

**Making a
case to
expand your
service**



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What we will cover today

- The questions that you need to answer
- Why it is a process not an event
- Issues and risks



What is a business case?

- The justification for a proposed project or undertaking based on its expected benefit.
- The business case is developed during the early stages of a project and outlines the why, what, how and who necessary to decide if the project is worth continuing.



What is a business case?

Opportunity or problem

Benefits

Risks

Costs

Proposed solution

Timescale

Impact

Ability to deliver

The Executive Perspective



Bias of confirmation	Have you started with the solution? Will I be embarrassed? Will you be coming back?
Bias of optimism	Have you only assumed the best case?: <ul style="list-style-type: none">• Overplayed the savings• Underplayed the costs Have you really considered the risks?
Self-serving bias	What's in it for me?

THE EXECUTIVE PERSPECTIVE

DON'T ASSUME THE BENEFITS ARE OBVIOUS

STORAGE FOR 1GB OF
MP3S



1,000 SONGS IN YOUR POCKET



VS

FEATURES *VERSUS* BENEFITS

Features tell

Each feature is a factual statement about the proposed service to be delivered:

- Care pathway
- Integrated information system
- Single point of access
- A new scanner

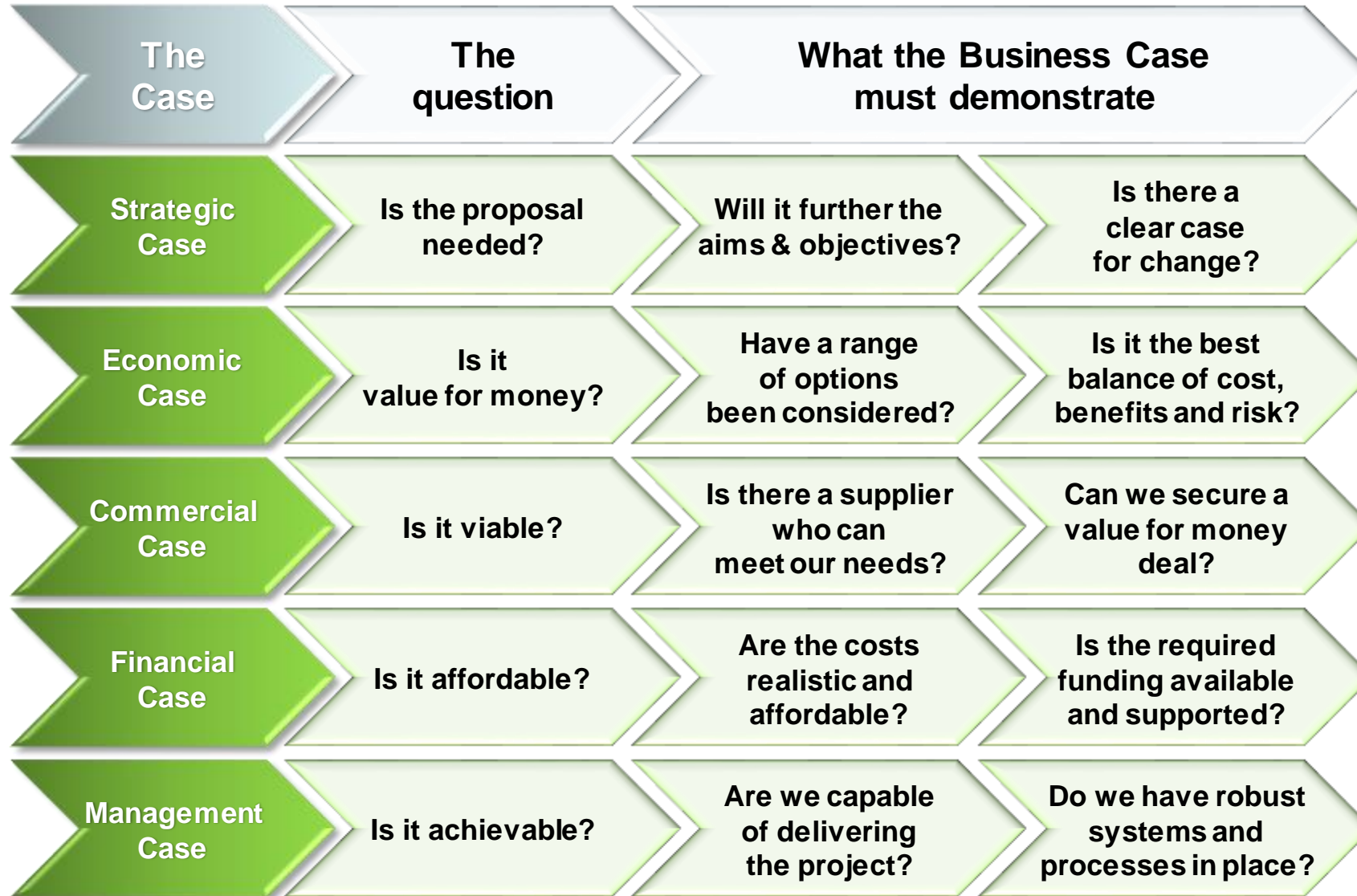


Benefits sell

The best way to understand the true benefit of your service:

- “What’s in it for us”?
- “What’s in it for them”?
- Answer the “so what?” question

TREASURY 5 CASE MODEL





Phases

1

Strategic context

2

Analysis & recommendations

3

Management & capacity

1. Business needs and desired outcome

2. Preliminary options analysis

3. Viable options

4. Justification & recommendation

5. Delivery strategy

- Strategic 'fit'
- The situation statement
- Analysis of the situation

- Rank criteria
- Benefit measures
- Solution options (long list)

- Full assessment of options
- Sensitivities to risk

- Identify preferred option
- Rationale for recommendation

- Benefits realisation plan
- Project plan

Option Appraisal involves:

being clear about objectives

thinking about alternative ways of meeting them

estimating and presenting the costs and benefits of each option.

Understand the Challenge



Determine the “Benefits Criteria”



“Weight” the Benefits Criteria



Consider the Options Available



Score Agreed Options Against The Criteria



Agree the Emerging Preferred Options

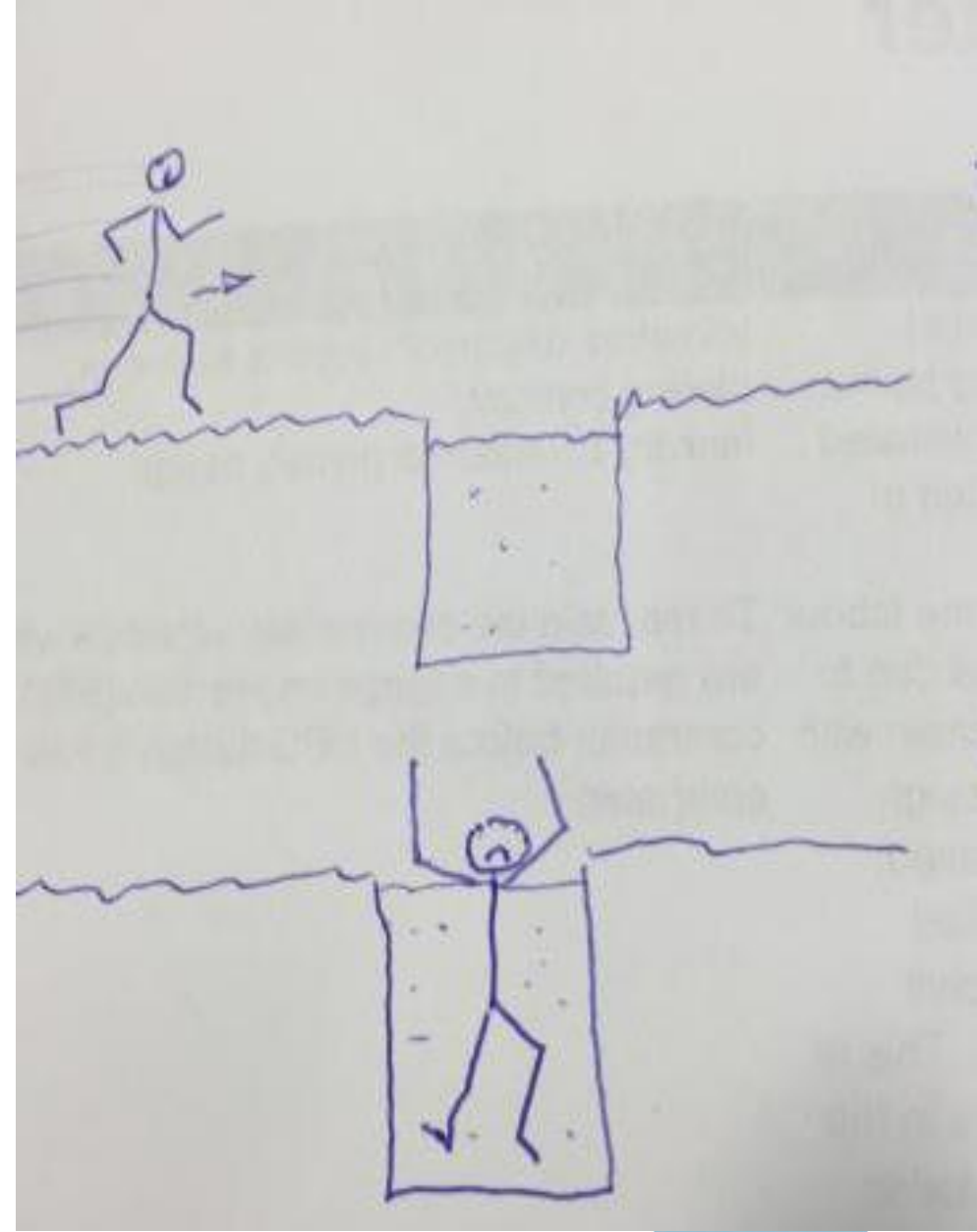
Choosing a university

ID	Requirement	Order of importance weighting	Option No. 1		Option No.2		Option No.3		Option No.4	
			Points	Score	Points	Score	Points	Score	Points	Score
001	University provides degree courses	3	2	6	1	3	1	3	1	3
002	Degree courses ensure employability	2	4	8	3	6	3	6	3	6
003	Student numbers increase	1	6	6	5	5	5	5	2	2
004	Degree courses are varied	4	8	32	7	28	9	36	7	28
005	Degree courses include a business placement year	5	10	50	9	45	5	25	4	20
TOTALS				102		87		75		59
RANK				1		2		3		4



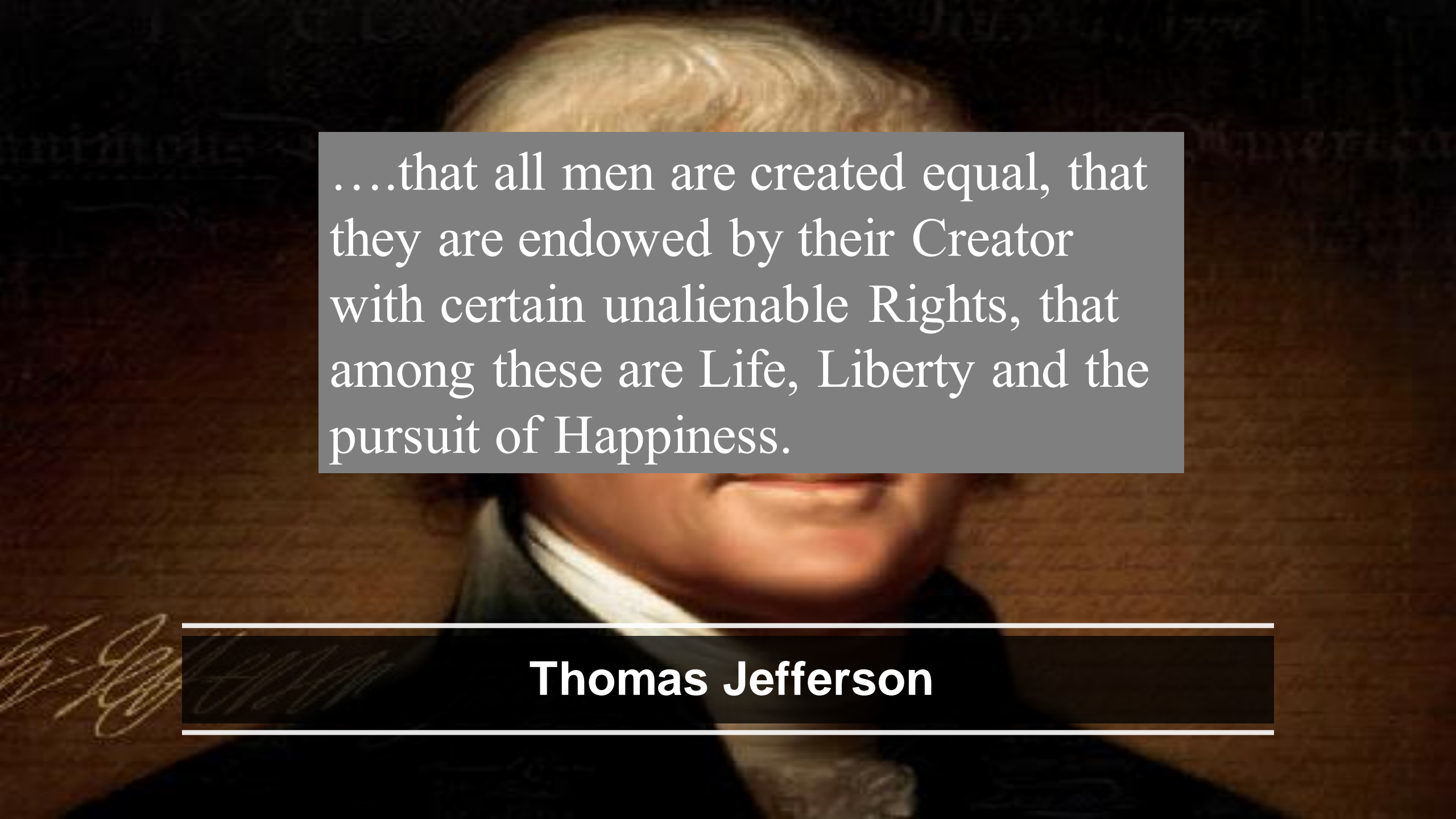
Issues v risk

- Assumptions
- Issues
- Risks



KEY ELEMENTS OF RISK MANAGEMENT



A close-up portrait of Thomas Jefferson, showing his head and shoulders. He has light-colored, wavy hair and is wearing a dark coat over a white cravat. The background is a dark, textured brown. A semi-transparent grey box is overlaid on the upper part of the image, containing text. At the bottom, a black horizontal bar with white borders contains the name 'Thomas Jefferson'.

....that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness.

Thomas Jefferson



iPod



Phone



Internet

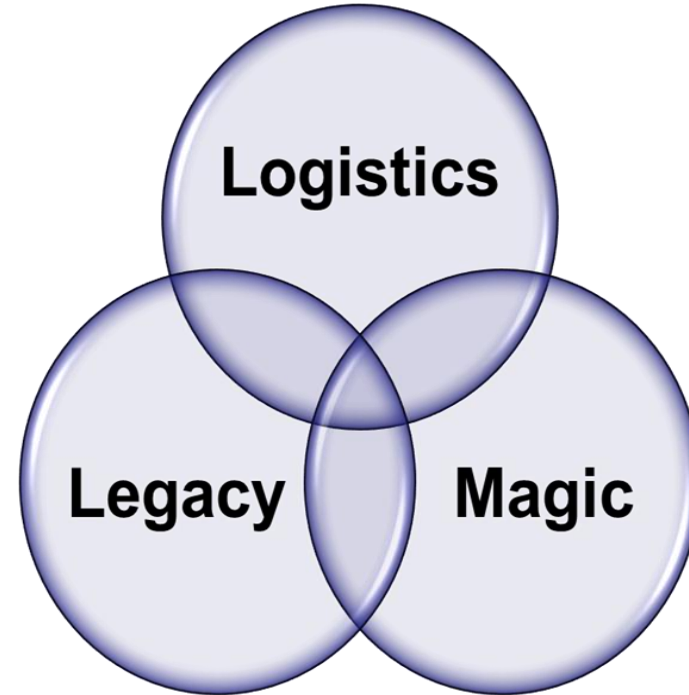


GIZMODO

2007 “REVOLUTIONARY PRODUCT”

- “a new MP3 player,
- a phone
- and an Internet communications device”

LONDON OLYMPIC BID





Thank you

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Section	Purpose	Description
Title	Attract the reader's attention	Concise phrase or sentence introducing the content
Executive summary	Provide a brief summary	Purpose of the report, main findings, recommendations
Introduction	Introduction to the business case	This section introduces the business case and briefly sets out what it is about.
Business requirements	How does the business case meet the needs of the organisation? Demonstrate how your proposal actively contributes to the strategic plans of your organisation	Analysis of the situation which gave rise to the proposal in the first place. This is about problem/opportunity definition and analysis.
Option analysis	What options are available to meet this need?	You should identify and discuss all possible options for addressing the problem, including doing nothing. Long-list to short-list to preferred option
Preferred option	Recommendation for which option is best,	Section should weigh up the costs and benefits and show why preferred option is 'the best solution'.

Section	Purpose	Description
Benefits	Outline the benefits of your chosen option.	1. Confirm why the project should proceed in general. (2) Outline the benefits of what you are recommending.
Risks	Honest and fair assessment of risk	In this section, present the risks, including the likelihood that these risks might happen
Financial Analysis	Financial value to the organisation	Financial analysis of the business case showing income and expenditure. s critical in demonstrating that the project is affordable to the business,
Project implementation plan	Detail of how the project will be implemented.	Give stakeholders a brief insight into how the project will proceed, which stakeholders need to be involved, what resources are required and a timeline.
Resources required	What resources are required to deliver the business case	Include all resources, including physical assets, intellectual resources, human resources and financial resources.
Authorisations	Governance arrangements	The authorisations section details who needs to sign off on what and at what stage.
Appendices	Contain important information that does not belong in the body of your business case,	For example: more detailed research on the options , further analysis of risks and benefits, or more in-depth financial models or project plans.

CREATING A BENEFITS REALISATION PLAN

Desired benefit	Stakeholders impacted	Enablers required	Outcomes displayed	Current baseline	Who is responsible?	Target date