



**Your Company Name**

# **Project Cost-Benefit Analysis**

Date

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## Revision History

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Date	Version	Author	Change

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## General Information

*Note: Text displayed in blue italics is included to provide guidance to the author and should be deleted before publishing the document. In any table, select and delete any blue line text; then click Home→Styles and select “Table Text” to restore the cells to the default value.*

<b>Project Name</b>	<i>Type the project name.</i>
<b>Request #</b>	<i>Type the project initiation request number.</i>
<b>Prepared by &amp; date</b>	<i>Type the preparer’s name and date prepared.</i>
<ul style="list-style-type: none"> <li>• IT Sponsors</li> <li>• Business</li> <li>• Technology (IT)</li> <li>• Other</li> </ul>	<i>Type the name of the:</i> <ul style="list-style-type: none"> <li>• <i>Senior management sponsoring this project.</i></li> <li>• <i>Beneficiary paying for the project as well as primary business / IT decision maker.</i></li> <li>• <i>Individual responsible for ownership for delivered solution and accountable for results of project.</i></li> </ul>
<b>Stakeholders</b>	<p>List all business areas that may be impacted by the delivered solution and may provide resources.</p> <div style="display: flex; justify-content: space-between;"> <input type="checkbox"/> <input type="checkbox"/></div> <div style="display: flex; justify-content: space-between;"> <input type="checkbox"/> <input type="checkbox"/></div>
<b>Purpose</b>	<p><i>The purpose of this cost / benefit analysis is to identify whether there is potential business value to the proposed project idea or initiative to commit time, resources, and expenditures. This analysis provides solution benefits and costs to obtain management approval and secure funding. It provides information on the following topics:</i></p> <ul style="list-style-type: none"> <li>• <i>Business problem or opportunity.</i></li> <li>• <i>Alternative solutions.</i></li> <li>• <i>Solution benefits and costs.</i></li> <li>• <i>Risks and issues that can impact the business objectives.</i></li> <li>• <i>Recommendations.</i></li> </ul>



<b>Project Description</b>	<p><i>Describe in detail the business problem or opportunity / business need addressed by the project.</i></p> <ul style="list-style-type: none"> <li>• <i>Include the business drivers, key systems impacted, and the programs, projects, applications, and departments that are impacted.</i></li> <li>• <i>Identify the way the project fits with business and corporate strategic goals. Identify the risk of not doing the project.</i></li> <li>• <i>Include the product or solution, if known.</i></li> <li>• <i>List any deliverables.</i></li> </ul>												
<b>Benefits</b>	<i>List and describe all benefits.</i>												
<b>Assumptions and Constraints</b>	<i>Identify any assumptions and constraints governing the cost, schedule, or deliverables for the project. Note any contractual agreements or special requirements governing the project.</i>												
<b>Related Projects</b>	<p><i>(Note any related proposed or current projects. Also note if this project is part of a proposed or current program.)</i></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #2c5e8c; color: white;"> <th style="width: 50%;">Project / Program</th> <th style="width: 20%;">Request #</th> <th style="width: 30%;">Contact / Project Lead</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Project / Program	Request #	Contact / Project Lead									
Project / Program	Request #	Contact / Project Lead											

## Recommendations and Alternatives

<b>Recommendations</b>	<i>State the recommendation(s) the team developed from the alternative options. Include details such as how the request / opportunity could be implemented as a project, who should lead the initiative, when the initiative should begin, and additional information requirements that should be researched.</i>
<b>Options / Alternatives</b>	<p><i>Provide a list of options and alternatives.</i></p> <ul style="list-style-type: none"> <li>• <i>Conduct meetings and brainstorming sessions to explore all alternatives.</i></li> <li>• <i>Identify any additional assumptions and constraints identified by IT governing the cost, schedule, or deliverables for the project.</i></li> <li>• <i>List known facts / conditions upon which the completion of the Business Case is based.</i></li> </ul>
<b>Critical Success Factors</b>	<i>Include criteria for the project to be a success.</i>



<b>Additional Comments</b>	
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## Costs and Resources

<b>Key Milestones</b>	<i>Provide a high level schedule or key milestones with dates.</i>				
<b>Development Costs</b>	<i>Estimate the costs of the various phases.</i>				
	Phase	Year # 1	Year # 2	Year # 3	Total
	<i>Concept / Initiation Phase</i>	\$	\$	\$	\$
	<i>Planning Phase</i>	\$	\$	\$	\$
	<i>System Requirements Phase</i>	\$	\$	\$	\$
	<i>System Design Phase</i>	\$	\$	\$	\$
	<i>Testing Phase</i>	\$	\$	\$	\$
	<i>Project Monitoring and Control Phase</i>	\$	\$	\$	\$
	<i>Production Turnover Phase</i>	\$	\$	\$	\$
	<i>Project Closure / Maintenance Phase</i>	\$	\$	\$	\$
	Total:			\$	
<b>Operational Costs</b>	<i>Estimate the costs of installation, operation and maintenance.</i>				
	Phase	Start Date	End Date	Total	
	<i>Personnel</i>			\$	
	<i>Outside Resources</i>			\$	
	<i>System Requirements Phase</i>			\$	
	<i>COTS (Commercial Software)</i>			\$	
	<i>Infrastructure</i>			\$	
	<i>Facilities</i>			\$	
	<i>Supplies</i>			\$	
	Total:			\$	



<b>Non-Recurring Costs</b>	<i>Estimate the costs of non-recurring design, development, installation operation, maintenance, disposal and consumables for the project. Use these values to update the costs for each year in its life cycle and weigh these costs against the benefits derived from implementing the project.</i>				
	<b>Phase</b>	<b>Year # 1</b>	<b>Year # 2</b>	<b>Year # 3</b>	<b>Total</b>
		\$	\$	\$	\$
		\$	\$	\$	\$
		\$	\$	\$	\$
		\$	\$	\$	\$
		\$	\$	\$	\$
	Total:				\$
<b>Risks and Impact</b>	<i>List major project risks, probability (i.e., high, medium, and low), and their potential impact.</i>				
<b>Risk Analysis</b>	<i>Analyze and determine how much risk is acceptable (e.g., project completion or operational time, business workflow, dollars, success, and failure).</i>				
<b>Cost / Benefit Analysis</b>	<i>Analyze the recommendations, options, and alternatives, including success factors. Determine the best solution on a Return on Investment (ROI) basis, if applicable.</i> <ul style="list-style-type: none"> <li><i>Provide a detailed analysis and ROI investment information to back your selection.</i></li> </ul>				





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## Authorization

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I agree with the project cost / benefit analysis associated with the goals, recommendations, and deliverables. I authorize initiation and delivery of this project.

Name	Sponsor's Department	Signature	Date

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