Building a Compelling Business Case: Part 2

Welcome back to this the second instalment of this two part series on writing a compelling business case. In the previous article[1] we covered: the Executive Summary; Background; and Current Situation so let's now move into the future. Indecently, I am aboard the good ol' Manly Ferry. I have just draw out my laptop to be completely arrested by the most spectacular sunset, and I thought this is analogous with our business case; the current day is over and we uphold our vision of the future.

The vision of the future section should describe the bright new world and convince the reader to be part of this new experience. This section should act as a sales brochure and the golden rule in sales is to talk in terms of benefits to the customer. In the context of a business case we talk in terms of business outcomes and benefits to the business, its managers and customers.

You can break this section into two parts: operational benefits and strategic benefits. Operation benefits include process efficiency gains and reductions in direct costs such as stationery. Strategic benefits include supporting the organisation's strategic market position say as a low cost provider.

Some of your business benefits will relate to supporting line managers and senior managers to plan, lead, control and organise the human resources of the company. A new system may provide operation benefits by reducing the labour and stationery costs associated with running and distributing reports to line managers. At a strategic level, by providing timely and accurate information through reports, managers will have better information on which to base their decisions.

In general talk about:

- the business benefits the core system will provide
- the business benefits that any self service functionally will provide (Tracey's article[2] provides some of these)
- how the new system will support the organisation's objectives and goals
- how the new system will support higher levels of internal customer service and ultimately external customer service.

Now that we have presented the past, the current situation, and the future we have to spell out the options available. Generally your options will be a combination of the following:

1. Do nothing - stay with the current system
2. Upgrade the current system to the latest version/purchase additional modules
3. Migrate to a new system – perhaps providing a choice of two
4. Outsource some or all of the payroll process
5. Bring some or all of the payroll in-house (if currently outsourced)

Try to present a balanced argument for each option across the following dimensions:

- Risk assessment
- External information about why other similar organisations have/have not chosen this option
- Strengths, weaknesses, opportunities and threats (SWOT analysis)
- How well this option fits with the current business requirements
- How well this option fits the organisation's future plans

To illustrate how you might develop this section, here is a sample abstract for option three which you can use as a guide:

This is a medium risk as it involves changing systems however maintaining the existing staff. This system may be physically located onsite or located on hardware provided by an external supplier. More information on the hardware outsourcing (ASP) option is provided in Appendix X.

Common reasons organisations choose to process their payroll in-house include:

- To maintain control over the payroll process;
- Industrial awards too complex for outsourcing companies;
- Gain maximum utilisation of payroll and HR data for reporting;
- Necessity to integrate with other internal systems;
- To maintain data security and ready accessibility.

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SWOT analysis for In-house payroll processing

Strengths	Weaknesses
• Provides high flexibility • Shortest processing lead-time • Provides the highest level of system customisation	• Medium risk • High resourcing requirements for payroll (compared to outsourcing) • On-going training requirement for internal resources
Opportunities	Threats
• Provides the greatest choice of payroll and HR systems • Highest probability of building integration with the existing systems (IT strategy) • Total control over our data • Highest level of reporting control - subjected to the capability of the payroll team	• Lack of support from vendor • Total responsibility for payroll rests with the organisation - current situation • Highest reliance on internal resources

By selecting option three, the organisation will gain the processing efficiencies provided by a system with greater automation capabilities. This option is congruent with the organisation's objective of centralising core functions and reducing administrative overheads. The organisation will have also put in place the necessary infrastructure to support the organisation's anticipated growth while providing increased service and support to line managers and supervisors.

The old ferry is starting to rock and roll as we cross the heads however; I am assuming that we will make it safely. Likewise your business case should state any critical assumptions. This will increase your credibility and assist to fend off any attacks on your due diligence. The list will be unique to your business case however here are some which may be applicable:

- System X (T&A, Finance system, POS) will continue to be rolled out across the organisation;

- Costs presented by the various vendors are accurate and representative;

- Costing used for in-house resources is accurate;

- Selected vendors are representative of the solutions and services available;

- The organisation will continue to grow organically and through acquisition (no business case is complete without the use of the words, "organic growth" and "acquisition")

Well we made it through Sydney heads, and Manly Wharf is in sight - time to wrap up your business case. You have laid down all the options, raised the related issues, profiled the risks, and detailed pro's and con's of each; it's now time to make your recommendation. This should also include a summary of why you have selected that option over the others. The following extract provides an example:

Given the organisation's strategic objective of centralising core functions and the current product becoming unsupported, it's recommended that the organisation select option three and invest in a new integrated payroll and HR system.

Option three will provide the required processing efficiencies to service the growing number of employees and branches with existing staff levels. It will also provide the much needed enabling technology to support the HR Unit, to support management. With enhanced support to line managers and senior management the organisation is better placed to continue to provide high levels of customer service while closely monitoring costs.

As the deckhands secure the ship only the appendices are required to complete our business case. In a sentence: the appendices should contain all the supporting information for the main document.

Good luck with your project and I look forward to seeing you at the National Payroll Week.

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[1] McCarthy, Paul (2005) 'Building a Compelling Business Case: Part 1, *The TAPS Journal.* August/September, vol. 90, pp.32-35.

[2] Angwin, Tracy (2005) 'eHR' *The TAPS Journal.* August/September, vol. 90, pp.19-22.