

A Forrester Total Economic
Impact™ Study
Commissioned By
Imanami

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The Total Economic Impact™ Of Imanami GroupID

Cost Savings And Business Benefits
Enabled By GroupID Automate And
Self-Service

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Executive Summary

Imanami commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) enterprises may realize by deploying GroupID. The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of GroupID Automate and Self-Service and the impact on an organization's Active Directory (AD) management strategy.

Imanami GroupID Automate software allows organizations to create smart distribution lists and Active Directory security groups by using customizable parameters to ensure these lists and groups are always up to date and accurate. Where Automate is not utilized, Imanami GroupID Self-Service helps remove the dependencies and tasks on IT to create, update, and delete distribution lists and security groups by delegating the responsibility to business administrators or managers, saving time and improving accuracy.

In order to better understand the benefits, costs, and risks associated with a GroupID Automate and Self-Service implementation, Forrester interviewed several customers with multiple years of experience using Imanami's GroupID solution for its Active Directory environment. Prior to GroupID, these customers had implemented a number of disparate point solutions or used time-consuming manual processes to maintain their organization's security groups and distribution lists. This not only created process inefficiencies but also resulted in perpetual security group and distribution list inaccuracy, leading to security risks. With GroupID, customers were able to automate the process of removing or updating security groups and distribution lists when their employees discontinued employment or changed roles within the organization, respectively. In addition, GroupID allowed customers to shift accountability and responsibility for ongoing security group and distribution management away from IT to business administrators within the functional business units. Said one enterprise's services and support manager: "Some of our larger departments that support all of our customers have employees that are constantly maintaining their distribution list manually. Now, with GroupID, they no longer have to manage the lists, saving them huge amounts of time."

Imanami GroupID helps organizations achieve Active Directory group management process efficiencies while reducing IT support ticket expenses.

Over a three-year period, a composite organization with 25,000 employees can expect to:

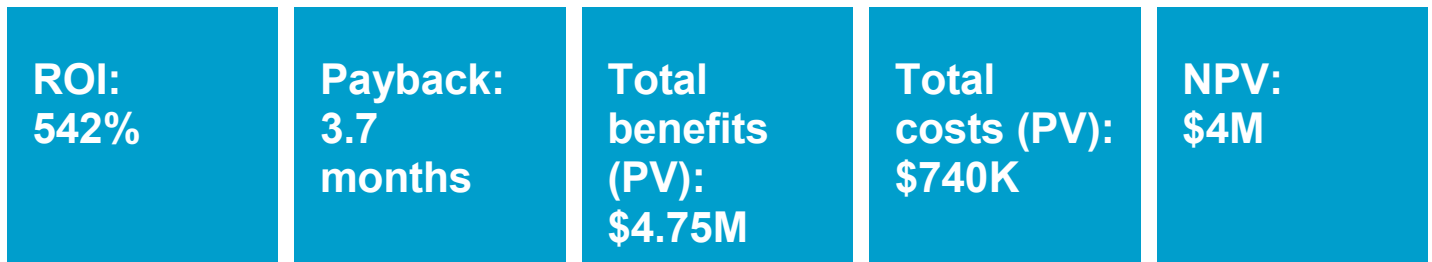
- Increase Active Directory group management process efficiencies attributable to the GroupID Automate module by \$1.5 million.
- Reduce group management IT support ticket costs by \$3.2 million.

IMANAMI REDUCES IT SUPPORT COSTS THROUGH AUTOMATION AND DELEGATION

Our interviews with four existing customers and subsequent financial analysis found that a composite organization based on these interviewed organizations experienced the risk-adjusted ROI, benefits, and costs shown in Figure 1.¹

FIGURE 1

Financial Summary Showing Three-Year Risk-Adjusted Results



Source: Forrester Research, Inc.

Benefits. The composite organization experienced the following risk and present value-adjusted benefits:

- **Group management process efficiencies achieved through automation of \$1.5 million.** By automating the process of purging distribution lists of former employees and contractors, as well as updating security groups and Active Directory memberships when employees change roles inside the organization, the composite organization avoided 22,000 hours in annual business and IT employee labor costs.
- **Group management IT support ticket cost avoidance of \$3.2 million.** By delegating responsibility and accountability for initial distribution list creation and ongoing list management to the functional business units, the organization reduced 78,000 help desk support tickets annually.

Costs. The composite organization experienced the following risk and present value-adjusted costs:

- **Imanami software licensing and maintenance fees of \$471,000.** These are initial, one-time per-user fees paid to Imanami for perpetual Automate and Self-Service licenses and ongoing annual maintenance.
- **Internal labor cost for system integration and deployment of \$32,000.** This one-time, initial expense includes business and IT labor used during the integration and deployment of GroupID's Self-Service and Automate modules.
- **Change management and training expenses of \$237,000.** These fees were incurred during the initial design and setup of the automated security groups and distribution lists and include the cost of developing training materials and rolling out a training curriculum to business users in order to ensure effective use of the self-serve tool. It's important to note that Imanami includes services to aid in initial design, setup, and training at no additional charge.

Disclosures

The reader should be aware of the following:

- › The study is commissioned by Imanami 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 Imanami GroupID Automate and Self-Service.
- › Imanami 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.
- › Imanami 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 Imanami GroupID. The objective of the framework is to identify the cost, benefit, flexibility, and risk factors that affect the investment decision.

APPROACH AND METHODOLOGY

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

- › Interviewed Imanami marketing and sales, along with Forrester analysts, to gather data relative to GroupID and the marketplace for identity, access, and group management products.
- › Interviewed four organizations currently using Imanami GroupID Self-Service and/or Automate to obtain data with respect to costs, benefits, and risks.
- › Designed a composite organization based on characteristics of the interviewed organizations (see the Analysis section of this document for a description of the organization).
- › Constructed a financial model representative of the interviews using the TEI methodology. The financial model is populated with the cost and benefit data obtained from the interviews as applied to the composite organization.
- › Risk-adjusted the financial model based on issues and concerns the interviewed organizations highlighted in interviews. Risk adjustment is a key part of the TEI methodology. While interviewed organizations 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 Imanami GroupID'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

COMPOSITE ORGANIZATION

Forrester interviewed the following four Imanami Group ID customers for this case study:

- › **A North American upstream and midstream petroleum and natural gas company with approximately 4,500 employees and over \$20 billion in annual revenue.** This organization was formerly using three separate systems for Active Directory group management and saw the opportunity to consolidate these functions with one intuitive tool. Since the company leverages Active Directory for 70% to 80% of its applications, the company's environment was heavily dependent on the accuracy of Active Directory from both an authentication and authorization standpoint.
- › **A US-based independent software vendor and hosting company focused on the financial services sector with approximately 1,000 full-time equivalents (FTEs), including a number of independent contractors.** Having several disparate data systems throughout the organization and no central master data repository, the company's CTO tasked the IT organization to implement GroupID as part of a broader data management initiative.
- › **A global defense and aerospace company with approximately 65,000 employees, over 80,000 mailboxes, and revenue in excess of \$23 billion annually.** Due to the size of the organization, some of the company's distribution lists contained tens of thousands of customers, making it impossible to continually update these lists and security groups manually.
- › **A global NGO providing humanitarian and disaster relief across a highly distributed and continually churning employee and volunteer network.** With a large, constantly changing global volunteer network, the company needed an accurate and secure way to drive self-serve capabilities to the organization's distribution lists and security groups.

Based on the interviews, Forrester constructed a TEI framework, a composite company, and an associated ROI analysis that illustrates the areas financially affected. In building the composite organization, Forrester found that the GroupID Automate and Self-Service group management solutions were industry agnostic, with wide applicability across environments characterized by high employee churn and complex security group and distribution list requirements. The composite organization that Forrester synthesized from these results represents a US-based business-to-business (B2B) services company with 25,000 employees and contractors, including a significant field team presence across North America and internationally. The majority of the company's revenue is project based, and as such, 10% of its workforce is project-based independent contractors, which contributes to high turnover within the organization. The company currently has annual churn of 12% across its workforce.

With these constant organization changes, the company creates an average of 1,500 new distribution lists per month and makes updates to an average of 5,000 distribution lists per month as employees and contractors leave the organization or move to other engagements and departments within the organization.

“We were duplicating information and efforts, and there was no centralized master source of our data throughout the company.”

~ Manager of enterprise services and support, ISV and hosting company in the financial services sector

“Our environment is heavily dependent on Active Directory from both an authentication and authorization standpoint in application suites. Seventy to eighty percent of our applications leverage Active Directory.”

~Senior IT administrator, North American Oil & Gas firm

INTERVIEW HIGHLIGHTS

With data security becoming one of the top priorities for organizations, having Active Directory management software can play an important role in the holistic identity management strategy of any organization. By extending authorizations of different applications using Active Directory, Imanami GroupID can help reduce the risk of users with excessive and unnecessary application access, which can trigger audit or compliance issues. One interviewed organization leveraged AD to authorize over 70% of applications, further streamlining its application access management process and maximizing savings. In addition to reducing their security risks, organizations invested in Imanami GroupID to:

- › Reduce costs by empowering business and field teams to take ownership over distribution list management.
- › Improve distribution list accuracy, ensuring the right people receive the right communications at the right time.
- › Speed up application access when onboarding new employees, contractors, or volunteers. This improves their productivity, as they don't have to wait for system access.

The interviews revealed that:

- › **GroupID Self-Service empowers business and field teams to take ownership over their distribution list management.**

Interviewed organizations reduced the dependency on their IT team to set up, add, and remove people from the distribution lists. This improved the overall validity of these lists and reduced the duplication of lists, while also helping to delete stale or outdated lists. Prior to implementing GroupID Self-Service, business teams would have to request a ticket through IT when employees would leave the organization or change roles. On average, these tickets would cost \$18 to resolve, and even then distribution lists weren't always getting updated properly. One interviewed organization stated that in one month it made over 6,000 membership changes and 3,700 distribution list updates, leading to over \$175,000 in savings in that one month alone.

- › **GroupID Automate further reduces the need for IT dependency when changes to security groups and distribution lists are required.**

With GroupID Automate, organizations were able to create smart distribution lists and smart security groups based on customizable criteria like departments, projects, or functional roles. These smart lists would automatically add, remove, and update information associated with each person based on the specified criteria, saving teams over 3 hours per update. In its disaster management services department, one interviewed organization had over 50 distribution lists that required manual updates on a daily basis, as many of its teams included numerous volunteers with constant turnover. Utilizing smart distribution lists, it automated all of the changes based on department ID and employee ID. This saved the organization hours of manual work each day and allowed it to focus on the real disasters it was facing. Furthermore, by automating the security group changes necessary when employees joined the organization or started a new role, the organization could provide employees with the right access to the correct systems, improving productivity and ensuring they could do their jobs on day one.

- › **GroupID Automate and Self-Service help to reduce information leakage and improve AD security and governance.**

By shifting the accountability and ownership of distribution list and security group updates to business teams, the accuracy of these lists and groups can be improved. This, in turn, reduces the risk of information being sent by email falling into the wrong hands or being exposed externally. One interviewed organization said that it had over 200 smaller functional

“We have smart distribution lists with 20,000 to 30,000 names or even more, and this would be impossible to continually update or modify. GroupID provides distribution lists that would be otherwise impossible to maintain.”

~ System administrator, global defense and aerospace company

security groups and distribution lists, and after an exhaustive audit they were found to be obsolete. These obsolete security groups also pose a threat to organizations, as they create opportunities for the wrong people to have access to systems. It's also important to note that while GroupID empowers teams to take ownership over their distribution list management, they still manage the lists within the guardrails of specific policies and rules, ensuring the organization is not left open to any unnecessary risks.

BENEFITS

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

- › Group management process efficiencies achieved through automation.
- › GroupID self-service support ticket reductions.



Group Management Process Efficiencies Achieved Through Automation

The composite organization indicated that a key benefit from the GroupID implementation was the process efficiencies the company gained by automating the ongoing management of security groups and distribution lists. Prior to GroupID, the composite organization's centralized IT group was responsible for the ongoing maintenance and management of the company's security groups and distribution lists. Employees within the organization's business units needed to contact IT every time they needed to make changes to a group, including:

- › Removing employees from distribution lists and security groups when they discontinued their employment.
- › Updating security groups and Active Directory memberships as employees changed roles within the organization.

Before GroupID, administrators within the business units would need to send IT support tickets every time an employee was hired, terminated, or changed roles within the organization, which required duplicative manual efforts by business administrator and IT personnel and created delays and errors within the organization's distribution and security groups. In addition, IT personnel weren't always kept privy to changes in employment status due to constant employee churn, and siloed enterprise systems resulted in logistical and administrative complexity associated with manual maintenance of distribution and security groups. Therefore, the organization had instances where it inadvertently sent out sensitive employee communications to former employees and contractors.

Following the implementation of GroupID's Automate module, the amount of IT staff and business administrator time spent on maintaining and updating the company's security groups and distribution lists was reduced by 22,000 hours annually. The composite organization was able to remove IT from security group and distribution list maintenance by automatically populating these lists with the organization's SQL and Oracle databases and immediately reflecting changes in employment data on security authorizations. As a result, with monthly employee turnover (those ending employment) of 250 people per month, 250 hours per week required to update employee security group and distribution list information for existing employees, and a wage of \$30 per hour for each IT staff and business administrator, the total benefit resulting from group management process efficiencies over the three years was \$2,039,994, before adjusting for risk.

Interviewed organizations provided a broad range of time savings through automation of group management, since organizations adopted GroupID as a means of replacing various point solutions or manual processes. To compensate, this benefit was risk-adjusted and reduced by 10%. As seen in Table 3, the risk and present value-adjusted total benefit resulting from increased process efficiencies over the three years was \$1,519,096. See the section on Risks for more detail on the risk adjustments for GroupID benefits.

TABLE 1
GroupID Automation Process Efficiencies

Ref.	Metric	Calculation	Year 1	Year 2	Year 3
A1	Employee turnover per month		250	250	250
A2	Average hours saved per update		3	3	3
A3	Average hourly cost	Fully loaded	\$30.00	\$30.90	\$31.83
A4	Months per year		12	12	12
A5	Turnover automation savings	$A1 \times A2 \times A3 \times A4$	\$270,000	\$278,100	\$286,443
A6	Business administrators		100	100	100
A7	Average hours avoided per week		2	2	2
A8	IT FTEs		10	10	10
A9	Average hours avoided per week		5	5	5
A10	Weeks per year		52	52	52
A11	Average hourly employee cost	Fully loaded	\$30.00	\$30.90	\$31.83
A12	Automate employee data change savings	$(A6 \times A7 \times A10 \times A11) + (A8 \times A9 \times A10 \times A11)$	\$390,000	\$401,700	\$413,751
At	GroupID automation process efficiencies	$A5 + A12$	\$660,000	\$679,800	\$700,194
	Risk adjustment	↓10%			
Atr	GroupID automation process efficiencies (risk-adjusted)		\$594,000	\$611,820	\$630,175

Source: Forrester Research, Inc.



GroupID Self-Serve Support Ticket Reduction

GroupID allowed the composite organization to get IT out of group management by shifting accountability for ongoing responsibility of security group and distribution list development and maintenance from IT to administrators in the business units in which these groups reside. Prior to deploying GroupID's Self-Service module, business operators had to create help desk support tickets every time they needed to create or make updates to a distribution list or security group.

By cutting out the middleman, the organization was able to lower its IT support ticket requests, reduce the number of misrouted technical support requests, and empower the data owners most familiar with the groups, saving the company both time and money. As shown in Table 2, the total value of this benefit was \$4,339,624 over three years before adjusting for risk.

Companies interviewed for the study provided a broad range of time and cost efficiencies achieved through self-serve group management, as this is dependent on the number of smart distribution lists created annually and the degree of IT involvement in ongoing group creation and management of security groups and distribution lists. To compensate for this variance, this benefit was risk-adjusted and reduced by 10%. As seen in Table 3, the risk and present value-adjusted total benefit resulting from a reduction in IT support tickets over the three years was \$3,231,531.

TABLE 2
GroupID Self-Serve Support Ticket Reductions

Ref.	Metric	Calculation	Year 1	Year 2	Year 3
B1	New distribution lists created per month		1,500	1,500	1,500
B2	Average cost avoided per ticket		\$18.00	\$18.54	\$19.10
B3	Months per year		12	12	12
B4	Self-service distribution list creation savings	$B1*B2*B3$	\$324,000	\$333,720	\$343,732
B5	Distribution list updates per month		5,000	5,000	5,000
B6	Average cost avoided per call		\$18.00	\$18.54	\$19.10
B7	Months per year		12	12	12
B8	Self-service distribution list update savings	$B5*B6*B7$	\$1,080,000	\$1,112,400	\$1,145,772
Bt	GroupID self-serve support ticket reductions	$B4+B8$	\$1,404,000	\$1,446,120	\$1,489,504
	Risk adjustment	↓10%			
Btr	GroupID self-serve support ticket reductions (risk-adjusted)		\$1,263,600	\$1,301,508	\$1,340,553

Source: Forrester Research, Inc.

Total Benefits

Table 3 shows the total of all benefits across the two areas listed above, as well as present values discounted at 10%. Over three years, the composite organization expects risk-adjusted total benefits to be a PV of \$4,750,627.

TABLE 3
Total Benefits (Risk-Adjusted)

Ref.	Benefit	Year 1	Year 2	Year 3	Total	Present Value
Atr	GroupID automation process efficiencies	\$594,000	\$611,820	\$630,175	\$1,835,995	\$1,519,096
Btr	GroupID self-serve support ticket reductions	\$1,263,600	\$1,301,508	\$1,340,553	\$3,905,661	\$3,231,531
	Total benefits (risk-adjusted)	\$1,857,600	\$1,913,328	\$1,970,728	\$5,741,656	\$4,750,627

Source: Forrester Research, Inc.

COSTS

The composite organization experienced a number of costs associated with the GroupID solution:

- › Imanami software licensing and maintenance fees.
- › Internal labor cost for system integration and deployment.
- › Change management and training expenses.

These represent the mix of internal and external costs experienced by the composite organization for acquisition, initial planning, implementation, and ongoing maintenance associated with the Imanami GroupID group management solution.



Software Licensing And Maintenance Fees

Software licensing fees for GroupID were incurred during the initial implementation period. With 25,000 active GroupID users, the composite organization incurred perpetual software licensing fees for GroupID's Automate and Self-Service modules, totaling \$253,350, or approximately \$6 per user. In subsequent years, we applied an annual maintenance fee calculated as 25% of the initial software licensing fee, amounting to an annual maintenance cost of \$70,375.

Software licensing costs vary from organization to organization, considering different licensing agreements, what other products may be licensed from the same vendor, and other discounts. To compensate for these elements, this cost was risk-adjusted up by 10%. The risk-adjusted cost of software licenses and the associated annual maintenance contracts over the three years was \$510,923.

TABLE 4
Software Licensing And Maintenance Fees

Ref.	Metric	Calculation	Initial	Year 1	Year 2	Year 3
C1	Number of users		25,000			
C2	Automate initial cost per user		\$5.63			
C3	Self-Service initial cost per user		\$5.63			
C4	Multiproduct discount		10%			
C5	Total Imanami initial software cost	$C1 \cdot C2 \cdot (1 - C4) + C1 \cdot C3 \cdot (1 - C4)$	\$253,350			
C6	Annual support fee percent			25%	25%	25%
C7	Annual Automate support cost	$C1 \cdot C2 \cdot C6$		\$35,188	\$35,188	\$35,188
C8	Self-Service support cost	$C1 \cdot C3 \cdot C6$		\$35,188	\$35,188	\$35,188
Ct	License and support cost	$C5 + C7 + C8$	\$253,350	\$70,375	\$70,375	\$70,375
	Risk adjustment	↑10%				
Ctr	License and support cost (risk-adjusted)		\$278,685	\$77,413	\$77,413	\$77,413

Source: Forrester Research, Inc.



Internal Labor Cost For System Integration And Deployment

This represents the initial, one-time project costs experienced by the composite organization for evaluation, planning, integration, and deployment of GroupID's Self-Service and Automate modules. During initial planning and deployment, the composite organization integrated GroupID with the multiple internal data sources, configured the self-service portal, and performed system validation and testing. Implementation of the GroupID modules required a time commitment of two FTEs at a fully loaded hourly cost of \$30 per hour over a three-month timeframe. The total labor cost during the deployment phase of the project was estimated at \$28,800.

We risk-adjusted the labor expense upward by 10% to account for variations in salary and amount of time required to successfully deploy an organizationwide group management solution. The risk-adjusted cost of internal labor for system deployment was \$31,680.

TABLE 5
Internal Labor Cost For System Integration And Deployment

Ref.	Metric	Calculation	Initial	Year 1	Year 2	Year 3
D1	Months to implement		3			
D2	FTEs		2			
D3	Average FTE cost per hour	Fully loaded	\$30			
D4	Hours per month		160			
Dt	Implementation cost	$D1 * D2 * D3 * D4$	\$28,800	\$0	\$0	\$0
	Risk adjustment	↑10%				
Dtr	Implementation cost (risk-adjusted)		\$31,680	\$0	\$0	\$0

Source: Forrester Research, Inc.



Change Management And Training Expenses

During the initial deployment of GroupID, the composite organization tasked a change management team to set up the structure to automate security groups and distribution lists and delegate accountability and responsibility for ongoing group management to the line-of-business data owner. In order to accomplish this, a team of 88 employees participated in 25 hours of meetings each and spent an additional 10 hours each working independently on tasks related to the group management initiative. Elements of this change management program included normalization and standardization of department names and abbreviations, analysis and rationalization of existing security groups and distribution lists, assignment of business leaders to each group and list, and setup of expiration dates and other parameters for each group.

As part of the process of delegating away accountability and responsibility for group management through the Self-Service module, IT developed knowledge-based articles and demo videos and invested in corporate communications to assist the accountable business operators in getting used to and using the tool effectively. These costs are embedded in the estimated 10 workload hours per employee (row E3). We risk-adjusted the change management and training expense upward by 15% to reflect variance in executive-level salaries and the amount of time required to discuss and agree upon a standard set of normalized security groups, distribution lists, and department abbreviations.

TABLE 6
Change Management And Training Expense

Ref.	Metric	Calculation	Initial	Year 1	Year 2	Year 3
E1	Employees required for change management		88			
E2	Meeting hours per person		25			
E3	Workload hours per person		10			
E4	Training material creation		1			
E5	Average employee cost per hour		\$65			
Et	Change management cost	$E1 * (E2 + E3 + E4) * E5$	\$205,920	\$0	\$0	\$0
	Risk adjustment	↑15%				
Etr	Change management cost (risk-adjusted)		\$236,808	\$0	\$0	\$0

Source: Forrester Research, Inc.

Total Costs

Table 7 shows the total of all costs as well as associated present values (PVs), discounted at 10%. Over three years, the composite organization expects total costs to be a PV of slightly under \$740,000.

TABLE 7
Total Costs (Risk-Adjusted)

Ref.	Cost Category	Initial	Year 1	Year 2	Year 3	Total	Present Value
Ctr	License and support cost	\$278,685	\$77,413	\$77,413	\$77,413	\$510,923	\$471,199
Dtr	Implementation cost	\$31,680	\$0	\$0	\$0	\$31,680	\$31,680
Etr	Change management cost	\$236,808	\$0	\$0	\$0	\$236,808	\$236,808
	Total costs (risk-adjusted)	\$547,173	\$77,413	\$77,413	\$77,413	\$779,411	\$739,687

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 GroupID 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).

The composite organization implemented GroupID's Automate and Self-Service modules as part of a broader strategic initiative around master data management and self-service driven by its CTO. As such, the company is considering use of additional GroupID tools, including the Synchronize module to ensure accuracy between Active Directory and the company's payroll and expense enterprise systems.

The composite organization is also exploring additional ways to automate group creation by building an approval workflow, in an effort to further reduce IT's involvement in group management.

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 GroupID 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 GroupID, resulting in lower overall total benefits. The greater the uncertainty, the wider the potential range of outcomes for cost and benefit estimates.

TABLE 8
Benefit And Cost Risk Adjustments

Benefits	Adjustment
GroupID automation process efficiencies	↓ 10%
GroupID self-serve support ticket reductions	↓ 10%
Costs	Adjustment
Software licensing and maintenance fees	↑ 10%
Internal labor cost for system integration and deployment	↑ 10%
Change management and training expense	↑ 15%

Source: Forrester Research, Inc.

Quantitatively capturing implementation risk and impact risk by directly adjusting the financial estimate 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:

- › Automation process efficiencies attributable to GroupID will vary according to the exact nature and type of manual or point solution.
- › GroupID self-serve ticket reductions are dependent on the number of smart distribution lists created annually and the degree of IT involvement in ongoing group creation and management.

The following implementation risks that affect costs are:

- › Software licensing and maintenance fees vary relative to different licensing agreements, what other products may be licensed from the same vendor, and other discounts.

- › The internal labor cost for system integration and deployment will vary with the actual number and position of people working on the project and the amount of time spent working on the project.
- › The change management and training expense will vary according to team composition, executive-level salaries, and the time required to reach a consensus on a standard group management taxonomy.

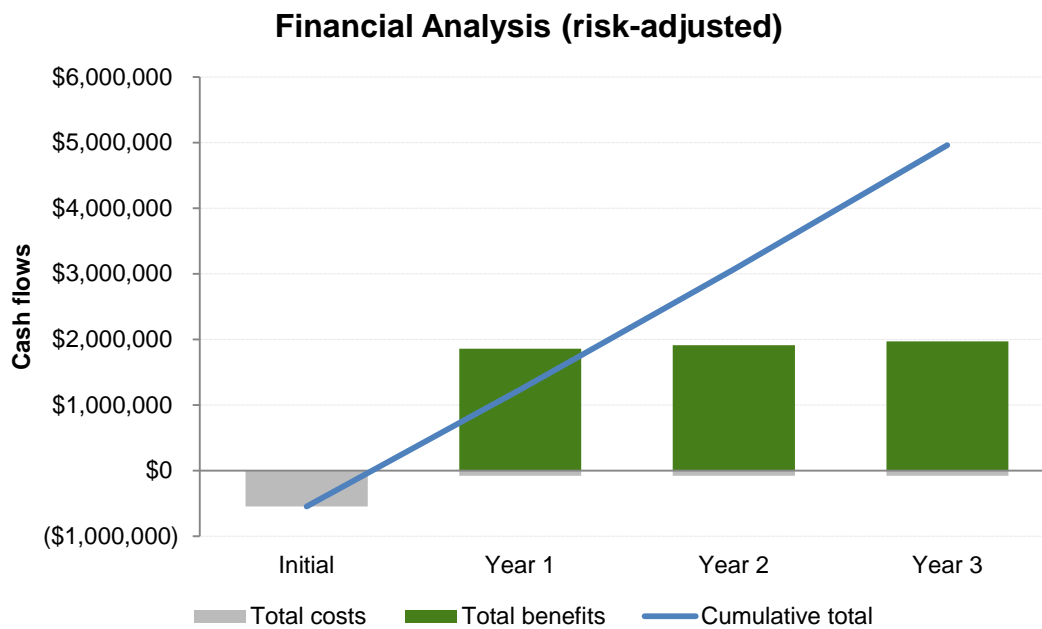
Table 8 shows the values used to adjust for risk and uncertainty in the cost and benefit estimates for the composite organization. Readers are urged to apply their own risk ranges based on their own degree of confidence in the cost and benefit estimates.

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 composite organization's investment in GroupID.

Table 9 below shows the risk-adjusted ROI, NPV, and payback period values. These values are determined by applying the risk-adjustment values from Table 8 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 9
Cash Flow (Risk-Adjusted)

Summary	Initial	Year 1	Year 2	Year 3	Total	Present Value
Costs	(\$547,173)	(\$77,413)	(\$77,413)	(\$77,413)	(\$779,411)	(\$739,687)
Benefits	\$0	\$1,857,600	\$1,913,328	\$1,970,728	\$5,741,656	\$4,750,627
Net benefits	(\$547,173)	\$1,780,187	\$1,835,915	\$1,893,315	\$4,962,245	\$4,010,940
ROI						542%
Payback period						3.7 months

Source: Forrester Research, Inc.

Imanami GroupID: Overview

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

Imanami strives to simplify the complex problems associated with managing Active Directory effectively with software that is simple. The GroupID platform breaks down the management of Active Directory into component parts with modular solutions. Those modular solutions are simple to install and configure, and once they are installed and configured they are easy for administrators to administer and for end users to use.

The GroupID platform consists of five separate and independently licensed modules. Each works as a standalone solution to problems with Active Directory management, and they integrate with each other to provide a complete identity and group management software suite.

The suite provides powerful solutions with an extremely lightweight footprint on the enterprise — and not just from a hardware perspective. GroupID can be installed, configured, and maintained by existing IT staff and without the need for an expensive and time-consuming third-party implementation team.

Imanami's simple solutions are easy for administrators and IT professionals to learn and adopt. If your end users can use a web browser, they can use this software.

Two of the five GroupID modules were a focus in this report — namely, GroupID Automate and GroupID Self-Service. Below is a summary of their specific benefits.

GROUPID AUTOMATE

GroupID Automate allows administrators to automate security and distribution groups in Active Directory. Automate applies a simple-to-use LDAP filter that is available both as a GUI or a PowerShell command to query attributes in Active Directory. Automate also provides a simple interface for managing exceptions. GroupID Automate can also consume data from external data sources such as Oracle and SQL Server to determine membership in Active Directory groups.

It allows you to easily create dynamically nested groups called Dynasties. In just a few clicks, you can create dynamic groups that represent the hierarchy of your organization. Customize the familial nature of your nested groups or use one of the built-in templates. The geographical template, for example, allows you to create a group to reflect every country, state/province, and city in your Active Directory.

By using the dynamic groups that Automate creates and maintains, user experience is vastly improved. Your users are automatically included in the distribution groups, which provides them with the information that they need. They are also automatically included in the security groups, which gives them the access they need to do their jobs, all without IT having to intervene.

These dynamic groups may also be used to maintain accurate membership in other systems like SharePoint.

Automating groups also improves security. When users move within the organization, dynamic groups ensure that their memberships move with them. And when users leave the organization, their group membership ends as well.

GROUPID SELF-SERVICE

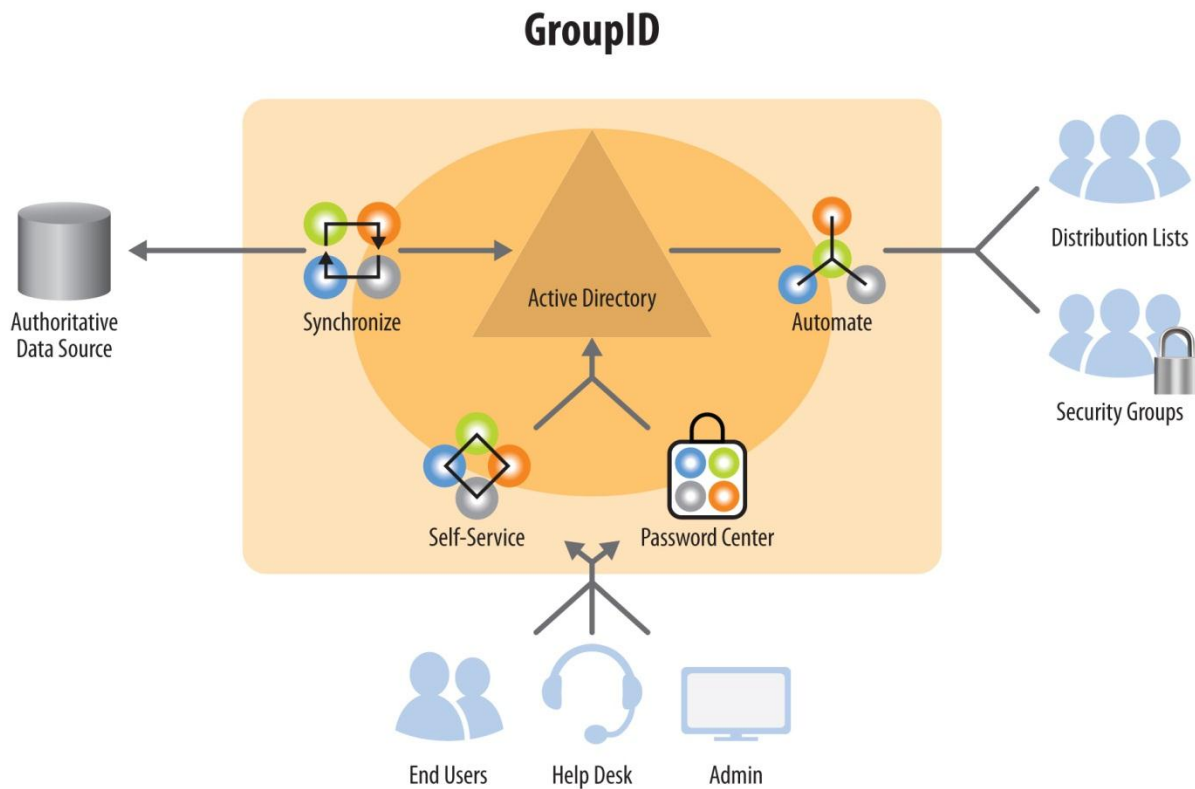
GroupID Self-Service allows IT administrators to delegate the management of certain AD attributes and group management to end users. This delegation is highly configurable and customizable and provides powerful tools to define who can see what, who can change what, and who must authorize which changes. Self-Service also provides a complete and business-friendly record of those changes visible to both users and administrators.

From the Self-Service portal, users may join a group, leave a group, create a group, and manage the membership of a group that they own. All of those actions can be restricted or have workflow placed upon them.

As with Automate, Active Directory groups that are managed by Self-Service may be used by other systems such as SharePoint. Integrating GroupID with SharePoint allows an end user to see and manage SharePoint site permissions and access granted through an Active Directory group.

Here again, IT is able to dramatically reduce the calls to the support organization while at the same time providing a more responsive service to the business by allowing it to manage this function itself.

Regular attestation of a group is key to ensuring accuracy of group membership even with automation. Ongoing attestation ensures the applicability of the group's original purpose, along with validation of important group attributes. GroupID Self-Service allows an administrator to set group life-cycle policies on each group individually or establish a default policy based on where the group is created. Coupled with attestation, enforcement of attestation through expiration processes ensures action.



Source: Imanami

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 enterprise wide 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

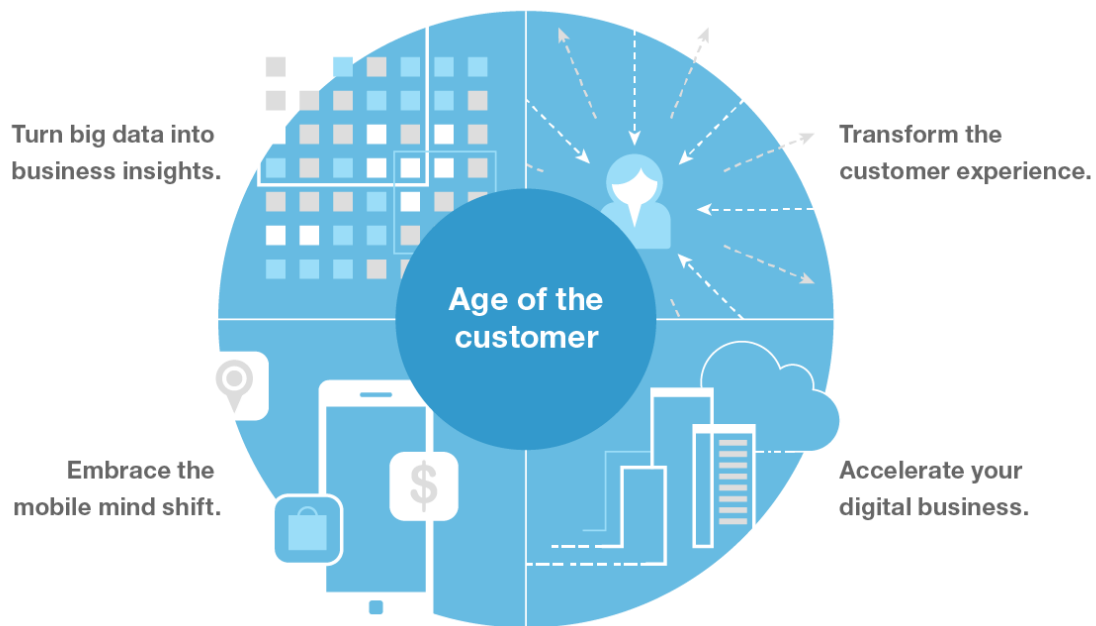
Risks measure the uncertainty of benefit and cost estimates contained within the investment. Uncertainty is measured in two ways: 1) the likelihood that the cost and benefit estimates will meet the original projections and 2) the likelihood that the estimates will be measured and tracked over time. TEI 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 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.