

Business Case Approach information sheet

November 2023

Point of entry: relationship management



For more information about the Business Case Approach, see the guidance on our website: [Business Case Approach guidance](#)

The Business Case Approach (BCA) ensures that stakeholders are engaged in a meaningful way throughout the development cycle of an investment, not simply asked to comment once a solution has been outlined. The BCA guides the Waka Kotahi NZ Transport Agency's planning, investment and project development processes so that its investments are effective, efficient and customer-focused.

Engaging stakeholders

Managing stakeholders and mapping relationships are key components of building and maintaining relationships. Effective stakeholder engagement also helps promote innovation and collaboration among stakeholders. This process starts in the point of entry (PoE) phase, although it will continue throughout the life of the business case, through to implementation and potentially beyond.

It is good practice to start developing a formal engagement plan in the PoE phase. This is especially important for investments that have moderate to high levels of complexity, uncertainty or risk identified, although even relatively simple investments can benefit from a structured approach to engagement. This is also a good time to talk to people you will need to help you plan for and manage engagement throughout the business case. If your organisation has specialist advisors, including communications and engagement, and Māori engagement, now is a good time to approach them for help.

Waka Kotahi has developed a template that can be used as a guide to get your engagement plan started: [BCA stakeholder engagement plan template](#).

Gathering information through informed discussions with stakeholders is a key BCA principle. When planning how and when to engage with stakeholders, think about how each stakeholder may be able to contribute to informed discussion. You could invite them to take part in workshops aimed at defining problems and benefits, although not every stakeholder will be able - or want - to contribute in this way. Where there are a large number of stakeholders, it won't be practical to invite them all to attend workshops, so you may need to find other ways to seek their views.

Towards the end of the phase, consider using a debriefing exercise to learn from what has happened and keep improving.

Who's involved in the point of entry phase?

The roles and responsibilities of people involved in the BCA vary as the business case progresses through different phases. The main roles across the whole process are:

- **Problem owner** – the person who has identified the problem or opportunity, and who initiates the BCA.
- **Decision-makers** – are responsible for deciding whether to invest resources to address the problems identified. Decision-makers are sometimes referred to as **investors**, as they will ultimately decide whether an investment proposal should progress further at each formal decision point. Decision-makers may include the problem owner's organisation, Waka Kotahi and any other co-investors.
- **Stakeholders** – are the people who have the most knowledge of a subject and/or represent an interested or affected party, for example a local authority, community group or iwi. They may be internal and/or external to your organisation. They may also include partners, who share co-funding, statutory or decision-making responsibilities with Waka Kotahi in the activity being engaged on. In some cases, a formal memorandum of understanding (MOU) or other agreement may be in place to support the partnership. Waka Kotahi is committed to engaging Māori as treaty partners. Te Tiriti o Waitangi provides the foundation of the special partnership relationship the Crown has with Māori. Stakeholders will be consulted at various stages of the BCA.
- Some stakeholders will hold specialist knowledge of the matters being considered in the business case. You may need to involve these **subject matter experts** at specific points in the development of the business case, for example when defining problems and benefits, finding and evaluating evidence, or for specialist technical advice.
- **Waka Kotahi investment advisors** – are available for support and guidance throughout the BCA process, and will need to assess the business case at each phase.
- **Workshop facilitators** – are responsible for running the workshops that are usually required during the BCA process. Getting the right facilitator is beneficial in running an effective workshop, and it is worth considering hiring a professional.

The problem owner uses the PoE phase to start to develop an understanding of the problem.

Depending on the complexity and risks involved, it can often be helpful to involve a decision-maker through discussion at this stage, and sometimes other stakeholders as well. Doing so helps identify key assumptions, and can ensure everyone starts on the same page.

Also keep in mind that participants may act in more than one capacity, for example a stakeholder can also have direct knowledge of the subject, or if they represent a potential co-investor, they may also have a role in decision-making.

Defining stakeholders

It is important to identify, and gather information from, the right stakeholders to understand clearly what each one contributes and how best to engage with them. Early and meaningful engagement with

stakeholders helps to ensure the right people are in the room as the business case develops and supports a 'no-surprises' approach.

Think about who holds the most knowledge about this problem, and which organisation(s) they are from. Do they have:

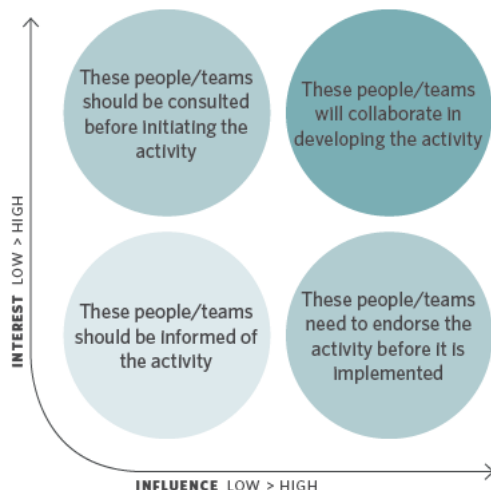
- a vested interest in this problem?
- specific knowledge that allows them to challenge statements and provide evidence?
- authority to make decisions at workshops to ensure progress is made?
- the ability to assess whether the proposal aligns with key organisational and government outcomes?

Asking some of these questions may help to determine if this stakeholder is:

- a co-investor
- an influencer
- a knowledge holder
- an interested party who may need to be influenced, for example they represent a wider range of views
- likely to be the most impacted by any response, or may be required to deliver all or part of the response
- a participant or an observer (these roles may change places as discussions evolve).

Mapping relationships helps to establish the level of influence and interest each stakeholder has. It's important to identify and define the different types of stakeholders aside from the problem owner and investors.

Influence and interest



When you know whether each stakeholder's position is known, unknown, supportive or unsupportive, you can identify their behaviour.

Behaviour and attitude

Opposition: where one party will not follow another party's lead, advice or direction

Influence: where one party is likely to follow another party's lead or advice

Deference: where one party will almost certainly do what another party advises or directs them to do

Understanding each stakeholder's position and behaviour helps you to address their needs and concerns appropriately.

Exercise some judgement about the level of effort required. For example, a proposed simple, low-risk investment is unlikely to require detailed mapping. However, it is useful when, from your initial enquiry, it is not obvious who should be involved or there are too many parties.

Managing stakeholders

Defining your stakeholders is one thing, but you need a systematic approach to identify, analyse, plan and implement a range of actions that will engage and maintain ongoing relationships with them.

Check if you or your colleagues have any information about existing relationships. For example:

- Do you already know individuals that Waka Kotahi engages with, both internally and externally?
- Do you have file notes of conversations, or some other method of capturing or maintaining customer relationship management information?

Maintaining relationships includes keeping stakeholders informed, and reassuring them that their concerns have been heard. For example, rather than deciding early that no further action is required on a problem, you might do some further exploration to confirm initial thinking. If the decision is then to take no further action, acknowledge the stakeholders' concerns and explain why the decision has been made.

It is also a good idea to capture those concerns by registering and monitoring the problem or issue. If appropriate, review the concerns during future planning.

If your enquiries and thinking at this stage indicate that there are likely to be multiple parties with an investment role in delivering an outcome, start thinking about governance needs.

Further information

For more information about relationship management and engagement in the BCA see [Engagement and the Business Case Approach](#) on our website.