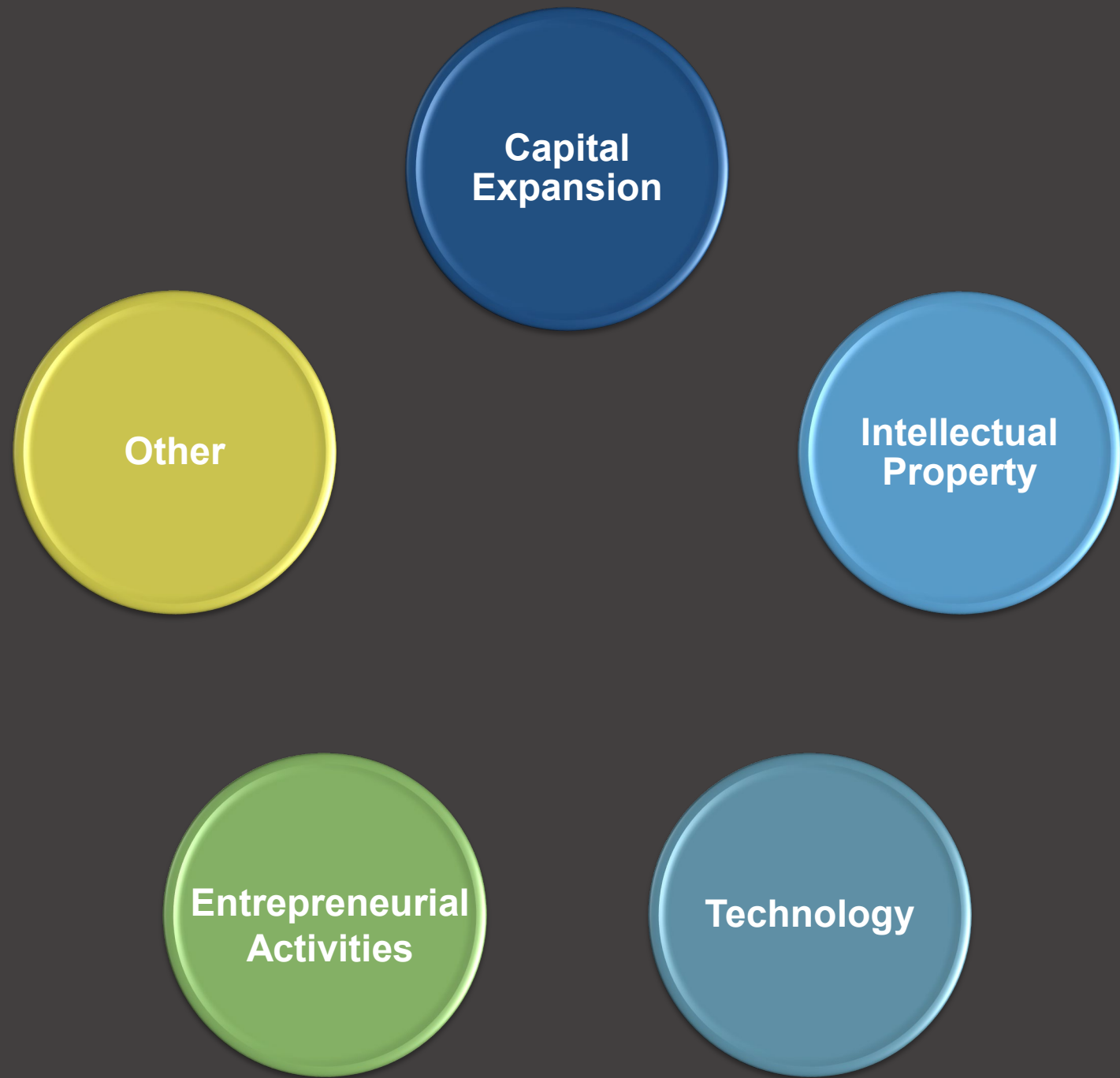


# Investment Case Framework

## Major Capital Projects



# There are 5 Investment Categories



- 1 Expansion that enhances our competitive leadership and educational environment
- 2 Development or acquisition of intangible assets
- 3 Value creation through investment in technology
- 4 Entrepreneurial investment aligned with our educational mandate
- 5 Other investment that advances efficiency, competitiveness, or strategic priorities

# Investment Framework Objective



- A screening protocol for capital investments of \$1,000,000 or greater
- To assess proposals against the Board's four risk appetites statements
- Provide assurance that investments are carefully reviewed prior to Board presentation

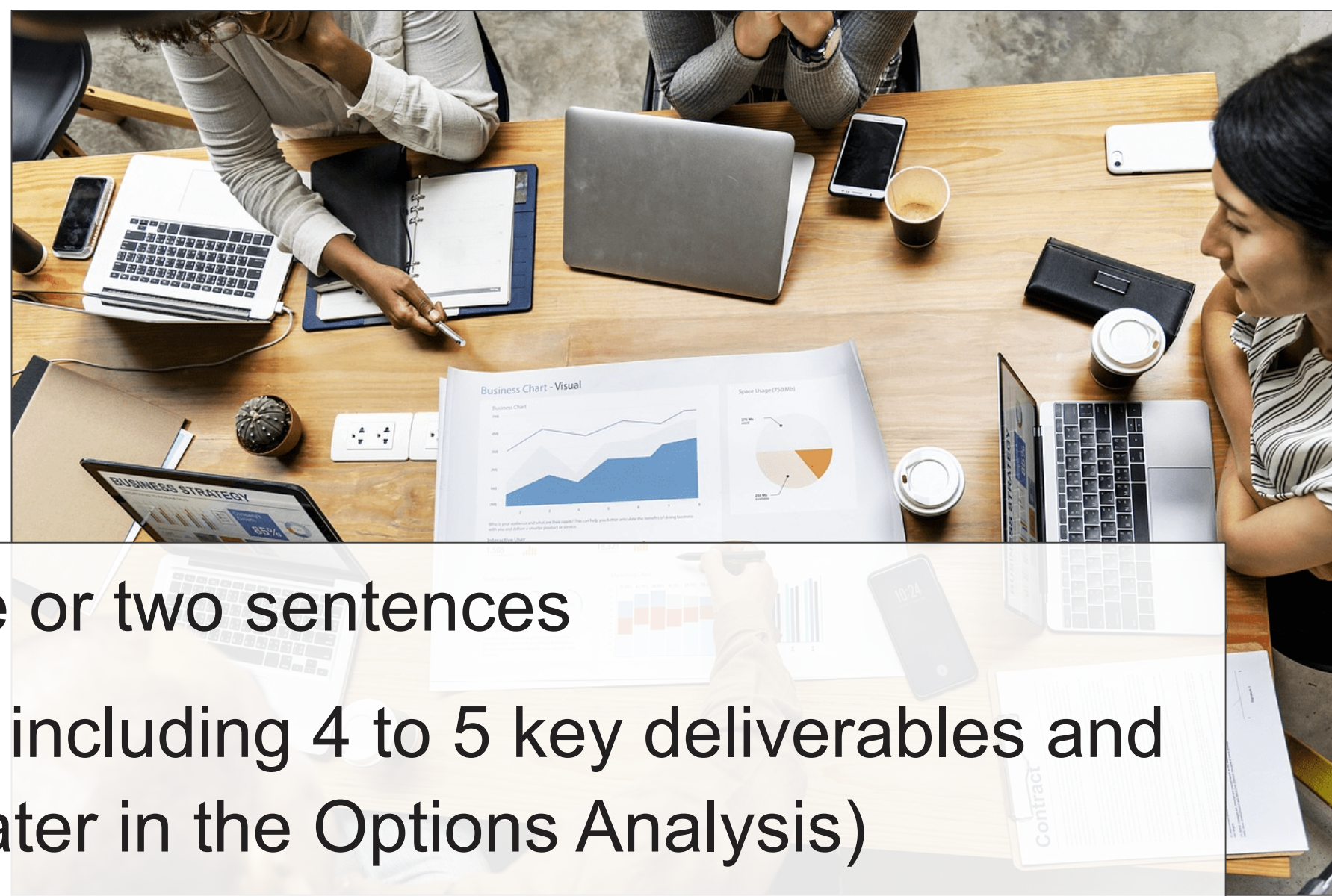
# Phase A: Document the Strategic Opportunity

You need the Executive Team's approval to move forward

Is there a business need?	Describe the problem or opportunity being addressed.
What are the Objectives?	Describe the investment objectives – the key deliverables and the key opportunities.
Is there a strategic fit?	Detail how it aligns with our Strategic Mandate, strategic plan, and business plan.
Has something triggered the need?	Provide background and describe the forces that have triggered the need for change.
Does the investment align with our risk appetites?	Compare the investment's risk profile against the Board's Risk Appetite statements.



# Identify the Business Need



- Draft a problem statement - one or two sentences
- State the investment objectives including 4 to 5 key deliverables and 4 to 5 key opportunities (used later in the Options Analysis)
- Describe the background - a few paragraphs that describes the historical context for why this is the right time to make the investment
- Provide a high level financial estimate

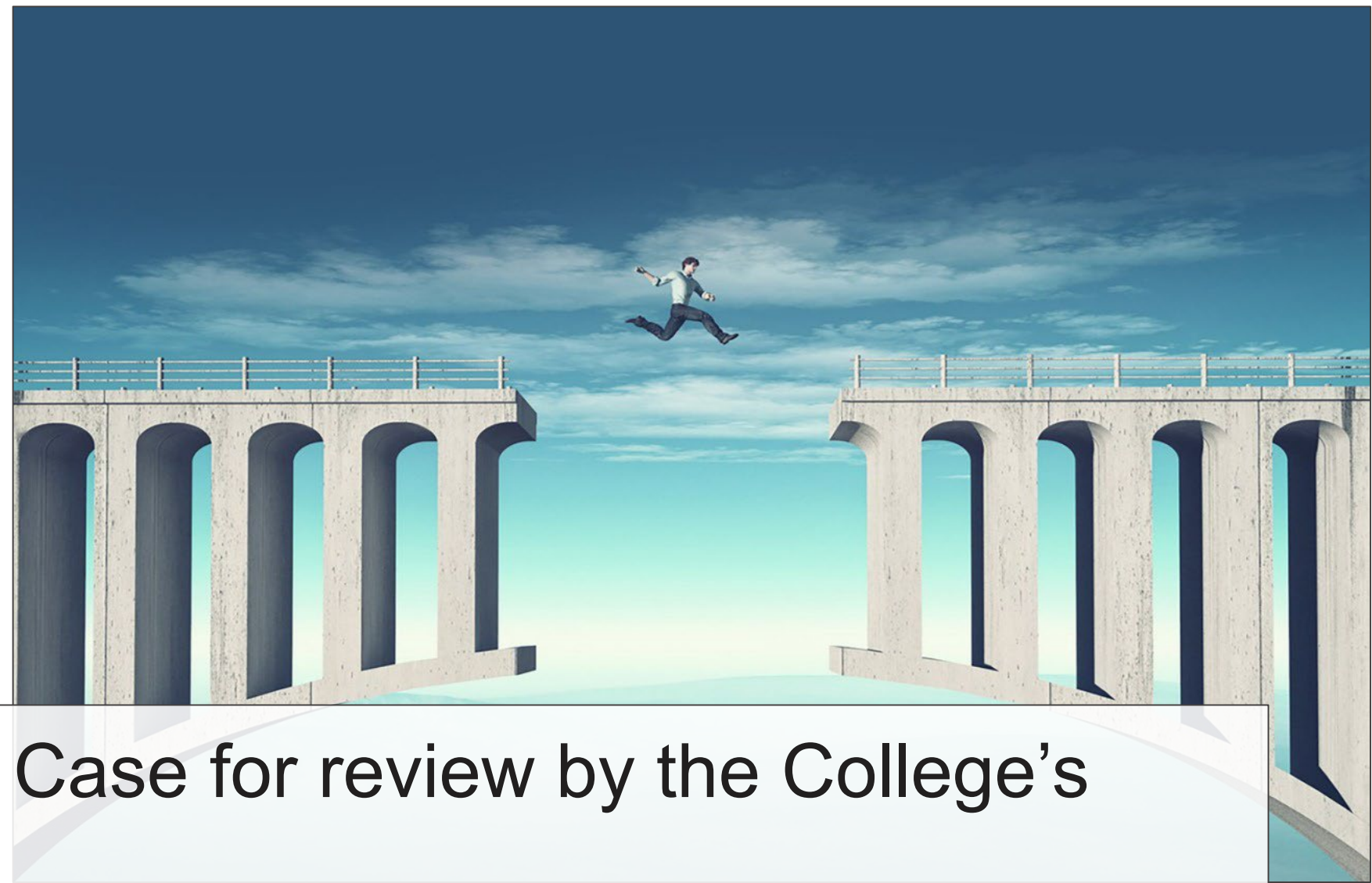


## Risk Assessment – Stage Gate 1



- Convene a committee to complete a Risk Appetite test
- Committee members should be a cross-section of College stakeholders
- For each of the College's value drivers, collect the committee's view on the Risks and Opportunities if the investment is approved
- Using the committee's Risk and Opportunity responses, document how the investment aligns (or not) with the BOG Risk Appetite statements

## Present to the Executive Team



- Complete a Stage 1 Investment Case for review by the College's Executive Team
- If Pass – Commence the drafting of a Stage Gate 2 Investment Case
- If Fail – Decide if the investment case should be revised or stopped

College leadership has identified an opportunity that aligns with Algonquin College's Mission, Vision, Strategic Plan, and/or the needs of Government, the Strategic Mandate Agreement.  
The financial impact of the investment is estimated to exceed \$1 million.





## Phase B: Analysis - Why is the investment necessary?

You need to document a compelling analysis.

What are our internal capabilities?	Describe our internal environment from a current and a future-seeking perspective.
What innovations are driving change?	Describe the external environment – what innovations/disruptions are shifting the status quo.
What's our competitive market position?	Describe the competitive environment – are we more or less efficient/effective than our peers?
What options would achieve our objectives?	Provide investment options and rank them against the key deliverables and key opportunities.
What is the investment's financial impact?	Choose an option and create a financial analysis - goods, services, human resources - include upfront capital needs and long-term operational expenses.

## Conduct a compelling Analysis



- The Internal Environment – where are we now and do we plan to be
- The External Environment – what innovations or disruptions are changing the operating landscape
- The Competitive Environment – what are our peers doing and which of them are out pacing us (financial, consumers, employees)
  - Select KPI's or performance thresholds that we should adopt



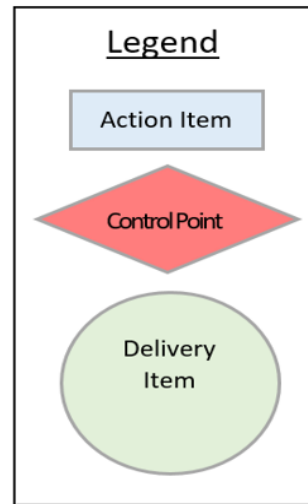
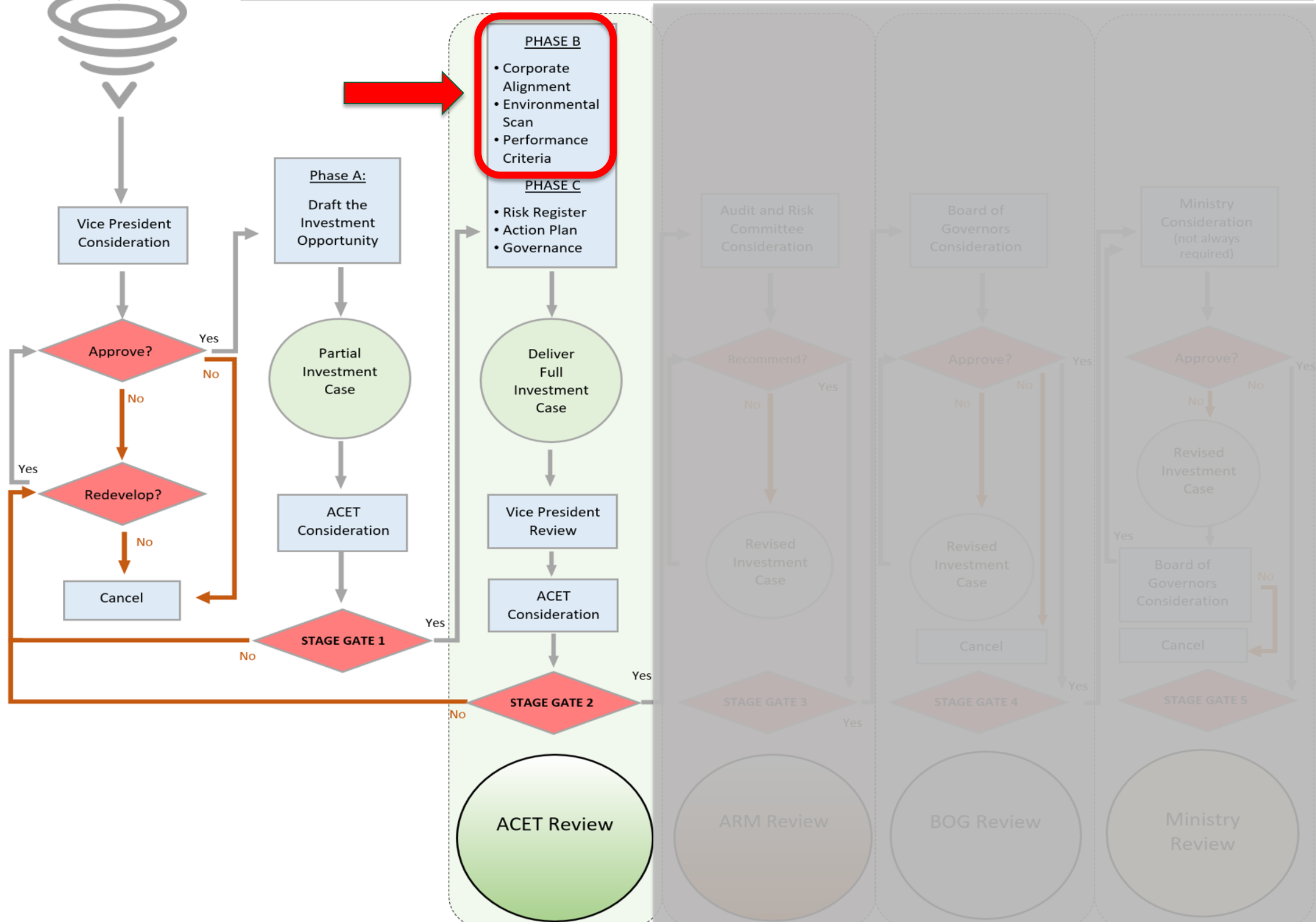
# Conduct and Options Analysis



- Identify 3 to 5 potential options (solutions) that vary in their scope/schedule/budget characteristics
- Clearly describe how each option addresses the key deliverables and key opportunities (identified in the Objectives section)
- Select one of the options and detail a thorough financial analysis



College leadership has identified an opportunity that aligns with Algonquin College's Mission, Vision, Strategic Plan, and/or the needs of Government, the Strategic Mandate Agreement.  
The financial impact of the investment is estimated to exceed \$1 million.

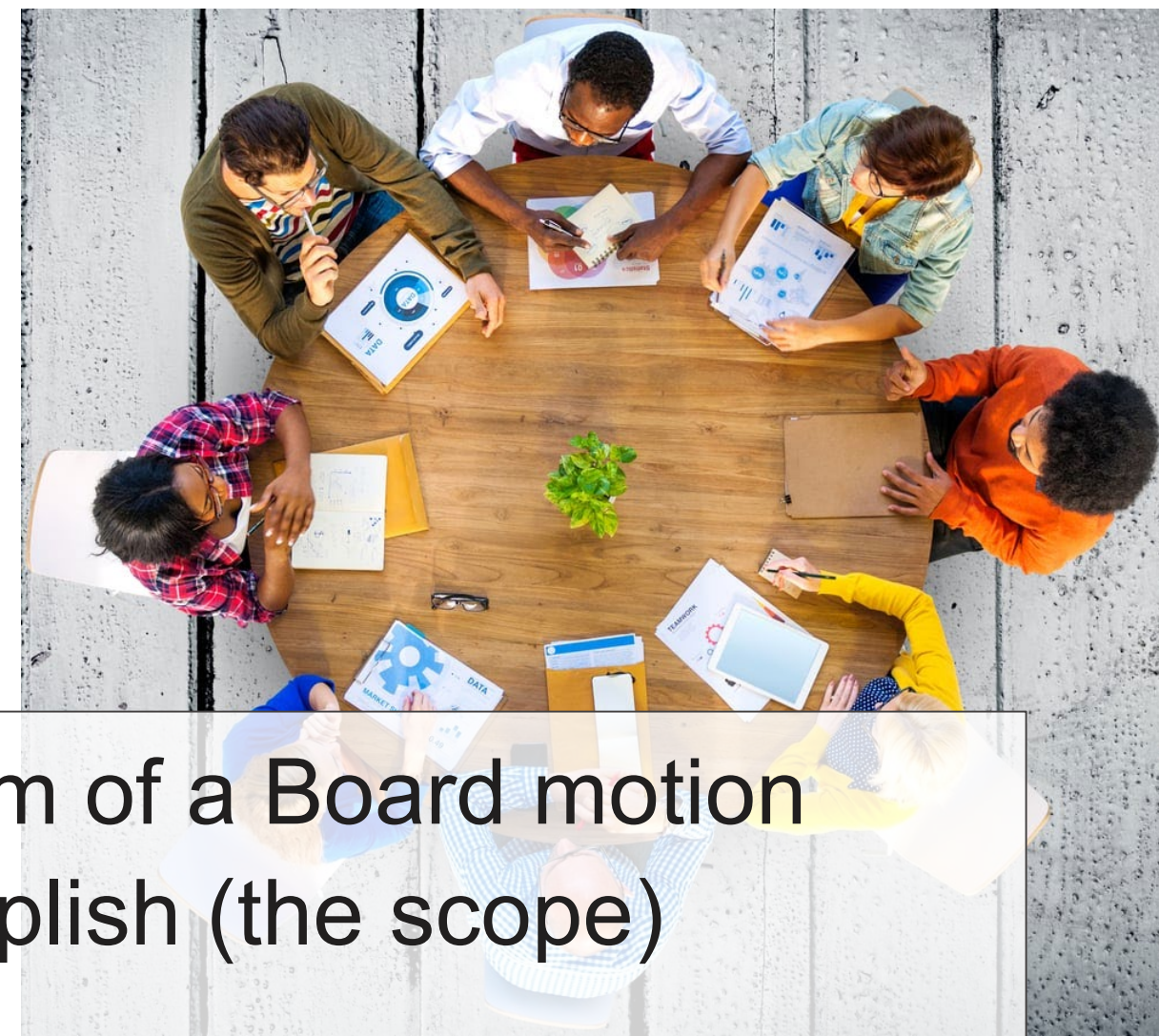


# Phase C: Ask for approval and detail the project implementation plan.

You need to document the project governance protocols.

What is the investment recommendation?	Clearly state the recommendation as a Board motion and detail what the investment will achieve.
What is the Implementation Plan?	Detail the project timelines, a communication plan, and a change management strategy.
Who will keep the project on track?	Identify the Implementation team and Governance committee who will ensure scope/schedule/budget.
What are the project risks and mitigations?	Conduct a project implementation risk evaluation - identify inherent risks and corrective mitigations.
How will we monitor the project's success?	Document the project's scope/schedule/budget successes and failures – include a change log.

# The Investment Recommendation and Plan



- Clearly state your recommendation in the form of a Board motion and describe what the investment will accomplish (the scope)
- Identify the Implementation (Project) Team with their individual responsibilities and detail the project's schedule (delivery timelines)
- Identify the project Governance committee members and establish their preliminary terms of reference



# Risk Evaluation and Recording Changes



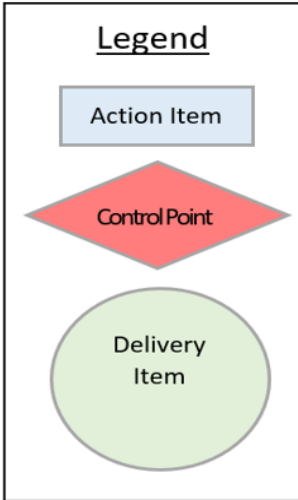
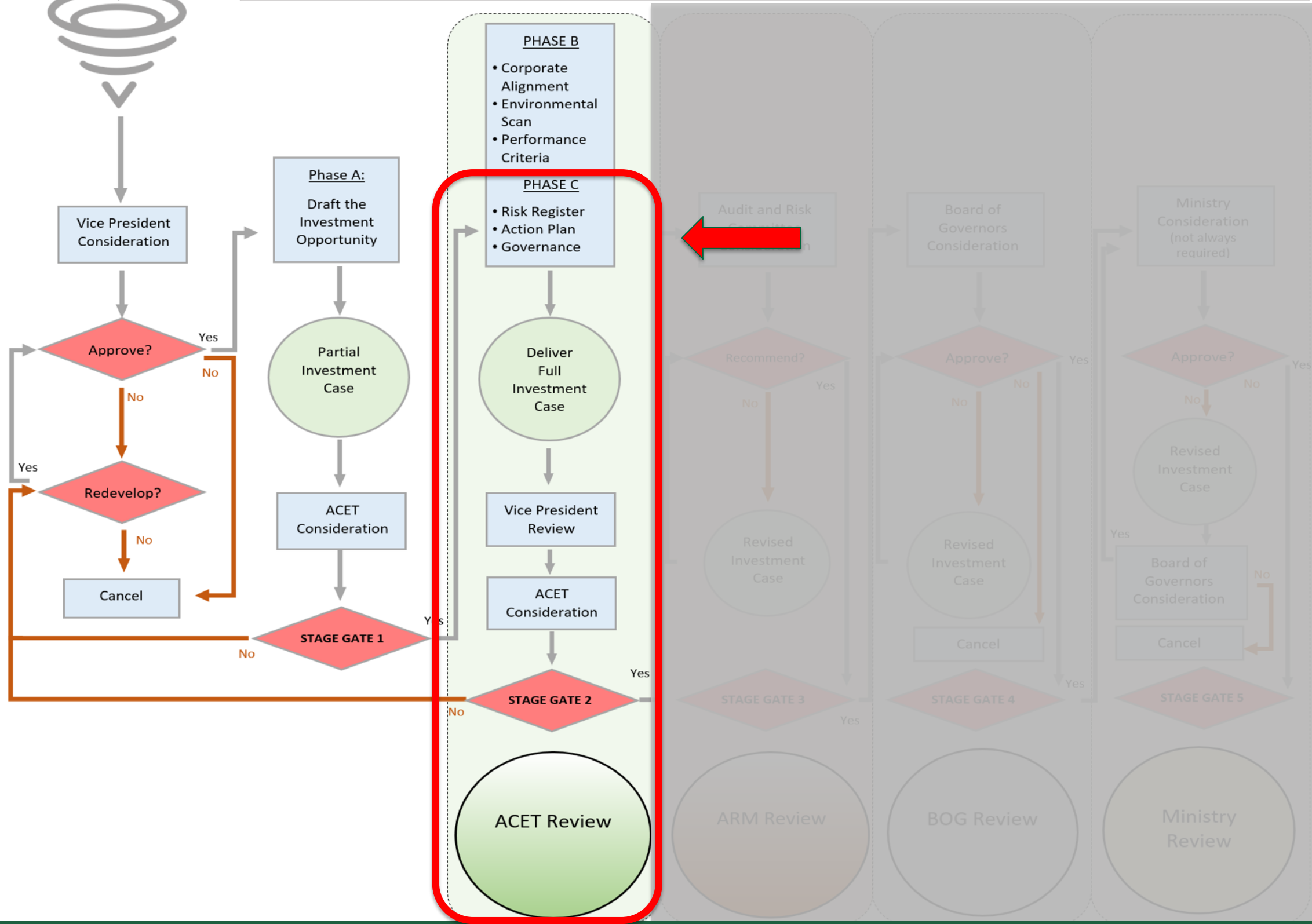
- Convene a committee to complete a project Risk Evaluation that identifies the project's inherent risks and mitigated residual risks
- Describe how project implementation successes and failures will be recorded and include a detailed scope/schedule/budget change log

## The Final Investment Case



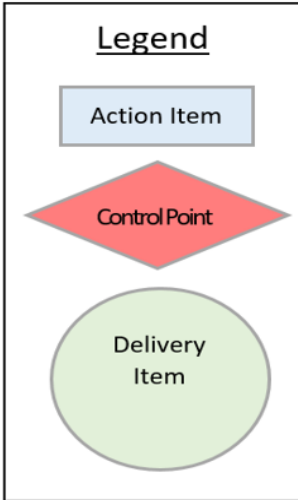
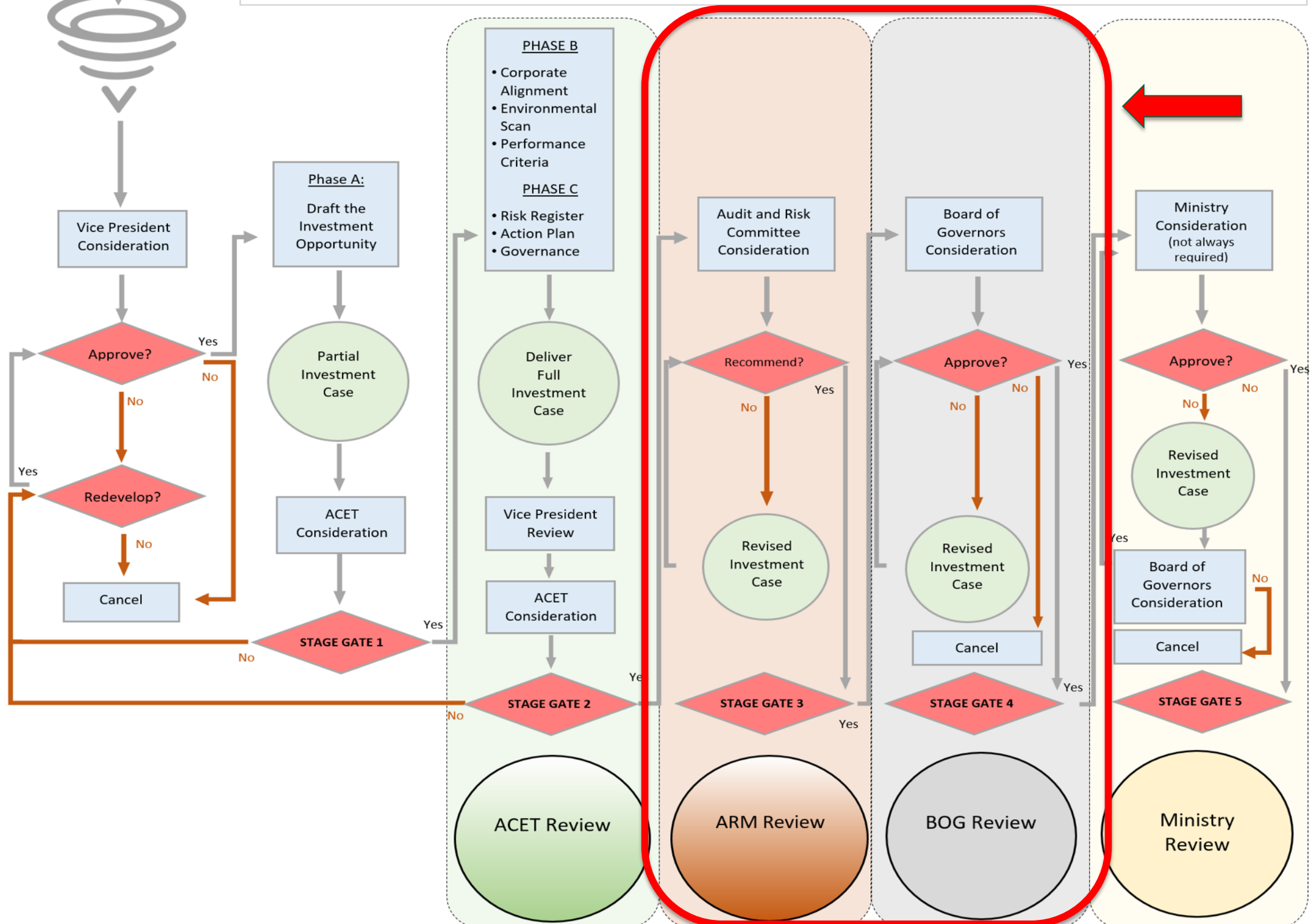
- Draft a Stage 2 Investment Case for review and approval by the College's Executive Team
- If Pass - move forward to the ARM Committee (Stage Gate 3) for endorsement and subsequently the Board for approval (Stage Gate 4)
- If Fail – determine if the investment case should be revised or stopped

College leadership has identified an opportunity that aligns with Algonquin College's Mission, Vision, Strategic Plan, and/or the needs of Government, the Strategic Mandate Agreement.  
The financial impact of the investment is estimated to exceed \$1 million.





College leadership has identified an opportunity that aligns with Algonquin College's Mission, Vision, Strategic Plan, and/or the needs of Government, the Strategic Mandate Agreement.  
The financial impact of the investment is estimated to exceed \$1 million.





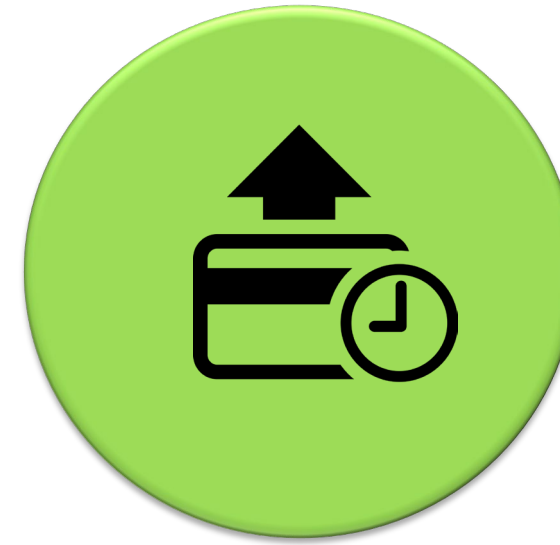
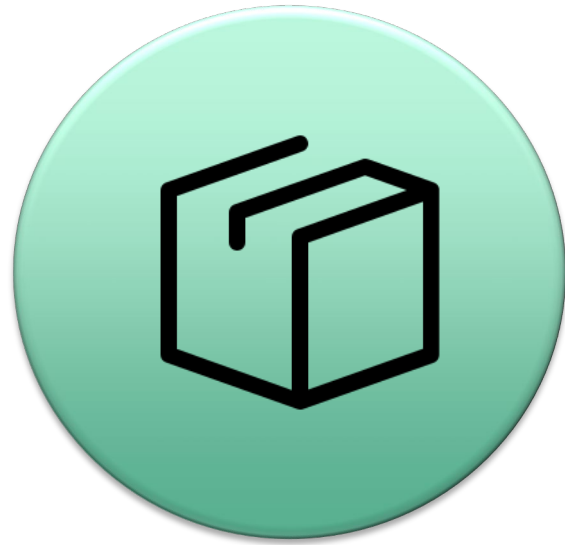
---

## Questions and Discussions

---

# Internal Control Framework

## Operational Risk Areas



## Supporting Documents

Policies & Directives

Record Retention

Training & Attestations

Compliance Reporting



# Internal Control – Training Suite

