Sponsored by:
Collibra

Authors:
Sean Pike
Matthew Marden

June 2018

Business Value Highlights

510% three-year ROI

7 months to payback

$18.9 million higher gross

23% higher gross productivity by business intelligence and analyst teams

27% higher gross productivity by reguatory compliance teams

69% less time to locate data/reports

IDC
ANALYZE THE FUTURE

Quantifying the Business Value of the Collibra Data Governance and Catalog Platform

EXECUTIVE SUMMARY

Data is increasingly at the epicenter of every organization. In fact, an IDC global study of 800 organizations revealed that 47% of enterprises have a chief data officer today. The growing importance of data to remain competitive in today's business climate requires organizations to break down data silos and provide data integration to achieve greater data visibility, reliability, and traceability, in turn providing faster insights. However, these objectives become challenging as data becomes increasingly distributed, dynamic, and diverse.

To understand how better organizing and managing data in organizationwide initiatives can improve data utilization, IDC interviewed organizations that are using Collibra's data governance and catalog solutions (Collibra). These organizations reported that Collibra has provided much-needed visibility, transparency, and operating rules for their huge data environments, along with a user-friendly interface that encourages data ownership among line-of-business users. As a result, the organizations have seen benefits in terms of improving access to and quality of data, enabling employees who rely on and work with data, and creating new business opportunities. IDC's analysis shows that these organizations are realizing strong value with Collibra, and most plan to extend its use in the coming years as their organizational data initiatives mature and expand. IDC projects that on average, these organizations will realize benefits from their use of Collibra that will yield more than a six to one return on their investment (510%) over three years by:

- **Identifying and addressing new business opportunities** through data analytics use and driving new revenue streams
- **Enabling constituents such as business intelligence analysts and data scientists** by allowing them to move from finding data to applying data, thereby increasing their productivity and value to their organizations
- **Providing the basis for more efficient compliance and auditing operations,** thereby reducing the relative cost of minimizing risk in these areas
- **Increasing the productivity of teams that maintain, organize, and secure data,** such as data governance and security teams

IDC
ANALYZE THE FUTURE

SITUATION OVERVIEW

The pressures faced by C-level executives, data owners, and operational teams to utilize data to optimize operations and business outcomes have reached an all-time high. Digital transformation and data must be managed according to regulatory and compliance policies as well as to the organization's internal governance policies. Businesses are undergoing massive operational shifts to achieve digital transformation goals. Also of increasing importance is ensuring data privacy with changing user sentiment and concerns around personal data use. Today's digital initiatives require aligning processes to gain business efficiency, launching new digital products and services, and enabling new business models while also ensuring data privacy. In turn, these initiatives have driven worldwide regulatory efforts and a groundswell of concerned citizenry that have changed the way businesses can handle data and, ultimately, how businesses operate.

Today, leading organizations are democratizing IT decisions across the enterprise. The benefits include shortening time to value, lowering costs, and creating an environment that encourages innovation, but failing to move in concert can have a negative effect on potential benefit. Moving to a cloud strategy, for instance, may be the right plan for your business, but if each business unit uses different cloud providers, the business could duplicate effort and spend or miss out on the economies of scale that may be gained by leveraging a single provider. In other environments, reliance on a public cloud strategy may be constrained to specific use cases and workloads. This creates a significant challenge: How do businesses journey through digital transformation in a concerted way?

The same challenge of enterprisewide coordination exists when examining data use and oversight. Individual business units may need specific data at specific times, associated with different customers, products, or partners. Another group may need this same data or a subset of the data that has been manipulated in a slightly different way. Organizations duplicate data repeatedly for use by different business units. IDC research highlights that a typical enterprise has at least 10 copies of any structured data source at a given time. Another common challenge is data visibility. A department or line of business often does not have a full understanding of the types of data available. Increasingly, the value derived from data is not looking at data sources independently but combining data sets from historically disparate data silos to find the most accurate and meaningful insights. How is a holistic effort around data management applied across these disparate and increasingly distributed and diverse data sources? How do you encourage innovation and provide everyone with the right level of data access to support their efforts?

In today's regulatory environment, the right level of access may even be paramount to inspiring innovation. The strict rules and potential 4% of revenue fines associated with the General Data Protection Regulation (GDPR) are well documented, but even companies that don't do business with the European Union cannot afford to skimp on data protection mechanisms. About 40% of the world's nations already have privacy laws of some type in place and, given the national visibility associated with common misuse of data by corporations, it is entirely likely that additional data protections will continue to emerge.

As a result, businesses are being forced to maintain a delicate data balance. They must encourage innovation through better use of data, but they cannot innovate without guardrails that establish ways of consistently operationalizing data without exposing data that could generate a regulatory issue against the backdrop of a more complex data use landscape. At the same time, businesses must be able to provide a comprehensive view of their data sources not only to ensure compliance with data controls but also to maximize the value of an increasingly important asset — their data capital.

COLLIBRA

Founded in 2008, Collibra is a company dedicated to helping organizations build functional data ecosystems. The company describes its constituency as "data citizens" as a way of expressing an understanding that data enables many organizational roles and opportunities and that access to the data must be universal. Of course, that doesn't mean that access must be unfettered; rather, it means that the organization must be able to harness its data in the right way. That is the Collibra mission.

Collibra has a portfolio of products and services designed to help organizations monitor, collect, govern, and provide access to valuable information so that it can be leveraged to enable greater business agility. Collibra helps organizations around the world gain competitive advantage by maximizing the value of their data across the enterprise. Collibra's flexible and configurable

cloud-based or on-premises data governance and catalog solutions automate data governance and provide access to quickly and securely deliver trusted data to business users who need it. The Collibra data platform is designed to help companies unlock their data's potential in a responsible way.

THE BUSINESS VALUE OF COLLIBRA DATA GOVERNANCE AND CATALOG SOLUTIONS

Study Demographics

IDC interviewed nine organizations that are using Collibra to manage, organize, and govern their data. The average profile of these organizations is that of a large enterprise, in terms of the scale of their operations (44,700 employees on average) and revenue ($30.1 billion in annual revenue on average). The organizations are based in North America and EMEA and represent a mix of verticals (see Table 1).

TABLE 1 Demographics of Interviewed Organizations

	Average	Median
Number of employees	44,700	21,000
Number of IT staff	4,046	1,751
Number of business applications	1,781	1,650
Number of terabytes — total	2,658	2,575
Revenue per year	$30.1 billion	$5.3 billion
Countries	United States (5), United Kingdom (3), and Netherlands (1)	
Industries	Financial services (3), insurance (2), pharmaceutical, professional services, telecommunications, and utilities	

n = 9

Source: IDC, 2018

Study participants must handle substantial data environments, which are well over 2,000 terabytes (TB) on average, while determining how to generate more value through their operational data. This creates both a unique opportunity and a critical challenge. On the one hand, they can use data to create real competitive differentiation but risk having data become an operational burden if poorly maintained and organized. The sheer volume of data means that the organizations have sizable teams responsible for data-related activities and dedicated to goals such as:

- **Creating value for their organizations through the application of data** with data scientists, business analysts, business intelligence experts, and analytics engineers
- **Providing timely and accurate data** to regulatory compliance and auditing staff to ensure robust compliance
- **Managing and securing data** with data governance and data security teams

As Table 2 shows, Collibra use already has a wide footprint in terms of the breadth of impacted employees, with 727 employees on these teams leveraging Collibra to become more productive (207 median). Table 2 also demonstrates the extent to which study participants use Collibra, with a majority of both their data environments and their business applications falling within their Collibra umbrellas.

TABLE 2 Environments Supported by Collibra

	Average	Median
Number of terabytes — total	1,676	800
Number of sites/branches	53	1
Number of business applications	1,028	500
Number of users noted as having higher productivity with Collibra	727	207

n = 9

Source: IDC, 2018

Data-Related Challenges and Choice of Collibra

Study participants mentioned various reasons for choosing Collibra, but the common theme was the need to better organize, manage, and use their data. In addition, they consistently referenced the need to promote greater data ownership or stewardship among employees (i.e., making them responsible for the quality of their data). Among the specific drivers for choosing Collibra mentioned were:

- **Needing increased accessibility and automation.** *"Our business glossary was in Excel. It had become too large and was not accessible. And we needed to automate onboarding of new business terms and make the glossary accessible to the entire organization."*
- **Enabling self-service use.** *"Several years ago, we faced increased regulatory requirements as we were under the obligations of Basel, CCAR, and federal reviews and audits that needed to be met. We were looking for a platform to offer self-service for these capabilities."*
- **Turning data into a business asset.** *"Our vision with Collibra is to enable our organization to increase the value we derive from our data as a strategic enterprise asset. Our strategy is to create a 'data aware' culture where critical data is clearly defined, understood, properly controlled, and accessible as appropriate across the organization."*

Study participants chose Collibra over other solutions considered because they concluded it has the best functionality and most user-friendly interface. In particular, they cited its business user–friendly interface, which will be especially pertinent as

they look to foster improved practices around data ownership for line-of-business users and establish new business-impacting data-related use cases.

Commenting on business focus as a differentiator, one study participant said: *"The differentiator with Collibra was the ability to provide governance solutions from a business perspective and not simply from a technical perspective. That was critical for the people that had to meet the regulatory requirements."* Addressing the ability to apply Collibra to practical use cases, another study participant said: *"Collibra allows you to design the data the way you want to and then worry about the technical … Traditional data governance has focused too much on the physical data and not enough on what the organization does with the data."*

Business Value Analysis

For the most part, study participants have deployed Collibra in the context of bigger-picture organizational initiatives to better manage, govern, and use data. Because these data-related initiatives are longer term in nature and require buy-in from numerous lines of business, interviewed organizations mostly expect to extend their use of Collibra to new teams, which they expect will drive even more value going forward.

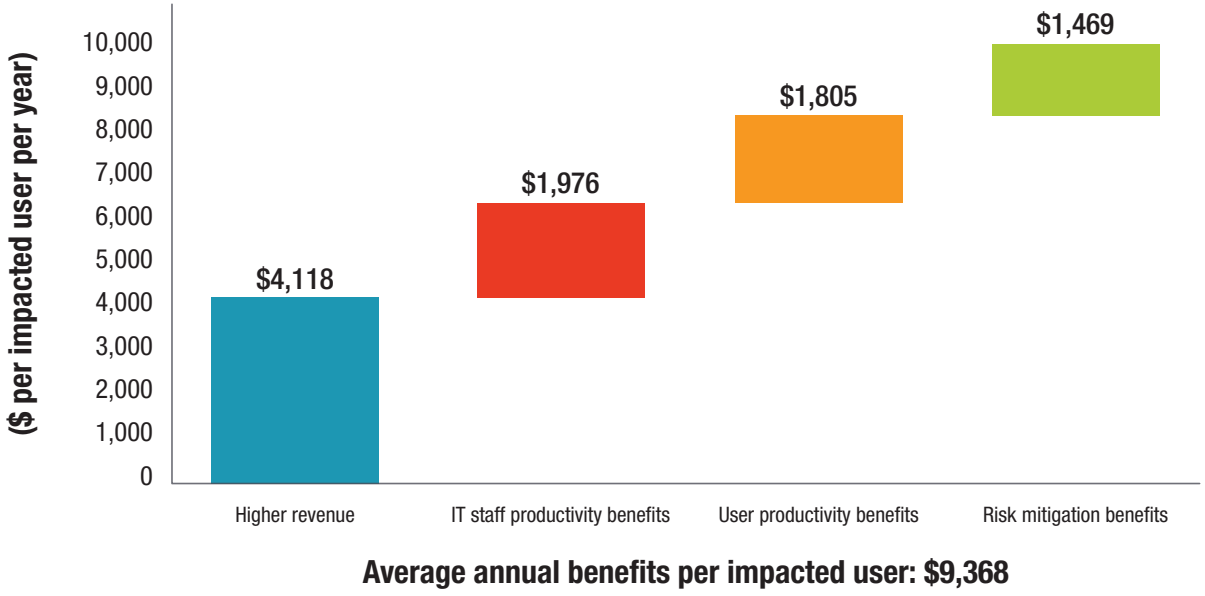
Interviewed Collibra customers discussed how their Collibra deployments are progressing in terms of linkage to data-related initiatives. One customer described a controlled data governance rollout with Collibra as a cornerstone as *"a federated approach"* designed to garner broader organizational buy-in over time. Another customer noted that it is adding new uses to its Collibra deployment such as *"more complex data analysis like Big Data, concurrent analytics, and predictive analytics."*

Despite acknowledging that they are still extending Collibra use to new teams, study participants reported already achieving substantial improvements in the visibility, transparency, and treatment of data. These improvements enable them to handle their growing data environments more efficiently and more readily leverage data-driven insights to identify and address new business opportunities. Meanwhile, various teams — including those responsible for using, applying, and managing data — are leveraging a higher quality of data and increased accessibility to data to work more effectively and efficiently. This ensures that they are already realizing strong value with Collibra, even though they expect to achieve more value going forward by changing how more teams — including business teams — maintain, share, and use data to support business operations.

For purposes of the financial model, IDC quantifies the value that study participants are achieving with Collibra at an annual average of $9,368 per impacted user ($6.45 million per organization) in the following areas (see Figure 1):

- **Higher revenue.** Enhanced visibility and quality of data allow study participants to create and address new business opportunities, thereby winning more revenue. IDC projects that the value of increased net revenue will be $4,118 per impacted user per year ($2.83 million per organization).
- **IT staff productivity benefits.** Improved quality of data, controls, and ownership help teams responsible for managing, organizing, and securing data work more efficiently. IDC puts the value of productivity gains for these teams at an average of $1,976 per impacted user per year ($1.36 million per organization).
- **User productivity benefits.** Reduced time spent locating and putting data in place allows teams responsible for creating value through data more time to work on their core responsibilities. This results in higher productivity and value to their organizations, which IDC calculates will have an average value of $1,805 per impacted user per year ($1.24 million per organization).
- **Risk mitigation benefits.** Compliance and auditing teams benefit from enhanced visibility into data lineage and ownership, making them more efficient. IDC projects that this will create value worth $1,469 per impacted user per year ($1.01 million per organization).

FIGURE 1 Average Annual Benefits per Impacted User



Source: IDC, 2018

Improving the Quality, Accessibility, and Value of Data

The operational and business impact of Collibra for interviewed organizations ties back to the much-improved ability to manage, access, and use high-quality data; in other words, they are achieving the preconditions for deriving more value from their data. Study participants consistently referenced the impact of Collibra in terms of improving visibility into, accessibility of, ownership of, and quality of data, which in turn is helping them change how their organizations consume and leverage data.

Interviewed Collibra customers framed this impact in various ways:

- **Immediate access to metadata.** *"To ask a simple question that one of our managers would have about a certain product line previously took days to answer. The systems were not synced up; people had to jump through hoops and didn't know where the data was. Now, with Collibra, it can be automated, so the metadata is right there and accessed in milliseconds."*
- **Standard definitions.** *"Collibra has helped us realize that there are numerous definitions within our landscape for describing the same thing. We realized the need to standardize."*
- **Data ownership across organization.** *"We have gone from a chaotic situation with regard to our data to more ordered, structured governance with Collibra. A lot of this is about data ownership, which leads to data stewardship."*
- **Improved ability to share data.** *"With Collibra, we do a better job of managing and sharing data, both internally and externally. We are finding it easier to share data, and we are more confident in what we have to share. For example, we were recently able to share information in a competitive situation before our competitors."*

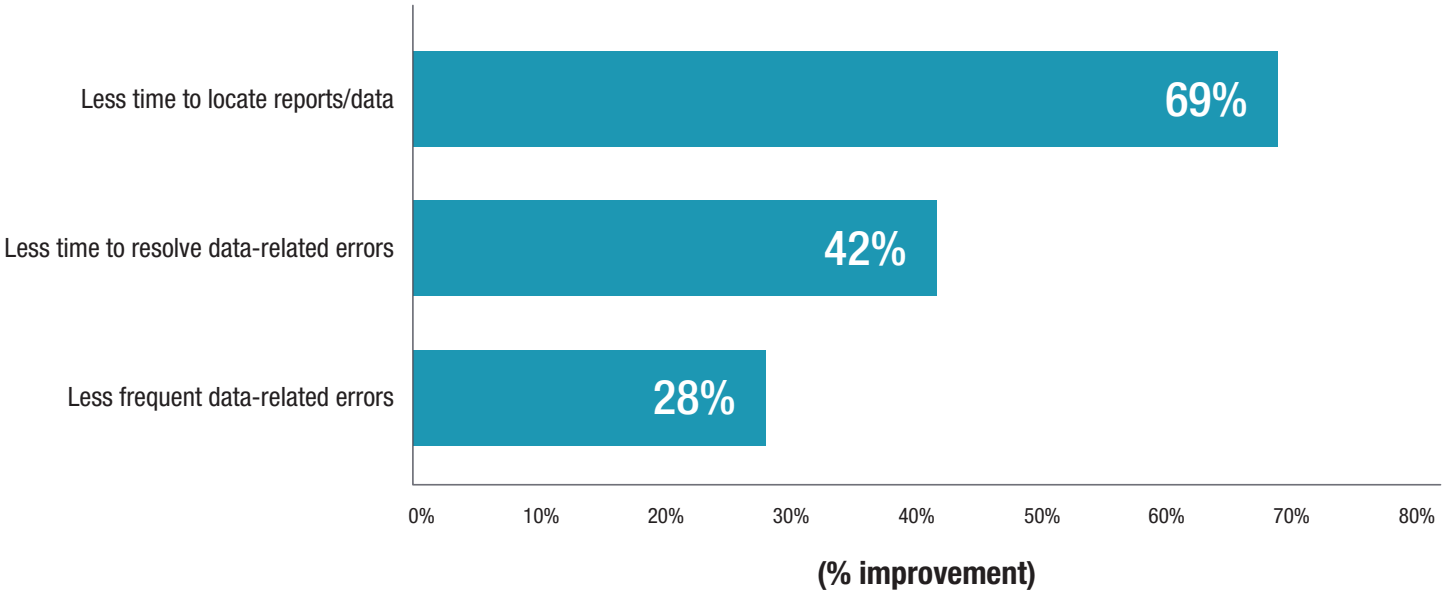
As Figure 2 illustrates, for study participants, the result has been demonstrable improvements in the time needed to locate data (69% less time on average), the quality of data as measured by frequency of data-related errors (28% less frequent on average), and the time to resolve data-related errors (42% less time on average):

- **Time to locate data/reports.** Several study participants reported going from hours to minutes in locating data or reports. One interviewee explained: *"The key is knowing the subject owner of the data and its lineage. Previously, this was a time-consuming task, and now it's more or less immediate."*

- **Reduced frequency of data-related errors through increased governance activity.** Study participants cited increased governance activity around data as contributing to higher data quality. One organization noted: *"We now have visibility in terms of business rules. Data ownership was nonexistent, as it was all in Excel. Using Collibra has dramatically increased the sense of ownership."*
- **Time to resolve data-related errors.** Collibra helps resolve errors in less time, limiting the impact of errors and improving views of the quality of data across organizations. One study participant said: *"We're better at turning stones with Collibra, and we find problems more quickly and respond more quickly and efficiently. We have more certainty about the information we are reporting."*

For study participants, these data-related improvements have a real impact. One organization explained that it had performed an exercise quantifying the value of improved data quality: *"We're in a market in which there are penalties imposed on any failures in market transactions. We did an estimate that if we went into the market with our original quality of data, the penalty could be millions of dollars per year. We believe we've reduced this risk to tens of thousands of dollars per year."*

FIGURE 2 Key Data-Related Metrics



Source: IDC, 2018

Creating Cross-Organizational Efficiencies

Study participants reported that improved data governance with Collibra has made teams that work with and rely on data significantly more productive. These efficiencies reflect the extent to which facilitating data flow and quality affects how employees work. Further, the experiences of Collibra customers thus far suggest that these organizations will realize additional operational efficiencies in the form of productivity gains as they extend their use of Collibra to other line-of-business teams.

Handling, Organizing, and Securing Data More Efficiently

The teams often most directly impacted by use of Collibra are those responsible for governing, organizing, and securing data. Study participants explained that these teams have found it challenging to handle substantial data growth and increasing expectations regarding the potential value of data. In particular, these teams have spent too much time accessing data and ensuring its quality because of inconsistent treatment and governance.

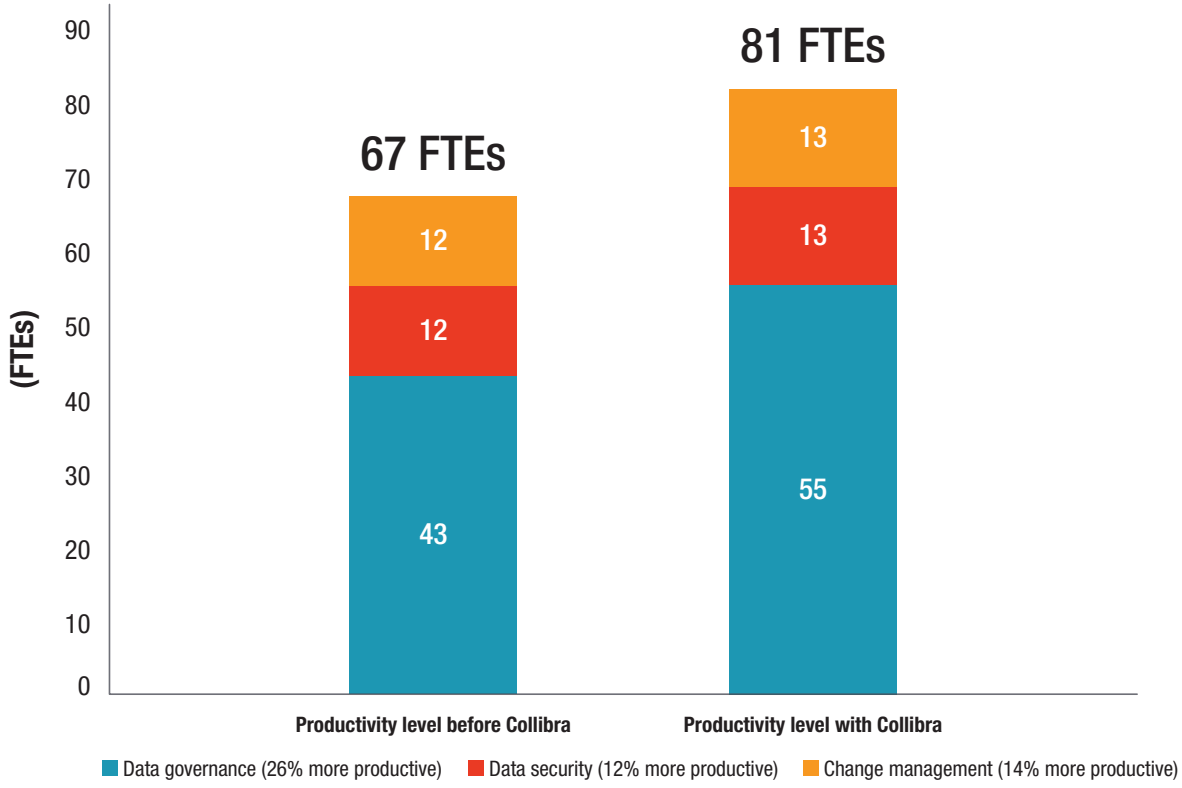
Study participants reported that Collibra has benefited these teams by providing enhanced visibility, transparency, and rules around data as well as by promoting data ownership and stewardship across their organizations. The result has been substantial efficiencies for teams that manage, govern, and secure data (see Figure 3):

- **Data governance (26% more productive on average).** *"The ability to understand data attributes and characteristics has been a capability of the Collibra platform that really helps the business. We're now able to bring disparate data under governance and add lineage capabilities and automatic indexing, which creates a platform for our data governance team to identify code elements or data points that were not easily identifiable before and also to see data attributes."*

- **Data security (12% more productive on average).** *"In the past, the data security team had extracts from spreadsheets that were put in emails and sent all over the place. With Collibra, it is now tightly controlled, and we can see who is using it. We can intervene when we see actions that aren't in line with our policies and the legislation, and we can stop things being done that put the company at risk."*

- **Change management (14% more productive on average).** *"We anticipate eliminating five staffers' share of manual tasks by the end of this year with Collibra because it can handle hugely complex change management activities."*

FIGURE 3 Impact on Teams Responsible for Handling and Securing Data



Source: IDC, 2018

Teams Responsible for Driving Value Through Data

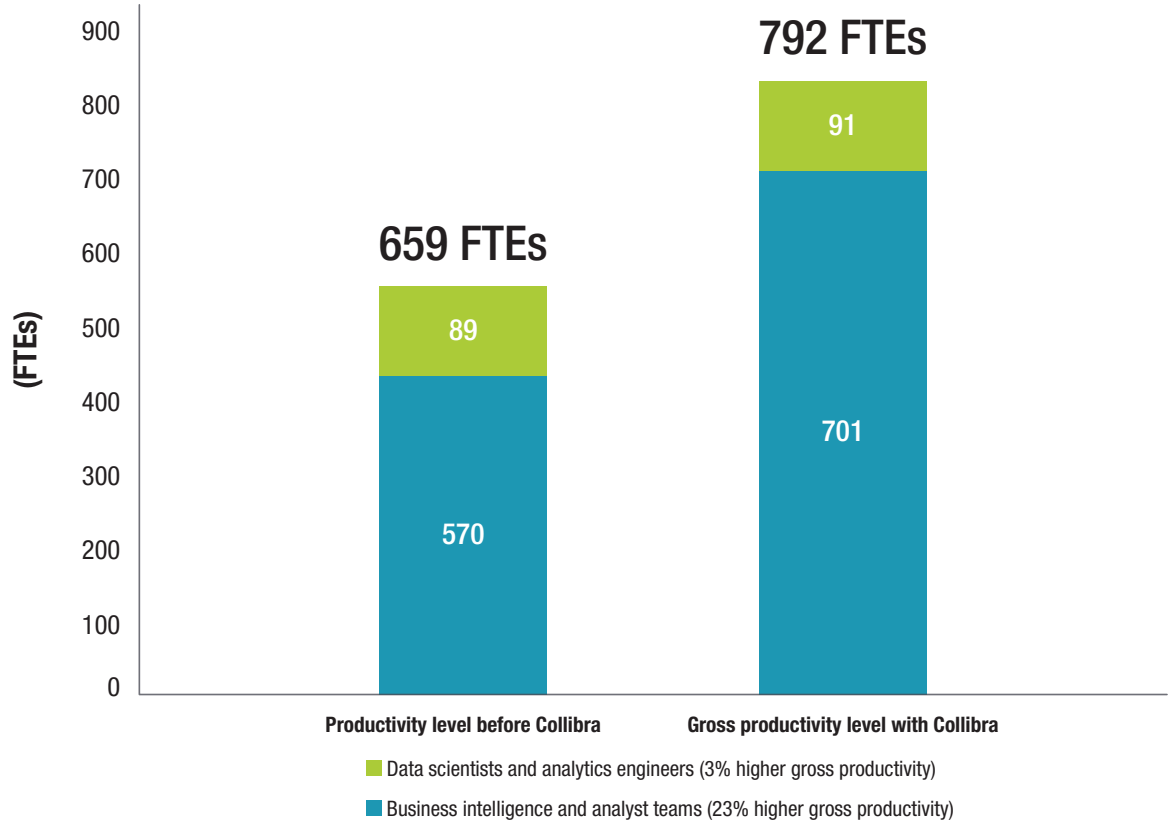
Like many organizations, the companies that participated in this study increasingly rely on teams that apply and use data to support their businesses' efforts to create new services, increase the quality of products and services, and establish more efficient business operations. However, study participants noted that their teams' ability to accomplish these responsibilities is too often slowed by the need to locate, identify, and obtain data from various sources across their organizations. These points of inefficiency serve to inhibit their teams from achieving maximum productivity levels, which can represent a significant operational inefficiency given the scarcity of talent for these positions and the high salaries that these types of employees often demand.

With Collibra, these teams at interviewed organizations spend more time working with data to support their businesses and less time locating, organizing, and preparing data for use. This represents an important shift for these teams in focusing more on generating value through data and is helping interviewed organizations begin to overcome data-related barriers that can inhibit their ability to leverage the huge amounts of operational data at their disposal to create value. For example, one

Collibra customer explained how it helps data scientists create more value: "Our data scientists have not done enough data science historically. With Collibra, we want them to spend less time on administrative work and do smart things with data. We want Collibra to be the front door so they can search for data on common terms." Another customer echoed this sentiment, noting the organizational cost of failing to maximize the productivity of these teams: "Any change program that requires data or consumes data requires a lot of data and data analysts … It is very expensive to do this now. When Collibra becomes the first point of understanding, that will save valuable time at the outset of the change process and translate into savings … Data scientist types are very expensive, very hard to come by, and you have a very high attrition rate. If we can get more value out of them, it would be a massive savings."

As Figure 4 shows, the impact on these teams of using Collibra is already substantial. Business intelligence and analyst teams have increased their gross productivity by an average of 23%, while data scientists and analytics engineers have seen a 3% gross productivity increase (see Appendix A for details on how gross versus recognized productivity gains were applied for purposes of the financial analysis in this study).

FIGURE 4 Impact on Teams Creating Value with Data



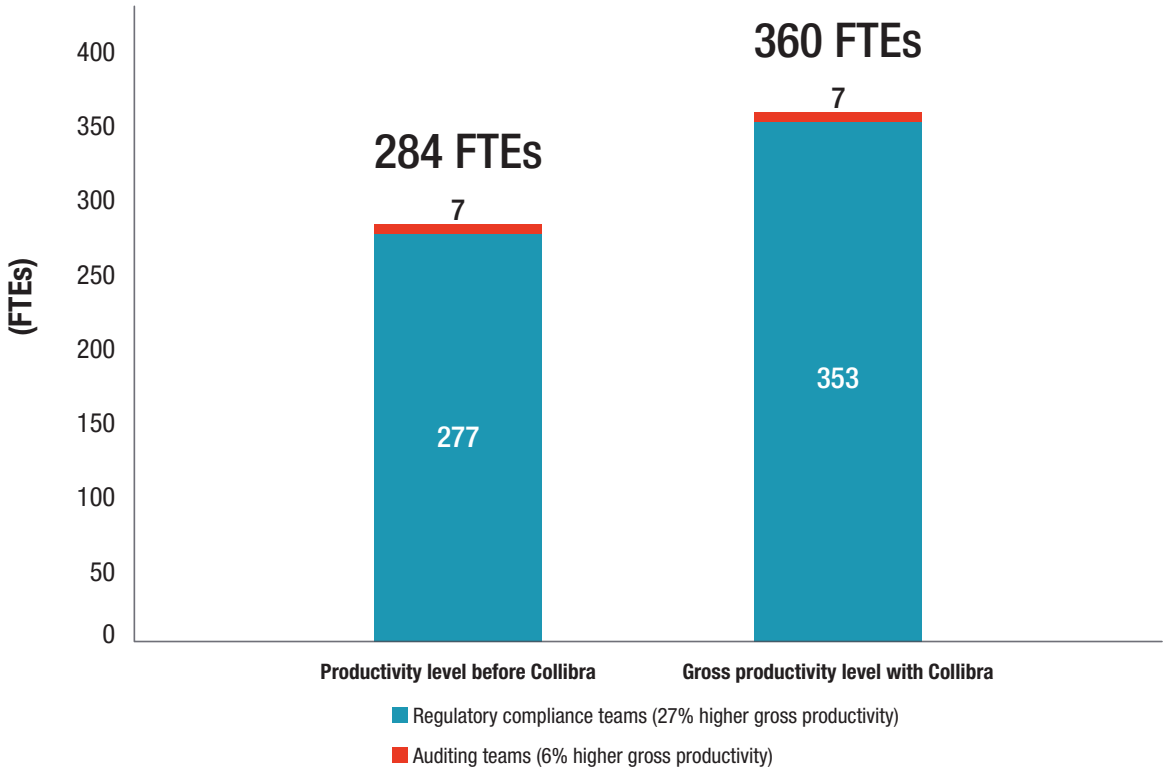
Source: IDC, 2018

Minimizing Data-Related Risk More Efficiently

Study participants also reported that Collibra has positively impacted their regulatory compliance efforts in terms of both robustness and efficiency. Most interviewed organizations, but especially those in the financial services and insurance sectors, face regulations of increasing scope and complexity. More specifically, the General Data Protection Regulation has created new challenges in terms of proving compliance related to maintaining and using the personal data of customers. These forces are making it imperative that organizations have seamless access to information about data ownership, history, and lineage to manage regulatory risk in an effective and cost-efficient manner.

According to these organizations, Collibra has had a demonstrable impact on teams that manage risk. They reported that their regulatory compliance teams have improved their gross productivity by an average of 27%, while their auditing teams are 6% more productive (see Figure 5). They explained that Collibra helps achieve these objectives not only by providing easier access to metadata and data lineage but also by giving them the consistency, credibility, and ability to better link data in support of compliance and auditing efforts. One organization explained how consistent rules adopted with Collibra help it ensure more efficient regulatory compliance, including for GDPR and privacy: *"Collibra helps us determine what data goes into a data lake and what data is aggregated from an approval and ownership perspective … [It] also allows us to apply data lineage — which data goes into a data lake, who owns the data, who is responsible for the data, and what data gets smashed up together."* Another Collibra customer described the overall impact on its regulatory compliance efforts: *"For every regulation we've faced in the last few years, Collibra has helped us provide the data required. It helped us become compliant and allowed us to do it 20–40% more efficiently."*

FIGURE 5 Impact on Regulatory Compliance and Auditing Teams



Note: See Appendix A for details on how gross versus recognized productivity gains were applied for purposes of the financial analysis in this study.

Source: IDC, 2018

Identifying and Addressing New Business Opportunities

Study participants cited that the result of more efficient and robust data governance has been business enablement. They described leveraging data in ways that create new opportunities or allow them to identify missed opportunities. This is not yet a complete picture for these organizations; as described, many of them are using Collibra as a cornerstone of longer-term initiatives related to data governance and use. This means that most interviewed organizations are still extending or identifying use cases for Collibra. This will likely lead to being able to leverage Collibra more broadly to deliver higher-quality services based on better identifying upselling and cross-selling opportunities and even to more easily develop new services based on data.

However, even as Collibra use is extended to a greater number of interviewed organizations, the data-related improvements achieved with Collibra still translate to better business results. Study participants described being able to more effectively use data to support business operations and increase their confidence in data quality and reliability. As shown in Table 3, this is leading to better business outcomes, with study participants attributing gross revenue gains of $18.89 million per organization per year

($26,000 per impacted user) to Collibra. Interviewed organizations provided examples of Collibra's business impact:

- **Better understanding of customers, better marketing outcomes.** *"Understanding the business and the customers is the most valuable aspect of governance from a business perspective … Marketing campaign return rates have improved because our campaigns are more pinpointed."*
- **Ability to help support recognition of more revenue.** *"Collibra was a contributor to finding thousands of customers that we had missed in our billing system. At this volume, we generated millions of additional dollars of revenue in months."*
- **Increased confidence.** *"We have higher internal data quality scores with Collibra — 40% higher, linked to lineage and business terms. The result is much higher confidence, also quantified by a decrease in data incidents — going from 10 to 3 serious incidents related to data per week."*

TABLE 3 Business Operations Impact: Revenue

	Per Organization	Per Petabyte
Gross additional revenue per year	$18.89 million	$26,000
Additional recognized revenue* per year	$2.83 million	$3,900

**IDC applies a 15% operating margin assumption to all revenue benefits for purposes of quantifying revenue for the model.*

Source: IDC, 2018

ROI Analysis

Table 4 provides IDC's analysis of the benefits and costs for study participants related to their use of Collibra data governance and catalog solutions to manage, organize, and govern their data environments. IDC projects that over three years, these organizations will capture benefits in terms of higher net revenue and employee productivity levels worth a discounted average of $20,984 per impacted user ($15.25 million per organization) compared with a discounted total investment of $3,440 per impacted user ($2.50 million per organization). This level of average benefits and investment costs would result in a three-year ROI of 510% for these organizations, with breakeven on their investment in Collibra occurring in an average of seven months after their initial installation/deployment (see Appendix B for further details about IDC's Business Value methodology).

TABLE 4 Three-Year ROI Analysis

	Per Organization	Per Impacted User
Benefit (discounted)	$15.25 million	$20,984
Investment (discounted)	$2.50 million	$3,440
Net present value (NPV)	$12.75 million	$17,544
Return on investment (ROI)	510%	510%
Payback period	7 months	7 months
Discount rate	12%	12%

Source: IDC, 2018

CHALLENGES AND OPPORTUNITIES

The data challenges that organizations and users face are a confluence of a changing regulatory landscape, increasing competition from new digital entrants, and the required pace of innovation to remain competitive. Organizations must continue to innovate to remain competitive and avoid having competitors disrupt existing marketplaces in such a way as to make existing products or services obsolete. That innovation may come in the form of launching new digital products and services, transforming customer and employee engagement, and adopting new business and operating models. From a data management perspective, the General Data Protection Regulation, specifically, has created an opportunity for many vendors to capitalize on data use regulations.

New entrants seeking to tackle GDPR have created a crowded market space with wide-ranging characteristics and capabilities. As a result, buyers have expressed some disinterest in listening to regulatory use cases, general confusion about key product capabilities, and frustration in finding products or services that meet their unique needs. More broadly speaking, organizations are faced with not only specific regulations but also how to manage and ensure data privacy. At the same time, buyers must not only evaluate compliance with regulations but also launch new data- and customer-centric offerings to remain competitive, placing further pressures on organizations to employ the right data governance models.

Conversely, there is also opportunity as companies seek to accelerate digital transformation. IDC forecasts that businesses will spend $1.3 trillion in trying to transform their businesses in 2018. That comes on the heels of spending $1.1 trillion in 2017. IDC believes that by 2021, businesses worldwide will spend $2.1 trillion or more every year on digital transformation. At the center of an organization's digital transformation initiative is a data-centric approach to reaching new customers, launching new digital offerings, and optimizing operations and business models. While technology and data are at the nucleus of these strategies, it's also imperative for business units to move in concert without duplicating data efforts across departments, which will continue to be a significant challenge for large firms when faced with the pressures of transforming.

CONCLUSION

Data-driven organizations are becoming the norm in today's competitive business climate. The role of data has never been more strategic to an organization. However, this growing importance requires a comprehensive data strategy spanning data governance, data use, and data insights. Leading organizations have recognized this imperative and are employing a multipronged approach across technology, people, and processes to achieve their operational and business objectives. Employing solutions such as Collibra's provides visibility, transparency, and control for large and disparate data environments.

As this study showed, users are realizing strong value with Collibra, and most plan to extend its use in the coming years as their organizational data initiatives mature. IDC projects that on average, these organizations will achieve $6.45 million per year per organization ($9,368 per impacted user) over three years by identifying new business opportunities, enabling business intelligence and data teams, providing more efficient compliance and auditing operations, and increasing the productivity of data custodians and stewards.

APPENDIX A

Methodology: Treatment of Productivity/Revenue Benefits

For purposes of the financial analysis, IDC discounted the value of productivity gains for data-focused and regulatory compliance/auditing teams with a 15% assumed factor, which is the same factor that is used for treating revenue gains in all IDC Business Value studies. This approach allows for the fact that other factors can also contribute to these types of productivity gains. Table 5 shows gross and recognized productivity impact of use of Collibra for these teams. Gross productivity benefits reflect the percentage of productivity gain that interviewed organizations reported that these teams are achieving with Collibra, while recognized productivity benefits reflect the percentage of productivity gain that IDC translated into financial value for purposes of the financial model supporting this analysis.

TABLE 5 Gross Versus Recognized Productivity Calculations

	Productivity Level in FTEs Before Collibra	Productivity Level in FTEs with Collibra	Percentage Benefit with Collibra
Business intelligence and analyst teams			
Gross productivity level	570	701	23.1%
Recognized productivity level	570	589	3.5%
Data scientist and analytical engineer teams			
Gross productivity level	89	91	2.6%
Recognized productivity level	89	89	0.4%
Regulatory compliance teams			
Gross productivity level	277	353	27.0%
Recognized productivity level	277	289	4.1%
Auditing teams			
Gross productivity level	7	7	5.8%
Recognized productivity level	7	7	0.9%

Source: IDC, 2018

APPENDIX B

IDC's Business Value Methodology

IDC's standard ROI methodology was utilized for this project. This methodology is based on gathering data from organizations currently using Collibra data governance and catalog solutions to manage and organize data in support of business operations. Based on interviews with these study participants, IDC performed a three-step process to calculate the ROI and payback period:

- Measure the benefits associated with using Collibra in terms of higher net revenue and productivity levels for teams whose jobs require significant use of data.
- Ascertain the investment made in using Collibra.
- Project the costs and savings over a three-year period and calculate the ROI and payback.

IDC bases the payback period and ROI calculations on a number of assumptions, which are summarized as follows:

- Time values are multiplied by burdened salary (salary + 28% for benefits and overhead) to quantify efficiency and productivity savings. For purposes of this analysis, based on the geographic locations of the interviewed organizations, IDC has used assumptions of an average fully loaded salary of $100,000 per year for IT staff members and an average fully loaded salary of $70,000 per year for non-IT staff members. IDC assumes that employees work 1,880 hours per year (47 weeks x 40 hours).
- Higher productivity is a product of improved productivity levels multiplied by burdened salary.
- Higher gross productivity levels for end users and gross revenue gains are taxed with a 15% operating margin assumption to obtain net productivity and revenue increases, reflecting the fact that there are generally other factors that also contribute to an organization's ability to achieve these benefits.
- The net present value of the three-year savings is calculated by subtracting the amount that would have been realized by investing the original sum in an instrument yielding a 12% return to allow for the missed opportunity cost. This accounts for both the assumed cost of money and the assumed rate of return.

Further, because IT solutions require a deployment period, the full benefits of the solution are not available during deployment. To capture this reality, IDC prorates the benefits on a monthly basis and then subtracts the deployment time from the first-year savings.

Note: All numbers in this document may not be exact due to rounding.

About IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications and consumer technology markets. IDC helps IT professionals, business executives, and the investment community make fact-based decisions on technology purchases and business strategy. More than 1,100 IDC analysts provide global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries worldwide. For 50 years, IDC has provided strategic insights to help our clients achieve their key business objectives. IDC is a subsidiary of IDG, the world's leading technology media, research, and events company.

IDC Global Headquarters

5 Speen Street
Framingham, MA 01701
USA
508.872.8200
Twitter: @IDC
idc-insights-community.com
www.idc.com

IDC
ANALYZE THE FUTURE