

# Business Case Example

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FOR PROFESSIONAL SALES DEVELOPMENT

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## Introduction

Based on previous client experiences this document serves as a basis for Executives who require either a basic Business Case to evaluate the potential benefits of a Klozers Executive Level Sales Education programme, or a starting point from which they wish to create their own Business Case.

This case is based on the combined experiences of Klozers four senior Directors, who have in excess of 100 years combined experience in Professional Sales Development.

We are however more than happy to work with you on a one to one basis should you wish to create a bespoke Business Case for your own organisation which will of course be more accurate.

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## SCOPE

This document outlines a basic business case for a Klozers Executive Level Sales Education Programme. These programmes include the following:

Consultative Selling Skills

Key Account Management

Sales Negotiation Training

Corporate Sales Training

Please note this document does not cover our Sales Consulting programmes. A Business case specific to the Sales Consulting programmes listed below is available via our website [www.klozers.com](http://www.klozers.com)

Sales Audit

Sales Performance Improvement

Generating Competitive Advantage



## 1. Executive Project Summary

This Business Case outlines how an Executive Level Sales Performance Improvement Programme will address the current challenges and concerns within our organisation. The document also includes details on Project Milestones, Project Goals, Measuring Success, Assumptions, Constraints and alternative options.

### 1.1 Challenges

Our annual growth target of 20% is now at risk for a number of reasons as listed below:

- Market conditions are now more competitive than ever and we continue to lose ground to our competitors.
- Our profitability is down as most deals are closed with some level of discount, yet our competitors continue to sell at a higher price than us.
- All our sales people are busy yet we have a performance gap where some either hit or exceed revenue targets, and others do not consistently.
- Our Sales Pipeline value is acceptable however our closing ratio on opportunities continues to decline.
- Our sales people lack the skills and confidence when dealing with senior boardroom executives.

There are of course additional challenges with sales however improvements in the five areas above will deliver a significant impact to this years sales revenue and profitability.

### 1.2 Results

Unfortunately in Sales there is no “Magic Wand” we are therefore seeking to make a large number of small improvements over a period of time that when aggregated together will surpass 20% PER ANNUM. For every member of our sales team these improvements will include:

- A reduction in discounts to existing and new clients
- A framework and structure for consistently developing new business opportunities
- Increased sales skills and confidence to negotiate with Senior Executives in the boardroom

After an initial consolidation period of three months we may find that in some instances certain sales people may no longer fit our new business model. Our goal is a 2% improvement in profitability, per sales person, per month.



### 1.3 Recommendations

We propose to Partner with the Sales Specialists, Klozers who have completed an initial Needs Analysis with us. We have discussed with Klozers a proven framework they use for Sales Improvements in organisations similar to ourselves. This approach is aligned with our Corporate Values, our Corporate Strategy and will help us achieve our Strategic Objectives of increasing market share via increased client retention and new business development.

The framework provides a platform for ongoing, incremental and measurable sales improvements. Klozers are committed to embedding their process in our organisation, which after a period of training and mentoring will allow our own Sales Leadership team to facilitate future improvements themselves. In addition Klozers will be providing support to ensure alignment between our sales and marketing functions to maximise our growth opportunities. The minimum Project Deliverables for each employee will be:

- A clear, consistent and uniform understanding of the company Sales Strategy
- A clear, consistent and uniform understanding of our Competitive Advantages
- A strategy for controlling sales conversations and dealing with customer Stalls and Objections
- A clear understanding on how price has little relevance to sales and how to avoid discounting.
- A clear understanding on what makes Sales Professional effective not just busy.
- Increased confidence to approach and deal with Senior Executives in all Boardroom scenarios.
- Individual development plans to enhance Consultative Selling Skills.

### 1.4 Justification

After a detailed investigation into our Sales CRM and conversations with our own people, we have confirmed the following:

- In the past 12 months we have lost bids to our competition with a minimum value £550,000
- Client feedback gathered via our Loss Review process has uncovered gaps in the skill set of our people and our own internal processes.
- We have a measurable performance gap between our best sales person, the average and the poorest performers. This gap is costing our business £150,000 per sales person, per annum.
- The average sales persons' performance for the last 12 months has been only 68% of target.
- Historically over 74% of opportunities in our Sales Pipeline either fail to convert or convert later than forecasted.



## 2. Business Case Project Analysis Team

ROLE	DESCRIPTION	NAME & TITLE
Executive Sponsor	Provide Executive Support for the project	Sue Smith Sales Director
Project Lead	Manage the project and the Business Case	John Smith HR Director
Needs Analysis & Design	Provide objective insights to enable a bespoke solution	Stan Smith Regional Sales Manager
Project Administration	Provide key data for Business Case and Project	Bill Smith Sales Administration
Project Coordinator	Coordinate diaries and facilities	Claire Smith Executive PA

## 3. Current Challenges

Smiths' Services have increasingly found it difficult to grow, and grow profitably for the past 3 years. Our traditional markets have come under increasing pressure from foreign and domestic competition and we are struggling to remain the dominant force in our core Services market.

Our existing Sales Team are predominantly busy, but not effective. Despite numerous internal interventions with the Sales Team around missed Sales Targets, we still have a culture of satisfactory underperformance. In addition when we have recruited new Sales People who prior to joining had great track records, within 12 months all the new starts had either lowered their performance to a level similar to our average performers, or had shown great promise and then left the business. This places a larger than normal strain on HR Budgets as we continue to pay recruitment fees without any long term benefit to the company past 12 months.

Last year the company invested in a new Sales CRM which sadly within 12 months already has gaps in data entry and numerous noncompliance issues with regard to the lack of will or ability in the Sales Team to follow our existing process. The new CRM was a good investment however it has only served to shine the spotlight even brighter on our people. The objective data the new CRM provides is helping us provide objective data that supports where our current challenges are and will be essential in measuring the ongoing success of this project.

### 3.1 Business Impact

The Sales Improvement Programme will positively impact our business in several ways which we have outlined at a high level below.

Working alongside HR and our best sales people, Klozers will create and document a new “Professional Selling Best Practice” that is bespoke to our organisation. This will become the basis of our very own Smiths Services Sales Academy which will allow us to phase out expensive recruitment fees and attract new graduate talent that will be the future of our company.

Continued Learning and Development will become mandatory and every Sales person will have their own Personal Development Plan.

All training will be supported after the event by coaching and mentoring plans. Klozers will initiate the coaching however long term the strategy will be to develop our own coaches internally.

#### 1.1. Organizational Impact

This section describes how the proposed project will modify or affect the organizational processes, tools, hardware, and/or software. It should also explain any new roles which would be created or how existing roles may change as a result of the project.

The WP Project will impact Smith Consulting in several ways. The following provides a high-level explanation of how the organization, tools, processes, and roles and responsibilities will be affected as a result of the WP Project implementation:

**Tools:** the existing legacy administration platform will be phased out completely as the WP Project is stood up and becomes operational. This will require training employees on the WP tools and their use in support of other organizational tools.

**Processes:** with the WP Project comes more efficient and streamlined administrative and payroll processes. This improved efficiency will lessen the burden on managers and provide autonomy to employees in managing their administrative and payroll tasks and actions.

**Roles and Responsibilities:** in addition to the WP Project allowing greater autonomy to employees and less burden on managers, the manpower required to

appropriately staff human resources and payroll departments will be reduced. While we greatly value our employees, the reduction of non-billable overhead positions will directly reflect in our bottom line and provide an immediate return on our investment. The new platform will be managed by the IT group and we do not anticipate any changes to IT staffing requirements.

Hardware/Software: in addition to the software and licensing for the project, Smith Consulting will be required to purchase additional servers to accommodate the platform and its anticipated growth for the next 10 years.

### 1.2. Technology Migration

This section provides a high-level overview of how the new technology will be implemented and how data from the legacy technology will be migrated. This section should also explain any outstanding technical requirements and obstacles which need to be addressed.

In order to effectively migrate existing data from our legacy platform to the new Web-based platform, a phased approach has been developed which will result in minimal/no disruption to day to day operations, administration, and payroll activities. The following is a high-level overview of the phased approach:

Phase I: Hardware/Software will be purchased and the WP system will be created in the web-based environment and tested by the IT development group.

Phase II: IT group will stand up a temporary legacy platform in the technology lab to be used for day to day operations for payroll and administration activities. This will be used as a backup system and also to archive all data from the company mainframe.

Phase III: The web-based platform will be populated with all current payroll and administrative data. This must be done in conjunction with the end of a pay cycle.

Phase IV: All employees will receive training on the new web-based platform.

Phase V: The web-based platform will go live and the legacy mainframe system will be archived and stood down.



## 2. PROJECT OVERVIEW

This section describes high-level information about the project to include a description, goals and objectives, performance criteria, assumptions, constraints, and milestones. This section consolidates all project-specific information into one chapter and allows for an easy understanding of the project since the baseline business problem, impacts, and recommendations have already been established.

The WP Project overview provides detail for how this project will address Smith Consulting's business problem. The overview consists of a project description, goals and objectives for the WP Project, project performance criteria, project assumptions, constraints, and major milestones. As the project is approved and moves forward, each of these components will be expanded to include a greater level of detail in working toward the project plan.

### 2.1. Project Description

This section describes the approach the project will use to address the business problem(s). This includes what the project will consist of, a general description of how it will be executed, and the purpose of it.

The WP Project will review and analyze several potential products to replace Smith Consulting's legacy payroll and administration mainframe system with a web-based platform. This will be done by determining and selecting a product which adequately replaces our existing system and still allows for growth for the next 10 years. Once selected, the project will replace our existing system in a phased implementation approach and be completed once the new system is operational and the legacy system is archived and no longer in use.

This project will result in greater efficiency of day to day payroll and administrative operations and reporting, significantly lower overhead costs, and reduced turnover as a result of providing employees with greater autonomy and flexibility. Additionally, managers will once again be focused on billable tasks instead of utilizing a significant portion of their time on non-billable administrative tasks.

Smith Consulting will issue a Request for Information in order to determine which products are immediately available to meet our business needs. Once the product is acquired, all implementation and data population will be conducted with internal resources.

## 2.2. Goals and Objectives

This section lists the business goals and objectives which are supported by the project and how the project will address them.

The WP Project directly supports several of the corporate goals and objectives established by Smith Consulting. The following table lists the business goals and objectives that the WP Project supports and how it supports them:

Business Goal/Objective	Description
Timely and accurate reporting	Web based tool will allow real-time and accurate reporting of all payroll and administrative metrics
Improve staff efficiency	Fewer HR and payroll staff required for managing these activities will improve efficiency
Reduce employee turnover	Greater autonomy and flexibility will address employee concerns and allow managers to focus on billable tasks
Reduce overhead costs	Fewer staff required will reduce the company's overhead

## 2.3. Project Performance

This section describes the measures that will be used to gauge the project's performance and outcomes as they relate to key resources, processes, or services.

The following table lists the key resources, processes, or services and their anticipated business outcomes in measuring the performance of the project. These performance measures will be quantified and further defined in the detailed project plan.

Key Resource/Process/Service	Performance Measure
Reporting	The web-based system will reduce reporting discrepancies (duplicates and gaps) and require reconciliation every 6 months instead of monthly.
Timesheet/Admin data entry	Eliminate managers' non-billable work by allowing employees to enter their data directly.
Software and System Maintenance	Decrease in cost and staff requirements as system maintenance will be reduced from once every month to once every 6 months with the new system.
Staff Resources	Elimination of 5 staff positions in HR and payroll which are no longer required as several functions will now be automated.

## 2.4. Project Assumptions

This section lists the preliminary assumptions for the proposed project. As the project is selected and moves into detailed project planning, the list of assumptions will most likely grow as the project plan is developed. However, for the business case there should be at least a preliminary list from which to build.

The following assumptions apply to the WP Project. As project planning begins and more assumptions are identified, they will be added accordingly.

- All staff and employees will be trained accordingly in their respective data entry, timesheet, and reporting tasks on the new web-based system
- Funding is available for training
- Funding is available for purchasing hardware/software for web-based system
- All department heads will provide necessary support for successful project completion
- Project has executive-level support and backing

## 2.5. Project Constraints

This section lists the preliminary constraints for the proposed project. As the project is selected and moves into detailed project planning, the list of constraints will most likely grow as the project plan is developed. However, for the business case there should be at least a preliminary list from which to build.

The following constraints apply to the WP Project. As project planning begins and more constraints are identified, they will be added accordingly.

- There are limited IT resources available to support the WP Project and other, ongoing, IT initiatives.
- There are a limited number of commercial off the shelf (COTS) products to support both payroll and administrative activities.
- As implementation will be done internally and not by the product developers or vendors, there will be limited support from the hardware/software providers.

## 2.6. Major Project Milestones

This section lists the major project milestones and their target completion dates. Since this is the business case, these milestones and target dates are general and in no way final. It is important to note that as the project planning moves forward, a base-lined schedule including all milestones will be completed.

The following are the major project milestones identified at this time. As the project planning moves forward and the schedule is developed, the milestones and their target completion dates will be modified, adjusted, and finalized as necessary to establish the baseline schedule.

Milestones/Deliverables	Target Date
Project Charter	01/01/20xx
Project Plan Review and Completion	03/01/20xx
Project Kickoff	03/10/20xx
Phase I Complete	04/15/20xx
Phase II Complete	06/15/20xx
Phase III Complete	08/15/20xx
Phase IV Complete	10/15/20xx
Phase V Complete	12/15/20xx
Closeout/Project Completion	12/31/20xx

### 3. STRATEGIC ALIGNMENT

All projects should support the organization's strategy and strategic plans in order to add value and maintain executive and organizational support. This section provides an overview of the organizational strategic plans that are related to the project. This includes the strategic plan, what the plan calls for, and how the project supports the strategic plan.

The WP Project is in direct support of several of Smith Consulting's Strategic Plans. By directly supporting these strategic plans, this project will improve our business and help move the company forward to the next level of maturity.

Plan	Goals/Objectives	Relationship to Project
20xx Smith Consulting Strategic Plan for Information Management	Improve record keeping and information management	This project will allow for real-time information and data entry, increased information accuracy, and a consolidated repository for all payroll and administrative data
20xx Smith Consulting Strategic Plan for Information Management	Utilize new technology to support company and department missions more effectively	New technology will allow many payroll and administrative functions to be automated reducing the levels of staff required to manage these systems
20xx Smith Consulting Strategic Plan for Human Capital	Engage the workforce and improve employee retention	This project allows the employee to take an active role in managing his/her payroll and administrative elections

#### 4. COST BENEFIT ANALYSIS

Many consider this one of the most important parts of a business case as it is often the costs or savings a project yields which win final approval to go forward. It is important to quantify the financial benefits of the project as much as possible in the business case. This is usually done in the form of a cost benefit analysis. The purpose of this is to illustrate the costs of the project and compare them with the benefits and savings to determine if the project is worth pursuing.

The following table captures the cost and savings actions associated with the WP Project, descriptions of these actions, and the costs or savings associated with them through the first year. At the bottom of the chart is the net savings for the first year of the project.

Action	Action Type	Description	First year costs (- indicates anticipated savings)
Purchase Web-based product and licenses	Cost	Initial investment for WP Project	\$400,000.00
Software installation and training	Cost	Cost for IT group to install new software and for the training group to train all employees	\$100,000.00
Reduce HR and payroll staff by 5 employees	Savings	An immediate reduction in overhead equal to the annual salary of 3 HR specialists and 2 payroll analysts.	-\$183,495.00
Managers no longer required to work non-billable payroll and administrative tasks	Savings	18 regional managers currently average 16 hours per week non-billable time. It is anticipated that this number will be reduced to no more than 2 hours per week. At an average of \$36.00 per hour this results in (\$36.00 x 14 hours/wk reduced non-billable time x 18 managers) \$9072.00 increased revenue per week.	-\$471,744.00
System maintenance required every 6 months instead of monthly	Savings	Less frequent use of IT resources working on non-value added tasks results in approximately \$42,000 savings per year.	-\$42,000
Reduce employee turnover by 10%	Savings	Savings in cost to out-process exiting employee and recruit, hire, and train new employees is approximately \$50,000 in the first year.	-\$50,000
<b>Net First Year Savings</b>			<b>\$247,239.00</b>

Based on the cost benefit analysis above we see that by authorizing the WP Project, Smith Consulting will save \$247,239.00 in the first year alone. This represents a significant improvement in our operating costs and is a clear indicator of the benefit this project will have on the company.

## 5. ALTERNATIVES ANALYSIS

All business problems may be addressed by any number of alternative projects. While the business case is the result of having selected one such option, a brief summary of considered alternatives should also be included—one of which should be the status quo, or doing nothing. The reasons for not selecting the alternatives should also be included.

The following alternative options have been considered to address the business problem. These alternatives were not selected for a number of reasons which are also explained below.

No Project (Status Quo)	Reasons For Not Selecting Alternative
Keep the mainframe legacy system in place	<ul style="list-style-type: none"> <li>• Unnecessary expenditure of funds for increased staffing levels</li> <li>• Continued occurrence of a high number of data errors</li> <li>• Poor and untimely reporting</li> <li>• Lack of automation</li> </ul>
Alternative Option	Reasons For Not Selecting Alternative
Outsource the implementation of a web-based platform	<ul style="list-style-type: none"> <li>• Significantly higher cost</li> <li>• Expertise already exists in house</li> <li>• Vendor's lack of familiarity with our internal requirements</li> </ul>
Alternative Option	Reasons For Not Selecting Alternative
Develop software internally	<ul style="list-style-type: none"> <li>• Lack of qualified resources</li> <li>• Significant cost associated with software design</li> <li>• Timeframe required is too long</li> </ul>

## 6. APPROVALS

The business case is a document with which approval is granted or denied to move forward with the creation of a project. Therefore, the document should receive approval or disapproval from its executive review board

The signatures of the people below indicate an understanding in the purpose and content of this document by those signing it. By signing this document you indicate that you approve of the proposed project outlined in this business case and that the next steps may be taken to create a formal project in accordance with the details outlined herein.

Approver Name	Title	Signature	Date
Black, J.	President and COO		
Brown, A.	Executive VP		

