






# Engagement actions for business case development by the five-case model

Further guidance about [engagement](#) and the [Business Case Approach \(BCA\)](#) is available on our website.

Five-case model	Development step	Purpose and main focus of engagement	Expected engagement level(s)	Examples of engagement actions	View by Business Case Approach phase
<p><b>Strategic case</b></p> 	<ul style="list-style-type: none"> <li>Determine the strategic context applicable to the investment.</li> <li>Develop the strategic assessment (problem and benefit definition; alignment).</li> <li>Identify and record key risks and uncertainties.</li> <li>Develop investment objectives.</li> </ul>	<p>Engagement concentrates on defining key stakeholders and working collaboratively or through close involvement with targeted stakeholder groups, to help define the problems and the benefits of addressing the problems.</p> <p>Engagement can also help to understand the strategic context from stakeholders' perspectives and lived experience.</p> <p>And, finally, it's about agreeing the investment objectives. These are a key input to the next steps of identifying and evaluating alternatives and options, for example through multi-criteria analysis (MCA).</p>	<p>The strategic case has a key role in setting the direction for a business case. Together with the economic case, it represents the best opportunity for the investment to gather meaningful input from stakeholders to positively influence the outcomes of the investment. So, this is a good place to look for opportunities to either <b>collaborate with</b> or <b>involve</b> stakeholders in each development step.</p> <p>In particular, look for stakeholders who:</p> <ul style="list-style-type: none"> <li>are likely to be more impacted by, or have a higher interest in, the outcome of the investment</li> <li>are likely to hold specialist knowledge or lived experience of the problem and the opportunities</li> <li>may be able to bring a different perspective to understanding what is happening, allowing reframing of the problem</li> <li>would make good project champions to encourage a cross-pollination of wider discussions.</li> </ul> <p>The strategic case is about laying the groundwork to understand what the problem the business case is trying to solve is, as well as issue gathering, but not yet considering, options. For this reason, engagement approaches that simply <b>inform</b> or <b>consult</b> stakeholders are likely to be less helpful here.</p> <p>However, you'll still need to think about how participants will be informed of where the thinking lands after all the evidence has been looked at, especially if this points in a different direction.</p> <p>Finding the right level of engagement for the strategic case can be challenging, and can depend on a wide variety of factors. A good place to start is to think about the levels of:</p> <ul style="list-style-type: none"> <li>complexity</li> <li>risk, and</li> <li>uncertainty.</li> </ul> <p>The higher each of these factors are, the more likely it will be appropriate to work collaboratively with stakeholders – and the more opportunities there are likely to be for that.</p>	<p>Typical engagement approaches in the strategic case could include the following:</p> <ul style="list-style-type: none"> <li>Stakeholder mapping to identify who you need to work with.</li> <li>Decide up-front whether you should seek to partner with any of the stakeholders (if this is not already clear from the point of entry).</li> <li>Seek input from stakeholders to help you understand the strategic context for the business case, including key opportunities and constraints. This may also help draw out suitable stakeholders that would make valuable partners.</li> <li>Decide which stakeholders you should include in problem and benefit definition workshops. If needed, be prepared to give them guidance on how that works and what's expected.</li> <li>If it's not practical to involve stakeholders directly in workshops, think about how you could capture their understanding of the problems and benefits. For example, you could run an investment logic mapping (ILM) workshop then meet with stakeholder groups separately to ask them if the results make sense to them.</li> </ul> <p>Test investment objectives with stakeholders, before continuing with the business case.</p>	<p><b>Strategic case phase</b> (when the strategic case is developed as a separate phase): To start with, the focus is on understanding problems and benefits at a <i>strategic</i> level, rather than an <i>activity</i> level.</p> <p>Where used, this phase is where there is most potential for stakeholders to contribute to setting the direction for an investment.</p> <p><b>Programme business case (PBC)</b>: Focus will be on <i>defining</i> the problems and benefits using methods such as ILM workshops (unless the PBC is preceded by a separate strategic case phase, in which case the focus will be on <i>confirming</i> the problems and benefits).</p> <p>Where there is no preceding strategic case phase, this will be the phase where there is most potential for stakeholders to make a contribution to an investment.</p> <p><b>Indicative business case (IBC), or early single-stage business case (SSBC)</b>: Focus is on defining the problems and benefits at an <i>activity</i> level.</p> <p>Where the IBC is part of a programme, there may be less opportunity for stakeholders to influence the outcome, however it is still worth looking for opportunities to collaborate or involve.</p> <p><b>Detailed business case (DBC) or late SSBC</b>: Typically, by this phase the strategic case will not change a lot, so there will be fewer opportunities for collaborating with or involving stakeholders. You can still seek to keep key stakeholders informed, which may also help with a no-surprises approach to formal consultation.</p>

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<p><b>Economic case</b></p> 	<ul style="list-style-type: none"> <li>Establish criteria for a multi-criteria analysis (MCA) process.</li> <li>Identify alternatives and options.</li> <li>Evaluate alternatives and options to identify the preferred programme, preferred option or shortlist.</li> <li>Carry out detailed analysis of preferred programme, option or shortlist.</li> </ul>	<p>In the economic case, the emphasis is on finding the best-value approach, as a response to the issues identified in the strategic case.</p> <p>Engagement is about working collaboratively or through close involvement with stakeholders to:</p> <ul style="list-style-type: none"> <li>understand stakeholder values and alignment with the economic case</li> <li>enable an appropriate MCA process</li> <li>explore alternatives and options</li> <li>evaluate alternatives and options to identify preferred programme (or shortlist or option)</li> <li>seek stakeholder views on the economic case before finalising it and proceeding to next phase</li> <li>evaluating alternatives and options</li> <li>detailed analysis</li> <li>communicate preferred programme or preferred option.</li> </ul>	<p>The economic case is also a good place to look for opportunities to either <b>collaborate with</b> or <b>involve</b> stakeholders throughout the process.</p> <p>Finding ways to engage meaningfully with stakeholders at this stage helps with a 'no surprises' approach. For example, if you later do formal consultation on a limited number of options, it will be clearer to stakeholders where these have come from. Some stakeholders may be able to recognise their own contribution to the process.</p> <p>Stakeholders can also bring valuable perspectives to the economic case, including ideas about how to respond that may be less obvious to a project team.</p> <p>As with the strategic case, it can be a challenge to find the right level of engagement for developing the economic case. Again, the higher the complexity, risk or uncertainty involved, the more likely it will be appropriate to aim to collaborate with stakeholders.</p>	<p>Engagement could involve:</p> <ul style="list-style-type: none"> <li>deciding which stakeholders you could invite to participate in identifying alternatives and options</li> <li>deciding which stakeholders you could involve in evaluating the alternatives and options, for example by including them in workshops where the pros and cons of each option are discussed, and trade-offs made</li> <li>checking in with stakeholders to understand the level of buy-in to the preferred option, before continuing with the business case.</li> </ul>	<p>The economic case is mainly developed as part of a:</p> <ul style="list-style-type: none"> <li>PBC, which aims to find and agree the preferred programme</li> <li>IBC, or SSBC before hold point at shortlist, which aims to find and agree the best value option, or a shortlist of options for further analysis</li> <li><b>detailed business case (DBC)</b>, or SSBC after the hold point), which aims to confirm the best-value option as the proposed option.</li> </ul> <p>Note that opportunities for collaboration or involvement are likely to be more limited in the DBC. However, it is important to continue working with stakeholders from earlier phases of development, to maintain a no-surprises approach.</p>
<p><b>Commercial case</b></p> 	<ul style="list-style-type: none"> <li>Decide on the procurement strategy to be followed.</li> <li>Risk allocation.</li> <li>Contractual and other issues.</li> </ul>	<p>Decide on risk allocation, for example across partners.</p> <p>Early engagement with contractors - availability, what does the contractor need?</p> <p>Consider the impact on the market.</p> <p>Work out internal capacity, for example of delivery teams, and consider staging and timing issues.</p>	<p>The engagement level will depend on:</p> <ul style="list-style-type: none"> <li>how the solution will be procured, and</li> <li>levels of procurement risk.</li> </ul> <p>Use your understanding of the procurement needs to decide on the appropriate level of contractor engagement. For example, alliance or partnering approaches may need engagement to be at the <i>collaborate</i> or <i>involve</i> end of the spectrum, other contract forms may be simply <i>inform</i>.</p>	<p>Inform procurement team/contractors by sharing successful case studies and lessons learned</p> <p>Involve procurement team/contractors in procurement policy development so it allows for broader social outcomes, for example smaller firms and owner operated business etc.</p>	<p>The commercial case is mainly developed as part of a:</p> <ul style="list-style-type: none"> <li>DBC or</li> <li>SSBC (after the hold-point).</li> </ul>
<p><b>Financial case</b></p> 	<ul style="list-style-type: none"> <li>Determine affordability and develop the funding plan (programme or activity level).</li> </ul>	<p>Investigating funding sources and exploring affordability issues and programme impacts.</p> <p>Link to principle of costs falling where benefits fall.</p> <p>Engaging when there are special funding agreements, for example multi-party funding agreements.</p>	<p>The engagement level will depend on:</p> <ul style="list-style-type: none"> <li>the number of investment partners</li> <li>the nature of funding agreement - is it business as usual in terms of the National Land Transport Programme, or are there other arrangements?</li> <li>whether there is any third-party funding.</li> </ul> <p>Liaise with the Waka Kotahi investment assurance team about activity class funding availability and fundability (for example as informed by the Investment Prioritisation Method).</p>	<p>Engaging to determine affordability and fundability.</p>	<p>The financial case is mainly developed as part of a:</p> <ul style="list-style-type: none"> <li>DBC or</li> <li>SSBC (after the hold-point).</li> </ul>
<p><b>Management case</b></p> 	<ul style="list-style-type: none"> <li>Project management planning.</li> <li>Consenting,</li> <li>Technical (for example geotechnical engineering).</li> <li>Change, benefits, risk and post-project management planning.</li> <li>Governance.</li> </ul>	<p>Establish if there are any specific consultation requirements, for example needed for Resource Management Act 1991 (RMA) purposes, aligned with a relevant consenting strategy (if required).</p> <p>Consider governance issues - including alignment with existing governance frameworks.</p>	<p>The engagement level will depend on:</p> <ul style="list-style-type: none"> <li>statutory consultation requirements</li> <li>whether special governance arrangements needed.</li> </ul>	<p>Engaging for RMA and consenting purposes.</p>	<p>The management case is mainly developed as part of a:</p> <ul style="list-style-type: none"> <li>DBC or</li> <li>SSBC (after the hold-point).</li> </ul>