WRITING A BUSINESS CASE FOR SINGLE WINDOW

PART I
VOL 2
Part I
Writing a Business Case for Single Window

The business case answers the most important questions concerning the Single Window: What kind of Single Window will be built? Why will it be built? (In other words, who will benefit from it, by when and by how much?) How will it be built and who will build it? How much will it cost and who will pay for it? And how and by when will we know if it provides any benefit at all?
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1. Introduction

This Part explains the process involved in putting together the business case for a Single Window solution. Before undertaking any project, it is necessary to write the reasons for doing so. A ‘Single Window’ might sound attractive to the policy leadership in any country. To unpack the words systematically, and to put together concrete project proposals, is a technical challenge and a management process.

This Part explains how governments can organize information and documentation to provide the strategic and financial reasoning behind projects to implement the Single Window approach to regulating international trade. Executives from Customs and other cross-border regulatory agencies responsible for strategic management, programme management, information technology projects and collaborative inter-agency initiatives will benefit from the information provided here. Financial controllers and project evaluation and review teams will also be able to use templates and other guidance on what to expect at each stage of business case development.

1.1 Relationship to other Parts of the Compendium

This Part underpins all the other Parts. It is the business case that serves as the basis for pursuing a project. A sound business case defines what aspects of import, export and transit procedures should be part of the Single Window project, and to what end. It serves to scope the Single Window. The scoping decides all further activities, including functional assessment (Part III), innovation in business processes (Part IV), data harmonization (Part V), dematerialization and paperless processing (Part VI), and architecture (Part VII). Furthermore, business case development may lead to a decision on choosing a managerial and financial path characterized by a public-private partnership (Part II).

1.2 How is this Part Organized?

Section 2 introduces the concept of business case development and relates it to the task of project formulation for building a Single Window environment. It explains how a business case differs from a project brief or a project plan. A business case answers the question as to why a project should be conducted, and the consequences of not doing so. A business case is also about understanding and documenting the business benefits of the project. Questions on whether the same benefits can be obtained through alternative means will have to be answered thoroughly in the business case. Lastly, the business case addresses the issue of who is paying for the project and why.

Section 3 describes the strategic business case and its role in obtaining political commitment to the Single Window project. The objective of the strategic business case is to produce the political mandate for the initiative. This mandate provides several high-level decisions concerning the governance model, the executive authority structure, and the broad scope. The mandate also
provides clear support for the overall operational concept of business. As well as specifying the timeframe, the mandate contains assurances regarding finances.

Section 4 provides detailed information, including standard templates/a standard framework, for preparing the detailed business case for the selected projects to establish Single Window services. The Section includes information on documenting estimated business benefits, cost-benefit analysis and project selection.

Section 5, the final Section before the Conclusion, discusses implementation, monitoring and feedback. All projects are required to be reviewed against the final business case. Part of the review includes documenting the extent to which the project has been able to establish business benefits.

This Part is not intended to provide information on the basics of project management or procurement practices. Only the key aspects of business case development have been included. In preparing this document, the WCO Secretariat referred primarily to the following documentation:

a. The WCO Standard Business Case Template  
b. Business Case Guidance (Capacity Building Guidance, Communities and Local Government, HM Government, UK)  

This Part summarizes the process of developing the business case and the documentation that is produced at each stage.

The diagram below provides a schematic of the recommended process.

![Diagram](image)

Figure 1: The selection and formulation of appropriate projects.
2. The Need for a Business Case

The proposal for a Single Window project will involve long-term organizational commitment, not just in terms of human and financial resources, but also in terms of leadership and executive support. To this end, there should be a clear projection of the business needs, as understood collectively by the community of stakeholders.

A business case looks at any financial investment from the perspective of the investment return and the derivation of business benefits. Even a simple proposal for hardware procurement or a software upgrade can be presented as a technical case for a much needed improvement in system performance. The same proposal can also be fashioned as a document which states that the investment would lead to better operational performance and improved service through lower processing times and reduced maintenance costs.

The way a problem is presented determines how it will ultimately be addressed. Any proposed investment in assets and resources has a better chance of being accepted if the appropriate strategic perspective is understood.

It is, however, not always easy to project all investment in terms of business benefits alone. Some of these benefits are quantifiable (e.g. improvements in performance and financial savings). Other benefits are qualitative and intangible (e.g. those linked to customer satisfaction). For a large-scale effort like the development of a Single Window, the process of capturing the business benefits, and a clear justification for the project, is a very challenging exercise.

2.1 What is a Business Case?

A business case is a written document containing reasoned arguments for initiating a project. It is often a formally structured document, reflecting the organization’s needs for financial accountability. While a business case should include financial justification for a project, that is not its only purpose. The business case is the document where all relevant facts concerning the project are formally arranged to present the complete picture. That picture includes the definition of the project, services to be covered in its scope, costs and benefits, risks and returns, outlays and outcomes, and schedules and timelines, etc. The picture also includes information about the key project participants, and their roles and responsibilities.

Projects to develop a Single Window involve substantial investment, long gestation periods and large gaps of time between financial outlays and business outcomes. It is therefore essential to view the business case as a management process. The process lasts throughout the life-cycle of the project and broadly includes activities such as initial development, refinement through consultation, executive approval for the project concept (and subsequently the preferred project), implementation of the project, and project review. The diagram below explains the difference between a project brief, a project plan, and a business case. Naturally, the business case should be established before a project can come into being, making it the most important strategic document in a Single Window initiative.
2.2 Collaboration is Vital

As mentioned above, the development of a business case is a management process, in which executive management has the lead role. There are, however, several different parts of an organization that are involved in this vitally important process. In addition to the strategic and policy-making divisions, the organizational units that are normally responsible for formulating information technology (IT) initiatives play an important role. The business case involves support from specialist individuals who are well versed in using tools and techniques to support the decision-making process (e.g. tools and techniques for computing returns on investment, cash flow projections, and cost-benefit analysis). Skills and competencies not just of Customs staff, but also of those in other participating government agencies, should be engaged in a collaborative effort. Joint working of this kind helps the business case achieve broad support and acceptance.

Each organization has its own way of running projects and of holding people accountable for project outcomes. The recent WCO Surveys have suggested that the majority of all Single Window projects are funded by governments. If governments play the lead role in providing support to the Single Window, the investment process is normally driven by rules on public accountability for government expenditure. But how those rules translate into practice is largely driven by the norms and values of the participating organizational units. These norms and values will also determine the quality of the business case that is put together for the Single Window initiatives and projects.

Very often, IT projects in government are approved as a leap of faith. E-governance initiatives generally enjoy a high level of political support as they tend to be treated as the panacea for governance problems. The Single Window concept has an intuitive appeal, and the political leadership are likely to agree with the overall principle, without the need for much convincing. The Single Window is a simple concept with a grand vision. That vision promises to lead cross-border regulatory agencies (CBRAs) to transformative changes in the way that business and government
interact in international trade. The actual realization of the vision may be quite a challenge. While the project will involve substantial investment in technology, there will also be significant breakthrough efforts required in delivering policy and service outcomes. The business case brings a touch of reality to the vision by documenting activities, changes to business and investment schedules and, most importantly, the risks that stakeholders will face in deriving benefits from the initiative. The management process that governs business case development plays this part.

3. The Strategic Business Case

The objective of the strategic business case is to produce a political mandate for the project, leading to high-level decisions concerning the governance model, the executive authority structure, and the broad scope. The mandate will also provide clear support for the overall operational concept of business. As well as specifying the timeframe, the mandate will contain assurances regarding finances.

The strategic business case must explain how the Single Window concept ‘fits’ with the strategic programme for Customs modernization. For example, how does the Single Window support the key Customs initiatives of intelligence-based risk management, post-audit control, client education, authorized economic operators, border management strategies, and automation of services? Similarly, the alignment of the Single Window approach with the strategic imperatives of modernization for other participating CBRAs needs to be documented.

Likewise, the strategic business case will need to make clear to partner CBRAs how the Single Window links up with government-wide programmes to improve trade facilitation and ‘de-clog’ and accelerate transport logistics. It will also need to explain how the Single Window fits with national programmes on electronic governance and public service reform.

Parts III and IV of Volume 1 discussed the question of strategic alignment between the Single Window and other major programmes. In this stage of preparing the business case, there is an opportunity to pinpoint the issues to be covered by the Single Window project, and to place them in the broader political and strategic context.

The audience for the strategic business case is initially senior management, and ultimately the political executive. These tiers of decision-making require high-level information, along with alternatives on the way forward. The strategic business case should include the economic rationale for pursuing the Single Window approach, and address the overall gains to the economy through growth in international trade; improved competitiveness by reducing trade transaction costs; and the government’s commitment to lowering total costs of trading, including the costs of transportation, logistics services, financing and regulation.

3.1 Economic Rationale and Strategic Value

The audience for the strategic business case is a high-level one. It is interested in the broad issues, and likes proposals to be presented along with alternatives on the way forward. There is a need to provide the economic rationale for pursuing the Single Window approach. The following list of sources can help make that case.
The literature on international trade is replete with theoretical and empirical evidence that welfare benefits accrue to the economy through growth in international trade. Factors hindering or limiting trade must receive priority attention from the political executive.

Measures on trade facilitation have a lasting value in promoting international trade. In the longer term, the benefits of these measures greatly exceed the perceived costs of their implementation (Duval, 2006).

Improving trade competitiveness by reducing transaction costs in trading (United Nations, 2006). Transaction costs can vary between 2 to 15 per cent of the total value of the transaction. Studies have tried to document and quantify actual trade transaction costs (Walkenhorst and Yasui, 2004).

Governments around the world have committed themselves to lowering total costs of trading – including the costs of transportation, logistics services, financing and regulation. For example, the ASEAN nations have mandated national economies to implement the Single Window to reduce transaction costs (ASEAN Secretariat, 2009).

The WCO Single Window repository provides information about numerous instances of implementation of the Single Window around the world. Global trends in Single Window implementation provide indirect evidence that it is useful.

The strategic business case should explain how the Single Window approach lowers all these costs. Intuitively, reduced costs are a function of the following factors:

i. The Single Window promotes ease of submitting information to the government.
ii. The cost of one-time submission is less than for multiple submissions.
iii. Lower document preparation costs.
iv. Reduced interaction with different government agencies – combined response on release, co-ordinated inspection, etc.
v. The overall reduction in time, leading to reduced costs in carrying inventory.

Demonstrable impact on human resources: inspectors can focus on substantive aspects of regulation, while efficiencies created by the Single Window reduce the compliance verification effort linked to cross-checking routine documentation.
The strategic business case should also clearly explain how the Single Window approach lowers all these costs. The Single Window project can demonstrably lead to simplification of the interface between trade and government (for example, the time spent by inspectors on verification). Besides practical information, the strategic business case should also contain precise empirical information which is based on research. Examples are:

- General research describing the positive impact of trade facilitation measures on growth in trade.
- ‘Firm-level’ (or microeconomic) evidence confirming improved competitiveness of domestic industry due to effectiveness in handling trade information and documentation.
- The impact of Single Window implementation as documented around the world in case stories.
- The strategic value of the project can be established by projecting different scenarios, covering the risks associated with alternative courses of action—*including the decision which involves taking no action*. Potential risks of continuing with the status quo should be fairly presented, along with risks associated with alternative courses of action.

### 3.2 Outcome of the Strategic Business Case

A substantial part of the strategic business case should be devoted to a clear statement of the outcome sought. This outcome is the political mandate to develop a Single Window environment. Part V of Volume 1 briefly summarizes the contents of the political mandate, which should broadly cover the following:

<table>
<thead>
<tr>
<th>High-Level Structure of the Political Mandate</th>
</tr>
</thead>
<tbody>
<tr>
<td>The details contained in the high-level political mandate for a Single Window project may vary from country to country. The following main points may, however, be considered:</td>
</tr>
<tr>
<td>✓ Statement of objective and purposes</td>
</tr>
<tr>
<td>✓ Definition of terms used</td>
</tr>
<tr>
<td>✓ Activities/services covered by the Single Window concept</td>
</tr>
<tr>
<td>✓ Establishment of the organization acting as lead agency, and the identification of partner organizations/CBRAs:</td>
</tr>
<tr>
<td>- Legal definition of the entity acting as lead agency</td>
</tr>
<tr>
<td>- Financial dispensation for the lead agency and operating philosophy</td>
</tr>
<tr>
<td>- Lead agency organizational and consultative structures</td>
</tr>
<tr>
<td>✓ Powers vested in each of the identified organizations, including the lead agency, to:</td>
</tr>
<tr>
<td>- Approve projects</td>
</tr>
<tr>
<td>- Recommend changes to legislation</td>
</tr>
<tr>
<td>- Set service standards</td>
</tr>
<tr>
<td>- Adopt changes to business processes</td>
</tr>
<tr>
<td>- Adopt interoperability standards</td>
</tr>
<tr>
<td>- Evaluate and review project implementation</td>
</tr>
<tr>
<td>- Handle disputes</td>
</tr>
<tr>
<td>✓ Date of applicability</td>
</tr>
<tr>
<td>✓ Schedules for the implementation of the Single Window initiative</td>
</tr>
</tbody>
</table>
4. The Detailed Business Case

The strategic business case will have established the strategic intent of the government; the political mandate resulting from approval of the strategic business case will have established the importance of the initiative. In general, the political mandate will ‘kick-start’ the various activities leading to the ‘establishment phase’. Upon conclusion of these activities, the country concerned should be able to answer the following in the affirmative:

a. Objectives, scope and coverage of services of the Single Window broadly defined? (Yes/No)
b. Overall strategy for service delivery defined, and high-level strategy defined? (Yes/No)
c. Lead agency nominated and formally notified? (Yes/No)
d. Organizational structure with leadership positions, roles/responsibilities created? (Yes/No)
e. Financial dispensation – indicative budgetary allocation notified? (Yes/No)
f. Consultative structures notified and group members nominated? (Yes/No)
g. Decision-making authority defined and commonly understood by all participants? (Yes/No)

When the initiative reaches this stage, full agreement on the above details will have already been reached. Specifically, the organizational structure, the financing strategy, the operating model (including arrangements for public-private partnership) the service delivery strategy and priorities, and the consultative structures will be known. This opens the way for the relevant organizations to become ‘live’ and to begin consultations on the preferred project(s), including discussion on the detailed business case.
The detailed business case for the chosen project covers project objectives, project components, the procurement plan, project organization, investment schedules, and cost-benefit analysis. Baseline information on current processing costs and times taken for cargo release and border processing should be established to help define benefits in concrete terms. The WCO documentation referred to in this Section provides information that can help with these tasks, including techniques for the appraisal of options.

This is even more necessary because computerization projects often meet with scepticism from senior executives. E-governance projects have a long history of failure, of over-promising and of under-delivering. Carrying out a doability study for Single Window projects is therefore also part of this stage. The development of a detailed business case for the chosen project will involve the essential steps below.
4.1 Locating the Right Templates and Frameworks
Governments have their own templates and formats for writing detailed business cases. These templates are often prescribed to maintain financial accountability and investment governance. The reader is advised to obtain national templates as advised by the government concerned.

4.2 Establishing the Stakeholder Perspective on Value
The business case should include a summary of the documented studies touched upon in preceding paragraphs. These studies (presumably carried out in other contexts) should, however, be supplemented with information at a more practical level. In particular, a statement of benefits endorsed by national stakeholders would be of immense value in bolstering the business case. The statement could be prepared by:

(i) Launching a joint industry-government mission or taskforce to carry out analytical studies on cargo-processing bottlenecks and the various regulatory touch-points along the supply chain. The taskforce could put forward recommendations on the features of a Single Window solution that would give maximum benefit to trade and to regulatory authorities.

(ii) Alternatively, carrying out an industry survey to ascertain the industry rating of perceived benefits. The survey could be supplemented with longitudinal field studies that describe the typical ‘as-is’ picture for cargo clearance, and the difference that a Single Window approach could make. An example of typical questions which could form part of a survey on Single Window benefits can be found in the list below.

It is important that the communication of benefits is clear, straightforward and easily understood.

Goals of the Single Window

- Increasing trade and economic growth by aligning and simplifying import and export reporting processes to reduce the costs of doing business;
- Minimizing the requirement for paper forms in the import and export process by allowing commercial traders to electronically submit information to comply with regulations;
- Providing government officials with earlier, automated, visibility to shipment data in order to speed the flow of legitimate trade while also improving trade compliance, enforcement, security, and health and safety;
- Enhancing national and regional security by improved and co-ordinated border management, advance data reporting and sharing of information; and
- Providing for greater efficiency and supply chain predictability which reduces trade costs for government and business.

Source: US Customs & Border Protection
Benefits of SICEX: The Single Window in Chile

The acronym SICEX stands for ‘Integrated System of Foreign Trade’. This is a single Electronic Window (SEW) which facilitates the processing by the Chilean Customs Service and other OGAs of export, import and transit operations, allowing users to enter requested information via a single website, at any time and from any place.

SICEX facilitates foreign trade by means of a world-class system, designed in accordance with best practice and international standards. In the future, it will even allow the exchange of information with other countries.

SICEX seeks to reduce time and cost, expediting the foreign trade processes which are carried out electronically, and eliminating duplication of data entry through a single data entry point. The data is shared among the different OGAs that participate in the operation.

The result is that administrative efficiency and transparent management of foreign trade operations are achieved through a single assistance platform which includes monitoring, alerts and traceability of the operations.

Source: Chile Customs
See https://www.sicexchile.cl/portal/en/web/sicex/preguntas-frecuentes;jsessionid=1C47C01DAEE4F956994C7FAF865F9AA.portal1

For each of the points mentioned below, the respondents are asked to rate the benefit as Significant, Moderate, Insignificant or Non-existent:

Combined declaration to different agencies (e.g. Customs, agriculture, and food and drug administration):

1. Single Window helps reduce the burden of procedures and paperwork.
2. Single, integrated declaration implies one-time entry of data.
3. Single form implies co-ordinated changes to interface specifications by government agencies. This reduces the cost of re-orienting the trader’s software applications for creating entries. If governments carry out uncoordinated changes to the interface specifications, there will be extensive customization costs.
4. Redesigned applications enable submission of minimum data.
5. Redesigned advance data allows logistics operators to carry out logistics planning of: (1) on-arrival operations in the case of imports, and (2) pre-loading operations in the case of exports.
6. Trade data sets that are standardized for government-wide use would support more accurate and more detailed trade statistics for trade policy across different business sectors.
7. Trade data sets that are standardized for government-wide use would provide better supply chain process and performance statistics. This leads to a more optimized performance by logistics players.
8. Standardized government-wide response messages could help recipients in the supply chain better plan cargo clearance, with clear savings in cost and time. (For example, terminal operators, warehouse operators and road hauliers would not have to process multiple messages from different government agencies.)
9. The system will enable different permit-issuing agencies to receive electronic permit applications in a standardized format, and enable electronic approval of permits via the Single Window.

See https://www.sicexchile.cl/portal/en/web/sicex/preguntas-frecuentes;jsessionid=1C47C01DAEE4F956994C7FAF865F9AA.portal1
10. A mention of the approval reference in the common declaration at the time of lodging the entry would suffice.
11. Improves market access through internationally acceptable e-permitting.
12. The system permits payment of fees for all border services; the consignment clearance fee is consolidated along with all duties, taxes and terminal fees; and reports are available online as to the composition of, and justification for, the charges.
13. Combined response on processing status of licence/permit applications or transaction clearance status.
14. The Single Window environment will enable digitization of supporting documents, such as certificates and permits.
15. It helps traders to manage their respective registration details, including agency authorization for different government agencies.
16. Co-ordination of inspections between agencies helps reduce spending by traders, leading to better compliance outcomes.
17. Co-ordination in the scheduling of inspection arrangements makes physical attendance by trader agents easier.
18. Shared infrastructure with jointly operated IT systems, along with redeveloped border management model, lower costs to both government and trade.
19. Improves targeting and risk assessment by providing more data and quality data that is pooled from different agencies.
20. Will improve the provision of information and guidance to Customs and MAF officers, supporting quality and consistency of decision-making and advice to clients.

4.3 Benefits Profiling

The projected business value and the benefits profile are part of the strategic business case, but it has to be framed in general economic terms for a high-level audience. The business case for the chosen project is required to take the benefits profile to a more practical level.

Typically, IT projects in government tend not to define project benefits rigorously and realistically. The typical business case provides a simple list of benefits. What often does not happen is the mapping of benefits against project deliverables. Such mapping should include a matrix (also called the ‘ADRC’ matrix) which describes assumptions, dependencies, risks and constraints against each benefit. A clear sequential structure of benefits realization needs to be developed. Responsibilities have to be assigned within the project structure for the realization of agreed benefits from the project.

The UK Government has established a methodology for profiling and managing benefits. A key aspect of preparing and projecting project benefits is the creation of a benefits profile. The benefits profile should contain the list of benefits, detailed descriptions, the ADRC matrix, a schedule for the realization of the benefit, and indicators or measures of the benefit, along with baseline measures. Business case development and realization of benefits go hand in hand. Non-realization of benefits could prompt a review of the business case.

4.4 Cost-benefit Analysis and Project Appraisal
Cost-benefit analysis is a crucial aspect of business case development. The WCO has developed a specific model/method for cost-benefit analysis within Customs administrations. It provides a structured approach to cost-benefit analysis and a way in which ‘Customs benefits’ can be determined.

Several Parts of Volume 1 describe the business value of a Single Window environment in terms of preservation of the value of goods by reducing transaction costs and times. It is important that the project or programme management team have an agreed understanding of the procedure for measuring baseline business benefits.

Examples of measurable baseline for benefits

1. Baseline results of Time Release Study (based on the WCO TRS methodology).
2. Each component of time is a measurable element indicating baseline performance.
3. Baseline results of UN/ESCAP Time Cost & Distance method.
4. Number of documents required for completing the average transaction.
5. Average person-hours of data input for an import, export and transit transaction.
6. Number of independent system interfaces involved in a single transaction.
7. Number of data elements required to be re-keyed – for import, export and transit declarations.
8. Average brokerage and agency charges per transaction (costs other than those for transportation, storage and handling services).

Cost-benefit analysis can be carried out using a variety of methods. Option appraisals would normally lead to the most appropriate solution being sent for executive approval. At the stage of executive approval, it is important to have the following: (i) submission of the business case in the appropriate template (often mandated by government); (ii) all supporting documents; and (iii) a clear statement of resource implications.

4.5 Concluding the Detailed Business Case

The detailed business case for the chosen project proposal should include all supporting documents. Clarification sought by the participants of the decision-making body may be provided as appropriate. It is recommended that separate notes be provided:

a. Outlining the role of each agency in the decision-making process;
b. Indicating the implications of the project/decisions for each impacted stakeholder;
c. Outlining consequential actions and/or decisions as a result of the approval. In particular, the implications for:
   • Financial resources (budget allocations, delegation of financial authority, physical assets);
   • Human resources – especially concerning restructuring, redeployment, and redesignation of regulatory authority.

The specific resource implications for these two areas should be understood and agreed by the decision-making authorities. This implies that the body making decisions on the business case has the necessary authority to do so.

Lastly, the decisions and relevant details should be communicated to all participants and stakeholders.
5. Implementation, Monitoring and Feedback

Work on the business case does not end with financial approval. The documents relating to the business case remain relevant to the subsequent stages of project implementation (e.g. resourcing, procurement, scheduling and roll-out). More importantly, the business case is useful for identifying and tracking costs, risks and benefits. This is vital during project implementation.

5.1 Firming up the Project Plan

Activities being undertaken by the project team will follow the overall project implementation plan. An important component of this stage is the procurement strategy. Government policies on public procurement will significantly impact activities of the Single Window project. These policies could be qualified and more sharply defined during the earlier phases of business case development. For instance, empowered structures may be delegated authority to make procurement decisions about Single Window projects.

Procurement strategies vary from country to country. They will also depend on the agreed structural arrangements and financial models. The involvement of the private sector in the management structures makes their role in procurement clearer. Some operating models involving the collection of user fees provide built-in financial benefits as part of operations.

Contract management, procurement management, and vendor performance management are vital for the business case. There is an argument for having an independent unit to deal with contract issues, which are the most complex and challenging of all project issues. Risks arising out of contract provisions pose a serious threat to the achievement of benefits described in the business case. Vendors spend substantial amounts on legal services relating to contractual issues. Single Window projects involve long gestation periods, extensive inter-agency integration, and complex and evolving requirements. The key decisions to be taken at this stage include procurement decisions on the strategy for software development.

The following box provides information concerning the main basis for software project procurement.
At the project implementation stage, when the detailed project plan must formally be put into operation, project performance can be held up as a mirror to the detailed business case. At the outset, the detailed project plan needs to be signed off by all participants, especially the vendors, leading to a ‘final version’ of the business case. Since the project plan contains the complete work breakdown structure, detailed roles and responsibilities, project milestones, project risks and project resources, it is useful to compare actual ‘points in time’ results with initial projections. Specialized, computer-based project management tools can also help the project team capture and manage all the project information and shape it into a coherent document.

5.2 Tracking Project Risks

Inadequate attention to project risks is the biggest danger to achieving the benefits described in the final business case. Typically, at the time of approval of the strategic business case, high-level decisions are taken about: (i) lead agency responsibilities; (ii) assignment of tasks between agencies; (iii) restructuring of regulatory organizations; and (iv) the business process. These decisions have a far-reaching impact on the realization of business benefits. In general, senior management of the lead agency need to pay attention to the monitoring of project risks and to mitigation efforts. These efforts should be in line with projected schedules. Likewise, due attention must also be given to the solution design assurance process, project procurement, project monitoring and project reporting.

**Software Procurement Strategies**

**Fixed price model:** Procurement involves payment of a fixed price on achieving agreed milestones and deliverables. This model is suitable for:
- Small and medium-sized projects
- Clear and detailed requirements specification
- Little or defined minimal scope for scope modification
- Doability and results are clearly anticipated/foreseen

**Time and material (T&M) model:** In this model, payment is based on project resources consumed. This model is suitable for:
- Large-scale projects
- Overall project scope known, but details may change during project
- Broad efforts can be estimated but consumption of resources can vary
- Specifications may undergo modification as the project unfolds
- Time schedules are adjustable based on modified specifications

**Dedicated team development model (offshore/onsite combination model):** In this model the vendor(s) act like an extended arm of the procuring agency’s own software development unit (‘on-site unit’). This model is suitable for complex, multi-project set-ups. The model requires:
- Capable internal software team
- Strong communication links between onsite and offshore facilities (‘offshore’ does not mean outside the country)
- Mix of roles based on complementarities between procuring agency and contractor
- A high degree of flexibility, which can help retain strategic control with the procuring party

**Other strategic considerations:** The above models can be suitably adjusted to project needs. For example:
- Constrained or conditional T&M: T&M contracts are rarely open-ended. The procuring party can always place conditions and constraints in order to mitigate risks.
- Single vendor or a college of vendors: Keeps competition open and prevents vendor lock-in, as several vendors have practical knowledge about the development environment.
- Other important strategic procurement issues include requirements management, model-driven development, software development life-cycle strategy and ‘Agile’ development.
5.3 Accounting of Costs and Benefits

Upon reaching different milestones for the delivery of the project, the time comes for the accounting of benefits based on agreed measures. These measures can be used for comparison with the baseline measures and agreed projections.

The review should take into account qualitative and quantitative measures of outputs. Review reports should also be widely published for comment. The review exercise should also help establish how the documented risks have impacted the project. During project implementation, there could be changes to budgeted projections in terms of time, quality and costs. The projected benefits may be only partially achieved; recorded risks may have impacted project goals and projected business benefits. The review process provides the opportunity to record these changes and to document them against initial projections.

A statement of outcome, describing how the project has performed and impacted service outcomes, is important during the review. The statement should use the performance measures and indicators that impact Single Window service delivery, including efficiency gains for trade and government. Of special significance is progress made on organizational outcomes, such as inter-agency collaboration and collaborative practices.

The final business case is a complete document, providing the entire case story of the project, and incorporating the lessons learned into later business cases.

6. Conclusion

In the context of development of a Single Window environment, managing the business case is the most important responsibility for executive management. That responsibility begins when a decision is reached on adopting the Single Window solution. It continues through to the development of the strategic business case, the business cases for the chosen projects, the process of monitoring implementation, and the derivation of business benefits.

Business case development is a management process involving specialized competencies, skills and organizational roles, and established procedures. To run a business case successfully, there should be appropriate organization, an effective communication system, and a well-defined process.

Senior management in Customs and cross-border regulatory agencies need to persist with the business case until arriving at the final documentation on the benefits received, with the lessons learned documented and communicated to stakeholders.