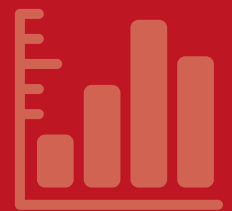




# How to write a great business case

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A business case is the driver of any successful project. It provides a high-level evaluation, explaining why your proposed project should go ahead, what the project entails, who will be involved, how it will be implemented, and how key business objectives will be achieved. A strong business case can help you win over key decision-makers and provides a great starting point for your project, ensuring you have analysed all internal and external variables.

Before you begin preparing your business case, take a step back and consider the business need you're trying to solve by embarking on this project. Is it worth doing? Ask yourself the following questions:

- 1. What are you trying to achieve?**
- 2. What's preventing you from reaching your goal?**
- 3. How much change is required to meet the business need?**
- 4. Are you confident that this project will solve the challenge you're facing?**

You'll need evidence to support your answers and remain objective – don't just rely on your 'gut feeling'. A successful business case requires clear vision and direction, bringing together facts, figures and robust arguments outlining the reasons for the project. Without this, you're unlikely to get management backing and approval.

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## Investigate the decision-making process

Each organisation evaluates and approves projects differently. Before you begin preparing your business case, ensure you understand the process involved and who you will be approaching. Investigate the types of projects that typically get approved – what makes them successful and how does your proposed project compare? This will help you tailor your case more persuasively towards your target audience.

## Keep it readable

What does your audience need to know? Ensure you include key information only, keep it concise, interesting and to the point. Don't bury important facts in a lengthy document, and remember to minimise speculation and jargon. Ask yourself if each point could be summarised more concisely before presenting your case.

## Involve key stakeholders

Remember, everyone will benefit from a successful project, so teamwork is vital. Ask all appropriate team members – such as HR, finance, sales, and IT – to contribute their thoughts, and involve subject matter experts. Getting buy-in from key internal stakeholders across the organisation will ensure that your case is built on expert knowledge, relevant to your business, and that all facts can be verified.

## Understand audience objectives

What does your audience care about? Your project will need to support the company's strategic objectives, so ensure you clearly align your business case with future plans and company vision. You'll also be competing for valuable resources: decision-makers will be assessing how the organisation's finite annual budget is spent, weighing up the merits of your project against other investments. So it's essential to explain how your solution supports long-term company success.

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## Executive summary

First impressions are important, and your executive summary sets the scene. This is where you can draw your audience in, ensuring they are keen to read on. Why is your project important? How will it benefit the business?

This should be a high-level summary of the project, clearly stating the following:

- A brief outline of the project
- The business challenges it will solve
- How it aligns with corporate goals
- Expected results and key business benefits

The executive summary should be the final thing you write, to help you sum up the business case most effectively for your audience. And keep it succinct: a good rule of thumb is 5-10% of the total word count of your document.

## Project background

### Introduction

Start with a brief introduction, explaining why the project is necessary. Is it the result of a business challenge, an opportunity or a change of internal or external circumstances? Talk to beneficiaries: when did the problem arise? Is the issue ongoing and will it get worse? How does it affect productivity?

### Environmental analysis

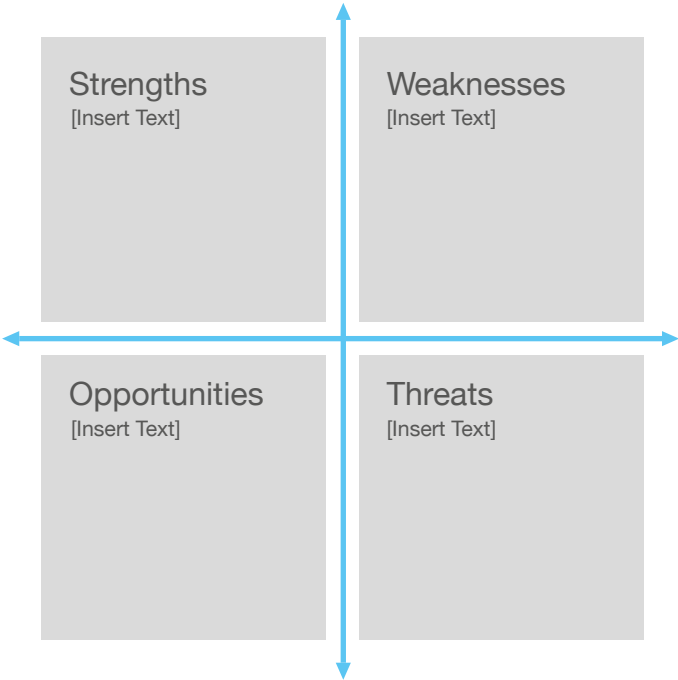
Providing business context is a crucial element of a great business case. You need to show a clear understanding of the marketplace in which your business operates, as well as being aware of the corporate interests of the organisation that decision-makers will want to protect.

Factors which could compromise the success of your project could be external or come from within the organisation itself. Provide a PESTLE analysis, evaluating political, economic, sociological, technological, legal, and environmental influences, to show that you are considering factors that lie outside of the organisation's control. It also pays to include a SWOT analysis of the strengths, weaknesses, opportunities and threats that could affect project outcomes.

And don't forget your research: look to future trends, and cite examples of others who have found success with a similar solution.

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Political	Insert Text
Economical	Insert Text
Sociological	Insert Text
Technological	Insert Text
Legal	Insert Text
Environmental	Insert Text



Corporate goal alignment

Providing evidence in this way will help you align the proposal with corporate objectives and strategic targets so decision-makers are clear from the start what the project will accomplish.

Risks of doing nothing

What are the strategic risks of failing to take action, both now and in the future? Cover risks that will be mitigated by implementing this project, and also describe the risks of not completing the project. Bersin (2014) recommends addressing the following risks in your proposal:

Operational risks	Regulatory risks	Financial risks	Data integrity risks	Reputational risks
Risk of business operations being disrupted	Risk of non-compliance with regulatory requirement	Risk of significant financial loss	Risk of data loss or change	Risk of impacting the company's reputation

## Consideration of options

A robust, balanced business case considers all the options. Think objectively and show that you have considered different ways to find a solution to the business challenge. Think about cost, risks, revenue and time to implementation. By looking into alternatives, and summarising of the pros and cons of your shortlisted options, you can strengthen your case and outline why your solution comes out on top.

## Proposed solution

### Description

Provide a high-level description of your chosen solution. If you are proposing implementation of a new product, briefly explain the product concept and specify whether it is compatible with your current systems. Outline which business processes and functions will be affected, and share the cost savings of this.

You may also want to include a features list that details the high-level functionality offered by your chosen product or solution. This is an eye-catching way to highlight key desirables and illustrate how this solution will meet your business needs.

### Project plan: scope, impact and interdependencies

Planning your project in-depth isn't appropriate at this stage and it's important not to get caught up in the details. However, decision-makers will want to see an outline plan showing a summary of workflow and proposed project timescales.

Lay out your project in stages, highlighting actions required at each stage and accountability for each activity. Include milestones, projected start and end dates, and key deliverables. Think about interdependent actions and account for them within your proposed timeframe. You might also want to consider how you intend to track and measure project outputs, and any contingencies that should be put in place.

You may find it most effective to create a simple process-flow analysis, starting with the project goal and working backwards through each stage, considering the actions involved at each touch point throughout the organisation to address the business challenge.

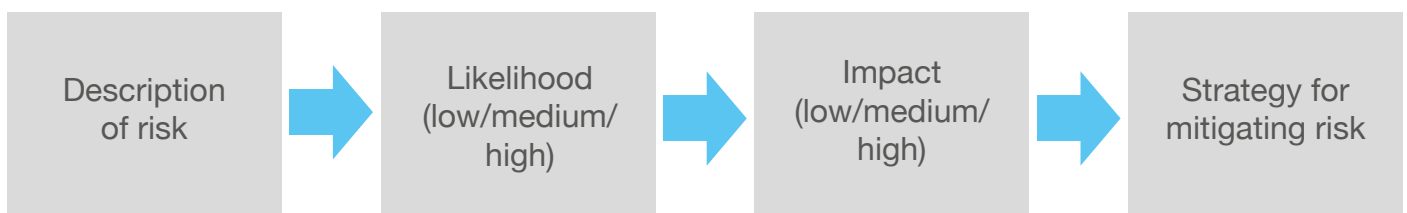
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## Risk assessment

It's not enough to briefly mention risks at the end of your proposal. Show that you've considered drawbacks and contingencies from the outset. You don't need to account for every potential scenario, but cover possible risks by considering recent experiences within your organisation. You can then provide a clear assessment that identifies significant risks associated with the successful execution of your proposal.

Summarise each risk, and then evaluate the likelihood of the risk occurring, the impact it will have on the project, and recommend a strategy for mitigating the risk. Key risks could include those affecting cost and schedule, but you should also outline any risks to the team, technology, scope and performance.

Be realistic. Transparency will gain the confidence of senior managers and will demonstrate your foresight and capability.



## Financials

### Financial appraisal

It's important to seek advice from your organisation's finance team to ensure you present a true picture of the cost implications of your proposal. Prove the affordability of the project by accounting for every associated cost.

So, if you are proposing investment in a new software solution, you'll need to include all costs involved within the initial set-up of the project, such as purchase price and license fees, implementation, trialling, training and deployment. Will the solution need to be integrated with existing software? And will you require historical data to be uploaded? In addition, are there any product upgrades or add-ons that will help meet the business need?

Also, consider capital expenditure to acquire assets, such as new IT hardware. You will need to show the value depreciation over the life of the asset. The

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definition of capital expenditure varies in practice between organisations, so ensure you consult internal experts for guidance.

Operating costs cover the additional ongoing expense required to keep the project fully operational, such as course administration, and software maintenance and upgrades. These should also be accounted for in your financial appraisal.

## **Purchasing strategy**

Consider how your project will be financed and explain your recommendations for the purchasing process, and any cost savings that can be made.

## **Business benefits**

To obtain buy-in for your proposal, it's vital that you highlight the expected business benefits of your project. Consider financial and non-financial benefits and demonstrate how they help meet your key corporate objectives.

## **Return on investment**

Assessment of value for money is one of the most powerful ways to gain support for your proposal.

An ROI calculator is a simple and effective way to demonstrate potential cost savings using your own business data. Visit <http://bit.ly/LMS-ROI-BC> to access our LMS ROI calculator.

## **How to calculate your ROI...**

So let's assume you are proposing the purchase of a new LMS and want to show potential savings in year one onwards compared with classroom-only training. You'll need to input a few simple figures, such as number of learners within your organisation, average daily learner cost, travel and classroom learning time, and venue and trainer costs. You can then choose implementation and deployment options to automatically calculate estimated return on investment.

So, for example, let's say you currently train 5,000 learners in the classroom for 4 days, spend an average of £150 per learner, with trainer costs of £300 per day and 10 minutes' administration per delegate. You want an LMS that will offer single sign-on, and want historical data loaded, one-way HR integration and software administrator training. You can demonstrate estimated cost savings of over £1.5m in year one and £1.75m in year two and beyond with Kallidus's LMS solution.

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The ROI calculator will also provide details of savings to be made through e-learning, such as 90% savings in delegate administration costs, and time and resource savings for employees who can access online learning anytime, anywhere, rather than having to travel to attend classroom training sessions. With the typical number of days out of work for training halved with e-learning, you can also demonstrate significant efficiency savings and productivity improvements with saved learning time being reinvested into the organisation. Ask the software provider to support your business case with an outline of other key benefits, such as customer testimonials and case studies.

# Build your business case

## Example use of ROI calculator



# KALLIDUS

## Kallidus LMS & e-Learning ROI Calculator

This ROI illustration is designed to help you understand the potential cost savings you can expect by implementing Kallidus LMS software and introducing elearning as part of a blended approach. The calculations are based on the reports prepared by the CPD, reporting information derived from Kallidus Software and Kallidus consultants and your own supplied data.

### Assumptions

Number of learners = Click and Select in Green Cell

Average daily learner cost

5000
£150

Typical no of days out of work for training / training sessions per learner

% of Learners travelling to attend training

Travel cost per learner / per mile

Average travel miles per learner / per course

Minutes Taken for 1 Admin to Manage 1 Course

(Venues, invites, presenters, etc.)

Minutes Taken for 1 Admin to Manage 1 Delegate

(Delegate booking, post course certification, etc.)

### Classroom e-Learning

4	2
30%	0
£0.40	£0.00
100	0
120	20

10	1
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### Costs

Cost of course administration

Cost of delegate Administration

Venue cost per day

Cost of trainer per day

Cost of training materials per learner

£171	£29
£71,429	£7,143
£200	£0
£300	£0
£20	£0

### Implementation Options

Learning Management System Licenses

Single Sign-On

Load historical training data

HR Integration (1-way)

HR Integration (2-way)

Client Branding applied to LMS

Strategic Learning Consultancy

Train the Trainer

Administrator Training

e-Learning Courses

5000
Y
Y
N
Y
N
N
N
Y
Y
4

Y OR N -

Y OR N -

Y OR N -

Y OR N -

Y OR N -

Y OR N -

Y OR N -

Y OR N -

### Results

Cost of annual training

### Classroom

£3,313,600

### e-Learning

£1,555,171

One-Off Cost of LMS Implementation

Ongoing Annual Cost of LMS

One-Off Cost of e-Learning Courses

£82,685
£48,000
£189,000

Estimated Savings

Savings year 1

Year of implementation

£1,534,744

Savings year 2

and beyond...

£1,758,429

### How to calculate ROI

Complete all yellow boxes as appropriate. Within a few seconds your estimated cost savings will be calculated on the right.

NOTE: All values are estimates for indicative purposes only.

Access the calculator at <http://bit.ly/LMS-ROI-BC>

## *Did you...*

- ☐ align your objectives with strategic priorities, directly connecting your case to one of the company's stated goals?
- ☐ identify each stakeholder's objectives and address as many as possible?
- ☐ lay out a clear business need and frame it as a compelling story that will grab stakeholders' attention?
- ☐ meet with your beneficiaries and accurately capture their needs?
- ☐ identify a champion on the review committee who will support your project in front of the group?
- ☐ consult subject-matter experts in different departments or functions to estimate costs and benefits, assess risks, calculate ROI, and get buy-in?
- ☐ factor in transition costs?
- ☐ document the assumptions behind each estimate—and note the source of each number?
- ☐ double-check the numbers?
- ☐ consider best- and worst-case scenarios?
- ☐ consider several viable solutions along with the one you're proposing?
- ☐ meet with stakeholders to preview your case and ask for input?
- ☐ gain support from the department that will do the work?
- ☐ gain support from the department that will benefit most from the project?
- ☐ create a clear, concise document or slide deck?
- ☐ gather enough information to move immediately into project planning if you get the green light?

## The pitch

A solid business case will have considered every angle, provided solid evidence to support your case, and achieved internal buy-in for your proposal, so you will be fully prepared to present your ideas to decision-makers. Kallidus offers a PowerPoint template to support your pitch with a suggested layout and a reminder of all the key elements you should include.

Keep your pitch high-level. Remember that your audience will be reading your full business case, so don't repeat it in the presentation – just include salient points that will help build your case. Be prepared to expand on any of your points, justify your reasons, and be ready to move into project planning as soon as you have approval. Good luck!

## References

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## About us

Kallidus is an award-winning provider of learning and talent management solutions, and bespoke e-learning content. We support some of the world's largest and best-known brands, working in partnership to provide innovative, trusted HR solutions.

[www.kallidus.com](http://www.kallidus.com)

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