

*Improve your financial control environment
while saving time and money with ComplianceManager*



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About ComplianceManager ROI Data

We have been collecting return on investment data since 2005. The return on investment data in this document comes directly from our clients, including both analytical and anecdotal evidence.

Analytical evidence of our return on investment has been gathered from three main sources that assess metrics before and after ComplianceManager implementation:

- (1) SOx consulting firms who measure return on investment based upon a reduction in their team's time sheets for both specific SOx activities and the overall SOx project,
- (2) Client analysis of invoices from their external auditors and external consultants, and
- (3) An internal ROI study of client efficiency and effectiveness based upon both reductions in the amount of time spent on SOx activities and improvements in SOx results over time.

Anecdotal evidence of our return on investment comes directly from client feedback regarding the amount of actual productivity and/or cash savings gained as a result of implementing ComplianceManager.

Both the Analytical and Anecdotal evidence contain both objective and subjective factors that help prospective clients assess the return on investment that they can expect from ComplianceManager.

We also encourage all of our prospective clients to speak with our existing client base in order to ask about other factors that are important in purchasing a SOx system, such as consistently high levels of customer service, software reliability, data security and responsiveness.

What ROIs Can You Expect?

In general, ComplianceManager value has been documented to result in cash savings, staff productivity gains and an enhanced financial controls environment. The following commonly identified ROIs are demonstrative of these three categories:

- (1) **Reductions in both engagement time and invoiced cost for external auditors** that review management's SOx work and assertions;
- (2) **Reductions in both engagement time and invoiced cost for external consultants** that are hired to perform SOx-related activities on behalf of management;
- (3) **Productivity gains** for the SOx compliance staff, including efficiencies not only for the core SOx team, but also for tangential personnel, such as employees at both the staff and executive levels;
- (4) **Increased non-SOx activities** (e.g. increases in non-SOx operational audits) which are a direct result of SOx team members having more time to spend on other important non-SOx projects;
- (5) **Enhanced SOx compliance results and improved financial control environment** awareness and accountability down to the process owner level; and
- (6) **Improved "Tone at the Top"** and satisfaction with financial control risk management among the Board, Management, Internal Audit Department and External Auditors due to greater visibility, centralization and reliability of SOx compliance data.

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Overall SOx Project ROIs

Clients that have replaced legacy SOx tools or desktop tools (e.g. Excel, Word, Outlook, Visio, Project, Sharepoint, etc) with the ComplianceManager SOx Compliance system have experienced the following actual Returns on Investment (ROI). These results are based upon direct client feedback through 2012.

Up to 60% Reduction in Total SOx Project Time

Our clients have found that using ComplianceManager to automate their Sarbanes-Oxley compliance projects has resulted in projects being finished in less than half the time.

According to our clients, this is due to ComplianceManager's ability to automate the tedious and time consuming aspects of both SOx project administration and individual SOx tasks performed by core team members. Automated ComplianceManager features mentioned by clients during feedback included:

- (1) Automating task management workflow so that all team members know, and are reminded, what needs to be done and when;
- (2) Eliminating data "double-entry" across multiple documents and reports by centralizing and automating data changes and updates; and
- (3) Reducing SOx team member effort, by creating turn-key SOx documentation on demand, enabling team members to focus on the important audit issues and analysis;
- (4) Providing a dedicated Customer Service staff who stay with the SOx team perpetually and who are subject matter experts for both SOx audit methodologies and the ComplianceManager system.

Up to 56% Increase in Non-SOx Audit Activity

Not surprisingly, saving time on SOx has a direct impact on increasing the team's availability for non-SOx projects.

For example, despite shrinking budgets and resources, our clients' Internal Audit departments provided feedback that they were able to expand their operational audit activity after implementing ComplianceManager. Before ComplianceManager, the SOx project accounted for 65-100% of their annual audit plan, leaving little time for other operational audits desired by management. After ComplianceManager, SOx accounted for 35-44% of their annual audit plan schedule.

Decrease in Cost and Effort of Consultants and External Auditors

Clients who pay external consultants to perform SOx test work, or external auditors to review and opine on management's assertions, typically see a decrease in both engagement time and money spent on SOx.

While the majority of our clients have told us that their external auditor and external consultant SOx bills have decreased as a result of ComplianceManager, it is difficult to calculate an average year over year savings amount that applies to all companies because engagement scope and auditor billing practices differ by client. However, the following 2012 client feedback helps illustrate this ROI:

- (1) A client in the Services sector with 5200 employees and \$6.9B in annual revenues informed us recently that their calculations demonstrate ComplianceManager saves them more than \$500,000 per year on their "Big 4" external audit firm's invoice.
- (2) Similarly, a Technology sector company with 866 employees and \$163M in annual revenues told us that ComplianceManager is saving them approximately 40% on their SOx consultant invoices.

- (3) Consulting firms who use our system as their primary SOx tool for their SOx engagements have documented results from their time-sheets showing that partners and managers have been able to reduce their SOx testing review time by 50% across all client engagements.

Average 43% Year-over-Year Reduction in Identified Control Exceptions

Clients who are new to ComplianceManager have reported that the number of identified internal control exceptions (e.g. failed tests of design or effectiveness) has decreased between 26% and 60% in the first three years of use.

Our clients attribute this to improved visibility, centralization and data analysis tools provided by ComplianceManager, which helps to (1) increase process owner awareness, involvement and accountability, (2) establish a more dynamic change management process over the control environment; (3) improve real-time visibility of what's happening in the SOx project on a daily basis; and (4) effectively test and remediate deficiencies with a consistent, automated methodology.

Productivity Value is Equivalent to 2+ Full Time Employees (FTEs)

Since 2008, our clients have increasingly monitored their internal audit team's time and productivity due to declining budgets. These same clients have indicated that productivity gains from ComplianceManager are equivalent to 2-2.5 FTEs for large-cap companies and 1-1.5 FTEs for small and mid-cap companies.

For example, one of our clients, a Technology sector company with 12,000 employees and \$5B in annual revenues, was able to re-assign 6 of their 10 SOx team members to other internal audit programs during the first two years after implementing ComplianceManager.

Up to 62% Productivity Gains for Process Owners and Certifiers

Clients who use ComplianceManager to automate their certifications, sub-certifications, narrative reviews, PBC list document requests and roll-forward assessments have reported that those tasks are being completed by process owners in less than half the time it took prior to ComplianceManager.

80% Less Time Spent on Reporting and Data Aggregation

Our clients have found that they can now aggregate, report and analyze SOx data in 1/5th of the time using ComplianceManager's dashboards and reporting tools.

While there is extensive client testimony on this ROI, the best illustration is the following recent email to us from one of our clients:

"Here's a scenario that happened to me this morning. Feel free to use it as you see fit:

"Time of call requesting summary of SOX project status for CFO for audit committee meeting: **8:50 am**

"Audit committee meeting start time: **9:00 am**

"Advanced warning the meeting was taking place or that the request was coming: **Zero**

"Elapsed time to prepare summary of project status suitable for presentation by CFO to Audit Committee: **14 minutes** (Yes, I was 4 minutes late, but apparently he wasn't going in to the meeting right away.)

"Value of ComplianceManager software: **Priceless**"

SOx Toolset ROI

Many of our clients have indicated that their ROIs are a direct result of ComplianceManager's integration of a large SOx toolset with automated workflow and reporting. While that is true, there are specific SOx features that our clients have also specifically praised from an ROI perspective.

Project Roll-Out

When existing clients are ready to start a new SOx project, they can simply duplicate their last project, so that they are ready to roll it out and start testing globally in minutes.

Side-by-Side Comparison of Historical Data

The Project Selector list allows users to find historical SOx data instantly and then view it in a side-by-side browser window. This feature eliminates training time and re-work because users can easily refresh their memory of how they addressed a task or issue in a prior year.

Personalized To-Do List and Workflows for Every User

For all users, the To Do List is a time-saving feature that tracks what each user needs to do, with 1-click navigation to their tasks. From the beginning of your SOx project to the end, ComplianceManager personalizes each user's experience with real-time updated To-Do lists, reminders, dashboards and task-specific work papers created just for them. Internal control awareness and accountability are enhanced using our intelligent workflow, which continuously routes, tracks, records, evaluates and directs each user in the compliance process.

Drill-Down Dashboards Updated in Real-Time

Each stage of the SOx Project has a corresponding executive dashboard showing the current status of every SOx task and whether any tasks require follow-up. With ComplianceManager, every person in your SOx project knows exactly what needs to be done, where to document it, and when. If they forget, ComplianceManager reminds them. If their work product triggers a follow-on task or input by another team member, then ComplianceManager notifies the other team member when it's his or her time to contribute, and creates the necessary online documentation to record the results. And during all of this activity, the SOx project coordinators know exactly what everyone's doing, the problems they discover, and what they're doing to fix them, as they do it.

Narrative Updates and Instant Global Changes to SOx Documentation

ComplianceManager builds and updates your narratives. Process owners can review narratives and any changes they request are fully documented on-screen. Once changes are approved, ComplianceManager automatically updates all SOx documentation related to those changes. For example, if the text of a control activity has changed, then ComplianceManager updates that control activity language in all related SOx documents, such as the Narrative, Risk Control Matrices, Test Plans, Remediation Plans, Deficiency Assessments, SAD Analyses, and Reports. Global changes can also be made by Administrators and Coordinators from a single location in the Controls Setup area.

Automated PBC List and Document Collection

The Document Request feature saves our clients time and money by providing a centralized and automated workflow to request, collect and update documentation evidence required for their internal SOx work or for

their external auditors' review. As documents are uploaded, ComplianceManager can automatically add links on related application pages so that users don't need to leave the page they are on to access or review relevant documentation.

Integrated Testing and Remediation Workflow

Testing is where our clients spend the majority of their time, so we are pleased to report that much of their positive feedback focuses on our testing tools. ComplianceManager builds and updates every on-screen test plan so clients don't have to. Additionally, both client and external auditor feedback has emphasized both the simplicity and completeness of the test workspace. Everything needed for both testing and auditor review is on one well-organized page with communication tools to collaborate with team members regardless of their location globally. And when controls fail, ComplianceManager's integrated remediation and re-testing workflow further enhances team member efficiency with automation.

IT Systems Inventory

With the increasing regulation of IT systems and data security, and the onset of revised IT standards such as SSAE-16 and the Trust Services Principles, it is no surprise that external auditors have increased the depth of their SOx IT reviews for both automated and IT-dependent control activities. As a result, a growing number of our clients are leveraging ComplianceManager's IT Systems Inventory feature which provides instant visibility to IT systems data and links that data directly to each related control's test plan.

Deficiency Assessment and SAD Analysis

ComplianceManager is the only system to provide both a dedicated Deficiency Assessment workspace and an automated deficiency assessment workflow based upon the latest practice guidance from the Big 4. When control gaps exist or when controls fail in testing, ComplianceManager builds a deficiency assessment on-screen work paper with the relevant information and decisional-tree workflow to assess the deficiency level to be reported to external auditors.

Automated Certifications

ComplianceManager is the only SOx compliance system to automatically create and distribute SOx assessments and certifications down to the control activity level. Additionally, the ComplianceManager certification workflow tool can be used for sub-certifications, rep letters and a series of other SOx-related documentation that requires employee responses and sign-off. With ComplianceManager distribution is easy, and the process is simple enough that no training is needed by recipients. Responses to certifications and questionnaires are recorded and stored in one central location, so you can monitor status in real-time, resolve problems, and create instant reports. Best of all, our web form designer tools are so flexible that clients continually discover new ways to maximize their efficiency using ComplianceManager.

External Auditor Review

According to our client feedback, external auditors find ComplianceManager easy to use, and typically spend less time and have a higher comfort zone when reviewing management's assertions in ComplianceManager. ComplianceManager provides a central workspace for auditors to immediately retrieve all relevant and actionable information, but also automatically restricts external auditor access based on permissions defined by our client, so that they only see the information they need to complete their review and opine on management's financial control assertions.

Top 10 Reasons Clients Choose ComplianceManager

- 1 Automated Workflow**

ComplianceManager's superior workflow allows all of your compliance work to be performed within the same system. This prevents wasteful double entry and time lost to redundant activities, and allows projects to be performed in half the usual time.
- 2 Real-time Reporting**

Need a complete audit trail of your compliance project? No problem. ComplianceManager makes it easy to run standard reports as well as create completely customized queries on any data set at no additional cost.
- 3 Reliable**

Having a reliable web service is critical for any project. ComplianceManager has maintained a 99.99% uptime reliability record for every year of operation.
- 4 Easy to Use**

ComplianceManager was designed with the end user in mind. Recipients of policies and certifications require zero training, while users with more advanced Administrative roles need just a few hours of training.
- 5 Acclaimed Customer Service**

We take the "service" part of Software as a Service (SaaS) to heart and provide exceptional support -- as all of our clients are happy to attest!
- 6 Cost Effective**

Our solutions have been proven to cut the average project time in half, and our customers have consistently seen significant efficiency gains using ComplianceManager. Do more with less!
- 7 Flexible**

ComplianceManager solutions are designed to be highly configurable and to adapt to your business needs. We grow with you as your compliance needs change.
- 8 Secure**

ComplianceManager partners with Rackspace to provide continuous state-of-the-art security that is more secure than most companies' own internal networks. There have been no security breaches in all our years of operations.
- 9 See Project Status at a Glance**

ComplianceManager lets you see the status of your compliance projects at a glance, with real-time updates and dashboards to help you effectively monitor your projects.
- 10 We Know Our Stuff**

ComplianceManager is run by former Financial, Audit and Legal executives who know what it's like to manage critical compliance projects. Your concerns are our concerns and every one of our clients is more than happy to share their experiences working with us. Our reliability, attention to detail and pledge of commitment is our life blood. We're ready to help you streamline your compliance projects today.