

How the Five Case Model fits into the Three Stages of Programme and the Four Stages of Project Business Case Developments

Dr Fatollah Youssefifar

Programme Business Case Development		Project Business Case Development									
<p>Note: for every programme BC, there are multiple project BCs</p> <p>Programme Gateway Review to Decide if the programme is required and should trigger the first programme tranche. This is equivalent to completing the Identifying and Defining a Programme in MSP</p>		Stage 0 - Strategic Assessment - P17		Stage 1 - SOC (for Project BC) P28 - Considering the project and influence its direction, making decisions about key issues and options, prevent effort being put into projects that should not proceed			Stage 2 - OBC (for Project BC)- P44 - Planning the scheme & preparing the OBC - Identify the spending options and optimising VFM, Preparing for procurement, putting in place funding and project management			Stage 3 - FBC (for Project BC)- Procuring the solution and preparing the FBC	
		Gate 0 - Strategic fit		Gate 1 - Business Justification (Abandon, Modify, Pilot or proceed)			Gate 2 - Delivery Strategy		Gate 3 - Investment Decision		
		These 3 stages are the core of the Project Business Case, based on the 5 case model									
		Case for Change - Strategic Case territory - P17		Scoping the Proposal and Preparing the Strategic Outline Case (SOC) - P19			Planning the Scheme and Preparing the Outline Business Case (OBC) - P43			Procuring the Proposal and preparing the Full Business Case - P87	
		Step 1 (SC1) Ascertain Strategic fit - P17		Step 2 (SC2) Making the case for change - P19			Step 4 (EC2) Determine the potential VFM (or the Preferred Option) - The chosen option balances cost, benefit & risks - P43			Step 8 (SC3 + EC3) Procuring the VFM solution - P87	
The Strategic Assessment		Step 1: P15 Determine the Strategic Context		Action 2 - P19 Agree Strategic Context - where are we today			Action 9 - P43 Revisit SOC (things might have changed)			Action 25 - P87 Revisit the case for change	
		Action 1 Ascertain Strategic Fit		Action 3 - P20 Determine spending objectives & Drivers - P21			Action 10 - P44 Prepare Economic Appraisal for the short-list. Principles to apply: NPV, life of asset, opportunity cost, social cost, assumptions: Economic & Financial table - P45			Action 26 - P88 Revisit OBC options, inc. the PSC	
		Output of Step 1 - The Strategic fit - P18		Action 4 - P22 Determine potential business scope and key service requirements - Scope of the project - (Core + Desirable + Optional)			Action 11 - P51 Undertake Benefit appraisal for the Short-list options			Action 27 - P89 Evaluate the BAFs	
Prepare the Strategic Case		Step 2 - P17 Making the Case for Change		Action 5 - P23 Determine benefits (CRB (Cash Releasing Benefit), Financial but not CRB, QB, Non-QB), risks (B, Ser R, Ext R), constraints (Ext C) and dependencies (Required of others)			Action 12 - P52 Undertake risk assessment for the Short-list options & apply Optimism Bias			Output of Step 8 - Full Strategic and Economic Case - P90	
		Action 2 Agree Strategic Context - P17		Output of Step 2 - First Draft of Strategic Case - See P27 for Check-list			Action 13 - P57 Select Preferred option from the Short-list options - carry out Sensitivity Analysis on the preferred option (We now know exactly what we want)			Contracting for the deal - P90	
		Action 3 Determine the spending objectives, exiting arrangements and business needs - P18		Public Value - Economic Case territory - P27			Output of Step 4 - First Draft of OBC (of Economic Case Part 2) - P61			Step 9 (CC2 + FC2) Contracting for the deal - P90	
		Action 4 Determine the potential business scope and key service requirements for the programme - P21		Step 3 (EC1) Exploring preferred way forward - P27			Commercial Viability - Commercial Case territory - P61			Action 28 - P90 Set up negotiated deal and contractual arrangements	
		Action 5 Determine programme benefits, risks, constraints and dependencies - P22		Action 6 - P27 Agree Critical Success Factors - CSF			Step 5 (CC1) Preparing the potential deal - P61			Action 29 - P91 Set out the financial implications of the deal post project	
Preparing the Economic Case		Step 3 - P28 Exploring the Economic Case		Action 7 - P28 Determine Long-list - Use Options Framework - Many options, Long-list, Short-list - one should be the 'do nothing'			Action 14 - P62 Determine procurement Strategy			Output of Step 9 - Full Commercial & Financial Case - P91	
		Action 6 Agree Critical Success Factors CSFs, for the Programme - P28		Action 8 - P35 Recommend preferred way forward based on the Long-list and recommend the Short List Options (inc do nothing, PSC, two realistic second choices)			Action 15 - P62 Determine service streams and required outputs			Ensuring Successful Delivery - P92	
		Action 7 Determine the long list options and undertake SWOT analysis - P29		Output of Step 3 - First Draft of SOC (of Economic Case part 1), including the Long-List - P41			Action 16 - P63 Outline risk Apportionment			Step 10 (MC2) Ensuring successful delivery	
		Action 8 Recommend a Preferred Way Forward - P38					Action 17 - P64 Outline potential payment mechanism			Action 30 - P92 Finalize project management arrangement	
Preparing the Commercial Case		Step 4 Determine the Potential Value for Money - P42					Action 18 - P67 Ascertain contractual issues and accountancy			Action 31 - P92 Finalize change management	
		Action 9 Revisit the short list - P42					Output of Step 5 - First Draft of OBC (of Commercial Case) - P69			Action 32 - P93 Finalize benefit realisation arrangement	
		Action 10 Prepare the Economic Appraisal for short-listed options - P43					Affordability - Financial Case territory - P69			Action 33 - P93 Finalize risk management arrangements	
		Action 11 Undertake qualitative benefits appraisals - P52					Step 6 (FC1) Ascertain Affordability and funding			Action 34 - P94 Finalize contract management arrangements	
		Action 12 Undertake risk assessment and appraisal - P52					Action 19 - P69 Prepare financial model and appraisal			Action 35 - P94 Finalize post-project evaluation	
		Action 13 Select preferred option and undertake sensitivity analysis - P61					Output of Step 6 - First Draft of OBC (of Financial Case) - P76			Output of Step 10 - Full Management Case - P95	
Preparing the Financial Case		Step 5 Preparing for the commercial Deal					Achievability - Management Case territory - P76				
		Action 14 Determine procurement strategy - P68					Step 7 (MC1) Planning for Successful delivery - P76				
		Action 15 Determine service stream and required output - P69					Action 20 - P76 Plan programme and project management strategy				
		Action 16 Outline potential risk apportionment - P70					Action 21 - P78 Plan Change Management strategy				
		Action 17 Outline potential payment mechanism - P71					Action 22 - P79 Plan benefit realisation strategy				
		Action 18 Ascertain contractual issues and accountancy treatment - P75					Action 23 - P80 Plan risk management strategy				
							Action 24 - P83 Plan post-project evaluation strategy				
							Output of Step 7 - First Draft of OBC (of Management Case)				
							Remember: For Minor Spending = Business Justification Case, B/C, which is similar to OBC				
Preparing the Management Case		Step 6 Ascertaining the Financial Case									
		Action 19 Prepare financial model and the financial appraisals - P78									
Preparing the Management Case		Step 7 Planning for Successful Delivery									
		Action 20 Plan programme management - Strategy, framework and plans - P86									
		Action 21 Plan change management - Strategy, framework and plans - P89									
		Action 22 Plan benefits realisation - Strategy, framework and plans - P90									
		Action 23 Plan risk management - Strategy, framework and plans - P91									
		Action 24 Plan programme assurance and post programme evaluation - Strategy, framework and plans - P94									

APMG International™
Better Business Cases

The APMG International Better Business Cases and Swirl Device logo is a trademark of The APM Group Limited. APMG International Change Management is a trademark of The APM Group Limited. All rights reserved. The APMG International Change Management and Swirl Device logo is a trademark of The APM Group Limited, used under permission of The APM Group Limited. All rights reserved. APMG International Managing Benefits is a trademark of The APM Group Limited. All rights reserved. The APMG International Managing Benefits and Swirl Device is a trademark of The APM Group Limited, used under permission of The APM Group Limited.