

The Five Case Model reference tool



The Five Case Model is applicable to policies, strategies, programmes and projects and comprises of five key dimensions:

- The Strategic Case
- The Economic Case
- The Commercial Case
- The Financial Case
- The Management Case

A business case is the gateway to any project or initiative that requires stakeholder or board approval. It is imperative to capture relevant information, display it in a logical way and maintain the right tone to increase the chance of business case success.

From a company perspective, it can be very useful to have a standardised approach to your business case format. This is particularly pertinent if your business cases are reviewed by senior leaders, board members or external stakeholders. A standardised approach is also important as many employees continue to work remotely due to the Covid-19 pandemic.

Many business cases are designed to present a rationale for securing funding to undertake a project. So the power of a standardised, well presented overview of the potential value a project could deliver cannot be overstated!

The Five Case Model

The Five Case Model is a method of creating better business cases. It is a structured and standardised format for constructing business cases. In a government sense, The Five Case Model is usually used for securing funding to proceed with large scale projects in the Public Sector. This includes building roads, improving infrastructure and advancing IT services for the public.

However, The Five Case Model lends itself to business cases for small scale projects too. In fact, any company can follow this format to achieve a better chance of business case success.

The Strategic Case

The purpose of the strategic dimension of the business case is to make the case for change and to demonstrate how it provides strategic fit.

Contents of the Strategic Case:

- Strategic Context
- Organisational overview
- Business strategy and aims
- Other relevant strategies
- The Case for Change
- Spending objectives
- Existing arrangements
- Business needs – current and future
- Potential scope and service requirements
- Main benefits and risks
- Constraints and dependencies

The Economic Case

The purpose of the economic dimension of the business case is to identify the proposal that delivers best public value to society, including wider social and environmental effects.

Contents of the Economic Case:

- Critical Success factors
- Long-listed options
- Preferred Way Forward
- Shortlisted options (including the “Business As Usual (BAU)” and ‘do minimum’)
- NPSC/NPSV findings
- Benefits appraisal
- Risk assessment
- Sensitivity analysis
- Preferred option

The Commercial Case

The purpose of the commercial dimension of the business case is to demonstrate that the preferred option will result in a viable procurement and a well-structured deal between the public sector and its service providers.

Contents of the Commercial Case:

- Procurement strategy and route
- Service requirements and outputs
- Risk allocation
- Charging mechanism
- Key contractual arrangements
- Personnel implications
- Accountancy treatment

The Financial Case

The purpose of the financial dimension of the business case is to demonstrate the affordability and funding of the preferred option, including the support of stakeholders and customers, as required.

Contents of the Financial Case:

- Capital and revenue requirements
- Net effect on prices (if any)
- Impact on balance sheet
- Impact on income and expenditure account
- Overall affordability and funding
- Confirmation of stakeholder/customer support (if applicable)

The Management Case

The purpose of the management dimension of the business case is to demonstrate that robust arrangements are in place for the delivery, monitoring and evaluation of the scheme, including feedback into the organisation's strategic planning cycle.

Contents of the Management Case:

- Programme management governance arrangements (roles, responsibilities, plans etc.)
- Project management governance arrangements
- Use of specialist advisers
- Change and contract management arrangements
- Benefits realisation arrangements (including plans and register)
- Risk management arrangements (including plans and register)
- Post-implementation and evaluation arrangements
- Contingency arrangements and plans

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