

GUIDE TO COMPLETING BUSINESS CASE



COMMUNITY FACILITY PARTNER CAPITAL GRANT

Instructions for Completion of Business Case

The business case should be succinct and the level of detail appropriate to the scope of the initiative and the stage(s) for which funding is requested.

Applicants for the CFPCG program must submit the business case with the sections in the order indicated in the business case template.

All indicated sections must be completed for scoring purposes for CFPCG applicants. Additional sections will not be scored.

Some sections, as indicated, are to be modified or do not need to be completed for a for a planning grant request.

- For planning project funding (planning phase of construction project) – complete the business case focusing on the planning phase. This would be considered the first phase and can be used in an updated business case should you decide to apply for additional funding for the design and construction phases. You are not expected to provide as much information for a planning project as for a construction project but unless indicated otherwise, provide some information in each section.
- The CFPCG application package must be submitted as electronic files. It may be submitted on a USB drive or submitted by email. Please save each part of the application and each listed attachment on Checklist (application part B) as separate files. Listed attachments that may be saved as a single file include bank information and quotes supporting figures in budget sheet. If multiple emails are required to submit the whole package by email, please number each email and indicate which is the last one.
- List additional documents intended to support the business case as appendices in section 14 of the business case and also on the application Checklist but attach them in the CFPCG submission in the order listed on the Part B Checklist.
- Label all electronic files for the items indicated in the Checklist according to the item number on the Checklist, for example, CL04Budget, CL99StrategyDesignDocsTemplates for each of the tables are available in the “Business Case Table Templates” document. They may be completed and then pasted into the business case template, both the basic Word document version or in the fillable text field in the fillable text version.

Definitions:

Project encompasses all the components of the work that is being undertaken to address a problem or take advantage of an opportunity.

CFPCG Project is the portion of the overall initiative that is being submitted for funding through the Community Facility Partner Capital Grant program

1. Executive Summary

The Executive Summary should be written last and is potentially the most important section. .

An Executive Summary starts with the name of the Initiative and contains a concise summary of the key highlights of the business case. The reader should be able to understand what the initiative is about, how the initiative aligns to strategic direction (goals/outcomes), and the business justification of the initiative. The reader should understand how the initiative improves the overall efficiency and/or effectiveness of the organization.

The Executive Summary will describe the organization/company, the objective of the project, the current state of the problem and the resulting opportunity. It outlines the scope of the project in general terms. The Executive Summary also provides a brief description of the business impact, and the risks of undertaking the initiative. Finally, it concludes with recommendations and the financial impact of the initiative

A good executive summary is essentially a condensed but powerful summary of your entire business case.

Checklist for Executive Summary Section

- *Include the name of the Initiative at the beginning.*
- *Provide a clear understanding of the reasons for the project and its outcome by outlining the “Why, What, When, Who, and How” of the project.*
- *Only include information contained in the rest of the business case.*
- *Keep to less than two pages.*
- *Treat as a stand-alone document.*

2. Background

This section describes the history leading up to the current situation giving rise to or relating to the general business problem or opportunity that is the subject of the business case.

Checklist for Background Section

- *Describe the organization including the mandate, activities, programs and services offered, and its history and goals.*
- *Define the business problem or opportunity in general terms.*
- *Outline relevant facts so that the reader has a clear understanding of the history and current situation and the resulting problems or opportunities?*

Organization Description

The company/organization description component of your business case should outline your organization’s basic background information and business concept. Describe the history of your organization, how you reached this point, and where you intend to go in the future. Consider covering the following in this section:

Legal Description

Include details about where and when the company/organization was formed, where and

when it was incorporated, a one line description of what business you are in, and a brief overview of what your organization offers. If the location of your company is important, explain the advantages and benefits. Make sure the following documents are included as attachments as listed in the CFPCG Checklist:

- Copies of incorporation certificate, constitution and bylaws and applicable amendments;
- Minutes of meeting that support application and approval of financial requirements and risks;
- Audited financial statements for the past year should be attached to this document; and,
- Copies of the following three excerpts from any lease or license agreements with the City of Edmonton:
 - (1) page 1 (with the City Clerk's file number)
 - (2) Notice section indicating where any communications to the City of Edmonton are to be sent
 - (3) Permitted Use or Use of Site section

History of The Company/Organization

Provide a general overview of the history of your organization. Organize details into a timeline or narrative format, and include your achievements and significant milestones. Explain why you started the organization, the driving force behind its inception, and how your product/service mix has changed over time. Include historical data on services/programs, number of employees, and other important facts to build a case for your organization and initiative.

Current Status

This section provides a synopsis of what is happening currently in your organization, if applicable what has led to the current situation and what is likely to happen if the current situation is maintained.

Describe your organization today: location, service, governance/structure, number of employees, level of success. Point out your current strengths as well as weaknesses, and explain how you address them.

Future Goals

This section gives an idea of where your organization is heading. Relate your short and long term goals to the investment you seek so an investor understands why you need their money or support and what you intend to do with it. Explain the overall approach for reaching your goals in optimistic language, but make sure to be realistic.

Mission & Vision

The mission and vision statements set the tone for not only your business case, but also for your company/organization. They define the path your organization will follow and act as a guiding principle by which your organization functions.

Vision Statement

Your VISION defines your long-term dream. It's what you constantly strive to attain, and it becomes your reason for being. It answers the following questions:

- What is the future that this organization seeks to preserve and develop?

- How will the community be different because of this organization?
- What is the end result that this organization is striving for?

Mission Statement:

Your MISSION defines your purpose. It is what you intend to become or accomplish. It should be challenging but achievable. A well-written mission statement demonstrates that you understand your business, have defined your unique focus, and can articulate your objectives concisely to yourself and others. It answers the following questions:

- Why does this organization exist?
- How is this organization unique from others in the community?
- What value does this organization add to the community
- What business is this organization in?
- What is this organization here to do?

Problem / Opportunity

This section provides a brief description of the business problem or opportunity that the initiative is trying to address.

Current Situation

This section provides a synopsis of what is happening currently within the organization that has led to the current situation and what is likely to happen if the current situation is maintained. The current situation can be defined in terms of relevant legislative requirements, organization structures and responsibilities, human resources, processes, and technology.

3. Project Description

This section provides a clear definition of what the project will accomplish (objective), what the project will and will not include (scope), what are the expected results (outcomes), and who is impacted by the project (stakeholders). Provide a summarized description and context/rationale for the initiative.

For Planning Projects – briefly describe the ultimate project that is to be planned and describe in more detail what is to be undertaken as the planning phase for which you are applying for support at this time.

Checklist for Project Description Section:

- *Clearly state the project objective.*
- *Clearly state the project scope. Is it clear what is not included in the project and what it will not accomplish?*
- *Clearly lay out the general requirements for each stakeholder.*
- *Clearly outline Project timelines.*
- *The business case describes the consultation that has taken place with stakeholders.*

Project Description

This section briefly describes the project.

For applications for a CFPCG planning grant – a simplified explanation of the overall project is sufficient.

Project Justification and Urgency of Need

Describe the need for the project and what the project will accomplish, in clear and measurable terms within a specified timeframe. Describe the urgency of undertaking the project. The objectives should be written broadly enough so that meaningful alternatives are not ruled out and narrowly enough so that only relevant alternatives are considered and that costs and benefits can be identified.

Anticipated Outcomes

Outlines what the initiative will accomplish, in clear and measurable terms within a specified time frame. These objectives can be used in a post-implementation review to assess the success of the initiative. The objectives should be formulated broadly enough so that meaningful alternatives are not ruled out and narrowly enough so that only relevant alternatives are considered and that costs and benefits can be formulated.

Examples of objectives include:

- Increase access to recreation opportunities by 1200 hours per month, by March 2015.
- Increase revenue from tournament and competitive opportunities from \$200,000 to \$600,000 for the 2015 fiscal year.

For applications for a CFPCG planning grant – please provide a simplified explanation of the overall project plus specifics for planning phase

SAMPLE: Outcomes/Deliverables Table

Outcome/Deliverable	Estimated Timeframe
Facility and Site testing, assessments & condition reports	To be done during concept phase
Research reports, studies and plans, such public consultation, market research, needs assessments, public involvement, fundraising feasibility	To be done during concept phase
Detailed Business Case (called Design/Build Business Case for CFPCG purposes)	To be done during concept phase
Design Phase Before design phase, should consider technical studies, environmental review if required, fundraising, public consultation etc	This will be a very basic estimate for Planning Projects
Construction Phase / Potential Project Phasing	This will be a very basic estimate for Planning Projects

A blank version of this table is available in the Business Case Table Templates (CFPCG-BusCaseTableTemplates)

Scope

This section defines parameters of the initiative. Specifically, it describes the timeframes, department/organization, function and technology (if applicable).

For applications for a CFPCG planning grant – please provide a simplified explanation of the overall project plus specifics for planning phase.

Timeframe: Explains specific details about when the initiative will start and end. Be specific about the time frame for the planning phase for planning projects.

Organizations / City Departments: Details the organizations and/or departments which will be involved in the initiative.

Required Approvals: Provide details of the approvals required and status of each (e.g., development permit, land owners permission, zoning compliance etc.). Internal circulations are often required to identify all of the required approvals – e.g. environmental approvals.

Site Factor Considerations: The business case should discuss site factor considerations, and there should be examples of things the group should consider (for example adjacent uses, activities, architectural styles, parking, site access, connectivity, environmentally sensitive lands, historical preservation). Provide site development plan and concept drawings including preliminary renderings and floor plans, proposed location on the site, and existing and proposed amenities/buildings, access, parking, and landscaping on the site.

Only concept plans need to be submitted with the business case for projects on City land. The concept plan needs to be circulated by Parks Projects if it is on Parkland. For projects not on City land, schematic plans & drawings may also be requested by the City. (Please note, a site development plan with final renderings may be required later.)

Out of Scope

This section includes items that are specifically excluded from the initiative.

For applications for a CFPCG planning grant – please provide a simplified explanation of the overall project plus specifics for planning phase.

Project Schedule and Projected Phase Cost

This section describes the proposed phases of the entire initiative.

Planning Project submissions: The post-planning phases will be at a very high level for application for a planning project. The future phases should be identified to show the reader that the applicant has a realistic understanding of what the project will entail..

For applications for a CFPCG planning grant – please provide a simplified explanation of the overall project plus specifics for planning phase.

EXAMPLE: Planning Project

	Principal Phases	Est. Cost	Duration	Start Date
1	Concept Phase Planning: Assessment & Testing, develop scope, develop alternatives & determine preferred option, identify operating & public impacts, develop mitigation strategies, Concept drawings	\$20,000	2 years	Spring 2015
2	Write Initial/Preliminary Business Case	\$5,000	4 months	Winter 2015
3	Development Phase Planning: construction staging, project delivery, procurement strategy, aesthetic details, property needs finalized, mitigation strategies, strategy drawings, project plan including phasing with cost estimates & schedule & cash flow & technical aspects, project studies & risk assessments, project brief, project plan, project approval, detailed drawings	\$30,000	2 years	Spring 2016
4	Write Detailed Business Case	\$10,000	6 months	Winter 2016
5	Construction Phase 1	\$1,000,000	1 year	Spring 2017
6	Phase 1 completion			
7	Facility Opening / Re-opening	\$2,000		

EXAMPLE: Complete Capital Project

	Principal Phases	Est. Cost	Duration	Start Date
1	Concept* phase planning (*see Guide for description of phase work)	\$200,000	4 years	2011
2	Design phase planning	\$1,000,000	18 months	Fall 2014
3	Construction phase 1 (foundation, outer walls & roof)	\$2,500,000	8 months	Spring 2016
4	Construction phase 2 (electrical, plumbing, HVAC)	\$1,500,000	4 months	
5	Construction phase 3 (complete interior)	\$1,000,000	6 months	
6	Project completion			
7	Facility Opening/Re-opening	\$5,000		

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Critical Success Factors

This section identifies items that contribute to the successful realization of the initiative. Identify success criteria and measures.

For applications for a CFPCG planning grant – please provide a simplified explanation of the overall project plus specifics for planning phase.

Statement of Public Use

Provides an overview of who will use the facility, access to facility and how the public will be accommodated. Include the percentage (%) of Edmontonians who use or will use the facility. Public use statement should include accessibility for different abilities, incomes, ages, etc.

4. Strategic Alignment

This section provides the reader with an understanding of how the project aligns with and contributes to the City of Edmonton strategic direction and to corporate and/or departmental business plans. The degree to which the initiative is critical to achieving strategic/business direction is also included.

An overview of the strategic alignment should clearly identify that the project is supported by all stakeholders and contributes to the long-term direction of both the organization(s) and the City of Edmonton. The strategic alignment section outlines how the project aligns

with the overall direction and plans of the City of Edmonton and demonstrates how the project advances the outcomes of the **City of Edmonton Strategic Plan The Way Ahead 2009-2018 (Updated in 2011)** and of the **Edmonton Community Services Department Business Plan** and/or other corporate and departmental business plans.

City of Edmonton Strategic Priorities:

- *Services are affordable and accessible (Community Services Department Outcome)*
- *Citizens are socially connected and active in their communities (Community Services Department Outcome)*
- *Citizens have diverse opportunities to enhance their personal wellness (Community Services Department Outcome)*
- *Partners operated facilities are productive (Describe the project partners and contributions and the impact this will have on attendance) (Community Services Department Outcome)*
- *Edmonton has sustainable infrastructure that fosters and supports civic and community needs (Corporate Outcome 3.2)*
- *Provide a detailed analysis of how this project contributes towards the City of Edmonton's twelve corporate outcomes and 10-year Strategic Goals as outlined on the City's web site & on the CFPCG's related links. Use both "The Way Ahead: Corporate Outcomes Description" and "The Way Ahead: Corporate Outcomes Matrix"*

5. Target Users and Context Analysis

Target Users

Describe your customers and users of your programs/services and their defining characteristics in detail. Include information such as age, gender, geographic location, income bracket, buying similarities, etc. The more clearly you pinpoint the defining traits of your customer, the easier it is to construct a marketing program to reach them effectively.

The information and research included in your target market section should include information that you discover or conclude from personal observation and research, such as personal studies, results of questionnaires, site visits, and conversations with experts in your industry. and information from journals, books, published reports, government statistics, or internet findings.

Context Analysis (Industry/Community/Environmental)

– only a very high level of detail is required for a planning grant as this information is researched during the planning phase

Provide the reader with an understanding of what other organizations (internal and external, municipal, provincial, national or international) have done or are doing to address similar types of situations. The reader can use this section to compare the proposed business case direction to that of other organizations and to industry trends. This section includes any findings from research studies that identify industry trends and best practices.

Provide an overview of the current and future demand and needs. Any additional information that supports justification for the project may be included in this section. Indicate information on your target population, such as age, gender, geographic location, income bracket, participation similarities to build a demographic profile of your typical participant.

For applications for a CFPCG planning grant – a simplified explanation of the overall project is sufficient.

6. Alternatives

– only a very high level of detail is required for a planning grant as this information is researched during the planning phase

For applications for a CFPCG planning grant – a simplified explanation of the overall project is sufficient.

Provide a description of the possibilities that are available to address the problem or opportunity and address why some have been eliminated as viable alternatives. Summarize the possible solutions that may meet the business problem or opportunity. Identify the option that the organization has selected for the purposes of this submission. **A viable option usually includes a “do nothing” option (status quo).**

Checklist for Alternatives Section

- *All viable alternatives have been determined and sufficient reason has been provided for the exclusion of possible solutions?*
- *Viable alternatives are defined at a sufficient level of detail to define costs and benefits.*
- *Alternatives demonstrate consideration of partnerships and shared service opportunities.*
- *Critical success factors have been highlighted for each alternative.*
- *All constraints for each alternative have been identified.*

7. Organizational Change Impact

This section identifies the potential impacts of the initiative. Potential impacts are analyzed for each viable alternative.

Stakeholders and Requirements

– only a very high level of detail is required for a planning grant as this information is researched during the planning phase

For applications for a CFPCG planning grant – a simplified explanation of the overall project is sufficient.

List all interested parties that may be impacted (positively or negatively) by the initiative. Categorize the parties as internal/external and primary (directly impacted and involved in the initiative)/secondary (impacted but not directly involved in the initiative). For each stakeholder include an overview of the business interests in the initiative.

EXAMPLE: Table of Stakeholders and Requirements

Stakeholders	Internal / External	Primary / Secondary	Requirements for Facility
Banquet Hal renters	External	Primary	Space to allow seating for 200 people at tables, storage for tables & chairs, commercial kitchen
Soccer players	External	Primary	Full size soccer field indoors (for regular soccer, not indoor)
Your board & committees	Internal	Primary	Large, medium & small meeting room
Local residents	External	Secondary	Doesn't cause parking & traffic & noise problems in area
Etc.			

A blank version of this table is available in the Business Case Table Templates (CFPCG-BusCaseTableTemplates)

Stakeholder Business and Operational Impact

– only a very high level of detail is required for a planning grant as this information is researched during the planning phase

For applications for a CFPCG planning grant – a simplified explanation of the overall project is sufficient

Provide a list of all business and operational impacts for each stakeholder and analyze each impact for each viable alternative.

In preparation for the development of an estimate of the cost of the project, this section of the business case analysis describes changes that are anticipated to result from implementation of the future process. For each stakeholder (outlined in Section 3) identify all business (strategic, longer term-focused) and operational (procedural, detailed-focused) impacts that may arise from the project. Changes to consider include: personnel changes, technology requirements, recurring operations and support requirements, total cost of ownership, total value of ownership.

Examples of business impacts are:

- *Change in service and/or products being provided;*
- *Change in focus or direction of the organization and City;*
- *Improved service delivery.*

Examples of operational impacts are:

- *Staff training required;*
- *Reduction of staff resources.*

For each impact identify the magnitude of impact (high, medium, low, or none) using the following guidelines:

- *High indicates that the magnitude of impact is significant and stakeholder support and preparation is critical to the alternative's success;*
- *Medium indicates that there is a manageable impact to the stakeholder;*
- *Low indicates the alternative will have a minor impact to the stakeholder;*
- *None indicates that the stakeholder will not be impacted by the alternative.*

If necessary, document the rationale for the evaluation.

EXAMPLE: Stakeholder Business and Operational Impact Table

Soccer Players	
Impact & Description	Magnitude of Impact
Indoor facility with outdoor style soccer field	H [X] M [] L []
Access to banquet hall for social gatherings	H [] M [X] L []
Others	H [] M [] L []

A blank version of this table is available in the Business Case Table Templates (CFPCG-BusCaseTableTemplates)

8. Cost-Benefit Analysis

– only a very high level of detail is required for a planning grant as this information is researched during the planning phase

For applications for a CFPCG planning grant – a simplified explanation of the overall project is sufficient

This section identifies overall value contribution and costs incurred to realize the proposed initiative. A cost-benefit analysis should be completed for each viable alternative.

Tangible Benefits: Provide a summary of the top 2-3 key tangible business benefits.

Intangible Benefits: Provide a summary of the top 2-3 key intangible business benefits.

Costs: Provide a summary of the costs (both business change costs and IT costs, one-time and on-going) that reflects the total cost to achieve the desired benefits.

Assumptions: All assumptions used to determine costs and benefits, both quantitative and qualitative, should be clearly documented. This would include general assumptions as well as assumptions specific to each alternative.

Purpose of the Cost-Benefit Analysis:

The cost-benefit analysis provides an evaluation of both the financial and social/community costs and benefits associated with the initiative that are easily understood and compare the initial and on-going expenditures to the expected financial and non-financial benefits. A cost-benefit analysis is an attempt to weigh financial inputs against broad social and community outcomes. It is not an attempt to quantify qualitative benefits of initiatives, which is an approach called Social Return on Financial Investments.

The cost-benefit analysis considers whether net marginal benefits are greater than net marginal costs.

Checklist for Cost / Benefit Analysis Section

- Identify all quantitative costs and benefits.
- Identify all qualitative costs and benefits
- The timeframe is appropriate considering the expected life span of the project.

- *All the common/general assumptions are clearly identified and applied consistently to each alternative.*
- *The assumptions been reviewed to identify the sensitivity of their impact on the results?*
- *Benchmarks, other organization's experience, and industry data have been used to validate costs and benefits.*
- *A Net Present Value (NPV) calculation has been done for each alternative.*

Quantitative Analysis – Financial Costs and Benefits:

Full Financial Analysis: Where possible, all financial and social/community costs and benefits resulting from each alternative should be analyzed. This methodology provides a total socio-financial analysis. It would include project costs and benefits as well as any additional or incremental operational costs and benefits. Include any opportunity costs associated with each alternative as well. Any detailed worksheets should be attached as an appendix.

Timeframe: Identify an appropriate project timeframe over which both the cost and benefits will be analyzed. The timeframe should be appropriate to the expected lifecycle of the initiative, from incurring costs to achieving the anticipated benefits.

Costs: Identify all relevant costs incurred by all stakeholders over the chosen initiative timeframe:

Identify all relevant costs incurred by all stakeholders over the chosen initiative timeframe:

- *Direct costs (fixed and variable);*
- *Indirect costs;*
- *Initial costs;*
- *On-going costs;*
- *Capital costs.*

Consideration should be given to:

- *When the costs will be incurred;*
- *Who will incur the costs; and,*
- *Certainty of costs.*

Benefits: Identify all quantifiable benefits related to all stakeholders, over the chosen project timeframe.

Consideration should be given to:

- *When the benefits will be achieved;*
- *Who will be the recipient of the benefits; and,*
- *Certainty of benefits.*

Qualitative Analysis – Non-Financial Costs and Benefits:

Qualitative Analysis: All non-financial costs and benefits resulting from each alternative should be analyzed. Benefits or costs to various other stakeholders need to be considered as well as overall benefits to the community at large.

Net Present Value (NPV): The cost benefit analysis considers whether net marginal benefits are greater than net marginal costs. For each alternative, calculate out a NPV using the costs and benefits identified previously. State assumptions, and keep assumptions consistent between alternatives. The cost-benefit analysis should be reviewed for reasonableness through the use of benchmarks, other organization's experience, industry data, etc. This would include the use of a public sector comparator for public-private partnership projects.

A "Net Present Value" calculation is used to account for the fact that \$1 today is not worth the same as \$1 five years from now, due to inflation and interest rates. The use of a "Net Present Value" calculation should be used to take into account the time value of money, regardless of whether the full or incremental cost of approach is used.

If there are some assumptions that have a significant impact on the cost or benefit, a sensitivity analysis should be presented. Contingency allowances or interest rate premiums could be used to account for differences in certainty and/or risk.

All assumptions used to determine both quantitative and qualitative costs and benefits should be clearly documented. This would include general assumptions as well as assumptions specific to each alternative.

There must be an analysis provided for each viable option.

EXAMPLE: Cost-Benefit Analysis (in thousands):

Option: Yo-Yo Youth Growth Group – Expansion Project (Construction)					
Cost / Benefit	Description	Tangible / Intangible	Quantitative		Qualitative
			Project Costs	Operating Costs	tick off if Qualitative
Cost	Costs Land (for the renovation expansion	Tangible	\$ 1,500	\$ 0	<input type="checkbox"/>
Cost	Equipment	Tangible	\$275	\$0	<input type="checkbox"/>
Cost	Renovations	Tangible	\$2,200	\$0	<input type="checkbox"/>
Cost	Youth Program image – detrimental to the few participants who wanted to continue the program	Intangible	\$0	\$0	✓
Benefit	Revenue from new youth program	Tangible	\$0	\$ 500	<input type="checkbox"/>
Benefit	% of neighbourhood youth in new programs	Tangible	\$0	\$0	✓
Benefit	Yearly Savings from closing old youth program	Tangible	\$0	\$1,200	<input type="checkbox"/>
Benefit	Improved opportunities for youth engagement	Intangible	\$0	\$0	✓
Benefit	Increases neighbourhood cohesion	Intangible	\$0	\$0	✓
Benefit	Youth Program Image in the community at large	Intangible	\$0	\$0	✓
Assumptions specific to this option and Net Present Value (NPV)					
Over 10 years, the estimated life of the new youth program before it becomes outdated, and assuming an interest rate of 4%, the Net Present Value of this Alternative is					\$5,1500
Backup Calculations					
	NPV of Savings:		\$9,733		
	NPV of Operating Costs & Revenues		\$608		
	NPV of Project		\$3,975		

Notes relating to the Cost Benefit Analysis for this option:

A blank version of the above four tables are available in the Business Case Table Templates (CFPCG-BusCaseTableTemplates)

9. Resourcing

For applications for a CFPCG planning grant – please provide a simplified explanation of the overall project plus specifics for planning phase

Outline the resourcing options and justification for each alternative.

10. Key Risk(s) and Mitigating Strategy

For applications for a CFPCG planning grant – a simplified explanation of the overall project is sufficient

Some initiatives will have a risk that will significantly limit or prevent the business owner from achieving their objectives. Note significant risks for each viable alternative and identify a mitigating strategy.

Purpose of the Project Risk Assessment Section:

Provide an understanding of the risks that are related to the project. Include a risk mitigation strategy for each risk.

Checklist for Project Risk Assessment Section

- Identify all general project risks.
- Identify a risk mitigation strategy for unacceptable levels of risk.

Description:

Identify all project risks that may relate to the project. A risk is a factor or event that may jeopardize the project from achieving the anticipated benefits or increase the cost of the project. Examples of project risks are:

- Lack of Senior Management Support
- Legislative changes
- Insufficient training
- Inadequate communication
- Conflicting priorities
- Inability to free-up critical business resources

For each project risk, identify the probability of the risk occurring and its impact, using the following guidelines:

Probability of Risk

High indicates that the event is highly likely to occur.

Medium indicates that the event is likely to occur.

Low indicates that the event is not likely to occur.

None indicates that the risk will not impact the project.

Impact of Risk

High indicates that the event has a significant impact to the project.

Medium indicates that the event will impact the project.

Low indicates that the impact is relatively minor to the project.

None indicates that the risk will not impact the project.

Description of Risk	Mitigation Strategy	Probability of Risk H / M / L / N	Impact of Risk H / M / L / N

A blank version of this table is available in the Business Case Table Templates (CFPCG-BusCaseTableTemplates)

11. Conclusion and Recommendations

Conclusion

This section will recap the key elements of the business case and identify the proposed solution from the identified alternatives.

For applications for a CFPCG planning grant – a simplified explanation of the overall project is sufficient

Recommendations

This section will make specific recommendations on proceeding with the initiative.

The extent of the recommendation may range from recommending approval for full initiative implementation to recommending a more detailed requirements analysis be done to validate some key business case components.

For applications for a CFPCG planning grant – a simplified explanation of the overall project is sufficient

Project Responsibility and Accountability

– only a very high level of detail is required for a planning grant as this information is researched during the planning phase

For applications for a CFPCG planning grant – please provide a simplified explanation of the overall project plus specifics for planning phase

Recommend the initiative structure, including who will be the project sponsor. The project sponsor is accountable for the project and ensuring that the objectives of the

project are achieved and in compliance with all City of Edmonton policies, procedures and directives.

The partner and municipal roles and responsibilities for each aspect of the project including development, management and ultimate responsibility need to be clearly defined. This section would also include any additional governance aspects related to the project

Provide the proposed project organization structure, and the responsibilities and accountabilities of each role. Where the responsibilities are identified by a separate committee terms of reference document, this should be identified here and attached in the appendix.

The accountability of the project needs to be clearly defined, providing a recommendation of who should be the project sponsor and, as such, have overall accountability to ensure the project is completed. Recommend who should be the project manager and, as such, have responsibility for managing the implementation. This also includes the assignment of responsibility for implementing and monitoring the risk mitigation strategies

12. Implementation Approach and Operating Plan

For applications for a CFPCG planning grant – mark all of section 12 as “Omit for CFPCG Planning Project”

The reason for writing the Implementation approach is to ensure that those approving the business case understand the resources they must allocate (people, dollars, time) to complete the recommended next steps at a high level of the initiative.

Location

Where will your business be located? What square footage is needed, in how many locations? What type of space is it? What program elements included? What is the advantage, if any, of your location? At what point will the goals of the business exceed the above-mentioned facilities? Provide a layout of your facility in the appendix of your business case.

Equipment

Outline and describe the significant equipment needed, including cost. What does the equipment do? How do the pieces function together? How much can be produced? Will you purchase or lease your equipment? Why and from whom? Be sure to include manufacturing equipment, vehicles, computers, and office equipment.

Staff and operating costs

How many employees will you need? Full-time? Part-time? Break them out by function, number of hours worked, and hourly pay. Describe the skill sets needed. What are the salaries of those in management, production, distribution, sales and administration? What other workforce costs need to be calculated WCB, insurance, benefits, union costs? Will you run multiple shifts? What are your hours of operation? What criteria are

used to locate and hire quality employees? What professional support is required and how will you obtain these services (i.e., accountant, lawyer, etc).

Outline your net operating costs, showing either a profit or loss; and the profit distribution or loss management plans.

Revenues by Source

What rates and fees will you charge? Provide proof that these fees are viable in the market.

Capital Reserve Fund

Outline how the capital reserve fund (2% of the replacement value of the Facility, adjusted to market value) will be managed and define what will be eligible expenses for this fund.

Other Issues to Consider

How will you maintain quality control? What are the procedures to ensure that you are providing the top quality product or service?

What type of insurance does your business need? Discuss the legal liability issues of your business.

Management Plan

Management of any business directly correlates with the organization's success or failure. Highlight information that demonstrates you have the ability to make this project a success. Important management considerations are training and experience of those involved in the management of this venture.

For a planning project, this section must show that your organization has the capacity to both manage a capital project and to operate and maintain the capital asset once the capital project is complete.

Members of the Organization Involved with Initiative

List their name, role/responsibility, experience, time with organization and whether they are volunteers or paid positions.

Sample list of people within your organization involved with the project

XYZ Soccer Club – Involvement With New Extension on Field House Project

Name	Role/Responsibilities	Experience	Time with Organization	Volunteer/Paid
Joe Blow	Chair of Project Steering Committee	Past president of board	8 years	volunteer
Mary Sinclair	Coordinate project, liaise with contractor	Executive Director with XYZ, project manager with WZ Club's new soccer field	5 years	paid
June Smith	Book keeping for project	Chartered accountant and club bookkeeper	3 years	paid
	Member of project steering committee – XYZ's maintenance	Youth program director, fitness program director, adult		volunteers

	director	program director, customer service coordinator		
	Project manager		2 months (contract for entire project)	paid
	Fund development			
	Maintenance director			

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Members of the Board

List their name, Title, role/responsibility, experience and years on board.

Name	Title	Role/Responsibility	Experience	Years on Board
Mary Smith	Executive Director	Paid staff person – ex officio on board – runs day to day operations, responsible for book keeping	E.D. for 5 other organizations prior to 6 years with our organization	6 years
John Doe	President	Spokesperson for board	Previously VP for 3 years, maintenance director (2 yrs), fundraising coordinator (3 yrs)	8 years
James Black	Past President	Provides historical perspective	etc	4 years
Shannon Green	Vice President		etc	2 years
Bill Murray	Secretary		etc	1 year
Jim Smyth	Treasurer		etc	3 years
Janine Hilton	Capital Initiative Committee chair	Coordinates and is spokesperson for committee	etc	4 years
etc				

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Organizational Chart and Recruitment Plan

Attach an organizational chart that includes reporting relationships. If you have not established key management positions, include a recruitment plan with costs.

Capital and Operating Financial Plan

Capital and Operating Financial Plan – Overview

Clearly outline such factors as how the capital and operating costs will be managed; any expected City contributions, including capital financing, land and operating support; and division of responsibility for infrastructure maintenance during the life of the project. Of interest, the City requires a capital reserve fund for most facilities with an annual contribution of 2% of the replacement value of buildings, adjusted to market value. Include evidence of any application to, and/or, commitment from, other levels of government or other sources of funding.

The capital and operating financial plan should include the following projected information:

- Capital Project Cash Flow projection showing projected month by month cash flow over course of project;

A blank version of a table is available in the Business Case Table Templates (CFPCG-BusCaseTableTemplates)

- 1 – 2 year operational cash flow showing month by month changes to the operating revenue and expenses post project

A blank version of a table is available in the Business Case Table Templates (CFPCG-BusCaseTableTemplates)

- 3 – 5 year Revenue & Expenses Statement for your organization post project (operating revenue & expenses in your new facility).

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Marketing Plan

Every good marketing plan should include two major parts - a definition of your target market and a specific outline to market, promote and sell your product or service. It should include a fundraising feasibility plan for large capital projects, and public consultation plan.

a) Marketing Program

Identify specific marketing avenues and procedures to effectively promote your programs or service. Answer questions such as the following in your marketing plan section:

- *What specific marketing mediums will you use to reach your participants? (For example: newspapers, magazines, radio, internet)*
- *How often will each be used? What will they cost? Why did you choose these marketing avenues over others?*
- *What marketing materials will you need (brochures, website, etc)?*
- *Who will design your marketing materials? What will they cost?*
- *What is the cost of marketing materials per prospect or participant? (You may choose to include marketing pieces in the appendix of your business plan).*
- *Will your organization be able to attract PR? Why will they run your story? What's the "angle"? Which publications and mediums will you target?*

b) Fundraising Plan

Explain how you plan to raising the funds for your initiative. Describe how and when you will approach potential funders.

c) Public Consultation

Explain how you plan to engage with the public with respect to your initiative.

Also refer to the *Involving Edmonton Public Plan* and the worksheets for using with it.

13. Review and Approval Process

Describe the process for review and approval of your business case and by whom. Include the final outcome of the review of the business case. Provide evidence that the business case is approved, e.g. minutes. If applicable, approval conditions should be identified and the reason(s) for the conditions.

Business Case Signoff

The business case should be signed and dated by the approving Board Chair or Chief Executive Officer, indicating when the business case was approved.

14. Appendices to Business Case

List all documents to be considered in support of business case. Do not include documents already listed in Part B Checklists for CFPCG application. The appendices to the Business Case should also be listed in the relevant section of the Checklists form and identified by their Checklist #

Do not include any documents that are not directly relevant to supporting your business case. Tangentially relevant documents detract from the strength of your business case as they distract readers from what is important in your business case and make it look like you don't know what is really important.

Additional documents to support the application might include the following:

- *Feasibility Studies;*
- *Support Letter(s) for project from stakeholders;*
- *Management Resume(s),*
- *Committee Terms of Reference;*
- *Pictures of products, locations, etc.;*
- *Concept Plans*
- *Concept drawings,*
- *Schematic Drawings*
- *Preliminary - Site Plans,*
- *Floor Plans,*
- *Design Drawings;*
- *Marketing materials;*
- *Market research surveys and results (highlights only);*
- *Needs Assessment Report;*
- *Fundraising Feasibility Study;*
- *Strategic Plan;*
- *Facility Master Plan;*
- *Building Condition Report;*
- *Structural/Engineering Assessment;*
- *Environmental Report (Environmental Impact Assessment or Environmental Screening Report);*
- *Parking Impact Assessment;*
- *Traffic Impact Assessment;*
- *Public Involvement Plan – Implementation Report;*
- *Recruitment Plan,*
- *Fundraising Plan;*
- *Operating Plan for Finished Facility*