

## QUICK FACTS

- In 2008 General Accounting Office (GAO) identified 413 Information Technology (IT) projects totaling \$25 billion as poorly planned, poorly performing, or both.
- The most common reasons for being on the Office of Management and Budget (OMB) Watch List are cost, schedule and performance issues.
- In 2008, GAO estimated 48% of the federal government's major IT programs required a financial baseline reset.



## EFFECTIVE BUSINESS CASE ANALYSIS SERVICES

- Utilize a thorough, repeatable, and transparent methodology akin to the OMB 300 Circular guidelines.
- Clearly document implicit and explicit assumptions; including assumptions of each major stakeholder and process owner.
- Use robust tools and advanced modeling techniques to enable real-time analysis of alternatives and the associated impacts to costs, benefits and risks.

## Client Solution Architects

# Business Case Analysis Services for Federal Government Programs

## INTRODUCTION

A comprehensive Business Case Analysis (BCA) thoroughly compares the costs, benefits and risks of implementing a new or changing program. In addition to supporting OMB Guidance for Capital Planning and Investment Control (CPIC), a BCA can be a flexible business intelligence tool. A comprehensive BCA reflects stakeholder assumptions, provides a framework for evaluating the plan to execution, and allows for sensitivity analysis of key variables. Additionally, a well-developed BCA will highlight the key decision variables, which are not always intuitive without a methodical BCA development and evaluation process.

The complexity of Federal Government programs and increased reporting and transparency regulations require Federal Government leaders to accurately forecast and deliver on a program's expected costs and benefits. This is often a challenge as programs change to reflect shifts in strategic, operational or regulatory goals. Managing this process requires an understanding and quantification of program costs, benefits, schedules, alternatives, life-cycle costs and risks.

## CASE STUDY

### The Challenge

The U.S. Navy was evaluating the development of a food service management, accounting and inventory system. The system would be deployed to over 250 ships world-wide over a 5-year period.

### The Approach

CSA's BCA services analyzed project development, rollout, hardware, software, training and travel requirements over the 5-year planning horizon.

### The Results

The resulting analysis was used to adjust rollout schedules, manage expectations, and provide formal budget input to ensure program success. The program manager was able to execute the program with realistic cost estimates, executable delivery schedules, and accurate resource expectations.

## Planning Programs To Deliver Results

### CSA BUSINESS CASE ANALYSIS SERVICES

CSA BCA services are based on our comprehensive BCA methodology and analytic suite of tools. The combination of our methodology and tool set ensures consistent, repeatable and comparable financial analysis and outputs. We offer management of large projects and project portfolios which contain many decision variables and multiple milestones. We rapidly compute projected Return on Investment (ROI) and expected Break-Even (B/E) points. Additionally, we can adjust for schedule slips and budget or scope changes. The BCA analysis highlights the impact to the cost structure and potential benefit streams.

We enable the quick assessment of financial impacts and risks for alternative approaches, provide modeling flexibility to allow sensitivity analysis of virtually all input variables and support a wide range of project types (e.g., labor, IT systems, facilities and equipment).

Our services include:

- Detailed BCA reports and summaries
- Comprehensive cash flow analysis and investment summaries
- ROI, B/E and sensitivity analysis
- Analysis of alternatives and options
- Optimization, statistical modeling and discrete event simulation
- Impact analysis of assumptions

### THE CSA DIFFERENCE

- Financial and Operations Research (OR) expertise, knowledge and skills
- Analytical tool sets and skills for BCA modeling and simulation
- Large scale project management and execution knowledge
- Government supply chain, acquisition, IT and operations experience

### BENEFITS

- Increased leadership confidence on project budget and ROI
- Ability to quickly assess financial impacts and risks for alternatives
- Comprehensive financial and ROI justification for budget submissions
- Modeling flexibility, allowing sensitivity analysis of all input parameters
- Real-time scenario driven analysis and decision-making
- Executive level investment decision support

To learn more about CSA Business Case Analysis Services

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Or visit us at [www.csaassociates.com](http://www.csaassociates.com)