

Point Solutions vs. Integrated Solutions

Which delivers better ROI?



This information is for business and IT decision makers who:

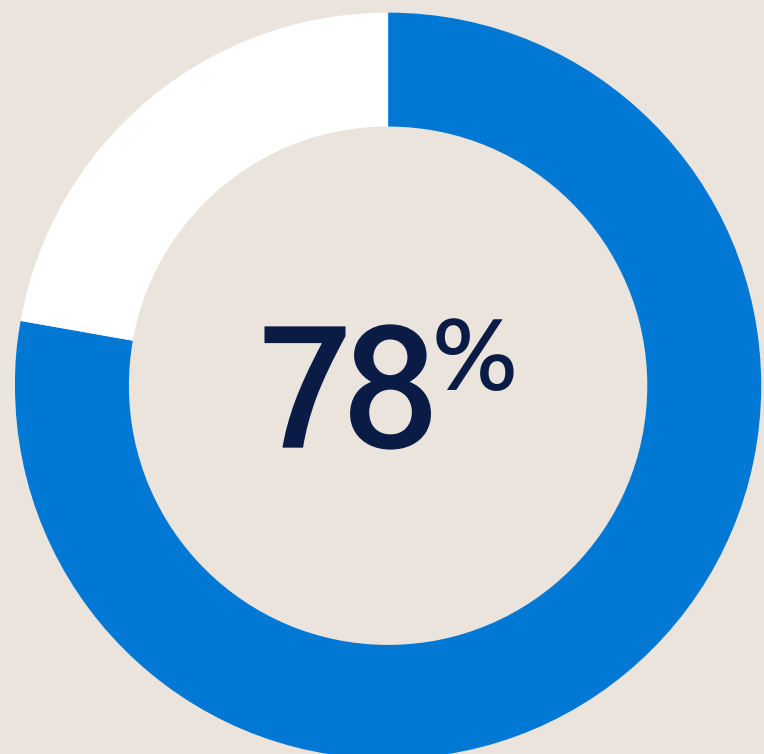
- Want to shape their technology strategy to deliver the best long-term ROI.
- Are committed to keeping up with the fast pace of technology in the workplace.
- Need to prove return on investment (ROI) for the applications they recommend.
- Have deployed some point solutions already and need to figure out the best way forward in building their technology stack.

Technology strategy is business strategy

Enterprise technology that would have taken months or years to provision a few years ago can now be purchased in minutes with nothing more than a credit card. This explosion of accessibility makes it possible to achieve new levels of productivity, collaboration, and innovation.

Yet it also creates risk. Without a clear strategy about how the business chooses technology, you can spend more and get less than you planned. Underutilization, unnecessary IT complexity, and even security gaps can result.

78 percent of survey respondents say workers are using more digital tools than before the pandemic, with 24 percent saying they are using “significantly more” tools.¹



¹ Managing the Explosion of Digital Tools: Additional Employee Applications Can Cause Rather Than Solve Problems, Harvard Business Review Analytic Services Report Sponsored by Microsoft, 2021 .

Point solution or integrated platform?

One of the main pivot points of this strategy is whether to emphasize a “point solution” approach or opt for integrated solutions.

Few businesses will pursue one approach exclusively. Most will have a mix of point and integrated solutions. Point solutions may be the best (or only) choice for temporary or highly specialized needs. On the other hand, many companies use a software suite for productivity, even though they may not immediately take full advantage of the capabilities of the platform. Over the

long term, emphasizing one approach or another can have significant consequences across your organization. In an era of rapid change and economic volatility, choosing the cheapest option or the one that solves an immediate problem can be tempting. What appears to be a quick fix may be a long-term headache, resulting in missing functionality, higher total costs, lower productivity, and IT complexity.

In this e-book, we'll compare the pros and cons of point solutions and integrated solutions across the following critical areas:

ROI

Security

IT Management

Productivity and collaboration



Point solution

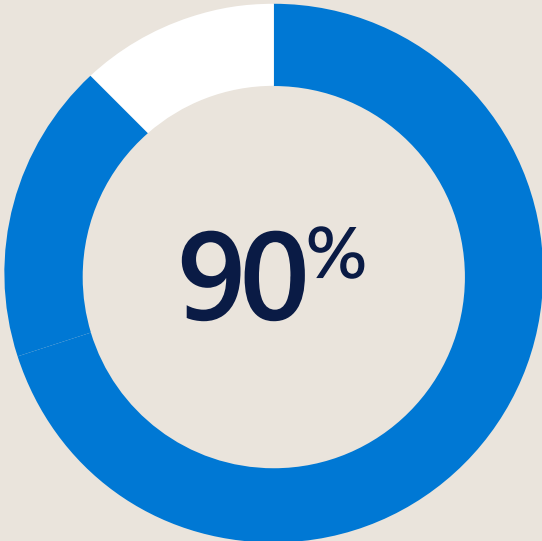
Individual apps and services designed to offer specific, limited functionality, typically provisioned and managed separately or using additional third-party tools.



Integrated platform

A system that includes a broad range of functionality in a single interoperable platform purchased and managed in a unified manner and often incorporates broad security and management tools.

Maximizing ROI



90 percent of C-suite executives say they must take a new approach to costs to respond to ongoing disruption while uncovering new growth and value.²

² C-Suite Leaders Taking Entirely New Approach to Costs, According to Accenture, Accenture, 2022

Technology solutions are like homes or cars in that the upfront purchase price is only part of the story. Important considerations are how much they cost to maintain and how long they last.

A solution that solves an immediate problem might seem less expensive than something with more capabilities. But the costs and complexity add up quickly. It doesn't take long for a handful of point solutions to become much more expensive than one platform you can grow into over time.

You might only use some things in an integrated platform right away. Some features you may never use. A point solution approach, however, requires adding new, disparate solutions when people need new functionality.

If your IT needs are relatively simple, or your IT team has extra capacity and specialized expertise, then a point solution approach can work. For most businesses, the best ROI will come from an integrated solution.

Additionally, ROI in dollar terms is only part of the story. Other less quantifiable, but no less critical, benefits may arise. But they can add up to significant value.

Firms that have digitally transformed to improve customer experience and increase operational efficiency report average revenue growth of 17.3 percentage points and a net margin of 14.0 percentage points above their industry average, according to the MIT Center for Systems Information Research.³

³ [Develop Ten Capabilities to Accelerate Digital Transformation](#), Stephanie L. Woerner, Ina M. Sebastian, And Peter Weill, MIT CISR, September 15, 2022



Point solution considerations

Faster onboarding

There's less to learn with a single point solution than with a comprehensive, integrated solution. This reduces short-term training and onboarding costs, but employees need to begin again each time a new solution is added. Over time, this can reduce productivity. It can also lead to more than a third of employees saying that the onboarding process at their current job was time-consuming and confusing due to logging into new work-related accounts.⁴

One-hit wonders

Point solutions solve specific problems. In some cases, it's the only way—although the increasing breadth of platforms makes this less likely today. Still, niche use cases may demand one-off solutions. If it's a question of replacing slow or expensive manual processes with a point solution, a point solution might provide significant ROI.

Lower initial purchase price

You get less, so you pay less—usually. This can make a point solution attractive in the short term. The ROI will plummet if your business needs to purchase multiple point solutions to operate effectively. Incremental payments for licenses and fees can quickly outpace the set costs of an integrated solution.



⁴ Report: [Login fatigue compromises employee productivity, security and well-being](#), Venture Beat, June 2022.

Integrated solution considerations

Attract and retain talent

According to 2022 benchmarking data from the Society of Human Resource Managers, the average cost to hire a new employee averages US \$4,700—but can go much higher, up to four times the position's salary. Better onboarding and employee experiences can help attract and retain employees, driving down the high cost of talent. With a platform, people can quickly learn new features and capabilities thanks to the familiar and consistent interface, commands, processes, and user experience across the different apps. A seamless experience helps every employee achieve their best.

Faster digital transformation

IDC predicts that digital transformation investments will become 55 percent of all ICT investments by the end of 2024.⁵ A platform approach can speed such efforts by speeding deployment and adoption. The resulting efficiencies allow your teams to focus on using the technology rather than trying to get it to work together.

Lower total cost

Predictable and fixed pricing with lower maintenance and support costs can make an integrated solution more cost-effective than managing multiple point solutions over the long term.

⁵ Digital Transformation Investments to Represent More Than Half of All ICT Investment by 2024. According to IDC FutureScape, IDC, October 28, 2021

Strengthening security

\$40 

Microsoft 365 E3 has several features that enhance organizational security and improve the composite organization’s ability to identify, investigate, and remediate threats. The composite reduces exposure with granular conditional access policies, detailed and integrated security logs, MFA, and the overall security of Azure. This reduction in risk is valued at more than \$40 per user over three years.⁶

⁶The Total Economic Impact™ Of Microsoft 365 E3: Cost Savings And Business Benefits Enabled By E3, A FORRESTER TOTAL ECONOMIC IMPACT™ STUDY. COMMISSIONED BY MICROSOFT 365, Forrester Consulting, 2022

Thanks to the industrialization of the cybercrime economy, security threats are exploding. It's cheap and easy to purchase phishing, ransomware, and password attacks on the black market.

The 2022 Microsoft Digital Defense Report notes that the volume of password attacks has risen to an estimated 921 attacks every second—a 74 percent increase in just one year.⁷ Credential phishing, attacks on unpatched vulnerabilities, and human-operated ransomware continue to rise.

The same report notes that basic security hygiene, including multifactor authentication, data protection, modern anti-malware, and updated systems, protects against 98 percent of attacks. While it's possible to implement all these defenses across disparate point solutions, it is much more complex than doing so on an integrated platform. Complexity is the enemy of security.

Advocates of a point solution approach might support spreading your risk among various providers. Indeed, trusting the bulk of your business technology to a single platform means putting considerable trust in that platform and the company behind it. More of your data could be at risk if there's a severe breach.

However, those who favor a platform approach would point out that it's better to trust your data to a highly experienced, well-funded, security-centric vendor than multiple smaller vendors. More importantly, it's much harder to keep that data safe when it's spread all over the place on platforms that are not connected and have different security tools and protocols.

According to Gartner®, "While it may introduce new challenges such as reduced negotiating power and potential single points of failure, Gartner sees consolidation as a welcome trend that should reduce complexity, cut costs and improve efficiency, leading to better overall security."⁸

Security is one of the most significant business risks with point solutions. Some considerations would mitigate the security risk (say, if the point solution doesn't process critical data). But as cyberthreats continue to plague organizations, this is one area that can't be overlooked.



⁷ Microsoft Digital Defense Report 2022, Microsoft, 2022

⁸ Gartner Top Security and Risk Trends in 2022. Gartner®, April 13, 2022. GARTNER is a registered trademark and service mark of Gartner, Inc. and/or its affiliates in the U.S. and internationally and is used herein with permission. All rights reserved.

Point solution considerations

Password fatigue

One study of attitudes toward passwords reports that 39 percent of people experience a high level of password fatigue.⁹ Among those individuals, 82 percent say they reuse passwords across multiple accounts. Additionally, 40 percent of people who are employed full-time report creating a new account with a password at least once a week. The more passwords people have to remember, the greater the likelihood that they will adopt less-secure practices to get work done.

Weak security

Many point solutions lack deep, built-in security for the simple reason that they are sold by smaller companies with fewer resources to invest in security. This requires you to invest in additional solutions for end-to-end security, increasing cost, complexity, and risk.

Security gaps

Multiple point solutions can have various security structures. This makes it challenging for the IT team to stay on top of organization-wide security as they try to juggle timely upgrades and patches across different solutions.



⁹ [Measuring Password Fatigue](#), Beyond Identity, 2022

Integrated solution considerations

Seamless security

Integrated solutions can provide security features that help protect your workforce, devices, and data, beyond the capabilities of point solutions. With integrated tools for managing identity, access, and devices, your team can handle multiple security aspects in one environment. These capabilities span the entire solution, reducing the need for third-party security tools and eliminating gaps.

Advanced protection

A well-designed platform includes prevention, detection, investigation, and hunting features to protect the platform and its users. Vendors that build broad platforms are in a position to invest in security that protects people and data more comprehensively than point solution vendors.

Zero Trust security

Modern security requires a Zero Trust approach in which access is always verified. Implementing Zero Trust can reduce the risk of a data breach by 30 to 50 percent.¹⁰ This is much easier with an integrated platform where the same identity controls can be used throughout the system, reducing the burden on users and IT.

¹⁰ [The business case for endpoint management modernization according to Microsoft](#), Microsoft, April 19, 2022



Simplifying IT management

A composite organization consolidating solutions onto Microsoft 365 E3:¹¹



Reduced the time spent deploying and managing new software by 25 percent.



Decreased endpoint configuration times by 75 percent.



Reduced the time required to set up a user on a new endpoint by 75 percent.



Eliminated 15 percent of help desk tickets and decreased the average resolution time by 15 percent.



¹¹The Total Economic Impact™ Of Microsoft 365 E3: Cost Savings And Business Benefits Enabled By E3, A FORRESTER TOTAL ECONOMIC IMPACT™ STUDY. COMMISSIONED BY MICROSOFT 365, Forrester Consulting, 2022

Among executives in one survey, 72 percent say they must radically transform their operations during the next two years to compete—up ten percentage points from the same study in 2020.¹² This puts pressure on IT to deliver results, yet they don't have unlimited budgets. The right strategy is essential to success.

Choosing a point solution approach is sometimes favored by IT because it allows them more control over each aspect of the overall technology stack. The notion of spreading risk may also come into play.

Few IT professionals want to spend their time providing support, managing and provisioning licenses, and juggling helpdesk tickets for dozens of disparate tools. An integrated platform enables them to spend less time on trivial tasks and more on strategic initiatives. It also helps them provide a better user experience.

This isn't just a matter of IT efficiency—technology solutions interoperability can dramatically affect the bottom line. According to Accenture, companies with highly interoperable enterprise applications achieved 6X the revenue growth of peers with low interoperability and have the potential to unlock five percentage points more in annual revenue growth.¹³

¹² [Four Ways Digital Leaders are Accelerating Their Innovation Strategy](#), Thomas Holm Møller, Sri Prabhakaran, and Joongshik Wang, March 2022

¹³ [Value Untangled: Accelerating Radical Growth through Interoperability](#), Accenture, November 30, 2022



Point solution considerations

Updates and upgrades

Unpatched vulnerabilities account for 82 percent of successful attacks.¹⁴ Point solutions demand more from the IT team. This is because they need to track updates, and security patches, add or remove users, and help problem-solve for each solution. This can cause productivity to go down if these IT responsibilities get in the way of the work that's happening.

Shadow IT

Grassroots adoption of cloud solutions can be a valuable spur to innovation. It can also lead to different teams and departments having differing IT stacks. These disparities impede central visibility and governance and spread data where it shouldn't go.

Learning curve

With a point solution approach, you'll need a broader range of expertise on your IT team to support the various solutions, and those skills may not be transferable. If you lose an expert in one piece of software, others may not know how to support it.



¹⁴Cyberattacks via Unpatched Systems Cost Orgs More Than Phishing, DARKReading, June 29, 2022

Integrated solution considerations

One-stop updates

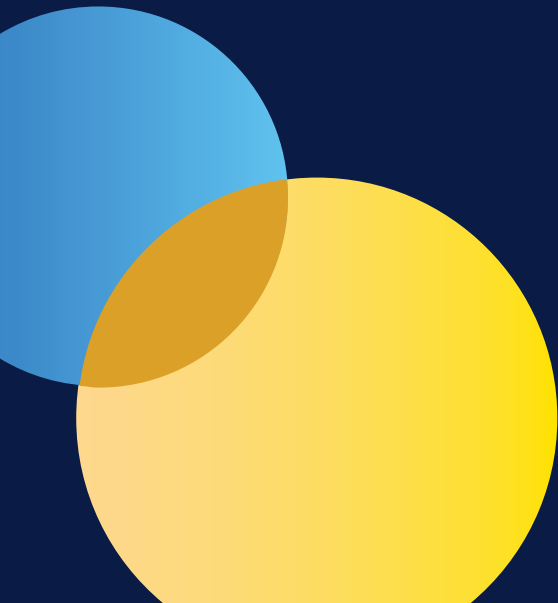
A single interface provides a consistent place to do all the daily tasks required of IT administrators. It enables them to update software, manage licenses, add and remove users, and change permissions without keeping track of multiple interfaces and settings. This saves IT time while ensuring that updates happen when they're supposed to.

Maximum efficiency

You can optimize your IT administrator's time with one integrated solution. It's easier to automate labor-intensive tasks and free up IT and security admins to perform higher-value activities.

Skill transfer

With a platform, IT professionals can learn the system once and then apply the skills in many different places. They will be better able to diagnose and fix problems because they understand how the overall system is supposed to work. Over time, this organizational knowledge can save significant time and effort.



Enhancing productivity and collaboration

60 

A composite organization using Microsoft 365 E3 improved end-user productivity, saving users an average of 60 hours per year.¹⁵

¹⁵ The Total Economic Impact™ Of Microsoft 365 E3: Cost Savings And Business Benefits Enabled By E3, A FORRESTER TOTAL ECONOMIC IMPACT™ STUDY. COMMISSIONED BY MICROSOFT 365, Forrester Consulting, 2022

In a Microsoft survey, 85 percent of leaders say the shift to hybrid work has made it challenging to have confidence that employees are being productive. With increased hybrid work and dispersed teams, digital collaboration and productivity tools drive competitive advantage. They allow people to work together more effectively, regardless of location.

During the pandemic, some organizations responded by quickly adopting multiple point solutions—one for video calls, one for chat, one for group meetings, and so on. They may find themselves with hybrid work challenges made more difficult because of a fragmented employee experience.

Others adopted platforms that met multiple needs in one solution. Even if they paid more initially, their employees now have facility with a solution they can grow into as the business transforms.

It's not too late to consolidate point solution IT onto an integrated platform. The productivity and collaboration advantages can be significant.



Point solution considerations

Data silos

When employees can use data to predict trends, spot challenges, and make better decisions, data is a strategic asset. According to Gartner®, “The top three objectives of the highest performing chief data officers (CDOs), were improving decision-making capability (63 percent), meeting revenue generation (49 percent) and improving customer experience (49 percent).”¹⁶

Some point solutions might offer robust analytics and reporting capabilities within their own sphere. Yet they might struggle to integrate data across systems to provide deeper insights.

Collaboration challenges

Among business leaders surveyed, more than one-fourth consider lack of collaboration across business functions as a top challenge caused by low or no interoperability of enterprise applications.¹⁷

Many point solutions are designed to increase or improve collaboration. Think of video conferencing, for example, or chat platforms. These can serve a distinct and urgent need in organizations. However, when these solutions do not interoperate with one another seamlessly, collaboration across business functions suffers.

Productivity

An individual point solution might be easy to use, but when multiple point solutions are patched together to make a more extensive system, it can become clumsy and complicated. Context switching between programs and the need to learn different interfaces may obstruct productivity. One study found that average users toggle between applications more than 1,200 times each day, with switching and reorienting totaling up to 9 percent of their annual time at work.¹⁸

¹⁶ [Successful CDOs Link Data and Analytics to Prioritized and Measured Business Outcomes](#), Gartner, April 20, 2022. GARTNER is a registered trademark and service mark of Gartner, Inc. and/or its affiliates in the U.S. and internationally and is used herein with permission. All rights reserved.

¹⁷ [Value Untangled: Accelerating Radical Growth through Interoperability](#), Accenture, November 30, 2022

¹⁸ [How Much Time and Energy Do We Waste Toggling Between Applications?](#), Rohan Narayana Murty, Sandeep Dadlani, and Rajath B. Das, Harvard Business Review, August 29, 2022



Integrated solution considerations

Reduced complexity

According to McKinsey, optimizing front- and back-office services by simplifying end-to-end processes can reduce fixed costs by 20 to 30 percent¹⁷. When people can access applications, files, and organizational knowledge in one place, with one login, and from any device, they're free to focus on getting things done. New workers can become familiar with the apps, file storage, and workflows more quickly, resulting in faster time to value.

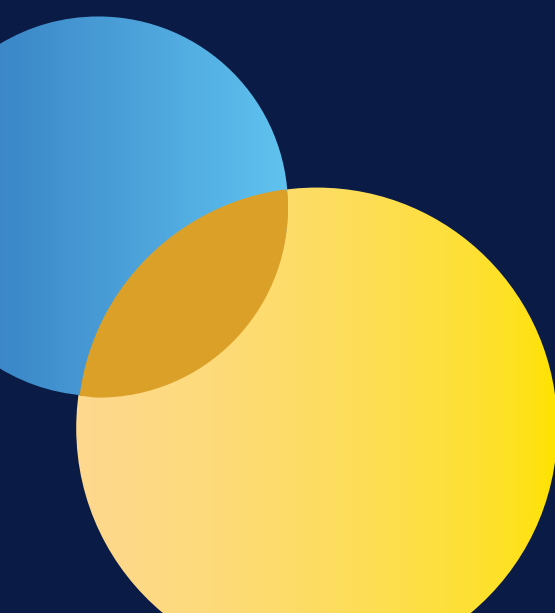
Collaboration

An integrated platform can bring meetings, chats, calls, and collaboration together in one place—no need to navigate multiple logins or systems that don't work together. The result is a more seamless and connected experience wherever people are working.

Access to everything

A truly integrated solution combines data, document storage, calendars, email, chat, and video. With the whole organization connected, everyone is familiar with the same apps and resources, so collaboration comes more naturally.

¹⁹ "Optimizing front- and back-office services in advanced electronics", August 2022, McKinsey & Company, www.mckinsey.com. Copyright (c) 2022 McKinsey & Company. All rights reserved. Reprinted by permission.



Eliminate redundant solutions with Microsoft 365

Microsoft 365 likely includes many or most of the capabilities you may be paying for through multiple point solutions. When you switch, you can realize cost savings throughout your organization, including:

- Consolidate complex licensing structure
- Benefit from seamless, native integration
- Cut consulting, deployment, and integration costs with a platform solution
- Cut licensing costs by as much as 60 percent compared to a patchwork of point solutions through consolidation to Microsoft 365²⁰

A certified Microsoft partner can help you take advantage of Microsoft's connected, interoperable solutions. With the right technical expertise and services, you can adopt a platform to help you transform your business, increase profitability, and open new paths to growth.

²⁰The Total Economic Impact™ Of Microsoft 365 E3: Cost Savings And Business Benefits Enabled By E3, A FORRESTER TOTAL ECONOMIC IMPACT™ STUDY. COMMISSIONED BY MICROSOFT 365, Forrester Consulting, 2022



Finding the right fit

With Microsoft 365, security and compliance are built-in by design, delivering a seamless user experience. It helps companies consolidate fragmented IT solutions through a cost-effective platform. And it enables you to deliver a powerful, cloud-first experience to improve user productivity, support collaboration, and free people to do their best work.



60 percent decrease in per-user licensing spend, an average of \$55 per user per month, by eliminating redundant licenses with Microsoft 365 E3.¹⁹

“[With a reduced application landscape] we do things quicker and can extract maximum value from the investments we have made. Thanks to these synergies, our IT costs have dropped from 2.85 percent of net sales revenue to just below 1.4 percent of net sales revenue.”

Joshua Motsuenyane

*CIO,
Coca-Cola Beverages Africa*

²¹The Total Economic Impact™ Of Microsoft 365 E3: Cost Savings And Business Benefits Enabled By E3, A FORRESTER TOTAL ECONOMIC IMPACT™ STUDY. COMMISSIONED BY MICROSOFT 365, Forrester Consulting, 2022

Calculate your company's ROI on an integrated solution

Use this tool to understand different ROI scenarios for your company. Learn how long your estimated payback period is, your total three-year benefit, and your risk-adjusted return on investment.

[Calculate your ROI](#)

[Discover how an integrated solution can make your business more competitive.](#)



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