MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT
HĪKINA WHAKATUTUKI

Business Case

Project No.	Project Name	Business Group	Sponsor	Business Owner	Project Manager	Date
4392	Ptolemy Upgrade– IPONZ	Te Whakatairanga Service Delivery	Ross Van Der Schyff	Privacy of natural persons		20 May 2024

Business Case Purpose

This business case seeks $12,987,799 of capex and $5,698,109 of opex funding for financial years FY24/25, FY25/26 and FY26/27 to deliver the Ptolemy Upgrade IPONZ Project.

The scope of development includes upgrades to the application and business workflows, and upgrades to a new Software as a Service (SaaS) based platform. The delivery of the project will commence June 2024 and complete June 2027.

Problem and Opportunity

IPONZ is an application on the Ptolemy platform that is used by MBIE for the management of intellectual property rights. This system is now facing the following challenges:

- Over the course of 13 years the shape and demand of intellectual property business and processes has changed resulting in a system not fit for the business purpose
- Currently the business has to manage multiple vendors and multiple points of failure. Upgrading the existing platform to SaaS will deliver an improved support model with the SaaS provider managing the third parties.
- This current platform does not align with MBIE strategic direction which is cloud and SaaS based technology.
- The current platform can only support the minimum legislative security and privacy standards.
- Currently when there is a release the impact assessment can miss all possible areas where the system is impacted, resulting in additional releases to fix these impacts.
- Parts of the existing platform will expire in January 2026, including some applications requiring updating in 2025.
- Upgrading the existing platform to SaaS will address where the business currently has to manage multiple vendors and multiple points of failure. An improved support model will be based on a SaaS solution with the intention that the SaaS provider manages third parties.

Impact of Not Proceeding

If we do not undertake this project, then:

- Current support is complex and takes considerable time and has impact to the business. Working with many vendors impacts the business directly when significant system issues require resolution between vendors.
- The opportunities to provide a tailored experience for customers and the ability to exploit current and future advances in technology such as artificial intelligence (AI) will remain significantly constrained.
- The system will not be able to keep up with the pace of technical change and will become out of alignment with MBIE and TWSD Cloud strategies.
- The current platform standards of security and privacy are minimal meeting legislative requirements, it is the intention that the new solution would meet these MBIE standards.
- Over the next 3 years parts of the existing platform will expire, it is unclear what replacement will be available without this build.
- There will be missed opportunities to address inefficiencies in some administrative processes and consequently benefit from any associated reduction in resources required and improvements in services.

Complexity	Med	Treasury RPA	Med/High	Business Impact	Low
Project Start Date	15 Aug 2022	Indicative Closure Date	June 2027	Privacy Threshold Assessment	Low

Recommendation	Decision
Approve: The Business Case for funding the project:	Approved/Not Approved
1. Capex of $12,987,799 ($6,329,329 FY24/25, $3,843,348 FY25/26, $2,815,122 FY26/27) to fund the delivery to implementation of the project.	
2. Opex of $5,698,109 ($297,131 FY24/25, $1,162,904 FY25/26, $1,770,971 FY26/27, $1,097,234 FY27/28) to fund the Business Case from cost centre 9323 Intellectual Property Office IT TWSD.	Approved/Not Approved
3. Approve The project closure date of June 2027	Approved/Not Approved
4. Approve The benefits claimed and the associated measures as stated in the Benefits Table	Approved/Not Approved
a) **Note**: That the opex requirements have been reviewed and funding availability confirmed by Finance.	Noted/Not Noted
b) **Note:** The next governance document submitted will be a Closure report to be presented in June 2027	Noted/Not Noted

Project Overview (Short)

The Ptolemy platform has been running for 13 years and needs to be upgraded. A Minimum Viable Product (MVP) has already been delivered to prove vendor capability. Leveraging the MVP, the project will iteratively deliver an upgraded software application that is fit for purpose and meets security and privacy standards.

The project is estimated to take 35 months and will result in a SaaS platform aligning to MBIE strategy and an upgraded application for users to process Intellectual Property.

#	Title	Project Objectives Description
1	New technology	The project will upgrade the software application removing workarounds and manual processing and enhancing, and providing new ways of working that meet today's IPONZ team demands. The application will also provide an improved customer experience and service delivery. The platform technology will be updated to operate under a SaaS platform that aligns with MBIE's strategic roadmap.
2	New operating and support model	There will be new operating and support procedures reflecting the upgraded platform. A simple support model that will move accountability for all areas of the technology to a single supporting vendor.

Strategic Case

The project aligns to Te Whakatairanga Service Delivery (TWSD)strategic goals (Kaitiakitanga, Whanaungatanga and Puāwaitanga) by employing skilled resource to deliver a fit-for-purpose and efficient technology solution centred around the needs of the people we serve.

This also aligns with the TWSD cloud strategy around delivery to our customer needs.

Economic Case (Preferred Option)

Two options were considered and one proposed for this business case.

The **recommended option** was to follow Coexya -the incumbent vendor to the cloud and upgrade the application and platform.

This option addresses:

- A new strategically aligned and replaced platform with a new simplified support model and simplified operating model.
- A new application fit for today's business and customer experience with a simplified support model.
- A saving based on current volumes calculated at 11 FTE saving which is achieved through a 10% increase in workflow efficiency in processing Patents and Trademarks. This equates to a saving of $10,470,000 over the six-year depreciation lifetime.
- An opportunity to mutually benefit from a core system being built with other global agencies. Resulting in shared costs for shared functions across offices. And building on closer relationships with other IP offices around the world.

The **discounted option** was to keep the existing on-premise solution and continue to maintain and upgrade it. This option was dismissed due to;

- the current application not being fit for purpose,
- some parts of the platform expiring over the next years and requiring more investment.

Commercial Case

Procurement exemptions have been approved to engage Coexya for estimates, following the PSG decision (13 December 2023), to move forward with the business case, on the understanding that a further exemption will be sought for delivery.

An iterative delivery approach is intended to provide MBIE with multiple opportunities for review should the solution not meet expected business and technical outcomes. Contracts are expected to be fixed price to mitigate cost and delivery risks.

Management Case

The project will follow PMO guidance for a medium complexity project. It will be delivered in a hybrid Agile format. The delivery will be done in iterations defined through backlogs and sprints, each of which includes a design, build and test period.

The end of iterations will allow for reviewing stage gates for considering progression or completion of the project.

A Project Steering Group is in place, a Reference group was established for the project and will be utilised for delivery advice on requirements and scope as needed, and customer experience. Quality assurance will be conducted (refer to Assurance Plan).

Financial Case

The investment proposal for this project, and for operational support of the new system, was endorsed at FIC in July 2022 for $11million.

This funding is represented in the Approved Investment Planning Bid below. The opex/capex treatment is consistent with the advice received from Business and Digital Finance partners.

Estimated operating costs will be refined during the project. Project budgeting has included additional work that is required by other vendors. It is important to note that the new platform ongoing maintenance charge is Commer which is the same combined maintenance charge for all vendors that is paid today.

The new support agreement and charge removes MBIE from having to manage the third-party integration points on the solution or any upgrades as these will be managed and deployed via a SaaS solution by the vendor.

Funding Information			FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY28-33	Total
A	Approved Investment Planning Bid	Capex			$5,000,000	$4,000,000	$1,000,000		$10,000,000
		Opex			$500,000	$500,000			$1,000,000
B	Previously Approved: Project Brief	Capex							
		Opex	$488,260						$488,260
C	Previously Approved: Business Case	Capex							
		Opex							
D	Previously Approved Change Requests	Capex							
		Opex		$601,010 $648,037	$277,365				$1,526,412
E	Carry-Forwards	Capex							
F	Total Previously Approved Funding (B+C+D+E)	Capex							
		Opex	$488,260	$1,249,047	$277,365				$2,014,672
G	Funding requested in this Submission	Capex			$6,329,329	$3,843,348	$2,815,122		$12,987,799
		Opex			$1,770,971	$1,369,869	$1,097,234		$4,238,074
H	Revised Total Project Funding Requirement (G+F actuals + forecast)	Capex			$6,329,329	$3,843,348	$2,815,122		$12,987,799
		Opex	$297,131 (actuals)	$1,162,904 (actual +forecast)	$1,770,971	$1,369,869	$1,097,234		$5,400,978
I	Revised Ongoing Operating Costs	Opex			$93,804	$827,219	$1,581,200	$13,336,979	$15,839,202
J	Depreciation					$1,077,721	$1,724,353	$10,130,575	$12,932,648
K	Capital Charge					$376,451	$542,388	$2,192,084	$3,110,923
L	Whole of Life Cost (NPV applied)		$297,131	$1,162,904	$7,785,372	$5,501,468	$4,811,872	$10,038,801	$29,597,548

Please note figure should be $5,698,109

Funding Source: Capex	Funding Source: Opex	Associated Memo Account	FIC Approval Needed?
MBIE Capital	Cost centre 9323	IPONZ memo account	Endorsed 2022 under number 4318

Business Change Summary (Impact on culture, systems, policy, processes and people) within the {business group}
There will be business impact across multiple teams. Training and internal transition leadership will be adopted through the business product owner role internally. To help the IPONZ team's transition, the application changes will be designed to be intuitive to both IPONZ staff and external customers. IPONZ team members are available during the assessment of the change, whether it meets acceptance criteria and finally for user acceptance testing. This journey will mean that IPONZ team members will be closely involved in the project from its commencement with requirements, and will be able to help champion transitioning change and training. There will be an impact for some external customers including changes to the front-end system and some processes, which will require communications planning and will be mitigated through change management. A Business impact assessment has been made and based on the culture and nature of the business it is not been assessed as having a negative impact on transition, but rather likely to be adopted as part of business-as-usual work processes, and as a requirement for any customer registering.

High-level Project Scope (Target Outcomes)	Out of Scope
Upgrade parts of the platform due to expire over the course of the next 3- 5 years through replacing with a SaaS platform. Includes migration of data from existing servers.	Given utilisation of the incumbent vendor will mean that core business functionality will not require extensive workshops with the team where the workflow doesn't change as it is expected that the vendor already knows the existing business well. It is also expected that the vendor will be able to assess workflow change impacts when core functionality is altered removing a significant risk.
Deliver fit for purpose functionality	Reporting – any management reporting other than support and maintenance monthly outlines as set out in the Master Service Agreement.
Embed good technical and business practice for ongoing operational change. Including testing, ADO ticketing, Agile delivery, iterative delivery that allows for stage gate reviews, SOW by iteration, assurance checks.	
New simple operational model that includes platform maintenance as well as maintaining ISO Certification.	
Decommissioning on premise IPONZ databases and IPONZ application instance.	

Benefits (Between 1 – 3 Maximum)

#	Type	Name	Description	Target Measure
1	Improved customer experience and services	User experience is business fit for purpose	User efficiencies, satisfaction, privacy and security upgrade, reduction in help desk calls.	Reduction in number of calls to the internal Support team. Reduction in human error.
2	New automated and integrated service and operational model	Integrated and transparent maintenance	Decrease in time required to identify maintenance areas, decrease in impact to the business, where change is impacting areas of the system supported by other vendors.	Reduction in downtime of 50% Reduction in contracts required to be managed by MBIE. Reduction in unforeseen impacted areas of the system when a change is implemented.
3	Internal service efficiencies. Redesigned workflows and user experience supporting efficiency and increased automation	More efficient and improved user experience for IPONZ team	Decrease number of reviews and less supervision required. Adoption of common processes where it is fit for business purpose. Increased ability to assess any workflow impact to external users, informing future business decisions.	Post 6 months – increase efficiency of processing number of cases by role and turnaround by 20%. More efficient, less training and supervision, reduction in workarounds. Reduction in FTE by 10% from 2028.

	High-level Project Deliverables	Date
1	Architecture Part A and Part B	November 2024/May 2025
2	New final defined operating model and MSA.	May 2025
3	Migration of data to new platform and decommissioning old platform (Test exit, Operational readiness, and Go-live are approved)	March 2025 to April 2027
4	Iteration 1.0 – 4.0 all with upgraded domains, and process maps, and test scripts and training material	May 2027
5	Operational handover	May/June 2027

	Key Project Milestones	Date
1	Iteration 1 – Upgrade of the Design domain, including relevant core functions being completed, Support model in place, MSA in place.	Indicative March 2025
2	Iteration 2 – Trade marks	Indicative May 2026
3	Iteration 3 - Patents	Indicative November 2026
4	Iteration 4 – Plant variety rights/Proceedings/Geographical Indications	Indicative April/May 2027
5	Warranty period (leverage maintenance team for internal support)	Indicative November 2027

Cross-Agency Involvement
Not Applicable

Key Risks

Theme	Description	Treatment & Controls	Rating
Financial/Value for Money	Approved funding is not enough to complete project	Close management of project approach. Active management of scope to avoid scope creep and inefficiencies. IQA and other Assurance audits have been scheduled.	Moderate
SaaS technology new to vendor	MBIE will be the first SaaS client for the incumbent vendor. This may mean there are issues and challenges with delivery.	Contract agreements will outline clearly expected outcomes, and for meeting NZ ISO and privacy standards. The inhouse project team will collaborate with vendor and review every step of the way, the project will be delivered iteratively and contracts will be approved iteratively.	High
Vendor-Locking	By adopting a single source for support going forward could result in decayed services and increased cost.	This risk can be managed commercially by ensuring a new support model is incorporated into a new Master Service Agreement(MSA), the business will make an informed decision on the conditions defining the support model of the new MSA, and they will be informed and supported by Digital and Commercial through the new MSA negotiations.	Moderate /High

Dependencies - Description	Impact	Date Needed
There are third party vendors currently supporting the platform and or integration points in the application.	Timing of delivery and capability will be a key requirement on testing and other vendor ability to support migration to new technology. While vendors have provided high level quotes for work, further detail will be required from Coexya once the project commences delivery in 2024 allowing for more detailed commitments to deliverables and timeframes. These are critical to the successful operation of the application and project delivery.	By delivering of Iteration 1.0 (commencement of migration)

Constraints – Description	Treatment	Impact
Due to different time zones of NZ and France there are challenges around availability of the Vendor for team discussion	Multiple channels for communication have been created through technology on Teams, Confluence, ADO ticketing etc. A request for a team to be stationed in NZ for delivery.	Maintaining communication between the teams.
A complete detailed plan for the project is not available until a detailed schedule of work is completed by incumbent vendor once we commence work on each iteration.	Detailed estimates on product work have been assessed by both MBIE and the Incumbent vendor. Due to cost and time these could change scope decisions as they are revealed. An agile approach will be taken to delivery of sprints. High level timeframe indicated in estimates for each requirement defined.	Milestone and deliverable dates may change depending on the content of the iteration. Planning within each iteration has been based on very detailed estimates.

Project Category (Highlight one)	Run	Grow	Transform

Project Type (Highlight one only)

Discretionary	An initiative that will improve how MBIE operates or replaces an existing system or asset. Initiatives may be able to be deferred and revisited later when resources are available but may become non-discretionary over time
Mandatory	Legislated, regulated, or directed by Government or the MBIE SLT, or is essential to health and safety compliance, security or disaster recovery, or will result in or cause failure or reputational risk to MBIE if this is not undertaken

Resourcing – How will this project be resourced?(Highlight selection)

Internal	Contractors	Outsourced / Consultants
High	Resource required to deliver need to be dedicated and have specialist skills and knowledge	

Reference Documentation (M=Mandatory)	Mako Link
Governance Group Terms of Reference	4392 Ptolemy PSG TOR
Project Brief	4392Ptolemy Project Brief
Business Case Playbook (M for medium and high complexity)	20240624 4392 Business Case Playbook 1.20
Finance Project Workbook (M) Treasury Account Asset Definition - IPONZ	20240624 Final business case Finance Workbook Whole of Life Costs (treasury.govt.nz)
Treasury Risk Profile Assessment	4392 Ptolemy upgrade IPONZ RPA V1.0 4392 Ptolemy Platform Replacement Requirements-Complexity
Benefits Map (M)	4392 Ptolemy IPONZ Benefits-Mapv0.3.pptx
Commercial Exemption plan Commercial Exemption Plan – Delivery	IPONZ Exemption Plan –Approved 4392 Ptolemy Upgrade Exemption Procurement Plan - Approved
Assurance Plan	4392 Ptolemy Assurance Plan
Business Change Impact Assessment	4392 IPONZ HL BIA
Privacy Threshold Assessment	4392 Ptolemy Privacy Threshold Assessment
Stakeholder Analysis and Register	IPONZ Project Stakeholder Analysis & Planning V.01
Resource Management Plan	4392 Ptolemy Resource Plan
Options paper	ACD Strategic Approach for Resolve Ptolemy Platform IPONZ Replacement ACD Memo PSG Dec 2023 20240411 Architecture Governance Risks Memo IPONZ v1 signed (GM B&C)
IPONZ Accreditation Memo	IPONZ Accreditation Memo section Risk Position

Endorser / Reviewer	Endorsed?	MAKO Link to Endorsement
All endorsements received (via Confluence)	No	
Project Steering Group	Yes	Ptolemy PSG Meeting 2024.04.16
Project Sponsor: Ross Van Der Schyff	Yes	Sponsor Endorsement 4392 Business Case
Business Owner: Privacy of natural person	Yes	Privacy of natural person Endorsement 4392 Business Case
Cost Centre owner (if different from above) : Privacy of natural persons	Yes	Privacy of natural person Endorsement 4392 Business Case
Principal Project Accountant: Privacy of natural Finance Business Partner: Privacy of natural person	Yes Yes	Privacy of natural p endorsement 4392 Business case Privacy of natural person endorsement 4392 Business Case
Procurement & Commercial: Privacy of natural persons	Yes	Privacy of natural persons 4392 Business Case Endorsement
PMO Quality, Benefits & Assurance: Privacy of natural persons	Yes/No	*No link required - refer Confluence export*
Business Strategy Alignment: Head of Digital and Programmes: Privacy o Privacy of natu	Yes	Privacy of natural perso Endorsement 4392 Business Case
Technology Strategy Alignment: Privacy of natural persons	Yes	Privacy of natural persons Endorsement 4392 Business Case
Workstream Manager: Privacy of natural per	Yes	Privacy of natural pers Endorsement 4392 Business case