



## Business Case

The business case of an innovation project is an evidence-based examination of whether an idea under consideration is commercially viable. The 'case' should include market analysis, assessment of benefits, a cost/benefit analysis, the key assumptions and dependencies, risk analysis, a summary of costs and resources, identification of funding sources, the start and end dates, and final recommendations.

### Using the 'Business Case' technique

Step 1: An introduction to the business case is written, with background details, information regarding the needs or problems addressed, and an indication of timing. The objective may be to obtain approval for an innovation project or present a neutral evaluation.

Step 2: A market analysis is conducted and added to the document. This details the political and/or economic situation and may use SWOT or PESTLE.

Step 3: The expected benefits; such as cost reductions, risk reductions, or quality improvements; are quantified in as great a level of detail as possible.

Step 4: A cost/benefit assessment is undertaken detailing the expected advantages of the innovation project in contrast to the required initial spend and future costs.

Step 5: The options available to decision makers are detailed. These can include business, technical, timing options, or even a 'do nothing' option.

Step 6: At this stage assumptions, that if incorrect, may impact the risks or the benefits or the innovation project, are explored.

Step 7: The findings of a risk analysis are detailed, indicating their probability, likely impact, and available mitigating measures.

Step 8: The costs and resources required for the innovation project are summarised. These include the initial cost of infrastructure and ongoing running expenses.

Step 9: Details are provided regarding the funding source, its certainty, and the timing of investments.

Step 10: The planned start and end-dates for the project are provided alongside the timing of important milestones

Step 11: Additional, important factors and other comments are included.

Step 12: The business case concludes by making a recommendation to proceed with, modify, or dismiss the project.

