# ERP Business Case Template

**Executive summary**

Briefly summarizes the contents of the document, including the current situation, the reasons for adopting ERP, proposed solution and qualitative and quantitative benefits of solution.

Introduction

* Current situation
* Problems and limitations of current situation
* How ERP system addresses these problems; brief description of benefits
* Key considerations when choosing an ERP system
* Any alternative solutions considered

Proposed solution

Description of proposed ERP solution

Scope of solution:

* Modules
* Functions
* Systems replaced
* Changes to current processes/personnel

**Methods**

Describe the methods used to perform the business case analysis, including any primary sources used.

**Quantitative cost-benefit analysis**

Documents all measurable costs and benefits, including initial and continuing costs, direct and indirect costs and benefits. Add rows as necessary. Example below compares proposed ERP solution with current system; add columns as necessary if multiple ERP systems or alternative solutions are being considered.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Proposed ERP System** | | | | **Current System** | | | |
|  | Year 1 | | | | Year 2 | | | |
|  | Year 1 | Year 2 | Year 3 | Total | Year 1 | Year 2 | Year 3 | Total |
| **Benefits** |  |  |  |  |  |  |  |  |
| Cost savings |  |  |  |  |  |  |  |  |
| Cost avoidance |  |  |  |  |  |  |  |  |
| Additional revenue generated |  |  |  |  |  |  |  |  |
| **Total benefits** |  |  |  |  |  |  |  |  |
| **Expenses** |  |  |  |  |  |  |  |  |
| Non-recurring (e.g., initial implementation, training costs) |  |  |  |  |  |  |  |  |
| Recurring (e.g., subscription costs) |  |  |  |  |  |  |  |  |
| **Total expenses** |  |  |  |  |  |  |  |  |
| **Net benefits/costs** |  |  |  |  |  |  |  |  |

**Qualitative cost-benefit analysis**

ERP systems can generate many benefits that are hard to quantify. For example, switching to an ERP system may enable the company to support its planned growth, which would be impossible with the current system. There may also be negative impacts, such as temporary productivity reductions as employees learn the new system. It’s important to carefully analyze each of these benefits and any associated costs. Suppliers may be able to help with this process.

Typical ERP benefits include:

* Scalability
* Agility/ability to respond to opportunities/marketplace changes/competition
* Better collaboration
* Reporting/analytics/business intelligence
* Better cybersecurity
* Regulatory compliance
* Financial controls
* Better relationships with customers and partners

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Proposed ERP System** | | **Current System** | |
|  | Description | Functions/ Stakeholders affected | Description | Functions/ Stakeholders affevcted | |
| **Benefits** *(examples only)* |  |  |  |  | |
| Scalability |  |  |  |  | |
| Collaboration |  |  |  |  | |
| Cybersecurity |  |  |  |  | |
| **Costs** |  |  |  |  | |

**Risks**

An ERP implementation is a large project that, like any large project, involves risks. This section should describe those risks and plans to mitigate them. For example, involving all departments during the design phase can help to ensure that users take full advantage of the system when it is deployed, improving the chances the organization will actually realize predicted benefits. Rolling out an ERP system in stages is less risky than a “big bang,” all-at-once deployment, but a staged approach may result in a slower payback.

|  |  |
| --- | --- |
| **Risks** *(Examples only)* | **Mitigation Approach** |
| Departments fail to adopt  the new system |  |
| Implementation timescale is  longer than expected |  |

**Implementation plan**

Include a high-level outline of the planned implementation — not a detailed, step-by-step description, but enough information to give everyone an idea of how the project will proceed, the resources that will be needed and the expected time frame for achieving results.

**Conclusion and next steps**

This section concisely analyzes the most important findings from the analysis, the conclusion from those findings and recommended next steps toward implementation.

