**THE MARTIAL ARTS ACADEMY (MAA)—SCHOOL MANAGEMENT SYSTEM**

A business case should be the first project deliverable. It provides an analysis of the business value, several alter- natives for achieving the project’s MOV, the feasibility of the alternatives, and their costs, benefits, and risks. The business case is not a budget or the project plan; how- ever, it does provide all the information necessary for your client to make a decision whether a specific project should be undertaken.

The following is a suggested outline for developing your business case. Because this is a fictitious case, you will not be able to meet with your client. Subsequently, you will have to make a number of assumptions about the case and your project. Feel free to do so—just be sure that you document these assumptions in your business case.

This would also be a good chance for you and your team to do another learning cycle. Read through this assignment first and then meet as a team to develop a Project Team Record and an Action Plan. This will help to improve team learning and to assign responsibilities to complete the assignment.

Please provide a professional-looking document that includes the following:

1. **Project name**—You came up with a name for your project team when you developed your team charter. Now you need to name your project.
2. **Project team**—At this point, you should have your project team in place. Be sure to identify your team by its name and list all team members.
3. **Project description**—Provide a brief description of the project. A project description should be written so that anyone unfamiliar with the project can read and understand what the project is about. Include a brief description of the organization and the problem or opportunity that led to initiating the project.
4. **Measurable organizational value (MOV)**— The MOV is the goal of the project and is used to define the value that your project will bring to your client. It will also be used to evaluate whether your project was a success later on. In reality, you would work very closely with your client in developing the MOV. Your responsibility would be to lead the process, while the client would commit to specific areas of impact, metrics, and time frames. Once the MOV is defined, it becomes the responsibility of all the project stake- holders to agree whether the MOV is realistic and achievable. For the purposes of this assignment, you will have to come up an MOV on your own. You are free to be creative, but please strive to make the MOV realistic. For our purposes, learning how to develop an MOV is an important process. Use the following steps to define your project’s MOV:
5. Identify the desired area of impact—At this point, what areas do you think are the most important to your client, MAA? Based on Figure 3.3, rank the following areas in terms of their importance:

* Strategic
* Customer
* Financial
* Operational
* Social

1. Identify the desired value of the project— Value to an organization can come from doing something better, faster, or less expensively (i.e., cheaper). On the other hand, it can come from growth by doing more of something that the organization is currently doing (e.g., increase market share). The next step in developing an MOV is to identify the project’s potential value to the organization. In general, an IT project should focus on delivering one or two of the following types of value.

* **Better?** Does MAA want to do something better? For example, is improving quality important to your client?
* **Faster?** Does MAA want to do something faster? For example, does your client want to increase speed, efficiency, or reduce cycle times?
* **Cheaper?** Does MAA want to reduce costs? For example, is cutting costs important to your client?
* **Do More?** Does MAA want to do more of something? For example, does your client want to continue the growth of something that it is currently doing?

1. **Develop an appropriate metric**—Once you have identified the desired area of impact and value to the organization, the next step is to develop a metric that sets a target and expectation for all of the project stakeholders. For example, if an organization desires to do more of something that is strategic to the organization (i.e., increase market share of a particular product or service), then the organization’s management may feel that a project will bring value to the organization if it can grow its current market share from 10 to 25 percent. On the other hand, a bank may be able to process a loan request within 10 days. By developing and implementing a proposed information system, the bank’s management may believe that it can reduce the cycle time of processing a loan to 24 hours or less. This would allow the company to do something faster operationally. Therefore, it is important to come up with a quantitative target. This target should be expressed as a metric in terms of an increase or decrease of money (dollars, euros, etc.), percentage, or a specific numeric value.
2. **Set a time frame for achieving the MOV**— Once you have identified the area of impact, value to the organization, and an appropriate metric, you need to set a time frame for achieving the MOV. Keep in mind that this time frame may not coincide with the scheduled completion of the project work. For example, reducing the time to process a loan within 24 hours may be achievable once the system is implemented, but instant growth of market share from 10 to 25 percent may take a few months. Setting the time frame for achieving the MOV can be determined by asking the question: When do we want to achieve this target metric?
3. **Summarize the MOV in a clear, concise statement or table**—Once the area of impact, value, metrics, and time frame are agreed on, the MOV should be summarized so that it can be clearly communicated to all of the project stakeholders. The MOV can be summarized in a statement by completing the statement: “This project will be successful if ... ” On the other hand, a table format may be more appropriate for summarizing the MOV if it has a growth component over two or more time periods. Keep in mind that the MOV should tell everyone what the project will achieve, not how it will be achieved. The MOV should focus on the organization not on the technology that will be used to build or support the information system.
4. **A comparison of alternatives**—To keep things simple, you may consider only three alternatives for your client: maintain the status quo (i.e., do nothing), purchase a software package, or build a custom system. Using the Internet or library, determine whether any software packages currently exist that you think may support MAA’s requirements. If more than one exists, then select one that you feel may be the best option for your

client. Compare each of the alternatives based on the following criteria:

1. **Total cost of ownership (TCO)—**This can be only a rough estimate at this time. Later, you will develop a detailed project schedule and budget that can be compared to your ballpark estimate. Currently, MAA has a manual, paper-based system. If MAA purchases a software package or builds a system, it will need one desktop computer. Determine any other hardware and software that the company may need. This will require a reasonable amount of research using the Internet, library, or company catalogs to estimate the cost of the hardware and software and to sup- port your initial estimate. Keep in mind that total cost of ownership should include:

* All direct or upfront costs
* Indirect costs
* support and maintenance costs

1. Total benefits of ownership (TBO)— Total benefits of ownership should include all of the direct, indirect, and ongoing benefits for each proposed alternative. It should focus on:

* Increasing high-value work
* Improving accuracy and efficiency
* Improved decision making
* Improving customer service

1. **A recommendation**—At this point, you may have more questions than answers and feel that you are being forced to make many assumptions. This is common for many real project teams and consultants at this stage of the project. You’ll gain confidence from experience, doing good research, and paying attention to the details. Now, you are ready to make a recommendation to your client and support it. Given the limited amount of information and time, you should still be confident that your recommendation provides the best value to the organization and that the benefits outweigh the costs. Be sure that you not only recommend one of the three alternatives, but that you provide support based on your analysis to back it up. The client will make a decision whether to continue to the next phase of the project. If the project continues, a detailed schedule and budget will provide a clearer picture of the project’s true costs, and another decision whether to fund and support the project in the next phase will be made