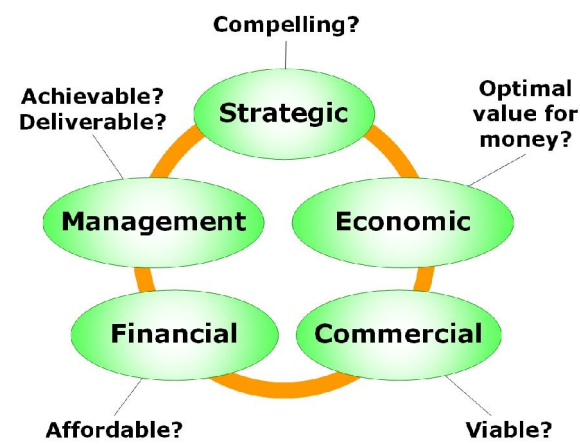


Strategic Outline Case (SOC) NZ: Indicative Business Case	Outline Business Case (OBC) NZ: Detailed Business Case	Full Business Case (FBC) NZ: Implementation Business Case
Purpose Establish the case for change and to provide a preferred way forward approval prior to going onto the more detailed planning stage	Purpose Identify the investment option which optimises value for money (VFM); prepare the scheme for procurement; put in place the necessary funding and management arrangements for delivery of the scheme	Purpose Identifies the most economically advantageous offer following procurement, confirms affordability and puts in place the detailed arrangements for successful delivery
Strategic Case Demonstrates strategic fit and makes a robust case for change		
Strategic Context Organisational Overview Snapshot of the organisation Business Strategy and Aims Existing and future business plans Relevant external initiatives Stakeholders / customers Other Organisational Strategies Existing and future plans The Case for Change Spending Objectives Key objectives for proposed spending Existing Arrangements Snapshot of current arrangements Business Needs – current and future Service gaps to be filled Potential Scope Business scope and high-level service requirements Benefits Criteria Main benefits by key stakeholder groups Strategic Risks Key business, service & external risks Constraints and Dependencies Internal and external	Strategic Context Organisational Overview Update as required Business Strategy and Aims Update as required Other Organisational Strategies Update as required The Case for Change Spending Objectives Ranked in priority order and SMART Existing Arrangements Update as required Business Needs – current and future Update as required Desired Scope Detailed description of business scope and high-level service outputs / requirements Benefits Criteria Ranked in priority order and/or weight Strategic Risks Update as required, including specific proposals for mitigation and management Constraints and Dependencies Update as required	Strategic Context Organisational Overview Update as required Business Strategy and Aims Update as required Other Organisational Strategies Update as required The Case for Change Spending Objectives Update as required Existing Arrangements Update as required Business Needs – current and future Update as required Recommended Scope Update as required Benefits Criteria Update as required Strategic Risks Update as required Constraints and Dependencies Update as required
Economic Case Demonstrates that options have been assessed and identifies a preferred option (VFM)		
Critical Success Factors Weighted and ranked Main business options Long list for SWOT analysis, including 'do nothing' or 'do minimum' options Preferred way forward Conclusion from initial assessment using options framework Short-listed Options Recommended options for OBC analysis, including 'do nothing' or 'do minimum' and reference project if applicable Indicative wider costs Indicative wider benefits Key risks	Critical Success Factors Update as required Main business options Revisit and update, as required including options not identified earlier Preferred way forward Revisit and update, as required Short-listed Options Detailed description of short-listed options, including 'do nothing' or 'do minimum' and outline Public Sector Comparator (PSC) or reference project NPC / NPV Findings Results of economic appraisals for each option, including cost of risk retained Benefits Appraisal Results of ranking, weighting and scoring the qualitative benefits for each short-listed option Risk Assessment Full assessment of risks retained under each short-listed option, including costing of DBFO risks Sensitivity Analysis Results of sensitivity analysis of each short-listed option Preferred Option Recommended option following above analysis (usually best NPV)	Critical Success Factors Update as required Main business options Summary of OBC options Preferred way forward Conclusion from initial assessment using options framework Short-listed Options Detailed description of short-listed options, including 'do nothing' or 'do minimum', the revised PSC, the procurement process and service providers' BAFOs NPC / NPV Findings Results of economic appraisals for each option, including cost of risk retained Benefits Appraisal Results of ranking, weighting and scoring the qualitative benefits for each short-listed option, including service providers' solutions Risk Assessment Full assessment of risks retained under each short-listed option, including costing of DBFO risks Sensitivity Analysis Results of sensitivity analysis of each short-listed option Preferred Option Recommended option following procurement
Commercial Case Demonstrates that the preferred option will result in a viable procurement and well-structured deal		
Outline Commercial Case High-level assessment of possible deal and supply-side interest Commercial Strategy	Procurement Strategy Intended method of procurement, evaluation criteria and selection of preferred bidder For the possible deal: Potential scope and services Potential risk allocation Potential charging mechanisms Potential key contractual arrangements Potential personnel implications Potential implementation timescales Potential accounting treatment	Overview of the procurement process used, and any deviations from the procurement strategy. Note: The results of the procurement process (BAFOs) are treated as options and assessed within the Economic Case in the FBC For the recommended deal: Agreed scope and services Agreed risk allocation Agreed charging mechanisms Agreed key contractual arrangements Agreed personnel implications Agreed implementation timescales Agreed accounting treatment
Financial Case Demonstrates that the preferred option will result in a fundable and affordable deal		
Outline Financial Case Indicative costs Known capital and revenue constraints Indicative stakeholder support High-level assessment of affordability Likely sources of funding	Financial appraisal for the possible deal: Potential capital requirement Potential net effect on prices Potential impact on Balance Sheet Potential impact on income and expenditure account Overall affordability and funding sources Stakeholder and customer agreement	Financial appraisal for the recommended deal: Capital requirement Net effect on prices Impact on Balance Sheet Impact on income and expenditure account Overall affordability (and funding sources) Stakeholder and customer agreement Financial signoff
Management Case Demonstrates that the preferred option can be delivered successfully in accordance with recognised best practice		
Outline Management Case: High-level assessment of achievability Milestones Assurance arrangements	Outline management arrangements for: Programme / project management Change management Contract management Risk management Benefits realisation Assurance and post-project evaluation	Agreed management arrangements for: Programme / project management Change management Contract management Risk management Contingency plans Benefits realisation Assurance and post-project evaluation

The APMG-International Better Business Cases and Swirl Device logo is a trade mark of The APM Group Limited
Better Business Cases is a trade mark of Her Majesty's Treasury

The Five Cases Model



Spending Objectives

Objective	Description
Economy	Reduce the cost of an existing service
Efficiency	Improve the throughput of an existing service with reducing unit costs
Effectiveness	Improve the quality of a service – both operational outputs and business outcomes
Reprocurement	Replace elements of an existing service
Compliance	Meet some form of statutory, regulatory or organisational requirement

Options Framework

Key dimension	Description
Scope "what"	Potential coverage (e.g. business functions, levels of service, geography, population, user base and other parts of the business)
Service solution "how"	Potential products, enabling work streams and key activities
Service delivery "who"	In-house provision, outsourcing, alliances and strategic partners
Implementation "when"	Piloting, modular delivery, big bang and phasing (tranches)
Funding	Public or private capital, the generation of alternative revenue streams, operating and financial leases, and mixed market arrangements

Business Case Development Framework

Major policy / strategy objectives	Stage 0 Strategic assessment	Stage 1 Scoping the proposal	Stage 2 Planning the scheme	Stage 3 Procuring the solution	Stage 4 Implementation	Stage 5 Evaluation
Strategic Case	1. Ascertain strategic fit Workshop: Strategic Assessment	2. Making the case for change Workshop 1: The Case for Change	Revisiting the case for change	Revisiting the case for change		
Economic Case		3. Exploring the preferred way forward Workshop 2: Appraising the Long-List	4. Determining potential VFM Workshop 3: Appraising the Short-List	8. Procuring the VFM solution		
Commercial Case		Assessment of attractiveness to suppliers	5. Preparing for the potential deal Workshop 4: Developing the deals	9. Contracting for the deal		
Financial Case		Capital and revenue constraints; stakeholder support	6. Ascertain affordability and funding requirements	Set out the financial implications of the deal		
Management Case		Stakeholders; capability and capacity; delivery strategy	7. Planning for successful delivery Workshop 5: Delivery Arrangements	10. Ensuring successful delivery		
Product	Strategic Assessment	SOC	OBC	FBC		
Assurance	Strategic fit	Business justification	Delivery strategy	Investment decision	Readiness for service	Operations review and benefits assessment



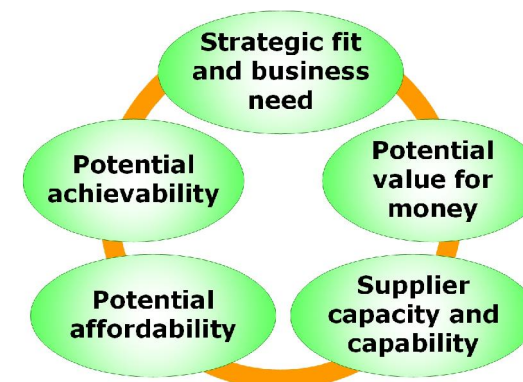
Stages, Steps and Actions

Stage	Steps and Actions	Output
Stage 0 Strategic Assessment	1 Determine the strategic context 1 Ascertain strategic fit	Strategic Assessment
Stage 1 Scoping the scheme SOC	2 Making the case for change 2 Agree strategic context 3 Determine spending objectives, existing arrangements and business needs 4 Determine potential business scope and key service requirements 5 Determine benefits, risks, constraints and dependencies	Strategic Case
	3 Exploring the preferred way forward 6 Agree critical success factors 7 Determine long-list options and undertake SWOT analysis 8 Recommend a preferred way forward	Economic Case (part 1) Outline commercial, financial and mgnt cases
Stage 2 Planning the scheme OBC	4 Determining potential value for money 9 Revisit SOC and determine short-list including reference project (outline PSC) 10 Prepare the economic appraisals for short-listed options 11 Undertake benefits appraisal 12 Undertake risk assessment 13 Select preferred option and undertake sensitivity analysis	Strategic Case (updated) Economic Case (part 2)
	5 Preparing for the potential deal 14 Determine procurement strategy 15 Determine service streams and required outputs 16 Outline potential risk apportionment 17 Outline potential payment mechanisms 18 Ascertain contractual issues and accounting treatment	Commercial Case
	6 Ascertain affordability and funding requirement 19 Prepare financial model and financial appraisals	Financial Case Budget Statement Cash Flow Statement Funding Statement
Stage 3 Procuring the scheme FBC	7 Plan for successful delivery 20 Plan pj/pg management 21 Plan change and contract management 22 Plan benefits realisation 23 Plan risk management 24 Plan assurance and post-pj/pg evaluation	Management Case strategies, frameworks, outline plans
	8 Procuring the Value for Money solution 25 Revisit the case for change 26 Revisit the OBC options including the PSC 27 Detail procurement process and evaluation of best and final offers	Strategic Case Economic Case
Stage 3 Procuring the scheme FBC	9 Contracting for the deal 28 Set out the negotiated deal and contractual arrangements 29 Set out the financial implications of the deal	Commercial Case Financial Case
	10 Ensuring successful delivery 30 Finalise project management 31 Finalise change management 32 Finalise benefits realisation 33 Finalise risk management 34 Finalise contract management 35 Finalise assurance and post-pj/pg evaluation	Management Case arrangements, plans

Benefit Types

Type	Relative Value	Relative Timescale
Strategic (wider social, economic or environmental related)	High	Long-term
Tactical (organisational and management related)	Medium	Medium-term
Job (task related)	Low	Short-term

Critical Success Factors



Risk Categories

Category	Examples	Impact
Business risks	Political and reputational risks	Remain 100% within the client organis'n regardless of procurement method
Service risks	Risks associated with the design, build, financing and operational (DBFO) phases of the spend	May be shared with business partners and service providers
External non-systemic risks	Technological disruption, legislation, general inflation and catastrophic risks	Affect all organisations, client and supplier, public and private

Terms

Term	Meaning
Policy	Sets out goals and objectives by which success will be judged
Strategy	Focus on how policy goals will be met
Portfolio	Sets out the enabling programmes
Programme	Comprise the workstreams/ projects to achieve 'outcomes'
Project	Individual scheme focussed on delivery of 'outputs'

Benefits Categories

Category	Description
Cash releasing CRB	Can be monetised, include improved economy
Financial but not cash-releasing non-CRB	Can be monetised, include improved efficiency
Quantifiable QB	Can be measured, but not meaningfully monetised
Non-quantifiable non-QB	Cannot be measured or meaningfully monetised