

# Business Case, Cost-Benefit Analysis, ROI: What's the Difference?

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**Presentation Excerpts**

*Practical Cost-Benefit Analysis:  
 How to Make It Work for You*

TALLAHASSEE CHAPTER  
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## 1. What Is CBA?

Shared Understanding Is Essential

3 Tools Enabling Fact-based Project Decisions

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## 1. What Is CBA?

Shared Understanding Is Essential **Purpose**

- Business Case** - Communication
- Cost-Benefit Analysis** - Evaluation
- Return On Investment** - Valuation

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## 1. What Is CBA?


Shared Understanding Is Essential **Role**

- WHY INVEST?** **Fact-based argument proposing an investment - a course of action.**
- WHICH IS "BEST"?** **Systematic and unbiased analysis of plausible alternatives in order to ID the most advantageous choice.**
- WHAT IS IT WORTH?** **Measurement of financial and/or non-financial value of an investment.**

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### 3. Why Bother?

#### Four Reasons



- ✓ 1. It makes sense!
- ✓ 2. IT project performance is problematic.
- ✓ 3. Decision-makers expect it.
- ✓ 4. Right facts are a powerful tool for the PM.

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### 3. Why Bother?

#### 4. Facts Are A Powerful Tool

Useful to have quantitative measures (**facts**) to assess the value of choices at different life-cycle stages.

PROSPECTIVE			RETROSPECTIVE
Planning	Selection	Modification	Evaluation
<i>Which IT solutions are plausible?</i>	<i>Why should we invest in this technology?</i>	<i>What is this proposed change worth?</i>	<i>Did we meet expectations?</i>

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## IT Investment Planning & Management

### The Skills People Didn't Learn In School

#### 4 Reasons Industry & Government Choose RMS' Training?

- Specialization.** Business Case, Cost-Benefit, ROI for value-driven organizations.
- Audience.** Courses designed for IT professionals & business analysts.
- Impact.** Immediate improvement in facts produced for sound IT investments.
- Cost.** Real-world fee structure for government and industry.

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