

PRINCE2™ - Business Case

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Note: This document is only valid on the day it was printed

Revision History

Date of next revision:

Revision Date	Previous Revision Date	Summary of Changes	Changes Marked

Approvals

This document requires the following approvals. A signed copy should be placed in the project files.

Name	Signature	Title	Date of Issue	Version

Distribution

This document has been distributed to:

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Overview

Purpose A Business Case is used to document the justification for the undertaking of a project, based on the estimated costs (of development, implementation and incremental ongoing operations and maintenance costs) against the anticipated benefits to be gained and offset by any associated risks.

The outline Business Case is developed in the Starting up a Project process and refined by the Initiating a Project process. The Directing a Project process covers the approval and re-affirmation of the Business Case.

The Business Case is used by the Controlling a Stage process when assessing impacts of issues and risks. It is reviewed and updated at the end of each management stage by the Managing a Stage Boundary process, and at the end of the project by the Closing a Project process.

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Advice *The Business Case is derived from the: Project mandate and Project Brief – reasons; Project Plan - costs and timescales; The Senior User(s) - expected benefits; The Executive - value for money; Risk Register and Issue Register.*

The Business Case can take a number of formats, including: Document, spreadsheet or presentation slides; Entry in a project management tool.

The following quality criteria should be observed:

- *The reasons for the project must be consistent with the corporate or programme strategy*
- *The Project Plan and Business Case must be aligned*
- *The benefits should be clearly identified and justified*
- *It should be clear how the benefits will be realized*
- *It should be clear what will define a successful outcome*
- *It should be clear what the preferred business option is, and why*
- *Where external procurement is required, it should be clear what the preferred sourcing option is, and why*
- *It should be clear how any necessary funding will be obtained*
- *The Business Case includes non-financial, as well as financial, criteria*
- *The Business Case includes operations and maintenance costs and risks, as well as project costs and risks*
- *The Business Case conforms to organizational accounting standards (e.g. break-even analysis and cash flow conventions)*
- *The major risks faced by the project are explicitly stated, together with any proposed responses.*

Executive Summary

(Highlight the key points in the Business Case, which should include important benefits and the return on investment (ROI))

Designed to eliminate the confusion and unnecessary busyness of doctors in hospitals, this program interprets the data of patients with artificial intelligence to make accurate diagnoses and direct them to the necessary areas. This saves time, money and the burden on the shoulders of healthcare professionals. The program provides fast, accurate diagnoses, saves money and enables innovation by integrating technology into healthcare. This program has the potential to improve patient care, increase operational efficiency and provide a positive ROI of 10% for this project with a net profit of 240k and a total investment of 600k.

Reasons

(Defines the reasons for undertaking the project and explains how the project will enable the achievement of corporate strategies and objectives)

The increasing demand for efficient healthcare solutions necessitates innovative technologies that can streamline processes and improve patient outcomes. This project leverages AI to tackle these challenges effectively. Also, by providing timely and accurate diagnoses, the app will significantly enhance the quality of patient care. This aligns with the corporate mission to prioritize patient health and safety and the project fosters a culture of innovation, which is essential for long-term growth and sustainability. It positions the organization to adapt to changing market demands and technological advancements.

Business Options

(Analysis and reasoned recommendation for the base business options of: do nothing, do the minimal or do something)

Expected Benefits

(The benefits that the project will deliver expressed in measurable terms against the situation as it exists prior to the project. Benefits should be both qualitative and quantitative. They should be aligned to corporate or program benefits. Tolerances should be set for each benefit and for the aggregated benefit. Any benefits realization requirements should be stated)

- Enhancing Patient Care
- Reducing the workload on healthcare professionals
- Preventing complexity in hospitals
- Saving time and money by infusing technology into the health field

Expected Dis-benefits

(Outcomes perceived as negative by one or more stakeholders. Dis-benefits are actual consequences of an activity whereas, by definition, a risk has some uncertainty about whether it will materialize. For example, a decision to merge two elements of an organization onto a new site may have benefits (e.g. better joint working), costs (e.g. expanding one of the two sites) and dis-benefits (e.g. drop in productivity during the merger). Dis-benefits need to be valued and incorporated into the investment appraisal)

Timescale

(The period over which the project will run (summary of the Project Plan) and the period over which the benefits will be realized. This information is subsequently used to help timing decisions when planning (Project Plan, Stage Plan and Benefits Review Plan))

The project plan, beginning on January 1 and concluding on December 31. The first phase, MVP Development, starts on January 1 and runs until February 28, focusing making a basic application with basic functions. This is followed by the Alpha Version phase, which takes place from March 1 to May 31, where we do testing and collect feedbacks from them. The Beta Version phase occurs from June 1 to August 30, allowing selected users to test the app and provide feedback. The Release Candidate (RC) phase runs from September 1 to November 30, during which the app is in final testing, including user acceptance testing. Finally, the Final Release phase spans from December 1 to December 31, in that time program is fully functional and ready to deploy it to the app stores.

Costs

(A summary of the project costs (taken from the Project Plan), the ongoing operations and maintenance costs and their funding arrangements)

Developers receive a salary of 50K/yr and incur total costs (including overhead like employee taxes, retirement, social security, infrastructure/IT, supplies, building, utilities, etc.) for the company that are double that (100K€/yr). 600K€ costs in total.

Investment Appraisal

(Compares the aggregated benefits and dis-benefits to the project costs (extracted from the Project Plan) and ongoing incremental operations and maintenance costs. The analysis may use techniques such as cash flow statement, ROI, net present value, internal rate of return and payback period. The objective is to be able to define the value of a project as an investment. The investment appraisal should address how the project will be funded)

Total costs 600K€

Total Income for 4 years:840K€

Net Profit:240K€

ROI: %10

NPV: 150.11

Cash Flow Statements:

140K€ at beginning of 2nd year,

280K€ at beginning of 3rd,

420K€ at beginning of 4th.

Payback Period/Breakeven Point: Beginning of the 4th year

Major Risks

(Gives a summary of the key risks associated with the project together with the likely impact and plans should they occur)

Data Privacy and Security Risks:Breaches could lead to significant legal consequences, loss of patient trust, and financial penalties.

- Regular security audits, and ensure compliance with all relevant regulations.

Technical Problems: AI algorithms that do not perform as expected could delay development and increase costs.

- Conduct thorough technical assessments during the planning phase, allocate buffer time in the development schedule

Adoption: Healthcare professionals and patients may be hesitant to adopt the new technology, limiting its effectiveness and market success.

- Gather user feedback during the beta phase to address concerns.

Budget Overruns: Unforeseen expenses could lead to project delays or require additional funding.

- A detailed financial program and setting priorities so as not to exceed limits.

