

<Insert Project Name>

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Introduction to the Business Case

The Project Business Case is the cornerstone of any successful project initiation. It serves as the primary document that justifications the investment of time, money, and resources into a specific initiative. Unlike a project charter, which authorizes the project manager to begin work, the business case is a persuasive argument aimed at the decision-makers (often an investment board or executive committee) to prove that the proposed project is worth doing. It answers the fundamental question: Why should we undertake this project now?

This template is designed not just as a blank form but as a comprehensive guide to help you craft a compelling narrative. Each section below includes detailed instructions, strategic advice, and specific examples to ensure your business case is robust and defensible. Writing a business case is often an iterative process; you may need to revisit early sections as you uncover more data regarding costs and risks.

The tone of your business case should be objective yet persuasive. You are providing the evidence required for leadership to make an informed decision. Remember that a business case acts as a baseline; if the project is approved, you will look back at this document during the project lifecycle to ensure the benefits you promised are still achievable.

Section 1: Executive Summary

Guidance for Completion

Although this section appears first, it should always be written last. The Executive Summary is a standalone overview of the entire document. Senior stakeholders often read this section first to decide if the rest of the document is worth their time. It must be concise, punchy, and highlight the most critical information regarding the problem, the solution, the cost, and the return on investment (ROI).

Content Requirements

In this section, you must summarize the business need and the proposed solution. You should briefly mention the total funding request and the expected timeline. Avoid

jargon or highly technical language here, as the audience may include non-technical executives.

Best Practice Tips

- **Keep it brief:** This should ideally be one page or less.
- **Focus on value:** Highlight the "What's in it for us?" immediately.
- **Be clear on the ask:** State exactly what decision you are seeking (e.g., "We are requesting approval of \$150,000 to proceed with Phase 1").

Draft Example

"This document outlines the business case for the 'Legacy CRM Migration Project.' Currently, our sales team loses approximately 15 hours per week due to system latency and data synchronization errors in our current CRM. This inefficiency costs the company an estimated \$200,000 annually in lost productivity and missed sales opportunities. We propose migrating to the Cloud-X CRM solution. This project requires an investment of \$85,000 and will take six months to complete. We project a break-even point within 11 months of deployment, with a projected 3-year ROI of 145%. We request approval to initiate the planning phase immediately."

Section 2: The Problem Statement (The "Why")

Guidance for Completion

The Problem Statement is the anchor of your business case. If you cannot clearly articulate the problem, you cannot justify the solution. This section details the specific business issue, gap, or opportunity that the project addresses. It creates a sense of urgency.

Defining the Gap

You must describe the current state (how things are now) and the desired future state (how things should be). The "gap" between these two states is what your project will resolve.

Key Questions to Answer

1. **What is broken?** Is it a process, a system, or a product?
2. **What is the impact?** Is it costing money? Is it damaging customer satisfaction? Is it creating compliance risks?
3. **Why now?** Why can this problem not wait another year?

Drafting Instructions

Use data to quantify the problem whenever possible. Instead of saying "The system is slow," say "Page load times average 12 seconds, resulting in a 20% cart abandonment rate."

Draft Example

Current Situation:

"Our current customer support ticketing system supports only email and phone inquiries. However, market research indicates that 60% of our target demographic prefers live chat or social media support. Because we lack these channels, our customer satisfaction score (CSAT) has dropped from 4.5 to 3.2 over the last four quarters. Furthermore, our support agents spend 30% of their time manually categorizing tickets because the current system lacks automation."

Business Impact:

"The decline in CSAT is correlated with a 5% increase in customer churn, representing a revenue loss of \$500,000 annually. Additionally, the manual workload for agents has led to high staff turnover, incurring recruitment and training costs of approximately \$40,000 per year."

Section 3: Strategic Alignment

Guidance for Completion

Executives need to know that their limited budget is being spent on projects that move the organization forward. This section connects your specific project to the broader organizational goals or strategic pillars.

Mapping Instructions

Review your company's annual report, strategic plan, or CEO's latest town hall notes. Identify the top 3-5 strategic goals (e.g., "Expand into Asian Markets," "Reduce Operational Costs," "Become Carbon Neutral"). You must explicitly state how this project contributes to those goals.

Visualization Tip

You might consider using a mapping table here to create a clear visual connection.

Draft Example

Organizational Goal 1: Digital Transformation

- **Project Contribution:** This project retires three legacy on-premise servers and moves infrastructure to the cloud, directly supporting the initiative to modernize our IT stack.

Organizational Goal 2: Improve Operational Efficiency

- **Project Contribution:** By automating the invoicing process, we reduce the manual processing time by 40%, allowing staff to focus on higher-value analytical work.

Section 4: Analysis of Options

Guidance for Completion

A common mistake in business cases is presenting only one solution. Decision-makers want to know that you have considered alternatives and that the proposed solution is truly the best path. You should generally present three options:

1. Do Nothing (Status Quo): What happens if we do not approve this project?
2. Do Minimum: What is the lowest cost way to patch the problem?
3. Do Something (The Recommended Solution): Your proposed project.

Detailed Breakdown

For each option, you must analyze the benefits, the costs, the risks, and the feasibility.

Option 1: Do Nothing

- Description: Maintain current operations without change.
- Impact: Explain the negative consequences. "If we do nothing, we will continue to pay \$10,000 in monthly maintenance fees for a system that is no longer supported by the vendor."
- Risk: "High risk of security breach due to lack of patches."

Option 2: The "Band-Aid" Solution

- Description: Upgrade the existing server hardware without changing the software.
- Impact: This solves the speed issue temporarily but does not add the new features required by the sales team.
- Cost: Low (\$15,000).
- Verdict: Rejected because it does not align with the strategic goal of digital transformation.

Option 3: The Proposed Solution

- Description: Implement the new ERP system.
- Impact: Solves speed issues, adds necessary features, and ensures vendor support for the next 5 years.
- Cost: Medium (\$75,000).
- Verdict: Recommended as it offers the best long-term value.

Section 5: Cost-Benefit Analysis (Financial Appraisal)

Guidance for Completion

This is often the most scrutinized section. You need to present the numbers clearly. If you are not comfortable with finance, partner with a finance analyst to complete this section. You need to estimate the costs of doing the project and compare them against the financial benefits.

Cost Categories to Include

1. CAPEX (Capital Expenditure): Hardware, software licenses, construction costs.
2. OPEX (Operating Expenditure): Training, temporary labor, travel, ongoing maintenance, cloud subscription fees.
3. Contingency: Always add a buffer (typically 10% to 20%) for unforeseen expenses.

Benefit Categories to Include

1. Revenue Generation: New sales, new markets, price increases.
2. Cost Savings: Staff reduction (through attrition or reassignment), retiring legacy system fees, reduced energy consumption.
3. Cost Avoidance: Avoiding a regulatory fine, avoiding a future expensive upgrade.

Key Financial Metrics

You should calculate and present the following:

- ROI (Return on Investment): $(\text{Net Profit} / \text{Cost of Investment}) \times 100$.
- Payback Period: How long until the project "pays for itself" (e.g., 14 months).
- NPV (Net Present Value): The value of future cash flows discounted to today's dollars. (Optional but recommended for large projects).

Draft Example (Narrative)

"The total implementation cost is estimated at \$100,000 over Year 1. We anticipate recurring maintenance costs of \$10,000 annually starting in Year 2. However, the system is expected to generate \$60,000 in operational savings annually by eliminating manual data entry.

- Year 1: -\$100,000 (Cost)
- Year 2: +\$50,000 (Savings minus maintenance)
- Year 3: +\$50,000 (Savings minus maintenance)

The project achieves payback at the end of Year 3. The 5-year ROI is projected to be 150%."

Section 6: Non-Financial Benefits

Guidance for Completion

Not all value can be measured in dollars and cents. This section captures the "intangible" benefits. These are often crucial for swaying stakeholders who care about culture, reputation, or safety.

Examples of Intangible Benefits

- Employee Morale: A better user interface reduces frustration for employees.

- **Brand Reputation:** Faster response times lead to better reviews on public forums.
- **Compliance/Safety:** Reducing the risk of injury or legal action.
- **Strategic Capability:** The project enables future innovation (e.g., building a data lake now allows for AI projects later).

Drafting Tip

Even though these are "non-financial," try to make them measurable. Instead of "Better morale," use "Improve Employee Engagement Score by 5 points."

Section 7: Key Project Risks

Guidance for Completion

Every investment carries risk. Acknowledging these risks shows maturity and foresight. Do not hide risks; expose them and explain how you will manage them. This is a high-level summary; a full risk register will be created later.

Categorization

Group your risks to make them easy to digest:

- **Technical Risks:** Complexity of integration, unproven technology.
- **Resourcing Risks:** Availability of key staff, dependency on external vendors.
- **Organizational Risks:** Resistance to change, restructuring.

Risk Mitigation Table Structure

You should present this information clearly.

- **Risk:** "The vendor may delay the software release date."
- **Impact:** "High. This would push our go-live date into the busy holiday season."
- **Mitigation Strategy:** "We have built a 4-week buffer into the schedule and included penalty clauses in the vendor contract for late delivery."

Section 8: Timeline and Milestones

Guidance for Completion

Stakeholders need to know when they will see results. You do not need a detailed Gantt chart here (that comes in the Project Management Plan), but you do need a high-level roadmap.

Defining Phases

Break the project into logical stages.

1. **Initiation:** Approval and team mobilization.
2. **Planning:** Detailed requirements and design.
3. **Execution:** Building or buying the solution.
4. **Testing/Validation:** Ensuring it works.

5. Closure: Handover to operations.

Draft Example

- Q1 2024: Business Case Approval and Vendor Selection.
- Q2 2024: System Configuration and Pilot Testing.
- Q3 2024: User Acceptance Testing (UAT) and Training.
- Q4 2024: Full Go-Live and Project Closure.

Section 9: Project Governance and Resourcing

Guidance for Completion

Who will run this project? Who is accountable? This section outlines the basic organizational structure required to deliver the work. It assures the approvers that the project will be well-managed.

Roles to Define

- Project Sponsor: The executive championing the project.
- Project Manager: The person leading the day-to-day work.
- Steering Committee: The group providing oversight.
- Core Team: The subject matter experts required (e.g., 2 Developers, 1 Business Analyst).

Resource Requirements

Be clear if you need to hire new people or backfill existing roles. "We require 50% of the Senior Architect's time for three months. This may impact the 'Mobile App Refresh' project timeline."

Section 10: Recommendation and Next Steps

Guidance for Completion

This is your closing argument. Summarize the analysis and explicitly state the recommendation. Reiterate the urgency and the value.

The "Ask"

Clearly state what you need right now to move forward.

- "We recommend proceeding with Option 3 (The Cloud Migration)."
- "We request authorization of \$50,000 for the Planning Phase."
- "We request the appointment of Jane Doe as Project Manager."

Sign-Off Section

Include a visible place for signatures. This formalizes the agreement.

- Name: _____

- Role: Executive Sponsor
- Date: _____
- Decision: [] Approved [] Rejected [] Approved with Conditions

Conclusion

The Project Business Case is more than a bureaucratic hurdle; it is the strategic compass for your initiative. By meticulously completing this template, you ensure that the project is rooted in business reality and aligned with organizational goals. A well-written business case protects the project manager; it defines the boundaries of success and prevents "scope creep" by clearly establishing what the project is intended to achieve (and what it is not).

Remember that the financial numbers must be defensible, the risks must be transparent, and the benefits must be compelling. Once this document is approved, it transitions from a proposal to a mandate. It becomes the yardstick against which the project's ultimate success will be measured during the Post-Implementation Review. Ensure you version control this document; if the scope or costs change significantly during the project, the Business Case should be reviewed and re-approved to ensure the investment remains viable.

Use this guide to facilitate conversations with stakeholders *before* you start writing. The best business cases are built through collaboration, ensuring that by the time the document reaches the signature desk, the key decision-makers are already in agreement with the contents.

Meta Description

A comprehensive guide and template for creating a Project Business Case, covering problem definition, financial analysis, options appraisal, and strategic alignment to secure approval.