

BUSINESS IT SERIES

Develop an IT Business Case

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Outlines business justification for undertaking an IT project.

Includes the following...

- Business case stages, elements, its purpose & explanation.
- Real world example / use case to help you understand the end-to-end context.
- Options analysis excel template to help you organize key business case deliverables.
- Business case template that you can use.





• Introduction •

Welcome to my Business IT Learning Series.

You will find learning content that is impactful and truly unique. It will stretch your brain never to go back to its original shape again.

A fresh start is not a place, it's a mindset !



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A business case is a formal document or presentation that outlines the justification for undertaking a project, initiative, or investment.

It provides a detailed analysis of the potential benefits, costs, risks, and expected outcomes to support decision-making.

The purpose of a business case is to persuade stakeholders, such as executives or investors, to approve and allocate resources for the proposed endeavor.

The Key Areas

There are normally 4 key areas of a business case.



1 Operational & Strategic Context

Reflects the need and the outcome/s the business or department is seeking.

Very critical, as it validates the problem area or opportunity.



3 Evaluation Summary

Focuses on providing a comparison summary to evaluate the best option being presented.



2 Viable Options

This section presents a few viable options that address the need and meets the business outcomes.



4 Approach Recommendations

Here you recommend the project & change implementation approach, readiness assessment and what will determine project success (or failure).



Apply an operational & strategic context

Focus on the need and outcome by analysing the following...

- ➔ Problem area, touchpoints, current impact, business urgency, current risks (and future risks if not attended to)
- ➔ Current ecosystems, stakeholders and annual spends.
- ➔ Business context of the proposed solution, key features, business benefits and key outcomes.
- ➔ How will business quantify benefits and what would be the success criteria.
- ➔ Key business stakeholders involved in the proposed project.
- ➔ Indicated project budgets and executive sponsor.

Use the above as your INPUTS

To build your SOLUTION CASE



In the first section we focus on getting business stakeholders to define the problem, the various areas it affects, what impacts the problem is having on the business and identified risks.

The key is to quantify or attach a dollar value to the problem. This helps in assessing dollar value impact and validating the problem area.

Note : Impact quantification helps you evaluate the cost benefit of undertaking such a project.



- We also get business to define what an ideal solution looks like, the key features that need to exist and what business benefits they expect from such a solution.
- What does success look like for them and how will benefits be measured.
- Who are the stakeholders they can commit on the project.
- What are the likely budgets to be made available for this project.
- And finally, who will be the executive sponsor on this project.

Note:

You are getting business to define (on their own) all of the above. This gives you enough of direction to help you build the proposed solution case and move to the next stage of the business case.



Viable Options

Inputs

Solution Case

Consider your solution case as a draft document (or RFI) that you use to discuss problem and solution specifics with your vendors / suppliers.

Outputs

- Draft solution scope of each proposed solutions
- Solution features.
- Solution alignment to business need.
- Business Benefits and Outcomes.
- Risks.
- Assumptions, dependencies and exclusions, if any.
- Implementation approach, timelines and complexity of each solution
- Effort estimates (both one time and ongoing)
- Special conditions, if any.

Use the above as your INPUTS

To build your draft Options Analysis.



The key is to map each solution offering to the solution case to assess overall fitness meeting key features, business benefits and defined outcomes.

This is known as option analysis.



QUICK TIPS

- The solution case must provide high level information of what the specific business requirement.
- Assess what value adds are available from each solution.
- Technology and platform specifics. (and whether this impacts solution maintenance from a resource availability perspective - is it easy to find resources in the market place to support this solution)
- Understand solution risks, implementation challenges and overall cost effort estimates.
- List down one time licensing costs and annualised recurring licensing costs, if any.



Evaluation Summary

Inputs

Options Analysis

Within this part, you will utilise your draft options analysis to provide an assessment / evaluation of proposed solutions.

Outputs

- Preferred product / solution option and core features.
- How was the decision reached.
- Comparison summary.
- How the solution will meet defined business benefits & outcomes.
- Associated Risks, assumptions, dependencies and exclusions.
- Implementation approach, timelines and complexity.
- Preferred option and Investment outlook.
- Options analysis (via an annexure)

Financial Metrics:

- Pre Project - TCO, Payback Period, Break-Even Analysis
- During Project - CBR, ARR Improvement, OPEX Reduction
- After Implementation - ROI, NPV, IRR



The evaluation summary uses the options analysis sheet as an annexure / support asset to the evaluation summary.

Highlight key aspects of the solution findings, conclusions and your recommendation.



QUICK TIPS

- Provide a clear overview of the evaluation results, making it easier for stakeholders to understand the key takeaways and implications.
- To inform decisions by summarizing the effectiveness, impact, and value of a project, program, or initiative.
- A summary of evaluation methods used.
- A concise presentation of the most important findings from the evaluation, highlighting the successes, challenges, and any unexpected outcomes.
- A summary of the overall conclusions drawn from the findings.
- Practical suggestions or actions to be taken based on the evaluation findings.



Approach Recommendations

Inputs

Options Analysis

This is the concluding part of the business case. You will use the options analysis document and other information to draft this section.

Outputs

- Project Implementation Approach.
- Change Management Approach.
- Performance Metrics & Business Benefits Measurement.
- Business Readiness Assessment.
- Requirements to Project Kick-off.

The approach recommendation depicts the best way to render various aspects of the implementation and where you stand today.

This is clearly high level only and no need to get into the specifics or details of each individual process.



QUICK TIPS

- Project implementation depicts the phase of your implementation
- Change management talks about how you will institutionalise the project within your business operations.
- What performance metrics will you consider to evaluate project success and how will you ensure business benefits were achieved.
- Where is the business from a readiness perspective.
- What are the key requirements to kick start your project.

Real world example / use case

Dallas Gaming & Events Pty Ltd (fictitious entity) would like to uplift their Human Capital, Workforce Management and Payroll system. They are currently using a product called 'PayGenie' which is legacy and does not provide for even basic employee self service.

Because the product is legacy and not upgraded, it involves a lot of manual work nearing each pay cycle each each of its 3 locations in Australia. Let's assess this case and propose a business case for a system uplift.

Locations : 03 across Victoria and South Australia.

Total workforce : 135 permanent full time | 3500 casual staff

Total payroll workforce : 03 full time permanent staff (each managing a single site)

Pay cycle : Fortnightly (26 cycles per year)



Purpose

Implement a new payroll system to enhance efficiency, accuracy, and compliance.



Benefits

Improved payroll processing speed, reduced errors, enhanced compliance with labor laws, and cost savings through automation.



Problem Area

Current Issues:

- The existing payroll system is outdated, leading to frequent errors, compliance risks, and inefficient manual processes.

Effects:

- These issues result in increased payroll processing time, higher operational costs, and employee dissatisfaction.

Impacts:

- Payroll errors have led to employee dissatisfaction and potential legal risks. The manual processes consume significant HR time and resources, reducing overall productivity.

Risk/s:

- Potential inaccurate calculation due to part manual processing.
- Could have state compliance related risks.
- Audit failure during upcoming organisation quality standard certification.

Touchpoints:

- Human Capital & Payroll
- Finance
- Employees, Contractors and Casual Staff across 4 locations.

**Key must have features / capabilities (as proposed by business)****e-Recruitment**

Provision for integration with major online job boards.

**On-boarding & Offboarding**

New starter induction, L&D solution, asset allocation, exit interviews & checklists.

**Compliance**

Vivo checks, employee contracts as per awards, staff compliance tracking, super contributions etc.

**Engagement & Benefits**

Integrate with marketplace for employee offers, discounts & benefits, EAP etc.

**Performance Management**

Provision for Goals and OKRs mapping to department & employees, 360 degree reviews etc

**Self Service**

Integrated employee self service portal (web and/ or mobile interface)

**Workforce Management**

Time & attendance integrated WFM solution including geo fencing provisions.

**Integrated Payroll**

Provision for digital payroll automation as per modern awards localised to Australian labour laws.



Problem quantification (Workforce Management & Payroll)

Case 1 :

4 days per month using 3 full time employees between Payroll & Finance across 3 locations for manual processing AND month end reconciliation.

Average wage per day : \$ 220 X 3 X 4 = \$ 2,640.00 per month

Annual Spend: \$ 31,680.00

Eliminate via payroll automation

Case 2 :

3 full time employees between Payroll across 3 locations for manual processing AND month end reconciliation.

Average wage per month : \$ 7000 X 3 = \$ 21,000 per month

Annual Spend: \$ 252,000

Soften via drop in headcount



Success Criteria & Benefits quantification (Workforce Management & Payroll)



Efficiency:

Streamline payroll processes to reduce processing time by 75%.



Accuracy:

Decrease payroll errors by 90% through automation and improved data handling.



Compliance:

Ensure full compliance with current labor laws and tax regulations.



Cost Improvement:

Achieve a 33% reduction in payroll headcount costs within the first year and across 5 year period.

Reduce total payroll head count from 3 to 2 resources using end to end process digitisation, automation and employee self service.

Annual Cost Saving : \$ 84,000

Over a 5 year period : \$ 420,000



Proposed Budgets

The proposed budget is a likely estimate (rough order of magnitude) before going into the markets for request for information.

- One off project cost : **\$ 125,000**
- Ongoing recurring : **\$ 10 per employee per month**
Includes payroll processing, learning & development and human capital management capabilities.
- Annual recurring : **\$ 435,000 per year**

Under conditions :

- 125 permanent and 3500 casual staff.
- Against current \$ 7 per employee per month (\$ 305,000 annually)
- Excludes online learning & development environment charges.
- Budgets to be approved by committee on submission of business case.



Key Stakeholders

- ▶ Executive Sponsor
Mark Ralph [Chief People's Officer]
- ▶ Governance
Marek Harms [PMO Lead]
- ▶ Architecture & Security Review
Allan Gupta [Chief Technology Officer]
- ▶ Subject Matter Expert
Casey Jorden [Workforce Manager]
Emily Barten [People & Culture Lead]
- ▶ Project Lead & Assurance
Jason Donovan [Senior Business Analyst]

**HCM - 01**

Top 5 HR & Payroll Solutions across ANZ

Established

Product Roadmap - Interesting

Cloud based offering

205 customers (10 in ASX Top 100)

**HCM - 02**

Top 20 HR & Payroll Solutions across ANZ

Emerging Player

Product Roadmap - Not available

Cloud based offering

90 customers (mainly medium segment)

**HCM - 03**

Enterprise grade HCM offering.

On the Decline (due to pricing)

Product Roadmap - Not available

Hybrid Cloud and On Prem offering.

700 customers (40 in ASX Top 100)



Core HR - End to end functionality

Talent Management - Mature enough

WFM / Rostering - Extensive

Self Service - Available

Employee Mobile App -

Available

Full compliant with ANZ labour Laws

Core HR - End to end functionality

Talent Management - Mature enough

WFM / Rostering - Wanting

Self Service - Available

Employee Mobile App -

Available

Full compliant with ANZ labour Laws

Core HR - End to end functionality

Talent Management - Extensive

WFM / Rostering - Extensive

Self Service - Available

Employee Mobile App -

Available

Full compliant with ANZ labour Laws.

*Refer Solution Case sheet for product feature / capabilities and related information.*



Viable Options



HCM - 01



Benefits Assessment - 100 % Met
Risk Profile - Low
Security Posture - Stable
Availability - 99.99 % (52 mins downtime)



Implementation Profile - Moderate
Timeline - Within 2 months
Approach - Agile (Iterative)
Data Migration - Externally available



Commercials : 20 % above budget 
Once off : **AU\$ 85,000**
Annual Recurring : **AU\$ 500,000**



HCM - 02

Benefits Assessment - 100 % Met
Risk Profile - Low
Security Posture - Stable
Availability - 99.95 % (5 hrs downtime)

Implementation Profile - Moderate
Timeline - Within 1 month
Approach - Agile (Incremental)
Data Migration - Manual

Commercials : In budget 
Once off : **AU\$ 60,000**
Annual Recurring : **AU\$ 370,000**



HCM - 03

Benefits Assessment - 100 % Met
Risk Profile - Low
Security Posture - To be assessed.
Availability - 99.995 % (26 min downtime)

Implementation Profile - Complex
Timeline - Within 3 months
Approach - Predictive (Waterfall)
Data Migration - Native tools available

Commercials : 45 % above budget 
Once off : **AU\$ 150,000**
Annual Recurring : **AU\$ 575,000**





Note :

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 - The examples and case references included in this document are fictional and solely for illustrative purposes. Any resemblance to actual events, entities, or persons is purely coincidental and unintentional.
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Delivering a Business Case

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