



Selling the System

Lessons Learned from Conducting Business Cases and
Return-on-Investment (ROI) Analyses for EPA
Information Technology Investments

Phoenix, Arizona
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*This document is confidential and is intended solely for the use and
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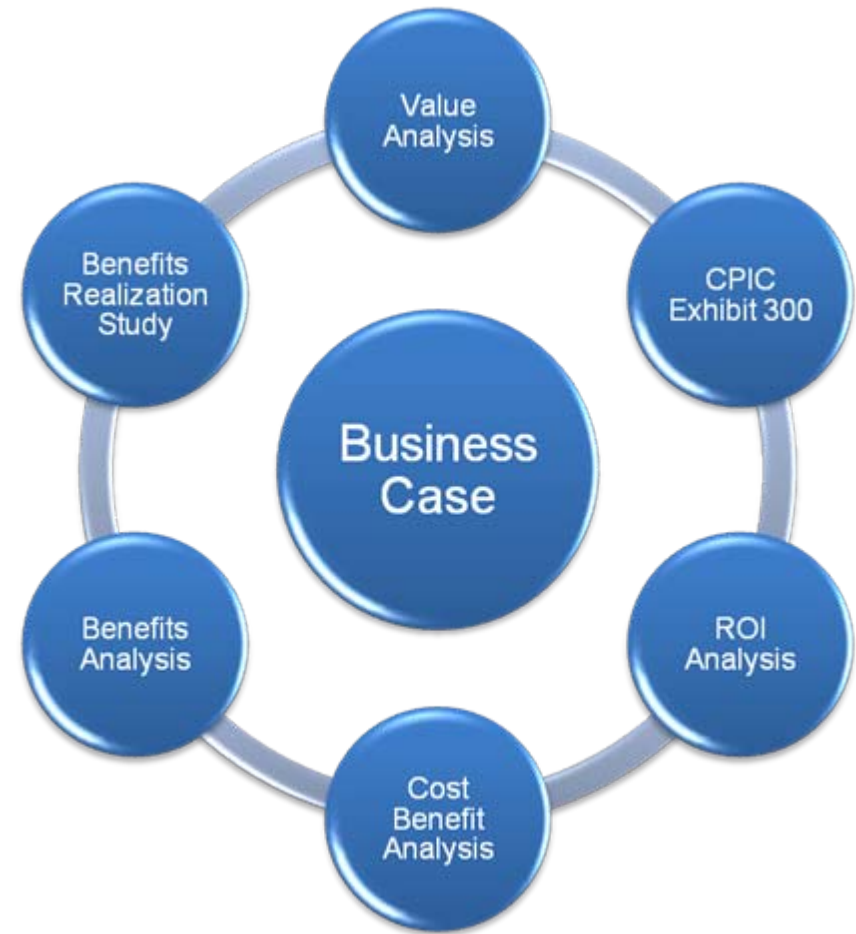
Purpose

- ▶ The purpose of this session to explore the factors that contribute to successfully communicating the costs and benefits of information technology (IT) investments (i.e., “business case”) to stakeholders
- ▶ The session will be organized as follows:
 - A brief presentation on the topic (5-10 minutes)
 - A panel discussion by EPA staff and managers who have real-world experience in this area (30 minutes)
 - Questions and answers session (10 minutes)



What is a business case?

- ▶ The term “business case” can mean many things. For purposes of this session, we have defined a business case as:
 - An analysis describing the business reasons “why” and “why not” decision-makers should select a specific investment option
- ▶ A CPIC Exhibit 300 is only one type of business case



Many different terms are used to refer to business cases

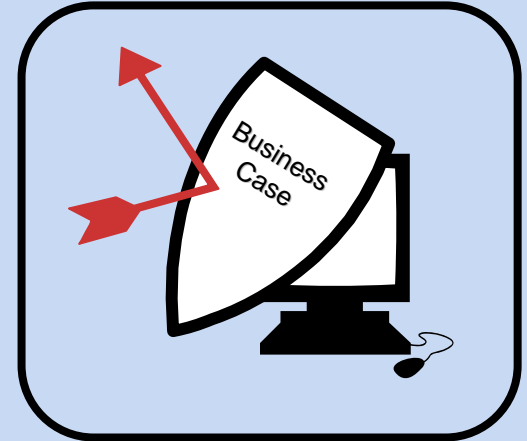
Why do a business case?



May be required
for a CPIC or CPIC
“Lite”



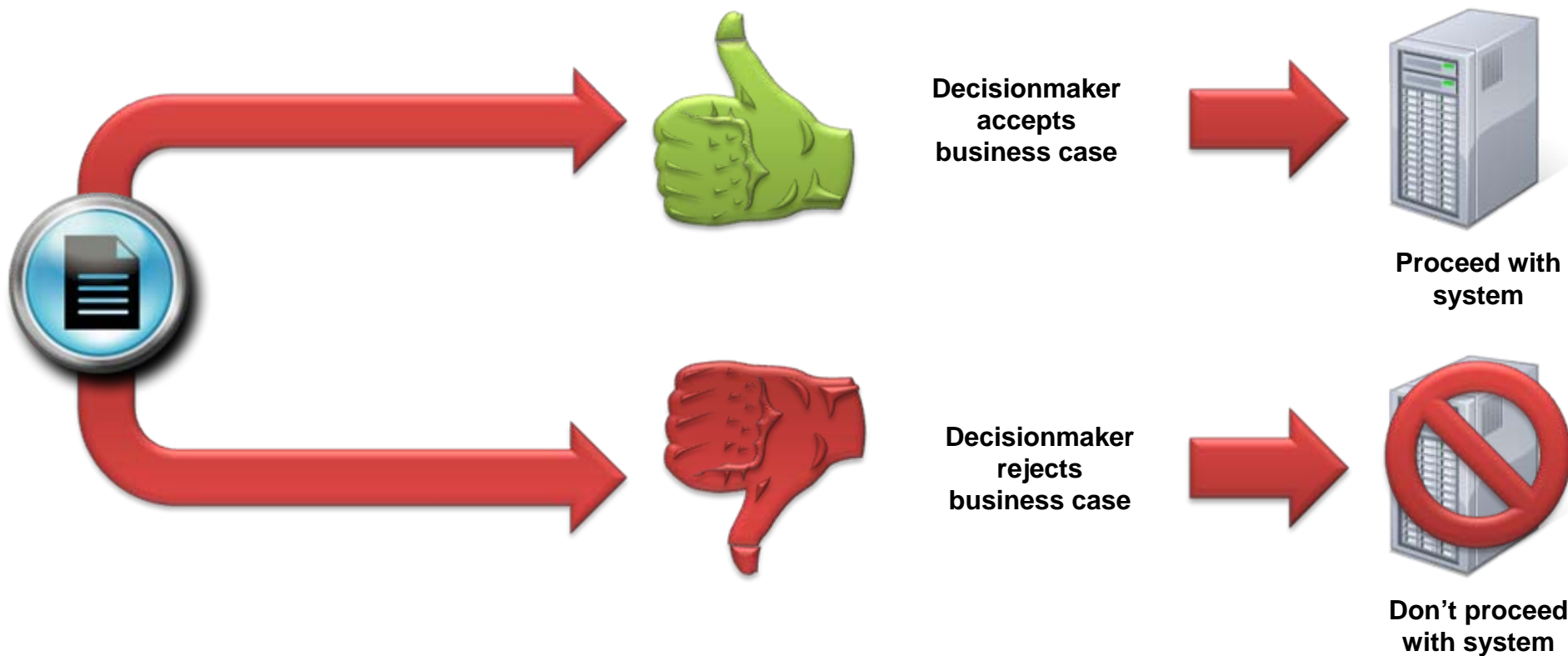
Demonstrate the
value of the
investment to
management and
stakeholders



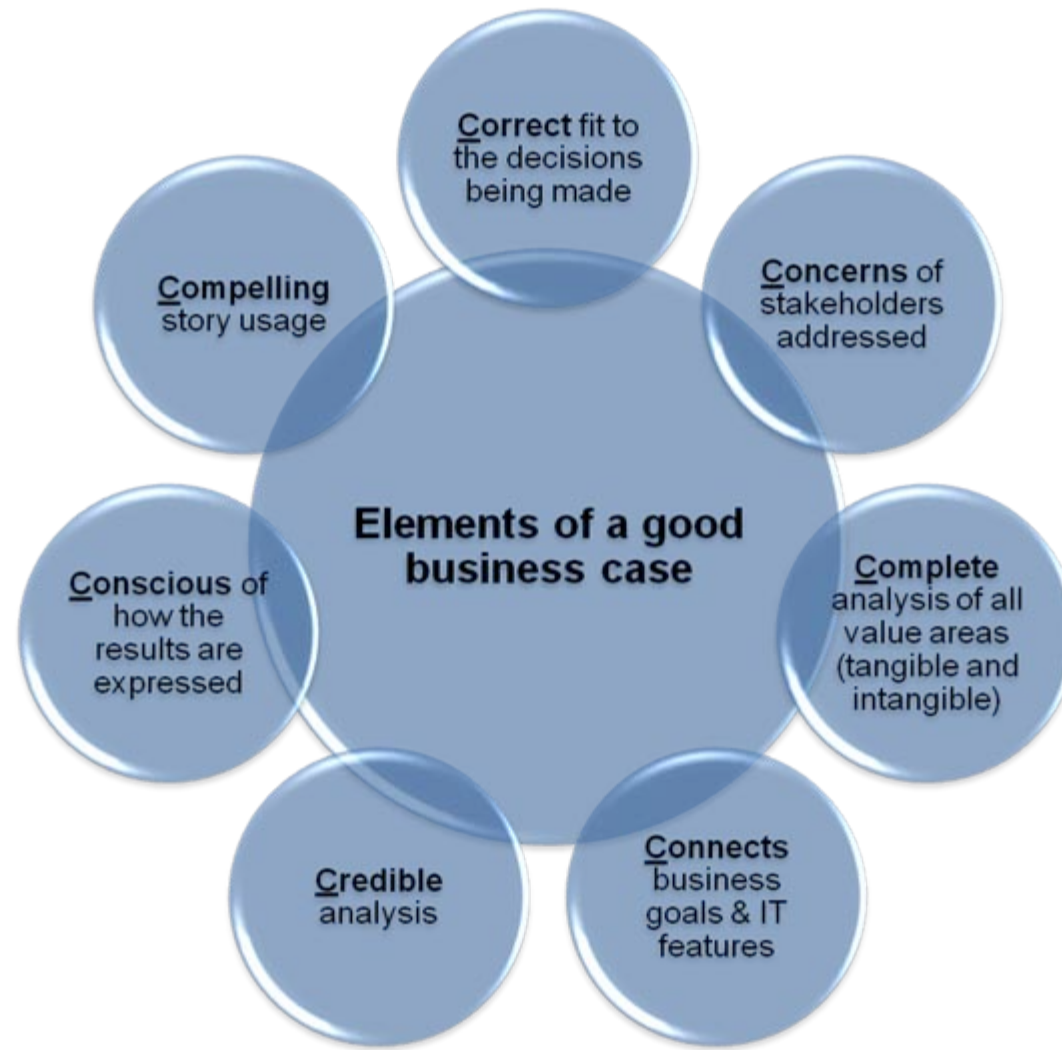
Help defend
budgets by
showing the
benefits

Selling the business case – the critical dimension

No matter how good your business case is -- for it to make a difference it must be accepted by stakeholders and decisionmakers



What helps sell a good business case? The Seven “Cs”



What undermines a business case?

Problem	Cause of Problem	Results
<i>Missed Benefits and Costs</i>		
Missed benefits and costs	Lack of understanding of the process being automated	Poor understanding of project value
Overlooked key costs	Weak understanding of the full spectrum of costs	Low credibility
Lack of use of intangible benefits	Lack of awareness of central role of intangibles	Important decision factors not addressed
Inability to quantify benefits	Lack of expertise translating intangibles to tangibles	Risk of rejection
<i>Weak Link to Strategic Issues</i>		
No link to vision, mission, values, & goals	Lack of awareness of organizational priorities	Risk of rejection
Business risks inadequately identified	Lack of business knowledge	Project implementation problems
<i>Weakened Credibility</i>		
Nonverifiable references to support claims	Lack of support of evidence/documentation	Erroneous payoffs accepted
Lack of evidence to support to calculations	Lack of expertise in develop credible estimates	Erroneous payoffs accepted
Inappropriate degree of precision	No understanding of realistic levels of precision	Loss of credibility
<i>Low Audience Appeal</i>		
Concerns of stakeholders not considered	Lack of awareness of all decision influences	Risk of rejection
Excessive length/too technical	No understanding on audience needs	Business case ignored
<i>Technically Weak</i>		
No analysis of full range of benefits	Lack of technical expertise/experience	Risk of rejection



Panel discussion

What makes a good business case?

What makes a bad business case?

What helps sell a business case to stakeholders?

What undermines a business case and reduces its credibility?

