

Writing a business case – a general guide

Introduction

The purpose of the business case is to ‘sell’ an idea to stakeholders. It is a formal, well-structured written document that explains why the project should be undertaken and provides evidence that the project is a good investment.

The process of writing a business case helps the applicant think through the project in a systematic, step-by-step manner. Once the project is in place, the business case provides a framework for completion of the project on time and on budget.

A business case should demonstrate that the project:

- provides a holistic fit with other parts of the organisation;
- is affordable and viable;
- is achievable.

Before you start writing your business case

Creating a business case document is actually the culmination of several stages that you should carry out to evaluate for yourself that the project is feasible and viable. It’s important to make that evaluation as early as possible because developing a business case is time-consuming. The evaluation stages are:

1. Analysis and articulation of the situation that led to the initiative for the project.
2. Estimating the requirements for the project, for example, the time and human resources required, and the timeframe for the expected return on investment (ROI) or for completion of the project.
3. Identifying the sources of data that you will need to support the business case. These may include financial sources from within the school, similar case studies, historical data, forecasts, etc.
4. Taking your preliminary plans and data for the business case to one or more people who will have input into the decision to gain feedback on the project’s worth and feasibility, and their support. Only once you have internal support should you go ahead and write the business case.

Structure of a business case

The executive summary

The executive summary is a high-level view of the business case document. It explains, in a condensed form and plain language, the problem that the proposed project is intended to solve, the major considerations, the resources required to complete the project, the desired outcome, the predicted return on investment and a projection of when that ROI should be achieved. Because some stakeholders may only read the executive summary, it's crucial to include any information that is essential to an informed decision.

The executive summary is your first and most important selling tool. It is where you create the critical first impression of the project, so it is important to summarise the most important elements of the project in a concise and compelling manner.

Guidelines for writing the executive summary are listed below:

- Describe the project precisely and concisely, avoiding excess descriptive words.
- Tell why the project is necessary, and why it is the best solution.
- Outline the most important benefits of the project.
- Outline the costs and major disadvantages, if any.
- Summarise the most important reasons for recommending the project.
- Limit to one to two pages in length only.
- Write after the business case is completed.

Partner profile

Partners may be any parties with a vested interest in the project who are contributing significantly to its success. The most effective partners are those that contribute financially to the project.

The partner profile should include:

- names, addresses and contact information for all participating partners;
- each partner's interest in the project;
- each partner's contribution (financial and in-kind);
- each partner's experience and capabilities in contributing to the completion of the project.

The problem statement

This section is a straightforward articulation of the problem that the project is supposed to solve. It identifies the area or areas where there are issues that need to be addressed, such as inefficiencies, missed opportunities or poor market performance.

Address the following questions:

- What is the problem?
- Why does it exist?
- Who is affected?
- What is the extent of the problem?
- What is the damage (liability) if the problem is not fixed?

Analysis of the situation

This section describes the situation behind the problem in more detail and how the situation came about. Finally, it provides general projections about potential events if the current situation continues. The conclusion of the analysis should lead naturally to the next section.

Objectives of the project

What, precisely, will be achieved by completing the project? State the objectives clearly; one short statement for each, without accompanying arguments or documentation as these will appear in the body of the business case. It should be clear to the reader how these objectives relate to the objectives of the funding program.

Objectives should be Specific, Measurable, Achievable, Realistic and Timely (SMART) and define the results expected as a direct consequence of the project's completion. They might include such items as:

- new partnerships or linkages created;
- problems or issues resolved;
- increased revenue or savings;
- barriers to growth that will be overcome.

Some projects have long- and short-term objectives. Identify these as such if it adds to the understanding of the project and is significant to the rationale.

Solution

In this section, you identify the proposed solution to the problem and describe it in sufficient detail for the reader to understand them.

Describe all the resources required for the implementation of the solution, the project budget and a timeline with measurable goals for all project milestones. List any assumptions that the reader should be aware of and any dependencies, such as completion of other projects or the availability of key individuals.

- Describe key activities and locations.
- Outline milestones and timelines for completion.
- Identify risks to project completion and contingencies.
- List the staff that would need to be involved, if known, and their responsibilities.
- In the budget section, include financial projections for relevant metrics such as ROI.

Performance Measures

Performance measures evaluate the success of the project. They indicate how the project will meet the objectives listed at the beginning of the business case. The business case will:

- list the plan objectives;
- state the evaluation criteria for each objective;
- outline how or by whom each will be evaluated.

Cost-benefit analysis

This section evaluates the costs and benefits for the proposed solution to the problem and should be compared to the costs of taking no action at all. The section could cover:

- sources of funding (grant, match funds etc.);
- how funds will be used;
- detailed budget;
- returns from project performance (with time);
- operating and administrative costs;
- cash flow statement.

Illustrate your case with data from similar projects and case studies, if possible. Graphs and charts can illustrate points that are hard to extrapolate from text-based data, so be sure to include as many as will be helpful, either here or in an appendix.

Recommendations

In this section, you make your recommendations for the project and how it is to be conducted:

- Briefly restate the compelling results of the cost-benefit analysis.
- Articulate the circumstances under which it should be undertaken, including key individuals and actions.
- Include a recommendation for scheduled re-examination of the project status.
- If there is any question as to the availability of key resources, make that clear.

Business case checklist:

Check your document content to ensure that it's well-constructed and includes all the key elements.

- Does your problem statement follow naturally from the analysis of the situation?
- Does the problem statement clearly indicate that action should be taken?
- Is your list of potential solutions to the problem adequate? Does it omit any solutions that should be included?
- Is your project description detailed enough?
- Are the data and calculations in the budget section correct?
- Do you have enough supporting data in your cost-benefit analysis?
- Have you approached at least one major stakeholder for preliminary support?
- Does your executive summary include all the essential elements and follow the same order as the complete document?