

Cost-Benefit Analysis Document

1. Project Overview

Project Title: Sample Implementation Project

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Description: This document presents a cost-benefit analysis for the proposed project to assist with informed decision-making regarding resource allocation and project viability.

2. Executive Summary

This analysis summarizes projected costs and anticipated benefits over a three-year period for the proposed project. The aim is to determine whether the benefits justify the investment and resources required.

3. Cost Analysis

| Cost Item | Description | Year 1 | Year 2 | Year 3 | Total |
|------------|-----------------------------|----------|----------|----------|-----------|
| Personnel | Staff salaries and benefits | \$40,000 | \$40,000 | \$40,000 | \$120,000 |
| Equipment | Purchase of new computers | \$10,000 | \$2,000 | \$2,000 | \$14,000 |
| Training | Up-skill project team | \$5,000 | \$1,000 | \$1,000 | \$7,000 |
| Other | Miscellaneous expenses | \$3,000 | \$2,000 | \$1,000 | \$6,000 |
| Total Cost | | | | | \$147,000 |

4. Benefit Analysis

| Benefit Item | Description | Year 1 | Year 2 | Year 3 | Total |
|---------------------------|--------------------------------|----------|----------|----------|----------------|
| Increased Revenue | Growth from new product | \$20,000 | \$60,000 | \$90,000 | \$170,000 |
| Cost Savings | Reduced operational expenses | \$5,000 | \$10,000 | \$15,000 | \$30,000 |
| Intangible Benefits | Improved customer satisfaction | - | - | - | Not Quantified |
| Total Quantified Benefits | | | | | \$200,000 |

5. Net Present Value (NPV) & Conclusion

- Total Cost:** \$147,000
- Total Quantified Benefits:** \$200,000
- Net Benefit:** \$53,000
- The analysis suggests the project's quantified benefits outweigh costs, supporting a positive investment decision.

Important Notes

- All cost and benefit estimates should be as accurate as possible, with clear assumptions stated.
- Include both tangible (quantifiable) and intangible (non-quantifiable) benefits and costs.
- Document should be regularly updated as new data emerges or project scope changes.
- Assumptions, methodologies, and sources must be transparently documented for credibility.
- Risks, sensitivities, and alternative scenarios should be considered where relevant.