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Benefits Measures

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Many business investments have trouble working out reasonable measures for the benefits stated in the business case.

All benefits are measurable in some way, whether you consider them tangible, intangible, financial or non-financial. You must provide some type of measure for the investment because if you can't measure the benefit how can you determine or prove whether it was or wasn't achieved?

Here are a few examples that may provide a guide when determining benefits for your investment.

Type	Measure	KPI
Staff satisfaction	Survey question responses and tracking over time	% of responses Change in survey ratings
	Staff turnover	% change in workforce placements
Client satisfaction	Survey question responses and tracking over time	% of responses Change in survey ratings
	Count customers	Number and increase/decrease in number of customer contacts
	Customer response times	Contact response times and increase/decrease in changes in response/wait times. Time (date or time from receipt to closeout) taken to resolve customer response.
	Customer complaints	Number and increase/decrease in number of complaints
Financial return	ROI	Profit divided by total debt and equity.
	Net Present Value (The sum of the present values (PVs) of the individual cash flows from an investment over a number of time periods).	$NPV = C(0) + C(1)/(1+r) + C(2)/(1+r)^2 + \dots + C(n)/(1+r)^n$ C being the cash flow for each period and r being the discount/interest rate.
	Internal Rate of Return (The annual return on an investment, expressed as a percentage of the total amount invested)	You find IRR by setting NPV = 0 and solving for "r" above.
	Payback (Time required for the return on an investment to "repay" the sum of the original investment)	Time period (Example: months or years) taken for return to equal initial investment.

Financial benefit	Income/Revenue increase	Dollar value, increase or % increase in Sales/ Income/Revenue.	
	Cost/ Expense reduction	Dollar value, increase or % increase in Sales/ Income/Revenue.	
	Profit	Net (Revenue less costs) dollar change or % change in profit	
	Impact on cash flow	Measure of the change (% increase or decrease) in cash available	
Financial Asset efficiency	Stock management or turnover	Sales divided by Stock Value	
	Working capital	Current Assets divided Current Liabilities	
	Number of errors/failures	Count the number or change in the number of errors/failures.	
Efficiency or improvement in processes	Reduction or increase in number of steps required to complete a task	Count the change in the number of steps.	Be careful here. These will not be benefits unless the saved time/resources are redeployed effectively.
Effectiveness in process or procedure	Reduction or increase in the time of steps required to complete a task	Count the change in time required.	
Project Progress	Status of budget	Actuals, Forecast compared to budget costs	
	Status of schedule	Actuals, Forecast compared to budget timeframes	
	Audit and compliance to standards	Results of audit Number of issues raised	
Portfolio Progress <i>(These may also be applied for measuring Program and P3O benefits)</i>	Total projects status'	Number of projects at levels of status (Example: green- on track or red – off track) Number of projects stopped Number of projects completed Number of interventions Start-up time frames for projects	
	Achievement of change initiatives benefits	Number or % of benefits achieved from change initiative business cases	
	Achievement of investment	Total budget spend Total ROI on investments (See financial benefits)	
	Cost of running portfolio management	Total staff numbers in Pf team Total costs or +/- on costs	
	Survey governance boards and project staff	Survey responses or changes in satisfaction levels	
Policy compliance	Completion of policy and procedure audits internal	Number of audits completed Number of issues raised on audit Compliance	
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OHS	Workforce safety statistics	Number of and % change in workplace accidents. Downtime of work resulting from accidents.
	Adherence to policy procedures and standards	Compliance Audit results
Environment	Environmental impact	Carbon footprint tracking
		Number of suppliers with sustainable practice qualifications

For further assistance with measuring benefits contact the Benefits Institute on 1300 880 361 or email admin@benefits-institute.com