

A Forrester Total Economic
Impact™ Study
Commissioned By
Globalscape

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March 2016

The Total Economic Impact™ Of Globalscape Enhanced File Transfer

Table Of Contents

Executive Summary	3
Disclosures	4
TEI Framework And Methodology	5
Analysis	6
Financial Summary	18
Globalscape Enhanced File Transfer: Overview	19
Appendix A: Total Economic Impact™ Overview	20
Appendix B: Forrester And The Age Of The Customer	21
Appendix C: Glossary	22
Appendix D: Supplemental Material	23
Appendix E: Endnotes	23

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Executive Summary

Globalscape commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) enterprises may realize by deploying Enhanced File Transfer (EFT). The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of Enhanced File Transfer on their organizations, to leverage the managed secure file transfer solution to improve their ability to serve their customers, employees, and partners.

To better understand the benefits, costs, and risks associated with an EFT implementation, Forrester interviewed Globalscape customers with multiple years of experience using EFT. The customers had used EFT to provide secure file transfer environments in a scalable and cost-effective manner, all while complying with various regulatory and compliance measures.

Prior to Enhanced File Transfer, customers had homegrown solutions in place to facilitate the secure transfer of files internally and with external partners. Previous solutions, however, yielded limited success, leaving customers with the inability to scale the number of secure file transfers required by the organization without drastically increasing IT resources; the organization, in effect, was hamstrung by having to devise and rework processes and scripts constantly to reliably transmit secure file transfers. IT professionals spent an inordinate amount of time and effort to make particular workflows run smoothly. With Enhanced File Transfer, customers were able to devise and streamline secure file transfer processes across lines of business with improved audit visibility, enabling them to meet their objectives in an efficient yet secure manner. End users internally and externally saw increased productivity and were overall more satisfied with the means to transmit files securely. Said one systems engineer, “Enhanced File Transfer has brought our organization a very positive ROI, affecting our key business stakeholders all the way down to everyday end users in providing the capabilities to deliver or accept any type of file in a seamless transaction flow.”

GLOBALSCAPE GENERATES NEW INCREMENTAL SALES

Our interviews with 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

The composite organization analysis points to benefits of approximately \$1.4 million annually versus implementation costs of \$232,000 and annual operations costs of approximately \$86,000, adding up to a net present value (NPV) of \$3,251,801. With Enhanced File Transfer, IT personnel were able to devise and support 10 times the existing number of secure file transfer processes, saving the composite organization a significant sum in IT personnel alone.

Globalscape Enhanced File Transfer can help save costs and improve end user productivity while maintaining a secure file transfer environment.

The costs and benefits for a composite organization, based on customer interviews, are:

- Cost savings and benefits: \$3,667,437.
- Comprehensive costs: \$415,628.
- Net present value (NPV): \$3,251,809.

FIGURE 1

Financial Summary Showing Three-Year Risk-Adjusted Results

**ROI:
782%**

**Payback:
< six months**

**Net present
value:
\$3,251,809**

**Reduction in
help desk
support:
▼ 6,885 hours**

Source: Forrester Research, Inc.

- › **Benefits.** The composite organization experienced the following risk-adjusted benefits that represent those experienced by the interviewed companies:
 - **Cost savings of creating and maintaining transmission processes and workflows amounted to a significant benefit.** The number of secure file transmission processes increased from 40 to over 400 with the Globalscape EFT solution, using the same amount of internal IT resources. Building workflows and processes became a simple task performed in a GUI, rather than through C++ programming on the existing homegrown system. Managing and overseeing the processes were also simpler on the EFT interface, as file movement history was available across all transfers. Over the three-year horizon of the case study, the composite organization saved a present value (PV) of \$3,139,029.
 - **Using Globalscape EFT enabled the organization to use less specialized full-time equivalents (FTEs) to manage secure file transfers, totaling a benefit of \$223,817.** Previously, the composite organization used C++ to script out transfer processes. When file transfers failed, which happened often, the same programmers were required to debug the mass of code to troubleshoot errors and particular scenarios. Using the EFT interface, the organization was able to rotate in more junior-level operations engineers who did not have C or C++ specializations.
 - **Internal end users and IT help desk individuals both saved time from the reduction of file transfer trouble tickets on the EFT platform, equating to a benefit of \$304,591, PV.** Following the adoption of EFT, the amount of trouble tickets relating to secure file transfers was drastically reduced by 99%. Calculating the number of support calls against the time it took per incident, a total of 2,080 hours were saved by the IT help desk team and again by end users of the secure file transfer system in the first year of implementation alone. SLAs were better met, which directly increased user confidence in the overall file transfer schema.
- › **Costs.** The composite organization experienced the following risk-adjusted costs:
 - **Software licensing, support plan, and maintenance costs of \$309,018 were incurred.** The majority of these costs were incurred as one-time fees in the initial implementation period for the base EFT software and optional modules such as high availability (HA) and high security. The organization was charged for support and maintenance plans on an annual basis, and these charges were for procedures ranging from EFT upgrades to integration with infrastructure changes.
 - **Installation, implementation, and workflow redesign in the EFT framework amounted to a cost of \$106,611.** These are one-time costs that were incurred and associated with the setup of the EFT system. The time for internal resources to develop new workflows has been included in this cost segment.

Disclosures

The reader should be aware of the following:

- › The study is commissioned by Globalscape 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 Globalscape Enhanced File Transfer.
- › Globalscape 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.
- › Globalscape 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 Globalscape Enhanced File Transfer. The objective of the framework is to identify the cost, benefit, flexibility, and risk factors that affect the investment decision, to help organizations understand how to take advantage of specific benefits, reduce costs, and improve the overall business goal of better serving customers and internal stakeholders alike.

APPROACH AND METHODOLOGY

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

- › Interviewed Globalscape marketing, sales, and/or consulting personnel, along with Forrester analysts, to gather data relative to Enhanced File Transfer and the marketplace for Enhanced File Transfer.
- › Interviewed two organizations currently using Globalscape Enhanced File Transfer to obtain data with respect to costs, benefits, and risks.
- › Designed a composite organization based on characteristics of the interviewed organizations.
- › 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 Globalscape Enhanced File Transfer'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

For this study, Forrester conducted interviews with representatives from the following companies, which are Globalscape customers:

- › A large American full-service banking organization with a footprint of over 500 branch locations. This organization now uses Globalscape EFT to handle data transmission for over 40 applications between the organization's vendors and institutional customers alike.
- › A global apparel retailer that is based in the United States that is using the Globalscape EFT solution for all of its secure file transfer needs. Its current utilization of EFT includes over 500 workflows ranging from the transmission of EDI data to the transmission of data warehousing data.

Based on the interviews, Forrester constructed a TEI framework, a composite company, and an associated ROI analysis that illustrates the areas financially affected. The composite organization that Forrester synthesized from these results represents an organization with the following characteristics:

- › It is a regional US-based financial institution working with retail and institutional-level customers.
- › It has physical locations in multiple locales across the country.
- › It conducts thousands of secure file transfers daily and views secure file transfers as a critical part of its business operations.
- › It transmits data between its branches, data center, vendors, and customers via secure file transfers.
- › It intends to expand its use of secure file transfers both internally and with external partners with a number of new use cases but is hindered by its existing Unix script-based FTP solution.

After an extensive RFP and business case process evaluating multiple managed file transfer vendors, the composite organization chose Globalscape and began deployment:

- › Using Globalscape's Quickstart installation offering, the composite organization deployed the initial implementation on a test/development platform within a week.
- › High availability, high security, auditing and reporting, and several other modules were all installed at the same time as the base EFT solution.
- › Workflow engineering was a three-month process, requiring over 500 hours to optimally design, prior to actual input of workflows into the EFT platform.
- › Actual workflow entry into EFT took minimal effort with no programming required.
- › The EFT platform and new workflows were introduced in the fourth month, with existing secure file transfer processes as well as new processes all operating on EFT.

“Manageability and availability — those were two sore spots with us. Our old solution of FTP servers with homegrown C shell scripts was next to impossible to maintain, especially when something went wrong. Manageability is now a piece of cake with Globalscape in their simple UI.”

~ IT manager, large US bank

INTERVIEW HIGHLIGHTS

Mirroring the EFT customers interviewed, the composite organization had a number of secure file transfer issues, motivations, and goals leading up to the deployment of EFT.

Situation

The composite organization was transacting thousands of secure file transfers per day, even prior to EFT. In the organization's existing state, it utilized a number of Unix servers to facilitate secure file transfers. Automation was difficult, as it required scripting in C++ and a bevy of testing to ensure proper functionality under differing scenarios. All too often, when the transfers failed, the same original programmer was needed to debug the code. At other times, transmission errors were not readily noticed and SLAs were missed. As the composite organization is a financial institution, these missed SLAs were unacceptable; Sarbanes-Oxley controls, among other data governance controls, required significantly improved handling and reliability. Because of these limitations, greater use of secure file transfers via secure FTP was not an option; disparate proprietary transmission methods were used instead.

On a high level, the institution sought to accomplish several things with a new managed file transfer offering:

- › Improve reliability and the meeting of SLAs.
- › Better serve its internal users and external partners with an easier-to-use secure file transfer mechanism.
- › Attain better oversight on file movement, to improve compliance- and audit-related operations.
- › Scale services without adding significant IT resources.

“Our end users and application owners have benefited greatly from all the workflows that we’ve been able to introduce with EFT. With Globalscape, we know that we are using a highly reputable and secured solution for all of our critical file transfers.”

~ Systems engineer, global apparel brand

“When we went about our evaluation of file transfer solutions, Globalscape beat everybody in every category — support, manageability, monitoring visibility, workflow automation, etc. Ironically, it was also the least expensive product.”

~ IT manager, large US bank

Solution

The composite organization ultimately selected Globalscape EFT for its ability to provide a solution that enabled scaling of its secure file transfer capabilities without adding additional IT resources. Furthermore, the solution proved to be extremely reliable in the proof of concept (POC) evaluation, balancing heavy transmission loads without a hiccup. Most importantly, however, the organization believed that the usability of the EFT solution meant a quick migration could be accomplished to immediately realize benefits.

Results

The interview revealed that:

- › **Usability of the core EFT console was extremely high, improving both the development and manageability of the composite organization's file transfer processes.** The intuitive

nature of EFT translated to easier management of file transmissions compared with the use of a traditional shell command line. The benefits extend beyond IT administrators and systems engineers who manage the processes, as EFT also simplifies the task of performing internal and external audits. Internal stakeholders immediately appreciated file movement history and reporting functions.

- › **Programmers can finally go back to programming, leaving the task of workflow creation to IT engineers.** In its previous file transfer iterations, the organization specifically hired programmers who also possessed IT knowledge. Unfortunately, these are typically very different roles, making the personnel expensive. New workflows created in EFT can now be created by IT personnel, freeing the programmers to contribute to line-of-business development and ultimately creating business value.
- › **The reliability went up, improving satisfaction among vendors, clients, and internal end users.** As a result of the Enhanced File Transfer implementation, business partners gained more reliable access to data and, in turn, developed stronger relationships with the composite organization. Internal users also appreciated the improved reliability, enabling them to focus on higher-value activities. Overall, file transfer support calls were drastically reduced to a near-nonexistent level.
- › **Meeting compliance mandates was made easier with EFT.** The EFT solution facilitates compliance with a number of compliance standards. Adding SOX controls and PCI-DSS compliance measures into new workflows required minimal effort.

BENEFITS

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

- › Cost savings of creating and maintaining transmission processes and workflows.
- › Cost savings of FTE specialization avoidance.
- › End user and IT support staff efficiency gains.

Another important benefit mentioned by the composite organization was the level of support that was received in adapting the EFT solution to its changing internal infrastructure. The IT manager of a large US bank said: “We have found that Globalscape’s support has been nothing short of outstanding. Every problem that we’ve thrown at them has always been resolved in short order. Realize that the vast majority of the problems that we’ve presented end up not being an EFT problem, but rather one of our systems.” While this level of customer service to go above and beyond has not been quantified in this study, the extent to which Globalscape goes to resolve file transmission issues should be of prime consideration for organizations that depend on MFT for business continuity.



Cost Savings Of Creating And Maintaining Transmission Processes And Workflows

A primary benefit of the extremely friendly UI of the Enhanced File Transfer platform was the streamlining of the creation, monitoring, management, and maintenance of file transfer activities. IT engineers dramatically reduced their time spent on each of the activities and effectively brought 10 times as many file transfer workflows into service as compared with the organization’s existing state. The overall interface also produced the following results:

- › Workflows were developed significantly faster.
- › Monitoring visibility increased, making error detection and troubleshooting easier.
- › History trackers reduced the effort to maintain data governance controls and oversight.
- › No additional IT FTE resources were necessary to manage EFT.

As a result of the improvements, the composite organization’s secure file transfer processes grew from 40 to 400, and it implemented many new use cases that produced tangible business value. One interviewed customer stated that if he was to replicate the newfound capability with his organization’s existing solution, he would “need to hire a substantially larger workforce with a more extensive skillset.” Noting the difference in cost to create and maintain each file transfer process, we calculated the cost of running the new number of workflows on the existing system to be a cost differential of \$2.97 million annually. After adjusting the benefit down 50% to compensate for potential file transfer activities that don’t require EFT’s security benefits (but that are still implemented due to the ease of administering file transfer activity on a single platform), the cost savings of creating and maintaining transmission workflows totaled \$3,692,975 over three years, PV.

Understanding that some organizations will migrate additional insecure file transfer processes to EFT primarily for its auditing and monitoring capabilities, we further compensated by assigning a risk adjustment and lowering the benefit value by 15%. The final risk-adjusted three-year PV total was \$3,139,029. See the section on Risks for more detail.

TABLE 1
Cost Savings Of Creating And Maintaining Transmission Processes And Workflows

Ref.	Metric	Calculation	Initial	Year 1	Year 2	Year 3
A1	Secure file transfer activities coded/scripted and maintained with existing solution			40	44	48
A2	Effort to create and keep current script/code for previous file transfer processes and workflows, in number of FTEs			3	3	3
A3	Cost of senior engineer with programming expertise (e.g., C, C++), fully loaded annually			\$110,000	\$110,000	\$110,000
A4	Cost to maintain per secure transfer activity type, annually	$A2 \cdot A3 / A1$		\$8,250	\$7,500	\$6,818
A5	Current secure file transfer activities maintained under Globalscape EFT, with same number of FTEs			400	440	484
A6	Cost to maintain per secure transfer activity type, annually with Globalscape, using same engineers	$A2 \cdot A3 / A5$		\$825	\$750	\$682
A7	Delta in cost to deploy and maintain new file transfer activity using the existing solution	$(A4 - A6) \cdot A5$		\$2,970,000	\$2,970,000	\$2,970,000
A8	Lower-risk file transfers that could be used in lieu of EFT			50%	50%	50%
At	Cost savings of creating and maintaining transmission processes and workflows	$A7 \cdot (1 - A8)$	\$0	\$1,485,000	\$1,485,000	\$1,485,000
	Risk adjustment	↓15%				
Atr	Cost savings of creating and maintaining transmission processes and workflows (risk-adjusted)		\$0	\$1,262,250	\$1,262,250	\$1,262,250

Source: Forrester Research, Inc.



Cost Savings Of FTE Specialization Avoidance

In addition to being able to simplify the development and maintenance of file transfer processes and workflows through a GUI, the composite organization was able to utilize IT professionals who had no programming expertise to create and then debug workflows. Prior to EFT, the development of workflows necessitated a programmer to write C++ scripts. Failures that arose from scripts often required debugging by the same programmer for efficiency purposes, although this process was far from efficient. Moving away from C++ programming in EFT, programmers were no longer necessary and reallocated to line-of-business roles. IT engineers and analysts were placed into the workflow creation role and effectively decreased the annual cost by \$90,000, or a PV of \$223,817 over three years.

TABLE 2
Cost Savings Of FTE Specialization Avoidance

Ref.	Metric	Calculation	Initial	Year 1	Year 2	Year 3
B1	Cost of senior engineer with programming expertise (e.g., C, C++), fully loaded annually			\$110,000	\$110,000	\$110,000
B2	Cost delta between FTE programmers, engineers, and junior operations, each annually			\$30,000	\$30,000	\$30,000
B3	Number of junior operations FTEs used in lieu of programming engineers			3	3	3
Bt	Cost savings of FTE specialization avoidance	B2*B3	\$0	\$90,000	\$90,000	\$90,000
	Risk adjustment	0%				
Btr	Cost savings of FTE specialization avoidance (risk-adjusted)		\$0	\$90,000	\$90,000	\$90,000

Source: Forrester Research, Inc.



End User And IT Support Staff Efficiency Gains

The composite organization revealed that it realized a significant gain in end user and IT help desk efficiency following its EFT implementation. Previously, over 200 file-transfer-related support desk calls were received on a weekly basis, equating to a yearly rate of 10,400 calls. With each support call lasting approximately 12 minutes, the total time saved in the initial year of EFT usage by the end user group was 2,080 hours. IT help desk personnel also saved this amount of time in the first year. End users were only able to effectively translate 50% of the saved time into meaningful value-add tasks, while IT help desk FTEs were understaffed

“We’ve nearly eliminated secure file transfer issues with Globalscape. We have over 10 million transfers a week, and, on average, we might be asked to look at just a dozen file transfers.”

~ Systems engineer, global apparel brand

and able to translate the entire time savings into productive output.

Some file transfer activity at the composite organization was not mission critical and thus did not necessitate immediate calls to the help desk. Accordingly, this benefit category was risk-adjusted and reduced by 10%. The risk-adjusted benefit of end user and IT support staff efficiency gains over three years was \$304,591, PV. See the section on Risks for more detail.

TABLE 3
End User And IT Support Staff Efficiency Gains

Ref.	Metric	Calculation	Initial	Year 1	Year 2	Year 3
C1	End user trouble tickets initiated related to secure file transfers prior to Globalscape, weekly			200	220	242
C2	Annual trouble tickets	$C1 \times 52 \text{ weeks}$		10,400	11,440	12,584
C3	Time to resolve file transfer issue, in minutes			12	12	12
C4	Office FTE hourly wage, fully loaded			\$36	\$36	\$36
C5	Cost of end user downtime waiting for file transfer	$C2 \times C3 / 60 \times C4$		\$74,880	\$82,368	\$90,605
C6	Capture rate of recouped downtime			50%	50%	50%
C7	IT support FTE hourly wage, fully loaded			\$41.66	\$41.66	\$41.66
C8	IT support time gained from decreased support tickets	$C2 \times C3 / 60 \times C7$		\$86,653	\$95,318	\$104,850
Ct	End user and IT support staff efficiency gains	$C5 \times C6 + C8$	\$0	\$124,093	\$136,502	\$150,152
	Risk adjustment	↓10%				
Ctr	End user and IT support staff efficiency gains (risk-adjusted)		\$0	\$111,684	\$122,852	\$135,137

Source: Forrester Research, Inc.

Total Benefits

Table 4 shows the total of all benefits across the three areas listed above, as well as present values (PVs) discounted at 10%. Over three years, the composite organization expects risk-adjusted total benefits to be a PV of more than \$3.6 million.

TABLE 4
Total Benefits (Risk-Adjusted)

Ref.	Benefit Category	Initial	Year 1	Year 2	Year 3	Total	Present Value
Atr	Cost savings of creating and maintaining transmission processes and workflows	\$0	\$1,262,250	\$1,262,250	\$1,262,250	\$3,786,750	\$3,139,029
Btr	Cost savings of FTE specialization avoidance	\$0	\$90,000	\$90,000	\$90,000	\$270,000	\$223,817
Ctr	End user and IT support staff efficiency gains	\$0	\$111,684	\$122,852	\$135,137	\$369,672	\$304,591
	Total benefits (risk-adjusted)	\$0	\$1,463,934	\$1,475,102	\$1,487,387	\$4,426,422	\$3,667,437

Source: Forrester Research, Inc.

COSTS

The composite organization experienced a number of costs associated with the Enhanced File Transfer solution:

- › Software, support, and maintenance fees.
- › Installation, implementation, and workflow redesign costs.

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



Software, Support, And Maintenance Fees

Costs in this category include the base Globalscape EFT Enterprise platform and a number of optional modules to enhance functionality. Some of the modules added by the composite organization include High Availability, High Security, Auditing and Reporting, and Advanced Workflow Engine. During the initial implementation phase, the composite organization incurred software and module license costs of \$180,000. Following the implementation phase, the organization purchased 24x7 maintenance and support for a yearly cost of \$51,880. Total costs after a three-year period amounted to \$309,018, PV.

TABLE 5
Software, Support, And Maintenance Fees

Ref.	Metric	Calculation	Initial	Year 1	Year 2	Year 3
D1	Software modules and seat licenses		\$180,000			
D2	Support and maintenance			\$51,880	\$51,880	\$51,880
Dt	Software, support, and maintenance fees	D1+D2	\$180,000	\$51,880	\$51,880	\$51,880
	Risk adjustment	0%				
Dtr	Software, support, and maintenance fees (risk-adjusted)		\$180,000	\$51,880	\$51,880	\$51,880

Source: Forrester Research, Inc.



Installation, Implementation, And Workflow Redesign Costs

To quicken the implementation phase, the composite organization purchased Globalscape's Quickstart install package for a cost of \$8,000. Additionally, the organization purchased \$10,000 of prepaid professional services to account for additional support-related issues during the initial implementation phase. The final component of costs in this category represents the internal resources required to perform a comprehensive assessment and redesign of process workflow.

Combined, the cost of installation, implementation, and workflow redesign totaled a PV of \$106,611 over a three-year horizon.

TABLE 6
Installation, Implementation, And Workflow Redesign Costs

Ref.	Metric	Calculation	Initial	Year 1	Year 2	Year 3
E1	Globalscape Quickstart installation		\$8,000			
E2	Globalscape initial prepaid professional services		\$10,000			
E3	New workflow design, hours		500		500	500
E4	Internal system services engineer hourly rate, fully loaded		\$68.75	\$68.75	\$68.75	\$68.75
Et	Installation, implementation, and workflow redesign costs	$E1+E2+(E3*E4)$	\$52,375	\$0	\$34,375	\$34,375
	Risk adjustment	0%				
Etr	Installation, implementation, and workflow redesign costs (risk-adjusted)		\$52,375	\$0	\$34,375	\$34,375

Total Costs

Table 7 shows the total of all costs as well as associated present values, discounted at 10%. Over three years, the composite organization expects total costs to total a present value of \$415,628.

TABLE 7
Total Costs (Risk-Adjusted)

Ref.	Cost Category	Initial	Year 1	Year 2	Year 3	Total	Present Value
Dtr	Software, support, and maintenance fees	\$180,000	\$51,880	\$51,880	\$51,880	\$335,640	\$309,018
Etr	Installation, implementation, and workflow redesign costs	\$52,375	\$0	\$34,375	\$34,375	\$121,125	\$106,611
	Total costs (risk-adjusted)	\$232,375	\$51,880	\$86,255	\$86,255	\$456,765	\$415,628

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 Enhanced File Transfer 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 Globalscape EFT solution is modular in design and offers a number of optional modules that complement the composite organization’s long-term plans. For a financial services organization, modules such as the Content Integrity Control module that integrate EFT with antivirus and data loss prevention (DLP) software can add an extra layer of security for sensitive data. While the loss of data due to inadequate DLP controls has not been quantified for this study, it is nevertheless an important consideration for all organizations that have extra regulatory measures and lower risk tolerances. This module, along with modules that integrate EFT with popular application stacks such as ERP and CRM, could have significant benefit for potential adopters of the solution.

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 Enhanced File Transfer 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 Enhanced File Transfer, 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
Cost savings of creating and maintaining transmission processes and workflows	↓ 15%
End user and IT support staff efficiency gains	↓ 10%
Costs	Adjustment
(No adjustments made)	↑ 0%

Source: Forrester Research, Inc.

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

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

- › The cost savings of creating and maintaining transmission processes and workflows can potentially be of a lower benefit to some organizations depending on the existing file transfer solution in place. Additionally, some organizations will utilize the secure file transfer ability of EFT just because it is easy to manage, even when security risk is not of importance. Both of these reasons combine to create the potential for a lesser savings upon the adoption of EFT.

- › End user and IT support staff efficiency gains can potentially be of a lesser amount if the organization does not use secure file transfer for mission-critical applications or processes queues without strict SLA mandates. Accordingly, the benefit has been lowered in our analysis to reflect some transfers that are not mission critical.

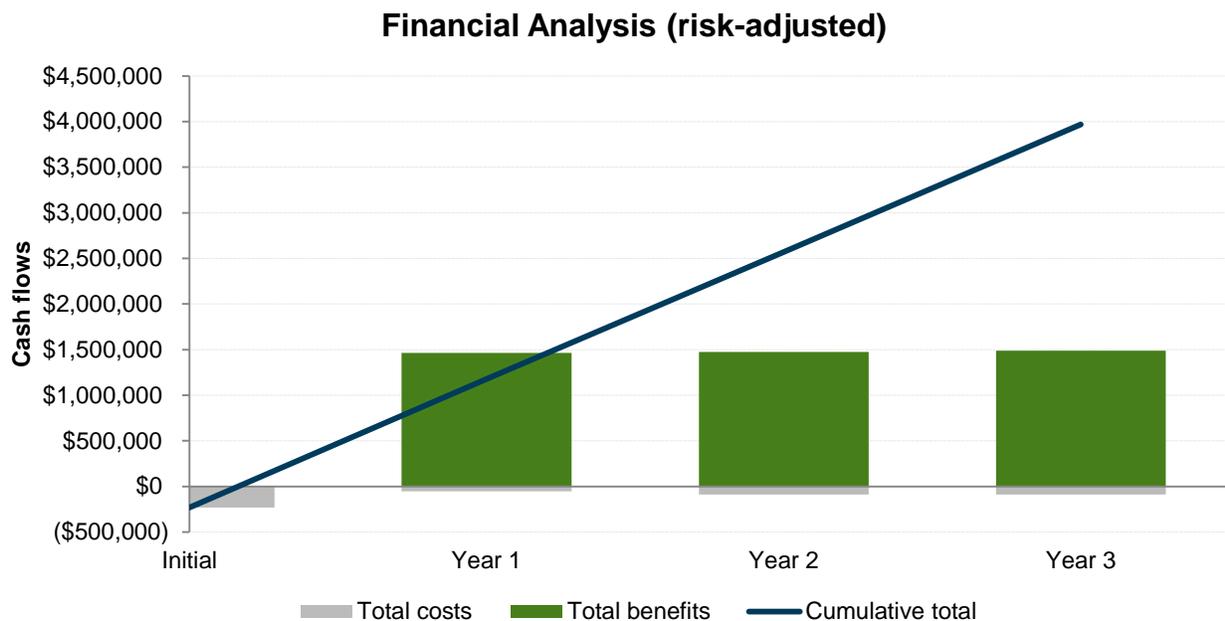
Table 8 shows the values used to adjust for risk and uncertainty in the cost and benefit estimates for the composite organization. Readers are urged to apply their own risk ranges based on their own degree of confidence in the cost and benefit estimates.

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 Enhanced File Transfer.

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)

	Initial	Year 1	Year 2	Year 3	Total	Present Value
Costs	(\$232,375)	(\$51,880)	(\$86,255)	(\$86,255)	(\$456,765)	(\$415,628)
Benefits	\$0	\$1,463,934	\$1,475,102	\$1,487,387	\$4,426,422	\$3,667,437
Net benefits	(\$232,375)	\$1,412,054	\$1,388,847	\$1,401,132	\$3,969,657	\$3,251,809
ROI						782%
Payback period (months)						< 6 months

Source: Forrester Research, Inc.

Globalscape Enhanced File Transfer: Overview

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

Globalscape Enhanced File Transfer provides secure file transfer between business partners, customers, and employees, while automating the integration of back-end systems. Built-in regulatory compliance, governance, and visibility controls help keep your data safe, while outstanding performance and scalability help boost operational efficiency and maintain business continuity. Administration is easy yet granular enough for complete data management.

EFT and its optional modules provide the following features:

- FTP, FTPS, HTTP, HTTPS, SFTP, and AS2 protocol support.
- SSL/TLS and certificate management.
- Authentication of users against internal or external data sources.
- Active Directory and LDAP authentication, including user impersonation.
- Resource and access controls.
- Secure remote administration.
- The execution of a process or sending of an email based on the triggering of an event.
- IPv6 and Windows Server 2012 Gold Certified.
- Security policies and controls.
- The ability to run on virtual machines.
- Two-factor authentication (RADIUS, RSA SecurID).
- CAC authentication.
- Delegated administration to limit admin control.
- The ability to back up and restore configurations easily with a single click.
- SSH key-based authentication.
- Active monitoring and alerting of PCI DSS violations.
- The ability to run PCI DSS compliance reports.
- FIPS-certified libraries.
- Advanced security, including data sanitization (wiping) and idle account cleanup.
- A mobile-friendly web interface.
- Use of web services (WS) calls to invoke workflows.
- File transfer integrity checks.
- A session transfer queue.
- The ability to resume, stop, and start transfers.
- A drag-and-drop interface.
- The ability to share EFT folders with colleagues or external partners easily.
- Ad hoc, person-to-person file transfer.
- The ability to encrypt, decrypt, and sign data with OpenPGP.
- Reverse and forward proxy.
- A business activity monitoring dashboard and analytics for internal/external users.
- The ability to audit to SQL Server or Oracle database and run reports.
- Integration with antivirus (AV) and data loss prevention using ICAP.
- The ability to send and receive EDI documents using the Drummond-certified AS2 protocol.
- The ability to schedule automated workflows on a recurring basis.
- The ability to copy/move files to local servers.
- The ability to download files to remote servers.
- The ability to monitor folders and clean up target folders.
- The ability to monitor inbound and outbound file transfers in real time.
- Data retention/cleanup policies for targeted folders.
- The ability to build advanced workflows and pick from over 200 automation actions, including XML/CSV parsing, database connectivity, SNMP, and web services.

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

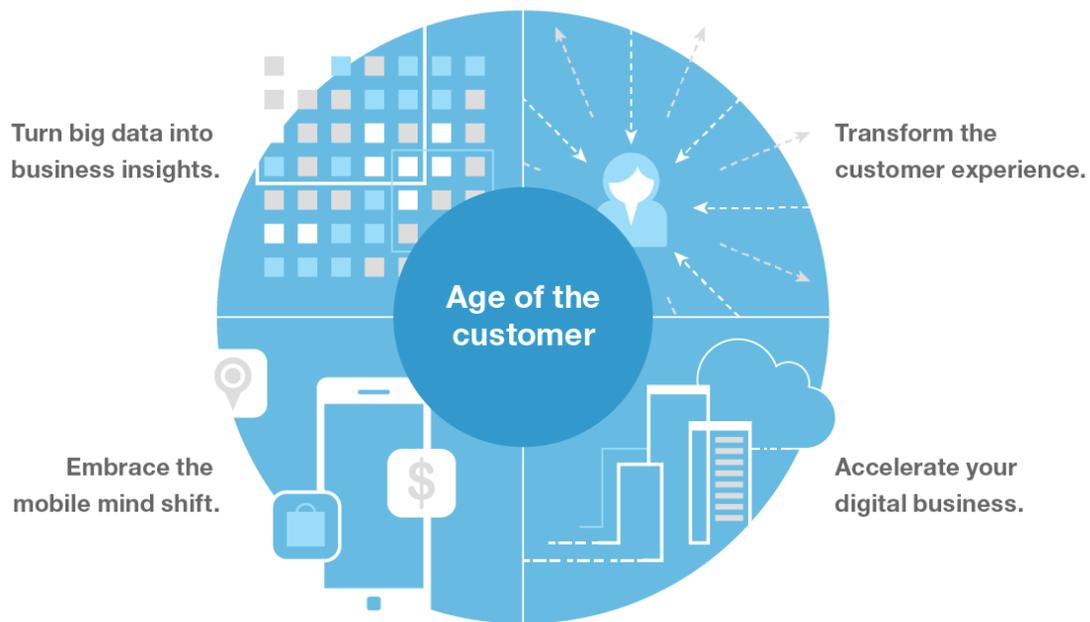
Risks measure the uncertainty of benefit and cost estimates contained within the investment. Uncertainty is measured in two ways: 1) the likelihood that the cost and benefit estimates will meet the original projections and 2) the likelihood that the estimates will be measured and tracked over time. TEI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

Related Forrester Research

“Market Overview: Managed File Transfer Solutions,” Forrester Research, Inc., July 8, 2011

“Understand The State Of Data Security And Privacy: 2015 To 2016,” Forrester Research, Inc., January 8, 2016

“Market Overview: Secure File Sharing And Collaboration,” Forrester Research, Inc., May 5, 2014

Appendix E: 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.