FORRESTER®

The Total Economic Impact™ Of SummitAI IT Service Management (ITSM)

Cost Savings And Business Benefits Enabled By AI-Powered ITSM

A FORRESTER TOTAL ECONOMIC IMPACT STUDY
COMMISSIONED BY SUMMITAI, DECEMBER 2024

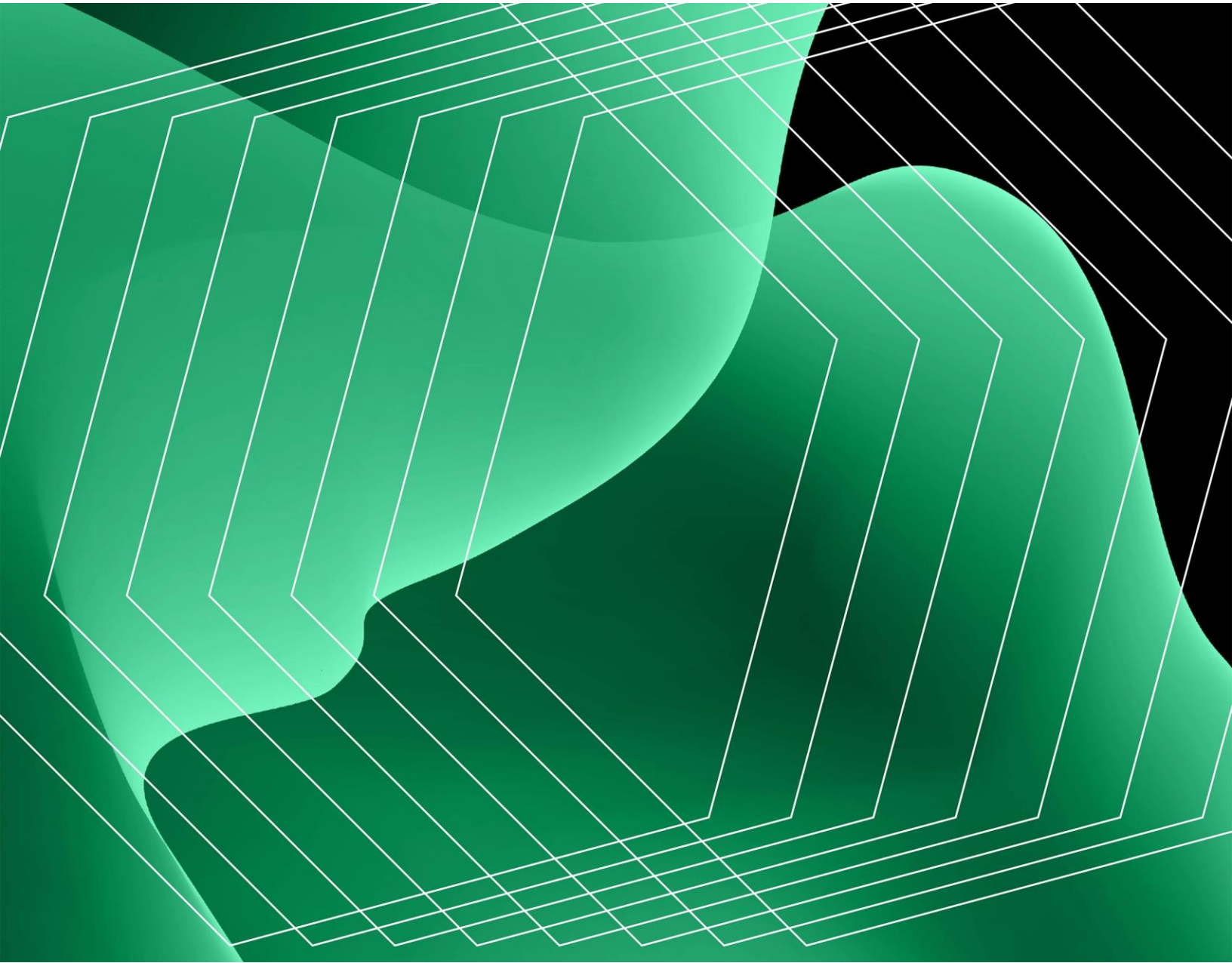


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Executive Summary

In today's rapidly evolving digital landscape, decision-makers face increasing pressure to optimize their organization's IT operations and enhance service delivery. SummitAI aims to address this critical need by providing an AI-powered IT management solution that aims to simplify processes, reduce costs, and improve overall efficiency.

SummitAI ITSM is an integrated IT and enterprise workflow automation platform that unifies service management, asset management, and operations management into a single, user-friendly solution. It leverages advanced AI capabilities such as predictive analytics, machine learning, and natural language processing (NLP) to automate workflows, enhance employee productivity, and reduce the complexity and cost of IT operations. SummitAI's goal is to enable the IT-led transformation of enterprises by providing robust security, comprehensive reporting, and seamless integration with other applications, to enable them to streamline their IT processes and improve service delivery.

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



Return on investment (ROI)
204%



Net present value
$3.2M

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed four representatives with experience using SummitAI ITSM. For the purposes of this study, Forrester aggregated the interviewees' experiences and combined the results into a single composite organization that is an organization with 25,000 employees who generate a total of 240,000 IT tickets annually.

Interviewees noted that prior to using SummitAI ITSM, their organizations utilized a combination of alternative vendor solutions and some internally built processes. However, these attempts yielded diminishing success as they moved from simple catch-and-dispatch ticketing to more complex workflows, leaving them with an ever-increasing level of customization required

to ensure their previous ITSM solution remained fit for purpose. These limitations led to security vulnerabilities, vendor reliance, and frequent bug fixes until there was no feasible upgrade path moving forward.

After the investment in SummitAI ITSM, the interviewees enjoyed efficiency gains due to the integration of emerging technologies such as AI and automation, greater visibility and control over the ITSM solution, enhanced employee experience (EX) due to the platform's intuitive, user-friendly interface for self-service, as well as ease of use via out-of-the-box low-code/no-code features. Key results from the investment include easing the burden on service desk agents and IT technicians by leveraging AI to handle ticket routing and service automation.

The interviewees that Forrester spoke with had deployed a previous version of SummitAI's ITSM solution named Summit. Readers should note that SummitAI's sole ITSM solution moving forward is the new Apex IT Platform, which aims to help enterprises roll out services even faster and boost productivity further. Apex offers the flexibility to adapt and expand applications as needed, potentially reducing the frequency of redevelopment, and ultimately driving increased time and cost savings.

The case study as presented can still serve as a starting point for anyone seeking to understand the potential benefits and costs associated with investment in Apex, the latest version of SummitAI's ITSM solution.

KEY FINDINGS

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

- **Improved service agent productivity.** SummitAI ITSM leverages AI to greatly reduce the workload on the IT service desk. Its digital agent and self-service portal increase ticket deflection by 35% and the use of canned responses, automated workflows, and generative AI (genAI) case summaries reduces average handling time (AHT) by 75%. This provides the composite organization with $3.1 million in value over three years.
- **Improved incident resolution.** Even for complex incident reports that require a human in the loop, SummitAI ITSM's service automation can reduce the time to resolution by 2 hours on average. This time savings for IT technicians offers the composite organization a total benefit of $442,000 over three years.

- **Reduced effort for IT workflow configuration.** Using the low-code/no-code features inside SummitAI's Design Studio and Integration Hub enables the composite organization to drastically reduce the time it takes to configure workflows. This reduction in effort is worth $403,000 to the composite organization over three years.
- **Cost savings from retiring legacy solution.** Deploying SummitAI ITSM enables the composite organization to retire their previous solution, which charged an annual fee of $663 per license. Accounting for 625 users who require licenses, retiring the legacy solution helps the composite organization avoid costs of $824,000 over three years.

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

- **Increased end-user productivity.** Using SummitAI ITSM solution streamlines the process for end users to submit tickets due to the creation of intuitive and accurate search catalogues. In turn, this increases end-user productivity in the composite organization.
- **Enhanced visibility into team performance and trend analysis.** SummitAI ITSM's enhanced reporting capabilities allow employees to conduct trend analyses that they were previously unable to. Additionally, having access to reports at a more regular cadence also improve visibility of the team's performance, identify gaps, and resolve them.
- **Improved efficiency of reporting and dashboard creation.** SummitAI ITSM allows service desk personnel to pull together daily reports in just 1 minute and prepare dashboards in between 15 to 20 minutes, compared to when they were previously spending 15 to 20 minutes for daily reporting and half a day each month to produce reports and dashboards from data amalgamated into spreadsheets.
- **Improved user experience.** SummitAI ITSM offers greater user satisfaction with their intuitive user interface as compared to the legacy tool's interface.
- **Improved vendor collaboration and responsiveness.** SummitAI provides prompt resolution of any issues, and are open to the composite organization's suggestions for improvement.

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

- **Internal solution implementation and ongoing maintenance costs.** The initial deployment of SummitAI's solution generally takes 120 hours of five employees' time on top of 60 hours of user acceptance testing (UAT) by 25 employees. Two employees manage daily solution maintenance on a full-time basis. For the composite organization, solution deployment and ongoing maintenance costs amount to $653,000 over three years.
- **Onetime professional and annual licensing fees.** The SummitAI license follows a subscription model. The composite organization incurs annual license fees of $530 per license, as well as a onetime professional fee of $35,000 that covers implementation, customization, training, and support throughout the deployment phase. This results in a total vendor cost to the composite organization of $902,000 over three years.

The representative interviews and financial analysis found that a composite organization experiences benefits of $4.7 million over three years versus costs of $1.6 million, adding up to a net present value (NPV) of $3.2 million and an ROI of 204%.

> "From the ITSM perspective, end users are the first customers to us. If we are able to fulfill their needs within required SLAs with transparency, then we can help them honor time-bound activities for our clients."
>
> **ASSOCIATE VICE PRESIDENT OF INFORMATION TECHNOLOGY, IT CONSULTING AND SERVICES**

ROI	BENEFITS PV	NPV	PAYBACK
204%	**$4.7M**	**$3.2M**	**<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 SummitAI ITSM.

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 SummitAI ITSM can have on an organization.

1. **Due Dilligence**
   Interviewed SummitAI stakeholders and Forrester analysts to gather data relative to SummitAI ITSM.
2. **Interviews**
   Interviewed four representatives at organizations using the previous version of SummitAI ITSM, Summit, to obtain data about costs, benefits, and risks.
3. **Composite Organization**
   Designed a composite organization based on characteristics of the interviewees' organizations.
4. **Financial Model Framework**
   Constructed a financial model representative of the interviews using the TEI methodology and risk-adjusted the financial model based on issues and concerns of the interviewees.
5. **Case Study**
   Employed four fundamental elements of TEI in modeling the investment impact: benefits, costs, flexibility, and risks. Given the increasing sophistication of ROI analyses related to IT investments, Forrester's TEI methodology provides a complete picture of the total economic impact of purchase decisions. Please see Appendix A for additional information on the TEI methodology.

DISCLOSURES

Readers should be aware of the following:

This study is commissioned by SummitAI 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 SummitAI ITSM.

SummitAI 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.

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

The SummitAI ITSM Customer Journey

Drivers leading to the investment in SummitAI ITSM

Interviews			
Role	**Industry**	**Region**	**Employees**
Head of service management and ITSM center of excellence (COE)	Conglomerate (automotive, financial services, real estate, retail, healthcare)	United Arab Emirates (UAE)	33,000
Associate vice president of information technology	IT services and IT consulting	India	5,000
Director of global IT operations and service management	Electronics	USA	30,000
Manager of IT operations	Travel and hospitality	USA	1,500

KEY CHALLENGES

Prior to implementing SummitAI ITSM, interviewees noted their organizations had typically been using alternative ITSM solutions for several years, in addition to some internally-built processes for specific use cases like approvals.

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

- **Heavy customization.** Previous solutions required extensive customization and maintenance to keep up with organizational requirements. Every bug fix also necessitated significant time spent on testing to ensure that new changes did not break existing workflows. This called for a continued level of internal development to close gaps with manual workarounds, which led to operational inefficiencies. Beyond that, interviewees also shared that the configurability of their previous solutions had reached the ceiling in terms of upgrade paths, which limited the ability of those solutions to meet the evolving needs of the organizations as they continued to scale.
- **Reliance on vendor support.** Solution complexity led to dependency on vendors, whose support incurred additional expenses, adding to the overall cost of maintaining the ITSM solution.

- **Slow ticket submission.** Organizations typically had a massive catalogue of service request and incident categories. Non-user-friendly interfaces caused users to potentially take between 30 to 45 minutes to raise an IT ticket end-to-end, of which included 15 to 30 minutes just to identify the correct category, often leading users to call the service desk out of frustration, which burdened service agents unnecessarily.

SOLUTION REQUIREMENTS/INVESTMENT OBJECTIVES

The interviewees' organizations searched for a solution that could:

- Provide a configurable out-of-the-box solution that minimizes the amount of customization required by the organization.
- Incorporate emerging technologies like AI and automation to reduce employee workload and support future service enhancement roadmaps.
- Eliminate on-premises server management demands with cloud-based versatility.

> "We were looking for a new solution that had capabilities related to user experience, support integrations, customizations, etc. This is especially because we had done such heavy customizations in our previous tool that we had reached a point where we were no longer able to upgrade it further. Every upgrade and bug fixing took a lot of time in testing to ensure that the releases won't impact the customized elements. Even then, certain major upgrades would break this flow and we had to find workarounds, which was operationally inefficient."
>
> **HEAD OF SERVICE MANAGEMENT AND ITSM CENTER OF EXCELLENCE (COE), CONGLOMERATE**

COMPOSITE ORGANIZATION

Based on the interviews, Forrester constructed a TEI framework, a composite company, and an ROI analysis that illustrates the areas financially affected. The composite organization is representative of the four interviewees, 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 composite organization is a conglomerate with business lines in the financial services, manufacturing, and automotive industries. It is headquartered in the US and operates globally. The organization generates approximately US$7.5 billion in revenue annually and has an employee headcount of 25,000 FTEs.

Deployment characteristics. The composite organization deploys SummitAI ITSM to help manage the 240,000 IT tickets that are raised by its employees annually. Five employees from the composite organization are required to support initial deployment, with two continuing to be dedicated to ongoing solution maintenance. Another 25 employees across the business are involved in UAT upon roll out.

KEY ASSUMPTIONS

25,000 employees globally

240,000 IT tickets raised annually

IT ticket distribution:

70% service requests

20% simple incident reports (i.e., a pre-defined set of steps with no advanced troubleshooting or escalation required, such as password resets)

10% advanced incident reports (i.e., where human intervention is required for in-depth analysis or specialized knowledge, like system outages or security breaches)

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 agent productivity	$1,230,120	$1,230,120	$1,230,120	$3,690,360	$3,059,126
Btr	Improved incident resolution	$120,960	$181,440	$241,920	$544,320	$441,672
Ctr	Reduced effort for IT workflow configuration	$162,000	$162,000	$162,000	$486,000	$402,870
Dtr	Cost savings from retiring legacy solution	$331,500	$331,500	$331,500	$994,500	$824,391

IMPROVED SERVICE AGENT PRODUCTIVITY

Evidence and data. Interviewees reported that their legacy ITSM solution was a source of frustration to users attempting to log IT tickets for service requests and simple incident reports. Trying to navigate their way through an overwhelming service catalogue using an unintuitive interface led many employees to simply defer to the service desk with calls and emails for assistance.

Using these unofficial channels meant that service agents had to devote time to gathering all required information from scratch to confirm the correct request category and route the ticket appropriately. Even then, a lack of visibility on ticket status could lead to subsequent calls and emails as employees sought to follow up on progress. This thus resulted in operational inefficiencies for both the end user and service agent, on top of extending the AHT.

SummitAI ITSM has a unified service portal, enhanced by AI and automation to enable self-service. Additionally, the SummitAI Digital Agent provides 24/7 access to support and utilizes machine learning to solve or escalate problems effectively.

- Interviewees reported that the volume of service requests and simple incident reports being received by the service desk decreased by 35% upon deploying SummitAI ITSM, driven by a comprehensive knowledge base and auto-resolution by the digital agent.

- AHT was also reduced to 5 minutes from around 20 minutes, attributed to features such as canned responses, automated workflows, and genAI case summaries.
- Greater visibility into who is handling each ticket and its progress also reduced inbound follow-up calls and emails. Users can interact with the relevant agent via ticket history directly on the SummitAI ITSM platform.

Modeling and assumptions. Based on the interviews, Forrester assumes the following about the composite organization:

- Employees collectively raise 240,000 IT tickets annually as a baseline.
- Service requests and simple incident reports (i.e., a pre-defined set of steps with no advanced troubleshooting or escalation required, such as password resets) account for 90% of ticket volume collectively.
- Prior to the deployment of SummitAI ITSM, service requests and simple incidents typically required 20 minutes of handling time by the service desk. This included ticket creation, initial response, diagnosis and investigation, resolution, communication, and closure.
- SummitAI ITSM is able to deflect 35% of service requests and routine incident reports—these no longer reach the service desk, which reduces the AHT to 5 minutes.
- Eighty percent of the total time that service agents save is captured and reallocated into productive work.

Risks. Organizations may realize results that differ from those presented in the financial model due to:

- Variance in volume of annual tickets.
- Variance in distribution of IT ticket types.
- Variance in user uptake of self-service and digital agent.
- Difference in maturity of automated workflows.
- Variance in productivity of service agents.

Results. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of $3.1 million.

35%

Service requests and routine incident reports deflected from the service desk

"In terms of the interaction between the service desk and end users, there was a long to-and-fro for each service request to gather the required information over email. Now it is hardly taking any time for users to submit requests, and incident tickets can be raised with only five clicks."

ASSOCIATE VICE PRESIDENT OF INFORMATION TECHNOLOGY, IT CONSULTING AND SERVICES

Improved Service Agent Productivity					
Ref.	**Metric**	**Source**	**Year 1**	**Year 2**	**Year 3**
A1	Annual tickets	Composite	240,000	240,000	240,000
A2	Percentage of annual service request and simple incidents of total tickets	Composite	90%	90%	90%
A3	Annual service request and simple incidents	A1*A2	216,000	216,000	216,000
A4	Average handling time prior to SummitAI ITSM implementation (minutes)	Interviews	20	20	20
A5	Ticket deflection due to self-service capabilities after SummitAI ITSM implementation	Interviews	35%	35%	35%
A6	Reduction in handling time after SummitAI ITSM implementation	Interviews	75%	75%	75%
A7	**Subtotal: Annual reduction in handling time (hours)**	**A3*A4*(A5+A6-A5*A6)/60**	**60,300**	**60,300**	**60,300**
A8	Productivity recapture	Composite	80%	80%	80%
A9	Fully burdened hourly rate for IT service desk agent	Composite	$30	$30	$30

At	Improved service agent productivity	A7*A8*A9	$1,447,200	$1,447,200	$1,447,200
	Risk adjustment	↓15%			
Atr	Improved service agent productivity (risk-adjusted)		$1,230,120	$1,230,120	$1,230,120
	Three-year total: $3,690,360		**Three-year present value: $3,059,126**		

IMPROVED INCIDENT RESOLUTION

Evidence and data. Not all IT tickets are open to being deflected via self-service and digital agents. There are still advanced incidents such as system outages that require human intervention by IT technicians.

Interviewees mentioned that workflows relying on approval stages in particular were vulnerable to being stuck in limbo. Requiring manual effort to progress, such processes contributed greatly to the AHT. Another risk of having a human in the loop was the possibility of introducing user errors.

SummitAI's Service Automation seeks to mitigate these downsides with faster responses coupled with scheduled or event-based automation to reduce manual effort and eliminate error-prone tasks.

- Interviewees noted a progressive uplift in their ability to automate use cases following the deployment of SummitAI ITSM.
- The automation of workflows enabled potential time savings of 2 hours per advanced incident report.

Unquantified in the model, the head of service management and ITSM COE at the conglomerate reported a notable improvement in SLA adherence, from an achievement of 80% to greater than 90% — indicating demonstrable KPI outcomes for IT departments after they implement SummitAI ITSM.

Modeling and assumptions. Based on the interviews, Forrester assumes the following about the composite organization:

- Advanced incident reports — where human intervention is required for in-depth analysis or specialized knowledge, such as system outages or security breaches — account for 10% of the overall ticket volume.

- Workflow automation was 50% prior to deploying SummitAI ITSM. The implementation of SummitAI ITSM leads to a 10% to 20% uplift over three years.
- Eighty percent of the total time that IT technicians save is captured and reallocated into productive work.

Risks. Organizations may realize results that differ from those presented in the financial model due to:

- Variance in volume of annual advanced incident reports.
- Difference in automation maturity prior to the deployment of SummitAI ITSM.
- Variance in baseline average time to resolve advanced incidents.
- Variance in productivity of IT technicians.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of $442,000.

2 hours

Saved on advanced incident resolution due to service automation

> “Manual effort was being spent just on triaging as some tickets were falling into the general queue. We have minimized that with automation.”
>
> DIRECTOR OF GLOBAL IT OPERATIONS AND SERVICE MANAGEMENT, ELECTRONICS

Improved Incident Resolution					
Ref.	**Metric**	**Source**	**Year 1**	**Year 2**	**Year 3**
B1	Volume of annual advanced incidents that require human intervention	A1-A3	24,000	24,000	24,000
B2	Automation rate prior to SummitAI ITSM implementation	Interviews	50%	50%	50%
B3	Automation rate after SummitAI ITSM implementation	Interviews	60%	65%	70%
B4	Uplift in workflow automation capability	B3-B2	10%	15%	20%
B5	Marginal gain in advanced incidents for which automation can be applied to workflows	B1*B4	2,400	3,600	4,800
B6	Average time savings due to service automation (hours)	Interviews	2	2	2
B7	**Subtotal: Annual time savings in advanced incidents resolution (hours)**	**B5*B6**	**4,800**	**7,200**	**9,600**
B8	Productivity recapture	Composite	80%	80%	80%
B9	Fully burdened hourly rate of an IT service technician	Composite	$35	$35	$35
Bt	Improved incident resolution	B7*B8*B9	$134,400	$201,600	$268,800
	Risk adjustment	↓10%			
Btr	Improved incident resolution (risk-adjusted)		$120,960	$181,440	$241,920
	Three-year total: $544,320			**Three-year present value: $441,672**	

REDUCED EFFORT FOR IT WORKFLOW CONFIGURATION

Evidence and data. Workflows must be configured to facilitate the automation of IT tickets. Interviewees reported that this was previously a significant undertaking, requiring two to three weeks for planning, configuration, testing, and rollout; this was dependent on complexity of automation.

SummitAI's Design Studio is a low-code/no-code environment that includes an extensive library of pre-defined templates and more than 50 built-in controls. Around 80% of these controls are drag-and-drop, making workflow configuration accessible even to non-specialist personnel.

- Interviewees mentioned that configuration could now be completed and rolled out in just one day.

- The head of service management and ITSM COE at the conglomerate noted that their organization only requires two FTEs to action all IT workflow configurations, namely one systems administrator and one software developer.

Modeling and assumptions. Based on the interviews, Forrester assumes the following about the composite organization:

- The composite organization completes 100 IT workflow configurations annually. This consists of both net new configurations being added and the reconfiguration of pre-established workflows.
- The composite organization previously required two weeks per configuration, equating to 80 hours.
- After deploying SummitAI ITSM, each configuration now takes the composite organization one day, equating to 8 hours.
- There is no overlap in the time each FTE dedicates, hence no need to factor in multiplication in the model.
- Fifty percent of the total time saved on IT workflow configuration is captured and reallocated into productive work.

Risks. Organizations may realize results that differ from those presented in the financial model due to:

- Variance in volume of IT workflows configured annually.
- Variance in time needed to configure workflows with previous solution.
- Variance in productivity of systems administrators, software developers, and other relevant employees.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of $403,000.

Reduced Effort For IT Workflow Configuration					
Ref.	**Metric**	**Source**	**Year 1**	**Year 2**	**Year 3**
C1	Annual IT workflows configurations	Composite	100	100	100
C2	Time spent per FTE to configure each workflow prior to SummitAI ITSM implementation (hours)	Interviews	80	80	80
C3	Time savings from configuring workflows (hours)	Interviews	90%	90%	90%
C4	**Subtotal: Annual time savings from configuring IT workflows (hours)**	**C1*C2*C3**	**7,200**	**7,200**	**7,200**
C5	Productivity recapture	Composite	50%	50%	50%
C6	Average fully burdened hourly rate of each FTE	Composite	$50	$50	$50
Ct	Reduced effort for IT workflow configuration	C4*C5*C6	$180,000	$180,000	$180,000
	Risk adjustment	↓10%			
Ctr	Reduced effort for IT workflow configuration (risk-adjusted)		$162,000	$162,000	$162,000
	Three-year total: $486,000			**Three-year present value: $402,870**	

90%

Reduction in time to configure IT workflow automation

"It used to take around two weeks because we bombarded our IT with a lot of customization and hard coding. With SummitAI, we went with out-of-the-box [workflow configurations] so straightforward configuration [only] takes one day."

HEAD OF SERVICE MANAGEMENT AND ITSM COE, CONGLOMERATE

COST SAVINGS FROM RETIRING LEGACY SOLUTION

Evidence and data. Interviewees mentioned that there were additional costs involved in leveraging previous solutions. This largely stemmed from vendor reliance, such as requiring an additional third party to serve as a managed service provider (MSP) or ad hoc support through the year for which extra charges were levied on.

SummitAI follows a flexible, transparent licensing structure and hands greater control to their clients by providing training and certification at no additional cost.

- Interviewees mentioned that previous solutions were around 40% more expensive than SummitAI in terms of total cost of ownership (TCO).
- The associate vice president of information technology of an IT services and consulting company shared that the knowledge transfer of SummitAI's training and certification allowed their organization's employees to upskill existing FTE and ease their dependency on the solution vendor.

Modeling and assumptions. Based on the interviews, Forrester assumes the following about the composite organization:

- The license cost element of legacy solutions commands a 25% premium on average.
- The number of required licenses remains the same across alternative solutions.

Risks. Organizations may realize results that differ from those presented in the financial model due to:

- High variability in legacy license costs.
- Difference in license requirements.

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 $824,000.

> "Our previous solution was more expensive than SummitAI in terms of the license and configuration. That was another reason for switching."
>
> HEAD OF SERVICE MANAGEMENT AND ITSM COE, CONGLOMERATE

Cost Savings From Retiring Legacy Solution					
Ref.	**Metric**	**Source**	**Year 1**	**Year 2**	**Year 3**
D1	Average cost premium of legacy solution licenses	Composite	125%	125%	125%
D2	Annual cost per license	Composite	$530	$530	$530
D3	Average cost savings per license after SummitAI ITSM implementation	D1*D2 (rounded)	$663	$663	$663
D4	Licenses required	Composite	625	625	625
Dt	Cost savings from retiring legacy solution	D3*D4	$414,375	$414,375	$414,375
	Risk adjustment	↓20%			
Dtr	Cost savings from retiring legacy solution (risk-adjusted)		$331,500	$331,500	$331,500
	Three-year total: $994,500			**Three-year present value: $824,391**	

UNQUANTIFIED BENEFITS

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

- **Increased end-user productivity.** Interviewees shared that prior to adopting SummitAI ITSM, end users faced difficulties in submitting tickets due to the complexities inherent in the legacy solution. The failure of the self-service interaction not only resulted in user frustration but also extended the time end users took to submit tickets as they had to turn to alternative channels such as phone calls to the service

desk. Using SummitAI's ITSM solution made it easy for end users to submit tickets due to the creation of intuitive and accurate search catalogues, which increased end-user productivity in the composite organization. The head of service management and ITSM COE of a conglomerate stated: "Before SummitAI, end users might take 15 minutes to 30 minutes to search for the right category. This results in user frustration, and they end up calling the service desk instead which means that the self-service interaction had failed. In comparison, with SummitAI, end users only need a few minutes to submit a ticket."

- **Enhanced visibility into team performance and trend analysis.** Interviewees shared that SummitAI ITSM's enhanced reporting capabilities allowed them to conduct trend analysis that they were not able to before. Additionally, having access to reports at a more regular cadence also improved visibility of the team's performance, identified gaps, and resolved them. The manager of IT operations in a travel and hospitality firm explained: "With SummitAI, we have better reporting capabilities such that we can identify trends. This is helping us get to a point where we can hopefully do root cause analysis and work toward measures that can deflect tickets."
- **Improved efficiency of reporting and dashboard creation.** Service desk personnel were previously spending half a day each month to produce reports and dashboards from data amalgamated into spreadsheets, and needed between 15 minutes to 20 minutes for daily reporting. SummitAI ITSM allowed them to create daily reports in just 1 minute and prepare dashboards in between 15 minutes to 20 minutes.
- **Improved user experience.** Employees reported greater satisfaction with SummitAI's ITSM solution as compared to the legacy tool due to the better user interface it offered. The manager of IT operations in a travel and hospitality firm also stated, "Everybody has shared that the SummitAI portal and the way that people do their access requests has become 10 times easier than the way it had been before as it's so much more intuitive."
- **Improved vendor collaboration and responsiveness.** Some interviewees expressed concerns around experiencing security vulnerabilities with their legacy solutions, as necessary patches failed to come through from the vendor. Additionally, company acquisitions had led to reduced service quality, leaving them feeling deprioritized. SummitAI offers a monthly stand-up call that helps to promptly address concerns, and the same technician is often staffed on problem resolution, ensuring greater continuity of care and avoiding reexplanation of issues. The director of global IT operations and service management at a major electronics company shared how SummitAI was easy

to work with when required for product-level enhancements and change requests, stating that: “The flexibility, like what we have with SummitAI, is great. Even if you have some suggestions or improvements, SummitAI is able to accommodate effectively. Ninety-nine percent of our requests are being fulfilled promptly.”

FLEXIBILITY

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

- **Preparing to unlock heightened capabilities with SummitAI’s latest offering, Apex.** Most interviewees were keen to expand their organization’s use of SummitAI’s solution, anticipating to take advantage of better features such as: Apex Copilot to further reduce manual effort, Apex watchlists for even greater visibility into tickets, improved dashboard and visualization to identify trends and reduce issues proactively, and a more configurable self-service portal to improve outbound communication to employees. Existing Summit users were already familiar with the platform’s interface, workflows, and functionalities, which reduced the learning curve when transitioning to Apex. As Apex is built upon Summit’s capabilities, SummitAI can support users with seamless migration to ensure that their historical data, integrations, and customizations can be leveraged with minimal adjustment.

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

> “We already had a sandbox with Apex and everything looks good. I do want to get on it sooner than later because there are a lot of benefits to it.”
>
> MANAGER OF IT OPERATIONS, TRAVEL AND HOSPITALITY

Analysis Of Costs

Quantified cost data as applied to the composite

Total Costs							
Ref.	**Cost**	**Initial**	**Year 1**	**Year 2**	**Year 3**	**Total**	**Present Value**
Etr	Internal solution implementation and ongoing maintenance costs	$110,250	$218,400	$218,400	$218,400	$765,450	$653,378
Ftr	Onetime professional and annual licensing fees	$36,750	$347,813	$347,813	$347,813	$1,080,189	$901,709
	Total costs (risk-adjusted)	$147,000	$566,213	$566,213	$566,213	$1,845,639	$1,555,087

INTERNAL SOLUTION IMPLEMENTATION AND ONGOING MAINTENANCE COSTS

Evidence and data. The typical live goal to deploy SummitAI ITSM is 90 days, though this may vary depending on the complexity of requirements for any given organization. Throughout this time, there is some effort involved on the composite organization's part.

Interviewees revealed that SummitAI's support throughout solution implementation helped their organization to define workflows properly, facilitating a smooth transition from their legacy systems.

Integration was mostly handled by SummitAI themselves, only requiring a few FTEs from the composite organization to manage integration efforts.

- Interviewees were provided with a data gathering sheet and other documentation to ensure that existing functionality could be ported across to SummitAI ITSM with little to no disruption.
- Some additional time was devoted to UAT to confirm some more complex workflows and socialize the new solution internally.

Modeling and assumptions. Based on the interviews, Forrester assumes the following about the composite organization:

- The composite organization takes the standard 90-day live goal to implement SummitAI ITSM, which equates to roughly 60 business days.
- Five FTEs each dedicate 2 hours a day for solution implementation.
- Twenty-five business users from the composite organization are involved in user acceptance testing, each dedicating 60 hours in total.
- Two FTEs are dedicated to ongoing solution management and maintenance.

Risks. Organizations may realize results that differ from those presented in the financial model due to:

- Complexity of organizational requirements necessitating varied commitment of headcount and time allocation.

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 $653,000.

90 days

Typical live goal for solution deployment

"SummitAI did a lot of the work on the back end on their own. Then before going live, we really got our hands in the system to make some changes and assist to get it ready to go, so we learned as we went."

MANAGER OF IT OPERATIONS, TRAVEL AND HOSPITALITY

> "With SummitAI, I have just two in-house IT staff who have been certified on the platform and they can manage things without speaking to or taking support from the SummitAI team — it is that simple."
>
> **ASSOCIATE VICE PRESIDENT OF INFORMATION TECHNOLOGY, IT CONSULTING AND SERVICES**

Internal Solution Implementation And Ongoing Maintenance Costs

Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
E1	FTEs required for solution implementation	Composite	5			
E2	Time devoted by each FTE to solution implementation (hours)	Composite	120			
E3	FTEs involved in UAT	Composite	25			
E4	Time devoted by each FTE to UAT	Composite	60			
E5	Fully burdened hourly rate of each FTE	Composite	$50			
E6	**Subtotal: Implementation costs**	**(E1*E2+E3*E4)*E5**	**$105,000**			
E7	FTEs for ongoing management of SummitAI ITSM	Composite		2	2	2
E8	Fully burdened annual salary of each FTE	Composite		$104,000	$104,000	$104,000
E9	**Subtotal: Management costs**	**E7*E8**		**$208,000**	**$208,000**	**$208,000**
Et	Internal costs for solution implementation and maintenance	E6+E9	$105,000	$208,000	$208,000	$208,000
	Risk adjustment	↑5%				
Etr	Internal costs for solution implementation and maintenance (risk-adjusted)		$110,250	$218,400	$218,400	$218,400
	Three-year total: $765,450			**Three-year present value: $653,378**		

ONETIME PROFESSIONAL AND ANNUAL LICENSING FEES

Evidence and data. These are the only costs that are charged directly by SummitAI.

Customers can club licenses with a mix of named and concurrent licenses, providing both flexibility and cost optimization. This helps businesses manage different types of user needs while maintaining an efficient cost structure.

SummitAI's ITSM solution is available in varying pricing tiers depending on factors such as the number of licenses required, the balance of named licenses in comparison to concurrent licenses.

Readers are advised to contact SummitAI directly for additional details and accurate pricing information.

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

- There is a onetime charge of $35,000 for professional fees incurred for solution deployment, which includes the transfer of legacy workflows to the SummitAI ITSM platform.
- The composite organization requires 625 licenses to meet its needs. No increases have been factored in for Years 2 and 3.
- The license fee reflected here is based on several factors, including number of licenses required and the geographical region where SummitAI ITSM is deployed in. Distribution between named and concurrent versions of the license has not been captured. Please reach out to a SummitAI representative for an accurate quotation aligned to your organization's specific requirements.

Risks. Organizations may realize results that differ from those presented in the financial model due to:

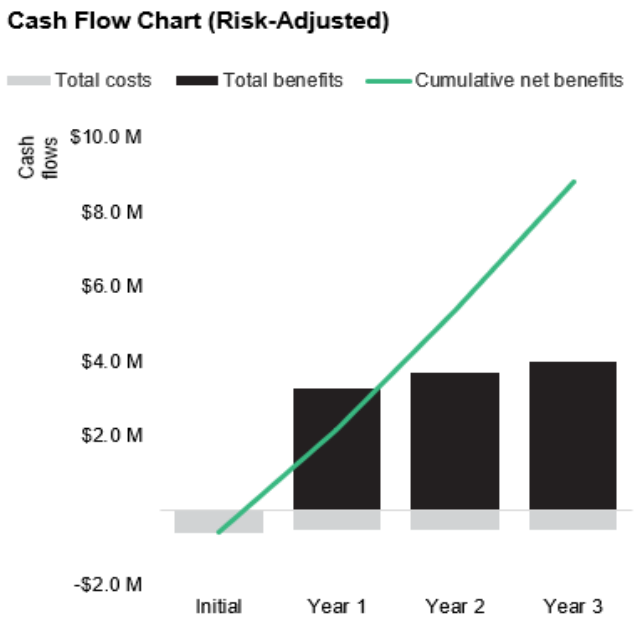
- Variance in integration complexity.
- Any applicable discounts.

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 $902,000.

Onetime Professional And Annual Licensing Fees						
Ref.	**Metric**	**Source**	**Initial**	**Year 1**	**Year 2**	**Year 3**
F1	Professional services fee for integration	Composite	$35,000			
F2	Licenses required	D4		625	625	625
F3	Annual cost per license	Composite		$530	$530	$530
F4	Annual licensing fees	F2*F3		$331,250	$331,250	$331,250
Ft	Onetime professional and annual licensing fees	F1+F4	$35,000	$331,250	$331,250	$331,250
	Risk adjustment	↑5%				
Ftr	Onetime professional and annual licensing fees (risk-adjusted)		$36,750	$347,813	$347,813	$347,813
	Three-year total: $1,080,189			**Three-year present value: $901,709**		

Financial Summary

Consolidated Three-Year Risk-Adjusted Metrics



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)

	Initial	Year 1	Year 2	Year 3	Total	Present Value
Total costs	($147,000)	($566,213)	($566,213)	($566,213)	($1,845,639)	($1,555,087)
Total benefits	$0	$1,844,580	$1,905,060	$1,965,540	$5,715,180	$4,728,059
Net benefits	($147,000)	$1,278,367	$1,338,847	$1,399,327	$3,869,541	$3,172,972
ROI						204%
Payback						<6 months

APPENDIX A: TOTAL ECONOMIC IMPACT

Total Economic Impact is a methodology developed by Forrester Research that enhances a company's technology decision-making processes and assists vendors in communicating the value proposition of their products and services to clients. The TEI methodology helps companies demonstrate, justify, and realize the tangible value of IT initiatives to both senior management and other key business stakeholders.

Total Economic Impact Approach

Benefits represent the value delivered to the business by the product. The TEI methodology places equal weight on the measure of benefits and the measure of costs, allowing for a full examination of the effect of the technology on the entire organization.

Costs consider all expenses necessary to deliver the proposed value, or benefits, of the product. The cost category within TEI captures incremental costs over the existing environment for ongoing costs associated with the solution.

Flexibility represents the strategic value that can be obtained for some future additional investment building on top of the initial investment already made. Having the ability to capture that benefit has a PV that can be estimated.

Risks measure the uncertainty of benefit and cost estimates given: 1) the likelihood that estimates will meet original projections and 2) the likelihood that estimates will be tracked over time. TEI risk factors are based on "triangular distribution."

Present Value (PV)

The present or current value of (discounted) cost and benefit estimates given at an interest rate (the discount rate). The PV of costs and benefits feed into the total NPV of cash flows.

Net Present Value (NPV)

The present or current value of (discounted) future net cash flows given an interest rate (the discount rate). A positive project NPV normally indicates that the investment should be made unless other projects have higher NPVs.

Return on investment (ROI)

A project's expected return in percentage terms. ROI is calculated by dividing net benefits (benefits less costs) by costs.

Discount rate

The interest rate used in cash flow analysis to take into account the time value of money. Organizations typically use discount rates between 8% and 16%.

Payback period

The breakeven point for an investment. This is the point in time at which net benefits (benefits minus costs) equal initial investment or cost.

The initial investment column contains costs incurred at "time 0" or at the beginning of Year 1 that are not discounted. All other cash flows are discounted using the discount rate at the end of the year. PV calculations are calculated for each total cost and benefit estimate. NPV calculations in the summary tables are the sum of the initial investment and the discounted cash flows in each year. Sums and present value calculations of the Total Benefits, Total Costs, and Cash Flow tables may not exactly add up, as some rounding may occur.

APPENDIX B: SUPPLEMENTAL MATERIAL

Related Forrester Research

"2024 Service Desk Benchmarks, Global," Forrester Research, Inc., September 3, 2024.

APPENDIX C: ENDNOTES

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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