# Developing a business case

A business case helps key decision-makers assess the viability of a change program. The level of detail varies based on the nature, size, complexity, risk and strategic significance of the initiative. Your business case should:

- establish the preferred option for change in the mind of the reader
- present rigorous analysis and reveal any underlying assumptions
- be a clear and concise tool to aid decision-making.

## How to do it

### Step 1: Framing and set up

Consider several questions to help determine the complexity and level of detail required for the case:

- What is the scale of your initiative – financial investment required, size of change, number of people affected, implementation timeline, resources required etc.?
- Do you need to seek approval from senior leaders in your agency or department?
- Do you have the support of those who will ultimately sign off, or will you need to persuade them?

Consider your scope and terms of reference, and your roles and responsibilities to make sure you have the right team to deliver the business case (your organisation should have a project charter template for you to use).

### Step 2: Do the analysis

**Instructions for analysing stakeholders**
Managing your stakeholders
Prioritising your sakeholders
Mapping your stakeholder network

1. **Understand stakeholder perspectives –** establish how each stakeholder group or individual is affected and their perspectives on the proposed change.

2. **Quantify financial and service benefits of each option –** an improvement in benefit levels is nearly always the rationale for change. These must be quantified, as qualitative data alone is insufficient for thorough analysis. Use Activity Based Costing or a similar analysis technique.

3. **Perform risk analysis and develop mitigation strategies –** review the risks and issues of each change option, identify how this will affect the benefits of the change and develop mitigation strategies.

### Step 3: Synthesise and develop business case

4. **Evaluate options –** address feasible alternatives to achieving the desired outcome and include rigorous analysis of maintaining the current-state.

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5. **Document the business case – a** thorough business case should withstand rigorous peer review, including assessment by external agents such as regulators, central agencies, investors, etc.
6. **Review and refine business case with sponsors and stakeholders –** final tailoring of the initiative must involve those who will be responsible for implementation and sign-off, and should aim to build buy-in from key stakeholders.

## Data inputs

You need multiple data inputs to ensure thorough analysis including:

- financial data
- service data
- stakeholder impact assessment
- identified constraints such as budget, policy direction, legislation, regulation and time.