



PMSA KWAZULU NATAL REGIONAL CONFERENCE
PROJECT MANAGING YOUR SUCCESS • 18 - 19 APRIL 2016

Benefits Realisation Management

Dr. Clive N. Enoch

Introduction

- Definitions
- Traditional PM vs PM today
- Why benefits realisation management?
- Benefits realisation and the PMO
- Portfolio planning process
- People, Process, Technology
- Benefits realisation framework
- Business measures
- Benefits register
- Life-cycle
- PPM process
- Challenges



Definitions

- What are benefits?
 - “A benefit is a **quantifiable** and **measurable** improvement resulting from an outcome which is **perceived as a positive by a stakeholder** and which will normally have a **tangible value** expressed in monetary or resource terms”- OGC
- What is benefits realisation?
 - A **process** that realises, prepares and manages for planned benefits through change
- Why do benefits management?
 - To **maximise** the overall **benefits realised from change**, as opposed to those simply planned, a structured approach is required to manage benefits realisation.
 - Benefits realisation management translates business objectives into identifiable, measurable benefits that can be systematically tracked

Projects today

- Today, projects have become:
 - Highly complex
 - Uncertain outcomes
 - No guarantee of value
 - Speed-to-market imperatives
 - Higher risks to achieve business objectives
- Statement of work
 - Not well defined
 - Assumptions are flawed or unrealistic
 - Does not consider moving target for value
- As a result:
 - Need to change our approach in the way we manage projects and make decisions
 - Business decisions and requirements trump technical decisions and project requirements

Traditional Project Management vs Project Management today

	Traditional View	Today
PM Knowledge	Technical	Business and Technical
Customer expectations	Deliverables	Business Solutions
Definition of success	Triple constraint	Multiple criteria (project & business success)
Programme vs Project Success	Project success is critical	Project and Programme success is integrated
Project Management Limitations	Company project management	Global project management is needed
Portfolio Management	Conducted by executives (no transparency)	Greater involvement by project managers and PMO

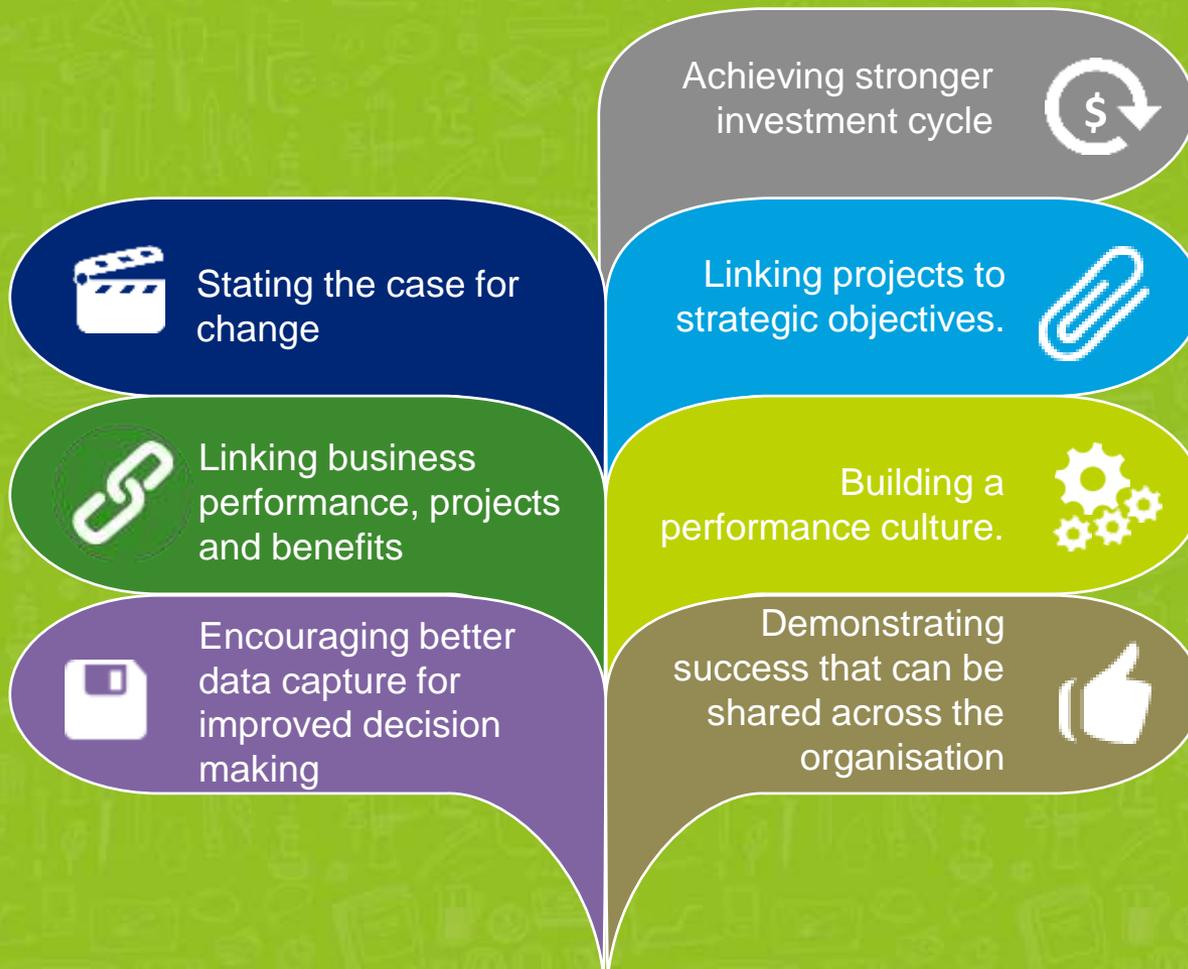
Adapted from: H. Kerzner and F.P. Saladis

*Business Value is what your customer perceives as worth paying for.
Success is when business value is achieved.*

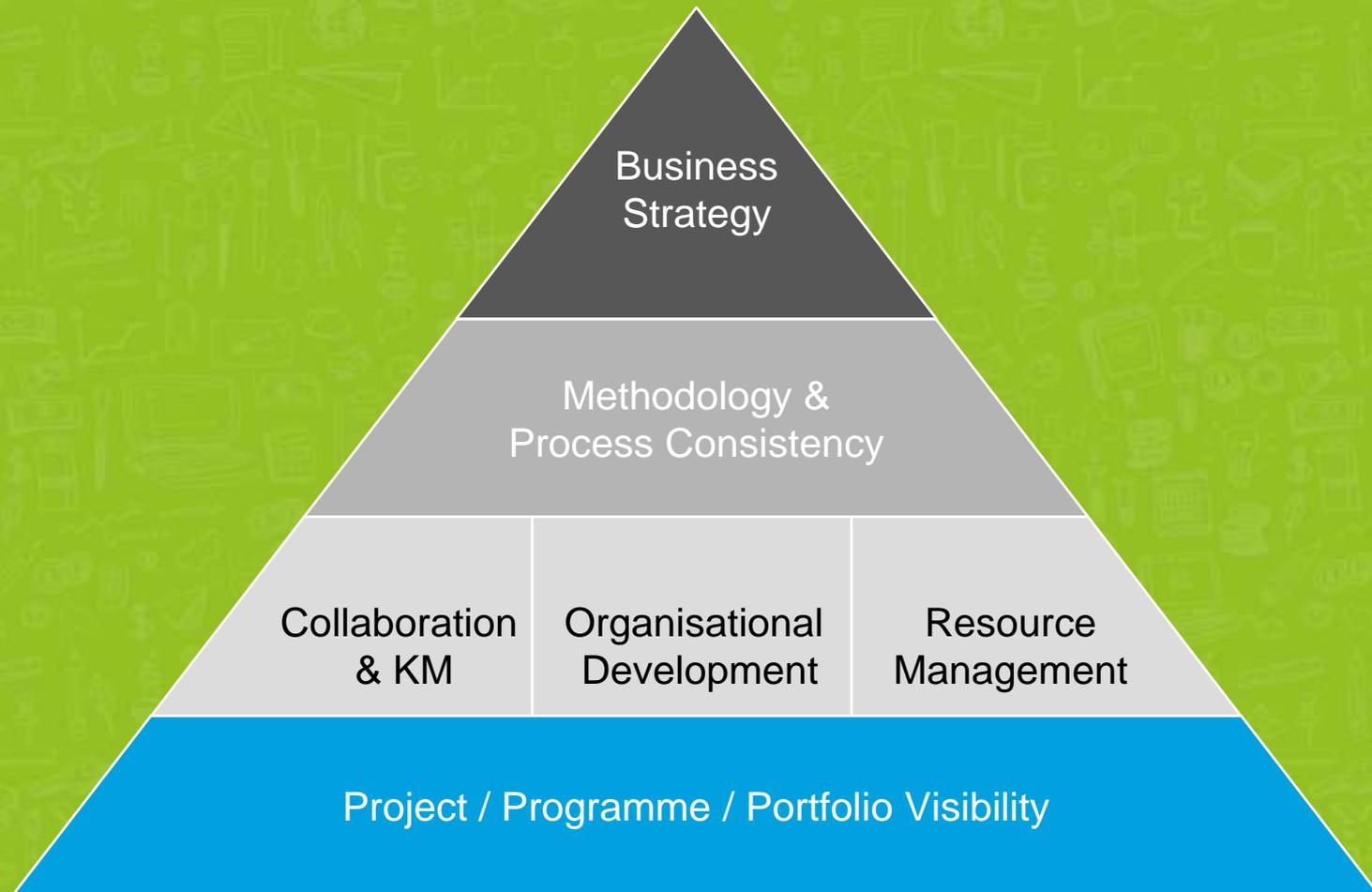
Why Benefit Realisation management ?

A stronger focus in benefits realisation management will support the organisation in

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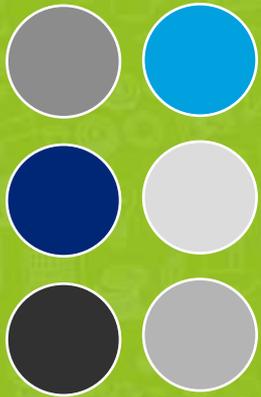


Benefit Realisation & PMO

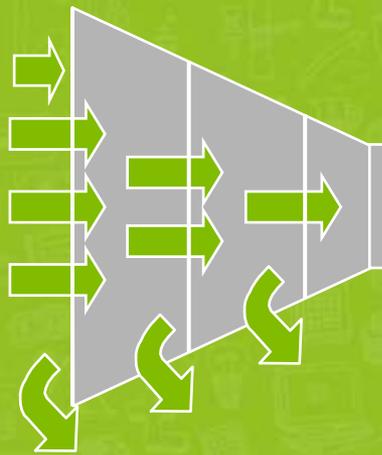


Portfolio Planning Process

Business Objectives



Project / Programme

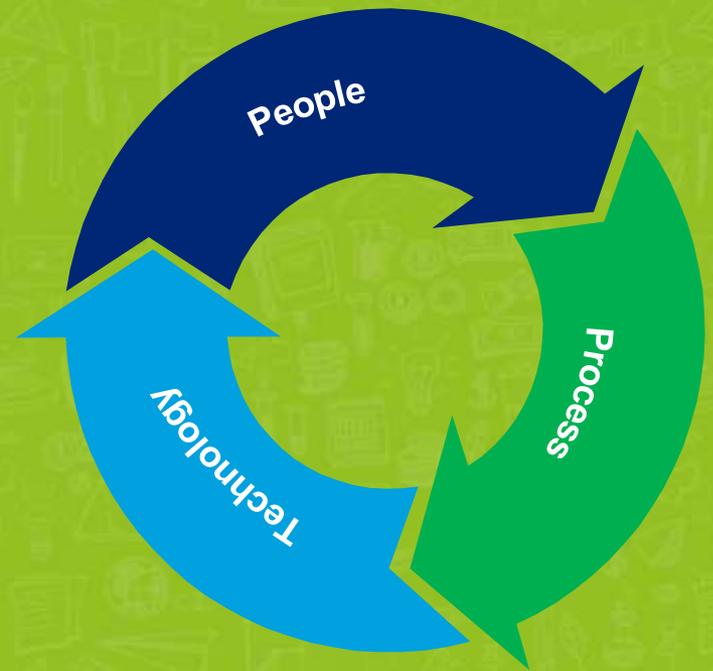


Successful project / programme delivery.
Effective realisation of business strategies

PMO

People, Process, Technology

- Who will be responsible for qualifying benefits?
- Who is responsible for defining and quantifying benefits?
- Who is responsible for owning benefits?
- How will benefits be captured?
- How will benefits be monitored?
- How will changes to project (including costs) be evaluated against existing benefits?
- Who will be responsible for facilitating post-project benefit reviews?



High Level Framework

Business Case Benefits

Benefit Ownership

Benefits Plan

Baseline Measures

Implement Initiatives

Go Live

Benefit Tracking

- Business case and benefits development
- Confirm economic indicators
- Update business case
- Prioritise opportunities

- Determine benefit owners
- Defines roles & responsibilities
- Confirm business goal / objectives to be achieved
- Identify risks
- Define benefits realisation measures & targets

- Incorporate benefit activities into project plan
- Incorporate communication activities into plan

- Define benefits measures
- Baseline benefits
- Define reporting requirements
- Communicate results to owners and obtain sign off
- Maintain benefits register

- Incorporate project change impacts to benefits
- Maintain benefits register

- Monitor implementation and adoption of new solution
- Maintain benefits register

- Conduct post implementation review including benefits
- Analyse variances and recommend corrective actions
- Communicate progress
- Establish ongoing reporting at specific intervals

Business Measures

- ROI, IRR, NPV
- Cost savings
- Cost avoidance
- Compliance / Regulatory requirements
- Competitive differentiation
- Market share
- Revenue growth
- Corporate innovation
- Organisation agility
- Strategic alignment
- Risk mitigation



Benefits Register

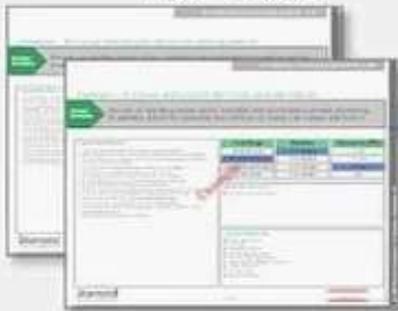
Ref	Outcome/ benefit label	Outcome ID	Key stakeholder name/title	Benefit description	Performance values		Assumptions/ dependencies
					Current	Goal	
1	Revenue is increased	O-xxxx	Chief financial officer/line-of-business exec/CEO	Key metrics to answer this question include: the percentage of revenue that is attributable to a marketing-sourced lead, and how that percentage has been trending.	15%	30%	All other major impacts on revenue (e.g., competitive position, sales effectiveness) remain stable
2	Marketing contribution to pipeline is increased	O-xxxx	Chief marketing officer	Key metrics to answer this question include: the percentage of current quarter pipeline that is	25%	50%	Marketing budget remains constant
3	Increase number of sales qualified leads						

Fragment of the L2RM Benefits Register

MI	Project	Outcome	Outcome Number	Measurement	Metric Value	Frequency	Measurement Method	Baseline Value	Baseline Date	Target Value	Target Date	Tolerance Limit	Accountability
1	SOA	Business risks identified	O-101	Per process area, existence of Risk Analysis Document	Y/N	One-time	View sign-off of Risk Analysis Document (B2-100) by the Business Process Owner (BPO)	N	3/1/2008 for all	Y	See plan	n/a	Rulebook Owner
				Process area	Details								
				PTP - Accounts Payable	Bob Smith	N	3/1/08	Y	4/30/08				
				RTR - General Ledger	Peter Taylor	N	3/1/08	Y	8/15/08	Peter's received 5/3/2008			
				OTC - Accounts Receivable	Kyle Jones	N	3/1/08	Y	7/18/08				
				OTC - Pricing	Kyle Jones	N	3/1/08	Y	7/18/08				
				OTC - Customer Master Data	Kyle Jones	N	3/1/08	Y	7/18/08				
				MIT - IT segregation of duties	Joe Diamond	N	3/1/08	Y	3/25/09				
				PTP - Procurement Direct	Polly Pearson	N	3/1/08	Y	2/25/09				
				PTP - Procurement Indirect	Polly Pearson	N	3/1/08	Y	2/25/09				
				OTC - Sales and Billing	Mike Grant	N	3/1/08	Y	7/14/09				
				HRM - HR Payroll	Busie Lawson	N	3/1/08	Y	7/31/09				
2	SOA	SoD rules documented	O-100	Per process area, existence of SoD rule requirements in "business speak" for in-scope applications	Y/N	One-time	View sign-off of the business requirements within the Rule Requirements Document (B3-100) by BPO	N	3/1/2008 for all	Y	See plan	n/a	Rulebook Owner
3	SOA	Interfaces between BizRights and non-SAP apps installed (SDK)	O-107	Per interface to be created, existence of working interface	Y/N	One-time	View SDLC documentation evidencing successful interface testing including validated/accurate reports in BizRights	N	3/1/2008 for all	Y	TBD		BizRights Administrator
4	SOA	Interfaces between BizRights and SAP apps installed (BizRights connectors)	O-107	Per interface to be created, existence of working interface	Y/N	One-time	View SDLC documentation evidencing successful interface testing including validated/accurate reports in BizRights	N	3/1/2008 for all	Y	See plan	n/a	BizRights Administrator
5	SOA	SoD rules for SAP applications created	O-100	Per Rulebook related to SAP, existence of a configured rulebook in Approva BizRights	Y/N	One-time	View a Rule Details Report within BizRights (development environment) for the Rulebook	N	3/1/2008 for all	Y	See plan	n/a	SOA Project Lead

Life-cycle

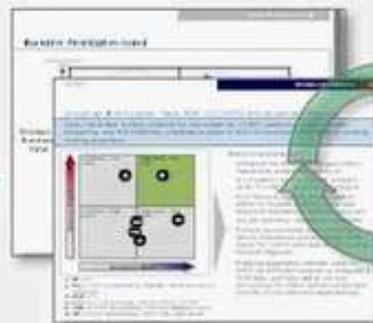
Capability Grouping into Initiatives and Dependency Definitions



Existing Initiatives



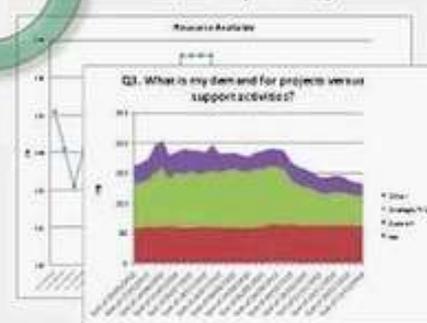
Initiative Prioritization



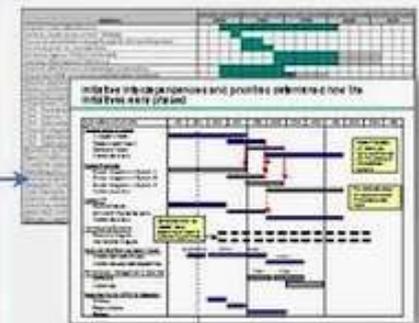
Cost-Benefit Estimations



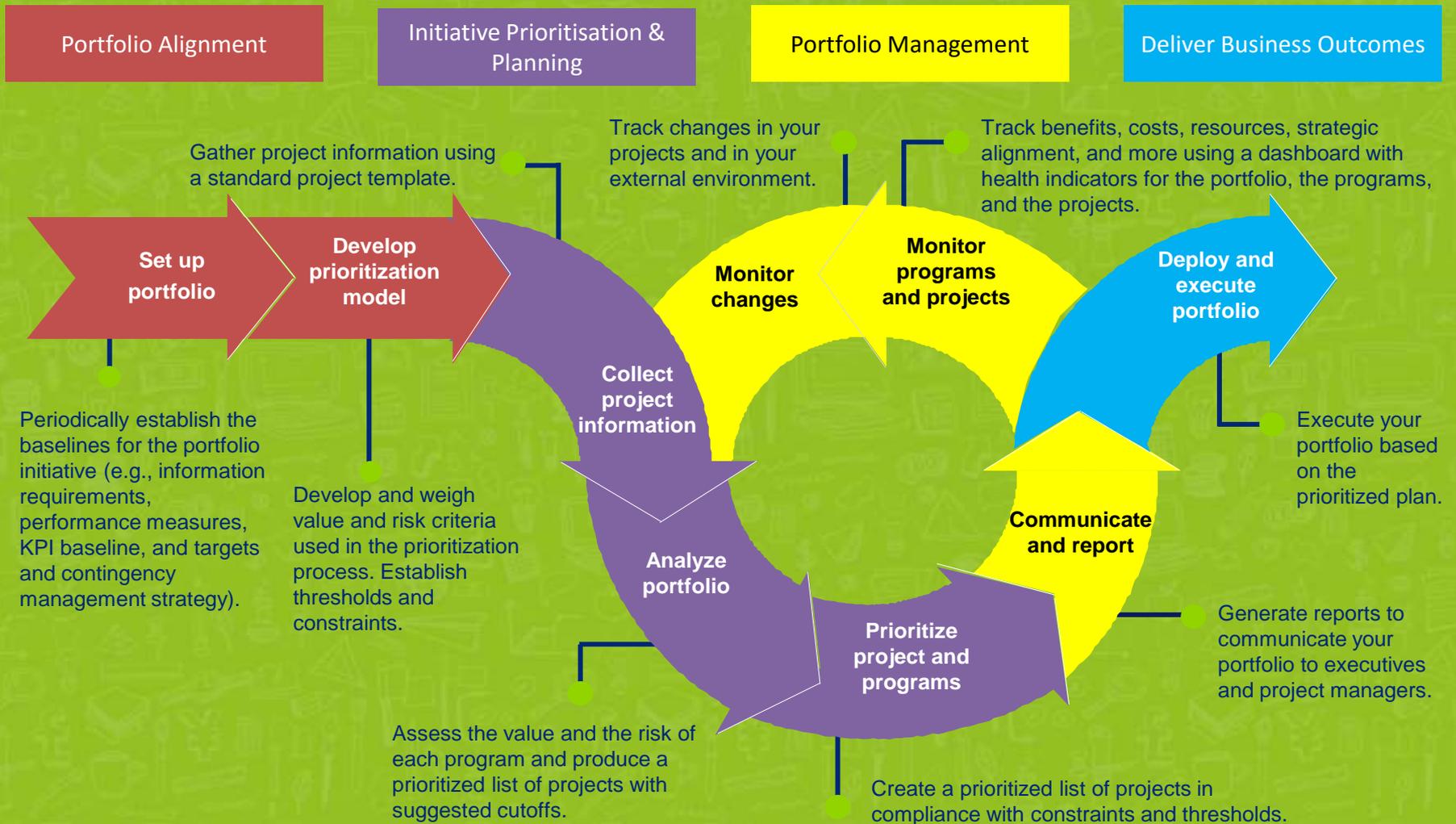
Resource Demand / Capacity



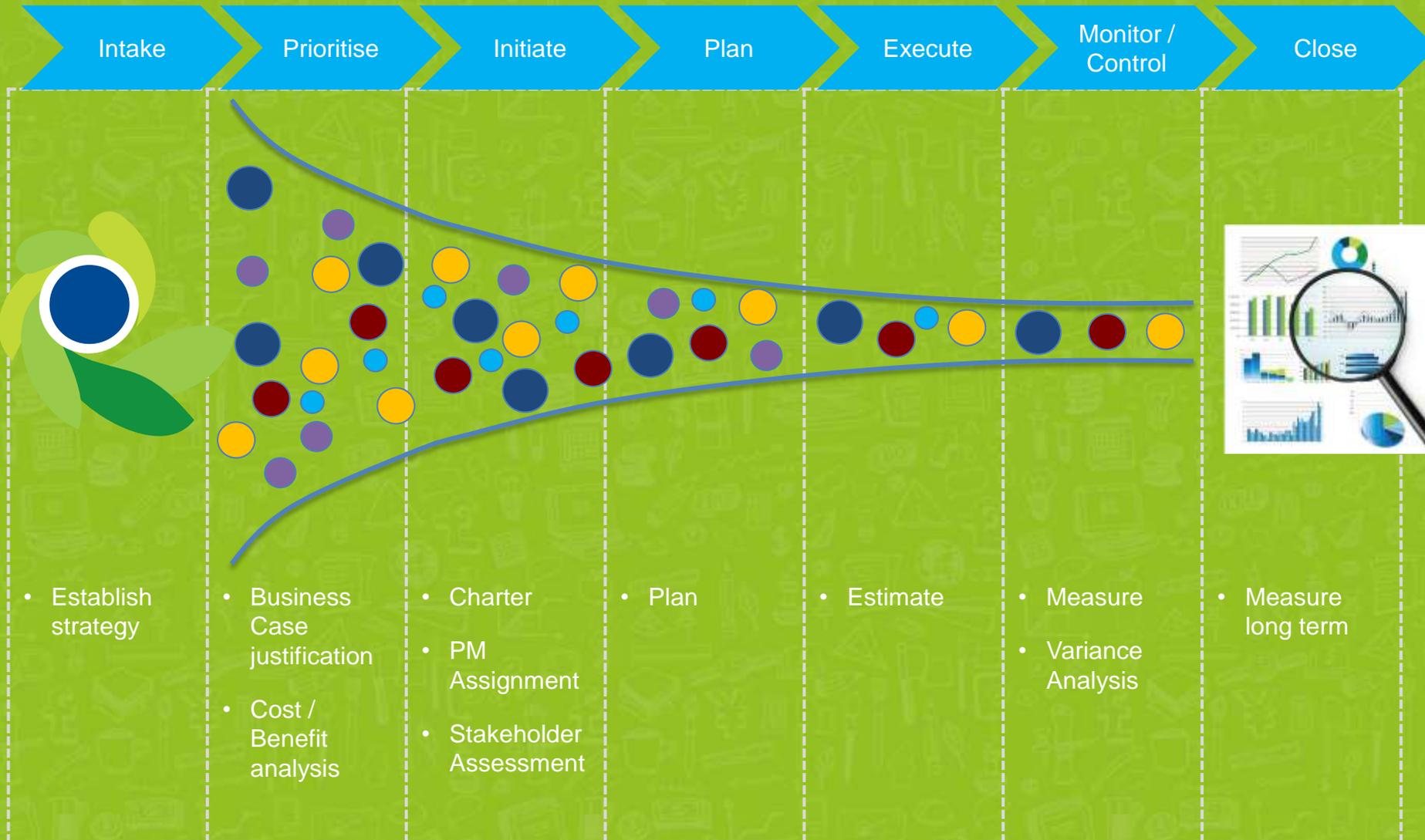
Initiative Sequencing



Portfolio Management Process



Project Gates



Challenges

- Maturing the business case
- Changing priorities / objectives
- Organisational changes
- Consistent, reliable project governance
- Maintaining focus

