



Promoting IT Efficiency

**ABC COMPANY
Extended Accounting System (EAS)
Business Case
Sample**



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1. CONTEXT

This section provides a basis for why the document has been prepared - it gives the reader an understanding of what they should expect to see in the remainder of the document.

The **Business Case** deliverable is used to initiate a project. It originates out of a business need and acts to provide a high level description of the business requirements. It is used as an entry point into the QAlassist methodology and is referred to throughout the life of the project.

This **Business Case** deliverable has been prepared to ensure the Extended Accounting System (EAS) reflects the emerging need to have the ABC Company incorporate "outsourcing" functionality to its existing accounting applications.

2. NEEDS DESCRIPTION

This section provides an explanation of the business need to be addressed, why a project should be initiated, the benefits that would be derived upon the successful implementation of the project and a projection of the costs associated with the project.

2.1 Needs

This sub-section provides a description of the business need. It gives a description of the existing situation and recommends how it could be improved.

The ABC Company has recently completed analysis on the viability to out-source a number of its existing operational functions - more specifically in the area of Information Technology (IT). The results of this analysis illustrates that approximate the annual financial savings could range between ten (10) and as much as fifty (50) percent depending on the services acquired through outside vendors.

Although a decision has not been made of all the parameters (security, longevity, continuum, cultural) associated with outsourcing existing operational positions, it has been concluded that the infrastructure needed to implement this does not exist. Until the ABC Company has the functionality to administer a "client / vendor" relationship, the option to utilize external vendors does not exist.

In order to provide additional operational flexibility, the Director of Accounting Services has sponsored the EAS project. Its primary objective is to provide the ABC Company the necessary infrastructure to engage with external vendors if or when the need arises.

2.2 Benefits Expected

This sub-section describes the potential benefits that would be derived if a business needs were addressed.

The potential benefits include

- reducing the costs of existing IT services
- providing greater flexibility in the number, skills and availability of IT resources
- establishing the infrastructure that will allow for additional (other than IT) vendor arrangements with other ABC Company operational areas

2.3 Existing and Planned Capabilities

This sub-section describes how the additional benefits derived from the business solution will improve the existing operations.

Once completed, the ABC Company will have the necessary infrastructure (technical and functional) to support interactions and delivery of services from outside vendors. Agents of ABC Company will be able to interact with external vendors, negotiate and administer vendor proposals, approve successful bids, provide oversight and accountability of the products/services being delivered by the vendor, and reconciling the financial commitments between Company ABC and the vendor delivering the services.

2.4 Organizational Effects

This sub-section describes how the business solution will impact and improve other operational processes throughout the organization.

Though initially focused on IT services, this project will have effects on other departments within the ABC Company. Specifically, the IT department will have to adopt new processes to identify, evaluate, select and monitor the resources received from the "Vendor". The Procurement Department will be required to adjust its existing processes/procedures to incorporate the additional functionality of IT services. The Accounting Department will have to adjust its accounts payable functions to incorporate "vendors" who have deliver IT services to the ABC Company.

2.5 Assessment of Need

This sub-section describes how the business solution will impact and improve other operational processes throughout the organization.

The existing infrastructure does not afford the ABC Company the strategic flexibility to be competitive in the market place. It is imperative that ABC Company must be positioned to reduce its existing costs through the implementation of "sourcing" its existing operations via external "vendors".

2.6 Constraints

This sub-section describes the anticipated conditions that will exist if the proposed business solution is not implemented in the organization.

The existing operations harness the ABC Company and its ability to acquire "specific IT" resources when they are required and for the duration in which they are required This lack of operational mobility limits the capability of the IT department to deliver and also encumbers them with costs that cannot be attributed to productivity. Without this flexibility, many of the other ABC Company departments must compete for a scarcity of resources and often delay projects.

2.7 Estimated Costs

This sub-section describes the anticipated costs to complete a project that would implement the business solution.

2.7.1 Total Estimated Costs

The preliminary time (within 50 %) estimates provide the overall costing projections for the project (existing ABC Company budget allocations applicable for the accounting of resources on the project)

	Hours per Week	Duration in Weeks
Project Owner	1	40
Steering Committee (4)	1	40
Project Manager	40	40
System Manager	40	40
Technical Architect	40	40
Business Analyst (4)	40	40
Systems Analysts (4)	40	40
Programmers (6)	40	26
Integration Test Analysts (4)	40	10
User Acceptance test Analysts (4)	40	10

2.7.2 Phase Cost Estimate

The preliminary proportional estimates (within 50 %) are

Systems Analysis	10 %
Design	15 %
Build	45 %
Test	20 %
Release	10 %