



BUSINESS CASE THEME

PRINCE2®

BUSINESS CASE THEME AND THE PRINCIPLES

PRINCIPLE - CONTINUED BUSINESS JUSTIFICATION

PRINCE2® project has continued business justification
PRINCE2® requirement is that:

- There is a justifiable reason to start the project
- The justification should remain valid throughout the project's life
- The justification is formally documented and approved



DEFINITION: OUTPUT, OUTCOME, BENEFIT & DIS-BENEFIT

Projects are undertaken to generate 'measurable' business improvements (benefits), enabled by outputs & outcomes:

- **Output** - Any of the project's specialist products (tangible or intangible)
- **Outcome** - The result of change; affecting real-world behaviour and/or circumstances
- **Benefit** - The measurable improvement resulting from an outcome
- **Dis-benefit** - An outcome perceived as 'negative' by one or more stakeholders... an **actual** consequence (**NOT** a risk)

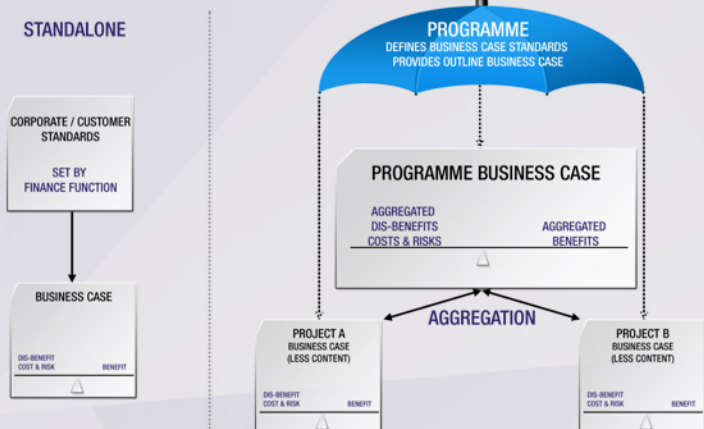


TYPES OF BUSINESS CASES

- Compulsory project - e.g. Change in legislation
- Not-for-profit - e.g. Social care
- Evolving project - e.g. Research & prototyping
- Customer/Supplier project - e.g. Outsourcing, partnerships
- Multi-organizational project - e.g. Local authority & NHS
- Method of Measure
 - Some measured principally on "return of investment"
 - Some measured on other "non-financial" benefits e.g. meet a new legislation



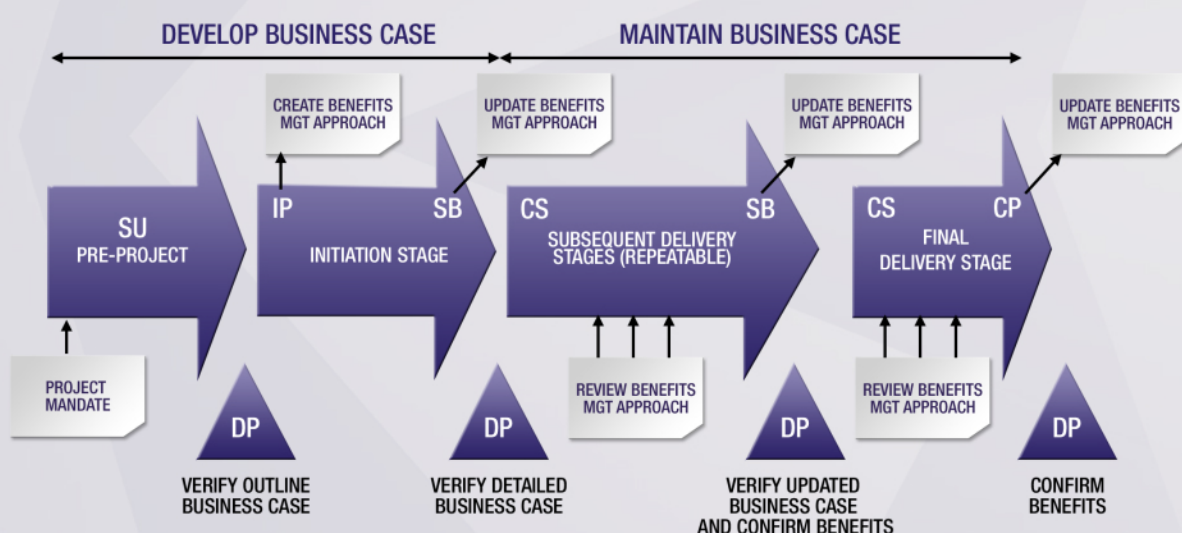
TAILORING PROJECT & PROGRAMME BUSINESS CASES



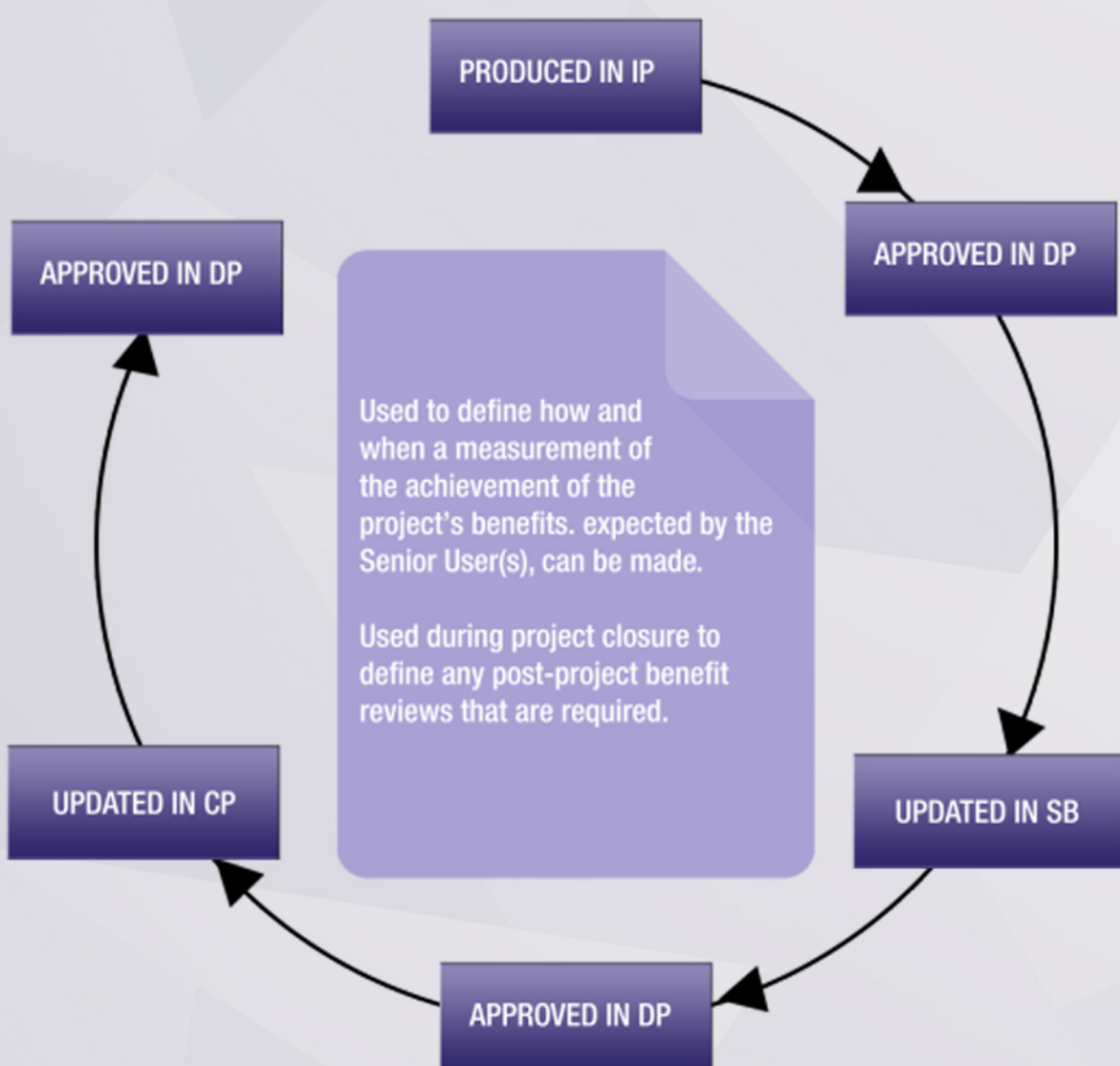
BUSINESS CASE DEVELOPMENT PATH AND BENEFITS MANAGEMENT APPROACH

Key Message:

The business justification for a project should include not only the costs of developing the products produced by the project, but also for any changes to operational costs post-project. This is added to the detailed business case during initiation stage.



BENEFITS MANAGEMENT APPROACH



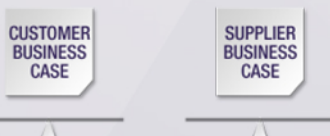
TAILORING BUSINESS CASE

SIMPLE PROJECT

WHY?

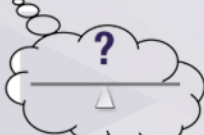
- Some form of documented business justification
- Stating 'why' the project is needed

COMMERCIAL CUSTOMER/ SUPPLIER ENVIRONMENT



- Always at least two Business Cases
- Customer's covers benefits to host organization
- Supplier's BC covers supplier part of customer project plus wider aspects, e.g. sales/sales territory objectives

EVOLVING PROJECT



- Clearer forecast of desired outcomes as project progresses
- Updated as appropriate

FEASIBILITY STUDY PROJECT



- Multiple Business Cases considered
- One recommended option (new project mandate)