

Business Case Basics

Getting approval to implement a business effort with **investors/management** is difficult. The investment team is more likely to approve your request if you present them with a cohesive justification coupled with a face-to-face presentation of your business case. There are several key aspects of a business case:

Executive Summary

The executive summary provides the audience with a short (one to three page) summary of your business strategy. It must be persuasive. The remainder of the business case provides the detail and analysis to support the statements you make in this summary.

For a more effective executive summary, complete the business case elements shared below first. Pretend you are in an elevator and someone asks you to summarize the results of your recommendations. You have less than two minutes.

The focus of the executive summary should be based upon the bottom line financial benefits to the investment group/management. All of the other information in the business case should include supporting data in a summary format.

Situational Assessment and Problem Statement.

The activity is being initiated because of an opportunity and need. A strong business case will begin with a thorough definition of the opportunities.

A strong plan will assess the historic, current and future opportunities related to:

- Operational Performance
- Customers and their needs
- Employees
- Competitors
- Industry and Market trends

Project Description

This section of the business case should describe the objectives of the business effort. Define the processes, systems and organizations included within the scope of the planned business. Summarize the activities performed by the team to reach the conclusion and define the competitive goals. Finally, include an overview of the stakeholders for whom this new business will benefit. *In this case the focus is the investors and customers.*

Solution Overview

This section defines the desired end-state (view of business in 5 years from first production). Things to include are the vision statement and goals. In addition, the solution overview should provide a high level description of the business strategy; it should paint a picture for the reader of what the end-state will look like. Provide in an Appendix, as appropriate.

Solution Detail

This section should walk the reader through all aspects of the business strategy. This should include:

- the organization, people, responsibilities, skills etc.
- the business processes
- the business support systems

You may decide to include business or process assumptions briefly in this area, but later in the business case there is a section that focuses on assumptions and risks. It is important that the solution be presented from the viewpoint of the organization receiving the benefits of the solution; for example, the solution as viewed through the eyes of the customer if the goal is to

improve customer service. The solution details should clearly point out how issues presented earlier are resolved by the solution presented.

If there are alternatives to the solution proposed, discuss them. This must include a discussion about the implications to the organization if this project is not implemented. If there are previously tried and failed efforts it may be appropriate to mention them in support of the current recommended solution. **This is where the benefits of a Consulting Team can be most valuable.**

Costs

This section should include an estimate for every anticipated cost of the project's implementation. This includes the development team's time, travel, and parallel operations during the transition period. Include such things as temporary staffing. Also include the costs associated with maintenance of the changes during the first 3 years.

Benefits

The benefits section should quantify those benefits that were touched upon in the solution detail. Count benefits for any organization that will reap positive results from the solution including the customer, field staff, fabricator, CIM, Supplier Management and internal groups such as Engineering, Order Fulfillment. Include cost reductions, revenues increases, reduced travel, less overtime, improved customer satisfaction, employee morale, etc.

Categorize benefits into groups for ease in understanding. Some business cases link the benefits directly to the solution elements. This is, however, not always possible.

Implementation Timeline

Depict each major step in the implementation of the time-line. Major steps should include; development, testing, training, initial implementation, and rollout. Consider any impacts to the organization from a productivity or operational viewpoint

The system development schedule dictates most implementation plans because it is usually the least flexible and has the most dependencies. It is important to think about each solution element and define an implementation timeline that will maximize benefits while having the fewest impacts on the organization. This focus will enable you to prioritize the steps in the implementation.

Critical Assumptions and Risk Assessment

List all business plan assumptions. Constants used in cost/benefit analysis. Discuss the risks of the implementation. Discuss what will happen to the organization if the benefits from the business do not come to fruition. Discuss the steps that will be taken to minimize or mitigate each risk.

SWOT

The SWOT concept should be used against the solution plan.

Conclusion and Recommendation

This should summarize the issues, costs and benefits of the solution. Demonstrate the financial benefits outweigh the cost by including a financial return on investment analysis. Convey a sense of urgency and re-iterate the goal of the solution.

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