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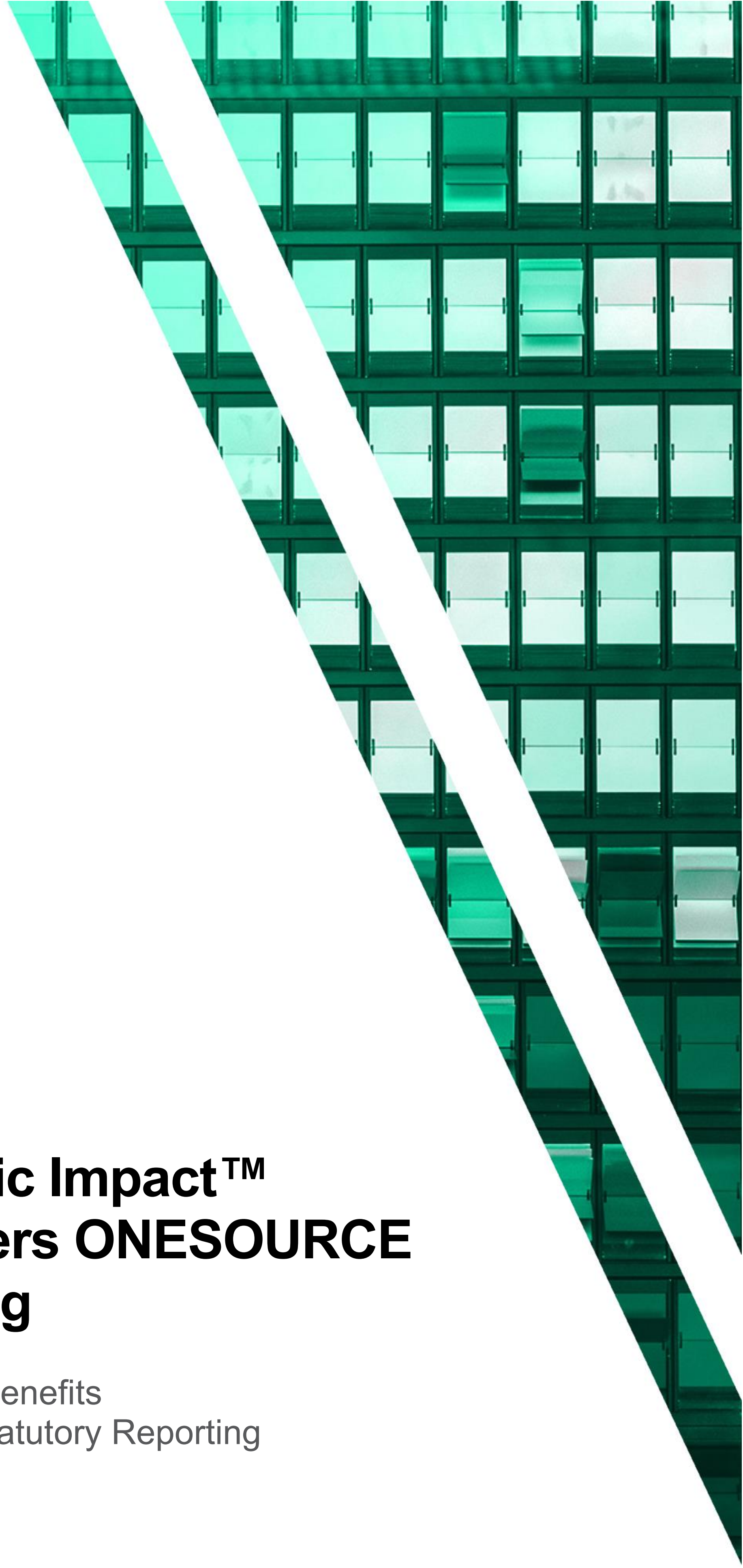

The Total Economic Impact™ Of Thomson Reuters ONESOURCE Statutory Reporting

Cost Savings And Business Benefits
Enabled By ONESOURCE Statutory Reporting

JANUARY 2023

A FORRESTER TOTAL ECONOMIC IMPACT™ STUDY COMMISSIONED BY THOMSON REUTERS

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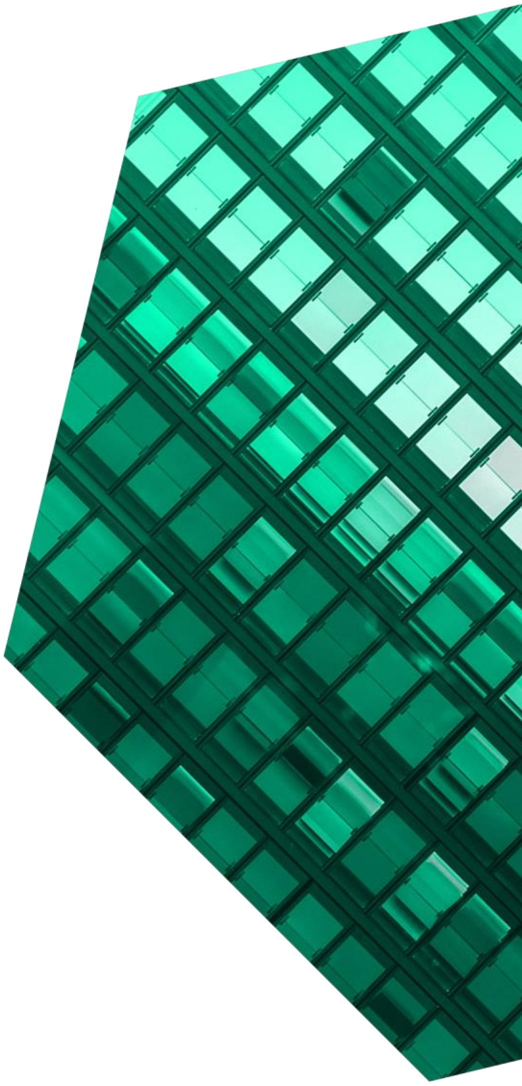


Executive Summary

Statutory reporting is a legal obligation for global businesses. Each country has unique and evolving regulations and disclosures, and companies must file reports accurately, on time, and in local languages, while meeting electronic lodgment requirements. Forrester interviewed four leaders from organizations deploying ONESOURCE Statutory Reporting and found the solution improved their efficiency by 68%, improved on-time compliance rates, yielded $803,000 of cost savings, and enabled the centralizing of processes.

ONESOURCE Statutory Reporting (OSR) is a disclosure management software solution from Thomson Reuters that aids companies in managing and standardizing their financial statements and disclosures in more than 45 jurisdictions. The solution includes country-specific generally accepted accounting principles (GAAP)-compliant local language templates; translation capabilities; embedded eXtensible business reporting language (XBRL); and automation functionality to enhance reporting quality and process efficiency.

Thomson Reuters commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) enterprises may realize by deploying OSR.[1] The purpose of this study is to provide financial professionals with a framework to evaluate the potential financial impact of OSR on their organizations.

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed four representatives with experience using OSR. For this study, Forrester aggregated the interviewees' experiences and combined the results into a single multinational composite organization transforming its statutory reporting processes with OSR across 100 entities in 20 countries.

Efficiency gains for statutory reporting process

68%

KEY STATISTICS

Return on investment (ROI)
84%

Net present value (NPV)
$661K

Prior to using OSR, these decision-makers noted how their organizations relied heavily on manual processes, often preparing their statutory reports with word processors and spreadsheets. These limitations led to inefficiencies, inconsistencies and errors, delays and penalties, slower audits, limited transparency, and a lack of standardization, thereby hindering centralization.

After the investment in OSR, the interviewees had a solution that enabled them to produce compliant reports more efficiently and accurately with better visibility. Key results from the investment included efficiency gains, reallocated resources, cost savings, and improved on-time filing rates.

KEY FINDINGS

Quantified benefits. Three-year, risk-adjusted present value (PV) quantified benefits for the composite organization include:

- **Efficiency gains for the statutory reporting process worth $437,000.** By implementing OSR, the composite significantly improves its processes and saves preparation time, leading to a 68% efficiency gain. This time saving allows staff to focus on other value-adding activities.
- **Statutory reporting team resources allocated worth $173,000.** The composite centralizes processes to a lower-cost country and reallocates team resources to more value-add tasks.
- **Statutory reporting cost savings of $803,000.** The composite organization eliminates unnecessary manual processes, including template maintenance, while also replacing costly outsourcing resources with in-house functionality and sunsetting disparate legacy software.
- **Late filing penalty savings of $32,000.** The composite organization improves its on-time compliance rate by five percentage points, reducing penalties and improving its reputation.

Unquantified benefits. Other benefits that provide value for the composite organization include:

- **Report consistency and process continuity.** Thomson Reuters' solution enables standardized reports, process continuity, and consistency.
- **Enhanced collaboration and visibility.** Finance teams gain visibility into their statutory reports and data across regions, centralize processes, and enable better internal and external collaboration.
- **Report flexibility.** Finance leaders value the ability to customize reports and disclosures to meet their needs and auditing requirements.
- **Ease of expansion.** Thomson Reuters' scalable solution helps add entities quickly for expansion.
- **Positive employee experiences.** Employees enjoy using the efficient, modern solution.
- **Thomson Reuters' support and partnership.** Customers value the ongoing global support they receive from before the sale through rollout.

> **"We ran an evaluation on a competing product … running the same entities through both solutions and getting feedback. ONESOURCE Statutory Reporting came out better."**
>
> *Statutory financial systems manager, manufacturing*

Costs. Three-year, risk-adjusted PV costs for the composite organization include:

- **OSR license fees and professional services fees of $695,000.** The composite pays a license fee for 100 entities and pays for project management, implementation, and training in 20 countries.
- **Internal implementation and maintenance costs of $81,000.** The composite devotes labor for project management and maintenance.
- **Internal training costs of $7,000.** End users typically require three days of training upfront and four hours of training per year afterwards.

The representative interviews and financial analysis found that a composite organization experiences benefits of $1.44 million over three years versus costs of $783,000, adding up to a net present value (NPV) of $661,000 and an ROI of 84%.

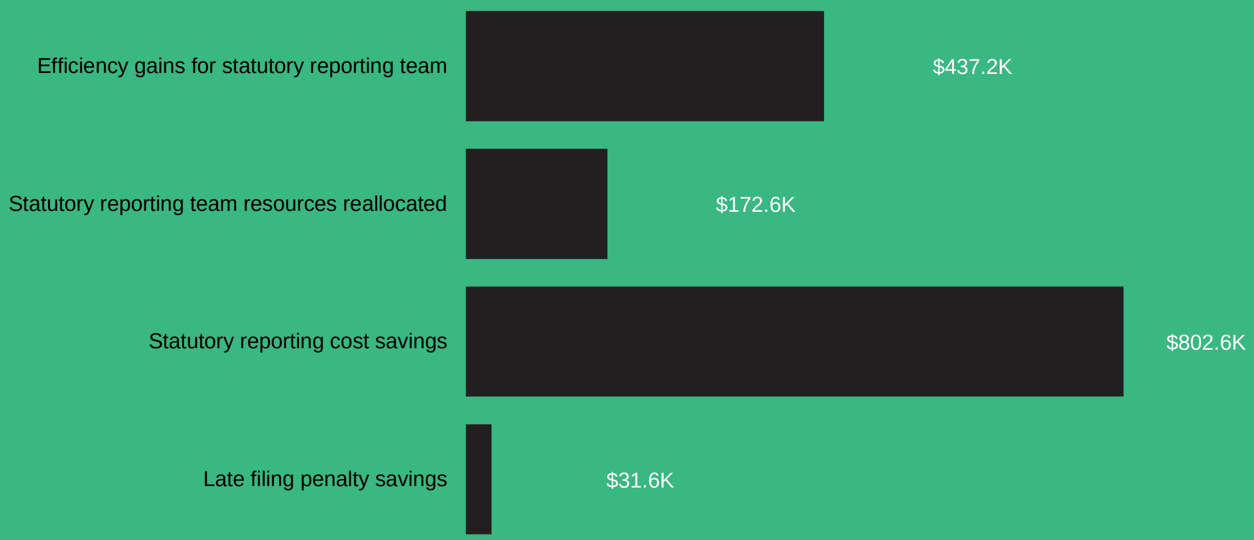
ROI
84%

BENEFITS PV
$1.44M

NPV
$661K

PAYBACK
<12 months

Benefits (Three-Year)



"We needed a tool that could help us do more, do it faster, and do it better with comfort that what we were disclosing was fit for purpose. ONESOURCE has helped us to do that in spades."

— Global statutory reporting manager, beverage

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 OSR.

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 OSR can have on an organization.

DUE DILIGENCE

Interviewed Thomson Reuters stakeholders and Forrester analysts to gather data relative to OSR.

INTERVIEWS

Interviewed four representatives at organizations using OSR to obtain data with respect to costs, benefits, and risks.

COMPOSITE ORGANIZATION

Designed a composite organization based on characteristics of the interviewees' 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 interviewees.

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.

DISCLOSURES

Readers should be aware of the following:

This study is commissioned by Thomson Reuters 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 study to determine the appropriateness of an investment in OSR.

Thomson Reuters 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.

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

The Thomson Reuters OSR Customer Journey

Drivers leading to the OSR investment

Interviews

Role	Industry	Region	Revenue	Employees	Implemented Countries	Implemented Entities
Financial systems manager	Retail	Europe HQ, global operations	$3B+	30,000+	2	1,750
Asia Pacific controller	Heavy equipment	North America HQ, global operations	$50B+	160,000+	15	124
Global statutory reporting manager	Beverage	North America HQ, global operations	$35B+	80,000+	25	80
Statutory financial systems manager	Manufacturing	North America HQ, global operations	$70B+	160,000+	45	<1,200

KEY CHALLENGES

Before using OSR, interviewees' organizations primarily used word processing and spreadsheet software to manually create their statutory reports. These decision-makers also discussed using various legacy software solutions and applications, which failed to meet their needs.

The interviewees noted how their organizations struggled with common challenges, including:

- **Manual, inefficient processes prone to inconsistencies and errors.** Interviewees told Forrester that building their statutory reports with word processors, spreadsheets, legacy software, and manual processes proved extremely inefficient and ineffective. The manufacturing company's statutory financial systems manager explained their organization's prior state, "Before using ONESOURCE, people would be using Excel and Word to put together the filing."

  The beverage company's global statutory reporting manager stated: "It was very decentralized. It was very manual. It was prone to error, time inefficient, and very much onerous."

"In the past we would've been very inefficient and very unstructured in how we were providing financial statements. One of the main problems would've been obviously more haste, less speed."

Global statutory reporting manager, beverage

The Asia Pacific controller for the heavy equipment company explained: "The work was primarily done on a spreadsheet. It was a very manual and a very primitive data collection reporting process prone to errors … without automation opportunities." The retail company's financial systems manager added, "Before, when things would be updated one by one, there was a lack of consistency and more groundwork if something was out of the ordinary."

"It was almost accepted at the time that all our entities wouldn't meet the filing deadlines and that there would be filing penalties. That drove us to look for alternatives and something more flexible without the need for any word processing."

Financial systems manager, retail

- **Delayed filings and penalties.** Interviewees' organizations faced challenges filing their statutory reports on time and, as a result, faced penalties. The retail company's financial systems manager told Forrester: "The lack of flexibility with our old software drove filing delays as well. At that time, we were struggling to get everything into the statutory accounts and relying on signoffs before filing, and that would cause chunky delays and penalties in terms of late filings."

- **Inflexible reports and slow audits.** The decision-makers discussed how they faced challenges making changes to their statutory reports and meeting auditors' requirements, resulting in longer, more expensive audits and additional labor.

  The retail company's financial systems manager explained: "External auditors would come to us with things they wanted to see, and the system we were using was not flexible enough to easily get that information in. We would have to get what we could within the software, export it to a word processor, and then process the accounts before signing off. That was a primary driver with us looking for an alternative."

- **Inability to centralize.** While every interviewee's organization was on its own unique transformation journey, they noted that centralizing their statutory reporting processes proved challenging prior to OSR. The heavy equipment company's Asia Pacific controller told Forrester: "Prior to the tool, we had a highly federated model where each country was dealing with the statutory filings on their own. Even the tracking itself was done at the regional level, not at the global level."

SELECTION CRITERIA

Interviewees' organizations selected Thomson Reuters OSR for the following reasons:

- It maintained compliant and flexible GAAP/International Financial Reporting Standard (IFRS)-specific content for local countries.
- It provided technology to drive consistency and efficiency.
- Thomson Reuters provided support from prepurchase through implementation.
- They received recommendations from others.

"Senior leadership felt we needed to invest in getting the right processes and products in place to ensure our compliance levels were as appropriate as possible. We looked at different tools and identified ONESOURCE Statutory Reporting to be the optimum product ticking all the boxes our leadership were asking of us."

Global statutory reporting manager, beverage

COMPOSITE ORGANIZATION

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

Description of composite. The global, North America-based organization is undertaking a financial transformation process and is starting to centralize accounting, finance, and legal processes including statutory reporting. It faces complex regulatory reporting requirements in multiple countries. As a part of its transformation, the composite organization is replacing legacy statutory reporting processes and sunsetting legacy statutory reporting software, which is similar in cost to OSR. Additionally, the company has strong change management capabilities to drive cost savings and efficiency gains.

Deployment characteristics. The composite organization has global operations and progressively implements OSR in 100 entities across 20 countries over 12 to 18 months. The composite organization implements 60% of the entities in Year 1 and reaches 100% of planned entities during Year 2.

Key Assumptions

- **Multinational company**
- **20 countries**
- **100 entities**
- **Phased implementation**
- **Starting to centralize**
- **Sunsetting legacy software and manual processes**

The OSR Decision

"One of the big selling points with ONESOURCE Statutory Reporting is the ability to make a change within templates and push that change down towards entities in one go. That was one of the drivers for us looking to move to ONESOURCE."
— *Financial systems manager, retail*

"It was a very easy decision. I started using this tool in the 2013 to 2014 timeframe. It comes with a set of disclosures which gets refreshed about twice in a year. Thomson Reuters provides me the consistency year to year with the disclosures."
— *Asia Pacific controller, heavy equipment*

"There were no real other players in the market who were offering that coverage across different countries."
— *Statutory financial systems manager, manufacturing*

"Another team member had ONESOURCE and Thomson Reuters recommended to them, and they trialed the software. They set it up and filed their accounts for a year before we moved on to it. We started testing and looking at it to see if it would work for our store accounts, which it obviously did."
— *Financial systems manager, retail*

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	Efficiency gains for statutory reporting team	$123,552	$205,920	$205,920	$535,392	$437,213
Btr	Statutory reporting team resources reallocated	$48,762	$81,270	$81,270	$211,302	$172,554
Ctr	Statutory reporting cost savings	$226,800	$378,000	$378,000	$982,800	$802,576
Dtr	Late filing penalty savings	$8,925	$14,875	$14,875	$38,675	$31,583
	Total benefits (risk-adjusted)	$408,039	$680,065	$680,065	$1,768,169	$1,443,926

EFFICIENCY GAINS FOR STATUTORY REPORTING TEAM

Evidence and data. By using OSR, interviewees documented substantial efficiency gains and noted that their team members could devote their saved time to more value-adding activities.

- Before switching to OSR, interviewees told Forrester they spent anywhere from two hours per entity to 100+ hours per entity on statutory reporting processes. After switching, decision-makers said they saved anywhere from an hour and a half to 68 hours. While the raw numbers varied, the percent of time saved was consistent within a range from 57% to 75%.
- The financial systems manager for the retail company commented on their 75% efficiency gain: “We saved at least an hour and a half per entity multiplied by 1,700 entities. Maybe it was even a little bit more than that when I think back.”
- With a 68% efficiency gain, the manufacturing company’s Asia Pacific controller noted: “For every entity, we are talking about at least one- or two-man days just to do a roll forward with spreadsheets and word processors. That is always a very tough one, but with Thomson Reuters ONESOURCE, it happens in the click of the button.”
- Interviewees discussed the importance of their time savings, too. “One of the values as well of the system, given that it’s with a single team, is that it’s freeing up the controllers to focus on other value adding activities,” the beverage company’s global statutory reporting manager said. They added: “We moved from the preparation of eight entities per person to 13 using the tool. It’s not a 100% increase, but maybe 75%. That then allows for other nonteam employees to be able to devote their time to other value-added tasks.”

“Thomson Reuters will be a standard tool for us because it really saves a lot of time for us.”

Asia Pacific controller, heavy equipment

Modeling and assumptions. Forrester assumes:

- The composite organization implements OSR in 60 entities in Year 1 and reaches 100 entities in Years 2 and 3.
- The fully burdened hourly rate for the composite organization's statutory reporting team is $52.

Risks. Benefits may vary based on:

- The number of entities.
- The state and length of the organization's statutory reporting processes before implementing OSR.
- The organization's change management capabilities.
- The fully burdened hourly rates of the in-country team members.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of $437,000.

Efficiency Gains For Statutory Reporting Team

Ref.	Metric	Source	Year 1	Year 2	Year 3
A1	**Number of implemented entities**	**Composite**	**60**	**100**	**100**
A2	Data preparation and load hours per entity	Interviews	12	12	12
A3	Roll-forward and GAAP/IFRS updates hours per entity	Interviews	8	8	8
A4	Initial draft hours per entity, including translation	Interviews	28	28	28
A5	Review/final drafts per entity, including XBRL	Interviews	17	17	17
A6	Subtotal: Statutory reporting process hours per entity	A2+A3+A4+A5	65	65	65
A7	Efficiency gains: Statutory reporting process	Interviews	68%	68%	68%
A8	Subtotal: Total hours saved per entity per year	A6*A7	44	44	44
A9	Fully burdened hourly rate for in-country statutory reporting team	TEI standard	$52	$52	$52
At	Efficiency gains for statutory reporting team	A1*A8*A9	$137,280	$228,800	$228,800
	Risk adjustment	↓10%			
Atr	Efficiency gains for statutory reporting team (risk-adjusted)		$123,552	$205,920	$205,920
	Three-year total: $535,392		**Three-year present value: $437,213**		

STATUTORY REPORTING TEAM RESOURCES REALLOCATED

Evidence and data. In addition to efficiency gains from using OSR, interviewees also noted the opportunity to centralize and reallocate the resources completing these tasks.

The manufacturing company's statutory financial systems manager explained the greatest benefits they realized from OSR came via the country they reallocated resources with: "The benefit has been felt the most within the UK team. The UK team were able to have a centralized approach. They were able to establish a small team in a low-cost country, and they were doing the relevant work within the application. We have that low-cost staffing and resourcing churning through the data and producing the filings."

Modeling and assumptions. Forrester assumes:

- The composite organization centralizes its statutory reporting processes and reallocates processes from its in-country team to a lower-cost country. The in-country employees shift to more value-adding work.
- The fully burdened hourly rate for the composite organization's centralized statutory reporting team is $9.

> **"You didn't have to have expensive resources where they needed to care who were doing that piece of the work. You just need the expertise to review, work with that low-cost country, and to pull through. That's been one of our success stories."**
>
> *Statutory financial systems manager, manufacturing*

Risks. Benefits may vary based on:

- The decision of whether to centralize processes in a lower-cost country and the processes centralized.
- Change management capabilities.
- The entity implementation rate.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV of $173,000.

Statutory Reporting Team Resources Reallocated

Ref.	Metric	Source	Year 1	Year 2	Year 3
B1	Number of implemented entities	A1	60	100	100
B2	Post-implementation statutory reporting process hours per entity	A6-A8	21	21	21
B3	Fully burdened hourly rate for in-country statutory reporting team	TEI standard	$52	$52	$52
B4	Fully burdened hourly rate for centralized statutory reporting team	TEI standard	$9	$9	$9
Bt	Statutory reporting team resources reallocated	B1*((B2*B3)-(B2 *B4))	$54,180	$90,300	$90,300
	Risk adjustment	↓10%			
Btr	Statutory reporting team resources reallocated (risk-adjusted)		$48,762	$81,270	$81,270
	Three-year total: $211,302		Three-year present value: $172,554		

STATUTORY REPORTING COST SAVINGS

Evidence and data. Beyond the efficiency gains and benefits from reallocating resources, interviewees also reported cost savings after switching to OSR.

- "We've reduced translation costs by €15,000," the beverage company's global statutory reporting manager remarked. They continued: "The outsourced cost savings that we've made are €280,000 from the entities that we've taken in house. I would offset that by the fact that we would have had additional headcount to support those entities coming in. In terms of XBRL, it was a €20,000 savings. Audit costs and overruns saved about €30,000. It was about $100,000 that we were paying for other software that we've seen sunset."
- "The tool comes with the in-built XBRL tagging solution, so we do see some marginal cost reduction there," the Asia Pacific controller for the heavy equipment company said. They added: "We don't need to spend a lot of time from outsourced professional services. Sometimes we end up consulting with one of the Big Four firms to help us with specific questions, but nowadays, we start with Thomson Reuters. There will be savings there. I do see value."

"In terms of what we were paying for the old software and what we're paying for ONESOURCE, it's similar. We're getting more for the same money."

Financial systems manager, retail

"In the long term, I am a very strong believer in leveraging technology … eventually, you will see a lot of value, and you may end up saving quite a lot of money in areas you may not be even aware at this point in time."

Asia Pacific controller, heavy equipment

- The Asia Pacific controller for the heavy equipment company told Forrester about how they saw translations as a savings area, "I see the translation feature as a potential saving because I will avoid going to a third party." The statutory financial systems manager for the manufacturing company mentioned, "One of the attractive elements for us was you don't need to assign someone specific to do the translation for the filing as well because it's all done in the local language and local character sets."
- After implementing OSR, interviewees noted lower audit fees due to having a full audit trail and more. "From our auditor's perspective, it does save a lot of time," the Asia Pacific controller for the heavy equipment company stated. They added: "Once you have a structured tool like OSR, it provides auditors confidence. … Year 2 onwards, I have seen them spending less time and just focusing on the corrections or changes. There is an opportunity there and, at some point, it becomes a sizable number and should reflect in the audit fee reduction."

- While the potential for cost savings is great, interviewees did note the importance of change management to realize savings. “We were going to retire a legacy application as part of the ONESOURCE rollout,” the manufacturing company’s statutory financial systems manager explained. They continued: “That legacy application is still up and running, and again, it stands for internal politics on people not wanting to change. If that were to be retired, that would be over a million dollars a year, but teams are still holding on to the legacy applications.”

Modeling and assumptions. Forrester assumes:

- The composite organization eliminates legacy statutory reporting processes and sunsets legacy software over the three-year period. These cost savings are in line with the OSR license fees.
- The composite organization finds cost savings related to translations, XBRL, audits, and outsourcing.
- Cost savings increase year-over-year as the composite organization implements more entities.

Risks. Benefits may vary based on:

- The cost of legacy statutory reporting processes, software, maintenance of old content, and more. These initial costs and the associated savings may vary widely (higher or lower) between organizations.
- The entity implementation rate.
- Change management capabilities.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV of $803,000.

Statutory Reporting Cost Savings

Ref.	Metric	Source	Year 1	Year 2	Year 3
C1	Legacy statutory reporting processes and software cost savings	Composite	$117,000	$195,000	$195,000
C2	Legacy translation cost savings	Composite	$12,000	$20,000	$20,000
C3	Legacy XBRL cost savings	Composite	$15,000	$25,000	$25,000
C4	Audit cost savings	Composite	$24,000	$40,000	$40,000
C5	Outsourcing cost savings	Composite	$84,000	$140,000	$140,000
Ct	Statutory reporting cost savings	C1+C2+C3+C4+C5	$252,000	$420,000	$420,000
	Risk adjustment	↓10%			
Ctr	Statutory reporting cost savings (risk-adjusted)		$226,800	$378,000	$378,000
	Three-year total: $982,800		**Three-year present value: $802,576**		

LATE FILING PENALTY SAVINGS

Evidence and data. Deploying OSR improved on-time filing rates, reduced penalties, and protected against reputational damage and personal risk.

- "At that time, we were struggling to get everything into the statutory accounts and relying on sign-offs before filing, and that would cause chunky delays and penalties in terms of late filing," the financial systems manager of the retail company stated. However, after starting to use OSR, they noted, "We filed our last set of financial statements all on time with no filing penalties at all."
- "In terms of filings being on time, we've seen a 5% improvement on average," the beverage company's global statutory reporting manager declared. They continued, "Last year, we had a 100% compliance rate in EMEA, whereas when we first brought in the tool, it was a 95% rate."
- Interviewees discussed how the benefits of filing on time went beyond avoiding penalties. The retail company's financial systems manager told Forrester: "It makes our team feel better when they know they're not going to be struggling, wondering if we're going to make it. We have more confidence now. It will take something exceptional for us to be filing late now."

Modeling and assumptions. Forrester assumes:

- The composite organization implements OSR in 100 entities with 60 entities implemented Year 1.
- The composite organization's average late filing penalty is $3,500.

Risks. Benefits may vary based on:

- The state of the organization's statutory reporting processes pre-implementation.
- The change management and leadership capabilities of the composite organization.
- The average late filing penalty based on the countries the organization operates in, the length of the delays, and other contributing factors.

Results. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV of $32,000.

Late Filing Penalty Savings

Ref.	Metric	Source	Year 1	Year 2	Year 3
D1	**Number of implemented entities**	**A1**	**60**	**100**	**100**
D2	On-time compliance rate before OSR	Interviews	93%	93%	93%
D3	On-time compliance rate after OSR	Interviews	98%	98%	98%
D4	Subtotal; On-time compliance rate improvement	D3-D2	5%	5%	5%
D5	Average late filing penalty	Composite	$3,500	$3,500	$3,500
Dt	Late filing penalty savings	D1*D4*D5	$10,500	$17,500	$17,500
	Risk adjustment	↓15%			
Dtr	Late filing penalty savings (risk-adjusted)		$8,925	$14,875	$14,875
	Three-year total: $38,675		**Three-year present value: $31,583**		

UNQUANTIFIED BENEFITS

Interviewees mentioned the following additional benefits that their organizations experienced but were not able to quantify:

- **Report consistency and process continuity.** Besides efficiency gains, interviewees noted how OSR improved their organizations' reports and processes. "First and foremost is process continuity," the heavy equipment company's Asia Pacific controller said. They continued: "When I run the process in multiple countries, I end up depending upon one or two individuals, and that's not sustainable. With the statutory reporting process done centrally, I don't need to worry. The best thing is, since it's done through the tool, people are familiar with what needs to be done and they just need to get updates about local jurisdictions. The process has been very stable and business continuity is no longer an issue."

- **Enhanced collaboration and visibility.** After implementing OSR, interviewees discussed how they gained better visibility into their statutory reporting and centralized processes, and collaborated better internally across regions and externally with auditors. The heavy equipment company's Asia Pacific controller mentioned: "We have global visibility now. We are able to keep track of all the filings that are on ONESOURCE."

- **Report flexibility.** Interviewees valued OSR's capability to customize reports to meet auditors' and others' requirements, even as they cautioned against too much customization. "Flexibility within reports is a massive benefit," the retail company's financial systems manager stated. They added: "You could have anything that you want in them, and there will always be a way to get information in there. Our old system was not able to do that." As a best practice, the global statutory reporting manager of the beverage company suggested: "If you're going on the route of bespoke, check with your Thomson Reuters relationship manager. They may have an idea of what standard templates would help. Sometimes you might go with a more complex template than you'll need. They were helpful for us."

- **Ease of expansion.** "Sometimes we'll bring on new entities and get them set up on the system straight away," the retail company's financial systems manager said. They also said: "It wouldn't be a problem if we decided to roll it out to other regions. It would be able to handle that."

- **Positive employee experiences.** Employees enjoyed using OSR as they became more efficient and productive. "People have a positive view of the application," the manufacturing company's statutory financial systems manager said.

- **Thomson Reuters' support and partnership.** One of the benefits decision-makers highlighted the most was Thomson Reuters' help and partnership. The retail company's financial systems manager commented: "The support with Thomson Reuters is good. If you can't find a way to do something on the system, you can ring them up. You can use their support portal, and they'll report right back to you."

> **"I can honestly say they've been good. They [Thomson Reuters] are great at listening. ... They're very knowledgeable."**
>
> *Statutory financial systems manager, manufacturing*

FLEXIBILITY

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

- **Remote work and centralization opportunities.** While interviewees chose OSR for its content, technology, and support, they also realized opportunities for process centralization and remote work. “It does support a centralized approach or even a remote approach because of COVID-19, etc.,” the manufacturing company’s statutory financial systems manager stated. They added, “To have your data held in one place and available to those that need it is huge.”
- **Tapping into data and other ONESOURCE solutions.** The interviewees were optimistic about the opportunity to do more with data and connect into other ONESOURCE solutions. The manufacturing company’s statutory financial systems manager said, “One of the most attractive features is having that umbrella of products you can tap into.”

  The beverage company’s global statutory reporting manager mentioned: “We have created a lot of value-add from the data we’ve been getting from the financials or the data for the entities that have come in as a result of us being able to prepare those financials. It’s been very transformative.”

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

Voice Of The Customer

Interviewees told Forrester how they were transforming their statutory reporting operations with OSR’s flexibility. Some were embracing remote work or pushing towards a centralized approach.

“We have a centralized model with a [Center Of Excellence] (COE) where all the statutory work is performed, and financial statements and preparations are done from a central location,” the heavy equipment company’s Asia Pacific controller said. “We thought having a centralized COE providing oversight and performing statutory tasks would help … and also provide assurance that we are doing the right thing on time.”

The global statutory reporting manager for the beverage company explained: “With centralization we can operate as one team, and everybody can follow a standard process so that there’s less chance of failure or less chance of significant deviation. Having the team set up the way it is has worked very well. We’ve been able to take in more entities and do a lot more with the same number of people.”

Analysis Of Costs

Quantified cost data as applied to the composite

Total Costs							
Ref.	**Cost**	**Initial**	**Year 1**	**Year 2**	**Year 3**	**Total**	**Present Value**
Etr	OSR license fees and professional services fees	$31,710	$230,265	$311,010	$262,500	$835,485	$695,295
Ftr	Internal implementation and maintenance costs	$18,175	$45,439	$18,175	$9,088	$90,877	$81,332
Gtr	Internal training costs	$4,752	$792	$792	$792	$7,128	$6,722
	Total costs (risk-adjusted)	$54,637	$276,496	$329,977	$272,380	$933,490	$783,349

OSR LICENSE FEES AND PROFESSIONAL SERVICES FEES

Evidence and data. To pay for OSR, interviewees' organizations negotiated scalable per-entity rates with Thomson Reuters. Additionally, they paid Thomson Reuters for professional services, including project management, consulting, and training.

- The Asia Pacific controller for the heavy equipment company explained the value of Thomson Reuters' professional services: "We contracted with Thomson Reuters for the initial configuration, and they brought us excellent experts who invested in the journey. I was happy with the pace of execution from Thomson Reuters." They added, "It included the configuration, the training, and the support."
- Interviewees reported they could flex the professional service arrangement to their needs, including phased implementation and training. For 25 countries, the beverage company's global statutory reporting manager remarked, "We paid Thomson Reuters a set amount and that allowed us a number of hours. We allocated some of that time to training and then the other amount of time, we considered it as professional services, and that was $74,000."
- Typically, interviewees' organizations phased in new entities over the first 12 to 18 months. The global statutory reporting manager for the beverage company explained: "Our pilot consisted of 18 entities across six geographies. Then, the following year, once we proved the pilot was a success, we got up to 80% of our portfolio into the system. We wanted to make sure that it would go incrementally. … We've now got a good process in place, so the new entities that come in each year are instantly brought into the system."

"It is a premium product, no doubt. There is a lot of value that needs to be seen and experienced by the customer."

Asia Pacific controller, heavy equipment

Modeling and assumptions. Forrester assumes:

- The composite organization implements OSR in 20 countries for 100 entities over 12 to 18 months.
- The composite organization uses Thomson Reuters' professional services for their implementation. It pays $30,200 upfront, $69,300 in Year 1, and $46,200 in Year 2. Additionally, it pays a licensing fee of $2,500 per entity.
- Pricing may vary. Contact Thomson Reuters for more details.

Risks. Costs may vary based on:

- The number of countries, the complexity of the implementation, and the associated professional services fees.
- The length of the implementation.
- The number of entities and the license fee per entity. There is no limitation on the number of users.

Results. To account for these risks, Forrester adjusted this cost upward by 5%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of $695,000.

OSR License Fees And Professional Services Fees

Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
E1	**Thomson Reuters professional services fees**	**Composite**	**$30,200**	**$69,300**	**$46,200**	
E2	Number of implemented entities	Composite		60	100	100
E3	OSR license fee per entity	Composite		$2,500	$2,500	$2,500
E4	Subtotal: OSR license fees	E2*E3		$150,000	$250,000	$250,000
Et	OSR license fees and professional services fees	E1+E4	$30,200	$219,300	$296,200	$250,000
	Risk adjustment	↑5%				
Etr	OSR license fees and professional services fees (risk-adjusted)		$31,710	$230,265	$311,010	$262,500
	Three-year total: $835,485			**Three-year present value: $695,295**		

INTERNAL IMPLEMENTATION AND MAINTENANCE COSTS

Evidence and data. Besides utilizing Thomson Reuters' professional services, interviewees also committed time to project management, change management, and ongoing maintenance.

- "We had one project manager, and they dealt with data, our IT team, Thomson Reuters, and any concerns our business had about security and data," the retail company's financial systems manager stated. They added: "It was the project manager's main project. It was 50% to 60% of their time." The heavy equipment company's Asia Pacific controller noted: "It was led by a regional operating lead. They were the one leading, and we had more resources helping them."
- Interviewees stressed the importance of change management and leadership to ensure a successful implementation. The Asia Pacific controller for the heavy equipment company said: "It's a bottom-up as well as a top-down conversation. It needs to work both ways. Otherwise, it's not going to work as efficiently or effectively."
- On the high end of reported ongoing time spent on maintenance-related activities, the retail company's financial systems manager commented, "The bulk of my role is supporting our team with the use of the ONESOURCE system, applying updates, making changes, and dealing with anything out of the ordinary."

Modeling and assumptions. Forrester assumes:

- To start, the composite's team allocates 40% of their time for six months to project management and implementation. Then, they commit 40% of Year 1 and 10% of Year 2 to implementation.
- One team member devotes 10% of their time to ongoing maintenance.
- The blended (in-country and centralized) fully burdened annual salary is $82,615.

Risks. Costs may vary based on the number of team members involved, the time dedicated, and the salaries of the team members.

Results. To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year, risk-adjusted total PV of $81,000.

Internal Implementation And Maintenance Costs

Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
F1	Project management and implementation FTEs	Interviews	1	1	1	0
F2	Time dedicated to project management and implementation	Composite	20%	40%	10%	0%
F3	Ongoing maintenance FTEs	Composite	0	1	1	1
F4	Time dedicated to ongoing maintenance	Composite	0%	10%	10%	10%
F5	Fully burdened blended annual salary of the project management, implementation, and ongoing maintenance team	TEI standard	$82,615	$82,615	$82,615	$82,615
Ft	Internal implementation and maintenance costs	(F1*F2*F5)+(F3*F4*F5)	$16,523	$41,308	$16,523	$8,262
	Risk adjustment	↑10%				
Ftr	Internal implementation and maintenance costs (risk-adjusted)		$18,175	$45,439	$18,175	$9,088
	Three-year total: $90,877			Three-year present value: $81,332		

INTERNAL TRAINING COSTS

Evidence and data. As a best practice, the decision-makers' teams devoted time to train and learn OSR and created their own programs.

- All interviewees discussed the importance of training, although the methods varied. The statutory financial systems manager at the manufacturing company mentioned: "We had training where Thomson Reuters would do it in person. Other countries were done remotely."
- The time needed for initial training varied from company to company. On the lower end, the heavy equipment company's Asia Pacific controller told Forrester: "The initial training course was three half days per person. We had ten people attend." The manufacturing company's statutory financial systems manager recalled, "It's a day if you count everything back-to-back." On the higher end, the beverage company's global statutory reporting manager said, "It was 7 hours a day for four or five days, so 35 hours in total."
- "I set up internal trainings," the statutory financial systems manager at the manufacturing company said when discussing their training processes and best practices. They added: "I have a site with tips, information, recorded trainings, and more. On top of that, there is the ability to tap into the training that Thomson Reuters provides."

Modeling and assumptions. Forrester assumes:

- The composite organization dedicates time to train the centralized statutory reporting team.
- The professional services fees paid to Thomson Reuters cover training-related costs.

Risks. Costs may vary based on:

- The number of team members receiving training.
- The time needed for training.
- The fully burdened hourly rates of the team members undertaking the training.

Results. To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year, risk-adjusted total PV of $7,000.

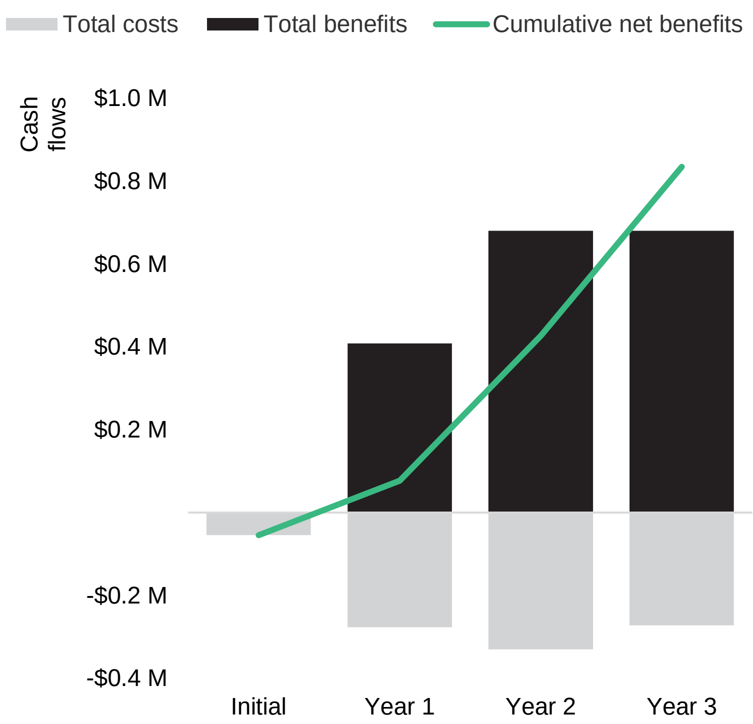
Internal Training Costs

Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
G1	Statutory reporting team FTEs trained	Interviews	20	20	20	20
G2	Hours of training per FTE	Interviews	24	4	4	4
G3	Fully burdened hourly rate for centralized statutory reporting team	TEI standard	$9	$9	$9	$9
Gt	Internal training costs	G1*G2*G3	$4,320	$720	$720	$720
	Risk adjustment	↑10%				
Gtr	Internal training costs (risk-adjusted)		$4,752	$792	$792	$792
	Three-year total: $7,128			Three-year present value: $6,722		

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	($54,637)	($276,496)	($329,977)	($272,380)	($933,490)	($783,349)
Total benefits	$0	$408,039	$680,065	$680,065	$1,768,169	$1,443,926
Net benefits	($54,637)	$131,543	$350,088	$407,685	$834,679	$660,577
ROI						84%
Payback period						<12 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."

The initial investment column contains costs incurred at "time 0" or at the beginning of Year 1 that are not discounted. All other cash flows 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 in 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.

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.

Appendix B: Endnotes

[1] 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.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