BUILDING YOUR TECHNOLOGY BUSINESS CASE

The Secret to Winning Over Executives and Gaining Traction on Your Initiatives

RFgen & **STELLARONE** CONSULTING

INTRODUCTION

This eBook is designed to help you to *crack the code* to get your valuable projects going and see them successfully through to implementation.

Synthesizing decades of project management experience, the following pages will teach you to think like a member of your leadership team and walk you through a tried-and-true formula to successfully champion a project from beginning to end.

949.544.5280
stellaroneconsulting.com

2

THINKING LIKE YOUR LEADERSHIP TEAM

Your leadership sees the company through a different lens than you do. Their job is to see the company at a high level — like assembling a jigsaw puzzle. They must have the strategic vision to see the whole picture as one piece. They must also be able fit each puzzle piece in exactly the right place, which requires some level of detail. Each department is like a set of corner pieces to the jigsaw puzzle. The departments know what their corner looks like and where their pieces go. However, that department may not have full visibility to what another department's puzzle pieces look like.

Be cognizant that your leadership's job is to fit these pieces together and look at the overall big picture when it comes to your business. When you pitch your project, take their high-level strategic point of view into consideration.

THE 7-QUESTIONS

Thinking like your leadership team means being concise with your details. It also means knowing your facts and figures.

In our decades of presenting supply chain solutions to executive leadership teams, we've found that there are seven common questions that are asked each time:

1. What are the top business problems that you are looking to solve?

2. Why is this important now?

3. How much is the problem costing the company?

4. Have you identified a solution and how much does it cost?

5. What is the financial payback or Return on Investment (ROI)?

6. What vendors have you talked to? We prefer two or more for comparison.

   ▷ Have they worked with companies like us?

   ▷ What is their track record of success?

   ▷ What metrics have they achieved with their customers?

7. What are the other competing projects?

   ▷ How do they rank in the priority?

If you can clearly research and develop answers to these seven questions, you stand a much greater chance at getting your project approved by your leadership team.

3

GET THE RIGHT DETAILS, NOT ALL THE DETAILS

Before we dive deeper into the seven questions, I'd like to address some thoughts that you may be having. You will have a desire to go deeper than you need to. The objective, however, is to create a *summary* abstract about the project. Resist the urge to write a term paper.

You will NOT need to:

▷ Go into a deep dive of the business processes.

▷ Call a bunch of vendors and line up detailed discussions.

▷ Schedule multiple demonstrations. You can get the data that you need without going through the full discovery, watching demos, finding references, etc.

The lesson here is to think like your leadership team. Be concise. You don't need to have all the answers in order to present the idea for consideration. Create the framework for a project but don't identify every single detail inside of that framework. If you are going to speak the Language of Leadership, then it's time to put that misconception to bed right now. So, let's take each one of these steps individually.

4

5
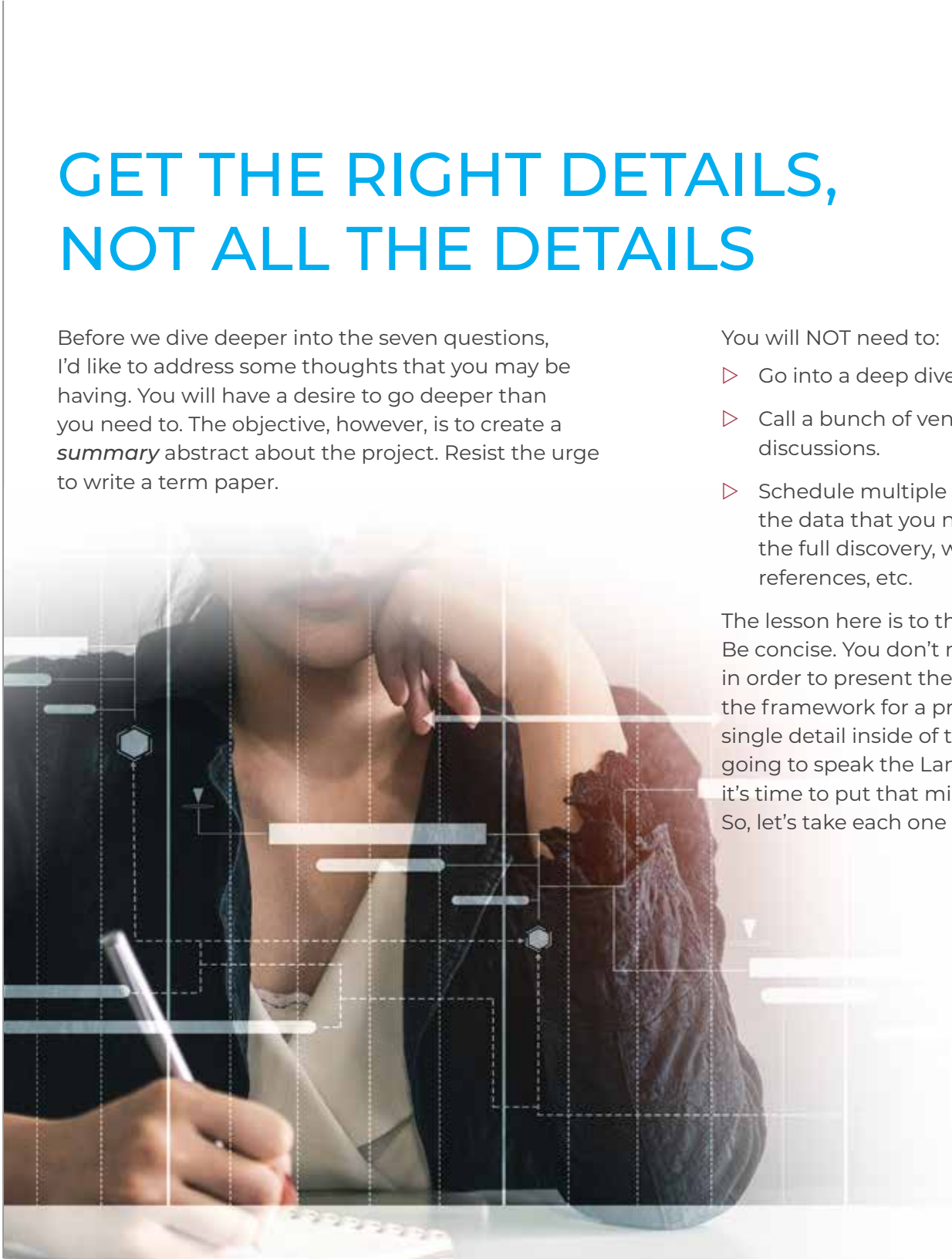
THE 7-QUESTIONS IN DETAIL

In this section, let's dissect each of the questions and discuss how to find the answers you need.

1 What are the top business problems you are looking to solve?

Resist the urge to solve here. Your job is to work with the person(s) that owns the problem — the person whose department is financially impacted. They will have anywhere from two to four problems that they are looking to solve.

Do not allow them to tell you what they want, however. This is critical. They will only tell you what they want rather than clearly articulating what the problem is. Their natural inclination is to describe the ideal situation. They may have even done some research on their own and devised a plan. Dig deep here and be persistent and objective. Resist the urge to solve the problem with them. **Your job is to clearly find and articulate the top problems so that your leadership will clearly understand the pain points.**

Here are some examples we've come across in the supply chain industry:

▷ We have tens of thousands of dollars in inventory write-offs every year.

▷ We don't have enough workers, causing substantial amounts of overtime every month.

▷ The company is growing, and we need to hire 10% more labor in order to keep up with demand.

2 Why is this important now?

There's always a reason why these problems exist now. It could be that the company was recently acquired, and they are looking at a global process improvement initiative. There could be some government regulation that was recently enacted. The company has seen record growth.

Your goal is to get to the root of **why this problem needs to be solved now.** The answer to this question is important. It's the fuel for why your project is more important than others that your leadership team may be considering. The answer to this question elevates your ability to get this project approved.

Here are some examples we've come across:

▷ The FDA now requires that we track all lot-controlled items and be able to report within two-hours in the event of a recall.

▷ The Department of Defense mandates that all government issued parts be tracked and reported on once a quarter.

▷ We just landed a large contract and as a part of that agreement, we must track all our inventory.

▷ We grew 15% this year and simply cannot keep up with the work.

3 How much is the problem costing the company?

This question is the one of most important to your leadership team, but it's one that's harder to answer. You may not know what data to get and from whom to get it from. If you push through and find out, however, your project stands a significantly greater chance of success. In our experience, having the answers to these questions will either make or break your project and become the benchmark for how your project will be measured.

Your job here is to assemble a simple and conservative business case.

Coordinate with a potential vendor or two to help you get started. They will have ROI or business case models that you can leverage. They should also have target metrics from their current customers that you can use as your benchmark.

A note of caution: resist the urge to get overly complicated with this. Take care to use only what makes sense and leave out the rest.

949.544.5280
stellaroneconsulting.com

LET'S LOOK AT A FEW EXAMPLES:

PROBLEM	METRIC
We have tens of thousands of dollars in inventory write-offs every year.	▷ After talking to accounting, we've determined that we are writing off $550,000 worth of inventory every year. ▷ By tracking inventory, we should be able to conservatively reduce this number by 25% thus **saving the company $137,500 per year.**
We don't have enough workers, causing a crazy amount of overtime every month.	▷ Our average worker earns $25 per hour. ▷ We average 500 hours of overtime per month. ▷ That's $18,750 per month and $225,00 per year in labor dollars spent. ▷ We will be more efficient, and we expect to conservatively cut our overtime by 50% **saving the company $112,00 per year.**
The company is growing, and we need to hire 10% more labor in order to keep up with demand.	▷ We need to hire two full time employees. ▷ Our average worker makes $25 per hour. ▷ There are 2088 working hours per year. ▷ That's $52,200 per year times two - $104,400. ▷ If we implement an inventory tracking solution, we will be more productive, efficient and scalable. ▷ We will NOT have to hire these individuals, **saving the company $104,400 per year.**

SUMMARY:

AREA OF IMPROVEMENT	ANNUAL SAVINGS
Reducing inventory write-offs	$137,500
Reducing overtime spend	$112,000
Eliminate the need to hire	$104,400
Total Annual Savings	**$353,900**

$354K
SAVINGS IN THE FIRST YEAR

Can you see how compiling the data creates a more compelling story than just having a gut feeling? Armed with the facts, you will feel more confident approaching your management team — and find more success.

4 Have you identified a solution and how much does it cost?

At this point, you should have high-level conversations with potential vendors that you think can help solve the challenges you've identified. These companies should be able to give you a very high-level estimate of what their solution will cost.

Be careful here — avoid asking for a proposal or a formal quote. Instead, ask them for a rough estimate of what the total solution would cost. Most potential vendors should be able to give you a verbal ballpark or estimate via email.

Why not ask for a formal quote? You do not want to start these deeper discussions until you know that your leadership team is interested. Clearly communicate this fact with the potential vendors. They will appreciate that you are building a business case before you both commit to significant amounts of time and effort together. This will additionally save your research time and task impact to your schedule for putting together the summary.

5 What is the financial payback or Return on Investment (ROI)?

In question three, we calculated what the financial impact would be. What your leadership is looking for in a ROI number is the number of months that this system will pay for itself. Most companies tend to target less than a year and a half as a payback period.

Calculate ROI as follows:
(Est. Savings / 12) / Est. System Cost

For example:
($352,000 / 12) / $300,000

6 What vendors have you talked to?

Your leadership will want to know that you have engaged with at least a couple of potential vendors. It's common practice to be communicating with two or more vendors about the potential project.

You should be prepared to answer the following questions:

Have they worked with companies like us?

If you are in the food and beverage industry, for example, it's important to know if these potential vendors have domain experience in your industry.

What is their track record of success?

What does the industry say about them? What is their reputation? Vendors should have success stories either on their website or through third-party review sites that they can share.

What metrics have they achieved with their customers?

Ask potential vendors if they have customer metrics that they can share with you. Be prepared to share them with your leadership — it's likely that these will line up with your metric goals. You can use these as your targets and tie them directly back to the top problems that you identified early on.

7 What are the other competing projects?

There are always other projects happening concurrently in a growing business. It's important to have a clear understanding of any other projects that are underway or under consideration and what their priority is. These may be driven by your executive leadership or by your colleagues.

However, don't let the current priority list stop you from presenting your case. If you have done your job by following this process, then you will have created a compelling business case for your project. The work that you have done will not go unnoticed. It could very well bump another project off the list because your peer did not have the level of detail and solid business case that you have built.
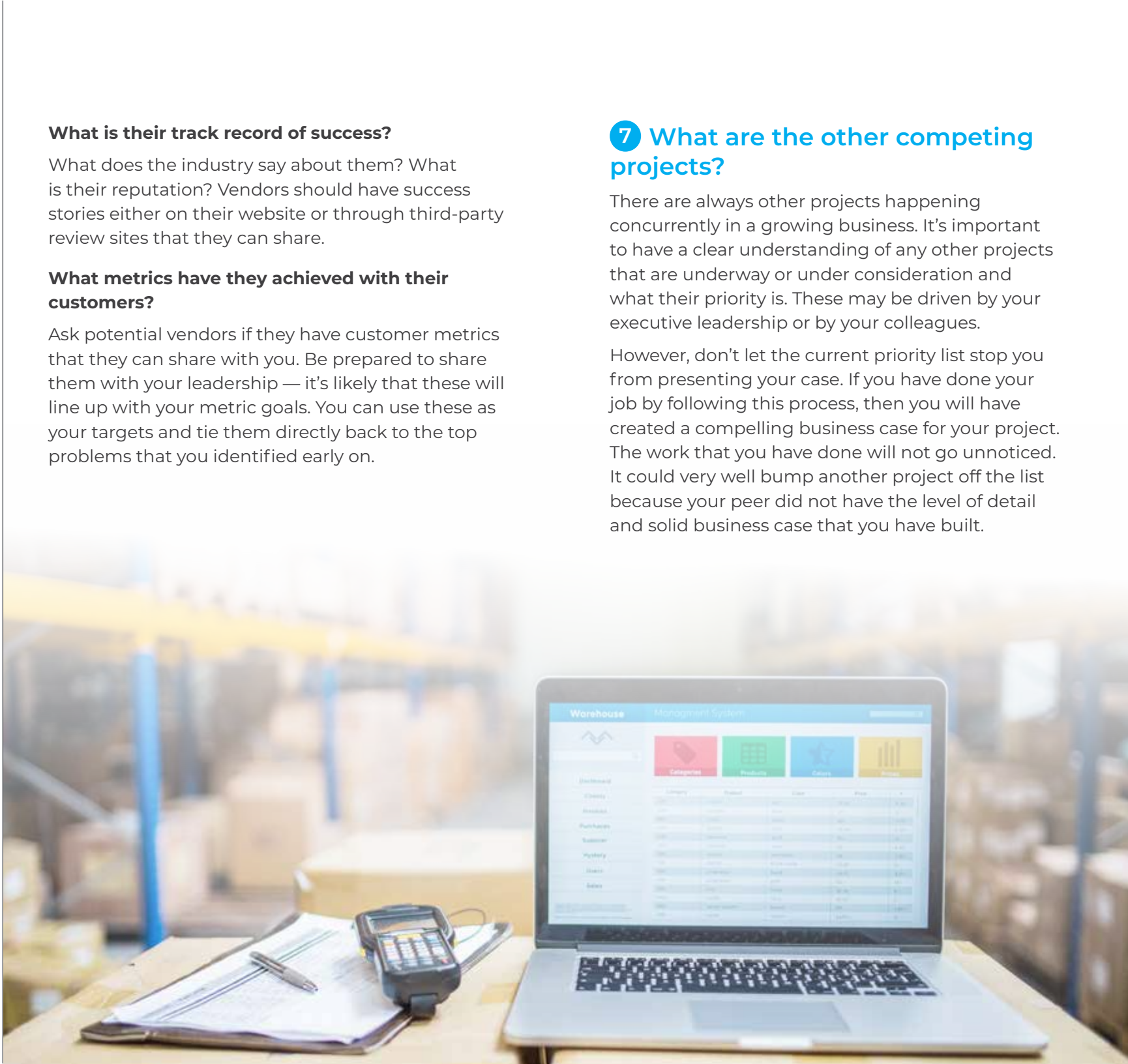
10

CONCLUSION

If you approach your projects using the process that we've outlined, your project will get noticed.

The questions outlined are a winning formula for successfully championing a project and getting it through the approval process with your leadership team. By hitting the pause button and taking the time to articulate these seven questions using the language of leadership, you can increase your chances of getting a green light for your project.

**VISIT THE
ROI CALCULATOR**

RFgen

STELLARONE
CONSULTING

2201 Long Prairie Rd.

Suite 107-336

Flower Mound, TX 75022

949-544-5280

stellaroneconsulting.com