Australian Government

Department of Education, Employment and Workplace Relations

PSPMNGT607B Develop a business case

Release 3

INDUSTRY
SKILLS
COUNCILS
Creating Australia's Future

PSPMNGT607B Develop a business case

Modification History

Release	TP Version	Comments
3	PSP12V1	Unit descriptor edited.
2	PSP04V4.2.	Layout adjusted. No changes to content.
1	PSP04V4.1	Primary release.

Unit Descriptor

This unit covers market analysis, development and costing of options, and justification for a recommended business solution. It includes researching a business case, examining business solutions, and constructing and finalising a business case.

In practice, developing a business case may overlap with other generalist or specialist public sector workplace activities such as applying government systems, complying with legislation, acting ethically, formulating business strategies, managing risk etc.

This unit is one of 3 related to quoting/tendering for business. Related units are:

- PSPGOV407B Provide a quotation
- PSPGOV603B Develop a tender submission response

This unit replaces and is equivalent to *PSPMNGT607A Develop a business case*.

No licensing, legislative, regulatory or certification requirements apply to this unit at the time of publication

Application of the Unit

Not applicable.

Licensing/Regulatory Information

Not applicable.

Pre-Requisites

Not applicable.

Employability Skills Information

This unit contains employability skills.

Elements and Performance Criteria Pre-Content

Elements are the essential outcomes of the unit of competency.	Together, performance criteria specify the requirements for competent performance. Text in **bold italics** is explained in the Range Statement following.

Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
1. **Research a business case**	1.1 Business problem is identified and confirmed in accordance with organisational policy and procedures.
	1.2 Analysis of key ***stakeholder*** requirements is used to clarify objectives.
	1.3 A range of ***factors*** is considered through research to identify opportunities and constraints.
	1.4 ***Market analysis*** is conducted in accordance with ***legislation, policy and procedures***.
2. **Examine business solutions**	2.1 Business and technical impacts and ***risks*** are analysed through research and consultation and documented in accordance with organisational requirements.
	2.2 Community, environmental and human resource impacts are analysed.
	2.3 Alternative solutions and their financial implications are canvassed and discussed with senior management and business case originator.
3. **Construct a business case**	3.1 Options are developed and impacts, risks, costs and stakeholders are determined and documented.
	3.2 Recommendation is made and justified.
	3.3 Business case is prepared in accordance with organisational requirements.
4. **Finalise a business case**	4.1 Business case is presented and recommendations are explained in a manner suited to the audience.
	4.2 Approvals and management endorsement are obtained in accordance with organisational policy and procedures.

Required Skills and Knowledge

This section describes the essential skills and knowledge and their level, required for this unit.

Skill requirements

Look for evidence that confirms skills in:

- consulting with others
- managing financial/other resources
- using language and style suited to written submissions
- using technical and other vocabulary
- using a variety of words and language structures to explain complex ideas to different audiences
- interpreting and explaining complex, formal documents
- preparing written advice and reports requiring reasoning and precision of expression
- engaging in discussion using exchange of complex oral information
- responding to diversity, including gender and disability

Knowledge requirements

Look for evidence that confirms knowledge and understanding of:

- government and organisational goals, policies and practices
- legal requirements related to the business activity
- financial and accounting issues relating to developing a business case
- whole-of-life considerations
- approval processes
- aspects of trade practices law, commercial law and law of contract relating to the development of business cases
- equal employment opportunity, equity and diversity principles
- jurisdictional legislation that applies to business case development including occupational health and safety and environmental requirements

Evidence Guide

The Evidence Guide specifies the evidence required to demonstrate achievement in the unit of competency as a whole. It must be read in conjunction with the Unit descriptor, Performance Criteria, the Range Statement and the Assessment Guidelines for the Public Sector Training Package.

Units to be assessed together	• *Pre-requisite* units that must be achieved prior to this unit:*Nil*
	
	• *Co-requisite* units that must be assessed with this unit:*Nil*
	
	• *Co-assessed units* that may be assessed with this unit to increase the efficiency and realism of the assessment process include, but are not limited to:
	
	   • PSPETHC601B Maintain and enhance confidence in public service
	   • PSPGOV601B Apply government systems
	   • PSPGOV602B Establish and maintain strategic networks
	   • PSPLEGN601B Manage compliance with legislation in the public sector
	   • PSPPOL603A Manage policy implementation

Overview of evidence requirements	In addition to integrated demonstration of the elements and their related performance criteria, look for evidence that confirms: • the knowledge requirements of this unit • the skill requirements of this unit • application of the Employability Skills as they relate to this unit (see Employability Summaries in Qualifications Framework) • business case development in a range of (2 or more) contexts (or occasions, over time)
Resources required to carry out assessment	These resources include: • legislation, procedures and protocols related to developing a business case • workplace scenarios and case studies to capture the range of situations likely to be encountered when developing a business case • guidelines for constructing business cases in the public sector
Where and how to assess evidence	Valid assessment of this unit requires: • a workplace environment or one that closely resembles normal work practice and replicates the range of conditions likely to be encountered when developing a business case, including coping with difficulties, irregularities and

breakdowns in routine

- business case development in a range of (2 or more) contexts (or occasions, over time)

Assessment methods should reflect workplace demands, such as literacy, and the needs of particular groups, such as:

- people with disabilities
- people from culturally and linguistically diverse backgrounds
- Aboriginal and Torres Strait Islander people
- women
- young people
- older people
- people in rural and remote locations

Assessment methods suitable for valid and reliable assessment of this competency may include, but are not limited to, a combination of 2 or more of:

- case studies
- demonstration
- portfolios
- projects
- questioning
- scenarios
- simulation or role plays
- authenticated evidence from the workplace and/or training courses

| **For consistency of assessment** | Evidence must be gathered over time in a range of contexts to ensure the person can achieve the unit outcome and apply the competency in different situations or environments |

Range Statement

The Range Statement provides information about the context in which the unit of competency is carried out. The variables cater for differences between States and Territories and the Commonwealth, and between organisations and workplaces. They allow for different work requirements, work practices and knowledge. The Range Statement also provides a focus for assessment. It relates to the unit as a whole. Text in **bold italics** in the Performance Criteria is explained here.

Stakeholders may include:	• all those individuals and groups both inside and outside the organisation that have some direct interest in the organisation's behaviour, actions, products and services such as: • employees at all levels of the organisation • other public sector organisations • union and association representatives • boards of management • government • Ministers • clients
Factors to be considered in research phase may include:	• required outcomes • government policy and direction • links to organisational goals and objectives • market capabilities • needs analysis • background and current situation • funding availability • timing • interdependency with other activities • constraints • cost-benefit ratio • consultative processes • ownership/sponsorship
Market analysis may include:	• structure of and 'players' in the market • market capability • market maturity • market strength • factors/conditions which may affect supply • potential impact of intended activity • environmental issues
Legislation, policy and	• Commonwealth and State/Territory legislation including equal employment opportunity and anti-discrimination law

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procedures may include:	• national and international codes of practice and standards
	• the organisation's policies and practices
	• government policy
	• codes of conduct
	• national competition policy
Risk analysis may include:	• financial matters
	• people
	• assets and physical environment
	• reputation and image
	• legal issues
	• business continuity
	• political impact
	• community interest

Unit Sector(s)

Not applicable.

Competency field

Management.