

FROM PROBLEM TO SOLUTION: AN INTRO TO BUSINESS CASE WRITING

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As business circumstances change and new problems arise it is imperative to help your organization identify actionable solutions.

If you've ever been in a position of convincing your leadership to make an investment you have likely had to put together a business case, and the points in this article should resonate. For others who do not yet have experience with writing business cases, the following information may be a good primer to prepare you for the opportunity.

A business case is a document that discusses a company problem, possible solutions, recommendations, and an execution plan. It is the foundation for deciding to undertake a specific undertaking. The remedy you propose must show that the advantages of acting outweigh the drawbacks or are greater than inaction. In some circumstances, an adequate return on investment may not be attainable, but this should not discourage you if the project is critical to business continuity.

Step 1: Present the dilemma that your business is facing. Clearly state why the business must pursue the project or investment and how it aligns with the organization's goals and objectives.

Step 2: Analyze the problem. Quantifiable data is necessary to objectively assess the scope of the problem. This could be a lack of competence that hinders your organization from entering a market segment in which you want to participate, in which case the value of the addressable market and your competitors' market share may be important to consider. Alternatively, you may be running out of capacity on a critical piece of equipment, necessitating an investment in additional capacity to meet customer demand, for which you should demonstrate utilization levels and predicted future loads. A summary of the competition, a statement regarding the scope of the issue for them, and the actions they have taken or are plan-

PROBLEM(S) <i>List your top 1-3 problems</i>	SOLUTION(S) <i>Outline a possible solution to each problem.</i>	VALUE PROPOSITION <i>What are you trying to accomplish with this project/investment? How will it make your company better?</i>	KEY ACTIVITIES <i>What needs to happen to execute the project?</i>	MARKET IMPACT <i>How will your company better compete? Does this project create a new segment? Does it increase your share of the market?</i>
EXISTING ALTERNATIVES <i>How is/are the problem(s) being solved today?</i>	UNFAIR ADVANTAGE <i>What gives you an edge over your competition by doing this?</i>		KEY RESOURCES <i>Who will make things happen?</i>	COMPETITION <i>Does this bring you to parity or is it an advantage? How will your competitors react?</i>
COST STRUCTURE <i>Up-Front and periodic CapEx Costs, loan amount and interest payments, future incremental OpEx costs, etc.</i>			REVENUE STREAMS <i>Future incremental sales and/or cost savings realized because of implementing the project</i>	

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ning to take to solve it are also important to include. Close out this section by discussing outside variables that could affect the issue or its resolution; specifically, talk about the political, social, and regulatory landscape.

Step 3: Introduce possible solutions to the problem. Each option should state the CapEx and OpEx costs involved, business forecasts, resources required, and ultimately the benefits that can be achieved.

Step 4: Recommend a preferred solution. Validate your recommendation by rating each option, defining the criteria considered, and showing a decision matrix.

Step 5: Describe the implementation plan. This should include up-front and ongoing costs, resources required, timing, and a financial summary showing the payback (both in terms of time and net present value).

There are many templates you can find online that can help you write your business plan. One tool I like to use is called *Lean Canvas*. It is a simple yet effective method for organizing your thoughts and creating topics to expand upon in your write-up.

In summary, a business case serves as a means of communicating a business need or problem as well as a chance to support a course of action. Leaders have a lot of issues to deal with and a lot of answers. It is your responsibility to assist them in making the best choice possible, so your business case should offer a workable solution to the main issue your company is now experiencing.



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