# SUMMARY GUIDE
## Business Case Development Process

## BUSINESS CASE OVERVIEW
Summary:
- A business case defines the expectations of the contract in terms of the key benefits to be achieved by contracting out services.
- The business case provides a detailed analysis of the financial costs, benefits, and risks of the contract.
- The business case presents a clear basis for the recommendation to contract out services.

## EXECUTIVE SUMMARY
Summary:
- Define who the executive project sponsor is.
- Describe the current status of the service or activity.
- Document the key objectives and benefits to be realized by this proposed service or activity.
- Define areas of inefficiencies that need to be addressed and targeted by the proposed effort.
- Summarize the key points from the other sections of the business case.
- Describe why outsourcing is a consideration and confirm the business need and scope.
- Summarize the priorities and goals of the agencies associated with this effort.
- Describe public policy behind the business case.
- Describe current market conditions.
- Describe any technology drivers behind the business case.
- Provide a brief assessment of best practices in the area of concern, where appropriate.
- Classify the project's goal as Cost Reduction, Performance Enhancement, or Value Added.
- Make the case for a return on investment (ROI).
- Describe any executive or legislative action driving the need for change.
- Conclude the executive summary with a clear and definitive statement of the recommended action, why this action is the best investment of state resources and a description of the proposed next steps in the outsourcing process.

## BENCHMARKING – DESCRIBING CURRENT SERVICE
Summary:
- Describe current statutory authority.
- What is the current budget for this project? (prior state fiscal year, current state fiscal year, and projection for next state fiscal year)
- What are the current performance measures and performance data requirements? (last state fiscal year, current state fiscal year, next state fiscal year)
- Describe in detail the program or service to be outsourced as it is currently conducted.
- Describe all areas that need improvement i.e. current shortfalls and/or inefficiencies.
- Provide information on any employees who will be impacted by the proposed project including position title, number of FTE's, salary, benefits, length of service with organization.
- Include any related benchmarking data such as customer satisfaction survey results
- Address any current service agreements, including any interagency agreements, if applicable.

- What are the current technology resources, including hardware, software, and licensing?
- Identify all internal and external stakeholders.
- Specify number of customers served by this activity.

## RATIONALE – THE BASIS FOR THE PROJECT
Summary:
- Explain in detail how the service is critical to the agency's core mission and how it is aligned with the state's policy and budget priorities.
- Identify all objectives for changing the method of service delivery from the current process.
- Document specific performance, operational, and financial issues that need addressing to achieve improvements to service.
- Explain why the current process is not desirable and note the drivers of change.
- Describe other alternatives considered and the reasoning of why those options were rejected.
- For each alternative explain the impact to the agency for the alternative, any unique assumptions made, the ease or difficulty of implementation, the pros, cons and potential benefits, including soft organizational benefits, and all risks associated with that alternative.
- One alternative must include keeping services in-house.  Identify why the function or service could not be improved upon internally and describe the alternatives considered.
- Document the recommended solution and prioritize the remaining alternatives in terms of feasibility, anticipated process or program improvements, risks and benefits.
- Explain what the current service has been compared against; public-to-private, public-to-public or improvements in procedures and processes.
- Explain how this is a viable and beneficial project to potential contractors.  Provide detail if this service has been done for other public sector entities.
- Identify any best practices for the program available from other public or private sector entities not currently being utilized by the state.

## PROJECT ASSUMPTIONS and METHODOLOGIES
Summary:
- Explain all assumptions made regarding this project associated with policy, legislation, strategic planning, market conditions, and other considerations that may change over time.
- Indicate what assumptions directly affect the business case rationale and recommendation, if applicable.
- Identify how changes in key assumptions would impact the project and outcome because as they change, the business case will need updated accordingly.
- Organize assumptions into major categories.
- Document how you arrived at certain data where no specific information may be available.
- Document the methodologies used to determine the current and estimated contract cost of the services.
- Explain estimated figures used to arrive at a conclusion.

## HOW RECOMMENDED SOLUTION WAS FORMULATED
Summary:
- Provide a high-level narrative describing the proposed solution and the full scope of services.  Describe how the project will contribute to the agency or state's core mission.
- Outline the business outcomes and/or improvements and how they are achievable.

- Explain how the lead agency is or will be able to manage the procurement and project as required to successfully implement the project.
- Identify the impact on the agency. Identify all services, functions, programs, assets, employees and systems that will be impacted.
- Define all associated changes in business processes, change management responsibilities and risks associated with these changes.
- Describe the fiscal impact of the project and explain the term of this project. Define if it is short term (one fiscal year), long-term (multiple fiscal years) or a permanent effort.
- Identify the funding source, amount required to proceed with project.
- Describe how long funding will be required to support the continuation of the project, if on-going services is needed.
- Identify the agreement payment type being proposed for this project.
- Provide a detailed cost/benefit analysis comparing all current costs, future costs, expected savings and timeline when those savings are expected to occur over life of project.
- Identify what responsibilities will remain within the agency and what is being shifted to the contractor. Provide a synopsis of what the residual role of the state will be and how the program area would eventually be reorganized due to the change in delivery of service.
- Explain if any statutory changes or budgetary authority is needed. Provide a description detailing what the changes are and how the agency plans to accomplish these changes.
- Detail how stakeholder input was taken into consideration and how they will be involved in the development and implementation of the project.
- Identify the project milestones.
- Outline the estimated project timeline of events for the project, from start to finish.
- Identify the procurement method and how the procurement will be managed.
- Address technology related issues associated with project.
- Identify the project management team, their qualification, roles and responsibilities.
- Identify the contract management team, their qualifications, roles and responsibilities.
- Detail all expected benefits and savings versus expected risks and up front costs to the state.

## IDENTIFY IMPACT OF PROJECT TO STATE AND AGENCY
Summary:
- Identify which agencies and divisions are impacted by the recommended change.
- Describe in detail what change management steps will be taken to accomplish changes in current business processes.
- Explain how the changes will impact current workload and document proposed business process changes with updated process maps and workflow descriptions.
- If technology is involved, explain how the agency will avoid over-customization of software.
- Identify and explain any changes affecting the method of service delivery to the customer.
- Document that a risk assessment and SWOT Analysis (strength, weaknesses, opportunities and threats) have been conducted and identify the contingency plans that have been formulated to address the adverse impact of realized risks.
- Determine and document a mitigation approach for each risk identified.
- Document those opportunities for problems that could have a negative impact on the performance and success of the project.
- Document risks associated with not performing the project and realizing the business objectives.
- Describe how the agency will capitalize on its strengths while reducing the potential negative

impact of its weaknesses.
- Detail opportunities available through the proposed solution and identify a plan of action for threats identified.
- Identify any constraints on the State to successfully implement the program.
- Identify specifically if any current employees' jobs will change or be eliminated, as well as strategies for addressing those changes (i.e., additional training, job reclassification, job placement, etc.), if applicable.

## EMPLOYEE TRANSITION MANAGEMENT PLAN
### Summary:
- Identify specifically if any current employees' jobs will be eliminated, as well as strategies for addressing those changes (i.e., additional training, job reclassification, job placement, etc.), if applicable.
- If employee jobs are being eliminated include an outline of an employee transition plan, which should include a communications plan for affected employees, job placement policies, replacement and retraining assistance plan and determination whether the contract will contain severance compensation provisions.

## IDENTIFATION OF CRITICAL SUCCESS FACTORS
### SUMMARY REVIEW:
- Describe the business outcomes and service requirements.
- Identify contract performance measures.
- Based on current business objectives, list what critical results must be realized to deem project a success (outputs and inputs)
- Identify as many specific minimum performance measures that need included in the contract as possible.
- Identify which risks are most closely associated with the critical success factors and re-address mitigation, as necessary.
- Identify how a return on investment will be determined and document those characteristics of the project's end result that must be met at a minimum for the project to be considered a success. Examples may include the elimination of a manual processing unit, reduced annual maintenance costs, higher quality service metrics, specific dollar savings, etc.

## PROCUREMENT PROCESS
### Summary:
- Document the proposed procurement method and why that option was chosen.
- Document the proposed evaluation method and criteria.
- Document the anticipated timeline for administering the solicitation.
- List the anticipated number of respondents.
- List the procurement budget, if applicable.
- Define the anticipated contract term with optional renewals.
- Identify the procurement evaluation team.
- Describe how the procurement and project will be monitored.
- Explain if a third party contractor is recommended to serve as monitor. If yes, outline the procurement process for this contractor and estimated cost to project for this additional service.
- Define requirements for data security, digital rights, and the ownership of intellectual property.

-   Address the offshoring of data management and state information

## EXECUTIVE ORDER #07-126, GREENHOUSE GAS EMISSIONS
Summary:
-   Describe how energy consumption and greenhouse gas emission performance criteria will be incorporated into the proposed project, if applicable.

## CONCLUSION
Summary:
-   The conclusion of the business case reiterates the key points made in the executive summary and the business need for the outsourced service is restated.
-   The conclusion explains why the recommended solution is the best value for the state and communicates why initiating the project now is appropriate and beneficial to the state.
-   It is recommended that the writer of the business case advise all stakeholders on what happens next by re-stating the anticipated timeframe and proposed work plan associated with the project.