



The Top 5 Ways Enterprises Get Value From Box®

“ \$292,298 –
The average annual
cost savings of
file server replacement
with five hundred users
on Box. ”

ESG

Box Economic
Validation Study



133 West Second Street
Perrysburg, OH 43551
Tel: (419) 874-0800
Fax: (419) 874-219

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Box engaged industry analyst firms to take a deeper look into how its customers are getting value from Box's enterprise content and collaboration services. Enterprise Strategy Group (ESG) assessed the financial impact of deploying Box vs. maintaining on-premise local file servers and email as primary modes of team collaboration¹. Box also commissioned IDC to showcase customers in an upcoming IDC Customer Spotlight series². Both firms conducted in-depth customer interviews surfacing the following five key takeaways. This white paper is intended to help senior IT management learn more about how Box can be justified from a Return On Investment (ROI) perspective.

1. Better Collaboration: Enable New Ways To Work In The Post-PC Era

An ESG economic value analysis study found that on average Box users save 12 hours per year by expediting team collaboration tasks and simplifying file access, sharing and search. For an average file server replacement customer of 500 users, this translates to \$292,298 of annual cost-saving benefits³. The study also found that companies realized significantly higher benefits from the increase in team collaboration – both internal and external to the organization – and Box's multi-device support for syncing corporate content.

Forward-thinking IT groups are finding that getting ahead of the Bring Your Own Device (BYOD) trend has its benefits. Today employees pay for more than half of the cost of mobile devices used for work and for tablets; this ratio goes up to 70% according to Forrester Research. Users will increasingly be using devices not provided by the enterprise to get their work done. Getting ahead of the end users in this area is critical if IT is to provide leadership around meeting user expectations and requirements on how users want to work. As a CIO of a global data center service provider puts it,

“ I've been at CIO sessions where CIOs say 'You know what? We're not going to deploy our enterprise apps to mobile devices.' I call them 'C-I-nOs.' It seems to me they are missing the trend of where business is headed. It's important to deliver information and applications where your employees and customers are: mobile. ”

Giving users a seamless experience across their devices allows users to work the way they prefer to work. For example a user can create a presentation from a laptop, review and edit it on a tablet, and then share it with team members using a smartphone. Seamless workflows like this make users more productive and happier.

Customers cite the improved ability to simply find and share files simply, both internally and with business partners, without having to VPN in or email files around:

“ Not only can we find things quicker, we now can allow our partners and clients to access shared files in real-time. ”



“ \$80,000 - \$400,000:
The range of customer
cost savings from
eliminating on-premise
file shares and reducing
email attachment storage
with Box. ”

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“ P&G employees that have been using Box for a while tell me they have forgotten how painful file collaboration used to be. ”

Box customers report that they have seen significant reductions in the time it takes users and teams to complete business tasks. These tasks include: collaborating around marketing launch events without an IT bottleneck for the provisioning of external users; completing and executing legal contracts with several parties; shortening sales cycles by putting all relevant information in one place, and; shortening R&D cycles by creating a secure workspace where teams across the world can collaborate on design and product ideas. Deploying Box enterprise-wide significantly increases the value of collaboration and has shown to have direct impact on companies' performance.

2. Strategic IT Focus: Improve IT Efficiencies and Business Continuity

Customers report significant savings on hardware costs by eliminating on-premise file shares and reducing storage from email attachments. These cost savings varied based on company size and number of users deployed, and ranged from \$80,000 to \$400,000 for those interviewed. For an email based workflow, different versions of the same document might be mailed dozens of times between multiple different team members. According to one user,

“ We estimated that 80% to 90% of our storage capacity requirements were coming from email attachments. Those attachments are now being replaced by shared files on Box. ”

With a cloud-based service like Box, users can recover multiple versions of files, even in the event of accidental deletions, software file corruption, client failure or significant outage. While not a primary driver for the initial purchase, customers cite the ability to provide improved business continuity as an additional benefit of Box. As one customer cites,

“ Our city had a major power outage last year. With the combination of Box and mobile connectivity, our employees were able to keep working with minimal interruption to business. ”

Box customers also find IT efficiencies in reducing investment in: corporate VPN infrastructure, on-going maintenance, error handling of remote field servers, data backup and recovery, system installation and upgrades.

In the study, customers also benefit from various cost savings related to:

- **Storage Reduction:** One customer cites 40% storage cost reduction by converting to Box and eliminating on premise file shares.
- **Aging Server Replacements:** One waste management service company that is centralizing aging remote field servers on Box expects cost benefits in the \$130,000 - \$150,000 range in one year alone. Another customer in the real estate and property management industry saved \$400,000 replacing aging, crashing servers that it used for communicating with its 100 employees in 50 different counties.
- **IT productivity:** Most customers cite an upside benefit of eliminating such “keeping the lights on” tasks as capacity planning for file storage, while on-going file share maintenance freed up IT resources.



“ One of our consultants recently left the company. We realized that his project files were irretrievable from Dropbox and that information was gone forever. This is when we decided to evaluate a sanctioned tool for enterprise grade file sharing service. ”

Director of IT
Of A Large CPG Company

Customers also realize softer benefits including a full audit trail for improved compliance, and better visibility and management of corporate content (as compared to legacy solutions.) Many customers cite the major upside benefit of spending less time “keeping the lights on” and more time on IT strategy with impact on the business topline. One pharmaceutical company put it this way:

“ Our core competency is drug development. With Box, we can concentrate on working more effectively with partners on the drug discovery and development process instead of constantly dealing with IT issues. ”

3. Risk Mitigation: Maintaining Control and Oversight Over Corporate Information

According to the annual Cost of a Data Breach study by Ponemon Institute, the average organizational cost per data breach was \$5.5 million in 2011⁴. From examining 49 incidents across 14 industry sectors in the US, the study finds the cost per compromised record to be \$194, resulting in average of \$3.01 million of lost business costs for the company. Further, employee negligence causes 39% of breach incidents, 37% of malicious hacks and 24% of system failures⁵.

Most companies mention concerns over intellectual property leakage as a major factor in driving the evaluation of an enterprise solution for file sharing and collaboration. One customer said:

“ One of our consultants recently left the company. We realized that his project files were irretrievable from Dropbox and that information was gone forever. This is when we decided to evaluate a sanctioned tool for enterprise grade file sharing service. ”

Companies that are implementing BYOD policies need a secure solution that can enforce company security policies for local devices in case of theft or loss. As a result, many companies turn to Box for an enterprise-grade cloud content and collaboration solution. Box better meets customer needs for granular role-based access, easy user management, and advanced security and administration that can be deployed enterprise-wide. This enables IT to have greater oversight, control and a full audit trail of corporate information... providing IT with peace of mind.

Depending on the severity of the data breach, there can be significant direct costs associated with the assessment and reaction of the leak (e.g. PR, management time, IT labor costs, legal costs, etc.) The opportunity cost may be even greater if you are a computer chip manufacturer creating the next great processor, or a medical device company working on a new hip replacement implant, or a manufacturing firm building a new processing plant in Asia-Pacific. How do you put a price on lost intellectual property that can get you first to market with a truly innovative new product, or can help you compete more effectively in new markets and build capacity before the competition?



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4. Enterprise Grade Partner Ecosystem: Reduce The Integration Burden On IT

Customers value that Box fits into their existing IT environments from day one. Whether it's by leveraging the 200 business applications that already integrate with Box or by leveraging the Box Application Programming Interface (API), customers can customize, extend and integrate Box into existing workflows, business processes and applications they already use.

“ Moving to Box has shortened the sales cycle by 18 days within two quarters. ”

CIO
Of A Global
Life Sciences Company

“ The integration with Salesforce really appealed to us. We can create information once in Box, and know it's available anywhere. It makes our workflow much less complicated. ”

“ We needed a content-sharing solution that would play well with our existing IT environments which consist of over 30 cloud based systems including Okta for SSO, SmartSheet for project management and GoogleApps for email, calendar and GoogleDocs. Box's open cloud content management platform was ideal to fit in without much burden on IT. ”

Some customers have also built custom apps to run business critical processes. These include completing transactions by capturing data on mobile back to the core systems; pulling real time point-of-sale data to expedite decision-making on retail store floors; and enabling faster course correction and error handling at remote construction sites.

“ Once executed, the signed contract is back in Box. Through the API, a customer account folder gets provisioned ready for client services team to take over. Using Box has clearly expedited our business. ”

As another customer puts it,

“ Box is pretty unique in its flexibility as a platform. The integration capability that Box is bringing to the table is far above what we could do as an individual organization ourselves. ”

5. Business Agility and Speed: Leverage Cloud Solutions For Innovation

A recent Forrester survey found that 72% of IT decision makers say their motivation to use a SaaS solution is to improve business agility by adding new, innovative business processes with cloud services over existing IT capabilities⁶. For an innovative office design and architectural services firm, using Box results in faster time to invoice:

“ With managing so many different subcontractors involved in the process, the installation to invoice cycle pre-Box was averaging 6 days. Within 2 quarters, we were able to reduce the average 6 days down to 2 days to invoice from the project completion. That's direct cash flow positive that improves the balance sheet. ”

For a global life sciences company with a highly mobile and distributed salesforce, moving to Box has shortened the sales cycle by 18 days within 2 quarters. With the success of the first project, the company is planning an enterprise-wide deployment both to help innovation and to get more value out of its existing IT investments.



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Summary

No matter where you are on the cloud adoption spectrum, these analyst interviews reflect the tangible value and ROI of Box. Common benefit themes for Box's enterprise grade content and collaboration platform range from securing corporate content and improving risk management, to streamlining team and mobile collaboration with higher end user satisfaction. Investing in Box has helped customers free up IT resources to focus on revenue generating activities, improving companies' ability to compete in the increasingly connected 24/7/365 world.

About Box

Founded in 2005, Box provides a secure content sharing platform that both users and IT love and adopt. Content on Box can be shared internally and externally, accessed through iPad, iPhone, Android and PlayBook applications, and extended to partner applications such as Google Apps, NetSuite and Salesforce. Headquartered in Palo Alto, CA, Box is a privately held company and is backed by venture capital firms Andreessen Horowitz, Bessemer Venture Partners, Draper Fisher Jurvetson, Emergence Capital Partners, Meritech Capital Partners, NEA, Scale Venture Partners, and U.S. Venture Partners, and strategic investors salesforce.com and SAP.

Endnotes

1. Box Economic Value Validation Study, Enterprise Strategy Group, May 2012
2. IDC Customer Spotlights, May 2012
3. Box Economic Value Validation Study, Enterprise Strategy Group, May 2012
4. 2011 Annual Study: U.S. Cost of a Data Breach, Ponemon Institute March 2012, www.cio.com/article/print/702494
5. 2011 Annual Study: U.S. Cost of a Data Breach, Ponemon Institute March 2012, <http://www.symantec.com/content/en/us/about/media/pdfs/b-ponemon-2011-cost-of-data-breach-us.en-us.pdf>
6. The Changing Cloud Agenda, Forrester Research, Holger Kisker, Ph.D., April 24, 2012