a Confluence article in the actual tech desk knowledgebase space, and it makes sense."

"The communication piece between the engineering tower and operational towers is a lot more collaborative and you can do it all within the tool."

Manager of store and support tool engineering, retail

- Automatic routing based on keywords also kept requests from being unnecessarily assigned to engineers. The manager of store and support tool engineering at the retail organization noted, "[Jira Service Management] is definitely saving time for developers, for the amount of support work they are required for and helping determine what is actually development and what is support."
- The senior IT application engineer at a healthcare organization also noted that the development teams jumped on change requests that came to IT support from anywhere. Jira Service Management made it clear that an approval process was needed, and Jira Software allowed them to get these processes in place within the system so nobody was developing anything unless there was an actual business approval for the request.
- Instead of back-and-forth communication or siloed information between the different teams handling the request, engineers received sufficient information in incoming tickets to resolve requests faster. The CIO at a retail organization told Forrester: "For the service desk side and the engineering side, it's easier to communicate back and forth. An engineer may suggest, 'Instead of escalating this, would you mind calling the store back and try this?' And you can do that all within [Jira Service Management] a lot easier."
- Eliminating context switching saved developers time as well. The manager of store and support tool engineering at the retail organization described: "They say when you context switch, you lose like an hour and a half of productivity. So, I'd probably say at least an hour and a half per agent or per engineer per week."
- Administrators and various team leaders saved time through better permissions management and fewer requests getting up to their level. The manager of store and support tool engineering at

a retail organization talked to Forrester about how Jira Service Management gave users of the tool, IT employees, and agents more power and permissions to do things themselves so administrators don't need to get involved in smaller things like access management. They said: "Atlassian makes that process a lot more efficient. We don't have to go through every access request and determine what they need and why they need it and if it's justified."

- The retail CIO also experienced fewer requests on their time after implementing Jira Service Management. They described: "The teams handle the hand-offs between teams and issues and tickets, and less is filtered up to me. They're able to take care of things, there's no gaps in service. That keeps our customers happy and I get fewer complaints."
- Standardized, easy reporting saved team leads and other decision-makers time by increasing access to data. They used reporting to shift employees in real time between queues where need was highest and predict trends to inform capacity planning. The energy IT support engineer described, "If the [project manager] (PM) says they need something different, I can [edit] the dashboard very quickly with another area to resolve this problem, and I'm viewing all the targets and all the tickets in real time and can make a decision very quickly."
- The assistant VP of support services at the retail organization described that before Jira Service Management, reporting wasn't readily available, and they had to undergo a long journey for different teams to pull status update information out of different systems and bring it together. With Jira Service Management, the retail CIO told Forrester: "We definitely get information much better than on the prior system. All very easy, all very helpful. ... I like the dashboards that Jira Service Management has because they're quick

"It's beyond just ticketing, we use [Jira Service Management] holistically across our dev teams as well."

Chief information officer, retail

and easy to build." They continued to talk about how they gained visibility into the details of what projects teams were working on and where they tracked on current sprints.

Modeling and assumptions. Forrester modeled this benefit based on the following information:

- Engineering teams are called in to help address 20% of service desk tickets at the composite organization, a constant due to the likely increase in volume of tickets as an organization grows in headcount and distributed software combined with a decrease due to self-service and better routing.
- With Jira Service Management, engineers and/or DevOps resources save 5 minutes per ticket handled.
- Two administrators and eight decision-makers at the organization save 5 hours each month.
- The average hourly fully burdened salary is \$54 for an engineering or DevOps employee and \$60 for an administrator or decision-maker.
- Fifty percent of all employees' saved time is recaptured for added productivity

Risks. The expected financial impact is subject to risks and variation based on factors including the organization's:

- Jira Service Management scope of deployment and use cases.

- Prior service management system's capabilities and level of sophistication.
- Average number of tickets resolved per month by engineer and/or DevOps resources.
- Amount of time engineer and/or DevOps resources spent per ticket before Jira Service Management and time saved per ticket with Jira Service Management.
- Distribution of administrative privileges to team members within Jira Service Management.
- Amount of time decision-makers spend on internal or external reporting and tracking team

KPIs and service desk metrics before Jira Service Management and their utilization of Jira Service Management's reporting features.

- Compensation amounts and structures for engineers, developers, administrators, and decision-makers and recapture rates of productivity on saved time.

Results. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV of \$152,000.

| Improved Engineer And Decision-Maker Resource Productivity | | | | | |
|--|---|---|----------|----------|----------|
| Ref. | Metric | Source | Year 1 | Year 2 | Year 3 |
| D1 | Average number of IT service desk and incident tickets resolved per month by engineer and/or DevOps resources | Composite | 2,000 | 2,000 | 2,000 |
| D2 | Average number of minutes saved per ticket by engineers and DevOps FTEs | Interviews | 5 | 5 | 5 |
| D3 | Total hours saved per month by technical resources | $(D1 \times D2) / 60$ | 167 | 167 | 167 |
| D4 | Engineer and DevOps average fully burdened hourly salary | TEI standard | \$54 | \$54 | \$54 |
| D5 | Productivity recapture rate | TEI standard | 50% | 50% | 50% |
| D6 | Subtotal: Engineer and DevOps time savings | $D3 \times 12 \times D4 \times D5$ | \$54,000 | \$54,000 | \$54,000 |
| D7 | Number of administrator and decision-maker FTEs | Composite | 10 | 10 | 10 |
| D8 | Hours saved per FTE per month | Interviews | 5 | 5 | 5 |
| D9 | Administrator and decision-maker fully burdened average hourly salary | TEI standard | \$60 | \$60 | \$60 |
| D10 | Productivity recapture rate | TEI standard | 50% | 50% | 50% |
| D11 | Subtotal: Administrator and decision-maker time savings | $D7 \times D8 \times D9 \times D10 \times 12$ | \$18,000 | \$18,000 | \$18,000 |
| Dt | Improved engineer and decision-maker resource productivity | $D6 + D11$ | \$72,000 | \$72,000 | \$72,000 |
| | Risk adjustment | ↓15% | | | |
| Dtr | Improved engineer and decision-maker resource productivity (risk-adjusted) | | \$61,200 | \$61,200 | \$61,200 |
| Three-year total: \$183,600 | | Three-year present value: \$152,195 | | | |

COST SAVINGS FROM RETIRING PREVIOUS SOLUTIONS

Evidence and data. Investing in Jira Service Management allowed the interviewees' organizations to eliminate licensing costs for legacy service management solutions that became redundant when they started using Jira Service Management. These cost savings weren't limited to license or subscription costs, but also maintenance, professional services, and FTE (full time equivalent) resources to support the product. Some retired multiple point solutions that different parts of the organization used.

Customers who came from large, sophisticated solutions felt their prior solutions were too large and sprawling, and that they were overpaying for functionality they did not use. Jira Service Management did not charge for end business users, and its cloud microservices architecture enabled automatic upgrades without labor required from the customer. The IT support engineer at the energy organization also described the cost of service or maintenance hours from the solution partner as much cheaper with Atlassian.

Modeling and assumptions. Forrester modeled this benefit based on the following information:

- The composite previously uses a large ITSM solution and pays \$840,000 annually in license

"Our [old provider] supplier cost like \$200 per hour [for support services], now it's \$50."

IT support engineer, energy

costs in its prior environment, which translates to roughly \$100/month/agent.

- The composite faces \$120,000 per year in labor and services costs to maintain the prior solution.
- The composite retires their previous ITSM tool at the go-live date of Jira Service Management, which is the beginning of Year 1.
- The composite faces no increase in the costs of legacy ITSM tools across the three-year period.

Risks. The expected financial impact is subject to risks and variation based on the organization's previous ITSM or related solution(s) and associated hardware, software, and maintenance costs and their ability to retire the solution after Jira Service Management implementation.

Results. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV of \$2.0 million.

Cost Savings From Retiring Previous Solutions

| Ref. | Metric | Source | Year 1 | Year 2 | Year 3 |
|-------------------------------|---|-----------|---------------------------------------|-----------|-----------|
| E1 | Cost of previous ITSM tool | Composite | \$840,000 | \$840,000 | \$840,000 |
| E2 | Previous management labor and services costs | Composite | \$120,000 | \$120,000 | \$120,000 |
| Et | Cost savings from retiring previous solutions | E1+E2 | \$960,000 | \$960,000 | \$960,000 |
| | Risk adjustment | ↓ 15% | | | |
| Etr | Cost savings from retiring previous solutions (risk-adjusted) | | \$816,000 | \$816,000 | \$816,000 |
| Three-year total: \$2,448,000 | | | Three-year present value: \$2,029,271 | | |

IT COST EFFICIENCIES

Evidence and data. Jira Service Management's asset management and change management enabled cost efficiencies through better decision-making and increased visibility across an organization's software and hardware expenditure.

- The senior IT application engineer in healthcare described that their management team received a regular, automatic report in Jira Service Management, which detailed exactly how much effort and money was spent on supporting different applications. With that information, they redistributed their spending appropriately and moved away from applications that required unduly high levels of support.
- The retail CIO told Forrester: "It's been a lot easier for us to put together our budget every year. Teams submit their requests, they get funneled into the system, then get approved or denied by team leads and managers and all the way up the flow process. And then we have a holistic view of what's in [the budget], where we're standing out for the year, and we output that to our financial applications to go into our company budget. It really helps us streamline and organize our IT side of the house."
- More organized change management practices with Jira Service Management reduced wasted work and the likelihood that big changes would be made in error.
- The senior IT application engineer at the healthcare organization described that Jira Service Management's asset management made it easier for their procurement managers to make the right decisions when they got new technology requests because it was easier for them to identify if a purchase was already used at the organization. With Jira Service Management, they avoided duplicative licenses.

"We use [Jira Service Management's reporting] to make decisions, especially when you look at projects, how we're tracking, how we're valuing budget spend. Before [Jira Service Management], we didn't have any of that."

CIO, retail

Modeling and assumptions. Forrester modeled this benefit based on the following information:

- The composite has a \$40 million annual IT budget.
- IT leaders at the organization use Jira Service Management to streamline their IT spending, saving or reallocating 0.25% of their IT budget in Year 2 and 0.5% in Year 3.
- Forrester attributes 65% percent of the saved expenditure to Jira Service Management.

Risks. The expected financial impact is subject to risks and variation based on factors including the organization's:

- Amount, type, and efficiency of IT expenditure before using Jira Service Management.
- Jira Service Management use cases.
- Utilization of Jira Service Management reporting and increased visibility to improve IT budgeting.

Results. To account for these risks, Forrester adjusted this benefit downward by 25%, yielding a three-year, risk-adjusted total PV of \$114,000.

| IT Cost Efficiencies | | | | | |
|-----------------------------|--|--------------------------|-------------------------------------|--------------|--------------|
| Ref. | Metric | Source | Year 1 | Year 2 | Year 3 |
| F1 | Annual IT spending | Composite | \$40,000,000 | \$40,000,000 | \$40,000,000 |
| F2 | IT spend efficiencies with Jira Service Management | Interviews | 0% | 0.25% | 0.50% |
| F3 | Jira Service Management attribution | Interviews | 65% | 65% | 65% |
| Ft | IT cost efficiencies | $F1 \times F2 \times F3$ | \$0 | \$65,000 | \$130,000 |
| | Risk adjustment | ↓25% | | | |
| Ftr | IT cost efficiencies (risk-adjusted) | | \$0 | \$48,750 | \$97,500 |
| Three-year total: \$146,250 | | | Three-year present value: \$113,542 | | |

Unquantified Benefit Highlight: Avoided Revenue Loss

Organizations may recapture lost revenue with Jira Service Management due to:

- a) An improved customer experience reducing customer churn.
- b) Faster problem and incident resolution shortening downtime that causes lost productivity or revenue.

An interviewee from a retail organization noted improved problem and incident management with Jira Service Management led to savings through reduced store downtime. When stores' key operational systems were down, they could not bring in revenue. In the case of a major incident impacting multiple stores, faster incident resolution brought stores back online, brought in revenue sooner, and reduced revenue loss.

“Our end users are stores, and [the stores] being productive is the end goal. We don’t want them to have down systems that are just sitting there. When the call comes in [and, with Jira Service Management, we can say], ‘What team is working on it currently? Who’s done what level of effort on each ticket?’ [Jira Service Management] helps us be more educated on where that has evolved and what the workflow has been on that ticket.”

— Manager of store and support tool engineering, retail

UNQUANTIFIED BENEFITS

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

- **Visibility into and consistency in team performance and reporting.** With data aggregation and out-of-the-box reporting available in Jira Service Management, decision-makers easily tracked team performance and timelines across teams. The executive consultant of operations and customer support at the software organization described a stark change with Jira Service Management from the previous process, where teams manipulated data in Excel to send to leadership and often reported on data in different ways. They said, “If I have dashboards for each product, I know we’re using the same fields and we’re measuring everything.”
- **Improved cross-functional alignment.** This improved cross-team visibility into workflows, team statuses, and reporting with Jira Service Management also enabled transparency and alignment during team discussions. The retail manager of support tool engineering said: “We like to have something concrete to put in front of the heads of business units and say: ‘This is what IT is working on, this is where we’re heading. Are our priorities matching up to what you need?’ We

“The feedback from our customers is, ‘Oh my gosh, this portal is so easy to use. It’s easy to fill out.’ ... Customers are so happy and thrilled with this.”

Executive consultant, operations and customer support, software

“When one person joined the company [before], setting them up [took] almost two weeks. Now with the following directory, they receive all the tools with SLA in four and five days because all the process are one by one.”

IT support engineer, energy

can do that better at this point than we ever could in our IT history.”

- **Improved employee and customer experience.** Employees across support, operations, and development teams who saved time with Jira Service Management curated a better work-life balance or reinvested time into additional work they valued. The Atlassian administrator in recruiting noted, “[Jira Service Management has] freed up time for individuals on the service desk to do more training or pursue growth within our organization.”
- **Revenue loss avoidance.** At the larger retail organization, customer-facing retail stores were its Jira Service Management end users. When incidents took stores offline, they were unable to generate revenue as long as their problem was unresolved. Faster problem resolution with Jira Service Management meant that revenue loss was avoided when stores could get back online.
- **Business team productivity.** Implementing request management with Jira Service Management for business teams, including HR, legal, real estate, finance, cybersecurity, construction, facilities, and loss prevention, led to employee requests being handled faster and more efficiently, but some teams experienced additional benefits with Jira Service

“[Jira Service Management] ties all our teams together, creates a lot of efficiencies and we’re looking to cut costs, keep headcount minimal and be able to execute quickly. It’s beneficial to keeping that on track.”

Vice president, retail

Management. The energy organization’s HR team vastly reduced the administration work required for onboarding new employees. With Jira Service Management connected to their active directory and automatic setup, they reduced onboarding from just under two weeks to five days.

- **Confidence in data security.** The executive consultant of operations and customer support at the software organization told Forrester that one of the reasons they chose Atlassian for their service management was Atlassian’s commitment to data protection and GDPR compliance. The interviewee said, “Everyone thinks those are nontangible until you get sued.”
- **Improved stability and scalability.** The senior manager of IT support services in recruiting described that their organization has become more scalable and better able to weather growth as they became more efficient in and added automation to processes and workflows with Jira Service Management. The IT support engineer in energy heralded Jira Service Management’s stability, saying Jira Service Management was “more stable for all automations, workflows, for how the agents work with it” than their previous ITSM tool.

FLEXIBILITY

Flexibility represents additional capability that could be turned into future business benefit, providing an organization with the right or the ability to engage in future initiatives but not the obligation to do so. The value of flexibility is unique to each customer. Scenarios in which a customer might implement Jira Service Management and later realize additional uses or business opportunities include:

- **Extending Jira Service Management deployment to additional teams or capabilities.** The integration of multiple service desks on a single platform improved cross-team collaboration across service teams while a single user portal helped users submit their service requests to the right team in the first instance. Jira Service Management was easy to set up for new teams, and nearly all of the interviewees described extending Jira Service Management to nontraditional service management team use. The senior manager of IT support services in recruiting said: “If we’re standing up a new project, its rinse and repeat at this point. It’s a standardized way of doing things instead of each team figuring out their own solution and then calling for support. There’s a lot of benefits in the standardization.”
- **Business agility.** Improved visibility and collaboration across teams made organizations more agile with Jira Service Management. The assistant vice president of support services in retail noted, “[With Jira Service Management] we become more agile because we have that efficient, all-in-one solution where we can see what’s going on, know the direction everybody needs to follow, and we can hopefully execute much better because of it.”

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

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 |
| Gtr | Jira Service Management solution cost | \$0 | \$165,375 | \$175,350 | \$179,550 | \$520,275 | \$430,157 |
| Htr | Implementation and training costs | \$314,229 | \$22,993 | \$2,247 | \$1,829 | \$341,297 | \$338,362 |
| ltr | Ongoing management labor | \$0 | \$142,643 | \$142,643 | \$128,378 | \$413,663 | \$344,014 |
| | Total costs (risk-adjusted) | \$314,229 | \$331,010 | \$320,239 | \$309,757 | \$1,275,235 | \$1,112,533 |

JIRA SERVICE MANAGEMENT SOLUTION COST

Evidence and data. Jira Service Management has four plan tiers available for their cloud offering from Free to Enterprise. Tiers are largely differentiated on the number of agents supported, amount of storage provided, and level of support an organization receives. These factors are used to determine the pricing per agent.

On Jira Service Management's Premium plan, service management capabilities, including change, problem and incident, asset and service configuration, and knowledge management, are included in the licensing costs. While no add-ons are required, Atlassian hosts a marketplace of technology partners and applications to extend functionality and connect to other systems. Most of the interviewees' organizations purchased add-ons from Atlassian's marketplace for various additional capabilities, including advanced reporting, data intake, and timesheet tracking.

Modeling and assumptions. Forrester modeled this cost based on the following information:

- The composite utilizes Jira Service Management's premium plan and pays \$150,500 in Year 1 for their Jira Service Management license with 700 service desk agents. In Years 2 and 3, the license increases slightly to \$154,000 and \$158,000, respectively.
- The organization purchases one add-on from the Atlassian marketplace in Year 1 and an additional add-on in Year 2.

Risks. Pricing of Jira Service Management licenses and marketplace add-ons may vary, depending mainly on the deployment model and organizational needs for number of agents, amount of storage, and need for marketplace applications. Pricing information is transparent and available online. Contact Atlassian for additional details.

Results. To account for these risks, Forrester adjusted this cost upward by 5%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$430,000.

| Jira Service Management Solution Cost | | | | | | |
|---------------------------------------|---|------------|-------------------------------------|-----------|-----------|-----------|
| Ref. | Metric | Source | Initial | Year 1 | Year 2 | Year 3 |
| G1 | Jira Service Management license cost | Composite | | \$150,500 | \$154,000 | \$158,000 |
| G2 | Marketplace add-ons | Interviews | | \$7,000 | \$13,000 | \$13,000 |
| Gt | Jira Service Management solution cost | G1+G2 | \$0 | \$157,500 | \$167,000 | \$171,000 |
| | Risk adjustment | ↑5% | | | | |
| Gtr | Jira Service Management solution cost (risk-adjusted) | | \$0 | \$163,375 | \$175,350 | \$179,550 |
| Three-year total: \$520,275 | | | Three-year present value: \$430,157 | | | |

IMPLEMENTATION AND TRAINING COSTS

Evidence and data. The interviewees' organizations incurred upfront internal labor costs from time spent on training and Jira Service Management implementation. All but one of the interviewees' organizations already had Jira Software in place, which poised them for an easier and faster Jira Service Management implementation. Implementation timelines ranged between three to six months. Most customers utilized professional services or partners to guide their implementation but did not maintain an ongoing contract after the first year.

- The executive consultant of operations and customer support at the software organization worked with E7 Solutions, an Atlassian Solution Partner, to implement Jira Service Management. They described testing the new environment with agents and finding the tool very intuitive for new users. They told Forrester: "You can add little instructions of 'Here's how to work through the workflow.' We opened [Jira Service Management] up to [agents] and kept a test log and they caught real issues. We debriefed around, 'Is the process intuitive?' The fact that they could pick it up and the sample tickets they created were functionally sound and worked is a testament to the tool."

- Training for Jira Service Management ticket handlers and end users was relatively light, ranging from no training for end users to about 2 hours of training per agent. Some customers recorded training videos and sent them to both agents and users, while others opted for an Atlassian administrator or champion to conduct live sessions to walk through agent views and how to navigate the tool.
- Setting up additional service management instances was quite fast with the senior IT application engineer in healthcare estimating that bigger projects took two to four weeks to go live.

"Within the first week of working with our implementation partner, we already had projects and workflows and stuff like that built. ... It was so easy to implement. Within that first week, we already had a project stood up and going."

Manager of store and support tool engineering, retail

The retail manager of store and support tool engineering described: “When we built [the HR service desk], we did the discovery intake session and the [minimum viable product] (MVP) for it and they were like, ‘This is great.’ They always have minor tweaks here and there as teams do after an MVP, but it probably took us a day to get their project up and going after that take.”

Modeling and assumptions. Forrester modeled this cost based on the following information:

- It takes four months for 3.25 FTE internal employees to implement request, problem, asset, change, and knowledge management practices.
- The fully burdened annual salary of the average implementation resource is \$99,750.
- The composite spends \$100,000 to work with a professional services team, which is split into \$80,000 spent during the implementation period and an additional \$20,000 spent in Year 1 to help with optimization and rollout to the HR team.
- 700 IT and customer-facing service desk employees each receive 2 hours of training on Jira Service Management use. Due to employee turnover, 10 additional service desk employees per year receive training.
- The composite adds service management instances for its HR and facilities teams in Year 2 and its finance and legal teams in Year 3. 15 HR and facilities employees and 10 employees on the finance and legal teams are trained accordingly on Jira Service Management’s service desk capabilities in Years 2 and 3.
- The average fully burdened hourly salary of a service desk employee is \$29.
- All 10,000 end users at the organization undergo 0.15 hours of training on logging and tracking tickets. In each of Years 1, 2, and 3, 25 additional employees spend 1.2 hours on Jira Service

Management training to account for employee attrition and growth.

- The average fully burdened hourly salary of an end Jira Service Management user is \$38.

Risks. The expected financial impact is subject to risks and variation based on factors including the organization’s:

- Maturity of existing processes and infrastructure and ease of transferring to new environment.
- Scope of deployment and implementation complexity.
- Variance in training needs and standing knowledge of Jira Service Management.
- Compensation amounts and structures for each employee who participates in implementation work or receives training on Jira Service Management.

Results. To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year, risk-adjusted total PV of \$338,000.

Implementation And Training Costs

| Ref. | Metric | Source | Initial | Year 1 | Year 2 | Year 3 |
|-----------------------------|--|------------------------|-------------------------------------|----------|---------|---------|
| H1 | Implementation length (months) | Composite | 4 | | | |
| H2 | FTE employees involved in implementation | Composite | 3.25 | | | |
| H3 | Average fully burdened annual salary | TEI standard | \$99,750 | | | |
| H4 | Professional services | Interviews | \$80,000 | \$20,000 | | |
| H5 | Subtotal: Implementation labor | $(H1*H2*H3)+H4$ | \$188,063 | \$20,000 | \$0 | \$0 |
| H6 | Training hours per Jira Service Management ticket handler | Interviews | 2 | 2 | 2 | 2 |
| H7 | Number of employees trained | Composite | 700 | 10 | 25 | 20 |
| H8 | Average service desk employee fully burdened hourly salary | TEI standard | \$29 | \$29 | \$29 | \$29 |
| H9 | Training hours per Jira Service Management end user | Interviews | 0.15 | 0.15 | 0.15 | 0.15 |
| H10 | Number of Jira Service Management end users trained | Composite | 10,000 | 25 | 25 | 25 |
| H11 | Average fully burdened hourly salary | TEI standard | \$38 | \$38 | \$38 | \$38 |
| H12 | Subtotal: Training costs | $(H6*H7)+(H9*H10)*H11$ | \$97,600 | \$903 | \$2,043 | \$1,663 |
| Ht | Implementation and training costs | H5+H12 | \$285,663 | \$20,903 | \$2,043 | \$1,663 |
| | Risk adjustment | ↑10% | | | | |
| Htr | Implementation and training costs (risk-adjusted) | | \$314,229 | \$22,993 | \$2,247 | \$1,829 |
| Three-year total: \$341,297 | | | Three-year present value: \$338,362 | | | |

ONGOING MANAGEMENT LABOR

Evidence and data. Most of the interviewees' organizations had one employee whose main focus was supporting Jira Service Management on an ongoing basis with one to three additional employees lightly involved. Ongoing support included basic maintenance, support, and administration; the optimization of service management processes and architecture; and implementation of new service desks across additional teams or use cases.

Modeling and assumptions. Forrester modeled this cost based on the following information:

- Ongoing management and support of the organization's Jira Service Management instances takes 1.25 FTEs.
- As the organization extends their Jira Service Management use case to additional teams in Years 1 and 2, 0.25 FTEs are dedicated to Jira Service Management optimization planning and execution.
- The annual fully burdened salary of the average implementation resource is \$86,450.

Risks. The expected financial impact is subject to risks and variation based on factors including the organization's:

- Complexity of Jira Service Management environment and deployment.
- Level of investment in Jira Service Management optimization and continuous improvement or expansion.

- Compensation amounts and structures for each employee who participates in ongoing management work.

Results. To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year, risk-adjusted total PV of \$344,000.

| Ongoing Management Labor | | | | | | |
|-----------------------------|---|--------------|-------------------------------------|-----------|-----------|-----------|
| Ref. | Metric | Source | Initial | Year 1 | Year 2 | Year 3 |
| I1 | FTE employees involved in ongoing management and support | Interviews | | 1.25 | 1.25 | 1.25 |
| I2 | FTE employees involved in ongoing planning and optimization | Interviews | | 0.25 | 0.25 | 0.10 |
| I3 | Average fully burdened annual salary | TEI standard | | \$86,450 | \$86,450 | \$86,450 |
| It | Ongoing management labor | (I1+I2)*I3 | \$0 | \$129,675 | \$129,675 | \$116,708 |
| | Risk adjustment | ↑10% | | | | |
| Itr | Ongoing management labor (risk-adjusted) | | \$0 | \$142,643 | \$142,643 | \$128,378 |
| Three-year total: \$413,663 | | | Three-year present value: \$344,014 | | | |

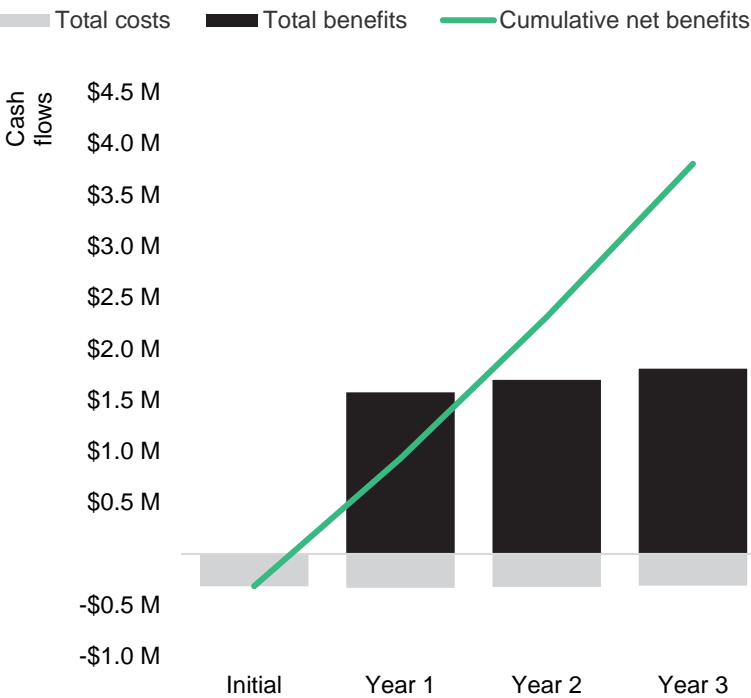
[Atlassian has] invested pretty heavily in Jira and Jira Service Management, and it's a night-and-day difference from where it was in 2017 to now. I really like the direction they're going. It feels like they're making it better.

— Senior manager of IT support services, recruiting

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 | (\$314,229) | (\$331,010) | (\$320,239) | (\$309,757) | (\$1,275,235) | (\$1,112,533) |
| Total benefits | \$0 | \$1,575,232 | \$1,697,679 | \$1,805,969 | \$5,078,880 | \$4,191,920 |
| Net benefits | (\$314,229) | \$1,244,222 | \$1,377,440 | \$1,496,212 | \$3,803,645 | \$3,079,387 |
| ROI | | | | | | 277% |
| Payback period | | | | | | <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."

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: Supplemental Material

Related Forrester Research

“Now Tech: Enterprise Service Management, Q2 2021,” Forrester Research, Inc., June 3, 2021.

“The Forrester Wave™: Enterprise Service Management, Q4 2021,” Forrester Research, Inc., December 6, 2021

“ESM: The Software Platform For Knowledge Workers,” Forrester Research, Inc., May 3, 2022.

“Forrester’s Enterprise Service Management (ESM) Buying Guide, 2021,” Forrester Research, Inc., February 9, 2020.

“From Trains To Telcos, ESM Is Reshaping Knowledge Work,” Forrester Research, Inc., March 11, 2022.

Appendix C: Endnotes

¹ Source: “Now Tech: Enterprise Service Management, Q2 2021,” Forrester Research, Inc., June 3, 2021.

² Source: “The Forrester Wave™: Enterprise Service Management, Q4 2021,” Forrester Research, Inc., December 6, 2021

³ 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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