# **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/requirementPreferred option Assumptions and constraintsHigh level analysis of proposalMarket engagement strategyEstimated value/estimated contract periodBusiness unit/project ownership | [ ] [ ] [ ] [ ] [ ] [ ] [ ]  | [ ] [ ] [ ] [ ] [ ] [ ] [ ]  | [ ] [ ] [ ] [ ] [ ] [ ] [ ]  | [ ] [ ] [ ] [ ] [ ] [ ] [ ]  |
| **Strategic analysis and positioning**Project backgroundProject objectivesBusiness needStakeholder analysisKey benefits (financial/non-financial)Organisation strategy alignmentGovernment policy objective alignmentOutput/outcome success factors | [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ]  | [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ]  | [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ]  | [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ]  |
| **Project scope and demand analysis**Estimated value as a percent of category spendIs the procurement linked or dependent on complementary procurement activity?Procurement urgency Current supply arrangements | [ ] [ ] [ ] [ ]  | [ ] [ ] [ ] [ ]  | [ ] [ ] [ ] [ ]  | [ ] [ ] [ ] [ ]  |
| **Supplier market analysis**Market structureMarket capability and capacity in the procurement categoryImpact of procurement on market interest/response/ innovationImpact 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 optionsSensitivity analysis optionsMarket engagement optionsContracting analysis optionsStakeholder engagement and management optionsIdentification and analysis of preferred option | [ ] [ ] [ ] [ ] [ ] [ ]  | [ ] [ ] [ ] [ ] [ ] [ ]  | [ ] [ ] [ ] [ ] [ ] [ ]  | [ ] [ ] [ ] [ ] [ ] [ ]  |
| **Risk assessment and management analysis**Risk management planRisk allocation strategyRisk cover options | [ ] [ ] [ ]  | [ ] [ ] [ ]  | [ ] [ ] [ ]  | [ ] [ ] [ ]  |
| **Supplier engagement and governance**Quotation/tender strategyResponsible Accountable Consulted Informed framework (RACI)Evaluation and selection processes | [ ] [ ] [ ]  | [ ] [ ] [ ]  | [ ] [ ] [ ]  | [ ] [ ] [ ]  |
| **Contract management**Contract selectionPerformance monitoring and reportingBenefits trackingCommunications planRelationship managementDispute and variations managementTransition in/out strategyContinuous improvement strategyData/information ownership and management  | [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ]  | [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ]  | [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ]  | [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ]  |
| **Recommendations and approvals**Outcome and output objectivesRecommendationsApproval 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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