


SHARED SERVICES TEAM

Document Name: Initial Business Case Template

Usage Guidance

Toolkit materials should only be used with due consideration to the context and requirements of the programme in question. Materials should not be directly applied 'off the shelf.'

CATEGORY DESCRIPTION

<p><i>1. Example material</i> –The tool has been provided by a single public or private sector organisation, or an external forum that has not been moderated by the Shared Services Team. It represents one possible approach to a given shared service activity, and can be used by Toolkit users as an example / reference aid.</p>	
<p><i>2. Co-developed material</i> – The tool has been produced through the collaboration of the Shared Services Team and one or more public sector organisations and / or private sector organisations. This tool Provides a jointly developed approach to a given shared services activity, and can be used by Toolkit users as an example / reference aid.</p>	
<p><i>3. Output Templates</i> – These set out what is typically included in an output of this name. They have been created as part of the development of the toolkit based on experience and best practice from other programmes and project methodologies. However, your organisation may already have a set format and template for you to use.</p>	

The following information is provided for convenience as part of the service we offer at this website. However, the Cabinet Office cannot accept any liability for its accuracy or content. Visitors who rely on this information do so at their own risk. If the material has been provided by a Private Sector organisation please refer to their Company website for further information.

Initial Business Case Template

Most organisations will have their own templates for business cases. A business case is an iterative document starting with a preliminary business case, through outline to full detailed business case. This template sets out the type of information that you would typically include in an initial business case. At this stage you will have identified and appraised a long list of options that meet your business need. You should use this in conjunction with the Business Case Financial Checklist.

The output from your initial business case is likely to be an agreed short list of options leading to an updated business case based on a completed appraisal of your short listed options and a recommended option (see detailed business case template. The business case for the recommended option will continue to be updated as the design progresses.

Executive Summary

This document forms the initial business case for [Name of Project] in order to secure funding of £..... to proceed to the next stage and development of a more detailed business case.

Brief Description of the Project

Enter a very brief description of the project and its aims.

Is this part of a wider programme?

Summary of business case

Brief description of range of costs and benefits of long list of options

Introduction

Background

Describe the background to the project. Include:

How the requirement has arisen

What the aim of the project is?

Any work that has taken place to date and who has been involved

Strategic Fit

The purpose of this section is to discuss the rationale behind the project, NOT the delivery options available to achieve a solution. .E.g. will it enable the organisation to meet the strategic objective of reducing costs.

Business Need

Set out here what is driving the need for change? Include internal and external drivers.

Outcomes

Describe the outcomes that are required to meet the business need.

In order to deliver these outcomes what issues must the organisation address.

Project Objectives

What are the objectives of the project that will contribute to the business need/outcome?

Contribution to wider initiatives

How does this project link to and support other organisational initiatives? E.g. does a shared services migration project sit alongside a project to introduce HR business partners who together support the strategic objectives of reducing the cost and business need to improve the performance of the organisation's Corporate Services?

Critical Success Factors

Explain what factors will be used to evaluate whether the outcome of the project has been successful.

Impact on Organisation

What is the envisaged impact on the organisation? E.g. moving to a shared services model may include the introduction of HR self service which will impact everyone in the organisation.

Scope of change

Explains what's in scope and what's out of scope.

Stakeholders

Who are the key stakeholders, what's their level of interest and influence? This should be expanded upon in the Stakeholder and Communications Strategy and Plan.

Constraints

Document the constraints for the project.

Inter-dependencies

Set out any other projects or initiatives that this project is dependant upon.

Assumptions

Set out what assumptions have been made in determining the strategic fit of this project.

All project assumptions should be captured in Annex B; this section should cross refer, and describe the key assumptions relating to the strategic fit of this project.

Strategic Risk

What level of risk is associated with the strategic aim of this project?

All strategic risks should be captured in the risk register in Annex A; this section should cross refer, and describe the key risks drawing conclusions on the overall risk level of the project.

The strategic risk of the project is considered [high/medium/low].

Options Evaluation Criteria

Set out the criteria against which the options will be evaluated. For example, cost, impact on headcount, impact on existing staff. Consider the relative priority of each of these criteria. Explain how you will rate each option against the criteria and whether, based on the priority of criteria, the criteria will be weighted.

Options

Insert the long list of options and describe how they have been identified.

Between 3 and 7 options should be considered. Typically 5 options will be required to demonstrate that a full range of possible solutions have been considered.

(You should consider all options for the delivery of Corporate Services that will meet the business need and strategic objectives. These should include the do nothing option and local performance improvements as well as the options for moving to a shared services model.)

Briefly describe the key features of the option.

Include the magnitude of cost for each option.

Set the likely benefits of each option.

Explain how the benefits from this option match the project objectives.

Evaluate the options against the evaluation criteria.

What are the key risks of this option (if known)?

Set out a comparison of high level costs and benefits in Annex C; but draw out the key points here in order to support the recommendation below.

Explain how risk and optimism have been taken into account

Explain who has been involved in the comparison of options and any weighting or scoring that has taken place.

Recommendation of options to be taken forward

Identify the short list of options to take forward for further appraisal leading to the next iteration of a business case and explain why.

This should contain options of doing nothing and doing the minimum and at least one other option.

Typically a total of three options are taken forward for further appraisal.

Options short listed should be ranked in order of preference.

Give reasons for the number of options in the short list.

Affordability

High level cost plan

The outline costs of the short listed options are discussed above. A summary of costs and financial benefits should be set out below.

Option	Total development cost £000s	Operating Costs £000s	Income £000s	Savings £000s
Option 1	Show capital and revenue	Total over life of project	Total over life of project	Total over life of project
Option 2				
Option 3				
Option 4				
Option 5				

Explain whether the project funding is or isn't included in existing business plans.

Based on this set out the funding that will be required.

Explain where development costs could be met from.

Operating costs could be met from?

Funding requirement to proceed to the next stage

E.g. the following funds are required to develop the short list of options [and carry out any feasibility studies (give details)] in order to produce the next phase of business case.

	20FY / 20FY	20FY / 20FY
	£000s	£000s
Total costs to next business case stage		
Of which –		
Dedicated project staff costs		
Input from other internal staff		
External consultants / market research		
Any other resource needs [specify]		

The budget available to meet these costs is:

	20FY / 20FY	20FY / 20FY
	£000s	£000s
Budget allocation to redirect to task		

Consequences of not proceeding

Set out the impact of not proceeding.

Financial risks

The following key risks are associated with the affordability of this project.....

All financial risks should be captured in the risk register in Annex A; this section should cross refer, and describe the key risks drawing conclusions on the overall risk level of the project.

The financial risk of the project is therefore considered to be [high/medium/low].

Commercial Appraisal

Provide a commercial appraisal of each short listed option.

Is the option commercially viable?

Is there a practical route to market?

Does the project team have appropriate expertise?

What are the commercial risks of the option?

What commercial arrangements might be necessary to develop the project beyond full business case approval? Demonstrate that appropriate experts are engaged.

Is collaboration with other organisations appropriate?

What commercial arrangements are necessary to proceed with the development of the business case, i.e. can it be done in-house, or will external help be required?

What is the procurement strategy for these? Use of existing partnering or contractual agreement? Existing approved contractual framework e.g. Catalyst?

Deliverability

Consider the deliverability and practicality of each of the short listed options

Which one would require the largest business change effort? Do you have the business change expertise in-house?

Acceptability

Are options on the short list likely to be acceptable to stakeholders?

Which ones are likely to result in the most opposition? Consider Trade Unions.

Project Governance

Outline the project governance structure.

Details of the SRO and project board.

Use the table below to name the project board.

Name	Role / Job title	Organisation represented

Business Case Development/Next Steps

Outline the approach to be used to develop the next version of the business case

Detail the resources required to develop the business case to the next stage

Outline any key issues that must be addressed to develop the next stage of the business case

Annex A Risk Register

Annex B Assumptions

Annex C Costs and Benefits

Benefits summary by option

Short list Option	Summary description of benefit	over full lifecycle total Financial Benefit * to [insert organisation name] Likely value £M		Describe and quantify any further non monetary benefits to [insert organisation name], and estimate £M value over full lifecycle Benefits beyond [insert organisation name]	Classification	Timing (one off / annual – over how many years?)
		Min	Max			
Option 1						
Option 2						

Option 3						
Option 4						
Option 5						

Cost summary by option

Profile of estimated development, implementation & operating resource requirements	[Show for design life of service/asset depreciation period. Do <i>not</i> overrun realistic number of years service will deliver just to make a spurious NPV]					
£ million	20FY/20F Y	20FY/20F Y	20FY/20F Y	20FY/20F Y	20FY/20F Y	20FY/20F Y
<p>Option 1 Total development & operating costs –</p> <p>of which</p> <p style="padding-left: 40px;">development, rollout and transition</p> <p style="padding-left: 40px;">live running</p> <p>Option 1 Total income –</p> <p>of which</p> <p style="padding-left: 40px;">fee income</p> <p style="padding-left: 40px;">from sale of replaced assets</p>						
<p>Option 2 Total development & operating costs –</p> <p>of which</p> <p style="padding-left: 40px;">development, rollout and transition</p> <p style="padding-left: 40px;">live running</p>						

<p>Option 2 Total income –</p> <p>of which</p> <p> fee income</p> <p> from sale of replaced assets</p>						
<p>Option 3 Total development & operating costs –</p> <p>of which</p> <p> development, rollout and transition</p> <p> live running</p> <p>Option 3 Total income –</p> <p>of which</p> <p> fee income</p> <p> from sale of replaced assets</p>						

£ million	20FY/20F Y	20FY/20F Y	20FY/20F Y	20FY/20F Y	20FY/20F Y	20FY/20F Y
<p>Option 4 development & operating Total costs –</p> <p>of which</p> <p style="padding-left: 40px;">development, rollout and transition</p> <p style="padding-left: 40px;">live running</p> <p>Option 4 Total income –</p> <p>of which</p> <p style="padding-left: 40px;">fee income</p> <p style="padding-left: 40px;">from sale of replaced assets</p>						
<p>Option 5 Total costs –</p> <p>of which</p> <p style="padding-left: 40px;">development, rollout and transition</p> <p style="padding-left: 40px;">live running</p> <p>Option 5 Total income –</p> <p>of which</p> <p style="padding-left: 40px;">fee income</p>						

from sale of replaced assets						
------------------------------	--	--	--	--	--	--