Value ROI Calculator User Guide

Local Government ERP Programs

Companion resource to: TechnologyOne — Local Government Digital Transformation: A Practical Guide to Value Realisation | IBRS, April 2026

Purpose

Return on investment from a local government core platform is not a single calculation performed at project inception. It is an accumulating, iterative measure that compounds over years. This calculator provides a structured way to estimate, track, and communicate hard and soft benefits across the six value domains of the IBRS CDT Framework.

The calculator is designed for use in two scenarios: (1) before program commencement, to estimate the financial case for the investment; and (2) during and after the program, to track actual benefits achieved against the forecast. It should be updated at each quarterly CDT review.

► **IBRS Tip:** The most important use of this calculator is not producing the output number. It is the conversation that forces assumptions. When your executives and line of business management sit down together to populate the *Inputs* sheet, they are forced to agree on what good looks like. That agreement is the beginning of the real benefits of ownership.

Key Concepts

Hard vs Soft Benefits

Hard benefits (Financial and Operational domains) are directly quantifiable in dollars or FTE time: BAU cost reduction, month-end close time reduction, FTE reallocation. These can be expressed in dollar terms with reasonable confidence.

Soft or strategic benefits (Customer, Technology, Risk, Capability domains) are measured through proxies: NPS improvement, reduction in audit findings, call volume reduction, and data quality score. Converting these to a dollar figure introduces assumptions that can quickly become contested. The calculator provides a proxy valuation approach but clearly labels these as estimates.

The Investment Hump

Year 1 ROI is almost always negative. The implementation costs, change management resourcing, and staff time in training and whiteboard sessions exceed the benefits achieved in Year 1. This is expected and should be explicitly planned for. Year 4 is where full ROI typically becomes evident for local government ERP programs. The calculator models this horizon explicitly.

TCO vs ROI

Total Cost of Ownership (TCO) measures the total lifecycle cost of the ERP investment against the legacy alternative. Return on Investment (ROI) measures the net benefit generated by the investment over time. Both are needed: TCO justifies the decision to change; ROI demonstrates the value created by changing.

Calculator Structure

Sheet	Purpose
Inputs & Assumptions	Enter all cost and benefit inputs here. All other sheets reference this sheet only.
Hard Benefits Model	Calculates quantified financial and operational benefits year by year.

Soft Benefits Model	Estimates proxy valuations for Customer, Technology, Risk, and Capability domains.
TCO Comparison	Compares 10-year total cost of new ERP vs legacy continuation scenario.
ROI Summary	Aggregates hard and soft benefits against investment costs. Shows Year 1-10 ROI horizon, payback period, and NPV.
Scenario Comparison	Conservative / Realistic / Optimistic scenario analysis with sensitivity table.

Australian Government Discount Rate

For Australian local government, IBRS recommends a 7% discount rate for NPV calculations, consistent with the Australian Government Office of Best Practice Regulation (OBPR) guidance for public sector cost-benefit analysis. State treasuries may specify different rates. Check your jurisdiction's guidelines. The default in this calculator is 7%, which can be overridden in the Inputs sheet.

IBRS Tip: Do not present a single ROI figure to your board. Present the conservative and realistic scenarios side by side, clearly labelled with their assumptions. A board that understands the assumptions behind the numbers will hold those numbers with appropriate confidence. A board presented with a single optimistic number will eventually discover it was wrong , and thus lose confidence in the program.