

BUSINESS CASES



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GROUP EXERCISE:

From the perspective of your audience:

what questions must your business case answer?

(10 minutes)

THE EXECUTIVE PERSPECTIVE

THE EXECUTIVE PERSPECTIVE: What they are saying or thinking?

What's in it for me?

How much? And where will money come from?

Have you underplayed the costs/over-stated the benefits?

Did you start with solution or problem?

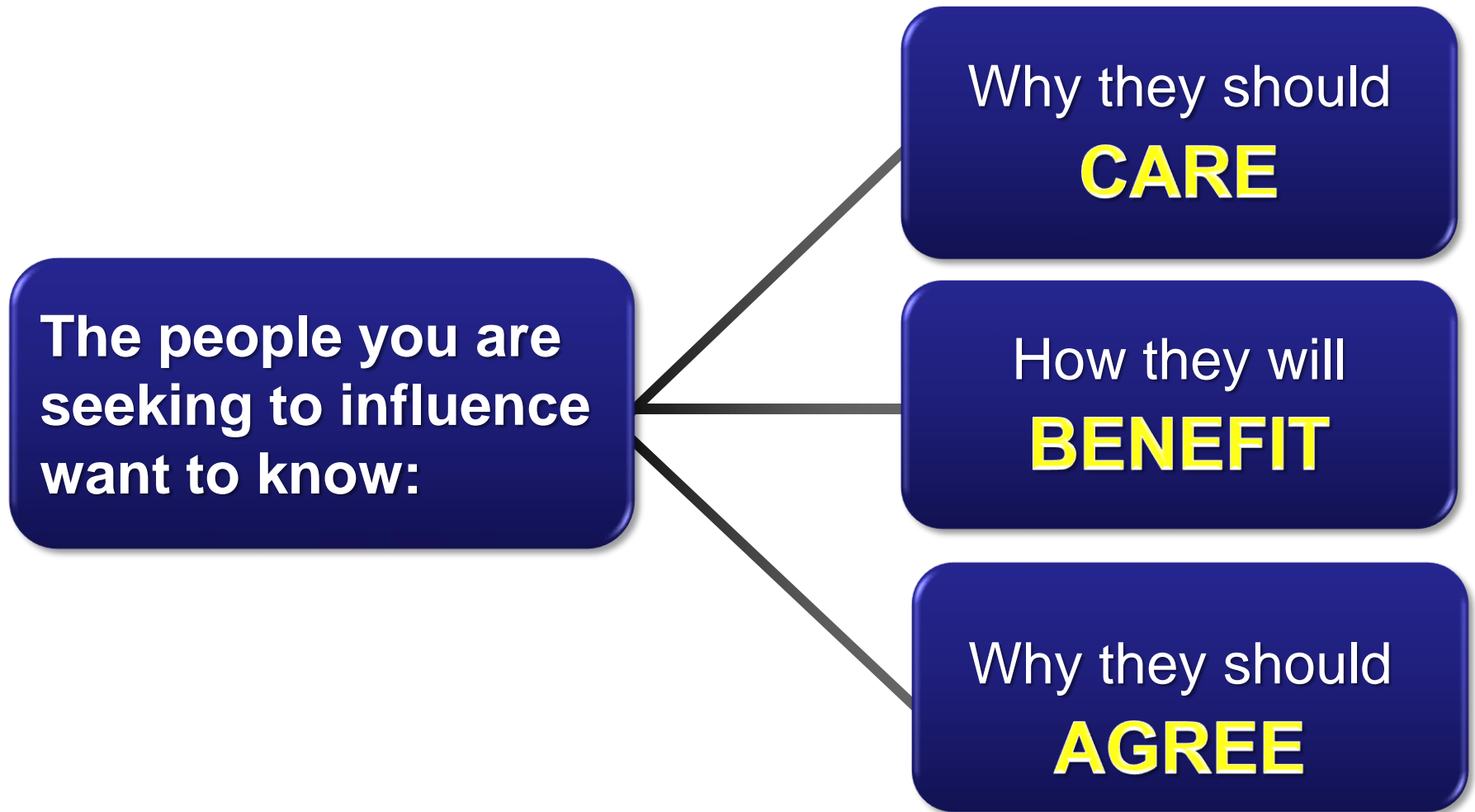
Can I get away with the 'do-nothing' option?

Where are your scenarios?

Have you applied any sensitivities?

Will I be embarrassed?

YOUR BUSINESS CASE



BUSINESS CASE: THE JOURNEY

Current reality & vision

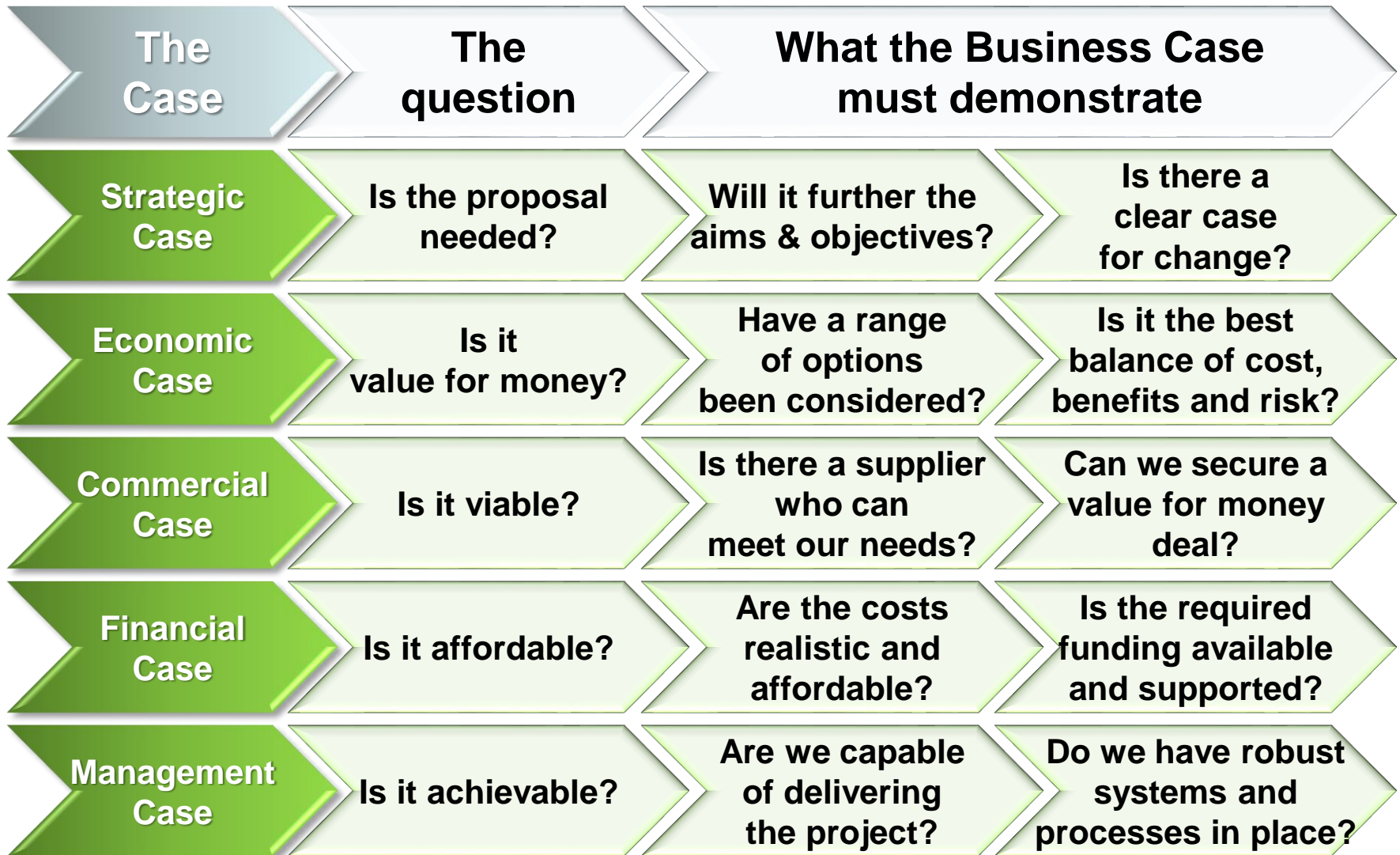
Logical
Analysis

Preferred
option

Can it be
delivered
?

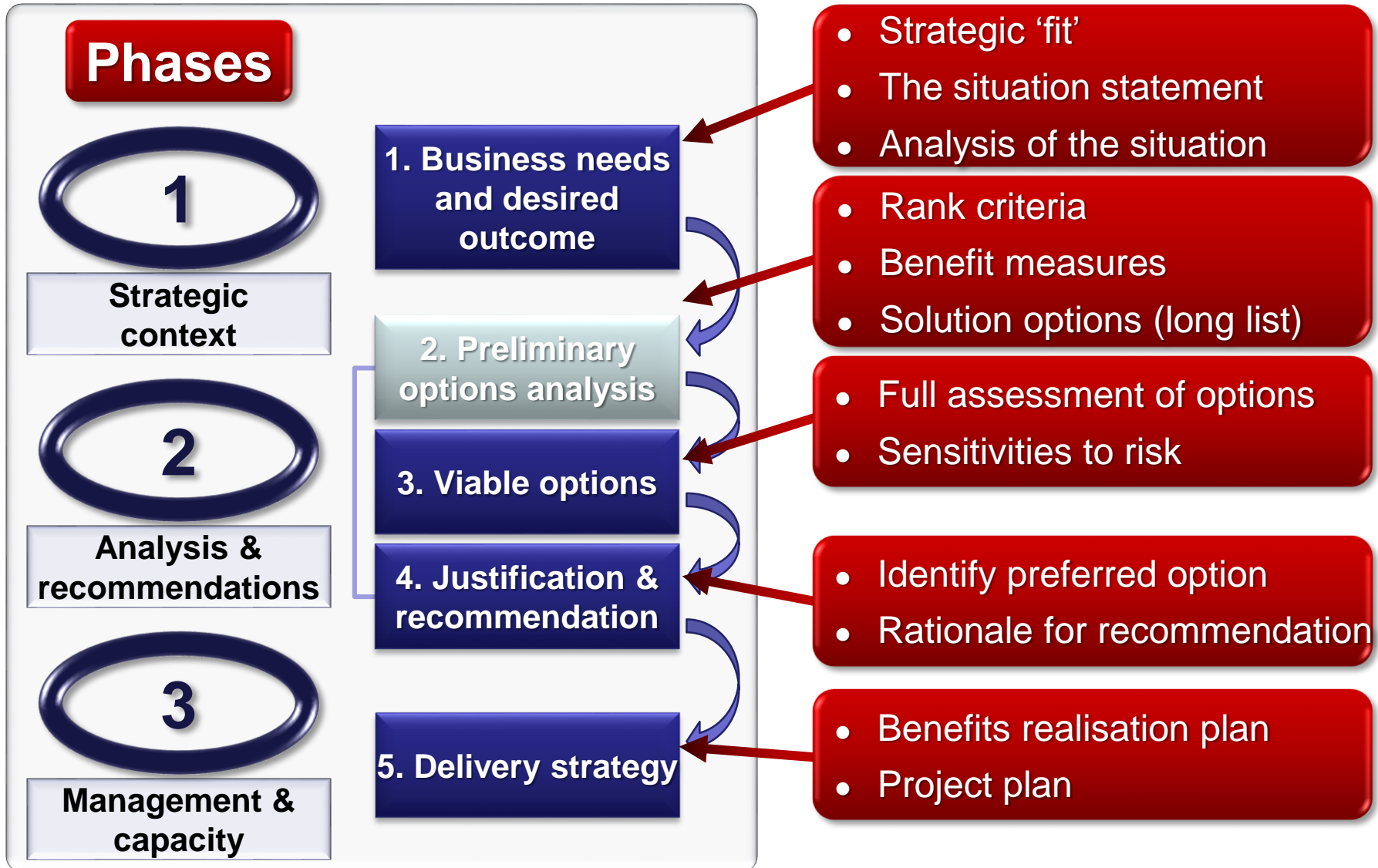


TREASURY 5 CASE MODEL



Adapted from: www.gov.uk/government/uploads/system/uploads/attachment_data/file/190603/Green_Book_guidance_checklist_for_assessing_business_cases.pdf

BUSINESS CASE: PROCESS NOT AN EVENT



FEATURES *VERSUS* BENEFITS

Features tell

Each feature is a factual statement about the proposed service to be delivered:

- Care pathway
- Integrated information system
- Single point of access
- A new scanner



Benefits sell

The best way to understand the true benefit of your service:

- “What’s in it for us”?
- “What’s in it for them”?
- Answer the “so what?” question



AKIO MORITA



DON'T ASSUME THE BENEFITS ARE OBVIOUS

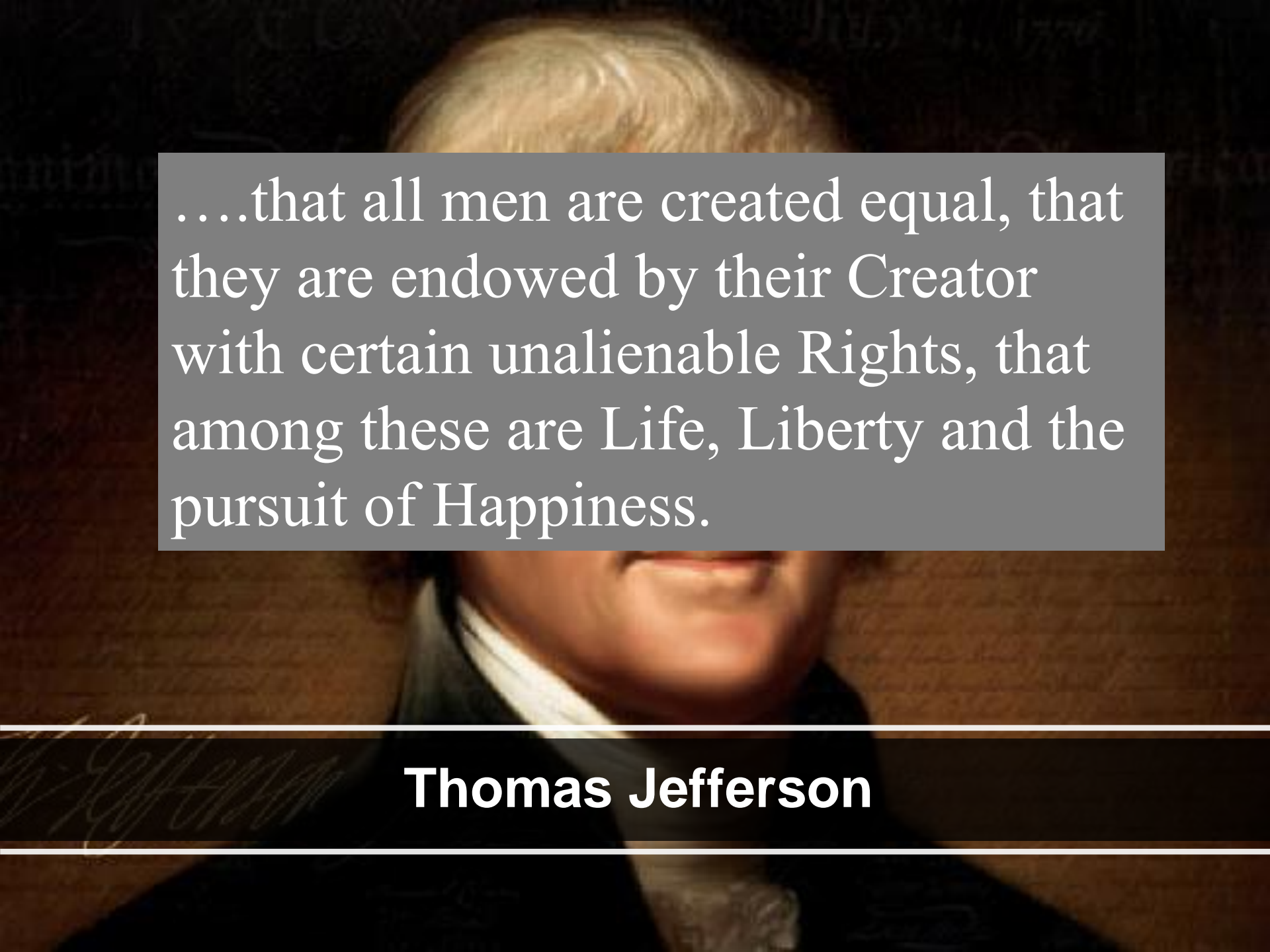
STORAGE FOR
1GB OF MP3S



1,000 SONGS IN
YOUR POCKET

VS



A portrait of Thomas Jefferson, showing his head and shoulders. He has light-colored, wavy hair and is wearing a dark coat over a white cravat. The background is dark and textured.

....that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness.

Thomas Jefferson

2007 “REVOLUTIONARY PRODUCT””



iPod

Phone

Internet

“a new MP3 player, a phone
and an Internet communications device”



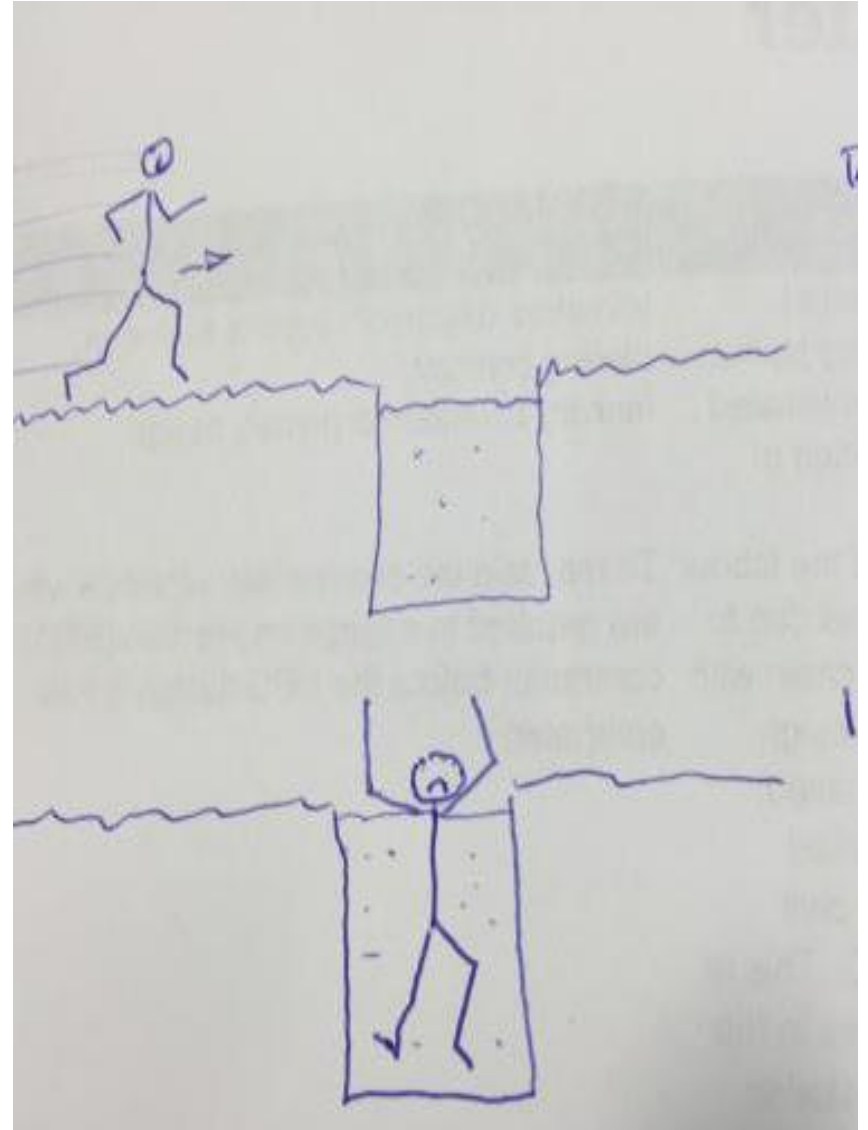
THE QUESTION PITCH

*“Are you better off
now than you
were four years
ago?”*

GROUPWORK

What is the difference between:

- Assumptions
- Risks
- Issues



WHAT ARE THE RISKS?

- “As a result of using the new hardware, unexpected system integration errors may occur that would lead to overspend on the project.”
- “Because the organisation has never done a project like this before, we might misunderstand the customer’s requirement, and our solution would not meet the performance criteria”.
- “Significant restructuring requires us to outsource provision of this service; we may be able to learn new practices from our selected partner, leading to increased productivity and profitability.”

EXAMPLES

- “As a result of using the new hardware (**a definite requirement**), **unexpected system integration errors may occur** (**an uncertain risk**) that would lead to overspend on the project (**an effect on the budget objective**).”
- “Because the organisation has never done a project like this before (**fact = cause**), **we might misunderstand the customer’s requirement** (**uncertainty = risk**), and our solution would not meet the performance criteria (**contingent possibility = effect on objective**).”
- “Significant restructuring requires us to outsource provision of this service (**cause**); **we may be able to learn new practices from our selected partner** (**risk**), leading to increased productivity and profitability (**effect**).”

IS THERE EVER A GOOD RISK?



RISK

An uncertain event, or set of circumstances that, should it occur will have an effect on one or more objective

(APM)

An uncertain event or condition that, if it occurs has a positive or negative effect on an objective.

(PMI)

RISK IS NOT CAUSE OR EFFECT.

Three-part structured “risk statement” as follows:

“As a result of (*definite cause*), (*a risk*) may occur, which would lead to (*effect organisational or project objective(s)*).”

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Thank you



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