



# STATE OF ALABAMA

## OFFICE OF INFORMATION TECHNOLOGY



### Procedure 410P3: Completing a Business Case

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VERSION NUMBER	Procedure 410P3-02
VERSION DATE	October 1, 2017
PROCEDURE TITLE	Completing a Business Case
GOVERNING POLICY	This procedure is governed by the current Policy 410: IT Project Initiation, regardless of revision.
TERMS AND DEFINITIONS	<p>Office of Information Technology (OIT) – formed through the passage of Senate Bill 117, to focus on three statutory mandates: IT Strategic Planning, IT Governance, and IT Resource Utilization.</p> <p>Business Case – captures the reason and justification for a project. The business case will demonstrate the business need, explain the proposed resolution, and consider the strategic alignment with the state’s goals and policies. The cost benefit analysis is included in the business case.</p> <p>Project Initiation Packet – consists of three documents: the Project Request Form, Business Case, and Project Charter. This packet is to be submitted to OIT for project governance.</p>
OBJECTIVE	The objective of this procedure is to provide guidance on how to complete and submit the Business Case to OIT. The Business Case is part of the Project Initiation Packet.
PURPOSE	This procedure’s purpose is to provide instructions for completing the Business Case.
SUPPORTING DOCUMENTS	The following documents support this Procedure:

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- Policy 410: IT Project Initiation
- Procedure 410P1: IT Project Initiation Phase
- Procedure 410P2: Completing a Project Request Form
- Template 410T1: Project Initiation Tool

**EFFECTIVE DATE** This Procedure shall be effective upon its approval by the Secretary of Information Technology, as evidenced by the signature of the Secretary being affixed hereto.

**SUPERSEDES** This Procedure supersedes version 410P3-01.

**PROCEDURE** Completing a Business Case

## **1 Introduction**

### **1.1 Inputs**

- The Project Business Case is part of the Project Initiation Packet.
- The Project Initiation Tool should be used to complete the Project Business Case.
- The Project Initiation Tool, Template 410T1, can be downloaded from OIT's website. The Project Request Form and Project Charter must be submitted along with the Business Case to OIT.

### **1.2 Entry Criteria**

The Project Request Form must be completed prior to the Project Business Case.

### **1.3 Procedural Steps**

1. Open the Project Initiation Tool using Template 410T1.
2. Enter all the information for the 'Project Information' screen first, including the Size of Project as Determined by Sizing Tool. The sizing tool and additional information from the Project Information screen will be carried over to the Business Case section within the template.
3. Select the 'Business Case' link that is located under the Navigation menu.
4. There are six major sections within the Business Case. Each major section contains subsections. The sections & subsections included in the Business Case are:
  - Executive Summary Section
    - Executive Summary Narrative – general information on issues surrounding the business problem and the projected initiative created to address the problem
    - Anticipated Outcome – describe the anticipated outcome if the proposed project is implemented.

- Justification – justifies the reason the project should be implemented and why it was selected over alternatives
  - Project Overview Section
    - Project Performance – describes the measures that will be used to gauge the project’s performance and outcomes as they relate to key resources, processes, or services
    - Major Project Milestones – lists the major project milestones and their target completion dates
    - Procurement Strategy – describes the plans for ensuring timely purchasing/building of needed services/hardware/software in order to complete the project
    - Alternatives Analysis – describe other options that could be used to address the business problem
  - Technology Section
    - Technology/Data Migration – describes how new technology will be implemented and how data from legacy technology will be migrated
    - Technology Policy Compliance - there are several sets of questions regarding the compliance of this project with specific State of Alabama IT policies and standards.
    - Technical Compatibility – describes the compatibility this project’s technology has with the agency’s current architecture
  - Business Impact Section
    - Organizational Impact – describes the level of impact that the proposed project will have on efficiency and effectiveness of business operations.
    - Strategic Alignment – describes the organizational strategic plans that are related to the project based on how they meet strategic principles and strategic goals.
    - Do Nothing Risks – identify the five most significant repercussions that may be experienced should this project not be completed. Each risk should be ranked on likelihood and significance.
  - Risks Section
    - Project Risks – identify the five most critical known risks that may interfere with the success of the project. This area includes a description of the risk, the likelihood of the risk, and the impact that the risk would have on the project.
    - Benefit Risks – identify the five most critical known risks that may interfere with the benefits of this project or some portion of the value of this project. You should describe the risk and determine its impact level and likelihood.
  - Approval Section
    - Project Approvals – identify the names, department/agency, and phone numbers of those individuals whose signatures are required for overall approval of the project.
5. Each subsection should be completed with concise and informative responses. Keep each response limited to no more than 2000 words.

6. Once all subsections have been completed in the Business Case screen, the Cost Benefit information needs to be completed.
7. Click on 'Cost Benefit' located under the Navigation Menu.
8. There are two sections in the Cost Benefit screen. The sections are:
  - o Cost Benefit Analysis (CBA) – collects projected costs and any expected benefits for each quarter in the product's life cycle. The project costs are based on the Major Object Codes and the anticipated benefits are categorized as hard and soft benefits.
  - o Return on Investment (ROI) - this section is populated for you based on your responses to the Cost Benefit Analysis. It is view only.
9. Once the Cost Benefit Analysis section is completed, return to the dashboard in order to save the information to the template.
10. To view the Project Business Case (which includes the cost benefit analysis), select the 'Business Case' link that is located under the Reports Menu.

## **2 Verification/Supporting Data**

### **2.1 Output**

The completed Business Case should be submitted to OIT as part of the Project Initiation Packet.

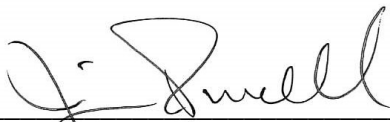
### **2.2 Responsibility/Authority**

OIT has approved this procedure and has the authority to ensure compliance with this procedure.

### **2.3 Deviation/Tailoring**

There should not be any deviations or tailoring permitted to this procedure. If deviations or tailoring are required, a request must be submitted to OIT.

The undersigned, as Acting Secretary of Information Technology of the State of Alabama, exercising the power vested in that Office by the laws of this State, declares this Procedure to be available for adoption as of the   1st   day of   October  , 20  17  .



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Jim Purcell  
Acting Secretary of Information Technology

## DOCUMENT CHANGE HISTORY

Version	Release Date	Comments
410P3-01	April 12, 2016	Initial version
410P3-02	October 1, 2017	Updated version to incorporate changes to the Project Initiation Packet and procedural steps.