**APPENDIX 5.1**

**Business Case Template**

**[Your Organization’s Name]**

**Business Case**

|  |
| --- |
| **Project [Code Name]** |
| Date: Prepared By: | One-time Integration Costs ($): |
| **Project Overview:*** Brief description of the integration transaction and key deal terms.
* Brief description of your partner organization.
 |
| **Strategic Rationale:*** Description of how the transaction advances your organization’s strategic plan with reference to vision, mission and strategic objectives.
* Description of vision for the combined organization.
* Description of specific benefits (e.g. developing new integrated services, improving service quality, achieving economies of scale etc.).
* Description of other strategic alternatives considered (if applicable) and why they were not chosen.
 |
| **Key Performance Metrics:*** Summary of key operating metrics related to the transaction and the combined organization (e.g. client and employee satisfaction, service volumes, efficiencies achieved etc.). Include specific targets for each metric.
 |
| **Financial Impact:*** Summary of the transaction’s impact on future revenue and expenses, cash flow and key balance sheet items. Full financial projections should be included as an appendix.
* Description of integration costs and how they will be funded.
* Description of funding opportunities and cost savings.
* Details on major assumptions underpinning the financial projections, and how changes to assumptions may alter the financial outcomes.
 |
| **Key Issues & Risks:*** Description of the transaction’s key issues and risks and how they will be resolved or mitigated.
 |
| **Implementation Plan:*** Identify the executive who will be leading the combined organization.
* Identify the executive who will be responsible for integrating the operations.
* Overview of the resources required to complete the integration.
* Summary of key integration milestones and target completion dates.
 |
| **Request for Approval:*** [Specific approval sought from the Board.]
 |
| Approved By: | Date: |

**Project [Code Name]**

**Comparison of Operations**

|  |  |  |
| --- | --- | --- |
|  | **[Your Organization]** | **[Partner Organization]** |
| Vision & Mission  |  |  |
| Date Founded |  |  |
| CEO/ED |  |  |
| Revenue $Assets $ |  |  |
| Programs & Services |  |  |
| Clients  |  |  |
| Staff  |  |  |
| Volunteers  |  |  |
| Members  |  |  |
| Funders |  |  |
| Area Served & Locations |  |  |

**Integration Risk Management**

|  |  |  |  |
| --- | --- | --- | --- |
| **Risk** | **Likelihood****(L/M/H)** | **Impact****(L/M/H)** | **Mitigation Strategy** |
| Governance: |  |  |  |
| Implementation: |  |  |  |
| Reputational: |  |  |  |
| Programs & Services: |  |  |  |
| Human Resources: |  |  |  |
| Legal & Regulatory: |  |  |  |
| Financial: |  |  |  |
| Information Technology: |  |  |  |
| Real Estate: |  |  |  |

**Sample Integration Risk Management**

| **Risk** | **Likelihood****(L/M/H)** | **Impact****(L/M/H)** | **Mitigation Strategy** |
| --- | --- | --- | --- |
| Discontinuation or disruption of services to current clients throughout the transition | L | H | Development and approval of an Integration Plan that includes processes to mitigate any disruption to current services.  |
| Refusal by clients to have care/support delivered by new entity | L | H | Communicate with all stakeholders that they will continue to receive service from the existing staff. Ensure clients and other stakeholders’ needs are addressed and promote the continued quality of the service.  |
| Large loss of trained volunteers. | L | H | Advise volunteers of the importance of their continued support of clients. Emphasize that existing volunteers will continue to work in the same communities and that the coordinator/volunteer relationship will be maintained. |
| Loss of key management staff during transition | L | H | Advise staff that their skills and experience are essential to the continuation of the service and maintaining the relationship with clients and volunteers. Emphasize the opportunities available in working with the new entity and the financial and organizational capacity to ensure successful delivery of services for the future. |
| Perception by the public and key stakeholders that services will somehow be inferior under new management | L | H | Address public/stakeholder concerns through targeted Communications Plan. Continue to communicate throughout the process and after the integration. |
| Rejection of the Integration Plan by the Boards, members and the TCLHIN | L | H | Keep the Boards informed at all times. Ensure Boards are engaged throughout the integration planning process and there are no surprises when the Integration Plan is presented for their approval. Schedule information/education event for Board members. |
| Unlawful actions of any kind, particularly as they relate to privacy and confidentiality of information, employment standards and good governance | L | H | Obtain legal advice and abide by the advice. Work with privacy officer to ensure that the integration approach meets legislative standards. |
| Delays in the implementation of the Integration Plan | L | H | Establish an Implementation Committee to manage the transition and develop a detailed transition plan. Ensure ongoing monitoring and reporting to Boards as the plan is implemented. Ensure the Steering Committee addresses any difficult issues. |
| Some services not immediately available to potential new clients | L | M | Establish a policy/procedure to triage potential new clients, if necessary delay services to least at risk individuals. |
| Addition of new service places stress on management and back office support functions | L | M | Integration plan enhances Finance and Administration skill sets and staffing. By utilizing staff through the consolidation of the two organizations, the additional new services will have more back office support.  |
| Large decline in other fundraising/donor support | L | H | Advise donors of the importance of their continued support of services. Get donors written agreement to transfer personal information to the new entity. Meet directly with donors and reassure them their donations will go to seniors programs. |
| Determination of Union Bargaining Agent and integration of contracts is problematic | L | M | Transparent HR plan and provide timely and accurate information to staff and union leaders. Utilize legal support. |
| Disruption to existing services | L | H | Continue to assign a priority to uninterrupted services throughout the transition. All services will continue to be provided by the same staff in the same way to clients after integration. Any changes to services will only happen after deliberation and careful planning by staff. To the extent currently possible, work is being done now prior to integration to prepare for that date including planning for staging of staff move, equipment move, etc. |