

An Outline for a Business Case

The following describes the headings, sequence, and content of a good business case. Parentheses contain notes for the drafter of the business case. This is copyrighted material - all rights are reserved. The author grants permission for use of this material as an outline only. That is, use it to guide your thoughts for the purpose of creating an original document. Otherwise, any reproduction or sale of this material in whole or in part is prohibited.

1.0 Executive Summary (Using no more than a single page, paraphrase the problem statement, describe the major risks to maintaining status quo, and summarize the recommended alternative and its costs and estimated implementation timeline.)

2.0 Problem Statement (Using plain language in a single sentence or two, state the problem that this business case is attempting to address. Such as, “The current process for reviewing and approving invoices may be allowing errors and fraud in contract payments. Incidences of error and fraud may be costing the organization close to \$100k in invisible losses.”)

3.0 Scope (This is to describe the business case itself, as a way to set the ground rules for this decision. Use sub-headers for each of the following topics.)

- List of decision-makers and business case development team (This is to create an artifact of this decision process – who was involved and what interests were represented and whom to contact for any future interest in the history behind this decision.)
- Decision process and timeline (Project management to establish a schedule for this decision and to provide a roadmap of the process.)
- Scope (what’s “in” and what’s “out” of scope of the solution, whether that’s due to organizational boundaries, the practical efficiency of the study, or limits of decision-maker/sponsor authority. It’s important to define scope to keep the alternatives in reasonable bounds and to orient decision-makers to the limitations of this process.)
- Constraints (This is a description of anything that might hinder, obstruct, or distort this analysis. There could be issues accessing confidential information, for example. Or there may be a pressing regulatory deadline that requires a decision within a certain timeframe.)

4.0 Context (Assume that most decision-makers are fairly new to the specifics of this problem. This is just to fill in the details for those who are already familiar with the business. It’s not to educate a completely naïve audience. Try to keep it concise!)

- Relevant background (if there was an incident that triggered this, describe the incident. Describe any related history, including past audit findings and prior business cases that addressed same or similar problems.)
- Regulatory context, guiding policy
- Stakeholder needs and concerns
- Architecture of internal processes, systems
- Same/Similar (Explain if there’s anything else going on that’s similar to this and whether and how that problem is being treated. The organization may want to try to address similar problems in a single swoop, after all.)
- Concurrent initiatives (Describe any ongoing or planned initiatives in the organization that may overlap with the processes, systems, policies, or human skills that are being addressed by this business case.)



5.0 Objectives (This is to set objectives for whatever comes out of this decision. Do we want to try to solve the stated problem? If so,

- Define desired end state and how success will be measured (metrics should be specific to the performance of whatever is implemented and – of course – they should be measurable. Think - what would an auditor want to see?)
- Decision criteria for evaluating alternatives and implementation metrics (Explain the categories, factors, and weighting for the evaluation criteria.)
- Alignment of decision criteria with organizational mission (Explain how the evaluation aligns with the expectations of stakeholders or with the overall mission of the organization.)

6.0 Risk of status quo (Give decision-makers an idea of what might happen if this isn't

- Risk description and quantification (likelihood and consequences, preferably using the Earned Monetary Value (EMV) method)
- Barrier analysis (Describe what's currently in place to prevent these risks from manifesting and whether those barriers seem to be effective. Barriers can be built in the domains of policy, operational procedures, system controls, human skills training, etc.)
- Visibility of risks and velocity (Describe how this risk is currently being monitored and how quickly it manifests)
- Data quality for these analyses (Describe how the data was derived; how representative it is; margins of error; credibility, etc.)

7.0 Strategic Assessment (This is to give a big-picture view of the business program(s), which is a useful perspective for decision-makers. We don't want to make a specific change, after all, if some eventual enterprise transformation is going to nullify it.)

- Assessment of program's maturity (Use the Capabilities Maturity Model framework to the extent possible)
- Comparison to best practices (Describe any interesting peer or industry practices that have been studied.)
- SWOT analysis (A summary of the business' strengths, weaknesses, opportunities, and threats.)

8.0 Alternatives (Provide a set of proposed solutions including Status Quo. Decision-makers deserve to have choices, and those choices should be laid out as clinically as possible. For each alternative, describe

- the process model and the methods used to determine the model
- the estimated costs and (EMV-valued) risks of implementing the alternative
- if it's an investment, the estimated ROI, confidence level, and method used to estimate the ROI
- the estimated effectiveness and associated targets if implemented, and
- the estimated implementation schedule milestones

Alongside the Status Quo, describe any requirements to continue monitoring the status quo risk and damage. End the section by describing the business case team's recommended alternative.)

Appendices, References, and Notes

Include any voluminous material as Appendices. Cite all references. Use endnotes for detailed discussion.

