

Action plan



Calculating the ROI from implementing new technology

The first data point you get about a new technology is often the cost of a tool – and that can be intimidating. What's less clear is the return on that investment (ROI). Implementing technology can make a business more profitable by saving employees' time and even drive revenue by introducing new services or allowing your team to work more efficiently.

- **Effort:** High
- **Impact:** Medium

Actions:

Create a summary of the steps involved in processes that will be impacted by the new technology and how they will change.

- **Impact:** Low
- **Suggested duration:** 7 days
- **Why this will help:** To get a complete view of the impact of a new technology, and the potential ROI, you need to understand how processes will change.

Talk to employees that are carrying out these processes about how much time they're investing and any other cost implications.

- **Impact:** High
- **Suggested duration:** 14 days
- **Why this will help:** Employee time is a key factor in the ROI of technology investments. Team members also have a keen sense of other potential cost savings, such as using less material in a manufacturing process.

Look through the information about processes and other performance data and consider the impact on revenue and profitability – including staff, facility and customer savings.

- **Impact:** Medium
- **Suggested duration:** 12 days
- **Why this will help:** Writing down the cost implications, both positive and negative, of the technology is crucial to calculating the ROI. Look at the length of time that makes sense for the investment; the more expensive a piece of technology, the longer time period you should consider.



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Consider secondary costs of using the technology, particularly how much training is needed, and the potential for generating additional revenue.

- **Impact:** High
- **Suggested duration:** 14 days
- **Why this will help:** Knowing the indirect costs associated with implementing the new technology makes sure you get a complete picture of the scale of the investment. It may also create opportunities for new products or services, or to add value to your existing offering.

Calculate the ROI of the technology, factoring in any secondary expenses such as training and the likely impact on revenue and profitability.

- **Impact:** High
- **Suggested duration:** 5 days
- **Why this will help:** Putting together the figures you've researched gives you a complete picture of the ROI of a particular tool, including the cost and benefits, which can inform your thinking.

How will I know if my action plan is working?

Way to measure success

Confidence to move forward

Why this metric?

While you might have thought, or been told, that your business needs to make better use of technology, if the numbers don't add up then it doesn't make sense to move forward with what could be quite a costly process.

How do I start tracking?

Working out your projected cost savings by using a new technology, coupled with expected upfront and ongoing costs, will steer you in the right direction when it comes to choice of product and employee uptake.