Strategic Assessment
Template

[Insert name of proposal]

[Insert name of sponsor agency]

**[Insert document date]**

Purpose of the Strategic Assessment Template

**NOTE: THIS PAGE TO BE DELETED PRIOR TO SUBMISSION**

This template includes guidance on how to complete a Strategic Assessment document for an initiative that is to be progressed through the Infrastructure SA Assurance Framework (“ISAAF”) for the purposes of seeking investment from the South Australian State Government.

The Strategic Assessment provides decision makers with sufficient detail to make an initial assessment on whether there is an underlying need for a capital solution and further development is required. It does so by establishing the case for change at the centre of the proposed initiative. As part of this, the Strategic Assessment describes the current state of service provision, then identifies the strategic demand for the service before pinpointing the resulting investment need. This is closely followed by identification of benefits and outcomes sought from the initiative, along with its strategic alignment and critical success factors.

The Strategic Assessment document forms the basis for any decision to support the proposal to progress through Gate 0 of the ISAAF and proceed to the Options Analysis stage, leading up to Gate 1.

The following figure provides an overview of key characteristics of the Strategic Assessment template. Features of the two companion documents[[1]](#footnote-1) are provided for reference.

| Strategic Assessment | Options Analysis | Business Case |
| --- | --- | --- |
| To establish the case for change and investment need underlying the initiative, and identify proposal benefits, objectives and outcomes. | To identify a long list of options, select a shortlist and undertake a preliminary assessment on the shortlisted options. | To conduct a detailed assessment on the solution options and recommend one option for implementation and approval. |
| The Strategic Assessment will:* set the scene for the initiative
* build the case for change and establish the investment need
* identify proposal benefits, objectives and outcomes
* establish critical success factors for the initiative
* define the base case.

The Strategic Assessment will not be used for an investment decision by the State Government. | Building on the Strategic Assessment, the Options Analysis will:* confirm the case for change and the investment need
* fine-tune the identified benefits, objectives, outcomes and solution requirements
* strategically assess the longlist of options and narrow it to a shortlist
* assess at a high level the shortlist of options against a range of criteria
* identify the options to progress to Business Case stage for detailed analysis
* provide preliminary considerations regarding solution delivery and management.

The Options Analysis will not be used for an investment decision by the State Government. | Building on the Options Analysis, the Business Case will:* assess in detail the options progressed to Business Case stage through rigorous application of social, environmental, sustainability, financial and economic analysis criteria
* demonstrate the viability and value of the options assessed
* recommend an option for implementation
* propose an integrated approach to funding
* suggest a preferred delivery and procurement approach
* detail how the project will be managed.
 |

Notes on the template

**NOTE: THIS PAGE TO BE DELETED PRIOR TO SUBMISSION**

General comments

Infrastructure SA provides this template to assist stakeholders in developing the required documentation for infrastructure proposals.

The structure and content of this template are important to ensure the development and communication of
a robust investment proposal. However, this template is offered as a guide only. It is important that you tailor documentation requirements to your particular initiative to meet its specific needs. The document size and the level of detail need to correspond to the size, priority, complexity and risk level of the initiative proposed.

**Please contact Infrastructure SA to discuss the unique circumstances of your proposed initiative
and confirm resulting assurance and documentation requirements.**

Structure of template

The template suggests a document outline to provide the necessary data, information and analysis to support
a decision to progress the initiative to the next stage and to release funding as applicable.

The document outline provides clear section headings that should be followed when developing the document.
A short commentary is offered under each major heading detailing the:

* section’s purpose, and
* relative effort of developing the section, when compared across the three companion documents.

This is repeated across the three documents to facilitate understanding of how they relate to each other and integrate. The section introductory comment is followed by specific guidance for drafting purposes under each heading and subheading. Where considered beneficial, additional clarifying or background commentary has been provided in italics.

Delete all template commentary and guidance notes when you no longer require them.

Content indicators

The following content indicators have been used to help you work with the template.



Document information

Document identification

|  |  |
| --- | --- |
| Document name |  |
| Document location |  |
| Document owner |  |
| Document author |  |
| Document ID |  |
| Proposal description |  |
| Delivery agency |  |
| Primary proposal contact |  |
| Program name |  |
| Program description |  |

Document history

| Version no. | Amendment nature | Amendment date | Amended by |
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Executive Summary

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| This section should provide a succinct yet complete stand-alone summary of the proposal and any associated recommendations and decisions sought. |
| There will be a similar amount of effort involved in developing this section when preparing the Strategic Assessment, the Options Analysis and the Business Case. While the latter two documents will build on the summaries of their predecessor documents, each will need to provide significant updates and additional information in line with the proposal development progress made at that stage. |

While the latter two documents will build on the summaries of their predecessors, each will need to provide significant updates and additional information in line with the proposal development progress made at that stage.

Provide a self-contained summary of the proposal. Aid reading by choosing headers that offer structure and logic. Address all pertinent matters, particularly:

* proposal background
* proposal management
* the investment need
* benefits and outcomes sought
* strategic alignment
* critical success factors
* potential initiatives to address the investment need
* high-level risks and mitigation
* an order-of-magnitude indication of possible cost range, and
* location map(s) indicating project context.

Maximum length of Executive Summary: 2–3 Pages

Proposal Context

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| This section should provide a high-level introduction to the proposal, explaining its origin and strategic position, as well as the way its progression is managed. |
| The main effort of developing this section should be incurred when preparing the Strategic Assessment. The Options Analysis should revisit what was prepared during the Strategic Assessment and provide updates and additional information only as required. The Business Case should do the same, based on the Options Analysis. |

Nature of proposal

As succinctly as possible, describe the essence of the proposal. This should include relevant background information and what need or opportunity the proposal trying to address, when and where.

Strategic position

Clearly explain the proposal’s overall position in relation to the sponsoring organisation, sector strategies and government policies. Consider addressing the following four elements:

* **Program**: Is the proposal part of an overarching program? If so, provide relevant detail.
* **Strategic asset management framework**: What is the proposal’s relation to the sponsoring organisation’s strategic asset management framework? Has the proposal been initiated in response to requirements of the framework? If so, explain.
* **20-Year State Infrastructure Strategy**: What is the proposal’s relation to South Australia’s 20-Year Infrastructure Strategy? Does it address Strategic Context, Needs and Challenges and/or Future Priorities identified in the strategy? If so, which?
* **Government strategy and policy**: Beyond the 20-Year Infrastructure Strategy, what are other state or federal government strategies, policies or plans that are driving the case for change underlying the proposal? List all that apply and explain their relevance. Be as specific as possible.

Government involvement

Conclusively explain why government involvement is deemed necessary to progress the proposal.

Proposal governance

Detail how progression of the proposal from the current point to delivery will be managed, including approvals. Who is accountable and who is responsible for it? Which entity will take decisions about it? How often will it meet? Who will report to whom, on what and how often?

On the points of governance, be as specific as possible. If there are no answers to these, escalate the matter early on. Precise and timely governance definition is critical to the effective and efficient progress of any proposal.

Stakeholder engagement and input

At a high level only, explain any developments with respect to stakeholder engagement thus far. Which key interactions have taken place, who has been involved and what were the outcomes? Focus on engagement that
is critical for sponsorship, approval and funding of the proposal, as well as such relating to understanding, considering and addressing community views, input and feedback.

Note: This section is not about stakeholder management.

Case for Change
(Problem identification/opportunity)

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| This section should paint a clear picture as to the need for investment – based on either a demonstrated gap between the levels of existing service provision and current and/or forecast future demand for it, or an otherwise existing opportunity or requirement. It should also highlight the risks associated with respective inaction. |
| The Strategic Assessment should provide a preliminary, high-level assessment of the situation, which should be strong enough to demonstrate that there is a need to act. However, **the main effort of developing this section and building the case for change will be incurred when preparing the Options Analysis**. The Business Case will reiterate what was shown in the Options Analysis and provide updates and additional information only as required. |

Current state

Describe the existing service need, service model and level of service provision at a high level. From a strategic perspective, what does “business as usual” currently look like? As far as possible, provide supporting evidence. This might be anecdotal, though preferably would come from relevant studies, surveys or other data-backed analyses previously done or currently available. Examples for these include traffic reports, KPI trends, customer satisfaction surveys or data from the Australian Bureau of Statistics.

Demand situation

At a high level, describe the service demand situation. With reference to the current state, what do demand levels look like now? What are the expectations for the future, particularly in the long term? Importantly, consider demand not only in terms of movement of people, patient numbers, freight volumes and similar but also as a result of changes in legislation, policies, standards, the natural environment, lifestyle and similarly wide-reaching factors and conditions. If applicable, describe any further specific opportunities or requirements underlying the proposal. Provide selected evidence, as far as possible, drawing on available qualitative and quantitative data.

Investment need

Directly compare the demand for service provision against current service levels, thereby identifying any gap – either existing or forecast. Phrase the case for change by summarising the overall situation with a clear problem
or opportunity statement that identifies the business need and establishes the resultant need for investment.

Inaction consequences

Describe the consequences of not acting on the case for change; that is, what associated risks are likely to materialise and what would be the associated consequences of not acting or deferring future investment? Be as specific as possible, preferably quantifying any likely impacts e.g. increase in patient waiting periods (in days),
drop in customer satisfaction levels (in percentage points), increase in travel time (in minutes) or decrease in the number of legal or policy requirements met.

Outcome Sought

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| Building on the case for change, this section should determine the benefits and outcomes sought as a result of the identified service shortcoming. This will be followed by draft/tentative outline of any requirements resulting from consideration of a number of aspects.This section should not identify or discuss any possible solutions, which is to be provided in the Options Analysis and Business Case. When developing this section ensure you are developing a Benefits Management Plan and Register. |
| The Strategic Assessment should provide a preliminary identification of benefits, outcomes sought and proposal objectives. The Options Analysis should revisit, confirm and refine these before focusing on solution requirements. The Business Case should restate what was presented in the Options Analysis, with the provision of minor updates to technical details to be the exception. |

Benefits and outcomes

Benefits are the logical link between the investment need and any possible responses to it.

To identify and define proposal benefits and outcomes and the resultant proposal objectives, you may choose to conduct an Investment Logic Mapping (“ILM”) exercise (see ISA Investment Logic Mapping Information Sheet).

List all benefits the proposal seeks to deliver. If an investment logic mapping exercise was conducted, use its outcome to guide you. The benefits listed should be self-explanatory. However, where additional narration would facilitate understanding, provide it. Overall, though, strive to be specific and concise. List the outcomes (KPI’s) sought from the proposal. Elaborate on them where you deem necessary.

Strategic alignment

Briefly refer to the subsection “Strategic position” of the “Proposal context” section, where you explained the proposal’s overall position in relation to the sponsoring organisation, sector strategies and government policies.

Building on the above, list specific requirements needed to ensure strategic alignment. Examples would be a particular value threshold, certain geographic boundaries, a specific strategy objective or a given policy standard. List requirements in a structured way i.e. separately for each of the four reference points as per subsection “Strategic position”. At this stage, it is sufficient to present this information through a preliminary list of dot-points.

Integration

All proposals need to take into account their potential impacts on networks and the environment and the value that they can deliver for people. Most infrastructure projects will be solving a specific issue within a particular area.

With respect to the proposal, address:

* how it will integrate with the broader service network
* how it will integrate into the broader asset and infrastructure network
* how it will integrate into the urban/natural environment, and
* any integrated development opportunities to explore.

Other initiatives

More than likely, the proposal will relate to or interface with other proposed or established initiatives. Of these,
it is particularly important to capture those that are directly impacting the proposal or the proposal is dependent
on and those impacted by the proposal or dependent on it. Address how these impacts and dependencies translate into respective requirements the proposal needs to consider.

Only as far as is known at this stage, list requirements arising out of the proposal’s relation to other proposed or established initiatives, using the following reference points as guidance:

* Initiatives that are directly related to the proposal e.g. those part of the same program
* Initiatives that the proposal interfaces with e.g. physically or through integration points
* Initiatives that are directly impacting the proposal
* Initiatives that the proposal is directly impacting
* Initiatives that the proposal is dependent on
* Initiatives that are dependent on the proposal
* Any other initiatives of relevance.

When working through the above, consider especially impact on and by, and integration with, other government assets and services.

Remember to not just list applicable initiatives but, importantly, identify requirements relevant to the proposal.

Critical success factors

Revisit proposal benefits, objectives, outcomes and strategic alignment as identified earlier in this section.
Of these, which does the proposal team consider as most critical to the overall success of the proposal?

In addition, what are key principles the team believes it will have to follow in its ongoing management of the proposal to make it a success? Similarly, what commitments will it have to make and what partnerships will it have to form?

Most importantly, what is the overriding vision for the proposal?

By its nature, this subsection will likely be less tangible than others. However, you will need to give it due consideration as it will inform the assessment of proposal options and will also be used to judge the success of what will be the project, ultimately.

Potential Solutions

Base case definition

A base case is required as the starting point for the generation of any solution options as these will build on it
and be benchmarked against it.

Fundamentally, the base case should be informed by the current state analysis and established model of service provision. It should be a realistic representation of “business as usual” and consider how to maintain existing service levels and possibly respond to forecast demand levels, with established assets, systems and processes.
In doing so, it should take a whole-of-life, whole-of-system perspective and account for any actions that will be needed in the future to ensure service is maintained at least at current levels. This includes consideration of any associated costs. It should also be aligned with current wider developments, such as recent trends in customer behaviour, new relevant legislation or service price changes.

The proposal will have to define the base case with these considerations in mind and, in doing so, will also need to ensure that it is aligned with relevant content from the Case for change section, particularly the Inaction consequences subsection.

Provide a clear definition of the base case, as developed by the proposal in line with guidance laid out above. If this is not fully possible at the current stage e.g. due to the team not being established yet, provide a base case description in line with best current understanding. This can then be built on and refined in the Options Analysis.

Previous options

Identify and provide a list of previously considered solution options. These could have been generated as part
of strategic plans, investigated as part of a feasibility study or resulted from experience with daily operations. Provide reasonable detail on these options as is available and with consideration for how current it is.

When researching previous options, ensure you look beyond the sponsoring organisation and consider other entities that might have had exposure to the need identified and might have come up with solution ideas.

Potential initiatives

Beyond the previous options, there will be current preliminary ideas with respect to possible solutions. These might include some of the previously considered options or variations on them, as well as completely new suggestions or concepts. Typically, the sponsoring organisation will have a good understanding of these. Potential initiatives will also cover options, strategies and investments to realise greater efficiency from existing assets.

Identify, list and describe these potential initiatives. Provide as much detail as is available, reasonable and necessary. Focus on key features, outputs, benefits, impacts and risks. Consider using a table to present any related information in a structured and concise way.

Briefly explain that the Options Analysis will define an options development process and consider the potential initiatives as part of the longlist development.

Solution Funding

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| This section should suggest the funding strategy for the proposal and indicate any public investment sought by the sponsoring agency. |
| The Strategic Assessment should provide an indication of any early ideas regarding approach to funding. The Options Analysis will provide a much clearer picture in this respect, suggesting a specific funding strategy and providing a strategic-level estimate for any possible request for government funding. The Business Case will confirm and refine the information provided in the Options Analysis. |

Financial impact

At the current stage, this subsection should only provide a short order-of-magnitude indication of the initiative’s potential net impact on government expenditure.

The Options Analysis and the Business Case will conduct structured financial assessments in detail once a range
of solution options has been identified.

Provide a financial impact statement, indicating potential public funding requirements for the initiative. In doing so, take a high-level perspective, identifying a possible value range.

Funding strategy

Capture and express any initial thoughts being discussed with respect to the funding strategy for the proposal.
As no solution options have been identified at this stage yet, nor costs estimated, this will be very preliminary and likely to involve high-level ideas only.

However, it is important you take into consideration any order-of-magnitude indication of the initiative’s possible cost range and potential impact on government expenditure, as indicated in the *financial assessment* section.

If applicable, indicate if, how much and where funding has already been reserved for the initiative in any of the sponsoring agency’s or other government budgets.

Budget request

Provide a statement requesting the approval and release of funds to allow completion of an Options Analysis, progressing the proposed initiative to Gate 1 of the Infrastructure SA investment assurance framework. Specify the amount requested.

If this is not applicable, provide an alternative statement indicating that no budget is requested at this point in time. Provide brief information as to how progression of the initiative to Gate 1 is financed.

Project management

This section should outline how the project will managed through the Options Analysis phase and how it is intended to be managed through the Business Case phase.

A simple list covering key Project Team members/roles is sufficient. A project organisation chart is not required at this stage.

Schedule and milestones

Provide any basic timeline information available for the initiative at this stage. This might include tentative dates for project approval, construction start or opening to public, as well as time periods covering project development or delivery. Identify any key milestones.

Consider and correctly reflect existing timing commitments, including such made through public announcements.

A simple list covering any time information is sufficient at this stage. No detailed schedules or milestone lists are required as yet.

Benefits management and realisation

At a high level only, describe the approach to benefits management and realisation. Highlight respective key roles and responsibilities.

For detailed information on benefits management and realisation, refer the reader to the stand-alone *Benefits Management Plan* and the *Benefits Register* in the attachments to the Strategic Assessment.

Risk management

Describe the approach to risk management at a high level only.[[2]](#footnote-2) Highlight any applicable frameworks and procedures to be followed. Emphasise key roles and responsibilities.

Mention that a stand-alone risk register will be set up at the Options Analysis stage, with a stand-alone risk management plan to be developed at Business Case stage.

Stakeholder management

Describe the approach to stakeholder management at a high level only. Highlight any established practices and procedures to be followed. Emphasise key roles and responsibilities.

Mention that a stand-alone stakeholder management plan, including communication and engagement strategy,
will be developed at the Options Analysis stage.

Project Progression

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| This section should:* detail the key actions required to progress the initiative to the next investment assurance gate
* indicate stakeholders’ support for progression to the next gate, and
* indicate the respective entity’s decision to proceed to the next gate.
 |
| Each of the three points listed above should be addressed briefly, in each, the Strategic Assessment, the Options Analysis and the Business Case. |

Progress to next gate

Detail the key actions required to progress the initiative to Gate 1 i.e. to complete the Options Analysis. This could include, among others:

* completion of an analysis of the current state of service provision
* demand modelling
* preparation of solution requirements specification
* solution options development
* identification of options shortlist
* preparation of strategic designs
* modelling of solution options’ service impact
* preparation of strategic cost estimates and completion of risk analysis
* market sounding
* preparation of a preliminary environmental investigation
* development of high-level initiative schedule and milestones
* preparation of preliminary economic appraisal
* solution options assessment across multiple aspects
* selection of options to progress to Business Case stage, and
* preparation of Options Analysis document including attachments, as required.

Stakeholder endorsement

Identify outcome owners and indicate their support for the initiative to proceed to Options Analysis stage.
Consider presenting this information in a table with an endorsement sheet.

Decision to proceed

Identify the entity/governance body/position responsible for making the decision to proceed to Options Analysis stage and indicate respective approval.

Attachments

Benefits Register

The Benefits Register is required at the Strategic Assessment, Options Analysis and Business Case stages.

The purpose of the register is to capture and present all project benefits and their key features in order to facilitate benefits management in line with the respective plan.

It is recommended that the register captures data and information on the following aspects:

* Benefit title
* Benefit description
* Project outcome the benefit relates to
* Project objective the benefit relates to
* Benefit owner
* Benefit realisation timeline
* Benefit category/type/classification
* Benefit measure/KPI title
* Benefit measure/KPI description
* Benefit measure/KPI data source
* Benefit measure/KPI baseline
* Benefit measure/KPI target value
* Benefit measure/KPI actual value.
1. Options Analysis; Business Case [↑](#footnote-ref-1)
2. to include threats and opportunities [↑](#footnote-ref-2)