The Total Economic Impact™ Of Thomson Reuters Risk & Fraud Solutions
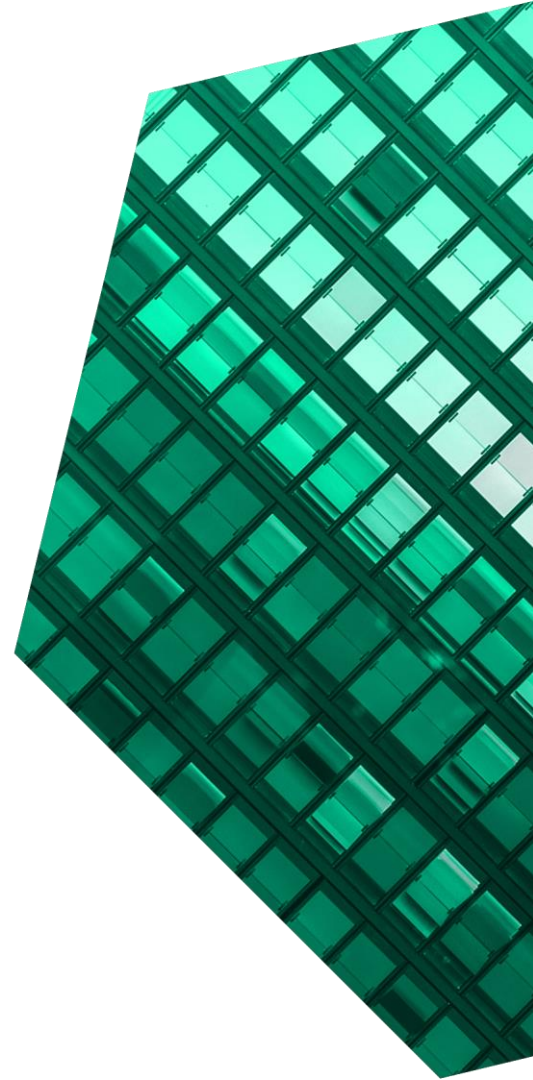
Cost Savings And Business Benefits
Enabled By CLEAR ID Confirm and Risk Inform

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Executive Summary

> Organizations from diverse industries use Thomson Reuters Risk & Fraud Solutions to efficiently onboard business relationships and monitor customers, merchants, and vendors while mitigating the risk of fraud.[1,2] With CLEAR ID Confirm and Risk Inform, organizations can more quickly and accurately confirm identification, assess and investigate risk, and ensure regulation compliance.

CLEAR ID Confirm and Risk Inform are due diligence and fraud prevention solutions that enable organizations to streamline and largely automate identity confirmations, risk assessments, high-risk account investigations, and regulation compliance. The CLEAR suite improves the accuracy and consistency of these processes by utilizing vast data sources organizations have confidence in, and the interface makes information easy for employees to interpret. In addition to driving more efficient processes, organizations use CLEAR ID Confirm and Risk Inform to make their business less risky and reduce the probability of a fine or loss in reputation. CLEAR allows for delivery mode flexibility and is available through an API, web browser, or batch service.

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 CLEAR ID Confirm and Risk Inform.[3] The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of CLEAR ID Confirm and Risk Inform on their organizations.

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed four decision-makers with experience using CLEAR ID Confirm and Risk Inform. For the purposes of this study, Forrester aggregated the interviewees'

KEY STATISTICS

Return on investment (ROI)
174%

Net present value (NPV)
$537K

experiences and combined the results into a single composite organization.

Prior to using CLEAR ID Confirm and Risk Inform, these interviewees noted how labor-intensive manual work beset their organizations' due diligence and fraud prevention processes. Additionally, the data employees depended on was often outdated, inaccurate, and unreliable. These struggles increased as the interviewees' organizations grew. Attempts to remedy these problems with smaller legacy tools and revised manual processes were unsuccessful.

After the investment in CLEAR ID Confirm and Risk Inform, the interviewees' organizations saw a significant increase in employee efficiency driven by more automated and accurate due diligence and fraud prevention processes. CLEAR ID Confirm and Risk Inform also reduced the probability of fines and reputation loss from noncompliance with industry regulations.

KEY FINDINGS

Quantified benefits. Risk-adjusted present value (PV) quantified benefits include:

- **More efficient ID confirmation by 40%.** CLEAR ID Confirm largely automates the process of confirming the legitimacy of customers' identities and surfacing synthetic identities by tapping into a large data set and displaying results that are easy for employees at the composite organization to understand. This makes employees engaging in ID confirmation more efficient and is worth nearly $203,000 for the composite organization over three years.

- **More efficient risk assessment by 40%.** Using automated processes based on the composite organization's specific criteria and defined thresholds, CLEAR Risk Inform generates an easy-to-interpret and data-driven score that calculates the risk of each customer. This enables employees at the composite organization to assess risk quickly and consistently. The acceptable risk thresholds and factors driving the score are configured by the composite organization, providing additional flexibility. This

"We're in time crunches. CLEAR makes us more efficient and prevents us from taking on fraudulent accounts. Our previous approach touched the surface. CLEAR takes a deeper dive."
Underwriting manager, payment processing

benefit is worth over $473,000 for the composite organization over three years.

- **Easier investigation of high-risk accounts by 20%.** By automatically pulling together detailed information into a comprehensive report that was easy to understand, staff could easily investigate high-risk accounts with CLEAR at the composite organization. This is worth nearly $68,000 for the composite organization over three years.

- **Improved processes to ensure compliance by 30%.** CLEAR allows the composite organization to meet compliance requirements more quickly by organizing needed compliance-related data together in one place. This helps the composite organization reduce the risk of fines or reputation loss. The time savings here is worth over $101,000 for the composite organization over three years.

Unquantified benefits. Benefits that are not quantified for this study include:

- **Flexibility of delivery mode.** CLEAR can be used through an API, a web browser, or batch service. Interviewees said that this variety allowed them to select the delivery mode that was best for them. Most interviewees' organizations chose the API for the added efficiency that came with integrating CLEAR with their internal systems. However, interviewees also enjoyed the flexibility of having web and batch service options available for certain use cases. One interviewee used a batch service to complete a large backlog of preexisting due diligence work. Others used web services, which could be up and running almost immediately, as they were in the process of implementing API.

- **Additional business from faster customer onboarding.** CLEAR streamlined the regulatory compliance and fraud prevention due diligence processes and allowed interviewees' organizations to eliminate onboarding delays that

occasionally caused prospective customers to look elsewhere. Some interviewees explained that this quick onboarding led to their organization winning additional business.

- **Improved customer experience.** By consistently making the onboarding process faster, CLEAR improved the overall customer experience at the interviewees' organizations.

- **Improved employee experience.** CLEAR eliminated frustrating and time-consuming

> **"We have automated [CLEAR] ID Confirm and Risk Inform for every customer that enrolls with us. There's much less of a manual decision-making process because of that. CLEAR makes things much more efficient and is just quicker from a workflow standpoint."**
> *Head of compliance, cryptocurrency*

> **"Using CLEAR leaves a positive impression for our business partners as well as our regulators."**
> *Chief compliance officer, insurance and securities*

The decision-maker interviews and financial analysis found that a composite organization experiences benefits of $846,000 over three years versus costs of $309,000, adding up to a net present value (NPV) of $537,000 and an ROI of 174%.

manual methods. Interviewees reported this improved their employees' experience.

Costs. Risk-adjusted PV costs include:

- **Yearly subscription costs.** The composite organization pays subscription fees for the use of CLEAR ID Confirm and Risk Inform through an API. This totals just under $286,000 for the composite organization over three years.

- **Implementation labor.** One employee at the composite organization dedicates time to the initial implementation of the API. This amounts to $23,000 for the composite organization over three years.
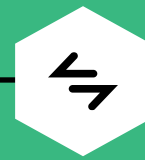
RETURN ON
INVESTMENT
(ROI)

174%

BENEFITS
PRESENT
VALUE (PV)

$846K

NET
PRESENT
VALUE (NPV)

$537K

PAYBACK

**<6
months**

Benefits (Three-Year)

More efficient ID confirmation	$203K
More efficient risk assessment	$474K
Easier investigation of high-risk accounts	$68K
Improved processes to ensure compliance	$102K
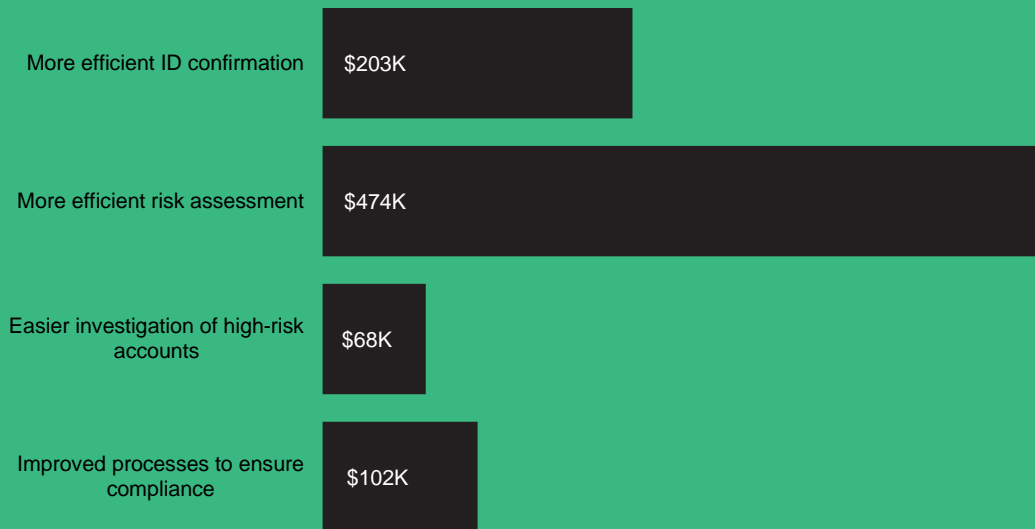
TEI FRAMEWORK AND METHODOLOGY

From the information provided in the interviews, Forrester constructed a Total Economic Impact™ framework for those organizations considering an investment in CLEAR ID Confirm and Risk Inform.

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 CLEAR ID Confirm and Risk Inform can have on an organization.

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 CLEAR ID Confirm and Risk Inform.

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.

DUE DILIGENCE
Interviewed Thomson Reuters stakeholders and Forrester analysts to gather data relative to CLEAR ID Confirm and Risk Inform.

DECISION-MAKER INTERVIEWS
Interviewed four decision-makers at organizations using CLEAR ID Confirm and Risk Inform 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 decision-makers.

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 Thomson Reuters CLEAR ID Confirm and Risk Inform Customer Journey

■ Drivers leading to the CLEAR ID Confirm and Risk Inform investment

Interviewed Decision-Makers			
Interviewee	**Industry**	**Employees**	**Annual revenue**
Chief compliance officer	Insurance and securities	8,000	$10 billion
CEO	Banking	30	$30 million
Underwriting manager	Payment processing	500	$50 million
Head of compliance	Cryptocurrency	80	$15 million

KEY CHALLENGES

Before deploying CLEAR, most interviewees' organizations relied on manual methods to locate publicly available data. Some also used smaller legacy solutions at different points in the fraud prevention and due diligence process but lacked a comprehensive tool consistently that they used throughout the process.

Interviewees turned to CLEAR ID Confirm and Risk Inform after struggling with common challenges, including:

- **Due diligence too labor intensive.** Interviewees said their processes to perform due diligence and prevent fraud required too much employee labor. The manual methods and smaller legacy solutions that employees depended on were inefficient and became unsustainable over time, especially as the organizations grew.

- **Data not reliable.** Employees at interviewees' organizations often did not have confidence in the data they located. Data could be old, irrelevant, duplicative, and sometimes even false. This undermined the accuracy of their due diligence efforts.[4]

- **Data unclear.** The data that interviewees' organizations relied on often lacked necessary

details or context. One recurring problem for interviewees' organizations was that employees did not fully understand information related to legal infractions. They had difficulty determining the severity of infractions, especially when comparing them across jurisdictions.

- **Meeting compliance and reporting obligations.** It was challenging to keep up with compliance standards as rigorously as interviewees' organizations wanted. Backlogs of compliance work required a lot of the employees' focus, but this was not always possible given the other work they needed to complete. Some interviewees expressed a desire to reduce their organizations' level of risk from missing compliance requirements.

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 decision-makers that Forrester interviewed and 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 midsize organization operating in

the United States with 500 employees and $200 million in annual revenue. The composite organization has a compliance team with 15 members.

Deployment characteristics. The composite organization uses CLEAR to confirm identities exist and assess the risks of doing business with customers, merchants, and vendors, as well as to assist with in-depth investigations as needed and to meet compliance obligations. CLEAR is used by the composite organization for fraud prevention and compliance purposes related to business transactions and regulatory compliance, and not for any purpose governed by the Federal Fair Credit Reporting Act (FCRA). Fifteen employees use CLEAR regularly. CLEAR replaces a small legacy fraud prevention tool as well as the manual methods that the composite organization previously relied on.

The composite organization's use of CLEAR includes both ID Confirm and Risk Inform delivered through an API. Implementation takes four months.

Key assumptions
- **500 employees**
- **15 compliance team members**
- **$200 million In annual revenue**
- **Operations in the US**

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	More efficient ID confirmation	$81,600	$81,600	$81,600	$244,800	$202,927
Btr	More efficient risk assessment	$190,400	$190,400	$190,400	$571,200	$473,497
Ctr	Easier investigation of high-risk accounts	$27,200	$27,200	$27,200	$81,600	$67,642
Dtr	Improved processes to ensure compliance	$40,800	$40,800	$40,800	$122,400	$101,464
	Total benefits (risk-adjusted)	$340,000	$340,000	$340,000	$1,020,000	$845,530

MORE EFFICIENT ID CONFIRMATION

Evidence and data. Interviewees' organizations used CLEAR ID Confirm functionality to make sure prospective customers were who they said they were. With CLEAR, the process became more automated and consistent. This allowed employees who confirmed ID to do their jobs more efficiently.

- Interviewees described their processes to confirm identities prior to CLEAR as inefficient and lacking certainty. They relied on time-consuming manual methods that often turned up data that was outdated, irrelevant, or incorrect.

- Interviewees explained that CLEAR ID Confirm largely automated the process of identity confirmation by tapping into CLEAR's data. Interviewees described it as large, reliable, and regularly updated.

- Furthermore, interviewees said that CLEAR had an intuitive look and feel, and that results were self-explanatory.

- In addition to saving time, interviewees emphasized that CLEAR made ID confirmation procedures more consistent across their employees. The CEO in banking said, "Humans can make mistakes without consistent processes."

- Using CLEAR to confirm ID prevented the creation of fraudulent accounts at an early stage. The underwriting manager in payment processing said, "There have been cases where we have a merchant application in front of us for a person, and CLEAR let us know that the person was actually deceased."

More efficient ID confirmation

40% faster

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

- There are 10 employees who spend 30% of their time confirming IDs.

- Due to CLEAR, the employees save 40% of the time previously spent confirming IDs.

- The fully burdened annual salary for these employees is $80,000.

Risks. The benefit of more efficient ID confirmation will vary based on:

- The number of employees confirming ID and the amount of time they spend doing so.

- The processes and tools used to confirm ID prior to CLEAR.

Results. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of nearly $203,000.

More Efficient ID Confirmation					
Ref.	Metric	Calculation	Year 1	Year 2	Year 3
A1	Number of employees confirming IDs	Composite	10	10	10
A2	Percentage of time spent on confirming IDs	Composite	30%	30%	30%
A3	Percentage of time saved confirming IDs due to CLEAR	Interviews	40%	40%	40%
A4	Fully burdened annual salary	TEI standard	$80,000	$80,000	$80,000
At	More efficient ID confirmation	A1*A2*A3*A4	$96,000	$96,000	$96,000
	Risk adjustment	↓15%			
Atr	More efficient ID confirmation (risk-adjusted)		$81,600	$81,600	$81,600
	Three-year total: $244,800		Three-year present value: $202,927		

MORE EFFICIENT RISK ASSESSMENT

Evidence and data. Once employees at the interviewees' organizations confirmed a customer's identity, they assessed the likelihood that those customers would engage in fraud. CLEAR streamlined this process by generating an easy-to-interpret, data-driven Risk Inform score based on customers' specific criteria and risk ratings. In addition to saving time, interviewees said using CLEAR made their employees more consistent and objective. Furthermore, the scores were configurable so that staff could use them in a way that made the most sense for each organization.

- Prior to CLEAR, the interviewees' organizations assessed risk with manual methods and publicly available data; some also used smaller legacy solutions. These disparate tools resulted in inaccuracies and increased time spent on reviews that were often not comprehensive enough. Moreover, despite trying to enforce consistency, interviewees described the risk assessment process as overly subjective. Different employees ascribed different weight to certain risk metrics.

- Interviewees explained that CLEAR Risk Inform functionality made risk assessment more

efficient, similar to how CLEAR ID Confirm increased the efficiency of verifying identification. CLEAR provided interviewees' organizations a streamlined and largely automated process for assessing their customers' risk.

> **"Being able to customize CLEAR Risk Inform helps us because we can focus on what matters to us. We can also adjust it with the click of a button. Things that matter for our industry change, sometimes on a daily basis. That flexibility helps us immensely."**
> *Underwriting manager, payment processing*

- CLEAR utilized a data set interviewees described as vast, accurate,[5] and regularly updated to assign each customer a Risk Inform score that indicated the risk associated with the customer. Interviewees said that even though the data driving the score could be substantial and complex, the score itself was configured specific to their needs and the results were straightforward and easy to interpret. Informed by these scores, interviewees' organizations could decide for themselves the level of risk they wanted to take on.

- Interviewees said the Risk Inform scores allowed their employees to automatically accept low-risk customers. This made employees more efficient as they now spent little time working on those accounts. For accounts with higher risk, the scores indicated to employees the level of review

they should apply before making a final determination. The exact approach among interviewees' organizations varied, but interviewees described using these scores for both onboarding and ongoing monitoring of current customers.

- Interviewees said their organizations could easily change their unique risk threshold as they learned or as their objectives changed. The CEO in banking said: "Setting the risk threshold is a flexibility that's nice to have. We figured out what works for us. And we can quickly adjust it if needed."

- Over time, interviewees' organizations not only adjusted the level of risk they were willing to accept but also configured the underlying factors driving the score's calculation in the first place. For example, some interviewees set certain financial and violent crimes to carry greater weight. Though they could adjust hundreds of variables, interviewees said the configuration process was straightforward and enabled them to focus on what mattered to their organization.

- Interviewees stated that employees could configure Risk Inform scores in different ways for different groups. For example, some interviewees said that if the customer was a merchant engaged with highly regulated or potentially dangerous products, employees could configure the score to place greater weight on violent crime. Furthermore, the organization's leadership might require a stricter threshold before doing business with them. The interviewees' organizations could perform similar customization for other categories, such as service received, employee group, or location.

- All employees who assessed risk at interviewees' organizations relied on Risk Inform scores, leading to a more objective and standardized process.

- The head of compliance in cryptocurrency said: "With Risk Inform, we can set all these parameters and get a very consistent output every time. This is far superior to the way that we used to do it. We're eliminating 90% of the subjectiveness. This is especially important as we grow and bring on new investigators."

More efficient risk assessment

40% faster

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

- There are 10 employees who spend 70% of their time assessing risk.

- Due to CLEAR, the employees save 40% of the time previously spent assessing risk.

- The fully burdened annual salary for these employees is $80,000.

Risks. The benefit of more efficient risk assessment will vary based on:

- The number of employees assessing risk and the amount of time they spend doing so.

- The processes and tools used to assess risk prior to CLEAR.

- The extent to which the organization configures Risk Inform to meet the specific needs of the organization.

Results. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV of just over $473,000.

Ref.	Metric	Calculation	Year 1	Year 2	Year 3
More Efficient Risk Assessment					
B1	Number of employees assessing risk	Composite	10	10	10
B2	Percentage of time spent on assessing risk	Composite	70%	70%	70%
B3	Percentage of time saved assessing risk due to CLEAR	Interviews	40%	40%	40%
B4	Fully burdened annual salary	TEI standard	$80,000	$80,000	$80,000
Bt	More efficient risk assessment	B1*B2*B3*B4	$224,000	$224,000	$224,000
	Risk adjustment	↓15%			
Btr	More efficient risk assessment (risk-adjusted)		$190,400	$190,400	$190,400
	Three-year total: $571,200		**Three-year present value: $473,497**		

EASIER INVESTIGATION OF HIGH-RISK ACCOUNTS

Evidence and data. At interviewees' organizations, the subset of customers that were high risk required an in-depth investigation to determine whether the organization should do business with them. CLEAR ID Confirm and Risk Inform made that process more efficient and accurate by pulling together detailed information on these accounts into a report that was comprehensive and easy to understand.

- Interviewees' organizations used CLEAR ID Confirm and Risk Inform to confirm the identity and assess the risk of all prospective customers. After those steps, employees often knew whether to onboard the customer. But for a segment of accounts, the Risk Inform scores were high and employees flagged them for a deeper investigation before deciding to do business with the customers.

- CLEAR ID Confirm and Risk Inform allowed employees at interviewees' organizations to more effectively and efficiently investigate this subset of accounts singled out as high risk. CLEAR laid out relevant data on the customer in a report that interviewees described as easy to draw conclusions from. Employees utilized the full CLEAR report for each of these customers to better understand exactly what was driving the risk.

- Interviewees said the underlying data in each report was extensive and current. They also said it was transparent where the data was coming from.

- The head of compliance in cryptocurrency said: "With the CLEAR report, we get robust feedback on a customer in a consolidated and easy-to-read format. I think CLEAR exceeds the other options that are available."

- The reports allowed investigators to easily dive deeper into what mattered most to them. For

"CLEAR allows us to give more attention to higher-risk accounts that we still may be able to approve and do business with. CLEAR lets us take a deeper dive and, for instance, know the exact legal issues in the customer's background. The information and where it's coming from is pretty much self-explanatory."
Underwriting manager, payment processing

example, they used the reports to understand details of customers' legal issues with descriptions of crimes that were consistent across jurisdictions.

Easier investigation of high-risk accounts

20% faster

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

- There are two employees who spend 100% of their time investigating high-risk accounts.

- Due to CLEAR, the employees save 20% of the time previously spent on this task.

- The fully burdened annual salary for these employees is $80,000.

Risks. The benefit of easier investigation of high-risk accounts will vary based on:

- The number of employees investigating high-risk accounts and the amount of time they spend doing so.

- The processes and tools used to investigate high-risk accounts prior to CLEAR.

Results. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV of just under $68,000.

Easier Investigation Of High-Risk Accounts					
Ref.	**Metric**	**Calculation**	**Year 1**	**Year 2**	**Year 3**
C1	Number of employees investigating high-risk accounts	Composite	2	2	2
C2	Percentage of time spent investigating high-risk accounts	Composite	100%	100%	100%
C3	Percentage of time saved investigating high-risk accounts due to CLEAR	Interviews	20%	20%	20%
C4	Fully burdened annual salary	TEI standard	$80,000	$80,000	$80,000
Ct	Easier investigation of high-risk accounts	C1*C2*C3*C4	$32,000	$32,000	$32,000
	Risk adjustment	↓15%			
Ctr	Easier investigation of high-risk accounts (risk-adjusted)		$27,200	$27,200	$27,200
	Three-year total: $81,600		**Three-year present value: $67,642**		

IMPROVED PROCESSES TO ENSURE COMPLIANCE

Evidence and data. Interviewees said their organizations needed to abide by governmental regulations — as well as the rules of their private sector partners — related to finance. CLEAR ID Confirm and Risk Inform made the processes required to ensure compliance more efficient. Interviewees also said that because of CLEAR, their organizations had less risk of a fine or a reputation loss.

- For example, the interviewed chief compliance officer's insurance and securities firm used CLEAR to validate information provided by

employees that the employee is required to file to meet certain regulatory requirements.[6] This necessitated the employees disclosing events such as outside business engagements, litigation, and bankruptcies. Prior to CLEAR, ensuring compliance relied on self-reporting by the employees or the compliance team canvassing multiple databases individually.

- After CLEAR, the firm's staff could more efficiently collect the needed information. The process was also more thorough and accurate.

- The chief compliance officer in insurance and securities explained: "CLEAR provides significant value because of its ability to do all that

searching for us. It pulls the needed information together in a singular source. And we're able to run these searches quickly to make sure everyone is meeting compliance. We've sufficiently mitigated our regulatory and reputational risk. That's key."

"CLEAR absolutely reduces the chance that we have an event that leads to a fine or a loss in reputation and business. We're mitigating risk, which is important at both the individual rep level and the firm level, and the processes to ensure that are done quickly with CLEAR."
Chief compliance officer, insurance and securities

- Interviewees said they believed that the use of CLEAR reduced the probability their organization would face a fine or a loss in reputation.

- The head of compliance in cryptocurrency said: "CLEAR definitely helps our reputation with other financial institutions, with other exchanges, and with regulators. CLEAR lets us go above and beyond."

- The CEO in banking said, "We have greater peace of mind because of CLEAR."

Improved processes to ensure compliance

30% faster

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

- There are two employees who spend 100% of their time on compliance assurance.

- Due to CLEAR, the employees save 30% of the time previously spent on this task.

- The fully burdened annual salary for these employees is $80,000.

Risks. The benefit of improved processes to ensure compliance will vary based on:

- The number of employees involved in compliance assurance and the amount of time they spend doing so.

- The processes and tools used to ensure compliance prior to CLEAR.

- The type of compliance assurance, as well as regulations and rules, relevant to the organization.

Results. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV of over $101,000.

Improved Processes To Ensure Compliance					
Ref.	**Metric**	**Calculation**	**Year 1**	**Year 2**	**Year 3**
D1	Number of employees involved in compliance assurance	Composite	2	2	2
D2	Percentage of time spent on compliance assurance	Composite	100%	100%	100%
D3	Percentage of time saved on compliance assurance due to CLEAR	Interviews	30%	30%	30%
D4	Fully burdened annual salary	TEI standard	$80,000	$80,000	$80,000
Dt	Improved processes to ensure compliance	D1*D2*D3*D4	$48,000	$48,000	$48,000
	Risk adjustment	↓15%			
Dtr	Improved processes to ensure compliance (risk-adjusted)		$40,800	$40,800	$40,800
	Three-year total: $122,400		**Three-year present value: $101,464**		

UNQUANTIFIED BENEFITS

Additional benefits that customers experienced but were not able to quantify include:

- **Flexibility of delivery mode.** The interviewees' organizations could use CLEAR ID Confirm and Risk Inform through an API, a web browser, or batch service. Interviewees expressed that this variety allowed them to select the delivery mode — or mix of delivery modes — that made the most sense given their organization and use cases. Most interviewees used CLEAR integrated with their internal system through an API and said that having this delivery mode offered added efficiency and flexibility. The head of compliance in cryptocurrency explained, "Once we did the API integration, the day-to-day due diligence process became more efficient and productive — the number of investigations our employees can do saw an improvement."

Interviewees described the delivery of CLEAR through a web browser as easy to use right away. Some interviewees' organizations took advantage of this while implementing their APIs. One interviewee had a preexisting backlog of due diligence work to complete, so their team decided to go with a batch service. The chief compliance officer in insurance and securities described the decision to use a batch service: "It made the most sense to go in that direction, so we did. It worked out very nicely. It was pretty seamless. We hit the ground running."

> **"The flexibility the API provides to us is great."**
> *Underwriting manager, payment processing*

- **Additional business from faster customer onboarding.** Some interviewees explained that their organization won additional business because of the increased speed with which they could process and approve customers. CLEAR streamlined the due diligence process and eliminated delays that sometimes led prospective customers to look elsewhere.

  The underwriting manager in payment processing explained: "Sometimes [whichever company] gets back with the approval the soonest is the one who's going to get the deal. With CLEAR, we make informed decisions more quickly. So, it's improved the speed with which my team gets deals on customers' desks. In some cases, we're able to turn the deal around on the same day."

> **"CLEAR acts as a case manager in some ways because everything is so centralized on their dashboard. It's all very neat and organized. It's really making our decision-making quicker when looking at the background data on an either potential customer or existing customer."**
> *Head of compliance, cryptocurrency*

- **Improved customer experience.** Interviewees said that their customers valued an efficient approval and onboarding process. CLEAR consistently made this faster at interviewees' organizations, improving the overall customer experience.

- **Improved employee experience.** Interviewees reported that their employees enjoyed their daily work more after the implementation of CLEAR. The platform allowed employees to look at easy-to-interpret information as opposed to engaging in frustrating manual methods. The head of compliance in cryptocurrency said: "CLEAR makes things a lot easier. The satisfaction among employees is high."

FLEXIBILITY

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

- **Add on familiar products.** Some interviewees said that their current use of CLEAR ID Confirm and Risk Inform to prevent fraud would make it easier to implement additional products from the CLEAR suite in the future as their needs evolved. Examples given were CLEAR products to detect fraud with automatic alerts as well as products to investigate fraud after the fact. Interviewees said being able to quickly deploy tools they had some familiarity with gave them added flexibility going forward.

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
Etr	Yearly subscription costs	$0	$115,000	$115,000	$115,000	$345,000	$285,988
Ftr	Implementation labor	$23,000	$0	$0	$0	$23,000	$23,000
	Total costs (risk-adjusted)	$23,000	$115,000	$115,000	$115,000	$368,000	$308,988

YEARLY SUBSCRIPTION COSTS

Evidence and data. Interviewees' organizations paid subscription fees to Thomson Reuters for the use of CLEAR ID Confirm and Risk Inform. Subscription costs were based on usage and functionality and were tailored for the particular needs of each client.

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

- Annual subscription fees total $100,000.

- The subscription includes ID Confirm and Risk Inform delivered through an API.

Risks. The cost of the yearly subscription will vary based on:

- Customer-specific pricing.

- Usage and functionality.

> **"I think CLEAR has been very good in terms of supporting us, just all the way around. They've always been available for us."**
> *Head of compliance, cryptocurrency*

Results. To account for these risks, Forrester adjusted this cost upward by 15%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of just under $286,000.

Yearly Subscription Costs

Ref.	Metric	Calculation	Initial	Year 1	Year 2	Year 3
E1	Yearly subscription costs	Interviews	$0	$100,000	$100,000	$100,000
Et	Yearly subscription costs	E1	$0	$100,000	$100,000	$100,000
	Risk adjustment	↑15%				
Etr	Yearly subscription costs (risk-adjusted)		$0	$115,000	$115,000	$115,000
	Three-year total: $345,000			**Three-year present value: $285,988**		

IMPLEMENTATION LABOR

Evidence and data. Employees at interviewees' organizations dedicated part of their time to the API implementation. At some organizations, this involved a small team each spending a few hours a week, while at others it involved only one employee committing more time. Interviewees said that in total their implementations took three to four months.

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

- For four months, one employee spends 50% of the workday dedicated to the API implementation.

- The monthly fully burdened salary of the employee is $10,000.

Risks. The cost of implementation labor will vary based on:

- The monthly fully burdened salary of the employee.

- The skill of the employee.

- The scope of the implementation.

Results. To account for these risks, Forrester adjusted this cost upward by 15%, yielding a three-year, risk-adjusted total PV of $23,000.

Implementation Labor						
Ref.	**Metric**	**Calculation**	**Initial**	**Year 1**	**Year 2**	**Year 3**
F1	Length of implementation (months)	Interviews	4	0	0	0
F2	Employees dedicated to implementation	Interviews	1	0	0	0
F3	Percentage of time dedicated to implementation	Interviews	50%	0	0	0
F4	Fully burdened monthly salary	Composite	$10,000	$0	$0	$0
Ft	Implementation labor	F1*F2*F3*F4	$20,000	$0	$0	$0
	Risk adjustment	↑15%				
Ftr	Implementation labor (risk-adjusted)		$23,000	$0	$0	$0
	Three-year total: $23,000		**Three-year present value: $23,000**			

Financial Summary

CONSOLIDATED THREE-YEAR RISK-ADJUSTED METRICS

Cash Flow Chart (Risk-Adjusted)
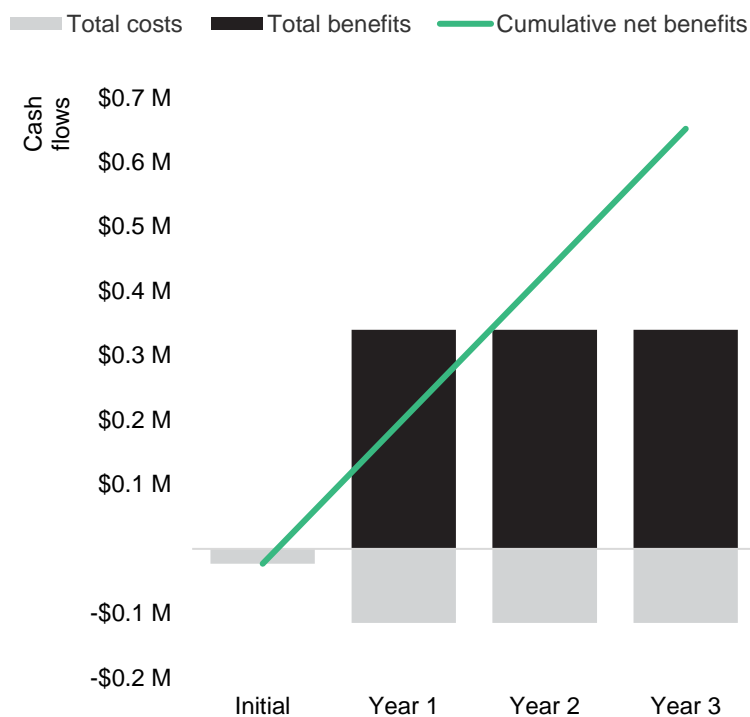
The financial results calculated in the Benefits and Costs sections can be used to determine the ROI, NPV, and payback period for the composite organization's investment. Forrester assumes a yearly discount rate of 10% for this analysis.

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	($23,000)	($115,000)	($115,000)	($115,000)	($368,000)	($308,988)
Total benefits	$0	$340,000	$340,000	$340,000	$1,020,000	$845,530
Net benefits	($23,000)	$225,000	$225,000	$225,000	$652,000	$536,542
ROI						174%
Payback period (months)						<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] Thomson Reuters is not a consumer reporting agency and none of its services or the data contained therein constitute a 'consumer report' as such term is defined in the Federal Fair Credit Reporting Act (FCRA), 15 U.S.C. sec. 1681 et seq. The data provided to you may not be used as a factor in consumer debt collection decisioning, establishing a consumer's eligibility for credit, insurance, employment, government benefits, or housing, or for any other purpose authorized under the FCRA. By accessing one of Thomson Reuters' services, you agree not to use the service or data for any purpose authorized under the FCRA or in relation to taking an adverse action relating to a consumer application.

[2] This Total Economic Impact study is specifically about an implementation of CLEAR that includes both ID Confirm and Risk Inform.

[3] 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.

[4] Thomson Reuters sources Public Records data from various third-parties, including government agencies and private data providers. The nature of the data and the collection processes limit Thomson Reuters ability to independently verify or validate the accuracy and completeness of the data and data is subject to change at any time without notice. All data is provided "AS IS" without any warranty of any kind.

[5] Source: Ibid.

[6] Thomson Reuters is not a consumer reporting agency and none of its services or the data contained therein constitute a 'consumer report' as such term is defined in the Federal Fair Credit Reporting Act (FCRA), 15 U.S.C. sec. 1681 et seq. The data provided to you may not be used as a factor in consumer debt collection decisioning, establishing a consumer's eligibility for credit, insurance, employment, government benefits, or housing, or for any other purpose authorized under the FCRA. By accessing one of Thomson Reuters' services, you agree not to use the service or data for any purpose authorized under the FCRA or in relation to taking an adverse action relating to a consumer application.

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