THE STRATEGIC CASE is the second step in NZ Transport Agency’s Business Case Approach (BCA), which is founded on some overarching principles:

- **Quality analysis** - Our work should be evidence-based, thoughtful and focused.
- **Fit for purpose effort** - We should right-size our effort to the risks and uncertainties. One size should no longer fit all.
- **No surprises** - Building up the investment story gradually and identifying the risks and uncertainties allows issues to be addressed earlier in the process when it is more cost effective to deal with them.
- **Aligned to our management processes** - The BCA works with the methodologies, approaches and processes we have in place and is complementary to those.

**WHAT IS THE AIM OF A STRATEGIC CASE**

The main purpose of the strategic case is to confirm that all key stakeholders are aligned and behind the need to address a problem, and consensus has begun to be formed on what a good outcome looks like before investment has been made in investigating solutions. This is to ensure that we only invest time and money investigating robust investment proposals that are well aligned to our overarching strategic direction.

The strategic case demonstrates the case for change and the need to potentially invest further. It also shows what benefits could be gained from any potential investment. The agreed way forward by the stakeholders will potentially invest further. It also shows what benefits could be gained from any potential investment. The agreed way forward by the stakeholders will demonstrate to politicians, customers and other stakeholders why we are going in a particular direction.

Strategic cases can provide the basis for avoiding further wasted analytical effort (a ‘fast fail’ test) where consensus is not reached or where there is alignment on the insignificance of an issue.

**THE STRATEGIC CASE REPORT**

**PART A**

- **PROBLEM/CONSEQUENCE/ BENEFIT DEFINITION**
  - Identify and agree investment drivers

**PART A CURRENT EVIDENCE BASE**

- Outline the case for change and consider the need for investment

**PART A STRATEGIC CONTEXT**

- Identify the strategic fit of the proposed investment

**PART B**

- **APPLICATION TO PROCEED**
  - Identifying what is required to progress to the next phase

**WHAT IS EXPECTED**

- Prior to commencing work on the development of the strategic case, the point of entry document should be completed to confirm the most effective starting point.
- The strategic case is the central spine to the overall business planning process and is not just a gate to access funding; then discarded.
- Demonstrate a clear and aligned view of what the problem(s) are, the impact they were not addressed and the significance of the issue with regard to stakeholder’s strategic goals and direction – ‘case for change’.
- This phase should not involve extensive data collection or new work. An organisation should be able to prepare this without recourse to an external supplier except where an accredited ILM facilitator is used.
- The evidence base provides a means of assessing the robustness risk of the problem and benefits from current information and stakeholder knowledge. It does not need to be complete but should acknowledge the gaps and identify areas of focus should the business case progress.
- Size and effort will vary from proposal to proposal depending on its nature and complexity; however, they should be short.
- Avoid regurgitating information available elsewhere unless it helps to provide a coherent story.
- Part B is our fundamental project planning document and a critical element of handover and funding. All parties to the next phase should be signed up to the approach.

**THE STRATEGIC CASE OVERVIEW**

The strategic case is the basic DNA which shape the programmes and projects.
**KEY QUESTIONS CONSIDERED ARE**

The following sample questions should be used for testing the strategic case:

**GENERAL**
1. Could a layperson read and easily comprehend the story of this investment to the point where they could have some opinion on it?
2. Is the strategic case concise and free from ‘clutter’?

**DEFINING THE PROBLEM**
3. Is it clear what the problem is that needs to be addressed?
4. Is there evidence to confirm the cause and effect of the problem?
5. Does the problem need to be addressed at this time?
6. Is the problem specific to this investment (or should a broader perspective be taken)?

**DEFINING THE BENEFITS**
7. Are the benefits of high value to the organisation (furthering its objectives)?
8. Have the benefits that will result from fixing the problem been adequately defined?
9. Will the KPIs that have been specified provide reasonable evidence that the benefits have been delivered?
10. Is there a logical connection between the effect of the problem and the benefits, and their KPIs?

**WHO NEEDS TO BE INVOLVED**

Stakeholders who have high influence and/or are highly impacted by the proposal and are able to provide the best evidence.
A facilitator to guide workshops.

**WHERE DO I GET SUPPORT**

Advice should be sought from your Regional/National HNO contact or P&I Planning and Investment Manager in the first instance.
- Best practice for business cases (on OnRamp)
- NZTA Highways Information Portal (HiP) (http://hip.nzta.govt.nz/)
- NZTA Planning and Investment Knowledge Base (https://www.pikb.co.nz/)
- outcomeplanning@nzta.govt.nz

**CLOSING OUT THE STRATEGIC CASE HNO**

In drafting the strategic case it is expected that engagement and alignment with ILM participants and regional P&I has been ongoing.

A final quality step to provide an assessment of the Part A against the investment questions to support submissions to BUDMT/VAC/P&I.

It is expected that engagement with Outcome Planning would occur during production of the strategic case so that substantive issues are addressed during authoring.

Regional HNO Management teams consider the draft strategic case.

Prior to BUDMT engage with regional P&I on final draft to promote no surprises.

In finalising the strategic case and preparing Part B – planning the programme business case/indicative business case it is expected that engagement and alignment with ILM participants, regional P&I and HNO national office has been ongoing.

SHPRC undertake final quality/completeness programme checks prior to supporting submission to P&I or approving PBC funding under delegated authority.

P&I delegations apply.

* This will be reviewed over time