



The Business Value of Google Workspace

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BUSINESS VALUE HIGHLIGHTS



Click on highlights below to navigate to related content within this PDF.

412%
three-year ROI

11 months
to payback

36% more
time for creative/innovative
work

24% less
time devoted to “busy work”

14% higher
overall productivity

2.1% higher
net productivity for all
Google Workspace users

35% higher
productivity for technology
teams

28% higher
productivity for field sales
teams

Executive Summary

As organizations seek to refine how they will operate in more fluid and flexible hybrid work models, many are doubling down on their use of intelligent digital collaboration platforms. These tools serve to better engage employees distributed across locations—connecting them to the people, business resources, and technologies they need to drive business results.

IDC interviewed organizations that have adopted Google Workspace as their primary collaboration platform to understand the solution’s impact on how employees work and generate value. Study participants linked significant operational efficiencies across their organizations to deeper collaboration, ease of information sharing, and enhanced productivity tools—all of which have driven meaningful productivity gains for their employees, whether they are frontline, hybrid/remote, or office-based employees.

Overall, IDC calculates that the interviewed Google customers will realize benefits worth an annual average of \$120,700 per 100 daily active Google Workspace users (\$44.39 million per organization) by:

- ▶ **Providing a collaboration solution that matches the changing way that employees work**, including with hybrid and remote enablement, robust video and audio capabilities, and tight platform integrations
- ▶ **Enabling employees to spend more time on value-added and innovative activities** by providing solutions and tools that allow them to spend less time on day-to-day activities such as meetings, emails, and searching for information
- ▶ **Enhancing digital experiences for employees**, in terms of both day-to-day functionality and better accessibility for employees with specific needs
- ▶ **Generating significant operational efficiencies in the form of higher employee productivity** as employees can work in a more flexible, collaborative, and engaged manner that increases their value, whether as frontline, remote, or office-based workers

Situation Overview

Recent dramatic global events have shown organizations that they need to reorient how they work in the face of ongoing uncertainty. From the standpoint of the future of work, this means being prepared to navigate dynamic circumstances that affect employees, business operations, and work conditions. Not surprisingly, 45% of IT and business leaders surveyed at the onset of 2022 noted that hybrid and remote work models would be an enduring part of accepted work practices (n = 858, Source: IDC's *Worldwide Future Enterprise Resiliency and Spending Survey, Wave 11*, December 2021).

Hybrid work models are expressly designed to weather unforeseen circumstances because they offer the opportunity for workers to seamlessly shift from fully remote to fully onsite work arrangements as needed. Hybrid work models are enabled by technologies such as intelligent digital workspaces, networking, security software, cloud computing, and automation of tasks and workflows. Combined, these technologies and new hybrid work policies let employees work securely from anywhere on any device and access the people, data, applications, and tools they need to get work done.

According to IDC research, the top business concerns for 2022 focus on operational efficiency and customer satisfaction, each garnering a 51% priority rating. For organizations to drive greater efficiency and customer satisfaction, it's clear that they will need to invest in the aforementioned technologies to ensure the capacity to grow rapidly as demand arises while being nimble enough to predict where they will need to adjust work models for greater efficiency.

Google Workspace

For years, Google Workspace has been the default collaboration platform when existing technologies failed to enable internal or external collaboration. The need for teams and entire organizations to digitally work together continues to rapidly grow. Today, 83% of enterprises report that external partners and customers are seeking to collaborate with them, significantly increasing the importance of Google Workspace as an effective and proven platform (see *IDC's Annual Collaboration Survey, 2021*, IDC #US46305621, May 2021).

This desire for companies to collaborate, while well intended, often downplays the challenges of successfully building collaboration experiences for partners, customers, and employees. Google Workspace has evolved as an intelligent, enterprise-level product that welcomes integrations of the products that an enterprise uses most. The result is more seamless collaboration and integrated applications within "a single pane of glass" for the user. This integrated digital connection also results in a better experience that enables time-saving capabilities for customers, partners, and suppliers as well as internal workers.

The Business Value of Google Workspace

Study Demographics

IDC conducted research that explored the value and benefits for organizations using Google Workspace. The project included eight interviews with Google Workspace customers that were using the platform and had experience with or knowledge about its benefits and costs. The in-depth interviews covered a variety of quantitative and qualitative questions about the impact of Google Workspace on workforce collaboration and business operations.

Table 1 presents study demographics and profiles. The organizations interviewed had a base of 39,000 employees on average and annual revenue of \$10.88 billion (median of 26,750 employees and \$5.50 billion revenue, respectively). In general, interviewed organizations had an enterprise-level profile and provided a variety of industry experiences and needs for promoting cross-organizational collaboration and information sharing. In terms of geographical distribution, study participants were based in the United States (2), Canada, Latin America (LATAM), France (2), India, and South Korea. They represented a mix of vertical industries, namely, government (2), transportation/airline, business services, healthcare, manufacturing, retail, and telecommunications.

TABLE 1
Demographics of Interviewed Organizations

	Average	Median
Number of employees	39,000	26,750
Number of IT staff	1,538	650
Number of business applications	593	250
Revenue per year	\$10.88B	\$5.50B
Countries	United States (2), Canada, LATAM, France (2), India, and South Korea	
Industries	Government (2), transportation/airline, business services, healthcare, manufacturing, retail, and telecommunications	

n = 8; Source: IDC Business Value Research, March 2022

Choice and Use of Google Workspace

Interviewed organizations described their use of Google Workspace and discussed their choice of the platform. Key drivers for selecting Google Workspace included the need to weave collaboration deeper into their overall business fabric and create a culture of greater collaboration. They also appreciated the simplicity of the Google Workspace pricing model and employee familiarity and comfort with the platform. Several organizations noted that they viewed Google Workspace as the most comprehensive collaboration solution.

Interviewed customers described the Google Workspace differentiators that were part of their adoption decisions:

▶ **Change the nature of collaboration:**

“We chose Google Workspace because we wanted to drive collaboration improvements in our company by asking if it can drive change in the way people work with one another. ... we felt that the mindset and the strategy in Google Workspace was stronger, and that made us move toward it as a solution.”

▶ **Better overall experience, employee preference:**

“We felt that Google Workspace gives a better collaboration experience ... We found working on Google Sheets, Docs, and Drive better than what [the alternative] offered ... Finally, our younger employees were more comfortable with the Google solution.”

▶ **Pricing, simplicity, comprehensive nature:**

“After evaluating Google Workspace and another solution through day-to-day use and by hearing from both vendors, we chose Google. Pricing was one of the first reasons. Beyond that, we found that the Google collaboration tools better suit our needs ... We see it as a very easy, comprehensive solution.”

Table 2 (next page) provides a snapshot of Google Workspace use across interviewed organizations. Most importantly, it shows that study participants use Google Workspace as their primary work and collaboration platform, with almost all employees (36,765 on average) using Google Workspace on a daily basis. **Table 2** shows that these Google customers use Workspace to support both their frontline (23,862 employees on average) and desk/office-based workforces (10,715 employees on average). Their employees have both common and divergent collaboration-related needs, so organizations’ ability to leverage Google Workspace extensively reflects the platform’s ability to create value for all types of organizations and employees.

TABLE 2

Google Workspace Use by Interviewed Organizations

	Average	Median
Number of active daily users	36,765	26,750
Number of frontline worker users	23,862	10,000
Number of desk worker users	10,715	11,500
Number of projects per year	651	51
Number of total employee devices used	65,743	70,000

n = 8; Source: IDC Business Value Research, March 2022

Business Value and Quantified Benefits of Google Workspace

Interviewed organizations described Google Workspace as having a substantial impact on how their employees work by providing an all-in-one platform for communication and collaboration. Employees gain from not only more frequent and better collaboration and communication but also unified workflows and helpful text, voice, and audio capabilities. The employees apply these benefits of Google Workspace to work more effectively and efficiently regardless of their working environment, thereby creating more value for their organizations.

Interviewed Google customers spoke to these gains in their own words:

▶ **Higher across-the-board productivity:**

“The most significant benefit for us of using Google Workspace is productivity ... People can work seamlessly from either home or office ... The work we’ve done in the past two years would not have been possible without this technology.”

▶ **Flexibility and real-time document access for all:**

“The biggest benefits of using Google Workspace are having the flexibility and mobility to work everywhere and anywhere ... Previously, if we needed to get a million-dollar project approved, it took 40 versions of PowerPoint, Excel, whatever, just for simulations ... Now, anytime there is a document being created, everyone has access to the document and they can make real-time edits or additions.”

▶ **Collaboration and standardization:**

“Collaboration is the most significant benefit, meaning the frequency of interaction enabled by Google Workspace through the use of a standardized, well-integrated toolset. When everyone on a project can work on the same document in real time across widely distributed geographies, that makes for a more productive team.”

▶ **Enabling team communication and ease of access:**

“Google Workspace makes it easy to have the whole team work on the same document and not have multiple documents to manage. Right behind that would be ease of access: there’s no need to install apps or configure systems; any device with internet access can get on.”

IDC’s analysis projects that study participants will achieve productivity gains and other efficiencies with an annual average value of \$44.39 million per organization (\$120,700 per 100 daily active Google Workspace users). This strong value related to productivity reflects the significant impact of Google Workspace on how the employees work and engage with each other on a day-to-day basis. For a breakdown of benefits quantified by IDC, see Appendix 2.

Supporting the Changing Nature of Work

The rapid pace of digital transformation challenges organizations of all types to explore accelerated technology adoption and forward-looking, cross-functional collaboration practices. A daunting array of economic, climate, and business challenges requires organizations to enable their workforces to quickly adapt to changing societal and business demands. The rapid shift to remote work and hybrid work models typifies the kinds of shifts we can expect in the future. Organizations can address these challenges through the adoption of the best available collaborative technologies.

Study participants reported that Google Workspace has helped them directly address these challenges. As such, it provides a collaboration platform that will meet changing employee and business needs going forward. Interviewed organizations repeatedly cited the transformative impact of Google Workspace in terms of how their employees engage, communicate, and collaborate, regardless of industry or role. They described Google Workspace as a platform not only for the here and now but also going forward as they maintain or adopt new work practices to react to changing business conditions. Importantly, interviewed Google customers also emphasized that addressing these challenges cannot come at the expense of security or by increasing business risk, and they noted that Google Workspace provides requisite levels of security.

Study participants described how Google Workspace has helped them address changing working conditions and expectations in recent years:

▶ **Platform for changing how employees work:**

“Google Workspace is an enabler of working from home, which is allowing us to implement a new, smart way of working. In the future, our strategy is to develop the importance of the functional community within our workspace ... Google Workspace gives us a single point of focus for this kind of transformation and enablement.”

▶ **Foundation for digital transformation of the workplace without compromising on security:**

“One of our core business objectives was to have a stable and secure collaboration platform. Google Workspace has served as the foundation for this comprehensive digital transformation of our workplace. People can collaborate in real time from wherever they are, but we are still able to maintain the level of security we want.”

▶ **Enables a forward-looking view of employee technology:**

“Remote workers can be easily onboarded or transitioned from office to home with Google Workspace. Also, the security policy management aligns easily with government requirements. We see Google Workspace as a dynamic environment that evolves at a rapid pace that allows us to have a forward-looking view of how we use technology.”

▶ **Enables hybrid work with a consistent experience, regardless of location:**

“We’re trying to create experiences in our buildings that attract people to come to the office when it’s the right time to do so ... We want to make the experience ubiquitous from a technology standpoint and don’t want to introduce new technologies that are different in the office versus at home. For example, we’re deploying Google Meet hardware kits across our buildings so that when people do come into the office, they’re familiar with the interface ... Another example is Google Jamboard for digital whiteboarding, so people in the office can whiteboard virtually with someone working from home.”

Refocusing Employees on Innovation and Value-Add

In terms of practical impact, study participants reported that Google Workspace has improved collaboration and provided better access to information for all types of employees. In turn, this has changed how employees work and communicate and, ultimately, how they do their jobs. Most importantly, instead of spending time on inefficient communication with colleagues, such as setting up meetings, searching for information, or relying on disparate tools, employees seamlessly access information, data, and colleagues with Google Workspace. As a result, they spend more time on value-added activities such as project work and innovation and less on what has been traditionally considered busy work.

Study participants noted improvements in this regard, including better response times, ease of communication for workers in disparate locations and, ultimately, better customer service.

Importantly, study participants provided direct examples of how both frontline and office-based workers have benefited from using Google Workspace:

▶ **Speed and ease of access:**

“The speed at which we can collaborate is much better with Google Workspace. There’s no need to download applications or documents; you can pull everything up on the web. Ease of access and speed are important for these workers, and Workspace delivers on that.”

▶ **Enables more efficient collaboration for on-the-move employees:**

“Our pilots and cabin crew members are always on the move, and they never had the capabilities to collaborate—they had to go to an airport for in-person briefings. Now with Google Workspace, they can create briefing documents through the Google Doc on their devices and then just share it through Google Drive.”

▶ **Ease of communication, access to data:**

“Google Workspace and Google Meet allow us to communicate with each other via audio or video calls easily whether people are in the office/home or even in their car. The ease of doing this has allowed this to happen far more than it did before.”

▶ **Refocus meetings on more direct, actionable topics with smaller groups:**

“Google Workspace has changed our culture of meetings so much. As an organization we are trying to work on being mindful and smart about how we use our time ... For insight, more than two-thirds of our meetings are just with two people or three to five people, which means small group collaboration or talking about something specific.”

As one means of measuring the impact of Google Workspace on how employees work, IDC evaluated how they spend their time in a typical workday. Generally, organizations stand to gain from certain employees working on value-maximizing projects rather than dealing with administrative tasks or engaged in unimpactful communication. Thus they can benefit when employees have more time to devote to activities that generate value for their organizations, whether through higher revenue, increased effectiveness, or more efficient operations. As shown in **Figure 1**, IDC’s analysis shows that use of Google Workspace has had a decidedly positive impact on how employees work; on average, they have 36% more time for creative work and spend 24% less time on routine or administrative tasks.

FIGURE 1
Impact on How Employees Spend Time
 (% change)



n = 8; Source: IDC Business Value Research, March 2022

Providing Needed Functionality and Accessibility

The value achieved by interviewed organizations stems from the features and functionality of Google Workspace. Study participants linked work efficiencies to Google Workspace features and functionality that benefited all employees. They also linked Google Workspace with enhanced accessibility capabilities that support specific categories of employees or employees with specific needs.

Across the board, study participants linked enhanced collaboration to Google Workspace features and tools. In some cases, these benefits are so impactful that they fundamentally change how employees work. For example, an airline company described the powerful impact of voice documentation capabilities with Google Workspace for its ground crews: *“We use Google Workspace for the people who work outside at the airports because, when it’s very cold, employees can use their voice to document things rather than typing because they can’t take off their gloves.”*

Study participants also described how both hardware and software features within the Google Workspace platform have enabled their employees to work more effectively. For example, one study participant described the impact of flexibility and functionality in Google Meet and Apps Script alongside other Google Workspace features: *“Google Workspace does allow for more innovation because of the many tools focused on collaboration. Apps Script is a great example: we’re able to custom-create all kinds of valuable features and functions that don’t exist natively in the platform. I’ve seen a tremendous increase in efficiency, thanks to innovative work like this that Google Workspace has facilitated.”*

Another interviewed Google Workspace customer explained that their organization can now provide a higher-quality collaboration experience to employees across all device types: *“We are using Google Meet through our mobile devices and laptops and the collaboration experience is much better.”*

Study participants also noted the importance of features and functionalities of Google Workspace, such as closed captioning and voice documentation capabilities, for employees with accessibility needs.

They spoke about how these features drive value for their organizations by creating a day-to-day operating environment in which all employees can thrive and provided specific examples:

- ▶ **Video and closed captioning allows deaf and hard-of-hearing employees to participate:**
“I have two team members who are hard of hearing or deaf, and they’re able to participate in Google Meet meetings by seeing people’s video and watching their lips and reading them, plus the closed captioning at the bottom allows them to participate and understand what’s happening.”
- ▶ **Importance of closed captioning in training videos:**
“Google Workspace provides closed captions for the training videos that we were offering because the training videos are how we grow the program. We have the School of Deaf and Blind on the Google platform, and they get functionality that helps with disabilities.”

The Value of Enhanced Collaboration and Productivity

Ultimately, interviewed organizations realize value with Google Workspace primarily through operational efficiencies in the form of substantial productivity gains for all teams using the platform.

While every interviewed Google Workspace customer has unique workforces, they spoke broadly about how several groups of employees, which overlap in some cases, leverage the platform to their advantage:

- ▶ **Frontline workers** benefit from the ability to communicate with colleagues and customers across all types of devices, even while they're on the go, with enhanced access to information on all types of devices.
- ▶ **Hybrid and remote workers** gain real-time collaboration with colleagues and customers, as well as having access to the same powerful features and functionality as office-based colleagues.
- ▶ **Office workers** benefit from having a unified and integrated platform on which to collaborate, communicate, and complete their work, including more timely communication, more streamlined document review, and more orderly project execution.

Study participants reported that employees using Google Workspace are more efficient and productive, generating considerable value for their organizations through use as a day-to-day collaboration platform. Interviewed organizations noted the value of cross-functional real-time collaboration and how improved communication to and between employees led to faster decision making.

They provided examples of these types of day-to-day efficiencies:

- ▶ **Improved communication to employees, faster operational decision making:**
"We got everyone to make quicker decisions for our crew members when we have a change in schedule with Google Workspace. Previously, staff would have to go to their own portal and look at their schedule and any changes. Now we push them out through Google Workspace, and they get an email or chat saying, 'Hey, your schedule's changed.'"
- ▶ **Contract transparency and improved help desk workflows:**
"One of the operational values of Google Workspace is contract transparency ... With Google Workspace, instead of different agencies reaching out individually with issues, it all comes to us in that centralized hub, and we manage the ticketing."
- ▶ **Single consolidated platform allows for reallocation of staff time to strategic initiatives:**
"Before Google Workspace, we had 7.5 teams in charge of our collaboration platform and 3–4 teams in charge of tenants. Now, with Google Workspace, it's one central team, and the sum of the new team is a third of the total we had in the past. So instead of 35 people in charge of messaging, emails, tools, and collaborations, now it's 10–12."

Based on interviews, IDC identified seven discrete teams across interviewed organizations that benefit from increased productivity through use of Google Workspace, namely:

- ▶ **Sales teams**, which benefit from enhanced collaboration and timely updates on the status of prospective customers
- ▶ **Field sales teams**, which benefit from improved flow of information, but also specifically from more timely delivery of data and feedback that they can use during interactions with prospects
- ▶ **Marketing teams**, which can deliver more effective and timely campaigns as a result of enhanced cross-team collaboration and have the ability to understand and incorporate more data and stakeholder views into campaign collateral
- ▶ **Customer support teams**, which benefit from ease of sharing and improved ability to respond in a tailored but real-time manner to customers
- ▶ **Human resources teams**, which move more quickly to support current employees and streamline sharing data and processes with new hires
- ▶ **Technology and IT teams**, including developers and engineers, as well as teams responsible for delivering IT services to users, which benefit to a substantial extent from the ease of real-time collaboration, including real-time access to shared documentation/documents that drive their ability to deliver new software and functionality to support business operations
- ▶ **Business operations teams** which work more effectively with improved ability to connect and share information

Table 3 (next page) shows the calculated productivity impact on these teams, ranging from 6% to 35%. Further, study participants cited productivity gains for both other frontline and office workers not included in these seven teams who were separately evaluated. The results demonstrate the extent to which all these functions within organizations experienced improved abilities to communicate robustly, optimize collaboration, and share information and data quickly and easily across their own teams and with other teams via the Google Workspace platform.

TABLE 3
Higher Productivity by Team

	Equivalent Productivity Level Before/ Without Google Workspace	Equivalent Productivity Level with Google Workspace	Net Productivity Gain with Google Workspace (FTEs)	Higher Net Productivity with Google Workspace	Higher Overall Productivity with Google Workspace
Sales teams	1,456	1,494	38	2.6%	18%
Field sales teams	2,785	2,900	115	4.1%	28%
Marketing teams	219	226	7	3.1%	21%
Customer support teams	9,426	9,511	85	0.9%	6%
Human resources teams	398	407	9	2.3%	15%
Technology teams	5,570	5,863	292	5.3%	35%
Business operations teams	4,689	4,865	176	3.8%	25%
Other frontline workers	10,196	10,242	46	0.5%	3%
Other employees	2,026	2,035	10	0.5%	3%

n = 8; Source: IDC Business Value Research, March 2022

IDC then translated these overall productivity gains into net values for its financial analysis. **Table 4** (next page) shows the substantial 14% overall average productivity gain that study participants attributed to use of Google Workspace. For the purpose of its financial model, IDC applied a 15% margin assumption (see Appendix 1 for details), which results in an impactful 2.1% average net productivity gain across all Google Workspace users. This net productivity gain reflects a significant impact both on an organizational level, with 778 FTEs in higher productivity per organization on average and on a per-user level, with 40 hours or one week of additional net productivity per user per year.

TABLE 4
Total Impact

	Productivity Gain	Per Organization (FTEs)	Increased Productivity per Year per User
Higher overall productivity	14%	5,183	265 hours
Net productivity gain — 15% assumed margin	2.1%	778	40 hours

n = 8; Source: IDC Business Value Research, March 2022

Platform Cost and Management Efficiencies

Study participants also reported that Google Workspace provides a cost-effective platform, especially given the significant productivity gains related to strong functionality discussed elsewhere in this study.

Specifically, interviewed Google customers cited:

- ▶ **Licensing/fee cost efficiencies** compared with other solutions and platforms that they considered. Study participants noted the ability to discontinue use of licenses for other solutions and one interviewed organization commented: *“We chose Google Workspace because the capability/price balance was better.”*
- ▶ **Freeing up staff time for innovation and project work** by having a consolidated, unified collaboration platform with Google Workspace. One study participant noted: *“Before Google Workspace, we had 7.5 teams in charge of our collaboration platform and 3–4 teams in charge of tenants. Now, with Google Workspace, it’s one central team, and the sum of the new team is a third of the total we had in the past. So instead of 35 people in charge of messaging, emails, tools, and collaborations, now it’s 10–12.”* On average, interviewed organizations reported efficiencies for their platform management teams of 38% (see Appendix 2 for details).

ROI Summary

Table 5 (next page) presents IDC’s return on investment (ROI) and analysis for study participants’ use of Google Workspace. As shown, IDC projects that they will achieve three-year discounted benefits worth an average of \$103.77 million per organization (\$282,300 per 100 Google Workspace users) through higher productivity and direct staff efficiencies. These benefits compare with total three-year discounted costs of \$20.28 million per organization (\$55,200 per 100 Google Workspace users). IDC projects that these levels of benefits and investment costs will result in an average three-year ROI of 412% and a break-even point in investment occurring in 11 months.

TABLE 5
Three-Year ROI Analysis

	Per Organization	Per 100 Google Workspace Users
Benefit (discounted)	\$103.77M	\$282,300
Investment (discounted)	\$20.28M	\$55,200
Net present value (NPV)	\$83.49M	\$227,100
Return on investment (ROI)	412%	412%
Payback period	11 months	11 months
Discount rate	12%	12%

n = 8; Source: IDC Business Value Research, March 2022

Challenges/Opportunities

The top technology challenges for effective deployment of hybrid work models are providing appropriate IT support to remote locations and ensuring security of corporate resources. Where securing an internal network was once ample protection, the ability to work from anywhere with multiple devices requires a new type of planning. The base application set needs to remain secure as it supports widespread collaboration. Absent the basic IT and security assurances for remote and hybrid models, organizations will struggle with the complexity of supporting a distributed workforce with dynamic work practices.

To customize hybrid models, organizations need to invest in technologies to ensure employees have secure and democratized access to key resources and provide effective team collaboration—both technically and culturally. This requires creating cross-functional teams so that hybrid work norms and policies enable active participation regardless of role, device, language, or location—as Google terms it, “collaboration equity.”

As the enterprise continues to transform to meet the world’s evolving challenges, connecting people is core to thriving in a shifting landscape. Collaboration is what people do together to reach shared goals. Intuitive technologies help scale the collaboration and make it more productive and inclusive. Most importantly, collaboration must engage every worker vital to power the growth of the enterprise without sacrificing security. The need for effective, secure multilocation collaboration will only increase, powered by employee and customer expectations, richer intelligence, and more interactive, visual content supported with increased bandwidth from 5G and Wi-Fi 6.

When surveyed, 38% of LOB and IT leaders said that advanced conferencing technologies to support democratized meeting participation were one of their top three technology investments for 2021 and 2022 to ensure better communication and collaboration among all members of the workforce, 34% also cited team collaboration software, and 33% listed cloud-enabled knowledge management. Deployment of these tools provides an opportunity to not only address the challenges of maintaining operational efficiency and employee engagement but also drive innovation and ensure continuity of corporate culture.

Conclusion

Organizations continue to search for approaches and solutions that will enable them to operate and succeed with hybrid work models. They require intelligent digital workspaces and collaboration platforms that will ensure employee engagement across their increasingly distributed operations. More organizations recognize that they must enable all employees to thrive regardless of work location, which means working securely across all device types with ready access to the people, data, applications, and tools needed for their jobs.

IDC spoke with organizations around the world about their experiences with Google Workspace as their primary collaboration platform. Study participants described the significant impact that Google Workspace has had on how their employees work by providing a unified, highly functional platform for collaboration and communication. They reported that employees of all types—whether frontline, office, or remote—gain from the ease of communicating and accessing information on the Google Workspace platform, as well as helpful text, voice, and audio capabilities. As a result, employees are significantly more effective as they collaborate more closely, address customer needs more completely, and devote more time to innovative and business-driven work. For interviewed Google Workspace customers, productivity gains across their employee bases result in a strong return on their investment, which IDC projects to be 412% over three years.

Appendix 1

Methodology

IDC's standard Business Value/ROI methodology was utilized for this project. This methodology is based on gathering data from organizations currently using Google Workspace as the foundation for the model. Based on interviews with organizations using Google Workspace, 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 Google Workspace.** In this study, the benefits included employee productivity gains, staff time savings, and reduced costs.
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 Google Workspace 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 Google Workspace over a three-year period. ROI is the ratio of the net present value (NPV) and the discounted investment. The payback period is the point at which cumulative benefits equal the initial investment.

IDC bases the payback period and ROI calculations on a number of 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 purposes of 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 that employees work 1,880 hours per year (47 weeks x 40 hours).
- ▶ The net present value 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 both the assumed cost of money and the assumed rate of return.
- ▶ IDC applies a net margin assumption (15%) for most user productivity gains attributed to interviewed organizations' use of Google Workspace, resulting in the net productivity calculations applied to IDC's model.
- ▶ Because IT solutions require a deployment period, the full benefits of Google Workspace are not available during deployment. To capture this reality, IDC prorates the benefits on a monthly basis and then subtracts the deployment time from the first-year savings.

Appendix 2

Specific Business Value Findings

Table 6 (next page) provides details about the quantifiable benefits achieved by interviewed organizations through their use of Google Workspace.

TABLE 6
Average Annual Benefits per Organization

Category of Value	Average Quantitative Benefit	Applied 15% Operating Margin Assumption	Calculated Average Annual Value
Sales team productivity gains	2.6% net productivity gain, 38 FTEs, \$70,000 salary	Yes	\$2.17M
Marketing team productivity gains	3.1% net productivity gain, 7 FTEs, \$70,000 salary	Yes	\$388,900
Customer support team productivity gains	0.9% net productivity gain, 85 FTEs, \$70,000 salary	Yes	\$4.82M
Human resources team productivity gains	2.3% net productivity gain, 9 FTEs, \$70,000 salary	Yes	\$508,500
Technology team productivity gains	5.3% net productivity gain, 292 FTEs, \$70,000 salary	Yes	\$16.61M
Business operations team productivity gains	3.8% net productivity gain, 176 FTEs, \$70,000 salary	Yes	\$9.99M
Field sales team productivity gains	4.1% net productivity gain, 115 FTEs, \$70,000 salary	Yes	\$6.53M
Other frontline worker productivity gains	0.5% net productivity gain, 38 FTEs, \$70,000 salary	Yes	\$2.61M
Other employee productivity gains	0.5% net productivity gain, 10 FTEs, \$70,000 salary	Yes	\$542,100
Platform management team efficiencies	38% efficiency, 2.8 FTEs, \$100,000 salary	No	\$226,300
Total annual benefits, use of Google Workspace	\$44.39M per organization		

n = 8; Source: IDC Business Value Research, March 2022

Note: All numbers in this document may not be exact due to rounding.

About the Analysts



Wayne Kurtzman
Research Director, Social and Collaboration, IDC

Wayne Kurtzman is Research Director for the IDC Social, Communities, and Collaboration practice. He is an experienced technologist, practitioner, and analyst of enterprise social media, collaboration, and analytics programs. Prior to joining IDC, Wayne led emerging technology programs for global B2B and B2C companies, leveraging community collaboration and social media to drive employee and customer experience, new efficiencies, and new revenue streams. He has developed global community, social, and analytics practices as well as award-winning knowledge management and advocacy programs.

[More about Wayne Kurtzman](#)



Amy Loomis, Ph.D.
Research Director, Future of Work, IDC

Amy Loomis is Research Director for IDC's worldwide Future of Work market research service. In this role, Amy covers the growing influence of technologies such as artificial intelligence, data analytics, robotics, augmented and virtual reality, and intelligent process automation in changing the nature of work. Her research looks at how these technologies influence workers' skills and behaviors, organizational culture, worker experience, and how the workspace itself is enabling the future enterprise.

[More about Amy Loomis, Ph.D.](#)



Matthew Marden
Research Vice President, Business Value Strategy Practice, IDC

Matthew Marden is responsible for carrying out custom business value research engagements and consulting projects for clients in a number of technology areas with a focus on determining the return on investment (ROI) of their use of enterprise technologies. Matthew's research often analyzes how organizations are leveraging investment in digital technology solutions and initiatives to create value through efficiencies and business enablement.

[More about Matthew Marden](#)

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