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Continuous Business Case Usage in the Context of a Strategic IT Enabled Investment at Rabobank

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ABSTRACT

It has been argued that optimal value creation from IT enabled investments requires a business case that is used throughout the entire investment lifecycle, as opposed to an approach that terminates when the investment is formally approved. This approach requires a rational transformation in the perspective on business cases in which they need to become a living document that is frequently updated and matures along the investment. This study presents the business case process for a strategic IT enabled investment at Rabobank. The case site was specifically selected for being a high-performer in the area of continuous business case usage. This case study shows how a high-performer operating in an IT intensive industry makes use of a continuous business case approach during a strategic IT enabled investment and the benefits they perceive from it.

KEYWORDS

Business Case Process, Case Study, Perceived Investment Success, Value Management

INTRODUCTION

Business cases are widely used in the assessment of IT enabled investments (Counihan, Finnegan, & Sammon, 2002; Dibbern, Winkler, & Heinzl, 2008; Legner & Schemm, 2008). A business case structures investment information and specifies a rationale for undertaking a potential investment (Swanson & Ramiller, 2004). Organisations are well aware of its purpose and most of them develop some kind of a business case to support investment decision-making (Ward, Daniel, & Peppard, 2008). After the formal approval to start the investment implementation, several advantages have been suggested on continuing the business case use. It would help to monitor the budget consumption, to keep an eye on the impending risks and to monitor the investment context whether it is still in line with the assumptions taken at the start (Ashurst, Doherty, & Peppard, 2008; Brown & Lockett, 2004; Smith, McKeen, Cranston, & Benson, 2010). Once the resulting products and services have been launched, it could be an objective basis to evaluate the investment success (Balaji, Ranganathan, & Coleman, 2011; Shang & Seddon, 2002). However, employing a business case throughout the entire investment life cycle (i.e. taking a process perspective) requires a rational transformation from a static document to a dynamic document that can become living and matures progressively (Franken, Edwards, & Lambert, 2009). This is however characterised by the eminent knowing-doing gap.

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Organisations understand and acknowledge that a business case can play a useful role during and after the investment implementation, but only few act accordingly (Franken et al., 2009). One of the reasons for this is that little guidance can be found in academic research, and that good practices are not documented and widely spread (Maes, Van Grembergen, & De Haes, 2013). The present study builds on prior academic research that identified and validated a set of high-level business case process practices (Maes, De Haes, & Van Grembergen, 2015a, 2015b), displayed in Appendix A. All of these resulting practices are perceived by experts to be effective in the support of well-founded decision-making and to increase investment success. The research process that resulted in this final set of practices involved the perspectives of academics as well as practitioners, thereby resulting in a set of business case process practices that are grounded in academic literature and rooted in practice. The present study uses this validated set of high-level business case process practices as a lens and determines the extent to which they are used by Rabobank, a large contemporary bank, during a strategic IT enabled investment. Specifically, we are interested in showing how these business case practices are operationalised at Rabobank (e.g. what organisational roles are involved, what their responsibilities and accountabilities are, what decisions are made and how etc.).

A business case process runs in parallel with an investment life cycle, which can be presented by the three phase-model of Hitt, Wu & Zhou (2002): before, during and after implementation. The conceptual model for a business case process builds on this model, and is displayed in Figure 1. It consists of three distinct but consecutive phases supported by an accommodating layer. These four components constitute together the business case process model and each component is defined in Table 1.

Figure 1. The business case process aligned with an investment life cycle

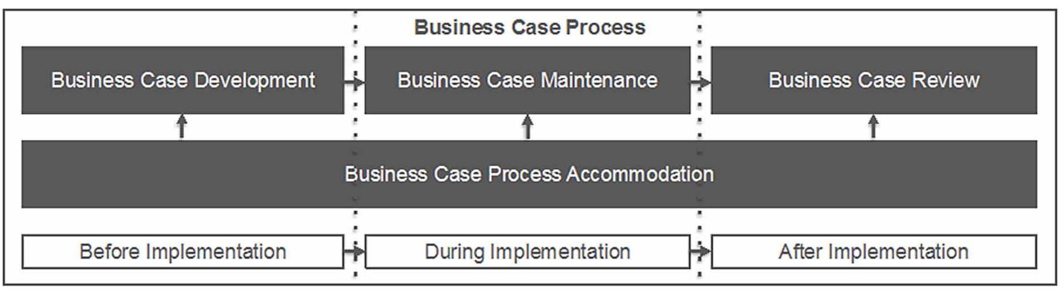

Table 1. Definition of the business case process model components

Component	Definition: A set of logically related practices to …
Business Case Development (BCD)	Identify relevant investment information that is integrated in a structured way with adequate and objective argumentation, in order to provide a rationale and justification of the initial investment idea.
Business Case Maintenance (BCM)	Monitor whether the investment is implemented in accordance with the business case (e.g. objectives, changes, costs), and to update the business case with the prevailing reality (e.g. assumptions, risks).
Business Case Review (BCR)	Monitor benefit realisation resulting from the utilisation of products and services, and to facilitate the evaluation of the overall investment success.
Business Case Process Accommodation (BCPA)	Facilitate an adequate execution of the business case process adjusted to the investment and organisational context.

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