

# Investment Concept Brief

## *Investment Management Guideline*

Version 2.01

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Department of Treasury and Finance

## Contents

1	Introduction .....	3
1.1	Context within the Investment Management Standard .....	3
1.2	The purpose of this guideline .....	3
2	How to create an investment concept brief .....	4
2.1	Participants.....	4
2.2	Process .....	4
3	More information .....	5
4	Appendices .....	6
4.1	Appendix: Glossary.....	6
4.2	Appendix: Investment concept brief (format) .....	7

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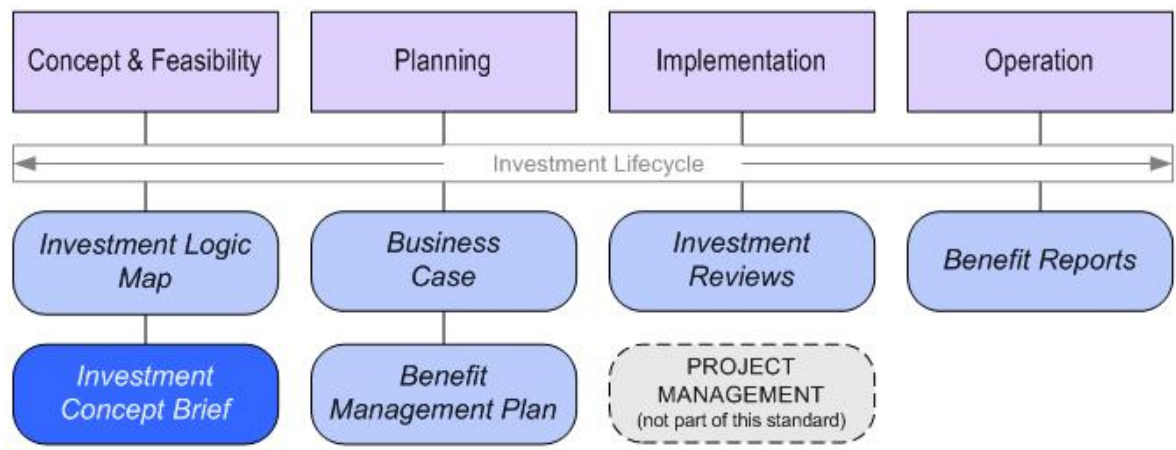
# 1 Introduction

## 1.1 Context within the Investment Management Standard

Investment management establishes a set of simple practices that allow an ‘investor’ to clearly define the reason for an investment, shape the solution that will best respond to the need and track the delivery of benefits throughout the investment lifecycle. The adoption of these practices has been shown to drive investments that are more effective at implementing policy and to reduce the risk of investment failure.

The current Investment Management Standard (IMS) defines six practices that are documented in the form of guidelines as depicted in Figure 1. This guideline relates to the investment concept brief.

**Figure 1: The Investment Lifecycle**



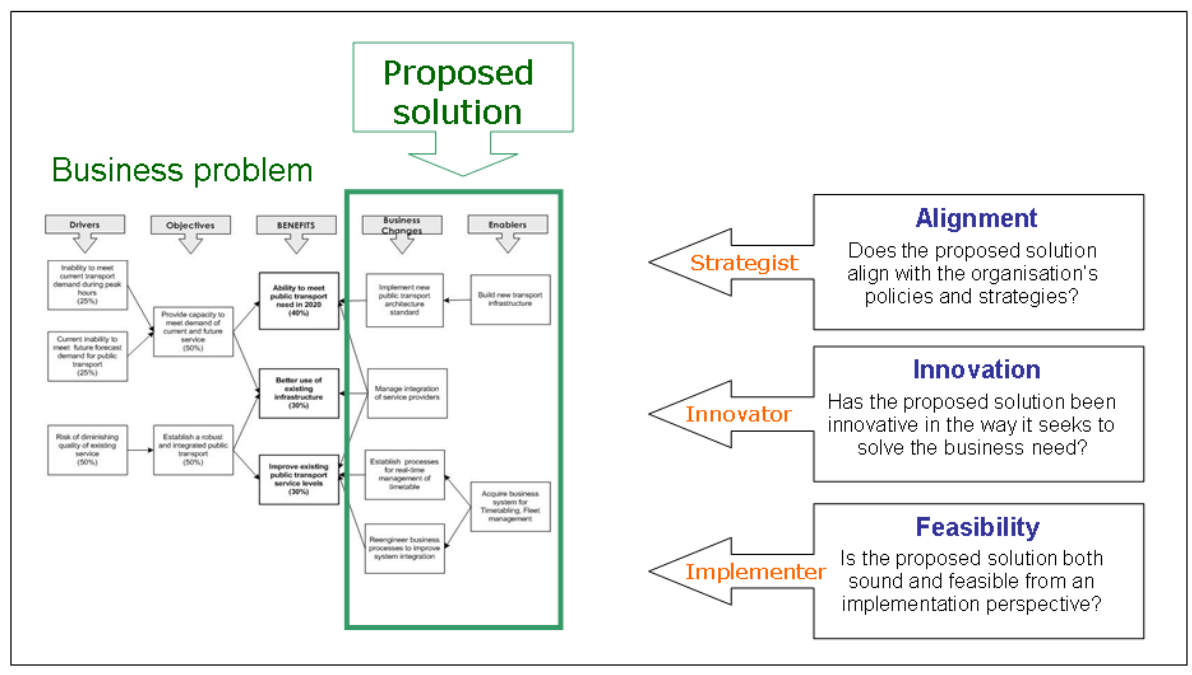
## 1.2 The purpose of this guideline

The investment logic map developed in the previous guideline provides a clear understanding of why an investment is being considered (‘the problem’) and what the solution could be (expressed in terms of changes and any associated enablers). However, before a decision can be made to proceed to business case, further thought is needed to identify what might be the best solution - that which is strategically aligned, clever and realistic. The broad timeframes, risks, dependencies and costs of the solution then need to be understood and recorded.

This will help to avoid investments that replicate infrastructure, miss opportunities to align solutions with broader policies and strategies and fail to take advantage of new thinking and technologies.

Before committing resources to develop full-blown business cases, investment concept briefs can also assist investors to sort and prioritise a number of investments that will be competing for funding.

**Figure 2: Scope of the Investment Concept Brief workshop**



## 2 How to create an investment concept brief

### 2.1 Participants

An investment concept brief is the output of a two-hour structured and facilitated workshop that brings together those people who will be the most capable at questioning and ultimately shaping the proposed investment. These people are:

Investor	Knows the business problem to be solved, will be responsible for making the decision to invest and will ultimately be responsible for realising the expected benefits
Solution architect	Was the person present during the development of the Investment Logic Map that carried responsibility for defining the solution that was proposed at that time
Strategist	Understands the strategic direction of the organisation in terms of policy, business strategy and enterprise architecture
Innovator	Has broad knowledge as to how innovation and new technologies are being used in the specific business area
Implementer	Has developed solutions in the specific business area and is aware of what already exists and the feasibility of developments in this area
Facilitator	Is accredited in the development Investment Concept Briefs

### 2.2 Process

The Facilitator will adopt the following approach:

Item	Objective	Principle Contribution	Duration (mins)
Opening	Participants are introduced Context and rules are set	Facilitator	5

The problem	Using the Investment Logic Map developed previously, the problem is articulated and the expected benefits are discussed and understood	Investor	15
Proposed solution	The proposed solution is articulated, discussed and understood	Solution architect	15
Re-shaping the solution	<p>Identification of options and definition of the solution that is preferred by the group to best meet the business need</p> <ul style="list-style-type: none"> <li>• Does it align with the organisation's policies, strategies and architectures?</li> <li>• Is it innovative in the way it seeks to solve the business need?</li> <li>• Is it sound and feasible from an implementation perspective?</li> </ul> <p>The Investment Logic Map is amended to reflect any new thinking</p>	<p>Strategist</p> <p>Innovator</p> <p>Implementer</p>	50
Concept Brief	The data to complete the Investment Concept Brief is gathered and agreed (policy alignment, timeframes, risks, dependencies and costs)	All	30
Conclude	Concluding comments by the Investor and the Facilitator	Facilitator	5

Immediately following this workshop the facilitator will provide a 2-page investment concept brief that will reflect the outcomes of the workshop and will be in the format of the example at 4.2.

Investment concept brief workshops are advisory in their nature. Their intent is to provide broader thinking that will assist the investor to choose a solution that is best suited to their needs and the needs of the enterprise. It is the prerogative of the investor to decide how the thinking from the workshop will be used in shaping the investment solution.

### 3 More information

The template can be found on the Department of Treasury and Finance website.

For more information, please go to [www.dtf.vic.gov.au/investmentmanagement](http://www.dtf.vic.gov.au/investmentmanagement)

or email [investmentmanagement@dtf.vic.gov.au](mailto:investmentmanagement@dtf.vic.gov.au)

## 4 Appendices

### 4.1 Appendix: Glossary

#### **Business Case**

A document providing the information that an investor needs to decide whether to commit resources to a new investment.

#### **Benefit Management Plan**

A short document that defines the pre-requisites for the delivery of each expected benefit, how the delivery of each benefit will be measured, and who will be responsible for measuring and realising each benefit.

#### **Benefit Reports**

A report for the investor that depicts the status of the delivery of the benefits compared to the original expectations.

#### **Gateway**

The Gateway Review Process is a best practice initiative based on proven techniques used extensively in progressive industries and governments. The Gateway Review Process has been validated and optimised for use in Victoria over a wide variety of projects and programs.

#### **Growing Victoria Together**

A ten-year vision that articulates what is important to Victorians and the priorities that the Victorian Government has set to build a better society.

#### **Investment Concept Brief**

A two-page document that provides the logic underpinning an investment along with the likely costs, risks, dependencies and deliverables. Its purposes are shape the best solution to an identified business problem and to enable the selection of competing investments before proceeding to full business case.

#### **Investment Logic Map**

A one-page depiction of the logic the underpinning a potential investment. It diagrammatically depicts and relates the drivers, objectives and benefits for an investment and the changes necessary to deliver the identified benefits.

#### **Investment Management Standard**

A best practice approach applied over the life of an investment that aims to reduce the risk of investment failure, provide greater value-for-money and drive better outcomes.

#### **Investment Reviews**

Formal scheduled periodic reviews that aim to confirm that the logic for an investment remains valid before recommitting to the investment.

#### **Investor**

The person who has an identified business problem (or opportunity), will be responsible for making an investment decision aimed at solving the problem and will ultimately be responsible for delivering the expected benefits of that investment. This person is often referred to as the 'senior responsible owner'.

#### **Key Performance Indicator (KPI)**

A measure that has been selected to demonstrate that a benefit expected from an investment has been delivered.

#### **Project Management**

A controlled process of initiating, planning, executing, and closing down a project. The changes required to enable the benefits of an investment to be delivered are usually defined as projects.

## 4.2 Appendix: Investment concept brief (format)

### Investment Concept Brief

<NAME OF INITIATIVE>

#### CONTEXT

<short description of why this investment should be considered>

#### BENEFITS

What benefits will it provide? (Refer to the attached Investment Logic Map)

#### TIMEFRAME

Following funding approval, what would be the time intervals for each key deliverable?

Description of deliverable / milestone	Time from funding (Months)

#### RISKS

What are the primary risks to the success of this investment?

Risk	Criticality (H/M/L)	Likelihood (H/M/L)

#### CRITICAL DEPENDENCIES

Are there any critical dependencies with this investment (dates etc)?

Description of dependency

#### COSTS

What are the likely costs of the investment?

Item (business change or enabler)	Cost	Likely funding source
Total		

#### INITIATOR

Who is the senior person who would progress this proposal and would ultimately be responsible for delivering the identified benefits?

Name	Position	Date	Signature