Checklist Business Case Use this list to check if your business case document is complete and well underpinned

For more information read 'Successful Project Sponsorship', Michiel van der Molen (Kogan Page, 2015).

A business case defines the justification of a project. A proper business case document is suitable for the following:

- ❑ to underpin the investment decision;
- ❑ to share the relevance of the project with stakeholders;
- ❑ as a foundation to assign benefit realization responsibilities;
- ❑ as a frame of reference for decisions on project continuation and changes;
- ❑ as a basis for the evaluation of project success.

Assess the quality of a business case document using the following questions.

1. Reasons	❑ What existing corporate strategies or policies are relevant for this project? ❑ Is it clear how the project goal is related to these strategies or policies, allowing all stakeholders to understand the relevance of this project for the organization? ❑ Has the main reason behind the project been briefly summarized, in a way that can be communicated unambiguously and powerfully (one-liner)? ❑ Is it clear what will happen if we don't do the project or don't do it now?
2. Options	❑ Have several options been discussed and has an argumented choice been made? There are always at least two options, 'do something' and 'do nothing'.
3. Proposed Benefits	❑ Is it clear what the main benefits are and which ones are just nice to have? ❑ Are the benefits measurable? ❑ Are the benefits quantified? ❑ Is it clear when the benefits are expected to be realized? ❑ Have benefit owners been found – that is, persons accepting responsibility to realize them based on the proposed project deliverable? ❑ Have disbenefits been defined and quantified, and have they been taken into account in the investment decision?
4. Timescale	❑ Is it clear what are the critical delivery dates? ❑ Is it clear why these dates are relevant? A desirable delivery date is not the same as a necessary delivery date. A one-day schedule overrun can have just a minor impact, but can also be fatal.
5. Cost	❑ Have all types of cost been included?: ○ Direct costs such as costs of purchasing, development, building, switching production, training or implementation. ○ Overhead costs such as project or programme management and auditing. ○ Lost income during project execution and/or switching production. ○ Costs of temporary facilities. ○ Costs of risk reservations. ○ Costs of compensation of negative effects and costs of claims. ○ Permanent costs of exploitation, maintenance, management and licences. ❑ Are all suppliers committed to these costs by means of existing price agreements or proposals, or are the costs yet to be agreed?
6. Risk	❑ Have the main risks been identified? ❑ Have their probability and impact been assessed realistically? ❑ Have stakeholders with different viewpoints (project sponsor, users, suppliers, specialists, opponents of the project) been involved in the risk assessment? ❑ Has the resulting risk assessment been tested by those in the organization who are responsible for risk management?
7. Investment analysis	❑ Has, taking into account all previously mentioned aspects, an assessment of the business case been made based on the current corporate standards for investment analysis? ❑ Has the resulting investment analysis been assessed by those in the organization who are responsible for investment assessment?
8. General	❑ Has the business case been assessed by knowledgeable persons who don't have a stake in the project?

"Strong reasons make strong actions" (William Shakespeare)

Tip: this is a *result* oriented checklist. If you want to check the *process* of business case development, use our Checklist Business Case Development.