

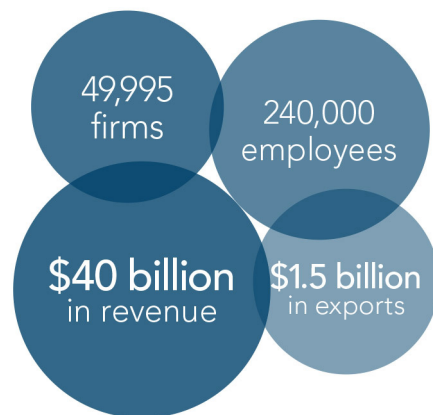
BUSINESS CASE DEVELOPMENT IN AUSTRALIA



**THE BENEFITS OF AN INTEGRATED
PROCESS THROUGH COLLABORATION**



About us



Consult Australia is the industry association representing consulting firms operating in the built and natural environment sectors. These services include design, engineering, architecture, technology, survey, legal and management solutions for individual consumers through to major companies in the private and public sector including local, state and federal governments. We represent an industry comprising some 48,000 firms across Australia, ranging from sole practitioners through to some of Australia's top 500 firms with combined revenue exceeding \$40 billion a year.

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Contents

INTRODUCTION	4
Key findings	5
VALUE OF AN INTEGRATED PROCESS THROUGH COLLABORATION	6
KEY STAGES OF THE BUSINESS CASE PROCESS	8
KEY ROLES	10
Business Case Owner	10
Business Case Lead	10
Business Case Coordinator	11
Business Case Writer	11
Communications Specialist	11
Business Case Editor	11
Investment Logic Map Facilitator	11
Challenge Team	11
BUSINESS CASE PROCESSES BY JURISDICTION	12
Business Case process by State/Territory overview	13
CRITICAL SUCCESS FACTORS	15
Strong procurement and management	15
Early and continued engagement with the most senior project sponsor within government	15
Clear scope of each supporting consultant matched to the final Business Case requirements	15
Agree the story and obtain team buy-in	15
Setting budgets and delivery timeframes	14
Sufficient Options Analysis	16
Reassessing the need	16
Peer Review	16
Proactive management of data	16
Inquiry-based approach	16
EVIDENCE OF VALUE	18
CONCLUSION	20
CONTACT US	21
APPENDIX ONE	22

Introduction

Following Consult Australia's recommendations on the assessment of infrastructure projects made in its report *Ibodies: Infrastructure Governance in Australia*¹, it was agreed to take a more detailed look into this aspect of good infrastructure governance. Accordingly, a working group was established of Consult Australia members to develop guidelines for governments and industry with the aim of improving the infrastructure Business Case process.

On forming, the working group undertook consultation with Infrastructure Australia (IA) to seek feedback on the aspects of Business Case preparation, which if addressed, could have the biggest impact on improving the quality of Business Cases that are submitted. IA noted that whilst there are a number of challenges faced by Business Case proponents, the largest potential for improvement could be gained from promoting an integrated and collaborative project management approach to Business Case development.

The overall objective for this paper is to make the case for an integrated Business Case process through collaborative behaviours across project teams by demonstrating how this approach delivers better outcomes. Getting this process right, and a collective mindset aligned to the problem statement, diagnosis and targets, has implications for procuring agencies and consultants alike.

To enable this guidance to be relevant to all, we consider the various processes and gated stages adopted by each state and territory and that recommended by IA. The 'Business Case process' includes all the phases of a Business Case, for example: Strategic (case for change); Economic (value for money); Commercial (viable procurement model); Financial (affordable); and Management (governance and delivery).

We also give particular attention to the issue of scalability and the potential for the key Business Cases roles required to reflect the complexity and size of the particular project. We recognise that there are differences in approach and terminology across jurisdictions and the overview of each state/territory system illustrates some of these differences, however we note that the underlining principles are the same.

The foundation of a compelling Business Case is provided by a strong evidenced based problem definition. In Victoria, for example, the problems are generally identified through Investment Logic Mapping (ILM) workshops with the involvement of some stakeholders. We note that this tool is being picked up by other jurisdictions in recognition of its value to the process.

A strong, integrated process through collaborative behaviours in project management is required to ensure the problem statements are appropriately tested and validated by available data. Where the problem is not supported by evidence, the Business Case stakeholders should re-visit the problem definition and test whether or not a Business Case is indeed required. Sometimes a 'no go' is the best action and needs to be recognised as such. The development of a Business Case is a process and re-visiting the original assumptions throughout the process is good practice.

This paper draws on the experiences of the working group members to provide case studies that represent good practice.

We highlight the key roles required in the Business Case leadership team and the stages that will set the Business Case up for success. Fundamental to this is the value in an integrated process through a collaborative approach.

This paper has drawn upon the insights and experience from a number of senior industry representatives. By demonstrating the value of a partnership approach, this paper is seeking to:

- Improve Business Case procurement and management;
- Provide a guide to help with the delivery of consistent high-quality business cases and enabling robust investment decisions to be made;
- Identify the critical success factors that break down the siloed approach to Business Case development and lead to high-quality business cases and outcomes;
- Reduce wasted effort and maintain focus, through a scalable and nimble process;
- Increase the effectiveness of Business Case documents meeting the needs of the client; and
- Recognise that 'no go' is an acceptable outcome.

¹ *Ibodies: Infrastructure Governance in Australia*, Consult Australia January 2018

Key findings

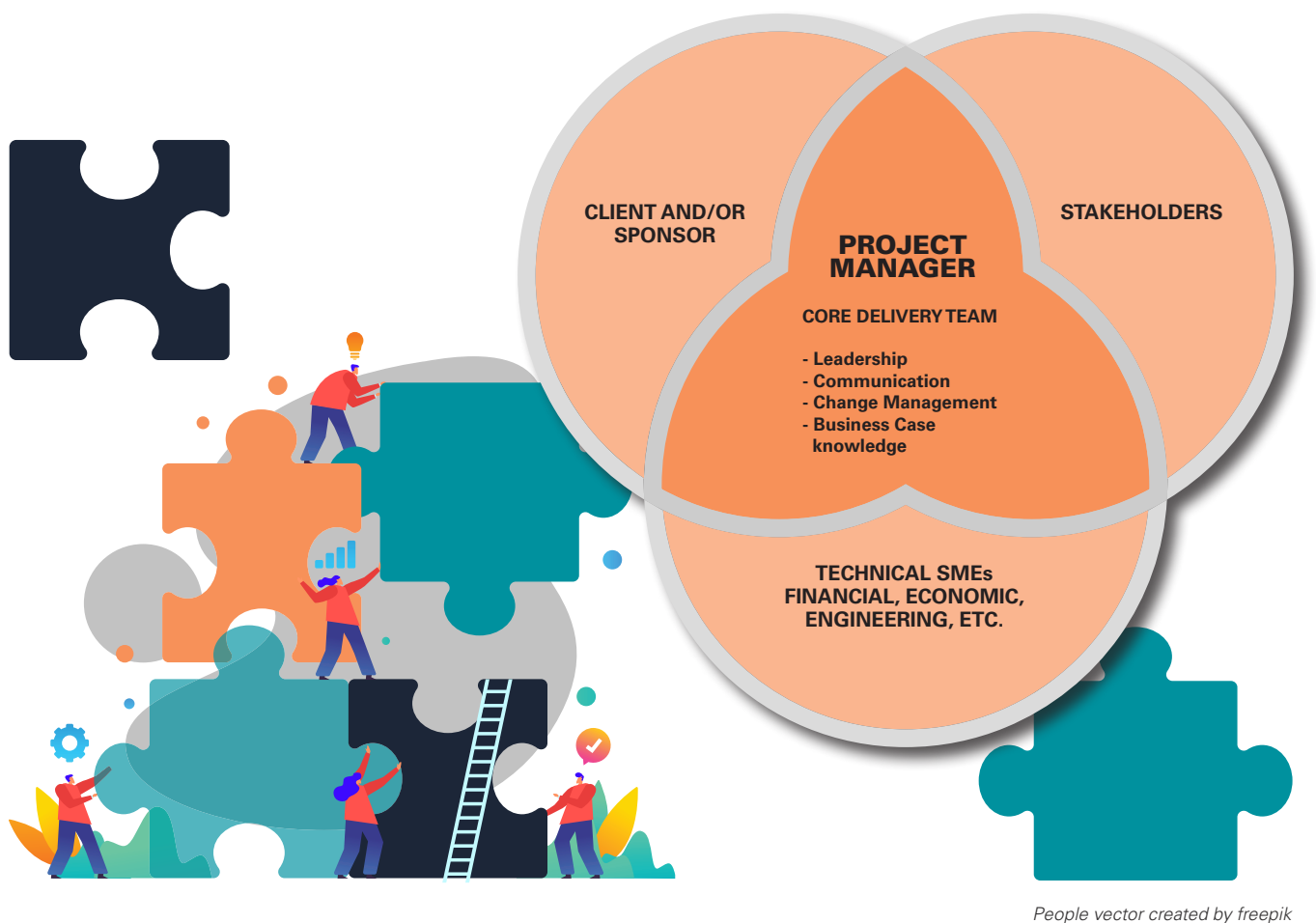
The key findings from this paper and review of Business Case processes are below:

- a) A Business Case is not just a vehicle through which to justify a project, rather it is a mechanism through which to clearly define and understand 'the problem' in order to find the right 'solution' to achieve the required outcomes. Business cases ensure public confidence in the investment decisions of governments provided a robust process has been followed based on sound evidence.
- b) If the Business Case determines that the appropriate response to the problem is not to move forward with a project, this should be considered an equally valid outcome and should not denote a failure in the process.
- c) ILM provides rigour and efficiency in defining the problem. This, alongside a peer review of any work done prior should be the first step in the process. Before any options are considered the next step must be to set the investment objectives.
- d) The value of an integrated process through a collaborative team approach to the development of a Business Case is demonstrated at all stages of the Business Case process. From problem identification where a variety of different skill sets can assist in demonstrating issues and pros and cons of various responses, to the critical thinking and communication skills required to develop the Business Case document.
- e) It is beholden on the Business Case Lead to ensure positive collaboration and integration across the Business Case team in order to develop a cohesive and robust Business Case.
- f) The skill of Business Case writing and communications should not be underestimated. The Business Case will need to serve a number of audiences, and its perceived success will often come down to the effectiveness of that communication.
- g) In addition to the value that an integrated and collaborative team brings to the process there are number of critical success factors that should be present across all Business Case projects:
 - A procurement and contracting framework that drives a collaborative and integrated project team approach;
 - Early and continued engagement with the most senior project sponsor within government;
 - Clear scope of each supporting consultant matched to the final Business Case requirements;
 - Agree the story and obtain team buy-in;
 - Appropriate timing and setting of budgets and delivery timeframes;
 - Sufficient options analysis;
 - Regular reassessment of the need;
 - Inclusion of peer reviews; and
 - Proactive management of data.

Value of an integrated process through collaboration

Fundamental to the success of any Business Case is an integrated approach and collaborative behaviours where Client, Project Team, Subject Matter Experts (SMEs) and Stakeholders work together to arrive at a shared outcome that they value. The team is “bound” together by a core Project Team which consists of the appropriate number of resources required for the complexity and size of the Business Case, but must contain an element of leadership, communication, change management to ensure buy in throughout the full process, and a basic understanding of the requirement and topic of the Business Case (refer Figure 1).

Figure 1: A collaborative approach



As depicted in Figure 1 a successful approach combines the various elements of the project team to build the “jigsaw” together efficiently. If we take this as an allegory, we note that to efficiently build a jigsaw it is necessary that the final “picture” is clear in the “builder’s” mindset. In this case the “builder” will be the project team, hence it is critical that project team maintain alignment on the outcome required and that each “builder” is clear on where each piece sits and how it “fits” and defines the final picture. This cannot be achieved without a strong understanding of the required outcome, constant transparency and communication between the team and collaboration and integration between each element to ensure the parts fit together to enhance the whole.

Our strong guidance is that in developing and writing business cases an appropriately skilled and qualified integrated team is assembled to enable strong collaborative behaviours across the various disciplines involved. While any “team” does not necessarily need to all sit together, there needs to be a core team and wider “virtual team”. The virtual team need to be across the ‘big picture’, i.e. the risks, the solutions and the interrelations. They need not be specialists but must understand how everything comes together through strong communication and governance. They must have the appropriate insight to be able to ask the right questions and sufficient understanding of the task.

The benefits of this approach are:

1. With the many skill-sets and roles required in writing a Business Case, it is more efficient if everyone understands their role and how their input links into the “case for change” and overall Business Case story.
2. Not everyone is good at all things. The integrated and collaborative approach allows individuals within the team to focus on their key skills-sets and to allow a few excellent writers to bring together the overall story.
3. Good practice for developing business cases is to run ILM workshops. These workshops are designed to bring together the key stakeholders and investors, and to achieve clarity of the problems and agreement on if it is worthwhile making an investment. The team needs to regularly test out with these key stakeholders and the public whether they are still on the right track. They are best conducted at the outset of the Business Case process to ensure upfront engagement.
4. Progressing from the Business Case writing and planning phases through to delivery and implementation, for a good result to occur there needs to be a strong handover between phases and the various teams need to clearly understand and support the earlier decisions made.
5. Continuing engagement from the project sponsor helps ensure input and buy in throughout the Business Case process. This in turn enables key issues to be captured and ensures better alignment with wider policy and strategic investment drivers.

Ideally, a clear story line for any project should be told and presented. The detail of this story line will depend on the audience and time available. Examples of this range from the detailed technical reports for project reviewers (with factual evidence supporting the assumptions), to the 5-10 page summary report or briefing (with technical appendices as appropriate) for senior managers and the board of investors, to the 2-page set of talking points (or A3 page) for Ministers, to the “elevator pitch” (60 seconds of concise messaging) for any audience that just wants to know what the project is about.

This is where a strong appreciation of the value that non-technical disciplines bring to the Business Case is important, such as communications, graphic design and GIS specialists. The use of engaging visuals including digital engineering, GIS, 3D digital storytelling and virtual reality to present the Business Case will enhance visual-spatial understanding and help define and communicate the problem, options and solutions to a non-technical audience.

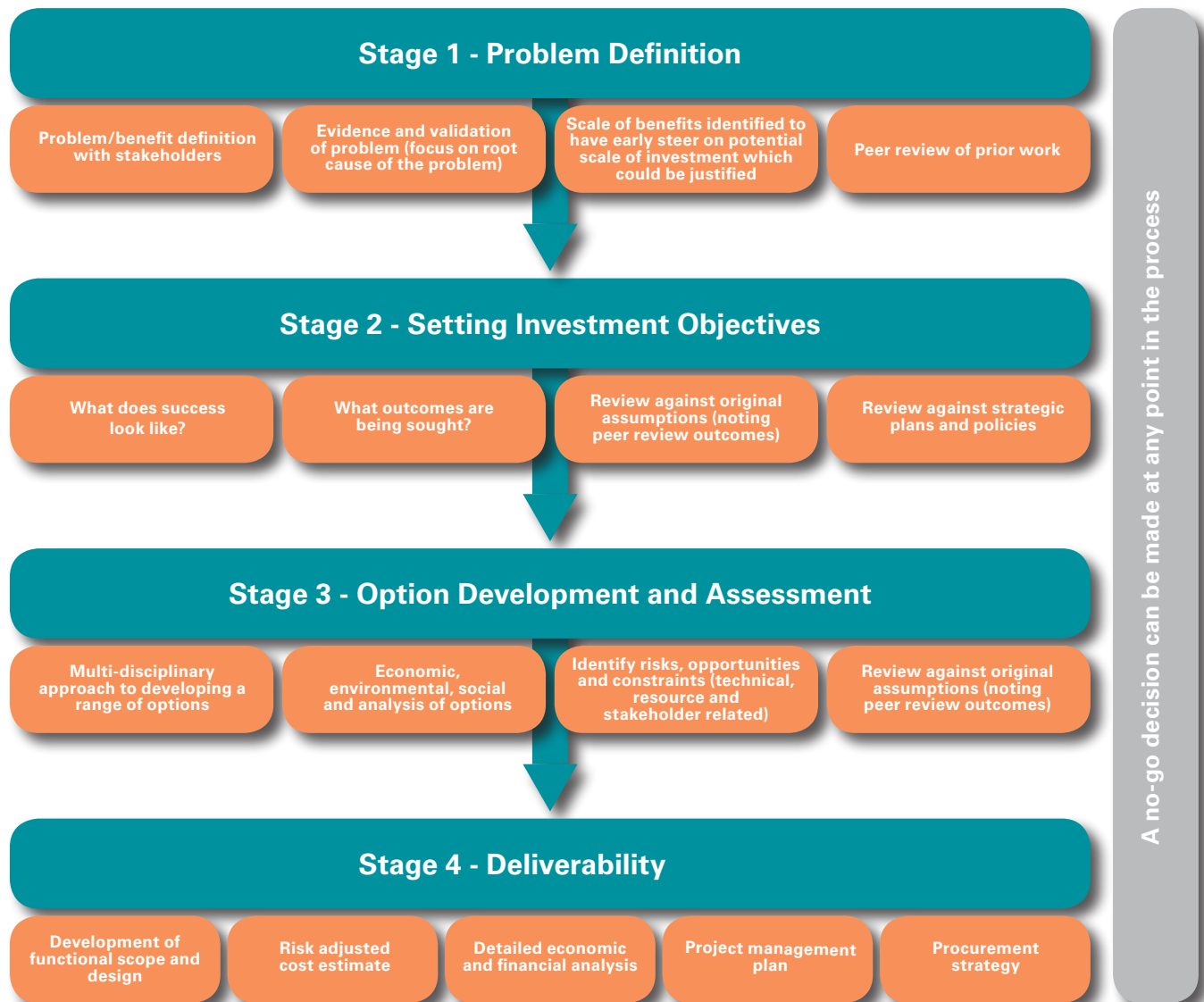


Fundamental to the success of any Business Case is an integrated approach and collaborative behaviours.

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Key stages of the Business Case process

Figure 2: Key stages of the Business Case process



The key stages in the Business Case process are highlighted above. The process begins the identification of the need and definition of the fundamental problem, which must be clearly communicated across the core team. Tools such as ILM can be utilised to provide rigour and efficiency in defining the problem. At the outset of this first stage (or at least very early in the process) there should be a peer review of any work completed prior.

It is particularly important for the Business Case team to consider any prior work before commencing a Detailed Business Case, because if little or no analysis has been done, additional time and resources will be required to undertake the necessary work. This will also allow for a thorough interrogation of the options.

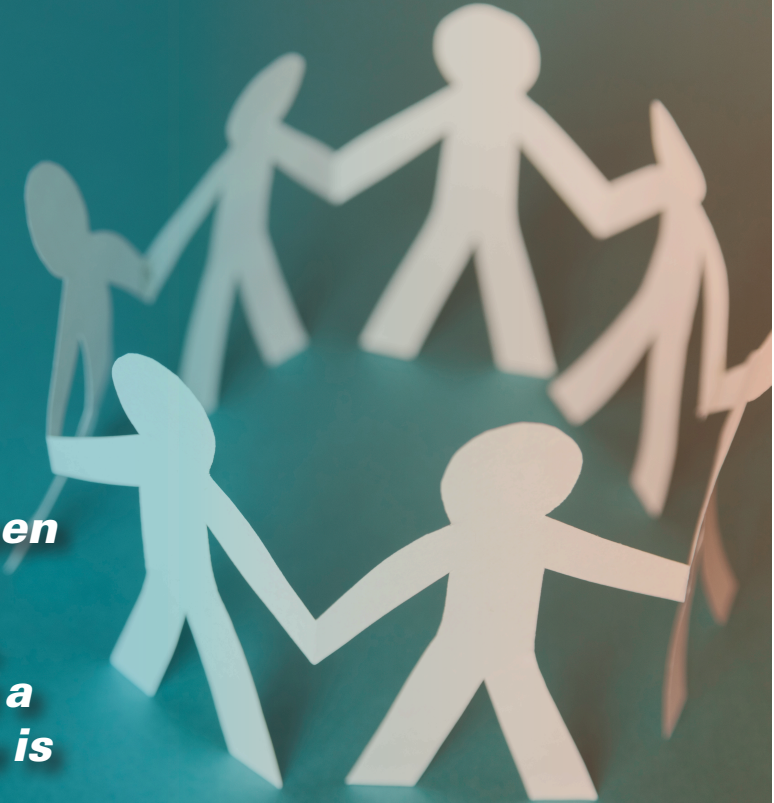
Throughout each stage it is critical that an integrated process through collaborative behaviours be maintained. Problem definition is reliant upon knowledge and understanding of the situation and risks and opportunities associated with the current status quo and the future. The successful outcome of the identification of possible solutions is reliant upon a clear problem definition, which in turn is reliant upon rigorous challenge from all angles and perspectives as well as a sound understanding of the need and requirements. Hence, it is critical at this stage that all relevant perspectives are considered, and that the base information is unbiased and accurate.

The greater the collaboration between project elements during this process, the more likely that a successful outcome is to be achieved. Group facilitation tools such as ILM can assist with this process, however it is noted that not all stakeholders and perspectives may be represented. It is recommended that a round of virtual review and validation be undertaken following the ILM process to ensure that the final problem definition addresses the route cause and not a symptom, and that the underlying issues, risks and opportunities that have defined it, are challenged from all relevant angles.

In terms of the jigsaw allegory stated previously, this is the time that the detail of the picture is decided upon and illustrated, thereby allowing the pieces to be verified, interpreted and characterised into their prospective elements.

As the process develops through the stages, maintaining the integrated approach and collaborative behaviours will ensure continuity of knowledge and understanding of the initial problem definition. Management of change is critical to ensure that new knowledge, social change or innovations that may alter the original problem definition are taken into account, the process needs to remain dynamic and flexible and this can only be achieved through collaboration and continuity of the core project team throughout the option development and deliverability phases. The core elements of collaborative knowledge management and communication from the core project team is essential to the efficient delivery of the final Business Case.

The review process should continue throughout the stages. This will be a review of the original assumptions to assess for any change.



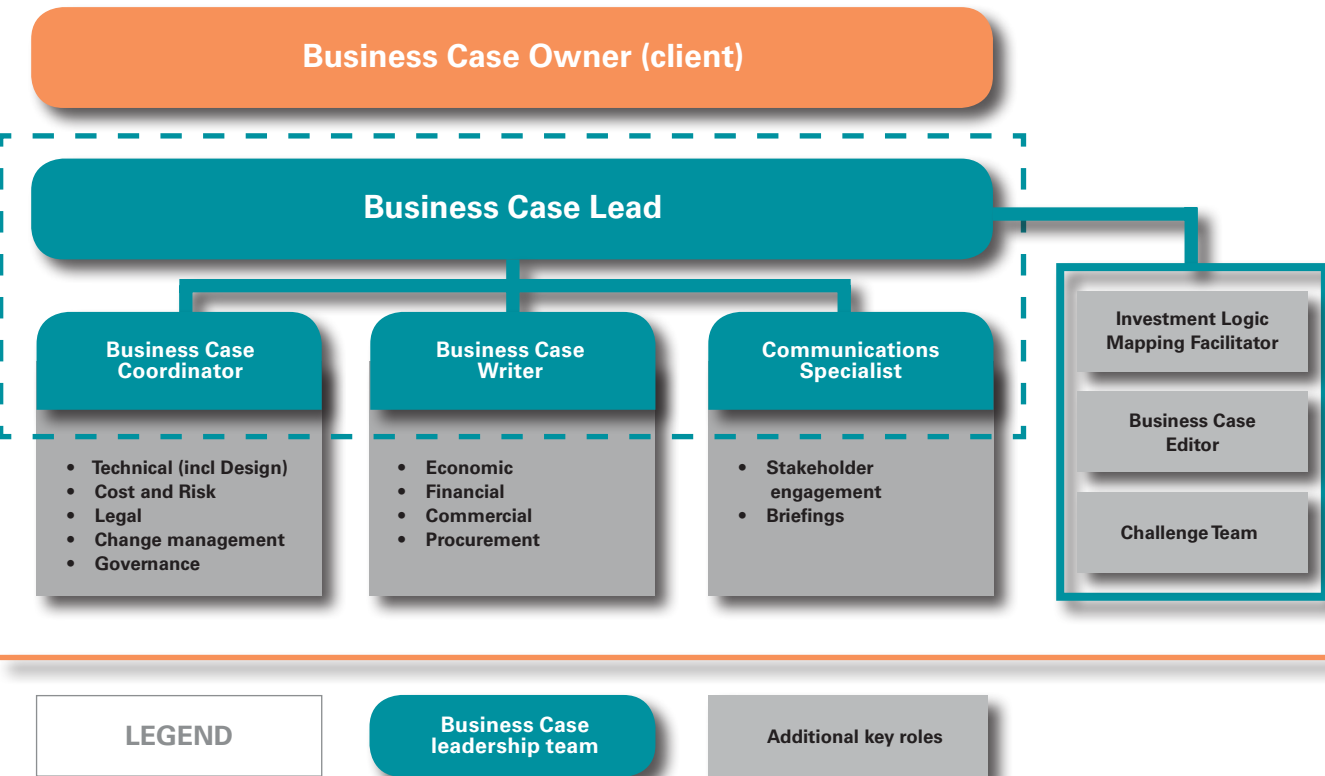
The greater the collaboration between project elements during this process, the more likely that a successful outcome is to be achieved.

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Key roles

This section defines the key team roles which during Business Case development, can set up the project for success through an integrated process and a collaborative project team approach. Whether these roles represent individual team members is not important as that will depend on skill sets available, and the size and complexity of the project. For smaller projects, it is likely that one person will take on multiple roles. Figure 3 below presents the key roles identified and how those roles fit within the governance structure of the Business Case Leadership Team.

Figure 3: Summary of key Business Case roles



Business Case Owner

The Business Case Owner is the end-user, and in some contexts would be considered the “client”. The Business Case is being prepared for their consideration and possible implementation. Once submitted the Business Case will be considered by their Executive Management Team to agree the next steps which may include implementation or “No Go”. The Business Case Owner also plays a role in providing mentoring and support to the Business Case lead.

Business Case Lead

The Business Case Lead is responsible for the overall delivery of the Business Case. This role is more than the technical aspects (see also Business Case Coordinator). The Business Case Lead is responsible for the day-to-day delivery. The financial and commercial aspects, including establishing and managing the various technical disciplines, is a key requirement. The Business Case Lead is the interface point with the Business Case Owner and as such has full ownership of the Business Case outcomes across time, cost and quality aspects.

The Business Case Lead can cover a number of roles therefore some of their responsibilities may be split out across a number of support roles.

Business Case Coordinator

Preparing a Business Case requires inputs from many specialist technical and non-technical groups, (e.g. economists, who should be involved from the outset so that they can capture data and be involved throughout). The Business Case Coordinator works with the Business Case Lead to manage the technical aspects of the project. Depending on the project, the role of the Business Case Coordinator and the Business Case Lead may be held by one person. The Business Case Coordinator is responsible for managing the development of the Business Case document.

Business Case Writer

Writing a Business Case requires a writing and communication style that can distil sometimes complex ideas into simple and plain English. The Business Case Writer takes the inputs from the technical teams and policy advisers, and by working with the Business Case Coordinator prepares the Business Case document. The Business Case Writer will also likely work with desktop publishers and other communications specialists to create a clear and concise document with graphics that communicate the key ideas and outcomes.

Communications Specialist

Communications are an integral part of any Business Case. This is not only in terms of relevant Business Case documentation such as media releases or other communications pieces but also in terms of how the project team communicate outwards to stakeholders. The Communications Specialist helps shape and manage the project narrative with the technical team.

Business Case Editor

The Editor reviews and suggests edits to the Business Case document as it is prepared. Also by working with the Business Case Coordinator, Writer and Communications specialist the Editor is able to guide the telling of a compelling and clear narrative.

Investment Logic Map Facilitator

The preparation of an Investment Logic Map as part of a Workshop process can be important at the start but at any time throughout the development of a Business Case.

The ILM Facilitator is a key role as the Facilitator needs to be able to work with the project team to define the problem, the benefits, key performance indicators and a strong project narrative. This helps frame the Business Case strategy and narrative.

Challenge Team

A Challenge Team can be incorporated in the Business Case development process. This may consist of various technical and non-technical team members. A Challenge Team drawn from people outside the project itself can be helpful as it provides a “new set of eyes” and possibly provides new ways of looking at the problem or even whether there is a problem. The Challenge Team would engage at key points throughout the lifecycle of the project to keep testing what is known and whether what is being developed in the Business Case is actually addressing the Problem.

Business Case processes by jurisdiction

The following table provides an overview of the Business Case process across Australia (and New Zealand) and an indication of the key differences in approach. The table compares the key analytical processes followed in the development of Business Cases by each jurisdiction. The key finding from this comparison is, that despite slightly different naming conventions across jurisdictions, all utilise the same principles in assessing the merits of the investment case proposed in the Business Case.

The analytical processes rely on assessing an investment case against multiple criteria. As such, the Business Case requires inputs from a number of disciplines including engineering, environmental, commercial, financial, economics, community etc. Bringing together an integrated and collaborative project team with an experienced Business Case owner will ensure that all aspects of an investment case are considered and a best for owner solution is proposed.

Links to more detail on the process in each jurisdiction is shown in Appendix One.



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Business Case process by State/Territory overview

PROCESS	PROBLEM DEFINITION					Business Case TYPE	5-CASE MODEL					Business Case TYPE		
	Problem Statements	Benefits Mapping	Strategic Responses	Indicative Solution			Strategic (case for change)	Economic (value for money)	Commercial (viable procurement model)	Financial (affordable)	Management (governance and delivery)			
Infrastructure Australia	Problem Identification	Strategic alignment	Options	Short-listing			Strategic alignment	Business Case development	Yes	Yes	Yes	Problem identification, Options Business Case		
NSW	Yes	Yes	Yes	Yes	Strategic Business Case	Yes	Yes	Yes	Yes	Yes	Yes	Preliminary Business Case followed by Final / Detailed Business Case		
Victoria	Yes	Yes	Yes	Yes	Preliminary Business Case for HVHR; Strategic assessment for others	Yes	Yes	Yes	Yes	Yes	Yes	Full Business Case		
Queensland	Yes	Yes	Yes	Yes	Strategic Business Case	Yes	Yes	Yes	Yes	Yes	Yes	Preliminary Business Case followed by Detailed Business Case		
South Australia	Problem identification	Strategic analysis	Options	Assess options	Outline Business Case	Strategic analysis	Full Business Case development	Level and method of funding	Level and method of funding	Level and method of funding	Delivery and post implementation review	Outline Business Case followed by Full Business Case		

PROCESS	PROBLEM DEFINITION				Business Case TYPE	5-CASE MODEL					Business Case TYPE		
	Problem Statements	Benefits Mapping	Strategic Responses	Indicative Solution		Strategic (case for change)	Economic (value for money)	Commercial (viable procurement model)	Financial (affordable)	Management (governance and delivery)			
Western Australia	Problem definition	Outcomes	Strategic alignment			Yes	Yes	Yes	Yes	Yes	Business Case		
Tasmania	Problem statement	Objectives	Options	Preferred solution	Business Case	Yes	Yes	Implementation strategy	Implementation strategy	Project Management Framework	Full Business Case		
ACT	Needs analysis / Problem statement	Yes	Yes, Strategic solutions	Yes	Single Assessment Framework (3 tiers based on level of capital expenditure)	Yes All tiers	Yes Tiers 1 and 2 only (>\$10m)	Yes Tiers 1 and 2 only (>\$10m)	Yes Tier 1 only (>\$50m)	Yes Tiers 1 and 2 only (>\$10m)			
Northern Territory	Strategic Need	Yes	Yes	Yes	Strategic Case	Yes	Yes	Yes	Yes	Yes	Detailed Business Case followed by Final Business Case		
New Zealand	Yes	Yes	Yes		Strategic Case	Yes	Yes	Yes	Yes	Yes	Programme Business Case followed by Indicative / Detailed business cases (or single stage)		

Notes:

1. Most jurisdictions also provide guidance and/or tools on: ILM; environmental assessments; social assessments; economic evaluations; stakeholder engagement; risk assessment; procurement strategy.
2. The Five Case Model is an approach to Business Case development, that enables a structured, step by step approach to ensure that key elements of the investment proposal are explicitly and systematically addressed in the process. The model is endorsed and has been widely used across central government departments and public sector organisations both nationally and internationally over the last decade.
3. Running alongside this is a government gateway process, with a steering committee often led by Treasuries.

Critical success factors

A number of Critical Success Factors (CSF) have been identified, based on our learnings of what makes a successful Business Case.

The CSF do not replace the standard factors such as ensuring:

- the investment is service-need led and benefits driven,
- evidence is clear and supports the recommendations, and
- evidence is risk focused and has a focus over the investment lifecycle (including quantifiable and non-quantifiable benefits).

The CSF identified in this chapter can be overlooked in favour of the above, however in order to optimise the success of the Business Case these must be followed through in the process.

Strong procurement and management

The way a Business Case is procured and managed can influence the degree of coordination and ultimately the coherence of the Business Case. Business cases are often divided up into different procurement packages (eg. engineering, economics, social impact evaluation) however, there are risks that come from having a mix of people working on different aspects of the Business Case who are all contractually separated. Such contractual division does not typically incentivise effective information sharing between different disciplines. It can also place increased coordination and project management pressures on the project sponsor. Procuring the Business Case as a single, unified product would enable a market response which addresses the need for effective information sharing and collaboration across a multi-disciplinary team. Undertaking independent peer review earlier in the Business Case process would further support an approach that champions dynamic and robust discussion and analysis across the various disciplines.

Early and continued engagement with the most senior project sponsor within government

That is, the person who will support the Business Case through the government funding decision making approval process. Projects that dedicate time to this engagement/lobbying through the Business Case process, benefit from a more straight-forward approval process. There is always some realignment to the scope or recommendations throughout the Business Case, however when this is done in line with ministerial support, it greatly reduces the risk of substantial rework and in turn, exceeding project budget.

Clear scope of each supporting consultant matched to the final Business Case requirements

There are some elements of the Business Case that commonly fall through the cracks and are left without clear owners. Identification and documentation of the benefits realisation plan is one example. It bridges scope for the economic advisor but draws on many other skills sets. The potential for scope gap is much greater when many different consultants are involved. As such, it can often be helpful at the consultant procurement stage to produce a comprehensive Business Case table of contents, inclusive of appendices, and ensure each one has an owner.

Agree the story and obtain team buy-in

The scope for producing a Business Case is often split between a team of consultants. It can therefore be common to have many different views of the 'story' that a Business Case should tell.

When chapters are written by different authors, or even when they are authored by the same writer, but that person is not the decision maker, the story can be mis-interpreted or confused.

A Business Case is intended to be a compelling case to invest. That case needs to run through every chapter and key messages need to be clear, concise and representative of the project, not individual views. Each time a chapter is due to be written, it can be very effective to meet as a small project team and agree the key messages or plot the story against a framework. This saves rework, mixed messages and ensure stakeholder's wider views are captured.

Setting budgets and delivery timeframes

Project budgets are often set in advance of scopes being identified. This can set limitations for scope that may not align to decision maker's expectations. The risk of this happening is greater where there is a large lag in time between the stages of a Business Case being completed. An example of this is where service need evidence already exists but may be outdated. Where project budgets are constrained, and data is not tested, key decision makers should be consulted as to as validity evidence and where funds should be invested to complete a detailed Business Case. Where business cases are being developed to meet an externally imposed deadline, such as an electoral cycle, unrealistic delivery timeframes can adversely impact on the quality of analysis. It is important, therefore to provide sufficient lead times.

Sufficient Options Analysis

Sufficient Options Analysis should be completed prior to the Detailed Business Case stage. Different jurisdictions call this process different things, but it always precedes the Business Case assessment. The Options Analysis stage is to ensure that all possible solutions to the problem or service need are considered early in the process. Only a few options should proceed to detailed analysis and they should all be strategically, legally and practically viable. In cases where the situation has changed significantly since the options analysis was completed, or where a preferred option was identified, extensive re-work is common. Without this starting point, it can often be difficult to maintain the compelling case to invest throughout the process.

Reassessing the need

The purpose of the project assessment framework in each state is to identify those projects that are worthy of investment. However, in some cases priorities may change during the Business Case process, for example, technology improvements could render the original solution redundant or changes in the community such as travel change behaviour and/or population shifts could disrupt the original investment logic and create new priorities. In these cases, a "gate/stage" should provide for the Business Case to either be "parked" until such time that the value they create can be enhanced or "no go'ed" and re-evaluated, despite the preliminary assessment being justified. This allows the project to succeed in fully exploring the investment option without the stigma of failure.

Peer Review

Peer reviews can often create conflicting views on fundamental project concepts relating to the reference project. They are usually an intense period of activity for both the review team and the project team in supplying documentation and answering questions. The timing of the review is often at the end of each workstream where there is limited resource and budget to make significant changes, they are often part of a gateway review. Parts of the industry are considering changing this process to engage the peer review team early in the process and use them as an independent challenge team that works with the project to test ideas and decisions at specific points in time. Regardless of timing, peer reviews are optimised to deliver the best value to the project when collaborative behaviours (rather than defensive behaviours) are extended to the peer consulting team.

Proactive management of data

In the age of "Big Data", Business Case developers have increasing opportunity to utilise a range of data sets to assist with demonstrating the case for change. Access to data can come at considerable cost, therefore thoughtful consideration is required as to the best data to use, how it will be applied and what it is intended to demonstrate. In making decision around data collection and purchase, Business Case managers must also consider how data can potentially be used to assist with future stages of the project, for example providing baseline statistics to support post implementation evaluations.

In some circumstances data sets may be confidential with restricted access. The Business Case lead must identify who requires the data and make arrangements for access to be provided whilst adhering to relevant confidentiality agreements.

Inquiry-based approach

Business Cases are sometimes undertaken after a preferred solution has been identified, often supported by a public political commitment. In such cases, the Business Case may suffer from momentum bias, with the focus of analysis on reverse justifying a pre-conceived outcome or simply 'ticking the box'. This can result in sub-optimal outcomes, with potentially more efficient, beneficial or complementary solutions overlooked. For

example, a lower cost policy around demand management may defer the need for a potentially more expensive infrastructure solution. In these situations, we consider that it is still worthwhile developing a strategic case to ensure all key stakeholders use common messaging.

A genuine inquiry-based approach starts by posing questions, problems or scenarios – rather than simply presenting established facts or examining a particular solution. It begins with the premise that there are a range of potential ways to address a problem or challenge, and uses an evidence-based approach to weigh up strategic options, with a focus on maximising potential benefits, and minimising potential risks and constraints.

The common critical success factors that can be identified across the most successful business cases denote best practice and should be adopted alongside the standard factors typically applied in the process.



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Evidence of value

The following table provides some high-level examples (noting that project specifics have been stripped out to maintain confidentiality), which demonstrate where key success factors have been implemented in the Business Case phase and have been fundamental in the successful delivery of a fit for purpose project (or not implemented and subsequently adversely impacted the project delivery). Projects have been selected from low and high budgets to demonstrate that the CSFs are applicable at all level of project size and type (all projects undertaken 2010 to 2018).

Project type and brief description	Key Critical Success Factors		Comments (success/constraint)
Railway Safety Project: Small project <\$50M Collaborative behaviours incorporated through purposeful implementation of a core project team which developed Business Case and then oversaw project delivery	Clear scope of each supporting consultant matched to the final Business Case requirements	A workshop was undertaken implementing an adapted ILM approach to define and agree the problem definition and ultimate objective. On reaching agreement amongst the core project team, a charter was then prepared which stated the problem definition (why were staff still being killed on track, despite intensive safety training and rules), the objective (that staff return home safely every night to their families), and the key behaviours to be followed by the core team (integrity, collaboration and the like). The core project team signed the charter and a copy was provided to all core project team members. This action assured that the core project team (client, consultants and relevant stakeholders) were all aligned to the project definition, scope and all had “buy in” to the ultimate goal of the project.	The process of the Charter “personalised” the defining of the need so that it become a personal drive to “buy in” and achieve “best for project”. The project won a number of State awards and was innovative in its solutions, which range from engineering to social changes. The understanding and buy in developed in the core team provided a clear sense of direction throughout the project Business Case and in delivery.
	Agree the story and obtain team buy-in		
	Sufficient Options Analysis	Targeted research and analysis was undertaken to look at all options that could mitigate the problem whilst comprehensive stakeholder consultation was undertaken not only to understand the need but to understand the cultural, technical and social reasons behind the need.	
Public amenity car park facility Small project <\$50M Collaborative behaviours incorporated through physical placement of the core project team for periods of time through the project	Clear scope of each supporting consultant matched to the final Business Case requirements	There were a number of consultants involved in this project and they were co-located in the same office for a period of time. This created an environment where information flowed easily and removed the risk of a ‘blame culture’ through collaborative working.	Collaborative behaviours involves transparency in communication and trust within the team throughout the project process. Physical presence can be an important factor in development of communication channel and trust ² . Whilst options analysis was included – a collaborative inquiry based approach and reassessment “status quo” was not undertaken, thereby “missing” significant factors critical to the outcome and not obtaining “buy in” of the solutions from relevant stakeholders with adverse effects on ultimate project delivery.
	Sufficient Options Analysis	A Preliminary Evaluation/Options Analysis was completed for this project in four years prior to final Business Case and implementation and a number of significant factors had changed. As such, Options Assessment was part of the Business Case. Whilst this isn’t uncommon, it meant that the Business Case progressed without securing Ministerial support for the preferred option. The result was a failure to deliver the project on time and in budget.	
	Inquiry-based approach		

² The Strategic Partnership, Stähle and Laento, 2000; The challenge of confidence – social capital of the working community and the structural structure, Mäkipeska and Niemelä, 2005

Project type and brief description	Key Critical Success Factors		Comments (success/constraint)
Public Health facility Small project <\$50M	Improve procurement and management	The investment decision for this project was at Gate 1 Stage, Options Analysis. The Department sponsoring this work was able to fully flex the government's requirement and deliver an Assessment that focused on key issues only. That is, there were some aspects of the templated Options Assessment that were explored in greater detail than others. This was very well received in that project funds were spent where they added value and not focused on creating a comprehensive report, many sections of which may not have added value.	A collaborative and flexible approach allowed the core project team and technical resources to focus on key issues and requirements. This resulted in cost and time savings to the Business Case propose.
Multi-modal infrastructure transport project: Small to medium project >\$50M	Improve procurement and management	A multi layered approach to collaboration was employed to foster excellent working arrangements between client, consultant and other key government stakeholders. This was first established through an 'Alliance style' collaboration workshop to establish relationships and working protocols. This went beyond the standard inception meeting approach and helped develop a team environment with everyone chasing a common goal. Furthermore, stakeholder workshops were held at each of the key stages of Business Case development (problem definition, strategic options analysis and detailed solution). One of the challenges with having a high degree of stakeholder involvement is the need for a broad range of stakeholders to understand the requirements of a Business Case and the scope of work being undertaken. It is not uncommon for interested parties to have expectations that are beyond what is required at Business Case stage.	The collaborative behaviours enabled conflicting interests to be identified early and resolved proactively through the project. Holding stakeholder workshops throughout the key stages ensured transparency and continued "buy in" and subsequently, support from stakeholders and the project team. Note is made of the provisional sum contract approach which supports a true Business Case process where options are identified through the development of the project. Fixed budgets can impact on the quality of deliverables if set unrealistically or there is a lag time between budget allocation and realistic definition of scope.
	Agree the story and obtain team buy-in		
	Setting budgets and delivery timeframes	The provisional sum contract approach provided the appropriate flexibility for the consultant's scope of work to be tailored to meet the needs of an evolving Business Case. Whilst beneficial to managing scope, this does put an administration burden on both client and consultant project manager.	
Transport infrastructure upgrade Medium project >\$50M	Sufficient Options Analysis	A clear ILM was developed that identified problems that were used throughout the process. Internal stakeholders were engaged well throughout the process, so while these resulted in project changes (see challenges), once agreed, internal stakeholders were aligned.	The application of a structured approach to define the problem and need provided the basis upon which a reassessment of need and future objective/scope changes could be undertaken and stakeholders could be "re-aligned" through the process. Despite key challenges in management of data causing time delays this initial alignment and collaboration amongst the core project team and relevant stakeholders resulted in these disruptions being managed and scope changes being understood.
	Reassessing the need		
	Proactive management of data	A key challenge was the procurement of separate consultants for traffic modelling and Cost Benefit Analysis (CBA) who were not co-located in the same office, which led to a lack of consistent assumptions between transport modelling outputs and CBA inputs. While this was overcome, it added unnecessary time to the project.	
	Clear scope of each supporting consultant matched to the final Business Case requirements	Significant changes to the project scope as a result of internal stakeholders within the client organisation changed the project outcome (i.e. no longer delivering a Full Business Case). Due to these project changes, community stakeholder and engagement activities were not completed within this project.	

Conclusion

An integrated and collaborative approach to Business Case development across the disciplines is needed for a robust Business Case and denotes best practice. A procurement and contractual framework that supports and drives collaboration between the various skills and disciplines required is a critical success factor that needs to be established from the start.

Problem identification is the first phase, i.e. what is the problem we are trying to solve? A deep understanding of the problem is essential before any options are put on the table. Continual review of these first assumptions is critical in moving through the stages of the Business Case process. Any disconnect between the problem identification and the options assessment can quickly lead to sub-optimal outcomes. This is more easily avoided if the different disciplines involved in the Business Case have an integrated process through collaborative behaviours.

A successful Business Case can result in a number of outcomes, one of which (for example) is that no new infrastructure spend is required. Too often 'no go' is considered a failure, when in fact it is the most appropriate response based on the problem identification.

The common critical success factors that can be identified across the most successful Business Cases denote best practice and should be adopted alongside the standard factors typically applied in the process. They are:

- A procurement and contracting framework that drives an integrated process through collaborative behaviours across the project team;
- Early and continued engagement with the most senior project sponsor within government;
- Clear scope of each supporting consultant matched to the final Business Case requirements;
- Agree the story and obtain team buy-in;
- Appropriate timing and setting of budgets and delivery timeframes;
- Sufficient options analysis;
- Regular reassessment of the need;
- Inclusion of peer reviews;
- Proactive management of data; and
- Inquiry-based approach.

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Appendix one

State/Territory Business Case processes

There are different approaches taken to Business Case development, as shown in table included in the body of this report, 'Business Case process by state/territory overview'. Given that these process as reviewed and updated from time to time, provided below are a series of links to the relevant materials for reference.

New South Wales

Business Case Process: www.treasury.nsw.gov.au/information-public-entities/business-cases

Infrastructure Investor Assurance Framework (IIAF): infrastructure.nsw.gov.au/project-assurance

Victoria

Investment Management Standard:

www.dtf.vic.gov.au/infrastructure-investment/investment-management-standard

Queensland

Project assessment framework: www.treasury.qld.gov.au/growing-queensland/project-assessment-framework/

Building Queensland has developed a Business Case Development Framework to assist government agencies, government owned corporations and statutory bodies with the development of infrastructure proposals:

buildingqueensland.qld.gov.au/frameworks/

Western Australia

WA Department of Treasury Strategic Asset Management Framework (SAMF):

www.treasury.wa.gov.au/Strategic-Asset-Management-Framework/

South Australia

SA State Procurement Board (SA Treasury and Finance) Procurement Policy Framework for South Australia:

www.spb.sa.gov.au/content/policies-guides

Tasmania

Department of Treasury and Finance Structured Infrastructure Investment Review Process (SIIRP):

[www.treasury.tas.gov.au/budget-and-financial-management/guidelines-instructions-and-legislation/budget-guidelines/structured-infrastructure-investment-review-process-\(siirp\)](http://www.treasury.tas.gov.au/budget-and-financial-management/guidelines-instructions-and-legislation/budget-guidelines/structured-infrastructure-investment-review-process-(siirp))

Australian Capital Territory

The Capital Framework (TCF):

www.procurement.act.gov.au/about/capital-framework

Single Assessment Framework (SAF):

www.procurement.act.gov.au/about/capital-framework/single-assessment

Northern Territory

Infrastructure Strategy and Plan and the Northern Territory Project Development Framework (NTPDF):

edf.nt.gov.au/supporting-strategies-and-plans

New Zealand

Better Business Cases: www.treasury.govt.nz/information-and-services/state-sector-leadership/investment-management/better-business-cases/guidance



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