

Contents of Example Business Case Template

1	Executive Summary
2	Introduction and Overview
3	Market Analysis
4	Assessment of Benefits
5	Cost / Benefits Analysis
6	Options Appraisal
7	Key Assumptions and Dependencies
8	Risk and Sensitivity Analysis
9	Resource Requirements and Cost
10	Funding Source / Timing / Certainty
11	Timescales
12	Comments / Issues
13	Conclusions / Recommendations
14	Appendices

1. Executive Summary

The Executive Summary should provide a short, informative headline summary of the Business Case document to follow. It should typically be no longer than 1 page and contain:

- *A short narrative to identify the subject, scope, method of analysis and key results and findings;*
- *A short list of the key objectives of the project*
- *A summary of the financial metrics (table below, provides a very basic and high-level example of summarizing outlay and ROI)) from the investigation, highlighting the most significant;*

A brief summary of the conclusions as a result of the study.

	Year 1	Year 2	Year 3	Yearn	Total Cash Outlay
Investment Value (€) – Capital and Revenue	€x	€x	€x	€x	€x
Available / Committed Funding	€x	€x	€x	€x	€x
Return on Investment (ROI)	€x	€x	€x	€x	€x

2. Introduction and Problem Statement

This section should describe the setting, background and context of the Business Case. It should serve to clarify and elaborate the subject matter of the Business Case. It should clearly state the purpose of the Business Case, e.g.

- *To obtain financial approval to either commence a project or proceed to the next stage;*
- *To compare alternative solutions, etc...*

It should explain the objectives, un-met needs and particularly the existing or future problems that

will be addressed by the requirement. The objectives should be stated in clear and measurable terms with a specified time frame, e.g.:

- *To have improved communication systems against more competitive cost options;*
- *To invest €xx in a performance improvement project that will ultimately provide a 10:1 return on the initial investment (spend to save)*

It should outline any relevant related initiatives – is the project part of a larger programme? Are there dependencies on the delivery of other projects to realise the benefits?

It should include a statement how the project is “right-sized”; that is ensuring that the proposed solution is realistically scoped to ensure that the benefits and costs to deliver are in line.

3. Market analysis:

What is relevant to include in this section will depend on the type of investment.

The purpose of a PCP is to engage and direct R&D skills towards creating the solution to an identified problem or need which would not otherwise be wholly addressed by free market suppliers. Whilst full market engagement and market testing is an activity to be conducted during the active PCP project itself, evidence of sufficient supplier survey work and an absence of existing or near-to-market solutions must be included in the business case, else the whole argument to conduct a PCP is flawed. Such evidence may be historic, such as a continuous market horizon-scanning activity by the owning department, or it may draw from fresh information gathered during the Open Technical Dialogue stage. This section should provide a consideration of the political and economic environment that the project will take place in, and how those factors will (or will not) motivate suppliers to participate in the PCP. Factors to consider include confidence in likely supply-side providers being able to devise an acceptable solution, opportunities from emerging technology.

4. Assessment of benefits:

The benefits to be gained from the investment compared to the alternative of ‘doing nothing’ should be summarised. Benefits should be identified and quantified, as far as possible, in financial terms: as appropriate, this to include projected cost reduction against investments, impact if no investment,, reduction in risk, improvements in quality, reliability, accuracy and other tangible, non-tangible and consequential benefit i.e. ‘what are the real benefits from making the investment?’

A full assessment / explanation of the benefits should be included as an Annex if appropriate.

5. Cost / Benefits Assessment

This will clearly identify the cost benefit against the investment that is being made. This should consist of a simplified presentation of the financial cost/benefit analysis - presented in tables or graphs;

This should include an assessment of:

- *Investment value – Revenue and Capital*
- *Cost Saving first 12 months (€)*
- *Cost Saving after first year (€)*
- *Depreciation costs*
- *Total cost (€)*
- *Cash outlay (€)*

Additionally, an assessment of unquantified Benefits and Costs, and Strategic Contribution should be considered:

- *Try very hard to quantify all costs and benefits*
- *All direct costs should be included*
- *Indirect costs should be included*
- *If a non-financial benefit is significant, then define it*

Make the impact of the benefit tangible – describe all likely effects and implication

6. Option appraisal – Recommended option:

When formulating an investment proposal the options available, including the ‘do nothing’ option, should be considered and compared. Based on the outcome of the comparison of the options i.e. the option appraisal, a recommendation should be made for one option.

The full option appraisal should include a cost/benefit/risk comparison between the options available to address the business problem / opportunity. Options to include ‘do nothing’, business and technical options, timing options and, if at all relevant, consideration of 3rd party involvement – contractors, joint ventures partnerships, PFI and funding options. When considering options, relevant strategies, standards and legal requirements should be taken into account.

Depending on the situation the option appraisal may be simply qualitative or a detailed analysis. It may be done in two stages i.e. a broad sift of a wide range of options followed by a detailed examination of say, 3 of them.

7. Key assumptions and dependencies:

Key assumptions, which, if they turn out to be wrong, may affect the projection for and the eventual success of the investment, should be identified.

Key dependencies, which if not in place may affect the outcome, should also be clearly identified.

Comments about likely inflation rates in the cost and benefit estimates should be included in this section as well.

8. Risk and Sensitivity analysis:

The key business risks associated with the recommended option should be summarised, particularly those which may impact on the financial projections (costs and/or benefits). The summary should include an indication of the probability and likely impact of the risks and the measures being proposed to manage the risk(s) and / or to reduce their impact e.g. business case review prior to major cash expenditure. Political, Operational Economic / Financial and Technical (POET) risks should be taken into account as they could all contribute to the overall business risk.

The financial projections presented in support of the recommended option should reflect the expected, or most likely, outcome of events. In presenting an analysis of the business risks, the Sponsor should identify the major sensitivities to which the investment could be exposed, typically the impact of cost overruns, time slippage which may result in higher costs and missed opportunities; failure to achieve the development/investment period.

9. Resource requirements and costs:

The resource requirements and costs associated with the recommended option should be summarised i.e. external costs for equipment, external service costs e.g. for consultancy and internal staff costs. The summary is to include investment and running costs.

Resource requirements and	Man years	Capital	Running costs
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costs:		€	per annum (range)
External (bought in equipment)			
External services			
Internal costs			
Total			

10. Funding source / Timing / Certainty:

The source and timing of the funding for the investment, be it required, known or suggested, should be identified and an indication given of the certainty or otherwise of the funding being available when required.

11. Timescales:

The proposed start and end dates should be given together with a list of significant (particularly financially significant) milestones (events with dates). Where relevant, the milestones to include dates on which the investment should be reviewed.

Main milestones and dates:	Proposed start:	Proposed end:
Tba	date	date

12. Comments / Issues:

This section to be used if needed to draw attention to additional points or issues, which should be taken into account when considering the business case.

13. Conclusions and Recommendations

Bring the document to a close by concluding the findings and making recommendations.

14. Appendices

Appendices are where to put the detailed calculations, figures, reference material and other back up data that may have a limited audience but is worthy of inclusion.

You should put all of the detailed calculations in Appendices – and only have summaries in the main body (referring to Appendices) – if in doubt, put it in an Appendix.

Detailed Assumptions and Risks may also be placed in Appendices – but summaries should appear in the main body.