

FORRESTER®

The Total Economic Impact™ Of iManage

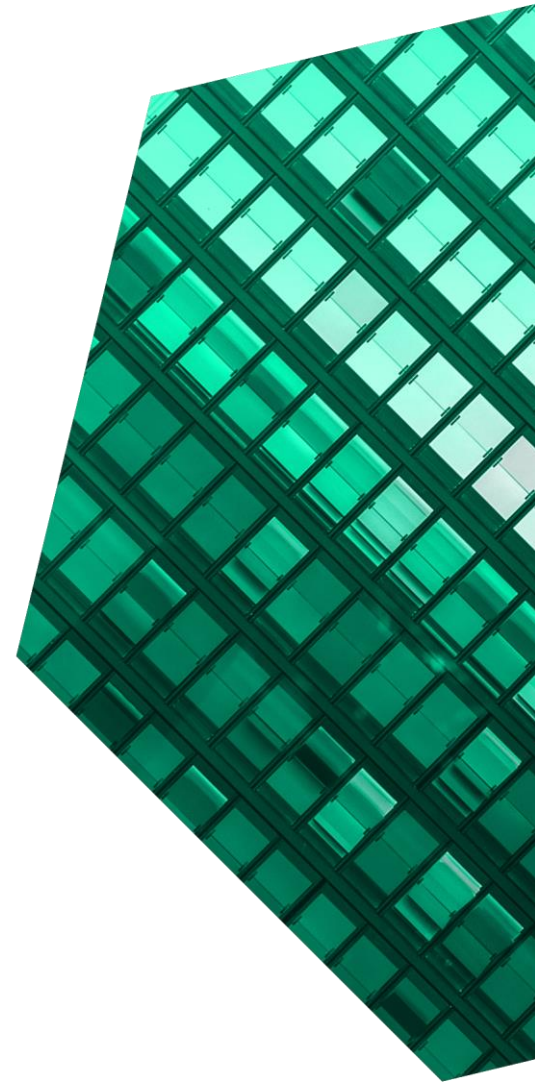
Cost Savings And Business Benefits
Enabled By iManage

NOVEMBER 2023

Table Of Contents

Consulting Team: Amy Harrison
Sarah Lervold

Executive Summary	1
The iManage Customer Journey	6
Key Challenges	6
Investment Objectives	7
Composite Organization.....	8
Analysis Of Benefits	9
Avoided Costs For Legacy Document Management Solutions.....	9
Improved Productivity In Legal And Compliance Operations	10
Improved Productivity From Facilitated Internal Collaboration	12
Improved Productivity From Facilitated External Collaboration	14
Enhanced Security And Risk Mitigation	16
Unquantified Benefits	17
Flexibility.....	18
Analysis Of Costs	20
Fees Paid To iManage	20
Initial And Ongoing Costs.....	21
Financial Summary	23
Appendix A: Total Economic Impact	24
Appendix B: Endnotes	25



ABOUT FORRESTER CONSULTING

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Executive Summary

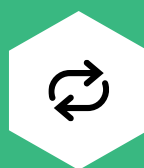
Cloud-first and flexible platforms now dominate the market traditionally known as enterprise content management (ECM). Technical buyers continue to invest in these platforms to manage documents, automate content-rich processes, and enable information workers to collaborate with internal and external stakeholders. Specifically, knowledge-intensive verticals require content services to optimize high-value knowledge worker productivity and tools to protect and automate their digital work products.¹

iManage is a secure email and document management system that improves the productivity, collaboration, and knowledge management of professionals. Its intuitive, efficient, and user-designed experience encourages adoption — particularly for searching, uploading content, and version control. iManage also focuses on the needs of knowledge workers in sectors working with sensitive information (e.g., legal, finance, audit, and consulting).

Knowledge workers face growing information fragmentation, requiring them to search multiple repositories and disparate systems to locate the information they need to do their jobs. iManage delivers content services — with the confidence that documents are secure — to document-rich markets by managing internal and external access according to organizational policies such that they can access highly-specific documents or information and drive business value.² iManage has its own cloud platform that includes unique security, scalability, and performance capabilities. It also drives value via deeper integrations with its embedded tools and applications, and third-party solutions that were developed internally via its API connections and extensive partner network.

iManage commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) enterprises may realize by deploying iManage. The purpose of this study is to provide readers with a

KEY STATISTICS



Return on investment (ROI)
370%



Net present value (NPV)
\$8.1M

framework to evaluate the potential financial impact of iManage on their organizations.

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed four representatives with experience using iManage. For this study, Forrester aggregated the interviewees' experiences and combined the results into a single [composite organization](#) that is a multibillion-dollar organization in the financial services industry.

Prior to deploying iManage, the interviewees' organizations managed content from the legal department by storing them on the network using legacy document management systems, creating siloed workflows. The combination of information fragmentation and inefficient search and upload capabilities significantly impaired the productivity of legal teams. The organizations lacked security controls and a thorough audit trail that accounted for user access to specific content and how they could work with that content. Internal and external

collaboration were onerous, and nothing prevented institutional knowledge from being lost when legal team members left or switched roles.

With iManage, the interviewees' organizations implemented a document management system that fit the specific needs of their knowledge workers, both in legal and business teams. This empowered knowledge-sharing across the organization. When knowledge workers found, shared, and saved documents more effectively, they saved the organization time and money while contributing to better business performance as they leveraged the power of information.

KEY FINDINGS

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

- **Avoided costs for legacy document management solutions.** The composite organization retires its prior document management system after implementing iManage. This eliminates both the ongoing and maintenance costs for software licenses and on-premises servers, as well as the compensation of one FTE who provided ongoing management and support for the legacy solution. The cost savings from retiring prior solutions total \$477,500 over the three-year investment period.
- **Improved productivity in legal and compliance operations from faster search and upload processes.** The search time per document substantially decreases by 7 minutes each due to: 1) iManage's powerful search capabilities, 2) the ability for various practice areas to create a preferred filing structure that mirrors their work habits, 3) and the consolidation of content into a single repository. Legal and compliance team members also save an average of 3.5 minutes when uploading each document through the automatic assignment of metadata and 30 seconds when saving each email via predictive filing. Each user saves 240 hours annually, which is worth \$3.8 million over three years.
- **Improved productivity from facilitated internal collaboration.** iManage's faster document search, upload, and storage capabilities benefit direct legal and compliance resources, and provide efficiencies for the internal business partners that they collaborate with regularly. These efficiencies strengthen the two-way information exchange to unlock knowledge and improve the quality of decision-making. The time savings from improved collaboration are valued at \$653,300 over three years.
- **Improved productivity from facilitated external collaboration.** iManage facilitates easy access and secure storage of documents. Document security enables employees to share documents with external business partners while maintaining compliance and control standards without wasting time on process workarounds and bulky file-sharing methods. The time savings from improved collaboration are worth \$67,000 over three years.
- **Enhanced security and risk mitigation.** The risk of security incidents occurring decreases as iManage provides better security, control, and visibility around who is granted access to specific content and the duration that content has been stored for. iManage also enables the composite organization to comply with international standards and regulations, such as FINRA or ISO/IEC 27001, more easily. The composite organization avoids \$4.7 million over the investment period.

Unquantified benefits. Benefits that provide value for the composite organization but are not quantified in this study include:

- **Improved employee retention including more time for higher-value activities.** Legal team

members enjoy additional daily usable time that they can dedicate to higher-value activities instead of searching for, uploading, or recreating content. Refocusing employee time and effort to value-added activities over administration improves employee experience (EX) and retention rates.

- **Enhanced knowledge of management and business continuity.** iManage eliminates the risk of losing access to institutional knowledge when a legal team member moves within or leaves the company, or during unpredictable world events.
- **Improved onboarding and offboarding processes.** iManage enables the formation of a consolidated, easily-accessible document management system with built-in access control and advanced search capabilities. This allows for new hires and role changes to ascend the learning curve more quickly.
- **Mitigated brand reputation risk.** Customers care deeply about where their documents are stored and shared. iManage reduces the security surface and ensures regulatory compliance — two major factors that reduce brand and reputation risk in addition to mitigating the risk of incurring any related financial penalties.
- **Better technology drives better client experiences that improve revenue.** Disseminating knowledge across the enterprise and powering business decisions with information as well as from utilizing both to directly improve customer experiences (CX), improves revenue.

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

- **Fees paid to iManage.** These include subscription costs for its cloud-based version according to the number of users, with no additional fees for support, totaling \$477,300.
- **Initial and ongoing internal labor costs.** Internal implementation and training costs include the time of a legal operations manager, end users, and IT staff. Ongoing costs include management and support provided by a legal operations manager, as well as third-party professional services fees that include costs for technical implementation, data migration, database configuration, and sharing best practices. These amount to \$1.7 million.

The representative interviews and financial analysis found that a composite organization experiences benefits of \$10.3 million over three years versus costs of \$2.2 million, adding up to a net present value (NPV) of \$8.1 million and an ROI of 370%.



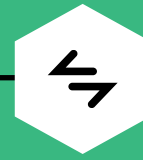
ROI
370%



BENEFITS PV
\$10.3M



NPV
\$8.1M



PAYBACK
Less than 6 months

Benefits (Three-Year)



“Knowing iManage did so much for law firms and that so many of our lawyers from law firms using iManage raved about it helped to uplift the rationale and justification for our company to invest.”

— Manager, information and services, oil and gas

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 iManage.

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 iManage can have on an organization.

DISCLOSURES

Readers should be aware of the following:

This study is commissioned by iManage 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 iManage.

iManage 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.

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



DUE DILIGENCE

Interviewed iManage stakeholders and Forrester analysts to gather data relative to iManage.



INTERVIEWS

Interviewed four representatives at four organizations using iManage 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.

The iManage Customer Journey

■ Drivers leading to the iManage investment

Interviews			
Role	Industry	Region	Number Of Employees
Manager, information and services	Oil and gas	Global	43,000
Vice president, technology management	Financial services	Global	70,000
Information manager	Consulting	Global	16,000
Senior legal operations manager	High-tech	Global	80,000

KEY CHALLENGES

Prior to deploying iManage, the interviewees' organizations managed content from the legal department with disparate document management systems and siloed workflows. As a result, the interviewees organizations were unable to form a single source of truth and therefore faced common challenges, including:

- **Reduced legal team productivity.** The daily challenge of grappling with information fragmentation caused by having multiple content repositories — none of which had effective search capabilities — frustrated legal teams and significantly impaired their productivity. Instead of working with content, legal staff spent valuable time simply trying to find it, which often meant they had to either navigate through complex folder structures or email colleagues. They also spent time recreating lost documents.

The manager of information and services at an oil and gas organization described how legacy document management systems were especially inadequate for legal functions, citing a particular situation where their lawyers were unable to find a critical contract and resorted to hiring an outside firm to assist with the search, further

adding to operational costs and delaying timelines.

The senior legal operations manager at a high-tech organization described their prior document management solutions as messy and indicated that the lack of advanced search functionality created a lot of duplicative work.

“There was a lot of frustration in the law function around using [the legacy document management solutions]. The lawyer’s knowledge and their documents were locked up in either personal drives or shared drives. Everyone wanted to upload knowledge, find knowledge, and collaborate both within the law group and with external business clients more easily.”

Manager, information and services, oil and gas

- **Inadequate document security controls, governance, and protection.** Knowledge workers, especially in certain functions (e.g., legal) operate within a document-heavy and highly-sensitive information environment. Prior to the investment in iManage, the interviewees’ organizations often lacked secure self-service means for staff to access and exchange documents. They also lacked controls and an audit trail for who could access documents and how those individuals could work with that content (e.g., make changes vs. read-only), both internally and externally. Ultimately, the inability to effectively share documents impeded innovation efforts and increased risk exposure to both security incidents and noncompliance events.
- **Inhibited collaboration, knowledge management, and business continuity and performance.** Legal teams struggled to collaborate amongst themselves, with other

business functions, or high-priced talent within the legal organization as legal documents were spread across multiple sources — including personal drives. This information fragmentation impeded knowledge management and information dissemination efforts that could impact both business performance and business continuity since there was nothing preventing institutional knowledge from being lost when legal team members left their roles.

INVESTMENT OBJECTIVES

To address the challenges of the prior state, the interviewees organizations searched for a solution, such as iManage, that could deliver on the following investment objectives:

- **Drive change.** The interviewees saw their organizations’ investment in iManage as part of a larger digital transformation journey. The manager of information and services at the oil and gas organization detailed, “Our goal was more than just to add a new technology, or new document management system; it was to further our organization as a technology-enabled organization.”
- **Empower knowledge-sharing.** One aspect of creating a technology-enabled organization was to remove workflow silos, disparate technologies, and poor access controls that restricted knowledge-sharing in the prior state. Employees in legal functions needed to be able to find, share, and collaborate while maintaining tight security and compliance controls. The manager of information and services at the oil and gas organization elaborated, “We wanted a system that enables law work processes and works the way lawyers work.”
- **Leverage the power of information.** Ultimately, the interviewees hoped to support business decisions with the power of information and deliver better performance by disseminating knowledge and information across the enterprise.

“Traditional document management systems do not offer the rich functionality that iManage has. Our legacy platform is not a proper, dedicated enterprise content platform. The beauty of iManage is that users know they can work in it and its secure. Plus, the API capabilities allow so many automation capabilities.”

Information manager, consulting

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 organization has the following characteristics:

Description of composite. The composite organization is a multibillion-dollar organization with dual headquarters in North America and the UK, and serves businesses and consumers worldwide. The organization operates in the highly-regulated financial services industry and must adhere to FINRA regulations, Section 404 of the Sarbanes Oxley Act, and the ISO/IEC 27001. The organization boasts 50,000 global employees, 350 of whom are from the legal department. Its documents span a diverse range of the organization's high-risk or high-value intellectual property and other sensitive documents (e.g., contracts, litigation, human resources documentations, financials, methodologies, patents, and executive transition materials).

Deployment characteristics. After evaluating multiple vendors, the composite organization opted to implement the on-premises version of iManage using internal staff assisted by a professional services firm. The organization upgrades to the cloud version of iManage in Year 2 to capitalize on future technology enhancements, including AI capabilities and integrations with an ecosystem of cloud service providers for applications, systems, and tools. The organization starts with 200 full licenses and 100 collaboration licenses in Year 1. The investment in full licenses expands to 250 in Year 2 while the volume of collaborator licenses remains steady across the three-year investment. The composite organization uses the full range of iManage capabilities including iManage for secure external exchange of documents and email integration.

Key Assumptions

- **Highly-regulated financial services firm**
- **Multibillion-dollar annual revenue**
- **350 legal team members**
- **250 full licenses by Year 3**
- **100 collaboration licenses annually**

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	Avoided costs for legacy document management solutions	\$192,000	\$192,000	\$192,000	\$576,000	\$477,476
Btr	Improved productivity in legal and compliance operations (risk-adjusted)	\$1,418,343	\$1,772,922	\$2,127,500	\$5,318,765	\$4,353,050
Ctr	Improved productivity from facilitated internal collaboration	\$212,765	\$265,926	\$319,118	\$798,809	\$652,954
Dtr	Improved productivity from facilitated external collaboration	\$42,565	\$53,191	\$63,818	\$159,574	\$130,602
Etr	Enhanced document security and risk mitigation	\$0	\$3,000,000	\$3,000,000	\$6,000,000	\$4,733,283
	Total benefits (risk-adjusted)	\$1,865,658	\$5,284,036	\$5,702,443	\$12,852,136	\$10,347,365

AVOIDED COSTS FOR LEGACY DOCUMENT MANAGEMENT SOLUTIONS

Evidence and data. The composite organization retired its prior document management system after implementing iManage. This eliminated the ongoing and maintenance costs for previous software licenses and on-premises servers, and also removed the IT staff time needed to support the legacy solution. These avoided costs are a gross benefit; related ongoing expenses for iManage are further elaborated in the Analysis Of Costs section of this study.

- The information manager at a consulting organization indicated that their organization eliminated as many as seven prior disparate document management solutions.
- A senior legal operations manager at a high-tech organization indicated that their organization reduced the volume of required on-premises collaborative servers to recoup the associated maintenance costs.

Modeling and assumptions. For the composite organization, Forrester assumes that:

- Avoided licensing fees are \$40,000 annually.
- Avoided infrastructure costs are \$80,000 annually.
- The composite organization can redeploy one FTE who provided ongoing management and support for the legacy solution. The fully burdened annual compensation of that FTE is \$120,000.

Risks. Risks that may impact the realization of this benefit include the:

- Nature and scope of prior document management solution.
- Infrastructure needed for that prior solution.
- Internal labor time needed to manage and maintain the prior solution.
- Prevailing local compensation rates.

Results. To account for these risks, Forrester adjusted this benefit downward by 20%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$477,500.

Avoided Costs For Legacy Document Management Solutions					
Ref.	Metric	Source	Year 1	Year 2	Year 3
A1	Avoided licensing fees from prior document management solutions	Composite	\$40,000	\$40,000	\$40,000
A2	Avoided infrastructure costs from retired hardware	Composite	\$80,000	\$80,000	\$80,000
A3	Reduced/reallocated number of IT engineers	Interviews	1	1	1
A4	Fully loaded annual salary of an IT engineer	TEI standard	\$120,000	\$120,000	\$120,000
At	Avoided costs for legacy document management solutions	A1+A2+(A3*A4)	\$240,000	\$240,000	\$240,000
	Risk adjustment	↓20%			
Atr	Avoided costs for legacy document management solutions (risk-adjusted)		\$192,000	\$192,000	\$192,000
Three-year total: \$576,000			Three-year present value: \$477,476		

IMPROVED PRODUCTIVITY IN LEGAL AND COMPLIANCE OPERATIONS

Evidence and data. Search efficiency improved greatly after the interviewee’s organizations migrated their legal documents from multiple disparate sources to iManage as their single source of truth. All interviewees reported substantial decreases in search time per document from having to search less within their own work and less time wasted from locating the documents they needed. This was due to the consolidation and organization of documents, and iManage’s powerful search capabilities.

Members from the legal team also spent less time uploading documents and storing emails. iManage’s integration with office productivity tools and email systems simplified document uploads and rendered email uploads nearly instantaneous by prompting users with a suggested location. This method of predictive filing is based on other emails that a particular user has filed or other thread and

“The standardization of working was our top benefit. Before we deployed iManage, you can imagine 30 offices having 30 different people pulling and storing information in their own location. First, they must search for it, click on it, and then copy that file... again for the next one, which takes forever. We tallied the number of hours saved over a period of time, counted to approximately \$3 million worth of savings.

Information manager, consulting

addressee analyses. After an initial email is filed, the system automatically files any related responses with it. To avoid duplicative effort, the system uses a green checkmark to indicate whether a document or email has already been filed or not.

Practice groups that preferred a matter-centric approach created templates so that the desired subfolders were automatically set up if a new matter or workspace were named appropriately. Metadata and retention policies were then automatically assigned as content were added into folders. All in all, these efficiencies bolstered the culture of collaboration across the enterprise.

- The manager of information and services at an oil and gas organization indicated the importance of streamlining workflow and processes around document management as part of the

“The biggest pain of [our legacy document management system] was around permissions. We’ve got 730 law function colleagues working different little [legacy system] carve-outs. There was no single repository the whole law function had access to. It was like people were lifting a few small rocks randomly around the surface of the moon. Everything was so super siloed. Eliminating silos, even for a single document, took reaching out to IT to get permissions, and that took a day or two. Everything was full of obstacles to get to knowledge.”

Information manager, consulting

investment: “Our team is working with each group to define how they work in iManage. It’s really making a difference. When we ask the managers to search for something in iManage that’s in their group and they see the stored knowledge from their group in front of their eyes, the light bulbs go off.”

Modeling and assumptions. For the composite organization, Forrester assumes that:

- There are 200 end users of iManage in Year 1, 250 in Year 2, and 300 in Year 3.
- Each end user searches for 1,300 documents annually.
- Using iManage cuts 7 minutes from each search.
- Each end user uploads 950 documents annually.
- Using iManage cuts 3.5 minutes from each document upload.
- Each end user stores 3,900 emails annually.
- Using iManage cuts 30 seconds from each email save.
- Hourly compensation for each fully burdened end user is \$74 for a legal team that consists of lawyers (65%) and paralegals, administrators, and other support staff (35%).
- To be conservative, a 50% productivity recapture is applied to the time savings, reflecting the legal team’s knowledge-related activities.

Risks. Risks that may impact the realization of this benefit include the:

- Number of end users.
- Number of documents uploaded.
- Number of emails saved.
- Organization’s prior state for legal document management.
- Prevailing local compensation rates.

Results. To account for these risks, Forrester adjusted this benefit downward by 20%, yielding a three-year, risk-adjusted total PV of \$4.4 million.

Improved Productivity In Legal And Compliance Operations					
Ref.	Metric	Source	Year 1	Year 2	Year 3
B1	Number of end users	Composite	200	250	300
B2	Average number of documents searched for annually by each user	Composite	1,300	1,300	1,300
B3	Time savings per search (minutes)	Interviews	7	7	7
B4	Average number of documents uploaded by each user annually	Composite	950	950	950
B5	Time savings per upload (minutes)	Interviews	3.5	3.5	3.5
B6	Average number of emails stored by each user annually	Composite	3,900	3,900	3,900
B7	Time savings per email stored (minutes)	Interviews	0.5	0.5	0.5
B8	Total end-user time savings (hours)	$[(B1*B2*B3)+(B1*B4*B5)+(B1*B6*B7)]/60$	47,917	59,896	71,875
B9	Blended hourly compensation per fully burdened end user	\$154,000/2,080	\$74	\$74	\$74
B10	Productivity recapture	TEI standard	50%	50%	50%
Bt	Improved productivity in legal and compliance operations	B8*B9*B10	\$1,772,929	\$2,216,152	\$2,659,375
	Risk adjustment	↓20%			
Btr	Improved productivity in legal and compliance operations (risk-adjusted)		\$1,418,343	\$1,772,922	\$2,127,500
Three-year total: \$5,318,765			Three-year present value: \$4,353,050		

IMPROVED PRODUCTIVITY FROM FACILITATED INTERNAL COLLABORATION

Evidence and data. iManage facilitated collaboration between internal business stakeholders outside of legal and compliance departments. Employees gained access to more documents to disseminate knowledge further across the enterprise and improved the quality of decision-making. Interviewees indicated they uncovered knowledge they did not know existed in stored documents, which were used to inform current and future projects.

- A manager of information and services in the oil and gas industry emphasized the importance of leveraging stored knowledge across the organization, stating, “If we find that 10% of the discovered content is a little relevant but 1% is completely relevant, and we didn’t have access to it before, we have doubled or tripled your knowledge as a practitioner.”

Business teams found productivity improvements beyond time savings. By gaining access to transaction details beyond final contracts, teams can gain valuable knowledge that can avoid bad deals.

- The same interviewee said: "We make sure that the legal team keeps final versions of agreements in iManage. We have repositories for those in the business team where it's more of the record, but it's a reference for legal. Lawyers having that at their fingertips saves time. We've seen more dimensional value in detail such as, 'Have we worked with a person before?' Or, maybe you almost did, but there's a history there with a not-so-great third party that we've captured in some analysis or guidance that we would not have insight into if it weren't in iManage. We save time by reusing language, but there is value in capturing the third dimension of stories about a facility, a third party, or a topic. Previously, legal or business didn't capture those details anywhere else. When found in iManage, they can speak to those details and don't have to remember it all. It's in writing somewhere."

Modeling and assumptions. For the composite organization, Forrester assumes that:

- There are 100 internal collaborators impacted in Year 1, 125 in Year 2, and 150 in Year 3.
- Each collaborator searches for or benefits from the search of 390 documents annually.
- Collaborators save 7 minutes per search.
- Each collaborator uploads 285 documents a year and save 3.5 minutes per upload.
- Each collaborator stores 1,170 emails per year and saves 30 seconds per email stored.
- Fully burdened end-user hourly compensation is \$74.
- To be conservative, a 50% productivity recapture is applied to the time savings, reflecting the legal team's knowledge-related activities.

Risks. Risks that may impact the realization of this benefit include:

- Internal collaborators impacted by the implementation of iManage.
- The volume of documents searched for and uploaded, as well as emails stored annually.
- An organization's prior state for legal document management.
- Prevailing local compensation rates.

Results. To account for these risks, Forrester adjusted this benefit downward by 20%, yielding a three-year, risk-adjusted total PV of \$653,000.

Improved Productivity From Facilitated Internal Collaboration					
Ref.	Metric	Source	Year 1	Year 2	Year 3
C1	Number of end users who collaborate with internal business partners	B1*50%	100	125	150
C2	Average annual document collaborations per user	B2*30%	390	390	390
C3	Time savings per document (minutes)	Interviews	7	7	7
C4	Average number of documents uploaded annually by each user	B4*30%	285	285	285
C5	Time savings per upload (minutes)	Interviews	3.5	3.5	3.5
C6	Average number of emails stored annually by each user	B6*30%	1,170	1,170	1,170
C7	Time savings per email stored (minutes)	Interviews	0.5	0.5	0.5
C8	Total end user time savings (hours)	$[(C1*C2*C3)+(C1*C4*C5)+(C1*C6*C7)]/60$	7,188	8,984	10,781
C9	Blended end-user hourly compensation, fully burdened	\$154,000/2,080	\$74	\$74	\$74
C10	Productivity recapture	TEI standard	50%	50%	50%
Ct	Improved productivity from facilitated internal collaboration	C8*C9*C10	\$265,956	\$332,408	\$398,897
	Risk adjustment	↓20%			
Ctr	Improved productivity from facilitated internal collaboration (risk-adjusted)		\$212,765	\$265,926	\$319,118
Three-year total: \$797,809			Three-year present value: \$652,954		

IMPROVED PRODUCTIVITY FROM FACILITATED EXTERNAL COLLABORATION

Evidence and data. The same collaboration impact applies to external partners as well. Beyond efficiencies, the interviewees indicated that the collaboration would not have been possible if not for the improved sharing capabilities with iManage that reduced the need to share documents via insecure email attachments and similar processes.

- The manager of information and services at an oil and gas organization explained that enhanced controls around document sharing and collaboration allowed the organization to facilitate collaboration efforts with external partners: “I think the other thing is you also have control.

There’s so much flexibility around security. You can sort of protect and control your own knowledge in a way that’s up to you.”

Modeling and assumptions. For the composite organization, Forrester assumes that:

- There are 60 end users who collaborate with external business partners in Year 1, 75 in Year 2, and 90 in Year 3.
- Each of these end users search for 130 documents annually and save 7 minutes on each search effort.
- Each of these end users upload 95 documents annually and save 3.5 minutes per upload.

ANALYSIS OF BENEFITS

- Each of these end users store 390 emails annually and save 30 seconds per email stored.
- Fully burdened end-user hourly compensation is \$74.
- To be conservative, a 50% productivity recapture is applied to the time savings, reflecting the legal team's knowledge-related activities.

Risks. Risks that may impact the realization of this benefit include:

- The end users impacted by the implementation of iManage who collaborate with external business partners.

- The volume of documents searched for and uploaded as well as emails stored annually by the impacted end users.
- An organization's prior state for legal document management.
- Prevailing local compensation rates.

Results. To account for these risks, Forrester adjusted this benefit downward by 20%, yielding a three-year, risk-adjusted total PV of \$131,000.

Improved Productivity From Facilitated External Collaboration

Ref.	Metric	Source	Year 1	Year 2	Year 3
D1	Number of end users who collaborate with external business partners	B1*30%	60	75	90
D2	Average number of documents searched for by each user annually	B2*10%	130	130	130
D3	Time savings per search (minutes)	Interviews	7	7	7
D4	Average number of documents uploaded by each user annually	B4*10%	95	95	95
D5	Time savings per upload (minutes)	Interviews	3.5	3.5	3.5
D6	Average number of emails stored by each user annually	B6*10%	390	390	390
D7	Time savings per email stored (minutes)	Interviews	0.5	0.5	0.5
D8	Total time savings per end user (hours)	$[(D1*D2*D3)+(D1*D4*D5)+(D1*D6*D7)]/60$	1,438	1,797	2,156
D9	Blended fully burdened end-user hourly compensation	$\$154,000/2,080$	\$74	\$74	\$74
D10	Productivity recapture	TEI standard	50%	50%	50%
Dt	Improved productivity from facilitated external collaboration	$D8*D9*D10$	\$53,206	\$66,489	\$79,772
	Risk adjustment	↓20%			
Dtr	Improved productivity from facilitated external collaboration (risk-adjusted)		\$42,565	\$53,191	\$63,818
Three-year total: \$159,574			Three-year present value: \$130,602		

ENHANCED DOCUMENT SECURITY AND RISK MITIGATION

Evidence and data. Prior to investing in iManage, interviewees noted their organizations experienced incidents where intellectual property was accessed without authorization and leaked to the press, injuring their brand and image. As iManage provides better security, control, and visibility around who is granted access to specific content, organizations have avoided these incidents. Interviewees also indicated that they could securely share content externally, including via expiring links.

Interviewees also indicated that as they must adhere to strict regulatory and compliance standards, the ability to better meet these standards with iManage has enormous value. iManage enables organizations to determine where data was stored and how it was managed to maintain compliance with ISO/IEC 27001, an international standard on how to manage information security. Additionally, greater adoption of iManage meant more data was stored in a single location which helped organizations comply with privacy regulations like the General Data Protection Regulation (GDPR) and the California Consumer Privacy Act (CCPA) because it could more easily locate its content covered by those regulations.

Examples of the direct business impact that incomplete record keeping can have on a business include monetary fines. The US Securities and Exchange Commission announced charges against 11 firms for widespread and longstanding failures to maintain records, including by allowing employees to use unsupervised side channels such as messaging platforms. Financial firms were hit with \$289 million in fines.³

Beyond quantifiable fines, admitting recordkeeping failures carries a negative brand impact on penalized firms. Rebuilding trust and mitigating reputational damage requires substantial effort and resources, all of which come at a cost.

Modeling and assumptions. For the composite organization, Forrester assumes that:

- The composite organization implements iManage Threat Manager in Year 2 to improve document security and mitigate the associated risks.
- The composite organization operates in the highly-scrutinized financial services industry and must comply with all related industry regulations.
- Potential business loss due to document management violations — either security or compliance related — is a very conservative 0.5% of the organization's total annual revenue.
- iManage Threat Manager, enhanced security features, and better ability to meet compliance standards reduces risk exposure by 5% in Years 2 and 3.

Risks. Risks that may impact the realization of this benefit include:

- The size of the organization and industry it belongs in will impact the required regulations and the associated financial impacts of not adhering to those regulations and/or incurring a security incident.
- The iManage capabilities to be implemented and when they are implemented.

Results. To account for these risks, Forrester adjusted this benefit downward by 20%, yielding a three-year, risk-adjusted total PV of \$4.7 million

Enhanced Document Security And Risk Mitigation					
Ref.	Metric	Source	Year 1	Year 2	Year 3
E1	Total annual revenue	Composite	15,000,000,000	15,000,000,000	15,000,000,000
E2	Potential business losses due to document management violations	Composite	0%	0.5%	0.5%
E3	Percentage of credit attributed to iManage	Interviews	0%	5%	5%
Et	Enhanced document security and risk mitigation	$E1 * E2 * E3$	\$0	\$3,750,000	\$3,750,000
	Risk adjustment	↓20%			
Etr	Enhanced document security and risk mitigation (risk-adjusted)		\$0	\$3,000,000	\$3,000,000
Three-year total: \$6,000,000			Three-year present value: \$4,733,283		

UNQUANTIFIED BENEFITS

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

- Improved employee retention including more time available for higher-value activities.** iManage improved employee productivity by eliminating or reducing time spent on daily mundane administrative document management and storage tasks. The manager of information services at the oil and gas organization said: “There are different things law team members can do with the time they reclaim. They can spend that time raising the bar for themselves and doing more important work, or they can dedicate time to contribute to health and work-life balance.” Ultimately, improving EX contributed to better employee retention rates.
- Enhanced knowledge of management and business continuity.** Deploying iManage removed the risk of losing access to information when a legal team member transferred within or left the company, or if content was accidentally or deliberately deleted. This functionality proved

especially useful during the COVID-19 pandemic for the oil and gas organization. The manager of information and services there described how iManage’s functionality enabled work to continue with any device, from any location, and at any time of day: “[During COVID-19], our CEO remarked how thankful they were to have made the investment in iManage prior to 2020, and that we could seamlessly transfer people to work from home. If we [hadn’t invested in iManage], we would have been dead in the water.”

- Improved onboarding and offboarding processes.** New hires and employees who changed roles could access the documents they needed to do their jobs more quickly. The manager of information and services at the oil and gas organization confirmed the efficiency gains: “One big area of impact is the offboarding and onboarding process. When people are changing roles, it is so much quicker to get them up to speed if everything is in iManage where everyone can see it. From talking to people who had been onboarded prior to the investment in iManage, we know that people often couldn’t find what they needed. Now, it is all set up in iManage

and we hear the onboarding process is great. I would say in onboarding, iManage saves at least days, if not weeks.”

- **Mitigated brand reputation risk.** iManage enabled organizations to decrease the risk of security incidents involving content from the legal department. The manager of information and services at the oil and gas organization specifically mentioned the variety of ways organizations can securely share content externally, including via expiring links that improve their security posture. Additionally, given the highly sensitive nature of the content, any security or compliance incidents involving legal documents can risk their brand reputation. One interviewee noted that prior to using iManage, their organization had one or two incidents each year when some intellectual property was accessed without authorization and leaked to the press, injuring its brand and image. As iManage Work provides better security, control, and visibility around who is granted access to specific content, the organization has not had an incident since.
- **Better technology drives better client experiences that improve revenue.** For projects and matters handled across multiple practice areas, having the legal team store their documents in the same place made it easier to identify and engage with other practice areas that were working on various aspects of a given project or matter. The legal team could provide colleagues in other functional areas with read-only access as needed (e.g., when a mergers and acquisitions practice needed to work closely with the finance department on a pending transaction). Easier collaboration across functional areas and with external partners improved the organizations’ abilities to make informed business decisions that improved business performance or CX to ultimately generate additional revenue.

“iManage offers employees a tool that enables them to find what they need quicker, which helps them get their work done quicker. There are a couple of different things employees can do with the time back. They can spend the time raising the bar for themselves and doing more important work, or they can use the time to improve their health and work-life balance.”

Manager, information and services, oil and gas

FLEXIBILITY

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

- **Moving to the cloud guarantees usage of future iManage capabilities.** Interviewees noted their organizations were generally either using additional parts of the iManage platform or considering moving to the cloud version of iManage to take advantage of additional and future capabilities, including: Security Policy Manager for additional data protection, Records Manager for physical and electronic records, and Threat Manager for advanced internal and external threat detection.

Additionally, a vice president of technology management at the financial services organizations described the importance of moving to the cloud to make the most of

iManage's large partner network and API capabilities: "Most importantly, we'd like to use the various integration connection points with more online capabilities, including calling and collaboration tools as well as co-authoring functionalities that we could really only leverage if we were in the cloud version."

The information manager at a consulting organization further connected the move to the cloud to having access to best-of-breed capabilities for content storage and sharing on an ongoing basis.

- **Recognizing that content without context is just text.** The vice president of technology management at the financial services organization explained the importance of furthering knowledge management capabilities at their organization regarding lending more context to the content they now have readily accessible through iManage: "Having libraries of documents and having them accessible to a wide array of people doesn't necessarily make it meaningful or helpful without knowing what the purpose of those documents are or why they're meaningful. That is exactly what we plan to embark on next, which is to explore other knowledge management capabilities within the iManage product line to say, how do we make the content come to life now. For example, how do we tag it in a way that we know that these are the memos or opinions that sit within this repository, or this contract is meaningful and useful to you, and here's why it's a template and who to go to if you want more information about it, and here are the key things that this document represents that makes your time worthwhile and therefore we want to surface it in an easy manner."
- **Generative AI is the future.** One set of capabilities that iManage and their clients have on their product roadmaps currently is generative AI. The information manager at the consulting

organization described the organization's targeted AI use cases: "I'm going to be using generative AI in a natural language manner to ensure that we are using the real knowledge that we have over the 30 million documents we have in our system. The idea is that if we have precedents set in our stored documents, we can generate a proposal or letter based purely on the existing information in our iManage environment. We could also imagine using AI to find information, pull it out of an existing document, and put it into a table in [a spreadsheet]."

The same interviewee indicated that generative AI may seem like a future flexibility option, but the precedent is set, especially amongst younger generations in their offices who would rather use natural language and AI over the traditional search functionality to facilitate their work.

iManage is actively working with customers as part of the company's Early Access Program to validate the results they see with generative AI, and to ensure the approach includes the right security and governance protections.⁴

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

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
Ftr	Fees paid to iManage	\$0	\$155,520	\$194,400	\$233,280	\$583,200	\$477,310
Gtr	Internal ongoing costs to deploy and maintain iManage	\$360,000	\$539,520	\$548,400	\$557,280	\$2,005,200	\$1,722,389
	Total costs (risk-adjusted)	\$360,000	\$695,040	\$742,800	\$790,560	\$2,588,400	\$2,199,699

FEES PAID TO IMANAGE

Evidence and data. The composite organization pays an annual fee to iManage to use its platform. The price is determined for each user on a monthly basis and will vary based on the number and type of licenses purchased. The composite could choose between full or collaborator licenses.

Modeling and assumptions. For the composite organization, Forrester assumes that:

- It initially spends \$129,600 on user licenses, which includes 200 full licenses and 100 collaboration licenses.
- Each full license costs \$49 monthly and the collaborator license costs \$10 monthly.
- It deploys iManage Threat Manager in Year 2. This is included in the original contract so no additional cost is incurred.

- As the use of iManage grows in legal, compliance, and their business counterparts, the investment also expands, growing to \$162,000 in Year 2 and \$194,400 in Year 3.

Risks. The following risk factors may affect the extent to which an organization experiences these costs:

- Individual license costs will vary based on the number of iManage users.
- The speed at which iManage is adopted by the organization will impact the growth of licenses over time.

Results. To account for these risks, Forrester adjusted this cost upward by 20%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$477,300.

Fees Paid To iManage						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
F1	Number of full licenses	Composite	\$0	200	250	300
F2	Number of collaborator licenses	Composite	\$0	100	125	150
F3	Monthly cost per full license	iManage	\$0	\$49	\$49	\$49
F4	Monthly cost per collaborator license	iManage	\$0	\$10	\$10	\$10
F5	Total cost for full licenses	$F1 \times F3 \times 12$	\$0	\$117,600	\$147,000	\$176,400
F6	Total cost for collaborator licenses	$F2 \times F4 \times 12$	\$0	\$12,000	\$15,000	\$18,000
Ft	Fees paid to iManage	$F5 + F6$	\$0	\$129,600	\$162,000	\$194,400
	Risk adjustment	↑20%				
Ftr	Fees paid to iManage (risk-adjusted)		\$0	\$155,520	\$194,400	\$233,280
Three-year total: \$583,200			Three-year present value: \$477,310			

INITIAL AND ONGOING COSTS

Evidence and data. The following factors influenced the costs to initially deploy and maintain iManage:

- The interviewees incurred indirect costs for internal labor to plan for and deploy iManage. They spent upfront time researching iManage, preparing for the implementation, and executing the plan.
- Interviewees also invested time working with their information workers to understand their needs for a document management system. They spent time documenting these needs and writing user guides, which proved crucial to the deployment's success.
- Most interviewees invested in professional services to tailor the solution to their individual needs and integrate the platform with their legacy solutions.

Modeling and assumptions. For the composite organization Forrester assumes:

“Everyone needs very clear instructions on what, where, and how to use iManage. We’ve talked to each group in our law function to learn exactly what knowledge is to our law function. We’ve provided a written reference guide that says, “Here’s what we heard your knowledge comes from and how it should be organized in iManage.” It’s like a gigantic 730-person puzzle. Unless you make the technology useful for the people that need to use it, they will not use it correctly and won’t adopt it.”

Manager information and services,

- One FTE spends six months planning for iManage's implementation.
- The composite organization spends \$200,000 in professional services to deploy iManage.
- In Years 1, 2, and 3, the composite organization invests in one FTE to perform change management around the organization to ensure a well-adopted solution.
- Each employee takes 2 hours of training during the initial rollout of iManage.

Risks. The following risk factors may affect the extent to which an organization experiences these costs:

- Implementation and training will vary depending on each organization's internal processes regarding vendor onboarding.

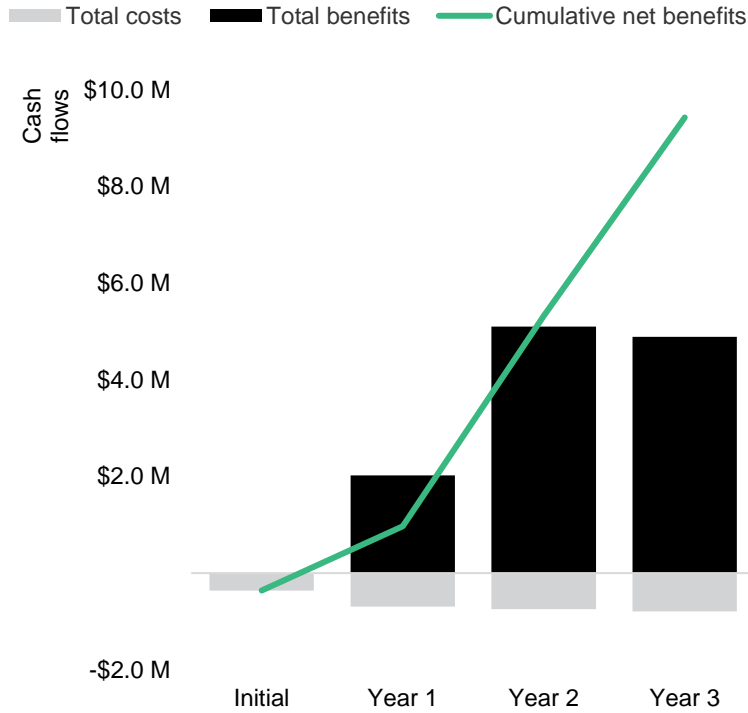
Results. To account for these risks, Forrester adjusted this cost upward by 20%, yielding a three-year, risk-adjusted total PV of \$1.7 million.

Initial And Ongoing Costs						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
G1	Internal planning and ongoing management costs	Composite	\$100,000	\$200,000	\$200,000	\$200,000
G2	Change management costs	Composite	\$0	\$200,000	\$200,000	\$200,000
G3	Ongoing technical management costs	Interviews	\$0	\$20,000	\$20,000	\$20,000
G4	Costs for employee training	B1*B9*2 hours	\$0	\$29,600	\$37,000	\$44,400
G5	Third-party implementation costs	Composite	\$200,000	\$0	\$0	\$0
Gt	Initial and ongoing costs	G1+G2+G3+G4	\$300,000	\$449,600	\$457,000	\$464,400
	Risk adjustment	↑20%				
Gtr	Initial and ongoing costs (risk-adjusted)		\$360,000	\$539,520	\$548,400	\$557,280
Three-year total: \$2,005,200			Three-year present value: \$1,722,389			

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	(\$360,000)	(\$695,040)	(\$742,800)	(\$790,560)	(\$2,588,400)	(\$2,199,699)
Total benefits	\$0	\$1,865,658	\$5,284,036	\$5,702,443	\$12,852,136	\$10,347,365
Net benefits	(\$360,000)	\$1,170,618	\$4,541,236	\$4,911,883	\$10,263,736	\$8,147,666
ROI						370%
Payback period (months)						Less than 6

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 Source: "[Five Lessons Learned From The Forrester Wave: Content Platforms, Q2 2021](#)," Forrester Research, Inc., August 3, 2021.

² Source: "[ESM: The Software Platform For Knowledge Workers](#)," Forrester Research, Inc., May 3, 2022.

³ Source: "[SEC Charges 11 Wall Street Firms with Widespread Recordkeeping Failures](#)," U.S. Securities And Exchange Commission press release, August 8, 2023.

⁴ Source: "[iManage Announces iManage AI, A Powerful New AI Engine To Transform Knowledge Search Across Its Platform](#)," iManage press release, August 21, 2023.

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