Introduction
A business case is the document that supports the proposals for a new service development or capital project such as the transfer of services to the community, a bid to provide new services or to purchase new services.

Why develop a Business Case?
Within Dermatology, one of the most common reasons for developing a business case is as a response to service redesign as part of moving care into the community, a service reconfiguration, increased department workload or the need to introduce new technology to existing services i.e. the introduction of a Mohs service (see case examples).

A business case provides an opportunity for Dermatology clinicians to “sell” their service development improvement ideas or services to decision makers within the context of other local and national policies. The development of a business case simplifies the process of financial justification and assists in identifying potential risks within the proposal. It also provides a means for senior management to review the facts and assumptions within the proposal and evaluate the options for service provision.

What do I need to consider before starting?
The root of the problem is not always obvious, especially where current working practices are based on local custom, tradition or simply habit. It is important staff take the time to observe and analyze the service problem over an agreed set period. This activity gives staff an opportunity to reflect on the service that they are working in and delivering to patients.

Questions to consider:
• What areas works well within the service?
• Why do these areas work well?
• What services problems keep you up at night?
• What are the things you would like to put it right?
• What do you think is the problem?
• What has been tried in the past? Did it work? If not, why not?
• What ideas do you have for improvement?

Keep a record or diary of your observations and analysis of the service problem(s). These will be useful in discussions with colleagues and management. Where obvious solutions are apparent you should also use these when presenting a problem.

How do I prepare a Business Case?
The next step is an informal discussion with colleagues the Clinical Director and the Business Manager to assess the likelihood of success, and the proposal criteria that will be used by managers in the initial screening of business plans after submission. Other staff to talk to at this stage would include those managers involved at the divisional level in either service/business development or strategic planning, who will be aware of current and new sources of funding.

A team should then be created within your department to help develop the business case using ‘in house’ resources and Trust templates. This should include all appropriate Dermatology team members and colleagues from other clinical directorates, where multidisciplinary working will be affected. Senior staff from the Trusts Finance, HR, Informatics and Strategy departments are essential.

Overall Objectives
Whatever your objective your chances of success will be increased by keeping the following goals in mind:
• Keep it clear and concise, minimise the jargon and conjecture.
• Communicate all facts as part of the
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overall story, and support with appropriate data where possible.

- Provide a vision of the end position i.e. the future you seek to achieve.
- Ensure your objectives are Specific, Measurable, Achievable, Realistic and Timely (SMART). They should also be linked to any relevant key performance indicators service frameworks and standards to enable the measurement of performance against activity for reporting purposes.
- Demonstrate that it improves quality through innovation, improving productivity and prevention (QIPP).
- Produce a list of about five key objectives which can then be ranked in order of importance. Good objectives use words such as improve, reduce, and maintain, along with specified outcomes.
- The proposal can be referenced to the specific strategic objectives of the Trust.
- Risk Analysis: The risks have been clearly outlined and a risk mitigation strategy is in place.

Key Areas Covered in a Business Case

a) Executive Summary
This should be the first section of the business case but the last section written. It is a short summary of the entire business case; it should be succinct and convey vital information about the proposal/project.

b) Background Information
This should give a clear introduction to the business case. It should state who prepared it and detail external advisors where they have been used. It should include a brief overview of your service, what it does and where it sits within the organisation.

c) Current Position
This section should provide a description of existing services and any deficiencies which are relevant to the business case i.e. shortage of staff or equipment. Demographic profiles and patient activity including unmet need are essential. SWOT analysis (Strengths, Opportunities, Weaknesses and Threats) will also demonstrate your understanding of the environment you are working in and should be used as an integral part of the process (see separate BAD SWOT Analysis guidance http://www.bad.org.uk/site/492/default.aspx).

d) Proposed Service Development
This section outlines the drivers for change and sets out the vision for the service proposal. This should include local and national strategies in order to promote the proposed service development such as National service frameworks, National Institute for Clinical Excellence (NICE), NHS Quality Improvement Scotland (NHSQIS), and The Regulation and Quality Improvement Authority (RQIA) and guidelines produced by the British Association of Dermatologists (BAD). This should also include a statement identifying where the service will be provided, who it is being provided for, how and what staffing will be required.

It should establish what the proposal will be capable of delivering e.g. transfer of activity to community services, provision of a new or extended service.

e) Market Assessment
The business case needs to demonstrate a thorough understanding of the market place environment and the services position within it. It must state how the business case impacts upon that environment.

All analytical data including needs assessments, market analysis and performance targets must be included. Any targets that have to be presented as estimates should be stated and presented in the form of ‘worst case’; ‘best case’; and ‘most likely’ estimates.

This section should describe how the proposed service development will address any short-comings in the existing services and take into account any local, national or Commissioner intentions which are known at the time.

f) Option Appraisal
Draw up a ‘long list’ of options that cover all possibilities, this should then be reduced to a ‘short list’ by eliminating unrealistic options. The reason for the creation of a ‘long list’ is to articulate and document each option, including rejections, to demonstrate that all options have been considered.

The ‘short list’ should contain between three and five options including a ‘do nothing’ or ‘do minimum’, as this is the benchmark against which other options will be judged.

These options should be described in some detail, with any costs, staffing or building information available. If there is a requirement to increase staffing, there may be several ways of achieving this objective e.g. A change in skill mix in the existing staffing may produce options that had not previously been considered.

Each of your chosen listed options should be described in sufficient detail for the benefits and costs to be understood and assessed in both the financial and risk analysis. Therefore, each option should include the factors identified below:
- Intended outcomes
- Expected workload throughput
- Staffing consequences
- Changes to site facilities
- Impact on performance indicators
- Impact on financial performances
- Impact on hospital IT system e.g. interface requirements

**g) Benefits Appraisal**
A benefits appraisal is the process with which each option is analysed to identify the one that most meets the proposal objectives. It should be a fully transparent exercise. Stakeholders should be included at this stage to give them a degree of ownership which paves the way for future consultations. Wherever possible, service users/carers should take part.

The business case team should draw up a list of benefits that the proposal is intended to deliver. This should be well established by work already completed. This can be an exhaustive list grouped under a group of headings. For example:
- Quality (including privacy and dignity, improved environments etc)
- Operational (good functional relationships between departments, access control, good observations etc)
- Accessibility (public transport links, separate access points etc)
- Flexibility (management of case mix, recognition of specialist needs, adaptable for other uses etc)
- Acceptability (to patients, staff, public, planners etc)
- Strategic intentions (able to deliver strategic objectives of the Trust)

To assist in identifying the relative importance of each of the benefits the team should rank and assign weights to each criterion.

Each option is scored against the benefits criteria and the weighted score is calculated. By this process a preferred option will emerge. It remains only the preferred (as opposed to the selected) option until the financial appraisal has been complete.

**h) Performance and Activity**
This section must demonstrate a clear understanding of how the service will be monitored in terms of performance against targets as part of the expected service level activity.

This should quantify the following:
- Demographics of the population being served
- The demand for the service
- The capacity required to meet demand
- The milestones and measurable benefits required to ensure the realisation of measurable benefits at operational service and corporate levels.

Any changes to service provision require consultation with Commissioners. The local Health and Overview Scrutiny Board should also be informed.
i) **Financial Analysis**

The financial appraisal can be highly technical and should always be completed in conjunction with the Finance department and other relevant departments where appropriate. This advice should be documented. The reasons for a financial appraisal:

- Demonstrate that all the financial consequences of a proposal have been identified and accurately reflected.
- Allow for a comparison of costs and procurement scenarios between various options.
- Assess both the costs and income implications of the performance targets contained within the proposal.
- Indicate cash flow (i.e. the spread of the cost and income over the proposed time period).
- Ensure the affordability and value for money of the proposal.
- Consider reference cost position or any costs relative to tariffs.

j) **Critical Assumptions and Risk Assessment**

Most business improvement projects will make assumptions in order to develop the solution. It is critical that the business case document these assumptions.

The statement of assumption should be followed by an impartial discussion of the strengths, weaknesses, opportunities and threats (SWOT) that are associated with the recommended solution.

Risks to the business case must be:

- Identified
- Qualified i.e. major, minor, high possibility, low possibility etc
- Manageable

The risks should link back to the option appraisal and highlight risks even if no action is taken.

k) **Implementation Timeline**

The business case team will need to demonstrate that it has considered all major issues of the implementation in detail. A number of the major elements are important to successful implementation and this section should address each area:

- Implementation components
- Implementation timeline
- Major milestones
- Major dependencies
- Procurement arrangements need to be considered as they are likely to affect the timeline.

l) **Leadership and Workforce**

The model of the Six Steps to workforce planning should be used in this section.

- Step 1: Defining the plan – include the structure for the service and how it links into the existing staff structures.
- Step 2: Force for change – what forces act on the service and how the service is affected. What can and cannot be controlled e.g. recruitment, TUPE issues, maternity leave.
- Step 3: Assessing demand – how will the changing service provision affect the current and future demand of the service? What will be the future staffing needs; succession planning.
- Step 4: Assessing supply – how many staff are needed now and how many will be needed in the future; recruitment and training issues.
- Step 5: Develop an action plan – Look at the current and future requirements of the workforce and map out how the gap will be bridged.
- Step 6: Implementation and Review – identify how the success of the workforce will be ensured and the factors that may influence this plan in the future.

m) **Exit Strategy**

If the current service is to be re-tendered at the end of its current contract, the business case should include an ‘exit’ strategy. This will ensure you have a plan in place should your services not be required which includes contingencies for staff, premises, lease agreements and other assets. This should
also include the management of the transfer of staff under TUPE arrangements.

n) Conclusions
A summary of the proposal is vital and should be brief while including all you have highlighted in your proposal i.e. current situation, where the service wants to be and how it is going to get there.

The team may be asked to present the business case to Commissioners or the Trust board. This is an opportunity to demonstrate the knowledge and skills around the content of the bid as well as highlighting the vital elements of the case.

o) References
Any documents that have been referenced should be included for clarification and further reading.

What happens next?
The Trust’s Executive team will either agree to proceed with the business case, agree in principle but request further work and resubmission, agree to proceed conditional on funding from the Commissioners, or turn down the proposal completely and recommend it should proceed no further.

Many business cases will receive a high priority but will not be funded in the year they are submitted. This is not necessarily the end of the process. Many will then go forward in the next financial year for review and may well have moved up the priority list. In addition, there is often funding made available part way through the financial year, and high priority business cases not initially funded, may well still attract funding. However, if there has been a delay in approving a business case the costs may have to be reviewed.

In the current environment, the scope for developing business cases outside of local or national policies is limited. However, that should not stop business cases that do not appear to be immediately part of a local or national priority from being developed.

Appropriate discussion with managers in either service development or planning may identify a way of targeting a business case to an appropriate source of funding.

In conclusion, business planning and the development of a successful business case in Dermatology present a challenge to all those working in that service. Time needs to be taken to prepare well, collect accurate information, and gain support from colleagues for any plan to be successful.

References