# How To Write the Perfect Business Case



Why do too many projects fail to deliver their objectives even though project management best practices appear to be used? Project management is naturally complicated, but it can be disastrous if you don’t have sufficient buy-in from the right parties. Writing a strong and complete business case can make all the difference.

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**In this how-to guide you will discover,**

* [**What is a business case?**](https://business.adobe.com/blog/basics/business-case#what-is-a-business-case)
* [**Why you need a business case**](https://business.adobe.com/blog/basics/business-case#why-you-need-a-business-case)
* [**Is the project worth doing?**](https://business.adobe.com/blog/basics/business-case#is-the-project-worth-doing)
* [**When to use a business case**](https://business.adobe.com/blog/basics/business-case#when-to-use-a-business-case)
* [**How to write a business case**](https://business.adobe.com/blog/basics/business-case#how-to-write-a-business-case)
* [**The business case template**](https://business.adobe.com/blog/basics/business-case#the-business-case-template)
* [**A business case example**](https://business.adobe.com/blog/basics/business-case#a-business-case-example)
* [**1. The Executive Summary**](https://business.adobe.com/blog/basics/business-case#the-executive-summary)
* [**2. The Finance Section**](https://business.adobe.com/blog/basics/business-case#the-finance-section)
* [**3. The Project Definition**](https://business.adobe.com/blog/basics/business-case#the-project-definition)
* [**4. Project Organization**](https://business.adobe.com/blog/basics/business-case#project-organization-1)
* [**Managing the business case**](https://business.adobe.com/blog/basics/business-case#managing-the-business-case)
* [**Making the case**](https://business.adobe.com/blog/basics/business-case#making-the-case)
* [**Frequently asked questions**](https://business.adobe.com/blog/basics/business-case#frequently-asked-questions)

## What is a business case

A business case is developed during the early stages of a project and outlines the why, what, how, and who necessary to decide if it is worthwhile continuing a project. One of the first things you need to know when starting a new project are the benefits of the proposed business change and how to communicate those benefits to the business.

While the project proposal focuses on why you want a project, it will only contain an outline of the project:

* business vision
* business need
* expected benefits
* strategic fit
* products produced
* broad estimates of time and cost
* and impact on the organization

In contrast, the business case, which is first developed during the [project initiation phase](https://www.workfront.com/project-management/life-cycle/initiation), contains much more detail. It should be reviewed by the project sponsor and [key stakeholders](https://www.workfront.com/project-management/knowledge-areas/stakeholder-management) before being accepted, rejected, canceled, deferred, or revised.

Depending on the scale of the business change, the business case may need further development as part of a detailed investigation. Therefore, it should be developed incrementally so that time and resources aren’t unnecessarily wasted on the impractical.

## Why you need a business case

Preparing the business case involves an assessment of:

* Business problem or opportunity
* Benefits
* Risk
* Costs including investment appraisal
* Technical solutions
* Timescale
* Impact on operations
* Organizational capability to deliver the project outcomes

These project issues are an important part of the business case. They express the problems with the current situation and demonstrate the benefits of the new business vision.

The business case brings together the benefits, disadvantages, [costs](https://www.workfront.com/project-management/knowledge-areas/cost-management), and [risks](https://www.workfront.com/project-management/knowledge-areas/risk-management) of the current situation and future vision so that executive management can decide if the project should go ahead.

Many projects start life as a walk in the fog, which is fine in itself, but never see the light of day or stumble along aimlessly for too long because the clarity of [scope](https://www.workfront.com/project-management/knowledge-areas/scope-management), time-scale, cost, and benefits are not defined adequately during the first stages of the project.

## Is the project worth doing

Why are you starting a project? Chances are you’re doing it because you need to solve a problem.

Usually, the problem is something that gets in the way of achieving your [goals](https://www.workfront.com/strategic-planning/goals). So, it seems a project is about achieving goals and your goals won’t be realized unless you deal with the problem (or opportunity or circumstance.)

If a project is worth doing you need to answer 4 simple questions:

1. What is your goal?
2. What’s stopping you from reaching the goal?
3. How much change is needed to overcome the problem?
4. Are you certain this will solve the problem?

Can you answer these questions quickly? Do you have evidence to support or refute your assumptions?

If not, it may not be worth starting a project.

**Ebook:** [The Complete Guide to Planning Creative Projects](https://www.workfront.com/resources/the-complete-guide-to-planning-creative-projects)  
**Ebook:** [3 Strategies to Plan Successful Marketing Projects](https://www.workfront.com/resources/3-strategies-to-plan-successful-marketing-projects)

## When to use a business case

The business case is needed when [resources](https://www.workfront.com/project-management/knowledge-areas/resource-management) or expenditure on a project has to be justified. Approval is usually sought from the project sponsor and other interested parties. For instance, the finance function may authorize funds and the IT department provide resources.

## How to write a business case

The purpose of the business case is communication. Therefore, each section should be written in the parlance of the intended audience.

Moreover, it should only contain enough information to help decision making. When writing a business case keep the following in mind:

* Be brief and convey only the essentials.
* Make it interesting, clear, and concise.
* Eliminate conjecture and minimize jargon.
* Describe your vision of the future.
* Demonstrate the value and benefits the project brings to the business.
* Ensure consistent style and readability.

The project sponsor is responsible for preparing the business case. However, all appropriate team members should contribute to its development. Likewise, subject matter experts from other functions ― finance, HR, IT, service delivery, and so on ― can provide specialist information.

Those writing the business case should have a thorough understanding of the project’s aims and be able to merge the varied and potentially complex plans into one document using the following business case template.

## The business case template

What follows are the four steps to writing a business case template for your project. It includes the following four sections:

1. Executive Summary
2. Finance
3. Project Definition
4. Project Organization

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| --- | --- | --- |
| **Columns (table)** | | |
| **Section** | **Section Heading** | **Question Answered** |
| - | **EXECUTIVE SUMMARY** | - |
| **1** | **FINANCE** | How much? |
| 1.1 | Financial Appraisal | How much? |
| 1.2 | Sensitivity Analysis | How much? |
| **2** | **PROJECT DEFINITION** | - |
| 2.1 | Background information | Why? |
| 2.2 | Business Objective | Why? |
| 2.3 | Benefits and Limitations | Why? |
| 2.4 | Option Identification & Selection | What? |
| 2.5 | Scope, Impact, and interdependencies | What? |
| 2.6 | Outline Plan | What? When? Who? |
| 2.7 | Market Assessment | Context? |
| 2.8 | Risk Assessment | Context? |
| 2.9 | Project Approach | How? |
| 2.10 | Purchasing Strategy | How? |
| **3** | **PROJECT ORGANIZATION** | - |
| 3.1 | Project Governance | How? Who? |
| 3.2 | Progress Reporting | How? |

## A business case example

This example of a business case is a simplified version for a small company with few staff. The bigger the project, the bigger the risk, which means the more detail you will need to provide for your investors and stakeholders.

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| Pro Tip: Your organization may already have a template in place for a business case, with a specific structure and format. Check if this is the case before you make a start. |

#### EXECUTIVE SUMMARY

In 2021, retail e-Commerce revenue reached 768 billion US dollars. People are expecting more digital experiences and want to interact and purchase what they need online.

Our current website is just a static page with no interaction available to possible customers. With a website upgrade to incorporate an e-Commerce store, we can entice users to purchase all their training online, in return increasing productivity and efficiency within the office. An estimated $25,000 could be saved a year through this upgrade.

#### 1. FINANCE

**1.1 Financial Appraisal**

The expected cost of the new website is $15,000 with a $500 annual maintenance fee.

The training costs of the staff is estimated at $2,000, but the reduction of administration and manual handling of orders is estimated to save $25,000 annually.

**1.2 Sensitivity Analysis**

The alternatives include:

* Maintaining the current system, which costs $25,000 annually to maintain and run.
* Upgrading the website, but not including an e-Commerce store. This would cost $6,000, but the cost of processing the orders is still $25,000.
* Outsourcing the training purchases to a third-party site, which would cost between $49.99 - $100 per month. In the long run this would cost more and offer less development scope.

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| quote (borders, align left) |
| US adults [plan to spend $183 on themselves](https://samba.docsend.com/view/fmfqevdik7kyk975) this holiday season, with two-thirds of purchases being on clothing. |

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| quote (borders, align left) |
| “53% of retailers expect demands on their organizations’ digital experience to accelerate beyond what has already happened over the past two years.” |

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| quote (borders, align left) |
| “The only way that we're going to keep people coming back is if we deliver customer experiences that delight the customer and that are differentiated from the experiences they can get elsewhere. If you're trying to win on price alone, you're going to lose — there's only one Amazon that’s going to deliver the lowest priced goods.”  — Avery Worthing-Jones  Senior Vice President of Product Management, Gap Inc. |

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| quote (borders, align left) |
| “It’s all about improving the customer experience, understanding the people, and understanding that the automation of what we are doing is all about managing processes and the data that drives it.”  - Sharyl Kingstone  Vice President of customer experience and commerce, 451 Research |

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| quote (borders, align left) |
| “Work has changed. Expectations around it have changed. What defines the optimal ways of working is being defined right now.”  The State of Work 2023 |

#### 2. PROJECT DEFINITION

**2.1 Background information**

The World is digitizing and we, as a business, must keep up with consumer demand if we are to remain one of the most sought-after training providers.

Since 2020 and the outbreak of Covid-19, many more people have been working remotely and wish to access their training requirements online. We need to update our systems to provide our customers with a purely online system that can provide them with their required training courses in a virtual environment, from purchase through to attendance. This new e-Commerce website is the first step in this process.

**2.2 Business Objective**

The goal is to provide an online platform where customers can purchase their training requirements.

The solution is to build an e-Commerce website.

This syncs with the business strategy, as it will increase efficiency and profits.

**2.3 Benefits and Limitations**

The benefits of this project far out-weigh the negatives. They include:

* Improvement in the quality of customer service and user journey
* Increased conversion rate through streamlined processes
* Cost savings through efficiencies
* Reduced working capital
* Increase in revenue generated
* Remain competitive in a digital world.

The limitations of this project remain with staffing, as we do not have a web designer or developer within our company, meaning this will still have to be outsourced if anything arises at a future date.

**2.4 Option Identification & Selection**

Options for the e-Commerce site include the following:

* WordPress website with WooCommerce store
* All-in-one website hosted on e-Commerce platform such as Shopify
* Use of third-party payment system, such as Stripe, PayPal, or Worldpay
* Ability to take payments directly through the website and acting as controller and processor of user’s sensitive data
* Inclusion of a blog
* Integration of CRM platform.

**2.5 Scope, Impact, and interdependencies**

The website will be built independently from the current site, so will not affect any current processes or user experience.

**2.6 Outline Plan**

The website will be built by an external agency and will take around 6 months to complete and push live.

One month before going live the staff will undertake essential training.

**2.7 Market Assessment**

Since retail e-Commerce has risen to $768 billion US Dollars, it’s time we also made the move to online sales.

**2.8 Risk Assessment**

The project will be completed out of house.

**2.9 Project Approach**

The project will be managed out of house.

**2.10 Purchasing Strategy**

We will enter a contractual agreement with the creative agency. Attached is a copy of the proposed contract.

#### 3. PROJECT ORGANIZATION

**3.1 Project Governance**

Project will be managed by the agency and in-house by the Centre Executive.

**3.2 Progress Reporting**

The agency will report to the Centre Executive.

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| Pro Tip: Appearance is everything. Make sure you make your case appealing to the eye with the use of graphs and charts and images where you can. Formatting your document can also make the information look more inviting to read. Don’t be afraid to get creative. |

## 1. The Executive Summary

Depending on the length of the business case you may want to include a high-level summary of the project.

The executive summary is the first section of the business case and the last written. It is a short summary of the entire business case. It succinctly conveys vital information about the project and communicates the entire story to the reader.

First impressions are important. Get this right!

## 2. The Finance Section

The finance section of an effective business case is primarily for those who approve funding. The finance function will be interested in this plus the first half of the project definition.

**Financial appraisal.**

When you prepare the financial appraisal seek advice on content and presentation from the finance function. In the case of capital developments, consult subject matter experts.

The purpose of a financial appraisal is to:

* Identify the financial implications for the project
* Compare project costs against the forecast benefits
* Ensure the project is affordable
* Assess value for money
* Predict cash flow.

**Sensitivity analysis.**

Sensitivity analysis concerns project risk and looks at alternative futures by measuring the impact on project outcomes or assumptions of changing values in which there is uncertainty.

In effect, sensitivity analysis lets the project accountant experiment with possible scenarios.

## 3. The Project Definition

This is the largest part of the business case and is for the project sponsor, stakeholders, and project team. It answers most of the why, what, and how questions about your project.

**Background information.**

The purpose of this section is to give a clear introduction to the business case and project. It should contain a brief overview of the reasons why the project or business change has come about: the problem, opportunity, or change of circumstances.

If necessary, refer to related programs, projects, studies, or business plans.

**Business objective.**

This part describes why you are doing the project. The business objective answers the following questions:

* What is your goal?
* What is needed to overcome the problem?
* How will the project support the business strategy?

**Benefits and limitations.**

The benefits and limitations section describes the financial and non-financial benefits in turn. The purpose is to explain why you need a project.

For instance, to:

* Improve quality
* Save costs through efficiencies
* Reduce working capital
* Generate revenue
* Remain competitive
* Improve customer service
* Align to corporate strategy

The business case should also include any limitations since these present potential risk to the project.

**Option identification and selection.**

Identify the potential solutions to the problem and describe them in enough detail for the reader to understand.

For instance, if the business case and proposed solution makes use of technology, make sure to explain how the technology is used and define the terms used in a glossary. Since most problems have multiple solutions an option appraisal is often needed. This will explore the potential solutions and recommend the best option.

When writing the initial business case, the option appraisal is likely to contain a long list of options and will cover many possibilities. As the project continues a few options will be rejected. The final business case may contain three to five options ― the short list ― that includes a do nothing or benchmark option.

**Scope, impact, and interdependencies.**

This section of the business case template describes the work needed to deliver the business objective and identifies those business functions affected by the project.

Moreover, the project scope, impact, and interdependencies section should state the project’s scope and boundaries. It describes what is included and what is excluded plus the key interdependencies with other projects. It is important for the business case to consider the failure of other interrelated projects and show how such dependencies make impact benefits.

**Outline plan.**

The outline plan provides a summary of the main activities and overall timescale ― project schedule ― for the project.

A project should be divided into stages with the decisions to make preceding each stage. Use this section to answer the following questions:

* What is required?
* How is it done?
* Who does what?
* When will things happen?

This outline plan lists the major deliverables and includes a brief project description plus accountabilities for each activity.

**Market assessment.**

It is important that the business case provides its readers with a thorough assessment of the business context ― the market assessment. In other words, make the underlying business interests explicit.

Therefore, the market assessment should show a complete understanding of the marketplace in which your business operates.

A good starting point is the inclusions of a PESTLE ― political, economic, sociological, technological, legal, and environmental ― analysis.

**Risk assessment.**

The risk assessment summarizes the significant project risks and opportunities and how they are managed. Include any risks that could arise from your project, as well as the organization’s ability to deliver change.

This section answers the following questions:

* What risks are involved?
* What are the consequences of a risk happening?
* What opportunities may emerge?
* What plans are in place to deal with the risks?
* Every project should include a risk log

When writing a business case, make sure this is included as it explains how risk and opportunity are managed.

**Project approach.**

The project approach describes how the project is tackled. That is, the way in which work is done to deliver the project.

For instance, a project with much of the work contracted out is likely to take a different approach to a project that develops an in-house solution.

**Purchasing strategy.**

This section describes how a project is to be financed and whether a decision to buy, lease, or outsource should be taken by the organization before purchasing.

Moreover, the purchasing strategy should describe the purchasing process used. A formal procurement process may save time and money and reduce project risk.

## 4. Project Organization

The last section of the business case template is of most interest to the project manager, project team, and managers responsible for delivering work to the project. This project organization section describes how the project is set up.

**Project governance.**

This section of the business case template shows the reader how the project is structured and the different levels of decision-making. Usually, a business will already have implemented a project governance framework that will support the project through each stage.

If your organization does not use a structured project management process framework use this section to include:

* Roles and responsibilities (RACI Chart)
* Project tolerances
* Project standards
* Review points
* How decisions are made.

**Progress reporting.**

Finally, the business case should define how project progress is recorded and the project board updated on project performance. Usually, the project manager does this by preparing a concise progress report or highlight report at regular intervals.

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| Pro Tip: Avoid using jargon. Remember the people reading your business plan may not have a detailed knowledge of the subject area it covers. |

**On-Demand:** [The Manager's Guide to Avoiding 7 Project Portfolio Pitfalls](https://www.workfront.com/resources/get-time-back-to-work-on-what-is-most-important)  
**Ebook:** [3 Winning Strategies for IT Project Success](https://www.workfront.com/resources/3-winning-strategies-for-it-project-success)

## Managing the business case

The completed business case provides structure for the project and project organization throughout the [project lifecycle](https://www.workfront.com/project-management/life-cycle). Therefore, it should be used routinely for reference and not consigned to the shelf.

Accordingly, the project sponsor and project board should review and update the business case at key stages to check that the project remains viable and the reasons for doing it are still valid. Ideally, the review should take place before starting a new stage to avoid unnecessary investment in time and money.

## Making the case

In this article we showed you how to write a business case. We covered a lot of ground and may give the impression that the resulting business case is a large and unwieldy document.

This is not the case.

A business case should be concise and to the point. For small projects it may run to a few pages. For larger projects and complex business change endeavors the document will be large.

Therefore, be sure to keep the intended audience in mind when preparing each section and include supporting information in an appendix.

For instance, the option appraisal section may summarize each option with the details contained elsewhere for reference.

To conclude, the purpose of a business case is to outline the business rationale for undertaking a project and to provide a means to continually assess and evaluate project progress.

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| Pro Tip: Mistakes in spelling, punctuation, and grammar, can detract from your case and even reduce your proposal’s credibility. Always proofread, check and re-check before submitting your business case. |

## Frequently asked questions

**What is the difference between a business case and a business plan?**

The focus of the business case is an action, which is usually the purchase of capital equipment or a service. In comparison, the focus of the business plan is to outline the future of a business proposal, it’s margins, revenue growth over several years and what the business goals and strategies will encompass.

**What should be included in a business case?**

Writing a business case can seem like a daunting task, which is why we have provided you with a business case template and example to help you make a start.

The four sections include:

1. **Executive Summary**
2. **Finance**
3. **Project Definition**
4. **Project Organization**

**What is a business case template?**

A business case template provides you with a structure and format to present your case to relevant stakeholders and investors. It’s essential that this document communicate the essence of your project’s goals and benefits, while aligning with the company’s strategies and objectives.

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