Why Realising Benefits from projects is a rarity and how to ensure you actually realise benefits

Version 1.0
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Who are we?

The Company
- Specialist Project & Programme Management Consultancy, founded in 2000

Services
- Programme and project delivery
- Project/Programme Management Office: setup and management
- Project audits and turn-around
- Project Management training and project health checks
- Project management and system delivery processes

Solutions
- **PM3** Project Portfolio Management tool: “developed by practitioners for practitioners”
- **PM3time**: professional timesheet service
- Project Management Apps

*Come and See us at Stand 26!*
Benefits Realisation - “Times are a Changing’

✔️ What’s the Point?
✔️ Majority of Organisations put benefits in a business case and then never refer back to it
✔️ There is a trend in the Private Sector to now focus on benefits planning and benefits realisation
✔️ In Public Sectors, e.g. Health – benefits must be reported to NHS England
✔️ Savings and other benefits are now included in budgets, i.e. assumed, whether these are achieved or not
Definition of a Benefit

Benefit is “An outcome of a change which is perceived as positive by a stakeholder”

Gerald Bradley, Author of Benefits Realisation Management

A Disbenefit is “An outcome of a change that is perceived as negative by a stakeholder”
When is a Project Successful?

Not only...

But also...

Quality

Benefits

Time

Cost

Scope
Benefits Planning and Realisation Process

1. Define Benefits
   - What information do you need and how will you measure it

2. Plan Benefits Realisation
   - How do you plan to realise the benefits

3. Realise Benefits
   - How do you track and monitor the benefits
Defining Benefits – Typical problems

- Benefits are typically not credibly defined in a PID or a business case.
- Sponsor is responsible for delivering those benefits but often has no idea that this is his or her role.
- Benefit plans tend to be the proverbial finger in the air, i.e.:
  - Save 5% cost of a department
  - Save 10% time of each person’s time which equates to a saving of 10 people.
- Benefits equate to a system being implemented.

CRM System is installed

Sales up thanks to the CRM system
Link between Objectives and Benefits

- Improve Process Efficiency
  - Reduction in Level of Effort
    - Reduction in Headcount
      - Reduction in Costs
  - Intermediate Benefits
    - End Benefit
      - Objective

Source: Practical Benefit Realisation Management
Jagivan & Mike Green
Link between Objectives and Benefits – (2)

Improved Customer Interaction → Improved understanding of Customers → Increase in Customers → Increase Sales

Intermediate Benefits → End Benefit → Objective

Benefits

An enabling project could be the implementation of a new CRM system
Make Sure the Benefits are Understood and not Assumed

Do You Understand Me?
M&S Transformation Programme

Ensure benefits of the Programme are Understood!

“Its not just an office move”
Benefits Planning

✔ Need to develop 2 plans
  ✔ Delivery Plan
  ✔ Benefits Realisation Plan

✔ Typically these plans are not linked but should be
Benefits Planning – Develop an holistic Delivery Plan including Change
Avoid the Mastermind Approach to Project Management

I’ve started so I’ll finish

Update the Benefits Plan and Check that the new Benefits still justify the Project / Programme
Gateways – Ensure Checks in Gateways to Focus on Benefits

![Gateway Check Image]

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<thead>
<tr>
<th>Name</th>
<th>Description</th>
<th>Mandatory</th>
<th>Criteria Completion</th>
<th>Attachments</th>
<th>Evidence</th>
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**Scope, Value & Plan & Budget**
- Due Date: Not Set
- Due Date: Not Set
- Due Date: Not Set
- Due Date: Not Set

**Portfolio Approval Meeting 1 (PAM)**
- Due Date: Not Set

**EDIPC Board and Funding Submission**
- Due Date: Not Set

**Current Gateway:** Register New Initiative to Strategy

Commentary/Conditions/Reasons...

This gateway is now past
Project Lifecycle

“Projects have a beginning, a muddle and no end”

Keep a focus on delivering the benefits.
When a Project is underway, benefits are often forgotten
Benefits Plan

### Benefit Definitions

<table>
<thead>
<tr>
<th>Benefit Name</th>
<th>Definition</th>
<th>Owner</th>
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<th>Rag Boundary Direction</th>
<th>Positive?</th>
<th>Global?</th>
<th>Financial?</th>
<th>Milestone Links</th>
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Link Milestones to Benefits Delivery Plan

![Image of a software interface showing a table for linking milestones to benefits in a delivery plan.]
Benefits Planning – Ensure Benefits are not double counted

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Image: [Benefit Definitions](#)
Benefits Realisation – How to do it?

- Maximise Benefits detailed in the plan
- Minimise Dis-benefits detailed in the plan
- Benefits realisation starts when all the enablers have been completed for each benefit
- Engage with key stakeholders for each benefit
- Programme activities don’t typically end with the delivery date. Some need to be continued to enable benefits to be realised.
After everyone was moved into the new M&S Headquarters, Programme activities continued for a number of months to ensure expected benefits were going to be realised.
Summary

- Benefits Planning and Realisation are becoming Increasingly important
- Ensure both benefits and disbenefits are clearly identified
- Link Delivery Plan with Benefits Plan
- Categorise benefits properly
- Ensure Sponsor or SRO understand their role
- Use PM3 to manage your benefits at project, programme and portfolio levels
References

Source: Practical Benefit Realisation Management
Jagivan & Mike Green

Screenshots are from PM3
Business Change Management

pm3 change

Project Portfolio Management

pm3 time

Complete Time Management

Programme and Project Management Apps

www.bestoutcome.com