Project Business Case

Checklist

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Be More Persuasive & Set The Project Up For Success

1 Summary

2 Goals & Timelines

3 Benefits Created

4 Context

5 Options Considered

6 Resources

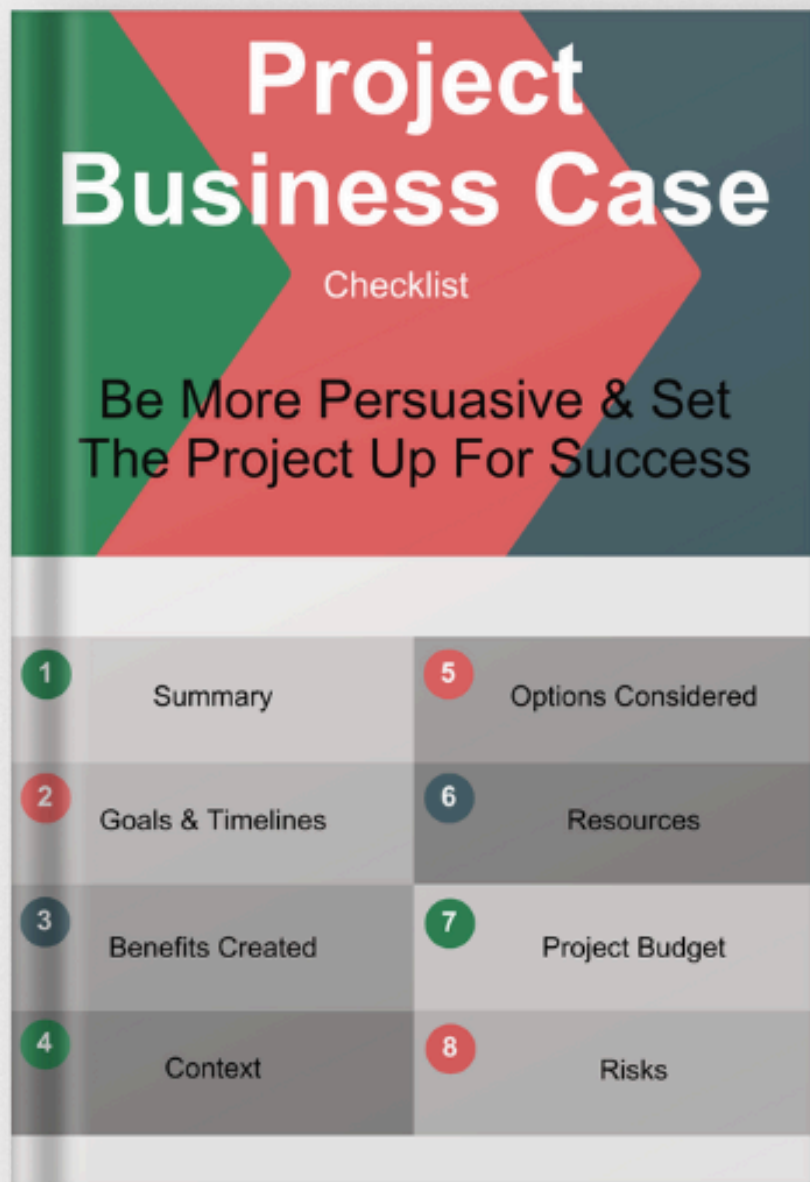7 Project Budget

8 Risks

There are lots of different ways of presenting your project business case, depending on the type of project you want to undertake. I would suggest that you include each of these sections:

1 - Summary

Include all the key information:

1. Project Goals / Objectives
2. Benefits for the business
3. Return on Investment
4. Timeline and milestones
5. Key Project Risks & their mitigations
6. Key resources needed and when

The summary should be self-contained, concise and be easy to understand

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2 – Goals / Objectives

Include the key 1-5 goals or objectives for the project. These should be the goals that:

1. Create the most value for the business – increasing benefits or reducing pain points

2. Are measurable

3. Are aligned with the wider business strategy and direction (or your clients)

4. Carefully consider the timelines and resources available to achieve the goals

5. Be SMART goals (specific, measurable, achievable, realistic, timebound)

Project needs to achieve one or more of these outcomes (for your business or your clients):

1. Increased Revenue
2. Reduced Costs
3. Saved Time
4. Improved Processes
5. Increased Efficiency
6. Reduced Risk
7. Pleased customers

[3-7 all indirectly impact 1-2]

3 - Benefits

List the benefits created by implementing the project split into two categories:

A – for key stakeholders (individuals or teams)

These should be targeted at the needs and wants of the key stakeholders who will sign off your project. When you are helping them directly (or indirectly), getting signoff will be much easier.

Link the benefits directly to them. Make this link clear. You have to answer the "what is in it for them"

B – for the business

How does the project create benefit for the business overall – talk to the 7 outcomes listed in the goals section.

The project must increase revenue or reduce costs or both. The financial benefits must be quantified as realistically as possible.

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Benefits are usually tangible or intangible.

Examples of **Tangible Benefits** (these can be quantified and use numbers)

1.Saved time translated into costs saved i.e. 30 man days saved each month, or £6,000 per month

2.Costs saved i.e. IT system reduces headcount by 8, or circa £300k per year

3 - Benefits   (continued)

Examples of **Intangible Benefits** (these are hard to put numbers to without a lot of assumptions)

1. Staff motivation Less tedious admin tasks, more time spent on higher value adding areas which are more interesting to do, which indirectly increases profit

2. Customer satisfaction Improving user experience on the website leading to higher conversions

Translate as much as possible of the benefits into financial upsides to the business. Where you are making assumptions, list these out (in this section or an appendix). Clear assumptions give you a much stronger negotiating position than unclear assumptions.

4 - Context

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Always include the context of the project business case.

Explain why:

    1. the business needs the change proposed

    2. why the benefits will be gained, or risks avoided.

Be realistic with this section and be prepared to answer questions about alternative courses of action.

Contrast the current state with the future state

Describe the problems currently being encountered (internally or externally) and the impact on:

    1. Revenue and Costs

    2. The human aspects - team motivation, retention, happiness etc

Describe the future state after the project is implemented in financial and human terms.

5 - Options

Including the options you have consider and discarded adds depth to your business case and just as importantly reduces the questions and challenges you get from those signing off the project.
Include options that are:

> 1. Practical and realistic (given where the company is, budget, resources, etc)
>
> 2. That are likely to be suggested by key stakeholders or those signing off your project

Always explain why you have considered these options and why you have discarded them for the recommended option.

Think in terms of the preferred option being:

> 1. cheaper,
> 2. quicker,
> 3. more comprehensive,
> 4. easier to implement,
> 5. delivers against needs better,
> 6. lower risk
> 7. etc

Your preferred option should clearly be a better choice for on as many measures as possible.

Don't downplay the benefits of the other options unrealistically. Trust in you and your credibility are very important to protect!

6 - Resources

Including the key resources is about:

1. Proving that the project can realistically be implemented

2. Setting expectations within the business about what resources are needed and when

3. Setting out the assumptions which need to be met to deliver the goals in the timeframes specified

You cannot promise to hit goals in a given timeframe without specifying the resources needed. Each are critical components. Changing one impacts the others.

Do not write a business case without including the key resources needed.

Common resources for projects include:

1. Staff members (skills and capacity)
2. Budget
3. Physical components (machines, production, components, ingredients etc)
4. Software components (systems, interfaces, coding etc)
5. Suppliers – either services or goods or both
6. Information and access to it

There are too many potential resources to list fully. Think carefully about what your project needs.

7 - Budget

In this section, list out what it will cost the business to deliver the goals or outcomes of the project. Translate all the elements of the project and its resources into financial costs.

Internally seconded staff are a cost to the business (they could be doing something else). Take their salary and on-costs and then divide by 260 to get a day rate to use in your budgeting.

Most other items are being purchased and suppliers will provide an estimate (and later an invoice)

Return on investment

Your project needs to have a clear return on investment (ROI) for the business to get approval. ROI of 2-3 times or more is fairly compelling (for most businesses). [i.e. Benefits are 2-3 times the costs].

The lower the risks in successfully implementing the project, the lower the acceptable ROI and vice versa.

Be realistic on your ROIs and expect a lot of questions and challenges in this area.

8 - Risks

List out all the key project risks the business is likely to face by undertaking and not undertaking the project.

Think through what could go wrong and why it might go wrong. Look at your list of assumptions and check how changing them impacts project success.

The most common reason for increased costs on a project come from delays. Delays can be caused by all sort of issues, some of the common ones being:

1. Bad planning
2. Project resources being diverted elsewhere
3. Suppliers not delivering on time
4. Scope creep
5. Project team turnover (staff leaving)

There may be lots of other types of risks specific to your project. Make the time to think of what could go wrong and why.

Also list out the risks of not undertaking the project. Some of the common risks are:

1. Becoming increasingly inefficient as the company grows in size
2. Scalability is reduced or becomes too expensive
3. Competitors will win greater market share
4. Staff become unhappy, increasing staff turnover and cost
5. ....

Most businesses need to constantly strive to deliver a better product or service to their customers while reducing the costs of providing it.

Start thinking about how you can mitigate, reduce or avoid these risks and include these in your project business case.

Appendix

Put into the appendix the details, calculations, assumptions etc. Keep the main project business case easy and quick to read and understand.

Use the appendix to provide greater levels of detail with the purpose of:

1. Reducing questions & challenge (because you have already answered them)
2. Increasing confidence and trust