

# Developing Business Cases

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This is a generic outline. It is normally adapted to meet the specific requirements of each organisation.

## *Overview*

This course is designed to help managers justify proposed investment in projects – from marketing campaigns to cost savings through equipment purchasing. It places business cases within the strategic context – is the proposal in line with strategy and does it support key performance drivers. Our course will help managers to develop an efficient working model that enables results to be generated easily as key variables are changed, allowing managers to answer “what if” questions.

The course addresses financial issues from the accounting perspective (profit and loss, balance sheet, cash flow), including typical ratio measurements, and from a value management perspective using NPV and IRR. We tie “intangibles” into the value perspective exploring how managers can justify investment in relationships, knowledge, brand etc.

Finally, we consider how to present business cases.

## *Topics Outline*

- Strategic Context
  - issues and opportunities
  - market position
  - strategic approach to gaining competitive advantage
  - link to performance drivers
  - risk
  - importance of measuring what is “incremental”
- Sensitivity & Modelling
  - importance of “what-if” analysis
  - effective spreadsheet modelling – what goes where!
  - identifying key drivers
  - probabilities
  - explicit assumptions
- Accounting Statements
  - profit and loss, balance sheet, cash flow, capital expenditure
- Accounting Ratios
  - return on investment, margins, liquidity, efficiency
- Value (project) Finance
  - payback period
  - discounting
  - NPV and IRR (MIRR)

- profitability index
- Intangibles - brand, relationships, knowledge etc
  - measuring
  - investing and leveraging
- Presenting the business case
  - the CEO and CFO perspectives
  - Executive summary
  - charts
  - PowerPoint

### *Approach*

Participatory and involving with an emphasis on the practical application of skills and knowledge. Workshops, combining group discussion, case studies, video, what-if scenarios, the application of models and tools and presentations, can be supported with online learning and coaching to ensure the transfer of insights and skills to the workplace.

More information: [commercial-awareness.com](http://commercial-awareness.com)