

CRM System Upgrade – Cost-Benefit Analysis

Prepared by the Business Analysis Team | June 2025



Project Purpose

To evaluate the business case for upgrading the CRM system with a comprehensive cost-benefit analysis.



Audience

Executive leadership, finance, IT, and departmental heads responsible for strategic investment decisions.



Objective

Enable a data-driven decision on proceeding with the proposed CRM system upgrade initiative.

Executive Summary

High-Level Financials and Recommendation



Total Investment

Three-year total cost of \$475,000 including implementation, training, and maintenance.



Expected Gains

Estimated total benefits of \$1.62M from productivity, customer retention, and sales revenue.



Strategic Recommendation

Proceed with CRM upgrade based on 18-month payback period and ROI of 253%.

Cost Breakdown

Three-Year CRM Upgrade Investment Allocation

- **Implementation:** Upfront investment of \$245,000 covering software setup, data migration, and customizations.
- **Training:** Allocated \$35,000 for staff training and onboarding sessions across all departments.
- **Annual Maintenance:** \$65,000 per year for support, upgrades, and system reliability over three years (\$195,000 total).

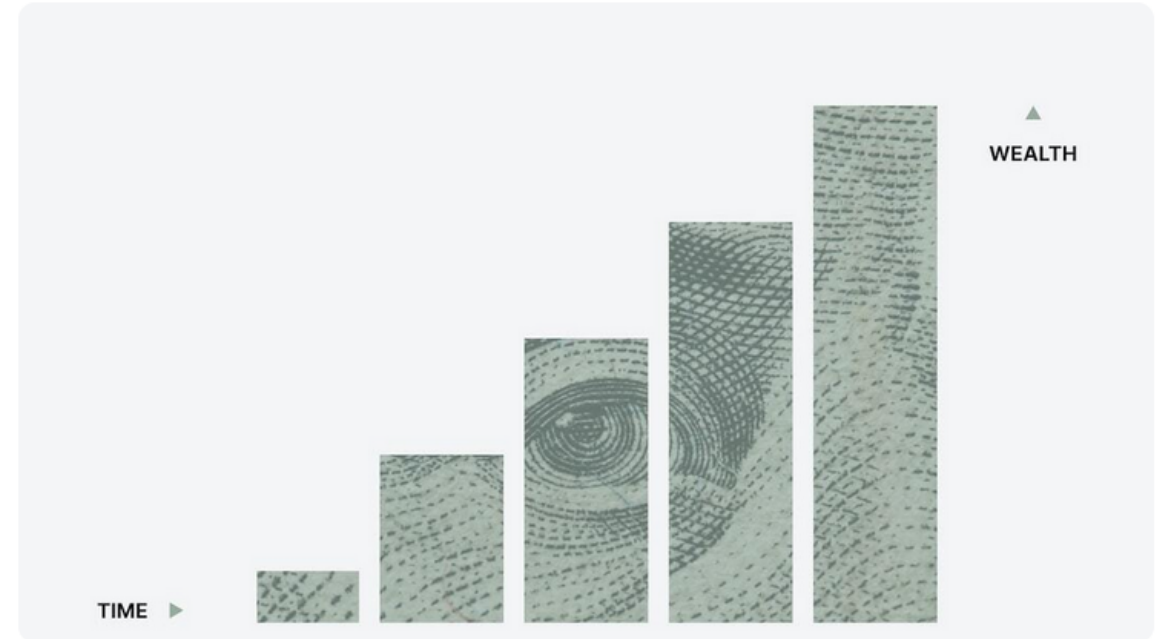


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Benefit Overview

Annual and Cumulative Business Value Realized



Productivity Gains

Estimated at \$180,000/year through automation, streamlined workflows, and reduced manual effort.



Customer Retention

Enhanced engagement and loyalty yield \$210,000/year in retained business.



New Sales Revenue

Expected \$150,000/year from improved targeting and faster sales cycles.

ROI & Payback Period

Timeline of Investment Return and Value Realization



Initial Investment

\$475,000 committed in Year 0 for implementation, training, and support setup.



Break-even Point

Expected ROI break-even achieved within 18 months due to cumulative benefits.



Total Net Benefit

\$1.2 million net value realized over three years post-investment.

Risk Analysis

Assessment and Mitigation Strategies for CRM Implementation



Implementation Delays

Moderate risk due to vendor coordination and data migration complexity.



Training Adoption

Risk of slow user uptake mitigated by tailored learning plans and role-based support.



Integration Complexity

Medium risk from connecting CRM to existing systems; addressed via phased rollout and technical oversight.

Strategic Alignment

How the CRM Upgrade Supports Key Business Goals

- **Digital Transformation:** Aligns with corporate roadmap to modernize platforms and enhance data-driven operations.
- **Customer Experience:** Enables personalized engagement and faster response across channels.
- **Operational Efficiency:** Streamlines workflows and reduces manual processing in sales and support teams.



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Recommendation & Next Steps

Strategic Decision and Implementation Roadmap

- **Proceed with Upgrade:** Strong ROI, strategic fit, and business value justify project greenlight.
- **Executive Sign-off:** Secure stakeholder approval to proceed with vendor engagement.
- **Project Kickoff:** Launch planning and resource allocation for Q3 implementation start.



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