

HighBond Improves Governance And Risk Management While Increasing Efficiency And Reducing Costs

Forrester Consulting has conducted a series of Total Economic Impact™ (TEI) studies for Galvanize, to provide readers with a framework to evaluate the potential financial impact of HighBond by Galvanize on their organizations.

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed several customers with experience using HighBond.

This summary is based on five full TEI studies, which can be downloaded from the table on the next page.

Quantified benefits. Some examples of risk-adjusted, three-year present value (PV) benefits reported by interviewed organizations achieve goals such as:

- **Improve audits.** The product manufacturing organization saw nearly \$900,000 in audit efficiency improvements. Auditors were able to complete Sarbanes-Oxley (SOX) reviews more quickly, and business managers found their audit processes to be 40% more efficient.
- **Improve compliance.** The financial services organization was able to avoid hiring four new employees to keep up with compliance tasks automated with HighBond. Avoided hiring and recruiting costs add up to \$725,000 in total cost savings.
- **Reduce fraud.** The Latin American manufacturing organization saved \$2.4 million in reduced fraud- and waste-related costs. With HighBond the organization is able to analyze and identify issues with current accounts and transactions, and monitor new transactions and account requests to identify potential fraud before it happens.
- **Reduce waste and abuse.** The state government agency avoided \$2.9 million in vendor overcharges and other procurement processing errors. With HighBond, the agency can more accurately link purchase approvals with orders and payments to identify potential double-payments, overpayments, abuse, or errors.
- **Improve operational risk management (ORM) and business performance.** The international banking organization unlocked \$586,000 or more in new income by avoiding risky decisions and taking advantage of opportunities. For example, better management and compliance with HighBond put the organization in a position to take advantage of a key merger opportunity ahead of competitors.

Results. For these organizations, Forrester concluded that HighBond delivers a net present value (NPV) benefit between \$1.4 million and \$3.9 million and an ROI between 373% and 702%. The weighted averages of these results (based on each organization's team size) equal:

PV of total benefits	PV of total costs	NPV	ROI	Reallocated hires (FTE equivalent)
\$2.5 million	\$435,000	\$2.1 million	473%	2.4 FTE

ROI 473%



Benefits PV
\$2.5M



NPV \$2.1M



SUMMARY

Based on several commissioned studies focused on the Total Economic Impact of HighBond for several customers.

METHODOLOGY

The objective of the TEI 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 of HighBond, including interviews with Forrester analysts, Galvanize stakeholders, and five current customer(s). Forrester constructed a financial model representative of the interviews using the TEI methodology.

RISK ADJUSTMENT

Forrester risk-adjusted the financial model based on issues and concerns of the interviewed organizations to account for uncertainties in benefit and cost estimates.

The HighBond By Galvanize Customer Journey

Forrester has conducted several interviews with HighBond customers to develop TEI case studies. The five most recent studies include:

ORGANIZATION	INTERVIEWEE ROLE	FULL STUDY LINK
Western US international bank	VP of risk management	https://info.wegalvanize.com/total-economic-impact-us-bank-study.html
US state government agency	Deputy CIO, administration department	https://info.wegalvanize.com/total-economic-impact-us-government-agency-study.html
US-based manufacturer	Audit leader	https://info.wegalvanize.com/total-economic-impact-sox-compliance-study.html
US financial organization	Chief compliance officer (CCO)	https://info.wegalvanize.com/total-economic-impact-compliance-management-study.html
Latin American manufacturer	Head of governance, risk, and compliance	https://info.wegalvanize.com/total-economic-impact-manufacturing-organization-study.html

Key Investment Drivers

Interviewed organizations shared reasons for their investment in HighBond:

- › **Improve compliance with enterprise risk management (ERM).** Reducing organization risk can help avoid compliance-related fees and fines. HighBond stores documents and reports so compliance posture can be shown quickly and thoroughly.
- › **Improve audit management.** Taking a reactive approach to audit management is risky. Organizations should strive toward understanding that audit management can be a strategic partner that better enables the organization to navigate important and complex regulations like Sarbanes-Oxley. The audit leader at the US-based manufacturer explained, “HighBond helps us support a core [operational audit] strategy: to ask what efforts would complement and grow each of our divisions.”
- › **Reduce fraud, waste, and abuse (FWA).** Reacting to fraud and theft after they happen can be costly; HighBond facilitates a more preventative approach.
- › **Improve ORM and business performance.** Data collection and analysis delays led to missed business opportunities and slow decisions — even audit and compliance issues. The head of GRC at the Latin American manufacturer noted, “Before HighBond, this data was in spreadsheets.” With HighBond, it’s available on demand, in near-real time.

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*Audit leader,
US-based manufacturer*



Summary Of Results

ORGANIZATION	USE CASE(S)	TEAM	REVENUE	BENEFITS	COSTS	NPV	ROI	FTE ↓
Western US regional bank	Audit, compliance, ERM, ORM, FWA	27	\$600M	\$2.6M	\$500K	\$2.1M	391%	2
US state government agency	Audit, compliance, ORM, FWA	10	N/A (state budget)	\$4.4M	\$550K	\$3.9M	702%	1.5
US-based manufacturer	SOX compliance, audit	25	\$4.5B	\$1.8M	\$330K	\$1.5M	446%	2.5
US financial organization	Audit, compliance	10	\$250M	\$1.7M	\$300K	\$1.4M	550%	4
Latin American manufacturer	Audit, compliance, ORM, ERM, FWA	8	\$500M	\$4.4M	\$940K	\$3.5M	373%	2
Weighted averages (based on team size)				\$2.5M	\$435K	\$2.1M	473%	2.4

HighBond Helps To Save Costs And Enable Revenue Growth

HighBond helps organizations gain better business visibility and improve real-time decision insights. Its solutions provide governance, risk, and compliance (GRC) management software to perform audit activities; assess strategic risk; execute risk mitigation and assurance plans; monitor data and operational processes; manage fraud, waste, and abuse; and create compliance, performance, and risk reports for better business visibility and real-time decision insights. The head of GRC at the Latin American manufacturer went on, “We use HighBond to find the right problems and focus data on what we need, so that we can achieve the right solution.”

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Head of GRC, Latin American manufacturer



Galvanize commissioned Forrester Consulting to conduct a series of Total Economic Impact™ (TEI) studies to examine the potential ROI enterprises may realize by deploying HighBond management software. The purpose of these studies is to provide readers with a framework to evaluate the potential financial impact of the HighBond platform on their organizations.

Based on the five customer interviews and case studies published, the estimated weighted average of total benefits is a risk-adjusted, three-year present value of \$2.5 million. The following are examples of benefits experienced across several use cases.

Audit

HighBond’s monitoring and automation features help audit professionals complete tasks more quickly, reducing time needed for other business users involved with audit processes, speeding up audit project completion, and improving overall quality. Interviewed organizations reported:

- › **The bank avoided audit salary and consulting costs of nearly \$900,000.** With HighBond, the audit department can avoid consulting costs previously required to fill project backlogs and is better able to absorb further reductions in its team size through natural attrition, without sacrificing the number of audits completed. Audit burden for branch and department employees has also been reduced.
- › **The US manufacturer reduced costs including: saving \$400,000 by avoiding 2.5 audit team FTEs; cutting nearly \$450,000 in third-party consulting fees; and gaining nearly \$480,000 in business employee productivity.** These productivity benefits were seen with shorter and less time-consuming tasks related to SOX compliance. Information is captured centrally, making it easier for employees to access and interact with finance, IT, internal audit, and external audit teams.

“Major rule or requirement changes would mean I would have to add personnel.”

CCO, financial services organization



Compliance

HighBond’s monitoring and automation features help compliance professionals complete tasks more quickly, reducing time needed for other business users involved with compliance processes, speeding up compliance completion, and improving overall quality. Interviewed organizations reported:

- › **The financial services organization avoided salaries and hiring costs for four compliance specialists, adding up to nearly \$725,000.** The CCO at a financial services company said, “Major rule or requirement changes would mean I would have to add personnel.” With HighBond the compliance team can manage regulatory obligations more efficiently and reduce the compliance burden for other teams.
- › **The bank estimates it gained new income of \$586,000 attributed to improved decision making with HighBond by enabling fresh, reliable, and comprehensive regulatory reports.** The VP of risk management for a US regional bank explained, “With HighBond, one division delivered self-assessments more quickly and at a

“With HighBond, one division delivered self-assessments more quickly and at a higher quality to regulators; it was well-received and improved our standing and relationship with them.”

VP of risk management, US regional bank



higher quality to regulators; it was well-received and improved our standing and relationship with them.” The bank has developed a number of reports, data collection surveys, and risk management standards to monitor and track performance. This risk data provides leaders with more valuable operational insights, which they can use to make more informed decisions that reduce avoidable losses and improve the chances of success for new opportunities. For example, the bank completed an acquisition in part because it could provide thorough and clear records and data quickly to demonstrate its compliance performance and trustworthiness to regulators.

“[With HighBond], we moved from agency-focused audits to continuous monitoring of purchasing card transactions. . . . We’re able to find questionable purchasing-card transactions when it’s happening, versus six months after it happened”

*Deputy CIO,
US state agency*



Fraud, Waste, And Abuse (FWA)

Continuous monitoring and data analysis help identify past problems and highlight potential new ones, to avoid possible fraud and waste. With HighBond, organizations are able to more closely monitor transaction volumes between themselves, customers, and vendors to reduce the risk of FWA losses. For example:

- › **The Latin American manufacturer reduced third-party FWA costs by \$2.4 million using HighBond.** The manufacturer saw a volume of nearly \$300 million at risk of fraud and waste. With the establishment of 25 risk-mitigating controls, associated monitoring processes, and other best practices, the organization has reduced fraud and waste by \$2.4 million.
- › **The government agency recovered procurement costs from incorrect vendor pricing of nearly \$2.9 million and avoided more than \$250,000 in purchasing-card fraud.** With HighBond, the organization can more easily identify vendor purchases that did not match contracted pricing. It can also review many more transactions than before, limiting risk and opportunities for fraud. The state agency’s CIO explained: “[With HighBond], we moved from agency-focused audits to continuous monitoring of purchasing-card transactions. . . . We’re able to find questionable purchasing-card transactions when it’s happening, versus six months after it happened.”



3,900 hours saved annually for all state employees that manage vendor reports

Operational Risk And Business Performance Management

With HighBond, managers and executives can act more quickly to take advantage of business opportunities or avoid risks. This can lead to significant revenue opportunities or the ability to avoid or mitigate costly mistakes that could lead to regulatory fines and penalties.

- › **Reduced risk exposure for the financial services organization, adding up to nearly \$250,000.** With HighBond, the organization can quickly and easily access compliance performance reports and find specific information, which means the right people can answer process-related questions asked by a business colleague, company executive, or outside auditor, more quickly and accurately. This helps prevent time-consuming issues, increase stakeholder engagement, and avoid regulatory penalties and fines. The CCO at the financial services organization said, “Switching to HighBond greatly reduces the risk of us having a problem in the future.”
- › **The Latin American manufacturer improved inventory management, saving nearly \$370,000.** The efficiency arose by reducing days receivables outstanding (DRO) by 23% for an additional \$500,000. Better data analysis and tracking helps the organization to manage invoices more efficiently and to more accurately plan for order volume with the right amount of product stored in warehouses.



Days receivable outstanding (DRO) reduced 23%, from 70 to 54 days

HighBond Investment And Annual Costs

The interviewed organizations experienced costs associated with their HighBond investment. Over three years, the weighted average of estimated costs, based on the interviewed organizations and corresponding TEI studies, is a PV of less than \$435,000.

- › **Implementation costs.** Upfront costs include planning, training, data migration, report template creation, integrating HighBond with other systems, and other tasks.
- › **Ongoing costs.** Annual costs include HighBond subscription, optional or ad hoc services, and internal resources to manage and support the solution.

A HighBond Investment Today Can Create Future Opportunities

The value of flexibility is clearly unique to each customer, and the measure of its value varies from organization to organization. There are multiple scenarios in which the interviewed organizations might expand their HighBond implementation to realize additional uses and business opportunities, including:

- › **Taking advantage of best practices highlighted by other organizations.** Not every organization has taken advantage of all benefits; organizations have identified areas of improvement that others have already leveraged.
- › **Continued real-time monitoring and analysis.** With continued investment in new tools and features by HighBond, organizations look forward to even more monitoring and analysis capabilities to be able to additionally reduce fraud, waste, and abuse; lower operational risks or take advantage of business opportunities more quickly; improve audit and compliance effectiveness and efficiency even more; and continue to grow strong internal and external stakeholder relationships.

Flexibility, as defined by TEI, represents an investment in additional capacity or capability that could be turned into business benefit for a 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.

Disclosures

The reader should be aware of the following:

- › This study is commissioned by Galvanize and delivered by Forrester Consulting. It is not meant to be 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 HighBond by Galvanize.
- › Galvanize reviewed and provided feedback to Forrester. 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.
- › Galvanize provided the customer names for the interviews but did not participate in the interview(s).

ABOUT FORRESTER CONSULTING

Forrester Consulting provides independent and objective research-based consulting to help leaders succeed in their organizations. Ranging in scope from a short strategy session to custom projects, Forrester’s Consulting services connect you directly with research analysts who apply expert insight to your specific business challenges.

ABOUT TEI

Total Economic Impact™ (TEI) 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 TE I methodology helps companies demonstrate, justify, and realize the tangible value of IT initiatives to both senior management and other key business stakeholders. The TEI methodology consists of four components to evaluate investment value: benefits, costs, risks, and flexibility. <https://go.forrester.com/consulting/>

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