

Value calculator puts investment in perspective of value delivered

Customer case

Value calculator for Business Development

		Year		
		Y1	Y2	Y3
<i>Value</i>	Sales Uplift (as profit)	€ 26.250	€ 26.250	€ 26.250
	Cost Reduction	€ 574.000	€ 861.000	€ 861.000
	Man Hour Savings	€ 29.830	€ 29.830	€ 29.830
	Total Value	€ 630.080	€ 917.080	€ 917.080
<i>Monthly fee</i>	Software Fee (per user/monthly)	€ 833	€ 750	€ 777
<i>Investments</i>	Hardware investment	€ 30.000	€ 30.000	€ 30.000
	Set up/Integration Costs	€ 40.000		
	Software Fee (yearly)	€ 250.000	€ 337.500	€ 436.878
	Content Creation Costs (yearly)	€ 37.500	€ 37.500	€ 37.500
	Total Investment	€ 316.667	€ 404.250	€ 503.601
	Our relationship investment	€ 40.000		

Rationale:

- Quantification of financial (e.g. cost reductions) and non-financial benefits (e.g. sustainability footprint)
- Makes direct relation between investment required for your products/service and the value generated
- Optionally linked to best alternative solution (BATNA*)
- With limited inputs it can be used to calculate high level customer-specific value during business development cycle

“What people want to know in B2B sales is one thing, and one thing only. What story can I tell my boss if I decide to buy this” – Seth Godin