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| Purpose of this checklist  About this checklist | This checklist is for business case developers and assessors. Its purpose is to guide your thinking as you develop your investment proposal but also to assess proposals once complete.  The investment decision-maker’s checklist is used in two stages:  **Stage 1** applies to the initial Conceptualise stage of a proposal, where it is being assessed for its policy and strategy merit. It should be applied to the strategic assessments (non-High Value/High Risk projects) or preliminary business cases (for HVHR projects). Note the level of evidence required at this stage will vary depending on the estimated scale of the investment, that is, a $5 million strategic assessment will require less evidentiary support than a $150 million HVHR proposal.  **Stage 2** applies to the ‘prove’ stage of a proposal, where it is being assessed for its deliverability. These questions will help define a compelling business case, which should include strategies and evidence to support a strong proposal built on the basis of its policy merit, costs and deliverability. |
| How to use this checklist | Step 1: Indicate your assessment of the investment  Using the knowledge you have of the investment, work through the questions answering each by circling either Yes, Maybe or No (circle ? if you are unable to answer).  Step 2: Do you understand enough to make an overall judgement?  At each stage, answering the questions won’t necessarily give you a ‘yes’ or ‘no’ answer; your completed questionnaire may be a mix of all four possible responses. If there is ambiguity in your response, make a judgement on the materiality of that ambiguity to your overall assessment of the proposal. Analyse your responses to obtain a sense of how closely what you need to know compares to what you do know of the investment. There is more flexibility for discretion in your judgement at stage 1 than stage 2.  Step 3: What is your judgement?  Based on your role and purpose for analysing this investment, make a judgement or draw a conclusion at the end of each stage to reach an ‘on balance’ judgement. The box below provides examples of the conclusions an analyst might draw. |
| Need more help? | If you need further guidance on any of the 16 questions or key terms used, refer to the Guide to the investment decision-maker’s checklist (coming soon). |

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| Examples of assessment conclusions  **Stage 1: Does this proposal merit proceeding to the next stage?**   * The logic for this potential investment is clear and supported by evidence. Further work and funding should be considered. * Although the need for this potential investment has been established, it is not necessary to take action at this time. * The potential investment should not be considered further until: * the problem is properly articulated and supported by evidence; and * more strategic options are explored.   **Stage 2: Is the business case comprehensive/robust as a basis for a sound investment decision?**   * Although the logic of this investment is clearly demonstrated, the organisation has not demonstrated that it has the capability and capacity to deliver this investment. * The organisation has not demonstrated that the recommended project solution is the best value for money option. * The organisation cannot demonstrate that the recommended project solution is realistically costed. |

**STAGE 1: CONCEPTUALISE**

***Strategy and policy focus***

**Use this checklist to assist with the preparation of a strategic assessment or preliminary business case**

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| **PROBLEM** | | **BENEFITS** | | **STRATEGIC RESPONSE** | | **INDICATIVE SOLUTION** (*level of detail for 13–16 should be* light*)* | |
| 1. | Is it clear what the problem is that needs to be addressed, both the *cause* and *effect*? | **5.** | Have the benefits that will result from fixing the problem been adequately defined? | **9.** | Has a reasonable spread of *strategic interventions* been identified and packaged into sensible strategic options? | **13.** | Consistent with the preferred strategic option, has a reasonable *spread of project options* been analysed? |
|  | Yes Maybe No ? |  | Yes Maybe No ? |  | Yes Maybe No ? |  | Yes Maybe No ? |
| 2**.** | Is there *sufficient evidence* to confirm both the cause and effect of the problem? | **6.** | Are the benefits of high value to the government? | **10.** | Is there evidence to demonstrate that the strategic options are feasible? | **14.** | Is the recommended project solution the *best value for money way* to respond to the problem and *deliver the expected benefits*? |
|  | Yes Maybe No ? |  | Yes Maybe No ? |  | Yes Maybe No ? |  | Yes Maybe No ? |
| **3.** | Does the problem need to be addressed *now* and by this government? | **7.** | Are the KPIs SMART and will they provide strong evidence that the benefits have been delivered? | **11.** | Were the strategic options *evaluated fairly* to reflect their ability to respond to the problem and deliver the benefits? | **15.** | Is the solution *specified clearly and fully*  (all business changes and assets)? |
|  | Yes Maybe No ? |  | Yes Maybe No ? |  | Yes Maybe No ? |  | Yes Maybe No ? |
| **4.** | Does the defined problem capture its full extent/scope? | **8.** | Have key dependencies critical to benefit delivery been considered? | **12.** | Is the *preferred strategic option* the most effective way to address the problem and deliver the benefits? | **16.** | Can the solution really be delivered (cost, risk, timeframes etc.)? |
|  | Yes Maybe No ? |  | Yes Maybe No ? |  | Yes Maybe No ? |  | Yes Maybe No ? |

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|  |  |  | These questions are addressed in more detail and expanded on in **stage 2** |

**STAGE 2: PROVE**

***Solution focus***

**Use this checklist to assist with the preparation of a full business case**

Before proceeding to stage 2 questions, revisit questions 1–12 from stage 1.

Have the issues requiring resolution been addressed and are they supported by sufficient evidence?

Yes Maybe No ?

***Now proceed to stage 2***

Stage 2 questions revisit and build on your responses to the ‘indicative solution’ in stage 1.

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| **VALUE FOR MONEY** | | **COMMERCIAL AND FINANCIAL** | | **MANAGEMENT** | | **DELIVERY** | |
| **1.** | Have the project options been specified clearly, including key risks, assumptions, constraints and dependencies? | **5.** | Is the solution *specified clearly and fully*  (all business changes and assets)? | **9.** | Is the governance structure identified and is it *appropriate* for this investment? | **13.** | Has an *appropriate* change management strategy been provided to support benefit delivery? |
|  | Yes Maybe No ? |  | Yes Maybe No ? |  | Yes Maybe No ? |  | Yes Maybe No ? |
| **2.** | Consistent with the preferred strategic option, has a reasonable *spread of project options* been analysed? | **6.** | Have all significant risks been identified along with *strategies for their management*? | **10.** | Is there evidence that the implementing organisation has the *capability and capacity* to mobilise and deliver this investment? | **14.** | Are the proposed timelines and investment milestones *reasonable*? |
|  | Yes Maybe No ? |  | Yes Maybe No ? |  | Yes Maybe No ? |  | Yes Maybe No ? |
| **3.** | Is the recommended project solution the *best value for money way* to respond to the problem and *deliver the expected benefits*? | **7.** | Has the recommended solution been appropriately costed (including risk adjustment)? | **11.** | Have relevant stakeholders been identified along with *strategies to manage their engagement*? | **15.** | Has an *appropriate* benefits management strategy been outlined? |
|  | Yes Maybe No ? |  | Yes Maybe No ? |  | Yes Maybe No ? |  | Yes Maybe No ? |
| **4.** | Is the procurement strategy the *most appropriate* for this investment and attractive to the market? | **8.** | Have *alternative* sources of funding been considered? | **12.** | Has a robust project management strategy been outlined? | **16.** | Has the transition from construction to operation been adequately considered? |
|  | Yes Maybe No ? |  | Yes Maybe No ? |  | Yes Maybe No ? |  | Yes Maybe No ? |

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| Project options analysis | Solution specific |