Business Case Analysis (BCA)

Summary Description:

The Business Case Analysis (BCA) establishes sound business reasons for proceeding with an IT investment or project by providing insight into how the IT investment/project supports the business needs and strategic goals of CMS. The BCA provides necessary information concerning the scope, alternatives considered, estimated costs and return on investment, risks, and technical and acquisition strategies necessary for the CMS Information Technology Investment Review Board (ITIRB) to make an informed funding decision for the IT investment/project.

Status:

Mandatory - All new or proposed IT investments/projects must prepare a Business Case Analysis (BCA) to support the CMS Information Technology Investment Review Board (ITIRB) investment funding decision.

Timeframe:

The Business Case Analysis (BCA) is initiated and completed during the Business Case Analysis Phase of the system life cycle and/or the IT Investment Selection Phase of the investment life cycle, and serves as the primary input to the Investment Selection Review (ISR).

Responsible Reviewing Component:

OIS/PMSG is the CMS component that has the primary decision authority over the need for a Business Case Analysis (BCA), requirements for its creation, and acceptance of the end product in meeting the information needs.

Primary Information Exchange Partners:

The following are the primary stakeholders who have an interest in the content of the Business Case Analysis (BCA):

Project Owner/Manager
Business Owner(s)/Partner(s)
OIS/PMSG
OIS/ITAPS
OIS/ISMG
OIS/SSG
OIS/TMG
OIS/EDG
Executive Steering Committee (ESC)
CMS Information Technology Investment Review Board (ITIRB)

Government Responsibilities:

The Project Owner/Manager is responsible for obtaining and providing all of the information that is required in the Business Case Analysis (BCA) to justify CMS' investment in their IT project.

Contractor Responsibilities:

A contractor may be utilized to assist with the development of the Business Case Analysis (BCA).

Content:

A full Business Case Analysis (BCA) is required only for "Major" IT investments/projects. Smaller or "Non-Major" IT investments/projects are required to develop an abbreviated BCA.

The content of the full BCA aligns with the mandatory parts of the OMB Capital Asset Plan and Business Case Summary, also known as the Exhibit 300. The body of a completed BCA should be as concise as possible (but not at the expense of requisite content), with appendices as needed. Included as a part of the BCA are to be mandatory business requirements and a Business Risk Assessment.

For detailed information regarding the content of a full BCA, see Business Case Analysis Development Guide (PDF - 130KB).

For detailed information regarding the preparation of a Business Risk Assessment, see Business Risk Assessment Methodology (PDF - 184KB).

Guidance:

If you are beginning a new IT project or seeking funding for a proposed new IT investment, please contact your designated Component Lead, who will put you in touch with a representative from OIS/PMSG to assist you in preparing a Business Case Analysis (BCA) that is appropriate to the size of your IT investment/project.

Review Process:

The Business Case Analysis (BCA) is reviewed by several CMS entities, each for a different purpose. The Project Owner/Manager and the Business Owner(s)/Partner(s) focus their review on validating for completeness and accuracy the key business needs and alignment with CMS' strategic business goals, project scope, and the business requirements. OIS/PMSG also reviews the BCA to ensure that its content is sound and complete, and concentrates on evaluating the estimated costs and return on investment, risks, and acquisition strategy. In addition, OIS/PMSG reviews the documented business requirements to verify compliance with CMS' standards for requirements writing. The

key OIS stakeholder groups and the Executive Steering Committee review the alternatives considered, risks, and technical strategy to ensure that the proposed approach is consistent with the direction of the CMS Enterprise Architecture, to evaluate the technical risks for the project, and to uncover any potential duplicity between the proposed IT investment/project and any other CMS IT investments/projects. Finally, the information contained in the BCA is utilized by the CMS Information Technology Investment Review Board (ITIRB) for the purpose of ensuring that business drivers guide CMS' IT investments and to ensure that there is adequate information and justification to support the advice and recommendations that the CMS ITIRB make regarding expenditures of appropriated CMS IT investment funds.

Date Created/Modified:

March 2002/March 2005