

Making the Business Case for Your Custom App (ROI Estimating Tool)

Custom software projects typically have a great ROI when approached strategically. But before you start your project, it is a good idea to get an estimate of what your ROI could be. The questions in this guide can help you.

Be creative! Dream big! Use your imagination to visualize the many ways custom software can help you grow your business into exactly what you want it to be.

Direct cost savings:

- **Employee time savings?** Estimate the amount of employee time your new software will save and how much this time would otherwise cost you.
- **Off-the-shelf software savings?** What off-the-shelf software will you no longer need? How much will this save you?
- **Other direct savings?** How else will your new tool directly save your company money? What will you no longer need to purchase when your new software is in place?

Indirect cost savings:

- **Reduced employee turnover?** How might the new software reduce the high expense of employee turnover?
- **Reduced recruiting costs?** How will the new software make it easier for you to recruit employees?
- **Reduced mistakes?** What costly mistakes will the new software reduce? Can you estimate what this savings will be?
- **Reduced scheduling errors?** Will the new software help you reduce scheduling errors? How much could reducing those errors save you?
- **Legal compliance costs?** Will the new software help you reduce the time your team takes dealing with legal compliance? Will it reduce penalties and finds from non-compliance?
- **Capturing business logic?** Often critical business logic (processes and systems) exists only in the minds of certain employees (who can and will leave). By putting that logic into your software, you protect your business from disruption. What could that save you?

Increase revenue and pursue new opportunities:

- **More projects or clients?** By freeing up your employees' time, will the new software allow you to take on more projects or clients in your current business lines?
- **New business lines and opportunities?** By freeing up your employees' time, will the new software allow your company to pursue new business lines and opportunities?
- **Prepare for scaling?** Will the new software allow your company to scale in a way that your current processes could never allow?

Other potential ROI factors to consider:

- **Improve your customer experience?** Sometimes off-the-shelf software doesn't let you accommodate clients with different needs in the way you would like. Will the new software help you give your customers a better experience? What could that do for your business?
- **Improve the culture at your company?** Having a custom app can increase employee satisfaction and reduce turnover and recruiting costs. But besides those things, having up-to-date technology and leadership dedicated to process improvement can make your company a more pleasant place to work and improve your corporate culture. What will having a new software tool do for your company culture?
- **Increased peace of mind?** Sometimes poor processes cause business owners stress. For example, they might work in an industry where legal compliance is difficult and the penalties for non-compliance are severe. If they have a manual compliance process that is prone to errors, this can be a source of stress for them. An app that takes care of the compliance for them can give them relief and peace of mind. Will your new custom tool increase your peace of mind?
- **Improve business reputation?** What would having a custom app that fits your exact business needs do for your business's reputation?

How else might a custom app benefit your business and give you a return on your investment?

The specific benefits custom software will give you are unique to your company and its situation.

Keep in mind that some of these categories cannot be precisely calculated before your software is up and running. But it still helps to review them! These investment returns are very real even if you can't always determine them with financial precision in advance.