



Return On Investment (ROI) Analysis

KEY BENEFITS TO THE PLATFORM INCLUDE:

- EFFICIENCY
- INCREASED ADDRESSABLE MARKET
- INCREASED QUALITY

This document has been written to help your organization evaluate your pipeline and calculate a reasonable ROI based on evidence from Rohirrim’s existing customers. We have provided thought process to calculate the effect on your pipeline along with real world anecdotes supporting these value propositions. ROI can then be calculated by subtracting the cost of the platform from these various gains. We recommend evaluating efficiency and increased volume as minimum criteria, and potentially increased quality (as a derivative of increased PWIN) if desired. For multi-year ROI calculations, Rohirrim recommends using your current platform price with a nominal increase (to reflect increased usage) year over year.

	ROI RANGE / CALCULATION	REAL EXAMPLES AND ANECDOTES
EFFICIENCY GAINS	$= \frac{(\text{hours budget} - \text{actual hours})}{\text{hours budgeted}} \times 100$ <p style="text-align: center;">OR</p> $= \$ \text{B\&P allocated} - \frac{(\$ \text{B\&P allocated}) \times (\text{actual hours})}{\text{hours budgeted}}$	<ul style="list-style-type: none"> • 60 page RFP response drafted in 2 days rather than 2 weeks and submitted on time resulting in a \$200M task order award • Ability to write RFI response without the need for additional technical and SME input (reduce burden) • 4000% efficiency in Rohan assisted team compared to traditional team (total time for production)
INCREASED VOLUME	$= \text{B\&P saved} - \text{B\&P reallocated}$ <p style="text-align: center;">OR</p> $= \text{PWIN} \times \text{Total New Bid Value}$	<ul style="list-style-type: none"> • Bluebird Opportunity released on Friday, written and submitted by Monday leading to a change in acquisition strategy to sole source • Ability to reallocate scarce writing resources to address more bids • Estimating twice as many bids
INCREASED QUALITY	$= (\text{PWIN}_{\text{NEW}} \times \text{Total_Pipeline}) - (\text{PWIN}_{\text{OLD}} \times \text{Total_Pipeline})$	<ul style="list-style-type: none"> • Accolades from Contracting Officer around the great readability and evaluation of proposal response; this was gained due to more review time rather than draft time • Ability to have better technical SMEs who are billable provide input without resource drain
<p>TOTAL ROI = Efficiency Gains + Increased Volume + Increased Quality – Cost of Platform</p>		

EXAMPLE 1

In the example below, Sample Company X has 5 opportunities that they are trying to bid at various sizes. A conservative estimate of saving 10% of the total production time (equating to 10% of the allocated B&P) provides an ROI of over \$250K.

Key assumptions in this simple analysis include a conservative internal cost of \$96/hr for resources along with a notional B&P budget of a half of one percent or lower.

SAMPLE COMPANY X

Pipeline Size: \$365,750,000

Opportunities: 5

Opportunity	Total Value	B&P Allocation	Hours Allocated	Hours Saved	B&P \$ Saved
OPP 1	\$250,000,000	\$2,000,000	20,800	2,800	\$200,000
OPP 2	\$100,000,000	\$500,000	5,200	520	\$50,000
OPP 3	\$10,000,000	\$50,000	520	52	\$5,000
OPP 4	\$5,000,000	\$25,000	260	26	\$2,500
OPP 5	\$750,000	\$3,750	39	3.9	\$375

Total Hours Saved: 2,681.9

Total B&P Saved: \$257,875

EXAMPLE 2

In the example below, Sample Company Y has 10 opportunities but only has the B&P budget to bid on 6. Using RohanRFP, and extrapolating the same 10% savings shown in the example above, Sample Company Y can recoup over \$500K in B&P to go after 3 new opportunities. Without increasing the PWIN, we can estimate ROI in several forms, in the total B&P unspent (\$355K in the example below) along with the total value addressable by these new bids (\$45M). Even factoring the value based on PWIN provides a large and meaningful ROI in the ability to win new work.

SAMPLE COMPANY Y

Pipeline Size: \$975,900,000

Total Addressable Pipeline: \$780,000,000

Opportunities: 10

Opportunity	Total Value	B&P Allocation	Hours Allocated	Hours Saved	B&P \$ Saved	Reallocated B&P Spent
OPP 1	\$250,000,000	\$2,000,000	20,800	2,800	\$200,000	N/A
OPP 2	\$175,000,000	\$1,400,000	14,560	1,456	\$140,000	N/A
OPP 3	\$150,000,000	\$1,200,000	12,480	1,248	\$120,000	N/A
OPP 4	\$100,000,000	\$500,000	5,200	520	\$50,000	N/A
OPP 5	\$80,000,000	\$400,000	4,160	416	\$40,000	N/A
OPP 6	\$25,000,000	\$125,000	1,300	130	\$12,500	N/A
OPP 7	\$150,000,000	\$1,200,000	0	N/A	N/A	No Bid
OPP 8	\$30,000,000	\$150,000	1,404	N/A	N/A	\$135,000
OPP 9	\$15,000,000	\$75,000	702	N/A	N/A	\$67,500
OPP 10	\$900,000	\$4,500	42	N/A	N/A	\$4,050

Total Hours Saved (above cut line): 5,850

Total B&P Spent (below cut line): \$206,550

Total @ (New Opportunities): \$45,900,000

Total B&P Saved (no reallocation): \$562,500

Total Savings with more bids: \$355,950