

# Building a Case for Change

The Business Case should be a fundamental building block that is central to the success of any project. For today's managers and leaders, the ability to prepare thorough, persuasive documentation is critical to receiving project funding and ensuring successful project delivery.

## Under the Spotlight

With increasing expectations of public and private sector accountability, the preparation of robust business cases continues to grow in importance. And as a result, Business Cases for public and private sector projects - large and small - are facing a new level of scrutiny.

The public sector's improved project delivery strike rate in recent times has been due in no small part to the implementation of 'Gateway' review processes, such as the one mandated by NSW Treasury. The NSW Gateway Review is an independent project review conducted at six decision points throughout the project lifecycle to ensure that the project scope, budget and timelines are being met. Similar disciplines are adopted by many commercial organisations.

On the back of such initiatives, public sector participation in Gateway-style reviews is continuing to increase, as is the level of scrutiny applied to new projects and programs. In fact, for any government or commercial organisation planning to undertake a significant project, stakeholder requirements invariably dictate a methodical approach and a significant level of analysis, transparency and discipline are applied.

In particular, the NSW Gateway Review process has raised the importance of the Business Case, such that it is now seen as a primary source of decision-making data.

## It's about more than just \$\$\$

The Business Case is a structured blueprint for how the project or program will address a service need or opportunity. It must make the case for funding; containing a logical argument that clearly demonstrates that the proposed project is necessary now; and will provide benefits which outweigh the economic costs of the proposal over its life.

Building a sound Business Case is about much more than putting words on a page. It requires

the confirmation of an indisputable need with the sponsor and the detailed exploration, analysis and evaluation of options to address this need resulting in a net public benefit.

The Business Case must show extensive stakeholder engagement, thoughtful solution analysis and detailed economic appraisal.

At the same time, the Business Case must contain sufficient detail for the proponent to be held accountable for delivery. It must demonstrate:

- alignment with the strategic objectives of the organisation/agency;
- exactly what will be delivered, by when and the critical success factors;
- the organisation/agency is capable of delivering the project;
- the project has economic value and is financially feasible and sustainable;
- strong stakeholder support and sound governance structures are in place; and
- the proposed solution is technically sound.

In Government, social and policy dimensions are just as important as value-for-money. A key consideration for any Government project includes the responsible use of resources, transparency, disclosures, probity, protecting the public interest and achieving value-for-money.

These social elements have always been evident in APP's method of service delivery, being applied in the development of our economic, financial and risk models which enable us to lead clients successfully through Gateway-style review processes.

## A little experience goes a long way

APP Corporation is a leading Australian-owned consulting business specialising in business consulting, project management, infrastructure and urban planning. We combine innovation, knowledge and technology with the best

## GENERAL ENQUIRIES

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We understand that while projects are initiated by the Business Case, of equal importance is the need to regularly review and update the planning documentation during the project to ensure the business objectives are still being met.

people to deliver outstanding results to our clients. In 2009, we will celebrate our 20th year of operation and our 4th year as a wholly-owned subsidiary of Transfield Services Limited (ASX code TSE; www.transfield.com.au), which is now an ASX 100 company with more than 29,000 employees and operations across the world.

APP has experience in providing advice to Government and other public sector clients, and has tailored varied approaches to dealing with these clients. For both the private and public sectors, APP understands the need to deliver timely, high quality advice and services that add value to the organisation's bottom line and service delivery agenda.

#### How APP can help

By working with APP through the Business Case development phase, you have the best chance of attaining available funding for your project and achieving your project outcomes.

Our team consists of senior personnel with direct experience in both Business Case preparation and Gateway Review. APP's extensive project delivery experience gives us the full knowledge of the implementation issues that a Business Case needs to address - we know what to expect because we are confronted with these issues on a daily basis. Moreover, we are held accountable to deliver on what we say. APP's 'on the ground' experience also allows us to be better informed when reviewing project schedules and cost estimates, and to understand the key risks and challenges that must be thought through and dealt with at the front-end of the project.

Unlike our competitors, APP has the ability to take a multi-dimensional view to the upfront analysis of projects. APP integrates skills and experience across a variety of disciplines to set us apart from pure consultants, economists, accountants and engineers to build a case that addresses the diverse (and often competing) requirements of multiple stakeholders and customers.

At APP, we have a successful track record of achieving excellent funding outcomes for private and public sector clients, by:

- Ensuring the "right" Business Case is prepared in the appropriate style;
- understanding the requirements of, and the connection between, Business Case

development and Gateway-style review processes;

- ensuring the alignment of the Business Case with the organisation's or government's vision, corporate plans and strategies;
- ensuring the Business Case addresses the critical elements to deliver the project outcomes;
- ensuring that all options and alternatives are exhausted and relevant feasibility studies are undertaken;
- ensuring the Business Case sells the project intent; and
- articulating the risks, governance, procurement, change management and stakeholder management plans.

#### Case Studies

APP has extensive experience, having prepared a range of Business Cases for clients across both the public and private sectors. Our key clients include State and Federal Government agencies, regional and metropolitan councils, ASX 200 corporations and Government-owned businesses. APP recently demonstrated its Business Case development experience by assisting the Hunter International Sports Centre Trust to build a Business Case for the \$6.5 million construction of a new western grandstand and corporate and public facilities at the Energy Australia Stadium in Newcastle. The Business Case spanned the sporting and function/events industries, and the scope of the work included presentation of:

- the clear case for change;
- a robust examination of a range of options;
- an analysis of financial and regional economic implications, including sensitivity analysis;
- the major implementation management issues; and
- key risks and mitigation strategies.

Like many of our Business Case engagements, APP prepared this Business Case for submission to NSW Treasury in line with the Gateway Review process requirements.

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