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HBR Guide to

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How to Give
a Killer
Presentation

Building Your Business Case

Tell a compelling story
Identify stakeholders
Analyze risk and return

By Raymond Sheen
with Amy Gallo



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HBR Guide to **Building Your Business Case**

Raymond Sheen

with **Amy Gallo**



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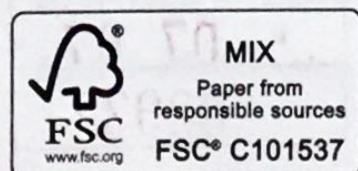
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What You'll Learn

You've got a great idea that will increase revenue or productivity—but how do you get approval to make it happen? By building a business case that clearly shows its value.

Maybe you struggle to win support for your projects because you're not sure what kind of data your stakeholders will trust, or naysayers tend to shoot down your ideas at the last minute. Perhaps you're intimidated by analysis and number crunching, so you just take a stab at estimating costs and benefits, with little confidence in your accuracy.

To get any idea off the ground in your company, you'll have to make a strong case for it. This guide gives you the tools to do that.

You'll get better at:

- Spelling out the business need for your idea
- Aligning your case with strategic goals
- Building the right team to shape and test your idea
- Calculating the return on investment

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Success is enabling a wise decision.

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Introduction

Whether you're pitching a new project at your company or seeking funds for a start-up, you'll need to develop a persuasive business case if you want your idea to go anywhere.

Your primary goal is to help people decide whether to invest resources in your idea. If you're making a case for a project or initiative within an organization, you're not starting in a vacuum. You have insight into your company's strategic priorities, and you probably know the people you're pitching to. But you've still got plenty of work to do. Your audience—the leaders of your unit or company—will expect you to put yourself in their shoes. (What are their chief concerns? How does your project address them?) They'll also expect a thoughtful analysis of the financials and the risks. They'll want to understand what impact your project will have on the P&L so they can intelligently weigh the costs and benefits.

How does that differ from pitching a start-up? As an entrepreneur, you're selling potential partners and funders on *you* as well as on your idea. Though that's an important distinction—it affects what you're trying

to achieve and what you'll emphasize in your presentation—you'll take the same general approach you would inside an organization. In both situations, you must identify a clear business need, get to know your stakeholders, and tell them a compelling story about how to profitably meet that need.

That's what you'll learn to do in this guide. We'll focus on building internal business cases because that's the challenge most managers face—but the principles and tools will benefit entrepreneurs, too.

Internal business cases can serve many purposes, but here are three common reasons for developing one:

- 1. You want to create a new product or service.**

Here, your goal is to demonstrate the profits your offering would add to the bottom line. You'll help decision makers weigh sales estimates against the costs of development, manufacturing, and delivery.

- 2. You want to invest in a large IT system.** When you're making a case for a new enterprise resource planning (ERP) system or a customer relationship management (CRM) database, for instance, you'll take into account the impact on the entire business—which departments will benefit and which will incur the costs.

- 3. You want to improve your company's facilities.**

This type of business case is becoming more common as organizations try to save money through energy efficiency. You may propose buying a

new building, for example, or remodeling an existing one.

You might also create a business case to prioritize projects and propose cutting a few; obtain additional resources for an ongoing initiative; invest in building a new capability; or decide whether to outsource a function.

Anytime you want your company to dedicate resources beyond what's already budgeted, you need to make a case. But you're not just doing legwork to persuade others to support your efforts. You're trying to figure out the best way to capture an opportunity or solve a problem. Developing a case will force you to generate and evaluate ideas in a disciplined way.

For that reason, success doesn't necessarily mean getting a "yes." It means enabling your leadership team to make a wise investment decision. A business case addresses the question "What happens if we take this course of action?" (*not* "Why is this a good idea?"). If the answer doesn't demonstrate that the benefits outweigh the costs or that the results align with the company's strategy, you haven't failed. On the contrary, you've saved your company from making a poor investment.

Let's look at a couple of fictional examples that make this point:

Jim, a brand manager, had an idea for a product that would help his midsize media company compete against larger rivals. His boss asked him to develop a business case, so Jim talked to customers, researched competitors, and looked at several alternatives. He worked with colleagues in finance, marketing, and sales to project