



# Business case assessment criteria for tertiary education institutions

This guide sets out the main review criteria for each type of business case being developed by a tertiary education institution (TEI) for submission to us.

## Strategic assessment

- › How does the proposal further the TEI's objectives and fit with the wider strategic context in which it operates?
- › What is the nature and scope of the TEI's activities and services (outputs), key stakeholders and customers (including the public)?
- › What resources are available to the TEI, including existing financial and funding arrangements, organisational structure and staffing, and how does it intend to manage this capability over time?
- › What is the current environment in which the TEI operates, including how it intends to respond to changes and possible risks?
- › What are the main outcomes, impacts and objectives that the TEI is trying to achieve and why?
- › Is the investment proposal a good idea?
- › What is the problem (or opportunity) that is driving the TEI to consider this investment?
- › Is there evidence to confirm both the causes and impacts of the problem?
- › What are the expected benefits of successfully responding to the problem (or opportunity)?
- › Is there strong evidence of support from management and other key stakeholders?

## Programme business case

### Key review criteria by case

#### Strategic case

- › Is the proposed programme an integral part of the TEI's business strategy?
- › Is the proposed investment sufficiently large and stand alone to form a programme or could it be more sensibly undertaken as a project?
- › Are the investment objectives and underpinning business needs defined clearly and supported by the key stakeholders and customers?
- › Is the scope for potential change to current services and business processes clearly defined?
- › Have the main benefits been clearly defined by key stakeholders and customers, alongside arrangements for their realisation?
- › Have the main risks been identified, alongside arrangements for their management and control?
- › Have the key organizational constraints and business dependencies been identified?

## **Economic case**

- › Have the critical success factors (CSFs) for options assessment been identified?
- › Has a sufficiently wide range of programme options been identified and assessed?
- › Has a preferred programme been identified following robust analysis of the available options?

## **Commercial case**

- › Has a high-level assessment of the potential deal and its likely acceptability to potential suppliers been undertaken?

## **Financial case**

- › Has a high-level assessment of affordability and source(s) of required funding been undertaken?

## **Management case**

- › Has the mix of projects by programme tranche been systematically identified and agreed?
- › Has a high-level assessment of the achievability and deliverability of the programme been undertaken?
- › Are all the necessary arrangements in place for the successful completion of the next phase?

## **Indicative business case**

### **Key review criteria by case**

#### **Strategic case**

- › Is the proposed project an integral part of the institution's business strategy?
- › Is the proposed investment sufficiently large and stand alone to form a project or could it be more sensibly undertaken as part of another programme or project?
- › Are the investment objectives and underpinning business needs defined clearly and supported by the key stakeholders and customers?
- › Is the scope for potential change to current services and business processes clearly defined?
- › Have the main benefits been clearly defined by key stakeholders and customers, alongside arrangements for their realisation?
- › Have the main risks been identified, alongside arrangements for their management and control?
- › Have the key organisational constraints and business dependencies been identified?

#### **Economic case**

- › Have the critical success factors for options appraisal been identified?
- › Has a sufficiently wide range of options been identified and assessed within the long-list?
- › Has a preferred way forward been identified following robust analysis of the available options?
- › Has the preferred way forward been unpacked within a short list for further examination and appraisal?

#### **Commercial case**

- › Has a high-level assessment of the potential and its likely acceptability to the supply side been undertaken?

#### **Financial case**

- › Has a high-level assessment of affordability and source(s) of required funding been undertaken?

#### **Management case**

- › Has a high-level assessment of the achievability and deliverability of the project been undertaken?
- › Are all the necessary arrangements in place for the successful completion of the next phase?

## Detailed business case

### Key review criteria by case

#### Strategic case

- › Are the Indicative Business Case investment objectives and planning assumptions still valid?
- › Do the services to be procured in the Indicative Business Case still provide best fit in relation to organisational needs?
- › Have any outstanding differences at Indicative Business Case stage between stakeholders and customers been satisfactorily resolved?
- › Has the assessment of likely benefits, risks, constraints and dependencies in the Indicative Business Case been revisited and examined in further detail?

#### Economic case

- › Were the long-listed options in the Indicative Business Case revisited and subjected to further scrutiny?
- › Were the short-listed options in the Indicative Business Case revisited and subjected to robust analysis?
- › Has the Public Sector Comparator been constructed and assessed in accordance with Treasury's Public-Private-Partnership (PPP) guidance, if PPP?
- › Does the preferred option represent best value for money or the most economically advantageous offer?

#### Commercial case

- › Has the procurement strategy for the successful delivery of the required services been considered and prepared in sufficient detail?
- › Is there sufficient scope for a potential deal, which will meet organisational needs whilst offering best value-for-money?
- › Has the potential deal been considered in sufficient detail (i.e. the 'how' rather than the 'what')?
- › Is there a clear understanding of the business change agenda?
- › Is the potential deal still likely to be acceptable and bankable within the private sector?

#### Financial case

- › Is the solution still likely to be affordable?

#### Management case

- › Are all the necessary arrangements in place for the successful completion of the next phase?

## Single-stage business case

### Key review criteria by case

#### Strategic case

- › Is the proposed project an integral part of the institution's business strategy?
- › Is the proposal sufficiently large and stand alone to form a project or could it be more sensibly undertaken as part of another programme or project?
- › Are the investment objectives and underpinning business needs defined clearly and supported by the key stakeholders and customers?
- › Is the scope for potential change to current services and business processes clearly defined?
- › Have the main benefits been clearly defined by key stakeholders and customers, alongside arrangements for their realisation?
- › Have the main risks been identified, alongside arrangements for their management and control?

- › Have the key organisational constraints and business dependencies been identified?

#### **Economic case**

- › Have the critical success factors for options appraisal been identified?
- › Has a sufficiently wide range of options been identified and assessed within the long-list?
- › Has a preferred way forward been identified following robust analysis of the available options?
- › Does the preferred option represent best value-for-money or the most economically advantageous offer?

#### **Commercial case**

- › Has the procurement strategy for the successful delivery of the required services been considered and prepared in sufficient detail?
- › Is there sufficient scope for a potential deal, which will meet organisational needs whilst offering best value for money?
- › Has the potential deal been considered in sufficient detail (i.e. the 'how' rather than the 'what')?
- › Is there a clear understanding of the business change agenda?
- › Is the potential deal still likely to be acceptable and bankable within the private sector?

#### **Financial case**

- › Is the solution still likely to be affordable?

#### **Management case**

- › Are all the necessary arrangements in place for the successful completion of the next phase?



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