



**GUIDEBOOK**

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**NUCLEUS  
RESEARCH**

# ROI GUIDEBOOK **INFORMATICA**

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## EXECUTIVE SUMMARY

Informatica offers a suite of cloud integration and cloud data management solutions, including Integration Platform as a Service (iPaaS), for connecting disparate applications and data deployed in diverse environments. Informatica Intelligent Cloud Services (IICS) is a comprehensive iPaaS consisting of data integration, application integration, and data management services for multi-cloud, hybrid environments.

Furthermore, IICS supports application programming interface (API), data, and application integration with no code/no build leading to self-service integration, efficiency gains, and agility. To further simplify business operations, IICS automates or makes efficient defining/running integration processes using artificial intelligence (AI) metadata-driven recommendations. IICS capabilities aim to bring a unified solution to support any integration pattern covering all users, data, and endpoints—including mobile, Internet of Things (IoT), business-to-business (B2B), data warehouses, data lakes and more.

To better understand the benefits and costs associated with an investment in Informatica iPaaS, Nucleus conducted an in-depth return on investment (ROI) assessment of several customers using Informatica technology. These customers realized an average ROI of 321 percent over a three-year period, with an average payback period of four months.

## KEY FINDINGS

The following direct and indirect benefits represent those most commonly experienced by the companies analyzed in this report and made up the largest share of the returns.

### DIRECT BENEFITS

Direct benefits include cost savings, cost avoidance, and changes that have a direct impact on a budget or profit and loss (P&L) statement:



- **Reduced or avoided personnel and technology costs.** Informatica customers are routinely able to simplify multi-step processes for integration applications and data. In many cases, manual tasks that experienced developers were responsible for handling could be automated using Informatica, allowing the developers to be freed up for value-add activities or restructuring. By using Informatica technology instead of building and maintaining application and data integrations from scratch, customers can support their ecosystems at a lower total cost and with greater agility.

## INDIRECT BENEFITS

Indirect benefits include time savings from accelerated processes that can be quantified but have an indirect impact on a budget or P&L such as increased revenue by improving customer experiences and reduced costs through improved analytics. Many customers have also sighted achieving digital transformation as a goal and implementing iPaaS is a cornerstone of this goal. Digital transformation pays dividends in many forms such as increased agility, automation, efficiency, democratization, resiliency and much more:

- **Time savings on development and maintenance of code (developed using hand-coding).** Informatica customers across the board saved between 15 and 70 percent (with some exceptional cases experiencing even greater time savings in certain situations) on ETL for cloud analytics and integration tasks. In particular, customers highlighted the use of Informatica for extracting and merging Salesforce data with other application data for more up-to-date accounting. IICS enables a no-code environment allowing users to point and click from transformation and APIs. Additionally, out of the box connectors and capabilities mean users do not have to write code or script and can focus resources elsewhere, saving time in development and maintenance.
- **Increase revenue typically by speeding up business, improving customer satisfaction.** Informatica customers experience acceleration of business processes such as faster order fulfillment, improved inventory management, or better supply chain automation. Having complete and accurate customer data at the right data with the right employees also drives better customer interactions. All of this results in better customer experience and usually drives higher revenues.
- **Cutting operations costs by analyzing customers business operations.** Informatica customers are able to get complete, accurate, and clean data on their operations to detect operational inefficiencies. For example, a large professional services firm was able to get customer data on projects by resources, skill-sets and utilizations, concluding that some of their resources were under-utilized for their North American

clients. They retargeted these resources reducing operating costs on a per client basis.

## THE INFORMATICA IPaaS SOLUTION

Informatica offers a suite of cloud data and application management solutions, including iPaaS, for connecting disparate applications and data deployed in diverse environments. Informatica Intelligent Cloud Services (IICS) is a comprehensive iPaaS using a zero-code environment consisting of data integration, application integration, API management, data quality and data management services on the CLAIRE engine for multi-cloud, hybrid environments. IICS automates integration processes using artificial intelligence (AI) metadata-driven recommendations. IICS capabilities aim to bring a unified solution to support any integration pattern covering all users, data, and endpoints—including mobile, Internet of Things (IoT), business-to-business (B2B), data warehouses, data lakes and more. IICS is a cloud-native multi-cloud iPaaS with the flexibility to integrate both cloud-based and on-premises data and applications either in batch or in real-time.

IICS is used by customers to support a variety of use cases such as integration between cloud to cloud and cloud to an on-premises application, data synchronization, data integration, cloud data warehousing, and data lakes along with other data management use cases. Informatica's suite of iPaaS solutions creates a single source of truth with a complete view of customers, products, suppliers, data, and applications through the collection of data from multiple systems. The platform enables data management patterns, such as data quality, master data management (MDM), ingestion, integration hubs, B2B, and data catalog. Cost savings associated with IICS come from analyzing inefficiencies in business by aggregating customer, supplies, and employee data and often revenue boost is experienced by more satisfied customers and/or by accelerating business processes.

Informatica supports every use case for data and application integration projects to not only simplify integration processes for developers but also enable non-technical business-level users to build out integrations. Some of the flagship solutions consist of Informatica Cloud MDM, Informatica Cloud Mass Ingestion, Informatica Cloud Data Integration, Informatica Cloud Data Quality, and Informatica Cloud Application Integration. The solutions automate, analyze, integrate, cleanse, and process varying types of data and applications. The methods provide users with a full view of customer behavior, data integration automation, real-time application integration, mass ingestion of datasets, real-time processing and streaming for IoT and weblog data, profiling, cleansing, and monitoring of data quality. The cleansing, standardizing, and verifying of data reduces the need for long term in-house developers. Once configured, a combination of business rule definitions and AI-driven

processes reduces the time spent manually coding. Companies can reach full integration without heavily investing in a large team of developers, reducing time spent on manual coding processes by 20 to 40 percent. (Nucleus Research U30 – The Value of Data Unification with iPaaS, March 2020)

## ANALYSIS OF BENEFITS

Nucleus found that companies deploying Informatica experienced a range of benefit across a number of different areas which were largely dependent on the size and complexity of their organization; the experience level and the number of developer, the size and complexity of data and the application ecosystem to integrate, the volume of data to be processed, and the frequency with which the data it needs to be processed or updated.

The best business cases focus on two or three key benefits that can guide deployment and adoption efforts. To guide organizations in building their business cases, Nucleus has presented the primary benefits most commonly realized by the interviewed Informatica customers with guidance ranges based on what customers typically experience.

### INCREASED SCALE OF DATA MANAGEMENT WITHOUT ADDED COST

By having a single platform to manage all data sources, companies can see a significant increase in the scale of operations. Nucleus found that the monthly revenue portfolio, which included the total amount of donations per month, of one nonprofit company, grew by 62 percent due to improved lead times, formatting, data logging, and data quality. The Informatica platform's scalability creates short-term and long-term benefits for organizations as Informatica continues to grow alongside organizations for day-to-day operations. In the long term, this leads to eliminating switching costs as companies will no longer need to upgrade the solution as the operations and business processes expand.

**62%**

Increase to monthly  
revenue portfolio  
from streamlined  
processing

## TIME SAVINGS FROM STREAMLINED DATA ETL FOR ANALYTICS OR CLOUD DATA WAREHOUSES

Employees can spend multiple days a week waiting for ETL tools to process multi-step workflows, while some still require manual inputs and monitoring from employees throughout the week. Nucleus found that with Informatica, customers could automate regular data updates and regular backups to a central data repository. This enabled one company to reduce monthly ETL processes from five to two days on average, a 60 percent decrease, which enables developers focus resources on creating a full view of applications, databases, datasets, and workflows. Other customers experienced similar time savings in this range, typically experiencing between a 20 and 70 percent acceleration, depending on the number of users, the volume of data being processed, and the required frequency of data upload.

**20 to 70%**

Reduction in ETL  
process time

## REDUCED JOB SETUP TIME

Setting up system jobs and executables when implementing a new solution is a time-consuming process for developers. Nucleus found that Informatica's data migration capabilities aid IT and BI teams in developing a full understanding of databases and datasets before creating new jobs, leading to reduced errors and less total time to create an integration. Nucleus determined that Informatica Cloud Data Integration reduced new integration job setup time by 40 to 55 percent, or between three and four days, with increased returns as the data and application landscape expands and becomes more complex. This translates to bringing new products to market faster, leading to quicker realization of revenue.

## REDUCED QUALITY ASSURANCE TIME

Managers and staff can spend multiple hours per week, monitoring the integrity of data through fact-checking and cross-referencing. Many of these tasks can be automated with Informatica, freeing up time for users to focus on new value-add tasks. Reducing quality assurance time without experiencing a resulting drop in data quality was a key objective. Nucleus found that with Informatica Cloud Data Quality, organizations reduced the time dedicated to quality assurance tasks by 15 to 35 percent each week. Informatica

**15 to 35%**

Decrease in time spent  
on data quality assurance  
tasks

Cloud Data Quality uses business rule definitions and AI-driven processes to reduce the amount of time spent coding parameters manually. With less coding required, companies can reduce the size of development teams, increasing efficiency and potentially saving the equivalent of multiple FTE developers in avoided labor.

#### REDUCED TIME SPENT ON APPLICATION INTEGRATION WITH SALESFORCE DATA

One of the common use cases for the Informatica's Cloud Application Integration technology is the integration of disparate applications to connect applications and data sources and provide a full view of company operations. Specifically, customers are leveraging the tools to integrate various Salesforce applications and to merge Salesforce data with other systems such as scheduling and workforce management, and accounting tools for more detailed financial reporting. Customers considered the Salesforce integration tool, MuleSoft, but ultimately found Informatica to be more versatile and cost-effective, especially for ecosystems built with many disparate applications outside of Salesforce. For reporting tasks involving Salesforce data, one organization was able to automate the accuracy check and speed up the monthly process from over 7 days to less than 2. Users no longer need to monitor files uploaded to Salesforce at each step and could instead focus on attracting new donors and finalizing project delivery requirements.

#### DECREASED PERSONNEL COSTS WITH INTEGRATION APPLICATIONS & PROCESSES

Companies must employ resources to oversee the health of data, applications, and processes. The employees' job is to monitor the integrity of the application to ensure that all data and workflows are correctly passing through the system. Nucleus found that Informatica helps companies eliminate manual processes through automated workflows and automated data creation and formatting. One organization was able to redeploy an employee, saving the company over \$75,000 annually; another saved over \$2.1 million annually in avoided salary costs after refining hiring criteria to remove high priced skills that can be automated or built into the Informatica technology. This allowed the organization to reduce the role size (and correlated compensation) by an average of \$44,000 per developer annually. Building and maintaining integrations in a growing application ecosystem is a costly and time-consuming skill set, and this organization was able to streamline these processes with Informatica and remove the manual requirements.

## ANALYSIS OF COSTS

Nucleus analyzed the initial and ongoing costs of software, hardware, personnel, and consulting over a three-year period to quantify the return on investments which Informatica delivered to customers.

COST CATEGORY	COST RANGE	AVG. COST	COST FACTORS
Annual Informatica Subscription	\$12,500–\$450,000	\$231,250	Number of employees, modules deployed, volume of data being processed, size of application and data ecosystem
Consulting	\$0–\$50,000	\$25,000	Level of configuration required, partner selection, duration of implementation
Initial Personnel	\$15,000–\$530,500	\$272,750	Internal team skill levels, complexity of requirements, tasks outsourced to consultants
Ongoing Personnel	\$15,000–\$1,050,000	\$532,500	Internal team skill levels, size, maintenance requirements

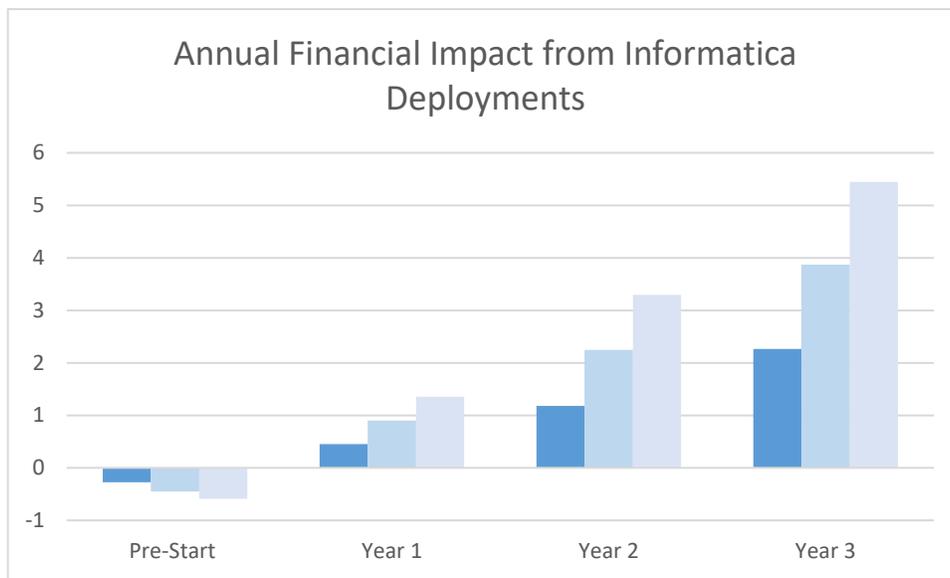
## FINANCIAL SUMMARY

Nucleus found that the average return on investment (ROI) from an Informatica deployment was 321 percent, with a high of 341 percent and a low of 310 percent. ROI was calculated over a three-year time period. Time savings were adjusted with a correction factor (a decimal ranging from 0 to 1 depending on the type of work) to account for the inefficient transfer of time saved to additional time spent on value-add work.

### KEY FINANCIAL METRICS:

- The payback period to recover the initial cost of the Informatica investment ranged from 3.6 months to 6 months from time-to-live, with an average of 4.8 months.
- The annual total cost of ownership (TCO) of a deployment ranged from \$1,833,333 to \$27,917, with an average annual TCO of \$661,306.
- The net present value (NPV) of an Informatica deployment ranged from \$5,827,347 to \$215,415 with an average of \$2,237,711.

FINANCIAL METRICS	HIGH	LOW	AVG.
ROI (3 year)	341%	310%	324%
Payback (months)	6	3.6	4.8
Annual benefit	\$5,986,784	\$179,900	\$2,254,645
Benefit to cost ratio	6.4	3	4.7
Annual TCO	\$1,833,333	\$27,917	\$661,306
Present Value	\$5,827,347	\$215,415	\$2,237,711
Internal Rate of Return	327%	266%	297%



The graphic above shows the annual financial impact for three Informatica customers. Each year the cumulative costs and benefits were summed to produce a net impact. We then normalized these values by dividing each by the total project cost, which includes the cost of IICS licenses, professional services, internal personnel, and training. Note that in the pre-start period, each of the organizations had realized negative impact, as they had spent money to begin the deployment but had not yet realized benefits.

## CUSTOMER PROFILES

### AUDITED ORGANIZATIONS

For this development of this ROI Guidebook, Nucleus spoke with nine Informatica customers and conducted in-depth ROI assessments. The following are profiles of interviewed organizations and their use cases.

### NONPROFIT

The nonprofit organization faced challenges surrounding financial information management and processing donation through the Salesforce platform. Each week, the organization received thousands of donations from various vendors, and the financial department rushed to reconcile records before the week's deadline. At the beginning of each week, the company received a lead file containing donor information that required a two-day process of cleaning and correcting the data. The process was followed up by a week of data reconciliation, leading to around ten days to complete the whole process. With a lack of

automated processes, much of the organization still relied on manual data cleansing and data input.

The organization decided to move forward with a platform that deployed more automated processes to reduce unnecessary work for the financial department. The organization chose to implement Informatica solutions due to the automated processes and scalability of the platform.

Since switching to Informatica the organization's monthly donor file has nearly doubled each month, and the Informatica instance has successfully scaled with the organization's growth. The scalability not only enables the company to grow but also eliminates the need to change solutions in the future, eliminating a potential source of major business disruption. Informatica's automated processes for data upload allowed the company to reduce the time to process donor address updates by 60 percent from five to two days. With Informatica, the company no longer lagged in reporting and analysis of donor information and instead saw a significant improvement to real-time analysis of donor information. By automating the data upload to Salesforce, the company was able to save \$80,000 annually in avoided labor costs. Further, there is a requirement in place that financial accounting (to reconcile donations and direct how they're administered) needs to be complete in advance of a regular deadline or face risk of fines and penalties.

## FINANCIAL SERVICES TECHNOLOGY STARTUP

The company is a technology startup focused on building and selling standardized integrations for customers in financial services. The standardized integrations are used multiple times over the years requiring significant, regular updates to maintain performance levels. Management faced a dilemma of building versus buying a solution to create and manage these integrations. Being that integrations are its business, being able to drastically affect the speed and ease of creating and deploying these integrations with Informatica made the choice natural and quick for the company leadership. The company processes more than 900 million records per day for data integration, so it required an enterprise-grade solution to handle the company's batch requirements and massive data volume.

The company knew early-on that the costs would be too high to create a solution in-house as they would need to hire full-time developers who were dedicated solely to the solution. After considering solutions such as SnapLogic and MuleSoft, the company chose to deploy Informatica Cloud Application Integration and Informatica Cloud Data Integration for its cost-effectiveness and for the volume of data that Informatica can efficiently process. Additionally, the customer noted the solution's ease of deployment and the automatic updates pushed to the platform.

Over the years, the company continues to update its catalogue of standardized integrations and has experienced no issues with updating or incompatibility through Informatica IICS. For customer relations, Informatica allowed the company to be more lenient on file formatting since previously, customers would need to submit a file with all correct information and in a specific format. The customer now provides a file, and then Informatica IICS takes it the rest of the way in terms of formatting, leading to reduced lead times and increased customer satisfaction by eliminating time-wasting emails and confusing formats. The customer conservatively estimates this stops at least one nine-figure customer from churning each year due to their increased ability to meet customer requests with Informatica. By removing the requirement for developer hires to be skilled in manual data integration, the company was able to reduce the cost of onboarding new developer talent and refine the hiring requirements to remove skills that are handled by Informatica IICS. This allowed the company to save over \$2 million dollars annually in avoided labor costs. The in-house developers are able to focus their attention to providing additional value to groups around the organization instead of solely maintaining and supporting a homegrown integration tool themselves. The integration enabled by Informatica allows developers to create new applications and analyses that leverage data from a greater number of disparate sources; this enables functionality and multifactor analytics that were not possible prior to the deployment of Informatica.

## CLOUD DATA WAREHOUSE COMPANY

The company is an enterprise-level cloud data warehouse company focused on mainframe innovation through Agile development to facilitate customer collaboration and deliver a database in a public cloud as a managed service. The software solutions aim to optimize analytics, scalability, and ease of use to support data access through capacity and data storage management. The company faced a diverse deployment environment as data was sourced from heterogeneous relation databases and legacy systems like SAP for data integration projects.

During integration projects, the company faced multiple barriers due to bugs and errors surrounding the production of data in the analysis stage. The company later noticed a significant issue with data profiling and data quality leading BI teams to spend more time and resources retroactively cleansing data. With those efforts, teams still found many data inconsistencies such as foreign character problems and issues with simple formats and formulas. Further issues discovered surrounded data processing, data pipeline formation, data tracking, and automation processes.

After deployment of IICS, various solutions addressed a wide range of data management issues within the company. The company first deployed Informatica Data Quality for all active projects, which immediately helped solve data quality issues by providing deep

analysis to help the company address production tickets. The solution corrected error-prone manual data entry across the organization, correcting formulas, rules and definitions, duplicate data, incorrect characters, and formats. At the peak of the company's data quality dilemma, teams were spending four hours a day, manually correcting data in an attempt to create cleansed data flows. The process seemed to have no end as each week new data quality errors caused project delays. Once configured, users no longer needed to monitor the quality of data, and quality assurance process time decreased by 95 percent to one hour per week. In addition, IICS helped manage internal gateways moving data from ERP systems into containers and other tools for extracting into reporting and analytics. IICS helped the company improve the end-user experience by facilitating the process of extracting data from both internal and external systems into a cloud data warehouse allowing the company to leverage BI tools.

## HOSPITAL

The hospital is a fully accredited, acute care, not-for-profit hospital serving patients throughout the most populous county in New Jersey. The hospital saw opportunities to improve patient relationship management and encourage patients to be more proactive about their care. The hospital noticed a lack of patient outreach and follow-up protocols to inform patients of additional services to improve their health. By reaching out to patients and following up with emergency room visitors, the hospital hoped to increase the number of scheduled appointments and make help further improve community health.

The challenge surrounded patient data in areas like application and data integration and synchronization. Patient data was distributed across multiple systems, including Motionsoft wellness center software, Vistar provider data management, and the hospital's Athena ambulatory electronic medical records (EMR) system. It was difficult to report on patient relationships and to identify patients that needed follow-up visits. The hospital sought a secure way to share data among applications in real-time to not only improve operational efficiencies but also improve the patient experience.

The hospital needed to keep Microsoft Dynamics CRM data synchronized with multiple systems in real-time, simplify integrations while maintaining a high level of data quality and integrity, and provide a scalable foundation for future application integrations. After the deployment of IICS, the hospital synchronized information from Motionsoft, Vistar, and Athena EMR into Microsoft Dynamics CRM to create a complete and accurate view of customers. The point-and-click interface of IICS helped create advanced data transformations that conform to HL7 message formats, which increased the interoperability of hospital systems. By creating a mapping task to pull data from flat files and Microsoft SQL Server databases, the Informatica REST V2 connector could initiate API calls to create new orders and order updates in real-time. With patient information centralized in Microsoft

Dynamics CRM, the hospital staff could promptly follow up with patients to manage their appointments, which increased the number of scheduled appointments in the first year. Furthermore, API calls to other systems allowed for time-saving integrations in areas such as when patients call for assistance, relevant data about the patient will automatically display on service representatives' screens.

## ACCOUNTING AND CONSULTING FIRM

The company is an enterprise-level accounting, and consulting firm focused on delivering professional services such as audit, tax, and advisory services to privately help businesses, public sector organizations, and government agencies. The firm looked towards optimizing operations surrounding data analytics and management of customer and financial data. Over time, the number of data sources continued to increase, and the firm needed to transform this data into usable information that could be used for intelligent decision-making.

With a large volume of financial reports and new revenue reports, the firm struggled to keep pace as by the time data was available, it was typically too old to be used for decision-making. Costs continued to increase as disjointed portfolios of data integration platforms led to different data movement combinations, which reduced data quality and delayed time-sensitive integrations. The firm wanted a solution to accelerate the pace of customer service delivery to help its client's access and manage data, balance business risk, and achieve their technology goals. Additionally, the firm wanted to create a single client engagement management model to better measure and understand the profitability of client engagements.

Before deploying IICS, the company looked for a solution to meet business requirements such as integrating a large volume of financial reports, supporting an increasingly cloud-focused strategy, scaling as data sources increased, and establishing a digital workspace for employees. IICS helped the company meet these business requirements, along with providing additional benefits and solutions to promote growth further. IICS rapidly helped the company integrate data from legacy and on-premises data sources as well as new cloud applications in an efficient manner. The cost-effective solution handled the massive proliferation of data volumes and sources, as well as supporting a multitude of cloud solutions. Informatica Cloud Data Integration helped simplify data synchronization and mappings through prebuilt connectors to help the company better leverage its information assets. Informatica Cloud Data Integration helped the company reduce data integration development and maintenance lifecycle by 50 percent. IICS also helped create a "one-stop-shop" employee digital workspace between Microsoft Office 365 and various core systems such as Concur for travel and Chrome River/BMO for expenses.

## THE ROI GUIDEBOOK METHODOLOGY

Based on the ROI assessments developed through Nucleus's in-depth interviews with Informatica customers, Nucleus has developed an ROI framework for organizations who are considering an Informatica investment. The framework can be used by potential and existing customers to understand the cost, benefit, and deployment factors that impact their potential return on investment. The Nucleus ROI Guidebook development process includes:

**Technology review.** Nucleus interviewed Informatica product managers and subject matter experts, participated in product demonstrations, and conducted a full review of technical documents and data sheets to gather data on Informatica solutions.

**Customer interviews.** Nucleus analysts conducted in-depth interviews with five organizations that were using Informatica to understand their business challenges, their decision and deployment processes, the costs incurred, and benefits achieved, and best practices learned from their deployments.

**ROI assessments.** Based on the data collected from customers, Nucleus completed an ROI assessment of each customer's deployment and validated that ROI audit with each customer's project team leadership.

**Construction of aggregate ROI framework and analysis.** Nucleus constructed a financial model based on its NASBA-registered ROI methodology, using the data from Nucleus's ROI business case assessments of the customers detailed. All financial metrics presented in this report are calculated based on standard NASBA accounting principles commonly used by certified finance professionals.

**Benefits guidance.** Based on the variability and clustering of benefits in the aggregate, Nucleus provides appropriate averages, ranges, and estimation factors to guide other customers in using the framework to develop their own ROI projections.



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