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Analyzing Database Systems How to evaluate the benefits of a new program

Are you having trouble deciding whether to get new software developed for your staff members or to hire additional workers? Are you resisting the request to have enhanced software added to your system because you don't want to spend the money right now?

To Spend or Not To Spend

One of the biggest obstacles to installing a new database system is the associated cost. At times, managers understand that the system upgrade is a sound concept that will produce many benefits. However, there are enough unknowns about the project to cause hesitation in most anyone. In today's financial environment it can be devastating to invest money in the wrong resources. So how is this conflict to be resolved?



The decision whether to proceed with the new software can be simplified into an easy equation: Benefits - Costs = Decision. If the benefits are more than the costs, then the organization will be better off proceeding with the project. The costs can be ascertained but the benefits can be difficult to quantify into dollars.

Making the Benefits Tangible



In order to determine the financial benefits of a new or upgraded database system, try to translate the stated benefits into some measure of time. For instance, if the new software will make each person using the system faster at what they do, estimate the amount of time that a person would save doing this task on the new system. Add up these savings for each person and get a total annual savings based on the hourly rate of the people involved.

Some benefits are actually new opportunities, so it is impossible to compare them to current activities. In these cases, estimate what it would take to realize the new opportunities without the new software. This estimate is your time savings. Annualize these savings, as well, to include in your equation.

Once you have expressed your benefits as dollars, you can now easily determine whether the project will enhance the organization. For additional references, you can compare the cost of the software project to the costs of other options like hiring additional people to realize the benefits.

When you invest in your most valuable resource (the people working in your organization), you will increase the value that you provide to your customers. The software that you utilize can have a big impact on productivity. At Database by Design, Inc., we want to make sure that information management systems provide the most benefits for you and your organization. Contact us so that we help you analyze the possibilities and realize their opportunities.

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