Business case, benefits and value

Five rules for the business case, benefits and value, each with a worked example, then the two model sheets. They serve IPMA, PMI and APM exams alike.

FORMULAS AND KEY RULES

Trace the line to the strategy

output → outcome → benefit → strategic objective

An output is what the project delivers, an outcome what changes when people use it, a benefit the measurable gain. An output that leads to no benefit needs a reason.

`Example: A city aims to put routine services online. An online permit service (output) lets residents renew online (outcome), so about 18,200 of 26,000 yearly permits skip the counter (benefit)`

A benefit with a target

target = baseline volume × target share, by a date, with an owner

A benefit profile holds the measure, baseline, target, date and owner. Most benefits are measured after handover, by the owner in the business.

`Example: About 26,000 resident permits a year; target 70% online within a year of go-live: 26,000 × 0.70 = 18,200 permits a year without a counter visit`

Continue, change or stop

continue while benefits still to come > cost still to come

Money already spent (the sunk cost) is gone whatever you decide, so it never counts. For benefits spread over years, discount them first; the sponsor decides.

`Example: Budget €640k, €400k spent; a new law adds €60k. Still to come: €240k + €60k = €300k of cost, against €890k of savings over 4 years (€140k, then €250k a year; about €780k discounted at 5% a year): continue`

The margin: break-even share

share of benefits needed = cost still to come ÷ benefits still to come

The case holds while at least this share of the expected benefits arrives. The smaller the share, the wider the margin.

`Example: €300k still to spend and €890k of savings still expected: €300k ÷ €890k ≈ 0.34, so continuing pays while at least about a third of the savings arrive`

Scan the world outside

PESTLE: P political · E economic · S social · T technological · L legal · E environmental

A checklist of outside forces, usually traced to Aguilar (1967). APM's PMQ also names SWOT (strengths, weaknesses inside; opportunities, threats outside) and VUCA (volatility, uncertainty, complexity, ambiguity).

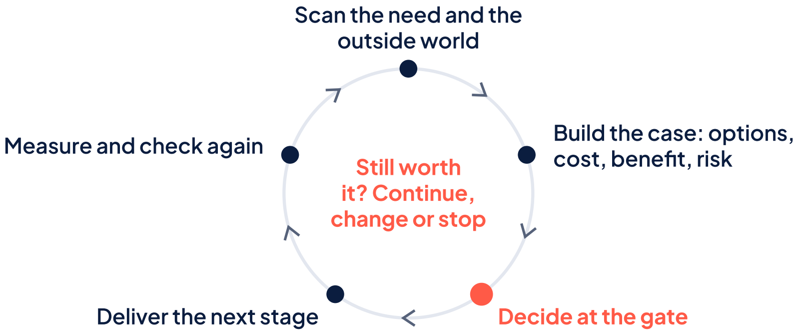
`Example: Legal: a national accessibility law that takes effect in month 10 of a 12-month project adds €60k of work; it goes into the business case as a change`

IN THIS HANDOUT

Sources: IPMA ICB4 (2015); PMI, PMBOK® Guide, 8th ed.; PMI, PMP® Examination Content Outline (2026); APM Body of Knowledge, 8th ed.; APM, PMQ handbook (v6, 2026); Aguilar, Scanning the Business Environment (1967); Buttrick, The Programme and Portfolio Workout (2020); IPMA International Certification Regulations (ICR) v4.4 (2025)

The living business case

Justify a project with options, costs, benefits and risks, and keep the case valid.



Our own cycle, after ICB4 (IPMA's Individual Competence Baseline) 4.3.1.3 and APM (Association for Project Management) BoK 8 (APM's Body of Knowledge) §2.4.3. It runs until the benefits are measured.

WHAT IT IS

A **business case** states the need, compares options, including doing the minimum, on cost, benefit and risk, and recommends one. The **sponsor** owns it; the project manager often writes it. Check it at every gate and after any big change, inside or outside the organisation; then continue, change course or stop. Only what is **still to come** counts: money already spent is gone.

HOW IT WORKS

01 Scan outside forces (PESTLE): political, economic and social; technological, legal, environmental.

02 Compare the options, including doing the minimum.

03 Name the owner, the assumptions and the gates.

04 At each gate, weigh cost still to come against benefits still to come.

MID-LEVEL · WORKED EXAMPLE

Apply it well

The situation: A city wants resident parking permits online, at a cost of about €640,000 over eight months.

The project manager drafts three options with the sponsor: do the minimum (online payment only), full online permits, or wait for a city-wide portal. Full online wins: €640k against savings of €140k in year 1 and €250k a year for 3 more, €890k in all.

In the exam: Name the owner, the options you compared, the gates, and one decision based on what was still to come, not on what was spent.

SENIOR · WORKED EXAMPLE

Design and lead it

The situation: A city is joining 14 online services under one login over 30 months for about €13.5 million, with funds released at gates and a council election in month 20.

At each gate, the project manager tests the case with the board: benefits per service, cost still to come, outside changes. The last release waits for the council election, so she shows what could stop safely there.

In the exam: Show the case as the board's decision tool: who may stop or re-scope, what each gate tests, and how outside changes reach it.

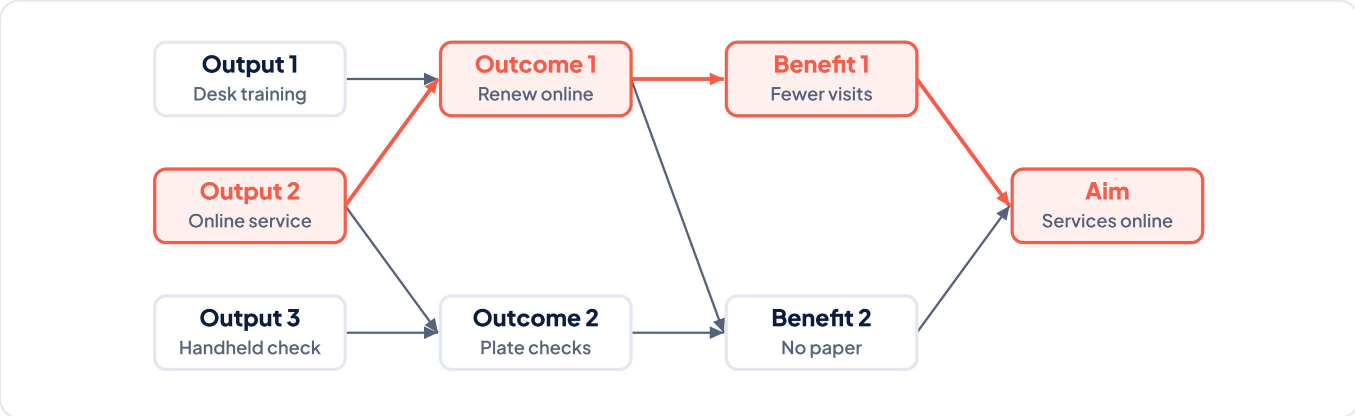
WHERE IT SITS

IPMA · ICB4	PMI · *PMBOK® GUIDE* 8 · PMP® EXAM	APM · BOK 8 · PMQ EXAM
4.3.1.3: the business or organisational justification, kept valid	Guide pp. 115–116: a business document. Exam outline: Process task 3; Business Environment task 8	BoK §2.4 Business cases, a living document. PMQ (APM's Project Management Qualification) objective 4 (tools such as PESTLE)

Sources: IPMA ICB4 (2015); PMI, PMBOK® Guide, 8th ed.; PMI, PMP® Examination Content Outline (2026); APM Body of Knowledge, 8th ed.; APM, PMQ handbook (v6, 2026); Aguilar, Scanning the Business Environment (1967)

Benefits map

Link each output, through its outcomes, to the benefits and the organisation's aim.



Our own map for a city's online parking permits, read back from the aim. Illustrative target: 70% of about 26,000 permits a year online, about 18,200.

WHAT IT IS

An **output** is what a project hands over; an **outcome** is what changes when people use it; a **benefit** is the measurable gain. Build the map back from the aim, which Buttrick (2020) calls ‘back-casting’, so every output needs a reason. Each benefit needs an owner in the business, since most come after handover. Mark **disbenefits**, the harm a change can do.

HOW IT WORKS

01 Write the organisation's aim on the right.

02 Work back: benefits, then outcomes, then outputs.

03 Profile each benefit: owner, measure, target, date.

04 Mark disbenefits; question any output without a link.

05 Track the benefits at each gate and after handover.

MID-LEVEL · WORKED EXAMPLE

Apply it well

The situation: A city team has eight months to move about 26,000 resident parking permits a year online.

The project manager maps back from the city's aim, routine services online. Outputs: online service, handhelds, desk training. Outcomes: residents renew online; wardens check permits by plate. Benefits: fewer visits, no paper. Target: 70% of 26,000 = 18,200 a year online, owned by the sponsor.

In the exam: Draw a small map: one aim, two benefits, their outcomes and outputs. Give each benefit an owner and a measure, and name one disbenefit.

SENIOR · WORKED EXAMPLE

Design and lead it

The situation: A city is joining 14 online services, each run by a different department, under one login over 30 months; 9 old portals will close.

One map covers all 14 services. Each department head owns their service's benefits; the sponsor is accountable overall. The board tests new requests against the map; benefit reviews go on after handover.

In the exam: Show the map as a governance tool: who owns each benefit, how requests are tested against it, and how benefits are tracked after handover.

WHERE IT SITS

IPMA · ICB4	PMI · *PMBOK® GUIDE* 8 · PMP® EXAM	APM · BOK 8 · PMQ EXAM
Benefits realisation management: 4.3.1 and 4.3.1.3; outcomes: 4.4.10	Standard §2.1: outcomes, benefits, value; benefits management plan: Guide p. 115. Exam outline: Process task 3	BoK (APM's Body of Knowledge) §3.1 Benefits management; benefit profile: §3.1.1. PMQ (APM's Project Management Qualification) objective 9

Sources: IPMA ICB4 (2015); PMI, PMBOK® Guide, 8th ed.; PMI, PMP® Examination Content Outline (2026); APM Body of Knowledge, 8th ed.; APM, PMQ handbook (v6, 2026); Buttrick, The Programme and Portfolio Workout (2020)

Key: IPMA = International Project Management Association; ICB4 = IPMA's Individual Competence Baseline (4.3.1 etc.: its competence elements); PMI = Project Management Institute; PMBOK® Guide = PMI's body-of-knowledge guide; PMP® = PMI's Project Management Professional; APM = Association for Project Management. Unofficial study material for IPMA®, PMI® and APM exams. Not affiliated with, endorsed by or approved by IPMA, PMI or APM, and not an accredited or endorsed training provider. IPMA® and IPMA ICB® are registered trademarks of IPMA in Switzerland and other countries. PMI, PMP, CAPM and PMBOK are registered marks of Project Management Institute, Inc. APM is a trade mark of the Association for Project Management. Other marks belong to their owners. PMP® exam facts are from PMI's public PMP® Examination Content Outline (2026); check the current version on pmi.org. APM's qualifications are its own; this series is not an APM Accredited Provider or APM Endorsed. Examples use a fictional city and its projects. Levels (this series' labels): Mid-level = moderately complex projects (IPMA Level C, PMI's PMP®); Senior = complex projects and people (IPMA Level B, APM's Chartered Project Professional).