



**Project Name:**

**Project Number:**

## **Business Case Document**

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## Business Case

### Problem/Opportunity Statement

Enter a problem statement by the following format:

[Situation statement] [Action verb] [Desired new metric or outcome]

*Example: Increases in fuel costs from \$2/gallon to \$4/gallon have required us to reduce fleet operating costs by 50% in order to meet our current budget.*

*This is one of the most difficult statements to write in the document (it should not include the solution statement). This is easier said than done. The more simple and quantifiable the statement is, the better. It will allow for more solutions to be generated and considered.*

*This statement can limit the solution to the area that the problem is coming from. In the example, the statement suggests that the only choice is to reduce fleet operating costs when another alternative may be to make cuts in another area of the business. Due to this, note that the impacts from this problem statement can reach beyond the department identifying the problem.*

### Current Situation

If needed, the current situation may be described in more detail. For efforts that are improving processes or modifying an existing process, the existing process could be diagrammed and/or analyzed.

### Goal (Outcome Metrics)

If needed, the current metrics may be described in more detail. If no metrics exist, it may be good to describe the process for establishing the metrics that will govern the process.

### Alignment

Project efforts transform organizations. Organizations declare their needs by strategic direction. These strategies and initiatives are supported by projects. This section allows the business case writer to clearly identify which initiative and strategy is being supported in the company. It can then be assumed that the business case sponsor will likely come from the initiative or strategy being supported. This may also be where the corporate measures will be established which govern the project. If this section is being used, it should be reviewed with the strategy and initiative owners.

What level?	Name of supported entity	How is this entity supported?
Strategy	[State the name of the strategy]	[Identify how this satisfies the core objective]
Initiative	[State the name of the initiative]	[Identify how this satisfies the initiative needs]



## Constraints

Although constraints are always fully known at the time a business case is developed, usually one or more of the constraints may be driving a project. It is important to describe any constraint for the problem or opportunity that the solution providers need to consider. For example, a customer deadline or a product launch date. It is equally important to describe the rationale for the date (what is the driving force?). In some cases it may be that other capabilities or projects depend on this problem being solved first. It is assumed that the scope cannot be complete until a solution is recommended.

The priority of the constraints is determined by the sponsor of the project. In some cases, it may be necessary to solicit input from the problem or opportunities stakeholders. The priority may change as the solution is chosen, and this should be complete after the recommended solution is decided. There is a bit of an iterative process. Usually this most important criterion is easy. Solution teams will use these constraints as a basis of developing and planning solutions. If the constraint priority changes after planning, the project should be re-planned. The constraint priority is an input to project planning.

## Flexibility Matrix

Constraint	Priority	Description	Rationale
Budget	[%]	[Provide a description of the budget limit, if any]	[Explain why this budget limit exists]
Schedule	[%]	[Provide a description of the schedule limit]	[Explain why this schedule limit exists]
Scope	[%]	[Provide a description of the required items that will be delivered as a part of the scope of the project]	[Describe why the items are required]

All constraints should attempt to be met and are important to the success of the project (they add up to 100% of the project need). Priority is established to identify which constraint is the most important and which constraint is the least important. The only choices are 50%, 30% and 20%. (Note: 33.3% is not a choice or a decision). It is possible that the constraints are subject to change during the Concept and Initiation phase of the project, but must be determined in order to plan a project. A priority of 50% indicates that this constraint is the **least** flexible, and therefore the most important to achieve; 20% indicates that it is the **most** flexible, and therefore may be compromised in order to meet a higher constraint. The project team will deliver items identified in the description unless approved by Sponsor of the project as a tradeoff.

## Organizational Impact

The entire organization will be impacted by this project. Project owners and resources will be expected to participate in the Project and Portfolio Processes in order to gain project approval once this process is in place. Since this project will change the way that projects will be selected and prioritized, this represents a major impact to the organization.

	All		Sales		Marketing
	Information Technology		Finance		Human Resources
	Customer Service		Production		Warehousing



## Complexity

A determination of the complexity of the problem and its potential solutions can be made. There may be several factors in determining the complexity of the project: size of project, clarity of requirements, number of customers impacted, number of departments impacted, number of new services needed to solve the problem, experience we have in solving these types of problems, and/or a combination of factors.

	High Complexity		Medium Complexity		Low Complexity
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## Recommended Solution

### Overview of Choices

There are [number of choices] main choices considered in approaching the problem:

1. If more than one solution, list the possible solutions.

### Recommendation (rationale)

This solution will deliver [scope statement] requiring [resource statement] and [duration statement] and will provide [metric or outcome change]. This is the preferred choice because [rationale statement].

### Risk

Risk Description	Quantification		Risk Mitigation Response
	Probability (H,M,L)	Impact (H,M,L)	
			-

### Cost / Benefit

The cost of the project will be between [low estimate] and [high estimate] and will most likely cost [most likely estimate]. If the project needs to have a [financial measure (NPV, IRR, Payback period or outright measure) make sure it is stated]. Other benefits include:



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## Document Approval and Revision Sign-off

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### Change Record

Date	Author	Version	Change Reference

### Approvals

Name	Version Approved	Position	Date

### Distribution

Name	Position	Date



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## Option # – [Option Description]

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### Overview

[Describe this specific solution, including its benefits and drawbacks. What objectives are being met with this solution (one, two, all exceptions)? How does this solution differ from other solutions?]

### Scope

[Describe those things that must be completed (in scope) in order for the project to be complete, and list those things (out of scope) that someone might assume would be done, but the project is not intended to be complete for the project.]

In

- 

Out

- 

### Estimated Milestones

[A milestone is a significant event in the project schedule, such as an event constraining future work or marking the completion of a major deliverable or phase. In addition, the completion of the requirements should also be identified as a milestone. These milestones should be managed as a part of the project schedule.]

Milestone #	Milestone	Estimated Completion Date



## Estimated Effort (Hours)

[Rough hours of effort should be gathered and documented if known. The idea is to assure that the departments identified would have an opportunity to know of the potential of the project effort. This is not an attempt to gain a perfect estimate, but more of a level engagement.]

Department	Initiation	Planning	Execution	Closure	Total
GRAND TOTALS					

## Required Resources

[Identify resources (if known) that would be required to deliver this solution.]

## Estimated Costs for Initiation Phase

[Estimate the costs to move forward into the Initiation Phase and the selection of a solution.]

<b>Financial Benefit</b>	
- Project Benefit	
- Operational Benefit	
<b>Financial Costs</b>	
- Project Costs	
- Operational Costs	
<b>Benefit / (Loss)</b>	

Financial Measures (describe the financial measures that must be met)

Non-financial Benefits (describe the non-financial benefits for the project)



## Challenge Questions

Question	Response
<p>Use this space to identify questions that all projects must answer to know that they have been covered. Examples may include validating that Legal was contacted or that business continuity has been considered.</p>	



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## Supporting Documents

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File the location of the following documents for this project:

- Resource and Roles Document:
- As-Is Document:
- RFI Assessment Document:
- RFI Vendor Responses Worksheet:
- Cost & Benefit Data Collection Worksheet:
- Risk Worksheet:

