



Considerations when costing a service

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What is a Business Case/ Plan

Definition:

“A **business plan** is a formal statement of a set of **business** goals, the reasons they are believed attainable, and the **plan** for reaching those goals. It may also contain background information about the organization or team attempting to reach those goals.”

Wikipedia



The **ideal** Business Plan structure – (there isn't one!)

No ideal structure for preparing a business plan

No perfect size or level of detail

No magic set of contents

Not even a preferred way of ordering sections

However by **understanding the audience & their objectives**, a very good plan can easily be put together



Business Case Considerations

- What is the problem?

Consider what are the drivers for the potential funders

- What is the solution?

How can your proposal overcome these problems?

- What is the business model?

What are you asking for? How will you deliver and evaluate

- What is the opportunity?





Keep it simple.....Articulate the benefits.....Be concise'



What is your proposition in a couple of sentences?'



'Consider the 'So What?'

- Who are you pitching to?
- What do they want from you?
- What's in it for them?
- What are you asking for? i.e. financial investment
- Does it already exist? Why do you need a new service?
- What are the benefits? – The Why.....



Business Pitch Example

We want to provide a prehab service.....

SO WHAT?

The prehab service will prepare patients for cancer treatment so they have a better outcome.....

SO WHAT?

**A prehab service will enable more patients to receive curative surgery, recover quicker and therefore spend less time in hospital
More treatment capacity is released so more operations can be performed**



Executive Summary

Summary at the beginning of your business plan

GOAL: Get the reader to review the whole plan

It should contain everything the reader needs to decide if they are **interested**

And **motivated** to continue reading the business plan.

It MUST be interesting to read

It can make sense to write it last



Content to include

- Context and background information; research and links to national or specialist guidance
- Local context – patient numbers, what is currently offered (or not), patient outcomes as a result of not having a service
- Rationale for your approach – are there other options? If so consider putting in an options appraisal. Highlight your preferred approach. This will offer the range of possibilities for the funder. Low cost/ input = poor outcomes; high cost/ input = gold standard; aim for something in the middle that is affordable and effective
- Include patient outcomes and feedback



Costing

Consider your service model (Acute Trust based; community based)

- Fixed costs vs variable costs
- Fixed costs – staff, overheads, rent, telephone/ internet costs
 - For NHS business cases use mid point of Afc scale and add 30% on costs
 - Include the grade, wte and rationale for this
 - Need to consider admin support and how this will be provided
- Variable costs – Equipment, consumables, external training



Summary

- Preparation for producing a business case is crucial
- Understand who you are asking for funding from and what are their objectives
- Keep it interesting – not a long list of sentences
- What are the key messages? Have them front and centre so they stand out
- Make sure you consider all possible costs
- Seek advice from others in the organisation – e.g. business managers





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