**Calculating your CRM’s ROI**

While CRM systems offer a multitude of benefits, those who do not fully understand them can be skeptical about their potential. One way to evaluate the effectiveness of a CRM system is to calculate the ROI, or Rate of Interest, that your CRM will generate. Though some are hesitant to approach this task due to unfamiliarity with the system or lack financial aptitude, it is not as difficult as it may seem.

**ROI Calculation Should be Simple**

Many people employed by companies that use a CRM system (mostly in the Finance Departments or on the Executive Board) wonder how the company is benefitting from the investment. Without proof of its efficacy, some employees may feel that it was a wasted investment. 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 estimating benefits and costs provided by the CRM system. Similar to balancing a checkbook or weighing the pros and cons of an important decision, calculating the ROI is a simple matter of cost and income. Keep an eye on the next few points to learn how to estimate benefits and costs.

**How Does a Company Estimate CRM Benefits?**

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

Though the goals and methods of revenue streams vary by company, CRM systems have many common benefits that apply to nearly all businesses. 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 customer data. Simply put, the innovation that CRM systems bring will help you make crucial decisions for your company.

**How Should CRM Costs be Estimated?**

While looking at the cost side of the equation, it is necessary to project costs of the CRM software as well as effort and hours it will take to deploy, maintain, and support the system.

While estimating these expenses, you should look at the cost of hardware, 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. As always, don’t forget to budget out a little extra for any unexpected costs.