**Calculating your CRM’s ROI**

While there can be a great many benefits that come from a CRM, those who do not fully understand the system, or who have only seen it from the outside, can be a bit skeptical about the potential that this system has for a company. One way to assure the critics is to calculate the ROI, or Rate of Interest, that your CRM will generate; though many people are hesitant to approach this task due to unfamiliarity with the system or a lack of ability with finances. To be honest, it is not as difficult as it may seem.

**ROI calculation should be simple**

Many people in a company that has employed a CRM system (mostly in the finance departments or the executive board) wonder, “What are we getting for the money invested on the CRM?” Without hard proof of its efficacy or significant evidence of its benefits to the company, many may argue that it was a wasted investment that has produced little good. That is why the calculation of the ROI from CRMs should be simple: you need easy, accessible facts to inform a variety of possible audiences.

A simple way to do this is, as anybody usually would calculate this: Estimating benefits and costs provided by the system. Similar to balancing a checkbook or weighing the pros and cons of a decision, calculating the ROI is a simple matter of cost and income. To learn how to estimate benefits and costs in the company, keep an eye on the next few points.

**How does one estimate benefits for the company from CRM?**

The first step in estimating benefits is to project of how investing in a CRM solution will help increase profit, lower the costs of operation, and boost the efficiency of your IT department. This may be through measuring the client base, or monitoring the employee performance rates and idle times, or even indicating the efficacy of certain marketing strategies through hard data and facts.

Though the goals and methods of revenue streams vary from company to company, CRM systems have many common benefits that apply to nearly all business. A CRM system can increase the flow of revenue by helping define your profit-based objectives, or by decreasing the cost and manpower of servicing and capturing customers’ data. Simply put, the innovation that such system brings will help you gather data, and nothing is more important to big decisions than information.

**How should one estimate costs for the company from CRM?**

While looking at the cost side of the equation, is necessary to form projections about the costs of the CRM software, as well as the effort and hours it will take to deploy, maintain, and support the CRM solution you have implemented.

While estimating these expenses, you should look at the cost of hardware or software subscriptions, or any other related costs to the system. Keep detailed notes about the costs, and keep in mind the maintenance the system will require for the duration of its sustainability. Do not forget to budget out a little extra for any unexpected costs, as life has a way of throwing curveballs.