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Organizations Migrating From Jira Software Data Center To Cloud Realized Developer Productivity Gains Of 20%

Decision-makers at two organizations with on-premises deployments of Jira Software Data Center sought to increase software delivery speeds as well as improve agile and DevOps practices within their organizations. However, the organizations' tooling presented challenges: Toolchains were disconnected; collaboration was low; and the IT teams had become bottlenecks. The IT departments wanted to empower teams to select the tools that would maximize their own productivity, but they also wanted to retain central administrative and governance capabilities to ensure security.

Jira Software Cloud includes advanced features to support agile and DevOps across an organization, and its capabilities can be extended via integrations with third-party software as well as other Atlassian products. These features are designed to improve collaboration and to save employees time (e.g., organizations can automate common tasks across applications). The many features in Jira Software Cloud have enhanced capabilities — especially in comparison to Jira Software Data Center — and some of the features are only available on Atlassian's Cloud platform.

Developer time saved:

1.5 hrs./day

Return on investment (ROI)

358%

Payback

12 months

To better understand the benefits, costs, and risks associated with using Jira Software Cloud to create integrated agile and DevOps toolchains — a use case know as Open DevOps — Atlassian and Amazon Web Services (AWS) commissioned Forrester Consulting to interview seven decision-makers and conduct a Total Economic Impact™ (TEI) study.[1] To understand the particular impact of migrating from Jira Software Data Center to Jira Software Cloud (and then implementing Open DevOps), Forrester asked the interviewees specifically about their Cloud migration experiences. Forrester also interviewed one decision-maker multiple times throughout their organization's months-long migration journey. This abstract will focus on the specific value those organizations realized by migrating from Jira Software Data Center to Jira Software Cloud.

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INVESTMENT DRIVERS

The interviewees noted how their organizations struggled with common challenges, including:

- Toolchains were disconnected, and this hurt productivity in two ways. First, the organizations lacked a consistent collaboration platform. Tooling varied across teams, so teams tended to work in silos. Second, employee time was drained by low-value tasks — e.g., copying and pasting information from one app to another and looking for the information necessary to solve a problem.
- IT was a bottleneck and struggled to support a proliferating number of tools. IT wanted to empower teams to choose their own tooling, but this made governance and administration challenging.

The organizations faced additional challenges specific to their investments in on-premises software:

- Rapid business growth was increasing the pressure on IT. Not only did delivery teams struggle to respond to business needs but the IT teams also struggled to keep up with the growing demands on their resources.
- Legacy deployments of Jira Software Data Center made migrating to Jira Software Cloud nontrivial. Decision-makers were also concerned about governance and security if they implemented cloud infrastructure.

"There are simply things that can be done on Cloud that cannot be done on-premises."

Senior manager, IT, software

JIRA SOFTWARE CLOUD FEATURES

Jira Software has a suite of features that can help teams increase productivity and accelerate workflows. Some of these features are only available in Jira Software Cloud or have enhanced capabilities in Jira Software Cloud. These features include:

- **Integration and automation.** Jira Software Cloud can be integrated with a large number of applications from Atlassian and third parties to create connected toolchains and pipelines. Organizations can then use Jira Software to automate common tasks across applications.
- **Built-in advanced features.** These features include: Advanced Roadmaps (for roadmapping); Insights (for reporting and analytics); and Development Panel and Deployments (for completing common development tasks). These features can replace or augment third-party software.
- **Performant UI.** Interviewees said that their teams preferred the UI design in Jira Software Cloud to that in Jira Software Data Center.

  A senior manager of IT in the software industry said: "Jira Software Cloud is a much better experience because it's much more modern, much more responsive. … After we migrated from Data Center to Cloud, our own staff — who are both our best critics and our best customers — said, 'This is refreshing. This is a step up from what we had before.' Then they said, 'We can do things in Cloud that we couldn't do before. … This is great. This actually improves what I'm doing.'" The interviewee added that Jira Software Cloud was noticeably faster.

  The interviewee concluded: "We got out of the mindset of updating every six months. Now, the team gets a day one unboxing experience — a new, refreshed experience — forever."

"Jira Software Cloud is the center of our universe. It's seen as a utility — like electricity."

Senior manager, IT, software

Interviewees also described the Cloud migration process as smooth, despite their initial reservations.

- A senior manager of IT at a networking organization said that from a technical standpoint, the process was easier than expected. The interviewee also appreciated support from Atlassian. They said: "I've done so many deployments. Jira Software Cloud was the scariest [but also] the most [hassle-free one] that I've done."
- A senior project manager of IT in the retail industry said: "The Cloud migration was really pretty straightforward to set up. … There was hardly any effort or no effort at all to integrate [our tools]."

KEY RESULTS

Interviewees reported the following benefits:

Developers saved up to 1.5 hours per day — a 20% increase in productivity. Using the features in Jira Software Cloud, the interviewees' organizations:

- **Automated low-level tasks so developers could spend more time coding.** The senior manager of IT in the software industry explained, "We look for opportunities to automate things away … and that's just reflected in the overall velocity."

  Before migrating to Jira Software Cloud, this interviewee's organization had deployed 76 custom integrations in Jira Software Data Center. However, within months of migrating to Jira Software Cloud, the organization had deployed hundreds of additional integrations and automations across applications. Each integration and automation was built in two to three days using no-code/low-code features in Jira Software Cloud. A typical integration might save a developer less than 10 minutes every time it is run. Across the organization and at scale, the time savings are significant: A developer taking advantage of just three integrations saves 30 minutes per day or 130 hours per year. With more than 2,500 developers at the organization, just a few integrations could save hundreds of thousands of hours of work.

"It's so important to make sure we have Jira Software Cloud running all the time. Every integration saves hundreds of hours — there's no doubt about that."

Senior manager, IT, software

- **Enabled better collaboration by integrating and unifying toolsets.** The senior manager of IT in the software industry explained: "Everyone is in one system. That removes the disconnects and improves collaboration. … People spend less time looking for things. … Now, everyone knows that the answer is going to be in Jira." Similarly, a senior project manager of IT in the retail industry estimated that collaboration was four times easier since the organization had moved to Jira Software Cloud.

"[Developers] seem happier now that we've moved to Cloud."

Senior project manager, IT, retail

IT team members saved at least 45 minutes per day — a 10% increase in productivity. Other members of IT departments — from support desk staff to product teams — realized time savings, too. The time savings varied by role, and interviewee data supports a conservative estimate of 10% per team member. Using the features in Jira Software Cloud, the interviewees' organizations:

- **Automated low-level tasks and improved collaboration companywide.** The senior manager of IT in the software industry said, "We've automated away the boring stuff so that people can get to the fun stuff."

  The interviewees described multiple integrations and automations possible only after migrating to Jira Software Cloud. Examples included:

  - The software organization deployed an IT help desk bot and integrated its internal chat software with Jira Software Cloud. The senior manager of IT said that this integration deflected 3,800 support tickets during its first month of operation, which saved 50% of the support staff's time and contributed to the team's 95% customer satisfaction (CSAT) score.
  - The senior manager of IT at a networking organization reported that IT leadership realized 10% overall time savings — 4 hours per week — after moving to Jira Software Cloud. Connected pipelines and the Insights feature in Cloud made reporting significantly easier.

- **Reduced support costs for on-premises infrastructure.** The interviewees said that migrating to Jira Software Cloud increased productivity because employees received the latest features right away rather than, e.g., every few months. (A typical update timeline when managing Jira Software Data Center in-house was every six to nine months.)

  The senior manager of IT at the software organization said, "It's like accruing interest at a bank — you accrue small profits all the time."

  They explained: "After migrating to Cloud, you're really leveraging Atlassian's R&D, and they speak to far more customers than I ever will. The relationship changes once you're on Cloud because then Atlassian is providing you with the reliability and support."

  The interviewee concluded: "Migrating to Cloud isn't just about leaving one technology platform for another. It also utilizes resources better — and not just infrastructure but also people. … My team is now providing much higher-value services to the business."

Software licensing costs per employee fell by 30%. Using the features in Jira Software Cloud, the interviewees' organizations:

- **Retired expensive third-party applications.** For example, at the software organization, product managers organically switched from the organization's old roadmapping software to using the Advanced Roadmaps feature in Jira Software Cloud. The organization then retired the old roadmapping software, which saved $500,000 in annual licensing costs.

  The senior manager of IT explained: "The product managers are willing to forgo some functionality to be on the same platform as

everyone else. And that has improved speed of delivery. … The benefits of Cloud far outweigh the difference in features."

The senior manager of IT also added, "Because Jira Software Cloud is so open to integrations, we never have to blindside people by forcing them to switch tools, especially if they think that will hurt their productivity."

Deployment frequencies increased — e.g., from semiannually to biweekly — and code quality improved by 10%. Using the features in Jira Software Cloud, the interviewees' organizations:

- **Delivered software faster and more frequently.** Several organizations increased their release frequencies from, e.g., every six months (using waterfall practices) to biweekly or faster (using agile sprints). The senior manager of IT in the software industry explained: "Before, we did one big upgrade of Jira Software Data Center per year, but with Jira Software Cloud, there is a daily trickle-in of features. … If we can make developers' lives a little better every day, when you look back at it over six months — well, those small gains really add up. … It's really interesting to see what's been delivered." The interviewee added: "It's more of a cloud concept to not have a fixed delivery schedule of every six months. Now, we deliver every week."
- **Improved the quality of their software by 10%.** The organizations used Jira Software Cloud to create integrated pipelines for code review, QA, testing, and reporting. Multiple organizations reported that overall incidents decreased by at least 10%.

  The senior manager of IT in the software industry reported that incidents for one service line were down by 40%. The interviewee explained: "That pipeline has all been automated, so now we have constant delivery for those systems. Once the approvals are given in Jira, the changes deploy, and then any issues get reported back and dealt with."

  They added: "Our security teams can now get reliable metrics about bugs, issues, and defects. If they've identified something, they can see in the pipeline when it's going to be rectified."

Voice Of The Customer

"Since going to Cloud, we have moved all of our organization's initiatives to Advanced Roadmaps, and two weeks ago we had a new service go general availability to our customers that utilizes Jira Cloud. This service removes a former manual process that averaged four days. Now, it's executed in 4 hours and saves 8,500 person-hours per month. Building that service simply wasn't possible on-prem."

Senior manager, IT, software

"Code quality is absolutely through the roof. Testing has gone from mostly manual to automated."

Senior manager, IT, software

"The quality of our work rapidly improved."

Business designer, finance

TOTAL ECONOMIC IMPACT ANALYSIS

For more information, download the full study: "The Total Economic Impact™ Of Atlassian Open DevOps," a commissioned study conducted by Forrester Consulting on behalf of Atlassian and Amazon Web Services (AWS), March 2022.

STUDY FINDINGS

Forrester interviewed seven decision-makers at organizations with experience using Open DevOps and combined the results into a three-year composite organization financial analysis. Risk-adjusted present value (PV) quantified benefits include:

- Developer productivity increased by up to 20%, contributing nearly $16.0 million in benefits.
- IT specialist productivity increased by up to 10%, contributing $9.7 million in benefits.
- Software licensing costs per employee decreased by up to 30%, contributing $8.7 million in benefits.
- Deployment frequencies increased from biannually to biweekly (or faster) and code quality improved by 10%, contributing $918,000 in benefits.

Return on investment (ROI)

358%

Net present value (NPV)

$27.62M

DISCLOSURES

The reader should be aware of the following:

- The study is commissioned by Atlassian and Amazon Web Services (AWS) 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 Atlassian Open DevOps.
- Atlassian 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.
- Atlassian provided the customer names for the interview(s) but did not participate in the interviews.

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.

Appendix A: Benefit Tables Excerpted From The Full Study

The following calculation tables appear in the full study, "The Total Economic Impact™ Of Atlassian Open DevOps." Please see the full study for additional details behind the calculations.

Total Benefits						
Ref.	**Benefit**	**Year 1**	**Year 2**	**Year 3**	**Total**	**Present Value**
Atr	Software developer productivity	$2,928,250	$6,442,150	$10,629,548	$19,999,948	$15,972,273
Btr	IT specialist productivity	$1,781,813	$3,919,988	$6,467,979	$12,169,779	$9,718,977
Ctr	Software licensing cost savings	$1,600,000	$3,520,000	$5,808,000	$10,928,000	$8,727,273
Dtr	Benefits from SDLC improvements after Open DevOps	$180,000	$376,200	$590,238	$1,146,438	$918,000
	Total benefits (risk-adjusted)	$6,490,063	$14,258,338	$23,495,765	$44,244,165	$35,336,523

Software Developer Productivity					
Ref.	**Metric**	**Source**	**Year 1**	**Year 2**	**Year 3**
A1	Software developers	Assumption	1,000	1,100	1,210
A2	Software developer fully burdened hourly rate	US Bureau of Labor Statistics	$53	$53	$53
A3	Hours per day spent on administrative overhead before Open DevOps	Forrester research	2.00	2.00	2.00
A4	Hours per day spent on administrative overhead after Open DevOps	Interviews	1.50	1.00	0.50
A5	Percentage captured	Assumption	50%	50%	50%
At	Software developer productivity	A1*A2*(A3-A4)* 260*A5	$3,445,000	$7,579,000	$12,505,350
	Risk adjustment	↓15%			
Atr	Software developer productivity (risk-adjusted)		$2,928,250	$6,442,150	$10,629,548
	Three-year total: $19,999,948		**Three-year present value: $15,972,273**		

IT Specialist Productivity

Ref.	Metric	Source	Year 1	Year 2	Year 3
B1	IT specialists	Assumption	3,000	3,300	3,630
B2	IT specialist fully burdened hourly rate	US Bureau of Labor Statistics	$43	$43	$43
B3	Hours per day spent on administrative overhead before Open DevOps	Interviews	1.00	1.00	1.00
B4	Hours per day spent on administrative overhead after Open DevOps	Interviews	0.75	0.50	0.25
B5	Percentage captured	Assumption	25%	25%	25%
Bt	IT specialist productivity	B1*B2*(B3-B4)*260*B5	$2,096,250	$4,611,750	$7,609,388
	Risk adjustment	↓15%			
Btr	IT specialist productivity (risk-adjusted)		$1,781,813	$3,919,988	$6,467,979
	Three-year total: $12,169,779			**Three-year present value: $9,718,977**	

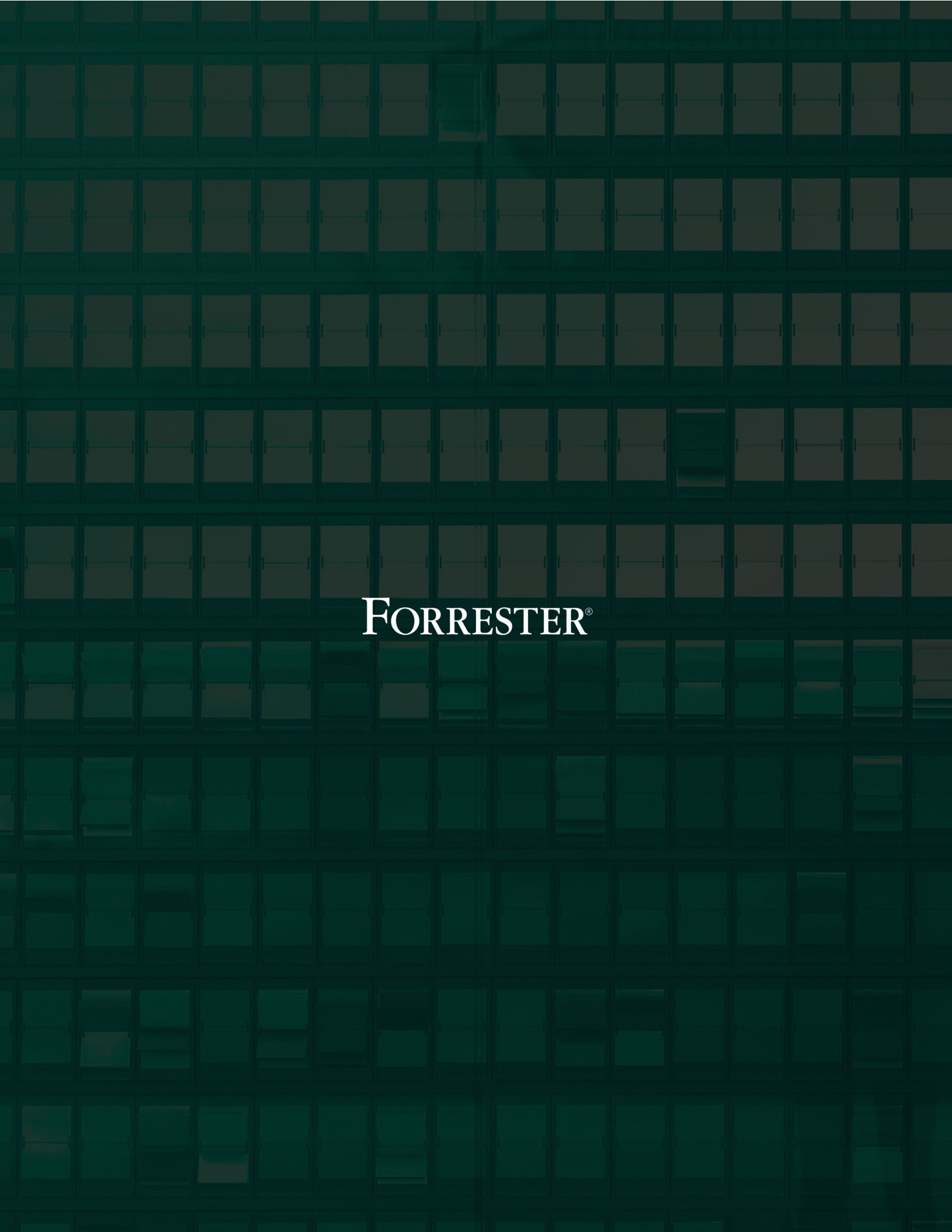
Software Licensing Cost Savings

Ref.	Metric	Source	Year 1	Year 2	Year 3
C1	Software spending before Jira Software for DevOps	Assumption	$20,000,000	$22,000,000	$24,200,000
C2	Employees (total)	Assumption	10,000	11,000	12,100
C3	Software spending per employee before Open DevOps	C1/C2	$2,000	$2,000	$2,000
C4	Reduction in software spending per employee after Open DevOps	Interviews	10%	20%	30%
C5	Software spending per employee after Open DevOps	C3*(1-C4)	$1,800	$1,600	$1,400
Ct	Software licensing cost savings	(C3-C5)*C2	$2,000,000	$4,400,000	$7,260,000
	Risk adjustment	↓20%			
Ctr	Software licensing cost savings (risk-adjusted)		$1,600,000	$3,520,000	$5,808,000
	Three-year total: $10,928,000			**Three-year present value: $8,727,273**	

Benefits From SDLC Improvements After Open DevOps					
Ref.	**Metric**	**Source**	**Year 1**	**Year 2**	**Year 3**
D1	Revenue from a technology project completed without impaired quality	Assumption	$1,000,000	$1,000,000	$1,000,000
D2	Technology projects per year	Assumption	100	110	121
D3	Before Open DevOps: releases per technology project	Interviews	2	2	2
D4	Before Open DevOps: percentage of releases with impaired quality	Assumption	20.00%	20.00%	20.00%
D5	Before Open DevOps: releases without impaired quality	D2*D3*(1-D4)	160	176	194
D6	Before Open DevOps: technology projects completed without impaired quality	D5/D3	80	88	97
D7	Subtotal: before Open DevOps, revenue from technology projects	D1*D6	$80,000,000	$88,000,000	$96,800,000
D8	After Open DevOps: releases per technology project	Interviews	4	12	26
D9	After Open DevOps: percentage of releases with impaired quality	Interviews	18.00%	16.20%	14.58%
D10	After Open DevOps: releases without impaired quality	D2*D8*(1-D9)	328	1,106	2,687
D11	After Open DevOps: technology projects completed without impaired quality	D10/D8	82	92	103
D12	Subtotal: after Open DevOps, revenue from technology projects	D1*D11	$82,000,000	$92,180,000	$103,358,200
D13	Incremental revenue from SDLC improvements after Open DevOps	D12-D7	$2,000,000	$4,180,000	$6,558,200
D14	Operating margin	Assumption	10.00%	10.00%	10.00%
Dt	Benefits from SDLC improvements after Open DevOps	D13*D14	$200,000	$418,000	$655,820
	Risk adjustment	↓10%			
Dtr	Benefits from SDLC improvements after Open DevOps (risk-adjusted)		$180,000	$376,200	$590,238
	Three-year total: $1,146,438			**Three-year present value: $918,000**	

Appendix B: Endnotes

[1] Total Economic Impact 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.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