The Total Economic Impact™ Of Saviynt Enterprise Identity Cloud
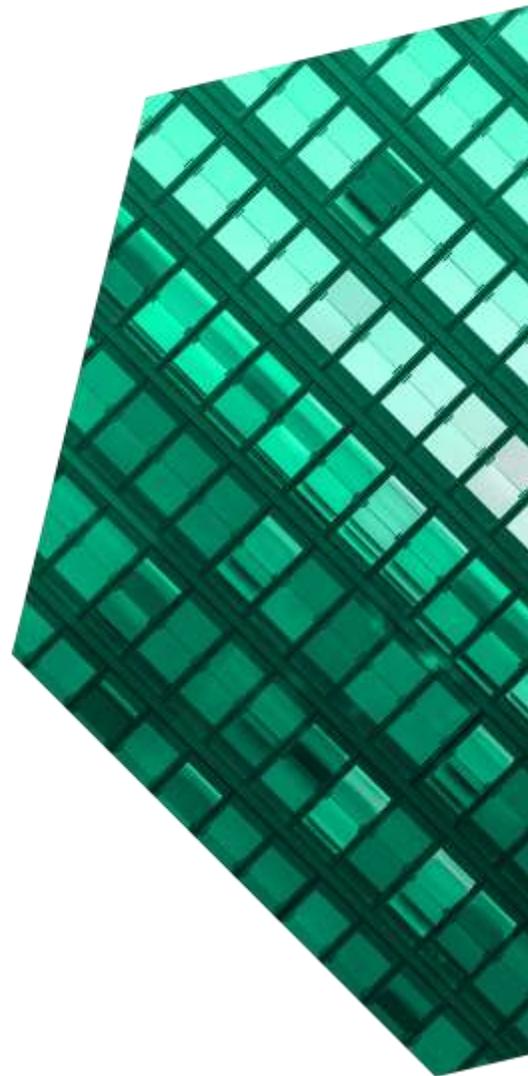
Cost Savings And Business Benefits Enabled By Enterprise Identity Cloud

DECEMBER 2020

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Executive Summary

Identity management tools are becoming necessary to manage digital identities and permissions. In replacing their manual identity management environments, organizations seek a flexible, comprehensive solution to improve workflows, eliminate compliance risk, and adapt to future IT trends. Saviynt offers a cloud-based, automated platform that provides visibility, IT efficiencies, and improved internal controls, reducing the risk of compromised credentials and audit failures.

Saviynt commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) enterprises may realize by deploying Saviynt Enterprise Identity Cloud. The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of Enterprise Identity Cloud on their organizations. Saviynt offers a cloud-based, digital identity and access governance platform that unifies identity governance and administration (IGA), application access governance (AAG), and privileged access management (PAM) features into one unified solution. The automation of application provisioning, access reviews, role-based access, employee/contractor onboarding, and lifecycle management promotes workflow efficiencies, productivity gains, and an improved security posture.

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed four customers with experience using Saviynt's Enterprise Identity Cloud. For the purposes of this study, Forrester aggregated the experiences of the interviewed customers and combined the results into a single composite organization.

Prior to using Saviynt Enterprise Identity Cloud, organizations were either manually performing identity and access governance responsibilities or using a combination of on-premises, homegrown tools that required internal coding, regular maintenance and upgrading, and significant management time as they were not cross-functional. Customers found that both environments left them

KEY STATISTICS

Return on investment (ROI)
240%

Net present value (NPV)
$24.3M

exposed to a high risk of security breaches and/or non-compliance, resulting in audit fines and potential reputational damage.

After the investment in Enterprise Identity Cloud, the customers gained efficiencies by streamlining several internal identity and access governance processes, such as application and employee access provisioning, access reviews, and tasks surrounding the segregation of duties (SOD). This eliminated the need for coding talent and greatly reduced organizations' risk profiles.

Application access provisioning time saved:

$11.2 million

KEY FINDINGS

Quantified benefits. Risk-adjusted present value (PV) quantified benefits are listed in descending order and include:

- **Application access provisioning time saved.** In the customers' previous environments, each newly onboarded application would take 10 minutes for identity access administrators to access provision each permitted application user. Through automation, Saviynt eliminates the time previously needed to provision access for each user. Through policy-based access provisioning, Saviynt automatically provisions appropriate access and deprovisions nonrelevant access based on user lifecycle changes. In addition, Saviynt simplifies granting additional access safely through intelligent access requests and approvals. At $38 per hour, the time of an identity access administrator that is saved is worth approximately $11.2 million over three years to the organizations.

- **Efficiencies gained due to SOD automation.** In their previous environments, the interviewed customers lacked effective internal systems to manage the segregation of duties, which ensures proper user access and activity by identifying and eliminating risky access to toxic entitlement combinations. With increased visibility of user access and activity, improved audit trails, and risk identification, privileged resources are protected from breaches, and the threat of embezzlement and reputational harm is removed. With its SOD solution, Enterprise Identity Cloud provides the internal access controls that are necessary to avoid breaches, costly audit failures, and non-compliance, resulting in a three-year benefit of $8.6 million.

Efficiencies gained due to SOD automation:
$8.6 million

- **Improved access reviews.** According to interviewed customers, the manual process of reviewing and reporting application user access privileges required over three weeks per application to complete. Saviynt now enables the organizations to complete an application access review automatically, eliminating three weeks from the time formerly needed to accomplish this task. With 10 FTEs performing 100 reviews per year at an annual salary of $85,000, the benefit totals $8.6 million over three years.

- **End-user efficiencies due to faster employee and contractor onboarding.** With the former solutions, it required the interviewed customers 10 days to ensure that newly hired employees or contractors had the proper access to applications needed for optimal performance. According to interviewees' responses, a new employee or contractor can now be provisioned in one day, as opposed to the previous nine days that were required to perform this task. Assuming 900 employees or contractors are onboarded each year with an average annual salary of $65,000, the onboarding time savings results in a value of $4.5 million over three years.

- **Coding talent cost avoidance.** As most identity and access governance responsibilities are now managed automatically with Saviynt's consolidated platform, the customers are able to reduce their cost of onboarding coding talent by $700,000 per year. The result of eliminating the need for coding talent equals a benefit of $1.6 million to the organizations over three years.

Unquantified benefits. Benefits that are not quantified for this study include:

- **Unified, cloud-based platform.** Saviynt's platform consolidates identity governance and administration, application access governance, privileged access management, data access governance, and vendor access governance. Unifying many different toolset functions onto one cloud-based platform allows organizations to reduce regular maintenance and updates required by on-premises solutions. Also, automation within the platform reduces human error in identity management tasks, leading to better internal controls.

- **Reduced IT resolution time.** Saviynt Enterprise Identity Cloud helps organizations reduce resolution time for tickets involving user access management, such as provisioning or access requests. Additionally, as users continue to realize the benefits of the automated platform, they report receiving fewer tickets that require resolution.

- **Privileged access.** Saviynt provides timely, on-demand privileged access management with built-in, continuous monitoring. Privileged access enables organizations to temporarily elevate permissions for emergency access, while simultaneously controlling the risk that elevated permissions may present to an organization.

Costs. Risk-adjusted PV costs include:

- **Subscription fees.** Subscription fees vary per customer and are dependent on the number of users or licensed applications. Based on the size of the interviewed organizations, Forrester assumes an annual subscription fee of $2.0 million for deployment of Saviynt's cloud-based platform, resulting in a three-year, risk-adjusted cost of $4.9 million.

- **Initial and ongoing costs.** The customers report that implementation requires 3.5 FTEs for one

year, this includes the maintenance of legacy tools and other outsourced professional services. Ongoing costs, occurring after the implementation period, include the cost of five FTEs that are dedicated to the management of Saviynt, ongoing professional services provided by Saviynt, and ongoing training on the platform. The three-year, risk-adjusted total of initial and ongoing costs equals $5.1 million.

> "Enterprise Identity Cloud brings the data together into a single platform, making it easier to understand the total context."
>
> *Director of identity access management*

The customer interviews and financial analysis found that a composite organization experiences benefits of $34.4M over three years versus costs of $10.14M, adding up to a net present value (NPV) of $24.3M and an ROI of 240%.

ROI	BENEFITS PV	NPV	PAYBACK
240%	**$34.4M**	**$24.3M**	**<3 months**

Benefits (Three-Year)

Application access provisioning time saved	$11.2M
Efficiencies gained due to SOD automation	$8.6M
Improved access reviews	$8.6M
End user efficiencies due to faster employee/contractor onboarding	$4.5M
Coding talent cost avoidance	$1.6M
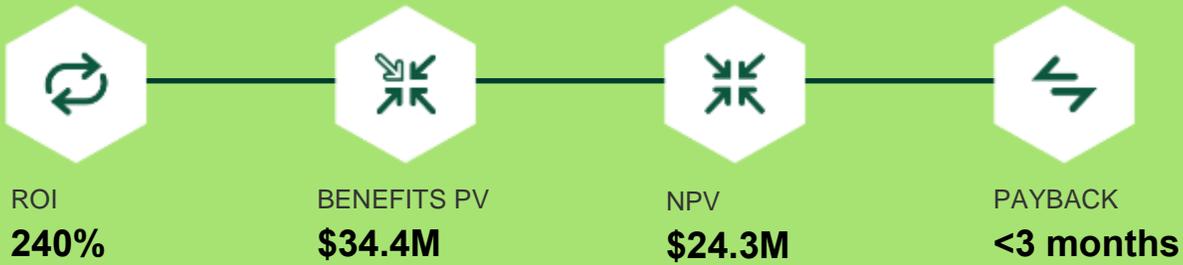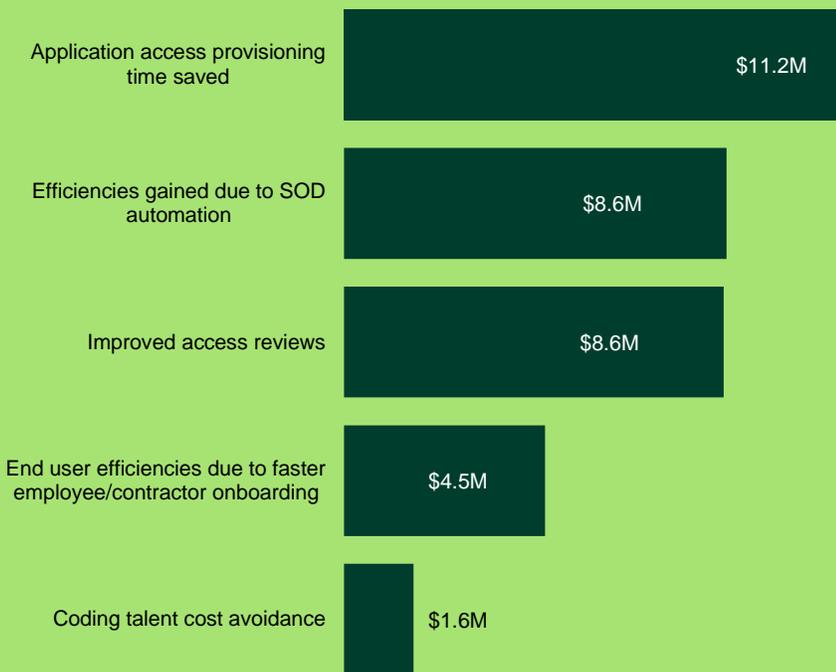
Access provisioning time saved per user is 10 minutes.

TEI FRAMEWORK AND METHODOLOGY

From the information provided in the interviews, Forrester constructed a Total Economic Impact™ framework for those organizations considering an investment in Saviynt Enterprise Identity Cloud.

The objective of the framework is to identify the cost, benefit, flexibility, and risk factors that affect the investment decision. Forrester took a multistep approach to evaluate the impact that Saviynt Enterprise Identity Cloud can have on an organization.

DISCLOSURES

Readers should be aware of the following:

This study is commissioned by Saviynt 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 Saviynt Enterprise Identity Cloud.

Saviynt 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.

Saviynt provided the customer names for the interviews but did not participate in the interviews.

DUE DILIGENCE
Interviewed Saviynt stakeholders and Forrester analysts to gather data relative to Saviynt Enterprise Identity Cloud.

CUSTOMER INTERVIEWS
Interviewed four decision-makers at organizations using Saviynt Enterprise Identity Cloud to obtain data with respect to costs, benefits, and risks.

COMPOSITE ORGANIZATION
Designed a composite organization based on characteristics of the interviewed organizations.

FINANCIAL MODEL FRAMEWORK
Constructed a financial model representative of the interviews using the TEI methodology and risk-adjusted the financial model based on issues and concerns of the interviewed organizations.

CASE STUDY
Employed four fundamental elements of TEI in modeling the investment impact: benefits, costs, flexibility, and risks. Given the increasing sophistication of ROI analyses related to IT investments, Forrester's TEI methodology provides a complete picture of the total economic impact of purchase decisions. Please see Appendix A for additional information on the TEI methodology.

The Saviynt Enterprise Identity Cloud Customer Journey

Drivers leading to the Saviynt investment

Interviewed Organizations			
Description	**Region**	**Interviewee**	**Investment Driver**
Global oil and gas company	London, UK	Director of identity access management	Sought a cloud-based platform
Multinational energy producer and distributor	Sydney, Australia	Senior manager of identity and access management	Needed to improve identity governance compliance with changing legislation
Multinational chemical processing company	United States	Global identity management leader	Looked for a consolidated identity governance SaaS tool
Global technology company	United States	Product manager of identity access management	Wanted to reduce on-premises-related costs and consolidate homegrown toolset

KEY CHALLENGES

Before the adoption of Saviynt Enterprise Identity Cloud, customers lacked a cloud-based, centralized identity and access governance tool. Customers completed tasks, such as user application provisioning, role-based provisioning, employee onboarding, and segregation of duties, in either a manual environment or by utilizing a hybrid legacy solution, involving multiple, on-premises homegrown products. These tasks were cumbersome, time-consuming, and subject to human error. These environments also left the customers susceptible to data breaches, audit failures, and fines for non-compliance.

The interviewed organizations struggled with common challenges, including:

- **Lack of efficient methods for application provisioning, access reviews, and employee or contractor onboarding.** In their manual or on-premises hybrid environments, customers lacked the ability to effectively manage and perform their identity and access governance responsibilities. Their previous administrative methods were inefficient, and they did not allow for proactive or strategic security management.

- **Inability to enforce role-based or privileged accounts through SOD management.** The interviewees discussed their growing internal risks associated with the inability to properly implement SOD policies and enforce controls for roles (e.g., finance, accounting, purchasing) and privileged users, such as IT administrators and developers. The lack of governance and control led to a greater risk of costly audit and non-compliance fines, employee embezzlement through inappropriate account permissions, and reputational damage.

> **"Prior to deploying Saviynt, we were using a lot of homegrown tools for provisioning and governance. Saviynt allows us to manage identity governance and administration across divisions and applications."**
>
> *Global identity management leader*

- **Need for a unified, cloud-based platform to integrate the governance of multiple identities and access management functions.** To manage the general provisioning and monitoring of thousands of users, the customers performed identity and access governance duties manually, or they relied on separate point solutions from multiple vendors. Lacking cross-platform visibility, the customers described their regular tasks as time-consuming, incomplete, error prone, and less frequently performed, which offers bad actors the opportunity to take advantage of excessive permissions to gain more access and therefore cause harm to the organization.

> **"Saviynt has some very unique features that their competitors don't offer. The combination of their bigger governance application offerings, direct connectors, and user access review capability, all in a cloud-based solution … it's been a game changer for us."**
>
> *Senior manager of identity and access management*

Key assumptions
- **Identity and access governance team within a US-based manufacturing company**
- **140,000 employees**
- **20,000 application users provisioned each year**
- **100 user access review campaigns performed each year**
- **900 employees or contractors onboarded each year**

- Improve internal compliance and external audits, reducing the overall risk profile.

- Promote scalability and performance without compromising visibility and security.

COMPOSITE ORGANIZATION

Based on the interviews, Forrester constructed a TEI framework, a composite company, and a ROI analysis that illustrates the areas financially affected. The composite organization is representative of the four companies that Forrester interviewed and is used to present the aggregate financial analysis in the next section. The composite organization has the following characteristics:

Description of composite. The multinational manufacturing company is headquartered in the United States, and it has 140,000 employees. The identity and access governance team manages all user provisioning, and it is responsible for all duties associated with AAG and PAM with the objective of improving its internal security and compliance model.

SOLUTION REQUIREMENTS/INVESTMENT OBJECTIVES

The interviewed organizations searched for a solution that could:

- Provide a consolidated and effective identity and access governance solution.

- Offer a cloud-based platform.

- Streamline user access provisioning, employee onboarding, and user access review process.

- Implement SOD and PAM controls and policies.

Deployment characteristics. The team manages and monitors thousands of application users with varying permissions for many different technologies. The composite organization deployed all features of Saviynt Enterprise Identity Cloud to increase its visibility into user activity so that it can quickly identify improper access and resolve security issues to avoid added risk.

Analysis Of Benefits

Quantified benefit data as applied to the composite

Total Benefits

Ref.	Benefit	Year 1	Year 2	Year 3	Total	Present Value
Atr	Application access provisioning time saved	$3,420,000	$4,560,000	$5,700,000	$13,680,000	$11,160,180
Btr	Efficiencies gained due to SOD automation	$3,468,750	$3,468,750	$3,468,750	$10,406,250	$8,626,268
Ctr	Improved access reviews	$3,442,500	$3,442,500	$3,442,500	$10,327,500	$8,560,988
Dtr	End-user efficiencies due to faster employee/contractor onboarding	$1,822,500	$1,822,500	$1,822,500	$5,467,500	$4,532,288
Etr	Coding talent cost avoidance	$630,000	$630,000	$630,000	$1,890,000	$1,566,717
	Total benefits (risk-adjusted)	$12,783,750	$13,923,750	$15,063,750	$41,771,250	$34,446,441

APPLICATION ACCESS PROVISIONING TIME SAVED

Evidence and data.

- Saviynt offered an automated solution containing a suite of connectors that allowed the customers to integrate applications and then provision permitted users quickly and seamlessly.

- Organizations found that Saviynt's feature, which allows for identity access and governance to be performed in a self-service manner, is far less time-consuming than in their previous environments.

- One interviewee noted that Saviynt is continuously adapting to customer needs regarding application compatibility. One manager commented: "Saviynt provides an access hub, through which all of our applications can be monitored and controlled. We are integrating more and more apps every week."

- The same manager stated: "Application provisioning is so much more efficient now. We easily save 10 minutes per user per application."

Modeling and assumptions. This section explains how the modeling is done.

- In Year 1, the composite organization onboards 30 new applications.

- In each following year, 20,000 application users require provisioning.

- Ten minutes are saved per provisioned user.

- The hourly rate of an identity access administrator is $38.

"With Saviynt, we are much more agile and able to meet our business security needs more readily."

Director of identity and access management

Risks.

- The number of new applications onboarded annually can vary based on an organization's size and industry.

- This benefit may vary depending on how many users require access to needed applications.

- Hourly rate may change due to geographic location or skill level.

To account for these risks, Forrester adjusted this benefit downward by 10%. Forrester also applied a

productivity capture of 75%, as not all time saved directly corresponds to productivity gains. Application access provisioning time saved results in a three-year, risk-adjusted total PV (discounted at 10%) of $11,160,180.

Application Access Provisioning Time Saved					
Ref.	Metric	Calculation	Year 1	Year 2	Year 3
A1	Number of new or upgraded applications onboarded per year		30	40	50
A2	Number of users requiring application access		20,000	20,000	20,000
A3	Access provisioning time saved per user	10 minutes	10	10	10
A4	Average fully loaded hourly rate of an identity access administrator	$38/hour (based on $85,000/year)	$38	$38	$38
A5	Productivity capture	75%			
At	Application access provisioning time saved	A1*A2* (A3/60 min)*A4	$3,800,000	$5,066,667	$6,333,333
	Risk adjustment	↓10%			
Atr	Application access provisioning time saved (risk-adjusted)		$3,420,000	$4,560,000	$5,700,000
	Three-year total: $13,680,000		Three-year present value: $11,160,180		

EFFICIENCIES GAINED DUE TO SOD AUTOMATION

Evidence and data.

- Before deploying Saviynt's platform, the interviewed customers lacked the ability to effectively manage and enforce SOD policies and controls.

- Upon adoption of the Enterprise Identity Cloud, the interviewed organizations implemented SOD risk rulesets for all major applications. The platform's cross-system risk analysis helped to

identify risks across multiple applications, and its analytics-driven recommendations allowed the organizations to remediate these risks quickly and effectively. Interviewees found that role-engineering with inherent SOD risk detection and remediation enabled them to clean up roles and prevent new SOD violations. Continuous, proactive risk assessment, through preventive SOD checks and automated remediation, eliminated human error, avoided costly compliance issues, and reduced the risk of expensive and embarrassing internal fraud, such

as embezzlement or abuse of privileged accounts.

- One interviewee mentioned, "Without Saviynt, we would have had to double our team size in order to impose SOD policies and monitor all users during a global HR consolidation."

- The director of identity access management said, "Integrating SOD into the Saviynt platform has provided better visibility, improving our governance, and significantly reducing security issues."

Modeling and assumptions.

- An average of $4.65 million in efficiencies is gained each year with the deployment of SOD controls.

Risks.

- SOD efficiencies may vary depending on how comprehensively an organization is using the Saviynt SOD solution.

- SOD efficiencies could differ depending on the previous environment and its level of automation or sophistication.

- Efficiencies can also vary depending on number of users, IT salary levels, geographical location, and skill sets.

To account for these risks, Forrester adjusted this benefit downward by 25%, yielding a three-year, risk-adjusted total PV of $8,626,268.

$8.6 million
three-year benefit PV

25%
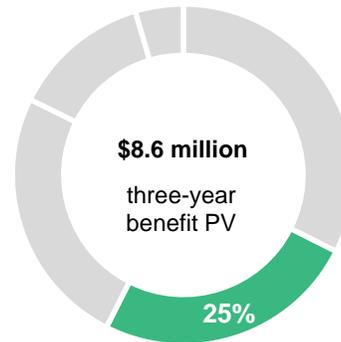
Efficiencies Gained Due to SOD Automation

Efficiencies Gained Due To SOD Automation					
Ref.	Metric	Calculation	Year 1	Year 2	Year 3
B1	Efficiencies gained due to automated entitlement security and segregation of duties (SOD)		$4,625,000	$4,625,000	$4,625,000
Bt	Efficiencies gained due to SOD automation	B1	$4,625,000	$4,625,000	$4,625,000
	Risk adjustment	↓25%			
Btr	Efficiencies gained due to SOD automation (risk-adjusted)		$3,468,750	$3,468,750	$3,468,750
	Three-year total: $10,406,250		Three-year present value: $8,626,268		

IMPROVED ACCESS REVIEWS
Evidence and data.

- Before adopting Saviynt, interviewed customers performed manual access reviews, requiring the use of multiple spreadsheets and the involvement

of several employees across different departments.

- Access reviews were time-consuming, and customers noted that they were not completed on a repeatable, reliable schedule, exposing the customers to internal security risks.

- In their previous environments, customers reported that an average access review campaign required 10 FTEs dedicated for three weeks.

- One interviewee commented: "There were a lot of spreadsheets storing this user information before, and some applications didn't even have reviews due to the time commitment. Now we are able to administer user access reviews for all deployed applications because it's automated and easy."

Modeling and assumptions.

- Ten FTEs perform 100 access review campaigns each year.

- Three weeks are saved for each FTE performing reviews.

- The average fully loaded annual salary per FTE is $85,000.

Risks

- The efficiencies realized can vary depending on the number of applications deployed, the amount

of cross-departmental input that is needed, and the number of expected user reviews per year.

- Salary levels can differ depending on geographical location and skill level.

To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV of $8,560,988.

$8.6 million

three-year benefit PV

25%
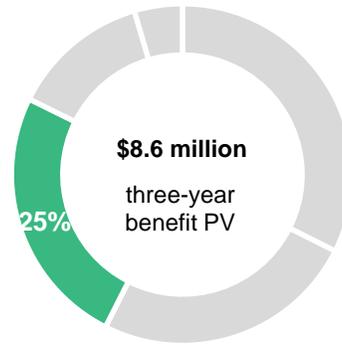
Improved Access Reviews

Improved Access Reviews

Ref.	Metric	Calculation	Year 1	Year 2	Year 3
C1	Number of FTEs performing reviews		10	10	10
C2	Number of access reviews per year		100	100	100
C3	Average fully loaded salary per identity access administrator		$85,000	$85,000	$85,000
C4	Annual time saved (% total rounded)	3 weeks/ 52 weeks	6%	6%	6%
C5	Productivity capture	75%			
Ct	Improved access reviews	C1*C2*C3 *C4*C5	$3,825,000	$3,825,000	$3,825,000
	Risk adjustment	↓10%			
Ctr	Improved access reviews (risk-adjusted)		$3,442,500	$3,442,500	$3,442,500
	Three-year total: $10,327,500		Three-year present value: $8,560,988		

END-USER EFFICIENCIES DUE TO FASTER EMPLOYEE/CONTRACTOR ONBOARDING

Evidence and data.

- Before the adoption of Saviynt, customers required approximately 10 days to fully provision each new employee or contractor.

- Upon deployment of Saviynt, customers found that through automation the time needed to onboard a new hire or contractor fell by nine days. An organization that pre-provisions prior to the start date of either an employee or contractor may realize a time savings of the full 10 days.

- One manager highlighted: "Prior to Saviynt, it typically took us many days or even weeks to get a new user set up with access requests, permissions, and approvals. Now it's all done in real time once access is approved."

Modeling and assumptions.

- The composite organization onboards a total of 75 FTEs and contractors per month.

- The average fully loaded annual salary of an onboarded employee or contractor is $65,000.

- The automation provided by Saviynt saves nine working days per year per onboarded user.

900 employees and contractors are onboarded and provisioned each year

Risks.

- The number of employees onboarded per month can vary based on the size, industry, and labor needs of an organization.

- The expected efficiencies can differ based on the level of automation provided in the legacy environment.

- The average salary of an onboarded user can vary depending on geographical location, industry, and skill level of employees or contractors hired.

To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV of $4,532,288.

End-User Efficiencies Due To Faster Employee/Contractor Onboarding

Ref.	Metric	Calculation	Year 1	Year 2	Year 3
D1	FTEs or contractors onboarded per year	75 FTEs per month*12 months	900	900	900
D2	Average fully loaded salary per onboarded FTE or contractor		$65,000	$65,000	$65,000
D3	Time saved through automation	9 days	9	9	9
Dt	End-user efficiencies due to faster employee/contractor onboarding (rounded)	D1*D2 *(D3/260 days)	$2,025,000	$2,025,000	$2,025,000
	Risk adjustment	↓10%			
Dtr	End-user efficiencies due to faster employee/contractor onboarding (risk-adjusted)		$1,822,500	$1,822,500	$1,822,500
	Three-year total: $5,467,500		**Three-year present value: $4,532,288**		

CODING TALENT COST AVOIDANCE

Evidence and data.

- Prior to the implementation of Saviynt, the interviewed customers reported the need for outsourced coding talent that could produce solutions for specific identity access and governance tasks.

- The customers eliminated the coding talent cost previously incurred, as the Saviynt platform offered a wide, comprehensive range of automated identity and access governance functions.

Modeling and assumptions.

- The composite organization avoids spending $700,000 per year on coding talent previously needed to create solutions for the identity and access governance team.

Risks.

- Coding talent needs may differ depending on an organization's size, industry, and security needs.

- Cost of coding talent can vary based on geographical location and scope of project.

To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV of $1,566,717.

5%

$1.6 million
three-year
benefit PV
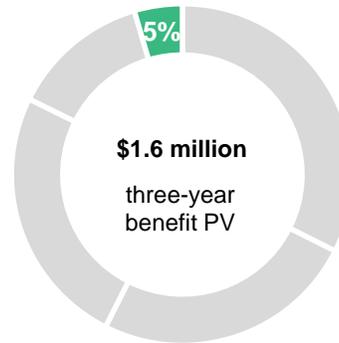
Coding Talent Cost Avoidance

Coding Talent Cost Avoidance					
Ref.	Metric	Calculation	Year 1	Year 2	Year 3
E1	Coding talent cost avoidance		$700,000	$700,000	$700,000
Et	Coding talent cost avoidance	E1	$700,000	$700,000	$700,000
	Risk adjustment	↓10%			
Etr	Coding talent cost avoidance (risk-adjusted)		$630,000	$630,000	$630,000
	Three-year total: $1,890,000		Three-year present value: $1,566,717		

UNQUANTIFIED BENEFITS

Additional benefits that customers experienced but were not able to quantify include:

- **Unified, cloud-based platform.** Saviynt consolidates many identity and access governance functions into a single, automated software-as-a-service (SaaS) platform. The

platform offers greater, universal user visibility and allows organizations to perform required tasks more efficiently, thoroughly, and frequently, resulting in fewer security incidents and compliance violations.

- **Reduced IT resolution time.** The automation, visibility, and self-service features included in the

solution result in a decrease in time required to resolve issues surrounding user access and provisioning. Additionally, as customers continue to realize the benefits of the platform, fewer IT tickets are reported.

- **Privileged access.** Saviynt enables organizations to elevate permissions temporarily in a time-sensitive environment, allowing just-in-time access to assigned permissions. Examining limitations and potential benefits of the platform allows an organization to fully understand the value, while simultaneously maintaining the integrity of the security model.

FLEXIBILITY

The value of flexibility is unique to each customer. There are multiple scenarios in which a customer might implement Saviynt Enterprise Identity Cloud and later realize additional uses and business opportunities, including:

- **Flexibility for the remote workforce.** Saviynt allows organizations to securely grow its identity perimeter beyond traditional operations, supporting the fast-growing work-from-home model.

- **Partnership and customization.** Interviewees commented that as they continue to scale, Saviynt has been a valuable partner by providing uninterrupted support and meeting system security needs relating to growth. One manager said, "Saviynt has been flexible working with us, allowing us to put our stamp on how things are done, while providing the necessary technology when we needed to improve."

Flexibility would also be quantified when evaluated as part of a specific project (described in more detail in Appendix A).

Analysis Of Costs

Total Costs

| Ref.	Cost	Initial	Year 1	Year 2	Year 3	Total	Present Value
Ftr	Subscription fees	$0	$2,000,000	$2,000,000	$2,000,000	$6,000,000	$4,973,704
Gtr	Initial and ongoing costs	$2,316,600	$1,146,000	$1,146,000	$1,146,000	$5,754,600	$5,166,532
	Total costs (risk-adjusted)	$2,316,600	$3,146,000	$3,146,000	$3,146,000	$11,754,600	$10,140,236

SUBSCRIPTION FEES

Evidence and data.

- Based on the size of the organizations, the number of users, and the number of licensed applications, interviewees reported annual subscription fees totaling $2 million.

Risks.

- Subscription fees may vary depending on the size of the organization, number of users, and number of licensed applications.

Since these risks are minimal, and the Saviynt pricing structure is straightforward, Forrester did not apply a risk adjustment to this cost calculation. This cost category yields a three-year total PV (discounted at 10%) of $4,973,704.

$5.0 million

three-year cost PV

49%
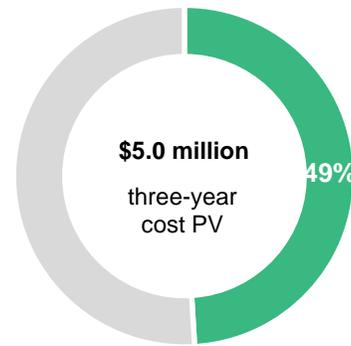
Subscription Fees

Subscription Fees

Ref.	Metric	Calculation	Initial	Year 1	Year 2	Year 3
F1	Subscription fees		$0	$2,000,000	$2,000,000	$2,000,000
Ft	Subscription fees	G1	$0	$2,000,000	$2,000,000	$2,000,000
	Risk adjustment	0%				
Ftr	Subscription fees (risk-adjusted)		$0	$2,000,000	$2,000,000	$2,000,000
	Three-year total: $6,000,000			Three-year present value: $4,973,704		

INITIAL AND ONGOING COSTS

Evidence and data.

- The initial costs included internal labor for approximately one year.

- The composite organization maintained its legacy solution for one year.

- Ongoing costs include internal maintenance of the platform, outside professional services, and employee training.

> **"Saviynt has a clear and holistic vision for identity and access management."**
>
> *Senior manager identity and access management*

Modeling and assumptions.

- An internal implementation team of 3.5 FTEs is committed full-time for one year. The fully loaded annual salary is $123,000 per FTE.

- The legacy system is maintained for one year at a cost of $500,000.

- Professional services required for implementation total $1,000,000.

- Ongoing management, professional services, and training add up to $955,000 per year.

Risks.

- Initial and ongoing costs may fluctuate based on the number of applications and users, experience level and skill set of internal labor, salaries, and geographical location.

To account for these risks, Forrester adjusted this cost upward by 20%, yielding a three-year, risk-adjusted total PV of $5,166,532.

Initial And Ongoing Costs						
Ref.	Metric	Calculation	Initial	Year 1	Year 2	Year 3
G1	Internal labor implementation team	3.5 FTEs*$123K/year	$430,500			
G2	Maintaining legacy solution	1 year	$500,000			
G3	Professional services implementation	1 year	$1,000,000			
G4	Ongoing internal management	5 FTEs* $85K/year		$425,000	$425,000	$425,000
G5	Ongoing professional services from Saviynt			$500,000	$500,000	$500,000
G6	Ongoing training			$30,000	$30,000	$30,000
Gt	Initial and ongoing costs	G1+G2+G3+ G4+G5+G6	$1,930,500	$955,000	$955,000	$955,000
	Risk adjustment	↑20%				
Gtr	Initial and ongoing costs (risk-adjusted)		$2,316,600	$1,146,000	$1,146,000	$1,146,000
	Three-year total: $5,754,600			**Three-year present value: $5,166,532**		

Financial Summary

CONSOLIDATED THREE-YEAR RISK-ADJUSTED METRICS

Cash Flow Chart (Risk-Adjusted)
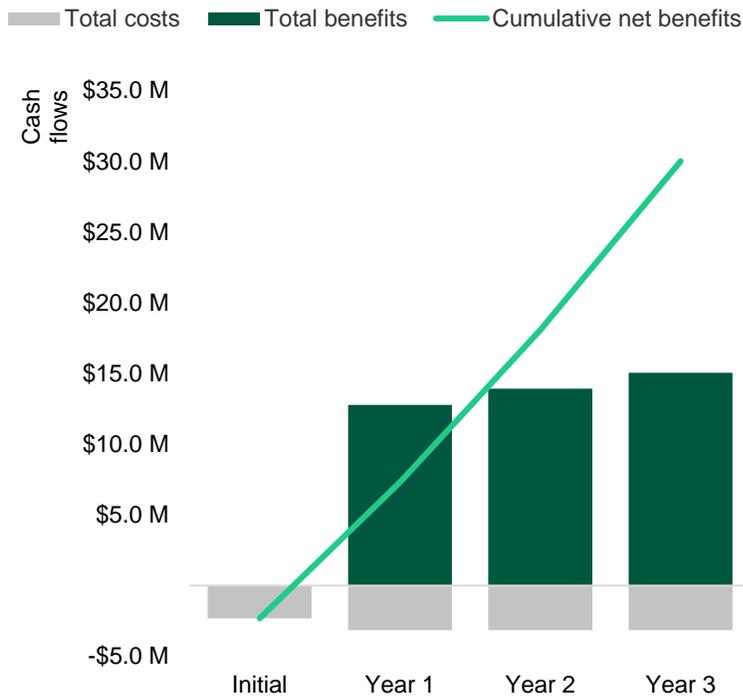
The financial results calculated in the Benefits and Costs sections can be used to determine the ROI, NPV, and payback period for the composite organization's investment. Forrester assumes a yearly discount rate of 10% for this analysis.

These risk-adjusted ROI, NPV, and payback period values are determined by applying risk-adjustment factors to the unadjusted results in each Benefit and Cost section.

Cash Flow Analysis (Risk-Adjusted Estimates)						
	Initial	**Year 1**	**Year 2**	**Year 3**	**Total**	**Present Value**
Total costs	($2,316,600)	($3,146,000)	($3,146,000)	($3,146,000)	($11,754,600)	($10,140,236)
Total benefits	$0	$12,783,750	$13,923,750	$15,063,750	$41,771,250	$34,446,441
Net benefits	($2,316,600)	$9,637,750	$10,777,7500	$11,917,750	$30,016,650	$24,306,205
ROI						240%
Payback period						<3 months

Appendix A: Total Economic Impact

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.

TOTAL ECONOMIC IMPACT APPROACH

Benefits represent the value delivered to the business by the product. The TEI methodology places 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.

Costs consider all expenses necessary to deliver the proposed value, or benefits, of the product. The cost category within TEI captures incremental costs over the existing environment for ongoing costs associated with the solution.

Flexibility represents the strategic value that can be obtained for some future additional investment building on top of the initial investment already made. Having the ability to capture that benefit has a PV that can be estimated.

Risks measure the uncertainty of benefit and cost estimates given: 1) the likelihood that estimates will meet original projections and 2) the likelihood that estimates will be tracked over time. TEI risk factors are based on "triangular distribution."

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.

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.

RETURN ON INVESTMENT (ROI)

A project's expected return in percentage terms. ROI is calculated by dividing net benefits (benefits less costs) by costs.

DISCOUNT RATE

The interest rate used in cash flow analysis to take into account the time value of money. Organizations typically use discount rates between 8% and 16%.

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.

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