

BUSINESS CASES

FINANCE 4 CLINICIANS



WHAT IS A BUSINESS CASE?

“A compilation of information to enable a decision to be reached in terms of making a change that affects the organisation. All key data is brought together and laid out so as to enable a methodical and objective review of the key determinants as required, in order to reach an informed decision.”



WHAT IS A BUSINESS CASE?

- A written report or presentation
- Focused on a business problem and solution options, or exploiting an opportunity
- Justifies a business initiative or project



WHY DO WE NEED BUSINESS CASES?

- To ensure all developments are in line with Trust strategy and objectives
- To ensure services are well planned
- To ensure financial viability – best value
- To ensure consequences have been assessed such as staffing, maintenance, etc.
- To ensure risks have been assessed
- To provide opportunity for wider stakeholders to input into the case.
- To show that we have explored and evaluated the alternatives



ORGANISATION REQUIREMENTS

Before you start writing, remember to find out what your local policy is in terms of:

- When a business case is needed
- Governance requirements;
- Processes to follow;
- People to consult;
- Authorisations to be gained.



EXAMPLES OF BUSINESS CASE DRIVERS

Commissioning change
increasing or reducing
activity

New working practices
/service
reconfiguration/
development required

Outdated equipment
needs replacing

New infrastructure
requirements

Strategic and financial
considerations

Legal requirements

Safety/Business
Continuity

QIPP/ CIP Schemes

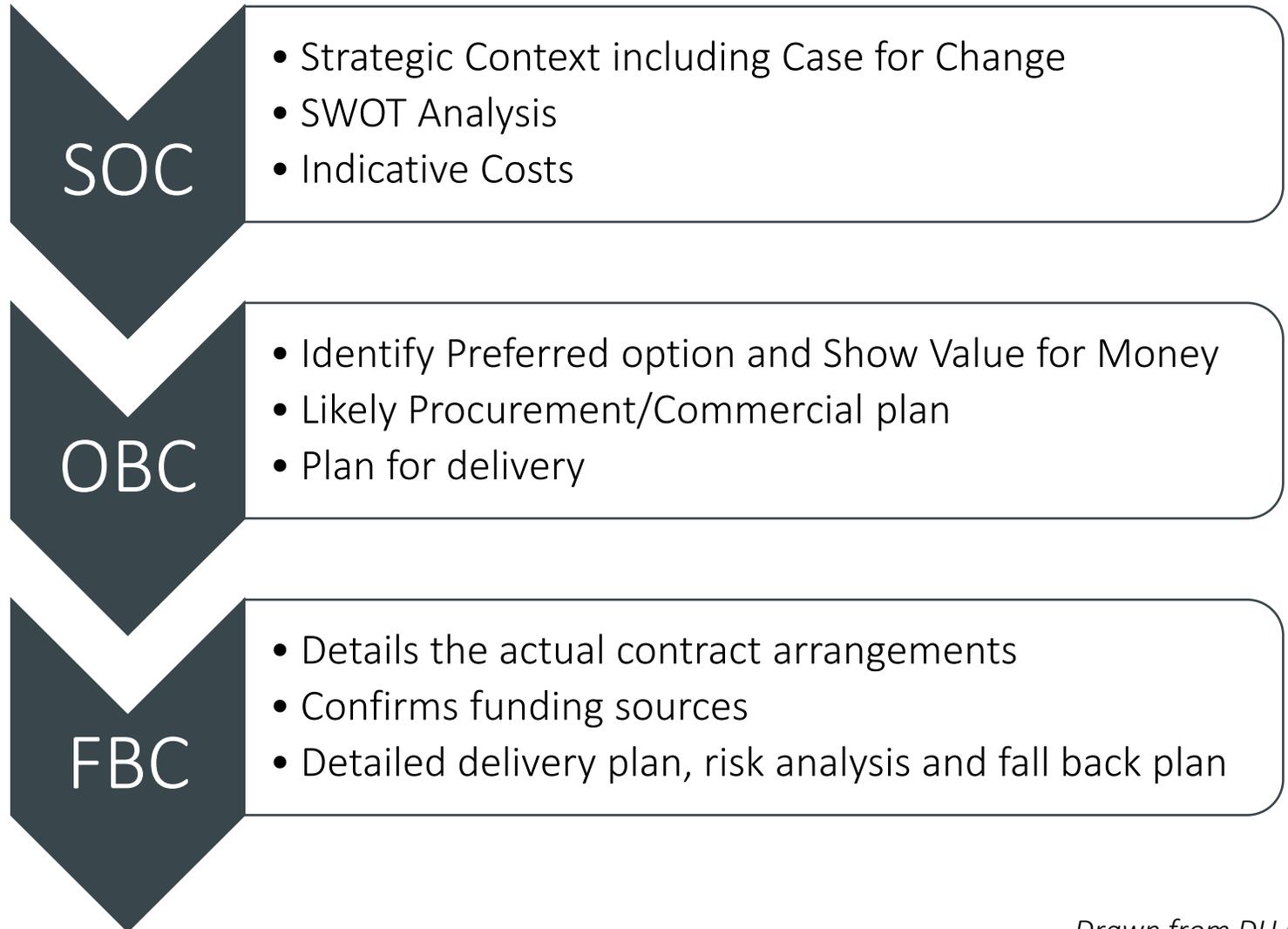
Everything needs to be Clinically/Service Driven!

WHAT DO YOU THINK SHOULD BE IN A BUSINESS CASE?

Key components

Strategic case	Economic case	Commercial cases	Financial case	Management case
<ul style="list-style-type: none">• Is it needed?• Why do we need to change?• Risks and benefits?• Must include a quality case	<ul style="list-style-type: none">• Is it good value for money?• What options have been considered?• Which option has been chosen and why?	<ul style="list-style-type: none">• Procurement process• Personal requirements• Contract issues	<ul style="list-style-type: none">• How are you going to pay for this?• Savings/loans and over how long?	<ul style="list-style-type: none">• How is it going to be delivered?• Impact

EVOLUTION OF A BUSINESS CASE



COLLABORATIVE WORKING

Clinicians need to be involved because:

- Working in the front line
- Know what needs to change
- Have the knowledge of service developments and practice elsewhere
- Close to recent academic and evidence based studies
- Arguably, the only people who can deliver the solutions in full

Finance team need to be involved to:

- Ensure all costs are considered
- Complete a comprehensive costing
- Advise on assumptions
- Steward you through the process



ENGAGE YOUR STAKEHOLDERS

- Know your audience
- Present your ideas before you submit the business case
- Ask for their feedback – make them a part of the solution
 - Address their concerns
 - Incorporate their suggestions
- Ask for their support
- Remember that any change to the status quo may be driven or blocked by your potential partners. Make them part of the process



WHY DO BUSINESS CASES FAIL?

- Not traceable to strategic goals
- Alternative solutions appears to be a better fit
- Affordability doesn't outweigh risk
- Unclear how benefits will be measured
- Lack of confidence in your presentation
- Senior stakeholders are not invested
- Failure to determine workforce implications
- Haven't considered the impact on quality
- Doesn't clearly explain benefits to patients, staff or organisation
- Poorly written
 - Too wordy, too much data, not the right level of info for the audience
 - Misspellings or misuse of grammar and punctuation..
 - Not formatted properly or not in the preferred template
- Incomplete
 - Missing information
 - No supporting data
 - Gaps in research



TOP TIPS

- Always provide the panel with a view on the options you have considered (as well as indicating your preferred option). One option should be to highlight the ramifications if we 'Do Nothing'
- Engage Stakeholders
- Involve finance team from the beginning
- Make the links explicit as to how your Business Case initiative helps support your organisation in achieving its wider goals and mission



BUSINESS CASE CHECKLIST

- Is the need clearly stated?
- Does the proposal contribute to the achievement of NHS policy and priorities, and the trust's objectives and plans?
- Are the benefits clearly stated?
- Is it clear how the benefits will be realised?
- Are the demand, capacity and income forecasts robust?
- Are the capital and revenue costs robust?
- Is it clear why the preferred option has been selected?
- Is the project affordable?
- Are the risks and plans to mitigate them explicitly stated?
- Do the main stakeholders support the project?
- Does the team have the capacity and capability to deliver it?



EMERGING QUESTIONS

- How does the Business Case fit with the NHS LTP
- How does the Business Case “fit” with the plans of the STP/HCP?
- Are there opportunities to access transformational funding (CSF, PSF, ETTF)?
- What impact will it have on the local health and social care economy “control total”?
- How can we develop “win-win” projects which benefit both commissioners and providers?





Future-Focused Finance is a national programme designed to engage everyone in improving NHS Finance to support the delivery of quality services for patients. We want to bring finance staff at all levels of the profession together with the teams we work with in our own organisations and make sure that everyone has access to skills, knowledge, methods and opportunities to influence the decisions affecting our services. We believe by working together in this way we can harness our diverse and talented NHS workforce to produce high quality services and reduce waste in NHS spending.

The programme consists of national and regional events, networks, resources and talent development programmes – all designed to advance the understanding of finance in the NHS. Underpinning all of our work are commitments to value the diversity within NHS finance teams and to challenge behaviours that contribute to inequality in access to development and opportunities for some.