

Commercial & Economic Requirements - Invoice Processing Automation

Budget & Investment

Total Budget Allocated: \$850,000 AUD over 18 months

Budget Breakdown: - Software licenses: \$250,000 - Professional services: \$300,000 - Infrastructure: \$150,000 - Training: \$50,000 - Contingency: \$100,000

Funding Source: Approved CapEx budget for FY2025, with OpEx transition in Year 2. Budget was approved by CFO and Finance Committee in Q4 2024.

Cost Modeling

Our cost estimates are based on vendor quotes and industry benchmarks from Gartner research. We understand that AI/ML solutions have token-based pricing models, but we're uncertain about: - Actual token consumption rates for invoice processing - Cost differences between development and production environments - Data storage costs for 7 years of invoice history

Estimated Monthly Operational Costs (Year 2 onwards): - Cloud infrastructure: \$8,000/month - Software subscriptions: \$12,000/month - Support & maintenance: \$5,000/month

ROI Expectations

Expected ROI: 180% over 3 years **Payback Period:** 24 months

Quantifiable Benefits: - Labor cost savings: \$450,000/year (reduce 8 FTE from 15 to 7) - Early payment discounts captured: \$120,000/year - Reduced late payment penalties: \$30,000/year - Faster cash flow management: \$50,000/year value

Qualitative Benefits: - Improved vendor relationships - Better compliance and audit readiness - Enhanced employee satisfaction (less manual work) - Competitive advantage in vendor negotiations

Resource Allocation

Project Team: - Project Manager: 1 FTE (6 months) - Business Analyst: 2 FTE (4 months) - Solution Architect: 1 FTE (3 months) - Developers: 3 FTE (8 months) - QA Testers: 2 FTE (4 months)

Competing Priorities: The development team is also working on a CRM upgrade project (30% capacity allocation). We have approval to hire 2 contractors if needed.

Cost-Benefit Analysis

Current State Costs (Annual): - AP team salaries: \$1.2M - Software licenses (current systems): \$80K - Infrastructure: \$120K - Error correction and rework: \$200K - **Total:** \$1.6M/year

Future State Costs (Annual, Year 2): - AP team salaries: \$560K (7 FTE) - AI/ML platform: \$144K - Cloud infrastructure: \$96K - Support: \$60K - **Total:** \$860K/year

Net Annual Savings: \$740K (46% reduction)

Financial Governance

Budget tracking will be done monthly through our project management office (PMO). Variance threshold is 10% before escalation to steering committee. Any additional spending over \$50K requires CFO approval.

Note: This document covers budget allocation and ROI projections. Missing information includes detailed FinOps strategies, cost optimization plans, sensitivity analysis for different scenarios, and long-term economic viability assessment beyond Year 3.