**Business Case Template**

# Executive Summary Background/Requirements

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| **Executive Summary Background/Requirements considerations**  *Provide a snapshot of the purpose of the procurement (Complete an Opportunity Assessment)*   * *Ask relevant questions – is it simple or a complex category?* * *Is there any technology change?* * *Is there any industry globalisation?* * *Determine whether the procurement is still required in its current form, or could it be staged over time or split into component parts.* * *Is there a Stakeholder engagement plan or strategy in place?* |

# Business Needs Analysis

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| **Business Needs Analysis considerations**  *Scope*   * *Determine what is in-scope or out-of-scope*   *SWOT Analysis*   * *Outline strengths, weaknesses, opportunity and threats for the category/activity*   *Category Analysis*   * *Provide details about the Category/activity, for example:*   + *Is it simple or a complex category?*   + *The number and type of current suppliers*   + *Discount Pricing details*   + *Existing market analysis: how it works, dynamics, trends and impacts*   + *Benchmarking: with whom?*   + *What is the range of products for the category, how has it performed?*   + *Are there specific compliance issues?*   + *Any supply chain considerations?*   + *Are there any protracted time frames?* * *The Complexity Assessment Tool will assist in drawing out all these details.* |

# Spend Analysis

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| **Spend Analysis considerations**  *For the Category, identify:*   * *Total historic expenditure and volumes* * *Expenditure categorised by commodity and sub-commodity* * *Expenditure by department, division or user* * *Expenditure by supplier, future demand projections etc.* * *Use the relevant questions in the guide to help you with the detail.* |

# Market Analysis

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| **Market Analysis considerations**  *Market analysis overview: define:*   * *Market, size, key suppliers – what are the ownership structures* * *Market competition- number of suppliers and the competitiveness of the market and their relationships* * *Market share. Align your analysis to Porter’s Five Forces Model or the PESTEL Analysis Tool,* * *Market capability for the procurement* * *Market concentration, what are the existing ownership and structures?* * *Barriers to entry/exit* * *Availability of substitute goods and services* |

# Delivery Planning

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| **Delivery Planning considerations**  *Market engagement/approach*   * *Review Market Engagement and Approach Options (Invitation to supply) either open or limited, address all considerations including specifications, conditions for participation, regional considerations, delivery, governance, liabilities, opportunities and choice of contract type. Review the Market Approach guide that provides additional detail.*   *Key Risks*   * *Identify a list of high risks and mitigation strategies.* * *Document in the health service risk assessment tool or similar.*   *Stakeholder Management and Engagement Plan*   * *Identify key stakeholders – review the Stakeholder Management Plan guide for detailed process.*   *Cost drivers and cost control arrangements*   * *Identify the cost drivers for the category* * *Determine who will be responsible for reviewing and reporting costs.*   *Contract Management arrangements*   * *Identify the key tasks including capability, systems and procedures in place, communication plan and performance monitoring (review against KPIs for performance) – review the Guide to Contract Management; Guide to Developing A Contract Management Strategy*   *Timeframes*   * *Identify key timelines for awarding the contract, commencement of the contract, milestones, reporting, approvals, meetings etc.*   *Organisational Capability*   * *Review the current procurement structure, gaps in procurement skills and capabilities and the capability augmentation requirements. Refer to the Guide to Capability Assessment*   *Performance Monitoring*   * *Identify the Key Performance Indicators for the category and the process for monitoring and/or reporting these*   *Stakeholder Approval Processes*   * *Strategy sign-off* * *Contract Specification sign-off* * *Evaluation committee sign-off* * *Probity sign-off* * *Any committee and/or board approvals sign-off*   *Evaluation and benefits tracking*   * *Evaluation of performance* * *Lessons learned* * *Benefits of the contract* |

# Alternative Strategies

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| **Alternative Strategies considerations**  *Decide whether to maintain status quo or review other strategies that could benefit the procurement.* |

# Appendices

Attach the following completed documents to your strategy:

* Stakeholder Engagement Plan, including:
  + Tables and details of all stakeholders involved
  + Reference group details: Contact name, position, location etc.
* Current Spend Analysis:
  + By health service
  + By supplier
  + By category
* Sourcing Overview:
  + Completed Business Needs Analysis – include the completed matrix on your analysis
  + Complexity Analysis – indicate what tool you have used and the outcome of the analysis
  + Completed Market Analysis – include Porter’s Five Forces completed analysis
  + Completed PESTEL Analysis – capture analysis for Political, Economic, Social, Technological, Environmental, and Legal factors
  + Evaluation and benefits for the category

# Disclaimer

The information presented in this document is general in nature and based on HealthShare Victoria’s interpretation of the *Health Services Act 1988 (Vic)* and any ancillary legislation and regulations in effect at the time and should not be relied upon as legal advice. Please consider seeking professional and independent advice from your legal representative as to the applicability and suitability of this information and the legislation to your own business needs or circumstances.