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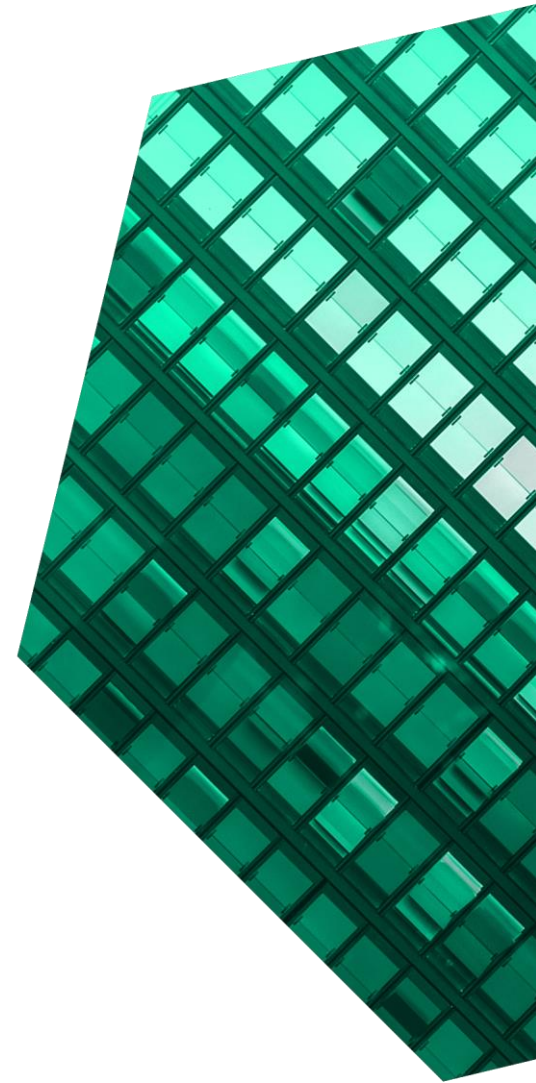
The Total Economic Impact™ Of Matillion

Cost Savings And Business Benefits
Enabled By Matillion

JANUARY 2024

Table Of Contents

Executive Summary	1
The Matillion Customer Journey	5
Key Challenges	5
Solution Requirements	6
Composite Organization	6
Analysis Of Benefits	7
Increased Data Engineer Productivity	7
Increased Data Analyst Productivity	9
Reduced Infrastructure And Compute Costs	10
Increased Incremental Operating Profits Directly Attributable To The Data Team	11
Unquantified Benefits	12
Flexibility	13
Analysis Of Costs	14
Matillion	14
Deployment And Setup, Ongoing Management, And Training	16
Financial Summary	18
Appendix A: Total Economic Impact	19
Appendix B: Supplemental Material	20
Appendix C: Endnotes	20



ABOUT FORRESTER CONSULTING

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Executive Summary

It pays to be an insights-driven business. Compared with beginner firms, Forrester research says that advanced insights-driven businesses are 8x more likely to report they grew by 20% or more.¹ Investing in cloud data pipeline technology can contribute to becoming insights-driven and yield business value including building new-generation analytics and insights quickly, automating data ingestion and processing workflows, and leveraging new data sources and easily supporting new requirements.²

Matillion is a cloud data pipeline solution that helps build and manage data pipelines to accelerate data delivery supporting business outcomes flexibly at scale with an intuitive interface. Matillion offers hundreds of prebuilt data connectors, support and services, transparent consumption-based pricing, and other resources including Matillion Academy and Matillion Exchange.

Matillion commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) enterprises may realize by deploying Matillion.³ The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of Matillion on their organizations.

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed five representatives from four organizations with experience using Matillion ETL. For the purposes of this study, Forrester aggregated the interviewees'

KEY STATISTICS



Return on investment (ROI)
271%



Net present value (NPV)
\$1.80M

experiences and combined the results into a single composite organization that is a global organization with \$2.5 billion in revenue that recognizes the value of becoming an insights-driven organization.

Prior to using Matillion, interviewees noted how their organizations either had no or relatively new data organizations, had on-premises hardware approaching end of life, or used the cloud and other solutions to ingest, process, and transform data. However, prior attempts yielded limited success, leaving their organizations with inadequate solutions, antiquated data processes, such as hand coding, and a desire for a better cloud data pipeline solution, which led them to Matillion.

After the investment in Matillion, the interviewees' organizations realized data engineer and data analyst productivity improvements, cost savings, and broader business impacts driven by more data pipelines, quicker insights, and enhanced data accessibility.

Time saved managing and maintaining pipelines

70%



KEY FINDINGS

Quantified benefits. Three-year, risk-adjusted present value (PV) quantified benefits for the composite organization include:

- **Increased data engineer productivity by building pipelines 60% faster and spending 70% less time managing and maintaining pipelines.** By investing in Matillion, the composite organization increases the productivity of its data team with Matillion's prebuilt connectors, easier pipeline management, and ease of use within a single tool. This enables the data team to spend more time on impactful value-added work. Over three years, this productivity improvement is worth \$1.07 million.
- **Increased data analyst productivity by fulfilling data requests 60% faster.** With Matillion's ease of use and user-friendly interface, the composite organization's data analysts also realize a productivity gain. The analysts fulfill more data requests faster enabling overall business benefits. Over three years, this productivity improvement is worth \$362,000.
- **Reduced infrastructure and compute costs by 25%.** Compared to its prior environment, the composite organization reduces costs with Matillion running tasks concurrently and optimizing resources. Over three years, this cost reduction is worth \$152,000 to the composite.
- **Increased incremental operating profits directly attributable to the data team.** As it builds more pipelines with Matillion and improves data accessibility, the composite realizes broader business impacts as it makes better decisions and becomes more insights-driven. Over three years, this attributable operating margin improvement is worth \$876,000.

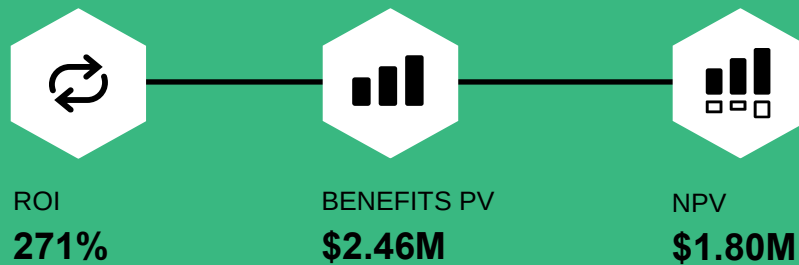
Unquantified benefits. Benefits that provide value for the composite organization but are not quantified in this study include:

- **Stronger data culture.** Matillion contributes to a stronger data culture within the composite organization as data accessibility increases, data is democratized, and employees have an easy-to-use solution that makes them more productive.
- **Improved governance.** The composite organization improves its data governance, reduces errors, notes easier data and pipeline auditing, and benefits from enhanced data visualization.
- **Increased business team effectiveness and productivity.** The composite's business users realize a productivity gain saving time working with democratized, business-ready data, which helps them reach insights, decide, and act faster.

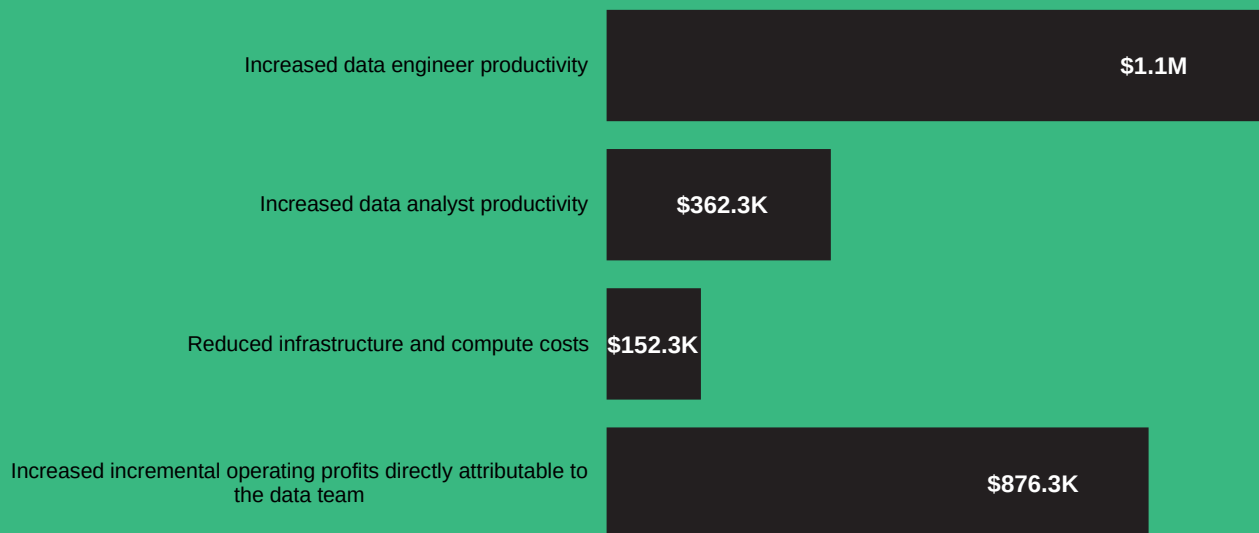
Costs. Three-year, risk-adjusted PV costs for the composite organization include:

- **Matillion costs of \$607,000.** The composite organization purchases Matillion's Enterprise Edition and values the consumption-based pricing. It also purchases support and other services.
- **Deployment and setup, ongoing management, and training costs of \$56,000.** After deciding to invest in Matillion, the composite organization requires setup, training, and ongoing management labor. Matillion's Data Productivity Cloud could also enable quicker deployments.

The representative interviews and financial analysis found that a composite organization experiences benefits of \$2.46 million over three years versus costs of \$663,000, adding up to a net present value (NPV) of \$1.80 million and an ROI of 271%.



Benefits (Three-Year)



“Matillion is a clean and simple way of organizing multiple data inputs and getting them to the desired end state without having to worry about extensive training or preparation. You can integrate very quickly.”

— Senior data analyst, software development

TEI FRAMEWORK AND METHODOLOGY

From the information provided in the interviews, Forrester constructed a Total Economic Impact™ framework for those organizations considering an investment in Matillion.

The objective of the framework is to identify the cost, benefit, flexibility, and risk factors that affect the investment decision. Forrester took a multistep approach to evaluate the impact that Matillion can have on an organization.

DISCLOSURES

Readers should be aware of the following:

This study is commissioned by Matillion and delivered by Forrester Consulting. It is not meant to be used as 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 study to determine the appropriateness of an investment in Matillion.

Matillion reviewed and provided feedback to Forrester, but 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 of the study.

Matillion provided the customer names for the interviews but did not participate in the interviews.



DUE DILIGENCE

Interviewed Matillion stakeholders and Forrester analysts to gather data relative to Matillion.



INTERVIEWS

Interviewed five representatives at four organizations using Matillion to obtain data with respect to costs, benefits, and risks.



COMPOSITE ORGANIZATION

Designed a composite organization based on characteristics of the interviewees' organizations.



FINANCIAL MODEL FRAMEWORK

Constructed a financial model representative of the interviews using the TEI methodology and risk-adjusted the financial model based on issues and concerns of the interviewees.



CASE STUDY

Employed four fundamental elements of TEI in modeling the investment impact: benefits, costs, flexibility, and risks. Given the increasing sophistication of ROI analyses related to IT investments, Forrester's TEI methodology provides a complete picture of the total economic impact of purchase decisions. Please see Appendix A for additional information on the TEI methodology.

The Matillion Customer Journey

■ Drivers leading to the Matillion investment

Interviews					
Role	Industry	Region	Revenue	Employees	Data Team Size
Data scientist	Financial services	Global	\$10 billion to \$20 billion	15,000+	20
Data engineer	Travel services	Europe	\$10 billion to \$20 billion	60,000+	8
Cloud architect	Financial services	Global	\$1 billion to \$10 billion	20,000+	Up to 40
• Vice president of analytics • Senior data analyst	Software development	North America	Undisclosed	100+	10

KEY CHALLENGES

Before Matillion, interviewees' organizations had varying prior states. Some had no or relatively new data organizations. Some had on-premises hardware solutions approaching end of life. Others were using the cloud and other solutions to ingest, process, and transform data. Regardless, there was commonly increasing pressure for more data with more data requests.

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

- **Inadequate solutions.** Interviewees said the prior solutions their organizations used or the lack thereof, such as hand coding, were costly, unscalable, and insufficient. The data scientist for a global financial services company said, "We were asked to do work not supported by the existing data infrastructure." The cloud architect for a global financial services company described the challenge with scaling on-premises solutions, saying: "The issue we had on-premises was the fixed number of computers. Due to market volatility, volumes can go up 150% to 200%."
- **Antiquated data processes.** With their organizations' legacy solutions, interviewees described outdated, complicated, slow, and manual data processes. The data scientist for a global financial services company said: "The

processes were extremely manual, and the technologies were not cohesive. There was a wide range of sophistication between the tools and processes. There would be important pipelines that were essentially just some long-winded [spreadsheet] macros, but then you'd also have some running in cloud databases."

Similarly, with an on-premises solution, the cloud architect for a global financial services company said: "We have these horrible [sections] of code. Some of them are 2,000 lines of SQL code. It was complicated for someone to come in and understand what's going on."

"The reason we turned to Matillion was that we were spending a far too high percentage of our time doing menial data engineering tasks when we're being paid to do investment research."

Data scientist, financial services

SOLUTION REQUIREMENTS

The interviewees' organizations searched for a solution that could:

- Support their chosen cloud data platforms.
- Offer integrations with their data sources.
- Be cloud-native and scalable to handle increasing and varying data volume.
- Charge based on consumption pricing.
- Be easy to use for both technical and nontechnical users.
- Provide support.

COMPOSITE ORGANIZATION

Based on the interviews, Forrester constructed a TEI framework, a composite company, and an ROI analysis that illustrates the areas financially affected. The composite organization is representative of the five interviewees, and it is used to present the aggregate financial analysis in the next section. The composite organization has the following characteristics:

- The global, \$2.5 billion organization has 10,000 employees and headquarters in both North American and Europe.
- The composite organization has complex systems, a growing number of data sources, and is engaging in a cloud transformation.
- It recognizes the value of being and aspires to become an insights-driven business and wants to democratize data for its business users.
- It builds 75 new incremental data pipelines per year and fulfills 30 or more data requests per year.
- The composite organization pays Matillion's enterprise rate per Matillion Credit and purchases Matillion's Mission Critical Support Plus and OnRamp services to maximize the value of its investment.

“Matillion was the easiest way for me to shift from a nonscalable solution to a scalable solution and still get business buy-in. So, especially early on trying to build an analytics department, I needed to find quick wins. I was able to do that with Matillion.”

Vice president of analytics, software development

Key Assumptions

- **\$2.5-billion organization**
- **75 new data pipelines built per year**
- **30+ data requests fulfilled per year**

Analysis Of Benefits

■ Quantified benefit data as applied to the composite

Total Benefits						
Ref.	Benefit	Year 1	Year 2	Year 3	Total	Present Value
Atr	Increased data engineer productivity	\$270,085	\$441,957	\$613,828	\$1,325,869	\$1,071,963
Btr	Increased data analyst productivity	\$63,504	\$137,592	\$254,016	\$455,112	\$362,289
Ctr	Reduced infrastructure and compute costs	\$61,236	\$61,236	\$61,236	\$183,708	\$152,285
Dtr	Increased incremental operating profits directly attributable to the data team	\$240,000	\$360,000	\$480,000	\$1,080,000	\$876,334
Total benefits (risk-adjusted)		\$634,825	\$1,000,785	\$1,409,080	\$3,044,689	\$2,462,871

INCREASED DATA ENGINEER PRODUCTIVITY

Evidence and data. After implementing Matillion, interviewees told Forrester the productiveness of their organizations' data engineers improved. They said Matillion's prebuilt connectors, easier pipeline management, and ease of use within a single tool drove this gain. As a result, their data teams spent less time building, managing, and maintaining data pipelines and more time on value-adding work. Furthermore, they discussed building more data pipelines with Matillion compared to their prior states.

- The vice president of analytics for a North American software development company explained the value of this productivity gain, saying: "There are savings. ... With the APIs being available, frequently updated and owned by Matillion, it allows my team to worry about business logic and bringing value to end users instead of integrating with these tools. That's huge [for] productivity."
- The data scientist for a global financial services organization highlighted a reduction in time spent on data engineering, enabling more value-add work. They explained that they were willing to take on more ambitious data projects with

"The value of [Matillion] is data productivity. We're able to build workflows, automate them, and orchestrate them within minutes."

Vice president of analytics, software development

Matillion, such as starting to fine-tune their own large language model. They added: "The work required to get the data ready to do that would have been an absolute nightmare. Now, [with Matillion and more,] the upfront expertise costs of data acquisition and engineering no longer scare me away from any project."

They added: "The less time I can spend preparing to do research and development (R&D) and the more time I can spend doing R&D, the better it is for me and the business."

Time saved building pipelines with Matillion

60%



Modeling and assumptions. Forrester assumes:

- The composite company builds 75 new data pipelines each year. This is a 50% increase over the number of pipelines built per year before Matillion. It then maintains these data pipelines.
- Data engineers save time building, managing, and maintaining data pipelines with Matillion as compared to the prior state of the composite.
- Not all time saved will lead to more value-added work. Forrester's standard for Total Economic

Impact studies estimates that 50% of time saved will be returned to productive work.

- The average fully burdened hourly rate of a data engineer is \$97.⁴

Risks. This benefit may vary based on:

- The organization's size, the data team size, and the number of data pipelines built per year.
- The prior state of the organization and its ability to deploy Matillion and manage change.
- The work and habits of data team members.
- The roles and salaries of data team members.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$1.07 million.

Increased Data Engineer Productivity

Ref.	Metric	Source	Year 1	Year 2	Year 3
A1	Incremental new pipelines built	Composite	75	75	75
A2	Subtotal: Cumulative pipelines built	Y1: A1 Y2 and Y3: A1+A2 _{PY}	75	150	225
A3	Hours to build a pipeline before Matillion	Composite	50	50	50
A4	Hours to manage and maintain a pipeline per year before Matillion	Composite	75	75	75
A5	Time saved building pipelines with Matillion	Interviews	60%	60%	60%
A6	Time saved managing and maintaining pipelines with Matillion	Interviews	70%	70%	70%
A7	Productivity recapture rate	TEI standard	50%	50%	50%
A8	Average data engineer fully burdened hourly rate	TEI standard	\$97	\$97	\$97
At	Increased data engineer productivity	$((A1 \cdot A3 \cdot A5) + (A2 \cdot A4 \cdot A6)) \cdot A7 \cdot A8$	\$300,094	\$491,063	\$682,031
	Risk adjustment	↓10%			
Atr	Increased data engineer productivity (risk-adjusted)		\$270,085	\$441,957	\$613,828
Three-year total: \$1,325,869			Three-year present value: \$1,071,963		

INCREASED DATA ANALYST PRODUCTIVITY

Evidence and data. Interviewees said Matillion also increased the productivity of their organizations' data analysts as they fulfilled more data requests and did so more quickly. In addition to the productivity gain, this shortened time to insights and enabled interviewees' organizations to better leverage more data for more business decisions.

Modeling and assumptions. Forrester assumes:

- The composite fulfills an increasing number of data requests per year as it builds more pipelines, including requests that run year over year.
- Data analysts save time fulfilling data requests as compared to the prior state of the composite.
- Not all time saved will lead to more value-added work. Forrester's standard for Total Economic Impact studies estimates that 50% of time saved will be returned to productive work.
- The average fully burdened hourly rate of a data analyst is \$49.

“I’m now willing to take on more ambitious data projects. If we didn’t have a modern data stack, I would never start fine-tuning our own large language model.”

Data scientist, financial services

Risks. This benefit may vary based on:

- The organization's size and the number of supported business users.
- The prior state of the organization and its ability to deploy Matillion and manage change.
- The work and habits of business users.
- The roles and salaries of business users.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV of \$362,000.

Increased Data Analyst Productivity

Ref.	Metric	Source	Year 1	Year 2	Year 3
B1	New ad hoc data requests fulfilled per year	Composite	15	25	40
B2	New consistent data requests fulfilled per year	Composite	15	25	40
B3	Subtotal: Total data requests fulfilled per year	$B1+B2_{CY}+B2_{PYS}$	30	65	120
B4	Hours to fulfill a data request before Matillion	Composite	160	160	160
B5	Time saved fulfilling a data request with Matillion	Interviews	60%	60%	60%
B6	Productivity recapture rate	TEI standard	50%	50%	50%
B7	Average data analyst fully burdened hourly rate	TEI standard	\$49	\$49	\$49
Bt	Increased data analyst productivity	$B3*B4*B5*B6*B7$	\$70,560	\$152,880	\$282,240
	Risk adjustment	↓10%			
Btr	Increased data analyst productivity (risk-adjusted)		\$63,504	\$137,592	\$254,016
Three-year total: \$455,112			Three-year present value: \$362,289		

REDUCED INFRASTRUCTURE AND COMPUTE COSTS

Evidence and data. According to interviewees, deploying Matillion as part of a modern data stack reduced costs compared to prior environments. This included cost savings both for prior hardware environments and prior cloud environments, where Matillion enabled the interviewees' organizations to optimize cloud compute costs with concurrent ETL tasks.

With a prior cloud environment, the data scientist for a global financial services business explained the cost savings of Matillion in combination with their cloud data platform, "Conservatively, we're saving \$10,000 to \$20,000 a month in the usage and misuse of outdated tools to do things that aren't appropriate and in the costs we were incurring from spinning up large instances to do sophisticated compute that was easily abstracted away with Matillion [and our cloud data platform]." They added, "Matillion is responsible for a 30% reduction in cloud compute costs."

Modeling and assumptions. Forrester assumes:

- The composite organization has a prior cloud environment with associated costs.
- Matillion enables cloud compute savings as compared to the prior environment in addition to other potential savings for legacy solutions, tools, and infrastructure.

Risks. This benefit may vary based on:

- The prior state and environment of an organization and the costs of Matillion in comparison.
- The change management capabilities of an organization.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV of \$152,000.

Reduced Infrastructure And Compute Costs					
Ref.	Metric	Source	Year 1	Year 2	Year 3
C1	Prior infrastructure and compute costs	Et/0.75	\$272,160	\$272,160	\$272,160
C2	Attributable cost savings (%)	Interviews	25%	25%	25%
Ct	Reduced infrastructure and compute costs	C1*C2	\$68,040	\$68,040	\$68,040
	Risk adjustment	↓ 10%			
Ctr	Reduced infrastructure and compute costs (risk-adjusted)		\$61,236	\$61,236	\$61,236
Three-year total: \$183,708			Three-year present value: \$152,285		

INCREASED INCREMENTAL OPERATING PROFITS DIRECTLY ATTRIBUTABLE TO THE DATA TEAM

Evidence and data. With more pipelines being built more quickly, more data requests being fulfilled more quickly, and improved data accessibility driven by Matillion, interviewees discussed broader business impacts and bolstered operating profits. Compared with beginner firms, Forrester research says that advanced insights-driven businesses are 2.8x more likely to report double-digit year-over-year growth and 1.4x more likely to report that using analytics has lowered IT costs.⁵ Forrester research also associates higher win rates and shorter sales cycles with increased data accessibility.⁶ Furthermore, just as effective data practices can drive performance, bad data practices can hurt performance.⁷

- The vice president of analytics for a North American software development company explained both a topline and bottom-line impact, stating: “We’ve automated so many data processes that create business logic for our website that feed the recommendation engine. It’s [increasing our customer conversion rate], and it’s replaced vendors operationally. We’ve saved quite a bit.”
- Similarly, the data engineer for a European travel services company discussed eliminating a

supplier. They also noted revenue impacts driven by increased data accessibility and accelerated data delivery, stating: “Departments rely on the numbers we provide in terms of [hotel] capacity, bookings, [and] occupancy. That helps them price adjust and improve revenue and margin.”

Modeling and assumptions. Forrester assumes:

- The composite organization has \$2.5 billion in annual revenue and has an industry-agnostic, pre-tax, unadjusted operating margin of 12%.⁸
- The composite organization increases directly attributable operating profits by 0.10% in Year 1, 0.15% in Year 2, and 0.20% in Year 3. Matillion enables the composite organization to make better business decisions which reduce expenses and increase revenue.

Risks. This benefit may vary based on:

- The annual revenue and operating margin.
- The change management and data operations capabilities of an organization.
- The actions taken by employees because of the increased data accessibility and volume.

Results. To account for these risks, Forrester adjusted this benefit downward by 20%, yielding a three-year, risk-adjusted total PV of \$876,000.

Increased Incremental Operating Profits Directly Attributable To The Data Team

Ref.	Metric	Source	Year 1	Year 2	Year 3
D1	Revenue	Composite	\$2,500,000,000	\$2,500,000,000	\$2,500,000,000
D2	Operating margin	TEI standard	12%	12%	12%
D3	Incremental operating profits increase directly driven by the data team	Composite	0.10%	0.15%	0.20%
Dt	Increased incremental operating profits directly attributable to the data team	D1*D2*D3	\$300,000	\$450,000	\$600,000
	Risk adjustment	↓20%			
Dtr	Increased incremental operating profits directly attributable to the data team (risk-adjusted)		\$240,000	\$360,000	\$480,000
Three-year total: \$1,080,000			Three-year present value: \$876,334		

UNQUANTIFIED BENEFITS

Interviewees mentioned the following additional benefits that their organizations experienced but were not able to quantify:

- **Stronger data culture.** Interviewees told Forrester that Matillion contributed to a stronger data culture as their organizations increased data accessibility; built and managed more data pipelines in one platform; and more easily trained and retained staff. The vice president of analytics for a North American software development company explained: “We have a strong data culture, and they know they have the tools to be able to execute on their job. ... We feel capable and empowered to do anything. Matillion is part of that.”
 - **Easier employee retention.** With Matillion’s ease of use and performance, interviewees said it was easier to retain data team employees. The data scientist for a global financial services company said: “The last thing that top-level talent in quantitative financial analysis wants to do is spend all their time doing data engineering. The fact that we have a tool that makes that easy does make us more attractive.”

“For us, the value of Matillion is in the democratization of modern data engineering principles. With Matillion, almost anyone can do real data engineering work quickly and efficiently.”

Data scientist, financial services

- **Ease and speed of learning.** Interviewees highlighted the ease and speed of learning how to use Matillion, which contributed to a productive and strong data culture. This could lead to quicker and more effective onboarding. The vice president of analytics for a North American software development company said: “Everyone was able to pick [Matillion] up very easily with the documentation. A team member picked it up and built a process in three days.”

“Matillion allows us to see the full picture of all our data on a minute-by-minute basis and allows us to quickly adjust and make changes. ... Those insights drive us every day.”

Senior data analyst, software development

- **Improved governance.** Interviewees noted improved governance, reduced errors, easier auditing, and enhanced data visualization. The vice president of analytics for a North American software development company said: “With Matillion, everything is centralized and documented. It is a better process overall.” The cloud architect for a global financial services company added: “There’s not [as] many mistakes being made because it’s easier to see what’s happening. ... They can clearly see where it’s being used and what’s happening.”

- **Increased business team effectiveness and productivity.** Interviewees said Matillion also increased the productivity of their organizations' business users. Instead of inefficiently preparing data, interviewees said Matillion enabled colleagues to work with a greater volume of democratized business-ready data that they could leverage to make or support decisions while shortening time to insights and saving time, allowing business users to reallocate effort to value-add work.

The data engineer for a European travel services company said: "We often hear colleagues say, 'With automatic ETL processes and data extraction powered by Matillion, we don't have to do these 3-hour manual tasks.'" They added, "They can use their time for more valuable tasks like understanding data, adjusting prices, or finding more targeted retention campaigns."

The vice president of analytics for a North American software development company similarly said: "The pricing team can create a pipeline, orchestrate, and do all their transformations in one tool. [Matillion is] comfortable for nontechnical users, and that's allowed us to scale utilization quickly." They added, "[Our business users] are focusing more time on the business and opportunities rather than putting together spreadsheets."

FLEXIBILITY

The value of flexibility is unique to each customer. There are multiple scenarios in which a customer might implement Matillion and later realize additional uses and business opportunities, including:

- **Increased agility and scalability.** Interviewees told Forrester that their organizations were more agile with Matillion and could easily scale their use as their data organizations grew and as other internal groups gained interest. The data scientist for a global financial services company said: "Highly agile and scalable are true. Because the data is all in one place, we have templates for doing almost everything in Matillion. We can turn around a solution in a week or so."
- **An opportunity to shift from capex to opex.** Interviewees explained how moving from a prior hardware environment to Matillion eliminated capital expenditures. The cloud architect for a global financial services company said, "With [our cloud data platform and] Matillion, because you don't have the initial purchase, it's just ongoing opex cost."

Flexibility would also be quantified when evaluated as part of a specific project (described in more detail in [Appendix A](#)).

Analysis Of Costs

■ Quantified cost data as applied to the composite

Total Costs							
Ref.	Cost	Initial	Year 1	Year 2	Year 3	Total	Present Value
Etr	Matillion	\$0	\$214,326	\$241,117	\$283,217	\$738,659	\$606,897
Ftr	Deployment and setup, ongoing management, and training	\$43,999	\$2,444	\$5,704	\$7,333	\$59,480	\$56,445
	Total costs (risk-adjusted)	\$43,999	\$216,770	\$246,820	\$290,550	\$798,140	\$663,342

MATILLION

Evidence and data. Interviewees' organizations purchased Matillion's Enterprise Edition and valued the consumption-based pricing model where they only paid for what they needed using Matillion Credits. Matillion Credits are used across Matillion's platform and are used to pay for the corresponding consumption. Interviewees also discussed purchasing professional services whether from Matillion, a partner, or both to assist with setup, integration, best practices, and more. This also included opportunities to purchase training and support from Matillion.

Modeling and assumptions. Forrester assumes:

- The composite organization consumes 56,000 Matillion Credits in Year 1. This increases to 63,000 Matillion Credits in Year 2 and 74,000 Matillion Credits in Year 3 as the organization grows and builds more data pipelines.
- The composite organization purchases Matillion Enterprise Edition paying \$2.70 per Matillion Credit. With Matillion ETL, one credit is consumed per hour of virtual core usage. With Data Productivity Cloud, one credit is consumed per hour when executing data pipeline tasks.
- To maximize the value of its investment, the composite organization purchases Matillion's Mission Critical Support Plus and OnRamp services.
- Additional support, service, and other costs includes support, services, and other costs including cloud consumption.
- Pricing may vary. Contact Matillion for additional details.

“It was very easy to get the license ... and get [Matillion] running. We were up and running in less than a day.”

Vice president of analytics, software development

Risks. This cost may vary based on:

- The consumption of Matillion Credits.
- Changes to Matillion's pricing model.
- Additional services purchased including professional services, training, and support.

Results. To account for these risks, Forrester adjusted this cost upward by 5%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$607,000.

Matillion						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
E1	Matillion Credits consumed	Composite	0	56,000	63,000	74,000
E2	Matillion Enterprise edition credit price	Matillion	\$2.70	\$2.70	\$2.70	\$2.70
E3	Subtotal: Matillion consumption	E1*E2	\$0	\$151,200	\$170,100	\$199,800
E4	Additional support, service, and other costs	Matillion and interviews	35%	35%	35%	35%
Et	Matillion	E3*(1+E4)	\$0	\$204,120	\$229,635	\$269,730
	Risk adjustment	↑5%				
Etr	Matillion (risk-adjusted)		\$0	\$214,326	\$241,117	\$283,217
Three-year total: \$738,659			Three-year present value: \$606,897			

DEPLOYMENT AND SETUP, ONGOING MANAGEMENT, AND TRAINING

Evidence and data. After selecting Matillion, interviewees' organizations began the deployment and setup process transitioning from their prior environments and processes to Matillion. Interviewees said this could be as quick as a week depending on their organizations' prior state and expected that Matillion's new Data Productivity Cloud could be even easier and quicker as software as a service (SaaS). Post-setup, interviewees discussed limited ongoing management for Matillion. Additionally, interviewees told Forrester about initial training and training for new employees, which could include learning with on-demand resources and Matillion-led training.

Modeling and assumptions. Forrester assumes:

- The composite organization commits 192 hours to deployment and setup over 12 weeks. The data organization needs to connect to different environments, incorporate business logic, migrate existing jobs, retire legacy processes, and manage change. It manages this deployment and setup process itself with support from Matillion.
- The data team spends 2 hours per month managing Matillion.
- New Matillion users receive 16 hours of training. The composite organization trains 15 data team members initially, two new team members in Year 2, and three new team members in Year 3.
- Data engineer or similarly paid roles perform the deployment and setup work, ongoing management, and receive the training.

“Everyone on the team picks up [Matillion] very quickly without much training.”

Vice president of analytics, software development

Risks. This cost may vary based on:

- The duration and complexity of deployment and setup driven by the prior environment, organization needs, data team capabilities, resources required, and use of professional services such as those of a systems integrator partner. The duration could be shorter with Matillion's new SaaS Data Productivity Cloud, too.
- Diverse technical environments and processes, which could necessitate more or less ongoing management.
- The organization size, the number of data team members, the amount of initial training they require, and whether any ongoing training is necessary.
- The roles required for deployment and setup, ongoing management, and training and the fully burdened hourly salaries of those roles.

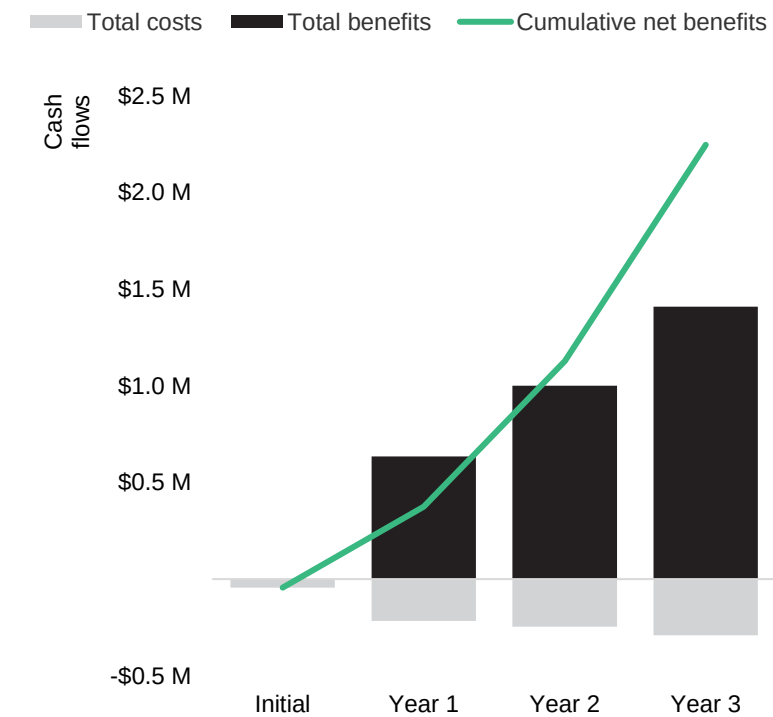
Results. To account for these risks, Forrester adjusted this cost upward by 5%, yielding a three-year, risk-adjusted total PV of \$56,000.

Deployment And Setup, Ongoing Management, And Training						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
F1	Hours of deployment and setup	Interviews	192	0	0	0
F2	Hours of ongoing management	Interviews	0	24	24	24
F3	Hours of training for data team	Interviews	240	0	32	48
F4	Average data engineer fully burdened hourly rate	TEI standard	\$97	\$97	\$97	\$97
Ft	Deployment and setup, ongoing management, and training	$(F1+F2+F3)*F4$	\$41,904	\$2,328	\$5,432	\$6,984
	Risk adjustment	↑5%				
Ftr	Deployment and setup, ongoing management, and training (risk-adjusted)		\$43,999	\$2,444	\$5,704	\$7,333
Three-year total: \$59,480			Three-year present value: \$56,445			

Financial Summary

CONSOLIDATED THREE-YEAR RISK-ADJUSTED METRICS

Cash Flow Chart (Risk-Adjusted)



The financial results calculated in the Benefits and Costs sections can be used to determine the ROI, NPV, and payback period for the composite organization's investment. Forrester assumes a yearly discount rate of 10% for this analysis.

These risk-adjusted ROI, NPV, and payback period values are determined by applying risk-adjustment factors to the unadjusted results in each Benefit and Cost section.

Cash Flow Analysis (Risk-Adjusted Estimates)

	Initial	Year 1	Year 2	Year 3	Total	Present Value
Total costs	(\$43,999)	(\$216,770)	(\$246,820)	(\$290,550)	(\$798,140)	(\$663,342)
Total benefits	\$0	\$634,825	\$1,000,785	\$1,409,080	\$3,044,689	\$2,462,871
Net benefits	(\$43,999)	\$418,054	\$753,964	\$1,118,530	\$2,246,550	\$1,799,529
ROI						271%

Appendix A: Total Economic Impact

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.

TOTAL ECONOMIC IMPACT APPROACH

Benefits represent the value delivered to the business by the product. The TEI methodology places equal weight on the measure of benefits and the measure of costs, allowing for a full examination of the effect of the technology on the entire organization.

Costs consider all expenses necessary to deliver the proposed value, or benefits, of the product. The cost category within TEI captures incremental costs over the existing environment for ongoing costs associated with the solution.

Flexibility represents the strategic value that can be obtained for some future additional investment building on top of the initial investment already made. Having the ability to capture that benefit has a PV that can be estimated.

Risks measure the uncertainty of benefit and cost estimates given: 1) the likelihood that estimates will meet original projections and 2) the likelihood that estimates will be tracked over time. TEI risk factors are based on "triangular distribution."

The initial investment column contains costs incurred at "time 0" or at the beginning of Year 1 that are not discounted. All other cash flows are discounted using the discount rate at the end of the year. PV calculations are calculated for each total cost and benefit estimate. NPV calculations in the summary tables are the sum of the initial investment and the discounted cash flows in each year. Sums and present value calculations of the Total Benefits, Total Costs, and Cash Flow tables may not exactly add up, as some rounding may occur.



PRESENT VALUE (PV)

The present or current value of (discounted) cost and benefit estimates given at an interest rate (the discount rate). The PV of costs and benefits feed into the total NPV of cash flows.



NET PRESENT VALUE (NPV)

The present or current value of (discounted) future net cash flows given an interest rate (the discount rate). A positive project NPV normally indicates that the investment should be made unless other projects have higher NPVs.



RETURN ON INVESTMENT (ROI)

A project's expected return in percentage terms. ROI is calculated by dividing net benefits (benefits less costs) by costs.



DISCOUNT RATE

The interest rate used in cash flow analysis to take into account the time value of money. Organizations typically use discount rates between 8% and 16%.



PAYBACK PERIOD

The breakeven point for an investment. This is the point in time at which net benefits (benefits minus costs) equal initial investment or cost.

Appendix B: Supplemental Material

Related Forrester Research

[“Predictions 2024: Data And Analytics,”](#) Forrester Research, Inc., October 26, 2023.

[“Planning Guide 2024: Technology Executives,”](#) Forrester Research, Inc., August 1, 2023.

[“Five Architecture Patterns To Enable Data And Analytic Business Outcomes,”](#) Forrester Research, Inc., July 25, 2023.

[“Seven Essential Capabilities To Enable DataOps For AI Development,”](#) Forrester Research, Inc., February 8, 2023.

[“Insights-Driven Businesses Set The Pace For Global Growth,”](#) Forrester Research, Inc., October 19, 2018.

Appendix C: Endnotes

¹ Source: [“The State Of The Insights-Driven Business, 2022,”](#) Forrester Research, Inc., August 24, 2022.

² Source: [“The Cloud Data Pipelines Landscape, Q3 2023,”](#) Forrester Research, Inc., July 24, 2023.

³ 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.

⁴ Source: [“Role Profile: Data Engineer,”](#) Forrester Research, Inc., April 25, 2022.

⁵ Source: [“Build A Maturity-Based Business Case For Insights-Driven Investments,”](#) Forrester Research, Inc., May 18, 2020.

⁶ Source: [“Leveraging Digital Insights To Drive Sales,”](#) Forrester Research, Inc., March 31, 2021.

⁷ Source: [“Invest In A Comprehensive B2B Marketing And Sales Data Strategy To Cut Waste And Drive Revenue,”](#) Forrester Research, Inc., September 20, 2023; [“The Impact Of Bad Data On The B2B Revenue Waterfall™,”](#) Forrester Research, Inc., July 27, 2023.

⁸ Source: [“Margins by Sector \(US\),”](#) NYU Stern School of Business, January 2023.

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