ROI TOOL QUICK REFERENCE GUIDE
MICROSOFT DYNAMICS NAV

This quick reference guide is for Microsoft sales professionals to help them develop a business case using Nucleus Research ROI tool: *j28 - Microsoft Dynamics NAV ROI financial modeling tool*. This guide is not for distribution to customers or prospects.

This quick reference is designed for Microsoft sales professionals to help them as they use the modeling tool to build the business case. Every environment is different and the ROI calculated for one prospect will not be the same as the ROI calculated for another prospect. Be sure to read the accompanying guidebook (*Nucleus Research: j23 - Guidebook - Microsoft Dynamics NAV*) and keep in mind the following points:

- Credibility is more important than the number. Be sure the prospect believes each data point. It's not your business case, it's theirs, so let them chose the values.
- Guide the customer through the benefits using either a top-down approach ("what do you think the value is?") or a bottom-up approach ("do you think it's at least x?"). Use the tool to structure the conversation.
- Be ready to skip benefits the customer may not feel applies to them. Just because a benefit is in the tool doesn't mean it needs to be included. If the ROI is strong enough without the benefit consider skipping that benefit. A higher ROI doesn't make the business case better.
- For prospects that may be too conservative in their estimates, consider completing the business case twice. Calculate an expected case first, then go back through the tool calculating a worst case.
- Consider presenting the business case by leading with payback period instead of ROI. In today's sales environment statements such as "You'll get your payback in 10 months!" will be stronger with the financial decision maker than "The ROI is 143%."

DYNAMICS NAV ROI TOOL QUESTIONS

Increased productivity. A savings of 5% for an upgrade with savings up to 20% for a customer not already using Dynamics NAV is reasonable. Be conservative. Use the up and down arrows to adjust the value of productivity savings

Reduced IT costs. Nucleus found all companies were able to reduce IT costs but the ranges varied dramatically. Explore the costs they are incurring now that may be eliminated.

Improved visibility. Nucleus analysts found NAV customers spent less time looking for information and were able to more quickly use information for decision making. It's impossible to calculate the value of better decision making but you can calculate the cost of reporting. Ask the prospect to estimate the actual time they are spending creating reports and the expected savings.

Reduced administrative overhead. The time lost simply managing and distributing reports and other information can be substantial. For Microsoft Dynamics NAV an estimate of one full-time employee saved is reasonable for most prospects.

Reduced inventory. Although this may seem like a good benefit it's only the interest savings on the change in average inventory value.

Reduced accounting and audit costs. Some customers Nucleus interviewed indicated that while they reduced internal accounting costs (captured in the increased productivity number) they also were able to reduce their annual audit fee. A 10 to 15% savings is likely here.

Increased profits. For software companies with high margins this can be a substantial number but for manufacturing firms this may not be as strong.

Improved partner management. Using the business portal companies were able to reduce the costs for managing partners. This is a tough number to calculate and the customer probably won't know how much they spend. Use a bottom-up approach and ask if they spend at least $x on partner management. A savings of 10 to 15% is reasonable.

Improved expense management. This is a nice benefit to end the discussion. Expenses are an issue today and NAV allows for more granular tracking of expenses. A 1 to 3% savings on overall expenses can be substantial.