Project Management Essentials

**Business Case**

Template

June 3, 2021

## Template **Description**

### Purpose

The Business Case defines the business need along with the necessary information, from a business standpoint, to determine whether or not the project is worth the required investment. It demonstrates alignment to business and strategic objectives and is used to prioritize the project among other project demands.

### How to Use

The Project Sponsor or Business Owner submits this template. This template will address the business issue and the expected business outcome as well as the key resources necessary for the project. It is defines how the project will align to the goals of the agency and/or state.

### Best Practice

*Business Cases should be approved by division directors, aligned to business and strategic objectives, and prioritized among other business/project demands.*

*Note: The PM Essentials Business Case Template is customizable as you see fit, on a per project basis, meeting specific needs of the project and/ or your organization’s policies. The below sections are suggestions but can be tailored as applicable.*

\*\* NOTE: Please remove this page and contents with brackets [ ] when creating your Business Case\*\*

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Business Case for [Name of Project]

## Business Case

*Name the project which will provide the solution to the business problem.*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Project name** | **Division** | **Author** | **Version** | **Version date** |
|  |  |  |  |  |

| Approver Name | Title | Signature | Date |
| --- | --- | --- | --- |
|  | Project Sponsor\* |  |  |
|  | Business Owner |  |  |
|  | Chief Financial Officer\* |  |  |
|  | PMO Director (optional) |  |  |
|  | [add others as needed] |  |  |

\*By authorizing this Business Case the Project Sponsor and CFO agree to budget and funding source.

### Participating Subject Matter Experts

Identify the subject matter experts who contributed to the business case.

| Name | Subject area | Division / Organization |
| --- | --- | --- |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

## Project Classification

|  |  |
| --- | --- |
| **IMPORTANT:** | If you are a state of Texas agency, does the project satisfy the criteria for submission via the Texas Project Delivery Framework? See the [Project Classification Method](http://www.dir.texas.gov/SiteCollectionDocuments/IT%20Leadership/Framework/ProjClassMethod.pdf) at www.dir.texas.gov. Check one: |

|  |  |
| --- | --- |
| **NO** | The project does not meet the criteria listed, continue with the submission of this PM Essentials 2.0 Business Case template. |
| **YES** | The project meets the criteria for a major information resources project. The requester must submit the Texas Project Delivery Framework Business Case (Document 10BC-T2-x) as per Texas Government Code Chapter 2054.  For more information about the Texas Project Delivery Framework, contact [projectdelivery@dir.texas.gov](mailto:projectdelivery@dir.texas.gov). |

## Project Overview

### Issue

*Describe the business issue that the project will solve.*

|  |
| --- |
| **Business issue** |
|  |

### Solution

*Describe the recommended solution that the project will deploy.*

|  |
| --- |
| **Solution description** |
|  |

### Alternatives considered

*Describe alternative solutions that have been considered.*

|  |
| --- |
| **Alternative description** |
|  |

### Business Goals and Objectives of the Project

*Identify the business goals and objectives of the project and any anticipated outcomes. Ensure the goals and objectives support the agency’s and/or division’s business needs.*

| Business Case ID\* | Business Goal /Objective |
| --- | --- |
| BC001 |  |
| BC002 |  |
| BC003 |  |
| BC004 |  |
|  | [add rows as needed] |

*\*A unique identifier for each business objective/ goal for easy cross reference.*

### Recommendation

*Describe the project that is recommended to achieve the anticipated business outcomes. Include a high-level description of the business scope. The text entered below can carry over to, be replicated in, the Project Charter (Project Description) section.*

|  |
| --- |
| **Recommendation** |
|  |

### Justification

*Justify why the recommended project should be implemented. Include the impact of not implementing the project.*

|  |  |
| --- | --- |
| **Justification** | |
| Justification |  |
| Impact if not done |  |

### Resources Anticipated

*Please identify any resources or roles needed in accordance with your organization’s policies.*

|  |  |
| --- | --- |
| **Resources** | |
|  | Project Manager: [If known describe the role required—e.g., management, consultation, etc.] |
|  | Procurement resources: |
|  | IT resources: |
|  | Other: |

### Projected Project Budget and Funding Source

*Give an estimated project budget. If unavailable at this time put ‘Not Available’. Define the funding source. Project budget represents amount of funds allocated to the project to complete the project objectives and cover project costs.*

| **Estimated Amount** | **Funding Source** |
| --- | --- |
| $ [pull from ROI section] |  |

## Project Evaluation

### Strategic Alignment

*Check all boxes that apply:*

| Category | Check if Yes | Criterion | Description |
| --- | --- | --- | --- |
| Strategic Alignment |  | State Strategic Goal | Project meets a State Strategic Goal as designated in the [State Strategic Plan](https://www.dir.texas.gov/View-Resources/Pages/Content.aspx?id=27). If yes, complete 5.2 below. |
|  | Agency Strategic Goal | Project meets an agency or division goal. If yes, complete table 5.3 below. |
| Statutory Fulfillment |  | Mandate | State/federal requirements; new legislation. If yes, complete Section 5.4 below. |
| Operational Necessity |  | Maintenance / Supportability | Those projects that are necessary to maintain existing services/systems. (e. g. software upgrades) |
| Remediation |  | Security | Remediate security risk/issue. |
|  | Audit | Remediate audit findings (e.g., Sunset Report, State Auditor’s Office report). |

### State of Texas Strategic Goals

*Cite the specific state goals and objectives that are related to the project. If/when the project does not align with one of these goals, feel free to leave the row blank or mark with N/A.*

| # | Strategic Goal | Description | Relationship to Project |
| --- | --- | --- | --- |
| 1 |  |  |  |
| 2 |  |  |  |
| 3 |  |  |  |

### Agency/Organization Strategic Alignment

*Cite the specific goals and objectives of the agency or organization that are related to the project.*

| # | Goal/ Objective | Description |
| --- | --- | --- |
| 1 |  |  |
| 2 |  |  |
| 3 |  |  |
| 4 |  |  |

### Statutory Fulfillment

*Describe the mandate(s) related to the project and cite reference(s) for federal and state statutes, rules, and regulatory requirements.*

| # | Mandate Related to Project | Statutory Citation |
| --- | --- | --- |
| 1 |  |  |
| 2 |  |  |
| 3 |  |  |
| 4 |  |  |

### Division Priority

*Choose one based on the priority level of this project to your division or area.*

|  |  |
| --- | --- |
| **Check** | **Priority** |
|  | High |
|  | Medium |
|  | Low |

### Project Priorities (Triple Constraint)

*Rank the below project priorities by importance, from 1= Most Important to 3= Least Important. These priorities will be revisited in Section 2.8 of the Project Charter. All priorities must be uniquely ranked.*

|  |  |
| --- | --- |
| **Rank** | **Constraint** |
|  | Cost |
|  | Schedule |
|  | Scope |

## Additional Information

### Assumptions

*List and describe any assumptions relevant to the project.*

|  |  |
| --- | --- |
| **#** | **Assumptions** |
| 1 |  |
| 2 | [add others as needed] |

### Limitations/Constraints

*List and describe any limiting factors or constraints relevant to the project.*

|  |  |
| --- | --- |
| **#** | **Limitations / Constraints** |
| 1 |  |
| 2 | [add others as needed] |

## Return on Investment

*Return on Investment (ROI) is a performance measure used to evaluate the efficiency of an investment. It is also advisable to update the Project Toolkit with this information.*

### Describe Financial Costs

*Use this section to describe the project costs.*

| **#** | **Item** | **Cost** | **Category** | **Time Period** |
| --- | --- | --- | --- | --- |
| 1 | FTE cost (suggested flat rate of $38/hour) |  |  |  |
| 2 | Professional services |  |  |  |
| 3 | Hardware |  |  |  |
| 4 | Software |  |  |  |
| 5 | Telecomm |  |  |  |
| 6 | Software maintenance |  |  |  |
| 7 | Hardware maintenance |  |  |  |
| 8 | Telecomm maintenance |  |  |  |
| 9 | [add others as needed] |  |  |  |
| 10 | **Total** | **$** |  |  |

### Describe Financial Benefits

*Use this section to describe cost savings or revenue expected as an outcome of this project. Examples:*

| **#** | **Item** | **Benefit or savings** | **Category** | **Time Period** |
| --- | --- | --- | --- | --- |
| 1 | FTE cost (suggested flat rate of $38/hour) |  |  |  |
| 2 | Professional services |  |  |  |
| 3 | Hardware |  |  |  |
| 4 | Software |  |  |  |
| 5 | Telecomm |  |  |  |
| 6 | Software maintenance |  |  |  |
| 7 | Hardware maintenance |  |  |  |
| 8 | Telecomm maintenance |  |  |  |
| 9 | [add others as needed] |  |  |  |
| 10 | **TOTAL** | **$** |  |  |

### ROI Calculation

*Give the expected Return on Investment, if able.*

| **Return on Investment** |
| --- |
| Return on investment is … |

|  |
| --- |
| *The method used to calculate the above amount for an expected ROI. Example (expand as needed):* |
| ROI = (Financial benefit – Financial cost) x 100%  Financial cost |

### Other costs and benefits

*Describe costs and benefits not financial in nature. Examples:*

|  |  |
| --- | --- |
| **Other costs** | **Other benefits** |
| Must delay another project … | Increased customer satisfaction for … |
| May disrupt operations to support project … | Increased efficiency in turnaround time for … |
|  | Alignment with industry standard for … |
| [add others as needed] | [add others as needed] |

## Revision history

Identify document changes.

| Version | Date | Name | Description |
| --- | --- | --- | --- |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

## Feedback

If you have any questions on PM Essentials or on project management practices, please contact DIR’s PPMO at [ppmo@dir.texas.gov](mailto:ppmo@dir.texas.gov).