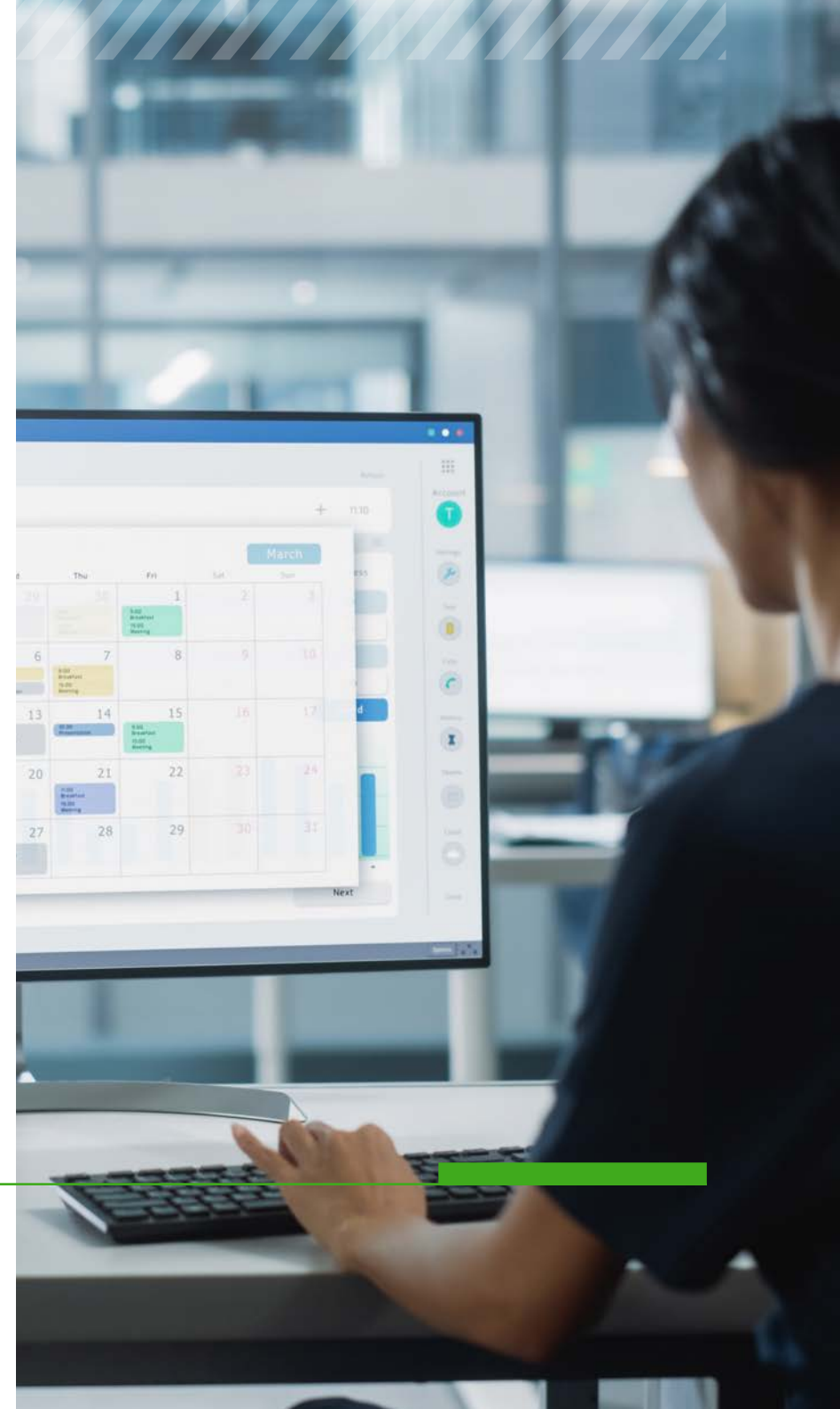




DIGITAL TRANSFORMS PHYSICAL

# A Guide to Calculating the ROI of Application Lifecycle Management Tools

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## Why work with integrated ALM?

**More and more software product development managers realize the need to provide their teams with tools that enable them to develop quality software fast.**

Seeing the value of integrated Application Lifecycle Management platforms but concerned about the difficulties of securing a budget for this investment, they are looking for ways to justify the purchase in financial terms.

To help gauge the Return on Investment of an ALM tool purchase, this guide will give you a hand in considering all cost factors, and quantifying the benefits of rolling out an integrated Application Lifecycle Management solution.

With regards to tooling questions, software developers in a lot of companies have traditionally taken the “whatever works” approach. That’s why you’ll still find dev teams

using Excel sheets to keep track of thousands of requirements saved in MS Word docs, and exchanging data via e-mail or shared folders. The problem with developing software this way is not that it’s impossible – it’s just extremely inefficient. Not a problem if you have time and money to waste, but in today’s competitive markets, that’s not likely to be the case.

The increasing pressure to collaborate efficiently, to manage artifacts in a structured and traceable way, and to enable process improvement & quality assurance gave rise to a new market demand, resulting in the birth of Application Lifecycle Management platforms.

These ALM tools provide a context for collaboration, help reduce complexity, and are equipped (or integrated) with all the tools that a product development team needs to build great software. Vendor offers differ in functionality, but in general, advanced ALM solutions such as PTC’s Codebeamer technology offer functionality around:



## How does ALM help?

- **Enhanced collaboration**
- **Lifecycle-wide traceability**
- **Automated change control**
- **Easy monitoring & reporting**
- **Meticulous Quality Assurance**
- **Increased customer satisfaction**

In general, the technical benefits of integrated ALM include gapless end-to-end traceability and fully documented change control on all work items, streamlined collaboration between all stakeholders, and easy reporting on all parts of the development lifecycle.

All this boils down to measurable business benefits: ALM helps reduce your products' time to market and development costs, all the while supporting your efforts to improve product quality. Measuring these benefits, however, is exactly where calculating the ROI gets tricky.

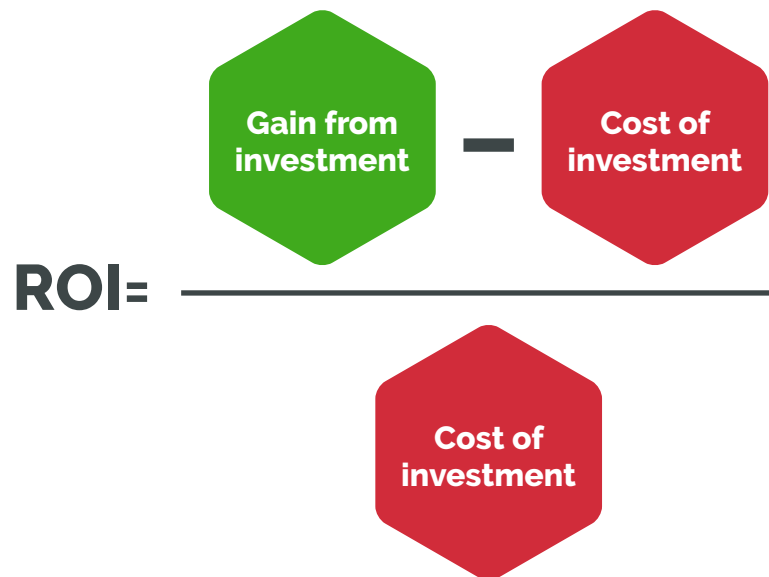


## Calculating the ROI of ALM

In order to clearly see the profitability of your investment in ALM, you'll need to calculate two figures:

1. the benefits you can expect from implementing the ALM tool translated into financial terms
2. how much the tool will cost you over years of use.

First, let's take a look at the costs of purchasing, rolling out, and maintaining an integrated Application Lifecycle Management platform.

$$\text{ROI} = \frac{\text{Gain from investment} - \text{Cost of investment}}{\text{Cost of investment}}$$


## Costs involved in the implementation of integrated ALM platforms

### License investment

To start with, there's the obvious cost of purchasing access to an ALM solution, in whatever way licenses are offered by your chosen vendor. Bear in mind that license investment (e.g. the price of the user seats you purchase) is just one part of the total cost. Most vendors will require you to sign up for maintenance, often in the form of yearly support. Having access to support, however, generally means that you will always be able to upgrade to the latest version of your ALM platform with all of its new features and bug fixes.

### Rollout investment

It's a good idea to consider the costs of deployment and configuration when evaluating ALM tools. Having a blueprint of your development processes makes it easier for your vendor to give you an estimate on your initial consulting needs in terms of time and costs.

Take it into account that flexible ALM platforms might need more configuration work at rollout, but a tool that you can adapt to your custom environment to suit your needs perfectly will save you more money in the long run. If you plan on keeping some of your current software tools and integrating them with your Application Lifecycle Management solution, you might want to find out more about the out-of-the-box integrations offered by your chosen solution (see more on this later).

### Training costs

In order for your team to be able to make the most of your Application Lifecycle Management platform, you'll have to train all team members working with the tool. It's a good idea to research your chosen vendor's strategy on training, as it can be a significant cost factor.

**PTC® takes a “train the trainers” approach with Codebeamer: certain team members (core users) are trained during rollout so that they can train the rest of the team later, saving you training/consulting hours.**

**Find out more about Codebeamer at PTC's website:**

[Learn more](#)



## Benefits of Application Lifecycle Management quantified

ALM tools differ in functionality and usability, and so each of them have a different ROI.

Based on the experiences of Intland Software's customers, we have been able to quantify the benefits that users of our ALM solution have been able to realize upon transitioning to codebeamer. Translate time savings into costs savings by analyzing your team's current processes and costs of operation.

So what do you get for your money when purchasing ALM tool? In addition to the intangible benefits of the higher perceived quality and value of your products (customer satisfaction and brand reputation are positively affected), implementing codebeamer brings you the following tangible benefits directly affecting your bottom line:



**Time to market: -8%**



**Quality improvement  
(time spent on correcting errors): -25%**



**Audit preparation time: -40%**



**Reporting time: -50%**



**Process configuration time: -60%**



**Tool integration costs: -80%**



**Reduced time to market**

As enhanced collaboration and advanced DevOps and Agile features improve efficiency, the time to market of our clients' products was reduced by 8% on average. Being able to release your product before your competitors helps you become a pioneer of innovation in your market.

**Quality improvement**

We estimate that codebeamer's change and test management functionality helps decrease the average time spent on correcting errors by 25%. Having mature processes in place enhances quality real-time, resulting in significant cost and time savings on all of your projects.

**Enhanced reporting**

The weekly time spent creating reports for management adds up over time, and some companies might not even realize the amount of costs this involves. With reports available at your fingertips and even automatically sent to specific stakeholders, codebeamer can help cut your team's reporting time by 50%.

**Easier process configuration**

Designing, implementing, enforcing, and monitoring the use of mature processes is a huge part of the work of any development team. Using codebeamer's flexible workflow engine, you can easily reduce the burden of process configuration by up to 60%.

**Pro tip**

**Developers of safety-critical products highly value Intland's preconfigured process templates:**

**Intland's Medical IEC 62304 & ISO 14971 Template**

**Intland's Automotive ISO 26262 Template**

**Intland's Avionics DO-178C Template**

**Intland's Pharma GAMP® 5 Template**



**Reduced audit preparation time**

Reporting to management is a joyride compared to the work involved in preparing for compliance audits. Codebeamer helps ensure and report on processes and traceability from requirements all the way through to release. Implementing a system of continuous compliance, automating documentation, and using advanced queries to filter all your lifecycle data can help reduce the time of audit preparation by as much as 40%.

**Lower maintenance costs**

Much of the value of using integrated ALM lies in the fact that it offers a single platform to cover the entire product development lifecycle. In a fragmented tool environment, updating and servicing single-point solutions (JIRA, IBM® Rational® components, Jenkins, etc) means a significant and continuous investment of time and costs.

Codebeamer uses a single repository to store all your development data, and offers end-to-end features from requirements to release. It is an all-in-one, holistic solution for your entire lifecycle.

Time and cost savings depend on the number of tools you're using, and your current maintenance costs. In general, each complex tool requires you to either employ an expert, or pay the vendor or a consultant to take care of maintenance. Vendors generally charge extra for custom SLAs (service level agreements).

**Reduced tool integration costs**

If you choose to keep some of your tried and tested software tools, you'll need to integrate those with your ALM platform. Choose a tool that offers the integrations you need by default, or calculate and add the costs of creating your own API-based integrations.

Due to its integrations with numerous tools, expanding your software ecosystem with codebeamer does not have to be a disruptive process. In addition to out-of-the-box integrations, it comes with a flexible REST API for custom integrations. In total, these allow you to cut the costs of integrating several software tools by as much as 80%.



**Learn more about  
Codebeamer's out-of-  
the-box integrations**

[Learn more](#)



## Comparing vendor offers

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With all the above data on the average rate of improvement that some of Intland's customers have been able to realize with codebeamer, it shouldn't be too difficult for you to crunch the numbers.

Calculate how long it's going to take for you to get a return on your Application Lifecycle Management investment, and secure a budget for this investment that will help you future-proof your development processes.

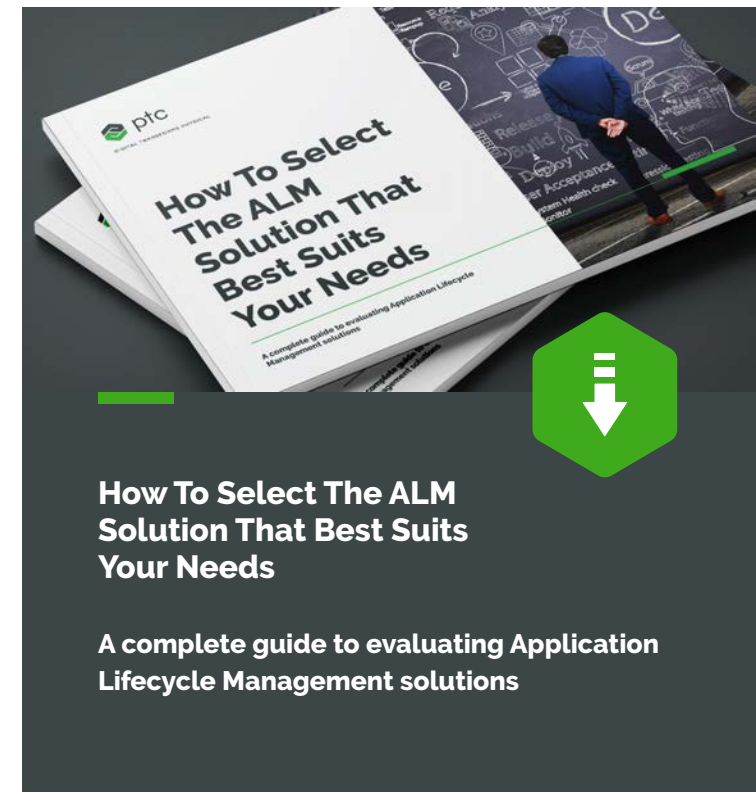
Some of our customers have been able to realize value from day one after rolling out codebeamer, and to achieve a ROI in under a year.

Getting decision makers to commit to an ALM investment doesn't have to be a hindrance to your goal of enhancing productivity. Just use the above guide to assess the ROI, and you'll be able to start evaluating Application Lifecycle Management systems sooner than you'd think.

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**Need help understanding the benefits of ALM in your own development environment?**

[Contact us](#)





**Try Codebeamer now**  
**Start your free 30-day trial of**  
**Codebeamer in minutes:**

**Start Trial**





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