**BUSINESS CASE**

****Project Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Release: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Owner: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Client: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Document Number: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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# OVERVIEW

## Purpose

A Business Case is used to document the justification for the undertaking of a project, based on the estimated costs (of development, implementation and incremental ongoing operations and maintenance costs) against the anticipated benefits to be gained and offset by any associated risks.

The outline Business Case is developed in the Starting up a Project process and refined by the Initiating a Project process. The Directing a Project process covers the approval and re-affirmation of the Business Case.

The Business Case is used by the Controlling a Stage process when assessing impacts of issues and risks. It is reviewed and updated at the end of each management stage by the Managing a Stage Boundary process, and at the end of the project by the Closing a Project process.

# EXECUTIVE SUMMARY

(Highlight the key points in the Business Case, which should include important benefits and the return on investment (ROI))

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# REASONS

(Defines the reasons for undertaking the project and explains how the project will enable the achievement of corporate strategies and objectives)

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# BUSINESS OPTIONS

(Analysis and reasoned recommendation for the base business options of: do nothing, do the minimal or do something)

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# EXPECTED BENEFITS

(The benefits that the project will deliver expressed in measurable terms against the situation as it exists prior to the project. Benefits should be both qualitative and quantitative. They should be aligned to corporate or programme benefits. Tolerances   
should be set for each benefit and for the aggregated benefit. Any benefits realization requirements should be stated)

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# EXPECTED DIS-BENEFITS

(Outcomes perceived as negative by one or more stakeholders. Dis-benefits are actual consequences of an activity whereas, by definition, a risk has some uncertainty about whether it will materialize. For example, a decision to merge two elements of an organization onto a new site may have benefits (e.g. better joint working), costs (e.g. expanding one of the two sites) and dis-benefits (e.g. drop in productivity during the   
merger). Dis-benefits need to be valued and incorporated into the investment appraisal)

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# TIMESCALE

(The period over which the project will run (summary of the Project Plan) and the period over which the benefits will be realized. This information is subsequently used to help timing decisions when planning (Project Plan, Stage Plan and Benefits Review Plan))

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# COSTS

(A summary of the project costs (taken from the Project Plan), the ongoing operations and maintenance costs and their funding arrangements)

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# INVESTMENT APPRAISAL

(Compares the aggregated benefits and dis-benefits to the project costs (extracted from the Project Plan) and ongoing incremental operations and maintenance costs. The analysis may use techniques such as cash flow statement, ROI, net present value, internal rate of return and payback period. The objective is to be able to define the value of a project as an investment. The investment appraisal should address how the project will be funded)

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# MAJOR RISKS

(Gives a summary of the key risks associated with the project together with the likely impact and plans should they occur)

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