

Building a Business Case

Background

As you look for new partners and funding sources for your coalition, you may approach businesses, hospitals, and other organizations that are interested in knowing information about your coalition's costs and financial impacts. This resource helps you prepare for these conversations by developing a business case that demonstrates why your coalition is a good financial investment.



What is a business case?

A business case demonstrates why partners or funders should invest in your work. It can take different forms, such as a written document, presentation, or conversation, but should always include:

- **A clear description of your coalition's services and their impact.** Draw from your coalition's vision and mission statement and its theory of change to draft this description. See the *Strategic Planning for Coalitions* resource for information on developing a vision and mission, and the *Evaluating Coalition Work* resource for details on outlining a theory of change. As part of your description, specify the need your coalition is addressing in the community and the people you are serving with your coalition's activities.
- **A financial focus.** Focus on highlighting the positive financial outcomes that will result from your coalition's work.



Key resources: Business case examples

- This [toolkit](#) outlines components of a written business case.
- This [case study](#) from Wellsky and Reading Hospital is an example business case highlighting the value of addressing social determinants of health.
- This [presentation](#) from the Vermont Public Health Association shows a business case for investing in public health.



How to create a business case

To develop a business case, understand the funder or partner you are trying to reach and what their priorities are, and develop a plan that highlights the costs and benefits of your coalition's work.

Step 1: Understand your audience and tailor your business case. To begin developing a business case, it is important to understand what will resonate with the partner or funder you are trying to reach. See the *Strategic Communication for Coalitions* resource for more information on understanding your audience. In your business case, consider highlighting:

- **Alignment.** How your coalition's vision and mission align with the potential funder's or partner's priorities, or how your coalition's work is benefitting populations and communities the funder or partner serves.



Key resource: Value proposition tool

This [value proposition tool](#) highlights key questions to consider when determining what will resonate with your audience.

- **Financial outcomes of interest.** Different audiences may have different financial priorities. For example, hospitals or healthcare organizations might be interested in how your coalition’s activities can increase efficiency, whereas policymakers might be interested in how to have the biggest impact with a limited budget.



Key consideration: Demonstrating non-monetary benefits

Although a business case focuses on the financial aspects of your coalition’s work, emphasizing other benefits can strengthen your case. For example, you can emphasize how the community has benefitted from the coalition by sharing stories from clients and data describing your coalition’s impact (if available), or demonstrate how partners benefit from participating in the coalition through expanded networks and support for their priorities.

Step 2: Understand what financial data you can collect and what your coalition can feasibly highlight. There are different ways to highlight the financial benefits and costs of your coalition’s work, and they have varying levels of complexity. If you have the data and capacity, you may consider conducting a formal cost-benefit analysis and calculating a return on investment for a specific coalition activity. Alternatively, you can compile information from the literature on benefits along with data you are tracking on program costs to make a strong case for funding your coalition without a formal analysis. The following bullets present different options for consideration. Determine what is best for your coalition based on available data and capacity.

- **Calculating return on investment.** Return on investment is a measure of the savings an organization might accrue from funding your coalition’s activities. If you have the data available and the capacity to calculate the return on investment, this can help you make a strong business case. To calculate return on investment:

 **Key resource: Return on investment calculator**

This [tool](#) calculates return on investment for interventions focused on addressing social determinants of health. It works best for interventions with an immediate impact in a healthcare setting, such as care coordination programs designed to reduce hospital readmissions.

1. **Determine the impacts and activities you are measuring.** Use your theory of change to determine measurable impacts of your coalition’s work and the specific activity leading to those impacts.
Example: A nutrition-focused coalition determines that its efforts to address food insecurity through a mobile food bank can lead to lower costs for healthcare organizations.
2. **Compile data on programmatic costs.** Collect data on the cost of implementing the coalition activity.
Example: The nutrition-focused coalition adds up the costs of operating its food bank over the course of a year including staff time, transportation, etc. It calculates an average annual cost of \$75,000.
3. **Compile data on impact and translate that data into monetary value.** Consider what data you have collected on the direct health impacts of your program, and whether you could translate that data into a monetary value. To calculate the monetary value, you can draw on information in the literature.
Example: The nutrition-focused coalition has gathered data on the clients reporting food insecurity before and after participating in the mobile food bank for one year, and found that 50 clients who

previously experienced food insecurity were now food secure. The coalition then references [this study](#), which estimates \$1,834 in annual healthcare costs per individual that are associated with food insecurity. It uses this number (\$1,834) to calculate the potential savings on healthcare costs from its program outcomes (50 clients served): $\$1,834 \times 50 = \$91,700$ in cost savings.

4. **Compare costs and benefits.** Subtract your estimated costs from benefits and divide by costs to give you the potential return on investment, expressed as a percentage.

Example: The nutrition-focused coalition calculates $\$91,700$ in benefits $- \$75,000$ in costs $/ 75,000$ in costs = 0.22 or a 22 percent return on investment.

Example. Reading Hospital demonstrated a [return on investment](#) for its efforts to screen for and address health-related social needs in partnership with community-based organizations by estimating reductions in avoidable emergency department visits and associated cost savings.

- **Other ways to demonstrate financial impact.** Your coalition may not have the capacity or the data to conduct a formal return on investment analysis for your specific activities, but you can still make the case for why an investment in your coalition is worthwhile. For example, you can:
 - **Show the financial benefits of similar work.** As you put together your business case, highlight literature that shows the cost of *not* addressing your coalition’s focus area. For example, for food and nutrition initiatives, you could emphasize the increasing healthcare costs associated with Type 2 diabetes and provide data on the rates of Type 2 diabetes in your community.
 - **Be transparent about costs.** Share the amount of funding or in-kind support you are asking the funder or partner for. The less expensive participating or funding is for them, the stronger your case. If your coalition is approaching a healthcare organization about ongoing partnership in a coalition activity, consider using [this tool](#) to determine the costs of partnership.
 - **Highlight business and marketing opportunities.** If you are planning to ask a business or for-profit organization for funding or other in-kind support, tell them the number of potential new customers they could reach by marketing at coalition activities and events. You could also do a return on investment analysis (similar to the one above) that compares the cost of investing in your program with the potential profits from new customers.

Sources

The content in this document was informed by the following resources:

- Tabush, V. “Demonstrating Value by Building a Business Case: Frequently Asked Questions.” n.d. <https://www.gettingfurtherfaster.org/uploads/images/website/ROI-Business-Case-FAQ-Document.pdf>.
- Centers for Disease Control and Prevention. “Five-Part Webcast on Economic Evaluation.” 2024. <https://www.cdc.gov/cardiovascular-resources/php/training/economic-evaluation.html>.
- Turner H.C., Y. Hori, P. Revill, W. Rattanavipapong., K. Arai, J. Nonvignon, M. Jit, and Y. Teerawattananon. “Analyses of the Return on Investment of Public Health Interventions: A Scoping Review and Recommendations for Future Studies.” *BMJ Global Health*, vol. 8, no. 3, 2023. <https://gh.bmj.com/content/8/8/e012798>.