

Getting investment in IT

This may seem like a strange time to be investing, but continuing your investment in certain areas will be crucial for organisations to survive and thrive in an economic downturn. The investment may not be in big database systems and major change, but many organisations have been making significant investments over the last few years. They need to consolidate and embed the use of the systems they have to make the most of past investment. So they may need to spend a little more time and money to really get the value out of systems they have. All this means that the choice of investment is even more important and that a good business case for the proposal is crucial.

Benefits

Often the benefits of a proposal are intangible, which makes them difficult to quantify. But they may also be unpredictable and uncertain – which makes it twice as difficult to state them in a coherent business case. Working with people to really understand how the change may affect them will help to articulate the benefits in a measured way. Pumping up the benefits of a proposal may come back to haunt you, and many people say that they are disappointed with IT projects. Perhaps this is because expectations were raised too high.

What a business case should contain

- Why – what is the problem we are trying to solve?
- The proposed solution
- Benefits
- Costs
- Risks
- Other options considered

A key issue here is that the benefits you describe must be the *business benefits*. In other words, how does this proposal help the organisation to achieve its strategic objectives? How does it contribute to effective delivery of services? And how will the outcomes be improved or how will beneficiaries or donors notice the difference?

Pitfalls to avoid

- Too much included in business case – you may have done lots of work and want to demonstrate that, but fierce editing is needed! It needs to flow in a logical manner and only include relevant information.
- Too technical – the majority of readers will probably not understand the technical aspects and want to know how this will help the organisation in some way
- Projects viewed in isolation – this belies a lack of understanding of the business and how one project may link to other areas of work
- Overstating the benefits – if these do not stand up to scrutiny, you may actually undermine your case rather than strengthen it
- Underestimating the management time and effort needed – this is part of the cost and needs to be factored in. If you are spending your time on this, then other things may not get done. Be ready with answers!

You might want to think about how these benefits will be monitored at this stage – there may be a certain amount of cynicism as many people will have experience of projects that promised a great deal but delivered less. So setting out the current baseline and then how you plan to measure the change would answer this criticism.

If the proposal is for marketing or fundraising, then the benefits may be financial and therefore more measurable – although not necessarily more predictable or certain. Care is needed with calculating a return on investment to ensure that you are using the methodology correctly and including sensitivity analysis to allow for uncertain returns.

Costs

You may think this is the easy part, but consider the extent to which the costs are within your control. If there are external factors driving costs, then make this explicit in the costing and think about quoting a range rather than a single number. Bring in the internal costs such as people's time – it provides a fairer basis on which to compare different proposals and reflects the opportunity cost.

Also, ensure that you think about the ongoing costs as well as the one-off project costs. The ongoing costs will need to be part of the normal budget and need to be provided.

Risk assessment

This is where many business cases fall down. The risk assessment is just added at the end and usually people just put down a few things that the future project manager knows they can manage. It is not usually a genuine attempt to assess the risks and consider the impact on the benefits. Often, the risk assessment is too narrowly focussed on *project risk* which is not wholly appropriate at this stage. The main risks in connection with a project are related to the timescale, the budget and the quality of the outcomes. At the stage of the business case, however, we need to consider strategic risks. This will link back to the benefits described earlier – the focus on the business benefits rather than the technical attributes will help now when you consider the risks. For example, is there a risk that a new government initiative will make the whole proposal irrelevant?

To get to the root of the problem, we have to think about the *psychology* underlying new business ideas and the way that these develop into a business case, and then a project or programme. As Matthew Leitch describes in his book (p.34), the list of risks required in a business case should provide the reader with a good account of the risks and uncertainties of a proposal. To achieve this level of risk analysis, we need to take off the blinkers and really open our eyes to all the possible outcomes and then assess the likelihood of each of them.

Other options

For similar behavioural reasons that Matthew Leitch describes in his book, the other options which could provide solutions to the problem identified are only given a cursory few paragraphs. You need to demonstrate that you have considered the benefits and risks of the other options and conducted a proper appraisal.

Few decision-makers will feel comfortable just making a "yes or no" decision. They are really making a choice, so they need comparable information about each of the choices. So at the very least, you need to provide the costs as well as the benefits and risks of each option.

You may also be able to time the stages differently, or undertake a first stage and then review the options again.

Top tips

- Focus on the business benefits – how this proposal will impact on outcomes
- Provide baseline information on the current state of the factors where you expect benefits e.g. number of people who can be helped
- Explain how you plan to monitor the benefits
- Quote a range for costs that are uncertain
- Cover the strategic risks and link to the business benefits
- Think widely about uncertainty rather than narrowly about project risk
- Look at the other options properly and give enough facts and figures
- Check your thinking with others early on
- Plan and prepare other people well – they need to know what's coming and are more likely to support you later

Getting support for the proposal

Having worked intensively on much of the mechanics of a business case, it is easy to forget that there is another important dimension – winning people round to support the idea and way forward. The way in which you put together your business case should have provided many points where the support for the idea could be judged. You will have been listening to feedback and taking on board comments all through the process. So you should have quite a lot of support already by the time you have your business case ready.

You then need to consider who will be making the decision. What do you know about the people round the table? Some research into their preferred ways of working may pay dividends. You have to be realistic and expect that some of these people will not have the time to read the whole business case. It is vital that the executive summary works on its own. You also have to bear in mind that trustees and committee members are part-time volunteers, so they may not be so familiar with the background or the day-to-day operations of the charity. Give them some help here, and briefly explain the history.

Your preparations should also include preparing your bosses – make sure they understand the business case as your decision-makers may turn to them for their views. So briefing them beforehand would be wise – in their position, there is nothing worse than a surprise, so make sure they are not put on the spot in a meeting.

Of course, having won support for your proposal, you then have all the hard work to come!

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Bibliography

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