



Measuring Return on Investment (ROI) for Information Technology Modernization/ Projects

The TEAM

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Problem Statement

A man in a dark suit and tie is pointing his right index finger towards a digital interface. The interface features several circular icons: a target with an arrow, a bar chart with an upward arrow, the text 'ROI' in the center, a calendar with a clock, and a dollar sign '\$'. The background is dark blue with faint circuit-like patterns.

IT Modernization Projects struggle with prioritization/planning and cost/benefit transparency due to Return On Investment (ROI) not being leveraged/executed. We intend to provide an ROI “framework/playbook” enabling Agencies to effectively and efficiently measure ROI.

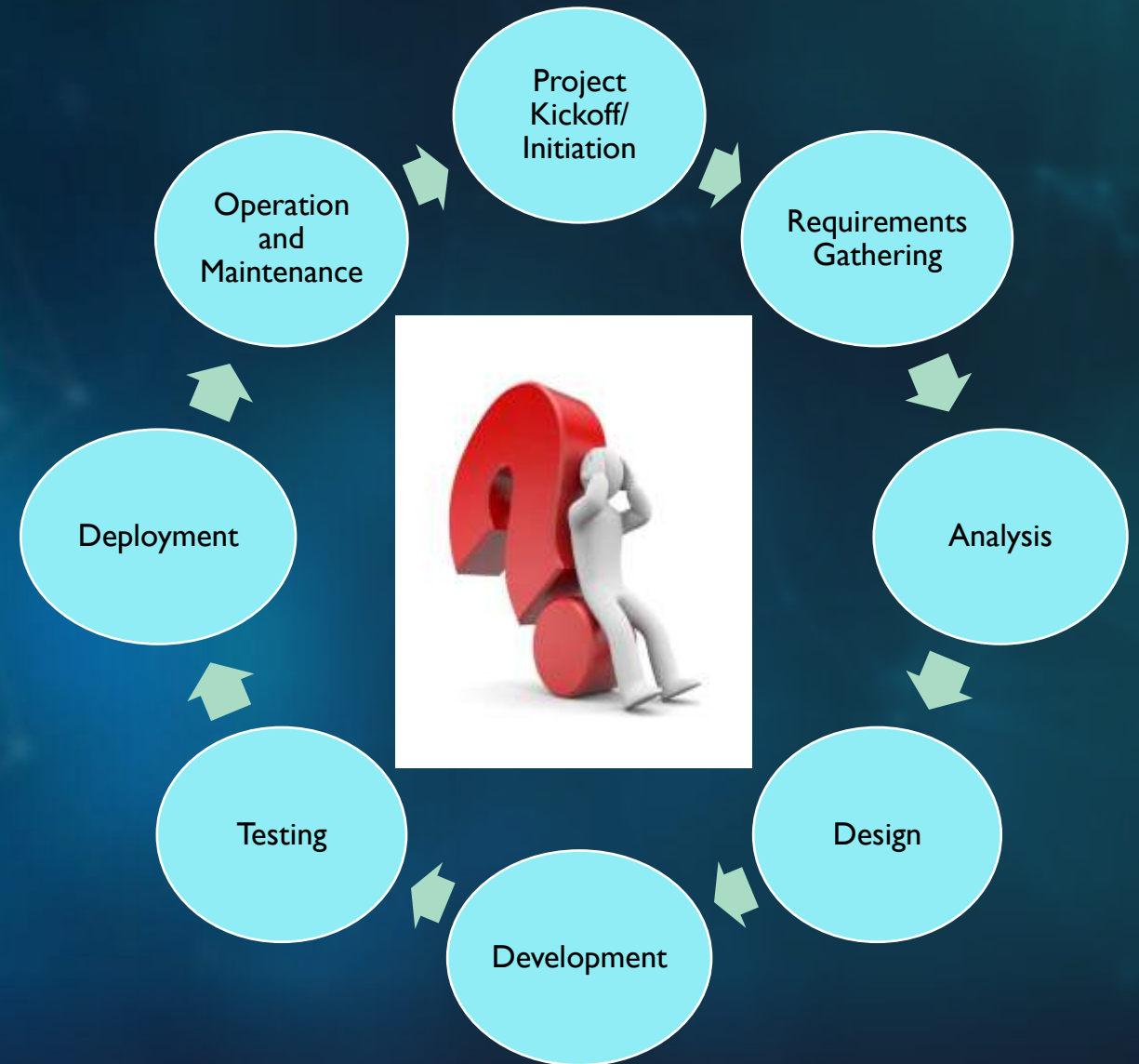


Expected Outcomes

Produce/Deliver an ROI framework/playbook allowing agencies to measure technology modernization/project ROI(pre and post project) to achieve the following:

1. Measurable Financial Returns
2. Investment Transparency
3. Improved Operational Efficiencies
4. Quantify Value
5. Better IT Project Prioritization

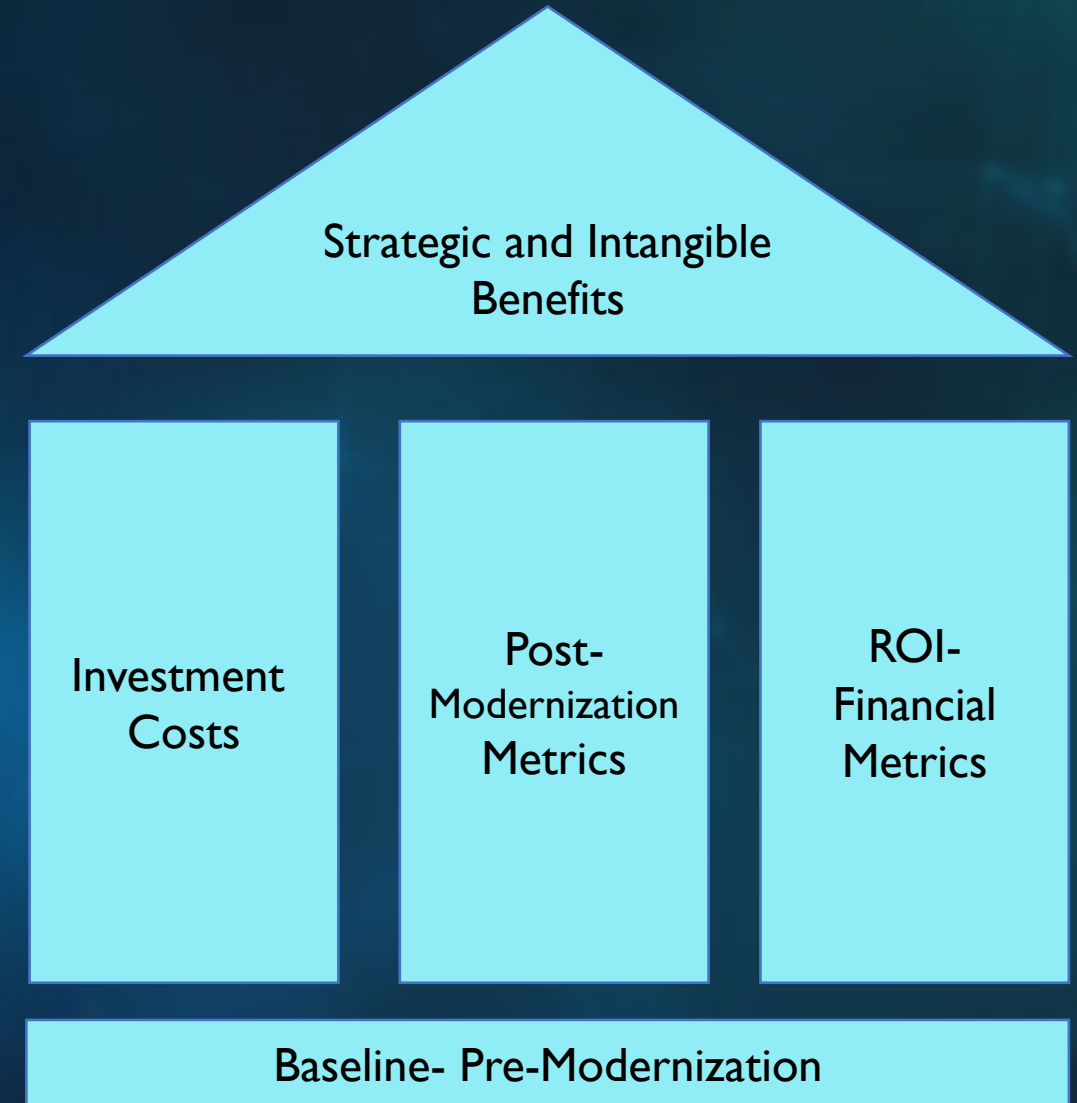
Project Delivery Current State



Project Delivery Target State



ROI Framework



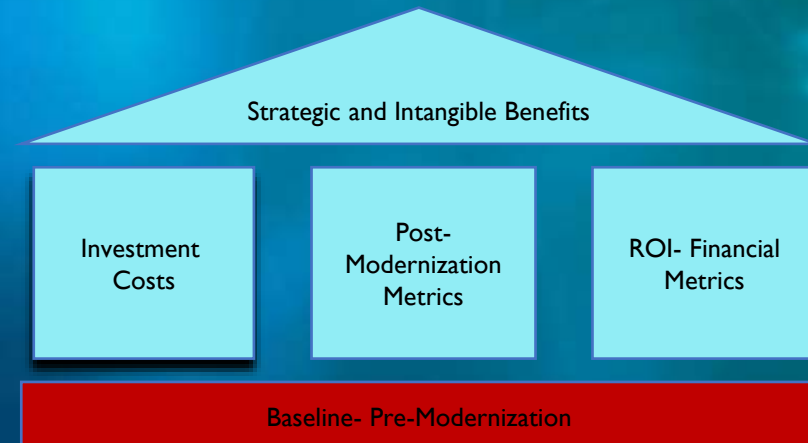


ROI Playbook

Baseline Pre-Modernization Metrics

Baseline pre-modernization metrics are foundational performance indicators collected *before* initiating a technology modernization project.

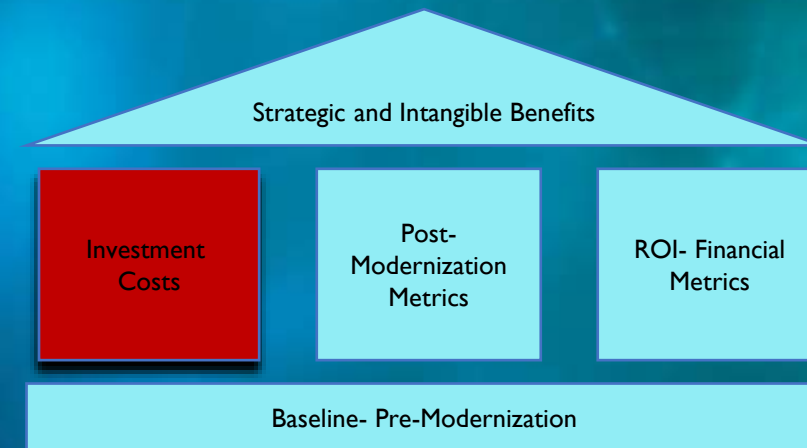
The metrics are quantifiable data points that capture the current state of IT systems, operations, and business outcomes prior to modernization.



Investment Costs

Investment cost metrics are quantifiable indicators that capture the **total financial outlay** required to plan, implement, and maintain a technology modernization initiative.

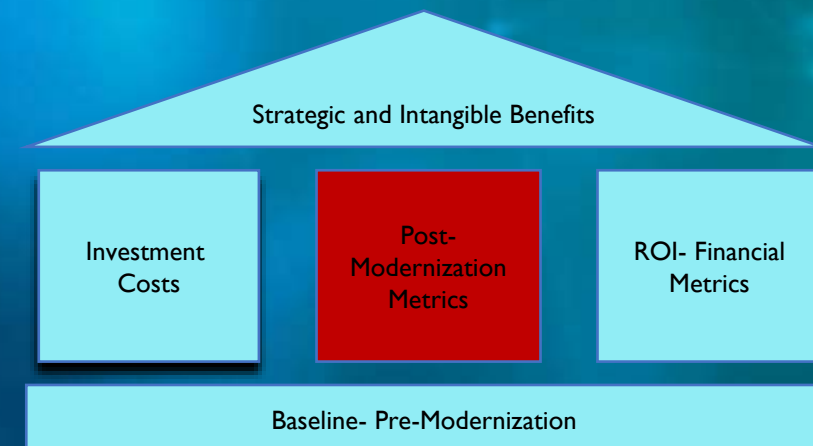
Investment cost metrics refer to the comprehensive set of direct and indirect expenses incurred during a technology modernization project. They can vary widely depending on the scope, complexity, and scale of the project.



Post-Modernization Metrics

Post-modernization metrics are performance indicators collected *after* the implementation of a technology modernization initiative. These metrics are used to evaluate whether the modernization has delivered the expected business value and to calculate the **Return on Investment (ROI)** by comparing them against pre-modernization baselines.

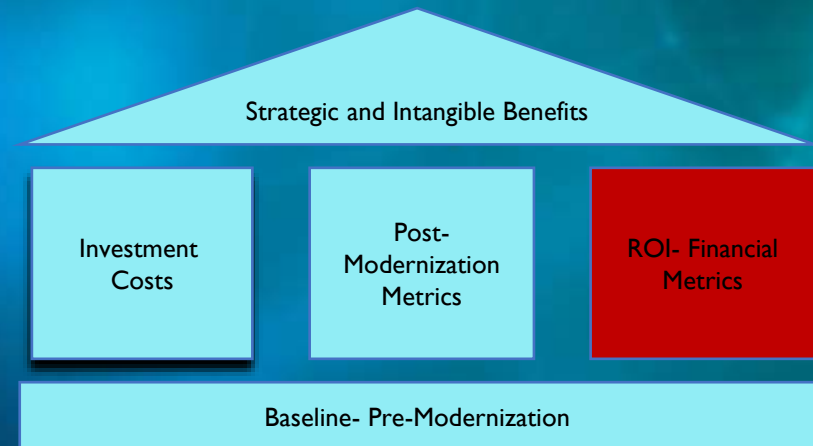
Post-modernization metrics are quantifiable outcomes that reflect the performance, efficiency, cost-effectiveness, and strategic alignment of a system or process after a technology modernization effort.



ROI/Financial Metrics

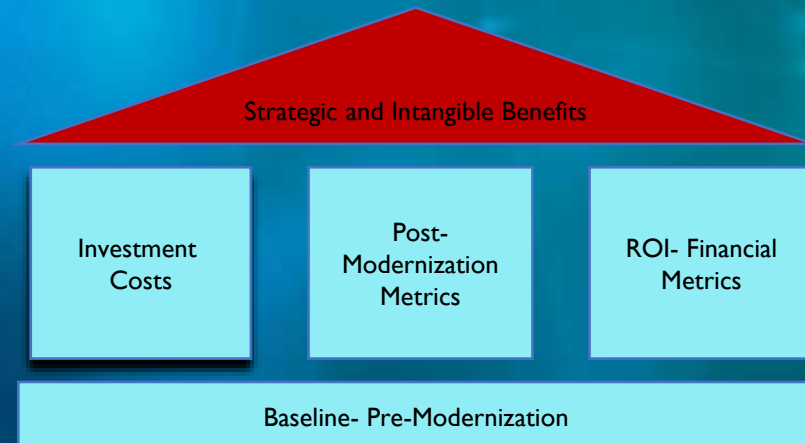
ROI financial metrics are quantitative financial indicators used to assess the **economic value** generated by a technology modernization initiative relative to its costs.

ROI financial metrics are standardized financial calculations and indicators that quantify the profitability, cost-effectiveness, and value realization of technology modernization projects.



Strategic and Intangible Benefits

- Improved Strategic Alignment
- Informed decision making
- Enhance Accountability and Governance
- Risk Management and Resource Optimization
- Strengthen Stakeholder Confidence
- Intangible Benefits
 - Non-financial.



Baseline Metrics

[illegible]

Investment Costs

[illegible]

Post Modernization Metrics

Item	Serial Number	FA Type	11/2020	01/2021	01/2022	07/2022	01/2023	01/2024	01/2025	01/2026	01/2027	01/2028	01/2029	01/2030	01/2031	01/2032	01/2033	01/2034	01/2035
Industrial Automation Tools																			
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ROI Calculation

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Q & A

