### Business Case Template

*The business case provides a close look at an enterprise or organizations proposed initiatives. Business cases must show how that the enterprise or organization will get a return on their investments (ROI). Note header and footer can be updated with confidentiality statement and version information. For organizations implementing more adaptive approaches, the business case and project charter may take a briefer “one-page” format.*

**Business Case**

{Initiative Name}

Presented to {Steering Committee or Board}

Present by {Submitting Organization}

{Date of Submission}

{Version 0.1 DRAFT}

|  |
| --- |
| Prepared By \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Dated: \_\_\_\_\_\_\_\_\_\_  For acceptance {Document Owner and Contact Info} |
| Accepted By\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Dated:\_\_\_\_\_\_\_\_\_\_  For Version {Version #} } Sponsor and Contact Info} |

[Table of Contents]

Revision History

| **Date** | **Revision** | **Author** | **Changes** |
| --- | --- | --- | --- |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

Document Reviewers / Approvers

| **Name** | **Position** | **Reviewer or Approver?** | **Signature of Approver** | **Version Reviewed** | **Sign-off Date** |
| --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |

# Executive Summary

*<Most people will only read the executive summary. It should summarize the document and be able to stand alone as a logical, clear and concise summary of the points within the document. Write this section last.*

*The Executive Summary should be a summary of findings and focus on the reasons behind the recommended go forward approach. The writer should consider the audience. Include a statement of the business need, relationship to strategic goals and initiatives, summary of options, costs, benefits and finally the recommendations. Do not include assumptions, analysis, reasoning or details.>*

## Introduction/Background

*<Keep this section as brief as possible. The intent is to put the situation into perspective for the reader. A brief statement to introduce the business problem. Past and current information to set the stage for the reason for developing the Business Case at this time.>*

## Overview

*<Keep this section very short. Initiative title (long and short names). Initiative objective. Description of the product, service or other solution that is expected to deliver. Organizational objectives. Relationship between this initiative and the corporate strategy.>*

# Business Case

*<This section focuses on the reasons why resources were assigned to do the business case. Describe the purpose of the business case (e.g. business need, obtain go forward approval, obtain funding). Describe the sponsor of the business case development. Describe the intended audience.>*

## Problem / Opportunity Statement

*<This section is where details are presented. Results of analyses may be included in the appendix and referenced in this section. The problem statement must meet expectations of business case stakeholders. Provide a very clear statement of the Problem. Description of the relevant internal and external factors. Assessment of how the business needs are currently being met, or not. Analysis of the gap between the current situation and the stated objective(s). Initial priorities expectations.>*

## Assumptions and Constraints

*<This section includes all assumptions made prior to and during the business case development process. Other sources of assumptions may include: proposal brief, strategic planning documents, service management contracts and relevant vendor proposals. List of assumptions and constraints organized in relevant categories>*

## Analysis of Options

*<This section reflects a high-level analysis of possible alternatives that could be employed to bridge the gap between the current situations and proposed. This section is usually somewhat subjective. The degree of analysis should reflect the significance of the decision and expectations of decision makers. Identification of options should include a minimum of: 1) do nothing, 2) option that achieves the results, 3) the preferred option. Comparison of options includes method of analysis with appendices showing details, e.g. the decision criteria and scoring of each option displayed in a table. Ways of how results were assessed, and a detailed risk analysis are also included as appendices.>*

## 

## Benefit/Cost/Risk Analysis

*<This section details the* ***recommended option*** *only and the level of detail is dependent upon the expectations of the sponsor. Include the benefits, one-time costs, direct costs, recurrent costs, total cost of ownership, increased revenues, decreased expenses, asset conversions, and the major risks and the cost of risk minimization. Costs include risk and quality management costs.>*

## Implementation Strategy

*<This information forms the basis for the project and clearly defines the project scope based on the recommended solution.*

*Include an approach roadmap and implementation strategy (break into smaller projects or address as one project?). Include any known constraints on the timeline of deliverables and targeted outcomes, involvement of key stakeholders, related projects/initiatives impacting implementation, organizational impacts, risks affecting the approach, resource availability (internal or external), recommended methodologies for solution development and delivery.>*

## Glossary and Appendices

*<Use this section to help the document flow better by putting detailed analysis of options into the appendices. List of terms and acronyms used throughout the document may be included as an appendix.>*

## Net Present Value Analysis – Option 1

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **BALANCE SHEET** | **Year 0** | **Year 1** | **Year 2** | **Year 3** |
| *Capitalized Expenditures* |  |  |  |  |
| **INCOME STATEMENT** |  |  |  |  |
| *Revenues* |  |  |  |  |
| * Cost of Sales |  |  |  |  |
| * *Gross Margin* |  |  |  |  |
| * Operating Expenses |  |  |  |  |
| * Depreciation |  |  |  |  |
| * Operating Income |  |  |  |  |
| * Taxes |  |  |  |  |
| * *Net Income* |  |  |  |  |
| **STATEMENT OF CASH FLOWS** |  |  |  |  |
| * Net Income |  |  |  |  |
| * Plus: Depreciation |  |  |  |  |
| * Net Cash Flows |  |  |  |  |
| * Discount Factor (@ 8% rate) |  |  |  |  |
| * Discounted Cash Flows |  |  |  |  |
|  |  |  |  |  |
| **NET PRESENT VALUE** |  |  |  |  |

## Net Present Value Analysis – Option 2

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **BALANCE SHEET** | **Year 0** | **Year 1** | **Year 2** | **Year 3** |
| *Capitalized Expenditures* |  |  |  |  |
| **INCOME STATEMENT** |  |  |  |  |
| *Revenues* |  |  |  |  |
| * Cost of Sales |  |  |  |  |
| * *Gross Margin* |  |  |  |  |
| * Operating Expenses |  |  |  |  |
| * Depreciation |  |  |  |  |
| * Operating Income |  |  |  |  |
| * Taxes |  |  |  |  |
| * *Net Income* |  |  |  |  |
| **STATEMENT OF CASH FLOWS** |  |  |  |  |
| * Net Income |  |  |  |  |
| * Plus: Depreciation |  |  |  |  |
| * Net Cash Flows |  |  |  |  |
| * Discount Factor (@ 8% rate) |  |  |  |  |
| * Discounted Cash Flows |  |  |  |  |
|  |  |  |  |  |
| **NET PRESENT VALUE** |  |  |  |  |

## Risk Management Plan – Option 1

1. (Column A) Identify the risk
2. (Column B&C&D&E) Assess the impact, quantify the weight of the impact, quantify the probability, calculate the severity
3. (Column F) Determine response options and list recommended actions - consider Avoid, Mitigate, Transfer, Accept or if a contingency may be needed depending on impact

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Risk  (Column A) | Why it is a risk and what is the impact if realized?  (Column B) | Impact (1-5)  (Column C) | Probability (1-5)  (Column D) | Severity  (prob X Impact)  (Column E) | Communication Action  Or Additional Controls Needed  (Column F) |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |

## Risk Management Plan – Option 2

1. (Column A) Identify the risk
2. (Column B&C&D&E) Assess the impact, quantify the weight of the impact, quantify the probability, calculate the severity
3. (Column F) Determine response options and list recommended actions - consider Avoid, Mitigate, Transfer, Accept or if a contingency may be needed depending on impact

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Risk  (Column A) | Why it is a risk and what is the impact if realized?  (Column B) | Impact (1-5)  (Column C) | Probability (1-5)  (Column D) | Severity  (prob X Impact)  (Column E) | Communication Action  Or Additional Controls Needed  (Column F) |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |