



'Building the capacity of the Third Sector to engage in commissioning and tendering'

Business Case

What is it?

A Business Case is a formal method of preparing a business proposal for consideration and approval by a governing body, senior management, funders or partners. It is designed to ensure that investments in goods or services are in line with strategy, consider options for change, offer justification for the preferred option, commercial considerations, affordability and achievability.

Is it for my organisation?

Business Case is for those considering a significant change to service delivery or business structure and would also include proposals for new funding sources and tendering for contracts.

What does it do?

Business Case provides a logical, structured and detailed examination of key component parts of making a new investment decision or business proposal. It allows senior management, governing bodies or funders to consider proposals in a structured manner that enhances the decision making process.

What are the benefits?

The benefits of using Business Case are:

- It helps to ensure that proposals are in line with strategy
- It provides the best option for change to be considered and justified
- It explains the commercial process
- It examines the affordability and achievability of the proposed investment and how this will happen.

Who does it apply to?

Business Case will apply to any person or group within an organisation which has responsibility for, or is considering making a proposal for a new investment, irrespective of funding source.

How will it affect me?

If you are in a position of responsibility for strategic change in an organisation it will help you to review business proposals in a structured and consistent manner. The Business Case will demonstrate and support the decision making process. If you are preparing a proposal it will give you a common structure and help ensure that only the important and relevant aspects of your proposal are made.

Why is it important?

Business Case is vitally important in ensuring that investment proposals are fully examined and understood before the investment decision is made. It also ensures that essential implementation information is examined and provided. Without the benefit of a structured Business Case it may not be possible to fully understand and examine an investment proposal prior to the investment decision being made.

When?

Business Case is usually undertaken well in advance of the time when the actual investment is required. It would also need to be prepared in sufficient time for all the information to be gathered, evaluated and presented within the agreed format.

What else can I do?

Find a Business Case model that meets the needs of your organisation and ensure that you understand what is expected of you and those who will need to approve your Business Case.

If Business Case is already a part of your internal business process, you may want to talk to those responsible for this process within your organisation. If it isn't, then you may want to use the standard business case model.

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