



Calculate the ROI of localisation technology

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Remi Debaveye
Filiep Vincent

The LOCATE ROI tool provides organisations with quantified estimates of costs and benefits to guide their decisions

Localisation technology can help organisations in manufacturing and/or logistics environments become more efficient, saving time and energy by providing better real-time information about the location of every asset. But how much time and money can you save by implementing such technology? And does that justify the investment you would have to make? Our localisation ROI tool can help you build such a business case.

This may sound familiar: you know that localisation technology would make your warehouse operations more efficient. Less time is wasted looking for instruments, pallets or assets. A better overview of the available assets may save you unnecessary purchases and transport. The risk of costly production cycle downtime decreases, and so on.

Is your localisation project worth the investment?

Would you like guidance and insight into the financial and technological feasibility of your localisation project? Download our LOCATE ROI tool to get an initial indication of the potential ROI and possible technological pitfalls.

Download the LOCATE ROI tool here

Quantifying costs and benefits

However, localisation technology also comes at a cost. Depending on the chosen technology and the number of assets you wish to locate, this cost may become quite significant. This often leads to the following question: “Is this really worth the investment? Will we save enough time and money to make this project worthwhile?”

The question is straightforward, but the answer is far from obvious. The localisation technology and its implementation are relatively easy to quantify. The costs associated with software, hardware, infrastructure, integration, and maintenance are usually clear and easy to assess. But how much does not having exact location information cost you? Consider the time spent searching for assets due to poor inventory visibility, as well as avoidable downtime or waiting time. These costs often remain very vague, even though they can add up to a considerable amount over an entire year.

To address our partners’ and customers’ doubts and uncertainties regarding the ROI of a localisation project, Sirris and Flanders Make have developed an Excel-based ROI estimation tool. This tool helps companies gain insight into the often hidden costs of insufficient location information. These costs can then be compared with the known project costs. This allows your organisation to assess whether there may be a strong business case for this investment in localisation.

Turning your data into a preliminary business case

This tool, created by Sirris and Flanders Make as part of the broader [VLAIO COOCK+ LOCATE project](#), starts with a detailed overview of the current situation, followed by a calculation of the costs resulting from missing location-related information. Next, you can enter the expected project costs and indicate where you see potential for improvement by introducing localisation. [The LOCATE ROI tool](#) then translates this information into a preliminary financial business case.

The calculator gives you insight into:

- Initial investment (CapEx)

- Annual operating expenses (OpEx)
- Annual net cost savings
- ROI and payback period
- Net present value (NPV)
- Internal rate of return (IRR)

The calculation is based on indicative values for various localisation technologies. Users can replace these values with their own project data or supplier information to obtain an even more accurate estimate.

Assessing technological feasibility

The ROI tool not only provides you with a preliminary business case, but also checks whether there is a technological fit between your selected technology and the scope and nature of your project. For example, when you enter the required positioning accuracy and coverage area, the tool verifies whether your selected technology meets these requirements. If the technology may not meet the requirements, the tool issues a warning.

Bear in mind that this is only an indicative warning and not a definitive reason to alter your project or select another supplier. The ROI tool does not claim to provide the definitive answer for your project. For both the technological fit and the business case, the result is intended as a guideline and a starting point for further development.

The actual results will depend on more variables than those entered in the tool. The production environment, the configuration, and practical choices regarding hardware and other factors will contribute to the final result. The tool should therefore by no means be regarded as a commercial offer, a technology selection tool or a comprehensive engineering study. It can, however, be highly valuable in helping you assess the business case and the technological feasibility of your current choices.

Learn more about localisation?

Are you still trying to understand what localisation technology can actually do and how it could affect your manufacturing, logistics, and transport activities? Find inspiration in the [VLAIO COOCK+ LOCATE project](#), which Sirris and Flanders Make are jointly undertaking to explore what localisation can mean for your industry

Discover our localisation initiatives

Authors



Remi Debaveye



Filiep Vincent