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Business Case

[Subject/Project]

Revision Date:	MM/DD/YYYY
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Author:	[Author]
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Revision History


Date	Revision	Author	Changes
<MM/DD/YY>	1.0	[Author]	<Original document created>

Document Reviewers / Approvers

Name	Position	Reviewer	Reviewer and Approver	Signature of Approver	Sign-off Date
<Joe Smith>	<Business Executive>		X		
<James Underhill>	<Analysis Manager>	X			
<Mary Jane>	<Development Manager>	X			

<Note:

- *The text in blue and italic is for guidance only and should be deleted before the document is published.*
- *If any section of this document is not required for the project at hand it may delete it or its content replaced with "N/A".*
- *All tables and figure in the document will be automatically added to the tables and figures tables of content after they are given a caption.*
- *Go to "File/Properties" and on the "Summary" tab update the following fields to match your project:*
 - o *Title – replace the (Title) part of the title with the name of the use case described in this document;*
 - o *Subject – enter your project's name here;*
 - o *Author – enter your names or first initial followed by your last name;*
 - o *Company – enter your company's name.*
- *For the changes from the "Summary" tab to take effect select the all the text in the document and press F9.*
 - o *Repeat this in the header and footer areas of the document as well.*
 - o *If a message shows up after you've pressed F9, select the "Update entire*

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table" option.

- *After each update of the document make sure to increase the revision numbers and update the revision date manually on:*
 - o *The first page*
 - o *The document header*
 - o *In the revision table and to describe the changes>*

The business case should be signed by the key stakeholders. According to the BABOK ver. 1.6 the key stakeholders are:

- *Business executive sponsor of the proposed project*
- *Business process owner and business SME for the affected business area*
- *IT manager who is supporting the business area*
- *Senior project manager (PM)*

The document structure is based on BABOK ver.1.6 >


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"The BA collaborates with subject matter experts (the business sponsor, business representative(s) and IT management) to scope the proposed project, make time and cost estimates, quantify business benefits and prepare the business case."

"Develop the Business Case at the level of detail sufficient to demonstrate project viability and secure a go/no go decision for the initiative.">

1 Executive Summary

<Describe the business problem this project is initiated to solve. Briefly describe the project, including external behavior of the application or subsystem identified, business process changes and the functional and nonfunctional requirements.

Specify the purpose and the audience of this document. The audience is usually the stakeholders who sign the document.

BABOK ver. 1.6 Business Case Purpose

"The Business Case will ultimately be submitted to management as a basis to determine whether further investment in the project is warranted, i.e., funding for project initiation, planning and requirements elicitation, analysis and documentation. It is common business practice to require the discipline of Business Case development for large-scale initiatives. The Enterprise Analysis activities culminate in development of the Business Case to ensure that adequate information is presented for the portfolio management governance group to make the best investment decisions"

This section should not be longer than half a page.

May add a context diagram here.>


2 Introduction and Summary

2.1 Project Rationale for Preferred Option

<Explain why the project is initiated and the preferred option has been chosen.>

2.2 Current Business Process

<Describe the current as-is business process. May be combined with the Description of the Problem section.>

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2.3 Description of the Problem

<Describe in more details than used in the Executive summary. Identify the problems in the current business process that lead to the project initiation. May be combined with the Current Business Process section>

2.4 Opportunity

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"...information about the opportunity in terms of the market trends, competitive environment and expected market penetration if a feasibility study is not available to provide this context information"

Many times the opportunity is related to the problem at hand and the current business process.>

2.5 Project Objectives

<List and describe the business goals and objectives the project will satisfy.>

2.6 Project Scope

<As identified >

2.7 Business Benefits

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"The Business Case also includes qualitative and quantitative benefits, estimates of cost and time to breakeven, profit expectations, follow-on opportunities, etc. The Business Case may present expected cash flow consequences of the action, over time, and the methods and rationale that were used for quantifying benefits and costs. This provides a framework to demonstrate how the initiative is expected to achieve business objectives"


"Identify and Quantify the Benefits

Measure the benefits of the recommended solution in terms of both qualitative and quantitative gains to the enterprises. Where possible, benefits should be quantified, however, benefits of a non-financial nature are also identified. Ideally, benefit estimates should relate back to strategic goals and elements of the balanced scorecard."

"The Business Case may also include a plan for benefit measurement and reporting, including where realignment of internal measures or systems is needed to ensure that the behaviors we are seeking can be seen, evaluated, and realized."

Sample business benefits:

- be first on the market with such a product/service*
- increase revenue by XX % in X number of years*

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- decrease the service delivery time/ the XXXXX turnaround
- service more clients per day/month
- etc.

Usually the business benefits are related to the company goals, objectives and policy.>

2.8 Project Costs

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"Identify and Quantify the Costs

Estimate the total net cost of the solution. This requires estimates to be made of capital expenditures for the new investment, costs of developing and implementing the change, opportunity costs of not investing in other options, costs related to changing the work and practices of the organization, total cost of ownership to support the new solution and consequential costs borne by others.

It is a difficult endeavor to prepare cost estimates for IT projects during pre-project Enterprise Analysis activities, when only very high level planning and requirements definition has occurred. Since the decision is made to invest in projects at this early point, there is a strong desire on the part of senior management to have cost estimates fixed at this point in time. The desire for fixed cost estimates, however, is not supported by the reality of most IT projects. By their nature, IT projects have a higher level of uncertainty, and require a greater investment in defining the solution before costs and benefits can be articulated with a high level of confidence. At this point, the accuracy of the cost estimates is used to help confirm the viability of the proposed new project."

Sample costs to consider (for software development project) to determine the total cost of ownership (TCO):


- Development/enhancement/customization costs
- Testing, QA costs
- Employee training on the new/upgraded product costs – time, materials, preparation and execution costs
- User/client training on the new/upgraded product costs– time, materials, preparation and execution costs
- Hardware purchased for development
- System/application support per year – time, materials, preparation and execution costs
- Marketing and sales training and expenses both initial and ongoing
- Etc.>

2.9 Assumptions

<List any assumptions made and known at the moment.

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"The business defines assumptions regarding how benefits will be apportioned; particularly in situations (increased revenue being the most common) where a change in what is being measured cannot always be fully attributed to one project alone."

Both business and technical assumptions are to be listed. For the business assumptions contact the manager of the business area affected by the project for the technical ones contact the IT department head or SMEs.>

2.10 Potential Business and Staff Impact Analysis

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"The Business Case also discusses the impact of the proposed change initiative on the business operations, as well as on the technology infrastructure."

Describe both the positive and negative business and staff impact: hiring, realignment, etc. This must be discussed with the manager of the business area affected by the project. >

2.11 Potential Technology Impact Analysis

<BABOK ver.1.6

"The Business Case also discusses the impact of the proposed change initiative on the business operations, as well as on the technology infrastructure."

The technology impact is usually related to the purchase, replacement or upgrade of hardware, databases, and infrastructure. The technical aspect must be discussed in details with the IT department head and the costs with the Manager of the business area affected.

For example if this is the first system that must be available 24x7this will require a lot of additional hardware to support its uninterrupted operations and may lead to changes in the hardware used for some of the existing systems.>


2.12 Other Issues

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"In addition, the Business Case lists the constraints associated with the proposed project, along with the estimated budget, and alignment with priorities established by the business.">

2.13 Implementation Plan

<Describe at very high level, how the project will be implemented. Include number of phases, high level deliverables and their current target dates, personnel required for each phase, project structure, etc. This is not a project plan. The project plan will be created by the project manager once the project is given a green light. This information will be used by the portfolio management team (project governance group) to determine whether to invest in the proposed new initiative.>

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3 Approach

3.1 Financial Metrics

<Describe the financial metrics used for solution and alternatives evaluation.

-Cost-benefit analysis

-strengths, weaknesses, opportunities and threats (SWOT) analysis

-etc.

You may add a table like the one below for each solution and alternative evaluated.


Table 1: Solution 1 – Payback Period

Solution 1	Year 0	Year 1	Year 2	Year 3
Benefits:				
Expected Revenue	\$	\$	\$	\$
Costs:				
Analysis	\$	\$	\$	\$
Design	\$	\$	\$	\$
Implementation	\$	\$	\$	\$
Maintenance & Support:				
Personnel	\$	\$	\$	\$
Software/Hardware	\$	\$	\$	\$
Accumulated Benefits – Accumulated Costs	\$	\$	\$	\$
Pay off Year:			X	

>

3.2 Privacy Impact Assessment

<Describe the impact on client or employee privacy of every solution and alternative evaluated. >

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3.3 Alternative Evaluation Criterion

<Describe any alternative evaluation criteria applied.>

4 Key Selection Criterion

<Describe the selection criteria applied when evaluating the solutions and alternatives.>

4.1 Weighting

<Describe the system used to weight the results from the evaluation of all the solutions and alternatives.>

4.2 Constraints and Limitations

<Describe any constraints or limitations that came up and were considered during the evaluation of the solutions and alternatives.>

5 Preferred Alternative (Insert Title)

<Describe the preferred solution. Document the reason for its selection.>

6 Referenced Documents

<For every referenced document provide the following information:

- Sequence number in the list – the document will be referenced through out this document by that number*
- Full correct name, document version, and full correct location – if possible the name could also be a link..*

Then reference the document number from this section in the document above using "Insert/Reference/Cross-Reference" as this will create a hyperlink from the document text to this list of documents.

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"- Strategic Plan/ Goals/Objectives

- Business Problem/ Opportunity Definition

- Business Architecture Artifacts

- Business Feasibility Study

- Proposed Project Scope Definition">