**[Company Logo]**

**Business Case**

**Project Name:**

**Project ID:**

**Project Sponsor:**

**Project Manager:**

**Business Analyst:**

**Date:**

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## Executive Summary

The Executive Summary will be written last but read first. Some stakeholders will only read this section of the case, so ensure that all pertinent information is succinctly included here.

## Introduction

## **Subject**

### The Introduction will provide an overview of the project, the current state of the problem and the resulting opportunity. It should include the following:

### Describe how the project will take advantage of an opportunity or meet a challenge that is directly related to the fundamental mission of the organization or department;

### Explain how the proposed solution will provide better service to the customers of Scottrade or solve a standing problem that the organization or department is experiencing;

### Describe the competitive environment (i.e., what other financial institutions or discount brokerages are doing).

## **Background**

This section should include a brief description of the business problem or opportunity that the project is trying to address.

Examples of general business problems are:

* Not meeting service level expectations
* Escalating service costs
* Change in business requirements
* Change in legislation or other mandates
* Inefficient business processes

Examples of general business opportunities are:

* Potential of increasing revenues
* Potential of decreasing expenses
* New Product Line
* Functionality that gives the organization the competitive edge

## **Scope & Boundaries**

* Time
* Budget
* Organizational (*preliminary outline of business groups in scope)*
* Functional (*a summary of all the modules (components) and sub modules of the package that will be implemented )*
* Geographical (*outline of business locations and geographic sties in scope)*

Note what falls outside the scope (boundary) of this project? What specifically will NOT change or NOT be included in this project? May indicate whether items are targeted for a future phase or release. Examples of out of scope statements: No items were identified as out of scope. OR This project will affect web-based purchasing platforms only; all other platforms are out of scope.

## Assumptions & Methods

## **Financial Metrics**

Describe to the readers on what types of measures you have based your case. These may include:

* Net cash flow
* Net present value
* Payback period
* Return on investment
* Discounted cash flow
* Internal rate of return
* Total cost of ownership
* Return on Assets
* Price/performance ratio
* Cost per transaction
* Cost per employee
* Cost per customer

Also describe how the measures will be used in the case.

## **Assumptions**

List all assumptions for which you cannot take for granted that a reader would automatically make the same assumption. Assumptions could be predictions about rates of return, prices, volume, revenue, costs, or interest rates, to name a few. You can also make assumptions about average costs or salaries (i.e. rather than spelling out the exact salary for every person in a department, you average their salaries per person).

## **Constraints**

Define the constraints that dictate project planning. Constraints are factors that may limit the project management team’s options such as budget, timeframes, and resources.

## **Scenarios**

Scenarios are used to compare a “Business As Usual” approach to various alternative approaches to your objectives. For instance, you may outline two different software solutions, along with what it costs to continue “as is” without the software acquisition.

## **Full & Incremental Values**

Document whether you will be using “full values” – i.e. the data uses the entire values of costs and benefits, or “incremental values” – i.e. the data shows only the difference between the full values for each scenario. It is important that full and incremental values are not used interchangeably, as this will not only be confusing, it will likely be inaccurate.

## **Data Sources & Methods**

Describe all data sources and methods that are being used, especially when you know that the audience will not know decidedly how the data was gathered or developed.

## Business Impacts

## **Cash Flow Statement**

The cash flow statement is the pivotal part of the business case. Include the cash inflows and outflows for each scenario. *Example:*

|  |  |  |
| --- | --- | --- |
|  | **Scenario 1** | **Scenario 2** |
|  | **New CRM System ABC** | **Business As Usual** |
|  | Year 1 | Year 2 | Year 3 | Total | Year 1 | Year 2 | Year 3 | Total |
| **COSTS** |  |  |  |  |  |  |  |  |
| Investment Amount |  |  |  |  |  |  |  |  |
|  Non PC Hardware/Software |  |  |  |  |  |  |  |  |
|  PC Hardware/Software |  |  |  |  |  |  |  |  |
|  Telecommunications Hardware/Software |  |  |  |  |  |  |  |  |
|  **Total Investment Amount** |  |  |  |  |  |  |  |  |
| Initial Costs |  |  |  |  |  |  |  |  |
|  Salaries |  |  |  |  |  |  |  |  |
|  Training |  |  |  |  |  |  |  |  |
|  Consulting |  |  |  |  |  |  |  |  |
|  Other Costs |  |  |  |  |  |  |  |  |
|  **Total Initial Costs** |  |  |  |  |  |  |  |  |
| Annual Costs |  |  |  |  |  |  |  |  |
|  Operational  |  |  |  |  |  |  |  |  |
|  Support |  |  |  |  |  |  |  |  |
|  Maintenance |  |  |  |  |  |  |  |  |
|  Consulting |  |  |  |  |  |  |  |  |
|  Depreciation |  |  |  |  |  |  |  |  |
|  **Total Annual Costs** |  |  |  |  |  |  |  |  |
|  **Total Costs** |  |  |  |  |  |  |  |  |
| **BENEFITS** |  |  |  |  |  |  |  |  |
| Initial Benefits |  |  |  |  |  |  |  |  |
|  **Total Initial Benefits** |  |  |  |  |  |  |  |  |
| Annual Benefits |  |  |  |  |  |  |  |  |
|  Operational  |  |  |  |  |  |  |  |  |
|  New Business |  |  |  |  |  |  |  |  |
|  **Total Annual Benefits** |  |  |  |  |  |  |  |  |
|  **Total Benefits** |  |  |  |  |  |  |  |  |
| Savings in FTE Headcount |  |  |  |  |  |  |  |  |
| Pretax affect on Income |  |  |  |  |  |  |  |  |
|  Taxes |  |  |  |  |  |  |  |  |
|  After Tax |  |  |  |  |  |  |  |  |
|  Add Back Non-Cash Expenses |  |  |  |  |  |  |  |  |
| ***Cash Flow Including Investment Amount*** |  |  |  |  |  |  |  |  |
| **NPV** |  |  |  |  |  |  |  |  |
| **ROI** |  |  |  |  |  |  |  |  |
| **IRR** |  |  |  |  |  |  |  |  |

## **Project Benefits**

In this section, use the data presented in the Cash Flow Statement to summarize and analyze the results. You can show a summarized cash flow statement for each scenario, highlighting the main points, and removing the details. Highlight the areas of the business to which you want your audience to pay special attention. Use charts and graphs to highlight these items more effectively. Identify Benefits that will help clarify the success of this project. The benefits should support the organizational goals and objectives.

## **Critical Success Factors**

Critical Success Factors (CSFs) define key areas of performance that are critical to the success of the project deliverables and support the organization in its’ strategic objectives. The CSFs could be driven specifically by the project or could be driven by the overall goals of the business.

## **Impact Assessment**

Impact Assessment Section is to provide the reader with a list of all potential business, operational, and technical impacts.

## **Risk Assessment**

To further increase the validity of your business case, include sensitivity analysis, risk analysis and contingency plans in your report. In these scenarios, you outline what will happen to your business case if the values you assumed in your Assumptions & Methods are different. Ensure that you divide the sensitivities and risks by those that are in and out of your immediate control. Risk analysis is useful because it allows you to determine probabilities of your predictions, which will be welcomed by senior management.

## Conclusion and Recommendations

Ensure that you conclusion touches on the business objectives, outlines all of the decision criteria included, and explicitly states the results and findings. Recommendations must be concise, but should formally outline how you think the organization should proceed.

## Approval

|  |  |  |
| --- | --- | --- |
| **Name** | **Title** | **Date** |
|  | Executive Sponsor |  |
|  | Business Sponsor / Functional Manager |  |
|  | Director PMO |  |
|  | … |  |