1. OVERVIEW

The Business Case Tool is an Excel-based diagnostic designed to help commercial banks estimate the return they could expect on their SME banking expansion. It ties in with the market sizing tool, a data-driven summary of over 160 markets, and combines the specific cost and revenue drivers of the institution to evaluate the upfront costs, overall returns, break even points and cash flow over a 7-year horizon. The tool relies on assessments made by the user in order to best align with the prevaling market conditions, various strategy options and the policies pursued by the institution for which the user is making their assessment.

Focus audience: **TA Funders**   **Commercial Banks**   **DFIs**

2. USE CASE & BENEFITS

The tool allows users to formulate a goal and a combination of strategies for achieving it, and assess: 1) Total investment requirements, 2) Total returns, 3) Profit and cash flows, and 4) Operational indicators.

It supports confident strategy formulation and prioritization by estimating the outcomes each approach would deliver over the medium-term.

3. KEY OBJECTIVES

1. Provide a quick and intuitive assessment of the revenue potential of an expansion into the SME segment.
2. Enable users to assess the feasibility of their objectives and adjust them to target the optimal outcome
3. Support evidence-based decision-making for SME banking expansion in their market.

4. STRUCTURE & COMPONENTS

This file consists of ten tabs, including a tab with this same guide. Below is a high-level description of each tab, along with specific instructions on how users can interact with them to leverage the tool successfully.

Tab Name	Description
Assumptions	This tab allows the user to set their targets and insert the conditions under which they would operate in order to achieve those targets and to set alternative values to run a sensitivity analysis on the factors laid out in the model. This is the core configuration sheet where you will provide the inputs to use the business case modelling tool.

	Follow row-by-row the detailed instructions (column E) to populate column D for the base values. If you would like to add different values for sensitivity analysis to compare scenarios, please add those values to column G.
Outputs overview	This tab highlights the most important outcomes determining the feasibility of the expansion and provides a visual representation of the progression of the project.
Sensitivity analysis	This tab follows the layout of the "Outputs overview" but highlights the differences in the outcomes resulting from the sensitivity analysis.
Key financial and ops fig.s LCY	This sheet gives detailed figures on the financial outcomes and operating parameters of the project on a quarterly and annual level over a 7-year horizon.
Alt. scenario LCY	This sheet gives the same figures as the previous sheet for the alternative scenario that the sensitivity analysis is based on.
Key financial and ops fig.s COM	Since it is common practice, especially in smaller markets where the local currency is weak or unstable, to assess major projects in a foreign currency, like reserve currencies, this sheet provides an overview of the same numbers as the previous sheet presented in a second currency of the user's choosing.
Alt. scenario COM	This sheet gives the same figures as the previous sheet for the alternative scenario that the sensitivity analysis is based on.
Baseline Headcount Estimate	This tab contains an extract from the related Market Sizing Tool to enable this tool to estimate the project's market share and feasibility of the user's targets within the wider context of the selected market.

5. HOW TO USE THE TOOL

This tool is designed for a wide range of users—including TA funders, commercial banks, and ecosystem enablers—who want to assess the feasibility and the expected returns of a push for expansion in the SME sector using various combinations of strategies.

The tool provides a strong foundation for project assessment. Users can set their targets, align parameters with the existing conditions under which they operate or the conditions they strive for, the tool provides an assessment of the bank's readiness and opportunity for SME banking.

Overview of the key steps:

1. **Set Your Assumptions:** Enter your base-case and alternative-case assumptions in the **Assumptions** tab. These inputs will drive all calculations, outputs, and any sensitivity analysis.
2. **Review and Refine Outputs:** Check the results in the **Outputs overview**, **Sensitivity analysis**, and financial/operational tabs. Adjust your assumptions as needed to reflect realistic targets and operating conditions.
3. **Synthesize Your Findings:** Use the consolidated views to compare scenarios (in local currency, USD, or both), interpret feasibility, and extract key insights for decision-making.