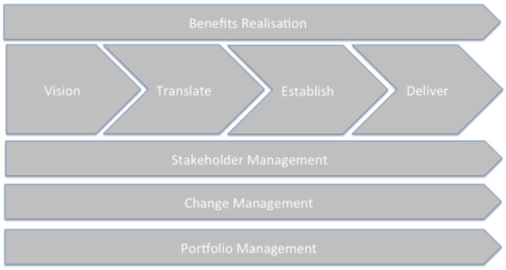
VIVENDI CONSULTING THOUGHT LEADERSHIP SERIES:
Bringing your vision to life - Benefits Realisation

Every programme and project should derive from a vision – a vision of a better future for the organisation. A better future – a vision – whether it is about implementation of an IT system, improving customer service or building a new transport system means reaping benefits. And reaping benefits means benefits realisation.



Benefits realisation should permeate the whole structure or your programme from the very start. And it seems straightforward. Yet many organisations don't know how to approach it – it's hard, it lacks defined governance, it requires creativity in the case of unverifiable benefits, and let's face it, it's daunting – what if we get it wrong? Does that mean the whole programme will fail?

So how do you achieve the vision? How can you measure the realisation of the benefits your programme sets out to achieve? We believe that bringing your vision to life requires three key stages for benefits realisation: identifying the benefits, executing your benefits realisation plan, and sustaining the benefits once your programme has closed down.

Here are our principles of benefits realisation:

1. **Make sure that everyone knows from the outset what is to be achieved and how.** Benefits realisation needs to be ' front and centre' from the start of any program. Practically, this means clearly articulating benefits in the business case. What are they? How they will be realised? When will they accrue? Who is responsible? Don't forget to include a budget for measurement and realisation – often the 'acid test' for programmes that are serious about benefits realisation.
2. **Measure the current 'baseline'** so you know whether things improve. For transformative projects it can be difficult to use a 'standalone' baseline. In these cases, consider using 'control' groups or samples. Also think in advance exactly how you'll use the data: statistical tests (z or t) are generally underutilised in this area.
3. **Don't discount qualitative measurement** of intangible or difficult-to-quantify benefits like cultural change, brand value and relationships.
4. **Actively control for optimism bias.** Benefit profiles are rich territory for optimism, confirmation, anchoring and a host of other biases. Without controls, your benefit estimates can be materially overstated, potentially jeopardising the viability of the entire program.
5. **Make sure that projects are not standalone efforts**: benefits usually require multiple, coordinated initiatives that are aligned with corporate goals so that the whole is greater than the sum of the parts.
6. **Update benefit profiles throughout the program:** as core drivers of the business case, benefit profiles should always reflect 'hard' reality. Sadly, benefit profiles are often 'fossilised' in the business case while programmes focus on cost and time.

7. **Keep it structured and simple:** use some basic tools, process and methodology to drive, track and report benefits. We always encourage clients to start simply and build from there. Tailoring existing methodologies, notably MSP, MoV and PRINCE2, is a good idea. Having defined processes makes a real difference: one study showed that having prescribed processes resulted in 38% more projects reporting that benefits realisation met or exceed ROI[1].
8. **Benefits are owned by the wider organisation.** Programmes have enough to worry about with delivering the programme. The wider business (through the SRO and Sponsoring Group) has to own the new capabilities offered by the program. How best to do this? Integrate a connected and influential person from the wider business into the program from the beginning: part time to start then full time as ‘go live’ approaches.
9. **There is no substitute for effective governance**. Yes, we say this about every aspect of projects, programmes and portfolios. Why is it important here? Inevitably, things will change throughout the program. Trade-off decisions about benefits (and costs) will have to be made. Programme Boards that can make quick, considered, evidence-based decisions and that work effectively as a team are so important.

BENEFITS REALIZATION ROLES	
Executive Sponsor	Ensures the project or program produces maximum value for the organization.
Benefits or Business Owner	Takes overall responsibility for monitoring and measuring benefits and ensuring they are achieved.
Project Manager	Leads the team responsible for achieving the project objectives.
Program Manager	Maintains responsibility for the leadership, conduct, and performance of a program.
Portfolio Manager	Establishes, balances, monitors, and controls portfolio components in order to achieve strategic business objectives.

[Source: PMI Pulse of the Profession Report ‘Delivering Value: Focus on Benefits During Project Execution’]

Did you know that with fully standardised reporting for benefits realisation metrics reporting, 19% more projects meet or exceed ROI? And you may think that routine reporting is the least value-adding activity of all, but 28% more projects meet or exceed ROI when projects receive information about project performance against identified metrics – a pretty impressive statistic for routine reporting.

Make sure that for each benefit you have a profile of that benefit and what you plan to improve. Using that profile, put in place your mechanisms for monitoring improvement from the baseline and the indicators by which you plan to measure improvement. Report improvements to anyone who will listen – particularly key stakeholders and executive sponsors. Listen closely if your project managers suggest that any of the benefits you wish to realise are at risk. Report success as well as the risk of failure. Bear in mind though, that you need a good framework, so avoid capturing too much data and ensure you focus on key performance indicators.

For us, successful programme management is about adding value, creating sustainable value and providing the best value. This means that when we think about benefits management, we’re thinking about benefits which are realisable and sustainable even after the programme is over. In fact, we have found that some of the most important benefits to be derived from a program’s vision only really surface after it has been closed down. Benefits realisation as a function or capability should endure well beyond the lifecycle of the project, reflecting that benefits may eventuate over years or decades. Make sure that throughout, your programme’s key focus is to identify, execute and sustain – let these be your watchwords. So when the programme is over, hand over monitoring of the benefits to the business owner and watch the vision being brought to life even after all the lights have been turned off.