# **Procurement business case structure tool: Goods and services**

The following table lists a range of factors that may be relevant in preparing a case to justify going to market, allocating resources and committing funds.

Tick the appropriate box to document the relevant factors in your business case for your procurement activity.

## Procurement business case structure

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Contents | Complexity of procurement | | | |
|  | Transactional | Leveraged | Focused | Strategic |
| **Executive summary**  Brief introduction/background/requirement  Preferred option  Assumptions and constraints  High level analysis of proposal  Market engagement strategy  Estimated value/estimated contract period  Business unit/project ownership |  |  |  |  |
| **Strategic analysis and positioning**  Project background  Project objectives  Business need  Stakeholder analysis  Key benefits (financial/non-financial)  Organisation strategy alignment  Government policy objective alignment  Output/outcome success factors |  |  |  |  |
| **Project scope and demand analysis**  Estimated value as a percent of category spend  Is the procurement linked or dependent on complementary procurement activity?  Procurement urgency  Current supply arrangements |  |  |  |  |
| **Supplier market analysis**  Market structure  Market capability and capacity in the procurement category  Impact of procurement on market interest/response/ innovation  Impact of procurement on market supply chain |  |  |  |  |

## Factors to consider when preparing a business case

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Contents | Complexity of procurement | | | |
|  | Transactional | Leveraged | Focused | Strategic |
| **Delivery planning analysis**  Financial analysis options  Sensitivity analysis options  Market engagement options  Contracting analysis options  Stakeholder engagement and management options  Identification and analysis of preferred option |  |  |  |  |
| **Risk assessment and management analysis**  Risk management plan  Risk allocation strategy  Risk cover options |  |  |  |  |
| **Supplier engagement and governance**  Quotation/tender strategy  Responsible Accountable Consulted Informed framework (RACI)  Evaluation and selection processes |  |  |  |  |
| **Contract management**  Contract selection  Performance monitoring and reporting  Benefits tracking  Communications plan  Relationship management  Dispute and variations management  Transition in/out strategy  Continuous improvement strategy  Data/information ownership and management |  |  |  |  |
| **Recommendations and approvals**  Outcome and output objectives  Recommendations  Approval process |  |  |  |  |

## Using this tool

This tool accompanies the [Creating a business case: Goods and services guide](https://buyingfor.vic.gov.au/creating-procurement-business-case-goods-and-services-procurement-guide).

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