

FinListics Business Case Builder

Objective: *Build a World-Class Business Case*

The FinListics Business Case Builder is a tool that helps you show both the qualitative and quantitative assessments; it draws upon FinListics' considerable experience working with many companies to build successful business cases.

Created as an easy-to-use template, it prompts the user to provide both qualitative inputs like strategic fit and critical success factors, along with quantitative inputs like investments, ongoing expenses and solution benefits. The output of the tool is a comprehensive executive presentation.

The CHALLENGE

Now more than ever, client executives are closely scrutinizing all investments for business benefits and value creation. This requires that sellers work with the clients to develop world-class business cases to help secure executive support and funding.

The SOLUTION

Tool:
FINLISTICS BUSINESS CASE BUILDER

Key Features of the FINLISTICS BUSINESS CASE BUILDER

- **Qualitative Assessment:** alignment with client goals and strategies; business process and key performance indicator improvements; critical success factors; and alternatives.
- **Quantitative Assessment:** solution investment and ongoing expenses; solution cash flow benefits; Return on Investment (ROI), Internal Rate of Return (IRR), Net Present Value (NPV) and Payback; changes in income statement and balance sheet; and breakeven analysis.
- Easy-to-use step-by-step process designed to collaboratively build a business case with client.
- Executive report summarizing business case inputs includes easily understandable graphics for use in presentations.

Delivery of the FINLISTICS BUSINESS CASE BUILDER

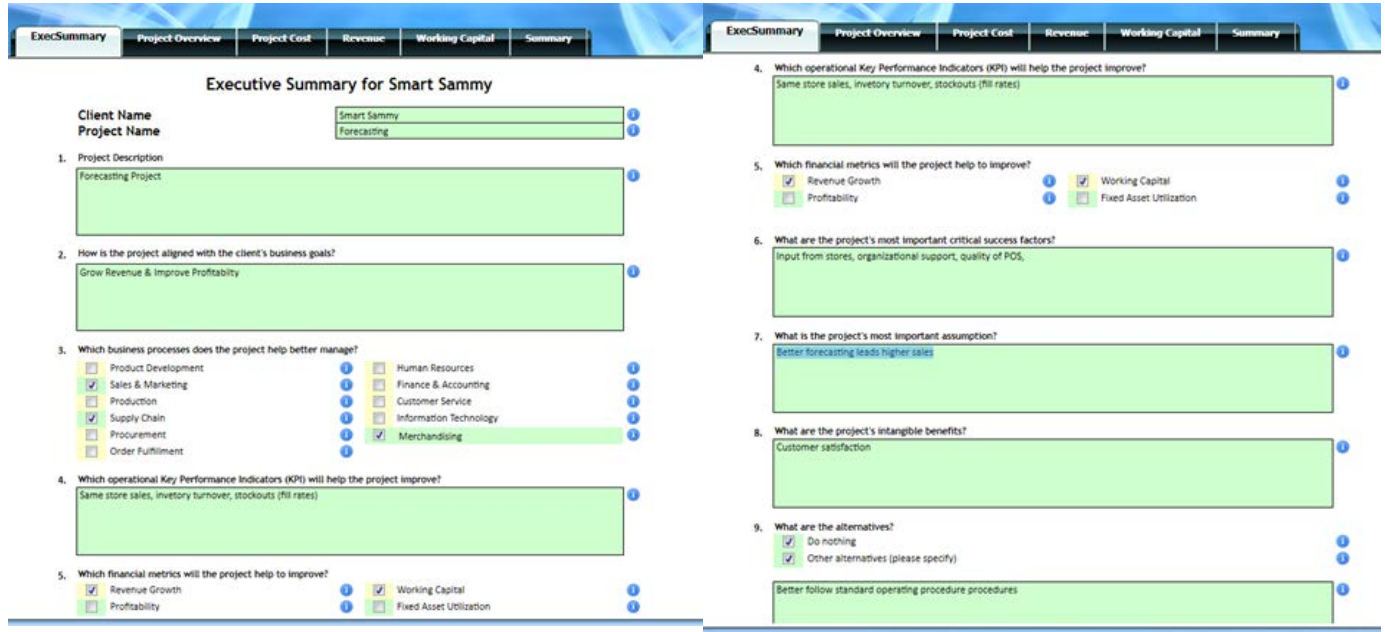
- Model is developed and delivered in Microsoft Excel
- May be customized to fit your specific needs

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Sample: Business Case Builder Qualitative Assessment

The qualitative assessment inputs include items like alignment with client goals, critical success factors, together with the impact on business processes,

operational key performance indicators, and financial metrics



Executive Summary for Smart Sammy

Client Name: Smart Sammy
Project Name: Forecasting

- Project Description: Forecasting Project
- How is the project aligned with the client's business goals? Grow Revenue & Improve Profitability
- Which business processes does the project help better manage?
 - Sales & Marketing
 - Production
 - Supply Chain
 - Procurement
 - Order Fulfillment
 - Human Resources
 - Finance & Accounting
 - Customer Service
 - Information Technology
 - Merchandising
- Which operational Key Performance Indicators (KPI) will help the project improve? Same store sales, inventory turnover, stockouts (fill rates)
- Which financial metrics will the project help to improve?
 - Revenue Growth
 - Profitability
 - Working Capital
 - Fixed Asset Utilization

4. Which operational Key Performance Indicators (KPI) will help the project improve?
Same store sales, inventory turnover, stockouts (fill rates)

5. Which financial metrics will the project help to improve?
 Revenue Growth Profitability Working Capital Fixed Asset Utilization

6. What are the project's most important critical success factors?
Input from stores, organizational support, quality of POS,

7. What is the project's most important assumption?
Better forecasting leads higher sales

8. What are the project's intangible benefits?
Customer satisfaction

9. What are the alternatives?
 Do nothing Other alternatives (please specify)
Better follow standard operating procedure procedures

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Sample: Business Case Builder Quantitative Assessment

Project Costs include inputs such as up-front investments and ongoing expenses, as well as providing guidance on inputs for hidden costs.

Solution Benefits inputs are provided for key financial metrics. Inputs include baseline, scope of project, and range of improvement. Inputs are easily changed to show client benefit of increase in scope, range of benefits and faster time to implementation.

ExecSummary	Project Overview	Project Cost	Revenue	Profitability	Working Capital	Fixed Asset	Summary
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Project Cost Analysis for Supply Chain Project

Specify the software, hardware and operating expenses for this project. Please note year 4 and 5 will be blank if 3 Year analysis period chosen for this analysis.

	Today	Year 1	Year 2	Year 3	-	-
Software and Hardware (in millions)						
Software Investment (excluding implementation)	\$0.500	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Annual Software Maintenance (%)	20.0 %					
Annual Software Maintenance Fee		\$0.100	\$0.100	\$0.100	\$0.000	\$0.000
Hardware / Infrastructure Investment	\$0.250	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Annual Hardware Maintenance (%)	10.0 %					
Annual Hardware Maintenance		\$0.025	\$0.025	\$0.025	\$0.000	\$0.000
Total Solution Software and Hardware	\$0.750	\$0.125	\$0.125	\$0.125	\$0.000	\$0.000
Operating Expenses (in millions)						
Professional Service	\$1.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Training	\$0.100	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Ongoing IT Support	\$0.000	\$0.000	\$0.100	\$0.100	\$0.000	\$0.000
Change Management	\$0.150	\$0.250	\$0.000	\$0.000	\$0.000	\$0.000
Solution Operating Expense 5 (please specify)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Solution Operating Expenses (excluding S/W & H/W)	\$1.250	\$0.250	\$0.100	\$0.100	\$0.000	\$0.000
Total Solution Investments and Operating Expenses	\$2.000	\$0.375	\$0.225	\$0.225	\$0.000	\$0.000

ExecSummary	Project Overview	Project Cost	Revenue	Profitability	Working Capital	Fixed Asset	Summary
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Warehouse Management

Lower Warehouse Costs

	Today	Year 1	Year 2	Year 3	-	-
Baseline cost (in millions)	\$22.500	\$22.500	\$22.500	\$22.500	\$0.000	\$0.000
Baseline cost growth rate	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Scope of solution (%)		6.25 %	25.00 %	25.00 %	0.00 %	0.00 %
Improvement (%)		10.0 %	10.0 %	10.0 %	0.0 %	0.0 %
Pre-Tax Cash Flow Improvement (in millions)	\$0.000	\$0.141	\$0.563	\$0.563	\$0.000	\$0.000

Transportation Management

Lower Transportation Costs

	Today	Year 1	Year 2	Year 3	-	-
Baseline cost (in millions)	\$45.000	\$45.000	\$45.000	\$45.000	\$0.000	\$0.000
Baseline cost growth rate	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Scope of solution (%)		7.50 %	30.00 %	30.00 %	0.00 %	0.00 %
Improvement (%)		5.0 %	5.0 %	5.0 %	0.0 %	0.0 %
Pre-Tax Cash Flow Improvement (in millions)	\$0.000	\$0.169	\$0.675	\$0.675	\$0.000	\$0.000

Allocation

Lower Store Labor

	Today	Year 1	Year 2	Year 3	-	-
Baseline cost (in millions)	\$150.000	\$150.000	\$150.000	\$150.000	\$0.000	\$0.000
Baseline cost growth rate	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Scope of solution (%)		5.00 %	20.00 %	20.00 %	0.00 %	0.00 %
Improvement (%)		2.5 %	2.5 %	2.5 %	0.0 %	0.0 %
Pre-Tax Cash Flow Improvement (in millions)	\$0.000	\$0.188	\$0.750	\$0.750	\$0.000	\$0.000

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Sample: Business Case Builder Summary

The Summary shows the incremental impact to the income statement and balance sheet, and net cash flow benefits

It also illustrates key financial decision criteria like ROI, IRR, NPV, Payback, and breakeven analysis.

ExecSummary	Project Overview	Project Cost	Revenue	Profitability	Working Capital	Fixed Asset	Summary
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Smart Sammy Business Case Benefits Summary

Income Statement Benefits (in millions)						
Revenue	Today	Year 1	Year 2	Year 3	-	-
Annual Revenue Improvement	\$0.000	\$1.875	\$7.500	\$7.500	\$0.000	\$0.000
Pretax Cash Flow Improvement	Today	Year 1	Year 2	Year 3	-	-
Annual Pretax Cash Flow Improvement	\$0.000	\$0.750	\$3.000	\$3.000	\$0.000	\$0.000
Operating Costs	Today	Year 1	Year 2	Year 3	-	-
Operating Costs - Pretax Cash Flow Improvement	\$0.000	\$0.497	\$1.988	\$1.988	\$0.000	\$0.000
Fixed Asset Maintenance	\$0.000	\$0.625	\$2.500	\$2.500	\$0.000	\$0.000
Inventory Carrying Costs	\$0.000	\$0.094	\$0.375	\$0.375	\$0.000	\$0.000
Total Income Statement Pretax Cash Flow Improvement	\$0.000	\$1.966	\$7.863	\$7.863	\$0.000	\$0.000
Taxes	\$0.000	\$0.737	\$2.948	\$2.948	\$0.000	\$0.000
Net Income Benefits	\$0.000	\$1.229	\$4.914	\$4.914	\$0.000	\$0.000

Balance Sheet Benefits (in millions)						
Working Capital	Today	Year 1	Year 2	Year 3	-	-
Accounts Receivable	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Inventory	\$0.000	\$1.563	\$4.688	\$0.000	\$0.000	\$0.000
Accounts Payable	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fixed Assets	\$0.000	\$3.125	\$9.375	\$0.000	\$0.000	\$0.000
Total Balance Sheet Benefits	\$0.000	\$4.688	\$14.063	\$0.000	\$0.000	\$0.000

Net Income Benefits	\$0.000	\$1.229	\$4.914	\$4.914	\$0.000	\$0.000
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Balance Sheet Benefits (in millions)						
Working Capital	Today	Year 1	Year 2	Year 3	-	-
Accounts Receivable	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Inventory	\$0.000	\$1.563	\$4.688	\$0.000	\$0.000	\$0.000
Accounts Payable	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fixed Assets	\$0.000	\$3.125	\$9.375	\$0.000	\$0.000	\$0.000
Total Balance Sheet Benefits	\$0.000	\$4.688	\$14.063	\$0.000	\$0.000	\$0.000

Total Solution Benefits	\$0.000	\$5.916	\$18.977	\$4.914	\$0.000	\$0.000
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Business Case Investments and Expenses (in millions)						
Solution Investments and Expenses (millions)	Today	Year 1	Year 2	Year 3	-	-
Software Investment and Maintenance Fees	\$0.500	\$0.100	\$0.100	\$0.100	\$0.000	\$0.000
Hardware Investment and Maintenance	\$0.250	\$0.025	\$0.025	\$0.025	\$0.000	\$0.000
Operating Expenses (excluding S/W & H/W)	\$1.250	\$0.250	\$0.100	\$0.100	\$0.000	\$0.000
Total Solutions Investments and Expenses	\$2.000	\$0.375	\$0.225	\$0.225	\$0.000	\$0.000
<u>Tax Shield (Hardware, Software and Operating Expenses)</u>	\$0.656	\$0.159	\$0.103	\$0.103	\$0.000	\$0.000
Recovery of H/W Investment	\$0.000	\$0.000	\$0.000	\$0.100	\$0.000	\$0.000
Net Solution Investments and Expenses	\$1.344	\$0.216	\$0.122	\$0.022	\$0.000	\$0.000

Business Case Cash Flow and Return Analysis						
Net Benefits (millions)	Today	Year 1	Year 2	Year 3	-	-
Solution Benefits less Total Solution Net Investments and Expenses	(\$1.344)	\$5.700	\$18.855	\$4.892	\$0.000	\$0.000

Return on Investment (ROI)	1,750.1 %
Net Present Value	\$23.1
Internal Rate of Return	549 %
Payback in Months	12



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