The Business Case Approach (BCA) capabilities introduced in the point of entry phase continue to be applied as you develop the strategic case.

**Groundwork and context** relates to your enquiry into what the potential problems or opportunities are and the likely benefits of investing in addressing them, and determining the scope and connectivity of potential work.

**Relationship management** is important for engaging stakeholders in a meaningful way and ensuring the right people are in the room for discussions or workshops to define problems and benefits.

**Structure** helps to understand the approvals required for time and resources, the level of complexity and risk, and what kind of governance structure is required as a proposal develops.

Read more below about how the BCA capabilities are applied in the strategic case phase.

**Groundwork and context**

In developing the strategic case, stakeholders explore a potential problem and define the likely benefits of investment. The significance of the problem and value of the benefits depends on the overarching goals and objectives of the organisation. For transport investments that are likely to seek National Land Transport Programme (NLTP) funding, this means benefits must fit well with Government Policy Statement on Land Transport (GPS) priorities, which can be checked using the Investment Assessment Framework (IAF) criteria.

Building a strong case is not about copying and pasting information from other documents. It’s about demonstrating how the problems and benefits you’ve identified align clearly with other strategic pieces of work. You also need to look at whether the issues can be backed up by evidence, or whether they’re more abstract.

It’s acceptable to have gaps in your evidence (after you have reviewed all existing, available information), as long as you identify these gaps clearly and include a plan for filling them. If you build a strong case for obtaining new evidence, you can request funding for it.
Relationship management

As the business case develops, investment partners will need to apply their relationship management capabilities. Remember the key concepts of relationship mapping and identifying stakeholders’ behaviour and attitude introduced in the point of entry phase.

In the strategic case phase, it is important to get the right people in the room to define problems and benefits, whether through investment logic mapping (ILM) workshops or less formal methods. Ensuring that you can identify and select appropriate decision makers is also important.

Keeping stakeholders up to date is part of the relationship management capability. Share the output of your collaboration with all stakeholders in written form, particularly for complex investments. Take the opportunity to thank everyone who was involved, acknowledging the different organisations your stakeholders belong to. This will act as a good report of status and progress to all interested parties and help you strengthen lines of communication.

Structure

Through the strategic case phase, you will see some of the groups and processes that will impact on an investment partner’s journey to receive funding.

Your strategic case may need to go through the approval processes of stakeholders’ organisations, as well as your own organisation’s approval processes.

If there are multiple funding partners, you may need to seek approval from these different sources. Not all of these partners use the Transport Agency’s IAF. For more information on the IAF, see the online modules available on Learning Zone – Getting to know the Investment Assessment Framework and The Investment Assessment Framework in action. Information sheets that go with the modules are also available.

Determining the scale of your proposal in terms of complexity, risk and/or cost will indicate the next business case phase. Regardless of whether it is large, medium or small, you still need to think about a fit-for-purpose structure.

- How do you want to use all the information you have pulled together so far?
- Is the best approach to now develop a programme business case, or is the problem specific enough to progress to a detailed business case?
- Should the problem be handed over to another agency to resolve?
- What is the size and scale of the next step?
- What do you need to know at the end of the next step?
- What do you need to do to get the information you need?