FORRESTER®

2016 Annual Report

Notice Of 2017 Annual Meeting
& Proxy Statement

To shareholders, clients, employees, and all members of our community:

Thank you for your continued support of Forrester. This letter augments the detailed descriptions of our business and financial performance contained in the attached 2016 10-K.

2016 In Review

In 2016, the company met its revenue guidance while exceeding targets for operating income and earnings per share.

2016 was the third year that Forrester has executed on its age of the customer strategy. Clients use our products and services to improve their customer experience and technology. In the new era of empowered buyers, these factors are critical ingredients in corporate growth strategies. Powerful customers and the rapid pace of digital innovation are forcing deep-rooted and often painful changes in companies — globally and across industries. Forrester helps them navigate these turbulent waters.

The majority of firms are in the early stages of this journey. In 2016, Forrester conducted the Customer-Obsessed Assessment, benchmarking companies and their preparedness to revamp their structure, technology, talent, culture, and process to be competitive in the new era. Through this research, we found that:

- 87% of surveyed companies have not yet begun significant transformation toward a customer-obsessed operating model.
- 62% of surveyed companies believe they are "Far behind" where they need to be.

This means that the most significant activity associated with the age of the customer is still to come. As more large companies face the realities of the new world, we remain confident that Forrester is well-positioned to increase revenue and profit growth over the next five years.

When Forrester embarked on its strategy, we repositioned our products and services to help our clients:

- Assess the challenge.
- Calculate and size emerging opportunities.
- Recognize and mitigate the risks of moving forward.
- Change their operational model.

Throughout 2016, the company pivoted its selling model to a premier/core structure — building a higher-touch, team-oriented approach for our largest user and vendor clients and a lower-cost inside model for our smaller clients. We believe that this new way of going to market will have three positive effects:

1. The higher-touch design will increase engagement and renewal rates.
2. The addition of solution partners — specialists trained to recognize and configure the right suite of Forrester products for companies — will increase enrichment via the addition of products to existing contracts.
3. The core selling model will increase our ability to add new clients.

In the second half of 2016, we beta-tested the new premier selling motion with several dedicated teams, and the results were promising. Compared with the original model, the beta-test teams were able to achieve:

- A 387% increase in enrichment.
- A 10% increase in retention.
- A 19% increase in wallet share.

In preparing to build out the new model, we kept our sales headcount flat from the prior year during 2016, attenuating sales performance. In 2017, the company will complete its implementation of the model while simultaneously expanding sales headcount. We expect to increase our salesforce size by 7% to 10% in 2017.

In addition to the selling model transition, the company added new products and enhanced existing products. We migrated several products from static delivery to digital, interactive forms. We enhanced the Customer Experience Index (CX Index™), our ranking of 900 global brands introduced in 2015, to a full web-based experience, enabling clients to run models, comparisons, and simulations with the data. The digital version of the CX Index launched on September 1, boosting the product to 54% bookings growth in Q4. In similar fashion, we digitized reprints, driving 15% revenue growth for that product in 2016. The trend of upgrading our products to digital and launching new "digital-first" offerings is a major theme in our 2017 business plan.

In 2016, we launched Forrester's Executive Programs — a dedicated coaching program for CIOs and CMOs. Executives in these roles are particularly challenged in the age of the customer, and the Executive Program arms them with best practices, benchmarks, face-to-face on-call advice, and staff augmentation to ensure their success in the new era. The product exceeded its targets in 2016 and was our fastest-growing product of the year.

While 2016 was a year of transformation and new offerings, we recognized the importance of improving our culture and focusing on developing the people of Forrester. Over the past two years, we have moved from a "check the boxes" review process for employees to a regimen that values continuous coaching and feedback. Working with an outside company, we have enhanced the company's culture and values — with an emphasis on driving personal accountability. This work was recognized in 2016 when Glassdoor, the respected employee review site, ranked Forrester No. 18 in the US as a great place to work.

Looking Ahead

For a market that is creating extraordinary opportunity and acute risk for our clients, we have the right strategy. We are at the intersection point of two disruptive factors — empowered customers and technology — enhancing Forrester's value for companies that are looking to thrive in the future. For some of our clients, it is the difference between gaining or losing market share; for others, it is the difference between thriving or perishing.

To expedite the completion of this strategy, we are accelerating investments. In 2017, we will invest to complete the transition to the selling model, further digitize our products to expand the ways our clients can access and consume our IP, and improve the way we serve our clients.

The challenges confronting our clients are real and significant. We have a mission: to help them develop and successfully execute customer-obsessed strategies that drive growth. It is our daily passion and the very essence of our culture. I want to thank our clients, who are diligent partners with Forrester as we mutually work through their challenges. I want to thank our investors for sharing their insights and patience as we progress on this journey. And thank you to all Forresterites for their dedication to our mission and the important work they engage in every day on behalf of our clients.

George F. Colony
Chairman and CEO

Form 10-K
2016

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-K

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2016

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number 000-21433

Forrester Research, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**04-2797789**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification Number)**
60 Acorn Park Drive Cambridge, Massachusetts	**02140**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code:
(617) 613-6000

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Common Stock, $.01 Par Value	**Nasdaq Global Select Market**

Securities to be registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☑

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☑

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirement for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files.) Yes ☑ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☐	Accelerated filer	☑
Non-accelerated filer	☐ (Do not check if a smaller reporting company)	Smaller reporting company	☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☑

The aggregate market value of the registrant's common stock held by non-affiliates of the registrant as of June 30, 2016 (based on the closing price as quoted by the Nasdaq National Market as of such date) was approximately $367,000,000.

As of March 6, 2017, 18,082,000 shares of the registrant's common stock were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Proxy Statement related to its 2017 Annual Stockholders' Meeting to be filed subsequently — Part III of this Form 10-K.

This Annual Report on Form 10-K contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as "expects," "believes," "anticipates," "intends," "plans," "estimates," or similar expressions are intended to identify these forward-looking statements. Reference is made in particular to our statements about possible acquisitions, our plans for international expansion, future dividends, future share repurchases, future growth rates and operating income, anticipated increases in, and productivity of, our sales force and headcount, changes to our customer engagement model, and the adequacy of our cash, marketable investments and cash flows to satisfy our working capital and capital expenditures. These statements are based on our current plans and expectations and involve risks and uncertainties. Important factors that could cause actual future activities and results of operations to be materially different from those set forth in the forward-looking statements are discussed below under "Risk Factors." We undertake no obligation to update publicly any forward-looking statements, whether as a result of new information, future events, or otherwise.

PART I

General

Forrester Research, Inc. is a global independent research, data, and advisory services firm. We work with business and technology leaders to help them develop customer-obsessed strategies that drive growth. Forrester's unique insights are grounded in annual surveys of more than 500,000 consumers and business leaders worldwide, rigorous and objective research methodologies, and the shared wisdom of our clients. Through proprietary research and data, custom consulting, exclusive executive peer groups and events, Forrester challenges the thinking of its clients and positions them to lead change in their organizations in an era of powerful customers.

We were incorporated in Massachusetts on July 7, 1983 and reincorporated in Delaware on February 16, 1996.

Our Internet address is www.forrester.com. We make available free of charge, on or through the investor information section of our website, annual reports on Form 10-K, quarterly reports on Form 10-Q, and current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC.

Industry Background

Enterprises and their employees struggle to remain both competitive and cost-efficient in an increasingly customer-centric, complex global business environment. Technology changes and innovations occur at an increasingly rapid pace. Developing comprehensive and coordinated business strategies is increasingly difficult as consumers and businesses adopt new methods of buying and selling, and markets grow increasingly dynamic.

Consequently, companies and the professionals in the roles we serve must rely on external sources of independent business advice spanning a variety of areas including but not limited to customer behavior, technology investments, and business strategy. We believe there is a need for objective research, data, advisory and related services that are thematic, prescriptive, and executable, and that provide a comprehensive customer-centric perspective on the rapidly changing business environment.

Forrester's® Strategy

Empowered customers are ushering in a new "Age of the Customer" that we believe will reshape the way organizations succeed and grow. Our differentiated strategy, products, and services are designed to help those enterprises satisfy their increasingly dynamic customer bases.

Driven by the Company's strategy, we: 1) help our clients stay current with and understand their dynamic customers, 2) advise marketing and strategy executives such as Chief Marketing Officers as they seek to win those customers, and 3) work with technology management executives such as Chief Information Officers as they build systems to satisfy customers. Technology is moving from being a tool for managing and lowering operating costs to a means of generating market opportunities and revenue. Given this shift, today's technology management professionals have two agendas — a traditional IT agenda of running internal systems, and a business technology (BT) agenda that provides the technology, systems, and processes to win, serve and retain customers.

Importantly, the three areas where Forrester works with its clients (understanding their customers, winning their customers, and building technology to serve their customers) are highly interrelated in the large organizations that Forrester serves. This creates opportunities to sell add-on products and services to our existing clients. In addition, we believe our go to market strategy is unique, increasing our competitive differentiation.

Forrester's solutions provide clients with more relevant fact-based insights, allowing them to make better informed decisions faster, to understand and manage the business dynamics most important to win, serve, and retain customers, and to help clients link their knowledge of customers, marketing efforts, and technology into a coherent plan.

Forrester's Solution

The Company offers a broad set of products and services designed to help our clients win in the Age of the Customer. Our research, data, consulting, events and peer networks are used by our clients to:

- Understand trends in consumer behavior and how to capitalize on those trends.
- Benchmark their customer experience.
- Plan strategies to improve their customer experience.
- Develop customer-obsessed cultures that drive growth.
- Assess potential new markets, competitors, products and services, and go-to-market strategies.
- Anticipate technology-driven business model shifts.
- Educate, inform, and align strategic decision-makers in their organizations.
- Navigate technology purchases and implementation challenges and optimize technology investments, particularly in the BT space.
- Capitalize on emerging technologies, especially in BT.

Our products and services focus on five market imperatives important to our clients and prospects in the Age of the Customer:

- Drive revenue with continuously improving customer experience.
- Differentiate with digital.
- Excel with customer-obsessed marketing.
- Build an insights driven organization.
- Maximize the business value of technology.

Products and Services

We offer our clients a selection of products, services, and engagement opportunities. In the first quarter of 2016, we rebranded our products and services into five categories: Forrester Research (our core research), Forrester Connect (our peer offerings), Forrester Data, Forrester Consulting, and Forrester Events.

Forrester Research

Forrester's published research and decision tools enable clients to better anticipate and capitalize on the disruptive forces affecting their businesses and organizations. We believe Forrester Research provides insights and frameworks to drive growth in a complex and dynamic market. Our primary syndicated research product, RoleView™, provides clients with access to our core syndicated research designed to inform their strategic decision-making. RoleView Research includes our Playbooks, a set of integrated reports, tools, and guidance for critical business initiatives, and our Reports, designed to deepen clients' understanding of market, customer, and technology trends through data-driven reports, case studies, predictions, and strategic road maps. Our syndicated research also includes The Forrester Wave,™ our primary mechanism for evaluating enterprise technologies. The Forrester Wave provides a detailed analysis of vendors' technologies and services based on transparent, fully accessible criteria, and measurement of characteristics weighted by us. The Forrester Wave allows clients to compare products and develop a custom shortlist based on the client's unique requirements.

Our Age of the Customer Research offering, which combines our Business Technology (BT) and Marketing and Strategy (M&S) Research offerings, is closely aligned with our strategy of addressing our clients' and prospects' opportunities and challenges in the Age of the Customer. In addition to the Age of the Customer Research offering, our various RoleView Research offerings include standalone BT Research and M&S Research, as well as our TI (Technology Industry) Research offering designed specifically for technology vendors. Each of our Research offerings consist of a library of cross-linked documents that interconnect our playbooks, reports, data, product rankings, best practices, evaluation tools, and research archives. Research access is provided through role-based websites that facilitate client access to research and tools that are most relevant to their professional roles, including community tools that allow interaction between and among clients and our analysts.

We also offer clients the opportunity to license electronic "reprints" of designated Research for posting to a client's website(s) for a designated period of time to support a client's marketing or business objectives. Beginning in the first quarter of 2016, electronic reprints are hosted on a new on-line platform that enables interactive content and provides us with improved tracking of distribution of our intellectual property.

Research Methodology

We employ a structured methodology in our research that enables us to identify and analyze business technology trends, markets, and audiences and ensures consistent research quality and recommendations across all coverage areas. We ascertain the issues important to our clients and prospects through thousands of interactions and surveys with technology vendors and business, marketing, and technology professionals, and accordingly, the majority of our research is focused on helping our clients increase their customer focus and grow their business. We use the following primary research inputs:

- Our own proprietary data from our CX Index™, Consumer Technographics®, Business Technographics, and ForecastView products.
- Confidential interviews with early adopters and mainstream users of new technologies across technology, marketing, and strategy roles at end-user companies.
- In-depth interviews with business technology vendors and suppliers of related services.
- Ongoing briefings with vendors to review current positions and future directions.
- Continuous dialogue with our clients to identify business and technology opportunities in the marketplace.

Collaboration among research, product, data and consulting professionals is an integral part of our process, leading to higher-quality research and a unified perspective. Our global research and product organization supports our client base by facilitating research and product collaboration and quality, promoting a uniform client experience and improved customer satisfaction, and encouraging innovation.

Clients subscribing to our Research offerings may choose between two membership levels:

- *Member Licenses.* Member Licenses include access to the written research, as well as Inquiry with analysts, and access to Forrester Webinars. Inquiry enables clients to contact our analysts for quick feedback on projects they may have underway, to discuss ideas and models in the research, or for answers to questions about unfolding industry events. Typically, Inquiry sessions are 30 minute phone calls, scheduled upon client request, or e-mail responses coordinated through our research specialists. Forrester Webinars are Web-based conferences on selected topics of interest to particular professional roles that typically are held several times a week.
- *Reader Licenses.* Reader Licenses provide access to our written research.

Both Member and Reader clients receive access to our customer success specialists, who provide additional information about our research, methodologies, coverage areas, and sources. The customer success specialists are available to help clients navigate our website, find relevant information, and put clients in contact with the appropriate analyst for inquiries. Clients that subscribe for one or more member licenses receive one ticket per order to attend a Forrester Event.

We also offer Research Share licenses that allow clients to share a designated number of published pieces of research with a designated number of persons within their organizations.

Forrester Connect

The Forrester Connect offerings are designed to help clients connect with peers and Forrester's professionals, optimize use of our products and services, and to coach executives to lead far-reaching change within their organizations.

Leadership Boards

Our Leadership Boards are exclusive peer groups for executives and other senior leaders at large organizations worldwide. Clients may participate in one or more Leadership Boards. Memberships are available to the Chief Information Officer (CIO) Group, the Chief Marketing Officer (CMO) Group and several Councils for the technology and marketing roles we cover. In addition to a Member license to access the appropriate RoleView Research offering, members of our Leadership Boards receive access to the following:

- A private forum for members to test their thinking with peers through local and national meetings, one-to-one and group peer exchanges, and virtual community activities.
- Advisors to challenge members' thinking with insights drawn from peers, our Research, and our analyst community, all designed to help members drive business growth and lead change.
- Member-generated content that includes next and best practices as well as role-specific maturity benchmark data.
- An event ticket to attend one Forrester Event.

Executive Programs

Our Executive Programs provide CMOs and CIOs with personal coaches who help the executives and their teams establish and tackle their most important initiatives. In addition to a member license for our research offering and one ticket to attend a Forrester Event, our Executive Programs provides on-site strategy workshops, personalized research and analysis, access to Forrester experts, and custom data analytics to help executives understand and anticipate customer behavior.

Forrester Data

Our Data products and services are designed to provide fact-based customer insights to our clients. Clients can leverage our Data products and services or choose to have us conduct custom data analysis on their behalf. Our Data products and services include:

- *Forrester's Customer Experience (CX) Index.* The CX Index, which uses Forrester's rigorous customer experience methodology, is a framework for assessing and measuring the quality of customer experience for over 900 brands worldwide. This unique framework provides useful and actionable analysis including a customer experience score, quantitative information about the score, and the most important drivers to improve the customer experience score, along with revenue models to guide clients' investments in customer experience, prioritization and simulations tools and a summary of insights provided by a Forrester analyst. We offer three packages of the Forrester CX Index, including a brand package that focuses exclusively on customer perception of the specific brand, an industry package that provides a benchmark of a particular brand's CX Index scores against its competitors, and an add-on best-in-class package that offers deep insights on what distinguishes leading brands. For brands not included in our standard offering, we offer a custom survey approach to build a CX Index scorecard and driver analysis. In 2016, we began delivering the CX Index through an easy-to-use interactive platform that allows clients to customize their CX data based on business needs.
- *Consumer Technographics.* Consumer Technographics is an ongoing quantitative research program, based on surveys of over 400,000 individuals in North America, Europe, Asia Pacific, and Latin America. Marketing and strategy professionals rely on our Consumer Technographics data for unique insights into how technology impacts their customers' purchase journey, including the way consumers select, purchase, use, and communicate about products and services. We combine respondent data sets from our Consumer Technographics surveys into multiple regional and industry offerings. Additionally, clients may have access to a Technographics data insights manager to help them use the data effectively to meet their specific business needs.
- *Business Technographics.* Business Technographics is an ongoing quantitative research program that provides comprehensive, in-depth assessments of what motivates businesses to choose certain technologies and vendors over others. The offering also measures and reports on the current information consumption patterns of key influencers for large technology purchases. We annually survey more than 70,000 business and technology executives as well as information workers at small, medium and large enterprises in North American, European, and other global markets. Our surveys reveal these firms' technology adoption, trends, budgets, business organization, decision processes, purchase plans, brand preferences, and primary influences in the purchasing process. Business Technographics' clients may also have access to a dedicated data insights manager to assist in utilizing appropriate data to achieve desired outcomes.
- *ForecastView.* ForecastView is an ongoing data program that provides a detailed evaluation of market size, based on expert analysis and quantitative insights from our consumer and business surveys. We leverage Technographics demand-side data and supply-side metrics to help clients uncover new business opportunities. Each forecast consists of ten years of data: five historic, the current year and four years in the future. We offer global forecasts for e-commerce, digital

marketing, and mobile markets and U.S. forecasts for applications and platforms markets. ForecastView clients may also have access to ForecastView analysts to assist in utilizing appropriate data to support client business decisions.

Forrester Consulting

Our advisory and project consulting services leverage our RoleView Research, Technographics and CX Index data to deliver focused insights and recommendations that assist clients with their challenges in developing and executing technology and business strategy, including customer experience and digital strategy, informing critical decisions and reducing business risk. Our consulting services help clients with challenges addressed in our published research, such as leading customer experience transformations, digital business transformation, and business technology transformations. We help business and technology professionals conduct maturity assessments, prioritize best practices, develop strategies, build business cases, select technology vendors, and structure organizations. We help marketing professionals at technology vendors develop content marketing strategies, create marketing collateral, and develop sales tools. We have a dedicated consulting organization to provide professional project consulting services to our clients, utilizing our Research Playbook framework and best in class consulting techniques and content development tools, allowing our analysts to spend additional time on writing research and providing shorter-term advisory services.

Forrester Events

We host multiple events in various locations in North America, Europe and Asia throughout the year. Events bring together executives and other participants serving or interested in the particular subject matter or professional role(s) on which an event focuses. Event participants come together to network with their peers, meet with Forrester analysts, and hear business leaders discuss business and technology issues of interest or significance to the professionals in attendance. Forrester Events focus on business imperatives of significant interest to our clients, including succeeding in the Age of the Customer, customer experience, digital transformation, and marketing leadership, and provide immersive experiences to challenge client's thinking and help clients to lead change.

Sales and Marketing

We sell our products and services through our direct sales force in various locations in North America, Europe, Asia, and Australia. Our sales organization is organized into five groups based on client size, geography and market potential. Our Premier Group focuses on our largest vendor and end user clients across the globe and our Core Group focuses on small to mid-sized vendor and end user clients. Our European and Asia Pacific Groups focus on both end user and vendor clients in their respective geographies. Our International Business Development Group sells our products and services through independent sales representatives in select international locations.

We intend to continue the work commenced in 2016 to evolve our customer engagement model to better serve and engage our clients and prospects and drive profitable growth. Our sales process is moving towards a model where we provide different sales engagement and support levels for clients and prospects in our Premier and Core groups. In support of this initiative, in the first quarter of 2017, we opened an office in Nashville, Tennessee. We anticipate that Nashville will be a lower-cost location than our other principal U.S. locations and will be a center for our Core sales group. We believe that when implemented, our customer engagement model changes will improve client and dollar retention and enrichment, and accelerate growth.

We employed 523 sales personnel as of December 31, 2016 compared to 524 sales personnel employed as of December 31, 2015. We also sell select Research products directly online through our website.

For information on our operating segments and our international operations, see Note 10 of the Notes to Consolidated Financial Statements included herein.

Our marketing activities are designed to enhance the Forrester brand, differentiate and promote Forrester products and solutions, improve the client experience, and drive growth. We achieve these outcomes by combining the value of analytics, content, social media, public relations, and creative and field marketing, delivering multi-channel campaigns, Forrester Events, and high-quality digital journeys.

As of December 31, 2016, our products and services were delivered to more than 2,400 client companies. No single client company accounted for more than 2% of our 2016 revenues.

Pricing and Contracts

We report our revenue from client contracts in two categories of revenue: (1) research services and (2) advisory services and events. We classify revenue from subscriptions to our RoleView Research, Leadership Boards and Executive Programs, and Data Products and Services as research services revenue. We classify revenue from Forrester Consulting and Forrester Events as advisory services and events revenue.

Contract pricing for annual memberships for research and/or other subscription-based products is principally a function of the number of licensed users at the client. Pricing of contracts for advisory services generally is a fixed fee for the consulting project or shorter-term advisory service. We periodically review and increase the list prices for our products and services.

We track the agreement value of contracts to purchase research and advisory services as a significant business indicator. We calculate agreement value as the total revenues recognizable from all research and advisory service contracts in force at a given time (but not including advisory-only contracts), without regard to how much revenue has already been recognized. Agreement value increased 1% to $238.4 million at December 31, 2016 from $237.0 million at December 31, 2015.

Competition

We compete principally in the market for research, data, and advisory services, with an emphasis on customer behavior, customer experience, and the deployment of business technology to win, serve and retain customers. We believe that the principal competitive factors in the markets we participate in include:

- the ability to offer products and services that meet the changing needs of organizations and their executives for research, data, and advisory services;
- comprehensive global data and insights on customer behavior;
- independent analysis and opinions;
- the ability to render our services in digital forms;
- the pricing and packaging of our products and services; and
- customer service, including the quality of professional interactions with our clients.

We believe we compete favorably on these factors due to:

- our differentiated Age of the Customer strategy and portfolio of complementary Age of the Customer products and services;
- our research methodology and formats;
- our experience with and focus on emerging technologies;
- our history of providing research and executable advice on the impact of technology on business; and
- our growing ability to deploy digital products.

Our principal direct competitors include other independent providers of research and advisory services, such as Gartner, as well as marketing agencies, general business consulting firms, survey-based general market research firms, providers of peer networking services, and digital media measurement services. In addition, our indirect competitors include the internal planning and marketing staffs of our current and prospective clients, as well as other information providers such as electronic and print publishing companies. We also face competition from free sources of information available on the Internet, such as Google. Our indirect competitors could choose to compete directly against us in the future. In addition, there are relatively few barriers to entry into certain segments of our market, and new competitors could readily seek to compete against us in one or more of these market segments. Increased competition could adversely affect our operating results through pricing pressure and loss of market share. There can be no assurance that we will be able to continue to compete successfully against existing or new competitors.

Employees

As of December 31, 2016, we employed a total of 1,378 persons, including 520 Research, Connect, Data and Consulting staff and 523 sales personnel.

Our culture emphasizes certain key values — including client service, courage, collaboration, integrity and quality — that we believe are critical to our future growth. We promote these values through training and frequent recognition for achievement. We encourage teamwork and promote and recognize individuals who foster these values. New employees participate in a three-day training process that focuses on our Age of the Customer strategy, our products and services, corporate culture, values and goals.

Item 1A. Risk Factors

We operate in a rapidly changing and competitive environment that involves risks and uncertainties, certain of which are beyond our control. These risks and uncertainties could have a material adverse effect on our business and our results of operations and financial condition. These risks and uncertainties include, but are not limited to:

A Decline in Renewals or Demand for Our Membership-Based Research and Data Services. Our success depends in large part upon retaining (on both a client company and dollar basis) and enriching existing memberships for our Research, Data, and Leadership Boards products and services. Future declines in client retention, dollar retention, and enrichment, or failure to generate demand for and new sales of our membership-based products and services due to competition or otherwise, could have an adverse effect on our results of operations and financial condition.

Demand for Our Advisory and Consulting Services. Advisory and consulting services revenues comprised 31% of our total revenues in 2016 and 30% in 2015. Consulting engagements generally are project-based and non-recurring. A decline in our ability to fulfill existing or generate new project consulting engagements could have an adverse effect on our results of operations and financial condition.

We Are Evolving Our Customer Engagement Model. We are implementing changes to our customer engagement model toward a model where we provide different sales engagement and support levels for clients and prospects in our Premier and Core sales groups. These changes are designed to improve our retention and enrichment rates and accelerate growth. If the changes we are implementing do not have the desired outcomes, this could have an adverse effect on our results of operations and financial condition.

Our Business May be Adversely Affected by the Economic Environment. Our business is in part dependent on technology spending and is impacted by economic conditions. The economic environment may materially and adversely affect demand for our products and services. If conditions in the United States and the global economy were to lead to a decrease in technology spending, or in demand for our products and services, this could have an adverse effect on our results of operations and financial condition.

Our International Operations Expose Us to a Variety of Operational Risks which Could Negatively Impact Our Results of Operations. We have clients in approximately 56 countries and approximately 23% of our revenue comes from international sales. Our operating results are subject to the risks inherent in international business activities, including challenges in staffing and managing foreign operations, changes in regulatory requirements, compliance with numerous foreign laws and regulations, differences between U.S. and foreign tax rates and laws, fluctuations in currency exchange rates, difficulty of enforcing client agreements, collecting accounts receivable, and protecting intellectual property rights in international jurisdictions. Furthermore, we rely on local independent sales representatives in some international locations. If any of these arrangements are terminated by our representatives or us, we may not be able to replace the arrangement on beneficial terms or on a timely basis, or clients sourced by the local sales representative may not want to continue to do business with us or our new representative.

Ability to Develop and Offer New Products and Services. Our future success will depend in part on our ability to offer new products and services. These new products and services must successfully gain market acceptance by anticipating and identifying changes in client requirements and changes in the technology industry and by addressing specific industry and business organization sectors. The process of internally researching, developing, launching and gaining client acceptance of a new product or service, or assimilating and marketing an acquired product or service, is risky and costly. We may not be able to introduce new, or assimilate acquired, products or services successfully. Our failure to do so would adversely affect our ability to maintain a competitive position in our market and continue to grow our business.

Loss of Key Management. Our future success will depend in large part upon the continued services of a number of our key management employees. The loss of any one of them, in particular George F. Colony, our founder, Chairman of the Board and Chief Executive Officer, could adversely affect our business.

We Have Undergone Substantial Internal Reorganizations. Beginning in 2013, we began to transition the provision of consulting services from our research personnel to consultants in our dedicated consulting organization and have hired additional consulting employees to build out this organization. At the same time, we hired additional quota carrying sales employees. In 2013, we created global research and product organizations to better collaborate and improve our client's experience, and in 2015, we combined our research and product organizations into a global organization headed by a Chief Research and Product officer. In 2016, we began to implement changes to our customer engagement model. We have incurred material expenses in connection with these actions. If we do not realize anticipated benefits from these actions, our results of operations and financial condition could be adversely effected.

The Ability to Attract and Retain Qualified Professional Staff. Our future success will depend in large measure upon the continued contributions of our senior management team, research and data professionals, consultants, and experienced sales and marketing personnel. Thus, our future operating results will be largely dependent upon our ability to retain the services of these individuals and to attract additional professionals from a limited pool of qualified candidates. Our future success will also depend in part upon the effectiveness of our sales leadership in hiring and retaining sales personnel and in improving sales productivity. We experience competition in hiring and retaining professionals from developers of Internet and emerging-technology products, other research firms, management consulting firms, print and electronic publishing companies and financial services companies, many of which have substantially greater ability, either through cash or equity, to attract and compensate professionals. If we lose professionals or are unable to attract new talent, we will not be able to maintain our position in the market or grow our business.

Failure to Anticipate and Respond to Market Trends. Our success depends in part upon our ability to anticipate rapidly changing technologies and market trends and to adapt our research, data, advisory services, and other related products and services to meet the changing needs of our clients. The technology and commerce sectors that we analyze undergo frequent and often dramatic changes. The environment of rapid and continuous change presents significant challenges to our ability to provide our clients with current and timely analysis, strategies and advice on issues of importance to them. Meeting these challenges requires the commitment of substantial resources. Any failure to continue to provide insightful and timely analysis of developments, technologies, and trends in a manner that meets market needs could have an adverse effect on our market position and results of operations.

We May be Subject to Network Disruptions or Security Breaches that Could Damage Our Reputation and Harm Our Business and Operating Results. We may be subject to network disruptions or security breaches caused by computer viruses, illegal break-ins or hacking, sabotage, acts of vandalism by third parties or terrorism. Our security measures or those of our third party service providers may not detect or prevent such security breaches. Any such compromise of our information security could result in the unauthorized publication of our confidential business or proprietary information, cause an interruption in our operations, result in the unauthorized release of customer or employee data, result in a violation of privacy or other laws, expose us to a risk of litigation or damage our reputation, which could harm our business and operating results.

Competition. We compete principally in the market for research, data and advisory services, with an emphasis on customer behavior and customer experience, and the impact of business technology on our clients' business and service models. Our principal direct competitors include other independent providers of research and advisory services, such as Gartner, as well as marketing agencies, general business consulting firms, survey-based general market research firms, providers of peer networking services, and digital media measurement services. Some of our competitors have substantially greater financial and marketing resources than we do. In addition, our indirect competitors include the internal planning and marketing staffs of our current and prospective clients, as well as other information providers such as electronic and print publishing companies. We also face competition from free sources of information available on the Internet, such as Google. Our indirect competitors could choose to compete directly against us in the future. In addition, there are relatively few barriers to entry into certain segments of our market, and new competitors could readily seek to compete against us in one or more of these market segments. Increased competition could adversely affect our operating results through pricing pressure and loss of market share. There can be no assurance that we will be able to continue to compete successfully against existing or new competitors.

Failure to Enforce and Protect our Intellectual Property Rights. We rely on a combination of copyright, trademark, trade secret, confidentiality and other contractual provisions to protect our intellectual property. Unauthorized third parties may obtain or use our proprietary information despite our efforts to protect it. The laws of certain countries do not protect our intellectual property to the same extent as the laws of the United States and accordingly we may not be able to protect our intellectual property against unauthorized use or distribution, which could adversely affect our business.

Privacy Laws. Privacy laws and regulations, and the interpretation and application of these laws and regulations, in the U.S, Europe and other countries around the world where we conduct business are sometimes inconsistent and frequently changing. Compliance with these laws, or changing interpretations and application of these laws, could cause us to incur substantial costs or require us to take action in a manner that would be adverse to our business.

Fluctuations in Our Operating Results. Our revenues and earnings may fluctuate from quarter to quarter based on a variety of factors, many of which are beyond our control, and which may affect our stock price. These factors include, but are not limited to:

- Trends in technology and research, data and advisory services spending in the marketplace and general economic conditions.
- The timing and size of new and renewal memberships for our products and services from clients.
- The utilization of our advisory services by our clients.
- The timing of revenue-generating events sponsored by us.
- The introduction and marketing of new products and services by us and our competitors.
- The hiring and training of new research and data professionals, consultants, and sales personnel.
- Changes in demand for our research, data and advisory services.
- Fluctuations in currency exchange rates.

As a result, our operating results in future quarters may be below the expectations of securities analysts and investors, which could have an adverse effect on the market price for our common stock. Factors such as announcements of new products, services, offices, acquisitions or strategic alliances by us, our competitors, or in the research, data and professional services industries generally, may have a significant impact on the market price of our common stock. The market price for our common stock may also be affected by movements in prices of stocks in general.

Taxation Risks. We operate in numerous jurisdictions around the world. A portion of our income is generated outside of the United States and is taxed at rates significantly less than rates applicable to income generated in the U.S. or in other jurisdictions in which we do business. Our effective tax rate in the future, and accordingly our results of operations and financial position, could be adversely affected by changes in applicable tax law or if more of our income becomes taxable in jurisdictions with higher tax rates.

Concentration of Ownership. Our largest stockholder is our Chairman and CEO, George F. Colony, who owns approximately 44% of our outstanding stock. This concentration of ownership enables Mr. Colony to strongly influence or effectively control matters requiring stockholder approval, including the election of directors, amendment of our certificate of incorporation, adoption or amendment of equity plans and approval of significant transactions such as mergers, acquisitions, consolidations and sales or purchases of assets. This concentration of ownership may also limit the liquidity of our stock. As a result, efforts by stockholders to change the direction, management or ownership of Forrester may be unsuccessful, and stockholders may not be able to freely purchase and sell shares of our stock.

Any Weakness Identified in Our System of Internal Controls by Us and Our Independent Registered Public Accounting Firm Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002 Could Have an Adverse Effect on Our Business. Section 404 of the Sarbanes-Oxley Act of 2002 requires that companies evaluate and report on their systems of internal control over financial reporting. In addition, our independent registered public accounting firm must report on its evaluation of those controls. There can be no assurance that no weakness in our internal control over financial reporting will occur in future periods, or that any such weakness will not have a material adverse effect on our business or financial results, including our ability to report our financial results in a timely manner.

Item 1B. *Unresolved Staff Comments*

We have not received written comments from the Securities and Exchange Commission that remain unresolved.

Item 2. *Properties*

Our corporate headquarters building is comprised of approximately 190,000 square feet of office space in Cambridge, Massachusetts, substantially all of which is currently occupied by the Company. This facility accommodates research, data, marketing, sales, consulting, technology, and operations personnel. The lease term of this facility expires February 28, 2027.

We also rent office space in San Francisco, New York City, Dallas, McLean, Virginia, Amsterdam, Frankfurt, London, Paris, New Delhi, and Singapore. Our San Francisco lease is for approximately 19,000 square feet, with a term that expires June 30, 2022. Our New York lease is for approximately 15,200 square feet, with an initial term until January 31, 2021. The London lease is for approximately 17,800 square feet, with a term that expires September 24, 2021. We also lease office space on a relatively short-term basis in various other locations in North America, Europe, Asia, and Australia.

We believe that our existing facilities are adequate for our current needs and that additional facilities are available for lease to meet future needs.

Item 3. *Legal Proceedings*

We are not currently a party to any material legal proceedings.

Item 4. *Mine Safety Disclosures*

Not applicable.

PART II

Item 5. ***Market For Registrant's Common Equity, Related Stockholder Matters, and Issuer Purchases of Equity Securities***

Our common stock is listed on the Nasdaq Global Select Market under the symbol "FORR". During 2015, quarterly dividends of $0.17 per common share were declared and paid in each of the four quarters during the year. During 2016, quarterly dividends of $0.18 per common share were declared and paid in each of the four quarters during the year. In February 2017, our Board of Directors declared an increase in our regular quarterly dividend to $0.19 per share that is payable on March 15, 2017. We intend to continue paying regular quarterly cash dividends; however, the actual declaration of any such future dividends, and the establishment of the per share amount and payment dates for any such future dividends are subject to the discretion of the Board of Directors.

As of March 6, 2017 there were approximately 31 stockholders of record of our common stock. On March 6, 2017 the closing price of our common stock was $36.80 per share.

The following table represents the ranges of high and low sale prices of our common stock for the years ended December 31, 2016 and December 31, 2015:

	2016		2015	
	High	Low	High	Low
First Quarter	$ 34.00	$ 27.05	$ 39.90	$ 35.78
Second Quarter	$ 38.36	$ 31.92	$ 37.74	$ 33.06
Third Quarter	$ 42.01	$ 36.02	$ 37.23	$ 30.32
Fourth Quarter	$ 44.40	$ 35.25	$ 33.48	$ 28.25

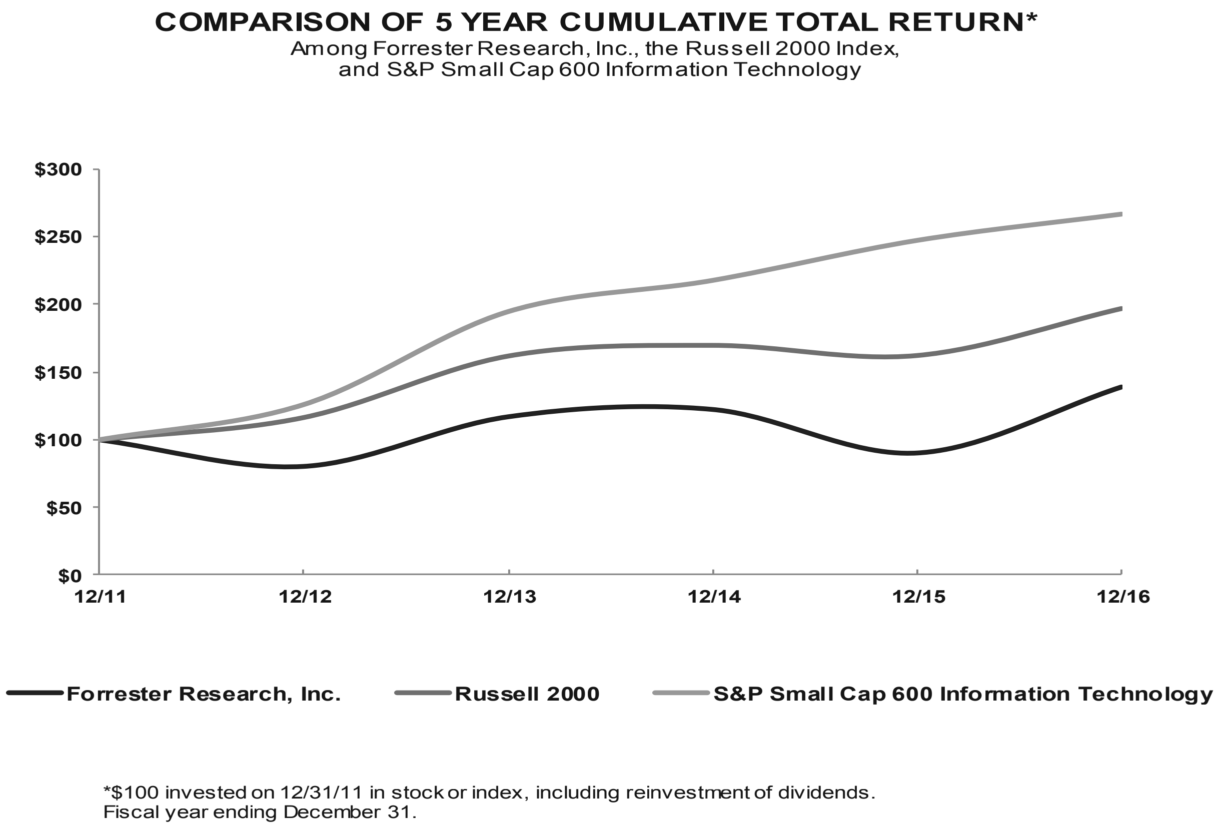
Through 2016, our Board of Directors authorized an aggregate $485.0 million to purchase common stock under our stock repurchase program including $25.0 million authorized in each of October 2016, July 2015 and February 2015. As of December 31, 2016, we had repurchased approximately 15.0 million shares of common stock at an aggregate cost of $424.9 million.

During the quarter ended December 31, 2016, we repurchased the following shares of our common stock under the stock repurchase program:

Period	Total Number of Shares Purchased (1)	Average Price Paid per Share	Maximum Dollar Value that May Yet be Purchased Under the Stock Repurchase Program (In thousands)
November 1 - November 30	47,724	$ 37.35	
December 1 - December 31	217	$ 39.58	
	47,941		$ 60,060

(1) All purchases of our common stock were made under the stock repurchase program first announced in 2001.

The following graph contains the cumulative stockholder return on our common stock during the period from December 31, 2011 through December 31, 2016 with the cumulative return during the same period for the Russell 2000 and the S&P 600 Small Cap Information Technology Index, and assumes that the dividends, if any, were reinvested.



Item 6. ***Selected Consolidated Financial Data***

The selected financial data presented below is derived from our consolidated financial statements and should be read in connection with those statements.

	Years Ended December 31,				
	2016	2015	2014	2013	2012
	(In thousands, except per share amounts)				
Consolidated Statements of Income Data					
Research services	$ 215,216	$ 210,268	$ 207,517	$ 202,843	$ 203,091
Advisory services and events	110,879	103,458	104,545	94,807	89,940
Total revenues	326,095	313,726	312,062	297,650	293,031
Income from operations	30,774	18,827	18,213	21,833	30,760
Other income and gains (losses) on investments, net	(65)	493	176	(1,841)	1,394
Net income	$ 17,651	$ 11,996	$ 10,865	$ 13,024	$ 26,296
Basic income per common share	$ 0.98	$ 0.67	$ 0.58	$ 0.62	$ 1.17
Diluted income per common share	$ 0.97	$ 0.66	$ 0.57	$ 0.61	$ 1.15
Basic weighted average shares outstanding	17,984	17,927	18,713	20,861	22,500
Diluted weighted average shares outstanding	18,269	18,143	19,007	21,353	22,929

	As of December 31,				
	2016	2015	2014	2013	2012
	(In thousands)				
Consolidated Balance Sheet Data					
Cash, cash equivalents and marketable investments	$ 138,105	$ 101,106	$ 104,535	$ 155,145	$ 242,656
Working capital	45,962	15,274	26,298	78,991	155,278
Total assets	335,785	318,991	332,707	402,202	488,015
Deferred revenue	134,265	140,676	144,568	152,903	150,495
Total liabilities	185,749	191,689	191,105	197,540	190,808
Cash dividends declared	12,987	12,179	11,962	12,394	12,588

Cash dividends in 2016, 2015, 2014, 2013 and 2012 represent quarterly dividends of $0.18, $0.17, $0.16, $0.15 and $0.14 per common share declared and paid during 2016, 2015, 2014, 2013 and 2012, respectively.

The following items impact the comparability of our consolidated data:

- The 2013 other income and gains (losses) on investments, net amount includes a $1.9 million loss for the sale of the Company's entire portfolio of auction rate securities.
- The 2012 net income amount includes a $5.9 million deferred income tax benefit resulting from the settlement of a tax audit at the Company's German subsidiary.

Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations*

Overview

We derive revenues from memberships to, and sales of, our Research, Connect and Data products and services, performing advisory services and consulting projects, and hosting events. We offer contracts for our Research, Connect and Data products that are typically renewable annually and payable in advance. Membership revenues are recognized as revenue ratably over the term of the contract. Accordingly, a substantial portion of our billings are initially recorded as deferred revenue. Clients purchase advisory services independently and/or to supplement their memberships to our subscription-based products. Billings attributable to advisory services and consulting projects are initially recorded as deferred revenue. Advisory service revenues, such as workshops, speeches and advisory days, are recognized when the customer receives the agreed upon deliverable. Consulting project revenues, which generally are short-term in nature and based upon fixed-fee agreements, are recognized as the services are provided. Event billings are also initially recorded as deferred revenue and are recognized as revenue upon completion of each event.

Our primary operating expenses consist of cost of services and fulfillment, selling and marketing expenses and general and administrative expenses. Cost of services and fulfillment represents the costs associated with the production and delivery of our products and services, including salaries, bonuses, employee benefits and stock-based compensation expense for all personnel that produce and deliver our products and services, including all associated editorial, travel, and support services. Selling and marketing expenses include salaries, sales commissions, bonuses, employee benefits, stock-based compensation expense, travel expenses, promotional costs and other costs incurred in marketing and selling our products and services. General and administrative expenses include the costs of the technology, operations, finance, and human resources groups and our other administrative functions, including salaries, bonuses, employee benefits, and stock-based compensation expense. Overhead costs such as facilities and annual fees for cloud-based information technology systems are allocated to these categories according to the number of employees in each group.

Deferred revenue, agreement value, client retention, dollar retention, enrichment and number of clients are metrics that we believe are important to understanding our business. We believe that the amount of deferred revenue, along with the agreement value of contracts to purchase research and advisory services, provide a significant measure of our business activity. We define these metrics as follows:

- *Deferred revenue* — billings in advance of revenue recognition as of the measurement date.
- *Agreement value* — the total revenues recognizable from all contracts in force at a given time (but not including advisory-only contracts), without regard to how much revenue has already been recognized. No single client accounted for more than 2% of agreement value at December 31, 2016.
- *Client retention* — the percentage of client companies with memberships expiring during the most recent twelve-month period that renewed one or more of those memberships during that same period.
- *Dollar retention* — the total dollar value of client membership contracts expiring during the most recent twelve-month period, which are renewed in whole or in part, as a percentage of the dollar value of all expiring client membership contracts during the same period.
- *Enrichment* — the percentage of the dollar value of client membership contracts renewed during the most recent twelve-month period to the dollar value of the corresponding expiring contracts.
- *Clients* — we aggregate the various divisions and subsidiaries of a corporate parent as a single client and we also aggregate separate instrumentalities of the federal, state, and provincial governments as single clients.

Client retention, dollar retention, and enrichment are not necessarily indicative of the rate of future retention of our revenue base. A summary of our key metrics is as follows (dollars in millions):

	As of December 31, 2016	As of December 31, 2015	Absolute Increase (Decrease)	Percentage Increase (Decrease)
Deferred revenue	$ 134.3	$ 140.7	$ (6.4)	(5%)
Agreement value	$ 238.4	$ 237.0	$ 1.4	1%
Client retention	75%	77%	(2)	(3%)
Dollar retention	87%	89%	(2)	(2%)
Enrichment	93%	98%	(5)	(5%)
Number of clients	2,432	2,471	(39)	(2%)

	As of December 31,		Absolute Increase	Percentage Increase
	2015	2014	(Decrease)	(Decrease)
Deferred revenue	$ 140.7	$ 144.6	$ (3.9)	(3%)
Agreement value	$ 237.0	$ 231.7	$ 5.3	2%
Client retention	77%	76%	1	1%
Dollar retention	89%	88%	1	1%
Enrichment	98%	97%	1	1%
Number of clients	2,471	2,431	40	2%

Deferred revenue at December 31, 2016 decreased 5% compared to the prior year and decreased 4% after adjusting for the effect of foreign currency fluctuations, due to our revenue growth for the year exceeding contract bookings. Agreement value at December 31, 2016 increased 1% compared to the prior year and increased 3% after adjusting for the effect of foreign currency fluctuations, representing an increase in contract bookings for the year. Deferred revenue at December 31, 2015 decreased 3% compared to the prior year and was flat with the prior year after adjusting for the effect of foreign currency fluctuations, due to growth in contract bookings being offset by revenue growth and a small increase in future billings for current contracts as of December 31, 2015 compared to the prior year. Agreement value at December 31, 2015 increased 2% compared to the prior year and 4% after adjusting for the effect of foreign currency fluctuations, representing an increase in contract bookings for the year. Client retention and dollar retention rates improved steadily during 2014 and the first three quarters of 2015. However, these metrics have shown a small decline in each quarter from the fourth quarter of 2015 throughout 2016. Our enrichment metric remained at 97% throughout 2014 and the first three quarters of 2015, and increased to 98% in the fourth quarter of 2015. During 2016, our enrichment metric declined each quarter throughout the year.

Critical Accounting Policies and Estimates

Management's discussion and analysis of financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an ongoing basis, we evaluate our policies and estimates, including but not limited to, those related to our revenue recognition, stock-based compensation, non-marketable investments, goodwill and intangible assets, and income taxes. Management bases its estimates on historical experience, data available at the time the estimates are made and various assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

We consider the following accounting policies to be those that require the most subjective judgment or that involve uncertainty that could have a material impact on our financial statements. If actual results differ significantly from management's estimates and projections, there could be a material effect on our financial statements. This is not a comprehensive list of all of our accounting policies. In many cases, the accounting treatment of a particular transaction is specifically dictated by GAAP, with no need for management's judgment in its application. For a discussion of our other accounting policies, see Note 1 of the Notes to Consolidated Financial Statements beginning on page F-7.

- *Revenue Recognition*. We generate revenues from licensing memberships to, and sales of, our Research, Connect and Data products and services, performing advisory services and consulting projects and hosting events. We execute contracts that govern the terms and conditions of each arrangement. Revenues are recognized when persuasive evidence of an arrangement exists, the fee is fixed or determinable, services have been provided to the customer, and collectability is reasonably assured. Our contracts may include either a single product or service or a combination of multiple products and services. Revenues from contracts that contain multiple products or services are allocated among the separate units of accounting based on their relative selling prices; however, the amount recognized is limited to the amount that is not contingent on future performance conditions. For example, when a discount off of list price is provided in a multiple element contract, the amount of revenue that is allocated to our Research, Connect and Data products that commence delivery on the first day of the contract is limited based on the contract price that would be refundable to the customer if the yet undelivered products were never delivered. We obtain the relative selling prices of our products and services based upon an analysis of standalone sales of these products and services during the year or upon an analysis of the estimated selling price of products for which there are insufficient standalone sales. The majority of our research services revenues, including our RoleView Research, Leadership Boards and Data subscription products, are recognized ratably over the term of the contract. Certain research services revenues, including revenues from sales of reprints, are recognized as revenue when delivered. Advisory services revenues, such as workshops, speeches and advisory days, are recognized when the customer receives the agreed upon deliverable and consulting project revenues are recognized as the services are provided. Event revenues are recognized upon completion of the event. Reimbursed out-of-pocket expenses are recorded as advisory services and events revenues.

Annual subscriptions to our RoleView Research include access to all or a designated portion of our research, and depending on the type of license, unlimited phone or email analyst inquiry, and unlimited participation in Forrester Webinars, all of which are delivered throughout the contract period and are accounted for as one unit of accounting. Annual subscriptions for Leadership Boards include access to the RoleView Research offering, access to a private forum with other Leadership Board member peers, access to a Forrester advisor, member-generated content, and one Event ticket. Leadership Boards are accounted for as two units of accounting: 1) the event ticket and 2) the remaining services that are delivered throughout the contract period. Arrangement consideration is allocated to each element based upon their relative selling prices, which are determined based on standalone sales of event tickets and the estimated selling price of the remaining services. Annual subscriptions to our data subscription products include access to designated survey data products and access to a data advisor, which are delivered throughout the contract period, and are accounted for as one unit of accounting and recognized ratably as research services revenue over the contract period. Certain of our data subscription products also include advisory services and these contracts are accounted for as two units of accounting: 1) the data subscription and data advisor and 2) the advisory services. Arrangement consideration is allocated to each element based upon its relative selling price, which is determined based on standalone sales of the advisory services and the estimated selling price of the remaining data services.

Our revenue recognition also determines the timing of commission expenses, as commissions are earned during the month a contract is booked and are deferred and recognized as expense as the related revenue is recognized. We evaluate the recoverability of deferred commissions at each balance sheet date.

- *Stock-Based Compensation*. Stock-based compensation is recognized as an expense based upon the fair value of the award at the time of grant. The determination of the fair value of stock-based compensation requires significant judgment and the use of estimates, particularly surrounding assumptions such as stock price volatility, expected option lives, dividend yields and forfeiture rates. These estimates involve inherent uncertainties and the application of management judgment. As a result, if circumstances change and we use different assumptions, our stock-based compensation expense could be materially different in the future.

  Expected volatility is based, in part, on the historical volatility of our common stock as well as management's expectations of future volatility over the expected term of the awards granted. The development of an expected life assumption involves projecting employee exercise behaviors (expected period between stock option vesting dates and stock option exercise dates). Expected dividend yields are based on expectations of current and future dividends, if any. For periods through December 31, 2016, we were required to estimate forfeitures of stock-based awards for recognition of compensation expense. We based these estimates on past experience and expectations of future forfeitures. We recorded additional expense if the actual forfeitures were lower than estimated and recorded a recovery of prior recognized expense if the actual forfeitures were higher than estimated. The actual expense recognized over the vesting period is only for those awards that vested. As of January 1, 2017, we will adopt Accounting Standards Update (ASU) No. 2016-09, *Compensation – Stock Compensation: Improvements to Employee Share-Based Payment Accounting*. Under this standard, entities are permitted to make an accounting policy election to either estimate forfeitures, as previously required, or to recognize forfeitures as they occur. We will elect to recognize forfeitures as they occur, effective January 1, 2017, and as such will record expense over the service period for 100% of our share-based awards that are outstanding and not yet vested and will record a recovery of prior recognized expense at the date an award is forfeited prior to vesting. Significant forfeitures during a reporting period could increase the volatility, and decrease the predictability, of our financial results.

- *Non-Marketable Investments.* We hold minority interests in technology-related investment funds with a book value of $2.8 million at December 31, 2016. These investment funds are not publicly traded, and, therefore, because no established market for these securities exists, the estimate of the fair value of our investments requires significant judgment. Investments that are accounted for using the cost method are valued at cost unless an other-than-temporary impairment in their value occurs. For investments that are accounted for using the equity method, we record our share of the investee's operating results each period. We review the fair value of our investments on a regular basis to evaluate whether an other-than-temporary impairment in the investment has occurred. We record impairment charges when we believe that an investment has experienced a decline in value that is other-than-temporary. Future adverse changes in market conditions or poor operating results of underlying investments could result in losses or an inability to recover the carrying value of the investments that may not be reflected in an investment's current carrying value, thereby possibly requiring an impairment charge in the future.

- *Goodwill, Intangible Assets and Other Long-Lived Assets*. As of December 31, 2016, we had $74.7 million of goodwill and intangible assets with finite lives recorded on our Consolidated Balance Sheet. Goodwill is required to be measured for impairment at least annually or whenever events indicate that there may be an impairment. In order to determine if an impairment exists, we compare each of our reporting unit's carrying value to the reporting unit's fair value. Determining the reporting unit's fair value requires us to make estimates of market conditions and operational performance. Absent an event that indicates a specific impairment may exist, we have selected November 30th as the date to perform the annual goodwill impairment test. The annual assessment of goodwill can be based on either a quantitative or qualitative assessment, or a combination of both. We completed the annual goodwill impairment testing as of November 30, 2016 utilizing a quantitative assessment and concluded that the fair values of each of our reporting units continues to significantly exceed their respective carrying values. Future events could cause us to conclude that impairment indicators exist and that goodwill associated with our acquired businesses is impaired. Any resulting impairment loss could have a material adverse impact on our results of operations.

Intangible assets with finite lives as of December 31, 2016 consist primarily of acquired customer relationships and were valued according to the future cash flows they are estimated to produce. These assigned values are amortized on a basis which best matches the periods in which the economic benefits are expected to be realized. Tangible assets with finite lives consist of property and equipment, which are depreciated over their estimated useful lives. We continually evaluate whether events or circumstances have occurred that indicate that the estimated remaining useful life of our intangible and long-lived tangible assets may warrant revision or that the carrying value of these assets may be impaired. To compute whether intangible assets have been impaired, the estimated undiscounted future cash flows for the estimated remaining useful life of the assets are compared to the carrying value. To the extent that the future cash flows are less than the carrying value, the assets are written down to their estimated fair value.

- *Income Taxes*. We recognize deferred tax assets and liabilities using enacted tax rates for the effect of temporary differences between book and tax bases of assets and liabilities as well as operating loss carryforwards (from acquisitions). Such amounts are adjusted as appropriate to reflect changes in the tax rates expected to be in effect when the temporary differences reverse. We record a valuation allowance to reduce our deferred taxes to an amount we believe is more likely than not to be realized. We consider future taxable income and prudent and feasible tax planning strategies in assessing the need for a valuation allowance.

  As a global company, we use significant judgment to calculate and provide for income taxes in each of the tax jurisdictions in which we operate. In the ordinary course of our business, there are transactions and calculations undertaken whose ultimate tax outcome cannot be certain. Some of these uncertainties arise as a consequence of transfer pricing for transactions with our subsidiaries and potential challenges to nexus and credit estimates. We estimate our exposure to unfavorable outcomes related to these uncertainties and record a liability based on the probability for such outcomes in accordance with current accounting guidelines.

  Although we believe our estimates are reasonable, no assurance can be given that the final tax outcome will not be different from what is reflected in our historical income tax provisions, returns, and accruals. Such differences, or changes in estimates relating to potential differences, could have a material impact on our income tax provision and operating results in the period in which such a determination is made.

Results of Operations for the years ended December 31, 2016, 2015 and 2014

The following table sets forth our Consolidated Statements of Income as a percentage of total revenues for the years noted.

	Years Ended December 31,		
	2016	2015	2014
Revenues:			
Research services	66.0%	67.0%	66.5%
Advisory services and events	34.0	33.0	33.5
Total revenues	100.0	100.0	100.0
Operating expenses:			
Cost of services and fulfillment	39.3	40.2	40.4
Selling and marketing	35.9	37.0	37.1
General and administrative	12.4	12.5	12.4
Depreciation	2.4	2.6	3.0
Amortization of intangible assets	0.3	0.3	0.7
Reorganization costs	0.3	1.4	0.6
Income from operations	9.4	6.0	5.8
Other income, net	0.2	0.2	0.2
Gains (losses) on investments, net	(0.2)	—	(0.1)
Income before income taxes	9.4	6.2	5.9
Income tax provision	4.0	2.4	2.4
Net income	5.4%	3.8%	3.5%

2016 compared to 2015

Revenues

	2016	2015	Absolute Increase (Decrease)	Percentage Increase (Decrease)
	(dollars in millions)			
Revenues	$ 326.1	$ 313.7	$ 12.4	4%
Revenues from research services	$ 215.2	$ 210.3	$ 4.9	2%
Revenues from advisory services and events	$ 110.9	$ 103.5	$ 7.4	7%
Revenues attributable to customers outside of the U.S.	$ 73.9	$ 72.7	$ 1.2	2%
Percentage of revenue attributable to customers outside of the U.S.	23%	23%	—	—
Number of clients (at end of period)	2,432	2,471	(39)	(2%)
Number of events	14	15	(1)	(7%)

Total revenues increased 4% during 2016 compared to 2015 and 5% after adjusting for the effect of foreign currency fluctuations. Revenues from customers outside of the U.S. increased 2% during 2016 compared to the prior year and 6% after adjusting for the effect of foreign currency fluctuations, representing 23% of total revenues in 2016 and reflecting growth in the Asia Pacific region and in Europe while revenues in Canada declined slightly. We expect consolidated revenue growth to slow to a range of negative 1% to growth of 2% in 2017, or growth of 1% to 3% after adjusting for the effect of estimated currency fluctuations. The decline in our estimated revenue growth rate in 2017 compared to the actual growth rate in 2016 is due primarily to lower contract bookings growth in 2016 compared to the prior year, which was due primarily to keeping the number of quota carrying sales employees essentially flat during 2016 compared to a 5% increase during 2015. We anticipate increasing our sales employees by 8% to 10% during 2017, which we expect will accelerate revenue growth towards the end of 2017.

Research services revenues are recognized as revenue primarily on a ratable basis over the term of the contracts, which are generally twelve-month periods. Research services revenues increased 2% during 2016 compared to the prior year and 3% after adjusting for the effect of foreign currency fluctuations, reflecting growth in our Research products partially offset by a decline in revenue in our Connect and Data products.

Revenues from advisory services and events increased 7% during 2016 compared to the prior year and 8% after adjusting for the effect of foreign currency fluctuations. The increase was led by growth in our Consulting and Advisory services of 7% while our Events business achieved growth of 4%.

Please refer to the "Segment Results" section below for a discussion of revenue and contribution margin results by segment.

Cost of Services and Fulfillment

	2016	2015	Absolute Increase (Decrease)	Percentage Increase (Decrease)
Cost of services and fulfillment (dollars in millions)	$ 128.2	$ 126.3	$ 1.9	2%
Cost of services and fulfillment as a percentage of total revenues	39.3%	40.2%	(0.9)	(2%)
Service and fulfillment employees (at end of period)	602	584	18	3%

Cost of services and fulfillment expenses increased 2% in 2016 compared to 2015 and 3% after adjusting for the effect of foreign currency fluctuations. The increase in dollars was primarily due to (1) a $1.2 million increase in compensation and benefit costs, resulting from an increase in the average number of employees and annual merit increases compared to the prior year and (2) a $2.3 million increase in professional services costs due to an increase in outsourced fees related to consulting projects delivered and an increase in fees related to the new digital reprint platform, which were partially offset by a decrease in survey costs. These increases were partially offset by a reduction in event expenses of $0.9 million and a reduction in travel expenses of $0.7 million. We anticipate an increase in cost of services and fulfillment as a percentage of revenues in 2017 as compared to 2016 due to revenues estimated at near flat levels and costs increasing due to an increase in hiring of consulting employees and merit increases.

Selling and Marketing

	2016	2015	Absolute Increase (Decrease)	Percentage Increase (Decrease)
Selling and marketing expenses (dollars in millions)	$ 116.9	$ 116.1	$ 0.8	1%
Selling and marketing expenses as a percentage of total revenues	35.9%	37.0%	(1.1)	(3%)
Selling and marketing employees (at end of period)	584	576	8	1%

Selling and marketing expenses increased 1% in 2016 compared to 2015 and 2% after adjusting for the effect of foreign currency fluctuations. The increase in dollars was primarily due to a $1.5 million increase in compensation and benefit costs resulting from an increase in sales employees and annual merit increases compared to the prior year, which were partially offset by a $0.7 million decrease in professional services costs.

During 2016 we commenced work to evolve our customer engagement model to better serve and engage our clients and prospects. Our sales process is moving towards a model where we provide different sales engagement and support levels for clients and prospects in our Premier and Core groups. As we began this transition during 2016, sales headcount growth was limited as we transitioned our clients and salesforce into this new model on a limited basis. We intend to fully implement this model during 2017 and plan to increase our sales employees by approximately 8% to 10% in 2017 as compared to 2016. Any resulting increase in contract bookings for our research services would generally be recognized over a twelve-month period, which typically results in an increase in selling and marketing expense as a percentage of revenues during periods of sales force expansion.

General and Administrative

	2016	2015	Absolute Increase (Decrease)	Percentage Increase (Decrease)
General and administrative expenses (dollars in millions)	$ 40.6	$ 39.0	$ 1.6	4%
General and administrative expenses as a percentage of total revenues	12.4%	12.5%	(0.1)	(1%)
General and administrative employees (at end of period)	192	185	7	4%

General and administrative expenses increased 4% in 2016 compared to 2015 and 5% after adjusting for the effect of foreign currency fluctuations. The increase in dollars was primarily due to a $1.6 million increase in professional services expense resulting primarily from an increase in consulting fees for technology projects and legal and accounting expenses.

Depreciation

Depreciation expense remained essentially consistent in 2016 as compared to 2015.

Amortization of Intangible Assets

Amortization expense remained essentially consistent in 2016 as compared to 2015.

Reorganization Costs

During 2016 we incurred $1.0 million of severance and related benefits costs for a reduction in our workforce implemented and completed in the first quarter of 2016, of approximately 2% of employees across various geographies and functions. All costs under this plan were paid during 2016.

During 2015 we incurred $3.2 million of severance and related costs from our reorganization in the first quarter of 2015 that included the termination of 50 employees or approximately 4% of our workforce across various geographies and functions, in order to reallocate investment in 2015 to planned sales expansion and to delivery areas seeing the greatest client demand. We incurred an additional $0.3 million charge in the second quarter of 2015 related to this action primarily for a non-cash charge for the liquidation of a small non-U.S. subsidiary.

In addition, during the third quarter of 2015 we incurred $0.7 million of severance and related benefits for the reorganization of our Products Group, consisting of the termination of the chief product officer and related administrative staff, and the termination of a senior product leader with the intent to relocate this position to the U.S. The responsibilities of the former chief product officer have been assumed by our chief research officer. As a result of the change in leadership in the Products Group, we incurred an additional $0.2 million of expense to write off a software development project that was no longer deemed probable to be completed.

Income from Operations

Income from operations increased $11.9 million or 63% during 2016 as compared to the prior year and increased to 9.4% of total revenues in 2016 from 6.0% in the prior year. The expansion in income from operations as a percentage of total revenues in 2016 was due to a small increase in headcount during the year, tight cost controls for travel and entertainment, and a $3.4 million decrease in reorganization costs in 2016 as compared to 2015. The focus on cost controls during 2016 along with the decrease in reorganization costs resulted in our operating expenses increasing by less than 1% compared to 2015, while revenues increased 4% compared to 2015. We expect income from operations as a percentage of total revenues to decrease to a range of 7.8% to 8.8% for the year ended December 31, 2017 due to revenues at flat levels in 2017 compared to 2016 and operating expenses increasing primarily from anticipated increases in headcount for sales and consulting employees.

Other Income, Net

Other income, net primarily consists of interest income on our investments as well as gains and losses on foreign currency. The increase in other income, net during 2016 was due to 1) an increase in interest income of $0.1 million as compared to 2015 and 2) foreign currency gains of approximately $0.1 million during the current year versus insignificant foreign currency losses during the prior year.

Losses on Investments, Net

Losses on investments, net include our share of equity method investment gains or losses from our technology-related investment funds and gains or losses from the sale of marketable securities. The increase in investment losses during 2016 was primarily due to an increase in investment losses incurred by the underlying funds as compared to the prior year.

Provision for Income Taxes

	2016	2015	Absolute Increase (Decrease)	Percentage Increase (Decrease)
Provision for income taxes (dollars in millions)	$ 13.1	$ 7.3	$ 5.8	78%
Effective tax rate	42.5%	37.9%	4.6	12%

The increase in the effective tax rate during 2016 as compared to the prior year is primarily due to 1) $1.0 million of tax expense in 2016 due to a valuation allowance on capital losses generated from one of our non-marketable investments and 2) a one-time $0.6 million benefit in 2015, which did not recur in 2016, from a change in tax legislation related to the U.S. Tax Court opinion in the "Altera" case as described below. The effect of these items were partially offset by the inclusion in 2015 of a $0.3 million loss on the liquidation of a foreign subsidiary in 2015 for which a tax benefit could not be recognized and lower non-deductible stock compensation expense in 2016 compared to 2015. We expect our effective tax rate for the full year of 2017 to be approximately 36%, which includes a 4% benefit from the anticipated recognition of previously unrecognized tax benefits of approximately $1.1 million.

In March 2016, the FASB issued ASU No. 2016-09, *Compensation – Stock Compensation: Improvements to Employee Share-Based Payment Accounting*. ASU No. 2016-09 requires that all income tax effects related to settlements of share-based payment awards be reported in earnings as an increase or decrease to income tax expense. The requirement to report those income tax effects in earnings will be applied on a prospective basis to settlements occurring on or after January 1, 2017 and the impact of applying this guidance will be dependent on how many options are exercised and how many restricted stock units vest, as well as the volatility of our stock price.

In July 2015, the U.S. Tax Court issued an opinion in Altera Corp. v. Commissioner related to the treatment of stock-based compensation expense in an intercompany cost-sharing arrangement. The opinion invalidates part of a treasury regulation requiring stock-based compensation to be included in any qualified intercompany cost-sharing arrangement. We have reviewed this case and concluded that recording a tax benefit of $0.6 million during 2015, representing the benefit of adjusting our cost-sharing agreement for the years of 2012 through 2014, was appropriate based on the opinion in the case. There were no significant developments in this case during 2016 and we will continue to monitor ongoing developments and potential impacts to our consolidated financial statements.

2015 compared to 2014

Revenues

	2015	2014	Absolute Increase (Decrease)	Percentage Increase (Decrease)
	(dollars in millions)			
Revenues	$ 313.7	$ 312.1	$ 1.6	1%
Revenues from research services	$ 210.3	$ 207.5	$ 2.8	1%
Revenues from advisory services and events	$ 103.5	$ 104.5	$ (1.0)	(1%)
Revenues attributable to customers outside of the U.S.	$ 72.7	$ 79.6	$ (6.9)	(9%)
Percentage of revenue attributable to customers outside of the U.S.	23%	26%	(3)	(12%)
Number of clients (at end of period)	2,471	2,431	40	2%
Number of events	15	15	—	—

Total revenues increased 1% during 2015 compared to 2014 and 4% after adjusting for the effect of foreign currency fluctuations. Revenues from customers outside of the U.S. decreased 9% during 2015 compared to the prior year; however after adjusting for the effect of foreign currency fluctuations, revenues from customers outside of the U.S. increased 4% and represented 26% of total revenues in 2015, reflecting revenue growth in the Asia Pacific region and Europe partially offset by a decline in Canada.

Research services revenues increased 1% during 2015 compared to the prior year and 5% after adjusting for the effect of foreign currency fluctuations, reflecting growth in our Research and Data products partially offset by a decline in revenue in our Connect products. The increase in revenue for our Research and Data products is a result of an increase in related contract bookings in 2015, while the decrease in revenue for our Connect products is a result of a decrease in related contract bookings in 2015, due in part to a reduction in our Connect product offerings outside of the U.S.

Revenues from advisory services and events decreased 1% during 2015 compared to the prior year and increased 2% after adjusting for the effect of foreign currency fluctuations. The decrease was driven by a 20% decrease in Events revenues due to a significant decrease in sponsorship revenues during 2015. The decrease in Events revenues was partially offset by a 2% increase in Advisory and Consulting revenues in 2015 due to an increase in related contract bookings and delivery of services in 2015.

Please refer to the "Segment Results" section below for a discussion of revenue and contribution margin results by segment.

Cost of Services and Fulfillment

	2015	2014	Absolute Increase (Decrease)	Percentage Increase (Decrease)
Cost of services and fulfillment (dollars in millions)	$ 126.3	$ 126.2	$ 0.1	—
Cost of services and fulfillment as a percentage of total revenues	40.2%	40.4%	(0.2)	—
Service and fulfillment employees (at end of period)	584	604	(20)	(3%)

Cost of services and fulfillment expenses increased less than 1% in 2015 compared to 2014 and increased 3% after adjusting for the effect of foreign currency fluctuations. Total compensation and benefits costs decreased approximately $0.2 million in 2015 compared to the prior year as lower salary and benefit costs, due to fewer employees in 2015, was partially offset by an increase in incentive bonus expense in 2015. Of the 50 employees terminated during the reorganization in the first quarter of 2015, 32 of the employees were included in cost of services and fulfillment. In addition, 2015 includes a $0.3 million increase in stock compensation costs and a $0.2 million increase in Events costs that were partially offset by lower professional service costs due to lower consulting outsourcing costs.

Selling and Marketing

	2015	2014	Absolute Increase (Decrease)	Percentage Increase (Decrease)
Selling and marketing expenses (dollars in millions)	$ 116.1	$ 115.8	$ 0.3	—
Selling and marketing expenses as a percentage of total revenues	37.0%	37.1%	(0.1)	—
Selling and marketing employees (at end of period)	576	563	13	2%

Selling and marketing expenses increased less than 1% in 2015 compared to 2014 and increased 3% after adjusting for the effect of foreign currency fluctuations. The increase in selling and marketing expenses during 2015 compared to the prior year is primarily due to a $0.3 million increase in compensation and benefit costs resulting from an increase in sales employees and annual merit increases. In addition, 2015 includes a $0.5 million increase in professional service costs that were offset by lower bad debt expense and a $0.2 million charge to terminate a contract with an independent sales representative during 2014 that did not recur in 2015. Of the 50 employees terminated during the reorganization in the first quarter of 2015, 15 of the employees were included in selling and marketing.

General and Administrative

	2015	2014	Absolute Increase (Decrease)	Percentage Increase (Decrease)
General and administrative expenses (dollars in millions)	$ 39.0	$ 38.6	$ 0.4	1%
General and administrative expenses as a percentage of total revenues	12.5%	12.4%	0.1	1%
General and administrative employees (at end of period)	185	184	1	1%

General and administrative expenses increased 1% in 2015 compared to 2014 and increased 4% after adjusting for the effect of foreign currency fluctuations. The increase in general and administrative expenses during 2015 compared to the prior year is primarily due to 1) a $1.5 million increase in compensation and benefits costs resulting from an increase in incentive bonus expense and annual merit increases and 2) a $0.6 million increase in stock-based compensation expense. These increases were partially offset by lower professional services costs due to the implementation of cloud-based software services in 2014 that did not recur in 2015 and a reduction in recruiting costs due to the build out of the consulting organization that was substantially completed in 2014.

Depreciation

Depreciation expense decreased by $1.1 million during 2015 compared to 2014. The decrease was due to certain fixed assets becoming fully depreciated during 2015 as well as a $0.4 million immaterial out-of-period adjustment recorded during 2014 to correct an understatement error of depreciation expense of approximately $0.2 million in each of 2013 and 2012.

Amortization of Intangible Assets

Amortization expense decreased by $1.3 million during 2015 compared to 2014 due to a portion of our intangible assets becoming fully amortized at the end of 2014.

Reorganization Costs

During 2015 we incurred $3.2 million of severance and related costs from our reorganization in the first quarter of 2015 that included the termination of 50 employees or approximately 4% of our workforce across various geographies and functions, in order to reallocate investment in 2015 to planned sales expansion and to delivery areas seeing the greatest client demand. We incurred an additional $0.3 million charge in the second quarter of 2015 related to this action primarily for a non-cash charge for the liquidation of a small non-U.S. subsidiary.

In addition, during the third quarter of 2015 we incurred $0.7 million of severance and related benefits for the reorganization of our Products Group, consisting of the termination of the chief product officer and related administrative staff, and the termination of a senior product leader with the intent to relocate this position to the U.S. The responsibilities of the former chief product officer have been assumed by our chief research officer. As a result of the change in leadership in the Products Group, we incurred an additional $0.2 million of expense to write off a software development project that was no longer deemed probable to be completed.

During 2014 we incurred $1.8 million of severance and related costs for the termination of approximately 1% of our employees across various geographies and functions primarily to realign resources due to a new organizational structure implemented in late 2013.

Income from Operations

Income from operations increased $0.6 million or 3% during 2015 as compared to the prior year and increased to 6.0% of total revenues in 2015 from 5.8% in the prior year. The expansion in income from operations as a percentage of total revenues in 2015 was due to tight cost controls in 2015, as shown by headcount declining to 1,345 at December 31, 2015 from 1,351 employees at December 31, 2014. The focus on cost controls during 2015 resulted in our operating expenses increasing by less than 1% compared to 2014, which was just under our revenue growth during 2015.

Other Income, Net

Other income, net primarily consists of interest income on our investments as well as gains and losses on foreign currency and remained essentially consistent during 2015 as compared to the prior year.

Losses on Investments, Net

Losses on investments, net include our share of equity method investment gains or losses from our technology-related investment funds and gains or losses from the sale of marketable securities, both of which were insignificant during 2015 and 2014.

Provision for Income Taxes

	2015	2014	Absolute Increase (Decrease)	Percentage Increase (Decrease)
Provision for income taxes (dollars in millions)	$ 7.3	$ 7.5	$ (0.2)	(3%)
Effective tax rate	37.9%	40.9%	(3.0)	(7%)

The decrease in the effective tax rate during 2015 as compared to the prior year is primarily due to a one-time $0.6 million benefit in 2015 for a change in tax legislation related to the U.S. Tax Court opinion in the Altera case, and an immaterial out-of-period error recorded in 2014 that increased tax expense by $0.5 million. The effect of these items were partially offset by the inclusion in 2015 of a $0.3 million loss on the liquidation of a foreign subsidiary in 2015 for which a tax benefit could not be recognized.

Segment Results

The Research segment includes the costs of our research personnel who are responsible for writing the research and performing the webinars and inquiries for our Research and Connect products. In addition, the research personnel deliver advisory services (such as workshops, speeches and advisory days) and a portion of our project consulting services. Revenue in this segment includes only revenue from advisory services and project consulting services that are delivered by the research personnel in this segment.

The Product segment includes the costs of the product management organization that is responsible for pricing, packaging and the launch of new products. In addition, this segment includes the costs of our Data, Connect and Events organizations. Revenue in this segment includes all of our revenue (including Research and Connect) except for revenue from advisory services and project consulting services that are delivered by personnel in the Research and Project Consulting segments.

The Project Consulting segment includes the costs of the consultants that deliver the majority of our project consulting services. Revenue in this segment includes the project consulting revenue delivered by the consultants in this segment.

We evaluate reportable segment performance and allocate resources based on segment revenues and expenses. Segment expenses include the direct expenses of each segment organization and exclude selling and marketing expenses, general and administrative expenses, stock-based compensation expense, depreciation expense, adjustments to incentive bonus compensation from target amounts, amortization of intangible assets, reorganization costs, other income and gains (losses) on investments. The accounting policies used by the segments are the same as those used in the consolidated financial statements.

	Product	Research	Project Consulting	Consolidated
Year Ended December 31, 2016				
Research services revenues	$ 215,216	$ —	$ —	$ 215,216
Advisory services and events revenues	20,374	45,601	44,904	110,879
Total segment revenues	235,590	45,601	44,904	326,095
Segment expenses	41,528	51,132	26,647	119,307
Contribution margin (loss)	194,062	(5,531)	18,257	206,788
Year over year revenue change	3%	6%	5%	4%
Year over year expense change	8%	(1%)	(2%)	2%

	Product	Research	Project Consulting	Consolidated
Year Ended December 31, 2015				
Research services revenues	$ 210,268	$ —	$ —	$ 210,268
Advisory services and events revenues	17,512	42,997	42,949	103,458
Total segment revenues	227,780	42,997	42,949	313,726
Segment expenses	38,615	51,510	27,320	117,445
Contribution margin (loss)	189,165	(8,513)	15,629	196,281
Year over year revenue change	—	(12%)	22%	1%
Year over year expense change	(2%)	(3%)	—	(2%)

	Product	Research	Project Consulting	Consolidated
Year Ended December 31, 2014				
Research services revenues	$ 207,517	$ —	$ —	$ 207,517
Advisory services and events revenues	20,759	48,658	35,128	104,545
Total segment revenues	228,276	48,658	35,128	312,062
Segment expenses	39,466	53,307	27,236	120,009
Contribution margin (loss)	188,810	(4,649)	7,892	192,053

Product segment revenues increased 3% during 2016 compared to the prior year. Research services revenues increased 2% during 2016 compared to the prior year, reflecting growth in our Research products partially offset by a decline in revenue in our Connect and Data products. Advisory services and events revenues increased $2.9 million, or 16%, during 2016 compared to the prior year due to a $2.4 million increase in data consulting and a $0.5 million increase in Events revenues. Product segment expenses increased 8% during 2016 compared to the prior year period due entirely to a $3.0 million increase in compensation and benefit costs due to an increase in employees for the Data, Events and Connect products. Event costs decreased by $0.9 million in 2016, which were mostly offset by small increases in professional services expenses and multiple other expense items.

Product segment revenues were flat during 2015 compared to the prior year. Research services revenues increased 1% during 2015 compared to the prior year and after adjusting for the effects of foreign currency fluctuations, increased 5% reflecting growth in our Research and Data products partially offset by a decline in revenue in our Connect products. The increase in revenue for our Research and Data products is a result of an increase in related contract bookings in 2015, while the decrease in revenue for our Connect products is a result of a decrease in related contract bookings in 2015, due in part to a reduction in our Connect product offerings outside of the U.S. Advisory services and events revenues decreased $3.2 million during 2015 due primarily to a $2.6 million decrease in events revenues to $10.4 million in the 2015 period compared to $12.9 million during the prior year, driven by a significant decline in sponsorship revenue. Data advisory revenue decreased $0.7 million, or 10%, during 2015 compared to the prior year due primarily to lower outsource fees associated with the data consulting projects. Product segment expenses decreased 2% during 2015 compared to the prior year periods, and on a constant currency basis were essentially flat. The decline on a dollar basis was due to a decline in compensation and benefits costs due to lower headcount that was only partially offset by an increase in professional services expense for surveys.

Research segment revenues increased 6% during 2016 compared to the prior year due to an increase in both advisory and consulting revenues. Research segment expenses decreased by 1% compared to the prior year due primarily to a decrease in travel expenses while compensation and benefit costs were flat.

Research segment revenues decreased 12% during 2015 compared to the prior year due to the transition of the performance of project consulting services during 2014 and 2015 from personnel in our Research segment to personnel in our Project Consulting segment. Research segment expenses decreased by 3% during 2015 compared to the prior year due primarily to a decrease in compensation and benefit costs due to a decrease in the number of employees in the Research segment related to the transition in the delivery of project consulting services to the Project Consulting segment.

Project Consulting segment revenues increased 5% during 2016 compared to the prior year as our content marketing group delivered strong revenue growth while our strategy consulting group experienced a decline in revenues. Project Consulting segment expenses decreased $0.7 million, or 2%, during 2016 compared to the prior year due primarily to a $1.9 million decrease in compensation and benefit costs due to a lower number of employees during 2016, which was partially offset by an increase in outsourced costs for consulting projects delivered. We anticipate increasing the number of consulting employees during 2017.

Project Consulting segment revenues increased 22% during 2015 compared to the prior year, due primarily to the transition of the performance of project consulting services from research personnel in our Research segment to consulting personnel during 2014 and 2015. Project Consulting segment expenses were flat during 2015 compared to the prior year. The flat expenses during 2015 were due primarily to a $0.5 million increase in salaries and benefits that was offset by a decrease in outsourced costs.

Liquidity and Capital Resources

We have historically financed our operations primarily through funds generated from operations. Research services revenues, which constituted approximately 66% of our revenues during 2016, are generally renewable annually and are typically payable in advance. We generated cash from operating activities of $41.9 million and $32.5 million during the years ended December 31, 2016 and 2015, respectively. The $9.4 million increase in cash provided from operations during 2016 is primarily attributable to 1) an $8.6 million increase in net income as adjusted for non-cash items in 2016 as compared to 2015, 2) a $5.7 million increase in cash generated from the change in accounts receivable and deferred revenue, which represents an excess of cash collected compared to revenues during 2016 versus revenues exceeding cash collections during 2015, and 3) a $4.9 million decrease in cash from working capital due primarily to an increase in incentive bonus payments during 2016. We expect cash from operating activities to be in the range of $32.0 to $36.0 million during 2017.

During 2016, we used $17.9 million of cash for investing activities, consisting primarily of $13.7 million in net purchases of marketable investments and $4.1 million of purchases of property and equipment. Property and equipment purchases during 2016 consisted primarily of software. We expect capital expenditures to be in the range of $4.0 million to $7.0 million during 2017. During 2015, we generated $2.8 million of cash from investing activities, consisting primarily of $6.4 million in net maturities of marketable investments partially offset by $3.9 million of purchases of property and equipment. Property and equipment purchases during 2015 consisted primarily of equipment and software. We regularly invest excess funds in short and intermediate-term interest-bearing obligations of investment grade.

We generated $2.5 million of cash from financing activities during 2016 primarily due to $16.7 million of proceeds received from the exercise of stock options and our employee stock purchase plan, which was partially offset by the payment of $13.0 million in quarterly dividends consisting of a $0.18 per share dividend each quarter. In addition, during 2016 we paid $1.8 million for purchases of our common stock. We used $29.7 million of cash from financing activities during 2015 primarily due to $20.9 million of purchases of our common stock. In addition, during 2015 we paid $12.2 million of quarterly dividends consisting of a $0.17 per share dividend each quarter and we received $3.3 million of proceeds from the exercise of stock options and our employee stock purchase plan.

During 2016, our Board of Directors increased our stock repurchase authorization by $25 million. As of December 31, 2016, our remaining stock repurchase authorization was approximately $60.1 million. We plan to continue to repurchase our common stock during 2017, as market conditions warrant.

As of December 31, 2016, we had cash and cash equivalents of $77.0 million and marketable investments of $61.1 million. These balances include $46.3 million held outside of the U.S. If these funds outside of the U.S. are needed for operations in the U.S., we would be required to accrue and pay U.S. taxes to repatriate these funds. However, our intent is to permanently reinvest these funds outside of the U.S. and our current plans do not demonstrate a need to repatriate these funds for our U.S. operations. We do not currently have a line of credit and do not presently anticipate the need to access a line of credit in the foreseeable future except in the case of a significant acquisition. We believe that our current cash balance, marketable investments, and cash flows from operations will satisfy working capital, financing activities, and capital expenditure requirements for the next twelve months.

As of December 31, 2016, we had future contractual obligations as follows:

Contractual Obligations	Total	2017	2018	2019	2020	2021	Thereafter
				(In thousands)			
Operating leases (1)	$ 88,823	$ 11,913	$ 11,153	$ 10,775	$ 10,223	$ 8,816	$ 35,943
Purchase commitments (2)	8,292	7,486	403	403	—	—	—
	$ 97,115	$ 19,399	$ 11,556	$ 11,178	$ 10,223	$ 8,816	$ 35,943

(1) Operating leases comprise of future minimum rental commitments under non-cancellable property leases.

(2) Purchase commitments principally comprise of contractual commitments for software, outsourced research services and event venues.

As of December 31, 2016, $0.4 million of unrecognized tax benefits for uncertain tax positions and the accrual for the related interest, net of the federal benefit, was included in non-current liabilities. These amounts were not included in the table above because we are unable to make a reasonably reliable estimate of when a cash settlement, if any, will occur with a tax authority as the timing of examinations and ultimate resolutions of those examinations is uncertain.

Off-Balance Sheet Arrangements

We do not maintain any off-balance sheet financing arrangements.

Recent Accounting Pronouncements

See Note 1 of the Notes to Consolidated Financial Statements for a full description of recent accounting pronouncements including the expected dates of adoption and effects on results of operations and financial condition.

Item 7A. ***Quantitative and Qualitative Disclosures About Market Risk***

The following discussion about our market risk disclosures involves forward-looking statements. Actual results could differ materially from those projected in the forward-looking statements. We are exposed to market risk related to changes in interest rates and foreign currency exchange rates. We have historically not used derivative financial instruments.

The primary objective of our investment activities is to preserve principal and maintain liquidity while at the same time maximizing the income we receive from our investments without significantly increasing risk. To achieve this objective, we maintain our portfolio of cash equivalents and marketable investments in a variety of securities during the course of the year, which may include U.S. government agencies, municipal notes and bonds, corporate notes and bonds, commercial paper, and money market funds. The securities, other than money market funds, are classified as available-for-sale and consequently are recorded on the Consolidated Balance Sheets at fair value with unrealized gains or losses reported as a component of accumulated other comprehensive loss in the Consolidated Balance Sheets. If interest rates rise, the market value of our investments may decline, which could result in a realized loss if we are forced to sell an investment before its scheduled maturity. We have the ability to hold our fixed income investments until maturity (without giving effect to any future acquisitions or mergers). Therefore, we would not expect our operating results or cash flows to be affected to any significant degree by a sudden change in market interest rates on our securities portfolio.

The following table provides information about our investment portfolio, for which all of the securities are denominated in U.S. dollars. For investment securities, the table presents principal cash flows and related weighted-average interest rates by maturity date.

Principal amounts by maturity dates (dollars in thousands):

	Years Ended December 31,	
	2017	**2018**
Federal obligations	$ —	$ 1,793
Corporate obligations	37,159	22,195
Total	$ 37,159	$ 23,988
Weighted average interest rates	1.02%	1.18%

Foreign Currency Exchange. On a global level, we face exposure to movements in foreign currency exchange rates as we enter into normal business transactions that may be in currencies other than the local currency of our subsidiaries. In addition, transactions and account balances between our U.S. and foreign subsidiaries expose us to currency exchange risk. This exposure may change over time as business practices evolve and could have a material adverse effect on our results of operations. For the year ended December 31, 2016, we incurred foreign currency exchange gains of $0.1 million. Foreign exchange losses were insignificant during the year ended December 31, 2015 and for the year ended December 31, 2014 we incurred foreign currency exchange losses of $0.1 million. Historically, we have not entered into any hedging agreements as we have assessed our exposure to sudden changes in foreign currency exchange rates to be insignificant. However, we may enter into hedging agreements in the future to attempt to mitigate the financial effect of future fluctuations in the euro, British pound or other foreign currencies.

Item 8. ***Consolidated Financial Statements and Supplementary Data***

The financial statements listed in the following Index to Financial Statements are filed as a part of this 2016 Annual Report on Form 10-K.

FORRESTER RESEARCH, INC.

INDEX TO FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of
Forrester Research, Inc.:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income, comprehensive income, stockholders' equity and cash flows present fairly, in all material respects, the financial position of Forrester Research, Inc. and its subsidiaries at December 31, 2016 and December 31, 2015, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2016 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2016, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on these financial statements and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP

Boston, Massachusetts
March 10, 2017

FORRESTER RESEARCH, INC.

CONSOLIDATED BALANCE SHEETS

(In thousands, except per share data)

	December 31, 2016	December 31, 2015
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 76,958	$ 53,331
Marketable investments (Note 3)	61,147	47,775
Accounts receivable, net (Note 11)	58,812	67,355
Deferred commissions	12,052	13,529
Prepaid expenses and other current assets	14,467	15,737
Total current assets	223,436	197,727
Property and equipment, net (Note 11)	23,894	27,569
Goodwill (Note 2)	73,193	74,071
Intangible assets, net (Note 2)	1,464	2,334
Other assets	13,798	17,290
Total assets	$ 335,785	$ 318,991
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	$ 1,806	$ 525
Accrued expenses and other current liabilities (Note 11)	41,403	41,252
Deferred revenue	134,265	140,676
Total current liabilities	177,474	182,453
Non-current liabilities	8,275	9,236
Total liabilities	185,749	191,689
Commitments (Note 6)		
Stockholders' Equity (Note 7):		
Preferred stock, $0.01 par value		
Authorized - 500 shares; issued and outstanding - none	—	—
Common stock, $0.01 par value		
Authorized - 125,000 shares		
Issued - 21,719 and 21,063 shares as of December 31, 2016 and 2015, respectively		
Outstanding - 18,361 and 17,752 shares as of December 31, 2016 and 2015, respectively	217	211
Additional paid-in capital	157,569	134,967
Retained earnings	121,799	117,135
Treasury stock -3,358 and 3,311 shares as of December 31, 2016 and 2015, respectively, at cost	(121,976)	(120,185)
Accumulated other comprehensive loss	(7,573)	(4,826)
Total stockholders’ equity	150,036	127,302
Total liabilities and stockholders’ equity	$ 335,785	$ 318,991

The accompanying notes are an integral part of these consolidated financial statements.

FORRESTER RESEARCH, INC.

CONSOLIDATED STATEMENTS OF INCOME

(In thousands, except per share data)

	Years Ended December 31, 2016	2015	2014
Revenues:			
Research services	$ 215,216	$ 210,268	$ 207,517
Advisory services and events	110,879	103,458	104,545
Total revenues	326,095	313,726	312,062
Operating expenses:			
Cost of services and fulfillment	128,175	126,261	126,199
Selling and marketing	116,898	116,081	115,753
General and administrative	40,579	39,041	38,584
Depreciation	7,812	8,192	9,325
Amortization of intangible assets	831	891	2,171
Reorganization costs	1,026	4,433	1,817
Total operating expenses	295,321	294,899	293,849
Income from operations	30,774	18,827	18,213
Other income, net	740	511	464
Losses on investments, net	(805)	(18)	(288)
Income before income taxes	30,709	19,320	18,389
Income tax provision	13,058	7,324	7,524
Net income	$ 17,651	$ 11,996	$ 10,865
Basic income per common share	$ 0.98	$ 0.67	$ 0.58
Diluted income per common share	$ 0.97	$ 0.66	$ 0.57
Basic weighted average common shares outstanding	17,984	17,927	18,713
Diluted weighted average common shares outstanding	18,269	18,143	19,007

The accompanying notes are an integral part of these consolidated financial statements.

FORRESTER RESEARCH, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In thousands)

	Years Ended December 31,		
	2016	2015	2014
Net income	$ 17,651	$ 11,996	$ 10,865
Other comprehensive income (loss), net of taxes:			
Foreign currency translation	(2,764)	(3,187)	(3,977)
Net change in market value of investments	17	(26)	(90)
Other comprehensive loss	(2,747)	(3,213)	(4,067)
Comprehensive income	$ 14,904	$ 8,783	$ 6,798

The accompanying notes are an integral part of these consolidated financial statements.

FORRESTER RESEARCH, INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(In thousands)

	Common Stock		Additional		Treasury Stock		Accumulated Other	Total
	Number of Shares	$0.01 Par Value	Paid-in Capital	Retained Earnings	Number of Shares	Cost	Comprehensive Income (Loss)	Stockholders' Equity
Balance, December 31, 2013	20,491	$ 205	$ 109,676	$ 118,415	735	$ (26,088)	$ 2,454	$ 204,662
Issuance of common stock under stock plans, including tax effects	365	4	7,822	—	—	—	—	7,826
Stock-based compensation expense	—	—	7,444	—	—	—	—	7,444
Repurchases of common stock	—	—	—	—	1,968	(73,166)	—	(73,166)
Dividends paid on common shares	—	—	—	(11,962)	—	—	—	(11,962)
Net income	—	—	—	10,865	—	—	—	10,865
Net change in marketable investments, net of tax	—	—	—	—	—	—	(90)	(90)
Foreign currency translation	—	—	—	—	—	—	(3,977)	(3,977)
Balance, December 31, 2014	20,856	209	124,942	117,318	2,703	(99,254)	(1,613)	141,602
Issuance of common stock under stock plans, including tax effects	207	2	1,678	—	—	—	—	1,680
Stock-based compensation expense	—	—	8,347	—	—	—	—	8,347
Repurchases of common stock	—	—	—	—	608	(20,931)	—	(20,931)
Dividends paid on common shares	—	—	—	(12,179)	—	—	—	(12,179)
Net income	—	—	—	11,996	—	—	—	11,996
Net change in marketable investments, net of tax	—	—	—	—	—	—	(26)	(26)
Foreign currency translation	—	—	—	—	—	—	(3,187)	(3,187)
Balance, December 31, 2015	21,063	211	134,967	117,135	3,311	(120,185)	(4,826)	127,302
Issuance of common stock under stock plans, including tax effects	656	6	14,626	—	—	—	—	14,632
Stock-based compensation expense	—	—	7,976	—	—	—	—	7,976
Repurchases of common stock	—	—	—	—	47	(1,791)	—	(1,791)
Dividends paid on common shares	—	—	—	(12,987)	—	—	—	(12,987)
Net income	—	—	—	17,651	—	—	—	17,651
Net change in marketable investments, net of tax	—	—	—	—	—	—	17	17
Foreign currency translation	—	—	—	—	—	—	(2,764)	(2,764)
Balance, December 31, 2016	21,719	$ 217	$ 157,569	$ 121,799	3,358	$ (121,976)	$ (7,573)	$ 150,036

The accompanying notes are an integral part of these consolidated financial statements.

FORRESTER RESEARCH, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

	Years Ended December 31,		
	2016	2015	2014
Cash flows from operating activities:			
Net income	$ 17,651	$ 11,996	$ 10,865
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and asset write offs	7,812	8,350	9,325
Amortization of intangible assets	831	891	2,171
Net losses from investments	805	18	288
Deferred income taxes	2,602	(985)	(7,526)
Stock-based compensation	7,976	8,347	7,444
Amortization of premium on investments	345	693	1,273
Foreign currency (gains) losses	(81)	38	141
Changes in assets and liabilities			
Accounts receivable	7,963	(718)	9,140
Deferred commissions	1,477	225	(815)
Prepaid expenses and other current assets	311	1,431	620
Accounts payable	1,317	(357)	(82)
Accrued expenses and other liabilities	(2,011)	4,657	2,171
Deferred revenue	(5,140)	(2,120)	(6,220)
Net cash provided by operating activities	41,858	32,466	28,795
Cash flows from investing activities:			
Purchases of property and equipment	(4,140)	(3,931)	(1,503)
Purchases of marketable investments	(36,763)	(20,587)	(35,386)
Proceeds from sales and maturities of marketable investments	23,086	26,960	60,112
Other investing activity	(48)	347	1,542
Net cash provided by (used in) investing activities	(17,865)	2,789	24,765
Cash flows from financing activities:			
Dividends paid on common stock	(12,987)	(12,179)	(11,962)
Repurchases of common stock	(1,791)	(20,931)	(73,166)
Proceeds from issuance of common stock under employee equity incentive plans	16,734	3,347	8,969
Excess tax benefits from stock-based compensation	550	51	244
Net cash provided by (used in) financing activities	2,506	(29,712)	(75,915)
Effect of exchange rate changes on cash and cash equivalents	(2,872)	(1,862)	(2,127)
Net increase (decrease) in cash and cash equivalents	23,627	3,681	(24,482)
Cash and cash equivalents, beginning of year	53,331	49,650	74,132
Cash and cash equivalents, end of year	$ 76,958	$ 53,331	$ 49,650
Supplemental disclosure of cash flow information:			
Cash paid for income taxes	$ 8,507	$ 6,425	$ 14,180

The accompanying notes are an integral part of these consolidated financial statements.

(1) Summary of Significant Accounting Policies

Basis of Presentation

Principles of Consolidation

Forrester Research, Inc. ("Forrester" or the "Company") is a global independent research, data, and advisory services firm. Forrester works with business and technology leaders to help them develop customer-obsessed strategies that drive growth. Forrester's unique insights are grounded in annual surveys of more than 500,000 consumers and business leaders worldwide, rigorous and objective research methodologies, and the shared wisdom of our clients. Through proprietary research and data, custom consulting, exclusive executive peer groups and events, Forrester challenges the thinking of its clients and positions them to lead change in their organizations. The accompanying consolidated financial statements include the accounts of Forrester and its wholly-owned subsidiaries. All intercompany transactions and balances have been eliminated in consolidation.

Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Forrester considers the more significant of these estimates to be revenue recognition, stock-based compensation, non-marketable investments, goodwill and intangible assets, and income taxes. On an ongoing basis, management evaluates its estimates. Actual results could differ from these estimates.

Fair Value Measurements

The Company has certain financial assets recorded at fair value which have been classified as either Level 1, 2 or 3 within the fair value hierarchy as described in the accounting standards for fair value measurements.

Level 1 — Fair value based on quoted prices in active markets for identical assets or liabilities.

Level 2 — Fair value based on inputs other than Level 1 inputs that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 — Fair value based on unobservable inputs that are supported by little or no market activity and such inputs are significant to the fair value of the assets or liabilities.

The carrying amounts reflected in the Consolidated Balance Sheets for cash, cash equivalents, accounts receivable, accounts payable, and accrued expenses approximate fair value due to their short-term maturities.

Cash, Cash Equivalents, and Marketable Investments

Forrester considers all short-term, highly liquid investments with original maturities at the time of purchase of 90 days or less to be cash equivalents.

The Company's portfolio of investments may at any time include securities of U.S. government agencies, municipal notes, corporate notes and bonds, and money market funds. Forrester accounts for all marketable investments as available-for-sale securities and as such, the marketable investments are carried at fair value with unrealized gains and losses (not related to credit losses) recorded in accumulated other comprehensive loss in the Consolidated Balance Sheets. Realized gains and losses on securities are included in earnings and are determined using the specific identification method. The Company conducts periodic reviews to identify and evaluate each investment that has an unrealized loss, in accordance with the meaning of other-than-temporary impairment and its application to certain investments, as required under current accounting standards. An unrealized loss exists when the current fair value of an individual security is less than its amortized cost basis. Unrealized losses on available-for-sale securities that are determined to be temporary, and not related to credit loss, are recorded, net of tax, in accumulated other comprehensive loss. The determination of whether a loss is considered temporary is based in part on whether the Company intends to sell the security or whether the Company would more likely than not be required to sell the security before the expected recovery of the amortized cost basis. During the years ended December 31, 2016, 2015 and 2014, the Company did not record any other-than-temporary impairment losses on its available-for-sale securities.

Concentrations of Credit Risk

Forrester has no off-balance sheet or significant concentration of credit risk such as foreign exchange contracts, option contracts, or other foreign hedging arrangements. Financial instruments that potentially subject Forrester to concentrations of credit risk are principally cash, cash equivalents, marketable investments, and accounts receivable. Forrester places its investments in highly rated securities. No single customer accounted for greater than 2% of revenues or accounts receivable in any of the periods presented.

Deferred Commissions

Commissions incurred in acquiring new or renewing existing contracts, which are earned in the month that a contract is booked, are deferred and expensed to operations as the related revenue is recognized. Forrester evaluates the recoverability of deferred commissions at each balance sheet date.

Goodwill

Goodwill is not amortized; however, it is required to be tested for impairment annually. Furthermore, testing for impairment is required on an interim basis if an event or circumstance indicates that it is more likely than not an impairment loss has been incurred. An impairment loss would be recognized to the extent that the carrying amount of goodwill exceeds its implied fair value. Absent an event that indicates a specific impairment may exist, the Company has selected November 30th as the date for performing the annual goodwill impairment test. Goodwill impairment charges have not been required for the years ended December 31, 2016, 2015 and 2014.

Impairment of Other Long-Lived Tangible and Intangible Assets

Forrester continually evaluates whether events or circumstances have occurred that indicate that the estimated remaining useful life of long-lived assets and intangible assets may warrant revision or if events or circumstances indicate that the carrying value of these assets may be impaired. To compute whether assets have been impaired, the estimated undiscounted future cash flows for the estimated remaining useful life of the assets are compared to the carrying value. To the extent that the future cash flows are less than the carrying value, the assets are written down to the estimated fair value of the asset. Impairment charges have not been required for the years ended December 31, 2016, 2015 and 2014.

Non-Current Liabilities

The Company records certain liabilities that are expected to be settled over a period that exceeds one year as non-current liabilities. The Company also records as a non-current liability the portion of the deferred rent liability that is expected to be recognized over a period greater than one year. The non-current deferred rent liability at December 31, 2016 and 2015 was $7.4 million and $6.4 million, respectively, and results from the difference between cash payments and the straight-line recognition of rent expense under the Company's facility leases.

Foreign Currency

The functional currency of the majority of Forrester's wholly-owned subsidiaries is their respective local currency. These subsidiary financial statements are translated to U.S. dollars using period-end exchange rates for assets and liabilities and average exchange rates during the corresponding period for revenues and expenses, with translation gains and losses accumulated as a component of accumulated other comprehensive loss in the Consolidated Balance Sheets. Gains and losses related to the remeasurement of monetary assets and liabilities denominated in a currency other than an entity's functional currency are included in other income, net in the Consolidated Statements of Income. For the years ended December 31, 2016 and December 31, 2014, Forrester recorded $0.1 million of foreign exchange gains and $0.1 million of foreign exchange losses, respectively, in other income, net. Foreign exchange losses were insignificant for the year ended December 31, 2015.

Accumulated Other Comprehensive Income (Loss)

The components of accumulated other comprehensive income (loss) are as follows (in thousands):

	Net Unrealized Gain (Loss) on Marketable Investments	Cumulative Translation Adjustment	Total Accumulated Other Comprehensive Income (Loss)
Balance at December 31, 2013	$ 16	$ 2,438	$ 2,454
Foreign currency translation	—	(3,977)	(3,977)
Unrealized loss on investments before reclassification, net of tax of $47	(84)	—	(84)
Reclassification adjustment for net losses realized in net income, net of tax of $8	(6)	—	(6)
Balance at December 31, 2014	(74)	(1,539)	(1,613)
Foreign currency translation before reclassification	—	(3,505)	(3,505)
Reclassification adjustment for write-off of foreign currency translation loss	—	318	318
Unrealized loss on investments, net of tax of $20	(26)	—	(26)
Balance at December 31, 2015	(100)	(4,726)	(4,826)
Foreign currency translation	—	(2,764)	(2,764)
Unrealized gain on investments, net of tax of ($14)	17	—	17
Balance at December 31, 2016	$ (83)	$ (7,490)	$ (7,573)

Reclassification adjustments for net investment gains (losses) are reported in losses on investments, net in the Consolidated Statements of Income. The reclassification adjustment for the write-off of a foreign currency translation loss relates to the liquidation of a non-U.S. subsidiary during 2015 and is reported in reorganization costs in the Consolidated Statements of Income.

Revenue Recognition

Forrester generates revenues from memberships to, and sales of, its Research, Connect and Data products, performing advisory services and consulting projects and hosting events. Forrester executes contracts that govern the terms and conditions of each arrangement. Revenues are recognized when persuasive evidence of an arrangement exists, the fee is fixed or determinable, services have been provided to the customer, and collectability is reasonably assured. Revenues are presented net of any sales or value added taxes that are collected from customers and remitted to the government. Revenue contracts may include either a single product or service or a combination of multiple products and services. Revenues from contracts that contain multiple products and services are allocated among the separate units of accounting based on their relative selling prices; however, the amount recognized is limited to the amount that is not contingent on future performance conditions. The Company obtains the relative selling prices of its products and services based on an analysis of standalone sales of these products and services during the year or upon an analysis of the estimated selling price of products for which there are insufficient standalone sales. The majority of research services revenues, including RoleView Research, Leadership Boards and the Data subscription products, are recognized ratably over the term of the contract. Research services revenues such as reprints are recognized as revenue when delivered. Advisory services revenues, such as workshops, speeches and advisory days, are recognized when the customer receives the agreed upon deliverable and consulting project revenues, which are short-term in nature and based upon fixed-fee agreements, are recognized as the services are provided. Event revenues are recognized upon completion of the event. Reimbursed out-of-pocket expenses are recorded as advisory services and events revenue.

Annual subscriptions to our RoleView Research include access to all or a designated portion of our research and, depending on the type of license, unlimited phone or email analyst inquiry and unlimited participation in Forrester Webinars, all of which are delivered throughout the contract period and are accounted for as one unit of accounting. Annual subscriptions for Leadership Boards include access to the RoleView Research offering, access to a private forum with other Leadership Board member peers, access to a Forrester advisor, member-generated content and one Event ticket. Leadership Boards are accounted for as two units of accounting: 1) the event ticket and 2) the remaining services that are delivered throughout the contract period. Arrangement consideration is allocated to each of these elements based upon their relative selling prices, which is based on standalone sales of event tickets and the estimated selling price of the remaining services. Annual subscriptions to our data subscription products include access to designated survey data products and access to a data advisor, which are delivered throughout the contract period, and are accounted for as one unit of accounting and recognized ratably as research services revenue over the contract period. Certain of the data subscription products also include advisory services and these contracts are accounted for as two units of accounting: 1) the data subscription and data advisor and 2) the advisory services. Arrangement consideration is allocated to each element based upon its relative selling price, which is determined based on standalone sales of the advisory services and the estimated selling price of the remaining data services.

Stock-Based Compensation

The Company recognizes the fair value of stock-based compensation expense over the requisite service period of the individual grantee, which generally equals the vesting period. Cash flows resulting from the tax benefits of tax deductions in excess of the compensation expense recognized for stock-based awards are classified as financing cash flows. For periods through December 31, 2016, the Company was required to estimate future forfeitures of stock-based awards for recognition of compensation expense and either recorded additional expense if the actual forfeitures were lower than estimated or recorded a recovery of prior recognized expense if the actual forfeitures were higher than estimated. The actual expense recognized over the vesting period was only for those awards that vested. As of January 1, 2017, the Company will adopt Accounting Standards Update (ASU) No. 2016-09, *Compensation – Stock Compensation: Improvements to Employee Share-Based Payment Accounting.* Under this standard, entities are permitted to make an accounting policy election to either estimate forfeitures, as previously required, or to recognize forfeitures as they occur. The Company will elect to recognize forfeitures as they occur, effective January 1, 2017, and as such will record expense over the service period for 100% of its share-based awards that are outstanding and not yet vested and will record a recovery of prior recognized expense at the date an award is forfeited prior to vesting. Significant forfeitures during a reporting period could increase the volatility, and decrease the predictability of the Company's financial results. Stock-based compensation expense was recorded in the following expense categories (in thousands):

	Years Ended December 31,		
	2016	2015	2014
Cost of services and fulfillment	$ 4,431	$ 4,573	$ 4,316
Selling and marketing	1,054	1,152	1,132
General and administrative	2,491	2,622	1,996
Total	$ 7,976	$ 8,347	$ 7,444

The options granted under the equity incentive plan and shares subject to the employee stock purchase plan were valued utilizing the Black Scholes model using the following assumptions and had the following fair values:

	Years Ended December 31,					
	2016		2015		2014	
	Equity Incentive Plans	Employee Stock Purchase Plan	Equity Incentive Plans	Employee Stock Purchase Plan	Equity Incentive Plans	Employee Stock Purchase Plan
Average risk-free interest rate	1.30%	0.32%	1.59%	0.07%	1.69%	0.06%
Expected dividend yield	2.2%	2.1%	2.1%	1.9%	1.8%	2.0%
Expected life	5.0 Years	0.5 Years	5.0 Years	0.5 Years	5.1 Years	0.5 Years
Expected volatility	24%	24%	24%	22%	26%	24%
Weighted average fair value	$ 6.16	$ 6.69	$ 6.15	$ 7.19	$ 7.91	$ 7.32

Dividend yields are based on the initiation of a regular quarterly dividend program approved by the Board of Directors in February 2012. Expected volatility is based, in part, on the historical volatility of Forrester's common stock as well as management's expectations of future volatility over the expected term of the awards granted. The risk-free interest rate is based on the U.S. Treasury Constant Maturity rate with an equivalent remaining term. Where the expected term of a stock-based award does not correspond with a term for which the interest rates are quoted, Forrester uses the rate with the maturity closest to the award's expected term. The expected term calculation is based upon Forrester's historical experience of exercise patterns. The unamortized fair value of stock-based awards as of December 31, 2016 was $15.5 million, with a weighted average remaining recognition period of 2.5 years.

Allowance for Doubtful Accounts

Forrester maintains an allowance for doubtful accounts for estimated losses resulting from the inability of its customers to make contractually obligated payments. When evaluating the adequacy of the allowance for doubtful accounts, the Company makes judgments regarding the collectability of accounts receivable by specifically analyzing historical bad debts, customer concentrations, current economic trends, and changes in the customer payment terms. If the financial condition of the Company's customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required and if the financial condition of the Company's customers were to improve, the allowances may be reduced accordingly.

Depreciation and Amortization

Forrester provides for depreciation and amortization of property and equipment, computed using the straight-line method, over estimated useful lives of assets as follows:

	Estimated Useful Life
Computers and equipment	3 to 10 Years
Computer software	3 to 5 Years
Furniture and fixtures	7 Years
Leasehold improvements	Shorter of asset life or lease term

Forrester provides for amortization of intangible assets, computed using an accelerated method according to the expected cash flows to be received from the underlying assets, over the respective lives as follows:

	Estimated Useful Life
Customer relationships	5 to 11 Years
Research content	1 to 2 Years
Technology	7 Years

Income Taxes

Forrester recognizes deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the financial statements and tax basis of assets and liabilities as well as operating loss carryforwards.

Forrester's provision for income taxes is composed of a current and a deferred provision for federal, state and foreign jurisdictions. The current provision is calculated as the estimated taxes payable or refundable on tax returns for the current year. The deferred income tax provision is calculated as the net change during the year in deferred tax assets and liabilities. Valuation allowances are provided if based on the weight of available evidence, it is more likely than not that some or all of the deferred tax asset will not be realized.

Forrester accounts for uncertain tax positions using a "more-likely-than-not" threshold for recognizing and resolving uncertain tax positions. The evaluation of uncertain tax positions is based on factors including, but not limited to, changes in tax law, the measurement of tax positions taken or expected to be taken in tax returns, the effective settlement of matters subject to audit, new audit activity, and changes in facts or circumstances related to a tax position. The Company evaluates these tax positions on a quarterly basis. The Company also accrues for potential interest and penalties related to unrecognized tax benefits in income tax expense.

Net Income Per Common Share

Basic net income per common share is computed by dividing net income by the basic weighted average number of common shares outstanding during the period. Diluted net income per common share is computed by dividing net income by the diluted weighted average number of common shares and common equivalent shares outstanding during the period. The weighted average number of common equivalent shares outstanding has been determined in accordance with the treasury-stock method. Common stock equivalents consist of common stock issuable upon the exercise of outstanding stock options and the vesting of restricted stock units.

Basic and diluted weighted average common shares are as follows (in thousands):

	Years Ended December 31,		
	2016	2015	2014
Basic weighted average common shares outstanding	17,984	17,927	18,713
Weighted average common equivalent shares	285	216	294
Diluted weighted average common shares outstanding	18,269	18,143	19,007
Options excluded from diluted weighted average share calculation as effect would have been anti-dilutive	706	1,237	587

New Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers*, which supersedes all existing revenue recognition requirements, including most industry-specific guidance. The new standard requires a company to recognize revenue when it transfers goods or services to customers in an amount that reflects the consideration that the company expects to receive for those goods or services. The guidance also includes enhanced disclosure requirements which are intended to help financial statement users better understand the nature, amount, timing and uncertainty of revenue being recognized and the related cash flows. In March 2016, the FASB issued ASU No. 2016-08, *Revenue from Contracts with Customers: Principal versus Agent Considerations*, which clarifies the implementation guidance on principal versus agent considerations. In April 2016, the FASB issued ASU No. 2016-10, *Revenue from Contracts with Customers: Identifying Performance Obligations and Licensing*, which clarifies certain aspects of identifying performance obligations and licensing implementation guidance. In May 2016, the FASB issued ASU No. 2016-12*, Revenue from Contracts with Customers: Narrow-Scope Improvements and Practical Expedients*, which relates to disclosures of remaining performance obligations, as well as other amendments to guidance on collectability, non-cash consideration and the presentation of sales and other similar taxes collected from customers. In December 2016, the FASB issued ASU 2016-20, *Technical Corrections and Improvements: Revenue from Contracts with Customers*, which clarifies several topics including, certain types of transactions that are outside the scope of the new standard, disclosure requirements and balance sheet considerations.

In 2016, Forrester established a formal program and cross-functional implementation team to identify, design and implement changes to its accounting systems and policies, business processes and internal controls to support recognition and disclosures under the new standard. The Company estimates it is more than half way through its adoption analysis and significant completed activities to date include assessments of material, active contracts, performance obligations, standalone selling prices and transaction price allocation, revenue recognition timing and variable consideration.

The Company does not anticipate that the standard will have a material impact on its results of operations. The number of performance obligations in the Company's arrangements will not be different under the new standard than under current guidance. Determining standalone selling prices and allocating contract consideration on multiple element arrangements will not be different from the Company's current methodologies of establishing fair value / estimated selling price for our goods and services or allocating total contract consideration under the relative selling price method. Additionally, the timing of revenue recognition will remain substantially unchanged for most products. Subscription based research services revenues will continue to be recognized over time, using the new standard's output method of time elapsed, as Forrester's clients receive and consume the benefits of our services as we transfer control throughout the contract period. Advisory, reprint and events revenues will continue to be recognized at the point in time as control is transferred to the customer, which will generally be when the client has physical possession of the good(s) or upon completion of the service(s). Although the Company is still evaluating its consulting revenues, it expects that most of its consulting contracts will continue to be recognized over time, while some contracts may be required to be recognized at a point in time upon completion of the project.

Key areas still in process include the evaluation of contract costs and the recording of contract assets and liabilities on the consolidated balance sheet. The adoption program and all remaining activities, including updates to the Company's systems, processes, policies and controls, are expected to be completed in late 2017.

The new standard will be effective for annual reporting periods beginning after December 15, 2017, including interim periods within that reporting period, with early adoption permitted for the first interim period within annual reporting periods beginning after December 15, 2016. The two permitted transition methods under the new standard are the full retrospective method, in which case the standard would be applied to each prior reporting period presented, or the modified retrospective method, in which case the cumulative effect of applying the standard would be recognized at the date of initial application. The Company has not yet determined its adoption methodology.

Notwithstanding the Company's current conclusions above, certain areas of the standard, as well as implementation issues, continue to be worked through by the various standard setting bodies. The Company's implementation team continues to monitor industry activities and standard updates and will adjust its adoption plans based on any relevant guidance issued by the standard setters and regulators.

In February 2016, the FASB issued ASU No. 2016-02, *Leases*. The new standard requires that all lessees recognize the assets and liabilities that arise from leases on the balance sheet and disclose qualitative and quantitative information about its leasing arrangements. The new standard will be effective for the Company on January 1, 2019. The adoption of this standard is expected to have a material impact on the Company's financial position. The Company is currently evaluating the potential impact that this standard may have on its results of operations.

In March 2016, the FASB issued ASU No. 2016-09, *Compensation – Stock Compensation: Improvements to Employee Share-Based Payment Accounting*. The new standard involves several aspects of the accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities and classification on the statement of cash flows. The new standard will be effective for the Company on January 1, 2017.

Under ASU No. 2016-09, entities are permitted to make an accounting policy election to either estimate forfeitures on share-based payment awards, as previously required, or to recognize forfeitures as they occur. The Company will recognize forfeitures as they occur upon adoption of the standard on January 1, 2017, which will require a cumulative effect adjustment to retained earnings upon adoption. The impact of this change in accounting policy is not expected to have a material effect on the Company's retained earnings balance as of January 1, 2017.

Additionally, ASU No. 2016-09 requires that all income tax effects related to settlements of share-based payment awards be reported in earnings as an increase or decrease to income tax expense. The requirement to report those income tax effects in earnings will be applied on a prospective basis to settlements occurring on or after January 1, 2017 and the impact of applying this guidance will be dependent on how many options are exercised and how many restricted stock units vest, as well as the volatility of the Company's stock price.

ASU No. 2016-09 also requires that all income tax-related cash flows resulting from share-based payments be reported as operating activities in the statement of cash flows. This change will not have a material impact on the Company's statement of cash flows and the Company will apply this change retrospectively to all periods presented. This ASU also requires that cash paid by directly withholding shares for tax withholding purposes be classified as a financing activity in the statement of cash flows. This change will be applied retrospectively and will result in a reclassification of approximately $2.1 million and $1.5 million for the years ended December 31, 2016 and 2015, respectively, that will increase cash provided by operating activities and decrease cash provided by (used in) financing activities.

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments - Credit Losses: Measurement of Credit Losses on Financial Instruments*. The new standard amends the current financial instrument impairment model by requiring entities to use a forward-looking approach based on expected losses to estimate credit losses on certain types of financial instruments, including trade receivables. The new standard will be effective for the Company on January 1, 2020. The adoption of this standard is not expected to have a material impact on the Company's financial position or results of operations.

In August 2016, the FASB issued ASU No. 2016-15, *Statement of Cash Flows: Classification of Certain Cash Receipts and Cash Payments*. The new standard clarifies certain aspects of the statement of cash flows, including contingent consideration payments made after a business combination, proceeds from the settlement of insurance claims, and distributions received from equity method investees, among others. The new standard will be effective for the Company on January 1, 2018. The adoption of this standard is not expected to have a material impact on our statements of cash flows upon adoption.

In October 2016, the FASB issued ASU No. 2016-16, *Accounting for Income Taxes: Intra-Entity Asset Transfers of Assets Other than Inventory*. The new standard eliminates for all intra-entity sales of assets other than inventory, the exception under current standards that permits the tax effects of intra-entity asset transfers to be deferred until the transferred asset is sold to a third party or otherwise recovered through use. As a result, a reporting entity would recognize the tax expense from the sale of the asset in the seller's tax jurisdiction when the transfer occurs. Any deferred tax asset that arises in the buyer's jurisdiction would also be recognized at the time of the transfer. The Company has elected to early adopt the standard effective on January 1, 2017. Adoption of this standard will not have a material effect on the Company's financial position or results of operations.

(2) Goodwill and Other Intangible Assets

A summary of the goodwill by segment and the changes in the carrying amount of goodwill is shown in the following table (in thousands).

	Product	Research	Project Consulting	Total
Balance at January 1, 2015	$ 2,454	$ 74,229	$ —	$ 76,683
Translation adjustments	(83)	(2,529)	—	(2,612)
Balance at December 31, 2015	2,371	71,700	—	74,071
Translation adjustments	(28)	(850)	—	(878)
Balance at December 31, 2016	$ 2,343	$ 70,850	$ —	$ 73,193

As of December 31, 2016, the Company had no accumulated goodwill impairment losses.

A summary of Forrester's intangible assets is as follows (in thousands):

	December 31, 2016		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Amortizable intangible assets:			
Customer relationships	$ 30,998	$ 29,534	$ 1,464
Research content	1,083	1,083	—
Total	$ 32,081	$ 30,617	$ 1,464

	December 31, 2015		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Amortizable intangible assets:			
Customer relationships	$ 32,270	$ 29,936	$ 2,334
Research content	3,583	3,583	—
Technology	1,507	1,507	—
Total	$ 37,360	$ 35,026	$ 2,334

Amortization expense related to intangible assets was approximately $0.8 million, $0.9 million and $2.2 million during the years ended December 31, 2016, 2015 and 2014, respectively. Estimated amortization expense related to intangible assets that will continue to be amortized is as follows (in thousands):

Year ending December 31, 2017	$ 759
Year ending December 31, 2018	705
Total	$ 1,464

(3) Marketable Investments

The following table summarizes the Company's marketable investments, all of which are classified as available-for-sale (in thousands):

	As of December 31, 2016			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Market Value
Federal agency obligations	$ 1,800	$ —	$ (7)	$ 1,793
Corporate obligations	59,481	2	(129)	59,354
Total	$ 61,281	$ 2	$ (136)	$ 61,147

	As of December 31, 2015			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Market Value
Corporate obligations	$ 47,939	$ —	$ (164)	$ 47,775

The following table summarizes the maturity periods of the marketable securities in the Company's portfolio as of December 31, 2016.

	FY 2017	FY 2018	Total
Federal agency obligations	$ —	$ 1,793	$ 1,793
Corporate obligations	37,159	22,195	59,354
Total	$ 37,159	$ 23,988	$ 61,147

The following table shows the gross unrealized losses and market value of Forrester's available-for-sale securities with unrealized losses that are not deemed to be other-than-temporary, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position (in thousands):

	As of December 31, 2016			
	Less Than 12 Months		12 Months or Greater	
	Market Value	Unrealized Losses	Market Value	Unrealized Losses
Federal agency obligations	$ 1,793	$ 7	$ —	$ —
Corporate obligations	53,647	129	—	—
Total	$ 55,440	$ 136	$ —	$ —

	As of December 31, 2015			
	Less Than 12 Months		12 Months or Greater	
	Market Value	Unrealized Losses	Market Value	Unrealized Losses
Corporate obligations	$ 45,748	$ 158	$ 2,027	$ 6

Realized gains or losses on sales of the Company's available-for-sale securities were not significant for the years ended December 31, 2016 and 2015.

The following table represents the Company's fair value hierarchy for its financial assets (cash equivalents and marketable investments) measured at fair value on a recurring basis (in thousands):

	As of December 31, 2016			
	Level 1	Level 2	Level 3	Total
Money market funds (1)	$ 2,522	$ —	$ —	$ 2,522
Federal agency obligations	—	1,793	—	1,793
Corporate obligations	—	59,354	—	59,354
Total	$ 2,522	$ 61,147	$ —	$ 63,669

	As of December 31, 2015			
	Level 1	Level 2	Level 3	Total
Money market funds (1)	$ 325	$ —	$ —	$ 325
Corporate obligations	—	47,775	—	47,775
Total	$ 325	$ 47,775	$ —	$ 48,100

(1) Included in cash and cash equivalents.

Level 2 assets consist of the Company's entire portfolio of marketable investments. Level 2 assets have been initially valued at the transaction price and subsequently valued, at the end of each reporting period, typically utilizing third party pricing services or other market observable data. The pricing services utilize industry standard valuation methods, including both income and market based approaches and observable market inputs to determine value. These observable market inputs include reportable trades, benchmark yields, credit spreads, broker/dealer quotes, bids, offers, current spot rates and other industry and economic events.

(4) Non-Marketable Investments

At December 31, 2016 and 2015, the carrying value of the Company's non-marketable investments, which were composed primarily of interests in technology-related private equity funds, were $2.8 million and $3.6 million, respectively, and are included in other assets in the Consolidated Balance Sheets.

One of the Company's investments, with a book value of $0.4 million at both December 31, 2016 and 2015, is being accounted for using the cost method and, accordingly, is valued at cost unless an other-than-temporary impairment in its value occurs. The other investments are being accounted for using the equity method as the investments are limited partnerships and the Company has an ownership interest in excess of 5% and, accordingly, the Company records its share of the investee's operating results each period. During the years ended December 31, 2016 and 2014, the Company recorded losses from its non-marketable investments of $(0.8) million and $(0.3) million, respectively, which are included in losses on investments, net in the Consolidated Statements of Income. During the year ended December 31, 2015 losses from non-marketable investments were insignificant. During the year ended December 31, 2016, no distributions were received from the funds. During the years ended December 31, 2015 and 2014, gross distributions of $0.1 million and $1.5 million, respectively, were received from the funds.

(5) Income Taxes

Income before income taxes consists of the following (in thousands):

	Years Ended December 31,		
	2016	2015	2014
Domestic	$ 22,303	$ 11,347	$ 12,939
Foreign	8,406	7,973	5,450
Total	$ 30,709	$ 19,320	$ 18,389

The components of the income tax provision (benefit) are as follows (in thousands):

	Years Ended December 31,		
	2016	2015	2014
Current:			
Federal	$ 6,094	$ 5,103	$ 11,644
State	2,330	1,252	2,239
Foreign	2,032	1,954	1,167
Total current	10,456	8,309	15,050
Deferred:			
Federal	2,719	(723)	(6,470)
State	59	(232)	(1,095)
Foreign	(176)	(30)	39
Total deferred	2,602	(985)	(7,526)
Income tax provision	$ 13,058	$ 7,324	$ 7,524

A reconciliation of the federal statutory rate to Forrester's effective tax rate is as follows:

	Years Ended December 31,		
	2016	2015	2014
Income tax provision at federal statutory rate	35.0%	35.0%	35.0%
Increase (decrease) in tax resulting from:			
State tax provision, net of federal benefit	5.0	4.0	4.2
Foreign tax rate differential	(3.9)	(2.7)	(3.2)
Stock option compensation deduction	0.6	2.5	2.6
Non-deductible expenses	1.5	1.7	1.1
Change in valuation allowance	3.2	(0.7)	(1.0)
Change in tax legislation	—	(3.1)	—
Out-of-period adjustment	—	—	2.5
Other, net	1.1	1.2	(0.3)
Effective tax rate	42.5%	37.9%	40.9%

In July 2015, the U.S. Tax Court issued an opinion in Altera Corp. v. Commissioner related to the treatment of stock-based compensation expense in an intercompany cost-sharing arrangement. The opinion invalidates part of a treasury regulation requiring stock-based compensation to be included in any qualified intercompany cost-sharing arrangement. The Company has reviewed this case and concluded that recording a tax benefit of $0.6 million during 2015, representing the benefit of adjusting its cost-sharing agreement for the years of 2012 through 2014, was appropriate based on the opinion in the case. This benefit is included in the change in tax legislation line in the table above. There were no significant developments in this case during 2016 and the Company will continue to monitor ongoing developments and potential impacts to its consolidated financial statements.

The components of deferred income taxes are as follows (in thousands):

	As of December 31, 2016	As of December 31, 2015
Non-deductible reserves and accruals	$ 8,189	$ 9,795
Net operating loss and other carryforwards	7,560	7,862
Stock compensation	5,327	5,900
Depreciation and amortization	1,196	813
Other assets	50	490
Gross deferred tax asset	22,322	24,860
Less - valuation allowance	(2,193)	(1,534)
Sub-total	20,129	23,326
Depreciation and amortization	(453)	—
Goodwill amortization	(5,013)	(5,097)
Deferred commissions	(4,928)	(5,344)
Net deferred tax asset	$ 9,735	$ 12,885

As of December 31, 2016 and 2015, long-term net deferred tax assets were $9.8 million and $13.1 million, respectively and are included in other assets in the Consolidated Balance Sheets. As of December 31, 2016 and 2015, long-term net deferred tax liabilities were $0.1 million and $0.2 million, respectively, and are included in non-current liabilities in the Consolidated Balance Sheets.

The Company considers all available evidence, both positive and negative, to determine whether, based on the weight of that evidence, a valuation allowance is needed for some portion or all of a net deferred income tax asset. Judgment is required in considering the relative impact of negative and positive evidence. In arriving at these judgments, the weight given to the potential effect of negative and positive evidence is commensurate with the extent to which it can be objectively verified. Although realization is not assured, based upon the Company’s historical taxable income and projections of the Company’s future taxable income over the periods during which the deferred tax assets are deductible and the carryforwards expire, management believes it is more likely than not that the Company will realize the benefits of these deductible differences, net of the existing valuation allowances, as discussed below.

As of December 31, 2016 and 2015, the Company maintained a valuation allowance of approximately $2.2 million and $1.5 million, respectively, primarily relating to U.S. capital losses from the Company’s investment in a technology-related private equity fund, and from foreign net operating loss carryforwards from an acquisition.

As of December 31, 2016, the Company had U.S. federal net operating loss carryforwards of approximately $0.7 million obtained from acquired businesses. These carryforwards are limited pursuant to section 382 of the Internal Revenue Code due to changes in ownership as a result of the acquisitions. If unused, these carryforwards would expire in 2020.

The Company also has foreign net operating loss carryforwards of approximately $20.4 million, which can be carried forward indefinitely. Approximately $3.5 million of the foreign net operating loss carryforwards relate to a prior acquisition, the utilization of which is subject to limitation under the tax law of the United Kingdom.

As of December 31, 2016, the Company had U.S. federal and state capital loss carryforwards of $3.4 million, of which $0.4 million expires in 2018, $1.6 million expires in 2020 and $1.4 million expires in 2021.

The following table provides a summary of the changes in the deferred tax valuation allowance for the years ended December 31, 2016, 2015 and 2014 (in thousands):

	2016	2015	2014
Deferred tax valuation allowance at January 1	$ 1,534	$ 1,565	$ 2,200
Additions	1,256	150	17
Deductions	(455)	(134)	(574)
Translation adjustments	(142)	(47)	(78)
Deferred tax valuation allowance at December 31	$ 2,193	$ 1,534	$ 1,565

During the years ended December 31, 2016 and 2015, the Company recognized approximately $0.1 million and $0.2 million, respectively, of net tax deficiencies from tax deductions less than book deductions resulting from employee stock option exercises. Net tax benefits were insignificant for the year ended December 31, 2014. The net tax deficiencies were recorded as a decrease to additional paid-in-capital. Excess tax benefits from share-based payments are recognized in the year that the deduction reduces the amount of cash payable for taxes.

Undistributed earnings of the Company's foreign subsidiaries amounted to approximately $27.8 million as of December 31, 2016. The Company has not provided any additional federal or state income taxes or foreign withholding taxes on the undistributed earnings as such earnings have been indefinitely reinvested in the business. Due to the various methods by which such earnings could be repatriated in the future, the amount of taxes attributable to the undistributed earnings is not practicably determinable.

The Company utilizes a two-step process for the measurement of uncertain tax positions that have been taken or are expected to be taken on a tax return. The first step is a determination of whether the tax position should be recognized in the financial statements. The second step determines the measurement of the tax position. A reconciliation of the beginning and ending amount of unrecognized tax benefits is summarized as follows for the years ended December 31, 2016, 2015 and 2014 (in thousands):

	2016	2015	2014
Unrecognized tax benefits at January 1	$ 1,910	$ 2,136	$ 2,012
Additions for tax positions of prior years	—	36	6
Reductions for tax positions of prior years	(31)	—	—
Additions for tax positions of current year	75	46	121
Settlements	(163)	(303)	—
Lapse of statute of limitations	—	—	—
Translation adjustments	(17)	(5)	(3)
Unrecognized tax benefits at December 31	$ 1,774	$ 1,910	$ 2,136

As of December 31, 2016, the total amount of unrecognized tax benefits totaled approximately $1.8 million, all of which if recognized, would decrease our effective tax rate in a future period. The Company expects that $1.1 million of unrecognized tax benefits will be recognized within the next 12 months due to the closure of tax audits during 2017.

The Company recognizes interest and penalties related to uncertain tax positions in income tax expense and such amounts were not significant in the years ended December 31, 2016, 2015 and 2014. At December 31, 2016, 2015 and 2014, the Company had $0.1 million, $0.2 million and $0.2 million, respectively, of accrued interest and penalties related to uncertain tax positions.

The Company files income tax returns in the U.S. and in foreign jurisdictions. Generally, the Company is no longer subject to U.S., state, local and foreign income tax examinations by tax authorities in its major jurisdictions for years before 2009, except to the extent of net operating loss and tax credit carryforwards from those years. Major taxing jurisdictions include the U.S., the Netherlands, the United Kingdom, Germany and Switzerland. During 2016, the Internal Revenue Service completed the audit of the Company's amended 2010 consolidated Federal income tax return and there were no material adjustments. As of December 31, 2016, the Company was under audit by the Internal Revenue Service for the Company's amended 2012 consolidated Federal income tax return. This audit was completed in the first quarter of 2017 with no material adjustments.

(6) Commitments

As of December 31, 2016, Forrester had future contractual obligations as follows for operating leases (in thousands):

2017	$ 11,913
2018	11,153
2019	10,775
2020	10,223
2021	8,816
Thereafter	35,943
Total minimum lease payments	$ 88,823

The cost of these operating leases, including any contractual rent increases, rent concessions, and landlord incentives, are recognized ratably over the life of the related lease agreement. Aggregate rent expense was $16.1 million, $16.0 million and $15.9 million for the years ended December 31, 2016, 2015, and 2014, respectively.

(7) Stockholders' Equity

Preferred Stock

Forrester has authorized 500,000 shares of $0.01 par value preferred stock. The Board of Directors has full authority to issue this stock and to fix the voting powers, preferences, rights, qualifications, limitations, or restrictions thereof, including dividend rights, conversion rights, redemption privileges and liquidation preferences and the number of shares constituting any series or designation of such series.

Treasury Stock

Through 2016, Forrester's Board of Directors has authorized an aggregate $485.0 million to purchase common stock under its stock repurchase program including $25.0 million authorized in each of October 2016, February 2015 and July 2015. The shares repurchased may be used, among other things, in connection with Forrester's equity incentive and purchase plans. As of December 31, 2016 the Company had repurchased approximately 15.0 million shares of common stock at an aggregate cost of $424.9 million.

Dividends

During the years ended December 31, 2016, 2015 and 2014, the Company declared and paid four quarterly dividends of $0.18, $0.17 and $0.16 per share each quarter, respectively, amounting to $0.72 per share or $13.0 million, $0.68 per share or $12.2 million and $0.64 per share or $12.0 million, respectively.

Equity Plans

Forrester maintains the following two equity incentive plans: the Forrester Research, Inc. Amended and Restated Equity Incentive Plan (the "Equity Incentive Plan" and previously the "2006 Plan") and the 2006 Stock Option Plan for Directors, as amended (the "2006 Directors' Plan"). Upon approval of an amendment to the 2006 Plan by stockholders in 2012 no future awards under the 2006 Directors' Plan could be granted or issued. In May 2016, the stockholders of the Company approved an amendment and restatement of the Company's 2006 Plan. The amendment and restatement resulted in (1) extending the term of the plan for 10 years until May 2026, (2) increasing the number of shares issuable under the plan by 2,000,000 shares, (3) establishing a maximum amount of awards issuable under the plan to the Company's non-employee directors, and (4) changing the name of the plan to the Forrester Research, Inc. Amended and Restated Equity Incentive Plan.

The Equity Incentive Plan provides for the issuance of stock-based awards, including incentive stock options ("ISOs"), non-qualified stock options ("NSOs"), and restricted stock units ("RSUs") to purchase up to 6,350,000 shares authorized in the plan, 80,000 shares returned from the 2006 Directors' Plan and up to 2,500,000 shares returned from a prior plan. Under the terms of the Equity Incentive Plan, ISOs may not be granted at less than fair market value on the date of grant (and in no event less than par value). Options and RSUs generally vest annually over four years and options expire after 10 years. Options and RSUs granted under the Equity Incentive Plan immediately vest upon certain events, as described in the plan. As of December 31, 2016, approximately 2.7 million shares were available for future grant of awards under the Equity Incentive Plan.

The 2006 Directors' Plan provided for the issuance of options to purchase up to 450,000 shares of common stock. Prior to the 2012 annual stockholders meeting when the 2006 Directors' Plan was terminated, each non-employee director who became a director between annual meetings of stockholders was entitled to receive an option to purchase 6,000 shares of common stock and, following each annual meeting of stockholders, each non-employee director was entitled to receive an option to purchase a specified number of shares of common stock, in all cases at an exercise price equal to the fair market value on the date of grant. Prior to 2011, the annual grant was an option for 12,500 shares of common stock and, in 2011, an option for 12,000 shares of common stock. These options vest in four equal annual installments, with the first installment vested on the date of grant in the case of a new director award or upon the anniversary of the applicable annual meeting of stockholders. As of December 31, 2016, approximately 0.2 million options remain outstanding and are fully vested under the 2006 Directors' Plan.

Stock Options

Stock option activity for the year ended December 31, 2016 is presented below (in thousands, except per share data and contractual term):

	Number of Shares	Weighted - Average Exercise Price Per Share	Weighted - Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value
Outstanding at December 31, 2015	2,171	$ 33.84		
Granted	83	35.61		
Exercised	(496)	31.73		
Forfeited	(218)	35.68		
Outstanding at December 31, 2016	1,540	$ 34.35	6.44	$ 13,235
Exercisable at December 31, 2016	883	$ 33.53	5.22	$ 8,315
Vested and expected to vest at December 31, 2016	1,474	$ 34.32	6.36	$ 12,727

The total intrinsic value of options exercised during 2016, 2015 and 2014 was $3.7 million, $0.4 million and $2.3 million, respectively.

Restricted Stock Units

Restricted stock units ("RSUs") represent the right to receive one share of Forrester common stock when the restrictions lapse and the vesting conditions are met, and are valued on the date of grant based upon the value of the Company's stock on the date of grant less the present value of dividends expected to be paid during the requisite service period. Shares of Forrester's common stock will be delivered to the grantee upon vesting, subject to a reduction of shares for payment of withholding taxes. The weighted average grant date fair value for RSUs granted in 2016, 2015 and 2014 was $37.87, $31.50 and $36.67, respectively. The value of RSUs vested and converted to common stock, based on the value of Forrester's common stock on the date of vesting, was $6.6 million, $4.6 million and $3.5 million during 2016, 2015 and 2014, respectively.

RSU activity for the year ended December 31, 2016 is presented below (in thousands, except per share data):

	Number of Shares	Weighted-Average Grant Date Fair Value
Unvested at December 31, 2015	504	$ 33.67
Granted	259	37.87
Vested	(171)	34.05
Forfeited	(53)	34.32
Unvested at December 31, 2016	539	$ 35.50

Employee Stock Purchase Plan

The Amended and Restated Employee Stock Purchase Plan (the "Stock Purchase Plan") provides for the issuance of up to 0.7 million shares of common stock and as of December 31, 2016 approximately 0.2 million shares remain available for issuance. With certain limited exceptions, all employees of Forrester whose customary employment is more than 20 hours per week, including officers and directors who are employees, are eligible to participate in the Stock Purchase Plan. Purchase periods under the Stock Purchase Plan are generally six months in length and commence on each successive March 1 and September 1. Stock purchased under the Stock Purchase Plan is required to be held for one year before it is able to be sold. During each purchase period the maximum number of shares of common stock that may be purchased by an employee is limited to the number of shares equal to $12,500 divided by the fair market value of a share of common stock on the first day of the purchase period. An employee may elect to have up to 10% deducted from his or her compensation for the purpose of purchasing shares under the Stock Purchase Plan. The price at which the employee's shares are purchased is the lower of: a) 85% of the closing price of the common stock on the day that the purchase period commences, or b) 85% of the closing price of the common stock on the day that the purchase period terminates.

Shares purchased by employees under the Stock Purchase Plan are as follows (in thousands, except per share data):

Purchase Period Ended	Shares Purchased	Purchase Price
February 29, 2016	28	$ 26.00
August 31, 2016	25	$ 27.04
February 28, 2015	25	$ 31.98
August 31, 2015	25	$ 26.87

(8) Employee Pension Plans

Forrester sponsors several defined contribution plans for eligible employees. Generally, the defined contribution plans have funding provisions which, in certain situations, require contributions based upon formulas relating to employee wages or the level of elective participant contributions, as well as allow for additional discretionary contributions. Further, certain plans contain vesting provisions. Forrester's contributions to these plans totaled approximately $4.3 million, $4.1 million and $4.0 million for the years ended December 31, 2016, 2015 and 2014, respectively.

(9) Reorganization

In the first quarter of 2016, the Company implemented and completed a reduction in its workforce of approximately 2% of its employees across various geographies and functions. The Company incurred $1.0 million of severance and related costs for this action.

In the first quarter of 2015, the Company implemented a reduction in its workforce of approximately 4% of its employees across various geographies and functions, in order to reallocate investment in 2015 to planned sales expansion and to delivery areas seeing the greatest client demand. The Company recorded $3.2 million of severance and related costs for this action. In addition, the Company incurred an additional $0.3 million charge related to the action primarily for a non-cash charge for the liquidation of a small non-U.S. subsidiary.

In the third quarter of 2015, the Company implemented a reorganization of its Products Group and incurred $0.7 million of severance and related benefits for the termination of the chief product officer and related administrative staff and the termination of a senior product leader with the intent to relocate this position to the U.S. The responsibilities of the former chief product officer have been assumed by the Company's chief research officer. In addition, as a result of the change in leadership in the Products Group, the Company incurred $0.2 million of expense to write off a software development project that was no longer deemed probable to be completed.

During the year ended December 31, 2014, the Company terminated approximately 1% of its employees across various geographies and functions primarily to realign resources due to the Company's new organizational structure implemented in late 2013. The Company incurred $1.8 million of severance and related costs for this action.

The activity related to the reorganization accrual during the years ended December 31, 2016 and 2015 is as follows (in thousands):

	Workforce Reduction	Subsidiary Liquidation	Products Group Reorganization	Total
Accrual at December 31, 2014	$ 118	$ —	$ —	$ 118
Additions	3,173	334	926	4,433
Cash payments	(3,250)	(9)	(336)	(3,595)
Non-cash charge	—	(318)	(157)	(475)
Accrual at December 31, 2015	41	7	433	481
Additions	1,022	—	4	1,026
Cash payments	(1,063)	(7)	(437)	(1,507)
Accrual at December 31, 2016	$ —	$ —	$ —	$ —

(10) Operating Segment and Enterprise Wide Reporting

The Research segment includes the costs of the Company's research personnel who are responsible for writing the research and performing the webinars and inquiries for the Company's Research and Connect products. In addition, the research personnel deliver advisory services (such as workshops, speeches and advisory days) and a portion of the Company's project consulting services. Revenue in this segment includes only revenue from advisory services and project consulting services that are delivered by the research personnel in this segment.

The Product segment includes the costs of the product management organization that is responsible for product pricing and packaging and the launch of new products. In addition, this segment includes the costs of the Company's Data, Connect and Events organizations. Revenue in this segment includes all revenue for the Company (including Research and Connect) except for revenue from advisory services and project consulting services that are delivered by personnel in the Research and Project Consulting segments.

The Project Consulting segment includes the costs of the consultants that deliver the majority of the Company's project consulting services. Revenue in this segment includes the project consulting revenue delivered by the consultants in this segment.

The Company evaluates reportable segment performance and allocates resources based on segment revenues and expenses. Segment expenses include the direct expenses of each segment organization and exclude selling and marketing expenses, general and administrative expenses, stock-based compensation expense, depreciation expense, adjustments to incentive bonus compensation from target amounts, amortization of intangible assets, reorganization costs, other income and losses on investments. The accounting policies used by the segments are the same as those used in the consolidated financial statements.

The Company does not identify or allocate assets, including capital expenditures, by operating segment. Accordingly, assets are not being reported by segment because the information is not available by segment and is not reviewed in the evaluation of performance or making decisions in the allocation of resources.

The following tables present information about reportable segments (in thousands):

	Product	Research	Project Consulting	Consolidated
Year Ended December 31, 2016				
Research services revenues	$ 215,216	$ —	$ —	$ 215,216
Advisory services and events revenues	20,374	45,601	44,904	110,879
Total segment revenues	235,590	45,601	44,904	326,095
Segment expenses	41,528	51,132	26,647	119,307
Contribution margin (loss)	194,062	(5,531)	18,257	206,788
Selling, marketing, administrative and other expenses				(174,157)
Amortization of intangible assets				(831)
Reorganization costs				(1,026)
Other income and losses on investments				(65)
Income before income taxes				$ 30,709

	Product	Research	Project Consulting	Consolidated
Year Ended December 31, 2015				
Research services revenues	$ 210,268	$ —	$ —	$ 210,268
Advisory services and events revenues	17,512	42,997	42,949	103,458
Total segment revenues	227,780	42,997	42,949	313,726
Segment expenses	38,615	51,510	27,320	117,445
Contribution margin (loss)	189,165	(8,513)	15,629	196,281
Selling, marketing, administrative and other expenses				(172,130)
Amortization of intangible assets				(891)
Reorganization costs				(4,433)
Other income and losses on investments				493
Income before income taxes				$ 19,320

	Product	Research	Project Consulting	Consolidated
Year Ended December 31, 2014				
Research services revenues	$ 207,517	$ —	$ —	$ 207,517
Advisory services and events revenues	20,759	48,658	35,128	104,545
Total segment revenues	228,276	48,658	35,128	312,062
Segment expenses	39,466	53,307	27,236	120,009
Contribution margin (loss)	188,810	(4,649)	7,892	192,053
Selling, marketing, administrative and other expenses				(169,852)
Amortization of intangible assets				(2,171)
Reorganization costs				(1,817)
Other income and losses on investments				176
Income before income taxes				$ 18,389

Net long-lived tangible assets by location as of December 31, 2016 and 2015 are as follows (in thousands):

	2016	2015
United States	$ 22,150	$ 24,914
United Kingdom	782	1,176
Europe (excluding United Kingdom)	259	381
Other	703	1,098
Total	$ 23,894	$ 27,569

Revenues by geographic destination and as a percentage of total revenues for the years ended December 31, 2016, 2015, and 2014 are as follows (dollars in thousands):

	2016	2015	2014
United States	$ 252,222	$ 241,025	$ 232,440
Europe (excluding United Kingdom)	27,061	24,607	30,257
United Kingdom	14,808	16,815	16,804
Canada	13,806	14,424	17,089
Other	18,198	16,855	15,472
Total	$ 326,095	$ 313,726	$ 312,062

	2016	2015	2014
United States	77%	77%	74%
Europe (excluding United Kingdom)	8%	8%	10%
United Kingdom	5%	5%	5%
Canada	4%	5%	6%
Other	6%	5%	5%
Total	100%	100%	100%

(11) Certain Balance Sheet Accounts

Property and Equipment:

Property and equipment as of December 31, 2016 and 2015 is recorded at cost less accumulated depreciation and consists of the following (in thousands):

	2016	2015
Computers and equipment	$ 17,137	$ 18,177
Computer software	26,686	23,899
Furniture and fixtures	8,471	8,527
Leasehold improvements	25,204	25,560
Total property and equipment	77,498	76,163
Less accumulated depreciation	53,604	48,594
Total	$ 23,894	$ 27,569

Accrued Expenses and Other Current Liabilities:

Accrued expenses and other current liabilities as of December 31, 2016 and 2015 consist of the following (in thousands):

	2016	2015
Payroll and related benefits	$ 28,681	$ 29,902
Taxes	4,704	2,564
Other	8,018	8,786
Total	$ 41,403	$ 41,252

Allowance for Doubtful Accounts:

A roll-forward of the allowance for doubtful accounts as of and for the years ended December 31, 2016, 2015, and 2014 is as follows (in thousands):

	2016	2015	2014
Balance, beginning of year	$ 153	$ 188	$ 254
Provision for doubtful accounts	150	106	320
Write-offs	(163)	(141)	(386)
Balance, end of year	$ 140	$ 153	$ 188

(12) Summary Selected Quarterly Financial Data (unaudited)

The following is a summary of selected unaudited consolidated quarterly financial data for the years ended December 31, 2016 and 2015 (in thousands, except per share data):

	Three Months Ended			
	March 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016
Total revenues	$ 77,401	$ 87,821	$ 77,427	$ 83,446
Income from operations	$ 2,712	$ 11,472	$ 7,552	$ 9,038
Net income	$ 1,289	$ 7,460	$ 3,112	$ 5,790
Basic income per common share	$ 0.07	$ 0.42	$ 0.17	$ 0.32
Diluted income per common share	$ 0.07	$ 0.41	$ 0.17	$ 0.31

	Three Months Ended			
	March 31, 2015	June 30, 2015	September 30, 2015	December 31, 2015
Total revenues	$ 75,187	$ 82,811	$ 74,753	$ 80,975
Income (loss) from operations	$ (715)	$ 10,093	$ 5,341	$ 4,108
Net income (loss)	$ (224)	$ 5,750	$ 4,450	$ 2,020
Basic income (loss) per common share	$ (0.01)	$ 0.32	$ 0.25	$ 0.11
Diluted income (loss) per common share	$ (0.01)	$ 0.31	$ 0.25	$ 0.11

Item 9. ***Changes in and Disagreements with Accountants on Accounting and Financial Disclosure***

Not applicable.

Item 9A. ***Controls and Procedures***

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this report. Based on the evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of December 31, 2016.

Management's Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act. Internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles (GAAP). Internal control over financial reporting includes those policies and procedures that: 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and 3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, a system of internal control over financial reporting can provide only reasonable assurance and may not prevent or detect material misstatements. Further, because of changes in conditions, effectiveness of internal controls over financial reporting may vary over time.

Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2016. In making its assessment, management used the criteria set forth in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations ("COSO") of the Treadway Commission in 2013. Based on this assessment, management believes that as of December 31, 2016, the Company's internal control over financial reporting is effective based on those criteria.

The effectiveness of our internal control over financial reporting as of December 31, 2016 has been audited by PricewaterhouseCoopers LLP, our independent registered public accounting firm, as stated in their report, which appears on page F-1 of this Annual Report on Form 10-K.

Changes in Internal Control Over Financial Reporting

There was no change in our internal control over financial reporting (as defined in Rules 13a-15(f) of the Exchange Act) that occurred during the quarter ended December 31, 2016 which has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. ***Other Information***

Not applicable.

PART III

Item 10. *Directors, Executive Officers and Corporate Governance*

Executive Officers

The following table sets forth information about our executive officers as of March 6, 2017.

Name	Age	Position
George F. Colony	63	Chairman of the Board, Chief Executive Officer
Mack Brothers	52	Chief Consulting Officer
Clifford Condon	53	Chief Research and Product Officer
Ryan D. Darrah	45	Chief Legal Officer and Secretary
Michael A. Doyle	61	Chief Financial Officer
Victor Milligan	53	Chief Marketing Officer
Michael Morhardt	53	Chief Sales Officer
Steven Peltzman	48	Chief Business Technology Officer
Lucia Luce Quinn	63	Chief People Officer

George F. Colony, Forrester's founder, has served as Chairman of the Board of Directors and Chief Executive Officer since the Company's inception in July 1983, and as President since September 2001 and from 1983-2000.

Mack Brothers began serving as Forrester's Chief Consulting Officer in May 2016. Prior to joining Forrester, he was Vice President, Industry Services and Consulting, for IHS, Inc., a business intelligence and software consulting firm, for more than five years. Mr. Brothers held leadership positions at IHS for a total of nine years, and previously was Senior Vice President, Business Development at Wood Mackenzie, Ltd.

Clifford Condon became Forrester's Chief Research and Product Officer in August 2015. Previously, he served as Chief Research Officer from October 2013 until assuming his current role and as Vice President, Events, responsible for Forrester's global events business from August 2012 to September 2013, Vice President, Research Strategy and Innovation from January 2010 to July 2012, and Vice President, Marketing and Strategy Research from 2007-2009. Mr. Condon joined Forrester in 1997.

Michael A. Doyle began serving as the Company's Chief Financial Officer in September 2007. He also served as the Company's Treasurer from September 2007 through June 2016. Prior to joining the Company, Mr. Doyle was Chief Financial Officer of Easylink Services Corporation, a publicly traded telecommunications messaging provider, since 2004. Prior to joining Easylink, Mr. Doyle was the Chief Financial Officer for North America of Dun & Bradstreet Corporation from 2002 to 2004, and from 1997 to 2002, he held various senior financial and marketing positions with Cendant Corporation.

Ryan D. Darrah began serving as Chief Legal Officer and Secretary in March 2017. Previously, he was the Assistant General Counsel and Assistant Secretary of the Company. Prior to joining the Company in 2007, Mr. Darrah served as General Counsel and Secretary of Sports Loyalty Systems, Inc. and ProfitLogic, Inc.

Victor Milligan began serving as the Company's Chief Marketing Officer in December 2014. From May 2011 until joining the Company he was Chief Marketing Officer for Nexage, LLC, a provider of supply-side mobile advertising solutions. From 2008-2011, Mr. Milligan was Chief Strategy and Marketing Officer for Lavastorm Analytics, and prior to that a senior managing partner and vertical industry leader at Gartner, Inc.

Michael Morhardt became Forrester's Chief Sales Officer in November 2012. From 2010 until joining our Company, he was Managing Director-Sales at Gerson Lehrman Group, and previously he served in various sales leadership roles at Gartner, Inc., most recently as Group Vice President Worldwide Event Sales and Group Vice President Americas Field Sales.

Steven Peltzman joined Forrester as its Chief Business Technology Officer in September 2011. From 2001 to 2011, Mr. Peltzman was the Chief Information Officer of the Museum of Modern Art in New York City. Prior to that, Mr. Peltzman served as the Chief Technology Officer at MarketMedical.com and as the vice president of technology at Earthweb and was an officer in the United States Air Force.

Lucia Luce Quinn became Forrester's Chief People Officer in June 2013. Prior to joining Forrester, from August 2012 to May 2013 Ms. Quinn consulted with the Center for Higher Ambition Leadership. From 2010 until 2012, she was the Senior Vice President, Human Resources and Corporate Affairs for ConvaTec, a private equity spin-off from Bristol-Meyers Squibb, and from 2005-2009 she served as Executive Vice President, Global Human Resources at Boston Scientific Corporation. Ms. Quinn previously held senior management positions at Quest Diagnostics, Honeywell International, and Digital Equipment Corporation.

Our Code of Business Conduct and Ethics covers all employees, officers and directors, including our principal executive, financial and accounting officers. A copy of our Code of Business Conduct and Ethics can be found on our web site, www.forrester.com.

We intend to satisfy the disclosure requirements under Item 5.05 of Form 8-K regarding an amendment to, or waiver from, a provision of the Company's Code of Business Conduct and Ethics, that relates to a substantive amendment or material departure from a provision of the Code, by posting such information on our Internet website at *www.forrester.com*. We also intend to satisfy the disclosure requirements of the Nasdaq Stock Market regarding waivers of the Code of Business Conduct and Ethics by posting such information on our Internet website at *www.forrester.com*.

The remainder of the response to this item is contained in our Proxy Statement for our 2017 Annual Meeting of Stockholders (the "2017 Proxy Statement") under the captions "Election of Directors" and "Section 16(a) Beneficial Ownership Reporting Compliance", all of which is incorporated herein by reference.

Item 11. *Executive Compensation*

The response to this item is contained in the 2017 Proxy Statement under the captions "Director Compensation" and "Executive Compensation" and is incorporated herein by reference.

Item 12. *Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters*

The response to this item is contained in the 2017 Proxy Statement under the caption "Security Ownership of Certain Beneficial Owners and Management" and is incorporated herein by reference.

The following table summarizes, as of December 31, 2016, the number of options issued under our equity incentive plans and the number of shares available for future issuance under these plans:

Plan Category	(a) Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	(b) Weighted Average Exercise Price of Outstanding Options, Warrants and Rights	(c) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)(1)
Equity compensation plans approved by stockholders	2,078,354 (1)	$ 34.35	2,873,428 (2)
Equity compensation plans not approved by stockholders	N/A	N/A	N/A
Total	2,078,354	$ 34.35	2,873,428

(1) Includes 538,611 restricted stock units that are not included in the calculation of the weighted average exercise price.

(2) Includes, as of December 31, 2016, 2,703,689 shares available for issuance under our Equity Incentive Plan and 169,739 shares that are available for issuance under our Stock Purchase Plan.

The shares available under our Equity Incentive Plan are available to be awarded as restricted or unrestricted stock or stock units.

Item 13. *Certain Relationships and Related Transactions, and Director Independence*

The response to this item is contained in the Company's 2017 Proxy Statement under the captions "Information with Respect to Board of Directors", "Certain Relationships and Related Transactions", and "Related Person Transactions" and is incorporated herein by reference.

Item 14. *Principal Accountant Fees and Services*

The response to this item is contained in the Company's 2017 Proxy Statement under the caption "Independent Auditors' Fees and Other Matters" and is incorporated herein by reference.

PART IV

Item 15. ***Exhibits and Financial Statement Schedules.***

a. Financial Statements. See Index on page 29.

b. Financial Statement Schedules. None.

c. Exhibits. A complete listing of exhibits required is given in the Exhibit Index that precedes the exhibits filed with this report on page 34 hereof.

Item 16. ***Form 10-K Summary.***

Not applicable.

EXHIBIT INDEX

Exhibit No.	Description
3.1(2)	Restated Certificate of Incorporation of Forrester Research, Inc.
3.2(3)	Certificate of Amendment of the Certificate of Incorporation of Forrester Research, Inc.
3.3(11)	Amended and Restated By-Laws of Forrester Research, Inc.
4(2)	Specimen Certificate for Shares of Common Stock, $.01 par value, of Forrester Research, Inc.
10.1+(4)	Registration Rights and Non-Competition Agreement
10.2+(5)	Amended and Restated Employee Stock Purchase Plan
10.3+(6)	Amended and Restated Equity Incentive Plan
10.4+(7)	Stock Option Plan for Directors, as amended
10.5+(8)	Form of Incentive Stock Option Certificate (Amended and Restated Equity Incentive Plan)
10.6+(8)	Form of Non-Qualified Stock Option Certificate (Amended and Restated Equity Incentive Plan)
10.7+(9)	Form of Performance-Based Stock Option Certificate (Amended and Restated Equity Incentive Plan)
10.8+(10)	Form of Performance-Based Restricted Stock Unit Award Agreement (Amended and Restated Equity Incentive Plan)
10.9+(9)	Form of Director's Option Certificate (Stock Option Plan for Directors)
10.10+(11)	Form of Restricted Stock Unit Award Agreement (Amended and Restated Equity Incentive Plan)
10.11+(12)	Form of Restricted Stock Unit Award Agreement for Directors (Amended and Restated Equity Incentive Plan)
10.12+(13)	Form of Stock Option Certificate with Non-Solicitation Covenant (Amended and Restated Equity Incentive Plan)
10.13+(13)	Form of Stock Option Certificate with Non-Solicitation and Non-Competition Covenant (Amended and Restated Equity Incentive Plan)
10.14+(13)	Form of Restricted Stock Unit Award Agreement with Non-Solicitation Covenant (Amended and Restated Equity Incentive Plan)
10.15+(13)	Form of Restricted Stock Unit Award Agreement with Non-Solicitation and Non-Competition Covenant (Amended and Restated Equity Incentive Plan)
10.16+(14)	Amended and Restated Executive Cash Incentive Plan
10.17+(9)	Employment Offer Letter from Company to Michael A. Doyle dated July 24, 2007
10.18+(15)	Employment Offer Letter from the Company to Michael Morhardt dated October 5, 2012
10.19+(15)	Promotion and Compensation Letter from the Company to Clifford Condon dated August 12, 2013
10.20+(1)	Promotion and Compensation Letter from the Company to Clifford Condon dated August 24, 2015
10.21+(16)	Forrester Research, Inc. Executive Severance Plan
10.22(17)	Lease of Premises at Cambridge Discovery Park, Cambridge, Massachusetts dated as of September 29, 2009 from BHX, LLC, as Trustee of Acorn Park I Realty Trust to the Company
10.23(18)	First Amendment of Lease dated as of December 21, 2009 by 200 Discovery Park, LLC, successor to BHX, LLC, as Trustee of Acorn Park I Realty Trust, and the Company
10.24(17)	Agreement Regarding Project Rights dated as of September 29, 2009, by BHX, LLC, a Massachusetts limited liability company, as Trustee of Acorn Park I Realty Trust, a Massachusetts nominee trust, and the Company

10.25(19)	Second Amendment of Lease dated as of February 8, 2012 by 200 Discovery Park, LLC and the Company
10.26(20)	Underlease dated July 15, 2010 among Covington & Burling LLP, Forrester Research Limited, and the Company
10.27(20)	Agreement of Lease dated as of April 30, 2010 between RFL 160 Fifth LLC and the Company
10.28(20)	Office Lease dated November 24, 2010 between 150 Spear Street, LLC and the Company
10.29(20)	First Amendment to Office Lease dated as of August 2012 between 150 Spear Street, LLC and the Company
10.30 (21)	Second Amendment to Office Lease dated as of September 25, 2015 between 150 Spear Street, LLC and the Company.
21(1)	Subsidiaries of the Registrant
23.1(1)	Consent of PricewaterhouseCoopers LLP
31.1(1)	Certification of the Principal Executive Officer
31.2(1)	Certification of the Principal Financial Officer
32.1(1)	Certification of the Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2(1)	Certification of the Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase

\+ Denotes management contract or compensation arrangements.

(1) Filed herewith.

(2) Filed as an Exhibit to Forrester's Registration Statement on Form S-1A filed on November 5, 1996 (File No. 333-12761) and incorporated herein by reference.

(3) Filed as an Exhibit to Forrester's Annual Report on Form 10-K for the year ended December 31, 1999 (File No. 000-21433) and incorporated herein by reference.

(4) Filed as an Exhibit to Forrester's Registration Statement on Form S-1 filed on September 26, 1996 (File No. 333-12761) and incorporated herein by reference.

(5) Filed as an Exhibit to Forrester's Annual Report on Form 10-K for the year ended December 31, 2011 (File No. 000-21433) and incorporated herein by reference.

(6) Filed as an Exhibit to Forrester's Proxy Statement on Schedule 14A filed April 4, 2016 (File No. 000-21433) and incorporated herein by reference.

(7) Filed as an Exhibit to Forrester's Quarterly Report on Form 10-Q for the quarter ended March 31, 2010 (File No. 000-21433) and incorporated herein by reference.

(8) Filed as an Exhibit to Forrester's Annual Report on Form 10-Q for the quarter ended September 30, 2006 (File No. 000-21433 (and incorporated herein by reference.

(9) Filed as an Exhibit to Forrester's Annual Report on Form 10-K for the year ended December 31, 2006 (File No. 000-21433) and incorporated herein by reference.

(10) Filed as an Exhibit to Forrester's Quarterly Report on Form 10-Q for the quarter ended June 30, 2009 (File No. 000-21433) and incorporated herein by reference.

(11) Filed as an Exhibit to Forrester's Annual Report on Form 10-K for the year ended December 31, 2012 (File No. 000-21433) and incorporated herein by reference.

(12) Filed as an Exhibit to Forrester's Quarterly Report on Form 10-Q for the quarter ended June 30, 2012 (File No. 000-21433) and incorporated herein by reference.

(13) Filed as an Exhibit to Forrester's Quarterly Report on Form 10-Q for the quarter ended September 30, 2014 (File No. 000-21433) and incorporated herein by reference.

(14) Filed as an Exhibit to Forrester's Current Report on Form 8-K filed on March 22, 2013 (File No. 000-21433) and incorporated herein by reference.

(15) Filed as an Exhibit to Forrester's Quarterly Report on Form 10-Q for the quarter ended March 31, 2014 (File No. 000-21433) and incorporated herein by reference.

(16) Filed as an Exhibit to Forrester's Current Report on Form 8-K filed on May 5, 2014 (File No. 000-21433) and incorporated herein by reference.

(17) Filed as an Exhibit to Forrester's Quarterly Report on Form 10-Q for the quarter ended September 30, 2009 (File No. 000-21433) and incorporated herein by reference.

(18) Filed as an Exhibit to Forrester's Annual Report on Form 10-K for the year ended December 31, 2009 (File No. 000-21433) and incorporated herein by reference.

(19) Filed as an Exhibit to Forrester's Annual Report on Form 10-K for the year ended December 31, 2011 (File No. 000-21433) and incorporated herein by reference.

(20) Filed as an Exhibit to Forrester's Annual Report on Form 10-K for the year ended December 31, 2013 (File No. 000-21433) and incorporated herein by reference.

(21) Filed as an Exhibit to Forrester's Quarterly Report on Form 10-Q for the quarter ended September 30, 2015 (File No. 000-21433) and incorporated herein by reference.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

FORRESTER RESEARCH, INC.

By: /s/ GEORGE F. COLONY
George F. Colony
Chairman of the Board and Chief Executive Officer

Date: March 10, 2017

Pursuant to the requirement of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the registrant in the capacities and on the dates indicated.

Signature	Capacity In Which Signed	Date
/s/ GEORGE F. COLONY George F. Colony	Chairman of the Board and Chief Executive Officer (Principal Executive Officer)	March 10, 2017
/s/ MICHAEL A. DOYLE Michael A. Doyle	Chief Financial Officer (Principal Financial Officer)	March 10, 2017
/s/ SCOTT R. CHOUINARD Scott R. Chouinard	Chief Accounting Officer and Treasurer (Principal Accounting Officer)	March 10, 2017
/s/ HENK W. BROEDERS Henk W. Broeders	Member of the Board of Directors	March 10, 2017
/s/ ROBERT M. GALFORD Robert M. Galford	Member of the Board of Directors	March 10, 2017
/s/ GEORGE R. HORNIG George R. Hornig	Member of the Board of Directors	March 10, 2017
/s/ GRETCHEN TEICHGRAEBER Gretchen Teichgraeber	Member of the Board of Directors	March 10, 2017
/s/ MICHAEL H. WELLES Michael H. Welles	Member of the Board of Directors	March 10, 2017

Notice Of 2017 Annual Meeting Of Stockholders
And Proxy Statement

Forrester Research, Inc.
60 Acorn Park Drive
Cambridge, Massachusetts 02140

George F. Colony
Chairman of the Board
and Chief Executive Officer

April 5, 2017

To Our Stockholders:

You are cordially invited to attend the 2017 Annual Meeting of Stockholders of Forrester Research, Inc., which will be held on Tuesday, May 23, 2017, at the offices of the Company, 60 Acorn Park Drive, Cambridge, Massachusetts at 10:00 a.m. (local time).

On the following pages, you will find the formal notice of the Annual Meeting and our proxy statement. At the Annual Meeting you are being asked to elect two Class I Directors, to approve amendments to the our Restated Certificate of Incorporation and Amended and Restated By-Laws to declassify the Board of Directors, to ratify the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2017, to approve by non-binding vote our executive compensation, and to cast a non-binding vote on the frequency of non-binding executive compensation votes.

We hope that many of you will be able to attend in person. I look forward to seeing you there.

Sincerely yours,

GEORGE F. COLONY
Chairman of the Board
and Chief Executive Officer

Forrester Research, Inc.

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
May 23, 2017

Notice is hereby given that the 2017 Annual Meeting of Stockholders of Forrester Research, Inc. will be held at the offices of the Company, 60 Acorn Park Drive, Cambridge, Massachusetts at 10:00 a.m. (local time) on Tuesday, May 23, 2017 for the following purposes:

1. To elect the two Class I directors named in the accompanying proxy statement to serve until the 2020 Annual Meeting of Stockholders; however, if Proposal Two is approved, the terms of all directors will expire immediately prior to the election of directors at the 2018 Annual Meeting of Stockholders and all directors will stand for election annually beginning in 2018;

2. To approve amendments to our Restated Certificate of Incorporation and Amended and Restated By-Laws to declassify the Board of Directors;

3. To ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2017;

4. To approve by non-binding vote our executive compensation; and

5. To cast a non-binding vote on the frequency of non-binding executive compensation votes.

The foregoing items of business are more fully described in the proxy statement accompanying this notice.

Stockholders of record at the close of business on March 27, 2017 are entitled to notice of and to vote at the meeting. A list of stockholders entitled to vote at the meeting will be open to examination by stockholders at the meeting and during normal business hours from May 12, 2017 to the date of the meeting at our offices, located at 60 Acorn Park Drive, Cambridge, Massachusetts 02140.

If you are unable to be present personally, please vote your shares as provided in this proxy statement.

By Order of the Board of Directors

RYAN D. DARRAH
Secretary

Cambridge, Massachusetts
April 5, 2017

IT IS IMPORTANT THAT YOUR SHARES BE REPRESENTED AT THE MEETING. PLEASE VOTE YOUR SHARES OVER THE INTERNET OR BY TELEPHONE IN ACCORDANCE WITH THE INSTRUCTIONS SET FORTH ON THE PROXY CARD, OR COMPLETE, SIGN AND RETURN THE ENCLOSED PROXY CARD AS PROMPTLY AS POSSIBLE WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING IN PERSON.

FORRESTER RESEARCH, INC.

Annual Meeting of Stockholders
May 23, 2017
PROXY STATEMENT

The Board of Directors of Forrester Research, Inc., a Delaware corporation, is soliciting proxies from our stockholders. The proxy will be used at our 2017 Annual Meeting of Stockholders and at any adjournments thereof. You are invited to attend the meeting to be held at 10:00 a.m. (local time) on Tuesday, May 23, 2017 at the offices of the Company, 60 Acorn Park Drive, Cambridge, Massachusetts. This proxy statement was first made available to stockholders on or about April 5, 2017.

This proxy statement contains important information regarding our annual meeting. Specifically, it identifies the proposals upon which you are being asked to vote, provides information that you may find useful in determining how to vote and describes voting procedures.

We use several abbreviations in this proxy statement. We call our Board of Directors the "Board", refer to our fiscal year which began on January 1, 2016 and ended on December 31, 2016 as "fiscal 2016," and refer to our fiscal year ending December 31, 2017 as "fiscal 2017". We also refer to ourselves as "Forrester" or the "Company."

Who May Attend and Vote?

Stockholders who owned our common stock at the close of business on March 27, 2017 are entitled to notice of and to vote at the annual meeting. We refer to this date in this proxy statement as the "record date." As of the record date, we had 18,245,950 shares of common stock issued and outstanding. Each share of common stock is entitled to one vote on each matter to come before the meeting.

How Do I Vote?

If you are a stockholder of record of our common stock:

1. *You may vote over the internet.* If you have internet access, you may vote your shares from any location in the world by following the Vote by Internet instructions on the enclosed proxy card.
2. *You may vote by telephone.* You may vote your shares by following the "Vote by Telephone" instructions on the enclosed proxy card.
3. *You may vote by mail.* If you choose to vote by mail, simply mark your proxy card, date and sign it, and return it in the postage-paid envelope provided.
4. *You may vote in person.* If you attend the meeting, you may deliver your completed proxy card in person or fill out and return a ballot that will be supplied to you at the meeting.

By voting over the internet or by telephone, or by signing and returning the proxy card according to the enclosed instructions, you are enabling the individuals named on the proxy card (known as "proxies") to vote your shares at the meeting in the manner you indicate. We encourage you to vote in advance even if you plan to attend the meeting. In this way, your shares will be voted even if you are unable to attend the meeting. Your shares will be voted in accordance with your instructions. If a proxy card is signed and received by our Secretary, but no instructions are indicated, then the proxy will be voted "FOR" the election of the nominees for directors, "FOR" approval of the amendments to our Restated Certificate of Incorporation and Amended and Restated By-Laws to declassify the Board of Directors, "FOR" ratifying the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for fiscal 2017, "FOR" approval of the non-binding vote on our executive compensation, and for holding a non-binding vote on our executive compensation at the annual meeting of stockholders every year.

How Do I Vote if My Shares are Held in Street Name?

If you hold shares in "street name" (that is, through a bank, broker, or other nominee), the bank, broker, or other nominee, as the record holder of your shares, is required to vote your shares according to your instructions. In order to vote your shares, you will need to follow the directions your brokerage firm provides you. Many brokers also offer the option of voting over the internet or by telephone, instructions for which would be provided by your brokerage firm on your voting instruction form. Please follow the instructions on that form to make sure your shares are properly voted. If you hold shares in "street name" and would like to attend the annual meeting and vote in person, you will need to bring an account statement or other acceptable evidence of ownership of our common stock. In addition, if you wish to vote your shares in person, you must contact the person in whose name your shares are registered and obtain a proxy card from that person and bring it to the annual meeting.

What Does the Board of Directors Recommend?

The Board recommends that you vote FOR the election of nominees for Class I directors identified in Proposal One, FOR approval of the amendments to our Restated Certificate of Incorporation and Amended and Restated By-Laws to declassify the Board of Directors as described in Proposal Two, FOR ratifying the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm as described in Proposal Three, FOR approval by non-binding vote of our executive compensation as provided in Proposal Four, and, on Proposal Five, for holding a non-binding vote on executive compensation every year.

If you are a record holder and submit the proxy card but do not indicate your voting instructions, the persons named as proxies on your proxy card will vote in accordance with the recommendations of the Board of Directors. If you hold your shares in "street name", and you do not indicate how you wish to have your shares voted, your nominee has discretion to instruct the proxies to vote on Proposal Three but does not have the authority, without your specific instructions, to vote on the election of directors or on Proposals Two, Four, or Five, and those votes will be counted as "broker non-votes".

What Vote is Required for Each Proposal?

A majority of the shares entitled to vote on a particular matter, present in person or represented by proxy, constitutes a quorum as to any proposal. The nominees for election of the Class I directors at the meeting (Proposal One) who receive the greatest number of votes properly cast for the election of directors will be elected. As a result, shares that withhold authority as to the nominees recommended by the Board will have no effect on the outcome. The affirmative vote of the holders of a majority of the shares of common stock present in person or represented by proxy and voting is required to ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm (Proposal Three), and to approve the non-binding vote on our executive compensation (Proposal Four). The affirmative vote of the holders of at least seventy-five percent (75%) of the shares of common stock issued and outstanding and entitled to vote generally in the election of directors is required to approve the amendments to our Restated Certificate of Incorporation and Amended and Restated By-Laws to declassify the Board of Directors (Proposal Two).

Shares represented by proxies that indicate an abstention or a "broker non-vote" (that is, shares represented at the annual meeting held by brokers or nominees as to which (i) instructions have not been received from the beneficial owners or persons entitled to vote and (ii) the broker or nominee does not have discretionary voting power on a particular matter) will be counted as shares that are present and entitled to vote on the matter for purposes of determining the presence of a quorum, but are not considered to have been voted, and have the practical effect of reducing the number of affirmative votes required to achieve a majority for those matters requiring the affirmative vote of the holders of a majority of the shares present or represented by proxy and voting (Proposals Three and Four) by reducing the total number of shares from which the majority is calculated, while having the same effect as voting against Proposal Two. However, because directors are elected by a plurality vote, abstentions and broker non-votes will have no effect on the outcome on Proposal One.

May I Change or Revoke My Vote After I Return My Proxy Card or After I Have Voted My Shares over the Internet or by Telephone?

Yes. If you are a stockholder of record, you may change or revoke a proxy any time before it is voted by:

- returning to us a newly signed proxy bearing a later date;
- delivering a written instrument to our Secretary revoking the proxy; or
- attending the annual meeting and voting in person.

If you hold shares in "street name", you should follow the procedure in the instructions that your nominee has provided to you.

Who Will Bear the Cost of Proxy Solicitation?

We will bear the expense of soliciting proxies. Our officers and regular employees (who will receive no compensation in addition to their regular salaries) may solicit proxies. In addition to soliciting proxies through the mail, our officers and regular employees may solicit proxies personally, as well as by mail, telephone, and telegram from brokerage houses and other stockholders. We will reimburse brokers and other persons for reasonable charges and expenses incurred in forwarding soliciting materials to their clients.

Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting To Be Held on May 23, 2017

This proxy statement and our Annual Report to Stockholders are available on-line at www.edocumentview.com/forr. These materials will be mailed to stockholders who request them.

How Can I Obtain an Annual Report on Form 10-K?

Our Annual Report on Form 10-K for the fiscal year ended December 31, 2016 is available on our website at www.forrester.com/aboutus. If you would like a copy of our Annual Report on Form 10-K for the fiscal year ended December 31, 2016, we will send you one without charge. Please contact Investor Relations, Forrester Research, Inc., 60 Acorn Park Drive, Cambridge, MA 02140, Tel: (617) 613-6000.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table and notes provide information about the beneficial ownership of our outstanding common stock as of March 6, 2017 (except as otherwise noted) by:

(i) each person who we know beneficially owns more than 5% of our common stock;

(ii) each of the executive officers named below in the Summary Compensation Table;

(iii) each member of our Board of Directors; and

(iv) our directors and executive officers as a group.

Except as otherwise indicated, each of the stockholders named in the table below has sole voting and investment power with respect to the shares of our common stock beneficially owned. Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission ("SEC") and includes voting or investment power with respect to the shares. Shares subject to exercisable options and vesting restricted stock units include options that are currently exercisable or exercisable within 60 days of March 6, 2017 and shares underlying restricted stock units scheduled to vest within 60 days of March 6, 2017.

	Common Stock Beneficially Owned		
Name of Beneficial Owner	**Shares Beneficially Owned**	**Shares Subject to Exercisable Options and Vesting Restricted Stock Units**	**Percentage of Outstanding Shares**
George F. Colony c/o Forrester Research, Inc. 60 Acorn Park Drive Cambridge, MA 02140(1)	7,934,198	—	43.9%
Wellington Management Group LLP c/o Wellington Management Company LLP 280 Congress Street Boston, MA 02210(2)	1,970,362	—	10.9%
BlackRock, Inc. 55 East 52nd Street New York, NY 10022(3)	1,154,514	—	6.4%
Henk Broeders	11,421	61,500	*
Robert Galford	14,037	24,000	*
George Hornig	2,765	24,000	*
Gretchen Teichgraeber	5,198	49,000	*
Michael Welles	10,864	24,000	*
Mack Brothers	—	—	*
Cliff Condon	6,661	41,937	*
Michael Doyle	14,461	83,000	*
Michael Morhardt	8,056	55,625	*
Directors, named executive officers, and other executive officers as a group (14 persons)(1)	8,013,451	446,123	44.3%

(1) Includes 1,580 shares held by Mr. Colony's wife as to which Mr. Colony disclaims beneficial ownership.

(2) Beneficial ownership as of December 30, 2016, as reported in a Schedule 13G filed with the SEC on February 9, 2017, stating that Wellington Management Group LLP, Wellington Group Holdings LLP, and Wellington Investment Advisors Holdings LLP each has shared voting power with respect to 1,515,046 shares and shared dispositive power with respect to 1,970,362 shares, and Wellington Management Company, LLP has shared voting power with respect to 1,505,626 shares and shared dispositive power with respect to 1,960,942 shares.

(3) Beneficial ownership as of December 31, 2016, as reported in a Schedule 13G filed with the SEC on January 24, 2017, stating that BlackRock, Inc. has sole voting power with respect to 1,129,876 shares and sole dispositive power with respect to 1,154,514 shares.

* Less than 1%

PROPOSAL ONE:

ELECTION OF DIRECTORS

Our Board of Directors is divided into three classes. The members of each class are elected to serve a three-year term with the term of office of each class ending in successive years. George F. Colony and Michael H. Welles are the Class I directors whose terms expire at this annual meeting. The Board of Directors has nominated them to serve as Class I directors until the 2020 annual meeting. If Proposal Two concerning the declassification of the board is approved by the stockholders, then the terms of all of our directors, including the nominees for election at this annual meeting, will expire immediately prior to the election of directors at our 2018 annual meeting. Proposal Two is described on page 23 of this proxy statement.

The proxies intend to vote each share for which a proper proxy card has been returned or voting instructions received and not revoked in favor of the Class I directors named above. If you wish to withhold the authority to vote for the election of any of the nominees, your voting instructions must so indicate or your returned proxy card must be marked to that effect.

It is expected that Messrs. Colony and Welles will be able to serve, but if either of them is unable to serve, the proxies reserve discretion to vote, or refrain from voting, for a substitute nominee or nominees.

The following section provides information about each nominee, including information provided by each nominee and sitting director about his or her principal occupation and business experience for the past five years and the names of other publicly-traded companies, if any, for which he or she currently serves as a director or has served as a director during the past five years. In addition to the information presented with respect to each nominee's and each sitting director's experience, qualifications and skills that led our Board to conclude that he or she should serve as a director, we also believe that all of our directors, including the two nominees for election at the 2017 annual meeting of stockholders, has demonstrated business acumen and a significant commitment to our company, and has a reputation for integrity and adherence to high ethical standards.

NOMINEES FOR CLASS I DIRECTORS — TERM EXPIRING 2020

George F. Colony, age 63, a Class I director, is the founder of Forrester and since 1983, he has served as Chairman of the Board and Chief Executive Officer. He also has served as Forrester's President since September 2001, and he previously was Forrester's President from 1983 to 2000. We believe Mr. Colony's qualifications to serve on our Board of Directors and as its Chairman include his extensive experience in the research industry, including more than 30 years as our chief executive officer, and his significant ownership stake in the Company.

Michael H. Welles, age 62, a Class I director, became a director of Forrester in November 1996. Mr. Welles is chief operating officer, a founder, and director of S2 Security Corporation, an IP-based facility security systems company. Previously, he served as vice president and general manager of the platforms business with NMS Communications, an OEM infrastructure supplier to the telecom industry from 2000 to 2002. We believe Mr. Welles' qualifications to serve on our Board of Directors include his considerable knowledge of the information technology industry, his experience as the chief operating officer of a company he co-founded, and his many years of general management experience in global technology companies.

OUR BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE <u>FOR</u> THE ELECTION OF THE NOMINEES NAMED ABOVE.

CLASS III DIRECTORS CONTINUING IN OFFICE UNTIL 2018

Robert M. Galford, age 64, a Class III director, became a director of Forrester in November 1996. Since November 2007, Mr. Galford has been the managing partner of the Center for Leading Organizations, an organizational development firm he founded in Concord, Massachusetts. From 2001 to 2007, Mr. Galford was a managing partner of the Center for Executive Development, an executive education provider in Boston, Massachusetts. We believe Mr. Galford's qualifications to serve on our Board of Directors include his many years of organizational development and executive education experience, along with his more recent corporate governance experience as an instructor for the National Association of Corporate Directors.

Gretchen G. Teichgraeber, age 63, a Class III director, became a director of Forrester in December 2005. Ms. Teichgraeber is the chief executive officer of Leadership Directories, Inc., a premier information services company that publishes biographical and contact data on leaders in the private and public sectors. Previously, Ms. Teichgraeber was an independent consultant to digital media companies and various non-profit organizations from 2007 to 2009. From 2000 to 2007, Ms. Teichgraeber was the chief executive officer of Scientific American, Inc., publisher of the science and technology magazine, Scientific American. Prior to joining Scientific

American, Ms. Teichgraeber served as general manager, publishing, and vice president, marketing and information services at CMP Media, Inc., a leading provider of technology news and information. We believe Ms. Teichgraeber's qualifications to serve on our Board of Directors include her significant general management and marketing experience in the publishing and information services business, including on-line and print media, as well as the gender diversity she brings to our Board of Directors.

CLASS II DIRECTORS CONTINUING IN OFFICE UNTIL 2019

Henk W. Broeders, age 64, a Class II director, became a director of Forrester in May 1998. From October 2013 until April 2016, Mr. Broeders served as the chief executive officer of Jaarbeurs, an events and conferences company located in the Netherlands. Mr. Broeders was an independent consultant from February 2013 until October 2013, and previously, from October 2003 until February 2013, Mr. Broeders was a member of the Executive Committee of Cap Gemini S.A., a global management consulting firm headquartered in Paris, France operating under the name CapGemini. From 1998 to 2003, Mr. Broeders served as Chairman of the Executive Board of Cap Gemini N.V., a subsidiary of Cap Gemini S.A. located in the Netherlands. We believe Mr. Broeders' qualifications to serve on our Board of Directors include his many years of operational and management experience in the management consulting business, along with his experience with and perspective on European business as a Dutch national who worked for a firm headquartered in France.

George R. Hornig, age 62, a Class II director, became a director of Forrester in November 1996. Mr. Hornig is the Chief Executive Officer of Transatlantic Financial Holdings, a private financial services-focused investment company. From November 2010 until October 2016, Mr. Hornig was Senior Managing Director and Chief Operating Officer of PineBridge Investments, an independent investment advisor. From 2006 until November 2010, Mr. Hornig was Managing Director and Co-Chief Operating Officer of Asset Management and the head of Asset Management Americas at Credit Suisse, a global financial services firm, and from 1999-2006, he was the Managing Director and Chief Operating Officer of Alternative Investments at Credit Suisse. We believe Mr. Hornig's qualifications to serve on our Board of Directors include his three decades of finance and management experience in the investment banking and private equity business.

Corporate Governance

We believe that good corporate governance is important to ensure that Forrester is managed for the long-term benefit of its stockholders. Based on our continuing review of the provisions of the Sarbanes-Oxley Act of 2002, rules of the Securities and Exchange Commission and the listing standards of The NASDAQ Stock Market, our Board of Directors has adopted Corporate Governance Guidelines, an amended and restated charter for the Audit Committee of the Board of Directors, and a charter for the Compensation and Nominating Committee of the Board.

Our Corporate Governance Guidelines include stock retention guidelines applicable to executive officers and directors. The guidelines require executive officers and directors of the Company to retain at least 50% of the net shares of Forrester common stock delivered to them upon the exercise or vesting of stock-based awards granted on and after January 1, 2010. Net shares are the number of shares remaining after shares are sold or netted to pay the exercise price of stock-based awards and applicable withholding taxes. For directors, the applicable withholding tax is presumed to be the minimum withholding tax applicable to an employee. These guidelines may be waived, at the discretion of the Compensation and Nominating Committee of the Board of Directors, if compliance with the guidelines would create severe hardship or prevent an executive officer or director from complying with a court order.

We also have a written code of business conduct and ethics that applies to all of our officers, directors and employees, including our principal executive officer, principal financial officer, principal accounting officer, and persons performing similar functions. You can access our Code of Business Conduct and Ethics, Corporate Governance Guidelines and our current committee charters on our website, at www.forrester.com/aboutus.

Information With Respect to Board of Directors

Board Meetings and Committees

Our Board of Directors has determined that each of the current directors, with the exception of Mr. Colony, our Chairman and Chief Executive Officer, is independent under applicable NASDAQ standards as currently in effect.

Our Board of Directors held eleven meetings during fiscal 2016. Each director attended at least 75 percent of the aggregate of the meetings of the Board of Directors and of each committee of which he or she is a member. Forrester does not require directors to attend the annual meeting of stockholders. Mr. Colony, who presided at the meeting, attended the 2016 annual meeting of stockholders, as did Mr. Galford. Historically, very few stockholders have attended our annual meeting and we have not found it to be a particularly useful forum for communicating with our stockholders. The Board of Directors currently has two standing committees, the Audit Committee and the Compensation and Nominating Committee, whose members consist solely of independent directors.

Our Audit Committee consists of three members: George R. Hornig, Chairman, Henk W. Broeders, and Michael H. Welles, each of whom, in addition to satisfying the NASDAQ independence standards, also satisfies the Sarbanes-Oxley independence requirements for audit committee membership. In addition, the Board has determined that Mr. Hornig is an "audit committee financial expert" under applicable rules of the Securities and Exchange Commission, and all of the members of the Audit Committee satisfy the financial literacy standards of NASDAQ. The Audit Committee held five meetings during fiscal 2016. The responsibilities of our Audit Committee and its activities during fiscal 2016 are described in the committee's amended and restated charter, which is available on our website at www.forrester.com/aboutus. The charter will also be made available without charge to any stockholder who requests it by writing to Forrester Research, Inc., Attn: Chief Legal Officer and Secretary, 60 Acorn Park Drive, Cambridge, MA 02140.

Our Compensation and Nominating Committee consists of three members: Robert M. Galford, Chairman, Gretchen G. Teichgraeber, and Michael H. Welles. The Compensation and Nominating Committee held seven meetings during fiscal 2016. The Compensation and Nominating Committee has authority, as specified in the committee's charter, to, among other things, evaluate and approve the compensation of our Chief Executive Officer, review and approve the compensation of our other executive officers, administer our stock plans, and oversee the development of executive succession plans for the CEO and other executive officers. The committee also has the authority to identify and recommend to the Board qualified candidates for director. The Compensation and Nominating Committee charter is available on our website at www.forrester.com/aboutus. The charter will also be made available without charge to any stockholder who requests it by writing to Forrester Research, Inc., Attn: Chief Legal Officer and Secretary, 60 Acorn Park Drive, Cambridge, MA 02140.

Compensation Committee Interlocks and Insider Participation

No person who served during the past fiscal year as a member of our Compensation and Nominating Committee is or was an officer or employee of Forrester, or had any relationship with Forrester requiring disclosure in this proxy statement. During the past fiscal year, none of our executive officers served as a member of the board of directors of another entity, any of whose executive officers served as one of our directors.

Board Leadership Structure

At the present time, Mr. Colony serves as both Chairman of the Board and Chief Executive Officer. Mr. Colony is a significant stakeholder in Forrester, beneficially owning approximately 44% of our outstanding common stock. As such, we believe it is appropriate that he set the agenda for the Board of Directors in addition to serving as the Chief Executive Officer. We also do not believe that the size of the Company warrants the division of these responsibilities. We do not have a single lead director because our Board of Directors is small enough that the independent directors work effectively together as a group and the presiding director at meetings of the independent directors rotates among the chairmen of the committees.

The Board's Role in Risk Oversight; Risk Considerations in our Compensation Programs

The Board's role in the Company's risk oversight process includes receiving regular reports from members of management on areas of material risk to the Company, including financial, strategic, operational, legal and regulatory risks. The full Board (or the appropriate Committee in the case of risks that are under the purview of a particular Committee) receives these reports from the appropriate manager within the Company. When a committee receives such a report, the Chairman of the relevant Committee reports on the discussion to the full Board during the Committee reports portion of the next Board meeting, enabling the full Board to coordinate the risk oversight role, particularly with respect to risk interrelationships.

Our Compensation and Nominating Committee does not believe that our compensation programs encourage excessive or inappropriate risk taking. We structure our pay programs to consist of both fixed and variable compensation, with the fixed base salary portion providing steady income regardless of our stock price performance. The variable components, consisting of cash bonus and stock-based awards, and for our chief sales officer, sales commissions, are designed to reward both short and long-term performance. Targets under our bonus plans are a function of bookings and profit (described in greater detail in the Compensation Discussion and Analysis below), important financial metrics for our business. For long-term performance, we generally award restricted stock units vesting over four years. We believe that the variable elements of compensation are a sufficient percentage of overall compensation to motivate executives to produce excellent short and long-term results for the Company, while fixed base salary is also sufficiently high such that the executives are not encouraged to take unnecessary or excessive risks. In addition, our bonus plan funding metrics apply company-wide, regardless of function or client group, which we believe encourages relatively consistent behavior across the organization. While sales commissions are not capped, we cap our bonus at 1.75 times target company performance. Therefore, even if Company performance dramatically exceeds target performance, bonus payouts are limited. Conversely, we have a minimum threshold on Company performance under our executive bonus plan approved by the Compensation and Nominating Committee so that the bonus plan is not funded at performance below a certain level. We also believe that our Executive Severance Plan adopted in 2014 and described in detail below, which provides severance compensation in the event of involuntary termination of employment without cause and in connection with a change in control, promotes stability and continuity of operations.

Director Candidates

As noted above, the Compensation and Nominating Committee has responsibility for recommending nominees for election as directors of Forrester. Our stockholders may recommend individuals for this committee to consider as potential director candidates by submitting their names and background to the "Forrester Research Compensation and Nominating Committee", c/o Chief Legal Officer and Secretary, 60 Acorn Park Drive, Cambridge, MA 02140. The Compensation and Nominating Committee will consider a recommended candidate for the next annual meeting of stockholders only if biographical information and background material are provided no later than the date specified below under "Stockholder Proposals" for receipt of director nominations.

The process that the Compensation and Nominating Committee will follow to identify and evaluate candidates includes requests to Board members and others for recommendations, meetings from time to time to evaluate biographical information and background material relating to potential candidates, and interviews of selected candidates by members of the Compensation and Nominating Committee. Assuming that biographical and background material is provided for candidates recommended by the stockholders, the Compensation and Nominating Committee will evaluate those candidates by following substantially the same process, and applying substantially the same criteria, as for candidates submitted by Board members.

In considering whether to recommend any candidate for inclusion in the Board's slate of recommended director nominees, including candidates recommended by stockholders, the Compensation and Nominating Committee will apply the criteria set forth in the committee's charter and in the Corporate Governance Guidelines. These criteria include, among others, the candidate's integrity, age, experience, commitment, diligence, conflicts of interest and the ability to act in the interests of all stockholders. Although the Compensation and Nominating Committee considers as one of many factors in the director identification and nomination process diversity of race, gender and ethnicity, as well as geography and business experience, it has no specific diversity policy. The Compensation and Nominating Committee does not assign specific weights to particular criteria and no particular criterion is necessarily applicable to all prospective nominees. We believe that the backgrounds and qualifications of the directors, considered as a group, should provide a composite mix of experience, knowledge and abilities, including direct operating experience, that will allow the Board to fulfill its responsibilities.

In addition, our by-laws permit stockholders to nominate directors for election at an annual meeting of stockholders, other than as part of the Board's slate. To nominate a director, in addition to providing certain information about the nominee and the nominating stockholder, the stockholder must give timely notice to Forrester, which, in general, requires that the notice be received by us no less than 90 nor more than 120 days prior to the anniversary date of the preceding annual meeting of stockholders. In accordance with our by-laws, the 2018 Annual Meeting will be held on May 8, 2018.

Communications from Stockholders

The Board will give appropriate attention to communications on issues that are submitted by stockholders, and will respond if and as appropriate. Absent unusual circumstances or as contemplated by committee charters, the Compensation and Nominating Committee, with the assistance of the Chief Legal Officer and Secretary, will be primarily responsible for monitoring communications from stockholders and will provide copies of summaries of such communications to the other directors as deemed appropriate.

Stockholders who wish to send communications on any topic to the Board should address such communications to the Forrester Research Compensation and Nominating Committee, c/o Chief Legal Officer and Secretary, Forrester Research, Inc., 60 Acorn Park Drive, Cambridge, MA 02140.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Executive Summary

We have implemented an executive compensation program that rewards performance. Our executive compensation program is designed to attract, retain and motivate the key individuals who are most capable of contributing to the success of our Company and building long-term value for our stockholders. The elements of our executives' total compensation are base salary, cash incentive awards, equity incentive awards and other employee benefits. We have designed a compensation program that makes a substantial portion of executive pay variable, subject to increase when performance targets are exceeded, and subject to reduction when performance targets are not achieved.

2016 Business Results

In 2016, we made further progress on our strategic shift to capitalize on the opportunity presented by the Age of the Customer. The Company met or exceeded its revenue, operating income and earnings per share guidance for the year, with revenues increasing by 4% to $326.1 million and net income increasing by 48% to $17.7 million.

Compensation for Performance

A substantial amount of the total compensation of our executive officers is linked to our performance, both through short-term cash incentive compensation and long-term equity incentive compensation. We believe this aligns our executives' incentives with our objective of enhancing stockholder value over the longer term.

Cash Compensation. A significant portion of the current cash compensation opportunity for our executive officers is achieved through our Amended and Restated Executive Cash Incentive Plan (the "Executive Cash Incentive Plan"). As described in more detail below, payments under the plan are based on company financial performance metrics (for 2016, booked sales accounts or "bookings" and adjusted operating profit). By design, our plan pays more when we perform well and less, or nothing, when we do not. For example, in 2014, because our adjusted operating profit was below the target we set when establishing our 2014 plan, no payout with respect to 2014 performance was made under the Executive Cash Incentive Plan (though the Committee did make discretionary cash awards to our named executive officers at a payout level corresponding to 40% of target cash incentive compensation to recognize the progress made in our strategic shift and sales growth). In 2015, although our adjusted operating profit exceeded our targeted level, our bookings were approximately 96% of our targeted level, resulting in a 90% payout under the Executive Cash Incentive Plan. In 2016, our adjusted operating profit again exceeded our targeted level, but our bookings were approximately 94% of our targeted level, resulting in a 90% payout under the Executive Cash Incentive Plan.

Equity Awards. Another key component of compensation for our executive officers consists of long-term equity incentives, in the form of both restricted stock units (RSUs) and stock options. In 2016, all RSUs and stock options granted to executive officers vest over time, with 25% to vest annually over four years (except in the case of one RSU grant to a newly hired executive officer that will vest fully after one year). We believe these awards have retention value and reflect a balance between short-term financial performance and long-term shareholder return, supporting our performance-based compensation. Consistent with past years, we did not grant equity awards in 2016 to George Colony, our Chairman and Chief Executive Officer, who is the beneficial owner of approximately 44% of our common stock.

Compensation Program Changes in 2016

Base Salary and Short-Term Cash Incentive Compensation. Based on a review of market data, and taking into account the contributions of the named executive officers and our financial performance in 2015, during its annual executive compensation review our Compensation and Nominating Committee (the "Committee") increased the base salaries of the named executive officers then in office by an average of 3.75% over 2015, while increasing the target cash incentive bonus amount of these named executive officers by an average of 9.2% over 2015, as discussed further below.

Long-Term Equity Incentive Compensation. In recent years, the Committee has approved annual equity awards to our executive officers consisting of a combination of stock options and RSUs. In 2016, with the exception of one stock option grant made in connection with the hiring of a new executive officer, the Committee determined that all equity awards made to our executive officers would consist solely of RSUs, based on a review of competitive data concerning equity-based awards and taking into consideration historical dilution and burn rates under our equity incentive plan.

Say on Pay Stockholder Vote. As we have done each year since 2011, in 2016 we submitted our executive compensation program to an advisory vote of our stockholders and, consistent with the results of our previous say on pay votes, it received the support of 99% of the total votes cast at our annual meeting. We pay careful attention to any feedback we receive from our stockholders about our executive compensation program, including the say on pay vote. The Committee considered this feedback when setting our executive cash compensation program and granting equity awards to executives in 2016, and will continue to consider stockholder feedback in its subsequent executive compensation decision making.

Compensation Objectives and Strategy

The primary purpose of our executive compensation program is to attract, retain and motivate the key individuals who are most capable of contributing to the success of our Company and building long-term value for our stockholders. Our principal objectives and strategy concerning our executive compensation program are as follows:

- encourage achievement of key Company values — including client service, quality, collaboration, courage and integrity — that we believe are critical to our continued growth;
- base cash compensation on individual achievement and responsibility, teamwork, and our short-term financial performance;
- align employees' incentives with our objective of enhancing stockholder value over the longer term through long-term incentives, principally in the form of RSUs; and

- emphasize individual excellence and encourage employees at all levels, as well as executive officers, to take initiative and lead individual projects that enhance our performance.

These objectives and strategy are reviewed each year by the Committee, which oversees our executive compensation program. In furtherance of these objectives, the Committee takes the following actions each year:

- reviews the performance of George Colony, our Chairman and Chief Executive Officer, including his demonstration of leadership and his overall contribution to the financial performance of the Company;
- reviews the assessment by Mr. Colony of the performance of the other executive officers against their individual and team goals;
- reviews the company-wide financial goals that are used in the calculation of the cash incentive compensation for our executives;
- reviews all components of compensation for each executive officer: base salary, short-term cash incentive compensation, and long-term equity incentive compensation;
- assesses relevant market data; and
- holds executive sessions (without our management present) as appropriate to accomplish the above actions.

Mr. Colony also plays a substantial role in the compensation process for the other executive officers, primarily by recommending annual goals for the executives reporting directly to him, evaluating their performance against those goals, and providing recommendations on their compensation to the Committee.

The Committee did not engage an independent compensation consultant in 2016 for its general executive compensation analysis because the members were comfortable relying on their independent review of the market data, surveys and other supporting information provided by management, taking into account that the Company does not offer special perquisites, deferred compensation plans, or other special executive compensation arrangements. The Committee believes it is adequately experienced to address relevant issues and discharge its responsibilities consistent with the Company's compensation objectives and philosophy.

The Committee has not historically used formal benchmarking data to establish compensation levels, but has relied instead on relevant market data and surveys to design compensation packages that it believes are competitive with other similarly situated companies or those with whom we compete for talent. While compensation surveys provide useful data for comparative purposes, the Committee believes that successful compensation programs also require the application of sound judgment and subjective determinations of individual and Company performance.

The Committee believes it is helpful to utilize data compiled from a wide array of companies and believes it important to consider comparative data from companies of comparable size and revenue, operating within a comparable industry, and located or operating within our principal geographic markets. In setting executive compensation for 2016, the Committee primarily considered data from the Radford Global High Technology Survey and Salary.com's IPAS Global High Technology Survey, which included companies with annual revenues from $200 million to $500 million, as well as comparable companies in the geographies applicable to our executives. For each of the Company's executive officers, the data the Committee reviewed included comparative market percentiles for base salary and total annual cash compensation opportunity (or "on-target earnings"). The Committee determined that the base salaries and on-target earnings of the named executive officers, other than Mr. Colony, were generally at or substantially near the 50th percentile of the comparative market data and, accordingly, made its decisions regarding 2016 executive compensation with the goal of maintaining that status.

Since Mr. Colony owns such a substantial percentage of our common stock, the Committee generally does not deem the available market data on chief executive officer compensation as comparable and does not place substantial weight on that data when setting his executive compensation.

Elements of Compensation

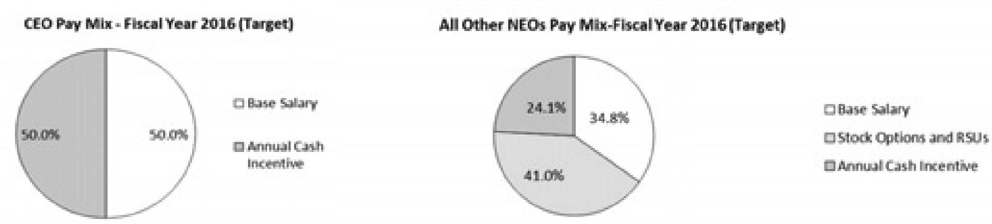
Compensation for our named executive officers consists of the following principal components:

- base salary;
- short-term cash incentive compensation;
- long-term equity incentive compensation, principally in the form of RSUs;
- severance and change-of-control benefits; and

- other benefits available generally to all full-time employees.

We do not have an express policy for weighting different elements of compensation or for allocating between long-term and short-term compensation, but we do attempt to maintain compensation packages that will advance our overall compensation objectives. In reviewing and setting the compensation of each executive officer, we consider the individual's position with the Company and his or her ability to contribute to achievement of strategic and financial objectives.

In 2016, as illustrated below, base salaries for our named executive officers other than Mr. Colony represented an average of approximately 34.8% of total target compensation for these individuals, while the base salary for Mr. Colony represented 50% of his total target compensation. Because of Mr. Colony's significant ownership of our common stock, the Committee generally does not grant equity-based awards to him, resulting in a higher ratio of base salary to total target compensation than that of the other named executive officers.



Base Salary. The Committee approves the base salaries of our named executive officers annually by evaluating the responsibilities of their position, the experience and performance of the individual, and as necessary or appropriate, survey and market data. The base salary of a named executive officer is also considered together with the other components of his or her compensation to ensure that both the executive's total cash compensation opportunity (or "on-target earnings") and the allocation between base salary and variable compensation for the executive are in line with our overall compensation philosophy and business strategy. Additionally, the Committee may adjust base salary more frequently than annually to address retention issues or to reflect promotions or other changes in the scope or breadth of an executive's role or responsibilities.

Our goal is to pay base salaries to our named executive officers that are competitive with the base salaries of companies that are similarly situated or with which we compete to attract and retain executives, while taking into account total on-target earnings, and remaining consistent with our overall compensation objectives with respect to variable compensation. In March 2016, taking into account the market data discussed above, the respective tenures, experience and performance of the named executive officers and our financial performance in 2015, the Committee decided to increase the base salaries of the named executive officers then in office by an average of 3.75% over 2015. Mack Brothers joined as our Chief Consulting Officer in May of 2016 with an annual base salary of $325,000, and was not eligible for a compensation adjustment until 2017.

Short-Term Cash Incentive Compensation. A significant portion of each of our named executive officers' total annual cash compensation is dependent on our achievement of annual financial objectives set forth under our Executive Cash Incentive Plan. Payouts under the plan are made annually in arrears.

An individual named executive officer's annual bonus payout under the Executive Cash Incentive Plan is based on the following factors, which are discussed in more detail below:

- the named executive officer's target award;
- the Company's financial performance; and
- if applicable, the named executive officer's individual and/or team performance.

Effective January 1, 2016, as part of its executive compensation reviews, the Committee increased the target cash incentive bonus amounts for each of the named executive officers eligible for compensation adjustments in 2016 by an average of approximately 9.2%, taking into account the Company's financial performance in 2015, the market data discussed above, and the respective tenures, experience and performance of our named executive officers. After giving effect to these increases, and including Mr. Brother's annualized target amount of $200,000, the average annual target cash incentive bonus amount for our named executive officers, other than Mr. Morhardt, was approximately 69.3% of that person's base salary. Mr. Morhardt's 2016 target cash incentive bonus amount under our Executive Cash Incentive Plan was $130,000, or 41.3% of his base salary, because as Chief Sales Officer, a significant portion of his target cash incentive amount was tied to sales commissions. Mr. Morhardt's 2016 commission-based target cash incentive amount was set at $200,000, or 63.5% of his base salary.

For purposes of the Executive Cash Incentive Plan, the financial performance of our Company for 2016 was measured based on booked sales accounts (referred to as "bookings") and adjusted operating profit, the same measures used by the Committee in connection with the Executive Cash Incentive Plan in 2015. The Committee selected bookings as one of the metrics because we believe that bookings provide an important measure of our current business activity and estimated future revenues. The Committee selected adjusted operating profit ("operating profit"), meaning the Company's pro forma operating profit assuming cash incentive compensation payouts under the Executive Cash Incentive Plan and the Forrester Employee Bonus Plan at target levels, as the other key metric because we believe operating profit provides a comprehensive measure of our financial performance that takes into account the importance of both revenue growth and expense management. In addition, by linking payouts under the plan to the Company's profitability, we provide our employees with the opportunity to share in our profits while assuring that payouts are only made if we achieve a satisfactory, pre-approved level of profitability, taking into account the nature of our business, planned investments to support growth of the business, and the economic environment. Our pro forma operating profit excludes amortization of acquisition-related intangible assets, reorganization costs, costs associated with acquisition activities, stock-based compensation and net gains or losses from investments. The Committee may also adjust the operating profit metric, as it deems appropriate, to include or exclude particular non-recurring items to avoid unanticipated results and to promote, and provide appropriate incentives for, actions and decisions that are in the best interests of the Company and its stockholders.

The Executive Cash Incentive Plan was structured as follows in 2016:

- A matrix for 2016 containing bookings on the x axis and operating profit on the y axis was approved by the Committee under the plan based on the Company's 2016 operating plan approved by the Board of Directors. Minimum bookings and operating profit levels were set taking into account the Company's recent levels of bookings and operating profit and planned investments to support growth of the business. Failure of our Company to meet either of these minimum levels would result in each executive officer being ineligible to receive any bonus payout. The minimum, target and maximum levels of bookings and operating profit under the Executive Cash Incentive Plan approved by the Committee were as follows (all dollars in thousands):

	Bookings	Operating Profit
Minimum	$ 307,213	$ 29,887
Target	$ 341,348	$ 37,359
Maximum	$ 375,483	$ 44,831

- If the Company's target bookings and operating profit were both exactly achieved, the Executive Cash Incentive Plan allowed for the payment of 100% of a named executive officer's target award.
- If both bookings and operating profit were above the minimum thresholds but neither exceeded the target, the bonus payout would be between 25% and 100% of the target award.
- If one or both of the applicable target bookings and operating profit were exceeded, the plan allowed for the payment of up to 175% of a named executive officer's target award.

The Company's actual bookings and operating profit for 2016 were $320.3 million and $39.4 million (after giving effect to a non-recurring downward adjustment), respectively, resulting in 90% of each named executive officer's target award being payable, as is set forth in the Summary Compensation Table under the heading "Non-Equity Incentive Plan Compensation." This illustrates the pay for performance structure of the compensation awarded to our named executive officers, as our 2016 operating profit exceeded our target level and our 2016 bookings were approximately 94% of our target level. In addition, the total cash incentive plan compensation paid to Mr. Morhardt for 2016 included commissions of $146,361, or 73% of his targeted commissions for 2016.

Long-term Equity Incentive Compensation. Our equity awards to executive officers historically have consisted of stock options and RSUs granted under our equity incentive plan. In July 2016, after reviewing competitive data concerning executive equity-based awards, and taking into consideration historical dilution and burn rates under our equity incentive plan, the Committee revised the Company's stock-based compensation program for executive officers to consist solely of RSUs, with the number of RSUs awarded to be calculated with reference to a specific compensation value divided by the share price of our common stock on the award date.

All stock-based compensation awards granted to our executive officers are granted by the Committee. We believe that stock-based awards help to motivate and retain executives and also align management's incentives with long-term stock price appreciation. In general, we believe that timed-based equity-based awards serve to encourage retention while further aligning the interests of executives and stockholders, as the awards have value only if the recipient continues to provide service to the Company through the vesting date, and, while the RSUs have immediate compensatory value to recipient upon vesting, increases in our share price provide significant additional compensatory value to the recipient, and decreases in the share price reduce the original compensation value of the award. Neither the Company nor our board of directors, including the Committee, has any plan, program or practice of timing equity incentive awards in coordination with the release or withholding of material non-public information.

In determining the size and nature of stock-based awards for 2016, the Committee considered the aggregate number of stock-based awards outstanding relative to the Company's total shares outstanding, the average aggregate size of stock-based awards made to executive officers of companies that are similarly situated or with which we compete to attract and retain executives, and the individuals that they believed were most likely to contribute to or influence a return to the Company's historical growth levels and continued improvement in the Company's operating margin. On July 26, 2016, the Committee reviewed and approved the grant of time-based RSUs to each of Messrs. Condon, Doyle and Morhardt, effective August 1, 2016, as part of a grant of equity-based compensation to key employees across the Company. The Committee determined that the RSUs would vest 25% annually over four years.

On June 1, 2016, pursuant to our employment offer letter dated March 23, 2016 with Mr. Brothers that was approved by the Committee, Mr. Brothers received awards of 20,000 stock options and 7,000 RSUs that would vest 25% annually over four years, as well as 5,430 RSUs that would vest in full on the first anniversary of the grant date. The stock options were granted at an exercise price of $36.83, which was equal to the closing market price of our common stock on the grant date of June 1, 2016.

Given Mr. Colony's significant ownership of our common stock, the Committee did not grant stock options or RSUs to Mr. Colony in 2016.

Severance and Change in Control Agreements. Effective May 15, 2014, we adopted the Forrester Research, Inc. Executive Severance Plan (the "Severance Plan"), applicable to all of our executive officers, including the named executive officers. Similar to plans maintained by many other companies, our Severance Plan provides for payments and benefits to our executive officers upon a qualifying termination of employment, including in connection with a change in control. Further detail on the Severance Plan is contained below under the heading "Severance and Change-of-Control Benefits." We believe that the Severance Plan functions as a retention tool for our executive officers to remain with the Company and enable the executive officers to focus on the continuing business operations and, as applicable, the success of a potential business combination that the Board of Directors has determined to be in the best interests of the shareholders. We believe this results in stability and continuity of operations.

Other Benefits

As employees of our Company, our executive officers are eligible to participate in all Company-sponsored benefit programs on the same basis as other full-time employees, including health and dental insurance and life and disability insurance. In addition, our executive officers are eligible to receive the same employer match under our 401(k) plan as is applicable for all participating employees and to participate in our employee stock purchase plan, pursuant to which participants may elect to purchase shares of our stock on a semi-annual basis at a 15% discount based on the lower of the price of our stock at the beginning and end of each period. We do not offer any supplemental executive health and welfare or retirement programs, or provide any other supplemental benefits or perquisites, to our executives.

Stock Retention Guidelines

In April 2010, we introduced stock retention guidelines as part of our Corporate Governance Guidelines to further align the interests of our directors and executive officers with those of our stockholders. Members of our executive team and Board of Directors are subject to these stock retention guidelines for so long as they remain an executive officer, or serve as a director, of the Company. The guidelines require executive officers and directors of the Company to retain at least 50% of the net shares of Forrester common stock delivered to them upon the exercise or vesting of stock awards granted on and after January 1, 2010. Net shares are the number of shares remaining after shares are sold or netted to pay the exercise price of equity awards and applicable withholding taxes. For directors, the applicable withholding tax is presumed to be the minimum withholding tax applicable to an employee. These guidelines may be waived, at the discretion of the Committee, if compliance with the guidelines would create severe hardship or prevent an executive officer or director from complying with a court order. Our directors and executive officers have complied in full with these guidelines since their initial adoption.

Impact of Tax and Accounting on Compensation Decisions

Section 162(m) of the Internal Revenue Code limits the deductibility of compensation paid to certain executive officers in excess of $1 million per year unless the compensation is performance-based. Because the compensation amounts paid to our executive officers have largely been below this threshold, in many cases we have not structured compensation arrangements with our executive officers to preserve the deductibility of that compensation in light of Section 162(m).

When determining amounts of equity awards to executives and employees under our equity incentive program, the Committee considers the compensation charges associated with the awards. We recognize compensation expense for stock-based awards based upon the fair value of the award. Grants of stock options result in compensation expense equal to the fair value of the options, which is calculated using a Black-Scholes option pricing model. Restricted stock unit awards result in compensation expense equal to the fair value of the award on the award date, which is calculated using the closing stock price of the underlying shares on the date of the award, as adjusted to reflect the absence of dividend credits prior to vesting of the restricted stock units. Stock-based compensation is recognized as an expense over the vesting period of the award.

Compensation Committee Report

The Compensation and Nominating Committee of the Board of Directors has reviewed and discussed the Compensation Discussion and Analysis included in this proxy statement with management and, based on this review and discussion, recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this proxy statement.

Compensation and Nominating Committee

Robert M. Galford, Chair
Michael H. Welles
Gretchen G. Teichgraeber

The information contained in the report above shall not be deemed to be "soliciting material" or to be "filed" with the SEC, nor shall such information be incorporated by reference into any future filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that we specifically incorporate it by reference in any such filing.

SUMMARY COMPENSATION TABLE

The following table shows the compensation earned by our Chief Executive Officer, our Chief Financial Officer and each of our three other most highly compensated executive officers as of December 31, 2016. We refer to these officers as the "named executive officers."

Name and Principal Position	Year	Salary ($)	Bonus ($)(1)	Stock Awards ($)(2)	Option Awards ($)(2)	Non-Equity Incentive Plan Compensation ($)	All Other Compensation ($)(3)	Total ($)
George F. Colony	2016	400,000	—	—	—	360,000	12,702	772,702
Chairman of the Board and	2015	375,000	—	—	—	337,500	12,702	725,202
Chief Executive Officer	2014	367,500	147,000	—	—	—	12,552	527,052
Mack Brothers(4)								
Chief Consulting Officer	2016	216,667	25,000	435,672	124,972	120,000	6,469	928,779
Cliff Condon	2016	380,000	—	372,780	—	198,000	9,606	960,386
Chief Research and Product	2015	331,023	—	380,525	134,980	147,000	9,536	1,003,064
Officer	2014	286,340	49,440	214,888	134,263	—	9,243	694,174
Michael A. Doyle	2016	380,000	—	358,455	—	198,000	12,702	949,157
Chief Financial Officer and	2015	370,000	—	236,025	134,980	180,000	11,046	932,051
Treasurer	2014	361,125	75,970	276,300	172,623	—	10,896	896,914
Michael Morhardt	2016	315,000	—	358,455	—	263,361	9,551	946,367
Chief Sales Officer	2015	315,000	—	236,025	134,980	237,880	9,534	933,418
	2014	300,000	40,000	245,612	153,443	200,364	9,318	948,737

(1) Amounts for 2014 represent a discretionary bonus approved by the Committee for each of the named executive officers. Amount for 2016 represents a one-time bonus for Mr. Brothers in connection with his hiring as Chief Consulting Officer.

(2) These amounts represent the aggregate grant date fair value of restricted stock unit and option awards. Assumptions used in the calculation of grant date fair value of stock options are included in footnote 1 to the Company's consolidated financial statements included in our 2016 Annual Report on Form 10-K. The grant date fair value of restricted stock units is based upon the closing price of the Company's common stock on the date of grant, as adjusted to reflect the absence of dividend credits prior to vesting of the restricted stock units. The amounts set forth may be more or less than the value ultimately realized by the named executive officer based upon, among other things, the value of the Company's common stock at the time of exercise of the options or vesting of the restricted stock units and whether the options or restricted stock units actually vest.

(3) 2016 amounts include the following amounts of Company matching contributions under our 401(k) plan: Mr. Colony, $7,950; Mr. Brothers, $5,365; Mr. Condon, $7,950; Mr. Doyle, $7,950; and Mr. Morhardt, $7,950. Other amounts consist of group term life insurance premiums and miscellaneous other items.

(4) Mr. Brothers became our Chief Consulting Officer on May 2, 2016.

GRANTS OF PLAN-BASED AWARDS FOR 2016

The following table sets forth information with respect to plan-based awards granted to named executive officers in 2016.

Name	Grant Date	Committee Approval Date	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards(1) Threshold ($)	Target ($)	Maximum ($)	All Other Stock Awards: Number of Shares of Stock (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards ($/Sh)	Grant Date Fair Value of Stock and Option Awards ($)(2)
George F. Colony	—	—	100,000	400,000	700,000	—	—	—	—
Mack Brothers	—	—	33,333	133,333	233,333	—	—	—	—
	06/01/16	03/31/16	—	—	—	—	20,000	36.83	124,972
	06/01/16	03/31/16	—	—	—	12,430	—	—	435,672
Cliff Condon	—	—	55,000	220,000	385,000	—	—	—	—
	08/01/16	07/26/16	—	—	—	9,655	—	—	372,780
Michael A. Doyle	—	—	55,000	220,000	385,000	—	—	—	—
	08/01/16	07/26/16	—	—	—	9,284	—	—	358,455
Michael Morhardt	—	—	32,500	330,000	N/A	—	—	—	—
	08/01/16	07/26/16	—	—	—	9,284	—	—	358,455

(1) Except with respect to Mr. Morhardt, consists of awards under our Executive Cash Incentive Plan, a non-equity incentive plan, with payouts thereunder made annually in arrears. Our Executive Cash Incentive Plan is described in detail, including calculation of threshold, target and maximum awards under the plan, in the Compensation Discussion and Analysis above. Actual amounts awarded are set forth in the Summary Compensation Table above. Mr. Morhardt's "Target" amount includes the target amount he was eligible to receive under our Executive Cash Incentive Plan of $130,000 and target sales commissions of $200,000. There is no cap on Mr. Morhardt's "Maximum" amount because there is no cap on possible commission payments.

(2) Assumptions used in the calculation of option awards are included in footnote 1 to the Company's consolidated financial statements included in our 2016 Annual Report on Form 10-K. The grant date fair value of restricted stock units is based upon the closing price of the Company's common stock on the date of grant, as adjusted to reflect the absence of dividend credits prior to vesting of the restricted stock units.

OUTSTANDING EQUITY AWARDS AT 2016 FISCAL YEAR-END

The following table sets forth information for the named executive officers regarding outstanding option awards and stock awards held as of December 31, 2016.

	Option Awards				Stock Awards	
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($)	Option Expiration Date	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)(1)
George F. Colony	—	—	—	—	—	—
Mack Brothers	—	—	—	—	7,000(2)	300,650
	—	—	—	—	5,430(3)	233,219
	—	20,000(4)	36.83	5/31/2026	—	—
Cliff Condon	—	—	—	—	729(5)	31,311
	—	—	—	—	2,916(6)	125,242
	—	—	—	—	5,625(7)	241,594
	—	—	—	—	3,750(8)	161,063
	—	—	—	—	9,655(9)	414,682
	3,000	—	29.86	3/31/2020	—	—
	3,000	—	33.03	6/30/2021	—	—
	7,500	—	33.81	5/13/2022	—	—
	6,562	2,188(10)	36.18	6/2/2023	—	—
	7,500	2,500(11)	36.84	9/30/2023	—	—
	8,750	8,750(12)	38.43	7/31/2024	—	—
	5,625	16,875(13)	33.16	8/2/2025	—	—
Michael A. Doyle	—	—	—	—	1,458(5)	62,621
	—	—	—	—	3,750(6)	161,063
	—	—	—	—	5,625(7)	241,594
	—	—	—	—	9,284(9)	398,748
	15,000	—	25.20	9/30/2017	—	—
	10,000	—	25.25	6/30/2019	—	—
	14,000	—	29.86	3/31/2020	—	—
	14,000	—	33.03	6/30/2021	—	—
	15,000	—	33.81	5/13/2022	—	—
	13,125	4,375(10)	36.18	6/2/2023	—	—
	11,250	11,250(14)	38.43	7/31/2024	—	—
	5,625	16,875(13)	33.16	8/2/2025	—	—
Michael Morhardt	—	—	—	—	3,333(6)	143,152
	—	—	—	—	5,625(7)	241,594
	—	—	—	—	9,284(9)	398,748
	40,000	—	27.89	12/2/2022	—	—
	10,000	10,000(15)	38.43	7/31/2024	—	—
	5,625	16,875(13)	33.16	8/2/2025	—	—

(1) The market value was calculated based on $42.95, the closing price per share of our common stock on December 30, 2016.
(2) Consists of time-based restricted stock units that vest as to 25% of the shares subject to the award on each of June 1, 2017, June 1, 2018, June 1, 2019 and June 1, 2020.
(3) Consists of time-based restricted stock units that vest on June 1, 2017.
(4) Stock options become exercisable as to 5,000 shares on June 1, 2017, 5,000 shares on June 1, 2018, 5,000 shares on June 1, 2019 and 5,000 shares on June 1, 2020.
(5) Consists of time-based restricted stock units that vest on June 3, 2017.
(6) Consists of time-based restricted stock units that vest as to 50% of the shares subject to the award on each of August 1, 2017 and August 1, 2018.
(7) Consists of time-based restricted stock units that vest as to one third of the shares subject to the award on each of August 3, 2017, August 3, 2018 and August 3, 2019.

(8) Consists of time-based restricted stock units that vest as to one third of the shares subject to the award on each of September 1, 2017, September 1, 2018 and September 1, 2019.
(9) Consists of time-based restricted stock units that vest as to 25% of the shares subject to the award on each of August 1, 2017, August 1, 2018, August 1, 2019 and August, 2020.
(10) Stock options become exercisable on June 3, 2017.
(11) Stock options become exercisable on October 1, 2017.
(12) Stock options become exercisable as to 4,375 shares on August 1, 2017 and 4,375 shares on August 1, 2018.
(13) Stock options become exercisable as to 5,625 shares on August 3, 2017, 5,625 shares on August 3, 2018 and 5,625 shares on August 3, 2019.
(14) Stock options become exercisable as 5,625 shares on August 1, 2017 and 5,625 shares on August 1, 2018.
(15) Stock options become exercisable as to 5,000 shares on August 1, 2017 and 5,000 shares on August 1, 2018.

OPTION EXERCISES AND STOCK VESTED TABLE FOR 2016

The following table sets forth information for the named executive officers regarding the value realized during 2016 by the executives pursuant to option exercises and the vesting of RSUs.

	Option Awards		Stock Awards	
Name	**Number of Shares Acquired on Exercise (#)**	**Value Realized on Exercise ($)**	**Number of Shares Acquired on Vesting (#)**	**Value Realized on Vesting ($)**
George F. Colony	—	—	—	—
Mack Brothers	—	—	—	—
Cliff Condon	—	—	5,937	233,974
Michael A. Doyle	15,000	198,533	6,458	249,290
Michael Morhardt	—	—	3,542	142,068

Pension Benefits

We have no defined benefit pension plans or long-term incentive plans applicable to the named executive officers.

Nonqualified Deferred Compensation

We have no nonqualified defined contribution or deferred compensation plans.

Severance and Change-of-Control Benefits

Effective May 15, 2014, our Board of Directors adopted and approved the Forrester Research, Inc. Executive Severance Plan (the "Severance Plan"), which is applicable to all of the Company's executive officers, including the named executive officers. The Severance Plan provides for the payment of severance and other benefits to each executive officer in the event of a termination of employment with the Company without cause and also, in the case of a change in control, by an executive officer for good reason, each as defined in the Severance Plan (each, a "Qualifying Termination"). In the event of a Qualifying Termination and subject to the executive's execution of a general release of claims against the Company, in addition to any accrued obligations such as unpaid base salary, vacation and earned bonuses, the Severance Plan provides for the following severance payments and benefits:

- In the event of a Qualifying Termination other than following a change in control:
  - continued payment of the executive officer's base salary in installments for one year, and in the case of Mr. Colony (or any successor CEO), for 18 months, after the Qualifying Termination;
  - payment in a lump sum of an amount equal to the lesser of the executive officer's (x) annual target bonus and, if applicable, sales commissions, as in effect on the date of the Qualifying Termination, or (y) the average of the actual bonus and, if applicable, sales commissions, earned by the executive officer under the applicable plans for the two fiscal years preceding the year of the Qualifying Termination (or for such shorter period that the executive officer was employed by the Company); and in the case of the chief executive officer, payment in a lump sum of an amount equal to one and one-half times the lesser of the chief executive officer's (x) annual target bonus and, if applicable, sales commissions, as in effect on the date of the Qualifying Termination, or (y) the average of the actual bonus and, if applicable, sales commissions earned by the chief executive officer under the applicable plans for the two fiscal years preceding the year of the Qualifying Termination;

    - payment in cash during the 12-month period following a Qualifying Termination for executive officers other than the chief executive officer, and during the 18-month period following a Qualifying Termination for the chief executive officer, of an amount equal to the Company's portion of the cost for medical and dental coverage under applicable Company plans; and
    - 6 months of outplacement assistance, subject to extension for an additional 6 months upon request of the executive officer and at the discretion of the Company.
- In the event of a Qualifying Termination during the 18-month period following a change in control (as defined in the Severance Plan):
    - payment in a lump sum of the executive officer's annual base salary, and in the case of the chief executive officer, two times annual base salary;
    - payment in a lump sum of an amount equal to the excess, if any, of (x) the executive officer's annual target bonus amount and/or annual target sales commission amount pro-rated as of the Qualifying Termination, over (y) the amount paid or payable for the actual bonus and/or sales commissions earned through the Qualifying Termination;
    - payment of the higher of the executive officer's (x) target annual incentive opportunity, including target bonus opportunity and, if applicable, target sales commissions, or (y) the average of the actual bonus and, if applicable, sales commissions, earned by the executive under the applicable plans for the two fiscal years preceding the year of the Qualifying Termination (or such shorter period that the executive officer was employed by the Company); and in the case of the chief executive officer, the higher of two times his or her (x) target annual incentive opportunity, including target bonus opportunity and, if applicable, target sales commissions, or (y) the average of the actual bonus and, if applicable, sales commissions, earned by the chief executive officer under applicable plans for the two fiscal years preceding the year of the Qualifying Termination;
    - payment in cash in a lump sum of an amount equal to 12 months for executive officers other than the chief executive officer, and 24 months for the chief executive officer, of the Company's portion of the cost for medical and dental coverage under applicable Company plans;
    - 12 months of outplacement assistance; and
    - without limiting an executive officer's rights under any equity plans or agreements, accelerated vesting of, or cancellation and payment of merger consideration for (net of exercise price, if any), all unvested equity and equity-based awards, with performance-based awards, if any, vesting at target level of performance.

The Severance Plan shall also reimburse each executive officer whose termination of employment results from a change of control all reasonable legal fees and expenses incurred to obtain or enforce rights or benefits under the Severance Plan if the executive officer prevails in substantial part on the material issues of the proceeding.

The Severance Plan does not provide for a gross-up payment to any of the executive officers to offset any excise taxes that may be imposed on excess parachute payments under Section 4999 ("Excise Tax") of the Internal Revenue Code of 1986, as amended. Instead, the Severance Plan provides that in the event that the severance payments and benefits described above, and any other parachute payments, would, if paid, be subject to the Excise Tax, then the severance payments and benefits under the Severance Plan will be reduced to the extent necessary so that no portion of the payments or benefits under the Severance Plan are subject to the Excise Tax, provided that there shall be no such reduction if the net amount of the payments received by the executive officer after giving effect to all applicable taxes is greater than the net amount of the payments received by the executive officer after giving effect to the reduction.

We entered into an employment offer letter on July 24, 2007 with Mr. Doyle that provides for severance benefits following a termination of his employment by the Company without Cause (as defined in the offer letter). In the event of such a termination, we must continue to pay Mr. Doyle his base salary for the 6 months following his termination, subject to his signing a separation agreement in a form acceptable to us that includes a general release of all claims. On October 5, 2012 we entered into an employment offer letter with Mr. Morhardt that provides for severance benefits following a termination of his employment by the Company without Cause (as defined in the offer letter). In the event of such a termination, we must continue to pay Mr. Morhardt his base salary for the 6 months following his termination, subject to his signing a separation agreement in a form acceptable to us that includes a general release of all claims. The Severance Plan provides that there will be no duplication of benefits between the Severance Plan and any of Mr. Doyle's or Mr. Morhardt's employment offer letters. We have not entered into agreements providing for severance benefits with any of the other named executive officers. Each of our named executive officers other than Mr. Colony has entered into stock option and restricted stock unit grant agreements that provide for full acceleration of vesting upon a change of control of the Company, unless there is an assumption, substitution or cash-out of the options or restricted stock units in connection with the change of control.

The following table provides the details of payments that would have been paid to, or value that would have been received by, the named executive officers in connection with either a change of control, a termination of employment without cause or for good reason in connection with a change of control, or a termination of employment without cause in the absence of a change of control, in each case effective as of December 31, 2016.

Name	Event (1)	Salary Continuation ($)	Annual Incentive Compensation ($)	Payment in Lieu of Medical and Dental ($)	Outplacement Assistance ($)(2)	Value of Accelerated Unvested Equity ($)(3)	Total ($)
George F. Colony	Change in Control	—	—	—	—	—	—
	Termination Upon Change in Control	800,000	840,000	34,614	20,000	—	1,694,614
	Not for Cause Termination	600,000	253,125	25,961	10,000	—	889,086
Mack Brothers	Change in Control	—	—	—	—	656,269	656,269
	Termination Upon Change in Control	325,000	213,333	17,307	20,000	656,269	1,231,909
	Not for Cause Termination	325,000	—	17,307	10,000	—	352,307
Cliff Condon	Change in Control	—	—	—	—	1,208,736	1,208,736
	Termination Upon Change in Control	380,000	242,000	10,706	20,000	1,208,736	1,861,442
	Not for Cause Termination	380,000	73,500	10,706	10,000	—	474,206
Michael A. Doyle	Change in Control	—	—	—	—	1,109,701	1,109,701
	Termination Upon Change in Control	380,000	242,000	10,706	20,000	1,109,701	1,762,407
	Not for Cause Termination	380,000	90,000	10,706	10,000	—	490,706
Michael Morhardt	Change in Control	—	—	—	—	993,900	993,900
	Termination Upon Change in Control	315,000	366,639	17,307	20,000	993,900	1,712,846
	Not for Cause Termination	315,000	219,122	17,307	10,000	—	561,429

(1) None of the named executive officers has an agreement to receive any salary continuation, variable cash compensation, benefits continuation, acceleration of equity or gross-up in the event such named executive officer dies, becomes disabled, voluntarily terminates his or her employment with Forrester without “Good Reason” or if that named executive officer is terminated by Forrester for cause.

(2) Estimated cost of 12 months of outplacement service in the event of a change in control and 6 months of outplacement service in the event of termination without a change in control.

(3) Calculated using $42.95, the closing price per share of our common stock on December 30, 2016. In the case of unvested options, calculated using the difference between $42.95 and the exercise price of the applicable option, multiplied by the number of unvested shares. In the case of unvested restricted stock units (RSUs), calculated using $42.95 multiplied by the number of shares underlying such unvested RSU.

Director Compensation

DIRECTOR COMPENSATION TABLE FOR 2016

The following table shows the compensation that we paid during the year ended December 31, 2016 to each of our directors, other than Mr. Colony, who was not paid additional compensation for his service as a director and whose compensation is reflected in "Executive Compensation" above.

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($)(1)(2)(3)	Total ($)
Henk W. Broeders	25,000	118,634	143,634
Robert M. Galford	30,000	118,634	148,634
George R. Hornig	30,000	118,634	148,634
Gretchen G. Teichgraeber	25,000	118,634	143,634
Michael H. Welles	30,000	118,634	148,634

(1) The amounts in this column reflect the aggregate grant date fair value of restricted stock unit awards for 2016. The grant date fair value of restricted stock units is based upon the closing price of the Company's common stock on the date of grant, as adjusted to reflect the absence of dividend credits prior to vesting of the restricted stock units. The amounts set forth may be more or less than the value ultimately realized by the named director based upon, among other things, the value of the Company's Common Stock at the time of vesting of the restricted stock units and whether such restricted stock units actually vest.

(2) On May 17, 2016, each of the directors, other than Mr. Colony, received 3,569 restricted stock units.

(3) At December 31, 2016, the non-employee directors held options to purchase, and restricted stock units for, the number of shares listed next to their names below:

Name	Number of Shares	
	Options	RSUs
Henk W. Broeders	61,500	8,901
Robert M. Galford	24,000	8,901
George R. Hornig	24,000	8,901
Gretchen G. Teichgraeber	49,000	8,901
Michael H. Welles	24,000	8,901

Our non-employee directors receive an annual retainer of $20,000 and members of each Board committee receive an additional annual retainer of $5,000 for each committee on which they serve, with the Chairman of each committee receiving an additional $5,000 per year. Each of these annual fees is payable quarterly in arrears. Members of our Board of Directors are reimbursed for their expenses incurred in connection with attending any meeting.

The Compensation and Nominating Committee of the Board of Directors has the authority under the Forrester Research, Inc. Amended and Restated Equity Incentive Plan ("Equity Incentive Plan") to grant stock options and RSUs to non-employee directors in such amounts and on such terms as it shall determine at the time of grant. After our 2016 annual meeting, our five non-employee directors at that time each received 3,569 restricted stock units, which equals the number of whole shares calculated by dividing $125,000 by $35.02, the closing price of the Company's common stock on the date of award. These RSUs vest in four equal annual installments. RSUs granted under the Equity Incentive Plan become vested in full upon a change of control of the Company, unless there is an assumption, substitution or cash-out of such RSUs in connection with the change of control.

Options granted to our non-employee directors prior to our 2012 annual meeting and currently outstanding were made pursuant to our 2006 Stock Option Plan for Directors, as amended.

REPORT OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

The Board of Directors has appointed an Audit Committee composed of three non-employee directors: Messrs. Hornig (Chairman), Broeders, and Welles. Each of the members of the Audit Committee is “independent” as defined under the NASDAQ Stock Market listing standards. The Board has determined that Mr. Hornig is an “audit committee financial expert” under applicable rules of the Securities and Exchange Commission (“SEC”), and the members of the Audit Committee satisfy the NASDAQ financial literacy standards.

The Audit Committee is responsible for providing independent oversight of Forrester’s accounting functions and internal controls. The Audit Committee oversees Forrester’s financial reporting process on behalf of the Board of Directors, reviews financial disclosures, and meets privately, outside of the presence of management, with Forrester’s internal auditor and with representatives of the independent registered public accounting firm. The Audit Committee also selects and appoints the independent registered public accounting firm, reviews the performance of the independent registered public accounting firm, and reviews the independent registered public accounting firm’s fees. The Audit Committee operates under a written charter adopted by the Board of Directors.

In fulfilling its oversight responsibilities, the Audit Committee reviewed and discussed Forrester’s audited financial statements for the fiscal year ended December 31, 2016 with Forrester’s management and with PricewaterhouseCoopers LLP (“PricewaterhouseCoopers”), Forrester’s independent registered public accounting firm. The Audit Committee also reviewed the report of management contained in Forrester’s Annual Report on Form 10-K for the year ended December 31, 2016 filed with the SEC, as well as PricewaterhouseCoopers’ report included in Forrester’s Annual Report on Form 10-K related to its audit of (i) the consolidated financial statements and (ii) the effectiveness of internal control over financial reporting.

The Audit Committee has discussed with PricewaterhouseCoopers the matters required to be discussed under the rules adopted by the Public Company Accounting Oversight Board (“PCAOB”). The Audit Committee has received the written disclosures and the letter from PricewaterhouseCoopers required by the PCAOB regarding PricewaterhouseCoopers’ communications with the Audit Committee concerning independence, and has discussed with PricewaterhouseCoopers their independence.

Based on the Audit Committee’s review and discussions noted above, the Audit Committee recommended to the Board of Directors, and the Board of Directors approved, the inclusion of the audited financial statements in our Annual Report on Form 10-K for the fiscal year ended December 31, 2016 for filing with the SEC.

AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

George R. Hornig, Chairman
Henk W. Broeders
Michael H. Welles

The information contained in the report above shall not be deemed to be “soliciting material” or to be “filed” with the SEC, nor shall such information be incorporated by reference into any future filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that we specifically incorporate it by reference in any such filing.

OTHER INFORMATION

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our officers and directors, and persons who own more than 10% of our common stock to file reports of ownership and changes in ownership on Forms 3, 4 and 5 with the Securities and Exchange Commission ("SEC"). Officers, directors and greater than 10% beneficial stockholders are required by SEC regulation to furnish to us copies of all Forms 3, 4 and 5 they file. Based solely on our review of copies of such forms which we received, we believe that all of our officers, directors, and greater than 10% beneficial owners complied on a timely basis with all filing requirements with respect to transactions during 2016, except for one report filed one day late for Victor Milligan, our Chief Marketing Officer, with respect to the award of time-based restricted stock units. On February 9, 2017, Wellington Management Group LLP filed an amendment to its previously filed Schedule 13G disclosing that its beneficial ownership as of December 30, 2016 had changed from its beneficial ownership as of December 31, 2015, though it remained in excess of 10%. Wellington Management Group LLP has not made any filing on Form 4 with respect to this change in beneficial ownership.

Certain Relationships and Related Transactions

Registration Rights and Non-Competition Agreement. At the time of our initial public offering, we entered into a registration rights and non-competition agreement with Mr. Colony which provides that if Mr. Colony's employment with us is terminated he will not compete with us for the one year period after the date of such termination. The agreement also provides that in the event we propose to file a registration statement under the Securities Act of 1933, as amended, with respect to an offering by us for our own account or the account of another person, or both, Mr. Colony shall be entitled to include shares held by him in such a registration, subject to the right of the managing underwriter of any such offering to exclude some or all of such shares from such registration if and to the extent the inclusion of the shares would adversely affect the marketing of the shares to be sold by us. The agreement also provides that Mr. Colony may require us to register shares under the Securities Act with a fair market value of at least $5 million, except that we are not required to effect such registration more than twice or at certain times described in the agreement. The agreement also provides that we will pay all expenses incurred in connection with such registration.

Related Person Transactions

Pursuant to its amended and restated charter, our Audit Committee has responsibility for the review and approval of all transactions between the Company and any related parties or affiliates of the Company, its officers, and directors.

Related persons can include any of our directors or executive officers, certain of our stockholders, and any of their immediate family members. In evaluating related person transactions, the committee members apply the same standards they apply to their general responsibilities as members of a committee of the board of directors and as individual directors. The committee will approve a related person transaction when, in its good faith judgment, the transaction is in the best interest of the Company. To identify related person transactions, each year we require our directors and officers to complete a questionnaire identifying any transactions with the Company in which the officer or director or their family members have an interest. In addition, our Code of Business Conduct and Ethics includes our expectation that all directors, officers and employees who may have a potential or apparent conflict of interest will notify our legal department.

The daughter of one of our executive officers is a non-officer employee of the Company within our sales organization. The Company reviewed this arrangement with the Audit Committee of the Board of Directors, noting that the compensation of the employee is within comparable market ranges for similar positions, and the Audit Committee approved this relationship.

PROPOSAL TWO:

AMENDMENTS TO CERTIFICATE OF INCORPORATION AND BY-LAWS TO DECLASSIFY BOARD OF DIRECTORS

Pursuant to Article X of our Restated Certificate of Incorporation (the "Certificate of Incorporation") and Article 2 of our Amended and Restated By-Laws (the "By-Laws"), our Board of Directors is divided into three classes (Class I, Class II and Class III). Each member of a class is elected for a three-year term, with the terms staggered such that one-third of directors stand for election each year. There are currently two Class I directors elected to serve until this annual meeting, two Class II directors elected to serve until the 2019 annual meeting, and two Class III directors elected to serve until the 2018 annual meeting. In addition, Article X and Article 2 contain provisions relating to such classification concerning the filling of director vacancies and the removal of directors.

The Board of Directors recognizes that there is a trend in corporate governance in favor of the annual election of directors and has determined that it would be in the best interests of the Company and its stockholders to declassify the Board to allow the Company's stockholders to vote on the election of the entire Board each year. In light of the foregoing, the Board of Directors unanimously adopted and is submitting for stockholder approval amendments (the "Amendments") to the Certificate of Incorporation and By-Laws that would eliminate the classification of the Board, provide for the annual election of all directors and make certain conforming changes as appropriate.

If the Amendments are approved, all directors will be elected annually beginning at the annual meeting in 2018. The terms of all directors, including those directors elected at the 2017 annual meeting, will expire immediately prior to the election of directors at the 2018 annual meeting. Furthermore, any director chosen as a result of a newly created directorship or to fill a vacancy on the Board of Directors will hold office until the next annual meeting of stockholders. In addition, the proposed Amendments provide for the removal of a director with or without cause. Under Delaware law, stockholders may be limited to removing a director only for cause if the company has a classified board. However, under Delaware law, if the company elects directors annually, stockholders must have the ability to remove directors with or without cause. Accordingly, we are proposing to amend the Certificate of Incorporation and By-Laws to provide for such a right.

If the Amendments are not approved, the Board of Directors will remain classified and the directors elected at the 2017 annual meeting will serve three-year terms expiring in 2020. All other directors will continue in office for the remainder of their three-year terms, subject to their earlier death, resignation or removal.

The proposed Amendments to the Certificate of Incorporation and By-Laws, marked to show the changes to the relevant sections, are attached to this proxy statement as Exhibit A and Exhibit B, respectively. Deletions are indicated by strike-outs and additions are indicated by double underlining. If this proposal is approved by the requisite vote of stockholders, an amendment to the Certificate of Incorporation will be filed with the State of Delaware and the By-Laws will be amended and restated to reflect the changes.

The proposed Amendments require the affirmative vote of the holders of at least 75% of the Company's outstanding shares of common stock.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE FOR THE PROPOSAL TO AMEND THE COMPANY'S RESTATED CERTIFICATE OF INCORPORATION AND AMENDED AND RESTATED BY-LAWS.

PROPOSAL THREE:

RATIFICATION OF THE APPOINTMENT OF PRICEWATERHOUSECOOPERS LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE FISCAL YEAR ENDING DECEMBER 31, 2017

PricewaterhouseCoopers LLP audited our financial statements for the fiscal year ended December 31, 2016. Our Audit Committee has selected PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2017. Although stockholder approval of the selection of PricewaterhouseCoopers LLP is not required by law, our Board of Directors believes that it is advisable to give stockholders an opportunity to ratify this selection.

If stockholders do not approve this proposal at the 2017 annual meeting, our Audit Committee will reconsider its selection of PricewaterhouseCoopers LLP. If stockholders do ratify this appointment, the Audit Committee, which has direct authority to engage our independent registered public accounting firm, may appoint a different independent registered public accounting firm at any time during the year if it determines that the change would be in the best interests of Forrester and our stockholders.

The Audit Committee has approved all services provided to Forrester by PricewaterhouseCoopers LLP during 2016. Representatives of PricewaterhouseCoopers LLP are expected to be present at the 2017 annual meeting. They will have the opportunity to make a statement if they desire to do so and will also be available to respond to appropriate questions from stockholders.

Independent Auditors' Fees and Other Matters

The following table presents the aggregate fees billed or expected to be billed by PricewaterhouseCoopers LLP ("PwC") and its affiliates for fiscal 2016 and fiscal 2015.

	Fiscal 2016	Fiscal 2015
Audit Fees(1)	$ 1,090,400	$ 1,082,000
Audit-Related Fees(2)	46,000	—
Tax Fees(3)	164,888	237,604
All Other Fees(4)	1,800	1,800
Total Fees	$ 1,303,088	$ 1,321,404

(1) Audit fees are fees related to professional services rendered by PwC and its affiliates in connection with the audit of our financial statements and our internal controls over financial reporting, the reviews of our interim financial statements included in each of our quarterly reports on Form 10-Q, international statutory audits, and review of other SEC filings.

(2) Audit-related fees are for assurance and related services by PwC and its affiliates that are reasonably related to the performance of the audit or review of our financial statements.

(3) Tax fees are fees billed for professional services related to tax compliance and tax consulting services.

(4) All other fees include licenses to web-based accounting and finance reference materials.

Audit Committee's Pre-Approval Policy and Procedures

The Audit Committee approves the engagement of our independent registered public accounting firm to render any audit or non-audit services. At a regularly scheduled Audit Committee meeting, management or a representative of the Company's independent registered public accounting firm summarizes the services to be provided by the firm and the fees that will be charged for the services. Thereafter, if new services or dollar amounts in excess of those pre-approved at the meeting are proposed, they are either presented for pre-approval at the next meeting of the Audit Committee or approved by the Chairman of the Audit Committee pursuant to delegated authority. At subsequent meetings, the Audit Committee is provided a listing of any newly pre-approved services since the last meeting, and an updated projection for the current year of the estimated annual fees to be paid to the firm for all pre-approved audit and permissible non-audit services.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT THE STOCKHOLDERS VOTE FOR RATIFICATION OF THE APPOINTMENT OF PRICEWATERHOUSECOOPERS LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE FISCAL YEAR ENDING DECEMBER 31, 2017.

PROPOSAL FOUR:

NON-BINDING VOTE ON EXECUTIVE COMPENSATION

We have implemented an executive compensation program that rewards performance. Our executive compensation program is designed to attract, retain and motivate the key individuals who are most capable of contributing to the success of our Company and building long-term value for our stockholders. The elements of our executives' total compensation are base salary, cash incentive awards, equity incentive awards, severance and change of control benefits, and other employee benefits. We have designed a compensation program that makes a substantial portion of executive pay variable, subject to increase when performance targets are exceeded, and subject to reduction when performance targets are not achieved.

We believe our executive compensation program strikes the appropriate balance between utilizing responsible, measured pay practices and providing incentives to our executives to create value for our stockholders. We believe this is evidenced by the following:

- The mix of compensation among base salary and cash incentives.
- Generally our compensation policies and practices are uniform across each of our business units and geographic regions.
- Our bonus plan for executive officers provides for multiple payout levels based on targets established and approved by our Compensation and Nominating Committee during the first quarter of the applicable plan year.
- We require that minimum threshold performance targets be achieved before any bonuses under our executive cash incentive plan are paid, and bonus payouts under our executive cash incentive plan are capped.
- We use multiple performance measures under our executive cash incentive plan, including bookings and operating profit.
- We currently grant equity-based awards to executives under our equity incentive plan subject to multi-year vesting criteria, and require that the executive remain employed through the vesting date to realize the value of these awards.

The Board endorses the Company's executive compensation program and recommends that stockholders vote in favor of the following resolution:

RESOLVED, that the stockholders approve the compensation of the Company's named executive officers as described in this proxy statement under "Executive Compensation", including the Compensation Discussion and Analysis and the tabular and narrative disclosure contained in this proxy statement.

Because the vote is non-binding, neither the Board of Directors nor the Compensation and Nominating Committee of the Board will be required to take any action as a result of the outcome of the vote on this proposal. The Compensation and Nominating Committee will carefully consider the outcome of the vote when evaluating future executive compensation arrangements.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE FOR THE APPROVAL OF THE COMPANY'S EXECUTIVE COMPENSATION.

PROPOSAL FIVE:

NON-BINDING VOTE ON FREQUENCY OF NON-BINDING VOTES ON EXECUTIVE COMPENSATION

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 requires that we include in this proxy statement a non-binding stockholder vote to advise on whether non-binding votes on the Company's executive compensation should occur every one, two or three years. You have the option to vote for any of the three options, or to abstain on the matter.

Although the vote is non-binding, our Board of Directors will take into account the outcome of the vote when making future decisions about the frequency of non-binding votes on executive compensation.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE TO CONDUCT A NON-BINDING VOTE ON EXECUTIVE COMPENSATION EVERY YEAR.

STOCKHOLDER PROPOSALS

Stockholder proposals to be considered at the Annual Meeting of Stockholders in 2018 must be received by December 6, 2017 to be considered for inclusion in our proxy materials for that meeting.

Stockholders who wish to make a proposal at the 2018 annual meeting, other than proposals included in our proxy materials, or who wish to nominate individuals for election as directors, must notify us between January 23, 2018 and February 22, 2018. If the stockholder does not notify us by February 22, 2018, the proxies will have discretionary authority to vote on a stockholder's proposal brought before the meeting.

OTHER BUSINESS

The Board of Directors has no knowledge of any other matter that may come before the annual meeting and does not, itself, currently intend to present any other such matter.

FORM 10-K

A copy of our annual report on Form 10-K for the fiscal year ended December 31, 2016 filed with the Securities and Exchange Commission will be sent to stockholders without charge by writing to Forrester Research, Inc., Investor Relations, 60 Acorn Park Drive, Cambridge, Massachusetts 02140.

Exhibit A

PROPOSED AMENDMENT TO ARTICLE X OF
THE RESTATED CERTIFICATE OF INCORPORATION

ARTICLE X

~~Until the consummation of an initial public offering of the Common Stock under the Securities Act of 1933, as amended (the "IPO"), the corporation shall have one or more directors, the number of directors to be determined from time to time by vote of a majority of the directors then in office. Immediately following the consummation of the IPO, the following provisions shall apply:~~

1. Number of Directors. The number of directors of this corporation shall not be less than three. The exact number of directors within the limitations specified in the preceding sentence shall be fixed from time to time by, or in the manner provided in, this corporation's by-laws.

~~2. Classes of Directors. The board of directors shall be and is divided into three classes; Class I, Class II and Class III. No one class shall have more than one director more than any other class. If a fraction is contained in the quotient arrived at by dividing the designated number of directors by three, then, if such fraction is one-third, the extra director shall be a member of Class II, and if such fraction is two-thirds, one of the extra directors shall be a member of Class II and one of the extra directors shall be a member of Class III unless otherwise provided from time to time by resolution adopted by the board of directors.~~

2. ~~3.~~ Election of Directors. Elections of directors need not be by written ballot except as and to the extent provided in the by-laws of this corporation.

3. ~~4.~~ Terms of Office. Except as otherwise provided in ~~Section 7 of this Article XI, each director shall~~this Certificate of Incorporation or this corporation's by-laws, the term of office of each director who is in office immediately prior to the closing of the polls for the election of directors at the 2018 annual meeting of stockholders shall expire at such time. From and after the 2018 annual meeting of stockholders, each director shall be elected to serve for a term ending on the date of the ~~third~~next annual meeting of the stockholders ~~following the annual meeting at which such director was elected; provided, that each initial director in Class I shall serve for a term ending on the date of the annual meeting of the stockholders in 1999; each initial director in Class II shall serve for a term ending on the date of the annual meeting of the stockholders in 1998; and each initial director in Class III shall serve for a term ending on the date of the annual meeting of the stockholders in 1997; and provided further,~~ ; provided, that the term of each director shall be subject to the election and qualification of his or her successor and to his or her earlier death, resignation or removal.

~~5. Allocation of Directors among Classes in the Event of Increases or Decreases in the Number of Directors. In the event of any increase or decrease in the authorized number of directors, (i) each director then serving as such shall nevertheless continue as a director of the class of which he is a member and (ii) the newly created or eliminated directorships resulting from such increase or decrease shall be apportioned by the board of directors among the three classes of directors so as to ensure that no one class has more than one director more than any other class. To the extent possible, consistent with the foregoing rule, any newly created directorships shall be added to those classes whose terms of office are to expire at the latest dates following such allocation, and any newly eliminated directorships shall be subtracted from those classes whose terms of offices are to expire at the earliest dates following such allocation, unless otherwise provided from time to time by resolution adopted by the board of directors.~~

4. ~~6.~~ Removal. Directors of this corporation may be removed ~~only for~~with or without cause by the affirmative vote of the holders of at least two-thirds of the shares of the capital stock of this corporation issued and outstanding and entitled to vote generally in the election of directors cast at a meeting of the stockholders called for that purpose.

5. ~~7.~~ Vacancies. ~~Any~~Except as otherwise provided for or fixed by or pursuant to the provisions of Article IV of this corporation's certificate of incorporation relating to the rights of the holders of any class or series of this corporation's preferred stock to elect additional directors under specified circumstances, any vacancy in the board of directors, however occurring, including a vacancy resulting from an enlargement of the board, shall be filled only by a vote of a majority of the directors then in office, ~~although~~even if less than a quorum, or by ~~a~~the sole remaining director. ~~A director elected to fill a vacancy shall be elected to hold office until the next election of the class for which such director shall have been chosen, subject to the election and qualification of his successor and to his earlier death, resignation or removal.~~

6. ~~8.~~ Stockholder Nominations and Introduction of Business, Etc. Advance notice of stockholder nominations for election of directors and other business to be brought by stockholders before either an annual or special meetings of stockholders shall be given in the manner provided by the by-laws of this corporation.

7. ~~9.~~ Amendments to Article. Notwithstanding any other provisions of law, this Certificate of Incorporation or the by-laws of this corporation, each as amended, and notwithstanding the fact that a lesser percentage may be specified by law, the affirmative vote of the holders of at least seventy-five percent (75 %) of the shares of capital stock of this corporation issued and outstanding and entitled to vote generally in the election of director shall be required to amend or repeal, or to adopt any provision inconsistent with, this Article X.

Exhibit B

PROPOSED AMENDMENT TO ARTICLE 2 OF THE AMENDED AND RESTATED BY-LAWS

ARTICLE 2 — DIRECTORS

2.1 General Powers. The business and affairs of the corporation shall be managed by or under the direction of a Board of Directors, who may exercise all of the powers of the corporation except as otherwise provided by law, the Certificate of Incorporation or these By-Laws. In the event of a vacancy in the Board of Directors, the remaining directors, except as otherwise provided by law, may exercise the powers of the full Board until the vacancy is filled.

2.2 Number; Election and Qualification. The number of directors which shall constitute the whole Board of Directors shall be determined by resolution of the Board of Directors, but in no event shall such number of directors be less than three. The number of directors may be decreased at any time and from time to time by a majority of the directors then in office, but only to eliminate vacancies existing by reason of the death, resignation, removal or expiration of the term of one or more directors. The directors shall be elected at the annual meeting of stockholders by such stockholders as have the right to vote on such election. Directors need not be stockholders of the corporation.

2.3 ~~Classes of Directors. The Board of Directors shall be and is divided into three classes: Class I, Class II and Class III. No one class shall have more than one director more than any other class. If a fraction is contained in the quotient arrived at by dividing the designated number of directors by three, then, if such fraction is one-third, the extra director shall be a member of Class II, and if such fraction is two-thirds, one of the extra directors shall be a member of Class II and one of the extra directors shall be a member of Class III, unless otherwise provided from time to time by resolution adopted by the Board of Directors. 2.4 Terms of Office. Except as otherwise provided in the Certificate of Incorporation or these By-Laws, each director shall serve for a term ending on the date of the third annual meeting of the stockholders following the annual meeting of the stockholders at which such director was elected; provided, that each initial director in Class I shall serve for a term ending on the date of the annual meeting of stockholders in 1999; each initial director in Class II shall serve for a term ending on the date of the annual meeting of stockholders in 1998; each initialdirector in Class III shall serve for a term ending on the date of the annual meeting of stockholders in 1997; and at each succeeding annual meeting of stockholders beginning in 2000, successors to the class of directors whose term expires at that annual meeting shall be elected for a three-year term; and provided further, that the term of each director shall be subject to the election and qualification of his successor and to his earlier death, resignation or removal.~~ Terms of Office. Except as otherwise provided in the Certificate of Incorporation or these By-Laws, the term of office of each director who is in office immediately prior to the closing of the polls for the election of directors at the 2018 annual meeting of stockholders shall expire at such time. From and after the 2018 annual meeting of stockholders, each director shall be elected to serve for a term ending on the date of the next annual meeting of the stockholders; provided, that the term of each director shall be subject to the election and qualification of his or her successor and to his or her earlier death, resignation or removal.

~~2.5 Allocation of Directors Among Classes in the Event of Increases or Decreases in the Number of Directors. In the event of any increase or decrease in the authorized number of directors, (i) each director then serving as such shall nevertheless continue as a director of the class of which he is a member and (ii) the newly created or eliminated directorships resulting from such increase or decrease shall be apportioned by the Board of Directors among the three classes of directors so as to ensure that no one class has more than one director more than any other class. To the extent possible, consistent with the foregoing rule, any newly created directorships shall be added to those classes whose terms of office are to expire at the latest dates following such allocation, and any newly eliminated directorships shall be subtracted from those classes whose terms of offices are to expire at the earliest dates following such allocation, unless otherwise provided from time to time by resolution adopted by the Board of Directors.~~

~~2.6 Vacancies. Any~~2.4 Vacancies. Except as otherwise provided for or fixed by or pursuant to the provisions of Article IV of the Certificate of Incorporation relating to the rights of the holders of any class or series of the corporation's preferred stock to elect additional directors under specified circumstances, any vacancy in the Board of Directors, however occurring, including a vacancy resulting from an enlargement of the Board, shall be filled only by a vote of a majority of the directors then in office, ~~although~~even if less than a quorum, or by the sole remaining director ~~in the event there is only a single director in office following the occurrence of such vacancy. A director elected to fill a vacancy resulting from the death, resignation or removal of a director shall be elected for the unexpired term of his predecessor in office, and a director elected to fill a vacancy resulting from an increase in the number of~~

~~directors shall hold office until the next election of the class for which such director shall have been chosen, in either case subject to the election and qualification of his successor and to his earlier death, resignation or removal~~.

~~2.7~~2.5 Resignation. Any director may resign by delivering his written resignation to the corporation at its principal office or to the President or Secretary. Such resignation shall be effective upon receipt unless it is specified to be effective at some other time or upon the happening of some other event.

~~2.8~~2.6 Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place, if any, either within or without the State of Delaware, as shall be determined from time to time by the Board of Directors and publicized among all directors. A notice of a regular meeting, the date of which has been so publicized, shall not be required.

~~2.9~~2.7 Special Meetings. Special meetings of the Board of Directors may be held at any time and place, if any, within or without the State of Delaware, designated in a call by the Chairman of the Board, the President or one-third or more in number of the directors, or by one director in the event that there is only a single director in office.

~~2.10~~2.8 Notice of Special Meetings. Notice of any special meeting of directors shall be given to each director by the Secretary or by the officer or one of the directors calling the meeting. Notice shall be duly given to each director (i) by giving notice to such director in person or by telephone at least 24 hours in advance of the meeting, (ii) by sending a telegram, telecopy or telex, electronic transmission, or delivering written notice by hand, to his last known business or home address at least 24 hours in advance of the meeting, or (iii) by mailing written notice to his last known business or home address at least 72 hours in advance of the meeting. A notice or waiver of notice of a special meeting of the Board of Directors need not specify the purposes of the meeting.

~~2.11~~2.9 Meetings by Telephone Conference Calls. Directors or any members of any committee designated by the directors may participate in a meeting of the Board of Directors or such committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation by such means shall constitute presence in person at such meeting.

~~2.12~~2.10 Quorum. A majority of the total number of the whole Board of Directors shall constitute a quorum at all meetings of the Board of Directors. In the event one or more of the directors shall be disqualified to vote at any meeting, then the required quorum shall be reduced by one for each such director so disqualified; provided, however, that in no case shall less than one-third (1/3) of the number of directors so fixed pursuant to Section 2.2 constitute a quorum. In the absence of a quorum at any such meeting, a majority of the directors present may adjourn the meeting from time to time without further notice, other than announcement at the meeting, until a quorum shall be present.

~~2.13~~2.11 Action at Meeting. At any meeting of the Board of Directors at which a quorum is present, the vote of a majority of those present shall be sufficient to take any action, unless a greater number is required by law, the Certificate of Incorporation or these By-Laws.

~~2.14~~2.12 Action by Consent. Any action required or permitted to be taken at any meeting of the Board of Directors or of any committee of the Board of Directors may be taken without a meeting, if all members of the Board or committee, as the case may be, consent to the action in writing, and the written consents are filed with the minutes of proceedings of the Board or committee.

~~2.15~~2.13 Removal. A director of the corporation may be removed ~~only for~~with or without cause by the affirmative vote of the holders of two-thirds of the shares of the capital stock of the corporation issued and outstanding and entitled to vote generally in the election of directors at a meeting of the stockholders called for the purpose of removing such director.

~~2.16~~2.14 Committees. The Board of Directors may, by resolution passed by a majority of the whole Board, designate one or more committees, each committee to consist of one or more of the directors of the corporation. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members of the committee present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the Board of Directors and subject to the provisions of the General Corporation Law of the State of Delaware, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the corporation and may authorize the seal of the corporation to be affixed to all papers which may require it. Each such committee shall keep minutes and make such reports as the Board of Directors may from time to time request. Except as the Board of Directors may otherwise determine, any committee may make rules for the conduct of its business, but unless otherwise provided by the directors or in such rules, its business shall be conducted as nearly as possible in the same manner as is provided in these By-Laws for the Board of Directors.

~~2.17~~2.15 Compensation of Directors. Directors may be paid such compensation for their services and such reimbursement for expenses of attendance at meetings as the Board of Directors may from time to time determine. No such payment shall preclude any director from serving the corporation or any of its parent or subsidiary corporations in any other capacity and receiving compensation for such service.

COMPANY INFORMATION

Board Of Directors

George F. Colony
Chairman of the Board and
Chief Executive Officer

Henk W. Broeders
Former Chief Executive Officer, Jaarbeurs; former member of the Executive Committee,
Cap Gemini S.A.

Robert M. Galford
Managing Partner, Center for
Leading Organizations

George R. Hornig
Chief Executive Officer,
Transatlantic Financial Holdings

Gretchen G. Teichgraeber
Chief Executive Officer,
Leadership Directories, Inc.

Michael H. Welles
Chief Operating Officer and Director,
S2 Security Corporation

Executive Officers

George F. Colony
Chairman of the Board and
Chief Executive Officer

Mack Brothers
Chief Consulting Officer

Cliff Condon
Chief Research and Product Officer

Ryan D. Darrah
Chief Legal Officer and Secretary

Michael A. Doyle
Chief Financial Officer and Treasurer

Victor Milligan
Chief Marketing Officer

Michael Morhardt
Chief Sales Officer

Steven Peltzman
Chief Business Technology Officer

Lucia Luce Quinn
Chief People Officer

Annual Meeting
Forrester's annual meeting of stockholders will be held at 10 a.m. local time on May 23, 2017, at the offices of the Company, 60 Acorn Park Drive, Cambridge, MA 02140.

Investor Relations
Requests for financial information should be sent to:
Investor Relations
Forrester Research, Inc.
60 Acorn Park Drive
Cambridge, MA 02140
USA
Tel: +1 617.613.6000
Fax: +1 617.613.5000
Email: investor@forrester.com

Transfer Agent
Computershare Investor Services
P.O. Box 30170
College Station, TX 77842-3170
www.computershare.com/investor

Independent Registered
Public Accounting Firm
PricewaterhouseCoopers LLP
Boston, MA

Legal Counsel
Choate Hall & Stewart LLP
Boston, MA

Stock Listing And Trading Symbol
Forrester's common stock is listed on the Nasdaq Global Select Market under the trading symbol "FORR."

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