

**Business Case**©

**For [Project Name]**

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# Template Guide

 **What is a Business Case?**

A Business Case captures the reasoning and justification for a project and/or purchase. If this document is used for a customer, IT should help complete this document with the customer. It includes:

* A description of the business problem (or opportunity) which exists in the business
* A listing of the available options for delivering a solution to resolve the problem
* The benefits and costs associated with each solution option
* A recommended solution option for approval. ©
* An implementation approach, if applicable

**How to Use This Template**

Use the following format to complete the business case. Please remove any bullet points or sections that are not applicable to your business case.

# Executive Summary

The Executive Summary is usually written last and should be a one page summary of final findings. Summarize each of the sections in this document concisely by outlining the:

* Problem or opportunity
* Solution alternatives
* Recommended Solution
* Reasons for Proposing the Activity Now
* Impact if the Activity is Not Approved
* Justification

# Business Problem

## Environmental Analysis (include Business Process as applicable)

Outline the core aspects of the business environment which have derived the need for this project to take place. These may include:

* Business Vision, Strategy or Objectives
* Business processes or technologies which are not operating efficiently
* New technology trends (or opportunities resulting from new technologies introduced)
* Government or operational trends which are driving changes in the business
* Changes to Statutory, legislative or other environmental requirements. ©

Provide any facts or evidence to support the conclusions drawn above.

## Problem Analysis

Outline the fundamental business problem or opportunity which the resulting project will directly address.

Business Problem

Provide a summary of the core business problem, including:

* A generic description of the core issue
* The reasons why the problem exists
* The elements which created it (e.g. human, process, technology)
* The impact it is having on the business (e.g. financial, cultural, operational)
* The timeframes in which it must be resolved. ©

Business Opportunity

Outline the business opportunity which has been identified, including:

* A summary of the generic opportunity
* Any supporting evidence to prove that the opportunity is real
* A timeframe in which the opportunity will likely exist
* The positive impact that realization of the opportunity will have on the business.

## Current Technology Environment

### Current Software

Describe OU’s existing software that will be modified or replaced by the proposed project.

|  |  |  |
| --- | --- | --- |
| **Software Items** | **Description** | **Cost** |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

### Current Hardware

Describe OU’s existing hardware that will be modified or replaced by the proposed project.

|  |  |  |
| --- | --- | --- |
| **Hardware Items** | **Description** | **Cost** |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

# Available Options

This section provides a full listing of all solution options, their benefits, costs, feasibility, risks, issues and assumptions. Options suggested may include doing nothing, doing something that will achieve a similar result or doing something that will achieve a better result than current performance. Try to minimize the number of options available by conducting a detailed Feasibility Study beforehand. *If there are additional options, please add them after Option 1 as 3.2, 3.3, etc.* For each solution option identified, the following information is required:

## Option 1 – *[Option Name]*

* + 1. **Description**

Provide a summarized description of the option identified. This will include the general approach to be taken and a summary of the core elements of the solution (e.g. people, process, organization, technology).

* + 1. **Benefits, Goals and Measurement Criteria**

Describe the tangible and intangible benefits to OU upon implementation of the solution. One of the obvious benefits described will be that the business problem / opportunity outlined above will be addressed. Example table:

|  |  |  |
| --- | --- | --- |
| **Category** | **Benefit** | **Value©** |
| Financial | * New revenue generated
* Reduction in costs
 | *$ x**$ x* |
| Operational | * Improved operational efficiency
* Enhanced quality of product / service
 | *x %**x %* |
| Market | * Additional competitive advantage
 | *Describe* |
| Customer | * Improved customer satisfaction
* Increased customer retention
* Greater customer loyalty
 | *x %**x %**Describe* |
| Staff | * Increased staff satisfaction
* Improved organizational culture
* Longer staff retention
 | *x %**Describe**x %* |

The benefits listed above are working examples only. All quantifiable benefits listed must be supported by current performance figures.

### Costs and Funding Plan

Describe the tangible and intangible costs to OU upon implementation of the solution. The costs of the actual project should be included (e.g. equipment procured) as well as any negative impact to the business resulting from the delivery of the project (e.g. operational down-time). Use the following as examples:

|  |  |  |  |
| --- | --- | --- | --- |
| **Category** | **Cost** | **Value** | **Budgeted** |
| People | * Salaries of project staff
* Contractors / outsourced parties
* Training courses
 | *$ x**$ x**$ x* | *YES**NO**YES* |
| Physical© | * Building premises for project team
* Hardware, Equipment & Materials
* Tools (software, computers, phones, etc)
 | *$ x**$ x**$ x* | *NO**NO**NO* |
| Organizational | * Operational down-time
* Short-term loss in productivity
* Cultural change
 | *$ x**$ x**Describe* | *NO**NO**NO* |

A separate spreadsheet showing an analysis of the cost equations may need to be attached as an appendix to this document if further information is likely to be required for approval.

### Comparison of Proposed Software Cost and Current Software Cost

Describe software for the project, including technical factors that may be critical to project selection if applicable.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Proposed Software Items** | **Description** | **Cost** | **Current Software Items** | **Description** | **Cost** | **Variance** | **Budgeted****Amount** |
|   |   |   |   |   |   |   |   |
|   |   |   |   |   |   |   |   |
|   |   |   |   |   |   |   |   |
|   |   |   |   |   |   |   |   |

### Comparison of Proposed Hardware Cost and Current Hardware Cost

Describe the hardware for the project, including technical factors that may be critical to project selection if applicable.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Proposed Software Items** | **Description** | **Cost** | **Current Software Items** | **Description** | **Cost** | **Variance** | **Budgeted****Amount** |
|   |   |   |   |   |   |   |   |
|   |   |   |   |   |   |   |   |
|   |   |   |   |   |   |   |   |
|   |   |   |   |   |   |   |   |

Identify Funding Sources and Amounts:

|  |  |  |
| --- | --- | --- |
| **Funding Source**  | **Amount** | **Notes** |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

* + 1. **Feasibility**

Describe the feasibility of the solution. To adequately complete this section, a Feasibility Study may need to be initiated to quantify the likelihood of achieving the desired project result. To assess the overall feasibility of this option, use the following table as an example to break the solution down into components and rate the feasibility of each component is:

|  |  |  |
| --- | --- | --- |
| **Component** | **Rating ©****(1-10)** | **Method Used to Determine Feasibility** |
| New Technology  | 5 | A technology Prototype was created to assess the solution |
| New People © | 8 | A survey was completed to identify skill-set availability |
| New Processes  | 3 | Processes within similar organizations were reviewed |
| New Assets | 9 | Physical assets were inspected |

* + 1. **Risks**

Summarize the most apparent risks associated with the adoption of this solution. Risks are defined as “any event which may adversely affect the ability of the solution to produce the required deliverables”. Risks may be Strategic, Environmental, Financial, Operational, Technical, Industrial, Competitive or Customer related. Use the following table as an example:

|  |  |  |  |
| --- | --- | --- | --- |
| **Description** | **Likelihood** | **Impact©** | **Mitigating Actions** |
| Inability to recruit skilled resource | Low | Very High | Outsource project to a company with proven industry experience and appropriately skilled staff |
| Technology solution is unable to deliver required results | Medium | High | Complete a pilot project to prove the technology solution will deliver the required results |
| Additional capital expenditure may be required in addition to that approved | Medium | Medium | Maintain strict cost management processes during the project |

* + 1. **Issues**

Summarize the highest priority issues associated with the adoption of this option. Issues are defined as“any event which currently adversely affects the ability of the solution to produce the required deliverables”. Use the following table as an example:

|  |  |  |
| --- | --- | --- |
| **Description©** | **Priority** | **Resolution Actions** |
| Required capital expenditure funds have not been budgeted | High | Request funding approval as part of this proposal |
| Required computer software is only at ‘beta’ phase and has not yet been released live | Medium | Design solution based on current software version and adapt changes to solution once the final version of the software has been released |
| Regulatory approval must be sought to implement the final solution | Low | Initiate the Regulatory approval process early so that it does not delay the final roll-out process. |

* + 1. **Assumptions**

List the major assumptions associated with the adoption of this option. Examples include:

* There will be no legislative, business strategy or policy changes during this project
* Prices of materials or services will not increase during the course of this project
* Additional human resource will be available from the business to support this project.

# Recommended Option

This section compares the key characteristics of each solution option and recommends a preferred solution option for implementation.

## Option Rankings

Identify the criteria by which each of the solution options will be assessed. Then agree a rating mechanism for each criteria so that ratings can be added to determine a total score for each option. Use the following table as an example:

|  |  |  |  |
| --- | --- | --- | --- |
| **Criteria©** | **Option 1** | **Option 2** | **Option 3** |
| Benefits* Increased revenue
* Reduced expenditure
* Improved efficiency
* Enhanced quality
* Other
 | *[1-10 Rating]* | *[1-10 Rating]* | *[1-10 Rating]* |
| Costs* People©
* Physical
* Hardware
* Software
* Organizational
* Other
 |  |  |  |
| Feasibility* Technology components
* People components
* Process components
* Asset components
* Other
 |  |  |  |
| Risks* Resourcing
* Technology
* Organizational
* Other
 |  |  |  |
| **Total Score** |  |  |  |

## Option Recommended

Based primarily on the highest Total Score achieved above, list here the ‘Recommended Option’ for Business Case approval. Summarize the primary reasons why this option was chosen over the other options previously identified.

# Implementation Approach

This section provides an overview of the general approach undertaken to deliver the preferred solution option and derive the business benefits.

## Submission Workflow

All project requests will be entered at   <https://i21.innotas.com/>If you are currently not setup as a project requester in Innotas, IT’s Project Management Tool, then please send an email to pmo@ou.edu .  The Enterprise Portfolio Management Office will grant access to anyone who will be requesting a project. Please attach your business case to the project request.



## Project Definition

A Project is a temporary endeavor undertaken to create a unique product or service.  It requires 40 hours or more of work, OR a purchase that isn’t included in the operational budget, OR needs to be tracked and reported on for compliance or leadership purposes.

## Project Execution

Once your project is approved, you will need to follow basic project management guidelines for project management and reporting of the project.  Managing a project requires a balance of Scope, Schedule and Cost.  Information Technology utilizes Innotas, a web based portfolio and project management tool.  There are project templates available to guide you in the management of the project.  Please contact the PMO for access and guidance.

Some important components to keep in mind when planning and implementing a project include:

* Time Management
* Cost Management
* Quality Management
* Change Management
* Risk Management
* Issue Management
* Procurement Management
* Communication Management
* Acceptance Management
* Other artifacts as appropriate for the business case ©

# Appendix

## Supporting Documentation

Attach any documentation you believe is relevant to the Business Case. For example:

* Problem / Opportunity research materials
* Feasibility Study research materials
* External quotes or tenders
* Detailed cost / benefit spreadsheets
* System requirements (if known)
* Other relevant information or correspondence. ©