

## BUSINESS CASE - GUIDE & CHECKLIST

The catalyst for a redundancy is a change with your business. It could be triggered by a financial downturn, a change in systems or a something market related. That sets off a strategic review of structure and work flows.

The preparation of a business case in the form of a proposal document is crucial for the process. There are key items which should be included in this proposal document, to stay legal.

The purpose of a business case is to communicate clearly and transparently with affected employees. To avoid miscommunication, the business case proposal document should be given to each person who may be affected by the proposal, even if they don't face redundancy. It should include all the details and information affecting the business, so the employee can consider it, and give feedback during the consultation phase.

The business case should contain the commercial reasons why it is necessary to restructure the business. These reasons need to be valid and genuine.

### **The business case should include the following (among other things):**

1. The background leading to the current need for changes
2. Avenues explored to avoid the changes proposed.
3. Operational and commercial reasons why this change is the best approach.
4. Benefits to the business if the proposal should be confirmed as a strategy.
5. Selection criteria for redundancy (why were roles selected for proposed disestablishment?)
6. Forward the completed business case to **HRLADY** for review.



This business case should align with the process and selection criteria (if any) contained in the employment agreement. Review the agreement, when you prepare the business case.

**PS: This is not legal advice. Call Melony on 022 475 2390, if you need specific advice or if you have a quick question.**