

White Paper Addendum

The Salesforce Economy in Singapore: 18,600 Jobs, \$6.6 Billion in New Business Revenue from 2020 to 2026

Sponsored by: Salesforce

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IN THIS ADDENDUM

This White Paper Addendum forecasts the economic contribution of Salesforce and its ecosystem of partners and customers to the economy of Singapore. This document is an addendum to [*The Salesforce Economic Impact: 9 Million New Jobs by 2026, \\$1.6 Trillion of New Revenues for Customers*](#) (IDC white paper #US48214821, September 2021).

The forecasts shown account for the impact of the COVID-19 virus, relying on updated IDC forecasts of spending on IT and cloud software and updated country GDP forecasts.

Detailed descriptions of the derivation of the numbers are included in the Methodology section of the original study.

FINDINGS FOR SINGAPORE

- Driving the economic benefits in Singapore is the growth of cloud software, which will grow 20%, from \$1.3 billion in 2020 to \$3.9 billion in 2026.
- During this six-year period, Salesforce and its ecosystem are expected to enable the creation of 18,600 jobs among Salesforce customers in the country. This includes 7,100 direct jobs and 11,500 indirect/induced jobs.
- Over the same period, the use of cloud computing by Salesforce customers will add a net \$6.6 billion in new business revenue to the local economy.
- Because organizations that spend on cloud computing subscriptions also spend on ancillary products and services, the Salesforce ecosystem in Singapore in 2020 was 4.9 times larger than Salesforce itself. By 2026, it will be 6.4 times as big.

CLOUD SOFTWARE: AN ENGINE FOR INNOVATION

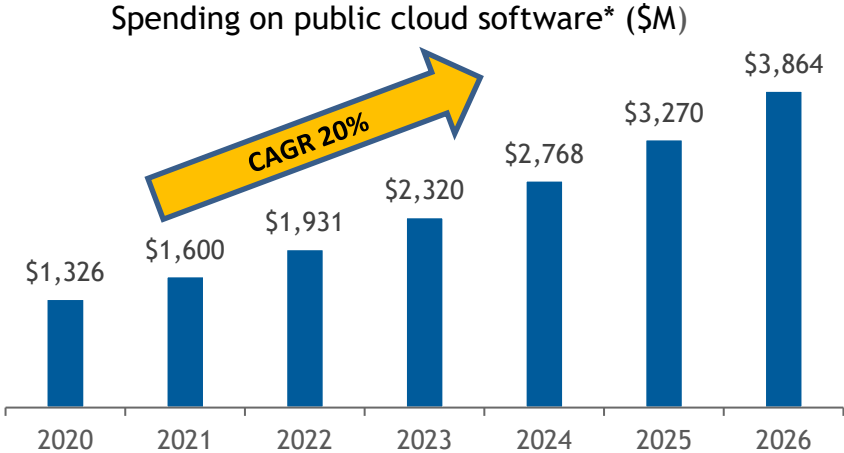
For more than half a decade now, IDC has been forecasting the economic benefits of cloud computing under the premise that cloud computing frees up IT resources from routine tasks to be available to support business innovation.

Hence the importance of the growth of cloud computing.

In Singapore, that growth will be substantial, as shown in Figure 1.

FIGURE 1

Growth of Cloud Software in Singapore



* Cloud software, as defined, includes software as a service (SaaS), both applications and infrastructure software, and platform as a service (PaaS), or application development software. Not included is infrastructure as a service, which is basically storage and server capacity sold as a service.

Source: IDC, 2021

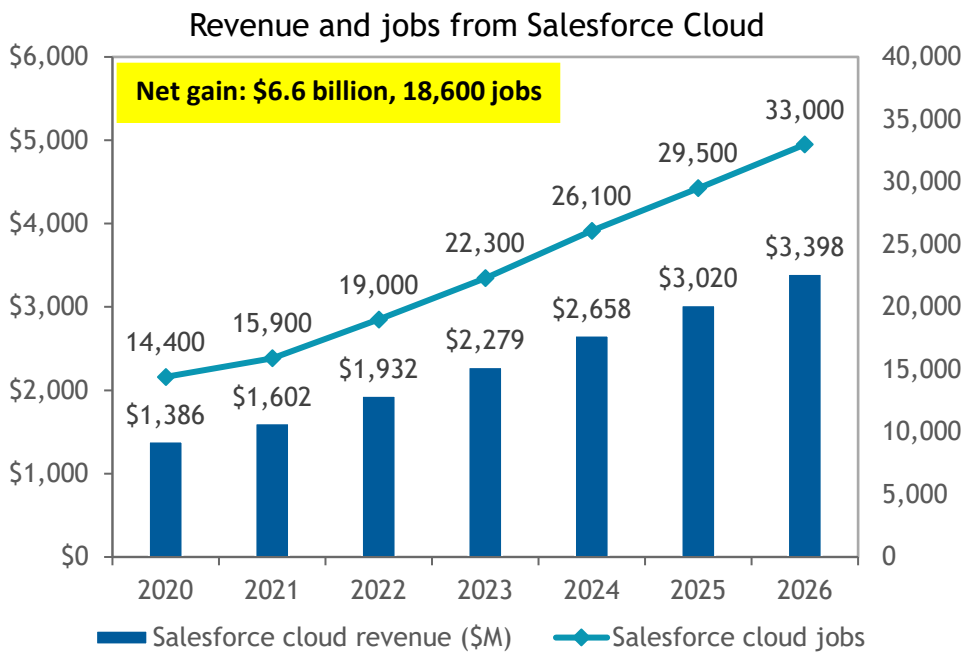
CLOUD BENEFITS FOR SALESFORCE CUSTOMERS

The business benefits generated by the innovation enabled by cloud computing manifest themselves as new revenue and new jobs. And, because Salesforce is a major supplier of cloud software, Salesforce customers will have a significant share of those benefits.

Figure 2 shows IDC's forecast of those benefits for Salesforce customers in Singapore.

FIGURE 2

The Salesforce Economy: Growth in Singapore, 2020–2026



Source: IDC, 2021

The jobs depicted include both direct jobs, which are those in the customer base generated by the use of Salesforce cloud services, and jobs created by the spending of the new workers and additional spending by the organizations in the local economy. These are called indirect/induced jobs.

The use of cloud computing by Salesforce customers will generate a net \$6.6 billion in new business revenue for the local economy from 2020 to 2026. Over the same period, that new revenue will create 18,600 new jobs.

THE POWER OF THE ECOSYSTEM

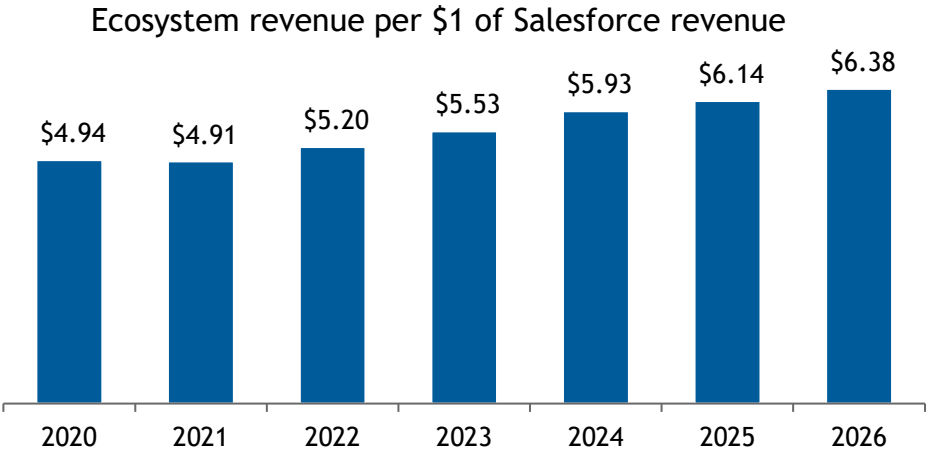
IDC research shows that every Salesforce cloud subscription sold is generally accompanied by other products and services provided by third parties and that ancillary spending will exceed the spending on the original subscription. Thus the Salesforce ecosystem is larger than Salesforce itself.

What's more, as customer implementations become more complex and mission critical, the ecosystem will also grow faster than Salesforce.

In fact, IDC estimates that for every dollar Salesforce made in Singapore in 2020, the ecosystem made \$4.94. By 2026, that figure is predicted to be \$6.38 (see Figure 3).

FIGURE 3

The Salesforce Ecosystem: Growth in Singapore, 2020–2026



Source: IDC, 2021

The products and services provided by the Salesforce ecosystem in Singapore are dominated by IT and professional services (53%) but also include add-on software (16%), as well as hardware, infrastructure as a service, and networking (31%).

IN SUMMARY

Like the rest of the world, Singapore's enterprises are undergoing a digital transformation that started with the dot-com era and will extend years into the future. Cloud computing, growing at a much faster pace than general information technology, is a major factor in that transformation.

(In fact, according to IDC's global forecast of today's market for digital transformation-related technology, by 2026 more than 60% of cloud software spending will be tied to digital transformation.)

At the same time, those enterprises are also reacting to the uncertainty of the new post-pandemic economic environment.

The messages in this study for organizations in Singapore using cloud software are:

- The current economic uncertainty is accelerating the adoption of cloud computing — if only as a hedge against capital investment.
- The payoff to the wider organization — in business agility, shaping customer experiences, and bringing new products to new markets — is much greater than the impact on the IT organization.
- Successful implementations require concerted efforts on the part of the customer, cloud providers, and providers of ancillary services and products. Salesforce helps bring all three to the table.
- IDC's forecasts show a significant payback from investments in cloud computing out to 2026. By then, spending on public cloud computing in Singapore will be 25% of spending on total IT, or a critical component of the digital economy.

Salesforce and its ecosystem are well positioned to help customers make the best of that growth.

Table 1 contains the details of the economic impact in Singapore.

TABLE 1

Economic Impact Details: Singapore, 2020–2026

	2020	2021	2022	2023	2024	2025	2026	Net Gain from 2020
Business revenue created (\$B)	1.4	1.6	1.9	2.3	2.7	3.0	3.4	6.6
Direct jobs created	5,700	6,300	7,500	8,800	10,200	11,500	12,800	7,100
Indirect/induced jobs created	8,700	9,600	11,500	13,500	15,900	18,000	20,200	11,500
Ecosystem-to-Salesforce revenue ratio	4.94	4.91	5.20	5.53	5.93	6.14	6.38	

Source: IDC, 2021

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