



Business Case
For [Project Name]



Business Case

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Template Guide

What is a Business Case?

A Business Case is a document which outlines the justification for the start-up of a project. It includes:

- *A description of the business problem (or opportunity) which exists in the business*
- *A listing of the available options for delivering a solution to resolve the problem*
- *The benefits and costs associated with each solution option*
- *A recommended solution option for approval.*

When do I use a Business Case?

The Business Case is usually presented by Senior Management within the business to an identified Business Sponsor. It is the first document used in the Project Lifecycle and, once approved, allows the project to be formally defined. Furthermore:

- *During the development of a Business Case, it may be necessary to undertake a formal Feasibility Study. This process involves a more detailed assessment of the current business problem / opportunity, the various solution options available, the likelihood of a successful implementation for each solution option and the recommended solution option for implementation. The Feasibility Study simply provides the Business Case with more rigor for the solution options presented.*
- *The Business Case is frequently referred to during the project. At each Quality Review point the Business Case is used to determine whether or not the benefits, costs, risks and issues prevalent match those outlined in the Business Case. At the end of the project a Post Implementation Review (PIR) will determine whether or not the project delivered the Business Benefits outlined in the Business Case. In this regard, the success of the project is measured against the ability of the project to deliver the criteria outlined in the Business Case.*
- *The next stage following approval of the Business Case is the identification of the project scope within a Project Terms of Reference document.*

How to use this template

This document provides a guide on the topics usually included in a Business Case document. Sections may be added, removed or redefined at your leisure to meet your particular business circumstance. Example tables, diagrams and charts have been added (where suitable) to provide further guidance on how to complete each relevant section.



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1 Executive Summary

Summarize each of the sections in this document concisely by outlining the:

- Problem or opportunity
- Solution alternatives
- Recommended Solution
- Implementation Approach.

2 Business Problem

2.1 Environmental Analysis (include Business Process as applicable)

Outline the core aspects of the business environment which have derived the need for this project to take place. These may include:

- Business Vision, Strategy or Objectives
- Business processes or technologies which are not operating efficiently
- New Competitor products or processes which have been identified
- New technology trends (or opportunities resulting from new technologies introduced)
- Commercial or operational trends which are driving changes in the business
- Changes to Statutory, legislative or other environmental requirements.

Provide any facts or evidence to support the conclusions drawn above.

2.2 Problem Analysis

Outline the fundamental business problem or opportunity which the resulting project will directly address.

Business Problem

Provide a summary of the core business problem, including:

- A generic description of the core issue to hand
- The reasons why the problem exists
- The elements which create it (e.g. human, process, technology)
- The impact it is having on the business (e.g. financial, cultural, operational)
- The timeframes within which it must be resolved.

Business Opportunity

Outline the business opportunity which has been identified, including:

- A summary of the generic opportunity



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- Any supporting evidence to prove that the opportunity is real
- A timeframe within which the opportunity will likely exist
- The positive impact that realization of the opportunity will have on the business.

3 Available Options

This section provides a full listing of all solution options, their benefits, costs, feasibility, risks and issues. Options suggested may include *doing nothing*, *doing something that will achieve a similar result* or *doing something that will achieve a better result* than current performance. Try to minimize the number of options available by conducting a detailed Feasibility Study beforehand. For each solution option identified, the following information is required:

3.1 Option 1 – [Option Name]

Description

Provide a summarized description of the option identified. This will include the general approach to be taken and a summary of the core elements of the solution (e.g. people, process, organization, technology).

Benefits, Goals and Measurement Criteria

Describe the tangible and intangible benefits to the company upon implementation of the solution. One of the obvious benefits described will be that the business problem / opportunity outlined above will be addressed. Complete the following table:

Category	Benefit	Value
Financial	<ul style="list-style-type: none"> • New revenue generated • Reduction in costs • Increased profit margin 	\$ x \$ x \$ x
Operational	<ul style="list-style-type: none"> • Improved operational efficiency • Reduction in product time to market • Enhanced quality of product / service 	x % x hrs x %
Market	<ul style="list-style-type: none"> • Increased market awareness • Greater market share • Additional competitive advantage 	x % x % Describe
Customer	<ul style="list-style-type: none"> • Improved customer satisfaction • Increased customer retention • Greater customer loyalty 	x % x % Describe
Staff	<ul style="list-style-type: none"> • Increased staff satisfaction • Improved organizational culture • Longer staff retention 	x % Describe x %



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NB: The benefits listed above are working examples only. All quantifiable benefits listed must be supported by current performance figures.

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Costs and Funding Plan

Describe the tangible and intangible costs to the company upon implementation of the solution. The costs of the actual project should be included (e.g. equipment procured) as well as any negative impact to the business resulting from the delivery of the project (e.g. operational down-time). Complete the following table:

Category	Cost	Value	Budgeted
People	• Salaries of project staff	\$ x	YES
	• Contractors / outsourced parties	\$ x	NO
	• Training courses	\$ x	YES
Physical	• Building premises for project team	\$ x	NO
	• Equipment and materials	\$ x	NO
	• Tools (computers, phones...)	\$ x	NO
Marketing	• Advertising / branding	\$ x	YES
	• Promotional materials	\$ x	NO
	• PR and communications	\$ x	NO
Organizational	• Operational down-time	\$ x	NO
	• Short-term loss in productivity	\$ x	NO
	• Cultural change	Describe	NO

NB: In addition, you may need to identify whether the cost item is a capital (CAPEX) or operational (OPEX) expenditure item. A separate spreadsheet showing an analysis of the cost equations may need to be attached as an appendix to this document if further information is likely to be required for approval.

Identify Funding Sources and Amounts:

Funding Source	Amount	Notes

Feasibility

Describe the feasibility of the solution. To adequately complete this section, a Feasibility Study may need to be initiated to quantify the likelihood of achieving the desired project result. To assess the overall feasibility of this option, break the solution down into components and rate the feasibility of each component in the following table:



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Component	Rating (1-10)	Method Used to Determine Feasibility
New Technology	5	A technology Prototype was created to assess the solution
New People	8	A survey was completed to identify skill-set availability
New Processes	3	Processes within similar organizations were reviewed
New Assets	9	Physical assets were inspected

To ensure that the feasibility ratings are accurate, use all appropriate methods possible to identify the likely feasibility of the solution. For example, if adopting new technology, develop a small prototype and test it to see if the resultant benefits match those expected from the exercise.

Risks

Summarizes the most apparent risks associated with the adoption of this solution. Risks are defined as “any event which may adversely affect the ability of the solution to produce the required deliverables”. Risks may be Strategic, Environmental, Financial, Operational, Technical, Industrial, Competitive or Customer related. Complete the following table:

Description	Likelihood	Impact	Mitigating Actions
Inability to recruit skilled resource	Low	Very High	Outsource project to a company with proven industry experience and appropriately skilled staff
Technology solution is unable to deliver required results	Medium	High	Complete a pilot project to prove the technology solution will deliver the required results
Additional capital expenditure may be required in addition to that approved	Medium	Medium	Maintain strict cost management processes during the project

To complete this section thoroughly, it may be necessary to undertake a formal Risk Assessment (by documenting a *Risk Management Plan*). To reduce the likelihood and impact of each risk's eventuating, clear 'mitigating actions' should be defined.

Issues

Summarize the highest priority issues associated with the adoption of this option. Issues are defined as “any event which currently adversely affects the ability of the solution to produce the required deliverables”. Complete the following table:

Description	Priority	Resolution Actions
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Required capital expenditure funds have not been budgeted	High	Request funding approval as part of this proposal
Required computer software is only at 'beta' phase and has not yet been released live	Medium	Design solution based on current software version and adapt changes to solution once the final version of the software has been released
Regulatory approval must be sought to implement the final solution	Low	Initiate the Regulatory approval process early so that it does not delay the final roll-out process.

Upon approval of the business case, each issue should be formally recorded and tracked, using an Issue Management Process, Forms and Register.



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Assumptions

List the major assumptions associated with the adoption of this option. Examples include:

- There will be no legislative, business strategy or policy changes during this project
- Prices of raw materials will not increase during the course of this project
- Additional human resource will be available from the business to support this project.

3.2 Option 2 – [Option Name]

Description

As defined above in Section 3.1.1

Benefits

As defined above in Section 3.1.2

Costs

As defined above in Section 3.1.3

Feasibility

As defined above in Section 3.1.4

Risks

As defined above in Section 3.1.5

Issues

As defined above in Section 3.1.6

Assumptions

As defined above in Section 3.1.7

4 Recommended Option

This section compares the key characteristics of each solution option and recommends a preferred solution option for implementation.

4.1 Option Rankings

Identify the criteria by which each of the solution options will be assessed. Then agree a rating mechanism for each criteria so that ratings can be added to determine a total score for each option. NB Ratings may be weighted to stress the importance of the criteria being assessed. Complete the following table:

Criteria	Option 1	Option 2	Option 3
Benefits <ul style="list-style-type: none"> Increased revenue Reduced expenditure Improved efficiency Enhanced quality Other 	[1-10 Rating]	[1-10 Rating]	[1-10 Rating]
Costs <ul style="list-style-type: none"> People Physical Marketing Organizational Other 			
Feasibility <ul style="list-style-type: none"> Technology components People components Process components Asset components Other 			
Risks <ul style="list-style-type: none"> Resourcing Technology Organizational Other 			
Total Score			

4.2 Option Recommended

Based primarily on the highest Total Score achieved above, list here the 'Recommended Option' for Business Case approval. Summarize the primary reasons why this option was chosen over the other options previously identified.

5 Implementation Approach

This section provides an overview of the general approach undertaken to deliver the preferred solution option and derive the resultant business benefits.

5.1 Project Initiation

Outline the method by which the project will be defined, the project team formulated and the project office established.

5.2 Project Planning

Define the overall planning process to ensure that the project phases, activities and tasks are undertaken in a co-coordinated fashion.

5.3 Project Execution

Identify the generic phases and activities required to complete the 'build' phase of the project.

5.4 Project Closure

List the generic steps necessary to release the deliverables to the business (once complete), close the project office, reallocate staff and perform a Post Implementation Review of the project.

5.5 Project Management

Describe in brief how the following aspects of the project will be managed:

- Time Management
- Cost Management
- Quality Management
- Change Management
- Risk Management
- Issue Management
- Procurement Management
- Communications Management
- Acceptance Management.
- Other artifacts as appropriate for the business case



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6 Appendix

6.1 Supporting Documentation

Attach any documentation you believe is relevant to the Business Case. For example:

- Problem / Opportunity research materials
- Feasibility Study research materials
- External quotes or tenders
- Detailed cost / benefit spreadsheets
- System requirements (if known)
- Other relevant information or correspondence.