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Forrester Report


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VMware Tanzu Labs Helps Organizations Speed Software Delivery And Modernize Legacy Applications

Organizations have access to an increasing number of tools and capabilities to engage customers quickly, cost-effectively, and with high quality. However, many organizations struggle to release applications on a quarterly basis, nevermind faster. This has elevated application modernization to the top of the priority list as decision-makers seek to capture opportunities by adopting more agile tools and processes.

VMware commissioned Forrester Consulting to examine the benefits, costs, and risks of investing in Tanzu Application Service (TAS) to speed application delivery and simplify operations. Forrester's interviews with four TAS customers and subsequent financial analysis found that a representative composite organization achieved a return on investment (ROI) of 142% over three years with TAS. Benefits include an 80% increase in developer efficiency, faster and more frequent release cycles delivering over \$6 million in additional revenue, and up to 23 instances of downtime avoided per year.

In addition to migrating to the TAS platform, these customers leverage VMware Tanzu Labs consulting services to jumpstart their app modernization journeys and get new features to production faster. During a Tanzu Labs engagement, practitioners work alongside the organization's team to define a modernization strategy, experiment and iterate through modernization and development work, impart best practices, build the team's skills, and deliver the project.

Forrester interviewed an additional VMware TAS customer that has leveraged Tanzu Labs over several recent engagements. This customer is a



Number of repeatable processes developed

48



Increase in release frequency

17x increase

global financial services organization based in the United States providing complex and tailored solutions to the most successful funds, brands, and clients. The organization's most recent Tanzu Labs engagements centered around the organization's continued focus on digital transformation. This abstract will focus on this customer's Tanzu Labs experiences.

INVESTMENT DRIVERS

The organization partnered with Tanzu Labs to get expert support across several of its key applications. The organization's objectives included:

- **Evolving impactful applications to better meet customer needs.** One client-facing application enables clients to access a broad set of information, runs millions of reports a month, and is used by multiple business units across dozens of countries. The interviewee noted, "We knew



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that as we transformed the client-facing front end, we wanted to be thoughtful about how we broke it down into domains. We did a Tanzu Labs AppTx engagement to learn more about how to break down a legacy monolithic application into microservices running on the cloud.” The other group of applications “mirror what our back-end systems need as opposed to a more client-centric approach”, so the organization wanted to reimagine what those applications could look like.

- **Enabling the team for long-term success.** The organization did not want to rely on vendors throughout its entire digital transformation journey. Rather, the organization wanted to build the skills within its own teams and “create patterns that could be followed” to enable these teams to be efficient and successful in future efforts. The interviewee noted, “We targeted the applications that we felt would help us learn the most in the areas where we could realize the biggest benefits.”

“I use the term ‘enabling’ very deliberately because the reason we began this engagement was to enable our development teams. It wasn’t saying to a firm, ‘We’re going to bring you in, and you can do it.’ We wanted to enable our own employees to do it.”

Application manager, financial services

VMWARE TANZU LABS FEATURES

VMware Tanzu Labs provides support to organizations like the interviewee’s through:

- **Starting small and iterating.** Tanzu Labs helps teams identify the first applications to start their journey, define the best modernization approach, and get started. Some applications are further

broken down into small components, allowing for iterative modernization.

- **Moving fast and automating.** The Tanzu Labs team and the organization’s team deliver quality code to production quickly, automating as many steps as possible along the production process and standardizing on more efficient practices.
- **Learning while working and building skills for the future.** The organization’s team works alongside experts to develop new skills while getting applications to production. Best practices, techniques, and repeatable patterns are documented in a ‘cookbook’ to ensure future efforts continue to benefit.

KEY RESULTS

The interviewed organization experienced several benefits from VMware Tanzu Labs, including:

Skills development and best practices adoption.

Tanzu Labs experts provide upfront education and repeatable learnings:

- **Collaborate on how to best break down a legacy application.** The Tanzu Labs engagement helped the organization break a monolithic application into core components that would work well as microservices running on TAS. The team learned how to understand patterns to use when breaking down a monolith to decide what code to lift and shift and what code to build new. The interviewee said, “We wanted to enable a stronger experience and a stronger application. I felt we did achieve that really well.”
- **Develop a cookbook of repeatable recipes.** During the first Tanzu Labs engagement, the organization created a ‘cookbook’ of almost 30 ‘recipes’ to guide the transformation effort as it worked with the Tanzu Labs experts. The team relied on and added an additional 17 recipes to

the cookbook before and during the second Tanzu Labs engagement to deliver even faster results, and the team now continues to add to the cookbook on their own. The interviewee noted, “The team definitely continued with that process, and it’s really exciting to see that practice stick.” The cookbook empowers the team with steps and learnings to teach other developers as recipes are added and for use during the next effort.

Increased confidence. Internal teams are more confidently tackling digital transformation projects:

- **Modernize critical applications without disruption.** It is daunting to be tasked with evolving a large application that touches critical business processes and currently functions well. Internal teams struggled with how to start and worried about making mistakes. With Tanzu Labs, “this gave my team confidence in a repeatable process they could use to make sure nothing got left behind. It helped ensure we were tackling our transformation efforts in a thoughtful way as opposed to feeling like it was an overwhelming amount of work.”

“The Tanzu Labs engagement has been a strong success story for my group in terms of being able to manage these really sizable efforts.”

Application manager, financial services

Improved processes and accelerated speed of delivery. The organization applies learnings to improve processes and speed delivery:

- **Deliver initial functionality faster.** With Tanzu Labs, transformation efforts proceed much more

rapidly. The interviewee noted, “The fact that I was able to release my first piece to live clients in four or five months was because of our collaboration.” For another group of applications, the organization was able to push meaningful instructions to back-end systems within two months.

- **Iterate and deploy feature updates quickly and more frequently.** The internal teams can get applications to production faster based on processes and techniques learned from the Tanzu Labs engagements including paired programming and leveraging new cookbook recipes across the team. The organization also learned when to prioritize developers’ time in meetings, reallocating 5 or more hours per week each for almost 10 developers for development work. Additionally, the team is now releasing functionality every two weeks vs three times a year, a 17x increase.

A foundation for the future. The organization is prepared for future projects:

- **This team is enabled and could enable additional teams in the future.** Coming out of the Tanzu Labs engagement, the participating teams have embraced improved delivery methods and expect to carry those forward across the organization’s future digital transformation projects. The interviewee said for future projects, “I would definitely start with this process, including recipes and cookbooks.” Thinking about expanding these practices to other teams within the organization, the interviewee shared, “I do think that this process really did help us establish a strong plan for moving forward with these rather large efforts and talking through that approach with other groups makes sense.”

TOTAL ECONOMIC IMPACT ANALYSIS

For more information, download the full report “The Total Economic Impact™ of Tanzu Application Service” commissioned by VMware and delivered by Forrester Consulting.

STUDY FINDINGS

Forrester interviewed four organizations using Tanzu Application Service (TAS) and combined the results into a three-year composite organization financial analysis. Risk-adjusted present value (PV) quantified benefits include:

- Developers spend 5x less time building and debugging environments with TAS.
- Shorter cycle times enable revenue-generating applications to be available to customers for two additional weeks.
- TAS reduces the amount of downtime for business-critical applications, saving \$5.4 million over three years.



Return on investment (ROI)

142%



Net present value (NPV)

\$15.4 million

DISCLOSURES

The reader should be aware of the following:

- The study is commissioned by VMware and delivered by Forrester Consulting. It is not meant to be a competitive analysis.
- Forrester makes no assumptions as to the potential ROI that other organizations will receive. Forrester strongly advises that readers use their own estimates within the framework provided in the report to determine the appropriateness of an investment in VMware Tanzu Application Service and VMware Tanzu Labs.
- VMware reviewed and provided feedback to Forrester. Forrester maintains editorial control over the study and its findings and does not accept changes to the study that contradict Forrester’s findings or obscure the meaning.
- VMware provided the customer name for the interview but did not participate in the interview.

ABOUT TEI

Total Economic Impact™ (TEI) is a methodology developed by Forrester Research that enhances a company’s technology decision-making processes and assists vendors in communicating the value proposition of their products and services to clients. The TEI methodology helps companies demonstrate, justify, and realize the tangible value of IT initiatives to both senior management and other key business stakeholders. The TEI methodology consists of four components to evaluate investment value: benefits, costs, risks, and flexibility.

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