OHU Business Case
Guide & Template

A GUIDE TO A BUSINESS CASE

What is a Business Case?
The Business Case is a one-off, start-up document used to outline and assess the justification of a proposed project.

Why would you develop a Business Case?
A Business Case is developed to:
- gain approval to proceed with a project;
- to document what the project will accomplish for the funding and how
- define the scope of a project (what the project will and will not include)
- it may be used to obtain resourcing for a project through internal processes.

The Business Case enables a Steering Committee to analyse the rationale for the project by assessing the financial viability and impact of the project, comparing these against external risk factors. Eg the prevailing socio-economic environment.

How to use this template?
The template contains sections which are optional or can be completed at varying levels of detail, depending on need.
Delete sections that are not required.
Delete this guide page!

A number of different text styles have been used within the template, as follows:
- Text in *italics* is intended to provide a guide as to the kind of information that can be included in a section and to what types of projects it might be applicable.
- Text in normal font is intended as examples.
- Text enclosed in *<angle brackets>* is intended to be replaced by whatever it is describing.

<Title>
Business Case

Report prepared by:
Report prepared for:

This page can also include any drafted up drawings of the intended development. Make the page visually appealing and professional. Use organisations colours/formatting.

Version 0.A (*dd mmm yyyy*)
Reviewed by:

Table of Contents

1.   Introduction/Background

Introduce the problem, briefly describe what has happened in the past to address the problem, and what the current status is at the time of writing the Business Case. Introduce the affected community. In other words, set the scene for the rationale or reason(s) for developing the Business Case at this particular time?

2.   Overview

2.1.   Vision

What is the goal of the project, what is it expected to deliver? How is the community at the centre of your work/project? A high level description of the objective(s) (social and economic) of the recommended option contained in this Business Case (a one liner).

2.2.   Objective

Outline the relationship between this initiative and the future of the surrounding community, the case for change. How this future space will affect the community, and the intended beneficial social and economic outcomes. Bullet points can be helpful.

2.3.   Social Purpose

What are the social impacts and purpose of this initiative, the driving force

2.4.   Key Stakeholders

All affected parties; groups, organisations and individuals. Can be represented in a table format stating who they are, their role and associated party.

3.   The Business Case

3.1.   Purpose of the Business Case

Why is the Business Case being produced?

Generally it is to:
- *define the **need or problem** in detail,*
- *analyse options*
- *identify costs, benefits and risks, quantifying where possible, and*
- *to put forward a proposal to the funding source for approval for funding for the project.*
- *to present a community idea to a public entity*

3.2.   The Sponsor

Who is sponsoring the development of the Business Case? Who will you report to? This structure applies when a project is being run within a company. For a start-up initiative or social enterprise, who is the organisation/collective that will incubate the project?

4.   Assessment and Problem Statement

The benefit of proceeding with the proposed project. It should contain:
- *a description of the relevant social/environmental conditions;*

- *an assessment of how the needs are currently being met or not met;*
- *an analysis of the gap between the current situation and the desired stated objective(s).*

5. Assumptions and Constraints

State any assumptions made during the planning stage.
Any requirements for specialist resources or skills should be identified and any dependencies that exist with other projects or initiatives.

6. Identification and Analysis of Options

This is a high level analysis of the possible alternatives that could be employed to bridge the gap between the current situation and what is proposed, as outlined in Section 4.

6.1. Identification of Options

List the options that were identified. This may be different business models you have considered. Some options that may need to be considered are:

> *Option 1- Do nothing*
> *Option 2 - An option that would achieve the same result as the preferred option*
> *Option 3 - The preferred option*

Decide on how much detail to go into for all the options where resourcing for the Business Case is limited. It is important to show all options have been considered in an unbiased manner.

6.1.1. Option 1 - <Description>

> *For each option, the following information should be provided:*
> - *Benefits / dis-benefits;*
>   - *Financial*
>   - *Non-financial*
> - *Opportunities*
> - *Costs;*
> - *Risks;*
> - *Stakeholder impact;*
> - *Community Impact;*
> - *Issues; and*
> - *Other evaluation or filter criteria, if appropriate.*

Note: For many initiatives the benefits/dis-benefits may not be directly quantifiable or financial. A benefit analysis tool is included in Appendix A. Use this where all major stakeholders are easily identified. Appendix B includes a risk analysis template, also see Risk Register Tool [Link]

Costs should include the cost for producing all of the outputs (deliverables), project management costs, risk management costs and quality management costs. These include direct, indirect and recurrent costs to provide a full picture of the associated costs for each option. See the Project Budget Tool [Link].

6.1.2. Option 2 - *<Description>*

Repeat the process as per Option 1.

6.1.3. Option 3 - *<Description>*

Repeat the process as per Options 1 and 2.

6.2. Comparison of Options

Compare the options by summarising the benefits, dis-benefits, costs, risks and issues.
The following table is one example of how you can outline the comparisons.

Criteria	Option 1	Option 2	Option 3
Benefits: ● Stakeholder A ● Stakeholder B	*$ or rating*		
Dis-Benefits: ● Stakeholder A ● Stakeholder B			
Costs: ● direct ● indirect ● recurrent			
Risks: ● initial ● minimisation/ mitigation costs ● resulting risk			
Stakeholder Impact:			
Issues:			

6.3. Recommended Option

The recommended option from the previous analysis should be identified here, concluding why this is the recommended option.

7. Implementation Strategy

Define the project scope on the recommended option outlined in Section 6. This describes how the project will be managed. The information in the following sub-sections are important, as they will form the basis of a Project Business Plan and funding proposals.

7.1. Project Title

Abbreviation and Long Title.

7.2. Outcomes/Impact

List the target outcomes/impact/benefits, the measures which will be used to measure their success, the dates for achievement and who is accountable. These should be linked to the table in section 6.2.

7.3. Outputs

List the deliverables. These are new or updated products, services or practices that need to be implemented to meet each identified outcome. Identify who (customer/community) will utilise each output to generate the target impact.

7.4. Work Plan and Key Milestones

Outline of project phases, major areas of work and key milestones. May include approval milestones and key consultations.

7.5. Budget

Summarise the project's budget and expected expenditure.

7.6. Other Resources

List other resourcing requirements, for example human resources, accommodation, IT equipment, information requirements.

8. Project Management Framework

8.1. Governance and management

State the governance structure for the project. Identify who may be approached for each role, i.e. identified candidate, or external recruitment?

Consider the following for your governance structure
- o *Project Team;*
- o *Reference Groups;*
- o *Working Groups;*
- o *Quality Consultants.*
- o *Representatives from community groups or other social organisations*

As a minimum you will need a:
- o *Sponsor; and*
- o *Project Manager.*

8.2. Quality Management

How will you approach quality management, this may include:
- *methodologies and standards;*
- *change management, disputes resolution;*
- *contract management and supplier arrangements*
- *community/stakeholder engagement*
- *consultation and collaboration; and*

- *review and acceptance procedures.*

8.3.   Organisational Change Management
Briefly describe the approach to managing organisational change throughout the project.

8.4.   Review on completion
Briefly describe the approach to capturing the lessons learnt throughout the project and what review will be done to assess whether the initiative delivered the intended benefits. State the expected returns versus timeline, how these returns will be measured, and how this will be reviewed to ensure this business case is met.

9.   Appendices
Use appendices to provide further analysis and justification. The more information you can provide to show a considered approach the better.   Could include further information on programme, the project team, such as resumes, and gathered information on the community and social structures affected by the project.

Appendix A. Benefit Analysis

For each option assess how each key stakeholder group (or individual stakeholders) may be impacted by the project and how they may impact on the project. This may be positive or negative. Allocate a rating, High = 3, etc and total in the right column.

Option ...<# - *Description*>...........................

Major Stakeholder		Positive Impact			Nil (0)	Negative Impact			Rating
		High (3)	Medium (2)	Low (1)		Low (-1)	Medium (-2)	High (-3)	
Resident	Impacted By Project		2						1
	Impact On Project					-1			
Business Owner	Impacted By Project	3							4
	Impact On Project			1					
Local Iwi	Impacted By Project								
	Impact On Project								
....	Impacted By Project								
	Impact On Project								
Total									5

Summary of Options

For each stakeholder group transfer the total ratings onto this sheet to give a direct comparison between the options.

Stakeholder	Option 1	Option 2	Option 3	
....				
....				
....				
....				
....				

Appendix B. Risk Analysis - Replace with Tool [Link]