

BUSINESS CASE FOR:

(Insert Project Name)

This document contains business requirements and the opportunities related to the Board and Project Approval Committee (PAC) approved projects. The feasibility is expressed in terms of cost vs. benefit.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Configuration Management** | | | | |
| **Date** | **Version** | **Description** | **Changes Made** | **Author** |
|  |  |  |  |  |
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|  |  |  |  |  |

|  |  |  |  |
| --- | --- | --- | --- |
| **Stakeholders Sign-Off** | | | |
| I have read and agreed on the content of this document, and relevant supporting documentation. The document is complete and meets all the necessary requirements. Any amendments to this document will be handled through the agreed ‘Work Request’ procedure. | | | |
| **Name and Surname** | **Position** | **Signature** | **Date** |
|  | Project Sponsor |  |  |
|  | Project Owner |  |  |
|  | Stakeholder |  |  |
|  | Stakeholder |  |  |
|  | Stakeholder |  |  |

|  |  |  |  |
| --- | --- | --- | --- |
| **Value Management Office (VMO) Review and Sign-Off** | | | |
| VMO comments: | | | |
| **Name and Surname** | **Position** | **Signature** | **Date** |
|  | Value Management Officer |  |  |

**Table of Contents**

[**Executive Summary**](#_lnscxm81ol16) **3**

[**Background**](#_1fob9te) **4**

[**Business problem/ opportunity:**](#_ke5wmubgg8aw) **4**

[**Proposed solution**](#_2nmsir4gl85e) **4**

[**Project Priority**](#_olkiu5jllt7j) **4**

[**Cost of solution**](#_1odabzmh0hfm) **4**

[Estimated spend for next Financial Year](#_rlxqeb1kmm9q) 4

[Total Cost of Ownership (gross costs)](#_37a1gjt8r683) 4

[Expenses Detail](#_9fqde6kk4xyr) 4

[**Benefits of solution**](#_o5vf90c2t2yv) **5**

[Tangible Benefits](#_17dp8vu) 5

[Total Benefits](#_evk44dp5dqf2) 5

[Benefit Detail](#_o4qeiet0c4lx) 5

[Key Outcome / Benefit #1 – (Insert Benefit Name Here - Cost Benefit Analysis spreadsheet)](#_9pxqg615n0v7) 6

[Intangible benefits](#_o9cqc7dm4igv) 7

[**Cost / benefit analysis**](#_yt3jlq21lkm8) **7**

[**Assumptions / risks / dependencies**](#_ine8vku8nvmu) **7**

[Assumptions](#_ttfoe4op8ntr) 7

[Risks](#_klkcvh25whcc) 8

[Dependencies](#_xbuuh8a90sk) 8

# Executive Summary

(Once you have completed the document replicate a brief summary of the information contained in the table below and delete this comment.)

|  |  |
| --- | --- |
| Background | (Short description of the background to the project and business case.) |
| Business problem / opportunity | (Short description of the business problem or the opportunity that the project addresses.) |
| Proposed Solution | (Few sentences that detail the proposed solution to the problem or method of realising the opportunity.) |
| Project Cost | Total Costs:   |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | | Year 0 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | |  |  |  |  |  |  | |
| Tangible Benefits | Total Benefits:   |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | | Year 0 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | |  |  |  |  |  |  | |
| Intangible Benefits |  |
| Cost Benefits Analysis | |  |  | | --- | --- | | NPV (over 5 years) | R xxx | | Payback Period (years) | X-year Y-months | | IRR (over 5 years) | XX% | |
| Assumptions |  |
| Risks |  |
| Dependencies |  |

# Background

(Insert a few paragraphs detailing the background of the business request - aligned with BRD).

# Business problem/ opportunity:

(Insert a few paragraphs that details the business problem or opportunity that this project addresses - aligned with BRD).

# Proposed solution

(Insert a few paragraphs that detail the proposed solution to the problem or method of realising the opportunity. Diagrams to explain approach or other pertinent details can also be used though don’t put in too much extraneous detail - aligned with the IT Solution Vision (if applicable)).

# Project Priority

(Please indicate whether this project is a top priority in your area. E.g. this project is a high priority, it is currently rated as the second highest priority for my area.)

# Cost of solution

The following represents the cost of the solution over 5years (please refer to the <insert the name of the associated Cost Benefit Analysis spreadsheet here> for more detail):

## Estimated spend for next Financial Year

The following is a summary of the expected spend for the <Indicate the Financial Year e.g. 2020> Financial Year:

|  |  |
| --- | --- |
| **Expenditure** | **Value** |
| C1 - xxx | R xxx |
| C2 - xxx | R xxx |
| C3 - xxx | R xxx |
| C4 - xxx | R xxx |
| E1 - xxx | R xxx |
| E1 - xxx | R xxx |
| **Total** | **R xxx** |

## Estimated IT & Business spend

The following table indicates the estimated IT and Business spend over the 5 year Cost of Ownership period:

|  |  |  |
| --- | --- | --- |
| **Expense** | **IT Project Expenses** | **Ongoing Expenses**  **(post Project)** |
| C1 - External resources |  |  |
| C2 - ER Travel and Expenses |  |  |
| C3 - Furniture and Office Equipment |  |  |
| C4 - Hardware |  |  |
| C5 - Internal resources |  |  |
| C6 - IR Travel and Expenses |  |  |
| C7 - Software and licenses |  |  |
| E1 - ER Training |  |  |
| E2 - ER Training Travel and Expenses |  |  |
| E3 - External support contract |  |  |
| E4 - IR Training |  |  |
| E5 - IR Training Travel and Expenses |  |  |
| E6 - Maintenance |  |  |
| E7 - Operating expenses |  |  |
|  |  |  |

## Total Cost of Ownership (gross costs)

|  |  |
| --- | --- |
| **Total gross costs (5 years):** | R xxx |

## Expenses Detail

The following are the expenses over a 5 year period:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Expenditure** | **Year 0** | **Year 1** | **Year 2** | **Year 3** | **Year 4** | **Year 5** |
| C1 – xxx | R xxx |  |  |  |  |  |
| C2 – xxx | R xxx |  |  |  |  |  |
| C3 – xxx | R xxx |  |  |  |  |  |
| C4 – xxx | R xxx |  |  |  |  |  |
| E1 – xxx | R xxx | R xxx | R xxx | R xxx | R xxx | R xxx |
| E2 – xxx | R xxx | R xxx | R xxx | R xxx | R xxx | R xxx |
| **Total** | **R xxx** | **R xxx** | **R xxx** | **R xxx** | **R xxx** | **R xxx** |

The following assumptions were used to calculate these expenses:

* C1: xxx
* C2: xxx
* C3: xxx
* E1: xxx
* E1: xxx

# Benefits of solution

## Tangible Benefits

The following are the direct cost saving or income generation benefits over a 5 year period (please refer to the <insert the name of the associated Cost Benefit Analysis spreadsheet here> for more detail):

## Total Benefits

|  |  |
| --- | --- |
| **Total Benefits (5 years):** | R xxx |

## Benefit Detail

The following are the benefits over a 5 year period:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Income or Direct Savings** | **Year 0** | **Year 1** | **Year 2** | **Year 3** | **Year 4** | **Year 5** |
| I1 - xxx | R xxx | R xxx | R xxx | R xxx | R xxx | R xxx |
| I2 - xxx | R xxx | R xxx | R xxx | R xxx | R xxx | R xxx |
| I3 - xxx | R xxx | R xxx | R xxx | R xxx | R xxx | R xxx |
| **Total** | **R xxx** | **R xxx** | **R xxx** | **R xxx** | **R xxx** | **R xxx** |

The following assumptions were used to calculate these benefits:

* (List assumptions used here)

## 

## Key Outcome / Benefit #1 – (Insert Benefit Name Here - Cost Benefit Analysis spreadsheet)

(Copy and complete a Key Outcome / Benefit section for each of the Income or Direct Savings in Section 7.1.2)

**Outcome Summary**

|  |  |  |
| --- | --- | --- |
| **Description:** | (A Brief description of the outcome (benefit) to be achieved.) | |
| **Tracked Status?** | (Yes / No / Unsure - Will the outcome be measured and tracked?) | |
| **Benefit Type:** | **Financial Status:** | **Financial:** Can be translated into Rands, but may not be reflected in the current balance sheet.  **Non-Financial:** Provides a view of successful delivery of an outcome, but is not translated into financial metrics, e.g. customer satisfaction. |
| **Continuity Status:** | **Lasting benefit:** A benefit that is achieved early and continues, e.g., software maintenance fee no longer required  **Increasing benefit:** A benefit that develops further over time, e.g., customer adoption of new capabilities.  **Once-Off Benefit:** A benefit that only occurs once, e.g. a one off cost saving. |

**Measurement Detail and Capabilities**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **#** | **Measurement Description** | **Baseline Measure** | **Target Measure** | **Target Start Date** | **Frequency** | **Target Finish Date** |
| **1** | (Report or measurement process that will be followed) | (The current state) | (The target state) | (Start measure when?) | (How often?) | (Finish measure when?) |
| **2** | (Report or measurement process that will be followed) | (The current state) | (The target state) | (Start measure when?) | (How often?) | (Finish measure when?) |
| **3** | (Report or measurement process that will be followed) | (The current state) | (The target state) | (Start measure when?) | (How often?) | (Finish measure when?) |
| **4** | (Report or measurement process that will be followed) | (The current state) | (The target state) | (Start measure when?) | (How often?) | (Finish measure when?) |
| **5** | (Report or measurement process that will be followed) | (The current state) | (The target state) | (Start measure when?) | (How often?) | (Finish measure when?) |

**Outcome Realisation Capability and Measurability**

|  |  |  |  |
| --- | --- | --- | --- |
| **Responsibility** | **Name** | **Title and Business Unit** | **Signature** |
| **Outcome Owner** | (Name of person what will be accountable for the outcome) | (Title and Business Unit) | (Signature of Outcome Owner) |
| **Measurement of Outcome** | (Name of person that will be responsible for the measurement) | (Title and Business Unit) | (Signature of person responsible for Measurement) |
| **Reporting of Outcome** | (Name of the person that will be responsible for reporting the measurement) | (Title and Business Unit) | (Signature of person responsible for Reporting) |

**Monitoring Capabilities:**

(Outline the capabilities required, addressing the following:

* What needs to be developed to get the measurement information?
* Who will develop and implement the monitoring capability and how will it be developed and implemented (is this represented as a task in any of the projects/initiatives within the programme)?
* What (if any) cost is involved in providing the monitoring capability?
* What actions need to be taken on a regular basis to provide the information?
* Who will be responsible for these actions?)

**Risks**

* (List the factors could threaten the achievement of this outcome or benefit. Under what circumstances could these factors arise? What will be done to mitigate these risks?)

## Intangible benefits

The following are the intangible benefits:

* (List intangible benefits here - align with BRD)

# Cost / benefit analysis

Based upon these costs and benefits, the analysis shows the following in terms of NPV, Payback Period and IRR:

|  |  |  |  |
| --- | --- | --- | --- |
| NPV (over 5 years) | R xxx | Years | Months |
| Payback Period (years) | X-years Y-months | X-years | Y-months |
| IRR (over 5 years) | XX% |  |  |

# Assumptions / risks / dependencies

## Assumptions

* (List of project assumptions here - align with BRD).

## Risks

* (List of known or top project risks here - align with BRD).

## Dependencies

* (List of project dependencies here - align with BRD).