

HRMG Solution’s Sage Abra ROI Calculator will allow us to calculate on your behalf three important financial metrics: Return on Investment (ROI), Internal Rate of Return (IRR) and Months to Payback.

Ideally, every organization will consider these three financial metrics as part of their review process before any investment of time, effort or money is approved for a project. Calculating these metrics as part of our initial analysis will allow you to determine whether or not there is an economic incentive to move forward with the project. In many cases, the efficiencies of automation will pay for your project in less than 18 months!

In order to calculate these metrics, please answer the following questions as accurately as you can. If you do not know the specific amounts for your organization, we have included industry standard defaults. This is your analysis and it needs to be based on numbers specific to your organization.

PART ONE – COMPANY INFORMATION

Company Name: _____

Contact: _____

Title: _____

Email address: _____

Phone Number: _____

1. Company annual revenue: \$ _____
2. Number of employees, full time and part time: _____
3. Number of workdays per year (default: 260): _____
4. HR staff headcount: _____
5. HR staff average annual salary (including benefits): \$ _____
6. How does your HR staff spend it’s time in each of the following categories?

NOTE: Percentages should add to 100%

- Benefits Administration (non-enrollment benefits activity): _____%
- Open Enrollment Administration (Planning, executing, managing): _____%
- Employee Administration (questions, requests, approvals, data entry, filing): _____%
- Reporting and Analysis (gathering data, calculating, formatting, reporting): _____%
- Recruiting Activities (processing/tracking, reporting, correspondence): _____%
- Training Activities (planning, carrying out, tracking, training, reviewing): _____%
- All other HR activities (all activities not listed above): _____%

(Please double check that the percentages add to 100%)

PART TWO – BENEFITS ADMINISTRATION

1. Workforce Benefits Cost Ratio – Your annual cost of employee benefits of all types as a percentage of total salary expense: _____%
2. Benefits Cost Reductions – The percentage benefits cost reductions that you believe could be achieved by implementing an automated system to manage your benefits data. These reductions could be realized by better management and reporting of benefits premium data, which could be reconciled to benefits carrier bills to find billing errors.
Default: 1% to 5% _____%
3. Staff Time Savings – Percentage of staff time saved as a result of automating the benefits administration process.
Default: 20% _____%

PART THREE – OPEN ENROLLMENT ADMINISTRATION

1. Number of open enrollment periods: _____
2. Number of participating employees per period: _____
3. Total open enrollments (periods X employees): _____
4. Cost of open enrollment packets distributed to employees:
Default: \$27.50 _____
5. Cost of outsourcing open enrollment activity: \$ _____
6. Staff Time Savings – Percentage of staff time saved as a result of automating the benefits administration process:
Default: 20% _____%

PART FOUR – EMPLOYEE ADMINISTRATION

1. Estimated Staff Time Savings – HR administration, compliance issues:
Default: 10% _____%
2. Estimated Staff Time Savings – Employee self-service, reduction in questions:
Default: 30% _____%
3. Estimated Staff Time Savings – Automation of email notifications:
Default: 10% _____%

PART FIVE – REPORTING AND ANALYSIS

1. Estimated Staff Time Savings – Automation of reporting using reporting tools:
Default: 50% _____%

PART SIX - RECRUITING

- 1. Average number of new hires (or projected new hires) per year: _____
- 2. Average salary of new hires made by search firms: \$ _____
- 3. Average search firm fee (usually a % of first year's salary): _____%
Default: 30%
- 4. Number of search firm hires expected to be avoided: _____
Default: 1
- 5. Cost of traditional recruiting activities per hire (newspapers, job fairs, etc.): _____
Default: \$3,295
- 6. Number of new hires that could be sourced online: _____
- 7. Estimated Staff Time Savings- Automation of recruiting process: _____%
Default: 50%

PART SEVEN – WORKFORCE TURNOVER

- 1. New hire replacements avoided due to turnover: _____

For example, automating HR will result in many “soft benefits” to the company. An example of a soft benefit is a reduction in turnover and an increase in employee satisfaction as a result of better HR service through Employee Self-Service, open enrollment or automated alerting. Additionally, by automating, the company will better track employee skills and training and more easily identify and allow employees to apply for open positions within the company.
Default: 1
- 2. Cost of an external hire (the total cost of recruiting a new employee): \$ _____
Default: \$5,490
- 3. Cost of training an external hire: \$ _____
Default: \$715 (probably a lot more)
- 4. Annual overtime cost due to turnover: \$ _____
Default: \$10,000
- 5. Overtime savings due to lower turnover process: _____%
Default: 10%

PART EIGHT – OUTSOURCED PAYROLL COST

- 1. Average Service Bureau Per Check Fee: \$ _____
Default: \$2.50 per check
- 2. Number of employees paid weekly: _____
- 3. Number of employees paid bi-weekly: _____
- 4. Number of employees paid monthly: _____
- 5. Total number of full-time employees paid: _____

A brief review of the results of the ROI Questionnaire

Savings Calculations Page

Once we have entered all of your answers into our ROI Calculator, the "Savings Calculations" page will display a summary of the cost, time and productivity savings that can be realized by implementing a Sage Abra system.

Product Configuration Page

On these pages, we will outline the Sage Abra modules that best represent the Sage Abra solution for your organization. The calculator will automatically add up the prices of the modules chosen, as well network seats and system utilities. The last page, "Price Summary", includes a summary of each module's license fee and its' annual support cost from Sage. Using the "Price Configurator" page will allow us to dynamically choose the modules that work best for you.

Investment Data Page

In addition to the cost of the software and support, the "Investment Data" page will allow us to estimate the HRMG Professional Services (implementation, consulting and training costs), as well as any second year costs. This page will give you an "Executive Summary" of your HRIS project.

ROI Calculations

This page displays the information required by the Finance Department to make an investment decision on your HRIS project. The ROI for the project, based on the information you entered, will be clearly outlined over a 3-year timeframe. The summary displays total initial investment, savings (broken down by category), continuing support and services, as well as net savings and cumulative savings for three years. It also includes three dials that display:

- Average Annual Return on Investment (ROI)- The annual average percentage return on the project as a factor of initial cost of the project
- Internal rate of return (IRR)- Essentially, the interest rate that is equivalent to the dollar returns the company could expect from purchasing the software.
- Payback in Months – Number of months the software will take to pay for itself via cost, time, and productivity savings

Summary

We thank you for the time you have taken to fill out our ROI questionnaire. ***Please email/fax this questionnaire to the address provided below.*** We will call you to review the results. We have been told by many of our customers that the analysis provided by this questionnaire gave them the factual investment information that allowed them to get approval for their HR and Payroll systems. We hope that you experience the same results! Please contact us at the address below if we can be of any additional assistance.

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