

Benefit	So What?	Assumption	Calculation Explanation	%age Claimed	ROI year 1	ROI year 3	ROI year 5
<b>Direct quantifiable benefits</b>	<b>The percentage allocation should be 100% for benefits in this section.</b>						
Month end process automated.	It takes 3 people 10 days to complete month end pack.						
	2 of the temps used to assemble the month end pack can go.	1 temp still required to run the new process.	\$200 per day Fl clerk 10 days / month. 2X\$200X10X12= \$48,000	100%	\$48,000.00	\$144,000.00	\$240,000.00
Costs savings from more efficient access to data.	The managers will be able to run their own reports.						
	0.5 FTE currently supporting management reports.	1 FTE cost \$45,000 / year	\$45,000 X 0.5 = \$22,500	100%	\$22,500.00	\$67,500.00	\$112,500.00
<b>Total direct quantifiable benefits</b>					<b>\$70,500.00</b>	<b>\$70,500.00</b>	<b>\$70,500.00</b>
<b>Indirect quantifiable benefits</b>	<b>The percentage allocation should be between 10% and 100% for benefits in this section depending on the benefit.</b>						
Ability to Benchmark against industry standards.	We will be able to see how our departments perform against the rest of the industry.						
	We will know if our staff turnover is high for the industry.						
	Focus on improving retention.						
	Reduced hire costs. Currently costs around \$7,000 to find 1 person.	We retain 5 people who would have left.	\$7,000 x 5 = \$35,000	10%	\$3,500.00	\$10,500.00	\$17,500.00
Able to meet own information needs.	20 Managers typically wait 3 months for a report to be delivered by IS.						
	During that time they create their own information solution.						
	It takes them 3 each days to do this.	It costs \$100,000 / year for a manager. There 200 working days.	20 x (100,000 / 200 x 3) = \$30,000 x 10% = \$3000	10%	\$3,000.00	\$9,000.00	\$15,000.00
Delivers a landscape for future projects.	We won't need to run tender processes for hardware / OS and software.						
	These typically take 1 FTE for 20 days.	1 FTE costs \$600 / day. Assume 2 projects / year.	20 x \$600 x 2 = \$24,000 x 10% = \$2,400	10%	\$2,400.00	\$7,200.00	\$12,000.00
<b>Total indirect quantifiable benefits</b>					<b>\$8,900.00</b>	<b>\$8,900.00</b>	<b>\$8,900.00</b>
<b>Unquantifiable benefits</b>	<b>To be credible claim a small amount of a large known and established number. To do this the percentage allocation should be below 1%.</b>						
Improved customer service.	Typically we make \$200,000 profit per customer each year. If costs \$50,000 to acquire a customer.						
	Our customers churn rate is 10%	we retain 1 customer because of improved service from this project	\$250,000 x 1% = \$2,500	1%	\$2,500.00	\$7,500.00	\$12,500.00
One version of the truth.	Our managers spend 10% of their time reconciling spreadsheets.						
	Our managers cost \$3.5 million / year.		10% of \$3.5 million = \$350,000 x 1% = \$3,500	1%	\$3,500.00	\$10,500.00	\$17,500.00
Improved customer insight.	We find 1 insight into our customers.						
	This allows us to sell them a new product.						
	On average we make \$20,000 per product per year.		\$20,000 x 0.5 =	0.50%	\$1,250.00	\$3,750.00	\$6,250.00
<b>Unquantifiable benefits</b>					<b>\$7,250.00</b>	<b>\$21,750.00</b>	<b>\$36,250.00</b>
<b>Additional benefits identified by this process</b>					<b>\$16,150.00</b>	<b>\$48,450.00</b>	<b>\$80,750.00</b>
<b>Total project benefit</b>					<b>\$86,650.00</b>	<b>\$259,950.00</b>	<b>\$433,250.00</b>

By looking deeper into the benefits case we have justified adding an additional dollar 16K worth of benefit from the project. This could be enough to secure funding.

