



# PREPARING A BUSINESS CASE FOR A PROJECT PORTFOLIO MANAGEMENT SOLUTION



This document is designed as a guide to writing a business case for a Project Portfolio Management (PPM) solution. It describes the purpose of the business case, provides a template for writing one and offers some tips to consider along the way.

## ► Why write a business case for a Project Portfolio Management solution?

The purpose of writing a business case document is to gain senior management support and funding for your recommended PPM solution. You should view it as a well-argued sales document and therefore it is essential that you first understand your audience. You need to consider who is going to be reading your document, what their particular issues/agendas are, and how your recommended solution may help them achieve their specific objectives.

Your business case should:

- Clearly demonstrate how the PPM solution supports the achievement of corporate strategy and goals.
- Explain the urgency for the proposed solution in terms of cost savings and/or revenue gains.
- Define the proposed scope of the PPM implementation in terms of users, department(s) as well as timescales.
- Demonstrate the financial and operational benefits and compare these with costs of implementing the solution.

## ► The business case document: what to include

The template below provides guidance on the different sections to include in a business case for a PPM solution. Sections from the Statement of Requirement document will be useful for completing sections 6 and 7, in terms of outlining the current situation and possible options. This document can be found at [www.teamplan.co.uk](http://www.teamplan.co.uk)

SECTION TITLE	WHAT TO INCLUDE
1 Executive summary	Less than one A4 page describing: <ul style="list-style-type: none"><li>• What the business case is for.</li><li>• Recommendations.</li><li>• Expected benefits.</li><li>• Summary of costs.</li></ul>
2 Introduction	Explain the motivation for the proposed implementation of a Project Portfolio Management solution.
3 Definitions & terms	Definitions of any acronyms or terms that will be used in the document. (e.g. PPM – Project Portfolio Management).
4 Business strategy	The business case needs to be in the context of, and directly supporting, the business strategy. For example, associate the PPM solution with: <ul style="list-style-type: none"><li>• A strategic cost reduction initiative.</li><li>• Staff productivity and staff/contractor budgets.</li><li>• Delivery of important new products.</li></ul> <p>If there is not a documented business strategy then the business case must develop a strategy of its own, linking to financial performance.</p>



SECTION TITLE	WHAT TO INCLUDE
5 Acceptance criteria and risks	<p>Describe the financial assessment criteria for the PPM solution. This could include:</p> <ul style="list-style-type: none"><li>• Solution cost (e.g. within budget; initial implementation cost, ongoing cost over x years).</li><li>• Payback period/return on investment of overall solution.</li><li>• An increase in the amount of time that staff spend on project work as opposed to non-project work.</li><li>• Reduction in number of projects that go over budget.</li><li>• Reduction in project administration – i.e. time spent collating management reports each week.</li></ul> <p>Identify and quantify risks which could include:</p> <ul style="list-style-type: none"><li>• Lack of user acceptance.</li><li>• Impact of a slower than expected implementation on the business.</li></ul>
6 As is	<p>Strengths and weaknesses of current situation* in terms of:</p> <ul style="list-style-type: none"><li>• Project management process.</li><li>• Quality of project-related data.</li><li>• Financial control of projects.</li><li>• The way people work and collaborate on projects.</li><li>• Current project/portfolio management tools.</li></ul> <p>Assess the current situation against acceptance criteria to quantify the problems associated with the current system – and therefore the cost of ‘doing nothing’. *NB: Much of this data will come from the statement of requirements document.</p>
7 Options	<p>Describes the alternative solutions that have been considered – i.e. the alternatives to the ‘do nothing’ option – in terms of acceptance criteria.</p> <p>TIP: Present using the same look and feel as for ‘As Is’ option.</p>
8 Recommendations	<p>A decision-making grid.</p> <ul style="list-style-type: none"><li>• Mark options against financial acceptance criteria and suppliers’ ability to deliver and track record with similar implementations.</li><li>• Totals can be weighted dependent on ‘priority’ of acceptance criteria.</li></ul>
9 Implementation	<p>Describe the preferred option to be implemented</p> <p>Get the recommended supplier to assist with:</p> <ul style="list-style-type: none"><li>• Details on the product components.</li><li>• Implementation methodology and timescales.</li><li>• Supplier’s relevant experience.</li></ul>



## ► Tips to bear in mind

When writing the business case, it is worthwhile keeping the following tips in mind:

### 1. KNOW YOUR AUDIENCE

- First identify who is going to read the document.
- Find out what their particular issues/objectives are.
- Link your business case to business strategy and achievement of at least one corporate objective.

### 2. INFORMATION TO 'GET ACROSS' TO YOUR READERS

- There is a real problem that is getting in the way of the business achieving its objectives.
- All options have been identified.
- The best option has been chosen.
- Predicted costs and benefits are accurate.

### 3. SELL YOUR PROPOSAL!

- Write from the perspective of your audience.
- Make sure they can see 'what's in it for me'.
- Develop emotional appeal by making use of anecdotal evidence, using 'scenarios' and real-world examples gained from site visits and similar implementations.

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