

# CHECKLIST

## How to build a business case for EHS software

Use this checklist to help you prepare a winning business justification for EHS software. You can record your notes in the space provided.

### PROBLEM

**1. Define the problem.** What are the most time-consuming tasks your team (including consultants) performs each week, and what are the productivity issues? What are the biggest risks facing your organization?

**2. Quantify the problem.** How much time are employees spending on these tasks? How many major/minor incidents occur each year? What are the costs (medical, legal, reporting time) associated with these incidents?

**3. Define the process improvement opportunities.** Think about the daily activities your core EHS team spends time on. What areas could be improved by automation? Break these down by focus area -- for example, environmental reporting, audits & inspections, incident management, training management, management reporting, etc.

## SOLUTION

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**4. Describe how EHS software can address the problem.** For example, describe how mobile capabilities can involve more employees in inputting data at the source, in real time, for better accuracy and no lost data. Share case studies of how other companies are using this solution to their advantage.

>>> **Additional resource:** [See case studies from companies we serve including Denbury, Allete, and National Grid.](#)

## APPROACH

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**5. Discuss why you've selected the proposed software.** What other options were considered, and why is this a better choice? For example, if your company is already using another software, explain why you are changing to another solution. If you considered custom software, explain that a standard-based commercial system is easier to implement and offers a lower cost of ownership over a 3-year period.

>>> **Additional resource:** [This guide will help you confidently recommend the right type of software to your team.](#)

# RISK ASSESSMENT

**6. Calculate the costs associated with new software.** Consider the estimated cost of the software + implementation services fees over a 3-year period. Factor in employee time for the implementation period of performance, training time, and learning the system. How long is the payback period? How soon will the company see a return on investment?

**7. Define the risk or opportunity loss of doing nothing.** What risks is your organization exposing itself to if you don't purchase EHS software? What are the potential costs of major/minor incidents that could be avoided by implementing new software? What are the potential losses in productivity?

# VALUE ANALYSIS

**8. Calculate the potential savings.** Quantify potential time savings by each activity/process improvement defined in #2. Identify a percentage saved for each activity, and the resulting number of hours saved.

**9. Define the business impacts of those savings.** What would employees do with the free time you calculated in #8? Make a list of strategic, value-add activities that have a direct impact on reducing corporate risks. For example, your employees could spend their newfound time implementing an ISO 14001 environmental management system, improving employee training programs, etc.

>>> **Additional resource:** For an overview of the steps involved and planning considerations for ISO 14001, [download the ISO 14001 Checklist for Success](#).

**10. Consider non-financial benefits, too.** Include any non-financial benefits that can be tied to a business goal. For example, morale improvements can help achieve the company's goal of recruiting and retaining staff.

## OTHER TIPS

**Talk the talk.** Frame your business justification in terms that will appeal to your CEO and CFO. They may not be familiar with EHS lingo, but these phrases will help get your message across:

- 3-year costs/investment
- time to install
- employee time impacted
- return on investment (profit or cost savings as a result of an investment)
- payback period (the length of time required to recover the cost of an investment)

# FREE ROI ASSESSMENT

## Discover Your Biggest Cost & Time Savings Opportunities

Let our team create a custom ROI model for you. Once we show you exactly how much time and money EHS software can save you, you'll be better equipped to create a business justification that withstands management scrutiny.

Here's what you'll get:

- cost & time savings specific to your company
- an ROI document to share with your management
- an ROI Review with a Perillon expert explaining your cost and time savings model



Core EHS Users:	5
Light Users (data input):	45
ROI	250%
Payback Period	8.3 months

