#### Definitions

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| --- | --- |
| This template has annotated instructions in blue to explain the intent or recommended use of the information. Organizations can adapt the template to their unique structure.  The goal of this Business Case template is two-fold:  1) Clearly explain the project benefit to decision makers,  2) Provide traceable, measurable and consistent data for benefit realization analysis after project implementation.  Section 1, the Project Summary provides an executive summary. Section 2, Business Context explains the problem/opportunity at hand. Section 3 lists each of the claimed benefits the project will deliver. Section 4 totals the financial benefits and costs as well as the risks to financial return. | |
| **Benefit/Cost Horizon** | This is time frame starts when the project begins and extends 7 years. For large multi-year projects, a 10-year horizon can be used. (Organizations can adapt the time frame but it should be consistent for project comparison reasons) The horizon should encompass the project lifespan and a few years of post-project activity to allow for time benefit realization sampling. |
| **Measurable Benefit** | Measurable financial benefits are benefits that will directly improve the Company bottom-line profit, that are specifically/solely attributable to the project, and that can be conclusively measured after project implementation. The measurable benefit is calculated in the NPV/ROI.  The benefit will have a specific metric that will used after project implementation, to measure the project-specific impacts toward realizing the benefit described. Metrics for Measurable Financial Benefits should be measurements of project-specific impacts that tie directly to bottom-line profit improvements. |
| **Economic Benefit** | Economic benefits are benefits that will directly improve the Company bottom-line profit, that are specifically/solely attributable to the project, but that cannot be conclusively measured after project implementation.  Metrics for economic benefits should be measurements of project-specific impacts to the business process, product/service offering, capability, etc. that are expected to indirectly improve bottom-line profit (since the direct bottom-line project-specific profit improvement cannot be measured). |
| **Qualitative Benefit** | Qualitative (“Soft”) benefits are benefits that are expected to indirectly improve bottom-line profit, but where the anticipated profit improvement cannot be estimated (i.e., specific $-amount profit improvement by fiscal year) with a high degree of confidence. |
| **Incremental Operating Expense** | Expenses to be incurred for the time horizon after project completion, starting with the first fiscal year in which such expenses will be incurred. Ideally, identify the department expected to incur the expense to provide transparency and accountability to future expenses and provide input into annual budget planning. |
| **Value Capture Analysis** | The activity of measuring the anticipated project benefits to validate the realization of benefits. Ideally, the original project sponsor is responsible for this activity in tandem with the group (Finance) that originally vetted the Business Case financial benefit. |
| **Portfolio Category/Foundational Type** | Categories within the portfolio to assist in reporting the types of projects. For example, Strategic vs. Compliance. Edit the properties of the control to customize the values for your organization. |
| **Benefit Category** | To aid in reporting, indicates Measurable, Economic, Qualitative etc. |
| **Benefit Type** | A secondary classification of the benefit that can be customized to each organization. Provides a consistent and descriptive grouping for reporting benefits. Edit the properties of the control to customize the values for your organization. |
| **Key Metric** | The metric used after project implementation to measure the project-specific impacts toward realizing the benefit. Composed of a baseline and anticipated target so that improvement can be measured. |

Delete this page as needed

1. Project Summary

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Project Name: |  | | | | | | | |
| Submitted By: |  | | | | | | | |
| Portfolio Category: | Choose an item. (If Foundational, select type: Choose an item.) | | | | | | | |
| Sponsor Department: | Choose an item. | | | | | | | |
| Primary Project Benefit Type: | Choose an item. | | | | | | | |
| Business Lead: |  | | | | | | | |
| Project Manager: |  | | | | | | | |
| Proposing Attorney: (Provide For Legal/Regulatory Compliance projects, else type “N/A”) |  | | | | | | | |
| Project Delivery Probability: (IT Delivery Team/PMO to determine) | Choose an item. | | | | | IT Lead: | | |
| Total Project Budget: (From section 4.3. OPEX + CAPEX across all Fiscal Years) | OPEX $ | | 0 | | | | | |
|  | CAPEX $ | | 0 | | | | | |
|  | TOTAL $ | | 0 | | | | | |
| **7/10-Yr Incremental Operating Total Expense:  (From section 4.4. Does not include depreciation or any portion of the total project cost stated above)** | OPEX $ | | 0 | | | | | |
| Total Cost Commitment:  (Sum of Total Project Budget + Incremental Operating Cost after) | GRAND TOTAL $ | | 0 | | | | | |
| Internal Resource Demand: | Choose an item. | | | | | | | |
| Planned Implementation Date: |  | | | | | | | |
| **Benefit Realization Probability:** (FP&A Team to determine) | Choose an item. | | | | | FP&A Lead: FP&A representative signing off on financials | | |
| 7/10-Yr Measurable $-Return: (Most Likely) | NPV |  | | ROI |  | | YTP |  |
| 7/10-Yr “Economic” $-Return: (Most Likely) | NPV |  | | ROI |  | | YTP |  |
| One sentence business case summary:  In order to improve \_\_\_ we are doing \_\_\_, which is worth \_\_\_ and can be measured by \_\_\_. | | | | | | | | |
| Date after project implementation to begin value capture analysis to verify benefit realization: | | | | | | | | |

1. Business Context
   1. Project Justification

This section does not describe the proposed project/solution. Limited strictly to a description of the problem or opportunity at hand (the problem should not be defined as “not having the proposed solution”).

Describe and quantify the Current State, Ideal State, and the resulting Gap that this project seeks to address.

*Problem Statement/Background:*

Provide supporting context if required. For Lights-On and Compliance projects, describe the specific issues/risks necessitating the project (where possible please describe the current/future risks to the business, probability/impact of business interruptions or legal action, etc.).

*Current State (Quantified, Project-Specific):*

Example of a quantified current state: “Company currently mails paper billing statements to 100% of our accounts outstanding. At a monthly cost of $*x* per mailed statement, times *y*# of average accounts outstanding, Company is currently spending $*z* per month ($*z* x 12 annually) on mailing paper billing statements.”

*Ideal State (Quantified, Project-Specific):*

Example of quantified ideal state: “Based on market research and industry benchmarking, Company should be able to present billing statements exclusively in electronic format for at least 25% of the portfolio, therefore reducing the rate of paper billing statement mailings to 75% of accounts outstanding.”

*Gap (Quantified, Project-Specific):*

Example of quantified gap (metric for success): “Company should be able to eliminate paper billing statements for 25% of the accounts outstanding. Based on an average of *y*# of accounts outstanding, Company has a billing statement expense savings opportunity of $*z* x .25 per month ($*z* x .25 x 12 annually).”

* 1. Root Cause

This does not describe the proposed project/solution. It is strictly a fundamental description of why the company has the Current State to Ideal State “Gap” described above.

Various techniques can be utilized such as “5 Whys”, Fishbone Diagram, or Quality/Lean tools to describe the underlying root cause of the problem or opportunity described above.

* 1. Proposed Business Solution

This does not describe the technology solution. It is strictly a description of the proposed business changes (i.e. products and services, processes, policies, business partnerships, etc.).

Provide a high-level description (no more than one or two succinct paragraphs) of the business changes being proposed; focusing on how the Company market offerings, processes, policies, people, and/or business partners will be changed and/or developed in order to address the problem or opportunity outlined above.

Also describe all significant changes that any high impact internal groups will need to make to their day-to-day operating processes & procedures in order to “run” the solution that is to be implemented as part of this project.

* 1. Project Scope

List the high-level functional scope items that are In and Out of the scope of this project.

Assumptions and detailed requirements should be documented in the Business Requirements Document, not in the Business Case. The functional scope below should be provided as lists, at the level of description that an executive can comprehend. Examples: Integration with another subsidiary, new pricing ability, new data sources, mobile enabled etc.

*In Scope*

* Functional scope items included in the project

*Out of Scope*

* Functional scope items excluded from the project

1. Business Benefits
   1. Measurable Financial Benefits

**Measurable Financial Benefits** are benefits that will directly improve the Company bottom-line profit, that are specifically/solely attributable to this project, and that can be conclusively measured after project implementation. An accountable group such as Finance/FP&A group should review and approve each stated benefit. In some companies a Financial Analyst is designated to work with assigned departments for this function. Make a copy of each section 3.1 table for each Measurable Benefit claimed and included in the business case NPV/ROI calculations. For accountability, it is recommended that HR approve all claimed FTE savings and that a senior sponsor, such as VP, agree to any anticipated benefit to their responsible area.

(Copy the table below for each Measurable Benefit claimed. If this project does not have any Measurable Financial Benefits listed, show “N/A – this project has no significant measurable financial benefits.”)

|  |  |  |
| --- | --- | --- |
| **Benefit Title:**  **Provide a concise and unique title to identify the benefit.** |  | |
| **Benefit Category:** | Measurable | |
| **Benefit Type:** | Choose an item. | |
| **Description:  Describe the benefit, and provide a short explanation of how this project will deliver the benefit.** |  | |
| **Key Metric to Be Impacted: Specify the metric that will be used after project implementation, to measure the project-specific impacts toward realizing the benefit described above. Metrics for Measurable Financial Benefits should be measurements of project-specific impacts that tie directly to bottom-line Company profit improvements.** |  | |
| Current “Baseline” Value of Key Metric: Specify the current value of the key metric to be impacted by this project (e.g., current retention % = 83%) |  | |
| Anticipated Value of Key Metric: Specify the anticipated value of the key metric, to be achieved as a result of implementing this project (e.g., future retention rate = 87%) |  | |
| 7-Year/10-Year Financial Benefit: (Gross $-amount) Estimate the cumulative measurable improvement to bottom-line profit ($-amount) for the duration of the 7/10-year NPV time horizon, and briefly describe how the improved performance in the metric described above translates into this $-amount.  Calculation for Business Case NPV analysis & discounting should start at Year 1/current year, or as designated by FP&A. | (Based on Financial Time Horizon. Modify table from 7-year horizon to 10-year horizon as needed, or replace with N/A as applicable.)   |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | | **Previous Years** | **7 Year Horizon** | | | | | | | | | FY00  (Current) | FY00 | FY00 | FY00 | FY00 | FY00 | FY00 | TOTAL | |  |  |  |  |  |  |  |  |  |   Description of improvement: | |
| Benefit “Proof-of-Concept”: Describe what “Proof-of-Concept” (PoC) activities have been completed to substantiate the estimated benefit described above. Some examples of Benefit PoC activities include manual/small-scale pilots, market research, historical data analysis, “voice of customer” input, etc. |  | |
| Responsible Management Committee Member: List the management member committing to achieve the anticipated level of improved business performance, per the metrics outlined above. |  |  |

* 1. Other Anticipated (Un-Measurable) Economic Benefits

**Other Anticipated (Un-Measurable) Economic Benefits** are benefits that will directly improve bottom-line profit, that are specifically/solely attributable to this project, but that cannot be conclusively measured after project implementation. As designated in your organization, the FP&A group should review and approve each stated benefit; please work with your assigned Financial Analyst to complete a copy of the following table for each Other Anticipated (Un-Measurable) Economic Benefit.

(Show “N/A – This project has no significant economic benefits.” if no benefits are listed.)

|  |  |  |
| --- | --- | --- |
| **Benefit Title:**  Provide a concise and unique title to identify the benefit. |  | |
| **Benefit Category:** | Economic Benefit | |
| **Benefit Type:** | Choose an item. | |
| **Description: Provide a brief description of the anticipated benefit (e.g., Increased Market Share for XYZ Product+Market Segment).** |  | |
| **Key Metric to Be Impacted: Specify the metric that we will be used after project implementation, to measure the project-specific impacts toward realizing the benefit described above. Metrics for Other Anticipated (Un-Measurable) Economic Benefits should be measurements of project-specific impacts to the business process, product/service offering, capability, etc. that are expected to indirectly improve bottom-line profit (since the direct bottom-line project-specific profit improvement cannot be measured).** |  | |
| Current “Baseline” Value of Key Metric: Specify the current value of the “process/capability” metric to be impacted by this project (e.g., % of customers viewing a personalized marketing message after logging in to manage their account on Company.com = 0%). |  | |
| Anticipated Value of Key Metric: Specify the anticipated value of the “process/capability” metric to be achieved as a result of implementing this project (e.g., % of customers viewing a personalized marketing message after logging in to manage their account on Company.com = 40%). |  | |
| 7-Year/10-Year Financial Benefit:  (Gross $-amount) Estimate the cumulative anticipated (un-measurable) improvement to bottom-line profit ($-amount) for the duration of the 7-year NPV time horizon, and briefly describe how the improved performance in the metric above is expected to translate to this $-amount (e.g., increased customer views of personalized marketing messages via Company.com is expected to provide a 1% lift in retention for these customers based on the market research described below, which translates to $X/year in incremental profit, or $5X over 7 years).  Calculation for Business Case NPV analysis & discounting should start at Year 1/current year, or as designated by FP&A. | (Based on Financial Time Horizon. Modify table from 7-year horizon to 10-year horizon as needed, or replace with N/A as applicable.)   |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | | **Previous Years** | **7 Year Horizon** | | | | | | | | | FY00  (Current) | FY00 | FY00 | FY00 | FY00 | FY00 | FY00 | TOTAL | |  |  |  |  |  |  |  |  |  |   Description of improvement: | |
| Benefit “Proof-of-Concept”: Describe what “Proof-of-Concept” (PoC) activities have been completed to substantiate the estimated benefit described above. Some examples of Benefit PoC activities include manual/small-scale pilots, market research, historical data analysis, “voice of customer” input, etc. |  | |
| Responsible Management Committee Member: List the Management member committing to achieve the anticipated level of improved business performance, per the metrics outlined above. |  |  |

* 1. Qualitative (“Soft”) Benefits

**Qualitative (“Soft”) Benefits** are benefits that are expected to indirectly improve bottom-line profit, but where the anticipated profit improvement cannot be estimated (i.e., specific $-amount profit improvement by fiscal year) with a high degree of confidence. Please complete a copy of the following table for each Qualitative (“Soft”) Benefit.

(Show “N/A – This project has no significant qualitative (soft) benefits” under the section heading if no soft benefits are listed.)

|  |  |
| --- | --- |
| **Benefit Title:**  **Provide a concise and unique title to identify the benefit.** |  |
| **Benefit Category:** | Choose an item. |
| **Benefit Type:** | Choose an item. |
| **Description: Provide a brief description of the anticipated benefit (e.g., Increased Associate Engagement).** |  |
| **Key Metric to Be Impacted: Specify the metric that we will be able to use after project implementation, to measure the project-specific impacts toward realizing the benefit described above. Metrics for Qualitative (“Soft”) Benefits may be measurements of project-specific impacts to business processes, capabilities, customer/associate satisfaction surveys, etc.** |  |
| Current “Baseline” Value of Key Metric: Specify the current value of the metric to be impacted by this project (e.g., 100% of Band1-3 employees must manually track their time in an enterprise time tracking system). |  |
| **Anticipated Value of Key Metric: Specify the anticipated value of the metric to be achieved as a result of implementing this project (e.g., 0% of Band1-3 employees must manually track their time in an enterprise time tracking system).** |  |

* 1. Risks to Project Benefit Realization

Please complete an entry for each significant identified risk to project benefit realization. These identified risks should feed into the project manager’s risk log, to be monitored/managed throughout the project lifecycle. Please focus on the top macro-level risks to project benefit realization, and do not list all risks relating to project schedule and/or budget performance. All of these risks should be tracked in the project manager’s risk log, however only the significant risks that could prevent realization of the anticipated business benefits should be outlined in this Business Case.

|  |  |
| --- | --- |
| **Risk Description: Provide a brief description of the known risk (e.g., Insufficient Customer/ Employee Adoption, Competitive Responses from Competitors, Lower-than-Expected Business Volumes, Legal/Regulatory Constraints, etc.).** |  |
| Mitigation Strategy: Briefly describe what measures the project team will be taking to monitor and mitigate the benefit realization risk described above. |  |

1. Appendix
   1. Net P&L Impact (Pre-Tax)

Financial benefit time horizon period: **Choose a time period.**   
(Modify numbers of years in table below based time horizon.)



* 1. Financial Return Sensitivity Analysis

Please list the uncertain/ “uncontrollable” variables that are driving the Conservative, Most-Likely and Aggressive financial return scenarios in the Scenario Assumptions table, along with the values for these variables used in each scenario.

(Please delete any unused rows in the Assumptions table. Delete all tables in this section for Lights-On and Compliance projects - Show “Not Applicable” for this section.)

|  |  |  |  |
| --- | --- | --- | --- |
| Measurable | Net Present Value (NPV $) | Return on Investment (ROI $) | Years to Payback |
| Conservative Scenario |  |  |  |
| Most Likely Scenario |  |  |  |
| Aggressive Scenario |  |  |  |

(Add/delete rows as needed)

|  |  |  |  |
| --- | --- | --- | --- |
| Measurable Scenario Assumptions  Critical Variable ($-Benefit Driver) | Conservative Value | Most-Likely Value | Aggressive Value |
| Variable #1 (e.g., Avg. Annual NVS Volume | #/%/etc. | #/%/etc. | #/%/etc. |
| Variable #2 (e.g., Avg. COMPANY Retail Market Share) | #/%/etc. | #/%/etc. | #/%/etc. |
| Variable #3 (e.g., Customer Opt-In %) | #/%/etc. | #/%/etc. | #/%/etc. |
| Variable #4 (e.g., Project Implementation Cost) | #/%/etc. | #/%/etc. | #/%/etc. |

|  |  |  |  |
| --- | --- | --- | --- |
| Economic | Net Present Value (NPV $) | Return on Investment (ROI $) | Years to Payback |
| Conservative Scenario |  |  |  |
| Most Likely Scenario |  |  |  |
| Aggressive Scenario |  |  |  |

(Add/delete rows as needed)

|  |  |  |  |
| --- | --- | --- | --- |
| Economic Scenario Assumptions  Critical Variable ($-Benefit Driver) | Conservative Value | Most-Likely Value | Aggressive Value |
| Variable #1 (e.g., Avg. Annual NVS Volume) | #/%/etc | #/%/etc. | #/%/etc. |
| Variable #2 (e.g., Avg. COMPANY Retail Market Share) | #/%/etc. | #/%/etc. | #/%/etc. |
| Variable #3 (e.g., Customer Opt-In %) | #/%/etc. | #/%/etc. | #/%/etc. |
| Variable #4 (e.g., Project Implementation Cost) | #/%/etc. | #/%/etc. | #/%/etc. |

* 1. Project Budget Detail

Please provide the project’s total budgeted cost, inclusive of all project phases and across all fiscal years that the project will be active. Do not include incremental operating expense here but rather show this separately in section 4.4.

(Add/delete rows as needed)

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Operating Expense**  **(OPEX)** | **Capital Expense**  **(CAPEX)** | **Total**  **(OPEX + CAPEX)** |
| Fiscal Year 20xx |  |  |  |
| Fiscal Year 20xx |  |  |  |
| Project Total (All FYs) | $0 | $0 | $0 |

Budget Details: Attach Here

Project-Related Expenses Not Reflected in the Project Budget:

Call out any/all significant project expenses that are included in the project financial return (NPV/ROI) analysis but are not included in the project budget table (above), such as employee salary expenses. Also call out any/all significant” enterprise” (shared) IT infrastructure expenses that will be incurred in relation to this project, that are not included in the project NPV/ROI analysis – such as incremental storage/processing capacity, etc.

* 1. Incremental Operating Expenses (After Project Completion)

Show all incremental operating expenses to be incurred for the time horizon after project completion, starting with the first fiscal year in which such expenses will be incurred, in the table below. List expenses by the department that will incur the expense against their core/operational department budget. Edit rows and departments as needed.

Anticipated Incremental Operating Expense Schedule by Department:

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Dept** | **Previous Yrs** | **FYxx** | **FYxx** | **FYxx** | **FYxx** | **FYxx** | **FYxx** | **FYxx** | **Total** |
| IT |  |  |  |  |  |  |  |  |  |
| HR |  |  |  |  |  |  |  |  |  |
| Operations |  |  |  |  |  |  |  |  |  |
| Sales |  |  |  |  |  |  |  |  |  |
| Subtotal |  |  |  |  |  |  |  |  |  |
| Depreciation |  |  |  |  |  |  |  |  |  |
| Total |  |  |  |  |  |  |  |  |  |

Incremental Labor Expense:

Specify “None” if no incremental staff is required. Identify any/all incremental staff that will be required to support the solution after project implementation. Please explain here if the business is to re-allocate existing FTE or will require net new FTE.

Other Incremental Operating Expenses:

Describe the recurring expenses in table above that will be required to support the solution after project implementation.

* 1. Business Case Financial Model

Financial Model:

(Attach Excel File)

Value Capture Analysis backup documentation:  
(Attach all relevant proof of benefits documentation for each measurable benefit.  Examples include vendor invoices, pilot results, excel reports…etc.)

* 1. Project Schedule

List the high-level phases for this project. If this Business Case scope is part of a larger program or multi-phase project, show the schedule context. Please ensure start and end dates are defined for all milestones, phases, releases of this project.

Approvals

|  |  |
| --- | --- |
| **Name & Department** | **Date Approved** |
|  |  |
|  |  |
|  |  |