

Developing the Business Case for Front Office Shared Services

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What's the rationale for the Guidance?

- Developing a business case remains a challenging task for many local authorities
- FOSS projects are multi-party and multi-disciplinary :
 - Can include local authorities, PCTs, the Police, the Pensions Service, Jobcentre Plus and voluntary organisations
 - Are citizen-centric and require a balanced approach

What's the rationale for the Guidance?

- We are facing into recessionary conditions bringing
 - Financial pressures, and the need to do more with less
 - Social pressures that simultaneously increase demand

The Guidance assumes :

- The authority is taking the initiative and driving the project forward, in a convening or orchestrating role
- The partners have developed sufficient trust and shared vision to instigate a project and are ready to develop a business case.

Problems occur when the business case:

- Is regarded only as a document for unlocking funding, and is subsequently shelved
- Is not aligned with the Local Authorities overarching strategy, or the links to outcomes are not made explicit
- Fails to involve or gain ongoing commitment from stakeholders
- Focuses on one area - such as technology - at the expense of processes, people or skills

Problems occur when the business case:

- Fails to quantify all the potential benefits, who is accountable for delivering them, and how they are measured
- Ignores risks, or fails to analyse the risks adequately
- Fails to present the key information clearly or credibly
- Is used only to track project costs, rather than the delivery of benefits.

Problems arise when:

- The process of developing a business case is under-resourced, with insufficient time and energy devoted to the process
- Responsibility for developing a business case becomes a fringe activity for an officer who is already busy
- The team that prepares the business case is unbalanced, with personnel drawn only from finance or procurement.

A good business case:

- Directs management attention to the key questions
- Provides a focus and a vehicle for consultation and collaboration across organisations
- Structures the thinking process, and makes the assumptions, information and conclusions explicit
- Provides leaders with key information to convince stakeholders to give support and commitment
- Documents the options that have been considered and makes the decision-making auditable
- Indicates the trade-off between the costs and benefits

Build the business case:

Iteratively and incrementally
Collaboratively and inclusively

Mandate

Brief Strategic Case

Draft, Outline Business Case

Full Business Case

Final Business Case

Enough information to decide on the way forward
(Gateway 0)

Enough information to decide whether to proceed or revisit the scope, includes initial view of the costs, benefits and risks of options
(Gateway 1)

More detailed options appraisal based on detailed but indicative data on costs, benefits, risk.
(Gateway 2)

All the information needed to support a decision and commit funding
(Gateway 3)

Revisited throughout the life of the service to ensure the expected benefits are being achieved
(Gateways 4 & 5)

Granting the Mandate
Assigning the SRO
Assembling the Team

Aligning with Strategy
Outlining the Case
Making it 'Easy to Use'

Reviewing Current State
Identifying Benefits
Stating Objectives

Appraising Options
Modelling Costs
Registering Risks

Using the Case in Implementation

Key functions and activities

Business case study	Key function	Involving
Mandate	Initiates	the decision from Senior stakeholders to sponsor an initial assessment of a projects potential
Strategic	Connects	initiatives to plans and strategies for service improvement
Full	Determines	likely benefits, risks and resources such initiatives would involve
Final	Confirms	contracts, specification and partners by which delivery will take place
Post project	Evaluates	the performance and process by which the initiative was realised

Source: Adapted from ODPM's e-Capacity Building Programme 2006

Who's involved?

- Programme or Project Director
- Project Manager
- Councillors
- Senior Executives
- Service Managers
- IT Managers,
- Business Improvement Managers and Analysts
- Financial Managers
- Procurement Managers

Key Actions

- Granting the mandate
- Assigning a senior responsible officer
- Assembling the team
- Engaging stakeholders
- Aligning the business case with strategy
- Making the case “easy to use”
- Identifying benefits

Make the case “easy-to-use”

- Avoid overloading stakeholders with information and jargon
- Ask the question “Does the user need to know this information at this point?”
- Make judicious use of space in the main text, and employ the appendices for supporting detail
- Use the language of local public services, and avoid technical terminology where possible

Make the case “easy-to-use”

- Break-down the information into a easily navigable structure, using successive level of detail, for example:
 - Summaries of chapters
 - Aggregations for performance measures
 - An Executive Summary positioned near the front, but written last.

Identifying benefits

- Use council and / or LSP and LAA priority outcomes as a reference framework, and map benefits to outcomes
- Use a framework for identifying benefits
 - i.e. HM Treasury's Green Book
- Interview people close to problems
- Facilitate benefits brainstorming workshops
- Compare with experience of other FOSS type projects.

Key parts of a business case

- Strategic context and business need
- Evidencing stakeholder sponsorship
- Reviewing current state
- Depicting the customer perspective
- Stating objectives
- Articulating outcomes, outputs and inputs
- Appraising options
- Modelling costs
- Communicating benefits
- Registering risks

Using the business case in implementation

- Remind the team of the rationale for change
- Ensures a common shared understanding
- Provides a context for project decisions
- Introduces people to a project

Further sources of information

- 4ps
- Cabinet Office
- Communities and Local Government
- Improvement & Development Agency
- HM Treasury
- Office of Government Commerce
- Regional Improvement and Efficiency Partnerships

Q&A Discussion

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