CESS Project Business Case Guide

*For projects totaling $1 Million or more*

*Information to help fill out the CESS Project Business Case Form*

Executive Summary

**What is an executive summary?** It is a synopsis of the key points to be covered in the subsequent sections of the Business Case.

**EXECUTIVE SUMMARY INFORMATION TO PROVIDE**

* Describe the proposed IT investment and the problem(s) it solves
* Identify the IT investment time period covered
* Briefly describe how the solution was chosen over possible alternatives
* Explain how the IT investment aligns with and supports institutional strategic business objectives and business plans, the president’s goals, priorities and initiatives, State or Federal mandates, other IT-related system wide plans, initiatives, goals and objectives. Explain how the business benefits will be measured
* Estimate the total cost of ownership (TCO) for the IT project, and identify all funding sources
* Identify top 3 risks: IT risks, project risks, business risks, and/or service delivery risks
* Present the important practical recommendations for project implementation
* Describe the consequences of failure to act on the recommendation

# gENERAL iNVESTMENT iNFORMATION

|  |  |
| --- | --- |
| **Investment Name** | Provide Name of Investment/Initiative |
| **Business Sponsor** | Provide primary Business Sponsor name and contact information |
| **Sponsor Organization** | Provide Business Sponsor’s organization |
| **Supporting CIO** | CIO who will support the business sponsor with any related technology procurement/implementation |
| **Investment Manager** | Provide Investment Manager name and contact information |
| **Investment Type** | Identify the project investment type *(choose from below)*   * Business Enhancement – modifications or improvements to business functions that will be supported by enhancements to existing technology systems. * Replacement – modifications or improvements to business functions that will be supported by replacing current technology applications or systems. * New Business – ***new*** business processes or functions that will be supported by new applications or systems not currently used by the business organization. |

# Purpose of business case

**What do I address in the Purpose of Business Case section?** Provide overall information conveying the purpose of the business case being presented and what the investment is expected to do.

## Purpose Information to provide

* Clearly describe how work is being performed today
* Identify the business objectives, mandatory requirements, solution requirements, or specific problems that are the reason for the proposed IT investment in business terms
* Describe important background information that reviewers need to know in order to understand the problems or opportunities developed more fully in the next section
* Link the problem or opportunity to institutional mission, goals, or program requirements
* Describe how the “current state” meets or does not meet the institutional needs. Why does the “current state” need to be addressed and/or changed?
* Identify relevant metrics or data that help define the scope of the problem or opportunity

# High-level Business Impact

Outline, at a high-level, what business functions/processes may be impacted, and how. Describe plans for addressing ongoing operations, future growth, and how this will be managed. Consider requirements for additional hardware, software, staffing, training, and other resources or requirements, and where financial funding for these things will come from.

# aLTERNATIVES and aNALYSIs

Identify at least three viable options and alternatives to the proposed solution and the strategy used to identify and define them. Perform further analysis of these potential options to identify a preferred solution. Describe the approaches for the identification of alternatives and an outline/description of each alternative considered. **NOTE: Keeping things “as-is” or reusing existing resources should always be the first option!**

Examples of alternatives to consider may include outsource vs. in-house business management, business process redesign versus technology enhancement or replacement, or consolidation or centralization of resources vs. new distributed technology. One approach to presenting the alternatives analysis is illustrated in the section below. If you need more space than provided, or you have more than 4 alternatives, attach your analysis for each alternative as an additional document.

## Alternative A

Include a detailed alternative analysis that contains information such as cost/benefit analysis, initial and ongoing costs, payback period (if known), other resource or security considerations, etc. Intangible Benefits can be included in this section, or an additional section can be added.

*(Example)*

| **Alternatives Analysis** | **Year1** | **Year2** | **Year3** | **Year4** | **Year5** | **Total** |
| --- | --- | --- | --- | --- | --- | --- |
| ***Alternative A***  *Cost of Alternative*  *Cost Savings*  *Cost Avoidance*  ***Total Benefit*** | *($550,000)*  *$0*  *$200,000*  ***($300,000)*** | *($50,000)*  *$0*  *$0*  ***($50,000)*** | *($150,000)*  *$0*  *$200,000*  ***$100,000*** | *($150,000)*  *$0*  *$200,000*  ***$100,000*** | *($150,000)*  *$0*  *$200,000*  ***$100,000*** | *($750,000)*  *$0*  *$1,000,000*  ***($50,000)*** |

## Alternative B, C & D

[Include a detailed alternative analysis that contains information such as that outlined in Alternative A]

## Alternatives Analysis Information to provide

* Document the current state – How is work being performed today? How are manual and/or automated processes meeting and addressing institutional requirements?
* Present assumptions and constraints that are credible (not overly optimistic, pessimistic or biased ), based on best available information, and solid rationale
* Clearly define solution criteria (ie. total cost of ownership, benefits and risks, high-level solution requirements), and analyze if the identified alternatives meet them.
* Explain which cost and benefit items from each alternative will be estimated and analyzed
* Identify the major sources of data and other information, relevant costs with a clear and comprehensive cost model, and tangible and/or intangible benefits to be analyzed in terms of contributions to the institution mission or goals, or solutions to problems.
* Compare alternatives on the basis of contributions to business objectives, problems solved, financial outcomes and risks, and identify the best choice alternative based on these factors
* Provide practical recommendations that recognize risks as well as opportunities that might be pursued, estimated costs and timeframes for implementing the proposed alternative
* Clearly express the consequences of failure to act on the recommended alternative

# Preferred Solution

## Financial Considerations

Identify funding sources for all investment component costs for the preferred solution. This should include consideration of items such as capital costs, operating costs, total cost of ownership, impact on other projects, impact on current business model, funding requirements, etc.

## PRELIMINARY Acquisition Strategy/Plan

Identify acquisition sources for the preferred solution that includes all project supplies, services, contract resources, hardware/software, ongoing support and maintenance, and commercial items.

## Preliminary Work Breakdown Structure

Include a Work Breakdown Structure (WBS) for the preferred solution. The WBS organizes and defines the scope of planning and implementation work to be accomplished and displays it in a way that relates work elements to each other and to the project’s goals. The purpose of the WBS is to ensure that all elements of the business solution are addressed, e.g. Business Process Definition and Documentation; Organizational Change Management; Training; Stakeholder Communication; etc.

## questions to consider before case completion

* Have you clearly defined what the case is about, the purpose and business problems the proposed solution attempts to solve, and the scope of the proposal?
* Are the assumptions and methods for assessing the proposal’s impacts and risks clearly defined, understandable, and acceptable?
* Does the business case include the non-financial costs and benefits?
* Are the factors critical to the success of the proposal clearly defined?
* Are there critical success factors that can be managed?
* Have the risks been rated according to probability and impact?
* Are recommendations and conclusions based on a clear comparison of alternatives in terms of contributions to business objectives, problems solved, financial outcomes, and risks?
* Does the case clearly identify the estimated timeframes, costs, and implementation strategy required to successfully deliver the recommended solution?
* Does the case clearly express the consequences of failure to act on the recommended alternative?

APPENDIX A: Business Case Approval

List the individuals whose signatures are desired. Examples of such individuals are Business Sponsor, Implementation Project Manager or Chief Executive. Add additional lines for signature as necessary.

APPENDIX B: REFERENCES

Insert the name, version number, description, and physical location of any documents referenced in this document. Add rows to the table as necessary.

The following table summarizes the documents referenced in this document.

|  |  |  |
| --- | --- | --- |
| **Document Name and Version** | **Description** | **Location** |
| *<Document Name and Version Number>* | *[Provide description of the document]* | *<URL or Network path where document is located>* |

APPENDIX C: KEY TERMS

Insert terms and definitions used in this document. Add rows to the table as necessary.

The following table provides definitions for terms relevant to this document.

|  |  |
| --- | --- |
| **Term** | **Definition** |
| *[Insert Term]* | *[Provide definition of the term used in this document.]* |
| *[Insert Term]* | *[Provide definition of the term used in this document.]* |
| *[Insert Term]* | *[Provide definition of the term used in this document.]* |