

Business Case Examples

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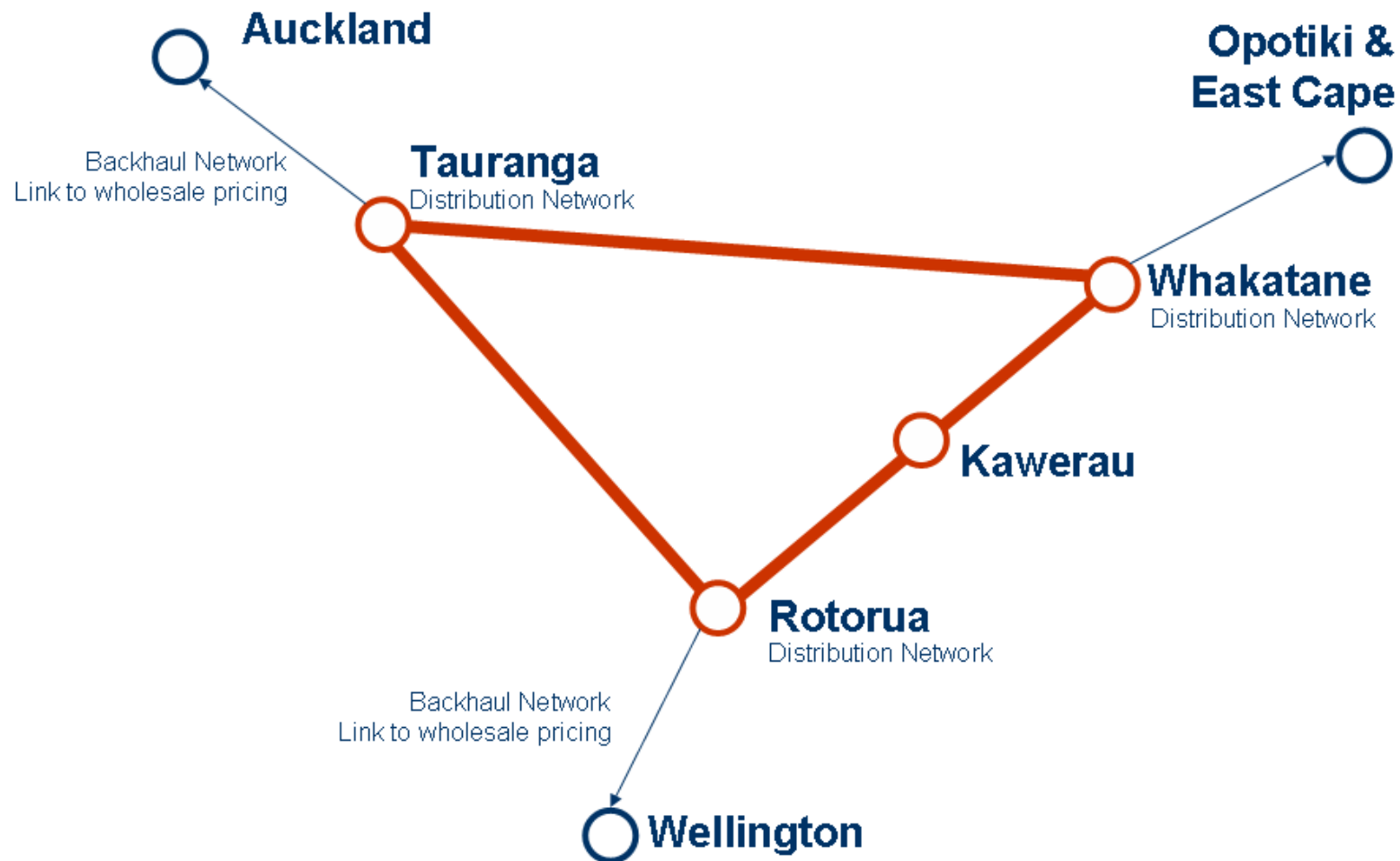
The agenda

- Questions and discussion throughout please
- The business case for establishing a shared service company – brief overview (Miles)
- A key shared service business case – the CRNP (Miles)
- Business case in action – Procurement (Annabel)

The business case for a shared services company

- Some background material in your packs
- Collaboration already occurring
- A principled based business case
- The business case was made up of
 - Triennial report
 - Special Consultative procedure
 - Company formation decisions

A key shared service business case – Council Regional Network Platform (CRNP)



The business case content

- Realistic assumptions
- Business benefits
- Community benefits (in this case)
- Financial data (NPV and price performance ratio)
- Sensitivity and risk analysis
- Cost allocation
- Google “business case template”

BoPLASS Procurement Forum

Annabel Bridge



Who is involved?

- All nine councils are members of this forum
- You can pick and choose the initiatives you want to be involved in
- Most initiatives have had all councils involved

Why was this forum set up?

- We could see the benefit in consolidating our spend to gain greater leverage with suppliers
- We source many of the same products and services
- Savings are passed on to our communities
- Knowledge sharing opportunity

Achievements so far

- Stationery Supplies
- Insurance - \$800k savings
- Advertising agency rates
- Energy management system
- E-catalogues
- Fuel

Benefits you can build into your business case

- Financial savings
- Higher levels of service from suppliers
- Collaboration
- Relationship building
- Helping the smaller councils
- Building common platforms across Councils

Benefits continued

- Sharing ideas
- Plagiarising (unashamedly) – why reinvent the wheel?
- Comparing our systems and processes
- Culture change within our respective organisations

Pitfalls (risks)

- Supplier availability in some of the smaller areas
- Loss of “pet” suppliers
- Consistency of data across Councils
- Can be a lengthy process

What makes it work?

- Vision
- Our Chief Executives - driven from the top
- Commitment – if you put your spend on the table to be included, you better follow through!
- Developing stringent KPI's for your suppliers
- Success gains us traction