

# Business Case

An example and explanation of a  
business case

Version 1.0

## Document Version History

Version	Change Description	Changed By	Date
1.0	Draft	Swapnil Wale	19/06/2017

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## Introduction –

A good Business Case explains to a company's executive board why they should authorize a new project. It outlines the current problem the company is facing and its impact, explains the proposed solution and the benefit it will entail and performs a cost benefit analysis. It may also present alternative solutions, and their benefits.

Based on the business case the stakeholders check whether the proposed project aligns with the company's strategy, and then approve / deny it. The scope of the business case document differs from company to company, and the rule-of-thumb is that the larger the company, the larger the scope.

The following section presents the template and example of a business case for implementing the SAP system in a company. The **black** font is the template, while the **blue** font is the example.

## Template with Example –

### 1. Executive Summary –

This section is usually a one page summation of the entire document, and presents the bottom line to the stakeholders. The rest of the document allows them to drill down into the details for further explanations. This section is usually written last.

**This business case describes how the new SAP system will transform our company from a holdings company to a global one.**

#### 1.1. The Issue –

This section briefly describes what the problem is (but not the solution).

**Due to the recent expansion which occurred by our acquisitions in 8 different countries, we now work with 3 different ERP (Enterprise Resource Planning) systems. The result is that we don't have a common computer language in the company, and this prevents us from using our global presence to receive bulk discounts, lower logistical expenses and shipment tariffs.**

#### 1.2. The Outcome –

This section outlines the expected outcome and the business benefit.

**Transferring to one ERP system will allow our company to implement standard processes, methodologies and systems. This will result in lower expenses, less**

interfaces between the systems and the ability to measure our company as a whole and not each branch on its own.

### 1.3.The recommendation –

In this section the approach to solving the business problem is explained.

The approach described in the business case explains how we will meet our objective of continuously improving our efficiency, reducing costs and capitalizing on our global presence. Some of the ways which implementing the SAP system in our company will achieve these goals are –

- All our branches will have visibility regarding orders of materials, thus reducing shipping costs and receiving discounts for ordering in bulk.
- We will be able to transfer employees from one branch to another quite easily, since all of them will work with the same processes and systems.
- HQ will be able to measure the company as a whole, and not just each branch on its own.
- The system comes with a BI (**B**usiness **I**ntelligence) system, which allows the branch management to easily pinpoint bottlenecks and red flags.

### 2. Business Case Analysis Team –

This table contains the team members who put the business case together.

Role	Name	E-mail	Telephone #
Project Manager	Mary Adams	<a href="mailto:Dod@example.com">Dod@example.com</a>	+1-2255-1465-227
Business Analyst/Product owner	Henry Mba	<a href="mailto:mlchoi@example.com">mlchoi@example.com</a>	+420-155-4789-226
Project Sponsor	David Ageba	<a href="mailto:krach@example.com">krach@example.com</a>	+44-248-367-1186
Subject matter expert	Ikinata Adesanya	<a href="mailto:sap@example.com">sap@example.com</a>	+972-54-6697-020
Finance Manager	Idris Adu	<a href="mailto:ada@example.com">ada@example.com</a>	+91-0023-556-789

### 3. Project Overview –

This section describes the project in more detail, and includes all the information required to make a go / no-go decision. It includes the goals, assumptions, performance, constraints and major milestones of the project.

#### 3.1.Goals –

All the business goals and their description ore outlined in the table below.

#	Business Goal	Description
1	To have additional course page (Data science) on the ACUK's website	The integration of Data science course page, will provide a comprehensive and accessible learning experience.
2	To add additional course materials (Data science) to the ACUK's website	The addition of Data science course to the website, will enable an organised means of potential student viewing the courses on the website.
3	To help students easily access course materials for self-paced learning and research purposes	Easy access to Data science learning materials, will allow students get materials to prepare ahead of class, encourage self-paced learning and research.
4	To increase enrolment of potential students	The visibility of the Data science course information on the website will help potential students have a view on what Data science is about, which will in turn, lead to high enrolment
5	To develop a centralized learning system	Having a centralized learning system will eliminate the use of whatsapp and google and help organize a streamlined experience (Live learning, videos and documents) for students on the The Hub.

#### 3.2.Performance –

This section aims at ascertaining whether the project succeeded in its objectives by outlining the business measurement which will be used to gauge the goals.

#	Process / Service	Measurement
1	Enrolment	The new system will lead to 95% increase of potential students enrolment
2	Reduce registration time	The new system will reduce registration time by 50%
3	Easy access to materials on the hub	The new system will help students gain access to materials by 100%

### 3.3.Assumptions –

This section outlines the high level assumptions of the proposed project. This list will most likely grow if the project is approved.

- There will be a 3 week training effort throughout the company on using the new system
- Funding for the licenses and hardware is available
- Major stakeholders will support and drive this project forward
- No system customization will be required

### 3.4.Constraints –

This section outlines the constraints which may hinder the successful implementation of the proposed project. This list will most likely grow if the project is approved.

- The project will be carried out internally, and no 3<sup>rd</sup> party vendors will assist
- 5 new temporary positions will be opened for the sake of this project
- Phasing out the legacy systems will be met by opposition by the unions

### 3.5.Major Milestones –

This section presents the major milestones of the project and their deadline dates. This list will grow if the project is approved.

#	MMS	Due Date
1	Approval of the Project	14-Jul-2017
2	Project Kick off	17-Jul-2017
3	Blueprint complete	10-Nov-2017
4	System build phase complete	05-Feb-2018
5	System implemented in pilot branch	09-May-2018
6	System implemented in entire company	11-Sep-2018

#### 4. Cost Benefit Analysis –

This section is the heart of the business case, and presents its bottom line. Based on this analysis the stakeholders usually approve / deny the go-ahead. It describes the costs and financial benefits (savings) of the project. Of course the desired outcome is that the savings will be more than the costs, but this isn't necessarily a must (especially in strategic costs). Some of the savings are periodic, while some are one-time only.

The following table describes the net savings for the first year of using the new system –

#	Action	Type	Description	First Year Costs
1	Purchase 3 servers	Cost	The new system requires an upgrade of the servers	\$40,000
2	Purchase 35 SAP Licenses	Cost	Each year we will need to pay for ~35 licenses for the users. This may grow as the company expands	\$30,000
3	Reduce HQ staffing	Savings	The new system will allow to reduce 7 employees	-\$35,000
4	Reduce Maintenance	Savings	The new standard system will no longer require specialized knowledge which is available through experts	-\$28,000
5	Reduce Purchasing Costs	Savings	The new purchasing processes and bulk discounts	-\$15,000
<b>Net First Year Savings</b>				<b>\$8,000</b>

Bottom Line: The above table comes to the conclusion that the first year of the new system will save our company \$8,000.

#### 5. Approvals –

This section requires the approvers to sign their names.



#	Approver Name	Title	Signature	Date
1	John Fesic	President		
2	Kate Mulgrew	CEO		
3	D.B. Penipacker	CFO		