

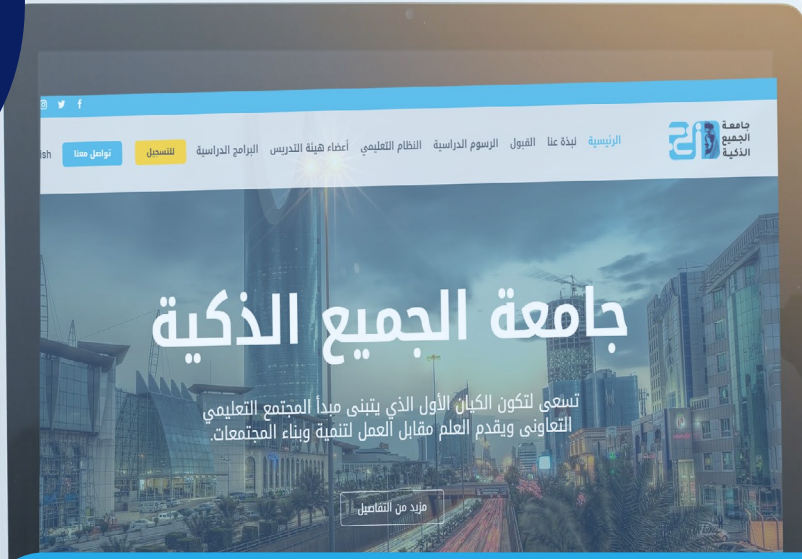
PART I :

Initiate & Plan a Project

**The Business Case &
The Feasibility Study**



جامعة الجميع الذكية
EVERYONE'S SMART UNIVERSITY

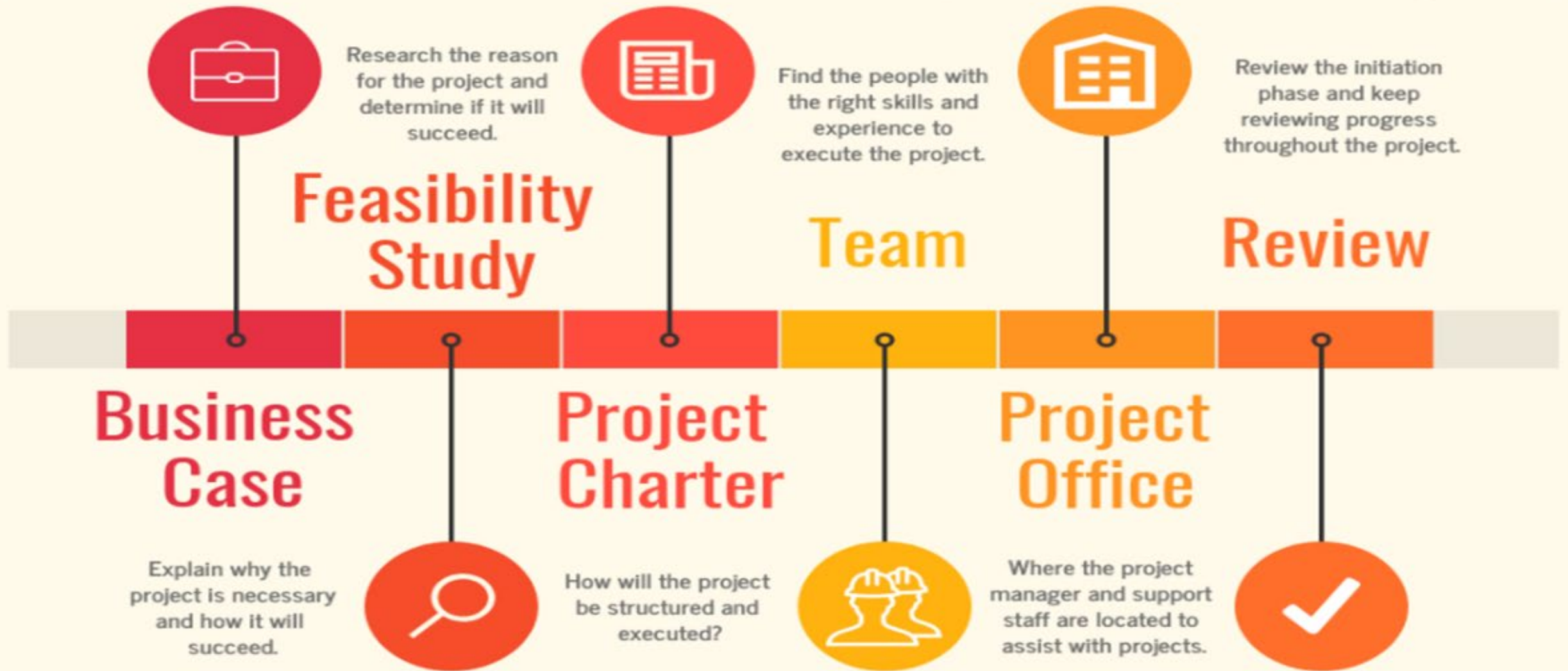


In the previous lessons....

- Project initiation is the first phase of a **Project's Life Cycle**.
- It is at this point where the opportunity or reason for the project is identified and a project is developed to take advantage of that opportunity.
- It is during this phase of the project that a team is assembled, and a **Business Case**, **Feasibility Study** and **Project Charter** are created to define the project in detail.

PROJECT INITIATION

Follow these six steps to start your project off right



In the previous lessons....

- Among the objectives of this initiating phase is the **study of the feasibility and viability of the project** before making the decision to start it or abandon it.
- The most profitable project will be favored according to:
 - * the **expected profit**,
 - * the **constraints** detected (economic and/or technical).

In the previous lessons....

- Before proceeding with the scoping and [planning of the project](#), it is therefore necessary to go through these steps beforehand:

1-The expression of needs

2- Business Case = Opportunity Study

3- The Feasibility Study

Chapter objectives

- Discover **the Business Case** and **the Feasibility Study**
- Their relation with **the Project Charter**
- Their importance in **the initiating phase**

Syllabus

**I- The
Project
Needs**

**II- The
Business
Case**

**III- The
Feasibility
Study**

**IV- ...To the
Project
Charter**

I- The Project Needs

- Also called the **needs assessment** or the **needs study** , this step helps to highlight the **objectives of the project** as well as its genesis.
- **Determining project needs**, a process known as the **project needs analysis** or **needs study**, is an essential part of the project planning phase.
- *Needless to say*, this step is particularly important, as it serves as the **foundation for a successful project**.

I- The Project Needs

I-1-Why you should determine the needs of your project

- Why should you take the time to reflect on what your project needs?
- Carefully **determining project requirements** can serve as a good early evaluation of:
- The **workload**,
 - The human, **material and technical resources** required to complete the project,
 - The **time** needed to complete the project,
 - The **budget** that should be allocated to the project.

I- The Project Needs

- Writing comprehensive requirements allows project managers and other stakeholders to:
- Understand the **goals and objectives** of the project from the beginning,
- Define the scope of the project by collecting and writing down **customer expectations** and the **needs of end-users** in an easy-to-read document that can be shared with all kinds of relevant stakeholders,
- Set up a sound **project governance** structure, after roles and responsibilities have been assigned,
- Study the **feasibility of the project** from a technical or financial perspective, in light of its scope versus the resources of the project.

I- The Project Needs

I-2- Who expresses project needs

- The **Project Sponsor** is usually in charge of defining the requirements for the project, but the project team or the contractor may have to conduct the **needs analysis** themselves.
- This usually happens when the former lacks time, project management skills or technical expertise.
- To analyse needs, techniques such as **organizing a workshop**, an **interview** or sending a **questionnaire** can be used.

I- The Project Needs

I-3-Before you start: give context and a global vision

- Understanding who is at the root of the project, what is their **strategy**, **competitors** and how the project came to exist is a key step towards **project success**. Therefore, expressing project needs should be a collaborative effort and a way for the client and the project team to **bond over common objectives**.
- Making sure everyone is on the same page ensures that operational teams will be able to **deliver on the expectations** set by the project sponsor and ensure the project will serve the **long-term goals** of the client.

I- The Project Needs

I-4-How to write project needs

- Keep in mind that at this step, the project is still at the early stages of its development.
- The key is to **be efficient** and **avoid misunderstanding**.
- The needs analysis should be simple, clear and to the point to **draw an outline of the project** without getting lost in the details.

I- The Project Needs

- Project needs should include:
 - * The **goal**, the purpose of the project, meaning why it came to be,
 - * Its **context** and environment,
 - * Its **objectives**, meaning what it wants to achieve from a business standpoint,
 - * The **project scope** (what services will be affected, the key and support elements of the project),

I- The Project Needs

- Who will be the **end-users** and their needs,
- A list of the stakeholders (use **stakeholder mapping** to help your analysis),
- A **SWOT analysis** to determine the opportunities and risks associated with the need,
- The expected **benefits**,
- **Key Performance Indicators (KPIs)**, metrics that will allow you to evaluate whether the objective was achieved,
- The **potential impacts** for the company.

II- The Business Case

I-1- Definition

- A **Business Case** provides justification for undertaking a project, programm or portfolio.
- It evaluates the benefit, cost and risk of alternative options and provides a rationale for the preferred solution.

II- The Business Case

- Every Business Case has the same basic ingredients.
- It has a beginning, a middle, and an end. It typically looks like this:
 - * **Beginning:** Someone identifies a problem within the business and presents the business case to the key decision-makers.
 - * **Middle:** With the project go-ahead, the company launches an internal team to address the business case and deliver results.
 - * **End:** The team delivers a presentation on the changes made and their long-term effects.
- So, what's the simple answer to ***"What is a business case?"*** It's the story of a problem that needs solving.

II- The Business Case

- A business case is used to explain the reason for starting a project.
- The business case shows how the use of financial and **other resources** are in support of a business need.
- A business case will be adaptable, fitting the size and risk of **the proposal**, but it will structurally be the same from project to project.

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II- The Business Case

- **The Business Case** deals not in technical issues, but the business concerns of the project, and it needs to be comprehensive.
- Ideally, the **Business Case** should be easy to understand, clear, logical and relevant.
- The key aspects need to be tracked and measured and justified. There also must be accountability and commitment for the delivery and costs involved.

II- The Business Case

II-2- Componentes

- For a complex project with significant stakes, it may be wise to carry out the opportunity study to confirm its merits.
- The expression of needs
 - the analysis of the situation , in particular the strategy of the company, the key factors of success, the evaluation criteria,
 - the expected results , with SMART indicators (Specific, Measurable, Ambitious, Realistic, Time-bound),
 - the different possible options and scenarios,
 - the recommendation resulting from the study,
 - the evaluation criteria , etc

II- The Business Case

II-3- Importance

- A **Business Case** often provides **decision makers**, **stakeholders** and **the public** with a management tool for evidence based and transparent decision making.
- It is a **framework** for **delivery** and **performance monitoring** of the subsequent **policy**, **strategy** or project to follow thereafter.
- The approved **Business Case** provides a record of the decisions made by **governance** about how to achieve the required return on investment from the project.

II- The Business Case

II-4- The 5 views or “Cases”

The 5 views or “Cases” are:

- **The “strategic case”** : there is a compelling case for change that fits with the strategic objectives of the sponsoring organisation.
- **The “economic case”** : the solution represents best value.
- **The “commercial case”** : the proposed solution is attractive to the market place, can be procured on appropriate terms so it is commercially viable.
- **The “financial case”** : the proposed financial investment is affordable.
- **The “management case”** : the input required from all parties involved in the project is achievable.

II- The Business Case

The elements that must exist in
a Business Case

Proposal

- Project details
- Strategic context
- Vision, goals, objectives
- Benefits

SWOT (Strengths, Weaknesses, Opportunities, Threats)

Competitive Analysis

- See if competitors are doing the same thing
- Look for gaps in their offerings, if applicable

Risk Analysis

- What risks are involved?
- Will these risks present opportunities?

Market Assessment

- Do your consumers want this?
- How will this help your stakeholders?

Budget

- Economic analysis
- ROI

Implementation/Project Plan

- Roles/Team
- Duties/Responsibilities
- Stakeholders
- Specs and Requirements
- Timeline

III- The Feasibility Study

III- 1- Definition

- Once the Business Case has been approved, the next step is taking a Feasibility Study, which documents potential solutions to **the opportunity or business problem** that the project is proposed to address.
- It directs you to the right way to approach the project.
- A Feasibility Study researches the opportunity and documents what is required to complete a successful project. It will also identify any other solutions, if available.

III- The Feasibility Study

- Risks and issues are outlined at this time, as well as what the proposed solution to each will be if they occur.
- Finally, the **Feasibility Study** consolidates the **Opportunity Study (Business Case)** .
- Its purpose is to check the **balance** between the 3 important factors of any project, which are:
 - the **quality to be achieved** ,
 - the **deadlines** to be met,
 - the **costs** to bear.

III- The Feasibility Study

III-2- Importance of the Feasibility Study

- It describes in detail the **resources and constraints** of the project :
 - * **techniques**
 - * **quality**
 - * **financial**
 - * **temporal**
-  all the stakeholders are aware **of the objectives and challenges of the project** before validating it and moving on **to the scoping phase** .

III- The Feasibility Study

Feasibility Studies

FEASIBILITY STUDY

5 Types of Feasibility Studies

Legal Feasibility

Performed to understand if the proposed plan conforms to the legal and ethical requirements.

Economic Feasibility

Involves a cost benefits analysis to identify how well, or how poorly, a project will be concluded.

Technical Feasibility

Process of validating the technical resources and capabilities to convert the ideas into working systems.

Operational Feasibility

Performed to understand well a proposed system solves the problems.

Scheduling Feasibility

Measure of how reasonable the project duration is.

BENEFITS OF A FEASIBILITY STUDY

1

Point out the valid reasons to go ahead with the idea

2

Saves time money and resources.

3

Enhances the team's focus

4

Helps in identification of new oppurtunities

5

Helps to take an informed "go/no-go" decision

6

Narrow down the business alternatives

7

Enhances the probability of success in a short span of time

8

Helps to make clear future growth plans

9

Adds value to funding pitches

10

Helps make realistic assumptions

III- The Feasibility Study



- A **Feasibility Study** is conducted to determine whether or not a given project or system is economically viable.
- Before embarking on a project involving thousands of resources and costing millions of dollars, executives and the board of directors want to see a feasibility study report.
- If a large error is made during the decision-making process, it may have an impact on the organization's future performance.
- As a result, preparing a **Feasibility Study** report is essential for determining the project's viability.

IV- ...To the Project Charter

- The **Business Case** is the document that gets created first. It makes assumptions on a project in terms of its costs and expected revenue and based on that it determines if it makes sense financially. If it does, and if there are not better projects at the moment, then the project is pursued.
- A **Feasibility Study** is utilized to decide the practicality of a project is legally and technically feasible as well as economically justifiable. It lets us know whether a project is worth the investment—in some cases, a project may not be possible.

IV- ...To the Project Charter



A **Project Charter** outlines the purpose for the project and how it will be structured and executed. In it, the vision, objectives, scope and deliverables for the project are all detailed. Responsibilities for the project team and stakeholders are also described.



IV- ...To the Project Charter

- A **Project Charter** is a relatively informal document to pitch your project to stakeholders.
- Think of the charter like an elevator pitch of your project objectives, scope, and responsibilities.
- Typically, your Project Sponsor or executive stakeholders reviews the charter before ratifying the project.

IV- ...To the Project Charter

Project Initiation

Follow these six steps to start your project off right



1 Business Case

Explain why the project is necessary and how it will succeed

2 Feasibility Study

Research the reason for the project and determine if it will succeed

3 Project Charter

How will the project be structured and executed?

4 Team

Find the people with the right skills and experience to execute the project

5 Project Office

Where the project manager and support staff are located to assist with projects

6 Review

Review the initiation phase and keep reviewing progress throughout the project

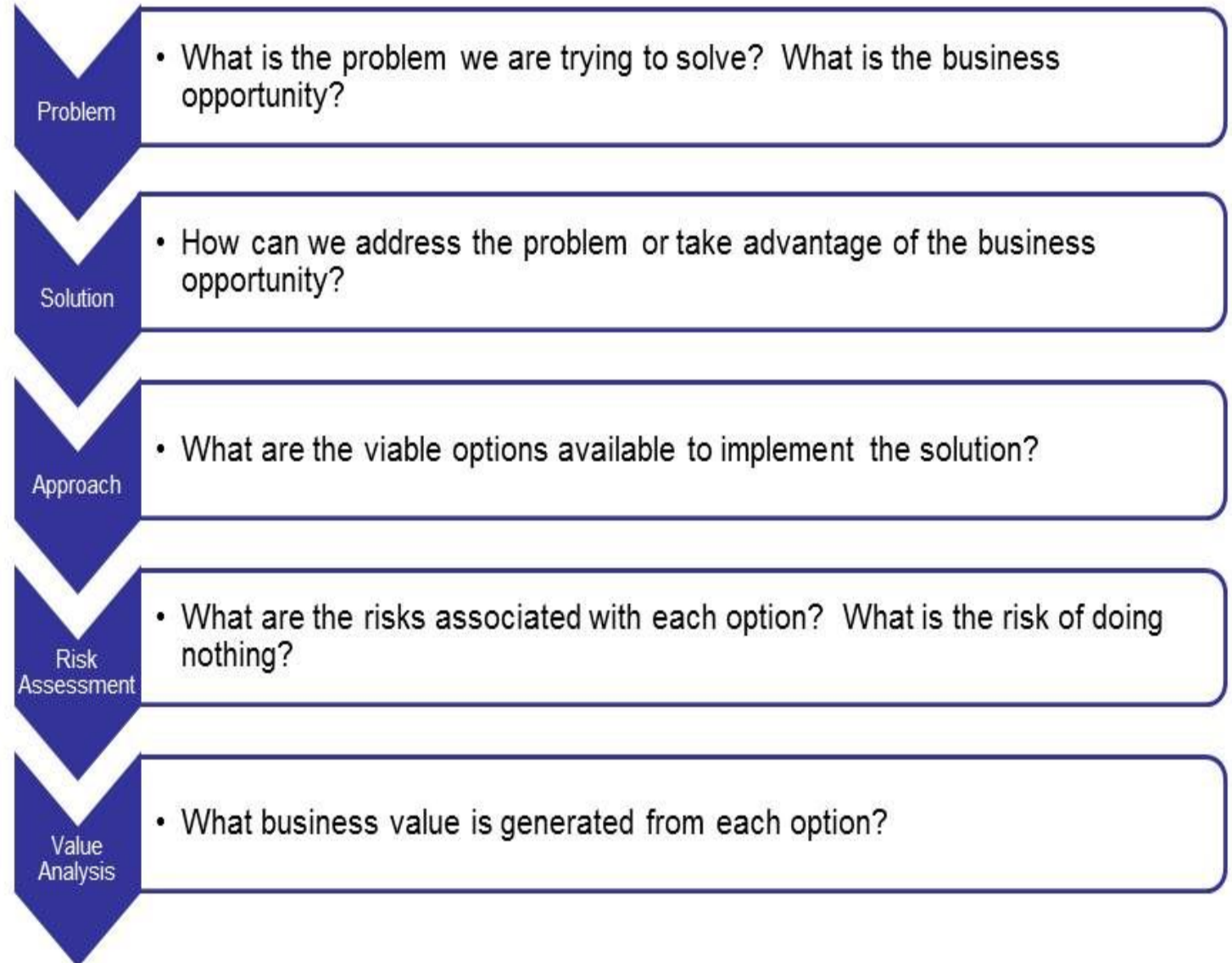
A spiral-bound notebook with a light blue cover is centered on a yellow background. The word "SUMMARY" is written in bold, black, uppercase letters on the notebook's page, underlined. To the left of the notebook, several colorful markers are scattered: a dark green one, a light blue one, a pink one, a bright green one, and a dark blue one. Above the notebook, a row of five markers in blue, green, yellow, pink, and orange is visible. Below the notebook, the tips of several pens in blue, green, yellow, pink, and dark blue are shown.

SUMMARY

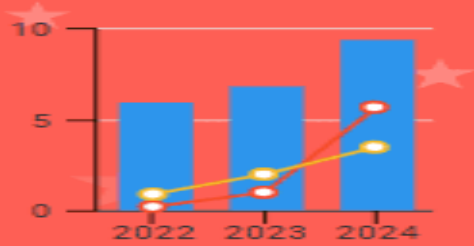
Business Case

- Reasons
- Options
- Benefits
- Costs
- Timescales
- Risks

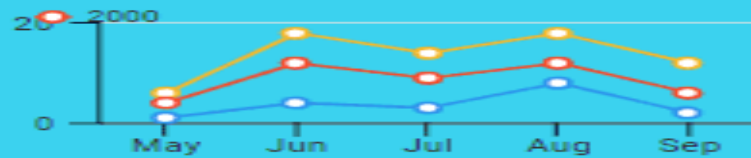
Business Case Format



5 Types of Feasibility Studies



1



1. Legal Feasibility

Performed to understand if the proposed plan conform the legal and ethical requirements.

3



3. Technical Feasibility

Process of validating the technical resources and capabilities to convert the ideas into working systems.

5



Scheduling Feasibility

Measure of how reasonable the project duration is.

2



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2. Economic Feasibility

Involves a cost benefits analysis to identify how well, or how poorly, a project will be concluded.

4



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4. Operational Feasibility

Performed to understand well a proposed system solves the problems.

Initiation

Define project goals

Create a business case

Complete the project charter

Draw up the list of stakeholders

PROJECT INITIATION



**Thank
You!**