**Business Case Assessment**

Before you decide to approach your bank for loan funds, there are a number of factors that you should consider to ensure loan funds are the best way to finance your business.

Firstly, you need to assess whether there is a strong business need to proceed with what you want to do (for instance, as in case study three, the purchase of an additional widget making machine). Preparing a business case should help you make such a decision. Should you decide to proceed with the project and seek to borrow funds to finance the project, such a business case assessment can be useful information in a loan application.

Here is a template for a business case assessment you can use.

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| **Project** |  | |
| **How does this link to current business priorities** |  | |
| **What is the opportunity / problem** |  | |
| **What impact will the project have on the business** |  | |
| **What will be the impact on your customers** |  | |
| **Funding Required** |  | |
| **Key Objectives** |  | |
| **Measures of Success** |  | |
| **Return on investment** |  | |
| **Project options** | **Do nothing** |  |
| **Option 1** |  |
| **Option 2** |  |
| **Option 3** |  |

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| **Preferred option** |  |
| **Assumptions** |  |
| **Resources required** |  |
| **Capacity to repay** |  |
| **Cost / benefit analysis** |  |
| **Timeline** |  |