

A Forrester Total Economic
Impact™ Study
Commissioned By
Workiva

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The Total Economic Impact™ Of Workiva Wdesk

The Business Benefits Of Using
Wdesk To Manage SOX Compliance
At A Large Auto Parts Retailer

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Executive Summary

Workiva commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) enterprises may realize by deploying Wdesk. The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of Wdesk on their organizations and how it can be leveraged to optimize the processes necessary to deliver Sarbanes-Oxley (SOX) compliance.

To better understand the benefits, costs, and risks associated with a Wdesk implementation, Forrester interviewed several customers with multiple years of experience using Wdesk and prepared a series of case studies highlighting the various impacts and use cases at each of these organizations. This particular case study highlights a major auto parts retailer using Wdesk to manage SOX compliance.

In its efforts to be SOX compliant, the customer previously used a suite of standard office productivity tools to manage controls. However, the previous solution was limited in its ability to provide a truly collaborative platform to bring together the compliance manager, auditors, and control owners. This limitation led to a sizeable numbers of errors, general inefficiencies, and a lack of visibility with the organization's web of internal controls. With Wdesk, the customer greatly improved collaboration for control owners, reducing the task of creating and finalizing a control from two weeks to two days. In addition, the matrix of controls and organizational processes was now all linked, providing potential reviewers like auditors and control owners with the ability to quickly update and disseminate information. The interviewed financial controls and compliance manager said, "Wdesk is an excellent tool that has helped drive collaboration and increase overall efficiency."

Workiva Wdesk can simplify SOX control management, reducing costs and effort across the enterprise for compliance.

The costs and benefits for the interviewed organization with revenues of over \$9 billion are:

- **Total costs: \$121,840.**
- **Total benefits: \$411,532.**
- **Three-year net present value: \$289,692.**

WDESK REDUCES THE COSTS OF STAYING SOX COMPLIANT

Our interview with an existing customer and subsequent financial analysis found that the interviewed organization experienced the risk-adjusted ROI, benefits, and costs shown in Figure 1.¹

The analysis points to benefits of \$411,532 over a three-year horizon versus total usage costs of \$121,840, totaling a net present value (NPV) of \$289,692.

This translates to benefits of more than \$9,570 per user per year, usage costs of less than \$2,833 per user, and an NPV of \$6,737 per user. With Wdesk, the customer found a 30% reduction in errors arising from version control issues of the past and now manages over 300 SOX controls in an efficient manner.

FIGURE 1

Financial Summary And Highlights Showing Three-Year Risk-Adjusted Results

**ROI:
238%**

**NPV
per user:
\$6,737**

**Time to finalize a
control:
2 weeks ▶ 2 days**

**Annual time savings
on SOX certifications:
240 hours**

Source: Forrester Research, Inc.

› **Benefits.** The interviewed organization experienced the following risk-adjusted benefits:

- **The centralized collaboration and linkage efficiencies created by Wdesk drastically reduced the effort required to formulate and update processes and controls for SOX compliance, resulting in a three-year benefit of \$190,568.** The software enabled better collaboration for process and control owners, which reduced a large percentage of the idle time they formerly experienced. Process and control revisions are automatically updated in the cloud; control owners no longer have to email each other, waiting for the next revision. Version control is also no longer an issue, and revision efficiency was boosted. Control owners and the compliance manager alike were able to save upwards of 11 hours per process formation, and upwards of 5 hours when it came time to review and update the processes.
- **Audit efforts were simpler, with improved audit trails in financial controls, delivering three-year present value (PV) benefits of \$128,965.** Due to better documentation of controls and traceability to specific control owners, internal and external auditors alike were able to reduce their efforts during quarterly audits. Information quality was improved and more visible to auditors, reducing the frequency of and time spent on requests to managers and control owners.
- **Faster, easier control certifications became possible.** Needing to perform over 300 certifications on a quarterly basis previously required the compliance manager to seek for proper documentation, often within a repository with outdated information. The certification process became faster, with a savings of 12 minutes on average per control. Total efficiency savings over three years were \$40,909, PV-adjusted.
- **Reduced time to perform evidence management tasks saved the organization \$51,089, PV-adjusted.** In the third year of Wdesk usage for SOX, the organization initiated usage of the Evidence Management feature to help automate evidence collection, linkage, and validation. With this new feature, requests are generated on the Wdesk platform and end up back in the platform as evidence already linked to the original control document, saving auditors 8 hours per quarterly audit.

› **Costs.** The interviewed organization experienced the following risk-adjusted costs:

- **Software user license fees were \$103,095 over three years.** Average annual fees paid to Workiva were \$41,708, for the access to the Wdesk platform. The fees include a majority number of contributor licenses and a small subset of reviewer licenses.
- **Annual support costs were \$7,583, or \$18,745 over three years, PV.** This is a recurring fee paid to Workiva for continued support of the Wdesk platform, based upon the number of licenses that the organization had purchased.

Disclosures

The reader should be aware of the following:

- › The study is commissioned by Workiva and delivered by Forrester Consulting. It is not meant to be used as a competitive analysis.
- › Forrester makes no assumptions as to the potential ROI that other organizations will receive. Forrester strongly advises that readers use their own estimates within the framework provided in the report to determine the appropriateness of an investment in Workiva Wdesk.
- › Workiva reviewed and provided feedback to Forrester, but Forrester maintains editorial control over the study and its findings and does not accept changes to the study that contradict Forrester's findings or obscure the meaning of the study.
- › Workiva provided the customer names for the interviews but did not participate in the interviews.

TEI Framework And Methodology

INTRODUCTION

From the information provided in the interviews, Forrester has constructed a Total Economic Impact (TEI) framework for those organizations considering implementing Workiva Wdesk. The objective of the framework is to identify the cost, benefit, flexibility, and risk factors that affect the investment decision, to help organizations understand how to take advantage of specific benefits, reduce costs, and improve the overall business goals of winning, serving, and retaining customers.

APPROACH AND METHODOLOGY

Forrester took a multistep approach to evaluate the impact that Workiva Wdesk can have on an organization (see Figure 2). Specifically, we:

- › Interviewed Workiva marketing, sales, and/or consulting personnel, along with Forrester analysts, to gather data relative to Wdesk and the marketplace for Wdesk.
- › Interviewed an organization currently using Workiva Wdesk to obtain data with respect to costs, benefits, and risks.
- › Constructed a financial model representative of the interview using the TEI methodology. The financial model is populated with the cost and benefit data obtained from the interview.
- › Risk-adjusted the financial model based on issues and concerns the interviewed organization highlighted in the interviews. Risk adjustment is a key part of the TEI methodology. While the interviewed organization provided cost and benefit estimates, some categories included a broad range of responses or had a number of outside forces that might have affected the results. For that reason, some cost and benefit totals have been risk-adjusted and are detailed in each relevant section.

Forrester employed four fundamental elements of TEI in modeling Workiva Wdesk's service: benefits, costs, flexibility, and risks.

Given the increasing sophistication that enterprises have regarding ROI analyses related to IT investments, Forrester's TEI methodology serves to provide a complete picture of the total economic impact of purchase decisions. Please see Appendix A for additional information on the TEI methodology.

FIGURE 2
TEI Approach



Source: Forrester Research, Inc.

Analysis

INTERVIEWED ORGANIZATION

For this study, Forrester conducted an in-depth interview with a representative from a major US auto parts retailer that has used Workiva Wdesk extensively for SOX compliance. Because Wdesk is a web-based platform, additional usage data about the retailer's use was incorporated into this case study. The customer organization has the following characteristics:

- › It is a Fortune 500 organization.
- › It has revenues of over \$9 billion annually.
- › It uses Wdesk to manage SOX controls and organizational processes to attain SOX compliancy.
- › It also uses Wdesk for SEC reporting, but that use case has been excluded from this case study.

Below are highlights of the interview and the key drivers for the Wdesk implementation.

INTERVIEW HIGHLIGHTS

Situation

Leading up to the adoption of Wdesk for its SOX compliance needs, the customer organization had made recent acquisitions that necessitated tighter financial controls. The previous disparate office productivity software that it was using was inefficient, given the over 300 processes and controls that the organization had estimated to be necessary to attain SOX compliance. At the same time, the organization was already using Wdesk for its SEC reporting and found that the cross-collaboration and accuracy Wdesk enabled could also benefit the compliance team.

The organization had many drivers for implementing Wdesk for its SOX compliance needs, which included:

- › Creating a more efficient workflow to develop and maintain processes and controls necessary for SOX compliance.
- › Developing an efficient and streamlined method for the updating of processes and controls between line-of-business (LOB) managers and the compliance manager.
- › Improving collaboration capability to share controls and updates with other members involved in financial compliance, such as internal and external auditors.
- › Avoiding the expansion of its application and hardware stack for financial compliance.

“I love the tool. Wdesk saves so much time. To be able to have multiple people in the same document as well as the visibility to see who has been making changes and at what point in time has really made us more efficient.”

~ Financial controls and compliance manager, major auto parts retailer

“It used to take the control owners and me two weeks to finalize a control with all the back and forth. Now we are looking two days, if that much.”

~ Financial controls and compliance manager, major auto parts retailer

Solution And Results

Because the retailer was already using a Workiva software product, it was an easy decision to increase the licensing agreement to include Wdesk for SOX compliance. Other than the additional license fees, the expansion required no additional capital expense. The organization was already benefitting from the centralized collaboration platform that Workiva offered for SEC reporting and had experienced improved version control, visibility, collaboration, and user-level access compared with the alternative office productivity software.

The organization assumed an extension of those capabilities to SOX management. It was correct in its assumption, as the interview revealed the following benefits of Wdesk to improve SOX manageability:

- › **The intuitive nature of Wdesk enabled users to collaborate easily and immediately.** The financial controls and compliance manager of the organization said: “There is no learning curve with Wdesk. . . It’s like working in any other document or spreadsheet. Moreover, the collaboration speeds up the formation and updating of processes and controls because control owners no longer needed to await one another’s email stating that a change has been made — immediate visibility was available centrally.
- › **With user-level access and change tracking, auditing became a more streamlined process.** The interviewed organization realized efficiencies in audits due to increased visibility into and traceability of process and controls updates. Auditors no longer needed to check if the versions were up to date; they saw immediately where changes had originated and by whom they were ultimately approved.
- › **Accuracy of documents was greatly improved, reducing work redundancies.** As the mistaken usage of poor version-controlled documents decreased, the task of finding the proper file as well as the task of updating files improved operator efficiency.
- › **The organization increased financial controls without adding significantly to headcount.** Due to increased efficiencies, the matrix of controls instituted by the compliance manager was now able to include control measures for the organization’s acquisitions without drastically increasing internal headcount or external consulting hours. Without a digital workbook to keep SOX controls together, integration between new and old controls would have been a lengthy process.

“There is no learning curve with Wdesk with its user-friendliness. It’s like working in any other document or spreadsheet.”

~ Financial controls and compliance manager,
major auto parts retailer

BENEFITS

The interviewed organization experienced a number of quantified benefits in this case study:

- › Improved control formation and updating efficiencies.
- › Reduction in audit effort due to better traceability and documented controls.
- › Reduction in control certification effort.
- › Evidence management efficiency improvement.



Improved Control Formation And Updating Efficiencies

The heart of Wdesk is its centralized workspace that enables individuals responsible for financial reporting to collaborate efficiently in a trackable manner. Further still, the linkages enabled by Wdesk tie together the massive web of finance and metrics that are present at almost all enterprises. Following the adoption of Wdesk for SOX management at the interviewed organization, the organization was able to more efficiently build out new processes that incorporated SOX controls than it would have been able to using traditional solutions that lacked proper revision and collaborative capabilities.

One of the drivers of the reduction in effort to maintain SOX compliancy was that Wdesk enables process and control owners to work without having to sort through multiple versions of newly formed workflows. Blacklining with time and user modification stamps helped everyone stay on track to create controls that fell under the guidelines of SOX compliancy. Specific collaboration requests were sent within the platform to the appropriate people without opening access to the wrong set of eyes, which could potentially lead to risk and liability.

The total time savings realized between external SOX consultants, the internal compliance manager, and various control owners totaled \$211,742, PV, after a three-year period. This savings amount comprised both initial control formation as well as subsequent internal updating.

Taking into consideration that various organizations come to meet SOX compliancy at differing levels of maturity in financial compliance controls, the impact of the benefit may be reduced at some organizations. Some organizations are at a more ready state with their controls; therefore, the use of external consultants may not be as necessary, which will result in lesser savings. To compensate, the benefit of forming and updating SOX controls and processes was risk-adjusted and reduced by 10%. The risk-adjusted benefit over three years was \$190,568. See the section on Risks for more detail.

TABLE 1
Improved Control Formation And Updating Efficiencies

Ref.	Metric	Calculation	Initial	Year 1	Year 2	Year 3
A1	Net-new processes requiring controls for SOX oversight	Interview		28	31	34
A2	Total controls organized in Wdesk	Interview		300	330	363
A3	Collaborative control creation and revision efficiency savings, in hours per process	Assumption		8	2	2
A4	Linkage time savings for control narrative documentation, in hours per process per update	Assumption		3	3	3
A5	Process and control owner rate/hr., fully loaded	Internal		\$62.50	\$62.50	\$62.50
A6	SOX manager rate/hr., fully loaded	Internal		\$68.75	\$68.75	\$68.75
A7	External consultant rate/hr.	Internal		\$250	\$250	\$250
A8	Frequency of updates per year, per control	Interview		4	4	4
A9	Annual productivity gain for process owner	$((A1*A3)+(A1*A4*A8))*A5$		\$35,000	\$27,125	\$29,750
A10	Annual productivity gain for SOX manager	$((A1*A3)+(A1*A4*A8))*A6$		\$38,500	\$29,838	\$32,725
A11	Annual productivity gains /external consultant cost savings	$(Year 1 A1)* (Year 1 A3)*A7$		\$56,000		
At	Improved control formation/updating efficiencies	$A9+A10+A11$	\$0	\$129,500	\$56,963	\$62,475
	Risk adjustment	↓ 10%				
Atr	Improved control formation/updating efficiencies (risk-adjusted)		\$0	\$116,550	\$51,266	\$56,228

Source: Forrester Research, Inc.



Reduction In Audit Effort Due To Better Traceability And Documented Controls

SOX compliance begins with having the proper controls in place and ends with being able to prove that the controls are effective, generally through testing and then finally passing audits. Efficiencies established earlier in the compliance cycle led to auditors also being beneficiaries of the Wdesk system. Workflows for auditors involved regular checks on processes and controls prior to performing actual audits. For auditors to perform these checks, they required current information from control owners as well as the compliance manager. The thoroughness of documented changes and audit trails created by Wdesk removed the need to perform a separate step to track and trace changes that had been performed throughout the year by numerous parties.

With an average of over 10 controls per process within the interviewed organization, it experienced a savings of 2 hours per process for its internal auditors as well as its external auditors. Quarterly audits translated to a total savings of over \$161,207, PV, over three years.

Some organizations have a lower frequency of external audits or may use more internal audits than external. To compensate for organizations that have less frequent external audits, this benefit was reduced by a total of 20% to account for risk. The risk-adjusted total benefit resulting from the reduction in audit effort over the three years was \$128,965, PV. See the section on Risks for more detail.

TABLE 2

Reduction In Audit Effort Due To Better Traceability And Documented Controls

Ref.	Metric	Calculation	Initial	Year 1	Year 2	Year 3
B1	Processes requiring controls for SOX			28	31	34
B2	Audit trail time reduction due to accuracy in Wdesk, in hours per quarter per process			2	2	2
B3	Internal auditor FTE rate/hr., fully loaded			\$63	\$63	\$63
B4	External auditor rate/hr.			\$200	\$200	\$200
B5	Number of audits per year			4	4	4
Bt	Reduction in audit effort due to better traceability and documented controls	$(B1*B2*B3*B5)+(B1*B2*B4*B5)$	\$0	\$58,912	\$65,224	\$71,536
	Risk adjustment	↓ 20%				
Btr	Reduction in audit effort due to better traceability and documented controls (risk-adjusted)		\$0	\$47,130	\$52,179	\$57,229

Source: Forrester Research, Inc.



Reduction In Control Certification Effort

The interviewed compliance director indicated that the organization performed control certifications on a quarterly basis. Certifying over 300 controls was a major undertaking that required a mass of emails requesting updated information from control owners. To worsen matters, the manager added that there were significant delays in being able to certify the controls due to the wait for the respective parties to perform their own validation of the various controls after having made update requests. The new workflow within the Wdesk workspace brought responsible individuals together and provided visibility to all parties on whether an update was required for certification. Savings were 12 minutes per control certification and accumulated to a three-year economic value of \$40,909.

TABLE 3
Reduction In Control Certification Effort

Ref.	Metric	Calculation	Initial	Year 1	Year 2	Year 3
C1	Number of controls organized in Wdesk			300	330	363
C2	Time efficiency gained from centralized review platform, in minutes per certification	Interview		12	12	12
C3	Process and control owner rate/hr., fully loaded	Internal		\$62.50	\$62.50	\$62.50
C4	Review frequency per year			4	4	4
Ct	Reduction in control certification effort	$C1 * C2 * C3 * C4 / 60$	\$0	\$15,000	\$16,500	\$18,150
	Risk adjustment	N/A				
Ctr	Reduction in control certification effort (risk-adjusted)		\$0	\$15,000	\$16,500	\$18,150

Source: Forrester Research, Inc.



Evidence Management Efficiency Improvement

The interviewed organization expanded its use of Wdesk SOX usage to include Evidence Management in its third year. The primary recipients of the benefit were internal auditors, who often required data to complete their audits. The unified Wdesk workspace provided accuracy and a built-in project space where auditors could make requests for accompanying or additive evidential data directly to the respective parties. Requests were no longer lost, and markups now included a level of granularity (cell and word level) previously not done at the organization. Total auditor gains in the third year, in PV terms, were \$51,089.

TABLE 4
Evidence Management Efficiency Improvement

Ref.	Metric	Calculation	Initial	Year 1	Year 2	Year 3
D1	Processes requiring controls for SOX			28	31	34
D2	Time savings per process by SOX auditing individuals, in hours per quarter			8	8	8
D3	Occurrence of SOX audits per year			4	4	4
D4	Internal auditor FTE rate/hr., fully loaded			\$63	\$63	\$63
D5	Actual usage of evidence management			0%	0%	100%
	Risk adjustment	N/A				
Dtr	Evidence management efficiency improvement (risk-adjusted)	D1*D2*D3*D4*D5	\$0	\$0	\$0	\$68,000

Source: Forrester Research, Inc.

Total Benefits

Table 5 shows the total of all benefits across the four areas listed above, as well as present values (PVs) discounted at 10%. Over three years, the interviewed organization expects risk-adjusted total benefits to be a PV of \$411,532.

TABLE 5
Total Benefits (Risk-Adjusted)

Ref.	Benefit Category	Initial	Year 1	Year 2	Year 3	Total	Present Value
Atr	Improved control formation/updating efficiencies	\$0	\$116,550	\$51,266	\$56,228	\$224,044	\$190,568
Btr	Reduction in audit effort due to better traceability and documented controls	\$0	\$47,130	\$52,179	\$57,229	\$156,538	\$128,965
Ctr	Reduction in control certification effort	\$0	\$15,000	\$16,500	\$18,150	\$49,650	\$40,909
Dtr	Evidence management efficiency improvement	\$0	\$0	\$0	\$68,000	\$68,000	\$51,089
	Total benefits (risk-adjusted)	\$0	\$178,680	\$119,945	\$199,606	\$498,231	\$411,532

Source: Forrester Research, Inc.

COSTS

The interviewed organization experienced the following categories of costs associated with the Wdesk solution:

- › Software user license fees.
- › Support plan costs.

These represent the mix of internal and external costs experienced by the interviewed organization for initial planning, implementation, and ongoing maintenance associated with the solution.



Software User License Fees

Workiva Wdesk is a software-as-a-service (SaaS) platform with annually recurring license costs based on the number of users who access it. Seat licenses can be adjusted on a quarterly basis. The primary difference between the license types is the capability for a contributor to create new material rather than the simple revision and viewing capability of a reviewer account. Total license costs incurred over three years by the interviewed organization for the purpose of SOX compliance amounted to \$93,723, PV.

The interviewed organization had a particular mix of contributor and reviewer licenses, with significantly fewer reviewers than contributors. For most organizations this will still hold true, with most of the controls being funneled up to a few reviewers. Some organizations may choose to add a layer of reviewers and, with that, the overall cost of licensing could be marginally higher. To account for this possibility, the cost was risk-adjusted up by 10%. The risk-adjusted cost of licenses over the three years was \$103,095, PV. See the section on Risks for more detail.

TABLE 6
Software User License Fees

Ref.	Metric	Calculation	Initial	Year 1	Year 2	Year 3
E1	Seat licenses costs, base year			\$34,365	\$34,365	\$34,365
E2	User growth				10%	10%
Et	Software user license fees			\$34,365	\$37,802	\$41,582
	Risk adjustment	↑ 10%				
Etr	Software user license fees (risk-adjusted)		\$0	\$37,802	\$41,582	\$45,740

Source: Forrester Research, Inc.



Support Plan Costs

Support plans are typically purchased with the Wdesk product and are commonly priced as a percentage of license costs. Workiva support handles all technical-related matters and, in some instances, assists with best practices and suggestions to maximize utility. Overall costs over three years were \$18,745, PV.

TABLE 7
Support Plan Costs

Ref.	Metric	Calculation	Initial	Year 1	Year 2	Year 3
F1	Support plan, yearly			\$6,873	\$6,873	\$6,873
F2	User growth				10%	10%
Ft	Support plan costs		\$0	\$6,873	\$7,560	\$8,316
	Risk adjustment	N/A				
Ftr	Support plan costs (risk-adjusted)		\$0	\$6,873	\$7,560	\$8,316

Source: Forrester Research, Inc.

Total Costs

Table 8 shows the total of all costs as well as associated present values, discounted at 10%. Over three years, the interviewed organization expects total costs to be a PV of \$121,840.

TABLE 8
Total Costs (Risk-Adjusted)

Ref.	Cost Category	Initial	Year 1	Year 2	Year 3	Total	Present Value
Etr	Software user license fees	\$0	\$37,802	\$41,582	\$45,740	\$125,123	\$103,095
Ftr	Support plan costs	\$0	\$6,873	\$7,560	\$8,316	\$22,750	\$18,745
	Total costs (risk-adjusted)	\$0	\$44,675	\$49,142	\$54,056	\$147,873	\$121,840

Source: Forrester Research, Inc.

FLEXIBILITY

Flexibility, as defined by TEI, represents an investment in additional capacity or capability that could be turned into business benefit for some future additional investment. This provides an organization with the “right” or the ability to engage in future initiatives but not the obligation to do so. There are multiple scenarios in which a customer might choose to implement Wdesk and later realize additional uses and business opportunities. Flexibility would also be quantified when evaluated as part of a specific project (described in more detail in Appendix A).

While SOX compliance at the interviewed organization has already benefited greatly, the organization expects greater gains to be made in the future, specifically for its audit process. With more recent features such as the Support Binder and Paper

Trail having been added in 2015, there exists opportunities for the organization to be able to put information into the hands of auditors in a more streamlined fashion. **Paper Trail brings features like requesting within spreadsheets and documents for specific information that can be as granular as a cell or word**, all within the Wdesk environment. Support Binder adds the capability to tie multiple pieces of financial controls and information together for an all-in-one view for reviewers.

RISKS

Forrester defines two types of risk associated with this analysis: “implementation risk” and “impact risk.” Implementation risk is the risk that a proposed investment in Wdesk may deviate from the original or expected requirements, resulting in higher costs than anticipated. Impact risk refers to the risk that the business or technology needs of the organization may not be met by the investment in Wdesk, resulting in lower overall total benefits. The greater the uncertainty, the wider the potential range of outcomes for cost and benefit estimates.

TABLE 9
Benefit And Cost Risk Adjustments

Benefits	Adjustment
Improved control formation and updating efficiencies	↓ 10%
Reduction in audit effort relating to controls	↓ 20%
Costs	Adjustment
Software user license fees	↑ 10%

Source: Forrester Research, Inc.

Quantitatively capturing implementation risk and impact risk by directly adjusting the financial estimates results provides more meaningful and accurate estimates and a more accurate projection of the ROI. In general, risks affect costs by raising the original estimates, and they affect benefits by reducing the original estimates. The risk-adjusted numbers should be taken as “realistic” expectations since they represent the expected values considering risk.

The following impact risks that affect benefits are identified as part of the analysis:

- › The range in efficiencies gained in control formation and updating can be affected by the maturity of existing SOX compliance controls. For organizations that have built out existing control measures, the use of external compliance consultants could be mitigated or reduced, and thus nullifying a portion of the benefits that it could potentially derive.
- › For organizations that employ a greater percentage of internal rather than external auditors, the benefit derived from the faster acquisition of control-related information could be lower than the benefit experienced by the interviewed organization.

The following implementation risk that affects costs is identified as part of this analysis:

- › The interviewed organization was extremely efficient in having controls reviewed only by a small amount of people. In organizations that require more reviewers, the total cost of licenses will also increase.

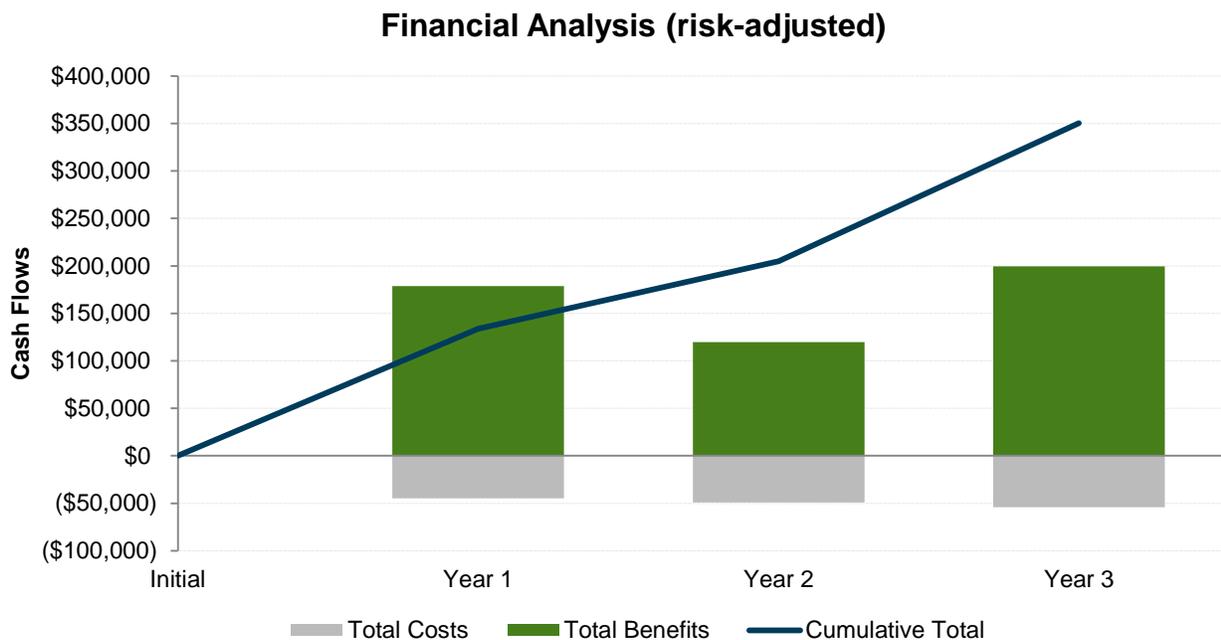
Table 9 shows the values used to adjust for risk and uncertainty in the cost and benefit estimates for the interviewed organization. Readers are urged to apply their own risk ranges based on their own degree of confidence in the cost and benefit estimates.

Financial Summary

The financial results calculated in the Benefits and Costs sections can be used to determine the ROI, NPV, and payback period for the interviewed organization's investment in Wdesk.

Table 10 below shows the risk-adjusted ROI, NPV, and payback period values. These values are determined by applying the risk-adjustment values from Table 9 in the Risks section to the unadjusted results in each relevant cost and benefit section.

FIGURE 3
Cash Flow Chart (Risk-Adjusted)



Source: Forrester Research, Inc.

TABLE 10
Cash Flow (Risk-Adjusted)

	Initial	Year 1	Year 2	Year 3	Total	Present Value
Costs	\$0	(\$44,675)	(\$49,142)	(\$54,056)	(\$147,873)	(\$121,840)
Benefits	\$0	\$178,680	\$119,945	\$199,606	\$498,231	\$411,532
Net benefits	\$0	\$134,005	\$70,804	\$145,550	\$350,359	\$289,692
ROI						238%
Payback period						< 3 months

Source: Forrester Research, Inc.

Workiva Wdesk: Overview

The following information is provided by Workiva. Forrester has not validated any claims and does not endorse Workiva or its offerings.

Workiva created Wdesk, a cloud-based productivity platform for enterprises to collect, link, report, and analyze business information with control and accountability. Thousands of organizations, including over 65% of the Fortune 500, use Wdesk for controls management, enterprise risk management, regulatory risk, compliance, audit, and management reporting.



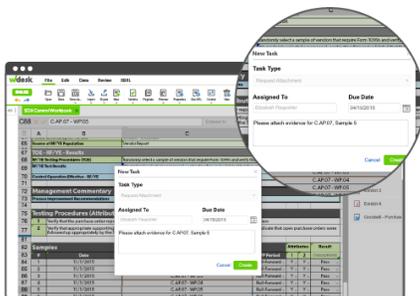
ONE PLATFORM, MANY USES

Wdesk is a modern productivity suite that rethinks the traditional model of governance, risk, and compliance (GRC) with an integrated, easy-to-use platform. It replaces the process of manually pulling SOX information from shared drives and spreadsheets with a linked, trackable, and controlled solution. It's easy to get started and as simple to use as traditional office applications.



COLLABORATION WITH CONTROL

Multiple users and teams, including process owners, control owners, and auditors, can create and work on the same document simultaneously in a single environment with a full audit trail of changes. Wdesk is a central repository for all controls and testing documentation, with the ability to set permissions and control edits for users and contributors down to the individual cell.



LINKED DATA AND NARRATIVE

Link risk and control information, testing results, and other information across your SOX and audit documentation. Update a control description or test status once, and see it flow instantly to your risk control matrices, flowcharts, process narratives, testing documents, dashboards, and audit committee presentations. More reliable data increases the time that teams can spend on value-add tasks, drives key business objectives, and reduces risk.

KEY BENEFITS — WDESK FOR SOX

› Accuracy:

- **Linking.** Wdesk unifies and connects control, risk, and audit data to provide unprecedented productivity and increase the accuracy of risk, control, and audit documentation. Each piece of risk and control information in Wdesk can be linked to other cells, text, charts, and presentations. When the source of the information is changed, each related occurrence is automatically updated.

› Control:

- **Auditability.** Each change in Wdesk is automatically saved for a complete audit trail across all documentation. The change is stamped with the time and date it was made and which user made it. This history is always available, and a change log can be created at any point in the process to show changes made between any two versions, increasing the ease of auditing.
- **Permissions.** Teams and users, including process owners, internal auditors, management, and external auditors, can be given permission to access a single document, just one section of a document, or a project consisting of documentation contained in several documents, workbooks, and presentations. This ensures critical SOX information is not seen by unauthorized users, and there's no risk of emailing a file to an incorrect recipient.

› Efficiency:

- **Quick implementation.** Unlike many traditional GRC platforms, Wdesk implementations are measured in days, not months, and involve no costly or disruptive upgrades.
- **Cloud access.** Because Wdesk is cloud based, users only need to sign in to Wdesk to begin working. Users can make edits to documentation or attach evidence directly to testing documents anywhere there is an internet connection.
- **Familiar interface.** Wdesk provides an intuitive and simple user experience that will engage the front line, executive management, and the board — enabling a more effective approach to GRC. Most users do not need any extensive or in-depth training to use basic Wdesk features, and they can find and update control information with ease.

› Customization:

- **Flexibility.** Wdesk enables teams to easily recreate their current SOX environment and quickly update documents and reports as their risk and control environment changes. Relevant features can be applied and adjusted for each individual user without the need for IT or system experts.
- **Dashboards.** Users can create custom dashboards linked to control and testing information in charts, documents, workbooks, and presentations. Increase transparency into risk, and improve reporting accuracy across the organization with real-time dashboards showcasing status updates, testing results, control deficiency lists, and more.
- **Data collection.** Reusable and easy-to-create templates can be sent to risk, control, or process owners, so that relevant risk information can be collected more efficiently and more often. This collected information can be automatically aggregated and linked to any other Wdesk document, workbook, or presentation to maintain a repeatable risk-based planning process in a scalable environment.

› The cloud:

- **Iterative development.** Rather than using the traditional on-premises software approach, Workiva uses iterative development. Small changes are made and deployed daily, which greatly reduces the risk and cost of extended system developments and enhancements.
- **Security.** Wdesk is an SSAE 16-certified platform.
- **Cost.** Workiva operates on a common seat-license basis. This offers cost flexibility, so some users only get access to basic features, while other active users get more functionality. Seats can be created by adding an email address, and upgraded or modified with a single click.

Appendix A: Total Economic Impact™ Overview

Total Economic Impact is a methodology developed by Forrester Research that enhances a company's technology decision-making processes and assists vendors in communicating the value proposition of their products and services to clients. The TEI methodology helps companies demonstrate, justify, and realize the tangible value of IT initiatives to both senior management and other key business stakeholders. TEI assists technology vendors in winning, serving, and retaining customers.

The TEI methodology consists of four components to evaluate investment value: benefits, costs, flexibility, and risks.

BENEFITS

Benefits represent the value delivered to the user organization — IT and/or business units — by the proposed product or project. Often, product or project justification exercises focus just on IT cost and cost reduction, leaving little room to analyze the effect of the technology on the entire organization. The TEI methodology and the resulting financial model place equal weight on the measure of benefits and the measure of costs, allowing for a full examination of the effect of the technology on the entire organization. Calculation of benefit estimates involves a clear dialogue with the user organization to understand the specific value that is created. In addition, Forrester also requires that there be a clear line of accountability established between the measurement and justification of benefit estimates after the project has been completed. This ensures that benefit estimates tie back directly to the bottom line.

COSTS

Costs represent the investment necessary to capture the value, or benefits, of the proposed project. IT or the business units may incur costs in the form of fully burdened labor, subcontractors, or materials. Costs consider all the investments and expenses necessary to deliver the proposed value. In addition, the cost category within TEI captures any incremental costs over the existing environment for ongoing costs associated with the solution. All costs must be tied to the benefits that are created.

FLEXIBILITY

Within the TEI methodology, direct benefits represent one part of the investment value. While direct benefits can typically be the primary way to justify a project, Forrester believes that organizations should be able to measure the strategic value of an investment. Flexibility represents the value that can be obtained for some future additional investment building on top of the initial investment already made. For instance, an investment in an enterprisewide upgrade of an office productivity suite can potentially increase standardization (to increase efficiency) and reduce licensing costs. However, an embedded collaboration feature may translate to greater worker productivity if activated. The collaboration can only be used with additional investment in training at some future point. However, having the ability to capture that benefit has a PV that can be estimated. The flexibility component of TEI captures that value.

RISKS

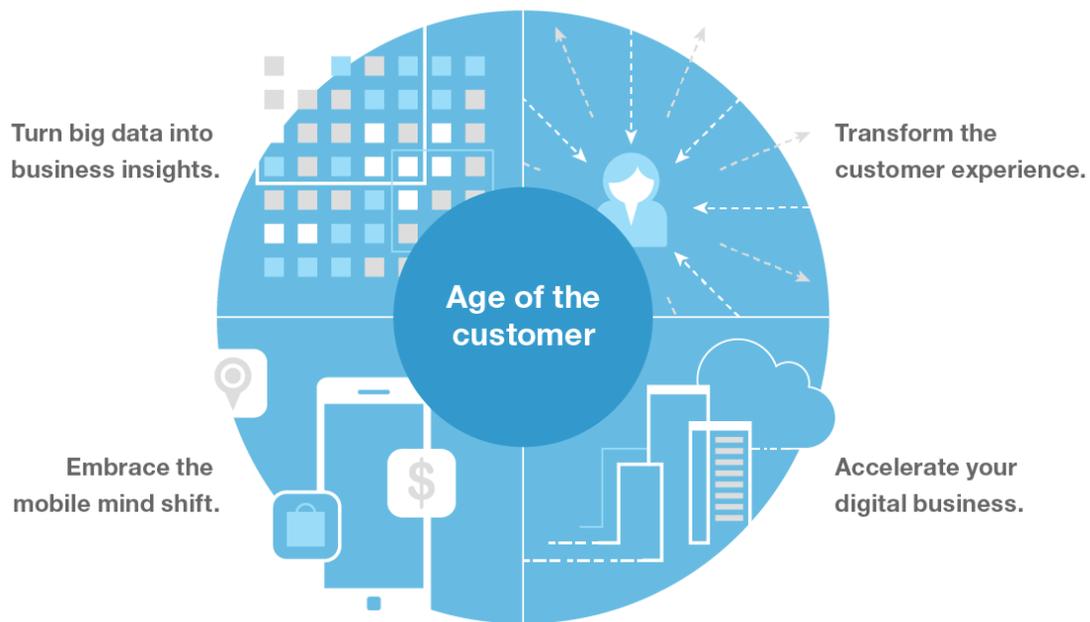
Risks measure the uncertainty of benefit and cost estimates contained within the investment. Uncertainty is measured in two ways: 1) the likelihood that the cost and benefit estimates will meet the original projections and 2) the likelihood that the estimates will be measured and tracked over time. TEI risk factors are based on a probability density function known as "triangular distribution" to the values entered. At a minimum, three values are calculated to estimate the risk factor around each cost and benefit.

Appendix B: Forrester And The Age Of The Customer

Your technology-empowered customers now know more than you do about your products and services, pricing, and reputation. Your competitors can copy or undermine the moves you take to compete. The only way to win, serve, and retain customers is to become customer-obsessed.

A customer-obsessed enterprise focuses its strategy, energy, and budget on processes that enhance knowledge of and engagement with customers and prioritizes these over maintaining traditional competitive barriers.

CMOs and CIOs must work together to create this companywide transformation.



Forrester has a four-part blueprint for strategy in the age of the customer, including the following imperatives to help establish new competitive advantages:



Transform the customer experience to gain sustainable competitive advantage.



Accelerate your digital business with new technology strategies that fuel business growth.



Embrace the mobile mind shift by giving customers what they want, when they want it.



Turn (big) data into business insights through innovative analytics.

Appendix C: Glossary

Discount rate: The interest rate used in cash flow analysis to take into account the time value of money. Companies set their own discount rate based on their business and investment environment. Forrester assumes a yearly discount rate of 10% for this analysis. Organizations typically use discount rates between 8% and 16% based on their current environment. Readers are urged to consult their respective organizations to determine the most appropriate discount rate to use in their own environment.

Net present value (NPV): The present or current value of (discounted) future net cash flows given an interest rate (the discount rate). A positive project NPV normally indicates that the investment should be made, unless other projects have higher NPVs.

Present value (PV): The present or current value of (discounted) cost and benefit estimates given at an interest rate (the discount rate). The PV of costs and benefits feed into the total NPV of cash flows.

Payback period: The breakeven point for an investment. This is the point in time at which net benefits (benefits minus costs) equal initial investment or cost.

Return on investment (ROI): A measure of a project's expected return in percentage terms. ROI is calculated by dividing net benefits (benefits minus costs) by costs.

A NOTE ON CASH FLOW TABLES

The following is a note on the cash flow tables used in this study (see the example table below). The initial investment column contains costs incurred at "time 0" or at the beginning of Year 1. Those costs are not discounted. All other cash flows in years 1 through 3 are discounted using the discount rate of 10% at the end of the year. PV calculations are calculated for each total cost and benefit estimate. NPV calculations are not calculated until the summary tables are the sum of the initial investment and the discounted cash flows in each year.

Sums and present value calculations of the Total Benefits, Total Costs, and Cash Flow tables may not exactly add up, as some rounding may occur.

TABLE [EXAMPLE]
Example Table

Ref.	Metric	Calculation	Year 1	Year 2	Year 3

Source: Forrester Research, Inc.

Appendix D: Endnotes

¹ Forrester risk-adjusts the summary financial metrics to take into account the potential uncertainty of the cost and benefit estimates. For more information, see the section on Risks.