

eBook

The Essential Guide to Forecasting ROI in Public Sector CIAM

A Five-Year Cost Benefit Analysis for Maximum Strategic Impact



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Introduction

The Essential Guide to Forecasting ROI in Public Sector CIAM

A Five-Year Cost Benefit Analysis for Maximum Strategic Impact



Implementing a CIAM (Customer Identity and Access Management) solution can transform how your organization delivers digital services, improving operational efficiency, reducing fraud, and laying a foundation for secure, future-ready citizen interactions.

The insights in this guide draw on our years of experience working with public

sector organizations. The numbers reflect ROI observed for a mid-sized government jurisdiction and while illustrative, provide a realistic estimate of what similar organizations can expect when planning a CIAM rollout.

Use this framework to budget effectively, forecast benefits, assess risks, and make informed decisions that maximize your public sector-focused CIAM investment.



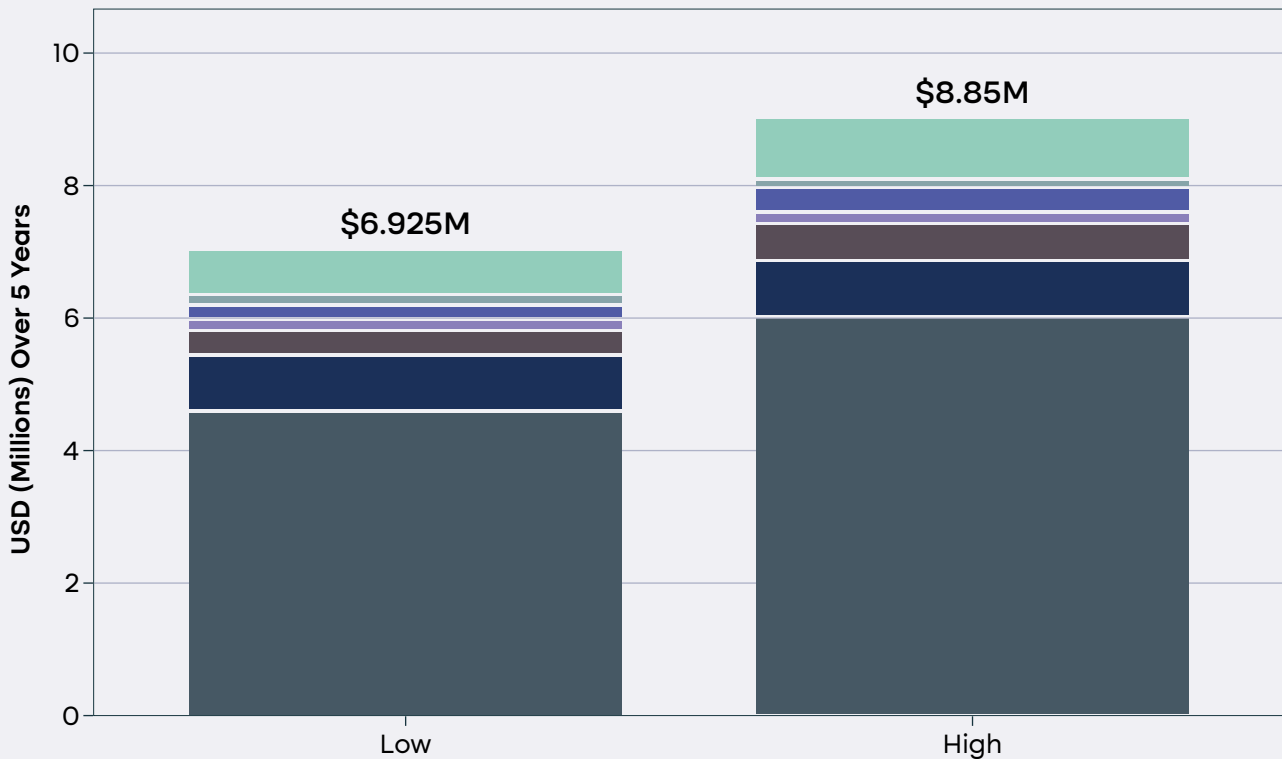
Understanding the Costs

Understanding the total cost of ownership (TCO) is critical for planning and gaining stakeholder approval. CIAM initiatives involve more than

the technology alone; security, training, public engagement, and ongoing management all need to be considered.

Category	Estimated 5-Year Cost	What It Covers
Platform Development & Maintenance	\$4.5M – \$6M	Hosting, updates, tiers 2 and 3 support, user experience, and scalability.
Security & Privacy Enhancements	\$900K	MFA rollout, encryption, audits, security reviews and penetration testing.
Program Management	\$375K – \$562.5K	Oversight, change management, and vendor coordination.
Training & Change Management	\$150K	Workshops and support materials to help staff get up to speed.
Public Engagement & Communications	\$187.5K – \$375K	Keeps the public informed, builds trust, and encourages adoption.
Accessibility Compliance (WCAG 2.1 AA)	\$112.5K	Ensures services are usable by all citizens, including UX design, audits, and content support.
Contingency (10–15%)	\$700K – \$750K	Covers inflation, integration hurdles, and unforeseen upgrades.
Total Estimated Five-Year Cost: \$6.925M – \$8.85M		

Cost Breakdown: 5-Year TCO by Category (Low vs High)



Platform Development & Maintenance



Training & Change Management



Contingency (10-15%)



Security & Privacy Enhancements



Public Engagement & Communications

Note: High scenario uses a 15% (\$7.5K) contingency to align with a total of \$8.85M.



Program Management



Accessibility Compliance (WCAG 2.1 AA)

Key Takeaways

- Platform development and ongoing maintenance account for the largest portion of costs; planning for scalability early can save money later.
- Security and privacy investments are essential for protecting citizen data and maintaining trust.
- Engagement and training matter. Even the best technology will struggle without well-equipped staff and citizen adoption.
- A contingency fund helps cover unexpected challenges and keeps the project on track.

#2

What You Stand To Gain

CIAM platforms, when properly aligned to the public sector need, bring real benefits that touch

on daily operations, citizen experience, and future service enablement.

Benefit	Estimated 5-Year Value	Why it Matters
Operational Efficiency (Staff Time Saved)	\$4M – \$6M	Fewer user access issues and support cases, faster case handling, less duplication across systems.
Reduces Identity Fraud & Admin Errors	\$500K – \$1M	Stronger credentialing and MFA lower the rate of fraudulent access and misidentification.
Self-Service Uptake & Channel Shifting	\$2.25M – \$3.375M	More citizens use digital channels, saving costs on in-person visits. Average cost per in-person visit = \$17 vs. online = \$0.40.
Improved Citizen Satisfaction	\$1.5M	Consistent login experiences and accessible services boost public trust and satisfaction. Even in the public sector, increased satisfaction has real benefits. For example, more citizens choosing digital channels.
Support for Future Digital Services	\$3M – \$4.5M	Onboarding new services (e.g., health, permits, tax) is much faster and less expensive than building standalone identity silos.
Total Estimated Five-Year Benefits: \$11.25M – \$16.375M		

Key Takeaways

- Operational efficiencies are the primary contributor to measurable ROI, driven by staff time savings, reduce case load and reduced duplication.
- Stronger security and fewer administrative errors protect both citizens and the organization.
- Encouraging digital self-service reduces in-person costs and simplifies interactions. A contingency fund helps cover unexpected challenges and keeps the project on track.
- Improved satisfaction and accessibility strengthen public trust and confidence in services.
- CIAM provides a foundation for future digital services, making new initiatives faster and more cost-effective.

#3

Putting It All Together: Net Present Value & ROI

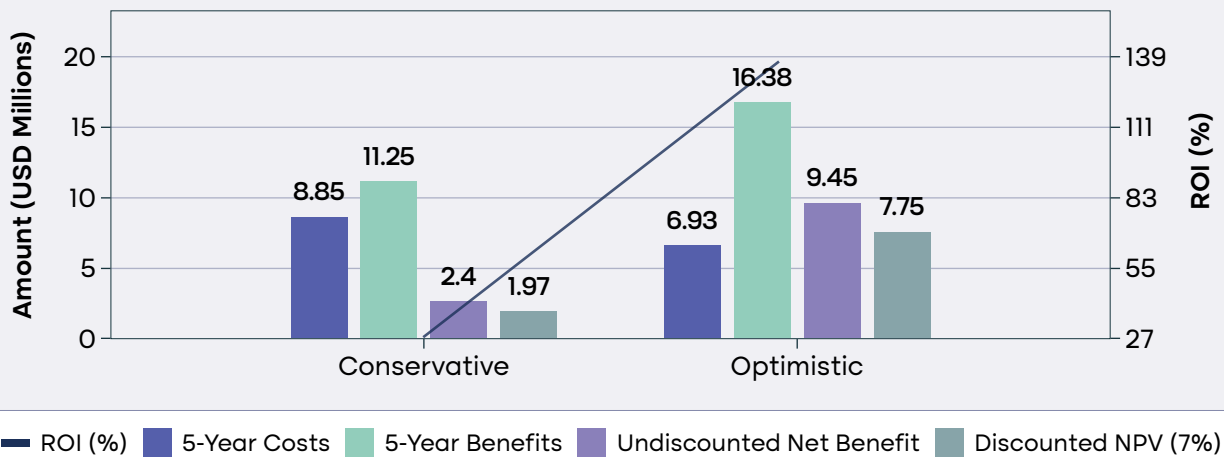
In our scenario, a simple financial assessment was completed to evaluate the five-year costs and benefits of the proposed initiative. Using a 7% public sector discount rate and assuming

costs and benefits are realized evenly over five years, the analysis indicates a positive return in both conservative and optimistic scenarios. The table below summarizes the results.

Scenario	5-Year Costs	5-Year Benefits	Undiscounted Net Benefit	Discounted NPV (7%)	ROI
Conservative (Low Benefit / High Cost)	\$8.85M	\$11.25M	\$2.4M	\$1.97M	27%
Optimistic (High Benefit / Low Cost)	\$6.93M	\$16.38M	\$9.45M	\$7.75M	136%

Total Estimated ROI Over 5 Years: Conservative 27% / Optimistic 136%

NPV and ROI Analysis: Conservative vs Optimistic



Key Takeaway

Over a five-year horizon, the project is financially viable across all scenarios. Even under conservative assumptions, the **Net Present Value (NPV)** is positive at **\$1.97M**, with a **Return on Investment (ROI)** of **27%**, indicating that the benefits outweigh the costs. In the optimistic scenario, the project generates an NPV of **\$7.75M** and ROI of **137%**, demonstrating substantial value through operational efficiency, reduced errors,

improved citizen satisfaction, and support for future digital services.

These results confirm that the project is expected to deliver a strong return, regardless of scenario. When the time value of money is considered, the discounted net benefits remain positive, reinforcing the initiative's long-term impact for both government and citizens.

#4

How Sensitive Are The Numbers?

Adoption rates, timing, and citizen engagement all influence ROI.

Proactive communications and early service integration can make the difference between a modest return and a standout success.

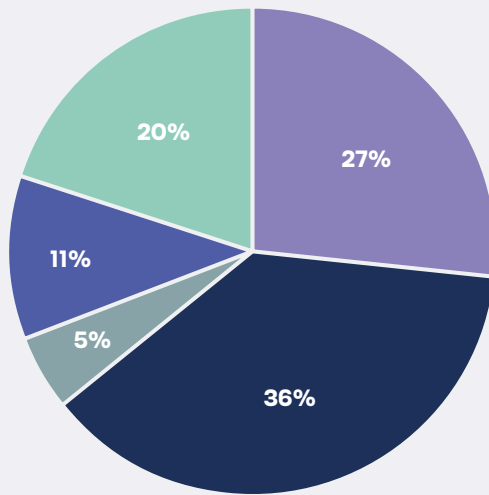
The financial outcomes of this project are highly sensitive to adoption rates, timing, and citizen engagement. Our calculations show a range of possible results:






- **Low-case scenario**
ROI of 27% and NPV of \$1.97M, reflecting moderate uptake and engagement. Benefits slightly exceed costs, indicating a financially viable but conservative outcome.
- **High-case scenario**
ROI of 136% and NPV of \$7.75M, reflecting strong adoption, early integration, and high citizen engagement. Benefits significantly exceed costs, demonstrating substantial operational and strategic value.

Implications

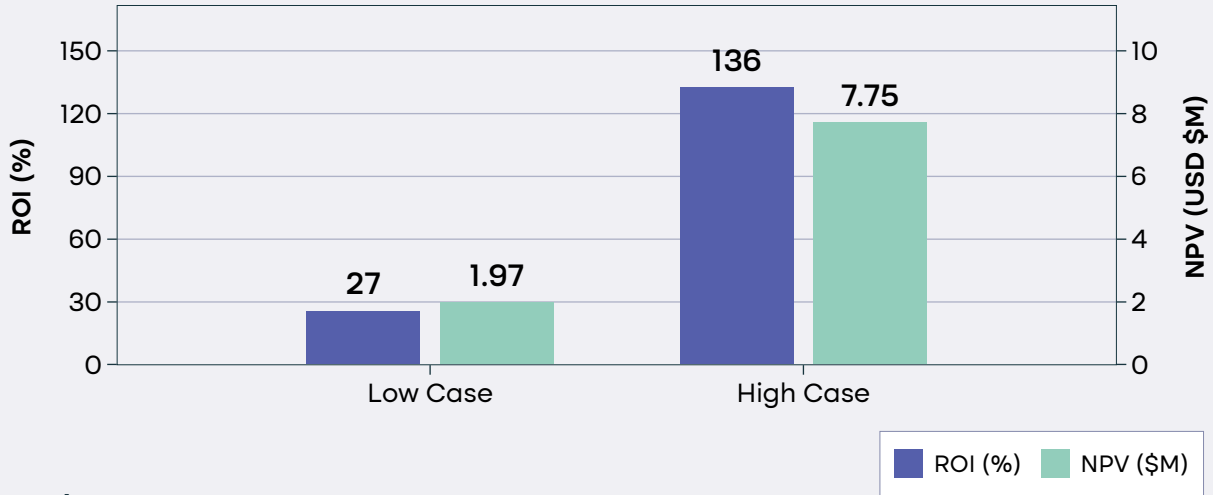
- **Adoption Rate**
Even incremental increases in citizen participation or staff self-service usage can dramatically improve ROI. For example, improving self-service uptake from moderate to high could shift the project from a low-return scenario to the high-return scenario.
- **Timing of Benefits**
Accelerating deployment of services ensures benefits are realized earlier, which increases discounted NPV and overall ROI. Delays in roll-out reduce financial impact due to the time value of money.
- **Citizen Engagement & Communication**
Proactive communications, clear training, and early engagement drive adoption and minimize friction. These factors can be the difference between a modest return and a standout success.

Benefit Streams:
5-Year Range by Category



-  Operational Efficiency (Staff Time Saved)
-  Reduced Identity Fraud & Admin Errors
-  Self-Service Uptake & Channel Shifting
-  Improved Citizen Satisfaction
-  Support for Future Digital Services

Sensitivity Analysis: Scenario Impact on NPV & ROI



Key Takeaway

The project's value is highly leverageable. Strategic focus on early adoption, strong citizen engagement, and phased rollout of digital services can shift

outcomes from modest financial gains to substantial operational and strategic benefits.

#5

Beyond the Numbers: Strategic Intangibles

Some benefits are hard to put a price on, but they matter a lot:

- **Public Trust & Equity**

A transparent, privacy-first approach helps avoid backlash and increases civic confidence.

- **Digital Readiness**

Prepares organizations for future service modernization, seamless digital transformation, and interoperable systems across agencies.

- **Accessibility & Inclusion**

WCAG/ADA-compliant services improve access for seniors, people with disabilities, and residents in remote communities.

- **Environmental Impact**

Reduced in-person visits to government offices lower emissions and paper use.

Key Takeaway

These strategic intangibles amplify the ROI of CIAM beyond dollars and cents, ensuring organizations

capture the full value of implementation while shaping a more resilient, citizen-focused public sector.

Wrapping Up & Recommendations

Even with cautious projections, a properly implemented, public sector focused, CIAM implementation generates meaningful ROI, supports future digital initiatives, and helps organizations manage risks effectively.

- **Cost-Effective**
A mid-sized government jurisdiction can achieve significant ROI.
- **Foundational Investment**
CIAM infrastructure provides a base for all future digital government initiatives.
- **Manageable Risk**
Public trust, cost overruns, and slow adoption can be mitigated through phased implementation, transparent governance, and active stakeholder engagement.

Recommended Approach

- Start with high-volume, low-risk services (e.g., licenses and permits) to demonstrate early value.
- Apply privacy-by-design principles throughout implementation.
- Launch clear, transparent engagement campaigns co-led by privacy experts and service delivery teams to build trust and encourage adoption.

Bottom Line: A carefully phased, properly implemented, strategic CIAM program maximizes ROI, strengthens public trust, enhances operational efficiency, and builds long-term digital readiness.



Ready to take the next step?

Learn more about [Portage CyberTech's solutions](#) or [contact us](#) to explore how a phased, public sector focused, strategic CIAM implementation can benefit your organization.

Next Steps? Questions?

Learn more about [Portage CyberTech's solutions.](#)
Or [book a consultation](#) with one of our experts if you're ready to explore how our solutions can benefit your municipality.