The Business Value of Fivetran

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Executive Summary

We are at the dawn of a new era, where AI technologies have emerged that will drastically reduce the time and costs associated with developing solutions for a wide range of use cases associated with automation and intelligence. This new era of intelligent automation is a foundational shift, a seminal moment in the tech industry, and one that requires a new platform. A platform shift usually requires a hardware shift; yet in this case, there is no new silicon or hardware. This is a platform shift that will completely change our relationship with data and how we extract value from data.

This platform shift has not happened overnight, but foundational elements have been put in place throughout the past decade as cloud, mobile, and big data multiplied innovation across the technology industry and within organizations. More recently, we have seen the introduction of cloud-native data organization, movement, integration, and intelligence technologies to help organizations modernize and take control of data environments.

Fivetran was an early mover in the development of technologies that support modern data-driven innovation, and as Fivetran has established a market presence and longevity of use, it provided an opportunity to research the value of the solution for those organizations that have implemented it.

IDC conducted interview-based research that explored the value and benefits of organizations utilizing the Fivetran data platform to connect, replicate, and move data effectively between sources.

Based on the data attained from the interviewed organizations, IDC calculated that Fivetran customers achieved business value benefits worth an annual average of $1.5 million ($89,500 per data source) by:

- Significantly increasing the productivity of data engineers, analytics teams, and governance teams by automating highly manual tasks and increasing access to high-quality data
- Decreasing data silos for line-of-business data users, which ultimately enabled them to work with greater productivity
- Increasing organizational revenue opportunities by unlocking data to enable better customer service and more strategic planning

Business Value Highlights

Click each highlight below to navigate to related content within this document.

- **459%** three-year ROI
- **$1.5 million** in average annual benefits
- **$89,500** average annual benefits per data source
- **$177,400** annual operational cost savings
- **$83,000** in additional net revenue
- **3 month** payback period

Situation Overview

The modern data environment is characterized as being highly distributed, diverse, and dynamic. Data is distributed across business domains and hybrid and multicloud operational environments. IDC syndicated research surveys tell us that most organizations have not been able to remove data silos, and many identify data distribution as a challenge that is impacting their ability to improve business and data outcomes. Data is in many different types, formats, and technologies. Many organizations also state that the diversity of data is a challenge impacting their ability to improve outcomes. The dynamics of data are seen in the fact that data is always moving and changing, and many organizations state that data is changing faster than they can keep up with.

Taking control of modern data environments requires connection, replication, and movement across and between data sources to extract value from data. There is also a growing need to analyze data in real time, or near real time.

Taking control of modern data environments requires connection, replication, and movement across and between data sources to extract value from data. It is important to note that modern data environments include new data technologies, and they also include legacy data technologies. Therefore, it is important that solutions in the modern data environment can leverage past investments organizations have made in data.

There is also a growing need to analyze data in real time, or near real time, in support of use cases that require knowledge of what is happening now to make operational business decisions. What happened yesterday or last week or last month is no longer fast enough. Streaming analytics has emerged as a capability and competitive software market, with change data capture technologies being a significant source of streaming data because it can "listen" to transactions occurring in business applications, replicating data into a stream for real-time analytics and decisioning.

The business value of Fivetran's capabilities to support data source connection, replication, and movement across modern data environments into centralized repositories is the focus of this white paper as it looks at improvements in data team efficiency, effectiveness, ability to remove data silos, and how these solutions are unlocking the value of data through the quantification of business outcomes.

Fivetran Overview

Fivetran provides an automated data movement platform. It offers secure and reliable automation of end-to-end extract, load, transformation, and governance of data movement, ensuring 99.9% uptime for customers. As a service that was born in the cloud, Fivetran is highly scalable as it can move data in the modern environment that is inclusive of cloud, hybrid, and on premises.

Fivetran uses a combination of log-based change data capture, log-free database replication, and high-volume agent connectors to help organizations scale analytics with low impact on source and target database systems, streaming technologies, and SaaS. Fivetran supports cloud-native data warehouses, lakes, and lakehouses, including Snowflake, Databricks Delta Lake, Google BigQuery, Microsoft Azure Synapse, AWS Redshift, and Kafka. Fivetran provides fully managed pipelines to sync data from more than 300 SaaS applications such as Salesforce. It also has deep support for many on-premises database technologies, including legacy (Oracle and SQL Server) and mainframe platforms (DB2). Fivetran's primary focus is on the movement of data, but through a partnership with dbt Labs, the company supports transformations in target data repositories.

Fivetran supports cross-industry and crossline of business solutions, with reference use cases in marketing analytics, finance analytics, sales and customer support analytics, retail and CPG, financial services, and manufacturing. As a managed service, Fivetran customers can focus on higher-value business activities and not have to be concerned about technical connectivity and complexity of data movement in highly distributed, diverse, and dynamic modern data environments.

Fivetran provides an automated data movement platform. Fivetran uses a combination of log-based change data capture, log-free database replication, and high-volume agent connectors to help organizations scale analytics.

The Business Value of Fivetran

Study Firmographics

IDC conducted in-depth interviews that explored the cost and benefits organizations achieved from using Fivetran to successfully move data between sources to build better reporting and optimize data for business insights. In total, seven organizations were interviewed that had deep experience and knowledge about the costs and benefits attained from their deployment and the usage of

Fivetran. Participants included in this primary research initiative were asked a wide variety of quantitative and qualitative questions about the impact of Fivetran on their data operations, overall business, and investment.

Table 1 presents the firmographics of the interviewed organizations. Companies ranging from 35 to 8,000 employees (average 2,684 employees) were included in this study. Geographically, study participants were located in the United States, the United Kingdom, and Germany. A wide variety of vertical markets were represented including software, nonprofit, financial services, retail, manufacturing, and healthcare.

TABLE 1

Firmographics of Interviewed Organizations

	Average	Median	Range
Number of employees	2,684	2,500	35–8,000
Annual revenue	$1.3B	$982.0M	$4.5M–$2.9B
Countries	United States (4), United Kingdom (2), Germany		
Industries	Software (2), nonprofit, financial services, retail, manufacturing, healthcare		

n = 7; Source: IDC Business Value In-Depth Interviews, July 2023

Choice and Use of Fivetran

Interviewed organizations detailed their motivation for selecting the Fivetran data movement platform. These organizations were looking to Fivetran to overcome significant reliability, scalability, and connectivity challenges. These problems were ultimately limiting data usage within interviewed organizations, and Fivetran was viewed as a secure, reliable, and cost-effective way to overcome them. Interviewed organizations were also looking for greater data source simplification and automation to maintain their applications with ease.

Study participants discussed their rationale in detail:

Need for a reliable, scalable solution — healthcare organization:

"My organization was using another solution before, and we found that it wasn't quite meeting our needs in terms of reliability and scalability. We wanted something that was a little more point and click, a little easier to configure, and would have a more robust path to scale."

Simplification of data sources — software organization:
"My organization mostly had disparate sources and a legacy application that was difficult to maintain, so we were glad to switch to Fivetran."

To overcome significant connection limitations — nonprofit organization:
"For a while, we had a couple connections set up with another platform, but there were significant limitations. To overcome those limitations would have been cost prohibitive, so we looked for an alternative solution."

Table 2 illustrates the organizational usage of Fivetran for participants at the time of their interviews. Fivetran supported 7 business applications and 17 sources of data on average. The platform was used to support a good number of databases, including 43 analytic databases and 16 transactional databases. Additional metrics are shown in **Table 2.**

TABLE 2

Organizational Usage of Fivetran

	Average	Median
Business applications	7	5
Transactional databases	16	2
Analytic databases	43	1
Data sources	17	15
Percentage of total revenue	21%	5%

n = 7; Source: IDC Business Value In-Depth Interviews, July 2023

Business Value and Quantified Benefits

Fivetran had a very positive impact on the data movement activities within interviewed organizations. The platform was very successful at automating once highly manual processes for data engineers and importantly, freed up their time to focus on high-value organizational tasks. In adopting Fivetran, it was noted that automation enabled data

engineers to effectively move or replicate data between cloud platforms, databases, and applications with speed. The near-real-time data movement provided by Fivetran decreased data silos within interviewed organizations and unlocked a plethora of data sources for analytics teams and other data end users.

IDC asked interviewed organizations to detail the most significant benefit they achieved in using Fivetran. They found that Fivetran increased accessibility, replicated data quickly, and simplified complex processes.

Study participants offered these comments about Fivetran's most significant benefits:

Quick data loading — software organization:

"The largest benefit of Fivetran is that there is basically no time to load data from a new tool via Fivetran. You set up the connection and then you have your data within a few hours to a day, depending on the volume. Without Fivetran, we would need to build a connection via an open source tool, which would take longer. So this means we do work in a matter of hours rather than days."

Real-time data replication — retail organization:

"The most significant benefit of Fivetran for my organization would be near-real-time data replication and availability."

Greater access to systems from replication — financial services organization:

"My organization is replicating our Oracle source systems with Fivetran. The benefit that gave us was the ability to access copies of those systems with a sub-one-second latency, which is then used for a number of operational processes that we can run off the source systems. It's allowed the data analysts/data scientists to have access to those systems, which they didn't before."

Easier connection setup and maintenance — nonprofit organization:

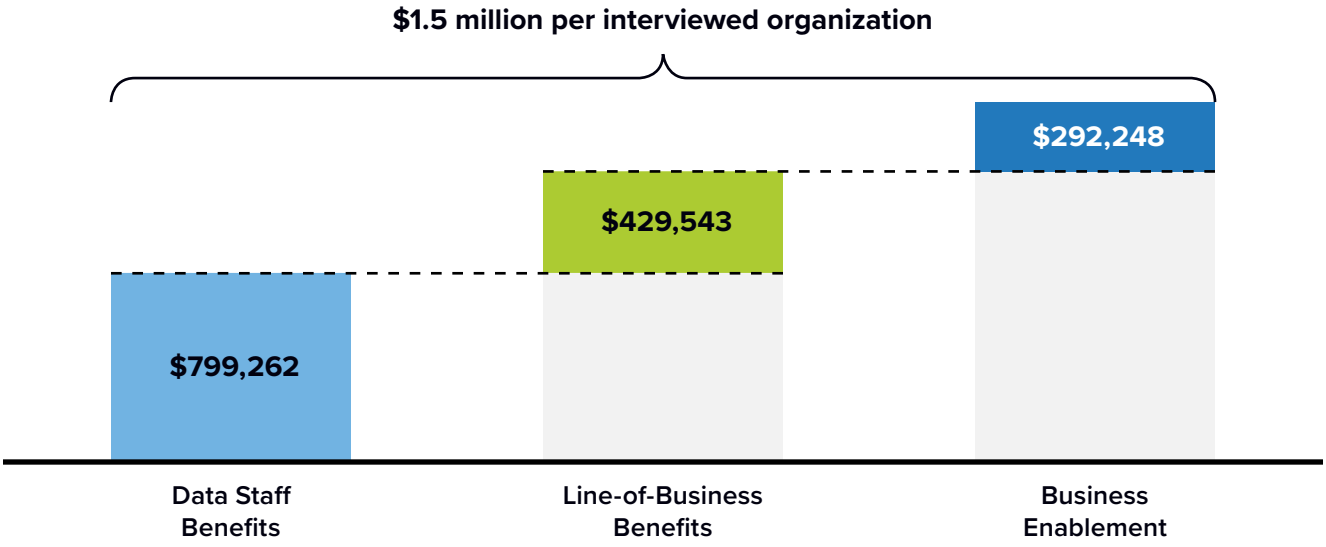
"Fivetran gives my organization the ability to set up a connector with a destination, and that has saved weeks and weeks of time, just from the setup front. We also need less resources to maintain these connectors. Being a small nonprofit, just one person on the data team, this is a major time saving. Not having to hire developers is a massive cost saving as well."

IDC's calculations of benefits achieved by interviewed organizations after the adoption of Fivetran are shown in **Figure 1** (next page). Factoring in deployment time, interviewed organizations realized $1.5 million in average annual benefits ($89,500 per data source). Fivetran had the most significant impact on the data staff within interviewed organizations. The platform also positively impacted end users and the overall business. **Figure 1** breaks down the annual benefit in greater detail.

FIGURE 1

Average Annual Benefits per Organization

($ per interviewed organization)



n = 7; Source: IDC Business Value In-Depth Interviews, July 2023

For an accessible version of the data in this figure, see Figure 1 Supplemental Data in Appendix 2.

Data Staff Benefits from Fivetran

Data transformation is incredibly important within modern organizations. There is increasing pressure for data engineers to provide real-time access to highly coveted data across the organization. No longer are just analytics teams diving into data, but business units like finance, logistics, marketing, and sales request access to high-quality data like never before. The Fivetran data movement platform is designed to automate time-consuming ELT processes, enabling data engineers not only to refocus their efforts but also to better serve their entire organization.

In the following quotes, study participants discussed the various operational benefits that data staff associated with the deployment and use of Fivetran. Fivetran quickly connected databases, applications, and cloud platforms, without consuming a tremendous amount of data engineering team's time. Not only were quicker connections made across connectors and pipelines, but once established, those connectors were easier to maintain.

Data Staff Benefits Highlights

- **48%** more productive data engineers
- **20%** more productive data analytics teams
- **16%** more productive data governance teams

The following participants elaborated on these benefits:

Engineers repurposed to work on business initiatives — software organization:
"The most useful benefit is abstracting our engineers from building and maintaining custom pipelines through many different APIs [application programming interfaces]. Fivetran builds them instead. Also any updates to the API, they are abstracted from that work. So having Fivetran handle [this] enables engineers to do more downstream engineering work."

Time saved building connectors and pipeline — software organization:
"Instead of engineers spending more time and resources building pipelines to the API, Fivetran does this. The connectors are efficient, and they bring in the data for the daily schedules."

Less manual data pulls — nonprofit organization:
"In the past, a lot of my organization's data pulls have been manual — for example, looking at a specific platform like Instagram, tracking once a week how many followers we have. Instead of pulling one static number, we're able to apply filters and decode these things in an automated way."

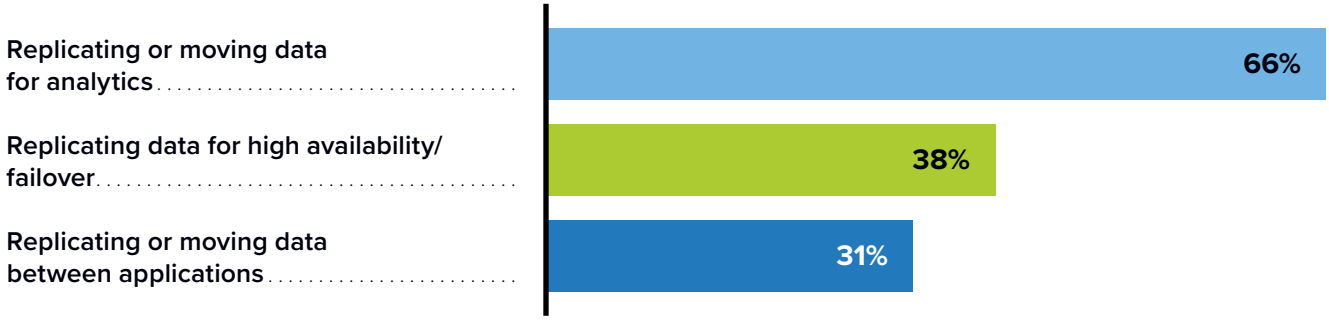
Quick analytical database connections — software organization:
"Fivetran quickly connects all the business systems we have to analytical databases, which we would otherwise need to write custom patching code."

Figure 2 illustrates the key performance indicators (KPIs) that data engineers accomplished in using Fivetran. Interviewed organizations made it abundantly clear that Fivetran increased the effectiveness of data replication across multiple sources and purposes.

FIGURE 2

Data Replication KPIs

(% more efficient)



n = 7; Source: IDC Business Value In-Depth Interviews, July 2023

Based on the KPIs shown in Figure 2, **Table 3** illustrates the productivity gain of data engineers within interviewed organizations. **In using Fivetran, this team achieved a significant productivity gain of 48% and worked with the equivalent productivity level of 6.3 additional FTEs. IDC valued this staff productivity gain at $437,792.** Interviewed organizations related this strong gain back to the automation provided by Fivetran when building and maintaining connections, pipelines, and data sources. In addition, this team was better able to support its organization because with Fivetran, they were 17% quicker to deliver insights to their business, and it took 35% less time to deliver.

TABLE 3

Data Engineering Team Productivity Gains

	Before Fivetran	With Fivetran	Difference	Benefit
Equivalent productivity level (FTEs)	13.2	19.4	6.3	48%
Value of staff time per year	$921,667	$1.4M	$437,792	48%

n = 7; Source: IDC Business Value In-Depth Interviews, July 2023 (Note: Numbers may not be exact due to rounding)

IDC also evaluated the impact of Fivetran on data analytics teams within interviewed organizations. This team was encompassed by titles including business analyst, data scientists, analytical engineers, and business intelligence teams. Those interviewed found that the analytics team specifically benefited from Fivetran decreasing data silos across their organization. This enabled the analytics team to have increased access to very high-quality data. **As a result of easier data access, the team was able to work with the productivity level of 4.1 additional FTEs, a 20% productivity boost (see Table 4). IDC valued this productivity gain at $290,057.**

TABLE 4

Data Analytics Team Productivity Gains

	Before Fivetran	With Fivetran	Difference	Benefit
Equivalent productivity level (FTEs)	20.6	24.7	4.1	20%
Value of staff time per year	$1.4M	$1.7M	$290,057	20%

n = 7; Source: IDC Business Value In-Depth Interviews, July 2023

In addition, study participants found that data governance teams gained productivity from the use of Fivetran. Data was controlled and maintained with greater ease because Fivetran provided better access control and data visibility than their previous solutions. **Table 5 quantifies that from using Fivetran, data governance teams were able to work with the equivalent productivity level of 1.7 additional FTEs, a 16% productivity enhancement that was valued at $117,000.**

TABLE 5

Data Governance Team Productivity Gains

	Before Fivetran	With Fivetran	Difference	Benefit
Equivalent productivity level (FTEs)	10.3	12.0	1.7	16%
Value of staff time per year	$720,000	$837,000	$117,000	16%

n = 7; Source: IDC Business Value In-Depth Interviews, July 2023

Line-of-Business Impact of Fivetran

Data end users from several key business units in interviewed organizations benefited from the deployment and use of Fivetran. These business units included financial, sales, logistics, marketing, and product management teams. Across the board, Fivetran helped provide data end users with broader access to critical business data with speed. The platform unlocked this data by decreasing silos in a user-friendly manner.

Interviewed organizations discussed the benefits of Fivetran for end users:

Broader access to business data — manufacturing organization:

"Prior to Fivetran, data tended to be very siloed, very manual in its acquisition. Fivetran has enabled broad and easy access to data, where it's been very manual and ad hoc in the past."

Quicker organizational access to data — software organization:

"Fivetran has sped up the ability for us to expose this data to data centers and analysts without having to go through a normal development cycle, which would probably take us months."

Better marketing capabilities — retail organization:
"Our marketing organization is using data from Fivetran to build email groups to improve customer segmentation."

First, IDC evaluated the impact of Fivetran on finance teams within the interviewed organizations. By providing near-real-time access to business impacting data, Fivetran had a tremendous impact on the productivity of this group of employees. They gained the ability to analyze win rates, forecast with greater accuracy, and plan strategically. **As shown in Table 6, Fivetran enabled this team to work with the equivalent productivity level of 2.5 additional FTEs, which amounted to a significant 40% productivity gain. IDC valued this gain at $177,750.**

TABLE 6

Finance Team Productivity Gains

	Before Fivetran	With Fivetran	Difference	Benefit
Equivalent productivity level (FTEs)	6.4	9.0	2.5	40%
Value of staff time per year	$450,000	$627,750	$177,750	40%

n = 7; Source: IDC Business Value In-Depth Interviews, July 2023 (Note: Numbers may not be exact due to rounding)

IDC then looked at the impact of Fivetran on sales and customer success teams. These teams gained deeper understanding of customer usage patterns by utilizing pipeline analytics provided by Fivetran. **As a direct result of using pipeline analytics, the sales and customer success teams of interviewed organizations recognized a 19% productivity gain and were able to work with the productivity of 1.4 additional FTEs (see Table 7, next page). IDC valued this gain at $101,250.**

TABLE 7

Sales and Customer Success Team Productivity Gains

	Before Fivetran	With Fivetran	Difference	Benefit
Equivalent productivity level (FTEs)	7.7	9.2	1.4	19%
Value of staff time per year	$540,000	$641,250	$101,250	19%

n = 7; Source: IDC Business Value In-Depth Interviews, July 2023 (Note: Numbers may not be exact due to rounding)

IDC also found that logistics teams derived benefits from the use of Fivetran. Fivetran helped these teams work with 29% greater productivity by providing access to robust data regarding shipment completion rates and status updates efficiently (see **Table 8**). **This productivity improvement enabled them to work with the equivalent productivity level of 0.6 additional FTEs and resulted in a value of staff time per year of $40,600.**

TABLE 8

Logistics Team Productivity Gains

	Before Fivetran	With Fivetran	Difference	Benefit
Equivalent productivity level (FTEs)	2.0	2.6	0.6	29%
Value of staff time per year	$140,000	$180,600	$40,600	29%

n = 7; Source: IDC Business Value In-Depth Interviews, July 2023

Next, IDC calculated the impact of Fivetran on various marketing groups within interviewed organizations. As with the other data end users discussed, **Table 9** (next page) displays that those in marketing were 16% more productive because of the use of Fivetran. Marketing teams were able to better segment their customers by accessing customer data, which enabled them to advertise their products and solutions more appropriately. They also gained a deeper understanding of their campaign performance, advertisement spend, and email response rates from having easy access to performance data. **As a result of better data access, Fivetran enabled these teams to work with the speed of 1 additional FTE, which IDC valued at $70,313 per year.**

TABLE 9

Marketing Team Productivity Gain

	Before Fivetran	With Fivetran	Difference	Benefit
Equivalent productivity level (FTEs)	6.4	7.4	1.0	16%
Value of staff time per year	$450,000	$520,313	$70,313	16%

n = 7; Source: IDC Business Value In-Depth Interviews, July 2023

Product managers were the final line-of-business team that gained productivity from Fivetran. The data movement platform helped interviewed organizations provide detailed customer data to this group. This enabled product managers to gain even greater understanding of product and web usage behaviors, which gave them the ability to make better decisions regarding products. **Having this access to robust customer data empowered product managers to work with the equivalent productivity level of 0.9 additional FTEs, which amounted to a 12% productivity improvement and an annual value of $64,130 per interviewed organization (see Table 10).**

TABLE 10

Product Management Team Productivity Gains

	Before Fivetran	With Fivetran	Difference	Benefit
Equivalent productivity level (FTEs)	7.6	8.5	0.9	12%
Value of staff time per year	$530,000	$594,130	$64,130	12%

n = 7; Source: IDC Business Value In-Depth Interviews, July 2023

Business Enablement Impact of Fivetran

Enterprises are recognizing the ever-growing power of data. They are faced with the daily challenge of moving data effectively and efficiently so that every area of their business can unlock and have access to critical data to inform decisions. It was made abundantly clear by study participants that Fivetran has played a critical role in data movement at their organization. Through greater automation, scale, and reliability, the data movement platform helped them quickly move and replicate data across various sources. In using Fivetran, their businesses were enabled to harness data to form greater resiliency, plan more strategically, and better serve their customers.

Study participants discussed how Fivetran enabled their businesses to perform better:

Faster processes — software organization:

"Loading everything to the central warehouse allows us to make some processes faster and smoother without adjusting to specialized systems. We can get things out faster — we don't need software engineering time for that, we can use existing infrastructure."

Ability to offer a wider breadth of services — retail organization:

"Our data engineers more readily set up new data sources, in minutes rather than weeks. We can very easily set up security policies, say for handling HR data, whereas previously that had been functionally impossible. A lot of this comes down to services we didn't even have before. We gained the ability to easily bring in a variety of custom data sets from our marketing origination so we can track spend and categorize it, as well as pulling in financial forecasts from our financial department. It gives us a wider breadth of services."

Better customer service — manufacturing organization:

"My organization has increased our ability to perform customer service because Fivetran gives us faster and better insights."

More resiliency to business changes — retail organization:

"My organization is more resilient to business changes, especially when the change invokes a change on the source system. Because of Fivetran, we're able to provide access to that data a lot quicker than we would have in the past."

Interviewed organizations attributed higher revenue to their use of Fivetran (see **Table 11,** next page). Data was unlocked and provided to end users with speed. Near-real-time access to high-quality data enabled interviewed organizations to better serve their customers, support products or business initiatives with data-backed insights, and plan more strategically. Factoring in a 15% operating margin, IDC calculated that organizations achieved $83,234 in additional net revenue per year from using Fivetran and better harnessing data.

TABLE 11

Business Enablement — Higher Revenue

	Fivetran Impact	Per Data Source
Total additional gross revenue per year	$554,894	$32,641
Assumed operating margin	15%	15%
Total additional net revenue — IDC model	**$83,234**	**$4,896**

n = 7; Source: IDC Business Value In-Depth Interviews, July 2023

Table 12 demonstrates that study participants were able to reduce operational costs by using Fivetran. Fivetran helped organizations reduce bad technical debt and be more operationally resilient to business challenges. As a result, interviewed organizations recognized operational cost savings annually of $177,400 and on a one-time basis of $285,714.

TABLE 12

Business Enablement — Operational Cost Efficiencies

	One Time	Annual
Operation cost savings	**$285,714**	**$177,400**

n = 7; Source: IDC Business Value In-Depth Interviews, July 2023

ROI Summary

Table 13 (next page) presents IDC's ROI and analysis for study participants' use of Fivetran. IDC calculated that these companies achieved three-year discounted benefits worth an average of $3,642,700 per organization through more productive staff performance and business enablement. These benefits compare with a total three-year discounted investment of $651,300 per organization. These levels of benefits and investment costs resulted in an average three-year ROI of 459% and a payback of three months.

TABLE 13

Three-Year ROI Analysis

	Per Organization	Per Data Source
Benefit (discounted)	$3.6M	$214,276
Investment (discounted)	$651,300	$38,312
Net present value (NPV)	$3.0M	$175,965
ROI (NPV/investment)	459%	459%
Payback	3 months	3 months
Discount factor	12%	12%

n = 7; Source: IDC Business Value In-Depth Interviews, July 2023

Challenges/Opportunities

The biggest challenge Fivetran faces is the commoditization of cloud-native data movement capabilities. Several data pipeline competitors offer no-cost and ultra low-cost services for data movement in the cloud. Value-added capabilities such as change data capture, transformation, and advanced levels of security are an added cost or unavailable, and it is these capabilities that are the key differentiators for Fivetran and the solutions it offers to the marketplace. Fivetran will need to continue its differentiation and investment in automation, reliability, and security and demonstrate real business value of its solutions to stay ahead of the competition and no-cost offerings.

Conclusion

Intelligent automation is changing our relationship with data and how we extract value from data. Data modernization is a part of the data value equation, inclusive of the need for timely and effective replication of data between operational and analytical data stores and in support of event-driven analytics for real-time decision making. Modern data environments

include new data technologies, and they also include all the past investments organizations have made in data, and therefore data modernization initiatives need to consider technologies that can bridge the gap between old and new and batch and real time. Data movement and replication technologies such as Fivetran offer noninvasive and high-performance managed solutions that can help organizations accelerate data modernization initiatives.

IDC believes the best proof of product claims comes from customers that actually use the products. This study was able to evaluate and quantify Fivetran customers' improvements in data movement and replication in modern data environments, changing their relationship with data and demonstrating value that is being extracted from data.

Appendix: Methodology

IDC's standard ROI methodology was utilized for this project. This methodology is based on gathering data from current users of Fivetran as the foundation for the model.

Based on interviews with organizations using Fivetran, IDC performed a three-step process to calculate the ROI and payback period:

1. **Gathered quantitative benefit information during the interviews using a before-and-after assessment of the impact of Fivetran.** In this study, the benefits included IT cost reductions and avoidances, staff time savings and productivity benefits, and revenue gains.
2. **Created a complete investment (three-year total cost analysis) profile based on the interviews.** Investments go beyond the initial and annual costs of using Fivetran and can include additional costs related to migrations, planning, consulting, and staff or user training.
3. **Calculated the ROI and payback period.** IDC conducted a depreciated cash flow analysis of the benefits and investments for the organizations' use of Fivetran over a three-year period. ROI is the ratio of the net present value (NPV) and the discounted investment. The payback period is the point at which cumulative benefits equal the initial investment.

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 the purposes of this analysis,

IDC has used assumptions of an average fully loaded $100,000 per year salary for IT staff members and an average fully loaded salary of $70,000 for non-IT staff members. IDC assumes that employees work 1,880 hours per year (47 weeks x 40 hours).

- 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.
- Because Fivetran requires 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.

Appendix 2: Supplemental Data

The table in this appendix provides an accessible version of the data for the complex figures in this document. Click "Return to original figure" below the table to get back to the original data figure.

FIGURE 1 SUPPLEMENTAL DATA

Average Annual Benefits Per Organization

	Per Organization
Data staff benefits	$799,262
Line-of-business benefits	$429,543
Business enablement	$292,248
Total	**$1,521,053**

n = 7; Source: IDC Business Value In-Depth Interviews, July 2023

Return to original figure

About the IDC Analysts

Stewart Bond

Research Director, Data Integration and Data Intelligence Software, IDC

Stewart's core research coverage includes watching emerging trends that are shaping and changing data movement, ingestion, transformation, mastering, cleansing, and consumption in the era of digital transformation. Having worked in the IT industry for over 25 years, from early experience in database and application development through solution design and deployment to strategic architectural consulting, Stewart has worked through some significant changes in the IT industry. His depth of field experience coupled with market insight gives him a unique perspective, valued by his customers and peers.

More about Stewart Bond

Megan Szurley

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Megan Szurley is a senior research analyst for the Business Value Strategy Practice, responsible for creating custom business value research that determines return on investment (ROI) and cost savings for enterprise technology products. Megan's research focuses on the financial and operational impact of these products for organizations once deployed and in production. Prior to joining the Business Value Strategy Practice, Megan was a consulting manager within IDC's Custom Solutions division, delivering consultative support across every stage of the business life cycle: business planning and budgeting, sales and marketing, and performance measurement. In her position, Megan partners with IDC analyst teams to support deliverables that focus on thought leadership, business value, custom analytics, buyer behavior, and content marketing. These customized deliverables are often derived from primary research and yield content marketing, market models, and customer insights.

More about Megan Szurley

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