

## PROJECT COST/BENEFIT ANALYSIS

<b>Project Name:</b>	
<b>Prepared by:</b>	
<b>Date (MM/DD/YYYY):</b>	

- To create links to referenced documents (e.g., [Link\\_To\\_...](#)) use **Insert** → **Hyperlink** on your toolbar.
- Check the **Tools/Options/Screen Tips** checkbox to activate **Online Help**. **Mouseover**  to see text.

### 1. Project Overview and Background

Provide a brief overview, background and definition for the project. Explain the issue or opportunity that is driving this project.

[Link\\_To\\_Project Charter](#)

### 2. Discussion of Alternatives

For each of the topics listed below, discuss the project ground rules and assumptions:

#### Do Nothing

**Current Process** (Describe the existing, as-is model):

**Impact of doing nothing:**

#### Alternative #1 - Goals and Concepts:

**Goals** (What is unique about what this alternative approach will attempt to accomplish?):

**Functional Concept** (What will the product or service do?):

**Technical Concept** (How will the product or service work?):

## 2. Discussion of Alternatives

**For each of the topics listed below, discuss the project ground rules and assumptions:**

**Project/Program Management Concept** (How will the project/program be managed?):

**Acquisition Strategy:**

**High-Level Schedule** 📅 (insert rows as needed): Provide high level milestones for this project alternative

Date: (MM/DD/YYYY)

Milestone (or [Link\\_To\\_Project\\_Milestone\\_Schedule](#)):

### Alternative #2 - Goals and Concepts:

**Goals** (What is unique about what this alternative approach will attempt to accomplish?):

**Functional Concept** (What will the product or service do?):

**Technical Concept** (How will the product or service work?):

**Project/Program Management Concept** (How will the project/program be managed?):

**Acquisition Strategy:**

**High-Level Schedule** 📅 (insert rows as needed): Provide high level milestones for this project alternative

Date: (MM/DD/YYYY)

Milestone (or [Link\\_To\\_Project\\_Milestone\\_Schedule](#)):

### Alternative #3 - Goals and Concepts:

**Goals** (What is unique about what this alternative approach will attempt to accomplish?):

**Functional Concept** (What will the product or service do?):

## 2. Discussion of Alternatives

**For each of the topics listed below, discuss the project ground rules and assumptions:**

**Technical Concept** (How will the product or service work?):

**Project/Program Management Concept** (How will the project/program be managed?):

**Acquisition Strategy:**

**High-Level Schedule** 📅 (insert rows as needed): Provide high level milestones for this project alternative

**Date:** (MM/DD/YYYY)

**Milestone** (or [Link To Project Milestone Schedule](#)):

## 3. Life-Cycle Costs and Benefits

**For each alternative, including “do nothing”, discuss the costs and benefits of the product or service according to its life-cycle:**

**Life-Cycle Cost Summary** 📖 : Over the expected lifetime of the product or service in question, add the maintenance, enhancement, training/staffing and one-time costs (in dollars, euros, etc.) to initial project costs to get a Life-Cycle Cost Summary.

### Do Nothing

Lifetime Maintenance and Operation Costs

Lifetime Enhancement Costs

Training and Staffing Costs

Anticipated One-Time Costs (e.g. upgrades or expansions)

**Total Lifetime Cost**

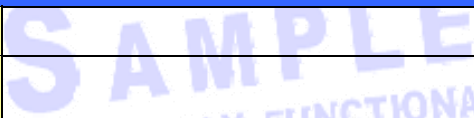


**Disadvantages** (Why might this be a bad idea?)

**Tangible Benefits** (express in dollars, euros, etc.)

3. Life-Cycle Costs and Benefits	
For each alternative, including “do nothing”, discuss the costs and benefits of the product or service according to its life-cycle:	
<b>Intangible Benefits</b> (List)	
<b>Alternative #1</b>	
Highest Likely Project Cost	
Lifetime Maintenance and Operation Costs	
Lifetime Enhancement Costs	
Training and Staffing Costs	
Anticipated One-Time Costs (e.g. upgrades or expansions)	
<b>Total Lifetime Cost</b>	
<b>Disadvantages</b> (Why might this be a bad idea?)	
<b>Tangible Benefits</b> (express in dollars, euros, etc.)	
<b>Intangible Benefits</b> (List)	
<b>Return on Investment (ROI)</b> (Financial Gain/Cost) <b>OR Total Cost Savings</b>	
<b>Alternative #2</b>	
Highest Likely Project Cost	
Lifetime Maintenance and Operation Costs	
Lifetime Enhancement Costs	
Training and Staffing Costs	
Anticipated One-Time Costs (e.g. upgrades or expansions)	
<b>Total Lifetime Cost</b>	
<b>Disadvantages</b> (Why might this be a bad idea?)	

### 3. Life-Cycle Costs and Benefits

For each alternative, including “do nothing”, discuss the costs and benefits of the product or service according to its life-cycle:

<b>Tangible Benefits</b> (express in dollars, euros, etc.)	
<b>Intangible Benefits</b> (List)	
<b>Return on Investment (ROI)</b> (Financial Gain/Cost) <b>OR Total Cost Savings</b>	
<b>Alternative #3</b>	
Highest Likely Project Cost	
Lifetime Maintenance and Operation Costs	
Lifetime Enhancement Costs	
Training and Staffing Costs	
Anticipated One-Time Costs (e.g. upgrades or expansions)	
<b>Total Lifetime Cost</b>	
<b>Disadvantages</b> (Why might this be a bad idea?)	
<b>Tangible Benefits</b> (express in dollars, euros, etc.)	
<b>Intangible Benefits</b> (List)	
<b>Return on Investment (ROI)</b> (Financial Gain/Cost) <b>OR Total Cost Savings</b>	

### 4. Risk Analysis

List **significant** risks to each Alternative that could have a negative impact on ROI or Cost Savings. Add more rows as needed. 📖 Consider using the Risk Evaluation Tools available on the <http://www.cvr-it.com/> web site

**Alternative #1**

4. Risk Analysis		
Risk Description	Impact on ROI	Plan to control risk
Alternative #2		
Risk Description	Impact on ROI	Plan to control risk
Alternative #3		
Risk Description	Impact on ROI	Plan to control risk

5. Cost/Benefit Analysis		
<b>Given anticipated costs, benefits and the known risks, which of the alternatives presented above provides the best choice?</b>		
Alternative	Rank	Reason
Do Nothing		
1		
2		
3		

6. Project Cost/Benefit Analysis / Signatures			
<b>Project Name:</b>			
<b>Project Manager:</b>			
<i>I have reviewed the information contained in this Project Cost/Benefit Analysis and agree:</i>			
Name	Title	Signature	Date (MM/DD/YYYY)

Put your  
logo here

Put Your  
Organization  
Name Here

## 6. Project Cost/Benefit Analysis / Signatures

The signatures above indicate an understanding of the purpose and content of this document by those signing it. By signing this document, they agree to this as the formal Project Cost/Benefit Analysis document.