



Benefits Management Approach





The Challenge

- Not all projects had a business case and those that had were inconsistent
- Benefits were not always identified (and were often actually 'deliverables/outputs')
- No reporting on benefits or whether a project had been a success





Our Journey

- New Group PMO formed in January 2019.
- Chair of BoG and VC identified benefits management as a priority area for the new PMO.
- PM Development Group set up to develop standard project approach – representation from all areas.
- Benefits management approach developed and agreed with PM Development Group.
- New benefits approach tested with a PM on a live strategic project.
- Role out to all new projects





Benefits Management Framework

Getting started:

What is the definition of a benefit?

A benefit is the measurable improvement which contributes towards one or more corporate objectives

- Ensure that the benefits of carrying out projects are realised for the business.
- Ensure that benefits from projects are effectively managed and monitored throughout the lifecycle of a project.



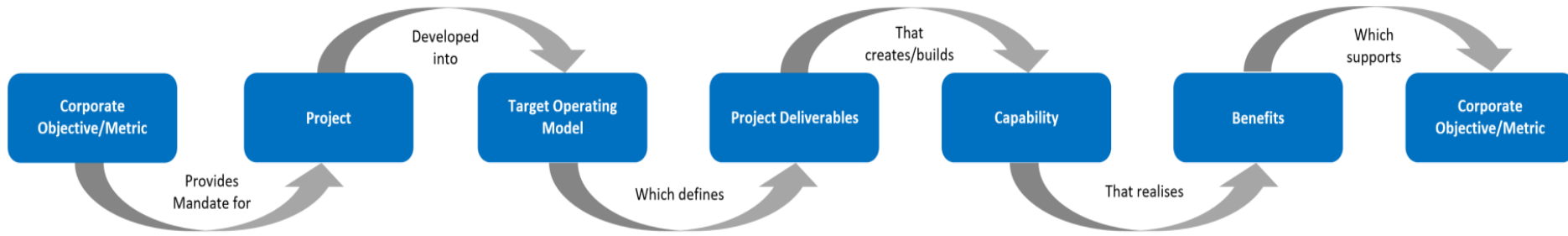
Benefits Management & Project Lifecycle

	Idea	Pre-Project	Initiation	Delivery	Transition to BAU	Review
Benefits Management	Why are we doing the project? How project links to corporate strategy (metrics) High Level benefit ideas	If Option Appraisal being undertaken: Set out the benefits for each option to aid decision making	Strategic/high level benefits documented in business case Benefits Realisation Model	Develop plan for measurement of benefits Identify and record any emerging benefits and add them to the plan. Confidence in achieving benefits reported by PM	Confirm benefits in Project Closure Report (including new benefits that have emerged in project delivery). Detail plan for benefits (responsibilities, timescales etc)	Regular reporting of benefits to Senior Leadership Team (SLT) after project closure Benefits Realisation Report (at a time agreed in project closure report)





Benefits Realisation Model

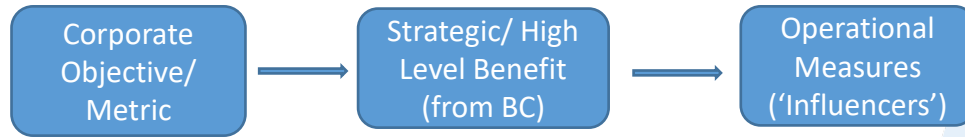


- Benefits Realisation Model used to help PM and team define the benefits.
- Define benefits that support the corporate strategy (metrics).
- Strategic/High level benefits at this stage



Benefits Planning – defining measures

- Define measures that will be used to track progress towards the strategic benefit and ultimately the corporate metric. NB This avoids creating unrealistic and non measurable expectations.
- Benefits agreed in business case are strategic/high level benefits.



- Develop Influencing measures for all benefits (Operational Measures).
- 'Influencing' activity and measures - the project will deliver an activity that will influence the benefit that you are trying to achieve
- By doing the 'influencing' activity we are intending to impact on the metric. If the performance of the 'influencing measure' improves then the intention is that the overall benefit will be achieved/meet target. NB You can only measure what the project has influence over.

The Benefits Plan

For each benefit we record:

- clear definition of benefit
- how the benefit can be measured
- barriers to measurement
- steps that need to be taken to be able to measure benefit
- who owns the benefits
- when it will be baselined and subsequently reported



The stakeholders involved in measuring a benefit will be identified early and involved in developing the plan.



Benefits Reporting

- Monitor benefits and measures to check whether they are in line with predictions.
- Early warnings of significant issues that could have an impact on benefit delivery.
- Ensure benefits remain valid (external environment/change to strategy).

Reporting template for Report:

Main Report:

Benefits Monitoring	
[Project Name]	Senior Executive Sponsor: [Name]
Benefits Management Responsibility: [Area of business responsible for BAU]	
Overview: • How long project has been in BAU • Frequency of benefits review • List of benefits monitored? Alignment to corporate metrics	
Overall Benefit Status (RAG)	Commentary on current status (overall)
Barriers to achieving benefits	
Actions being taken (internal)	i.e. within their control
Actions requesting SLT support	i.e. outside their control (this could be dependencies on other areas of the business)

Appendix:

Benefits Monitoring						
[Project Name]				Senior Executive Sponsor: [Name]		
Benefits Management Responsibility: [Area of business responsible for BAU]						
Corporate Plan Metric	Benefit 1	RAG	Target	Actual	Trend	Commentary on status
Corporate Plan Metric	Benefit 2	RAG	Target	Actual	Trend	Commentary on status
Corporate Plan Metric	Benefit 3	RAG	Target	Actual	Trend	Commentary on status
Corporate Plan Metric	Benefit 4	RAG	Target	Actual	Trend	Commentary on status



What we have learned:

- Timing of benefits planning (business case stage/project delivery) – to ensure the right people are involved full benefits planning, we need benefits planning to be after business case agreed for strategic projects (confidentiality, appointments). Make it a workstream of project.
- Ensure the right people are involved – they will own the benefits after project closure.
- Time commitment – this isn't easy! It takes a lot of effort to agree measures for each benefit.
- Consider potential barriers to measurement at planning stage as this helps develop and test the measures.
- Baselineing of a benefit/measure can't often be done – the first year is therefore gathering the baseline.
- Financial benefits/efficiencies are particularly hard – involve your finance team.
- Link to Strategy – we are waiting on 2030 Strategy being published and therefore linking to 'old' corporate metrics.
- Retro fitting benefits planning to projects already in delivery is difficult!
- It takes time to embed the framework.
- There is a reliance on PMO at the moment but it is early days.