



## COT/ BAOT Briefings

### Management Briefing: Writing a Business Case

**Revision Date:** March 2011  
**Lead Group:** Professional Practice  
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**Country Relevance:** UK wide

#### Introduction

The context within which occupational therapy practitioners and managers work presents both challenges and opportunities. The challenge is to make the most effective use of limited resources, and often involves service redesign. However, there are also opportunities to develop innovative new services that utilise the unique skills and added value of occupational therapy, in order to fulfil the current government policy agenda. This will increasingly necessitate occupational therapy managers using 'business' skills, as services have to account for their use of public funds and provide evidence of cost effectiveness for current services and proposed developments.

Writing a business case is one such skill and is an essential step in initiating a service development. It enables a potential funder to decide whether investing in the resources required will meet a defined business need. The impetus may be to develop a new or improved service in other words, be proactive. There may also be a need to be reactive in response to threatened closure or withdrawal of funding. This briefing addresses the first scenario.

The Office of Government Commerce states that,

'A Business Case is used to obtain management commitment and approval for investment in business change including projects and programmes, through rationale for the investment'.

[http://www.ogc.gov.uk/documentation\\_and\\_templates\\_business\\_case.asp](http://www.ogc.gov.uk/documentation_and_templates_business_case.asp)

(Accessed 13.12.10)

It goes on to say that the business case can provide a framework to plan and manage, and monitor progress of, the proposed changes.

A business case is not the same as a 'business plan' which applies to an entire organisation or defined service to underpin strategic development.



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## Writing a business case

Many organisations will already have established processes, including a range of document templates and guidance, in place. Therefore the first step is to check locally what is required, and what resources are already available. If there are no local guidelines, an internet search using the keywords 'business case' provides a wide range of potential resources and examples. Some will be more relevant than others to your area of work, and whilst it is important to remember that the document primarily seeks to outline the business and commercial value of a proposed service change or development to the organisation, the potential outcomes for service users and carers should also be included. For example, to demonstrate the added value of occupational therapy, improved occupational performance could reduce health and social care expenditure such as institutional care costs and benefit payments, as people are enabled to return to work, live in their own homes more independently and for longer.

## Business case structure and content

This section is based on guidance provided on the:

- Office of Government Commerce (OGC) website:  
[http://www.ogc.gov.uk/documentation\\_and\\_templates\\_business\\_case.asp](http://www.ogc.gov.uk/documentation_and_templates_business_case.asp)  
(Accessed 13.12.10)
- PRINCE2 project management website:  
<http://prince2.com/prince2-downloads.asp>  
(Accessed 19.12.10)

Local templates may use different headings or structure but the following content should be included as relevant to the Business Case, depending on the local context and type of investment being requested.

### *(Executive) Summary*

Briefly summarise the key points to justify the project in terms of the estimated cost and benefits to be gained, in no more than two pages:

- What is being proposed?
- How does it fit with the organisation's overarching strategy?
- What key objectives and targets will it meet?
- What will it cost?
- What are the anticipated outcomes?

### *Strategic fit*

Provide the background needed to put the business case into context:

- Discuss the key drivers including: relevant government policy; local community needs (demographic, socioeconomic); condition, service or profession specific clinical guidance or standards (for example, NICE).
- Describe how the proposal contributes to the organisation's overarching strategy.



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- List the key objectives and targets it will enable the organisation to achieve.
  - Explain why it is needed now.
  - Identify relevant stakeholders and potential partner organisations and their potential involvement.
  - Outline the key outcomes (benefits) to the organisation, service users, carers.

#### *Options appraisal*

- Outline the options, ideally at least three.
- Provide high level cost / benefit analysis for each.
- Describe the consequence of taking no action or retaining the status quo.
- Identify the preferred option with rationale.

#### *Preferred option / proposed project or service development*

- Describe the intended service provision: what will be provided, where and when, to whom and by whom.
- Include evidence of efficacy and cost effectiveness, using published literature and local experience to support the case.

#### *Benefits*

- State the expected outputs, for example: number of assessments / clinics to be provided and number of users and/or carers who will receive the service.
- Describe the anticipated benefits.
- Include outcomes that can not be quantified in financial terms, emphasising the added value of occupational therapy in achieving these.

#### *Costs / affordability*

- State the potential or available funding source.
- Include costs for: project set up, on-going operation and maintenance for: capital, staffing, travel, training, consumables, and support services.

#### *Investment appraisal*

Discuss the balance between the project costs (set up and ongoing) and the value of the likely benefits over time.

#### *Achievability / timescales*

- Outline the plan for achieving the stated outcomes.
- Include key milestones.
- Identify the links with other organisations / projects.
- Include a timeline for the project to run / for the benefits to be realised.



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*Risks*

- Identify the key risks and their likely impact.
- Outline a plan to address them if required.
- Outline the contingency plan to address unforeseen events / delays.

Larger projects may need the Business Case to be developed in three stages:

1. Preliminary Business Case (often referred to as the Strategic Outline Case [SOC]) to outline the strategic fit and business need and is 1-2 pages long
2. Outline Business Case \*
3. Full Business Case \*

\*The level of detail and length of the latter two versions will depend on the size of the project.

The OGC website provides a useful 'Fitness for purpose checklist' against which to assess a proposed case.

- Is the business need clearly stated?
- Have the benefits been clearly identified?
- Are the reasons for and benefits of the project consistent with the organisation's strategy?
- Is it clear what will define a successful outcome?
- Is it clear what the preferred option is?
- Is it clear why this is the preferred option?
- Where there is an external procurement is it clear what the sourcing option is?
- Is it clear why this is the preferred sourcing option?
- Is it clear how the necessary funding will be put in place?
- Is it clear how the benefits will be realised?
- Are the risks faced by the project explicitly stated?
- Are the plans for addressing those risks explicitly stated?

[http://www.ogc.gov.uk/documentation\\_and\\_templates\\_business\\_case.asp](http://www.ogc.gov.uk/documentation_and_templates_business_case.asp)

(Accessed 13.12.10)



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## References

Office of Government Commerce \*

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(Accessed 13.12.10)

\* The Office of Government Commerce was established to 'help Government deliver best value from its spending'. In June 2010 it became part of the Efficiency and Reform Group within the Cabinet. Its original website contains useful information and guidance that is still available for use.

PRINCE2 project management website:

<http://prince2.com/prince2-downloads.asp>

(Accessed 19.12.10)

## Useful resources

NHS Institute for Innovation and Improvement  
Quality & Service Improvement Handbook

[www.institute.nhs.uk/qualitytools](http://www.institute.nhs.uk/qualitytools)

(Accessed 16.12.10)

NHS Improvement Quality, Innovation, Productivity and Prevention (QIPP)

<http://www.improvement.nhs.uk/QIPP/tabid/61/Default.aspx>

(Accessed 16.12.10)

NHS Quality Improvement Scotland Improving the quality of care and treatment  
delivered by NHS Scotland

[http://www.nhshealthquality.org/nhsqis/CCC\\_FirstPage.jsp](http://www.nhshealthquality.org/nhsqis/CCC_FirstPage.jsp)

(Accessed 16.12.10)

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