EPA's Return on Investment Toolkit
"ROI in a Box"

__Disclaimer__: The current version of the Return on Investment Toolkit is a __beta__ version. The toolkit is intended to assist State, Tribal, and local governments with examining and visualizing cost and cost savings scenarios associated with the implementation of process improvement efforts and similar projects. Calculations enable a visual overview of costs, cost savings, other benefits, breakeven dates, and long-term ROI, driven by user data.

The workshop at EE2018 introduces this beta version, and is intended to facilitate learning and discussion. The toolkit will be refined before its final release, in part to incorporate insights from EE2018. Users interested in beta-testing the toolkit can obtain it as outlined below, but should recognize that calculations, estimates, or outputs derived therein reflect the beta version and user inputs.

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The Punch List: What You'll Need to Use the Return on Investment Toolkit

The ROI in a Box Toolkit helps you array your data so that you can show the impact of costs and benefits in an intuitive, concise, and printable summary of your project's ROI (see sample results on reverse). It does not calculate the costs and cost savings/benefits of your project. To run it, you will need to assemble your own data for your project costs and cost savings (think of this as similar to doing your tax returns). Before you use the tool, you will want to gather as much of the following information about your project as possible:

Project Description Documents:
- When does the project start and (if it ends) when does it end?
- Who will be affected by the project? Who will use it? Who will benefit from it? (These may be different)
- Will the project be in development before it is implemented? Will there be a phased implementation?

Your best, most complete estimates of project costs, including labor:
- Cost estimates to build/deploy/implement your project
- If possible, costs should be broken out by category (e.g., one-time development vs ongoing O&M)
- Labor costs/FTEs (sometimes these are included in other cost categories)
- The timeline or schedule for incurring project development, launch, and ongoing costs

Your best, most complete estimates of cost savings resulting from the project, including labor savings:
- Estimates of annual cost savings (time, materials, system costs) that will accrue as a result of your project
    - o To your agency
    - o To the regulated community
    - o To the public
    - o To other stakeholders? (other agencies, etc.)

Descriptions of any anticipated changes resulting from your project – these will help you understand what additional "beyond ROI" benefits your project may deliver, For example, these might include:
- Improved processes at your agency or for the public/regulated community, such as streamlining how FOIA requests are filed or processed
- Improved quality of data accessible to the public/co-regulators (by adding data verification checks to systems)
- Improved environmental quality, by projects that facilitate rapid notification of reporting/releases

What if I don't have quantified/monetized estimates for some or all of the above?

Don't worry if you don't have confirmed estimates for your project. You can still use the Toolkit to analyze scenarios such as, "What is my payback period if cost savings are this high?" or "What types of 'beyond ROI' benefits apply to my project that may affect ROI but aren't quantifiable?" **Just keep in mind that the Toolkit can only estimate your __actual ROI__ if you feed it accurate, complete estimates of project costs and cost savings.**

How can I get a copy of the Toolkit to beta-test? Email ROI_in_a_Box@indecon.com and the beta version will be sent to you.

Sample Results

"ROI-in-a-Box" Results — Example Agency Test Project
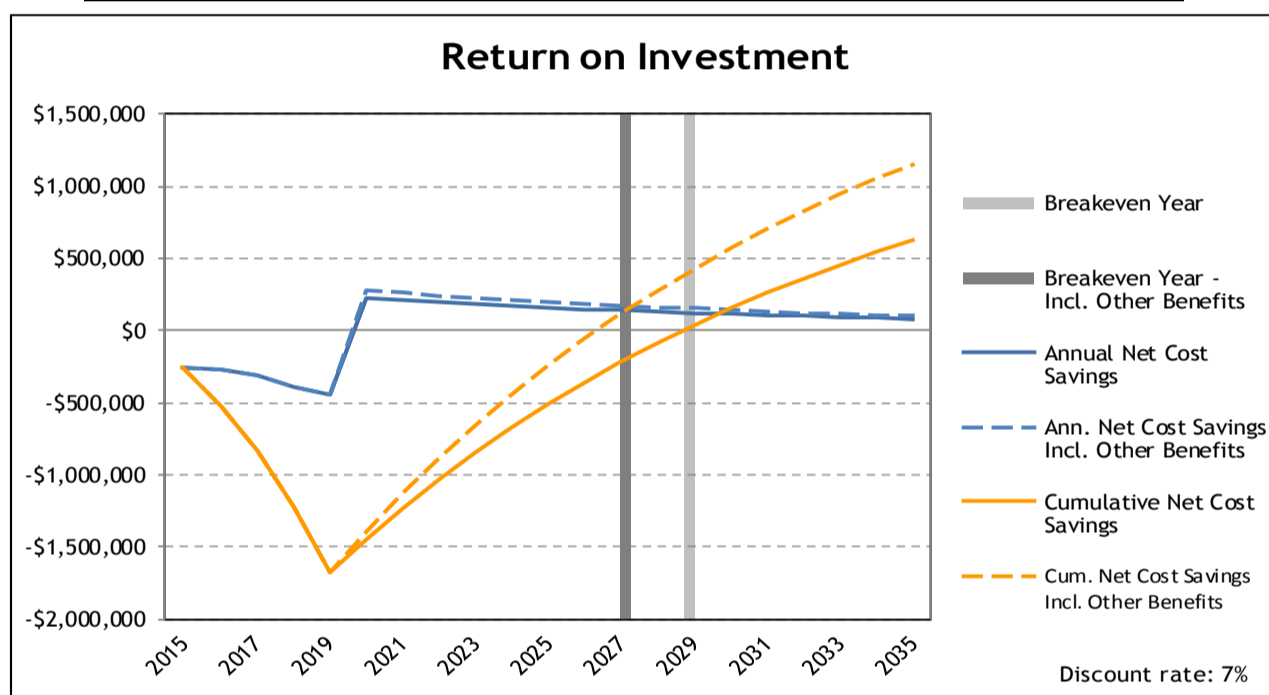
PROJECT TIMELINE

2015 Project Initiation	→	**2020** Project Launch	→	**2035** Project End

PROJECT USERS

Your agency:	✔	Regulated Community:	✔
State/Tribal/Local Agencies:	✔	Public:	✔

SUMMARY OF COSTS

	Development	Perpetual (Annual)
Total Costs:	$1,599,950	$280,990
Operational Efficiency Cost Savings:	--	$541,000
Total Cost Savings (Incl. Other Benefits):	--	$601,000

Return on Investment

Legend:
- Breakeven Year
- Breakeven Year - Incl. Other Benefits
- Annual Net Cost Savings
- Ann. Net Cost Savings Incl. Other Benefits
- Cumulative Net Cost Savings
- Cum. Net Cost Savings Incl. Other Benefits

Discount rate: 7%

ROI	Payback Period
Operational Efficiency	14 years
Including Other Benenfits	12 years

ADDITIONAL BENEFITS INCLUDED IN ROI	VALUE	ADDITIONAL BENEFITS (NOT QUANTIFIED)
Reduce permit processing time	$50,000	Reduce compliance labor time
Provide rapid/real-time env. quality info	$10,000	Promote cross-agency coordination
		Make data more publicly accessible
		Improve compliance rates