



CHAPTER FOUR

PUTTING IT IN WRITING



CHAPTER FOUR

PUTTING IT IN WRITING

How to present your business case



60-SECOND RECAP

THE TAKEAWAYS FROM PART THREE

- Shopping for software is hazardous for the unwary. Consider outside help or at least a sponsor in your organisation.
- Work out what you must have in new software, what you'd like to have and what you're not bothered about.
- Desk-based research can include LinkedIn, review sites, AI tools and sector-specific forums.
- Demos are your chance to see the product in action, ask questions and size up the vendor.
- Consider value, not just price.



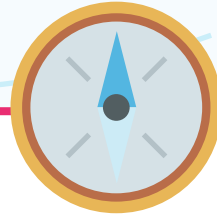
WHAT YOU'LL LEARN NEXT

Why a good business case strengthens your argument.

How to write with a non-finance reader in mind.

Some figures to employ as you demonstrate ROI.

A format for a punchy, persuasive business case that
someone might even read.



“We are drowning in information, while starving for wisdom. The world henceforth will be run by synthesizers, people able to put together the right information at the right time, think critically about it, and make important choices wisely.”

E.O. Wilson, *Consilience, The Unity of Knowledge*

Have you found your forever finance system? Or at least the one that'll last you a good few years?

Now is the time when you may need to write a business case, if you haven't been asked for one already.

And you'll want to do a good job just in case somebody reads it.

You might have a sneaky suspicion that your document will be examined about as thoroughly as the last multi-page user agreement you clicked "I agree" to. But the process of writing a business case can help clarify your thinking and confirm the right course of action as well as setting out the issues for decision makers.

The following will help you craft a document that you can confidently pass round at a meeting, ready for scrutiny by the most contrary board member.



Our CEO asked me to write a short paper. I think it ended up being just a little more than one side of A4.

Mark Preston,
Head of Business and Finance, Blackpool Grand Theatre



KEEP IT BRIEF

A business case should be a concise, compelling argument produced for the benefit of people who are smart but don't necessarily get finance.

Mark Preston, Head of Business and Finance at Blackpool Grand Theatre, successfully put together a business case for change there.

"Our CEO asked me to write a short paper. I think it ended up being just a little more than the one side of A4 that he asked for," he says.

"That was enough to answer virtually all the questions that could have arisen. We laid out the options and our preferred solution and the cost of it.

"All the discussions we'd had with other theatres about what their systems did and didn't do fed into that paper. It went round to all the trustees and was eventually authorised."



REMEMBER YOUR AUDIENCE

This is a good time to reflect on what we said about addressing the concerns of different stakeholders back in Chapter Two of this guide, *Getting the Board on Board: How to win allies and influence people*.

“The person writing the cheque is the key person you need on board – and most of the time, you’ll need a business case,” says Russell Frayne, Director of Transformation at Gravita.

Richard Woolgar, Head of Outsourcing at Armstrong Watson, says: “A lot of people who grow businesses come from a sales culture rather than a finance background – so they tend to see finance as a support function that’s just there and should deal with its own problems.

“When you’re making a case for a new system, you need to show how a pound spent on software or implementation affects the bottom line.

“Each director will have a ‘hook’ that’s going to get them over the line when it comes to the need for change. For example, it might be that a new system will fix audit problems – and nobody likes the auditors being in for longer than necessary. It’s often about working out what that hook is and what each director’s language is.”



Each director will have a ‘hook’ that’s going to get them over the line when it comes to the need for change. It’s often about working out what that hook is and what each director’s language is.

Richard Woolgar,
Head of Outsourcing, Armstrong Watson



PUTTING NUMBERS ON IT

In Chapters One and Two, we talked about adding some numbers to the emerging case for change. You'll need to employ those here as you look to show the likely return on investment from a new system.

Unnecessary hours spent x hourly cost of the staff involved

Total cost of all current finance software licences

Total cost of current third-party applications

Costs of hosting a server, maintaining it and installing security fixes

TOTAL: -----

You can weigh these against the cost of the new system:

Price of all subscriptions and user licences — — — —

Implementation fees

Any fees to consultants or advisers

Costs of any third-party applications to be integrated _ _ _ _

TOTAL: - - - -

Your business case should also cover those less quantifiable benefits we covered back in part two, including:

- Better decision making with real-time data.
- Staff time freed up for higher-value work.
- The ability to bring forward other revenue-generating projects.



WHAT SHOULD IT LOOK LIKE?

**You've accumulated a lot of information by this point.
But how do you know where to start when you sit down to a blank Word doc and a flashing cursor?**

While there's an array of how-to guides and templates available online to help structure your business case, the following outline contains the elements that are common to most of them.

A BUSINESS CASE FOR NEW FINANCE SOFTWARE

EXECUTIVE SUMMARY

There's a significant risk that people will actually read this part.
Make it a concise summary of the sections that follow, telescoped into single-line bullet points if you can.
Tell them plainly what software you're recommending and why.

BACKGROUND

Here's where you lay out the pain and problems caused by your current system. (You may be wondering how you're supposed to keep that part short but adding multiple pages isn't really an option.)
Remember to emphasise the impact on the organisation rather than the long-suffering finance team.

BUSINESS OPPORTUNITY

Here's where you describe how your business could be transformed by more efficient processes and timely, accurate data. Emphasise what that means for decision making and leadership and how the transformation would serve the organisation's strategy and purpose.

COSTS

Add in the ongoing subscription costs for your new software and the one-off initial costs, as outlined above.

BENEFITS

Outline all the efficiencies and time/labour savings discussed above and the difference they could mean to the bottom line.

ROI

From the information you've already presented, you can start to show how long it will take for the software to pay for itself in efficiency gains. And you can show how much better off the organisation will be after that.

ALTERNATIVES CONSIDERED

You weighed up other options. Now's the time to set out why you didn't ultimately go for them. It doesn't hurt to explain why you rejected the "do nothing" option as well.

EVALUATION OF RISK

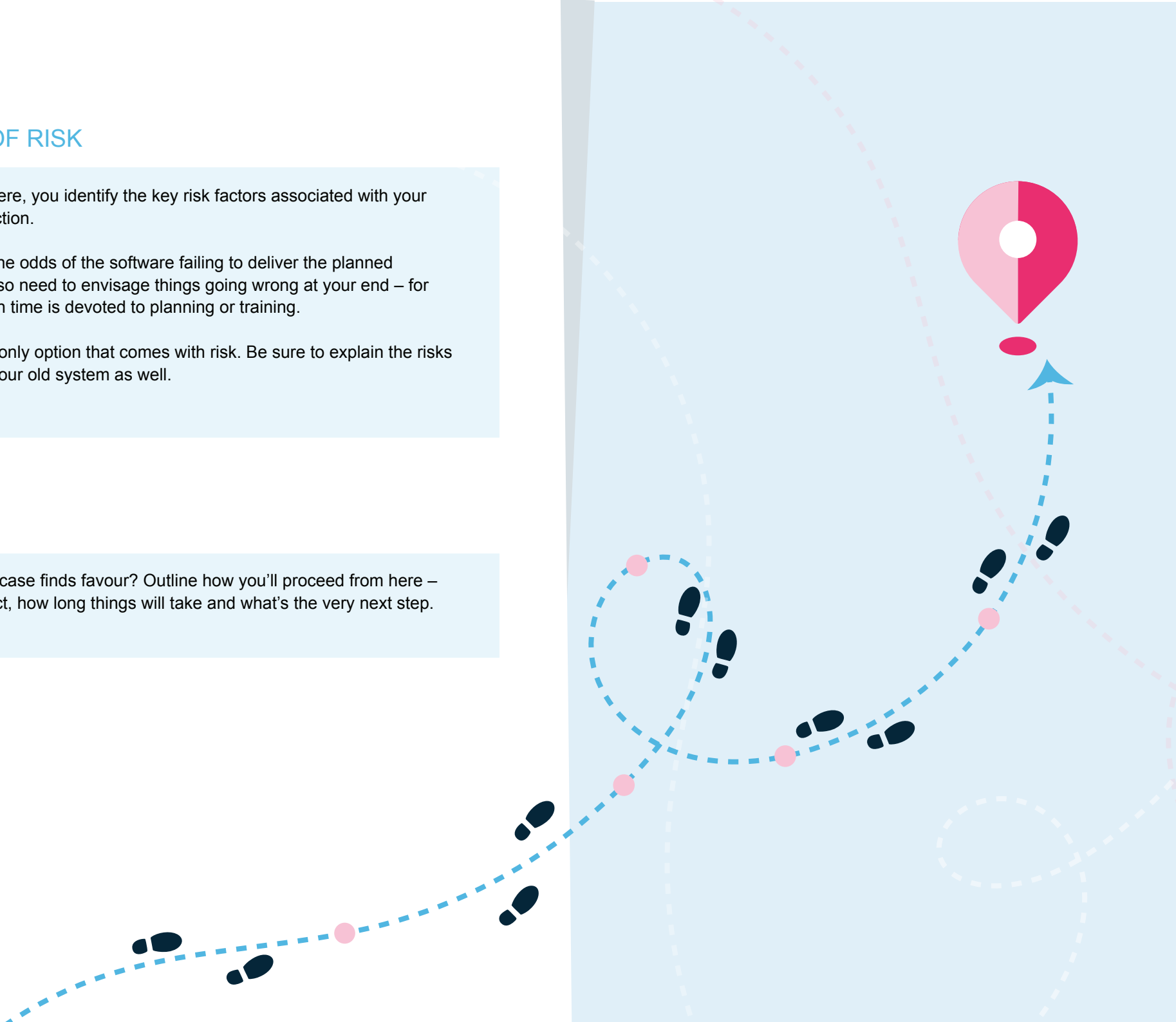
Nothing is risk-free. Here, you identify the key risk factors associated with your proposed course of action.

That's not just about the odds of the software failing to deliver the planned improvements. You also need to envisage things going wrong at your end – for example, if not enough time is devoted to planning or training.

But change is not the only option that comes with risk. Be sure to explain the risks of struggling on with your old system as well.

NEXT STEPS

What happens if your case finds favour? Outline how you'll proceed from here – who'll be on the project, how long things will take and what's the very next step.





WHAT WE'VE LEARNED

THE KEY TAKEAWAYS

A good business case crystalises your thinking for your own benefit and other people's.

It needs to be concise and to address the concerns of your different stakeholders. (Refer back to Chapter Two for more about those.)

You can put numbers on it: The costs of the old system and its inefficiencies. The costs of the new system. The anticipated benefits of the change.

Your document should include: Executive summary. Background. Business opportunity. Costs. Benefits. ROI. Alternatives considered. Evaluation of risk. Next steps.



KEEP READING:

What happens after your senior leadership green-lights the new system and perhaps congratulates you on that brilliantly put-together business case?

If you're switching to a new supplier, you'll need to let the old one know.

And while you'd like to say goodbye with a handshake and a wistful "No hard feelings", it doesn't always play out like that.

In Chapter Five, we'll look at how to approach the break-up conversation.