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# Better Business Cases

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Better Business Cases (BBC) is a methodology that provides objective analysis in a consistent format to decision-makers. It allows for better comparability and transparency that lets government make smart investment decisions that maximise public value.

All investments need a business case. Business cases provide a structured way to present the case for investment to decision-makers.

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## What you need before starting a business

### Case

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[strategic-assessment\)](https://www.treasury.govt.nz/information-and-services/state-sector-leadership/guidance/better-business-cases)

• [Business Case Scoping document \(/publications/guide/better-](https://www.treasury.govt.nz/information-and-services/state-sector-leadership/guidance/better-business-cases)

[business-cases-significant-investment-proposal-scoping-document\)](https://www.treasury.govt.nz/information-and-services/state-sector-leadership/guidance/better-business-cases)

• [Strategic thinking and planning \(/information-and-services/state-](https://www.treasury.govt.nz/information-and-services/state-sector-leadership/guidance/better-business-cases)

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## The Five Case Model framework

The Five Case Model (5CM) is the organising framework for a Better Business Case. The 5CM:

- gives discipline and structure to a business case in the investment life cycle, and
- aims to address specific questions and give evidence to satisfy decision-makers and approvers.

### The five cases

- Strategic case – is there a need for investment.
- Economic case – does the investment offer value for money.

- Commercial case – is the investment viable.
- Financial case – is the investment affordable.
- Management case – is the investment achievable.

The five cases are developed in increasing detail at each business case stage.

Expand the table below

Approximate percent complete at main stages of the investment life cycle				
Case	Strategic Assessment	Indicative Business Case	Detailed Business Case	Implementation Business Case
Strategic case	25% complete	80% complete	90% complete	100% complete
Economic case	10% complete	45% complete	70% complete	100% complete
Commercial case	5% complete	35% complete	70% complete	100% complete
Financial case	5% complete	20% complete	60% complete	100% complete
Management case	5% complete	25% complete	55% complete	100% complete

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In 2018 the G20 adopted the 5CM as an international standard for infrastructure projects. For more information about the 5CM refer to chapter 2 of **The Green Book: International Guidance** (<https://www.gov.uk/government/publications/the-green-book-international-guidance>) PDFs.

# What business cases you need to complete

The business cases you need to complete depends on your risk rating or if the projects are in a programme.

## Programmes

Complete a:

- **Indicative Business Cases (/information-and-services/state-sector-leadership/investment-management/better-business-cases/indicative-and-programme-business-cases)**

Then for every project in the programme complete the following Business Case stages.

- **Detailed Business Case (/information-and-services/state-sector-leadership/investment-management/better-business-cases/detailed-business-case)**

- **[Implementation Business Case \(/information-and-services/state-sector-leadership/investment-management/better-business-cases/implementation-business-case\)](#)**

## Projects not part of a programme

If you are completing a standalone project that is medium or high risk, complete the following Business Case stages.

- **[Indicative Business Cases \(/information-and-services/state-sector-leadership/investment-management/better-business-cases/indicative-and-programme-business-cases\)](#)**
- **[Detailed Business Case \(/information-and-services/state-sector-leadership/investment-management/better-business-cases/detailed-business-case\)](#)**

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single-stage-business-case\)](#)**

- **[Implementation Business Case \(/information-and-services/state-sector-leadership/investment-management/better-business-cases/implementation-business-case\)](#)**

The Single-stage Business Case combines both the Indicative and Detailed Business Cases.

## Additional guidance

Find out more about how BBC works for Agile projects, the methods and tools used to help build your business cases, and what to do if you need a business case approved urgently.

- **[Additional Better Business Case guidance \(/information-and-services/state-sector-leadership/investment-management/better-business-cases/additional-better-business-case-guidance\)](#)**

## In this section

# Indicative and Programme Business Cases (/information-and-services/state-sector-leadership/investment-management/better-business-cases/indicative-and-programme-business-cases)

The Indicative (IBC) Business Case stage both give decision makers an early indication of the preferred way forward for an investment.

# Detailed Business Case (/information-and-services/state-sector-leadership/investment-management/better-business-cases/detailed-business-case)

The Detailed Business Case (DBC) recommends a preferred option that optimises value for money and seeks approval from decision-makers of the delivery strategy of the investment.

# Single-stage Business Case (/information-and-services/state-sector-leadership/investment-management/better-business-cases/single-stage-business-case)

The Single-stage Business Case (SSBC) combines the Indicative and Detailed Business Case stages into one process and produces a single document supporting a single decision-making point.

# Implementation Business Case (/information-and-services/state-sector-leadership/investment-management/better-business-cases/implementation-business-case)

The Implementation Business Case stage seeks approval from decision-makers to enter into commercial contracts for the provision of the selected option.

# Additional Better Business Case guidance (/information-and-services/state-sector-leadership/investment-management/better-business-cases/additional-better-business-case-guidance)

Here we provide more help you may need when developing your business case.

<a href="#">Better Business Cases for Agile projects (/information-and-services/state-sector-leadership/investment-management/better-business-cases/additional-better-business-case-guidance/better-business-cases-agile-projects)</a>	<a href="#">Investment Logic Mapping (/information-and-services/state-sector-leadership/investment-management/better-business-cases/additional-better-business-case-guidance/investment-logic-mapping)</a>
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