

Air Force Installation & Mission Support Center



Meet the cBCA – *Decision Support at the Speed of Relevance*

Before we begin, please complete a brief icebreaker using the QR code →



Mr. Shreyas Balaram
HQ AFIMSC/FMC

Your Success is Our Mission!



Presented at the SCAF/ICEAA 2024 International Training Symposium - www.iceaaonline.com/its2024

Ice Breaker Results

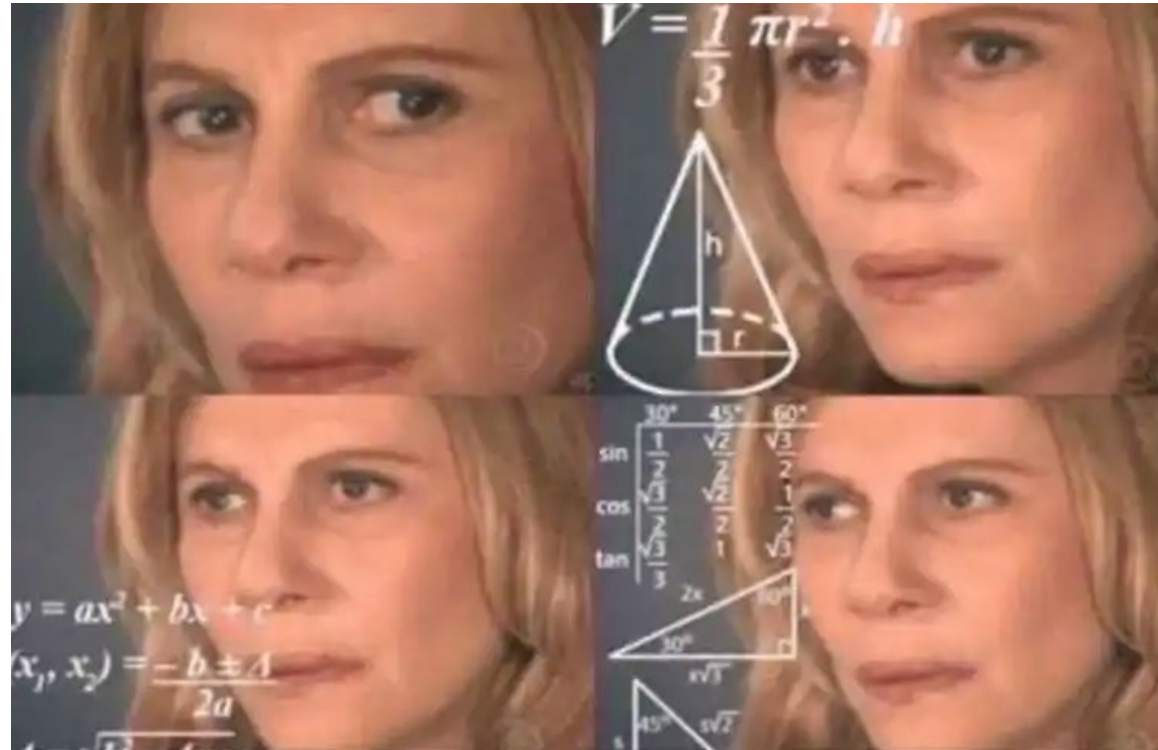




- **Who We Are/What We Do**
- **Needs & Gaps of Timely Value-Added Decision Support**
- **Solution: Compressed Business Case Analysis (cBCA)**
- **Understanding a cBCA**
- **Key Components of a cBCA**
- **Case Study Walkthrough**
- **Best Practices**



Who We Are



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MISSION, VISION & PRIORITIES



OUR MISSION

Deliver globally integrated installation and mission support to enhance warfighter readiness and lethality for America's Air and Space forces.



OUR VISION

One integrated AFIMSC team revolutionizing combat power and installation support for Airmen, Guardians and families.



OUR STRATEGIC PRIORITIES

- Increase lethality & readiness
- Strengthen Airmen, Guardians & families
- Pursue organizational excellence
- Amplify warfighter culture

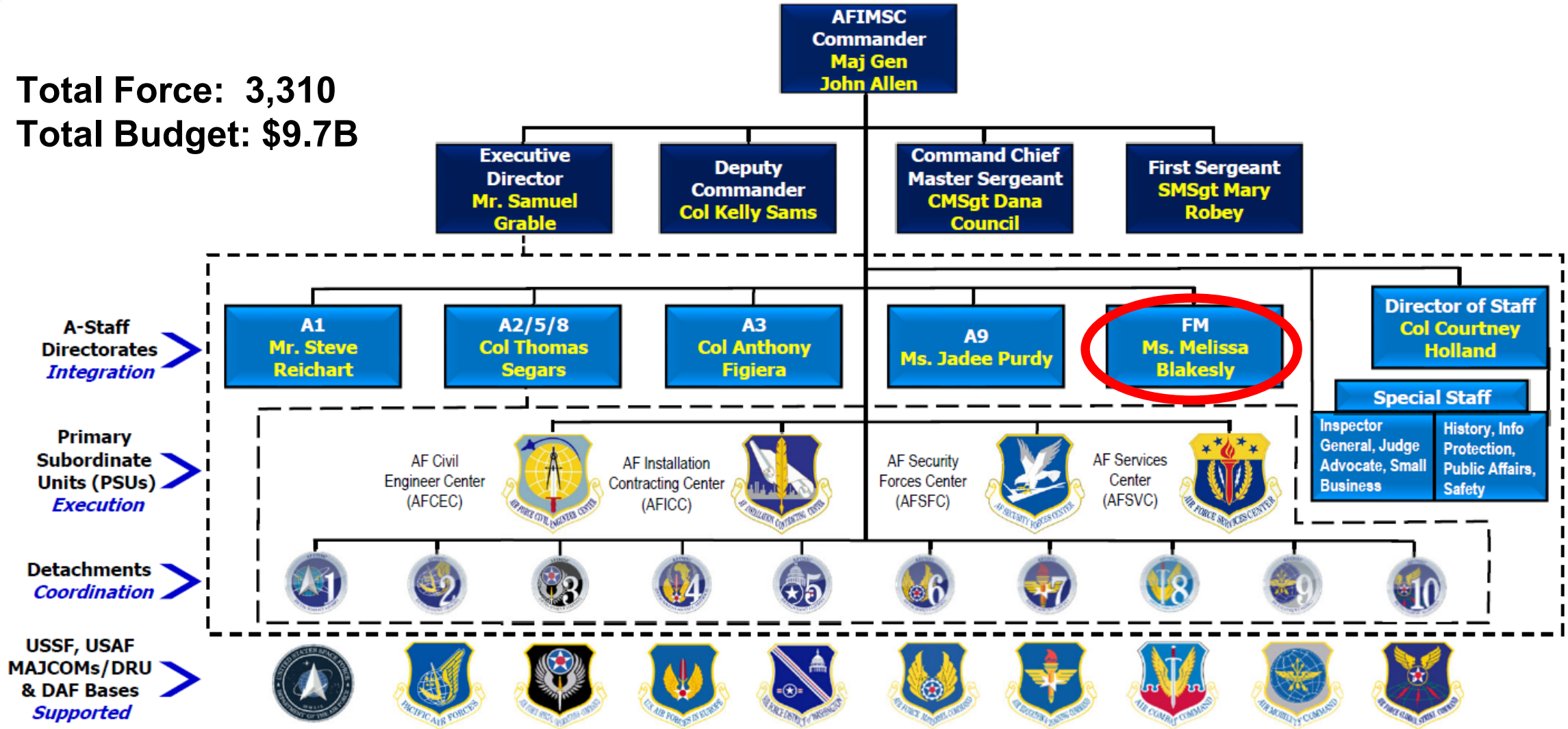
We deliver foundational Installation and Mission Support!

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Who We Are

Total Force: 3,310
Total Budget: \$9.7B



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What We Do - Cost Analysis Division

Our Cost Analysis Division delivers expert, specialized financial analysis and decision support to enterprise-wide customers/priorities.

Small but mighty team of 24 Cost'ers and 1 Ops Researcher (Colorado & Texas)

- **Perform Comparative Analysis (Economic and Business Case Analysis) in support of installation and mission support requirements**
- **Deliver innovation, planning, portfolio and resource allocation analysis**



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■ Needs

- **Direct limited resources to requirements that...**
 - Maximize benefit
 - Minimize/mitigate risk
 - Generate a return in the form of increased capability, cost avoidance, or both

■ Gaps

- Time
- Tools
- Expertise
- Bias
- Cost



Our solution was to develop the cBCA!

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Solution – The cBCA

Includes:

- Objective
- Scope
- Status Quo
- Future State
- Operating Cost Comparison
- Non-Monetary Benefits
- Risk and Uncertainty
- Summary/Recommendation

Highly effective within innovation ecosystem!

GENERAL INPUT		Version - 2024v2				
Compressed Business Case Analysis - AFIMSC FM/FMC						
Title	HWKI (HULK - Wolverine - KRAYT Initiative)					
Requestor			Project #	N/A		
Objective Statement	HWK-i combines 3 related capabilities to the home station and forward deployed airman and organizations. HULK and Wolverine reduce the need for heavy forklifts and some AGE to be initially deployed to the forward operating area while KRAYT provides redundant communications and security to the location reducing personnel					
Scope	The scope of this initiative would be at the Installation and MAJCOM level for deploying units to forward operating bases and contingency locations. These locations would expect to have limited resources but able to					
Status Quo	Current forklifts, K-loaders, and tugs must be pre-staged or included in the cargo footprint to provide a loading and unloading capability from military aircraft. Due to the size of these items, they reduced the available cargo footprint for mission generation equipment and do not offer any other capabilities. Large teams of combat comm and security force personnel are currently required to be deployed to set up and manage outdated communications equipment and provide manual security measures at austere locations.					
Future State	HULK and Wolverine would be able to offload/load pallets and cargo from the aircraft while providing the ability to move AGE and lifting ordnance for loading on fighters. KRAYT would provide redundant secure communications to home station and the surrounding area while using sensors and drones to provide situational awareness to local security and to home station security forces so they can augment the reduced personnel footprint at the					
Operational Imperative Alignment						
OI 5: Resilient Basing						
Operating Cost Comparison: 5-Year Period of Analysis						
Projected Costs	FY25	FY26	FY27	FY28	FY29	Total
Status Quo						
Deployment Costs	\$ 862,500	\$ 862,500	\$ 862,500	\$ 862,500	\$ 862,500	\$ 4,312,500
Status Quo Total	\$ 862,500	\$ 862,500	\$ 862,500	\$ 862,500	\$ 862,500	\$ 4,312,500
Idea - Future State						
Initial Investment	\$ 792,000	\$ -	\$ -	\$ -	\$ -	\$ 792,000
Maintenance Costs	\$ -	\$ 154,137	\$ 229,487	\$ 154,137	\$ 154,137	\$ 691,898
Deployment Costs	\$ 242,500	\$ 242,500	\$ 242,500	\$ 242,500	\$ 242,500	\$ 1,212,500
Total COA Cost	\$ 1,034,500	\$ 396,637	\$ 471,987	\$ 396,637	\$ 396,637	\$ 2,696,398
Net Return	\$ (172,000)	\$ 465,863	\$ 390,513	\$ 465,863	\$ 465,863	\$ 1,616,102
Return on Investment (ROI) in Relation to Status Quo						
ROI = Net Return / Total Idea Costs		Net Return	Total Idea Costs	ROI		
		\$ 1,616,102	\$ 2,696,398	60%		
Non-Monetary Benefits Identified						
Mission Effectiveness	Security	Morale	Environmental	N/A		
Risk and Uncertainty Elements Identified (associated with this innovation)						
Scalability	Procurement	Cost	N/A	N/A	N/A	
Summary: 5-Year Period of Analysis						
	5 Year Cost	5 Year Cost Change	Payback Period	ROI	FMC Analyst Funding Recommendation	
Status Quo	\$ 4,312,500	N/A	N/A	N/A	N/A	
Future	\$ 2,696,398	-37%	Year 1	60%	Fund	
FMC Preliminary Analysis Summary						
An initial investment of \$792K of O&M funding would bring this project to life with an end state of reduced need for personnel and equipment to be deployed for short duration operations. This idea garners \$620K of annual cost reductions via its ability to reduce quantity of deployed personnel by 75%. A traditional forklift and AGE tugs can take up to 15 pallet spots and several tons of weight on an aircraft, while this idea (HULK, Wolverine, and KRAYT) only requires three pallet spots and one quarter of the weight including the spot on the ramp, thus allowing the rest of the aircraft to be utilized for spares and other equipment. KRAYT brings the comms and security by leveraging more innovative technology further reducing the need of personnel which reduces the overall mission footprint while also providing potentially greater situational awareness with the added technology which can be leveraged by the home station to assist the deployed members. Because of the reduction in deployed personnel and the associated cost reductions, the reduced environmental impact, and the significant potential of increased mission effectiveness, the benefits seem to outweigh the \$1.9M total cost and the risks of scalability and procurement. The proposal is currently unproven as a whole concept, but with the reach back capabilities and smaller footprint it is worth the investment risk in order to determine long term feasibility. Recommend funding for a long term feasibility study to potentially change the current deployment model.						

Pay Back Period in Relation to Status Quo						
Year	Annual Totals		Cumulative		Notes	
0	\$	(792,000)	\$	(792,000)	Initial Investment	
1	\$	620,000	\$	(172,000)	Net Loss	
2	\$	465,863	\$	293,863	Year of Payback	
3	\$	390,513	\$	684,376	Return	
4	\$	465,863	\$	1,150,239	Return	
5	\$	465,863	\$	1,616,102	Return	
Non-Monetary Benefits						
Category	Mission Effectiveness					
Mission Effectiveness	Mission effectiveness could be enhanced because the smaller footprint and fewer personnel would lead to ability to set up multiple sites, thus disbursing the force to make it more difficult to effectively target.					
Security	With this equipment there would be a smaller footprint at a deployed location making it more easily secured					
Morale	Reducing the deployment cycles because of fewer personnel needed would improve morale in heavily tasked					
Environmental	Needing less equipment would be environmentally beneficial because fewer cargo aircraft would be needed to move personnel and equipment.					
Health/Safety	N/A					
Weighted Benefits	Mission	Security	Morale	Environmental	Health/Safety	Total
Weights	10	6	2	5	0	23
Status Quo	80%	100%	40%	50%	0%	17.3
Future	100%	100%	70%	70%	0%	20.9
Risk and Uncertainty Elements						
Category	Schedule					Risk Rating
Schedule	N/A					N/A
Security	N/A					N/A
Scalability	Unsure of how many would be needed for different sized deployments.					Minor
Procurement	With multiple separate pieces of different types of equipment needed, these pieces have to be procured from many different sources.					Moderate
Training	N/A					N/A
Cost	Currently the cost is low however, there is only one source for several of these pieces thus little to no competition. This runs the risk of significant cost escalations in a short period.					Minor
Risk Definition						
Severe	Extremely high likelihood of severe degradation in supportability.					
Significant	High likelihood of major shortfall in supportability w/ moderate impact on program success.					
Moderate	Moderate likelihood of supportability shortfall w/ impact on program success.					
Minor	Minor likelihood of supportability redux. Can be tolerated w/ little impact on program success.					
Minimal	Minimal likelihood and consequence to supportability. Will not impact program success.					
Notes:						
Weighted Benefit Score determined subjectively by FMC analyst. A weight of 10 is assigned to the most Risk ratings determined by FMC analyst based on subjective analysis of likelihood and consequence of risks Funding recommendation is the opinion of the AFIMSC/FMC cost analyst perspective based on facts and Deployment costs are projected as one 14 day deployment once a year utilizing AFIMSC OOC gear and training						
Analysis Completed By: Rob Steffen - AFIMSC/FMCX						
Financial Management Disclosure	This preliminary comparative analysis aligns to the structure in AF1 65-501 and AFMAN 65-506. It is not intended to replace a full comparative analysis. Significant changes to project scope, major assumptions, or estimated costs will require revision of this analysis.					
RMC Disclosure	The usefulness of this decision support tool is highly dependent on the quality of the data gathered and summation of the various data elements to support an investment decision. The tool is updated annually and the latest version can be requested from our AFIMSC/FMC workflow (afimsc.fmc.workflow@us.af.mil). Any questions, comments, or concerns should be addressed to the workflow.					



Solution – The cBCA



■ **What it is**

- **A decision support tool that compares two investment alternatives (status quo verses a preferred alternative)**
 - Fast – Can be completed in a few hours once data is gathered (versus multi-month BCA)
 - Simple – Able to transform complex requirements into simple terms for all audiences
 - Insightful – Captures all associated costs, return on investment, benefits, and risks
 - Unbiased – Completed by third-party financial managers/cost analysts
 - Easy to use – Microsoft Excel-based

■ **Ultimate Goal:**

- Aid decision-making by providing an unbiased investment recommendation

Let's review the core components!

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■ Objective/Problem Statement

- Clearly define the goal

Objective Statement (2-Liner)

In simple terms, provide a few lines of what this preferred alternative aims to achieve.

Keep it simple!

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■ Scope

■ Specific to the proposal

- Local Level
- Regional level
- Worldwide

Scope (2-Liner)	Clearly define and communicate the scope of the preferred alternative in relation to the investment amount being sought in the proposal.
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Be realistic!

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cBCA Components



■ Status Quo

Status Quo (2-liner)	Briefly describe what the process looks like now. Highlight flaws or wasted resources that the preferred alternative hopes to reduce/eliminate.
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■ Future State

Future State (2-liner)	What will the process look like once this preferred alternative is implemented? What will Airmen/Guardians be able to do that they couldn't under status quo?
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■ Strategic Alignment

Comparison of two different realities!

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cBCA Components



■ Operating Cost Comparison

Operating Cost Comparison: 5-Year Period of Analysis						
Projected/Actual Costs	FY24	FY25	FY26	FY27	FY28	Total
Status Quo						
Maintenance Cost	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000
Total Status Quo Cost	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000
Preferred Alternative						
Initial Investment	\$200,000	\$-	\$-	\$-	\$-	\$200,000
Maintenance Costs	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$12,500
Total Alt Cost	\$202,500	\$2,500	\$2,500	\$2,500	\$2,500	\$212,500
Net Return	\$(152,500)	\$47,500	\$47,500	\$47,500	\$47,500	\$37,500

Capture as many primary cost drivers as possible!

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■ **Operating Cost Comparison**

- **5-year Period of Analysis**
- **Investment Costs**
- **Sustainment Costs**
- **Other costs when/if applicable (Ex. Manpower, Hours, Others)**
- **Specify appropriations (types of \$)**
- **Determine net return (+ or -)**

Limited period of analysis to expedite development!

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cBCA Components



■ Non-Monetary Benefits

- Mission Effectiveness
- Health/Safety
- Security
- Morale
- Environmental
- Others

Non-Monetary Benefits					
Mission Effectiveness	Security	Morale	Environmental	N/A	N/A
				<ul style="list-style-type: none"> Mission Effectiveness Security Morale Environmental Health/Safety N/A 	

May overcome higher costs!

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cBCA Components



■ Risk and Uncertainty Analysis

- Cost (lack of confidence in available data)
- Schedule
- Scalability
- Procurement
- Training
- Security
- Others

Risk and Uncertainty Elements Identified (associated with this preferred alternative)					
Cost	Schedule	Scalability	Procurement	Training	N/A
			<ul style="list-style-type: none"> Schedule Security Scalability Procurement Training Cost Operational N/A 		

May overcome cost reductions!

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■ **Cost Analyst Summary**

- **THE most important component**
- **More art than science**
- **Written by Cost Analyst, not the requirement owners!**
- **Requires ability to transform complex ideas into simple language**
- **Results in unbiased recommendation based on combined view of:**
 - ✓ Costs
 - ✓ Benefits
 - ✓ Risk and Uncertainty

Combine all components into an unbiased recommendation!

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Innovation Rodeo



- Annual competition for ideas for mission support
- 1,000's of ideas submitted annually
- Top eight innovations compete for a share of \$1M
- cBCA used by senior leaders to prioritize funding & by innovators to craft pitches with cost rigor



What do we think this “idea” will really cost and what are the benefits?

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- **“Beyond Significant Impact!”**
- **“Having an ROI for each of these ideas derived from an un-biased cost office is extremely helpful in the selection of winners!”**
- **“Extremely Value Added!”**
- **“Super impressed with 10-day turnaround time!”**
- **Senior leader judges were reviewing our product during winner selection**
- **Multiple cost data points mentioned during pitches and/or Q&A**

The cBCA is now a foundational component for innovation.

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Football Club – Step Function





cBCA Example – Football Club Step Function

- **Our UK football club is terrible!**
- **Facing deregulation!**
- **New coaching staff on-board**
- **Fans voting w/ feet (empty seats)**
- **Need positive change**



Photo generated via GPT4.

We need a big improvement! Like a step function!

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Football Club Step Function

Problem/Objective | Scope/Assumptions | Alternatives | Costs | Benefits | Risk/Uncertainty | Recommendation

Problem: *Our UK football club stinks. We're facing deregulation and we just brought on new coaching staff. We really need to turn things around for the club.*

Candidate Objectives

- a) Improve existing player development and training program
- b) Enhance team infrastructure (stadium & training facilities)
- c) Reduce ticket prices
- d) Acquire new talent to the player roster
- e) Improve morale



Photo generated via GPT4.



Football Club Step Function

Problem/Objective | Scope/Assumptions | Alternatives | Costs | Benefits | Risk/Uncertainty | Recommendation

Candidate Objectives (which is best?)

Improve existing player development and training program (could be effective, but could take too long to implement)

Enhance team infrastructure (could be effective, but lack of real estate)

Reduce ticket prices (could be effective, but does not address underlying issue with player talent)

Acquire new talent to the player roster (good objective, world-class talent could turn things around on many levels)

Improve morale (too broad)



Photo generated via GPT4.



Football Club Step Function

Problem/Objective | Scope/Assumptions | Alternatives | Costs | Benefits | Risk/Uncertainty | Recommendation

Candidate Objectives

~~Improve existing player development and training program~~

~~Enhance team infrastructure~~

~~Reduce ticket prices~~

Acquire new talent to the player roster

~~Improve morale~~





Football Club Step Function

Problem/Objective | **Scope/Assumptions** | Alternatives | Costs | Benefits | Risk/Uncertainty | Recommendation

Scope/Assumptions:

- **Limited to adding a player to the team, £25M is available per year**
- **Costs are limited to player compensation**
- **Anticipate increases in merchandise and ticket sales**
- **Moving team to another community is not feasible**
- **Current coaching staff and players will remain in place**
- **Period of analysis will be limited to 5 years**
- **Discounting and sensitivity analysis will not be applied to speed analysis**
- **Aligns with Club's strategic plan**



Football Club Step Function

Problem/Objective | Scope/Assumptions | **Alternatives** | Costs | Benefits | Risk/Uncertainty | Recommendation

Alternatives (cBCA limited to status quo and preferred alternative):

- **Status Quo: Our UK football club stinks**
- **Select top talent player under 25**
- **Select top talent player over 25**
- **Select multiple players within budget**



Football Club Step Function

Problem/Objective | Scope/Assumptions | **Alternatives** | Costs | Benefits | Risk/Uncertainty | Recommendation

Alternatives (cBCA limited to status quo and preferred alternative):

- Status Quo: Our UK team stinks
- ~~Select top talent player under 25~~
- **Select top talent player over 25**
- ~~Select multiple players within budget~~



Get after objective to “Acquire new talent to the player roster”

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Football Club Step Function

Problem/Objective | Scope/Assumptions | Alternatives | **Costs** | Benefits | Risk/Uncertainty | Recommendation

Costs (cBCA limited to status quo and preferred alternative):

- **Status Quo:**
 - **Base Salary: £70M**
- **Preferred Alternative: Select top talent player over 25**
 - **Base Salary: £80M**
 - **Sign-on Bonus/Transfer Fee: £5.0M at Yr 1 & £2.5M for Yrs 2 through 5**
 - **Sponsorship & Endorsements: £5M per year**



Football Club Step Function

Problem/Objective | Scope/Assumptions | Alternatives | **Costs** | Benefits | Risk/Uncertainty | Recommendation

Cost Comparison: 5-Year Period of Analysis							
Projected Costs	FY25	FY26	FY27	FY28	FY29	Total	
Status Quo							
Base Salary	£ 70,000,000	£ 70,000,000	£ 70,000,000	£ 70,000,000	£ 70,000,000	£	350,000,000
Status Quo Total	£ 70,000,000	£ 70,000,000	£ 70,000,000	£ 70,000,000	£ 70,000,000	£	350,000,000
COA - Future State							
Base Salary	£ 80,000,000	£ 80,000,000	£ 80,000,000	£ 80,000,000	£ 80,000,000	£	400,000,000
Sign-on / Transfer Fee	£ 5,000,000	£ 2,500,000	£ 2,500,000	£ 2,500,000	£ 2,500,000	£	15,000,000
Sponsorship	£ 5,000,000	£ 5,000,000	£ 5,000,000	£ 5,000,000	£ 5,000,000	£	25,000,000
Total COA Cost	£ 90,000,000	£ 87,500,000	£ 87,500,000	£ 87,500,000	£ 87,500,000	£	440,000,000
Net Return	-£ 20,000,000	-£ 17,500,000	-£ 17,500,000	-£ 17,500,000	-£ 17,500,000	-£	90,000,000



Football Club Step Function

Problem/Objective | Scope/Assumptions | Alternatives | Costs | **Benefits** | Risk/Uncertainty | Recommendation

Benefits (focused on the preferred alternative):

- **Brand Reputation** - New player results in positive brand recognition through global media coverage & potential higher winning % – global marketing exposure – recognition
- **Retention** - Potential low player turnover rate based on team's success
- **Ticket Volume** - Potential increase in ticket volume by attracting diverse audience with enhanced player engagement
- **Engaged Community** - Opportunity to significantly grow and strengthen existing and new community partnerships
- **Team Morale** - Integrating talent boosts team spirit/motivation & fosters a positive and dynamic competitive environment



Football Club Step Function

Problem/Objective | Scope/Assumptions | Alternatives | Costs | **Benefits** | Risk/Uncertainty | Recommendation

Weighted Benefits (focused on status quo and the preferred alternative):

- Most important benefits gets a weight of “10”
- Subjective % value to each benefit to status quo and preferred alternative
- Multiply weight by % and add across

Weighted Benefits	Brand Reputation	Retention	Ticket Volume	Engaged Community	Team Morale	Total
Weights	10	9	8	7	9	43
Status Quo	20%	20%	20%	40%	20%	10
Future State	90%	100%	90%	100%	100%	41.2

Benefits 4x to status quo!

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Football Club Step Function

Problem/Objective | Scope/Assumptions | Alternatives | Costs | Benefits | **Risk/Uncertainty** | Recommendation

Risk and Uncertainty (focused on the preferred alternative):

- **Injury** – new environment raises injury risk & hinders development and execution
- **Cultural/Language** – moving to a new country/culture could impact performance, but has a history of quickly adapting
- **Team Dynamics** – uncertainty in fitting into team's style and locker room dynamics
- **Performance** – new player investment adds pressure and scrutiny on coaches and players
- **Cost** – unknown investment impact in scouting, facilities, & coaching staff



Football Club Step Function

Problem/Objective | Scope/Assumptions | Alternatives | Costs | Benefits | **Risk/Uncertainty** | Recommendation

Risk Definitions	
Severe	Extremely high likelihood of severe degradation in supportability.
Significant	<u>High likelihood</u> of major shortfall in supportability w/ <u>moderate impact</u> on program success.
Moderate	<u>Moderate likelihood</u> of supportability w/ <u>impact</u> on program success.
Minor	<u>Minor likelihood</u> of supportability redux. <u>Can be tolerated</u> w/ little impact on program success.
Minimal	Minimal likelihood and consequence to supportability. Will not impact program success.



Football Club Step Function

Problem/Objective | Scope/Assumptions | Alternatives | Costs | Benefits | **Risk/Uncertainty** | Recommendation

Risk Definitions	
Severe	Extremely high likelihood of severe degradation in supportability.
Significant	<u>High likelihood</u> of major shortfall in supportability w/ <u>moderate impact</u> on program success.
Moderate	<u>Moderate likelihood</u> of supportability w/ <u>impact</u> on program success.
Minor	<u>Minor likelihood</u> of supportability redux. <u>Can be tolerated</u> w/ little impact on program success.
Minimal	Minimal likelihood and consequence to supportability. Will not impact program success.

Category	Risk and Uncertainty Elements	Risk Rating
Injury	Joining a new environment may increase injury. Could hinder player development and impact performance.	Minor
Cultural/Language	Moving to a new country/culture could impact performance, but has a history of quickly adapting.	Minor
Team Dynamics	Uncertainty fitting into the new team's style of play and team dynamics such as perception of inequality.	Minimal
Performance	Coaches and players face significant pressure to capitalize on new player investment.	Significant
Cost	Uncertainty with investment impact in scouting, facilities, & coaching staff may not yield immediate returns.	Minor



Football Club Step Function

Problem/Objective | Scope/Assumptions | Alternatives | Costs | Benefits | Risk/Uncertainty | **Recommendation**

Recommendation (narrative format):

In consideration of the objective, scope, costs, benefits, risks and uncertainties, I recommend proceed with acquiring the talented football player to enhance the premier club's performance, boost marketability, and secure long-term financial stability. Although the initial investment is significant at £20 million, the long-term benefits, including improved on-field results, increased fan engagement, and elevated brand value, significantly outweigh the associated risks. Given the club's need for revitalization, this acquisition is a strategic move that maximizes the use of available funding.

The key risks—such as injuries, cultural adaptation, and team dynamics—are manageable. To mitigate these risks, implement performance-based incentives, support cultural integration, and closely monitor team dynamics. The financial investment is significant, but the potential return, both financially and in terms of brand growth, far outweighs these risks. Given the club's need for revitalization, this calculated risk could lead to substantial rewards.

Cost Analyst: Shreyas Balaram



Final Product

Front Page

GENERAL INPUT		Compressed Business Case Analysis - AFIMSC FM/FMC					Version - 2024v1
Title	Notional Case Study - Football Club Step Function						
Requestor	Football Club Ownership	Project #	9				
Objective Statement	To acquire new talent to the player roster.						
Scope (2-Liner)	The scope of this analysis is limited to adding this player to the team. The player, known for exceptional skills and high potential, is expected to strengthen the team's performance on the field, increase fan engagement, and enhance the club's brand value.						
Status Quo (2-Liner)	After a decade of disappointment, no trophies or finals, a steady decline in support/attendance as the team has failed to rise above mediocrity. The once vibrant stadium is filled with empty seats and disillusioned fans, leaving the club desperate for a breakthrough. The signing of a talented player is seen as a final hope, but the risks are considerable.						
Future State (2-Liner)	With the talented player leading the charge, the team's fortunes have dramatically turned around, breaking free from years of failure and advancing to the finals. Fans are returning in droves, their renewed passion filling the stadium as the team reclaims its place among the elite. The likelihood of winning major trophies has increased, positioning the team for on-going success.						
Football Club Strategic Alignment							
OI 1: Club Vision	Aligns with the club's vision of nurturing and showcasing top-tier talent						
Cost Comparison: 5-Year Period of Analysis							
Projected Costs	FY25	FY26	FY27	FY28	FY29	Total	
Status Quo							
Base Salary	£ 70,000,000	£ 70,000,000	£ 70,000,000	£ 70,000,000	£ 70,000,000	£ 350,000,000	
Status Quo Total	£ 70,000,000	£ 70,000,000	£ 70,000,000	£ 70,000,000	£ 70,000,000	£ 350,000,000	
COA - Future State							
Base Salary	£ 80,000,000	£ 80,000,000	£ 80,000,000	£ 80,000,000	£ 80,000,000	£ 400,000,000	
Sign-on / Transfer Fee	£ 5,000,000	£ 2,500,000	£ 2,500,000	£ 2,500,000	£ 2,500,000	£ 15,000,000	
Sponsorship	£ 5,000,000	£ 5,000,000	£ 5,000,000	£ 5,000,000	£ 5,000,000	£ 25,000,000	
Total COA Cost	£ 90,000,000	£ 87,500,000	£ 87,500,000	£ 87,500,000	£ 87,500,000	£ 440,000,000	
Net Return	£ 20,000,000	£ 17,500,000	£ 17,500,000	£ 17,500,000	£ 17,500,000	£ 90,000,000	
Returns on Investment (ROI) in Relation to Status Quo							
		Net Return	Total Idea Costs	ROI			
ROI = Net Return / Total Idea Costs		£ 90,000,000	£ 440,000,000	-20%			
Non-Monetary Benefits Identified							
Brand Reputation	Retention	Ticket Volume	Engaged Community	Team Morale			
Risk and Uncertainty Elements Identified (associated with this alternative)							
Injury	Cultural Barriers	Team Dynamics	Performance	Cost			
Summary: 5-Year Period of Analysis							
	5 Year Cost	5 Year Cost Change	Payback Period	ROI	FMC Analyst Funding Recommendation		
Status Quo	£ 350,000,000	N/A	N/A	N/A	N/A		
Future State	£ 440,000,000	26%	N/A	-20%	Fund		
Cost Analyst Summary							
The acquisition of a talented football player presents a strategic opportunity to revitalize the club's performance, enhance its marketability, and secure long-term financial stability. The scope of this initiative includes a significant investment in transfer fees, wages, sign-on bonus, and associated costs, estimated at £20 million in FY25 and £17.5M in subsequent years. In return, the club anticipates substantial benefits, including improved on-field results, increased fan engagement, higher merchandise sales, and the potential for lucrative sponsorship deals. Additionally, non-monetary benefits such as enhanced brand reputation, improved ticket volume, stronger community engagement, and elevated team morale are anticipated. If the player develops as expected, resale potential could be significantly higher, potentially reaching £50-70 million in 3-5 years.							
The player's adaptation to the league, potential injuries, and the impact on the club's wage structure poses challenges. Additionally, the financial outlay comes with the risk of market fluctuations and the possibility that the player may not deliver the expected performance. If the player fails to meet fan expectations, it could lead to disappointment and affect fan loyalty. The risks of acquiring a talented player are present but manageable, with challenges like injuries, cultural adaptation, and team dynamics requiring attention. The financial investment is significant, but the potential return, both financially and in terms of brand growth, far outweighs these risks. Given the club's need for revitalization, this calculated risk could lead to substantial rewards.							
Given the club's current struggles and the potential upside, it is recommended to proceed with the acquisition. The long-term benefits, including the increased likelihood of winning major trophies and positioning the club for future success, outweigh the risks. To mitigate risks and uncertainties, it's advised to structure the deal with performance-based incentives and ensure a robust support system for the player's integration into the team. Recommend a follow-on cost analysis after the end of year 1 to re-validate performance and assumptions.							

Back Page – Show homework

Pay Back Period in Relation to Status Quo					
Year	Annual Totals		Cumulative		Notes
0	-£	5,000,000	-£	5,000,000	Initial Investment (Sign-on Bonus)
1	-£	15,000,000	-£	20,000,000	Net Loss
2	-£	17,500,000	-£	37,500,000	Net Loss
3	-£	17,500,000	-£	55,000,000	Net Loss
4	-£	17,500,000	-£	72,500,000	Net Loss
5	-£	17,500,000	-£	90,000,000	Net Loss
Non-Monetary Benefits					
Brand Reputation	Opportunity for positive brand recognition through enhanced global media coverage.				
Retention	Low player turnover rate is a significant strategic advantage in continuous player development.				
Ticket Volume	Potential increase in overall ticket volume by attracting a new diverse audience with enhanced player engagement.				
Engaged Community	Opportunity to significantly grow and strengthen existing and new community partnerships.				
Team Morale	Integrating talent can boost overall team spirit and motivation, fostering a positive and dynamic winning environment.				
Weighted Benefits	Brand Reputation	Retention	Ticket Revenue	Community	Team Morale
Weights	10	9	8	7	9
Status Quo	20%	20%	20%	40%	20%
Preferred Alternative	90%	100%	90%	100%	100%
					41.2
Risk and Uncertainty Elements					
Category	Risk and Uncertainty Elements				Risk Rating
Injury	Joining a new environment may increase injury. Could hinder player development and impact performance.				Minor
Cultural/Language Barriers	Moving to a new country/culture could impact performance, but has a history of quickly adapting.				Minor
Team Dynamics	Uncertainty fitting into the new team's style of play and team dynamics such as perception of inequality.				Minimal
Performance	Coaches and players face significant pressure to capitalize on new player investment.				Significant
Cost	Uncertainty with investment impact in scouting, facilities, & coaching staff may not yield immediate returns.				Minor
					N/A
Risk Definition					
Severe	Extremely high likelihood of severe degradation in supportability.				
Significant	High likelihood of major shortfall in supportability w/ moderate impact on program success.				
Moderate	Moderate likelihood of supportability shortfall w/ impact on program success.				
Minor	Minor likelihood of supportability redux. Can be tolerated w/ little impact on program success.				
Minimal	Minimal likelihood and consequence to supportability. Will not impact program success.				
Notes:					
Weighted Benefit Score determined subjectively by FMC analyst. A weight of 10 is assigned to the most important benefit. Subsequent benefits weighed relative to the most important benefit. Benefit Scores are given as a percentage.					
Risk ratings determined by FMC analyst based on subjective analysis of likelihood and consequence of risks.					
Funding recommendation is the opinion of the AFIMSC/FMC cost analyst perspective based on facts and assumptions.					
This analysis is notional and is intended to summarize relevant data of the contract proposal. No intent to recommend approval/funding is implied.					
Costs are limited to total player compensation. £25M is available for player add per year. Anticipated 10% rise in ticket sales due to heightened fan interest. Potential for a 15% increase in merchandise sales, particularly jerseys.					
To expedite the development of this cBCA, inflation and discounting were not considered. The new club continues its competitive success and maintains financial stability. Player's form remains consistent, avoiding major injuries.					
Analysis Completed By: Shreyas Balaram - AFIMSC/FM/CX - 8/30/2024					
Financial Management Disclosure	This cBCA aligns to the structure in AFI 65-501 and AFMAN 65-506. It is not intended to replace a full comparative analysis. Significant changes to project scope, major assumptions, or estimated costs will require revision of this analysis.				
RMC Disclosure	The usefulness of this decision support tool is highly dependent on the quality of the data gathered and summation of the various data elements to support an investment decision. The tool is updated annually and the latest version can be requested from our AFIMSC/FMC workflow (afimsc.fmc.workflow@us.af.mil). Any questions, comments, or concerns should be addressed to the workflow.				



- **Communication is key for data gathering – early & often**
- **Keep it simple – 2-liner**
- **Deliver and present prior to decision**
- **Review results with stakeholders**
- **Allow time for questions**
- **Watch out for formatting - Excel to PDF**

cBCA – utility limited to quality of inputs

Your Success is Our Mission!



Follow-on Full BCA Support

- **Full BCA Support (innovation projects that get further traction)**
 - 4-6 months to complete
 - 30-50 pages of analysis
- **Completed Innovation BCA**
 - Scott AFB expanded use of robot mowers
 - Yokota Infrastructure in an AR World – Ground Penetrating Radar for utilities

cBCA feeds full BCA opportunities!

Your Success is Our Mission!



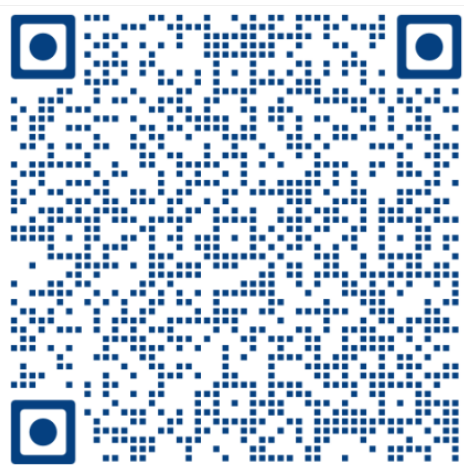
- **Who We Are/What We Do**
- **Needs & Gaps of Timely Value-Added Decision Support**
- **Solution: Compressed Business Case Analysis (cBCA)**
- **Understanding a cBCA**
- **Key Components of a cBCA**
- **Case Study Walkthrough**
- **Best Practices**



Questions?

Contact us! afimsc.fmc.workflow@us.af.mil

Case Study PDF



Principle Developer	Mr Robert Steffen
Contributors	Mr Christopher Underwood
	Mr Daniel McDermott
	Mr Evan Mallard
	Mr Kevin Levenson
	Mr Marc Ellis
	Mr Shreyas Balaram
	Ms Alicia Maxwell
	Ms Hailey Do
	Ms Jennifer Sherbert