

Helpful Hints for Preparing an Economic Feasibility Study (EFS)

Do not wait until you have a “final” EFS to contact the Office of Financial Management (OFM) or the Office of the State Treasurer (OST). Contact your assigned OFM Statewide Accounting Consultant, the OFM E-Government Consultant, and OST Cash Management early and often in the process. Send them drafts of your required EFS forms for review.

Below are some helpful hints to consider when preparing a quality EFS:

1. Think about the goal of the proposed project. What is the intended result? What are the benefits and to whom?
2. Be sure to review *State Administrative and Accounting Manual (SAAM)* Chapters 40, 45 and 65 and the OFM E-Commerce Resources webpage. The EFS is comprised of two required forms: the Business Case form and the Cost Benefit Analysis form. These forms can be found on the OFM E-Commerce Resources webpage.
3. Talk with other agencies or others in your agency who have been through the process and review their studies.
4. Carefully follow the process from beginning to end to ensure that you have captured all the elements of the new or revised business practice.
5. Use your Business Case form to tell a story. Explain what your project is and what service it will provide. Be clear on your assumptions and be ready to answer questions on them. Review SAAM 40.40.30.
6. Use your Cost Benefit Analysis form to provide amounts for all the increased and decreased revenues and costs associated with your project. Review SAAM 40.40.40.
7. Make sure that you have provided enough explanation and detail on the assumptions, costs, savings, benefits, etc. on your Business Case form so that someone could recreate your Cost Benefit Analysis worksheets from the information provided.
8. Try to quantify some customer savings even if they seem small. Remember to consider postage savings, time saved, miles saved and avoided NSF check costs.
9. Review the Business Case form and the Cost Benefit Analysis form to ensure that they are consistent with one another. Make sure that the assumptions and numerical information on the Business Case form agrees with the same items in the Cost Benefit Analysis worksheets.