

The Business Value of Wasabi Hot Cloud Storage



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Executive Summary

Cloud infrastructure has helped countless organizations innovate faster with on-demand provisioning, elastic scaling, and the ability to deploy globally. In today's data-driven world, it is more critical than ever to have a strategy for storing and securing information.

An essential element of cloud infrastructure is object storage. As the preferred storage type for unstructured data, IDC is forecasting the public cloud object storage market to reach \$37 billion in 2025, with a 16.1% year-over-year growth rate.

Wasabi offers immutable S3-compatible cloud object storage designed as a highly cost-effective and secure data protection and recovery platform. IDC conducted research that explores the value and benefits for organizations using Wasabi Hot Cloud Storage to achieve an improved data storage environment, optimize storage costs, and enable business growth.

Based on a series of in-depth interviews and a specialized Business Value methodology, IDC calculated that interviewed Wasabi customers achieved annual average benefits of \$647,000 (\$20,500 per 100TB of Wasabi storage) and a 174% three-year return on investment (ROI) by:

- **Improving storage and data backup and recovery performance** with a highly cost-effective platform
- **Boosting the productivity** of storage management and administration teams
- **Significantly accelerating** the provision of new storage capacity
- **Lowering the incidence of unplanned downtime**, thereby contributing to higher employee productivity and cost savings
- **Achieving better annual business results** over time by leveraging the performance benefits described



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BUSINESS VALUE HIGHLIGHTS

45%
reduction in annual storage costs

174%
three-year ROI

5 months
to payback

\$1.1 million
storage operational cost reduction over three years

\$5,000
annual cost savings per 100TB of storage

48%
three-year storage cost of operations reduction

42%
greater efficiency for management and administration

99%
reduction in unplanned downtime revenue loss

85%
faster to deploy and upgrade new storage capacity

\$182,000
in additional annual revenue

Situation Overview

Unlike traditional file storage systems that organize data hierarchically, cloud object storage adopts a flat architecture. Data is stored as objects within a single, unified pool. Each object comprises three key elements:

- **Data:** The actual file, image, video, or other data to be stored
- **Metadata:** A set of attributes providing information about the object, such as creation date, file size, and access permissions
- **Unique identifier:** A globally unique ID assigned to each object, allowing for easy retrieval and management

There are several advantages of cloud object storage:

- **Scalability:** Cloud object storage offers unparalleled scalability, allowing vast data storage without capacity limitations. It seamlessly adapts to the growing needs, ensuring one never runs out of space.
- **Accessibility:** Objects are accessible from anywhere worldwide through APIs and HTTP requests. This enables global collaboration and easy integration with modern applications.
- **Durability and availability:** Cloud providers employ redundant infrastructure and data replication techniques to ensure high durability and availability. Data is safe from hardware failures and remains accessible even during outages.
- **Cost-effectiveness:** Cloud object storage typically follows a pay-as-you-go pricing model. Users only pay for storage, eliminating the need for upfront investments in expensive hardware.
- **Security:** Advanced security features such as access control lists, encryption, and compliance certifications ensure the data remains confidential and protected.

Cloud object storage is not just a storage solution but the foundation upon which data-driven businesses are built. By embracing its capabilities, it is possible to unlock the potential of data, drive innovation, optimize operations, and gain a competitive edge in today's dynamic landscape.

Wasabi Hot Cloud Storage Overview

Launched in 2017 by co-founders David Friend and Jeff Flowers, Wasabi is hyper-focused on offering low-priced, high-performance, secure object storage. Unlike other cloud providers, the company does not charge for egress or API requests or force customers to make decisions involving complex storage tiers.

The company operates 13 storage regions across North America, Europe, and Asia, serving over 60,000 customers. Wasabi has over 14,000 partners that offer its storage services.

Wasabi Cloud Object storage underpins various use cases, including:

- Backup and recovery
- Archiving
- Data analytics
- Application development
- Content delivery
- Surveillance
- Internet of Things
- AI/ML

Wasabi fully supports Amazon Web Services (AWS) S3 and identity and access management APIs. This means that any application designed to use AWS S3 can migrate to Wasabi object storage without code changes.

For data protection, Wasabi boasts 99.999999999% (11 nines) data durability with an exabyte scale and a 99.99% SLA with multiple datacenters. It supports immutability via S3 object lock to protect against ransomware, strong encryption, and multifactor authentication.

In addition to cloud object storage, Wasabi offers a complete suite of service management and data migration tools:

- **Wasabi Account Control Manager:** The web-based console can manage multiple storage accounts, from account creation and administration to billing and reporting

- **Wasabi Cloud Sync Manager:** A tool that helps migrate data from any cloud object storage to Wasabi
- **Wasabi Ball Transfer Appliance:** A physical data transfer appliance that offers secure transfer of large data sets to Wasabi
- **Wasabi Direct Connect:** A dedicated direct connection that offers private, secure, and high-bandwidth connectivity with fixed monthly transport pricing

Moreover, the company offers specialized services, such as Wasabi Cloud NAS, which pairs object storage with gateway software for NAS use cases, and Wasabi Surveillance Cloud, which is optimized for video surveillance use cases.

The Business Value of Wasabi Hot Cloud Storage

Study Firmographics

IDC conducted research that explored the value and benefits for organizations using Wasabi Hot Cloud Storage to achieve an improved data storage environment, optimize storage costs, and enable business growth. The project included eight (8) interviews with organizations that use Wasabi Hot Cloud Storage and had experience with and/or knowledge about the platform's benefits and costs. IDC conducted in-depth interviews covering various quantitative and qualitative questions about the impact of Wasabi on these organizations' IT and storage operations and business results.

As shown in **Table 1** (next page), study participants had an average base of 8,100 employees and total average annual revenues of \$3.1 billion. On average, 160 IT staff members managed 210 business applications. Geographically, all study participants were based in the United States. Various vertical markets were represented, including the higher education (2), consumer packaging, energy, technology, aerospace defense, and transportation logistics and retail sectors, thereby ensuring the capture of a broad range of customer experiences and use cases.

TABLE 1

Firmographics of Interviewed Organizations

Firmographics	Average	Median	Range
Number of employees	8,100	5,000	130–24,000
Number of IT staff	160	86	6–520
Number of business applications	210	200	10–450
Number of TBs, total storage environment	6,510	1,850	40–25,000
Annual revenue	\$3,147,750,000	\$2,003,500,000	\$20,000,000–\$10,000,000,000
Verticals	Higher education (2), consumer packaging, energy, technology, aerospace defense, transportation logistics, retail		
Countries	United States (8)		

n = 8; Source: IDC Business Value In-Depth Interviews, April 2024

Choice and Use of Wasabi Hot Cloud Storage

Study participants discussed their Wasabi Hot Cloud Storage selection criteria to achieve an improved data storage environment, optimize storage costs, and enable business growth. Study participants provided detailed comments to IDC about their decision criteria, presenting a broad range of initial deployment motivations. A paramount consideration for study participants was the cost per TB of storage with Wasabi and the advantages of an overall pricing scheme that avoided additional egress and API charges. Specific Wasabi features such as storage replication and immutable storage were considered important for organizations, along with the platform's performance and disaster recovery features.

Study participants elaborated on these benefits:

Cost and storage diversity (higher education):

"Besides cost considerations, we wanted to diversify and differentiate the providers of where our organization does storage from places where we do compute."

Performance and cost (consumer packaging):

"There were two reasons. One was cost, and the other was latency and response time. Our organization conducted an extensive PoC with many different competitors before

choosing Wasabi. The comparison told us that the performance with Wasabi was 30% better and other provider's storage costs were up to 100%–200% more expensive, including the egress and API charges.”

Lack of egress charges (technology):

“Our organization started with a competitor cloud solution, but it was too cost-prohibitive, and we decided to move to Wasabi for the lack of egress charges and an overall better price per TB.”

Continuity and disaster recovery (energy):

“Wasabi fits into our organization’s continuity and disaster recovery plan. We also chose Wasabi for its off-site immutable storage.”

Wasabi storage features (transportation logistics):

“Our organization was looking for a cloud storage provider offering features such as storage replication and immutable storage at a reasonable price. After conducting a thorough PoC effort, we chose Wasabi.”

Table 2 provides an overview of study participants’ use of Wasabi Hot Cloud Storage at the time of interviews. Companies described using the platform to run significant portions of their business operations. On average, they had 3,150 total usable TBs supporting 67 business applications.

TABLE 2
Organizational Usage of Wasabi

Wasabi usage	Average	Median
Number of locations/geographies	18	7.5
Total usable TBs	3,150	1,300
Number of business applications	67	5

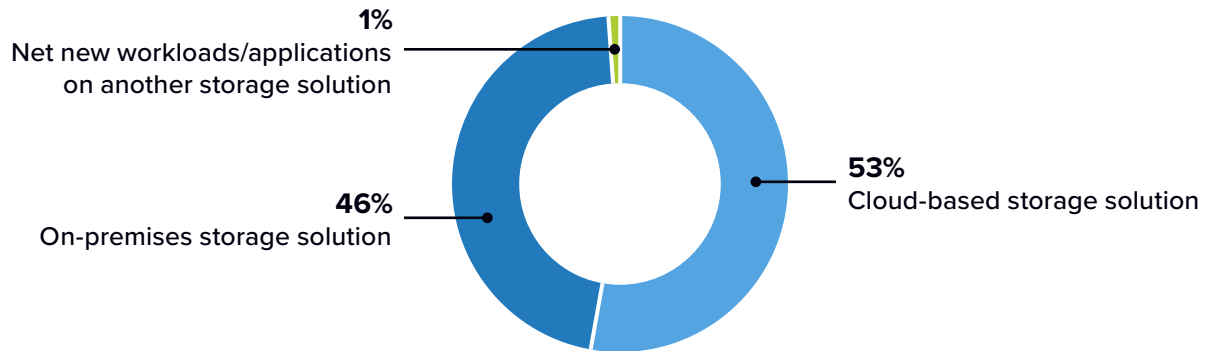
n = 8; Source: IDC Business Value In-Depth Interviews, April 2024

IDC asked Wasabi customers to identify previous environments in which the data was now stored with Wasabi (Figure 1, next page). Organizations reported a fairly even split between prior on-premises and cloud-based solutions, an important data point for the research to firmly establish a comparison background for benefits assessment.

FIGURE 1

Previous Data Storage Environments Usage

(Percentage of usage)



n = 8; Source: IDC Business Value In-Depth Interviews, April 2024

Business Value and Quantified Benefits of Wasabi Hot Cloud Storage

IDC's Business Value research evaluates and quantifies the benefits for companies in adopting Wasabi Hot Cloud Storage to achieve an improved data storage environment, optimize storage costs, and enable business growth. Overall, in-depth interviews with study participants showed that Wasabi improved storage and data backup and recovery performance with a highly cost-effective platform while boosting the productivity of storage management and administration teams. Study participants reported many Wasabi features and functionalities that improved backup and recovery efforts, increased upload/download speeds, and enhanced storage sustainability.

Wasabi significantly accelerated the provisioning of new storage capacity when required by business operations. In addition, IDC's data shows that Wasabi served to lower the incidence of unplanned downtime, thereby contributing to higher employee productivity. When combined, these benefits led to the improvement of annual business results. When asked about the most significant benefits of implementing Wasabi, organizations emphasized the cost reduction associated with Wasabi deployment. Moreover, they highlighted other important benefits, such as fulfillment of data compliance requirements, lower latency, security benefits, and risk reduction associated with storing data at diverse locations.

Study participants summarized the most significant benefits of the platform:

Cost, compliance, and sustainability (transportation logistics):

“For our organization, the most important benefits are the lower storage cost, Wasabi is helping us fulfill compliance requirements, and the storage environment being as sustainable as possible.”

Cost, connection speed, and risk (higher education):

“The cost compared to other cloud providers is multiple-fold lower. Wasabi also contractually guarantees us a 10Gb/s connectivity speed, coupled with unlimited download and upload. Another important fact is that the data is stored outside the region, which reduces risk for us.”

Cost and technical aspects (aerospace defense):

“Our organization was looking to reduce operation expenses, which we achieved with Wasabi. Technical aspects such as high upload and download speeds are also a very significant benefit.”

Cost and reliability (higher education):

“Wasabi has been extremely reliable for us, on top of storage cost reduction, business process improvements, and complexity reduction.”

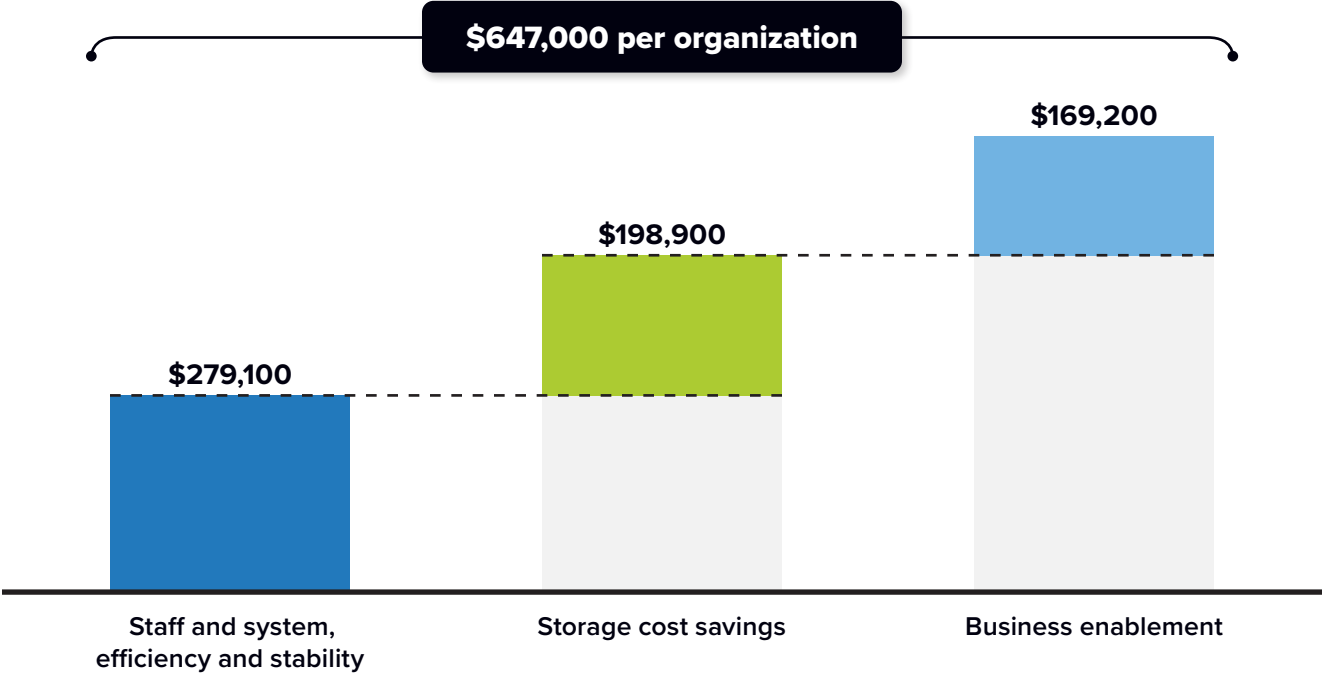
Business improvements (consumer packaging):

“Besides the storage cost and latency improvements, Wasabi storage helped our organization with sales enablement and employee productivity.”

Figure 2 (next page) is a breakdown of the benefits IDC calculated from the data received from Wasabi customers. Overall, the average organization can expect \$647,000 worth of benefits annually, which equates to \$20,500 per 100TB, broken down as follows:

- Staff efficiency and system stability: \$279,000 per organization or \$8,800 per 100TB
- Storage cost savings: \$198,000 per organization or \$6,300 per 100TB
- Business enablement: \$169,000 per organization or \$5,400 per 100TB

FIGURE 2
Average Annual Benefits per Organization
(\$ per interviewed organization)



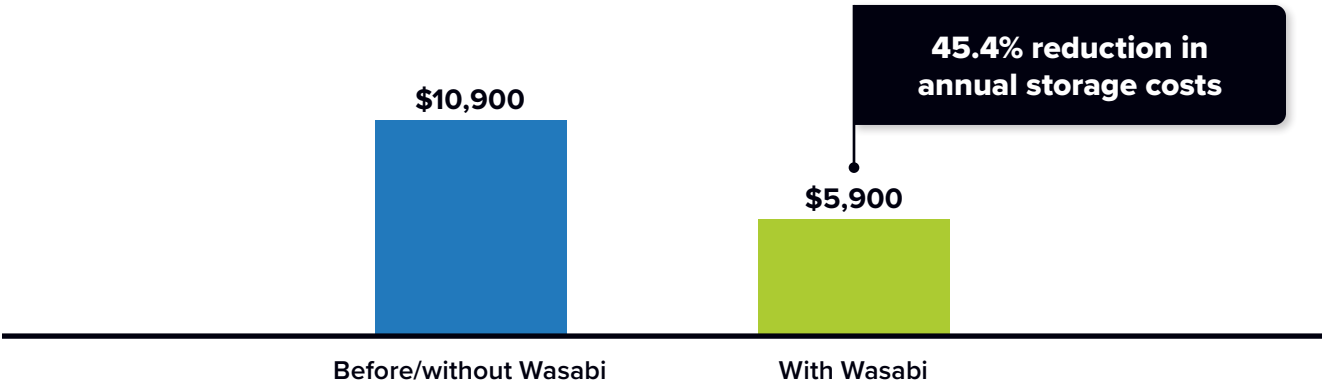
n = 8; Source: IDC Business Value In-Depth Interviews, April 2024
For an accessible version of the data in this figure, see [Figure 2 Supplemental Data](#) in Appendix 2.

Cost Benefits with Wasabi Hot Cloud Storage

When looking for a data storage provider, organizations invariably prioritize storage costs. IDC research confirmed that with Wasabi Hot Cloud Storage, organizations could realize significant storage cost savings compared with their previous environments. However, an important finding in the study is that, for Wasabi customers, its benefits did not end only with reduced costs, as will be discussed in subsequent sections.

To accurately understand the post-adoption cost benefits of using Wasabi, IDC evaluated various impacts, beginning with a cost of storage comparison per 100TB shown in **Figure 3** (next page). Given Wasabi’s pricing structure and lack of egress and API charges commonly used by other providers, organizations saw a substantial 45% reduction in annual storage costs.

FIGURE 3
Cost of Storage Comparison per 100TB
(**\$**)



n = 8; Source: IDC Business Value In-Depth Interviews, April 2024

IDC compared the storage cost against other types typically deployed in existing IT environments. Interviewed organizations provided data about their prior environments and specific cost savings tied to the switch to Wasabi. As shown in **Figure 4**, the biggest savings were realized in a scenario where organizations were researching the market, realizing a PoC with different cloud solutions, and comparing them to Wasabi's price points. Overall, organizations reported savings of over 53% compared to Wasabi's competitors. Moreover, switching from an on-premises environment to Wasabi was, on average, 49% cheaper, and switching from an existing cloud provider to Wasabi still provided savings of almost 40%.

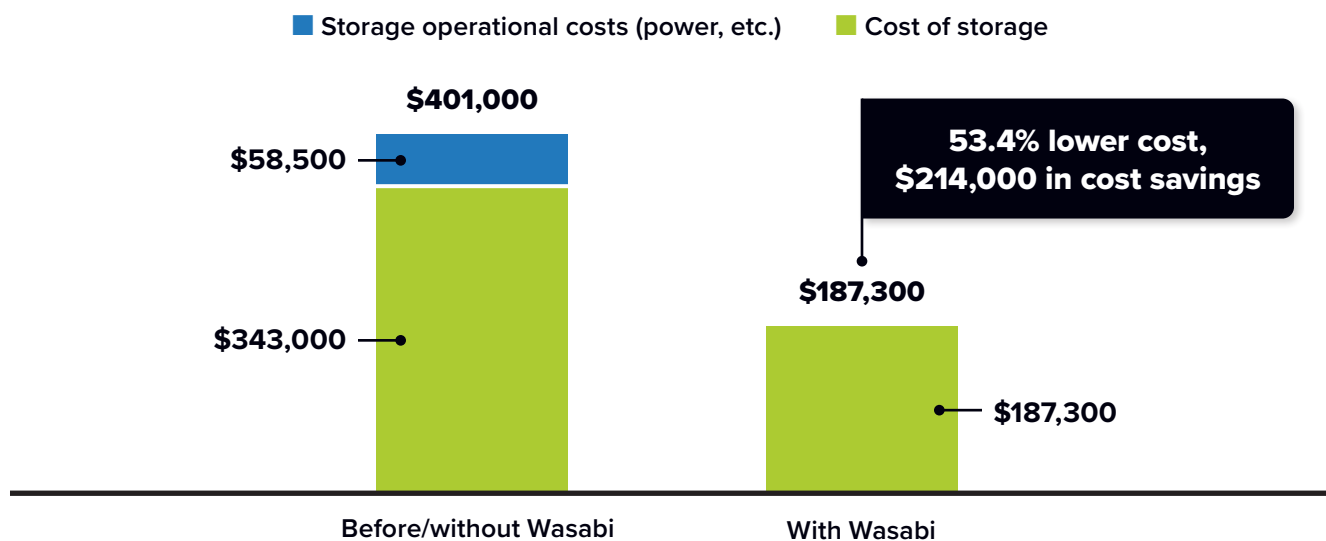
FIGURE 4
Cost of Storage Comparison, Other Types of Storage
(Percentage of respondents)



n = 8; Source: IDC Business Value In-Depth Interviews, April 2024

IDC then examined Wasabi customers' improved operational costs compared to their prior environments. IDC calculated these savings at \$58,500 on average annually. Interviewed organizations reported a synergistic effect on their sustainability strategies. Furthermore, these costs translated into 53.4% savings annually, including power and hardware decreases with Wasabi.

FIGURE 5
Cost of Running Storage per Year
(Cost per organization per year)



n = 8; Source: IDC Business Value In-Depth Interviews, April 2024

For an accessible version of the data in this figure, see [Figure 5 Supplemental Data](#) in Appendix 2.

Staff Efficiency and Storage Reliability Benefits

Another major benefit category that IDC researched was staff efficiency and storage reliability. While cost reduction was, without a doubt, a significant initial driver for choosing Wasabi, the overall benefit picture that organizations experienced was richer and more complex. For example, organizations noted that, after adoption, the response and backup process was significantly improved, accompanied by an increase in staff efficiency in administering the broader storage environment. Organizations pointed out that this increased staff efficiency enabled storage team members to spend more time on innovative projects to better support business goals.

Interviewed organizations provided detailed comments:

Issues response and backup process (energy):

“Wasabi helped our organization significantly reduce the time needed for storage environment management and administration. The areas where Wasabi is especially impactful are response to performance issues and the improvement of the data backup process, which is now fully administered outside of the typical working hours and no longer negatively affects staff productivity.”

Broader storage environment efficiency (technology):

“The deployment of Wasabi Storage meant an increase in efficiency for our broader storage environment, where with competitor cloud solutions, we would previously need one person full time, it’s now closer to only 10% of that one person’s time.”

Efficiency and innovation enablement (retail):

“The time needed to manage hardware and respond to performance issues was reduced with Wasabi. This has enabled our organization to focus on innovation and project work. The staff can focus on AI-related initiatives and increasing our organization’s telecommunications capacity.”

Efficient business as usual (higher education):

“Our organization saw efficiency increase with the five-person team responsible for administration and management. Each team member saves around half a day, mainly from the reduced time required to ‘keep the lights on.’”

IDC applied its Business Value methodology to quantify improvements using aggregated data sets. As shown in **Table 3** (next page), the average organization saw an efficiency increase of 42.8%, which, in FTE terms, meant 1.4 FTEs of equivalent workloads to storage environment management and administration teams. After adopting Wasabi, these teams could spend less time on tasks characterized as “keeping the lights” on and focus more on developing the storage environment and innovation via various value-added tasks. IDC calculated that this improvement resulted in an annual business value of \$143,300 for each organization.

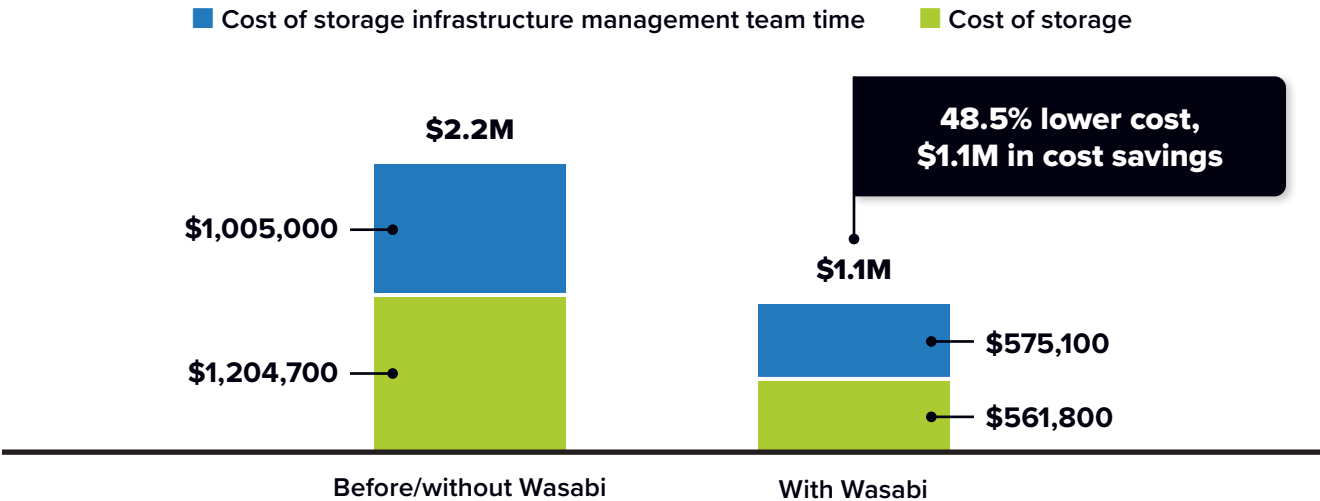
TABLE 3
Storage Environment Management and Administration Team Efficiency

	Before/Without Wasabi	With Wasabi	Difference	Benefit
FTEs required for equivalent environments	3.30	1.90	1.40	42.80%
Value of staff time required for equivalent environments	\$335,000	\$191,700	\$143,300	42.80%

n = 8; Source: IDC Business Value In-Depth Interviews, April 2024

IDC also examined the cost of storage operations. Over a three-year period, considering the cost of storage infrastructure and administration teams, organizations could almost halve their total annual operational costs after adopting Wasabi. With the inclusion of staff costs, organizations saw a 48.5% decrease in total cost, translating to \$1,100,000 over three years, as shown in **Figure 6**.

FIGURE 6
Storage Cost of Operations, Three Years per Organization
(Cost, three years per organization)



n = 8; Source: IDC Business Value In-Depth Interviews, April 2024

For an accessible version of the data in this figure, see [Figure 6 Supplemental Data](#) in Appendix 2.

IDC then shifted the focus to unplanned downtime impacts. Organizations reported on the stability and predictability of their storage environments with Wasabi, which were significantly improved. IDC gathered a broad spectrum of data related to unplanned downtime, which enabled the calculation of two core benefits: unplanned downtime revenue loss avoidance and unplanned downtime productivity loss avoidance, as shown in **Table 4**. Overall, study participants experienced 71% fewer downtime incidents. When they did occur, such incidents were resolved 76% faster. This translated into an annual average business value of \$54,200 for all companies.

TABLE 4
Unplanned Downtime Benefits

	Before/Without Wasabi	With Wasabi	Difference	Benefit
Unplanned downtime incident occurrence per month	0.16	0.05	0.11	71%
Average unplanned downtime resolution in hours	3.60	0.80	2.80	76%
Number of internal users impacted by unplanned downtime	450	375	75	17%
Average productivity loss (%) among impacted users by unplanned downtime	83%	53%	30%	36%
% of unplanned downtime incidents revenue-impacting	100%	33%	67%	67%
Average revenue loss (\$) per hour of downtime	\$66,700	\$12,500	\$54,200	81%

n = 8; Source: IDC Business Value In-Depth Interviews, April 2024

Continuing to focus on downtime-related improvements, IDC then examined unplanned downtime revenue loss avoidance (**Table 5**, next page). Significantly, identified benefits in storage environment stability translated into an almost 100% reduction in revenue loss caused by unplanned downtime. Using the data shown in **Table 5**, IDC determined that the average organization avoided \$449,000 in annual revenue loss avoidance associated with unplanned downtime, a reduction of 99.6%.

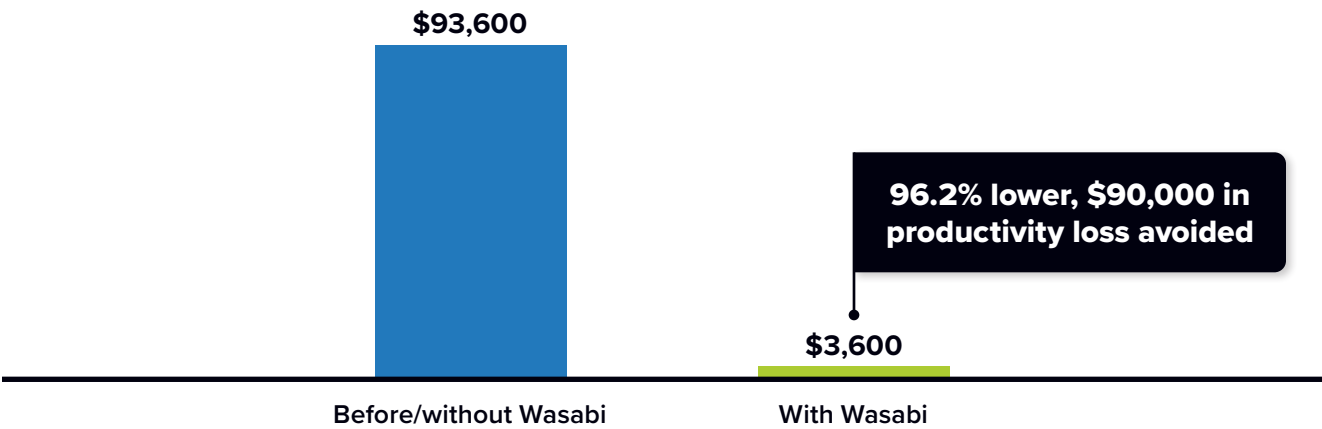
TABLE 5
Unplanned Downtime Revenue Loss Avoidance

	Before/Without Wasabi	With Wasabi	Difference	Benefit
Annual revenue loss caused by unplanned downtime	\$451,250	\$2,000	\$449,250	99.60%
15% margin applied	—	—	\$67,400	—

n = 8; Source: IDC Business Value In-Depth Interviews, April 2024

In addition to revenue-related benefits, Wasabi customers reported a substantial productivity reduction associated with unplanned downtime. As shown in **Figure 7**, after adopting Wasabi Hot Cloud Storage, \$90,000 in productivity loss was avoided, constituting a reduction of 96%.

FIGURE 7
Unplanned Downtime Productivity Loss Avoidance
(\$)



n = 8; Source: IDC Business Value In-Depth Interviews, April 2024

The Benefits of Wasabi Features and Functionality

In their comments to IDC, organizations reported on features and built-in functionality that they found especially impactful with their Wasabi Hot Cloud Storage choice.

Overall, these improvements were focused on the following areas:

- Storage deployment
- Data backup performance
- Data recovery performance
- Business impacts

Interviewed companies told IDC that, after adopting Wasabi Hot Cloud Storage, they experienced improvements in key storage performance metrics, including recovery time objective (RTO), backup times, and latency associated with data uploads and downloads. Companies also noted improved risk mitigation and ransomware protection. Wasabi provides an added layer of security via duplication of the entire datacenter. In addition, immutable data storage was noted as an important feature of the customer data management process. Improved staff efficiency and data agility were also called out.

Study participants elaborated on these benefits:

Disaster recovery and backup (higher education):

“Our organization substantially improved its disaster recovery process with Wasabi. We’ve seen great improvements in metrics such as RTO, backup time, and latency of both data upload and download.”

Data recovery efficiency (aerospace defense):

“One advantage of Wasabi in data recovery is that it’s a standardized tool, and once our staff got used to the procedure, they became more efficient compared to the previous environment with many different procedures.”

Risk mitigation and ransomware protection (retail):

“With Wasabi, our organization perceives a lot less risk inherent to our data storage environment than our previous on-premises solution. The backups being protected against ransomware attacks is very important for us, especially in the context of our historical experience.”

Added layer of security (aerospace defense):

“What Wasabi provides us is an additional copy out of our datacenters that we can recover if there is a major disaster. Wasabi provides an additional layer of security on top of our already existing security measures and infrastructure.”

Agility (energy):

“We’ve increased our data agility. Wasabi enables us to create different buckets for different data backup jobs. Immutability requirements for client data is another feature that helps us with environmental agility.”

IDC quantified these reported benefits in several key areas, starting with new storage deployment and upgrade benefits. With Wasabi, organizations could deploy and upgrade new instances much quicker. Together, these two metrics were operationally 85.3% faster in terms of performance. Also, on a combined basis, a new deployment and a subsequent upgrade of an instance yielded a \$1,500 business value benefit in terms of the value of the total amount of time spent on these tasks per instance, assuming a \$100,000 annual FTE salary for IT professionals. Organizations generally reported a much more straightforward and efficient deployment and upgrade process with Wasabi. In contrast, the value of staff time required for new storage deployment and upgrade decreased significantly due to the platform’s simplified management and deployment process.

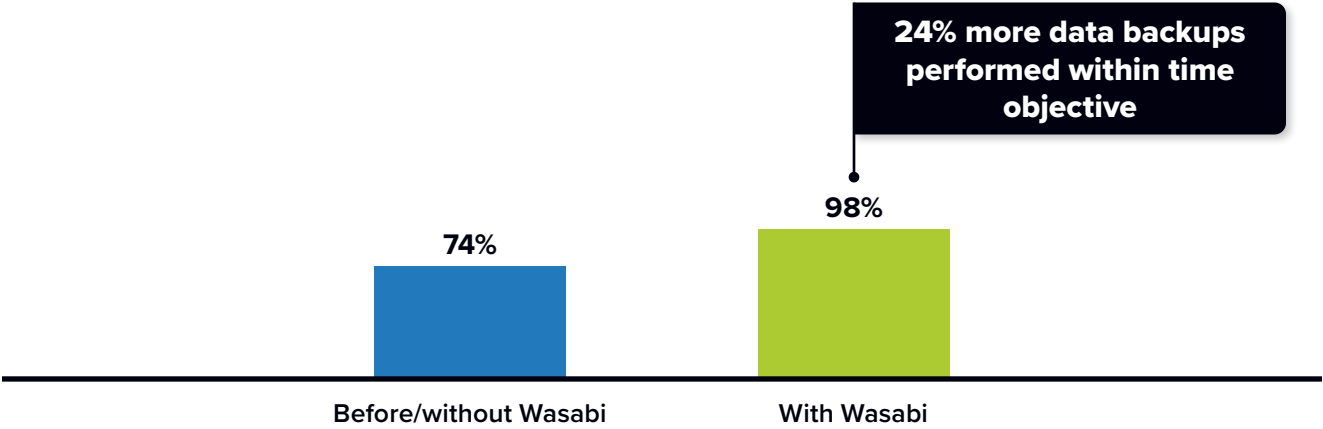
TABLE 6
New Storage Deployment and Upgrade Benefits

	Before/Without Wasabi	With Wasabi	Difference	Benefit
New deployment, per instance	\$1,100	\$135	\$965	87.90%
Upgrade, per instance	\$770	\$140	\$630	81.50%
New deployment and upgrade	\$1,870	\$275	\$1,595	85.30%

n = 8; Source: IDC Business Value In-Depth Interviews, April 2024

Figure 8 (next page) provides data on backup performance impacts. Study participants reported major improvements in data backup operations, with almost 100% of the backups performed within the time objective, thanks to having a more stable and predictable storage environment. This represented a 24% improvement as compared to previous or alternative environments.

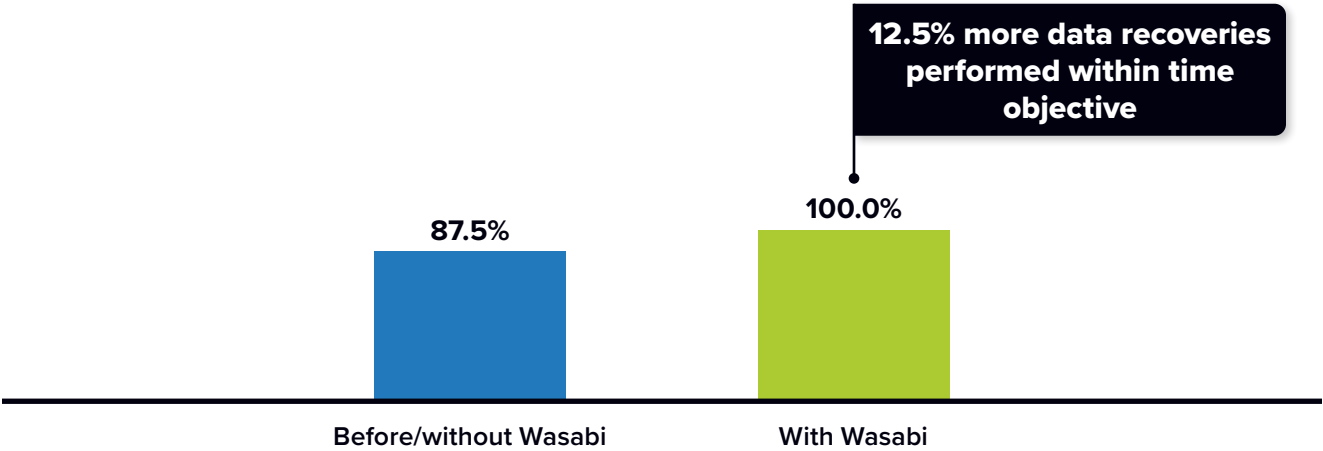
FIGURE 8
Data Backup Performance Improvement
(Percentage of data backup)



n = 8; Source: IDC Business Value In-Depth Interviews, April 2024

Similar performance boosts were reported concerning recovery operations. After adoption, the average organization could finish 100% of its data recovery tasks within time objective parameters. As shown in **Figure 9**, interviewed organizations reported that 12.5 percentage points more data recoveries could be performed within the time objective.

FIGURE 9
Data Recovery Performance Improvement
(Percentage of data recovery)



n = 8; Source: IDC Business Value In-Depth Interviews, April 2024

IDC then explored data backup and recovery benefits by measuring KPIs commonly associated with these tasks. As shown in **Figure 10**, RTO could be accomplished 40% faster after adoption. In addition, the data backup window objective was 23% faster.

FIGURE 10
Data Backup and Recovery KPIs Improvements
(Percentage of respondents)



n = 8; Source: IDC Business Value In-Depth Interviews, April 2024

Finally, IDC examined the business benefits interviewed companies derived by deciding to adopt Wasabi Hot Cloud Storage. Accessing data faster and reliably had significant downstream benefits for business operations and results and increased revenue for the average organization of \$1.22 million (\$38,500 per 100TB). Using the assumed 15% margin for the assessment model, IDC calculated business value benefits at \$182,300 per organization per year.

TABLE 7
Additional Revenue

Revenue Gains	Per Organization	Per 100TB
Total revenue gain per year	\$1.22M	\$38,500
Assumed operating margin	15%	15%
Total net revenue gain per year	\$182,300	\$5,700

n = 8; Source: IDC Business Value In-Depth Interviews, April 2024

Table 8 summarizes previously discussed specific calculations for benefits from the use of Wasabi Hot Cloud Storage.

TABLE 8
Specific Calculations: Benefits from the Use of Wasabi

Category of Value	Average Quantitative Benefit	Calculated Average Annual Value*
Storage environment management and administration team benefits	42.8% more efficient, 1.43 FTE gain, Assumed \$100,000 salary per year	\$133,000
Unplanned downtime revenue loss avoidance	\$451,000 in avoided revenue loss, 15% margin applied	\$62,500
Unplanned downtime productivity loss avoidance	\$90,000 in productivity loss avoidance annually, 15% margin applied, \$70,000 annual salary assumption	\$83,500
Annual storage cost savings	\$155,000 in annual storage cost savings compared to prior solutions	\$144,600
Annual other cost savings	\$58,000 in annual other cost savings	\$54,300
Annual additional revenue	\$1.2M in additional revenue, 15% margin applied	\$169,200
Total annual benefits, use of Wasabi	\$647,000 per organization	

n = 8; Source: IDC Business Value In-Depth Interviews, April 2024

ROI Summary

Summing up business value benefits, **Table 9** presents IDC’s return on investment analysis for study participants using Wasabi Hot Cloud Storage. IDC calculated that the average organization achieved a three-year discounted benefit worth an average of \$1,540,800 (\$48,800 per 100TB stored with Wasabi) through improved storage performance and staff efficiencies. These benefits compare with a total of three-year discounted costs of \$562,900 per organization (\$17,800 per 100TB stored with Wasabi). These benefits and investment costs resulted in a calculated average three-year ROI of 174% and a break-even point in their investment in five months.

TABLE 9
Three-Year ROI Analysis

	Per Organization	Per 100TB Stored with Wasabi
Discounted benefits	\$1,540,800	\$48,800
Discounted investment	\$562,900	\$17,800
Net present value	\$977,900	\$31,000
ROI	174%	174%
Payback	5 months	5 months
Discount factor	12%	12%

Source: Specific Calculations: Benefits from Use of Wasabi, April 2024

Challenges/Opportunities

Cloud infrastructure is a highly competitive market dominated by several large hyperscalers. These service providers have a broad portfolio of capabilities that span infrastructure, platform, and application services. In the early days of the cloud, it was common for customers to single-source their needs from one of these vendors.

However, buying patterns have changed. According to IDC's *Cloud Pulse Survey*, 78% of cloud buyers have either deployed or are in the process of deploying a multicloud architecture. Customers are seeing value in working with multiple cloud providers to select best-of-breed services and reduce costs. This creates opportunities for Wasabi to leverage this trend as it focuses on delivering differentiated cloud object storage services.

Conclusion

The rapidly evolving digital landscape means that the significance for organizations considering cloud infrastructure, particularly object storage, cannot be overstated. Organizations increasingly rely on cloud solutions to manage their ever-expanding volumes of unstructured data. Amid this backdrop, Wasabi Hot Cloud Storage offers S3-compatible, cost-effective cloud object storage designed with robust data protection and recovery security measures, creating a compelling value proposition for many organizations.

IDC assessed the impact in areas such as storage costs, staff time requirements, agility, and performance through in-depth interviews with organizations using Wasabi Hot Cloud Storage solutions. Interviewed Wasabi customers consistently reported that they had realized significant storage cost efficiencies for running and supporting like environments, as Wasabi does not have egress or API charges and competitively attractive baseline storage costs. However, these customers have achieved more than optimized storage costs, with study participants describing gains in terms of efficiencies for their storage management and administration teams, accelerated delivery of new storage capacity, and strong performance that reduces the likelihood of unplanned outages and delivers the application quality expected by users and customers. IDC's analysis shows that these interviewed Wasabi customers will achieve average annual benefits worth \$647,000 per organization (\$20,500 per 100TB), which would result in an average three-year ROI of 174% and reflect Wasabi's position as a strong choice in the cloud storage market, especially for businesses looking to optimize storage costs and improve data management and security.

Appendix 1: Methodology

IDC's standard Business Value/ROI methodology was utilized for this project. This methodology gathers data from organizations using Wasabi Hot Cloud Storage. Based on interviews with organizations using Wasabi, 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 using Wasabi Hot Cloud Storage:** In this study, the benefits included IT infrastructure cost savings, IT staff efficiencies, user productivity gains, and higher revenue.
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 Wasabi 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 Wasabi Hot Cloud Storage over a three-year period. ROI is the ratio of the net present value (NPV) and the discounted investment. The payback period is when cumulative benefits equal the initial investment.

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

- Time values are multiplied by burdened salary (salary + 28% for benefits and overhead) to quantify efficiency and manager productivity savings. For 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 employees work 1,880 hours per year (47 weeks x 40 hours).
- The NPV 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 the assumed cost of money and the assumed rate of return.
- Because IT solutions require a deployment period, the full benefits of the solution are unavailable during deployment. To capture this reality, IDC prorates the monthly benefits and 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

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

FIGURE 2 SUPPLEMENTAL DATA
Average Annual Benefits per Organization

	Per Organization
Staff and system, efficiency and stability	\$279,100
Storage cost savings	\$198,900
Business enablement	\$169,200
Total	\$647,000

n = 8; Source: IDC Business Value In-Depth Interviews, April 2024
[Return to original figure](#)

FIGURE 5 SUPPLEMENTAL DATA
Cost of Running Storage per Year

	Before/Without Wasabi	With Wasabi
Cost of storage	\$343,000	\$187,300
Storage operational costs (power, etc)	\$58,500	–
Total	\$401,000	\$187,300 (53.4% lower cost, \$214,000 in cost savings)

n = 8; Source: IDC Business Value In-Depth Interviews, April 2024
[Return to original figure](#)

Appendix 2: Supplemental Data (continued)

FIGURE 6 SUPPLEMENTAL DATA
Storage Cost of Operations, Three Years per 100TB

	Before/Without Wasabi	With Wasabi
Cost of storage	\$1,204,700	\$561,800
Cost of storage infrastructure management team time	\$1,005,000	\$575,100
Total	\$2.2M	\$1.1M (48.5% lower cost, \$1.1M in cost savings)

n = 8; Source: IDC Business Value In-Depth Interviews, April 2024

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About the IDC Analysts



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Ladislav is a Consultant in the IDC Business Value Strategy Practice team. Ladislav conducts customized business value research and consulting projects for clients across various technology domains. His primary focus is assessing the return on investment from their adoption of enterprise technologies. Ladislav's research delves into how organizations leverage digital technology solutions and initiatives to enhance efficiency and drive business growth.

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Dave McCarthy is Research Vice President within IDC's worldwide infrastructure research organization and global research lead for the cloud and edge services practice. Dave leads a team of analysts covering research on shared (public) cloud, dedicated (private) cloud, and edge deployments, services, adoption trends, vendor strategies, and market dynamics. Benefiting both technology suppliers and IT decision-makers, Dave's insights delve into ways hybrid and distributed cloud platforms provide the foundation for next-generation workloads, enabling organizations to innovate faster, automate operations, and achieve digital resiliency.

[More about Dave McCarthy](#)

Message from the Sponsor



Recognized as one of the technology industry's fastest-growing companies, Wasabi is on a mission to store the world's data by making cloud storage affordable, predictable, and secure.

With Wasabi, visionary companies gain the freedom to use their data whenever they like without being hit with unpredictable fees or vendor lock-in. Instead, they're free to build best-of-breed solutions with the industry's fastest-growing ecosystem of independent cloud application partners. Customers and partners all over the world trust Wasabi to help them put their data to work so they can unlock their full potential.

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