



Decision Support

Gcloud 14



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About this service

BMT's Decision Support service provides a range of support across the initial stages of your Cloud services procurement including cost management, procurement, optimisation, budget setting, governance, modelling, and process & guidance.

When to use this Service

When you need to underpin business-based decision making for acquiring an optimum Cloud-based solution and provide robust evidence to support investment decisions at all levels within your organisation. To understand the total costs of a project and potential savings and return on investment at each phase of the procurement lifecycle.

What we deliver

We work with you to deliver pragmatic solutions to underpin decision making, including:

- Target Costing
- Value Management
- Activity Based Management
- Multi Criteria Decision Analysis
- Investment Appraisals
- Trade Studies
- Cost Benefit Analysis
- Independent Cost Estimating
- Verification & Validation
- Price Investigation
- Post Costing
- Tender Price Assessment
- Model & Tool Development
- Cost Risk & Uncertainty Analysis
- Process Development
- Training & Guidance
- Schedule & Risk Analysis

The service will enable stakeholders and senior responsible owners to make timely and informed decisions based upon robust and recorded evidence to move forward with the best fit Cloud-based solution for your organisation.

Our assumptions and your obligations

- A current risk register covering the project/programme risks is available and is up to date, maintained and functional.
- Relevant documentation including business strategy, processes, user and system requirements and existing IT environment is available.
- Access to key stakeholders as required.

How we work with you

BMT provides a scalable service with flexible, skilled resources delivered via a Managed Service mechanism. Our outcome-based delivery to cost, time and quality is managed by a dedicated manager who is assigned to you.

Our team works with you and your key stakeholders to ensure your requirements are understood and met at both a strategic and tactical level. We develop an approach that draws on our experience and best practice from a range of related disciplines such as Programme Management, Systems Engineering and Enterprise Architecture. We combine and tailor these to the requirements and risks, within an appropriate life cycle model such as Agile, 'V' model or waterfall (or hybrids).

Our approach ensures we retain and use our knowledge and understanding of your organisation effectively. Performance and quality of service delivery is monitored, assessed, measured and assured, and by maintaining frequent, regular contact and dialogue with you, we seek feedback and assess your satisfaction with our performance, with the capacity to escalate issues rapidly if required.

Our aim is always to deliver a sustainable solution and we work with you to ensure we transfer knowledge and skills to your staff, enhancing your inhouse capability and maximising the benefit you gain from your engagement with us.

How we deliver this service

No two organisations are the same, so we recommend a short on-boarding period to ensure we understand your business and determine the best way of working alongside your staff. We work with you as a dedicated resource, trusted advisor, coach, mentor or assessor as appropriate to build and deliver the specific procurement attributes required. The service may include a number of elements, examples include:

- **Cost management:** Includes the use of Target Costing, Activity Based Management, CAIV and Value Management Techniques to reduce project cost by focusing specifically on the design and manufacture of the product or service and then considering what alternative approaches can be adopted. Benefits: Proactive approach to cost management; Minimises non-value-added activities; Encourages selection of lowest cost value added activities; Reduced time to market; Increased overall profitability.
- **Decision Support:** Supporting value for money decisions through application of Investment Appraisal, Trade Studies and Cost Benefit Analysis. Includes the evaluation of capability or design options in terms of: MDAL facilitation, Though Life Costs, Benefits Analysis, Cost & Schedule Risk Analysis, Economic Analysis & application of Multiple Decision Criteria techniques:
 - **Investment Appraisal** is a key component of developing a programme Business Case. It comprises a quantitative analysis that ensures a thorough evaluation of a range of options to meet an objective and, together with an assessment of their risks, provides an indication of which option represents best value for money. Benefits: Informs decision making; Provides clear understanding of costs of different options to meet an objective or capability gap; Incorporates sensitivity analysis to better understand the resilience of preferred courses of action.
 - **Trade Studies** or Design Trade-off Studies enable decision makers to make value for money decisions at key points in the system design. We can provide a tailored approach that enables an appropriate analysis for the level of the decision. To fully understand the scope of the study and, more importantly, the interfaces to the sub-system in question we adopt a high-level systems architecture approach to systems definition. This enables an in-depth understanding of impacts on interfacing systems. Used in conjunction with a full cost and risk model, with associated MDAL, a recommendation is produced to enable a "best value" or minimum cost decision to be

- made. Benefits: Informed decisions at key design points; Clarification of options and available trade space; Optimised design based on cost and system effectiveness.
- **Cost Benefit Analysis** is a structured methodology which compares the costs of project options, anticipated benefits (tangible and intangible) and risks to determine which alternative or alternatives maximise net profits. Benefits: Informs decision making; Optimised return on investment.
- Independent Cost Estimating: In order for budget owners to have confidence that cost forecasts submitted by industry suppliers are reasonable and within scope we can provide Independent Cost Analysis. Includes the: evaluation of manufacture process, materials and development complexities; application of costing techniques; application and interpretation of statistics; EVM scrutiny; Cost & Schedule Risk Analysis. Benefits: Tender evaluation and should cost comparison; Identification of significant cost risks and drivers of cost which inform management responses; Cost challenge and Price negotiation leverage; Structured and transparent analysis that supports scrutiny and assurance requirements; EAC budget setting.
 - Governance: Pricing, & Verification and Validation of 3rd party supplied cost models:
 - **Verification & Validation (V&V):** Spreadsheet cost models are used to support major acquisitions and relied upon to make key business decisions. These models can be prone to errors and estimating inaccuracies which could lead to undesired outcomes such as cost overruns, schedule delay, lack of benefit realisation, erosion of competitive advantage or reputational damage. Our independent Verification and Validation Assurance ensures model outputs are realistic and error free.
 - **Price Investigation:** In a non-competitive environment, we provide assurance that the price offered by a Contractor represents value for money (VFM). Benefits: Independent Cost Scrutiny.
 - **Post Costing:** Where equipment's are procured under non-competitive arrangements such as cost plus, we provide assurance that the costs submitted by the contractor are reasonable. Our service Includes: the determination of the validity of the certified costs submitted by the contractor and an assessment of material variations in the actual and intended cost outturns. This comprises a detailed examination of the original estimates underpinning the intended cost and the contractors reported costs in terms of: scope, basis of estimate, application of leaner, scrap, performance, batch size changes, production program adherence, direct labour rates, allocation of direct and indirect charges, changes to make or buy plan and risks. Benefits: Independent cost scrutiny, providing a full report detailing a comprehensive assessment of the post cost investigation with recommendations to enable the authority to take appropriate action to either; accept, recover or compensate the equipment supplier.
 - **Tender Price Assessment:** We will assist in the tender evaluation of contractor bids by: Validating the contractor cost model to ensure it is V&V compliant; Validating contractor supplied cost data and assumptions, Reviewing the contractors risk assessment to determine that they are reasonable to ensure that all risks, mitigation, opportunities are uncertainty are captured providing robust estimates, risk probability and impact assessment; Facilitating an Optimism Bias Review to ensure a realistic assessment of uncertainty and risk has been included. This assessment will determine whether the base cost includes a realistic assessment of uncertainty and risk. Benefits: Independent cost scrutiny, providing an Industry Negotiation Report to enable the authority to negotiate on price.
 - **Model & Tool Development:** We produce an unpopulated cost model, tailored to specific organisation needs that will give the project/programme team the ability to combine costs and risks to provide an estimate of total Whole Life Costs. The cost model will use statistical analysis (e.g. Monte Carlo simulation) to give outputs as

confidence limits that match organisational needs, conforming to HM Treasury's Green Book for Public Sector organisations.

- **Cost / Schedule Risk & Uncertainty Analysis:** We provide probabilistic analysis of cost and schedule which may impact key business decisions, approvals, budget setting, contingency assessment and project monitoring and control. This can be extended to include the facilitation of risk identification workshops and assessment interviews, and data collection. Key outputs: Schedule & Cost Risk Impact Assessment, Mitigation Cost Assessment, Estimating Maturity Assessment & Uncertainty Analysis, Model Simulation (e.g. @RISK), Sensitivity Analysis, Optimism Bias Assessment.
- **Process Development:** We provide best practice guidance and process development to support informed business decisions. Key outputs: Organisation need Assessment, Process Development and Implementation.
- **Training & Guidance:** We can provide unique training and/or mentoring solutions to satisfy organisational needs and objectives associated with both Financial Tracking and Whole Life Cost modelling and analysis.

We normally work at your sites in conjunction with your teams and the people responsible for the particular project or programme of work. We undertake document reviews, site visits, and facilitate and manage user and stakeholder workshops and interviews, supplier visits and technology reviews as appropriate.

Previous customers who have used this service

We have worked extensively with the UK MOD, EDF Energy and other government programmes to assist them in making sound investment and other decisions.



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