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On the Radar: SafeBase Builds a Platform for Third-Party Risk Verification

Summary

Catalyst

Providing cybersecurity compliance attestation to third parties can be a laborious process, often involving complex questionnaires and voluminous documentation. Doing so day in and day out to any number of clients or business partners is a huge and expensive headache for many organizations. SafeBase aims to streamline the process with its Trust Center platform, in which responses to common questions and compliance documentation can be compiled, stored, and shared, ready to be retrieved by authorized parties. The single-answer/multiple-access process is designed to save time and effort, particularly during a sales cycle, while integration with Salesforce provides assurance that only properly qualified companies can request and receive documentation. Removing friction from the security compliance portion of the sales process reduces costs and shortens sales cycles for both parties in a transaction, making SafeBase a company that can actually help an enterprise show a financial return on its security program.

Omdia view

The need to verify a vendor's security is a common problem in the corporate (or government) sales process. While there are a number of companies that tackle this problem from the buyer's side, SafeBase provides a solution from the seller's point of view. It makes sense: Why would a company *not* want to make it as easy as possible to complete the buying process? By providing an application with which companies can provide access to the documentation required to verify compliance with a variety of security regulations and standards, SafeBase is relieved of developing or gathering content—the company instead helps clients to onboard themselves to the application, the data for which resides on the client's infrastructure. By securely

providing an important service, allowing clients to control (and host) their own data, and streamlining the most time- and labor-intensive parts of the process SafeBase has established itself as a model for other companies seeking a profitable niche in enterprise cybersecurity.

Why put SafeBase on your radar?

SafeBase provides an application for vendors to easily and consistently provide documentation to verify their security and compliance status for enterprise customers. Integration with Salesforce allows SafeBase clients to limit access to this sensitive information to those with a legitimate “need to know,” which can be defined by the customer. Solving a common problem from the point of view of the seller rather than the buyer makes SafeBase worth keeping on your radar.

Market context

Third-party risk is a front-and-center issue for companies across multiple industry segments and many government agencies. One way to address the risk is through understanding how vendors and partners perform according to recognized standards and frameworks, such as the National Institute of Standards and Technology (NIST), the American Institute of Certified Public Accountants (AICPA), the International Organization for Standardization (ISO), and others. Providing documentation to verify compliance with these standards is labor-intensive and requires access to sensitive information.

This labor- and time-intensive process is also subject to error as documents are copied, unique questionnaires from various potential customers are filled out, and new audits are conducted. In addition, the potential for out-of-date information complicating a key business process, such as the sales cycle, is always a risk.

SafeBase allows security compliance attestation documentation to be shared and updated on an application on which the vendor can provide the information, after which it is made available to legitimate customers on a secure basis. When a new audit or certification document is received, it can be added to the SafeBase Trust Center immediately without requiring a change to other documents. This change is cost-effective because the new document can then be shared, without additional labor costs, with multiple customers, prospects, and other stakeholders.

A number of market solutions measure and mitigate third-party risk from the purchasing company’s point of view. These products, while effective, do little or nothing to reduce the cost of provider compliance. SafeBase, by contrast, is aimed at reducing the cost of provider compliance, while simultaneously reducing the transactional friction for purchasers. Although it is not a purchasing tool, it is not hard to imagine a vendor using a SafeBase Trust Center as a selling point for its ability to simplify verification and contract completion during the sales cycle.

Product/service overview

SafeBase was developed using LinkedIn as one of its models. Just as LinkedIn allows individuals to share different levels of personal information with those they deem to be legitimate receivers, a SafeBase Trust Center allows a company to share information on security certifications and compliance documents with customers and potential customers, who legitimately need to know this information. SafeBase has done this by writing a workflow that integrates a series of existing applications, which provide various services.

When a SafeBase customer begins setting up a Trust Center, existing security and compliance documentation is used to create a knowledge base. Any queries from customers can be checked against this knowledge base, which, according to the vendor, reduces the chance of inaccurate or incomplete attestation documentation for any particular regulation or standard.

With the knowledge base established, the SafeBase customer then uses SafeBase's custom integration to create connections to its Salesforce or other CRM in order to validate documentation requests. If the customer does not use a supported CRM, requests for access can trigger messages to Slack, Jira, or other communications or ticketing platforms. If the relationship between the customer and requester requires it, an NDA can be executed through SafeBase's DocuSign integration or the native clickwrap feature.

When a SafeBase customer adds information to the Trust Center, rules are created to govern access to that information. When a documentation request is made, the rules engine performs a Salesforce query to determine the status of the requestor (e.g., prospective customer). Because the connection is bidirectional, information that the customer has performed the security credential lookup is logged in Salesforce or other systems. Once granted, the request is fulfilled with watermarked documents, and the transaction or event is logged and stored as a data point. SafeBase's Analytics product allows customers to understand trends regarding document requests and to use that information to fine-tune or develop their sales processes and measure the revenue impact of their security programs.

According to SafeBase, the basic Trust Center creation process may be completed in as short a time as a few hours. Once complete, individual documents in the knowledge base can be revised without requiring major redevelopment or redeployment, and the principle of a single source of truth remains intact.

Company information

Background

SafeBase was started by Al Yang and Adar Arnon in 2020 when they were both students at Harvard Business School. Yang had started and sold a previous tech company, and he found the concept for SafeBase after going through multiple sales cycles in the previous company. Yang says that he found a recurring problem in those sales cycles: third-party risk review was not conducted effectively or efficiently. In most cases, he found that the process involved long-form security questionnaires, and a great deal of back and forth between teams at the customer and vendor, resulting in an unproductive amount of transactional friction. SafeBase was founded, he said, to solve that problem.

In March 2022, SafeBase announced an \$18 million Series A funding round, led by New Enterprise Associates (NEA). Headquartered in San Francisco, California, SafeBase has 55 employees and focuses on direct sales to midsize and enterprise customers.

Current position

SafeBase reports that there are more than 500 companies with Trust Centers today. Current customers include LinkedIn, Asana, Snyk, and Jamf. According to SafeBase, newer companies tend to use the Trust Center as a way to establish their risk *bona fides* with customers, while more established organizations send customers to the Trust Center as a ready way to share the information required for new contracts, as well as periodic updates to existing contracts and relationships.

The Trust Center provides customers with secure access to information through a number of different mechanisms. The primary method SafeBase encourages is integration with CRMs such as Salesforce, though integrations exist with many other products used in its customers’ typical workflows, with additional integrations on SafeBase’s roadmap.

SafeBase offers three different tiers of capability and pricing, from the “Starter” free tier that is limited in capabilities, end user counts, and third-party integrations, to the “Enterprise” tier that makes available all capabilities and integrations, including the use of artificial intelligence (AI) to provide assistance with answering security questionnaires. Pricing for tiers is based on the number of “accounts” (end users) that access and utilize a customer’s private Trust Center information.

Future plans

In the future, SafeBase intends to continue investing in technology that reduces friction in the security review process for both sellers and buyers. For example, planned new features will leverage AI to help sellers respond to “last-mile” security questionnaires that cannot be avoided using a Trust Center (e.g., from regulated industry buyers). These tools will focus on pulling information from the Trust Center and knowledge base to complete questionnaires, before exporting these answers into commonly used third-party risk management (TPRM) portals.

SafeBase is also exploring its own third-party risk product, to enable customers to utilize their Trust Centers to not only streamline inbound security reviews and requests but also conduct their own third-party reviews. This potential product will integrate with popular procurement systems and leverage AI and structured data across Trust Centers and security/compliance documents to take the pain out of third-party review.

Key facts

Table 1: SafeBase

Product name	SafeBase	Product classification	Software
Version number	1	Release date	N/A
Industries covered	B2B SaaS	Geographies covered	Worldwide
Size of target companies (i.e., enterprise, midsize, SMB, or all)	Enterprise & midsize	Licensing options	Annual subscription
URL	safebase.com	Route(s) to market	Direct
Company headquarters	San Francisco, California	Number of employees	55

Source: Omdia

Analyst comment

SafeBase has accomplished something that is often considered the holy grail for startups: it has identified a genuine, hard-to-fix business process pain point that nearly all companies face. SafeBase did not require the buildout of a huge infrastructure or massive new applications—the solution instead leverages investments that many companies will already have in place.

As third-party risk has become a larger concern in the enterprise, proving that a company does not pose a security risk to potential customers has become more important, and the process for doing that has become more complicated. By building a solution that allows a company to answer the questions once then securely propagate those answers to many customers, SafeBase has reduced not only the cost of answering each of those queries but also the chance of error creeping in when documents are recreated over and over again. For companies that sell a product or service, especially if they have customers in highly regulated industries, a service like that provided by SafeBase could be a huge factor in reducing costs and improving the customer service experience.

Other tools in the marketplace cover some of the tasks performed by a SafeBase Trust Center. BitSight, Security Scorecard, and Diligent are examples of companies with products that customer organizations can use to assess, document, and manage the risk posed by third parties. In each of these cases, though, the product's approach, scope, or specific point of view is different from that taken by SafeBase with its Trust Center.

SafeBase's approach means that its solution is highly scalable; there is little technical reason why the company should have significant constraints on growth. When you consider that sharing compliance and certification information is a requirement that will become more common, the opportunity for growth is significant.

With that said, SafeBase is leaning heavily on the first-mover advantage. It is building a solid customer base, but the barrier to entry for competitors is low, either in targeted industries or across multiple market segments. SafeBase's reputation and list of existing clients will be strengths, but it must continue to innovate to maintain its existing advantage.

Appendix

On the Radar

On the Radar is a series of research notes about vendors bringing innovative ideas, products, or business models to their markets. On the Radar vendors bear watching for their potential impact on markets because their approach, recent developments, or strategy could prove disruptive and of interest to tech buyers and users.

Further reading

[The value disparity of stolen data: A case study of a healthcare provider's third-party breach](#) (November 2023)

[Enterprise Security Management Research Agenda 2024](#) (October 2023)

[Omdia Market Landscape: The Products and Players Driving the Fast-Growing Market for Cyber Insurance](#)
(October 2023)

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