

Business Case Alignment and Cost Reductions

In the beginning there was Business Case

Business Cases are typically extremely important documents at the start of a process or beginning of a change programme. They are a necessary evil and important aspect of corporate governance and invariably are created to prove that a given return warrants a particular investment or change in corporate direction.

However, once senior management or the executive has made the decision and the new direction defined, these cases are nearly always filled away, never again to be consulted as the organisation's management resources manically strive to engineer the changes required.

Rarely do actions and activities relate to the original case. Often, through the normal course of operating within today's ever-changing landscape, priorities shift, emphasis changes and those all important cost cutting initiatives that underpinned the case are delayed as resources are diverted to other, more important activities.

This is the reality of modern business; the case never gets realised in its original form and the ability to answer the simplest of questions "have you succeeded" is difficult to prove with clarity.

Lost Opportunities

Business Driven Change provides advice, guidance and ongoing management of the core activities required to deliver the case. With external resources not concerned with the histories, politics or personal agendas, we can concentrate on ensuring an impartial, effective and considered management focus is applied to the tasks at hand.

Approach and Method

Assessment: We start with assessing the original case, the underlying assumptions and core activities thought to be required at case creation to meet the objective.

We assess the current situation today:-

- Are the assumptions still valid?
- Have the activities been undertaken and if not, why?
- What is the governance model being employed?
- Is the programme meeting its objective and if not, why?

The deliverable is an independent view of the performance of the organisation against the original expectation together with a quantifiable view of any delta currently evident.



Bridging: Once the current position has been assessed and assuming there is a gap in terms of fiscal, management, focus or governance, we provide a set of proposals that bridge the delta. These typically consist of a combination of:-

- Procurement savings in subcontract resources
- Procurement savings through third party agreements
- Operational efficiencies through near-off-shoring
- Organisational changes to drive productivity improvements
- Governance and change management improvements

The resultant output is a revised business case underpinned with clear actions, initiatives and milestones.

Execution: The final phase sees the organisation execute the changes that deliver the revised case. Business Driven Change provides the governance framework and management focus that sees the case being realised and take the lead in executing these changes.

Case Study

A large international outsourcing organisation took on a contract for the delivery of data centre services for a client operating within the petrochemical vertical.

The transformation activities assumed within the original case were delayed by factors both within the end client and provider. This together with a lack of ability to connect the finance community (who held the numbers and case assumptions) to the operational and functional teams tasked with delivering the day-to-day in addition to business case changes, resulted in a business case that from a senior executive perspective, was not being executed according to expectation.

Business Driven Change was engaged to review the situation. BDC performed an initial assessment of the case, identified a significant fiscal delta and represented a revised case based on a new set of actions, cost saving initiatives, owners and governance.

The position saw the delivery of core cost reductions being executed on time and to plan, resulting in the attainment of the revised case with clarity, control and transparency.

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