

This chapter will help you pull your analysis together into a convincing argument, or business case, for your project. We define a business case as a well-reasoned argument designed to convince an audience of the benefits of an IT investment, while educating them about the changes, costs, and risks that will be part of the effort. The goal of your business case is to inform key players about your initiative and convince them to support it in some specific ways.

First we outline the essential components of any business case, illustrating them from our experience with one project that aimed to improve the way a state agency supports the financial health of local governments. In the next chapter, we offer some guidance about venues and methods for presenting a business case.

A complete business case is a package of information, analysis, and recommendations. It includes a plain language statement of the problem to be solved, with key data to illustrate its public policy significance, as well as its severity and complexity. It also identifies customers and other stakeholders and how they are affected by the problem. The case clearly states assumptions, estimates, and other weaknesses in your underlying data. It presents the options available to the decision maker, comparing features, costs and benefits, and stakeholder impacts for each option. The case concludes with a recommended course of action and a justification that presents its strengths and weaknesses.

The business case package includes a variety of presentations, both oral and written, with supporting media such as handouts, slides, or demonstrations. Your business case distills weeks or months of work. You need to be armed with all the data, but you will also need to present your findings and recommendations in a cogent, convincing, and interesting way. The best analysis can be entirely misunderstood if the presentation is disorganized, overly technical, or too mired in detail. Decide what the key points are and build your presentation around them. You can always add detail in response to questions.

Essential elements of a business case

A strong business case includes all of the following elements:

- A brief, compelling, service-oriented problem statement
- A mission statement or vision of the future that addresses the problem
- A description of the specific objectives to be achieved
- A description and rationale for your preferred approach
- A statement of the benefits that address the concerns of all relevant stakeholders
- Measures for gauging improved performance or progress toward each objective
- A statement of the likely risks of your initiative and how they will be addressed
- A basic plan of work with a timeline and key milestones
- A project management plan and names and roles of key managers
- Alternatives considered and how they would or would not work
- Cost estimates and potential sources of funding
- Opposing arguments and your responses to them

Table 1 shows how the analysis described in Chapter 2 contributes data to the business case. The analysis has given you a great deal of information to use in the case-building process. Take advantage of it to help you tell a coherent story about the investment that will turn your ideas into action. However, the business case does not emerge automatically from the analysis. You still need to select and organize the material, put it in context, and do some additional planning (such as developing a high-level work plan and management approach).

Table 1. Building a business case from your analysis

Business case element	Suggested data sources
Problem statement	"Good problem" description
Mission or vision statement	Hopes and fears exerciseStrategic frameworkVisioning
Specific objectives	Environmental scanningHopes and fears exerciseProcess analysisSelf-assessmentStakeholder analysisStrategic framework
Preferred approach	Cost-benefit analysisCost-performance analysisMAU modelProcess analysisPrototypingSWOT analysisTechnology awareness sessions
Expected benefits	Cost-benefit analysisCost-performance analysisStakeholder analysis
Performance and progress measures	Baseline measuresBenchmarkingBest and current practice researchProcess analysisStrategic framework
Risks and ways to address them	News analysisPartisan analysisPositioning chartsPrototypingRisk analysisScenario buildingStakeholder analysisTechnology awareness sessions
Plan of work, timeline, and key milestones	Draw from all learning during the analysis
Project management and staffing	Draw from all learning during the analysis
Cost estimates and funding sources	Best and current practice researchCost-benefit analysisCost-performance analysisStakeholder analysis
Alternatives considered	BenchmarkingBest and current practice researchModest, moderate, elaborate alternativesPrototypingTechnology awareness sessions
Opposing arguments and responses	Best and current practice researchCost-benefit analysisCost-performance analysisPartisan analysisPositioning chartsPrototypingRisk analysisStakeholder analysis

Problem statement

A problem statement clearly defines the problem, need, or opportunity. When developing a problem statement for your business case, the key is to state the problem in terms of public service. You want to explain, for example, how the public is impacted by the inability of justice agencies to easily share information, or how the lack of network availability prevents local governments from receiving timely payments of state funds. Find several true stories that illustrate the problem and its consequences for real people. Draw on the process maps from your analysis to show how and why the problem occurs.

Sample problem statement

Division of Municipal Affairs is primarily responsible for overseeing the operations of local governments in NYS. It has a staffing level of approximately 210 employees to serve over 10,000 local governments. Historically, the Division has operated as a decentralized organization with seven regional offices and one central office. Consequently, information is received and distributed at numerous points throughout the Division. This has led to islands of information with little or no information sharing. As a result, Municipal Affairs staff who have contact with local government officials are not always aware of their previous contacts with staff in other offices. Field examiners, in particular, do not have access to all correspondence that has been sent to local officials. Duplicate

paper and electronic files are being maintained by Municipal Affairs staff in each of the eight locations. Consequently, staff are not able to consider the implications of prior communications while providing current services. Staff cannot identify statewide policy and program issues, select the best services for a particular local government, or perform uniform risk assessment. Lack of information makes emerging local fiscal issues difficult to spot, wastes staff resources on duplicate or inappropriate services, and prevents them from assisting local governments to protect their assets.

A mission or vision statement

Just as an architect has a mental picture of the building she wants to create long before she begins drawing, you must have a vision of how your project will impact the future. This vision of the future can be described by answering the question, "How will things be different when this problem is solved?" Illustrate how public health, child welfare, housing quality, or administrative efficiency will be improved once the problem you currently face no longer exists. Again, make sure to discuss your vision in terms of program and process objectives such as public service improvements, process efficiency, or paperwork reduction, not just technology.

Sample vision statement

The Division will have a single source of complete historical and current information on the status of all local governments, maintained in a standard way and accessible from any location. Staff who provide local services will understand the context and historical development of current situations and be able to select services that best meet local needs. Staff who oversee the municipal affairs program will be able to conduct trend analysis and program evaluations based on complete information about local fiscal operations. Statewide programs, policies, and resource investments will be targeted to those needs.

Specific objectives

Once you've described your vision of the future, you must define the project objectives that will help you realize that future. While "improved public safety" or "reduced taxes" are admirable goals, they are too general. You need to express your project goals in specific terms that people will understand. Using the results of your strategic framework or other detailed analysis, identify the key goals of your proposed project. State them briefly and in plain language, and then elaborate as needed to fully explain them.

Sample statement of objectives

To provide Municipal Affairs staff with remote and desktop access to up-to-date electronic indexed information about local government contacts that allows staff to:

- conduct targeted and mass dissemination of information to local governments
- assess the need for service delivery to local governments
- document contacts between MA staff and specific local governments
- develop and maintain a single reliable contact list

As a result:

- local governments will receive useful information provided by or through the Division
- staff can determine risk assessment
- staff can maintain a contact history with local governments
- staff have timely and accurate information in order to provide consistent services to municipalities

Preferred approach

The next step is to describe how you will solve the problem and achieve your vision. Write a brief statement that describes the approach you plan to take.

A statement of approach includes the:

- participants and their roles
- customers or beneficiaries and how they will be affected
- methods and strategies to be used

- innovations and other changes needed to solve the problem

Your statement should begin with a sentence or two that convey the essential elements of your approach. It then addresses those elements in more detail.

When discussing your approach, describe the key factors that underlie your choice. For example, you may need to address the following issues:

- how stakeholders will be involved
- how decision making will be managed
- how needed skills will be used, developed, or acquired
- how prototyping or pilot testing will be used
- where existing systems and processes fit with the proposed system, or how they need to be changed
- how necessary data will be identified, shared, and integrated
- how funding will be acquired, used, and managed

Sample summary of a preferred approach

While many different stakeholders have an interest in this problem, we believe an approach that first meets the information needs of the Division lays the best foundation for serving local needs. The underlying weaknesses of our current information resources lie in a lack of records-oriented policies, practices, and business processes. We therefore recommend an approach that begins with the appointment of a Contact Information Manager to oversee the development of an overall records management policy, an electronic records policy, redesigned business processes, and the selection and implementation of electronic document management software. The second element of our approach is the establishment of a Municipal Affairs Communications Center and a statewide 800 number, staffed by customer service representatives to handle or direct all incoming calls, mail and correspondence. Third, we should create a comprehensive customer information directory database available to all staff and to other agencies who deal with local governments. This approach entails reorientation and retraining of existing staff as well as the addition of some new positions. It also requires significant redesign of current business processes and practices and the development and field testing of software systems to support them.

Expected benefits

The benefits of solving your problem or reaching your goal are an integral part of your business case. People want to know how your project will help them. You should identify and discuss the benefits of change. Some typical benefits include reduced costs (perhaps from reducing redundant tasks such as data entry), better decision making at each step of a process (perhaps due to more accurate and timely information), or improved efficiency (thanks to fewer steps to process a transaction). While some benefits can be realized by all participants collectively, it is also important to identify benefits that are specific to each of your stakeholders. Wherever you have numbers or targets for improvement, but sure to include them.

Sample summary of benefits

Overall, the project we recommend offers the following benefits to the Division:

- More consistent policy and action
- Ability to set and monitor performance and impact measures
- Triage capabilities for problem situations
- Accurate and reliable local information for needs assessment and action
- Historical and statewide information for planning and evaluation
- Improvement in day-to-day internal communication
- Reduction of redundant records and thereby storage needs

Benefits to local governments include:

- Services delivered on the spot
- Early problem detection
- More timely service delivery
- Consistent information
- Better background information for services to be provided
- More informed service selection
- Better context for planning engagements

- Increased local awareness of available state-sponsored services

Performance and progress measures

Performance measures give your stakeholders a concrete way to assess how the project is doing relative to their expectations, and identify where improvements are needed. Examples of performance measures include indicators of customer satisfaction, cost efficiency, time savings, dollar savings, improved accuracy rates, and quicker case dispositions. Remember that many initiatives have the potential to save money, but they can also be expensive to design and implement. These up-front costs make it especially important to capture the intangible benefits - such as increased public confidence. In order to retain support and funding beyond the initial approvals, state how and when you will give progress reports against the performance measures established in your business case.

Example of performance measures

When the project is completed we expect to have achieved the following performance targets:

Service measures:

- Response to local inquiry: acknowledge, record, and assign action on the same day as the call
- Response to request for standard information: sent electronically the same day or by mail the next day
- Staff access to history of local situation: fully electronic, on demand

Mission measures:

- Quarterly analysis of statewide and regional trends in local financial management issues
- Quarterly analysis of technical assistance activities and results

Risks and ways to address them

Risks are inherent in the implementation of any project. Use your business case to demonstrate that you know the risks, and how to mitigate them. Based on your risk analysis, develop a statement of risks you're likely to encounter on this project, and identify methods for addressing each one. Explain how the approach you have chosen reduces the risk or at least takes it into account. Anticipate the kinds of questions people will ask about risks and have ready answers based on your analysis.

Sample discussion of risk

This project challenges the entire Municipal Affairs Division to rethink its approach to its mission. We are already in the process of moving from a regulatory approach to one that is more focused on technical assistance. However, staff are very comfortable in creating their own ways of working, gathering, and recording information. The staff in the central office and especially in the regions must accept the value of adopting standard practices and of sharing information across individuals, regions, and functions. To help assure their acceptance, we have involved representatives of every region and all the associated functions in the planning and analysis phase of this project. Their needs have been identified and taken into account and their ideas for improvement are incorporated in the plan. The project team must continue to work in this collaborative way. In addition, some changes may need to be imposed when cooperation cannot be achieved in other ways. The Contact Information Manager and the Division Director will take responsibility for identifying these issues and recommending needed action.

A basic plan of work, timeline, and key milestones

Like a blueprint that guides construction, a well thought out plan of work is a critical component of your business case. The plan of work must take into account the existing infrastructure, funds, staff, time constraints, and other changes required to make your vision of the future a reality. The plan of work allows you to begin to identify the management model that will be used and the resource implications of that model. The use of a collaborative management model, for example, will involve activities and milestones related to creating networks of participants and conducting project activities in a collaborative way. The statement about your plan of work should also include a section on efforts to coordinate resources with other information initiatives in the area. The plan of work becomes a data source for the identification and estimation of cost categories and time estimates for the project.

Timelines are an effective way to show how long it will take to complete each step of the project. Fill your timeline with important project milestones, which serve as attainable short-term goals and evaluation points that keep the project heading in the right direction and on schedule. These milestones also help keep people's interest in your

project, especially if it will span several years. Think about how you will demonstrate the achievement of each milestone as it occurs so stakeholders can see what has been accomplished with their support.

Sample work plan excerpt

By the end of phase one of the project, we will have completed the following:

- Hired a Contact Information Manager
- Developed internal records management policies for the Division
- Presented and discussed these internal policies with the rest of the agency
- Completed process improvements for the following Municipal Affairs activities:

Project management and staffing

Your statements about the management of the project may focus on the key methods of coordination and decision making. This approach could include the formation of a coordinating body that represents the many interests involved; it also helps shape the project, and guides it through the complex world of power, politics, and bureaucracy.

A project director must take responsibility for the project, manage the activities, and direct the staff. Your project director must be capable of implementing the project effectively, and be acceptable to all parties involved in the effort. The qualifications and responsibilities of the project director must be carefully described in the business case.

Pay special attention to the "people" components associated with your initiative. Explain how you will deal with the general shortage of IT professionals and the fierce competition for skilled people posed by the private sector.

Describe how existing staff in every specialty will be prepared for changes by orientation, training, peer consulting, or other methods. Identify functions that are likely to be outsourced or handled by consultants and how these will be managed. Pay attention to internal competing or shifting priorities for human resources.

Consider the management approach for the project in terms of project management and human resources implications. If this is a collaborative, interorganizational effort (as more and more government initiatives are), relationship development, joint decision making structures and rules, and a variety of communication methods will be needed. These needs, in turn, suggest the kinds of staff skills and management techniques you will require.

Sample project management excerpt

The project will be led by a newly appointed Division Contact Information Manager who will report to the Division Director. The Manager will work with a team drawn from all the regions and the related functional areas of the agency (e.g., IT Division, Communications Office). An advisory committee made up of local officials and outside records management experts will be appointed and consulted quarterly.

For the first phase of the project, work can be accomplished with existing agency staff. The system design and development phase may require the use of contractors assisted by in-house staff who will assume responsibility for ongoing operation and enhancements.

Cost estimates and funding sources

Anyone evaluating your project proposal will have questions about it, but two questions you will hear often are: "How much will this cost?" and "Where will the money come from?" An evaluation of costs and benefits is essential information to provide in your business case. Your cost estimates should cover all elements of the project: human resources, technology, consulting, training, physical plant changes, and so on. The analysis must also assess the impact of ongoing costs, such as training and maintenance, and related activities.

Securing funding for your project is likely to be a complex and creative process. While there are often several state and federal sources of funds, you may not find one single source of funding for your project. A multiple source funding model may be the only way to accomplish your goals. Making your case to several "funders" and assembling a mix of resources is sometimes your best road to success and may also help ensure the long-term viability of the project.

Example of a cost summary

Total project costs are estimated at \$783,000 for development and implementation. Thereafter, recurring annual costs will be approximately \$190,000. The initial costs include contracts for system design and development and customer service training for the Communications Center staff. New staff positions include the Communications Information Manager and one Research Analyst in the Municipal Affairs Division, and one Systems Analyst in the IT Division. All other positions are existing, although extensive retraining will be needed in some areas. Funding will be requested in the upcoming state budget. Costs can be offset by early implementation of the 800 telephone service for internal communications, cutting the costs of long-distance telephone service to the regions. Early implementation of the consolidated contact list will reduce duplicate printing and mailings. We will take advantage of the agency's existing plan to deploy a statewide intranet service and desktop upgrades to provide the technical infrastructure for the new system at no additional cost.

Alternatives considered

Even though your analysis points to a particular approach, it may have competitors. Detail any acceptable alternative approaches that will achieve your future vision. It is also helpful to describe your decisions about some potential approaches that were considered and discarded.

Sample discussion of alternatives

We considered several document management system designs to assess their ability to improve performance and turnaround time on local requests for assistance. Our analysis showed that none of the systems, no matter how powerful they were technically, would generate much improvement without first making significant changes in our underlying information and records management policies and in our business processes and practices. We therefore moved away from a technical solution as the first step, and will implement a system after the needed policies and process improvements are in place.

Opposing arguments and responses

In addition to all the questions you'll hear, you are likely to face some opposition to your project when you present your business case. Your earlier analysis that identified points of contention and alternative ways of looking at the issues will help you prepare to defend your decisions. Expect those issues and alternatives to be raised by one audience or another.

Anticipate their reactions and be prepared to respond to them in as informed a way as possible. Have solid data to back up your position and show how the advice of recognized experts or the experience of other jurisdictions supports your project. You should also listen carefully to concerns and be willing to hear and consider new ideas that might improve your plan.

Examples of opposing views and responses

The project offers benefits to all stakeholders, but there are some opposing views:

1. The project should wait until the entire agency has considered its records management policies. **Response:** This project can be considered the pilot for an agency-wide effort and will generate near-term benefits for one of our most visible programs.
2. Local governments will lose the personalized service they have been receiving from the regional offices. **Response:** Services will actually become better targeted to local needs when complete information is available to staff in the field. In addition, best practices will become known and may be applied more widely. Division staff will still apply their individual expertise and continue to have close working relationships with local officials.

The work of generating a business case has benefits beyond the business case itself. For example, we have seen the process of building a business case result in a total redirection of effort when one team realized belatedly they were trying to provide a service for a constituency that didn't need it. Another team discovered that the nonprofit organizations that would use their planned system wanted to be considered more than system users- they wanted to become project partners and offered to participate in the analysis and the development of the case. In other less dramatic instances new insights into the nature of the problem or the resource situation emerged. Bad timing showed up in the recognition that top management attention was focused elsewhere, perhaps on an upcoming election or its aftermath. The case-building process is a last opportunity to look hard at the data and see gaps or

weakness in your thinking, as well as to identify possibilities that had not been obvious before.

Finally, think of your business case as a portfolio of layered and related information rather than as a single document. As you work with different constituencies to make your case, you will draw from your portfolio the information and level of detail that is most suitable to each one. Sometimes a single-page briefing is right. For others you need a full blown, detailed justification. Your case portfolio should support whatever kind and level of information you need for each situation. Chapter 4 suggests ways to use this portfolio of information to present your case to a variety of audiences.