

# The Guide to the Project Business Case Development Template

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If you need to develop a Project Business Case, you may use our corresponding Template (incl. in this BC Toolkit) but read this Guide **before** you start!



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# Letter from Markus

**T**he **Project Business Case Development Template**, which is the subject of this guide, deals with developing the project business case, which usually precedes a project initiation and is practically part of the basis of a project and ultimately justifies its implementation by presenting a positive business case.

In the **"MP4PM Project Management Framework"**, we mainly deal with the "Models, Methods & Artifacts" based on PMI's [\*"A Guide to the Project Management Body of Knowledge" \(widely known as the PMBOK® Guide\)\*](#) and PMI's project management philosophy.

We start with developing the Project Charter as the first initiation process in this context. Moreover, the business case (or business documents) is a fundamental process input for these project charters.

That means that we review and analyze the business case and all other business documentation to gain essential information to develop the Project Charter.

In this respect, the templates and tools for analyzing the business case and related documents are the essential components of these **"MP4PM Business Case Tool Kit"**.

In the real world of projects, however, it is common for you as a PM to be involved at an early stage in the initiation of a business case - and thus ultimately of a related project - and to slip into the role of a business analyst and develop the project business case yourself.

For this reason, we have decided to deliver a template that meets the PMI requirements. Furthermore, this guide deals with this template and some basic questions in this context to support you in this task in the best possible way. We hope you find this guide and our BC Development Template helpful. If you do - and especially if you do **not** - we would be happy to receive your feedback. Feel free to comment on the website or use one of the various contact possibilities.

**Much success with the development of your project business cases,**

*Markus*

# What is a Project Business Case?

The project's business case describes an economic justification for a possible project or investment. The most important question to answer is: is it worth investing in this project? To answer this, the BC contains the following information:

- Intended benefits
- Contribution to the achievement of strategic business goals
- Profitability
- Possible risks
- Actual situation and effects if no action is taken
- Possible solutions with a recommendation for action
- Information on timeframe and stakeholders

Based on this information, the management or other decision-makers can decide how to proceed.



*Your Project Business Case is a tool for senior people to make an informed decision. It is a vital part of your project governance.*



by [Mike Clayton; OnlinePMCourses](#)

# Why would you develop a Project Business Case?

A project business case is developed:

- to get the approval to proceed with one or more projects
- obtaining resources for a project or projects through internal departmental processes or the budget committee process
- or - where funds are already available - to document what the project can do for funding.

The document allows those who approve the resources to analyze the project's reasons (*like you as a Project Manager when analyzing the BC as an Input to the Project Charter!*), assess the project's economic viability (both financial and strategic), analyze the project's impact, and compare it with other factors, such as the main risks and the prevailing political environment. If a company, department, or business unit has several project initiatives, **the Project Business Case can be used as a tool to prioritize the different initiatives.**



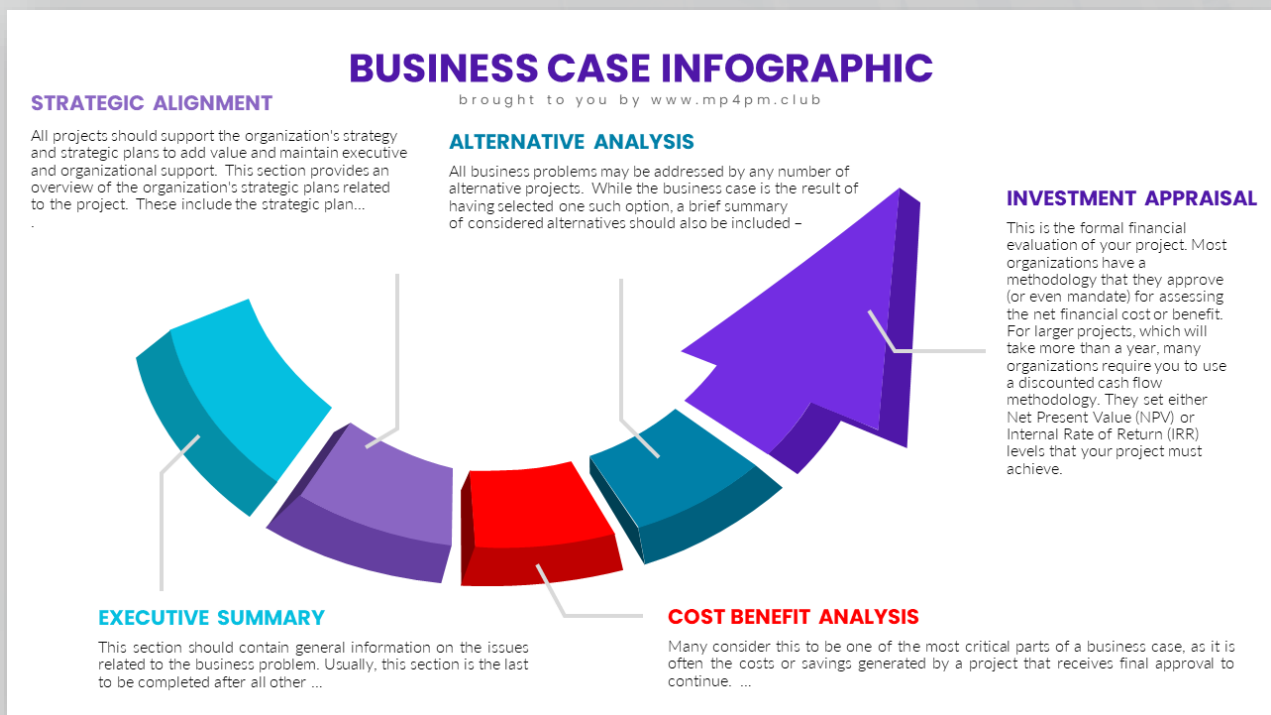
# When would you develop a Project Business Case?

Approval to develop a project business case is usually obtained by accepting or approving a prior stage, such as a business plan for a department or a business unit, a strategic information systems plan, a project proposal, a business process review report, or a feasibility study

The project business case extends the proposals developed in these documents:

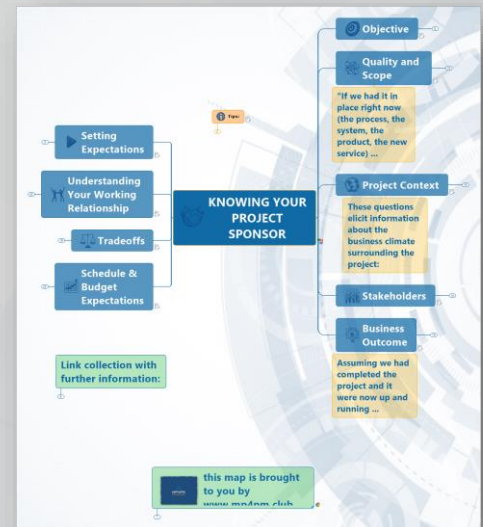
- to obtain approval for the procurement of resources for a preferred option
- obtain agreement on a realistic scope if the resources have already been approved
- to obtain approval for the next step of the project, which is usually the development of the project business plan.

Alternatively, the applicant of a project can instruct to proceed directly with developing a project business plan without developing a project business case. That leads to problems if the scope has not been agreed upon or if it has not been assessed whether the resources are sufficient for the scope.



# What you need before you start:

- ✓ Agreement of the project sponsor or applicant to proceed with the development of the Project Business Case
- ✓ Project outline or scope document that defines the proposed scope of the Project Business Case
- ✓ Knowledge and understanding of the development of a Project Business Case as outlined in the Project Management Guidelines



## Knowing your Project Sponsor

You may use our MP4PM

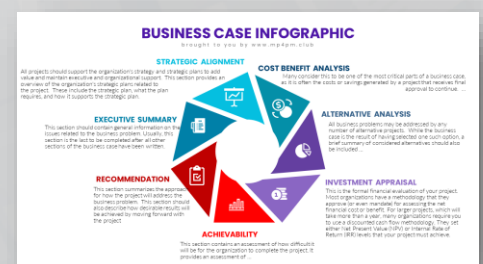
Knowing your Project Sponsor

Tool Kit to engage with your

Sponsor and keep him on track!

## Also recommended:

- ✓ One of the following documents - Strategic Information Systems Plan, Project Proposal, Process Review Report or Feasibility Study
- ✓ Knowledge and understanding of how to conduct an economic evaluation of the option(s), e.g., by preparing a cost-benefit analysis
- ✓ Treasury guidelines for business cases
- ✓ Corporate/business plan for the department/division
- ✓ Organizational Guidelines for project initiation



## Make use of the included

Business Case Slides and

Graphics

# What you will have when you are finished:

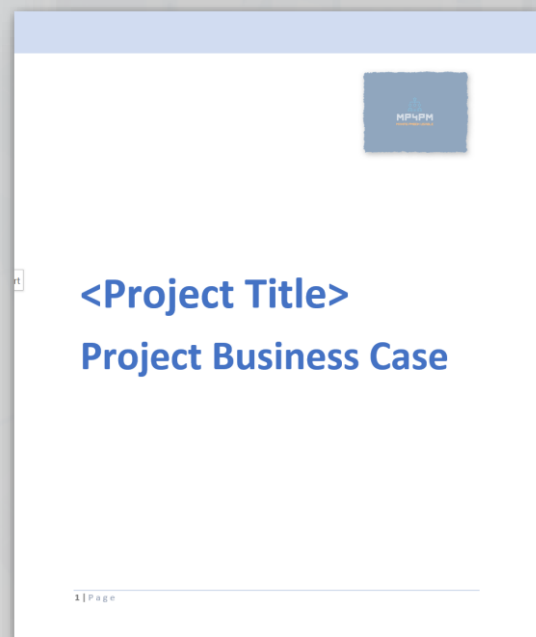
A **completed Project Business Case** can be accepted by the project sponsor or the project steering committee through organizational processes.

## How to use the Project Business Case Development template:

The sections of this template correspond to a business case based on Best Practices and Common Sense. However, individual sections may be optional. That means that you should **adapt** the template and the individual sections' level of detail according to the specific project **requirements**. That should be done at the beginning of the development process and during it.

A number of **different text styles have been used** within the template, as follows:

- Text in *blue italics* is intended to **provide a guide** as to the kind of information that can be included in a Section. ***It should be deleted from the final document.***
- Text in the normal font is intended as **examples**.
- Text enclosed in *<angle brackets>* is a **placeholder** to be replaced by whatever it is describing.





# Next Steps

Thank you for using the **Project Business Case Development Guide**. We hope it helped you and made life a little easier for you as a project manager. As already mentioned in the introduction of this guide, **the BC Development Template is additive** included in **this “MP4PM Business Case Tool Kit”** because the actual intention of this tool kit is to **review the** (often already existing) **business case in order to extract the relevant information for the creation of the project charter**.

So it is also clear what the next step should be for you, right? And of course, MP4PM also offers **a corresponding tool kit to support you in creating the project charter**. If you like our tool kits and/or MP4PM as a platform, please let us know and, of course, all your friends and colleagues as well.

Furthermore, if you have any criticism and/or feedback for us, we would also be pleased about it because it is essential to continue developing our tool kits and MP4PM content in your interest.

Thank you very much in advance and see you soon,

Markus  
Founder mp4pm.club



*Ro consequere lauda inum dolum ha- rum  
nata noectisque nem essi!*

Title of the book