

# INDICATIVE BUSINESS CASE OVERVIEW

The Indicative Business Case recommends a preferred way forward for further investigation

The **INDICATIVE BUSINESS CASE** is the fourth step in the NZ Transport Agency's Business Case Approach (BCA), which is founded on some overarching principles:

- **Quality analysis** – Our work should be evidence based, thoughtful and focused.
- **Fit for purpose effort** – We should right size our effort to the risks and uncertainties. One size should no longer fit all.
- **No surprises** – Building up the investment story gradually and identifying the risks and uncertainties allows issues to be addressed earlier in the process when it is more cost effective to deal with them.
- **Aligned to our management processes** – The BCA works with the methodologies, approaches and processes we have in place and is complementary to those.

## WHAT IS THE AIM OF AN INDICATIVE BUSINESS CASE

The primary purpose of the indicative business case is to provide decision-makers with an early opportunity to choose a preferred option to progress for further investment.

This is done by developing a long list of options and identifying the risks associated with each option, which enables a trade-off to be made around the risks and the benefit return. It's where individual activities within the preferred programme are initially progressed.

The indicative business case is the basis for telling the investment story to progress a potential preferred option to a detailed business case, where more detailed analysis and planning is undertaken.

Each activity or group of closely related activities identified in the programme business case will have an indicative business case developed. At the start of this phase, work is scoped out collaboratively to agree the focus and direction of the IBC and reconfirm the assessment profile, after which a funding application is undertaken to progress IBC development.

Decision-makers are provided with recommended option/s and are able to influence the direction of the investment proposal (and avoid wasting time and effort in developing investment proposals and options that should not proceed) to the more comprehensive, subsequent detailed business case.

## WHAT IS EXPECTED

- The size of the report should be determined by the complexity of the transport planning exercise undertaken; however, it should be concise (supported by supplemental technical papers as required).
- Continue the progressive case for investment and include a clear line of sight to all supporting evidence collected up to this point.
- Detail each of the long list of options, ensuring a wide range of options has been considered.
- Show that the options optimise value for money.
- Soundly justify how the short listed options for the activity were selected and document why the other options were rejected.
- Demonstrate how the short list of options aligns to other elements of the programme within the programme business case as well as within the overall case for change.
- At all stages of the indicative business case, key stakeholders should be involved, with their concerns detailed.

## THE INDICATIVE BUSINESS CASE REPORTS

### FUNDING REPORT

- Reconfirm the programme and strategic cases and objectives are still relevant
- Reconfirm partners and stakeholders
- Demonstrate that the benefits defined within the strategic case and programme business case have not yet been realised
- Undertake a facilitated scope workshop with relevant stakeholders to scope the IBC and discuss necessary technical requirements
- Identify indicative costs, timings, risks, dis-benefits and dependencies
- Capture the conversations on risk and challenges
- Prepare funding application to proceed with IBC, or decide not to proceed

### IBC REPORT

- Continue to develop the case for change
- Develop KPIs and measures for option
- Develop long list of options that seek to deliver on the agreed outcomes identified in the PBC, identifying risks and challenges
- Collate technical information which will help to inform option assessment
- Undertake long list of options to short list assessment
- Capture the conversations on risk and challenges from the workshop
- Assess the short list and identify the recommended option(s) to move forward to the detailed business case

POINT OF ENTRY

STRATEGIC CASE

PROGRAMME BUSINESS CASE

INDICATIVE BUSINESS CASE

DETAILED BUSINESS CASE

PRE-IMPLEMENTATION / IMPLEMENTATION

POST IMPLEMENTATION

## KEY QUESTIONS CONSIDERED ARE

For each option within the indicative business case, an assessment is conducted with specific consideration given to these questions:

### GENERAL

1. Is the option going to alleviate the perceived transport problems and/or maximise potential opportunities identified in the programme business case?
2. Is the proposed solution the best way to respond to the problem and deliver the expected benefits?
3. Does it tell the story as to why this is the preferred option/solution?
4. Is the option consistent with established policy directives?
5. What are the likely scale and significance of any impacts of the option?
6. Is the option likely to be acceptable to the public, affordable and feasible to construct and operate?
7. Is there a clear rationale for the rejection of options on completion of the indicative business case?

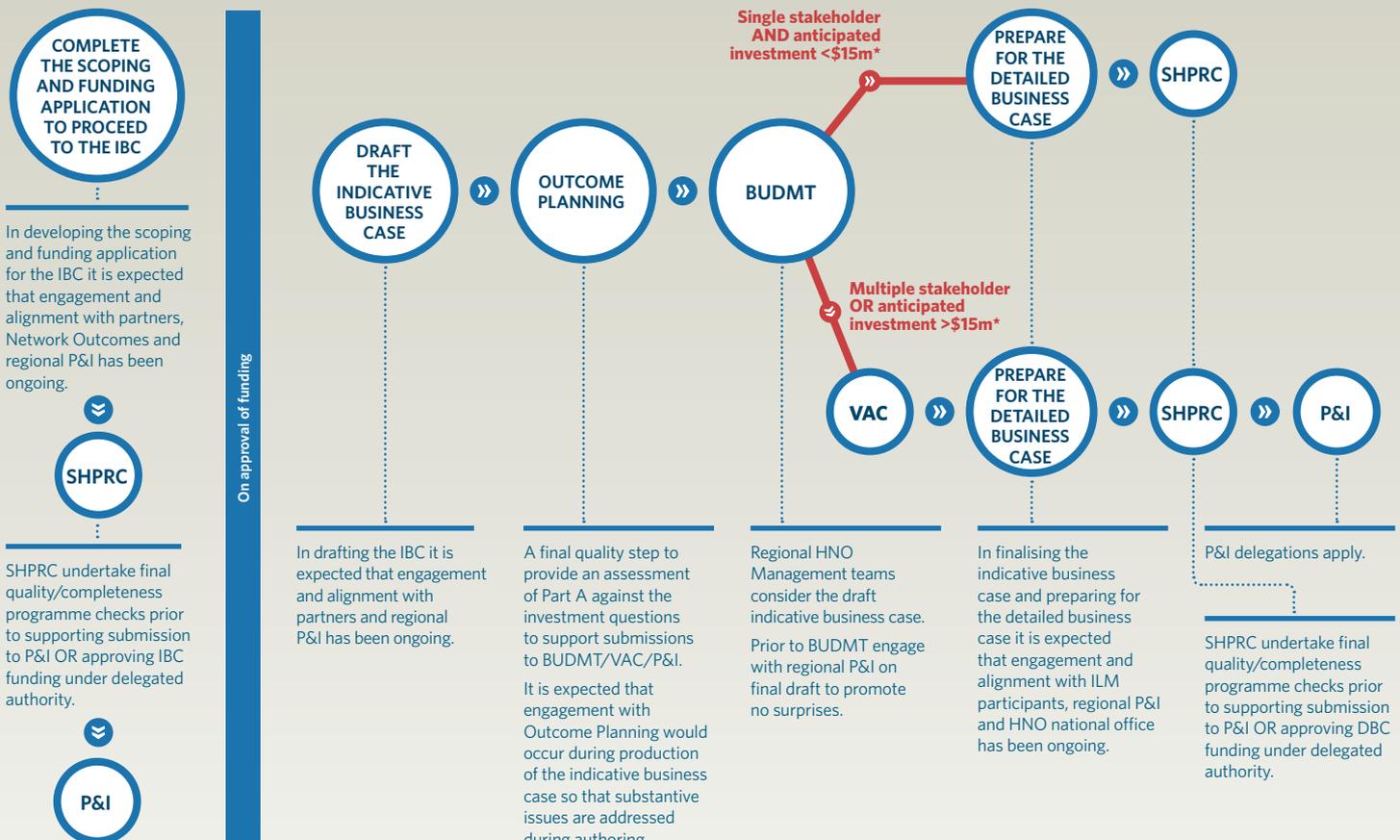
## WHERE DO I GET SUPPORT

REGION	REGIONAL HNO	TECHNICAL SPECIFICATION	HNO TEAM
Auckland/Northland	Mieszko Iwaskow	Environment and Urban Design	Rob Hannaby
Waikato	Anuradha Fitzwalter	Pavements	John Donbavand
Bay of Plenty	Mark Haseley	Safety	Fergus Tate
Central	Selwyn Blackmore	Structures	Barry Wright
Christchurch	Mike Blyleven	Property	Malcolm Watson
Dunedin	Tony Sizemore	Outcome Planning	Neil Cree
		Procurement	Richard Quinn
		Commercial	Peter Spies
		Maintenance	Dave Darwin
		Operations	Kathryn Musgrave

Investment advice should be sought from your Regional/National P&I Planning and Investment Manager in the first instance.

- Best practice for business cases (on OnRamp)
- NZTA Highways Information Portal (HIP) (<http://hip.nzta.govt.nz/>)
- NZTA Planning and Investment Knowledge Base (<https://www.pikb.co.nz/>)
- [outcomeplanning@nzta.govt.nz](mailto:outcomeplanning@nzta.govt.nz)

## HNO APPROVALS PROCESS



\* This will be reviewed over time