Investment Logic Mapping Guide

Business Case Development Framework

Release 3

FURTHER GUIDANCE

Queensland
Government

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The Business Case Development Framework guides the development of business cases for infrastructure proposals. This guide supports the three stages of the business case development process as illustrated in Figure 1.

OVERVIEW

Business Case Development Framework Overview (document)

STAGE 1: Strategic Assessment	STAGE 2: Options Analysis	STAGE 3: Detailed Business Case
PURPOSE		
To identify potential ideas that could resolve the issues or develop the opportunity. Evaluate whether any of the ideas have the potential to be viable options.	To narrow the breadth of options by applying rigorous evaluation criteria before assessing the viability of any remaining options.	To evaluate the viability of the highest ranked option/s with surety of outcomes across all evaluation criteria and develop investment implementation plans.
	Building on the work of the previous stage.	Building on the work of the previous stage.
KEY ELEMENTS		
The evaluation will help shape the service need and base case. Hold workshop/s to generate ideas followed by an evaluation of these ideas against a set of relevant criteria to determine if any could potentially achieve viable outcomes to either resolve the issue or develop the opportunity.	The evaluation will involve developing stringent criteria and applying appropriate (optimisation) techniques to narrow the options. Any remaining options are then subjected to a rigorous detailed evaluation of the potential viability using socio-economic, environmental, financial and sustainability analysis and then ranked accordingly.	The evaluation will involve a comprehensive assessment across all criteria (socio-economic, environmental, financial and sustainability) using in-depth evaluation tools to develop conclusive evidence of investment viability (or otherwise) and certainty of expected outcomes. Development of detailed implementation documents covering governance, risk, procurement (where appropriate), contractual terms and operations.
OUTCOMES		
Identification of service need and potential longlist of options.	Updated service need and preferred option/s supported by robust analysis.	A business case is produced which provides clear, comprehensive evidence for decision-makers.

FURTHER GUIDANCE

Investment Logic Mapping Guide

Benefits Management Guide

Stakeholder Engagement Guide

Cost Benefit Analysis Guide

Social Impact Evaluation Guide

Figure 1: Business Case Development Framework

Contents

Introduction

How to use this guide

This guide is a supporting supplementary guide to the business case analysis.

The contents of this document are important—they will help you develop a business case that supports a robust, transparent and comparable evaluation.

The government understands that each proposed investment is unique. Therefore, you should tailor the strategic analysis to fit the project.

Support any changes with a rigorous and transparent process.

The following key content indicators have been included in call-out boxes to help you use this guide.

TARGET/EXPECTATION

FLAG/IMPORTANT TO NOTE

1 Purpose

Investment logic mapping (ILM) is an early stage technique that assists in developing and documenting the logic that underpins a potential investment decision, before specific solutions are identified, and before a decision is made.

The output is a flowchart that clarifies the narrative behind a proposal, defines the problem or opportunity, and logically maps the response to the benefits of the proposal.

This guide details how to:

» develop a shared understanding and agreement of the service need, benefits sought and potential initiatives

» prepare an investment logic map and initiatives map

» plan, facilitate and conduct an ILM workshop/s.

The output results in two maps—an investment logic map and an initiatives map. The two outputs support a conceptual separation of the service need and the potential initiatives while also noting how initiatives map to the State Infrastructure Plan (2016)[1] priorities.

The process is designed for flexibility and scalability. Complex problems may need to consider more than one ILM workshop.
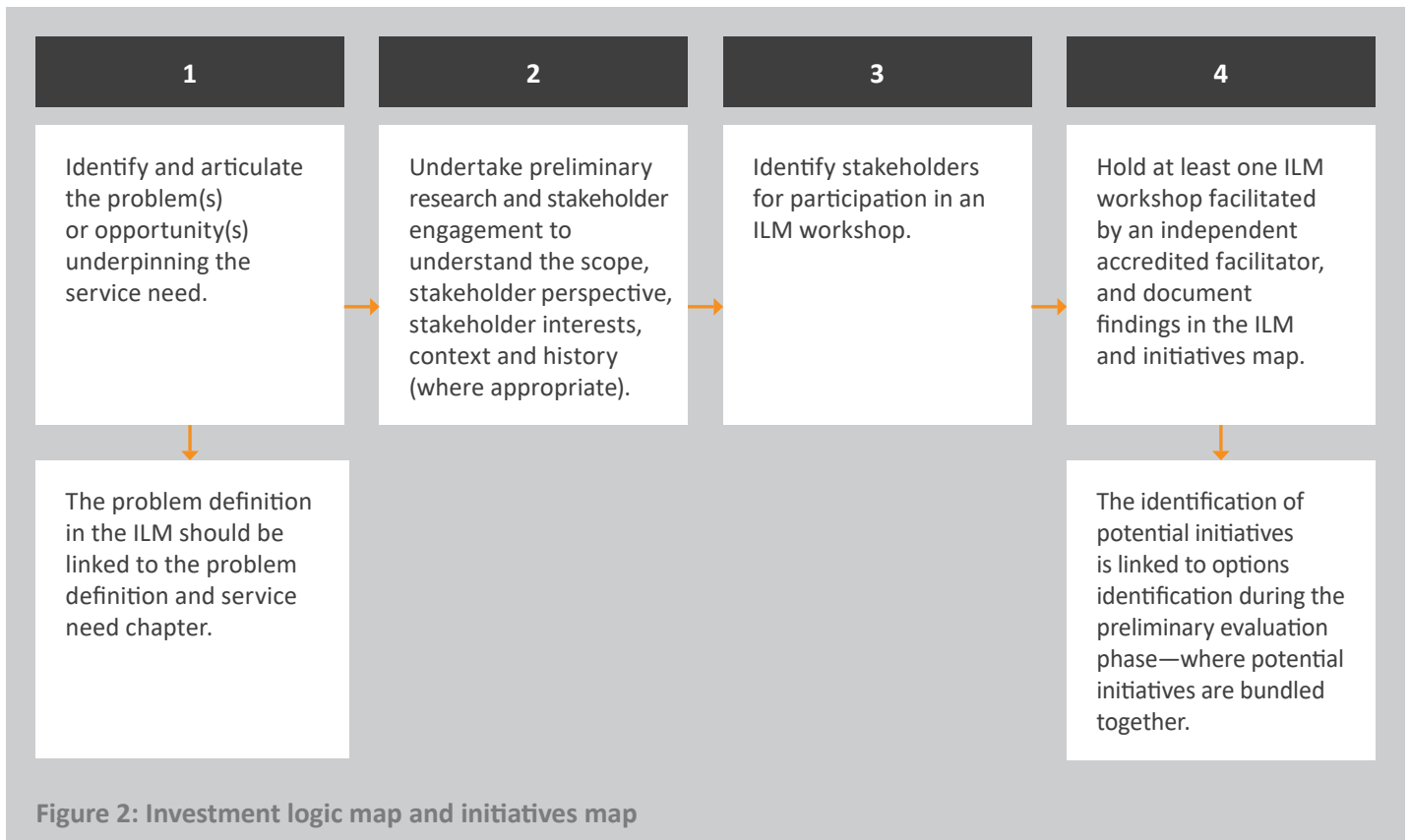
To support a high-level strategic focus, the ILM process concludes with potential initiatives, rather than progressing to the design of specific options.

The ILM approach in this guide has been adapted from the Victorian Department of Treasury and Finance's guidelines.

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[1] http://www.dsdmip.qld.gov.au/infrastructure/infrastructure-planning-and-policy/state-infrastructure-plan.html

2   Investment logic mapping approach

The approach to developing an investment logic map and an initiatives map is summarised in Figure 2.

1	**2**	**3**	**4**
Identify and articulate the problem(s) or opportunity(s) underpinning the service need.	Undertake preliminary research and stakeholder engagement to understand the scope, stakeholder perspective, stakeholder interests, context and history (where appropriate).	Identify stakeholders for participation in an ILM workshop.	Hold at least one ILM workshop facilitated by an independent accredited facilitator, and document findings in the ILM and initiatives map.
The problem definition in the ILM should be linked to the problem definition and service need chapter.			The identification of potential initiatives is linked to options identification during the preliminary evaluation phase—where potential initiatives are bundled together.

Figure 2: Investment logic map and initiatives map

2.1   Identify and articulate the problem

Preliminary identification of the problem or opportunity should occur before the ILM workshop. This may involve a pre-workshop meeting with stakeholders who can nominate appropriate workshop participants and undertake preliminary research to ensure the ILM workshop supports an informed discussion:

2.2   Preliminary research

Gather as much data and information related to the problem as possible before conducting the ILM workshop. This will enable participants to make informed decisions.

Relevant information may include:

» details of the location, and the geographic and demographic reach of the problem/opportunity

» stakeholder identification and assessment:

› a list of stakeholders (public, agency, potential delivery partners, possible integration/ coordination opportunities)

› stakeholder perceptions of the causes and whether these causes change over time (worsen or improve)

› the actual and potential impacts of the problem (or the potential impacts for the opportunity) on stakeholders, economically, socially and environmentally

» why it is necessary to address the problem or opportunity (supported by evidence of a service need)

» any urgency in responding to the problem or seizing the opportunity

» the timeframe for any potential impacts

» what is expected to occur if the current state is maintained i.e. the investment proposal is not progressed

» expectations of service demand (anticipated or existing) supported by evidence

» how addressing the service need will contribute to the State Infrastructure Plan and/or other strategic plans

» how any response might support or integrate with other initiatives and projects within the broader system or program

» information on relevant planning works or feasibility studies previously undertaken, noting the scope, depth and results of any previous investigations and studies

» if there is a service delivery focus—consider collating existing information to inform discussions on root cause and effect of the identified problem/opportunity. Driving measures that could be leveraged to inform the benefits sought include:

› service measures

› key performance indicators

2.3   Stakeholder identification

Stakeholder involvement in ILM is important because:

» stakeholder perspectives will influence how they frame or understand the problem/opportunity, the service need and any potential response

» different stakeholders will have different perspectives

» the way stakeholders perceive and articulate the problem/ opportunity will ultimately shape the range of potential initiatives identified

» an effective definition of the service need may involve canvassing multiple stakeholder perspectives

» engaging stakeholders ensures stronger investment logic and, therefore, a stronger and more robust strategic considerations.

Stakeholders comprise:

» public stakeholders—including service/investment users, neighbours and special interest groups

» internal stakeholders—including delivery teams and performance monitoring groups

» external stakeholders—including potential delivery partners and sector experts

» government stakeholders—including relevant Ministers, other agencies, potential partners, central agencies and other government levels.

A simple method for identifying stakeholders involves asking the following two questions:

» Who is impacted by this?

» Who can influence/change this?

Further guidance is available in the Stakeholder Engagement Guide.

2.4 Investment logic mapping workshop

An ILM workshop invites stakeholders (at this stage, this may only be internal and other agency-based group representatives who have a strong background in community interests) to participate in a structured, facilitated workshop to define the problem, the benefits sought, a strategic response, business changes, potential initiatives and how these initiatives support the State Infrastructure Plan.

» The outputs of the ILM workshop are an investment logic map and initiatives map.

» Further information on organising and facilitating an ILM workshop is available in Appendix 2: Investment logic mapping workshop guidance for facilitators.

2.5 Investment logic mapping risks and concerns

ILM has a number of inherent risks which you need to consider and manage when holding an ILM workshop. These risks and possible solutions or mitigating strategies are summarised in Table 1.

Table 1: Risk, result and mitigation strategy

RISK	RESULT	MITIGATION STRATEGY
Failure to understand the problem/ opportunity.	Identifying potential initiatives that are not suitable for addressing the actual service need.	Establish a structured definition section that focuses on identifying the root cause of the problem.
Oversimplifying a complex problem/ opportunity.	Articulating and investigating an inappropriate service need.	Ask participants to consider whether the service need is comprehensive or whether there are related issues which should also be examined.
Focusing on solutions, especially when workshop participants start a lower-level discussion regarding a broken or outdated asset.	Failing to identify potential initiatives that may address the service need in innovative, sustainable and/or more resource-effective ways.	Keep the discussion moving and on topic—it should be clear how each potential initiative addresses the service need and participants should be encouraged to generate a variety of potential initiatives, some of which are not asset based.
Viewing a problem/ opportunity within a political context (e.g. as an election promise or a Minister's request) or as a compliance requirement.	Failing to articulate the service need or to identify initiatives that address it.	Identify the underlying community need that stimulated the election promise, Minister's request or compliance requirement. Typically, all of these situations have a real and evidence-based need that is described in the service need statement.

3 Structure of the investment logic and initiatives map

3.1 Investment logic map

The investment logic map summarises the service need, targeted benefits and strategic responses. It also identifies the changes required to address the service need while achieving the benefits. An investment logic map is illustrated in Figure 3.

PROBLEM/ OPPORTUNITY	TARGETED BENEFITS	STRATEGIC RESPONSE	BUSINESS CHANGES

**Figure 3: Example investment logic map structure**
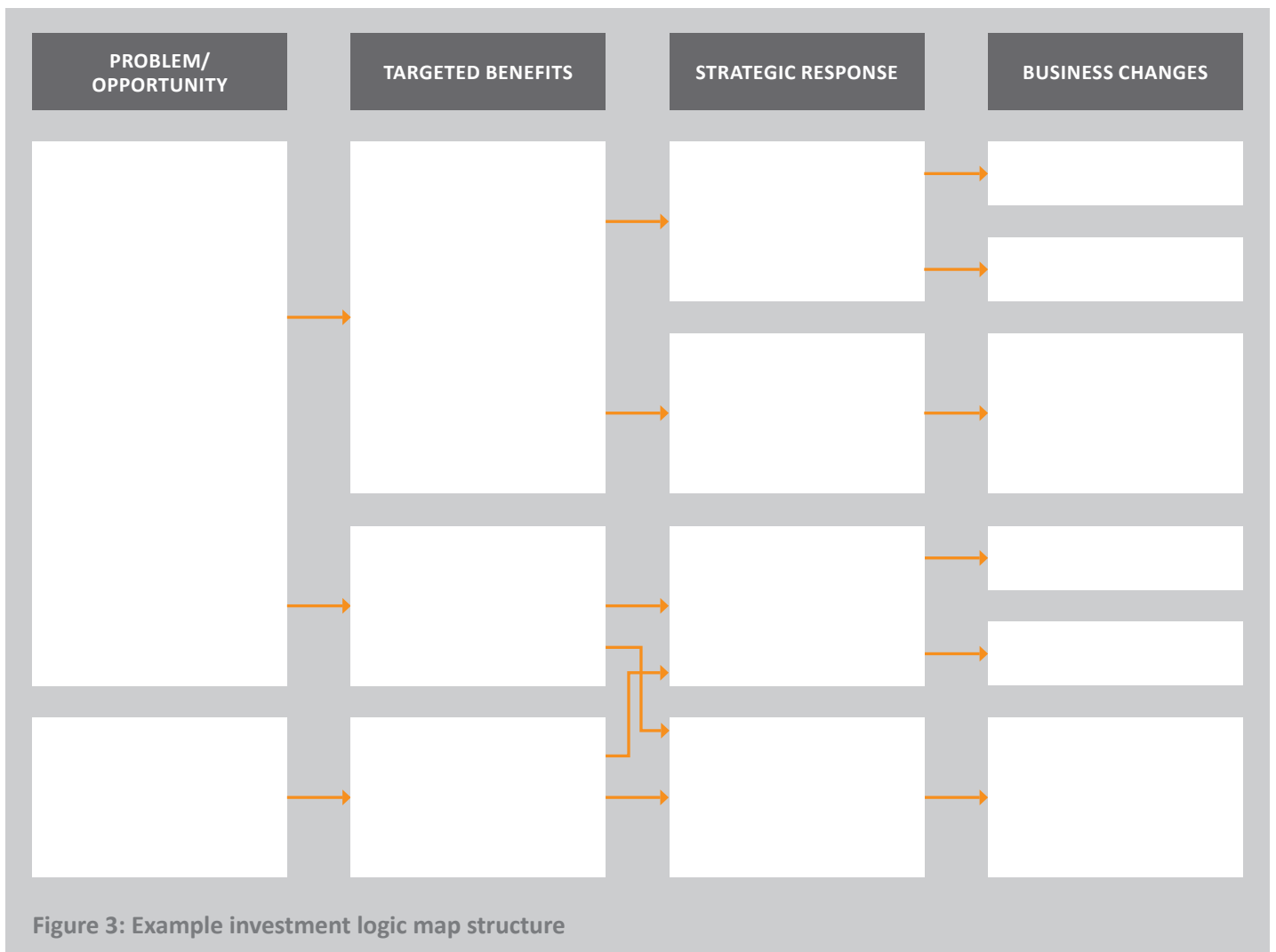
An investment logic map is essentially a summary of the content of the strategic assessment and is included as an appendix.

3.2   Initiatives map

The initiatives map summarises the potential initiatives which may respond to the service need. It maps those initiatives to Queensland's priorities in the State Infrastructure Plan.

Produce an initiatives map from the completed investment logic map by developing the identified business changes into actionable initiatives and grouping them according to the categories identified in the State Infrastructure Plan.
An initiatives map is illustrated in Figure 4.

Figure 4: Example initiatives map structure
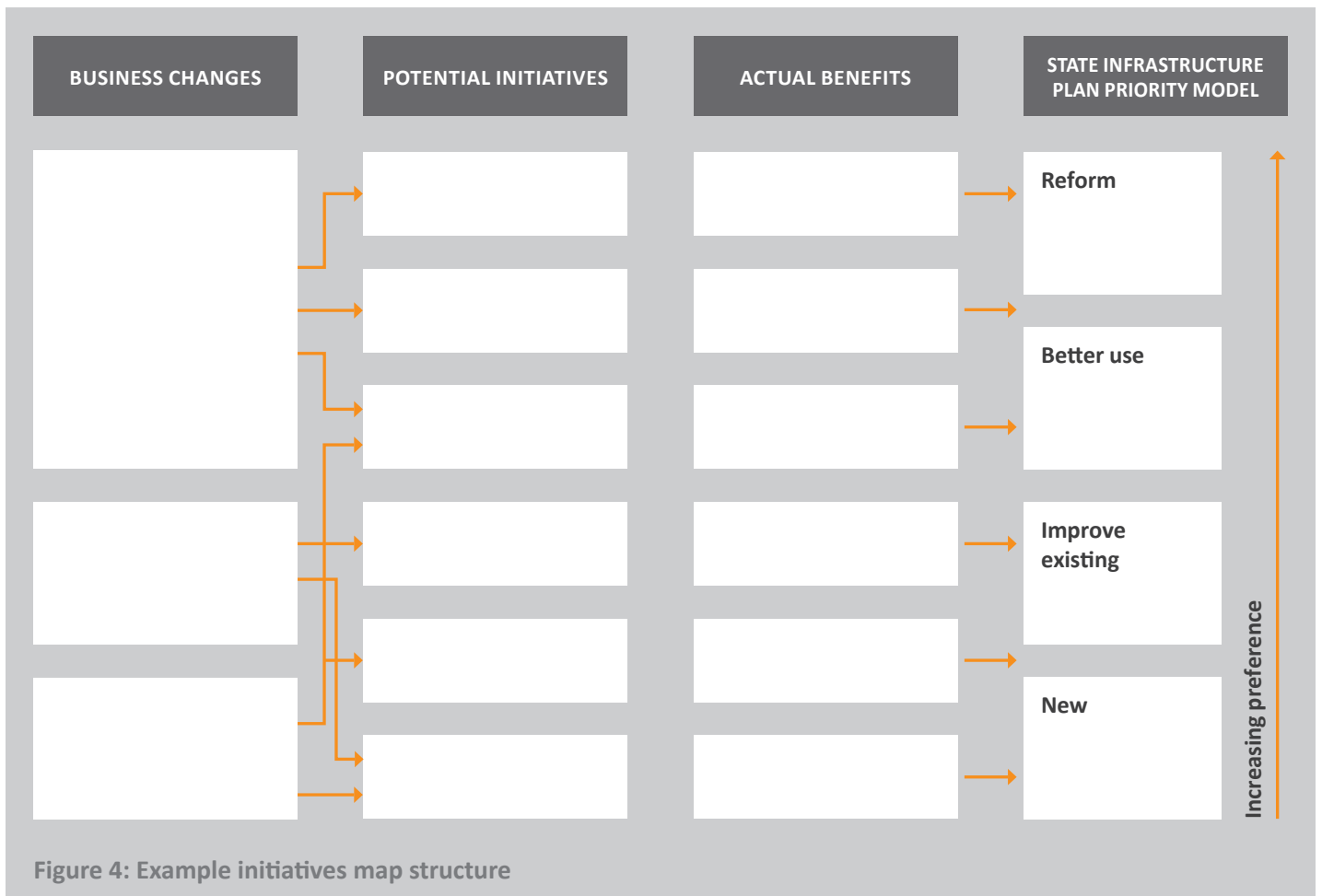
3.3 Investment logic mapping workshop goals

ILM workshops are designed to identify and assess a broad range of potential responses to the service need. The ILM workshop has two main goals:

» To develop a clear understanding of the nature of the service need including:
  › the underlying problem/opportunity creating the service need
  › why responding to the problem/opportunity is necessary
  › the strength of available evidence to confirm both the cause and effect of the problem/opportunity
  › the benefits that can be expected from successfully addressing the service need
  › the possible strategic responses and business changes for addressing the service need
  › the potential initiatives that may affect the strategic responses/business changes.
» To achieve alignment with key stakeholders on the issues discussed above at the earliest stage.

Hold at least one workshop to generate an investment logic map. Refer Appendix 1: Quality assessment checklist.

3.4 Articulating the problem/opportunity

The workshop should identify and clearly articulate the problems/opportunities that underpin the service need. Understanding the problems/opportunities requires:
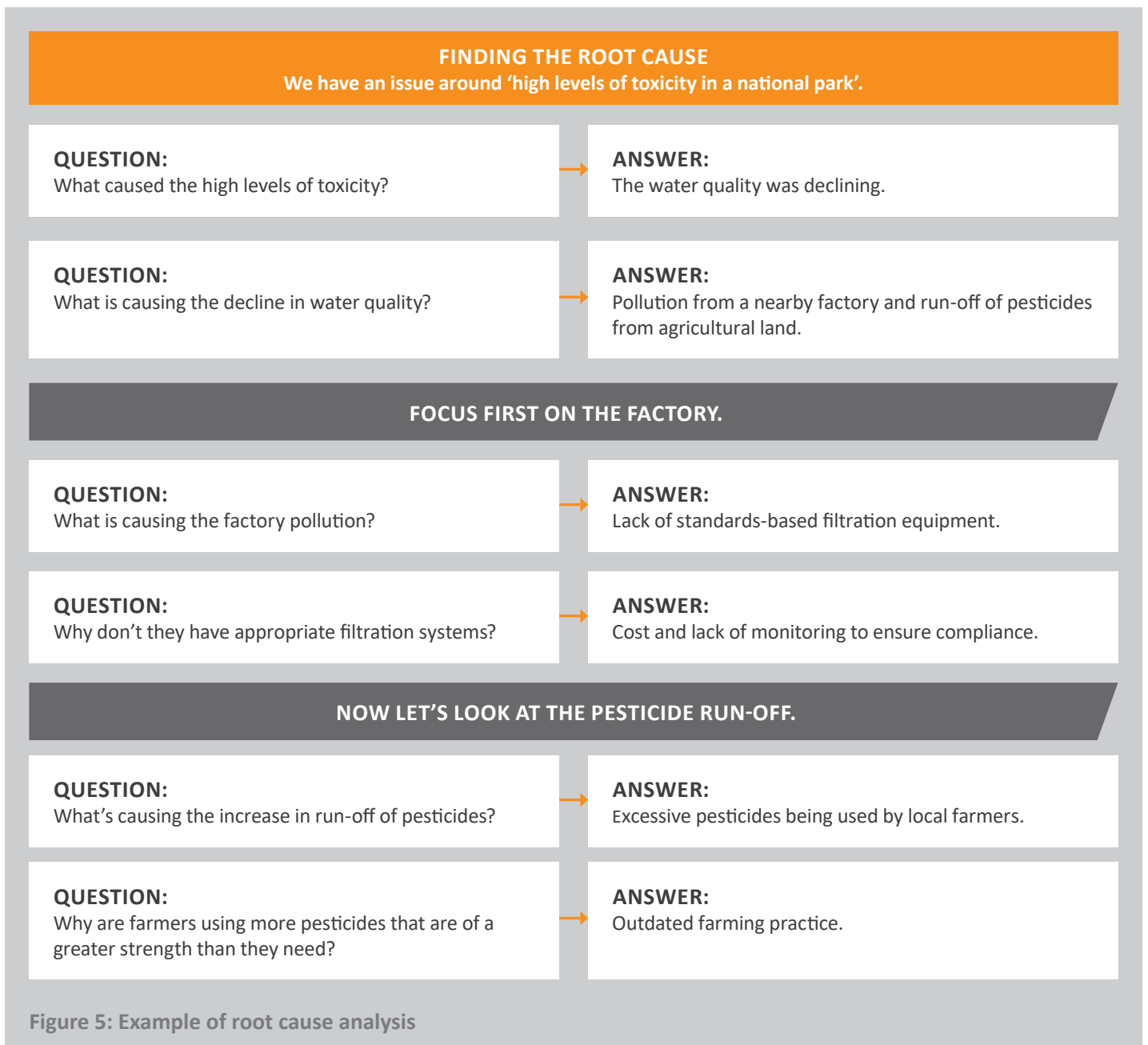
» preliminary research—including stakeholder consultation and data collection
» agreement among key stakeholders (including potential service delivery partners) on what the service need constitutes. An ILM workshop is an effective mechanism for achieving this shared understanding. The ILM workshop produces a number of statements that clearly articulate the problems or opportunities underpinning the service. Include these in column one of the investment logic map.

A key challenge is to focus on and address the problems/ opportunities themselves rather than identifying potential solution/s. Analyse the problems/opportunities from two perspectives—the causes and the effects. Understanding the likely causes and effects will help you identify:

» potential strategies and business changes that may remove or minimise the causes
» potential strategies and business changes that might minimise (or maximise) the impacts
» the benefits sought
» sources of data to measure benefits sought
» impacted stakeholders
» stakeholders who can influence the causes or effects.

Understanding causes and effects will support the development of a strategic assessment focusing on outcomes rather than potential solutions. This understanding will also help sharpen the problem/opportunity statements and provide a starting point for identifying strategic responses, business changes and potential initiatives.

Root cause analysis identifies why an issue may be a problem and explores its source. The fictional example in Figure 5 illustrates a line of questioning to understand the problems/opportunities.

FINDING THE ROOT CAUSE
We have an issue around 'high levels of toxicity in a national park'.

QUESTION:	ANSWER:
What caused the high levels of toxicity?	The water quality was declining.
What is causing the decline in water quality?	Pollution from a nearby factory and run-off of pesticides from agricultural land.

FOCUS FIRST ON THE FACTORY.

QUESTION:	ANSWER:
What is causing the factory pollution?	Lack of standards-based filtration equipment.
Why don't they have appropriate filtration systems?	Cost and lack of monitoring to ensure compliance.

NOW LET'S LOOK AT THE PESTICIDE RUN-OFF.

QUESTION:	ANSWER:
What's causing the increase in run-off of pesticides?	Excessive pesticides being used by local farmers.
Why are farmers using more pesticides that are of a greater strength than they need?	Outdated farming practice.

Figure 5: Example of root cause analysis

This example highlights two points:

» There are two aspects to the cause of the problem, rather than simply the high-level, overarching cause of high levels of toxicity.

» Identifying the root causes means the strategic responses are better targeted. Rather than a strategic response attempting to address the cause of high levels of toxicity (a discussion which could head in many different directions), the strategic response will address two very specific issues.

It is important to identify the true, underlying effects that are associated with the causes.
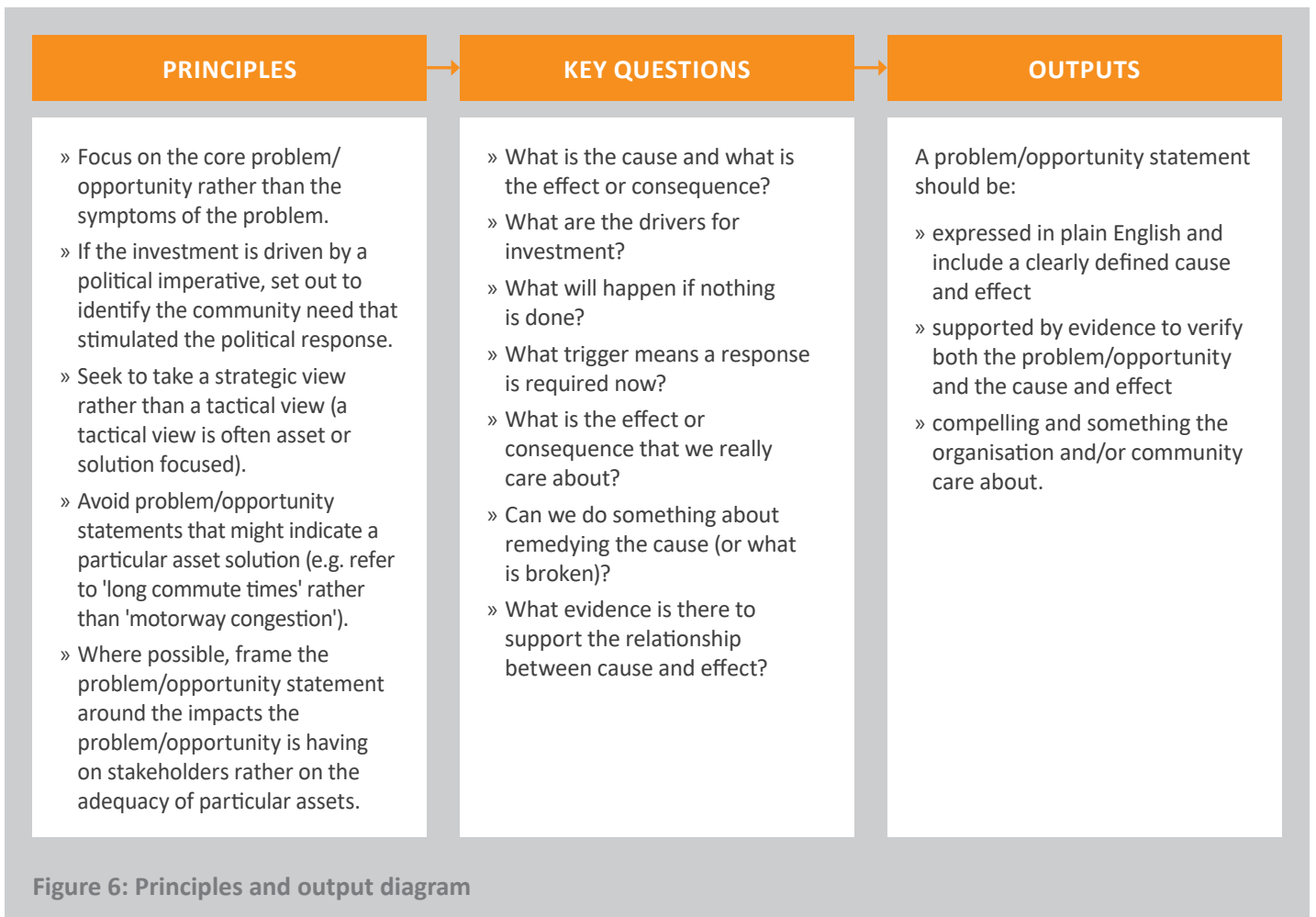
3.4.1 CREATING PROBLEM/OPPORTUNITY STATEMENTS

Problem/opportunity statements are recorded in the first column of the investment logic map. Principles underlying the generation of a problem/opportunity statement, key questions and characteristics are shown in Figure 6.

The challenge in formulating the statement is to focus on the problems/opportunities, not on possible solutions. Instead, focus on the negative impacts or effects that form the impetus for change.

Generating and refining problem/opportunity statements is likely to take up a significant proportion of the workshop. It is critical to ensure initial statements are correct.

Attendees at the ILM workshop should be prepared to present evidence of the problems/opportunities.

PRINCIPLES	KEY QUESTIONS	OUTPUTS
» Focus on the core problem/ opportunity rather than the symptoms of the problem. » If the investment is driven by a political imperative, set out to identify the community need that stimulated the political response. » Seek to take a strategic view rather than a tactical view (a tactical view is often asset or solution focused). » Avoid problem/opportunity statements that might indicate a particular asset solution (e.g. refer to 'long commute times' rather than 'motorway congestion'). » Where possible, frame the problem/opportunity statement around the impacts the problem/opportunity is having on stakeholders rather on the adequacy of particular assets.	» What is the cause and what is the effect or consequence? » What are the drivers for investment? » What will happen if nothing is done? » What trigger means a response is required now? » What is the effect or consequence that we really care about? » Can we do something about remedying the cause (or what is broken)? » What evidence is there to support the relationship between cause and effect?	A problem/opportunity statement should be: » expressed in plain English and include a clearly defined cause and effect » supported by evidence to verify both the problem/opportunity and the cause and effect » compelling and something the organisation and/or community care about.

Figure 6: Principles and output diagram

3.4.2 CONSIDER RELATIVE IMPORTANCE AND WEIGHTING THE PROBLEM

Rank each problem/opportunity to indicate its relative importance. This provides a priority listing for identifying strategies and business changes. ILM workshop participants should agree on their relative importance.

3.5   Articulating the service need

Information to be incorporated in a statement of service need includes:

» the problem or opportunity to be addressed

» why it is necessary to address the problem or opportunity.

The service need may result from a problem or opportunity but must include evidence as to why the problem/opportunity should be addressed (i.e. an initiative developed in response to a current or future service need that may be 'nice to have' but is not supported by evidence that a response is necessary, should not be progressed). The BCDF Stage 1, 2 and 3 guides provide additional guidance for establishing and documenting service need.

Evidence to support both the problem/opportunity to be addressed, and the necessity of that response, should be included as an appendix to the business case.

Investment title

The statement of service need may be used as the title for the strategic assessment and investment logic map.

In this way the statement of service need and title of the strategic assessment do not pre-empt the choice of solution e.g. The strategic assessment title for a fictitious high school could appropriately be 'responding to educational needs' in South Western Queensland rather than 'Adavale High School Redevelopment'.

4 Benefits sought

The benefits sought articulate an initial concept of what the service need aims to achieve i.e. the benefits to the community, enterprise or organisation as a result of any investment. The benefits sought should include the potential to deliver increased value, where possible, while addressing the service need.

Documenting the benefits sought provides a baseline for comparing the benefits expected for each potential initiative. This will allow initiatives to be ranked according to their potential benefits.

Benefits should not necessarily be excluded at the strategic assessment stage. However, it is essential to consider the eventual need to effectively manage and measure the benefits. Identified benefits should be articulated in the benefits statement and should pass three tests:

» Remove or mitigate the defined problems (or optimise the opportunities) and be aligned to the outcomes valued and articulated by the agency.

» Be supported by one or two key performance indicators (KPIs) that are meaningful, preferably measurable and attributable to the investment. KPIs assist when developing the strategic response (refer to Section 3.3).

» Be resource effective. The effort required to monitor and measure the benefit should be commensurate with the value and insight it provides the organisation.

4.1 Creating benefit statements

An effective benefit statement supports an investment focus rather than a project delivery approach to the problem. It focuses attention on why an investment is being made rather than on the asset to be delivered.

Key questions to consider when developing a benefit statement include:

» What value will we get out of this investment and how will we know whether value has been delivered?

» What benefits will the organisation expect in successfully responding to the problem?

» What outcomes will we get from remedying this problem?

» What benefits will the government and the community get from this investment?

» What part of the government agenda will this investment support?

» What KPIs will demonstrate value and are outcome focused?

The benefit statement is made up of an overarching statement that provides line-of-sight to the outcomes the organisation seeks, and is supported by a number of KPIs. Benefit statements provide an obvious connection to government or agency outcomes, but must be contextualised to indicate their local impact.

It is critical that any benefits claimed are supported by reasonable KPIs which are meaningful, attributable and measurable. These KPIs should be outcome focused, rather than output or activity focused. The emphasis should be on the results or impact of the work done, whereby the benefit is delivered and the problem overcome.

Benefits statements are included in column two of the investment logic map and should be linked to the corresponding problem/opportunity statements.

Benefits should also be documented in the benefits register (refer Stage 1: Strategic Assessment Guide – Appendix 1: Benefits register).

Ranking benefits

Rank benefits in the same way as the service need or problems/opportunities. Aspects to consider when ranking benefits include:

» relative merit of the benefit sought

» risk

» impact on stakeholders

» scope of benefit.

Compare benefits sought as a response to the service need to those from potential initiatives (and resultant options). This is to assess which initiatives should/could be progressed (refer to Stage 1: Strategic Assessment Guide, Section A7: Potential initiatives—criteria for success/initiative ranking criteria).

4.2   Considering strategic response and business changes

Strategic responses and business changes are the internal and external activities that may be implemented to affect transformation. The identification of strategic responses and business changes should not be constrained by agency boundaries. Instead, they should focus on achieving the benefits. Potential service delivery partners may be identified as a result of effective strategic response and business change identification.

Strategic responses are included in column three of the investment logic map and linked to the corresponding benefits. Business changes are included in column four of the investment logic map and linked to the corresponding strategic responses and column one of the initiatives map.

4.3   Strategic response and relationship to options

The strategic response includes a number of high-level interventions as a potential response to problems/opportunities.

The strategic response must address at least part of the service need and deliver some of the identified KPIs. The strategic response must also remain sufficiently high level so as not to lock the agency into a specific project option.

A strategic response can:

» respond directly to the problem to minimise or negate it
» implement strategies to influence the causes of the problem:
  › reduce the opportunity for the problem to occur
  › change the supply (treat it or fix it)
» implement strategies to influence the effects/impacts of the problem:
  › change the demand (stop, slow, divert or increase it)
  › improve productivity or throughput efficiency.

Key questions in identifying and articulating a strategic response include:

» What strategic responses will best respond to the problem and deliver the benefits?
» What is a response to the cause of the problems/opportunities?
» How will the problem be remedied or rectified?
» Do the stakeholders who are present have the power/influence to respond to this? Are the appropriate people available to develop responses and, if not, what other stakeholders should be invited into this conversation?
» Does this align with the agency's strategic role and direction?
» Have ways to change demand, improve productivity, improve throughput efficiency and/or change supply been canvassed?
» Should the approach consider a broader strategic response through whole-of-government or multi-government response?
» Will this deliver on the KPIs, their measures and targets?

4.4   Business changes

Business changes are the possible adjustments that can be made to deliver the strategic responses. Not all identified business changes are required and some might subsequently be either/or choices. Business changes may be linked to more than one strategic intervention. However, the list of business changes should, in their totality, address the service need.

A portfolio approach should also be considered to ensure it partners with any existing business change project and the identified service need is addressed.

Strategic response

A valid strategic response must:

» allow more than one possible solution
» address at least part of the problem
» deliver at least some of the identified KPIs

4.5 Potential initiatives

Potential initiatives are high-level actions to address the service need. They culminate from the strategic responses and business changes.

Potential initiatives may include activities that improve the use of an asset, change behaviour or focus, enhance the capacity of an existing asset or implement a new asset. These options are generally referred to as non-asset, asset-lite and asset solutions.

Potential initiatives may, at some future point, become options, projects or elements of a program. Not all potential initiatives are implemented and some may become redundant as a result of other identified/implemented actions. However, the full set (program) of potential initiatives should provide confidence and be capable of addressing the service need. They should realise the benefits sought and recognise some potential initiatives might be either/or choices that will be made later.

The potential initiatives are the matters that must be addressed by the business case if the expected benefits are to be delivered. They provide the detail of how the strategic response will be put into effect.

Features of potential initiatives include:

» Each will solve part or the entire problem—some initiatives may only address part of the service need while others may resolve it entirely.

» Some may defer the need for capital expenditure by reducing the size of the problem or providing a better framework for future investments (e.g. a better policy framework) even though they may address only part of the service need.

» Some may be mutually exclusive i.e. if you do one, you would not do the other.

» The best solution is likely to be a combination of potential initiatives.

The key questions this section aims to answer are:

» How do we undertake or implement the identified strategic responses?

» Do these initiatives align with our strategic responses?

» Is this approach feasible?

4.6 Documenting potential initiatives

Documenting potential initiatives should include:

» a high-level concept of what the initiative will do (note: this conceptualises the response but does not specify options)

» benefits that may be achieved (this may include additional benefits and disbenefits emerging from the potential initiatives)

» stakeholders and beneficiaries (including stakeholders who may be negatively impacted by the proposed initiative)

» any potential service delivery partners and/or integration opportunities

» a high-level cost estimate of the proposed initiative to provide decision-makers with an opportunity to consider the potential initiatives in terms of comparative cost.

Include a summary statement of any potential initiatives in the second column of the initiatives map and document all benefits identified in the benefits register.

4.7 Compare to benefits sought

The actual benefits to be achieved if the initiatives are implemented (column three of the initiatives map) should be documented and compared with the targeted benefits sought (column two of the investment logic map). This will ensure proposed initiatives remain focused on achieving benefits sought. Discard or redefine any initiatives that do not align with benefits sought.

Additional benefits may be noted during the identification and articulation of potential initiatives. These benefits should also be considered in the relative value of the initiatives. They will provide an indication of which initiatives should/could be progressed.

4.8 Mapping the initiatives to the State Infrastructure Plan priority model

The final column of the initiative map details the potential initiatives to the options categories identified in the State Infrastructure Plan (2016) (refer to Figure 7: Queensland Government Options Assessment as illustrated in the State Infrastructure Plan (2016). These categories are:

» reform—typically non-asset initiatives

» better use—typically improving service performance

» improve existing—typically asset-lite solutions

» new—typically new assets.

1. REFORM Improving service performance through an amendment of existing institutions and laws.	» Changes to governance arrangements, organisational structure and culture, service delivery models and cross-agency planning. » Regulatory change, safety and environmental standards, land-use planning controls, access regimes and licensing.
2. BETTER USE Improving service performance by influencing demand (i.e. not building new capacity).	» Demand management, pricing, influencing user behaviour and expectations. » Digital technology e.g. smartcards, intelligent transport systems and smart metering. » Smart infrastructure with embedded sensors to optimise maintenance and replacement. » Rail signal improvements and bus priority.
3. IMPROVE EXISTING Improving service performance through relatively (compared to new) low cost capital works that augments existing infrastructure.	» Road widening, such as to accommodate vehicle lanes, bus lanes and cycle lanes, and rail line duplication. » Intersection upgrade, focusing on pinch points. » Semi-permanent accommodation to extend capacity. » Brownfield extension of an existing facility.
4. NEW Construction of new infrastructure.	» Construction of new asset following the elimination of less capital intensive options.

Increasing preference

Adapted from Queensland Government State Infrastructure Plan Part A (2016)

Figure 7: Queensland Government Options Assessment

Abbreviations

ILM	Investment logic mapping is an early-stage technique that assists in developing and documenting the logic that underpins a potential investment decision, before specific solutions are identified and before a decision is made.
ILM workshop	An ILM workshop is the process of establishing potential needs and opportunities to inform an investment logic map and an initiatives map, which articulates the service need, benefits sought and potential initiatives.
BCDF	Business Case Development Framework
Outcome	The result of change, normally affecting real world behaviour[2].

[2] UK Office of Government and Commerce definition

Appendix 1: Quality assessment checklist—investment logic map

The purpose of an investment logic map is to clearly and honestly communicate the case for a potential investment. Whether the case for the investment is weak or strong becomes a matter of judgement for the reader. There are five tests that an investment logic map should pass to be considered an acceptable standard.[3]

		ASSESSMENT
Test 1:	Could a layperson read and easily comprehend the story of this investment to the point where they could have some opinion of it?	**YES / NO / MAYBE**
Comments:		
Test 2:	Is each service need a 'call to action' that conveys what is broken (both the cause and effect)?	**YES / NO / MAYBE**
Comments:		
Test 3:	Is there a logical connection between the effects of the problems/opportunities and the benefits, and their KPIs?	**YES / NO / MAYBE**
Comments:		
Test 4:	Is the strategic response one that: » is likely to deliver the expected benefits and KPIs? » allows for more than one *project option?* » seems to be a valid response to the *problem(s)?*	**YES / NO / MAYBE**
Comments:		
Test 5:	Does the solution read as a set of logical and sensible business changes and assets that need to be undertaken to adequately deliver the strategic response?	**YES / NO / MAYBE**
Comments:		
HOW WOULD YOU RATE THIS ILM?		**GOOD / FAIR / UNSATISFACTORY**
Comments:		

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[3] Investment Management Standard, Department of Treasury and Finance, Victoria. www.dtf.vic.gov.au/Publications/Investment-planning-and-evaluation-publications/Investment-management/Investment-logic-map-quality-assessment-form

Appendix 2: Investment logic mapping workshop guidance for facilitators

Key roles and responsibilities

The facilitator should:

» ensure the workshop is scheduled so the business owner can attend

» identify appropriate workshop participants (with input from the business owner) and ensure a suitable amount of time is allocated for the discussion

» have the business owner send an email to participants outlining the purpose of the discussion

» prepare materials for the workshop

» ensure outputs and the developed investment logic map are provided to the business owner within the timeframes defined in this document.

The business owner is responsible for identifying those who should attend the ILM workshop. The business owner should bring together participants who understand the problems/opportunities and can provide evidence confirming they are real.

Responsibilities of the business owner

The business owner should:

» invite the necessary participants

» provide the necessary briefing materials for the accredited facilitator

» be the key decision-maker

» approve the completed ILM.

Structuring the workshop

WORKSHOP ATTENDEES

Participants should bring a depth of understanding about the issues. They should be familiar with any existing relevant materials such as briefing papers, background reports, external reviews, internal management reports etc. They should also be able to refer authoritatively to this evidence during the workshop. A key part of this workshop is to confirm evidence exists to substantiate the problem.

During the investment logic mapping workshop/s

To set participant expectations, confirm:

» the workshop's objective is to produce a largely complete investment logic map within the allocated timeframe and that the facilitator's job is to ensure this occurs

» workshop participants are recognised as the experts on this subject; their knowledge and experience is expected to inform the discussion

» the workshop is a first step in the investment process and its outputs will represent the best available view at the time. Much more work will be conducted on any potential investment including the development of a Stage 1: Strategic Assessment, a Stage 2: Options Analysis and a Stage 3: Detailed Business Case (if the project remains viable)

» a single workshop can provide intensive exploration of the problems/opportunities but it is unlikely there will be sufficient time to ensure the wording of the service need statements are perfect. The focus of the workshop, therefore, will be on achieving clear agreement about the intent of the wording, with final editing undertaken later.

After the workshop

» Create a consolidated version of the investment logic map—this version should simplify and refine the original without changing its intent or message.

» Provide an itemised list of any material changes made to the initial ILM (version 1) in the consolidated version

» Make observations about the strengths or weaknesses of the investment logic map or draw attention to areas that need input to complete.

Workshop participants

Workshop participants may include:

» the business owner—this is the person perceived to be primarily responsible for addressing the service need and is the key decision-maker

» stakeholder representatives—representing those who are or may be impacted by the service need or who can influence a response, including those who may provide funding for eventual solutions

» those with a track record of innovative thinking who can minimise the risk of business as usual solutions to problems

» those with experience in business analysis and backgrounds in broader strategic policy areas of the agency, who can help to ensure the problems are appropriately explored and challenged.

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