

# ***Consileon Business Case Calculator (CBCC) User Guide***

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Document Revisions

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30.06.2017	0.1	Initial Draft
02.07.2019	0.2	Update Chapter "Using the System" and general changes
10.07.2019	0.3	First review – comments incorporated
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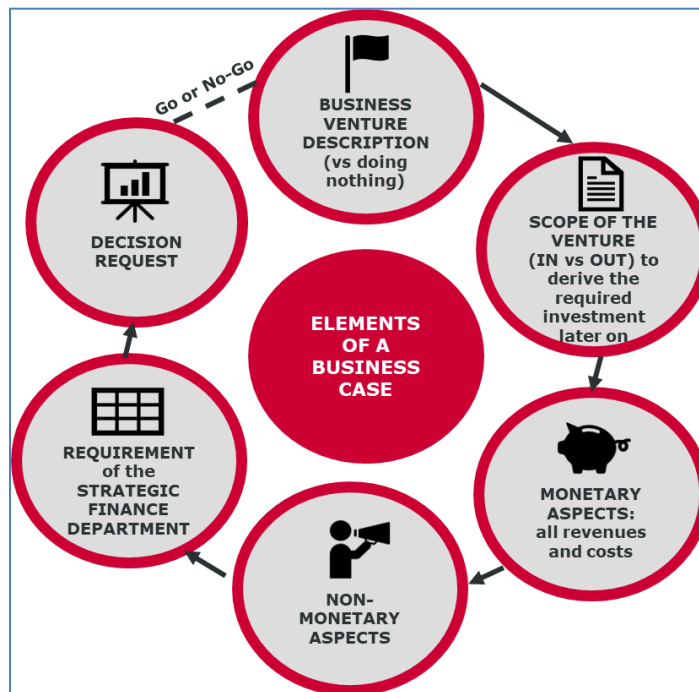
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# 1 INTRODUCTION

## 1.1 Overview on Business Case

A business case is a justification or reasoning for a proposed project or undertaking a project based on its expected commercial benefit. It is intended to convince a decision maker and get his/her approval to initiate the project.



Therefore, qualitative/non-Monetary aspects (like strategic fit or reputation) as well as quantitative/monetary aspects (like NPV or payback period) have to be considered when evaluating a business venture. .

A Business Case must quantify an investment opportunity.

## 1.2 Overview on Business Case tool

A business case tool like the Consileon Business Case Calculator is used to capture or determine the effects a particular decision will have on profitability. A business case should show how the decision will alter cash flows over a period of time, and how costs and revenue will change. Specific attention is paid to cash flow, net present value (NPV) and payback period (PYP).

### 1.3 Key Components of a Business Case

Key components of the quantification to support decision making are:

- **Net Present Value Calculation (NPV):**

*The “Net present value” (NPV) is the difference between the present value of cash inflows and the present value of cash outflows over a period of time. It is used in capital budgeting and investment planning to analyze the profitability of a projected investment or project.*

*Appropriately risked projects with a positive NPV could be accepted. This does not necessarily mean that they should be undertaken since NPV at the cost of capital may not account for opportunity cost, i.e. comparison with other available investments*

- **Payback Period (PYP):**

*Payback period in capital budgeting refers to the period of time required for the return on an investment to "repay" the sum of the original investment. For projects in the Financial Services area, you should not suggest a payback period of longer than 5 years (common practice)*

### 1.4 Consileon's Business Case Calculator (CBCC)

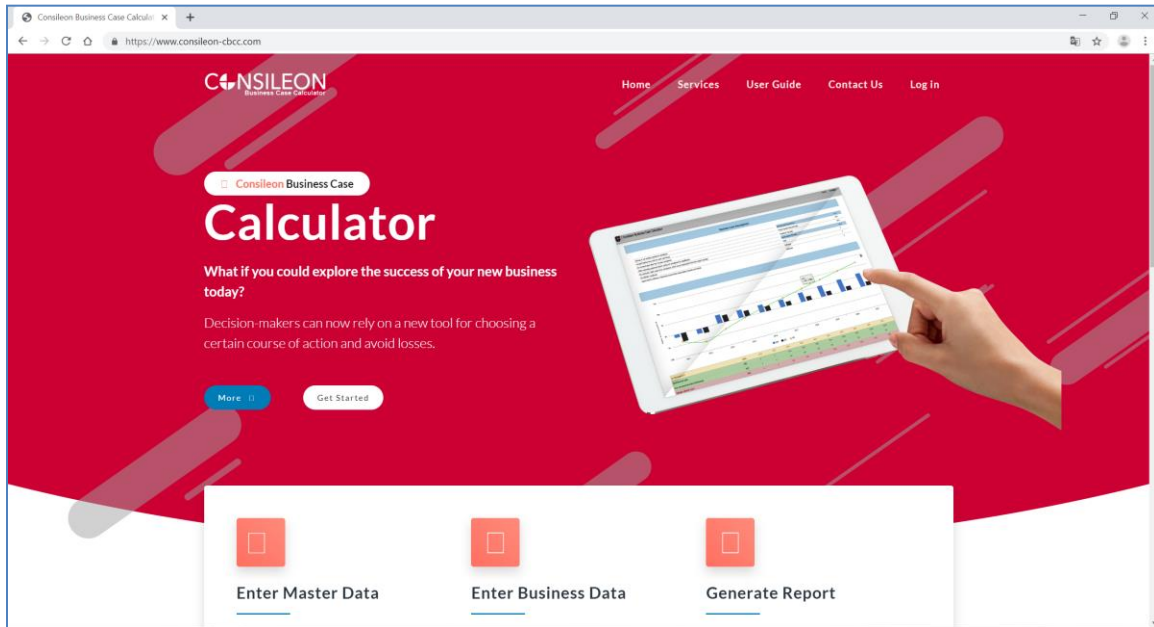
*Consileon's Business Case Calculator (CBCC) is an easy-to-use online tool with which users can develop an organization-specific case and helps to determine the potential value of a new initiative or project by doing the cost-benefit analysis. The calculated net present value (NPV) and payback period (PYP) shows the projected financial benefit to the company and when the payoff is expected through a chart.*

*The tool equips the users to take well-informed strategic business decisions and is aimed at managers who play active role in the decision-making process.*

*The CBCC is accessible via any browser under <https://www.consileon-cbcc.com/> and offers the following advantages and features:*

- *Web-based solution*
- *Easy to use GUI*
- *Accessible anytime*
- *Stable tool*
- *Standard reporting of KPIs*

- *Registration by users*
- *Archiving of Business Cases and versions onto one single platform*



## 1.5 Point of Contact

*In case, if there are any technical or functional queries, the user can use the following email address for requests: [info@consileon-cbcc.com](mailto:info@consileon-cbcc.com)*

## 2 SYSTEM SUMMARY

*A business case projects the value of the new project by doing a detailed cost-benefit analysis which includes calculating the net-present value of the project and the payback period needed to provide a return on the initial investment.*

*A business case should contain some or all of the following information:*


- *High level business context (overall strategy) and a business plan (business idea, target markets, customers, competitors, own competitive position, market environment, product information and attractiveness, marketing and sales strategy, ...)*
- *Project options evaluated (where “doing nothing” is an option, too)*
- *Factors to be considered:*
  - *A project description*
  - *Assumptions, constraints & dependencies*
  - *Project value proposition – Business benefits, whether it fits into the overall organizational road map, financials, project risks*
  - *Overview on stakeholders*
  - *Project organization and governance*
  - *Feasibility outlined (proof that complexity can be managed)*
  - *High level project and resources planning*
  - *Key deliverables and milestones*
  - *Controls / tracking mechanisms for the Business Case*

*The business case is normally established within a client organization with a standard valuation tool to quantify investment opportunities in terms of money. Such tool normally follows the widely accepted Net Present Value (NPV) criteria.*

### 2.1 Validation of User Input

*The CBCC tool validates the user input on each row level and displays the warning/informative messages appropriately as and when the user enters the incorrect value in the text box provided.*

*By default, the users are expected to enter positive values in the green colored rows (for e.g., Incremental Sales) and negative values (have to be prefixed by minus symbol) in the red colored rows (for e.g., Project costs internal). However, under abnormal scenarios the user can still enter negative values in the green colored input rows (for example Volume related costs) and positive values in the red colored input rows (for e.g. Non-Incremental sales).*

Additionally, each row has a short explanation of the respective business term and the formulas applied in the tool if applicable. The user has to click the help symbol (  ) to view the short explanation.

## 2.2 User Access Levels

For normal and self-activated users, the CBCC tool supports a flat user structure, meaning that there is only one user level through which the user can:

- Create a new business case
- View an existing business case
- Modify an existing business case
- Export an existing business case in PDF format

Beside this normal user, a global admin user is supported.




## 3 GETTING STARTED

### 3.1 Sign Up/Logging On

The user can create a login id using the "Sign Up" option available in the main screen on the left bottom (after clicking on "Log in" on the main homepage).

The screenshot shows a login interface for the Consileon Business Case Calculator. At the top center is a red square icon with a white outline of two people. Below the icon is the 'CONSILEON' logo. Underneath the logo, the text 'Consileon Business Case Calculator' is displayed in red. Below this, the instruction 'Please sign in' is shown. There are two input fields: 'User Name' and 'Password'. A blue 'Login' button is located below the password field. At the bottom left, there is a 'Sign Up' link, and at the bottom right, there is a 'Forgot Password?' link.

In the following screen, the user can enter the details to create a login for the tool. All the input fields are mandatory except phone number.

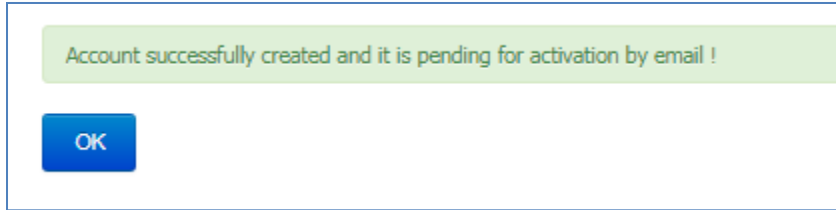


## Consileon Business Case Calculator

First Name :	<input type="text"/>
Last Name :	<input type="text"/>
Organization :	<input type="text"/>
User Name :	<input type="text"/>
Password :	<input type="password"/>
Confirm Password :	<input type="password"/>
Email :	<input type="text"/>
Phone # :	<input type="text"/>

By creating an account, you agree to CBCC [Legal Disclaimer and Terms of Use](#)

*After the user enters the required data and click on the "Create User" button, the user would receive an activation mail as below:*

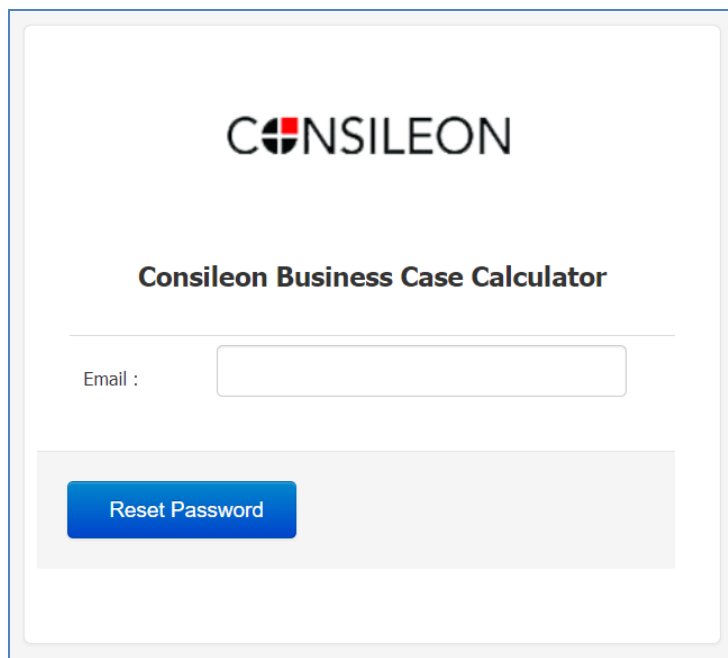


**Activating User:**

*In order to activate the user, the user shall click on the "activation link" present in the mail with the subject "Verify Your Email Address".*

**3.2 Forgot Password option**

*In case, if the user forgot the password for the tool, the "Forgot password" option can be used to setup a new password.*



*The user must enter the same email-id which was entered while creating the login id. After entering the valid email-id, the user shall click on the "Reset Password" button.*

The link to reset your password has been sent to your mail. Kindly check your mail to reset the password.

OK

*Now, the user would receive an email with the subject "Reset Password" which has the name of the user and the link to reset the password. The user shall click the link in the email and enter the new password:*

Dear User,

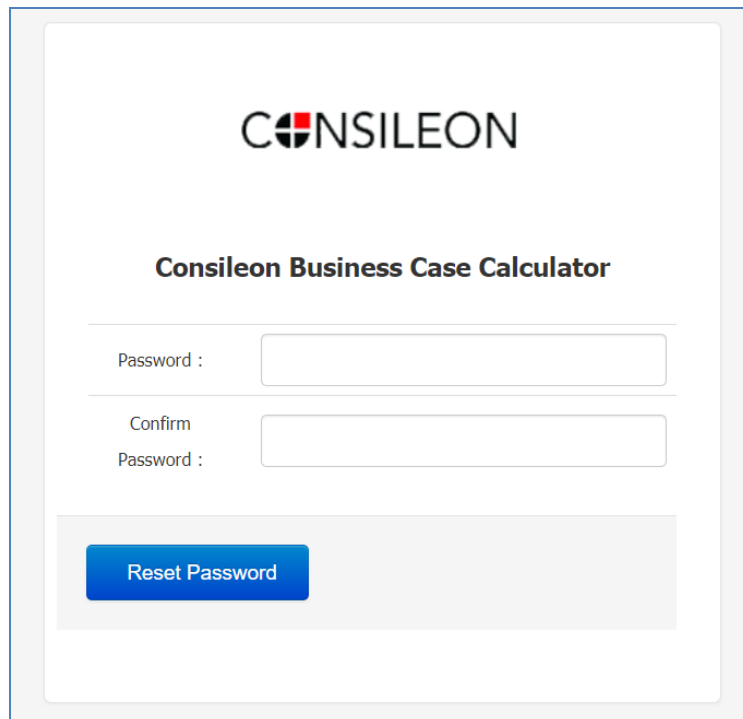
Your user name is : ██████████

Please click on the below reset link to reset your password.

<http://consileon-cbcc.com/login/home/resetpassword/██████████59a9dc3dc9498f6abf4c4ac>

Thanks  
Consileon Team

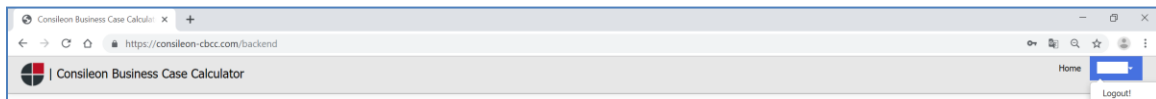
*The user can set a new password:*



The screenshot shows a web form for resetting a password. At the top, the Consileon logo is displayed. Below it, the title "Consileon Business Case Calculator" is centered. The form contains two input fields: "Password :" and "Confirm Password :". A blue "Reset Password" button is located at the bottom of the form.

### 3.3 Exit System

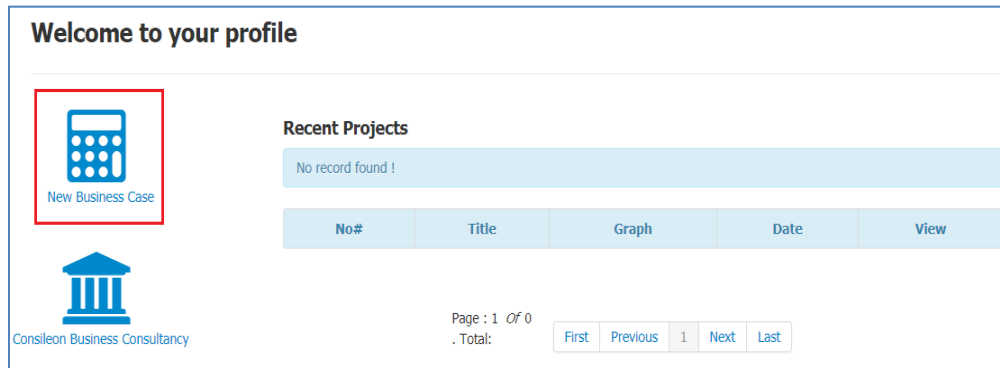
*The user shall logout via the button at the top right and close the respective browser or the browser window to close the tool.*



## 4 USING THE SYSTEM (ONLINE)

### 4.1 Creating a Business Case

After the successful login, the user can create a new business case or select one of the previous business cases. Click on the link "New Business Case" to create a new case. Below screenshot shows the highlighted link in red color.



### 4.2 Assumptions & Default Values

After the user clicks the "New Business Case", the below screen would be displayed to the user.



Here you have to enter the master data for your Business Case calculation. The first section marked in red shows the assumptions taken for the case. Standard default values are considered for each case. However, the user can modify the default values of both the key financial parameters and depreciation periods according to their own market conditions.

**Business Case Title**

The user must enter a unique business case title which is mandatory. The user can use alphabets, numbers or special characters or a combination of all for the title. This business case title would be saved by the tool in case if the user wants to view/edit the business case later in the future.

A screenshot of a web form titled "Business Case Title". It features a light blue header with the title text. Below the header is a white input field with a light blue border, containing the placeholder text "Business Case Title".

**4.3 Entering user inputs**

After choosing a title, you can select between two currencies, EURO and US-Dollar.

Right next to it, you must select the starting year of your business case calculation, the following years will be added automatically:

A horizontal interface for selecting currency and starting year. On the left, there is a dropdown menu labeled "In thousand's" with "€" selected. To its right is the label "Abbr." followed by a dropdown menu showing "2019". Further right are the years "2020", "2021", and "2022" displayed as clickable options.

The following columns must be filled with the data for your business case. For an easier orientation, green fields should contain positive values, red ones negative values; for this, please use the minus symbol (“-“), otherwise you will receive the following error message:

An error message dialog box with a white background and a blue border. The text inside reads: "Are you sure you want to enter a positive value here? In red fields you should normally enter negative values with a minus in front of the value". At the bottom center, there is a blue button with the text "OK".

Business Case Title

Test Business Case

In thousand's €	Abbr.	2019	2020
Incremental sales	NIS		
Non-incremental sales (Defensive)	REV		
Volume related costs	VRC		
Project costs internal (Business) - Internal staff	PIB		
Project costs external (Business) - External staff	PEB		
Incremental internal operating costs (Business): Internal staff	OIB		
Incremental external operating costs (Business): External staff	OEB		
Project costs internal (IT) - Internal staff	PII		
Project costs external (IT) - External staff	PEI		
Own work capitalized (based on total IT personnel costs)	OWC		
Incremental internal operating costs (IT): Internal staff	OII		
Incremental external operating costs (IT): External staff	OEI		

As mentioned above, clicking on the question mark symbol will open a context help menu.

Business Case Title

Business Case Title

In thousand's €

Incremental sales generated by the business activities (new clients, additional product sales and related revenues.)

In thousand's €	Abbr.	2019	2020
Incremental sales	NIS		

The screenshot below shows a fully completed business case:

Business Case Title

Business Case Project XXX

In thousand's €

Abbr.	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	
Incremental sales	NIS	0	0	7500	7500	7500	7500	8500	9500	10500	11500
Non-incremental sales (Defensive)	REV	0	0	500	500	500	500	500	500	500	500
Volume related costs	VRC	0	0	-500	-750	-875	-1000	-1125	-1250	-1375	-1500
Project costs internal (Business) - Internal staff	PIB	-1500	-500	0	0	0	0	0	0	0	0
Project costs external (Business) - External staff	PEB	-500	-500	0	0	0	0	0	0	0	0
Incremental internal operating costs (Business): Internal staff	OIB	0	-1000	-1000	-1000	-1000	-1000	-1000	-1000	-1000	-1000
Incremental external operating costs (Business): External staff	OEB	0	-200	-200	-200	-200	-200	-200	-200	-200	-200
Project costs internal (IT) - Internal staff	PII	-1000	-500	0	0	0	0	0	0	0	0
Project costs external (IT) - External staff	PEI	-500	-300	0	0	0	0	0	0	0	0
Own work capitalized (based on total IT personnel costs)	OWC	1500	800	0	0	0	0	0	0	0	0
Incremental internal operating costs (IT): Internal staff	OII	0	-100	-100	-100	-100	-100	-100	-100	-100	-100
Incremental external operating costs (IT): External staff	OEI	0	-100	-100	-100	-100	-100	-100	-100	-100	-100
Capex Hardware	CXH	-1000	-500	0	0	0	0	0	0	0	0
Capex IT Software	CXS	-200	-200	-200	-200	-200	-200	-200	-200	-200	-200

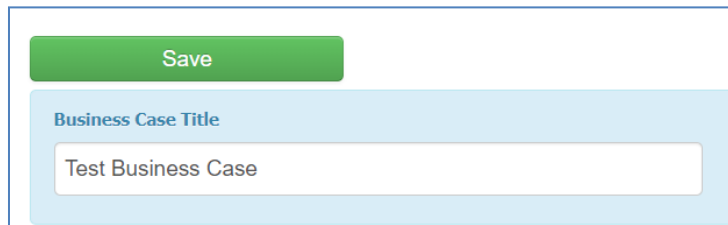


#### 4.4 Modifying values

When you want to modify an existing business case, you can click on the “Edit” button at the bottom of the page:




So you will be re-directed to the editing page when you can change the values. Don't forget to save the changes by clicking on the save button at the top:




#### 4.5 Retrieving the existing Business Case

A user can only access the business cases that have been created by her/himself and can be found in their dashboards after logging in:


**Welcome to your dashboard**



New Business Case











User Management



Consileon Business Consultancy

**Recent Business Cases**

No#	Title	Graph	Date	View
1	1a-4		2019-05-14 06:04:34	
2	1a-3		2019-05-14 05:56:15	
3	1a-2		2019-05-14 05:48:50	
4	1a-1		2019-05-14 04:58:45	

Page : 1 *Of* 2 .  
Total: 5

[First](#)
[Previous](#)
[1](#)
[2](#)
[Next](#)
[Last](#)

## 4.6 Downloading the report

In the view section of a single business case created by users, it is possible to download a report at the bottom of the page by clicking on the button “PDF report”



This is an example of such a report as \*.pdf file:



Consileon\_Business\_  
Case\_Methodology.pdf

## 5 TERMINOLOGIES

<b>Term</b>	<b>Definition / Explanation</b>
<i>Incremental Sales</i>	<i>Incremental sales generated by business activity (new clients, additional product sales and related revenues, ...).</i>
<i>Non-Incremental Sales (Defensive)</i>	<i>Loss of revenues that has been avoided because the project investment has been undertaken. Avoid arguing with Non-Incremental Sales if possible (difficult to track and to proof).</i>
<i>Volume Related Costs</i>	<i>Cost that occur because of incremental and non-incremental sales have been generated (e.g. external costs like depositary fees). Normally a ratio related to both Sales components.</i>
<i>Own Work Capitalized</i>	<i>Some costs can be capitalized and have therefore a positive effect on income statement (e.g. in Germany IT development costs in form of personnel costs can be capitalized). OWC is depreciated.</i>
<i>Project Costs Business</i>	<i>Mainly consider internal and external staff costs. Apply standard hourly or daily rates for personnel to come up with EUR values.</i>
<i>Incremental Operating Costs Business</i>	<i>Mainly consider internal and external staff costs for additional operations (manual procedures etc.). Normally consider yearly gross salary of additional personnel.</i>
<i>Project Costs IT</i>	<i>Mainly consider internal and external staff costs. Apply standard hourly or daily rates for personnel to come up with EUR values.</i>
<i>Incremental Operating Costs IT</i>	<i>Mainly consider internal and external staff costs for additional operations (production support, additional maintenance costs, etc.). Normally consider yearly gross salary of additional personnel.</i>

<i>Depreciation</i>	<i>Depreciation of hardware, software and OWC. Please refer to worksheet “depreciation (don’t edit)”. Those should be negative amounts.</i>
<i>Earnings Before Tax</i>	<i>Sum of revenues and OWC, minus VRC, minus project and operating expenses and minus sum of all depreciations.</i>
<i>Income Tax</i>	<i>Corporate Tax Rate for a specific country or weighted tax rate across countries is used to calculate income tax. For the tax rate see sheet “assumptions and parameters”.</i>
<i>Net Operating Profit after tax</i>	<i>Earnings before Tax minus Income Tax</i>
<i>CAPEX Hardware</i>	<i>CAPEX comprises all investments in software, hardware and other assets that are purchased externally and which can be depreciated. Here: Hardware investments.</i>
<i>CAPEX Software</i>	<i>CAPEX comprises all investments in software, hardware and other assets that are purchased externally and which can be depreciated. Here: Software investments like license costs.</i>
<i>Free Cash Flow (FCF)</i>	<i>Represents cash flow per year from the project and is used for DCF calculation. To determine the Free Cash Flow, depreciations and OWC must be used with opposite values (to determine cash impact of those components). CAPEX has to be considered in the cash flow determination, too.</i>
<i>Cash In</i>	<i>Expresses total cash revenues generated by the project (incremental and non-incremental) whereby non-cash revenue items such as OWC are not reflected. Tax effects and changes in net working capital are excluded.</i>
<i>Cash Out</i>	<i>Shows total expenditures of the project including total volume related costs, total operating costs, and CAPEX (IT and Business). Tax effects and changes in net working capital are excluded.</i>

***APPENDICES***