SharePoint ROI Evaluation Kit

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CALCULATING YOUR RETURN ON INVESTMENT: WHY IT'S HARDER THAN YOU THINK

Before you make any investment in a software solution like SharePoint or start thinking about enhancing your current SharePoint investment, it's smart to think about what a solid return on that investment (ROI) would look like for your organization. We are often approached by companies to engage in SharePoint solutions where the client has not taken the time to evaluate the financial impact of the overall solution.

When you evaluate the costs versus benefits and analyze which pieces should give your organization the biggest ROI, you can position your team for quick wins, promote adoption, and build executive buy-in.

Calculating SharePoint's return on investment can be difficult to do, unfortunately. Obviously, you will save money by consolidating infrastructure costs and maintenance overhead for multiple systems and by bringing all of your disparate databases and file share/network drive depositories into one system. But, there are more intangible benefits that are harder to price out, like improving team collaboration. In the long run, the intangibles really do add up.

If SharePoint can help cut that time down to 10%, that means they would have significantly more time to focus on tasks that provide greater value to your organization.

Multiply that increase in productivity across the many employees in multiple departments and offices, and that adds up to greater efficiency and job satisfaction across the company and better overall business results.

TRANSFORMING HOW YOUR COMPANY WORKS

As you make your way through the worksheets that follow, keep in mind that transforming how your company collaborates takes time.

Experts say that it can take three to four years before all users are on board, and the system is operating effectively. So, while you may want to calculate your ROI based on the first year of use, be sure to keep in mind that the benefits will continue to accumulate over time.

In addition, like any good tool, SharePoint requires user training. Without it, employees will resort to more straight-forward methods of collaborating, like file shares or email. This portion of your investment in SharePoint is key to getting a good return.

SHAREPOINT ROI WORKSHEETS

The average employee can spend up to 40% of their time looking for the information they need to do their work.

WORKSHEET 1: EVALUATING HARD COSTS

How do you manage shared documents?	File Shares, Email, DocView, SharePoint		
Do yo have business intelligence capabilities? If so, where are they located?	Tableau, SQL Server Report Server, Crystal Reports, Performance Point		
Do you have and intranet? If so, where is it located?	Cold Fusion, SharePoint, home grown solution		
What business process automation tools do yo utilize?	DocView, K2, Visual Studio		
Does your company use any other tools for collaboration?	Drop Box, Skype, Lync		
Look at the locations of the above tools. How many of them are housed in different places?	i.e. different hardware, different data centers		

Total =

WORKSHEET 2: ACCELERATING BUSINESS PROCESSES

Identify three processes that are time consuming and repetitive	Contract Mgmt, Onboarding, IT Service Request, Policy/Procedure Approval, Performance Evaluations, Record Disposition (Retention), Compliance Issue Tracking	
How many Information Workers are needed to complete the process?	i.e. Contract Management - Contract Admin - Legal - Procurement - Executive	
How much time is spent per role completing these processes each week?	Example: Contract Management Contract Admin – 80/contract Legal – 60/contract	
How much does an hour of these worker's time cost?	Contract Admin - $20/hr Legal - $60/hr Exec - $200/hr	

Imagine if you just cut the time to complete one of these processes in half:

Amount of hours saved	Hours x Hourly Rate

WORKSHEET 3: EVALUATING HARD COSTS

			Total cost
Where is your company open to regulatory or compliance risk due to poor tracking or documentation?	Contractors working without contracts in place, Records kept past their disposition dates, Compliance Risks not addressed in a timely fashion, Required Safety training deadlines missed		
Where could notifications improve response times or prevent missed deadlines?	Contract Expiration, Contract Renewal, Safety Training Expiration, IT Service Request, Approval Notifications		
What data are you not tracking right now that could benefit your company if it was surfaced?	#of Contracts signed per year, breakdown of Performance Evaluation, scores by manager, by dept. , # & Type of IT Service Requests, # & Types of Safety Issues Reported		

Total =

WORKSHEET 4: DOCUMENT MANAGEMENT & CONTROL

How are paper files managed?		
Does your organization have a Records Retention Policy?		
Does your company currently have a process for document disposition?		
Can employees easily search for and find shared documents?		
How is document versioning managed?		
Estimate how much time you waste searching for things each day.	**Multiply this amount by the numbers of employees at your company.**	**Multiply this by an average hourly rate. (i.e. $50 per hour)**

WORKSHEET 5: GETTING MORE OUT OF YOUR INVESTMENT

Now that you've gotten a chance to look at some of the numbers associated with your current system, take a few minutes to identify some specific areas for improvement.

What is your company's biggest collaboration issue today?

Name three departments that could most benefit from improvements.

How much intellectual property is lost when employees leave the company or a laptop is lost/fails?

EXECUTIVE SUMMARY

1. EVALUATING THE HARD COSTS

Total cost of systems =

2. ACCELERATING BUSINESS PROCESSES

Hours saved X hourly rate =

3. STAYING AHEAD OF MARKET CHANGES

Fines + opportunity cost + cost of lost data =

4. DOCUMENT MANAGEMENT & CONTROL

Time waste x number of emplloyees x average hourly rate =

WHAT'S NEXT?

Our software consultants are available to help make sense of this with you. We help you buy, build and integrate software solutions that provide better business results for your company.

Call us today to start a conversation with our team of SharePoint experts

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