Executive Summary:
The Business Value of Amazon Redshift

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A data warehouse is an application-neutral database used to collect data from across the enterprise under a normalized schema that can support both a full range of analytic queries that reveal the state of the business and various short- and long-term decisions. Many enterprises have had in-house data warehouses for years but are now considering moving them to the public cloud.

There are solid reasons for doing this, not least of which is that with the flexible scalability that a cloud platform offers, it can provide an economical deployment model with maximum performance when it's needed most.

The question naturally arises as to which cloud platform and database management system (DBMS) to favor in this regard. The logical choice is a DBMS that is designed to support data warehouses — large databases requiring efficient processing of many tables with foreign key relationships and handling large numbers of concurrent users.

Since AWS is the most popular cloud platform, it should come as no surprise that many enterprises are looking to base their data warehouses there, especially if they have applications on that platform (which makes the movement of data from the application database to the warehouse much more efficient than any alternative).

In choosing a DBMS for the data warehouse on a platform such as AWS, it is important to choose one that maximizes the resources of the cloud platform and can mitigate the complexity of deployment and tuning. The data warehouse DBMS that was developed by Amazon as its optimal data warehouse platform is Amazon Redshift. This study examines the experience of users adopting Redshift as their data warehouse DBMS.

BUSINESS VALUE HIGHLIGHTS

503% three-year ROI

10 months to payback

66% faster analytical queries

78% more queries supported

26% more staff with access to analytics

61% productivity gains for analytics teams

$14.9 million higher revenue annually per organization

43% lower data warehousing platform costs

68% lower average weighted cost per 1,000 queries

92% reduced unplanned downtime

IDC conducted research that explored the value and benefits for organizations of using Amazon Redshift as a cloud-based data warehousing solution.

Based on a series of in-depth interviews with organizations currently using Amazon Redshift, IDC projects that interviewed customers will achieve annual average benefits of $2.87 million per 100TB and a 503% three-year ROI by:

- Enabling analytics and development activities through increased access to varied data sources, increased access to analytics through self-service, and running queries more frequently, faster, and more cost effectively in support of business activities

- Lowering the cost of providing data warehousing capabilities with serverless, scalable data warehousing capacity and offering pay-for-use pricing, thereby enabling businesses to leverage much-enhanced analytics capabilities at a significantly better price-to-performance cost point

- Delivering direct and measurable business benefits by fostering new types of data reporting, driving new technology use, and improving the ability to pursue promising business opportunities

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