

XXXX Project Author Name Exec NameClient Name

SP-NN Business Justification Case PD

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| Project Name | XXXX Project |
| Document Name | Business Justification Case Product Description |

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| Document Identifier | **SP-NN** **Business** **Justification Case PD** | |
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| Authorities | Author: | Author Name |
|  | Owner: | Exec Name |
|  | Client: | Client Name |

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| Identifier | BJC |
| Title | Business Justification Case |
| Purpose | The Business Justification Case is the product of a ‘lighter’ single stage method that that is available for smaller, less expensive proposals that are not novel or contentious, and where pre-competed procurement schemes such as panel arrangements are in place. |
| Composition | The Investment Proposal  State clearly what the business justification is in support of: typically – ‘This is to seek approval of ... for $ … on … in support of …’  Strategic Case  The purpose of this section is to explain the scope of the proposed investment fits within the existing business strategies of the organisation, in terms of the existing and future operational needs of the organisation.  Strategic Context  Please provide an overview of the context within which the investment will be made. In other words, the strategy, work programme, service, project or operation, which the investment supports.  Case for Change  This section summarises the case for change.  Business Needs  Please provide the compelling reasons for investment in the required services or assets, with reference to:   * the investment objectives for the procurement; * the problems with the status quo.   Benefits  Please provide a summary of the **main** benefits associated with the investment, distinguishing between qualitative and quantitative; cash releasing and non-cash releasing; direct and indirect to the organisation, as appropriate.  Risks  Please provide a summary of the **main** risks associated with the investment, distinguishing between business and service risks during the design, build and operational phases of the project, as appropriate.  Economic Case  The purpose of the economic case is to identify the investment option that optimises value for money.  Available Options  Please provide a description of the main options (or choices) for investment, together with their relative advantages and disadvantages (a SWOT analysis).  Please bear in mind:   * that a minimum of four options should be considered, including the ‘do minimum’ or ‘do nothing’ (unless there are compelling reasons to the contrary); * that these options may differ in potential business scope, service solution, service delivery, implementation and funding, depending on the nature of the investment; * that the investment appraisal for each option should be contained as an appendix and prepared in accordance with the tools and techniques set out in Better Business Cases guidance.   Preferred Option  On the basis of the above, please:   * state why the recommended option optimises value for money (VFM); * describe the services and/or assets required.   Commercial Case  Describe how the required assets or services will be acquired.  Procurement Route  Please state how the required assets or services will be procured in accordance with the procurement policy and applicable regulations.  This may involve the use of an existing contract; a call-off contract or panel arrangement; or the requirement for a new procurement under the above.  Financial Case  The Financial Case demonstrates that the preferred option is a fundable and affordable deal.  Funding and Affordability  Please indicate:   * the capital and revenue costs of the proposed investment; * how the investment will be funded; * any affordability gap (as appropriate).   Management Case  The management case addresses the achievability of the proposal and the planning arrangements required to both ensure successful delivery and to manage project risks.  Management Arrangements  Please indicate how the investment will be delivered successfully with particular reference to:   * project management arrangements; * business assurance arrangements (if applicable); * benefits realisation monitoring; * risk management; * post project evaluation (if applicable); * contingency plans (if applicable).   Next Steps  Request for Approval to Proceed  Nominate the people who must endorse the preferred option and give approval to commence the proposed project.  References  Provide references to supporting strategy and planning documents, etc.  Appendices  Include supporting information in appendices. |
| Derivation | This product is derived from organisational or business unit strategy documents, from SWOT and PESTLEC analysis, from analysis of business problems and opportunities, and from documentation regarding existing initiatives which might be related to, or associated with, the proposed spending initiative. |
| Format and Presentation | This product will be developed in the Business Justification Case document template, which matches the composition section of this Product Description.  This template and Product Description should be tailored to match organisational investment review processes and associated terminology. |
| Development skills required | Business analysis skills  Project management skills |
| Quality criteria | The completed product must include reasoned arguments that demonstrate that the spending proposal is:   * is supported by a robust case for change – the ‘strategic case’ * optimises value for money – the ‘economic case’ * is commercially viable – the ‘commercial case’ * is financially affordable – the ‘financial case’, and * is achievable – the ‘management case’.   At least 4 available options must be considered.  The Senior Responsible Officer must be identified by name.  The following criteria apply to each of the five cases:   |  |  | | --- | --- | | Strategic Case | Does the Strategic Case demonstrate that the proposed spending demonstrates strategic fit and is based on an evidence-based case for change?  Does it include the rationale for why intervention is required, as well as a clear definition of outcomes and the potential scope for what is to be achieved? | | Economic Case | Does it demonstrate that the preferred option optimises value? | | Commercial Case | Does the Commercial Case demonstrate that the preferred option will result in a commercially acceptable deal? | | Financial Case | Does the Financial Case demonstrate that the preferred option will result in a fundable and affordable deal? | | Management Case | Does the Management Case demonstrate that the preferred option is capable of being delivered successfully, in accordance with recognised best practice? | |
| Quality tolerance | The Economic Case must assess at least 4 available options. |
| Quality method | The final draft product will be subjected to formal Quality Review. |
| Quality skills required | Ability to cross-check details in the Business Justification Case against the source documents where these details have been developed. |
| Quality responsibilities | The Sponsor of the spending proposal should chair the quality review of the Business Justification Case.  Senior managers of impacted operational and support areas such as IT and HR, should be present as reviewers. |

Document History

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| Document Location | This document is only valid on the day it was printed.  The source of the document will be found in the XXXXX directory. |

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| Revision History |  |

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| Version Number | Revision date | Summary of Changes |
| 01\_00 | 01Jul2013 | Original document |

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| Approvals | This document requires the following approvals.  Signed approval forms are filed in the XXXXX directory. |

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