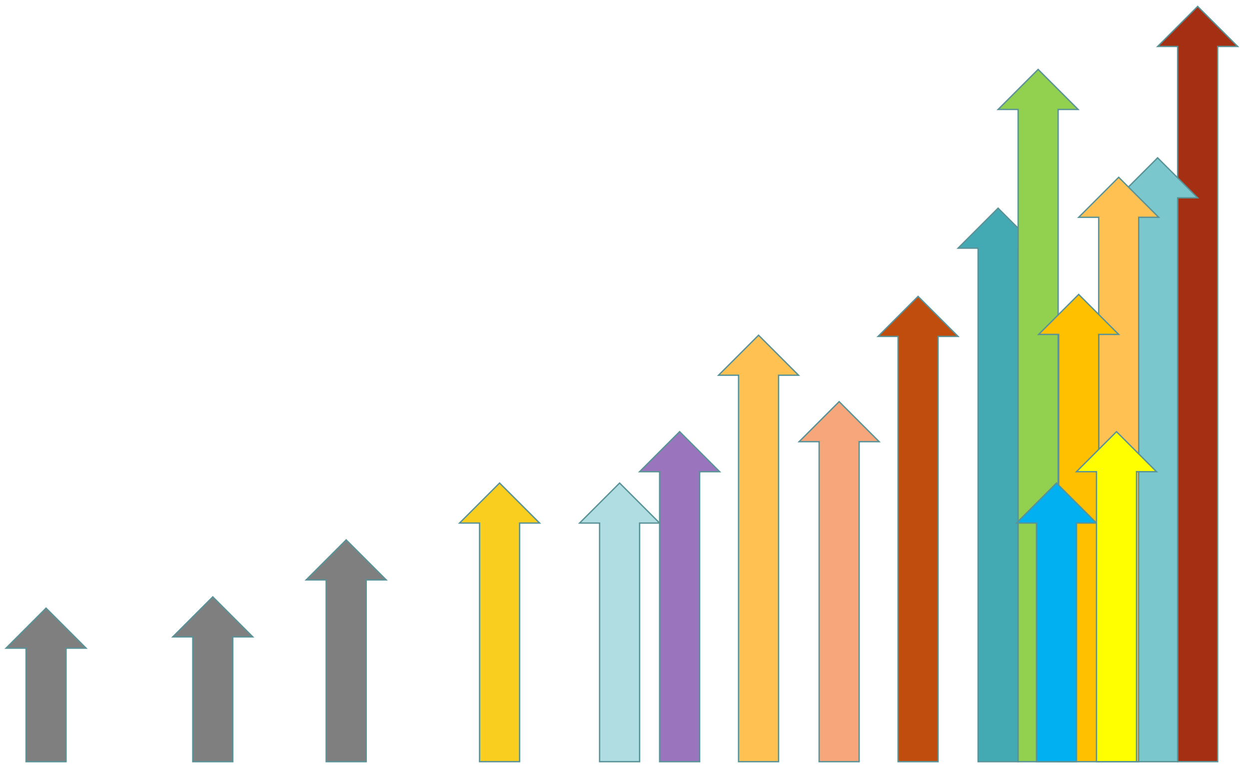
Benefits Management

All of Government Training

How to excel as a Benefits Owner



New Zealand Government

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Contents

Section 1: The benefits owner

The benefits owner is the person accountable for delivering a benefit. They are in the position to control and have a vested interest in the realisation of the benefit.

This training guide explains the critical role that the benefits owner performs and examples of best practice skills and tools that will contribute to achieving better benefits and better outcomes from investments.

Learning objectives

At the end of this section you will be able to:

- define who a benefits owner is
- describe the roles and responsibilities of a benefits owner
- illustrate the skills a benefits owner must have
- know who you need to build relationships with as a benefits owner
- know what success as a benefits owner looks like.

Benefits ownership

When you own a benefit, you are accountable for ensuring that the benefit is realised. The key characteristics of accountability are: ownership, setting expectations, commitment and leadership.

The benefits owner is generally a senior business/operations manager who has the authority to make decisions and can resolve risks impacting the benefit. The benefits owner would normally be the primary recipient supporting the beneficiary of the benefit. In the public sector the beneficiaries are usually New Zealand citizens.

As benefits owner you may also be the initiator of the change. You may have identified the problem or opportunity to be addressed through a change initiative, in your area of responsibility.

Sometimes a change activity identifies a new benefit during the life of the initiative. Accountability for that benefit may sit in a different area of the business or another agency. In this instance, the benefits owner may not be identified until later in the project lifecycle.

Benefits owner role and responsibilities

As a benefits owner you ensure benefits are clearly defined, managed and realised. You maintain oversight of the life of benefits management process from identification to realisation and ensure continued realisation of the benefit following the project. This includes managing change along the way.

Your role as benefits owner is to:

- engage in the benefits identification and validation process
- approve the benefit profile

- engage with the project while in-flight to identify and escalate threats to benefits early (e.g. scope change, change in delivery date, etc.)
- review the benefits realisation plan
- assign responsibilities for delivering the benefit including who collects and analyses data.
- maintain close relationships with the project manager, change managers and end users to ensure a smooth transition to BAU
- manage and monitor the delivery of the benefits
- delegate data collection and reporting to demonstrate benefits
- be accountable for mitigation when performance is compromised and where revision of forecasts and targets may be required.

Page 13, provides you with a detailed list of activities that a benefits owner performs at the different stages of the Benefits Management process.

Benefits owner skills

The following skills should be available to the benefits owner (either themselves or someone they delegate to) to manage their accountability.

- Strategic thinking (alignment to higher priorities, identify emergent benefits, identify dependencies, dis-benefits[1], environmental scanning and risks).
- Leadership (clear vision, decision making, motivation).
- Business planning (how to effectively deliver in light of many other priorities).
- Relationship management (there are many stakeholders involved in benefits realisation).
- Communication (expectation setting, active elicitation of honest feedback).
- Change management (training, managing capacity, managing to the varying needs and competencies of individuals).
- Influencing skills (persuasion, negotiation).
- Analysis and reporting skills are an advantage, although they may be delegated, ultimately the accountability stays with the owner.

Benefits owner relationships

Effective relationship management is essential to ensure that you are well informed and appropriately execute your responsibilities. As a benefits owner you will need to engage with the following people to best understand how to work together to optimise the benefit:

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[1] A dis-benefit is *a measurable loss from an investment which is perceived to be a disadvantage by a stakeholder*

- end users
- project manager
- project sponsor/Senior Responsible Owner
- benefits measurer (data source and owner)
- change team/change champions
- IT (where technology related change is involved)
- finance (for monitoring and reporting)
- audit
- other stakeholders
- other Subject Matter Experts (SMEs) and Business Managers who may enable or be impacted by the change.

For programmes, MSP provides a broader role for the business change manager/s than is generally practiced in New Zealand. This Benefits Owner training proposes agencies adopt an approach aligned with the NZ practice. However, agencies still have the flexibility to align to MSP.

Benefits owner success criteria

You will know you are doing a great job as a benefits owner if:

- assigned activities are being completed to schedule and your benefits are tracking towards their target values and/or mitigations to optimise the benefit are undertaken at appropriate times
- you actively monitor the benefits realisation plan and are frequently considering the implications of changing internal and external factors
- you actively manage the benefits profile, including measurement plans
- you retain the buy-in of both other senior stakeholders and members of your team
- you actively monitor risks and take appropriate action to mitigate them
- you regularly communicate with the data owner and SMEs during the realisation timeframe providing them with the opportunity to raise developments that may impact the benefits and require re-evaluation
- benefits continue to be aligned with your organisations strategic direction and stakeholders can articulate the contribution of your benefit
- the benefits continue to be realised following transition from project to BAU
- you are engaged in benefits reviews and actively apply lessons learned.

Section 2 - The Benefits Life Cycle

The role of the benefits owner covers a much broader span than the life of a project or programme. This section explains the benefits life cycle and provides you with an understanding of the level of focus you require at each stage of the Investment Life Cycle.

Learning objectives

At the end of this section you will be able to:

- describe the benefits life cycle
- describe what the benefits owner does at each stage of the benefits life cycle
- understand the broader Investment Life Cycle
- understands the principles behind a “benefits led approach” and how this focus can fundamentally improve value delivery.[2]

As a benefits owner you will undertake activities within the Benefits Management Life Cycle. Understanding the processes helps you as a manager make the right benefits decisions at the right time in the benefits life cycle.

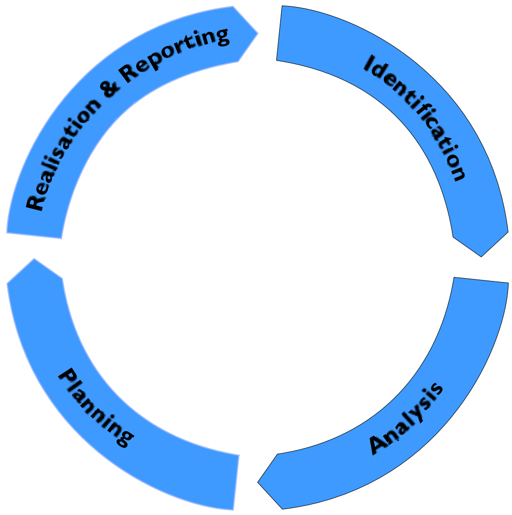
The benefits management life cycle

Benefits management life cycle is an iterative process that includes the sub processes of identification, analysis, planning, and realisation and reporting stages. Benefit management life cycles may happen multiple times during an initiatives’ investment life.

The diagram below illustrates the benefits management life cycle used in NZ Government[3]. Although represented in a progressive circle, the constant attention that you give to benefits may mean that you work in one stage and go back to an earlier process.

[2] Start with the end in mind – Schaffer and Thomson (1992) argue that one cause of business change failure is that organisations “confuse ends with means, processes with outcome” and pursue “activities that sound good, look good, and allow manager to feel good – but in contribute little or nothing to bottom –line performance”

[3] http://www.treasury.govt.nz/statesector/investmentmanagement/plan/benefits/guidance/managingbenefits-guidance.pdf



Identification

Identifying the benefits is mostly done in the Think and Plan Phase of the Investment Life Cycle. But this is not exclusive because additional benefits may be identified during the Do Phase and occasionally in the Review phase of the Investment Life Cycle as a result of unintended consequences. These could also be dis-benefits.

If the benefits owner is identified at this early stage, you should have some input into the following considerations:

- Discuss with stakeholders and gain agreement on the main benefits. Discussion at this early stage is around the expected value the investment will achieve and this will drive early thinking about the benefits. Much of the value in the public sector is often non-monetary; however, the benefits must be quantifiable. A benefits discovery workshop helps clarify and builds commitment of stakeholders.
- Focus on a minimal number of benefits. Each initiative must have at least one benefit. This will make it easier to monitor and ensure each benefit will produce a reasonable proportion of the value. There isn't a limit on the number of benefits; however, keeping the total number small keeps the cost of overheads down.
- Think about how the benefits could be measured.

An Initial Investment Logic Map (ILM) provides a reasonable estimate of the size of the benefits to confirm the right benefits to progress with. It needs to:

- ensure the benefits are clearly understood (using ILM or another benefits mapping technique)
- understand the impact of the benefits interrelationship
- agree the relative weightings of the benefits.

Approaching the problem in this way considers the final outcome before any work commences. It helps to understand primary and secondary goals. By starting with the end in mind, it drives the right thinking to identify those benefits that will best support the strategic direction and enable good planning with project staff and leaders.

Analysis

During analysis, the identified benefits are assessed. By now the thinking has progressed and more consideration is given to how the benefits will later be achieved. Consider the obstacles:

- does the baseline data exist?
- are there any risks and potential mitigations to achieving the benefit?
- who will work for you to prepare the benefit profiles, generate and assess the measures?
- what are the likely costs required to manage the realisation of the benefit?

The benefit owner needs to challenge the proposed benefits to ensure they are based on realistic assumptions. In particular you should watch out for biases that sway benefits to appear easier to achieve than they will be. It's well worth considering how similar projects achieved their benefits and use this as an estimate of the likely success of your benefit. The benefit owner needs to learn from this and challenge this thinking.

It's also important to challenge inaccurate information in the projections. Is it inflated to help get funding to do a project? As the person accountable for the benefit it's critical that you represent this with integrity.

Planning

In the planning stage benefits profiles and the benefits realisation plan are prepared. You need to:

- review the benefits management strategy prepared by the Project / Programme manager
- review and authorise the benefit profile(s) prepared by a business SME
- review the benefit realisation plan prepared by the Project / Programme manager. You should check that it includes a clear plan to transition from a project into BAU
- confirm that the benefits management activities are planned and in place in preparation for benefit realisation prior to approval with the governing authority
- confirm all resources are organised to deliver the benefit.

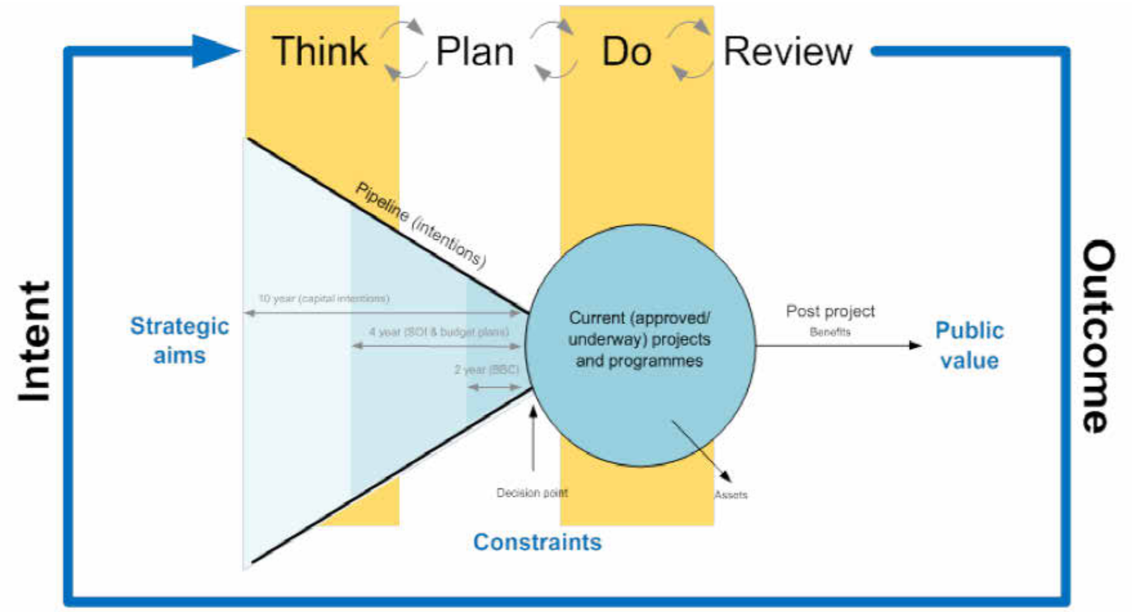
Realisation and reporting

The realisation and reporting stage begins as soon as the project starts delivering. During this stage you need to:

- closely monitor the project performance to make sure the benefits are being protected.
- understand the impact of changes on your benefit(s)
- authorise benefits realisation plan variations
- review benefits realisation reports and take remedial action if the project is not achieving the benefits that were planned
- look for emerging benefits and consider if they should be pursued or mitigated if a dis-benefit.

The Investment Life Cycle

The Investment Life Cycle covers the full spectrum of an investment and is described in four distinct phases (Think, Plan, Do and Review). This whole cycle can take decades in some government agencies. During each of the phases, some aspects of benefits management practice needs to occur to achieve an optimal outcome.



Think phase

The Think phase provides an opportunity to understand how the benefits for the proposal will align to the strategy and ensure that the right benefits are appropriate for the proposal. This is important because it ensures that the growing plans have the best chance of realising the organisation's goals and strategy.

It is used for longer term planning and is a core part of Long Term Investment Planning (LTIP) and Four Year Plans (4YP). It is important to use a benefits led approach to help drive decisions about the right investments that will yield the greatest value when aligned to the strategy.

One consideration in the think phase is to understand which measures will be used to prove the benefits. (Benefit measures are covered in more detail in section 3.) It is important that measures are as simple as possible. If they don't already exist, are there obvious things you can start to measure? This can form a baseline against which benefits achievements can be monitored. Having simple measures makes the job of monitoring and measuring your benefits easier.

It is also desirable to incorporate benefits management and realisation into your performance development plans. This encourages better ownership and practice.

At this early phase (if a benefits owner is involved), you should seek advice from other stakeholders to make sure their expectations are in line with your own. Do they agree that:

- identified benefits will contribute to the achievement of organisational strategic objectives

- the identified benefits are the most appropriate ones
- the proposed benefits are likely to be measureable and directly support the strategy?

A benefits workshop such as an Investment Logic Mapping (ILM) is useful. With the right stakeholders present, it is an excellent way to identify the problem and the benefits. The workshop should be facilitated by an independent person who does not need to know about your initiative in advance.

Benefits understanding in the think phase helps ensure the organisation does the right things and provides a skeleton for more detailed analysis and validation during the plan phase.

Plan phase

In the plan phase the business case is prepared to enable decision makers to make the most informed investment assessment that is possible at that point in time. A benefits realisation plan is also prepared and accompanies the business case for approval.

If approved, a project is commissioned and a project team assembled.

At the end of the plan phase, as the benefits owner you need to:

- understand how you are going to measure and report on benefits
- agree to the developed benefits map (with engagement of key stakeholders)
- sign off on the benefits realisation plan and benefits profiles
- ensure all the benefits have owners. Although you may not be an owner of some of the benefits yourself, if all benefits are not well managed the outcome is likely to impact the benefits for which you are accountable for
- ensure your benefits are tested to demonstrate they can be achieved. This is important because your finance department may depend on booking the benefit forward. That is, any monetary benefit that is promised is removed from the out-year's operating budget baseline so that it can be reallocated.

Do phase

In this phase, the initiative is delivered as a project. Differing project methodologies including waterfall, agile and a hybrid approach may be used by the project team. The role of the benefits owner is similar regardless of the delivery method.

In a waterfall project, detailed planning and design occurs before any product delivery starts. Delivery commences once the design is complete and all costs and resources are planned and approved. As the benefits owner you need to monitor the progress and look for any changes that will impact the benefits realisation plan.

In an agile project, there is uncertainty about what the solution will look like and the project iterates towards the final solution, realising benefits progressively. This method provides a working prototype very early which enables benefits to begin to be realised much sooner. It's important that agile projects plan for benefits realisation and how it will be achieved after the project is closed.

Each deliverable may be a part of a much larger initiative with many sprints. It's important to maintain alignment to strategy as this will ensure deliverables are relevant. Each sprint should either produce or contribute towards the benefits in the benefits realisation plan.

During the Do phase, as the benefits owner you need to ensure:

- changes are reflected in the benefits realisation plan
- the project continues to add sufficient value. If this becomes unlikely, intervention is needed that may include a variation to the benefits and a change request or stopping the project
- reporting is provided consistently at agreed times and is accurate
- that projects stop when there is no more value (or when effort outweighs value)
- emerging benefits are identified and follow the benefits life cycle process
- you have reviewed the transition plan for the project to go live ensuring it covers change management and roles to maintain benefits realisation.

Review phase

The main purpose of the Review phase is to assess the performance of investments against expectations. Usually the greatest benefit achievement happens during the Review phase; therefore it is critical that you manage the achievements carefully.

By this stage the project outputs are operational, however the way the outputs are incorporated into business as usual (BAU) greatly influences the benefits that can be achieved. Your benefits will be more successful if the transition to BAU is well managed.

Some organisations have change managers whose role is ensuring optimal performance from new products. If the change doesn't perform well, your benefits will be limited. As a benefits owner, you should work closely with the change manager so that you are aware of any issues and take steps to protect and optimise the benefits.

The role of the change manager includes things such as providing strong communication, adequate training, decommissioning old systems and establishing ongoing support. Even if your organisation doesn't have a specific change manager, you will need to work with the people who have these responsibilities assigned to them.

Good change management directly improves the benefits, so it is crucial to make sure the benefits realisation plan is maintained to reflect any changes to the benefits.
During the Review phase, you need to:

- maintain the benefits realisation plan, adjusting the profile(s). Any changes outside of agreed tolerances of the Investment Committee will need to go back to the investment approval authority (e.g. Investment Committee) for authorisation
- ensure arrangements in the cutover to BAU are carefully considered
- continue to look for emerging benefits and if you identify new benefits and treat them with the same level of critique as the earlier benefits
- participate in a post project review to provide feedback on the benefits processes used in the project
- monitors benefit realisation.

Benefits Owner activities in the Benefits Management Life Cycle

	Benefits Identification	Benefits Analysis	Benefits Planning	Benefits Realisation and Reporting
Benefits Map	Understand the benefits and relative weightings. Challenge benefits mapping assumptions	Confirm assumptions remain valid and update weightings as necessary	Confirm assumptions remain valid. Update with emerging benefits and update weightings as necessary	Review / compare achievements / monitor gaps
Strategic Alignment	Establish how benefits align to strategy	Check to confirm assumptions remain valid	Ensure ongoing alignment (strategy may change)	Ensure ongoing alignment (strategy may change)
Benefits Profiles	Instruct initial benefits profiles for each known benefit, including measures	Review benefit profile and instruct that supporting detail to the benefits is up to date.	Create any emerging benefit profiles Finalise BRP	Validate benefit is being realised as planned
Benefits Measures	Plan how measurements will be made. Ensure baseline measures can be achieved	Analyse, test and demonstrate benefit measures are SMART and achievable	Confirm	Ensure measures remain measurable, meaningful, attributable, aligned and managed.
Classification	Agree classification with EPMO / PMO		Review and confirm	
Cost benefit analysis		Analyse benefits in monetary terms		
Benefits Realisation Plan	First draft outline prepared	BRP is revalidated and updated	Compete and approve (with business case)	Frequently review
Dependencies	Understand the likely impact of dependencies and include mitigation strategies to minimise any potential impact of the benefits.	Review and update	Ensure you understand the impact of dependencies on your benefit	Managed
Risks	Ensure risks are understood and mitigation options are considered	Confirm and identify any additional risks and ensure mitigation strategies are clear and planned	Confirm and identify any additional risks and ensure mitigation strategies are clear and planned	Confirm and identify any additional risks and ensure mitigation strategies continue to be planned and managed
Attribution	Identify measures are aligned to the benefit. Do they clearly confirm this benefit?	Ensure measures are directly linked to the benefit	Confirm measures are directly linked to the benefit	
Stakeholders	Confirm who is responsible for preparing and analysing the benefits	Modify if required	Ensure stakeholder commitment	Ensure post project roles are effective
Realisation Schedule	At a high level consider likely reporting times		Create and confirm	
Benefits Register			Create and confirm	Review maintained register
Monitoring and Reporting		Plan for reporting of benefits with Programme / Project Manager		Monitor and report on benefit realisation performance against the profile measures
Identify emerging benefits		Identify new potential benefits / dis-benefits	Identify new potential benefits / dis-benefits	Identify new potential benefits / dis-benefits

Review questions

1. How can you ensure benefits will continue to be realised following transition of a project into BAU?
2. List four important steps the benefits owner should work on during analysis of the benefits.
3. Should the benefits owner apply detailed planning processes in the Think phase of the Investment Life Cycle?
    a. Yes, you will be better informed for good decision making.
    b. No, early planning is only at a superficial level and the benefits owner may not be involved.
    c. Yes, early planning helps to plan the benefit measures that will be used.

Section 3 – Describing benefits

The ultimate success of any investment initiative is judged by its ability to realise benefits. But how can you achieve this? You will have success if you fully understand the benefits, know what to expect and how to get it.

This section covers tools to support the owner in understanding and describing the benefits they have ownership of. The tools help you describe the benefits in the context of supporting the strategy and expected outcomes. You will understand how your benefit integrates into a benefits realisation plan to realise several benefits. This is important because stakeholders need to understand the benefit contribution and how it will be achieved. It provides you with some practical skills in applying the knowledge you covered in the first two sections.

The examples in this section are from templates available on the Treasury website[4]. You should check with your EPMO or PMO about which templates to use. Agencies may use these or their own tailored templates.

Learning objectives

At the end of this section you will be able to:

- explain the purpose of a benefits map
- describe benefit parameters in a benefit profile
- challenge benefits while planning them to ensure they are achievable
- use benefit categorisation to help describe the benefit
- draft a benefits profile using a standard template
- know what to look for in a benefits realisation plan.

Benefits map

A Benefits Map is a powerful tool that shows the relationship between strategy, outcome, initiative and the value that is produced from an investment. Benefit Maps are typically produced as a result of stakeholder workshops, led by experienced facilitators. Much of the value of benefit mapping lies in the process of completing a map, rather than the map itself, because it links the initiative with business change and draws out the important benefits. It helps stakeholders understand the total picture of the initiative, the project deliverables which will enable the change or benefit, and see how it contributes to strategic priorities. There are many forms of benefits maps, yet they all have in common:

- agreement between the stakeholders on what is produced
- an excellent but simple form of communicating an investment initiative

[4] http://www.treasury.govt.nz/statesector/investmentmanagement/plan/benefits

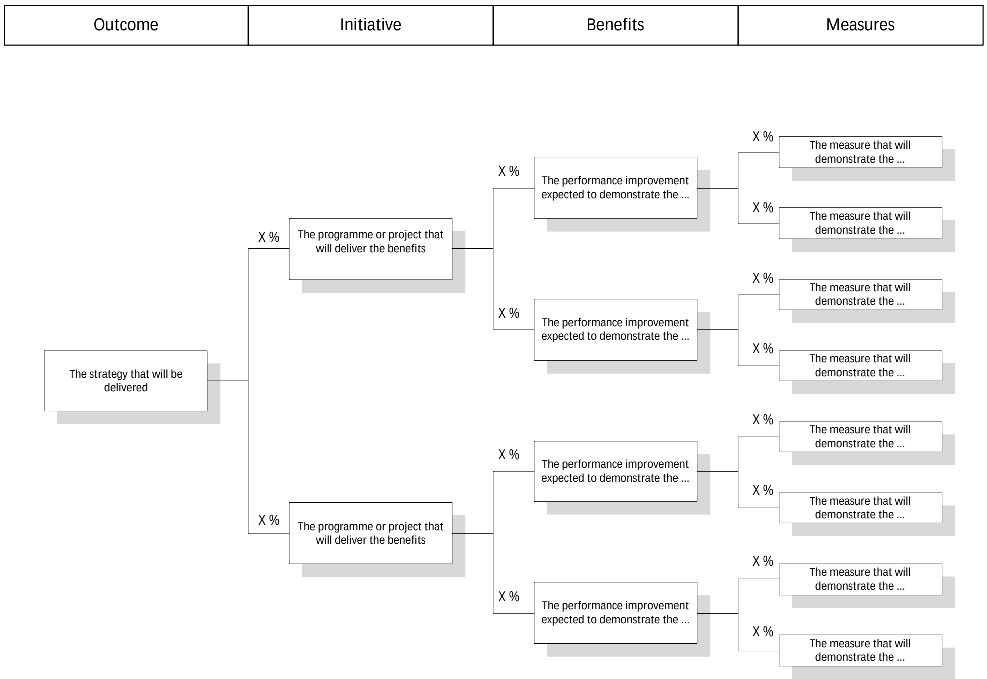
- used as a high level summary to help define individual benefits in more detail
- demonstrate the value proposition of the investment

A benefits map should not be a static diagram; benefits will change over the life of the investment.

Typical features of a Benefits Map may include:

- relationship between strategy, outcome, initiative and benefits
- weighting and measures contributing to achievement of the benefit
- the relative value of each benefit in relation to achievement of the outcome.

A sample Benefits Map from the Benefits Realisation Template on the Treasury website is shown below:



Other examples of benefit maps include:

- Investment Logic Map (ILM) (see Section 5)
- Outcome Relationship Model is described in Managing Successful Programmes (MSP)[5] and provides a method for understanding potential outcomes before programmes start
- MSP provides an approach that illustrates the programmes relationship through a chain of benefits that includes benefits, intermediate benefits and disbenefits.

A Benefits Map should ideally have three and no more than five benefits with 1-2 measures associated with each benefit. Both benefits and measures are optionally weighted as part of

[5] https://www.axelos.com/best-practice-solutions/msp

the Benefits Map development. Weightings quantify the relative value of each benefit and measure in relation to other benefits and measures.

Weightings are agreed in the Benefits Map workshop. If you have monetary and non-monetary benefits in the same initiative, it is especially helpful to use group wisdom of the workshop to understand the weightings and the relative priorities of the benefits.

Weightings may change as the analysis and planning progresses, these changes are reflected on the benefits map and plans.

As a benefits owner, your role in the benefits mapping workshop is to ensure any benefits that you will be accountable for are well represented and understood.

Well-defined benefits should pass these tests:

- they provide an advantage to a stakeholder
- they contribute to strategy
- they are quantifiable, evident or observable
- supported by 1-2 measures with the effort required to track benefits appropriate to the value they provide to the organisation
- they must be cost-effective and sustainable for the life of the benefits realisation.

Note that any dis-benefits are added to benefits so that the total impact also passes the tests above.

Benefit profile

A **benefits profile** is the key document for each benefit. This is the document you use to describe your benefit in detail. It describes how much, how you will know, who it's for, when and where it will be achieved and any caveats that could impact it. A benefit analyst will generally complete the document.

A benefits profile contains much of the information about the benefit you collected during benefit mapping and subsequent analysis. Use this document to record and reach agreement on the details about a benefit (or dis-benefit) with other stakeholders.

The following describes the sections in the benefit profile document provided on the Treasury website.

Benefit Summary

Benefit Summary	
Project Name	What is the Project name?
Programme Name	If applicable, what is the programme name?
SRO/Project Executive	What is the name of the sponsor?
Agency	What is the lead agency name?
Alignment to Strategy	Describe how this benefit is directly attributable to the initiative outcome and the organisation strategy
Benefit Number	Unique ID for the benefit.
Weighting	Show the weighting of this benefit as a percentage of all the benefits for the project or programme
Benefit Description	Brief summary of this benefit
Benefit Owner	Person accountable for realising / achieving the benefit
Benefit Recipient	Name the business group, department or other benefit recipient.

The **Benefit Summary** section of the benefits profile contains an overview of key details about the benefit. The “alignment to strategy”, “benefit description” and “weighting” sections will come from information in the benefits map.

An example of a simple benefit description is “improved staff morale”. It identifies what will change and what the change will be. You could include more information to help the reader understand the context. For example how will the change improve staff morale? This could be written as “Improved staff morale demonstrated by a 5% increase in the annual staff satisfaction survey from the previous year”. This provides a simple but clear description of the benefit. Importantly you need to make sure it is measured.

Categorisation

Categorisation (Optional) If your organisation has a Categorisation framework, enter it here	
Type	Choose an item.
Monetary	Choose an item.
Measurability	Choose an item.
Impact	Choose an item.
Beneficiary	Choose an item.
Government Agencies	If NZ Government is selected above, list the agency(ies) and the percentage of the total benefit they will be beneficiaries to. Include both benefit and dis-benefits
Agency Strategy	What is the name of the agency strategy?
All of Government Strategy	What is the name of the AOG Strategy?

The **categorisation** section is mostly used to compare benefits from many initiatives. The Treasury template contains default options in each category.

Categorisation needs to align with categories in your benefits framework. You should work with your EPMO / PMO to use your own standards in preference to the example options in the Treasury template.

Benefit measures

Measure 1		
Description	Describe the measure, what it is, why it is needed and what it will demonstrate	
Measure Owner	The person who will monitor and demonstrate measures through the life of the benefit	
Measure (include any calculation formulae)	Describe how the measure is measured, what units are used and provide enough information to explain how the measurement can be reproduced	
Tolerances	Describe any agreed tolerance / variation relating to this measure	
Baseline value, source and date	Explain how and when the current pre project value has been derived	
Target value for measures	The future state when the benefits have been realised. Include what type of measure this is e.g. $ Value, Volume, % Increase	
Assumptions	Describe any assumptions that are made for realising this measure	
Specific actions required to achieve this measure	Describe any actions required such as frequency of checking, initiating a business process, gaining approvals, obtaining expertise	
Dates targets will be met	Planned Dates	% of End Value
	DD MMM YYYY	%
	DD MMM YYYY	%
	DD MMM YYYY	%
	DD MMM YYYY	%
	DD MMM YYYY	%
	DD MMM YYYY	%

A benefit measure is a commitment of how the benefit will be achieved. It describes in sufficient detail how it will be calculated and the tolerances involved.

When non-monetary benefits have been monetised for Cost Benefit Analysis (CBA) purposes, monetary values should not be used for benefits realisation measures.

As a Benefits Owner, you must have confidence that the person preparing the measurement data can readily access it and will be able to maintain access to it as the benefit is realised.

Measures should always be:

- *meaningful* – they have a direct relationship with the benefit achievement
- *attributable* - the achievement of the measure is due to this investment
- *measurable* - data needs to be easily accessible.

Ideally you will have no more than two measures for a benefit.

An example of a measure

Benefits such as "improved staff morale" or "improved decision making" can be described as "intangible" and are sometimes hard to measure reliably. Measurement of such benefits may be possible as qualitative measures using proxy indicators.

A qualitative measure for "improved staff morale", for example, could be an in-depth interview with some staff members and the result based on perceptions of the staff members.

However perceptions are very weak measures and should be avoided if they are the only measure you intend to use. Generally such measures are helpful as supporting measures to a quantitative measure. In this case, a 5% increase in satisfaction year on year in the annual staff satisfaction survey would provide the quantitative measure and be supported by the qualitative measure.

Other ways of measuring “staff morale” that could be easier to do include “a reduction of staff turnover”, “reduced staff absenteeism” or “increased customer satisfaction” which could be used as proxy indicators for “staff morale”. The difficulty with these measures is that they may be difficult to attribute to “staff morale” and should be used sparingly or in support of stronger measures. The important question to ask yourself about the measure is, is there enough information to demonstrate that the measure fairly reflects the benefit achievement?

You can use resources available on the Treasury website[6] when developing your benefit measures.

Benefits **metrics** are the base units measurements are assessed against. An example of metrics for “staff turnover” measure could be % change in workforce placements over the specified period of time. You will also need to provide the details of how the measurement will be reproduced.

A good measure should have a good **baseline**, or a “current state” of the value of the measure in the absence of a programme / project. In many cases baseline data may not be readily available. In this case you may need to think about how the data will be obtained without introducing an overhead which will not be sustainable over time.

A **target** is an anticipated value of the measure due to the programme/ project. For example, in order to demonstrate improved staff morale you may set a target of a 10% reduction in staff turnover over the next 2 years (5% per year), with a baseline of 20% reduction in workforce placements when the plan was developed.

When completing the “**specific actions required to achieve the measure**” section, think about what activities may need to be carried out to make sure the measure is achievable. For instance, a measure may not be possible without putting additional processes and capability in place for collating the required data from existing data sources. In some instances a new data collection initiative is needed to enable benefits tracking. Willingness to invest in measuring benefits realisation is an indication of an organisational commitment to benefits management which is critical for driving benefits success, but it must be cost effective.

Each benefit measure includes a **timeline** which records when the measure will be achieved (day/month/year) and the % of the end value, which you expect to be achieved by that time. The timeline is important as it indicates when the benefit will be realised.

[6] http://www.treasury.govt.nz/statesector/investmentmanagement/plan/benefits

Benefits profiles should capture **assumptions** made to realisation of the benefit, **risks (threats or opportunities)**, and the mitigations for these risks. For example, if measuring your benefit relies on the annual customer satisfaction survey, then the possibility of this survey to be discontinued in future will pose a threat (negative risk) to your benefit monitoring. In this case, the mitigation strategy could be liaising with the HR department to clarify their plans and to identify other possible ways of measuring the level of customer satisfaction over the required timeframe.

Information captured in the Benefits Profile document form the basis for a Benefits Realisation Plan.

Benefit realisation plan

A benefits realisation plan (BRP) provides a consolidated view of the all the benefits identified for the investment. It includes benefits forecasts (by type category and realisation period) and the baseline against which progress in realisation of each benefit can be monitored and evaluated. Most of the information for the plan comes from the Benefit Profile documents, completed for each benefit.

A BRP template is available as part of the benefits guidance on the Treasury website.

The BRP is created by the programme or project manager and submitted with the investment business case for approval. As the benefits owner you need to review the BRP to ensure details from your benefits profile are correct.

Review questions

1. Why is a benefit measure important?
2. What can you do to strengthen the rationale for a benefit measure that doesn’t appear directly relevant to the benefit?
3. What is the purpose of a Benefit Profile?
4. What is the purpose of a Benefits Realisation Plan?
5. Is it important to categorise benefits? And if so why?
6. Who should create a benefits realisation plan?

Section 4 – Benefits reporting

An exemplary Benefits Realisation Plan is of no use unless the benefit realisation achievements are reported. Apart from keeping stakeholders aware of the achievements, reporting is important for benefits owners because it provides a window into the health of your benefits and gives an early warning if something is going off track and requires your intervention. Reporting processes are also important to ensure that governance and leadership bodies can monitor Benefits Realisation status – ensuring that benefits remain clear and aligned with strategy and achievable despite problems/changes which occur during the life of the change.

The Benefits Report provides you with a regular update on the benefits realisation progress and achievements against the Benefits Realisation Plan.

Learning Objectives

In this section you will learn:

- considerations for an effective report
- how to recognise when change is necessary
- how to control benefit risks

For the examples in this section we have used the Benefits Realisation workbook as published on the NZ Treasury Site[7] .

Considerations for an effective report

The Benefits Profile defines when the measures for a benefit are made and for how long to achieve the full benefit. The Benefits Report provides a consolidated view of all the benefits in the initiative, however, the reporting frequency and duration between each benefit may be different and the report needs to accommodate this.

As a Benefits Owner you are concerned that your benefits are accurately reported, while the consolidated view may contain benefits from other Benefits Owners who are accountable for their benefits.

A consolidated report view is needed is to show at a point in time the total benefits achievements of the initiative.

The consolidated Benefits Report is prepared by the Project Manager during the life of the project. Following the project, the responsibility is transferred to an appropriate person in the business area. The transfer needs to ensure the level of quality continues until the benefits are realised or there is agreement to stop. As Benefits Owner you need to ensure the person preparing the reports has the correct information throughout the benefit's life.

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[7] (http://www.treasury.govt.nz/statesector/investmentmanagement/plan/benefits)

You will require key information during the benefits realisation period to help keep you informed if the expected and agreed benefits will be achieved. By receiving and reviewing this information regularly you can ensure that timely interventions can be made and expectations managed.

Recording information

The first step is to prepare a suitable baseline report that predicts when the benefits will be achieved. An analyst sets this up by accurately transposing the Benefits Plan information from the benefits map to a tracking tool. Each agency will typically have its own tool for performing this e.g. Excel[8], or a Project Portfolio Management System (PPM) tool.

Ideally the reporting tool will be set up with 3 main inputs:

- Benefit Map
- Benefit Profiles
- Benefits Realisation Plan (tracking).

Benefits realisation plan vs actual

A Benefits Realisation table is used to track and report on actual realisation versus what was agreed and planned for. Reporting should include monetary and non-monetary measures.

The example below shows reporting from an initiative with two benefits. Benefit 1 (Increased Sales Revenue) has an expected monetary saving of $1M. Benefit 2 (Improved Service Access) has no monetary savings. The baseline shows benefit savings were originally to start in January 2016 and be fully realised by January 2018.

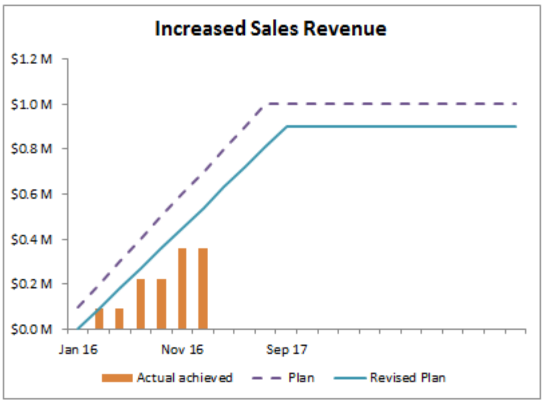
	Start Date	1 January 2016			Reporting frequency in months			2			Reporting Duration in years			2
Increased Sales Revenue	Weight %	Value $M	Jan 16	Mar 16	May 16	Jul 16	Sep 16	Nov 16	Jan 17	Mar 17	May 17	Jul 17	Sep 17	Nov 17
Baseline Plan	25%	$1.0 M	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%		
Revised Plan		$0.9 M		10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	
Actual Achieved				10%		15%		15%						
Plan			$0.1 M	$0.2 M	$0.3 M	$0.4 M	$0.5 M	$0.6 M	$0.7 M	$0.8 M	$0.9 M	$1.0 M	$1.0 M	$1.0 M
Revised Plan				$0.1 M	$0.2 M	$0.3 M	$0.4 M	$0.5 M	$0.5 M	$0.6 M	$0.7 M	$0.8 M	$0.9 M	$0.9 M
Actual achieved				$0.1 M	$0.1 M	$0.2 M	$0.2 M	$0.4 M	$0.4 M					

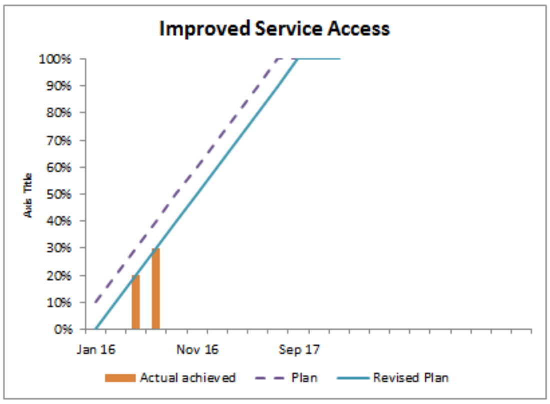
	Start Date	1 July 2016			Reporting frequency in months			2			Reporting Duration in years			2
Improved Service Access	Weight %	Value $M	Jul 16	Sep 16	Nov 16	Jan 17	Mar 17	May 17	Jul 17	Sep 17	Nov 17	Jan 18	Mar 18	May 18
Baseline Plan	75%		10%	10%	10%	10%	10%	10%	10%	10%	10%	10%		
Revised Plan				10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	
Actual Achieved					20%	10%								
Plan			10%	20%	30%	40%	50%	60%	70%	80%	90%	100%	100%	100%
Revised Plan				10%	20%	30%	40%	50%	60%	70%	80%	90%	100%	100%
Actual achieved					20%	30%								

Your Report needs to accommodate both monetary and non-monetary benefits. By tracking as a percentage, you can easily report on the total benefits achieved at a point in time.

8 Tracking spreadsheet templates are available at http://www.treasury.govt.nz/statesector/investmentmanagement/plan/benefits

The tables above are represented in the following charts. At a glance you can see the actual achieved for Increased Sales Revenue is below the solid line, indicating you would need to take some action to correct or create a variation.





Summary reporting

By using a % measure, you can easily show the total benefits achieved at a point in time. In the example in the charts above, you are behind in the monetary benefit (Increased Sales revenue) and slightly ahead in the non-monetary benefit (Improved Service Access). Overall it is ahead of plan. The larger benefit (Improved Service Access) is 75% of the total value and therefore has a bigger impact on the benefits overall achievement. The charts and the table from the previous page summarise the benefits as:

All benefits achieved 33% All benefits expected 30%

All monetary and non-monetary benefits can be summarised as what has been achieved "Current Achieved" against what was planned "Baseline Plan". A further breakdown against the planned achievements is provided below:

Summary

	Monetary	Non-Monetary
Baseline Plan	$1.00 M	75.0%
Revised Plan	$0.90 M	75.0%
Current achieved	$0.36 M	22.5%
Current Expected	$0.54 M	22.5%
Variance	-$0.18 M	

	Previous Period	This Period	Next Period
Summary Confidence	Green	Amber	

The above example summarises that the monetary benefits are tracking behind what was expected, the non-monetary benefits are tracking slightly ahead of what was expected. The tables and charts are generated in the template provided on the Treasury website[9] and are freely available.

[9] http://www.treasury.govt.nz/statesector/investmentmanagement/plan/benefits

Tracking and reporting of measures in the form of "Actual Achieved"

During the project, the Benefit Reporter would typically be the Project Manager, and Post-project it is reassigned to the appropriate benefits reporting role in your organisation. This could be the EPMO or PMO or an SME with analytical capability.

How to recognise when change is necessary

Using this reporting information as the Benefits Owner you are in a position to identify if any changes or interventions need to be applied. You should consider the following:

- what tolerances are acceptable?
- what are the consequences of the revised plan?
- what is the impact of the deviation to what was agreed (the baseline)? For example if the benefits are not being fully realised or, as in the case of the examples above, the benefit will be fully realised but not within the agreed timeframes. In this instance it may have an impact on the budgets of the cost centre owner.

Once you notice a delay you need to discuss with the stakeholders and agree if and how the benefit can be brought back on track. Does it require changes to the project? All changes are supported by a project variation prepared by the project manager. If the project is stopped, then you should understand the impact on your benefits so that any post project review considers lessons learned for the organisation.

Benefits tracking may be monthly even if the reporting period may be larger. This ensures you maintain awareness of the benefit state, can intervene and ensure there will reduce the risk of surprises when the report is prepared.

How to control benefit risks

The risks associated with the realisation of each benefit should be regularly reviewed, updated and risk status reported to the project sponsor and key stakeholders of that benefit where appropriate. You should ensure that there is an adequate plan for the treatment of the risks and that the necessary actions are being performed. When the project is still in-flight this risk planning and monitoring is typically a function and responsibility of the Project Manager. For benefits that will be realised after the project deliverables have been completed these risks are typically transferred to you as the Benefits Owner to manage.

As a benefit owner, you should monitor all the risks associated with the initiative to see if any risk could have an impact on your benefit. If you find any do, then you should stay closely involved and be ready to act on your benefit to protect its value.

Review questions

1. How is the benefits map used to create benefits reports?
2. How can you ensure progress reports show a balanced achievement to date of monetary and non-monetary benefits?

Scenario question

1. The telephony project is replacing an outdated phone system and introducing new technologies including self service automation. The service desk is supporting the deployment, which is a key driver in achieving the strategy of more accessible workforce regardless of location. The organisation is looking forward to using teleconferencing in preference to the overbooked meeting rooms. The project identified the following benefits:
   - Reduction in calls to the service desk
   - Improved customer satisfaction
   - Able to work anywhere
   - Lower support costs
   - Improved system reliability
   - Increase from 8 x 5 to 24 x 7 automated support
   - Work phone and personal cell phone integration

   a. As the service desk Benefits Owner, identify the three benefits above that you think are the most appropriate for this scenario and explain your rationale.

   b. Of the benefits in the scenario, some may a pose risk to the benefits you identified above? Identify two of the risks and explain your mitigation strategy.

   c. Who do you think would be the best Benefits Owner for Work phone and personal cell phone integration and why?

Section 5 – Support

This short section provides links to support available as you grow into your benefits management role.

Benefits Management Community of Interest

A benefits community of Interest has members with practical knowledge to advise benefits owners.
The community is open to new members and attending a community meeting is a good way of putting you in touch with people who have done it before and who are willing to share their experiences. You can access details about the Benefits Community of Interest meetings (htttps://www.psi.govt.nz/communities/bmcoi)
Many of the community members are directly involved in agency PMOs and EPMOs, and you may find in house expertise there. The benefits owner course is designed as an instructor led course and uses a train the trainer approach of the benefits management community of interest. If you would like to see this course offered in your agency, you can contact the benefits community through investmentmanagement@treasury.govt.nz and they will advise who can deliver it for you.

Web links

The Treasury website provides guidance and templates that were discussed in this course:
http://www.treasury.govt.nz/statesector/investmentmanagement/plan/benefits
If you would like to do a more detailed benefits management course, the APMG 5 day certified course provides an in depth understanding of the benefits management process:
http://www.apmg-international.com/en/qualifications/managing-benefits/managing-benefits.aspx

Investment Logic Mapping

Investment Logic Mapping (ILM) is a technique to ensure that robust discussion and thinking is done up-front, resulting in a sound problem definition, before solutions are identified and before any investment decision is made. It is a technique to ensure the 'story' about any proposed investment makes sense (the 'logic' part of ILM) and to test and confirm that the rationale for a proposed investment is evidence-based and sufficiently compelling to convince decision makers to commit to invest in further investigation and planning.

Overviews:
http://www.treasury.govt.nz/statesector/investmentmanagement/plan/bbc/methods/investmentlogicmapping
http://www.ssc.govt.nz/sites/all/files/ILM-Introduction-Briefing.pdf

ILM benefits map examples available via Victoria State Government
Investment logic map example - Initiative (PDF 110kb)
Fictional initiative investment logic map - Arts project (PDF 112kb)
Fictional initiative investment logic map - Rail freight project (PDF 115kb)

Benefits Owner FAQs

Who is a benefits owner?

A benefits owner is the person accountable for ensuring a benefit is realised. They have sufficient authority in an organisation to instruct necessary actions to optimise the value created from a benefit.

What is the difference between a Business Owner, a Senior Responsible Owner (SRO), a Sponsor and a Benefits Owner?

- *Business Owner:* the person with direct accountability for a business area
- *Senior Responsible Owner (SRO):* the individual accountable for an initiative meeting its objective(s) and delivering the enablers that will deliver the benefits
- *Sponsor:* Often inter-changeable with the SRO role, but on occasion is the SRO's representative
- *Benefits Owner:* As above. The SRO is usually the Business Owner of the business area most impacted by a change initiative. As such, they are likely to be the Benefits Owner as well.

Is the Benefits Owner always the SRO?

No, a large project or programme may impact multiple business area's requiring, for example, a business and system improvement to optimise or achieve the desired outcome. In cases such as this, multiple Benefits Owners may be required.
The benefits owner who is not an SRO retains the accountabilities and responsibilities of a benefits owner, but will work collaboratively with the SRO to ensure change is optimised for realisation.

Is the Benefits Owner always the receiver of the benefit?

No: where benefits are received by customers, the Benefits Owner may be the "Account Manager" for a customer group. They should still be able to optimise benefits, monitor them and report realisation.

What should I do if I'm a Benefits Owner?

1. Understand the intended outcome and strategic contribution of the initiative to ensure the benefit is optimised without compromising the outcome
2. Agree the benefit profile, including targets, measures, measurement methodology and reporting schedule
3. Take an active interest in the delivery of the enablers that facilitate the business changes on which benefit realisation is dependant
4. Authorise reports on the realisation of the benefit, including escalation of non-realisation to the appropriate governing body
5. Listen to the beneficiaries

6. Keep other stakeholders are informed including other benefits owners of the same initiative.

What does success look like for a benefits owner?

The benefits owner ensures the benefit realisation process is well managed and projected benefits are realised.

I have “inherited” benefits from another owner which I believe can’t be realised. What do I do?

You should assess and re-validate the *current benefits profile*[1] to confirm if the inherited benefits are viable, and if not, why not.
Discuss the concern with your PMO / EPMO to understand any background they may be familiar with and gain their support. The following checklist can help you understand the gaps:

1. Review the assumptions
    a. Do the assumptions still hold true?
    b. Were the assumptions appropriate to begin with?
2. Check the measures and the methodology
    a. Are the calculations correct?
    b. Have the measures been undertaken as planned?
    c. Are we measuring the right output?
3. Was the project scope fully implemented?
4. Were the changes delivered as per design?
5. Is there an outside variable impacting on my measures?
6. Prepare an escalation based on your evidence and findings.

NOTE: The escalation should include options to remedy any problems to ensure realisation is returned to forecast. This may include a fix, additional business/system change, or even a remediation project. However, if a fix is not available or not cost effective, there should also be an option to amend benefit realisation documentation to include a revised realisation forecasts or even acceptance of non-realisation. This must go to an appropriate governance group and the findings captured in a Lesson Learned document to avoid future repetition.

Can there be more than one benefits owner for a benefit?

No, only one person can be accountable for a benefit. However, there may be other people working on the benefit under the guidance of the benefits owner.

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[1] Current benefits profile – the currently approved benefits profile. It includes variations that were agreed by the investment board. If no changes were authorised then the original authorised benefits profile is used.

Should a benefits owner be part of governance?

They can be. A benefits owner must be a senior person in the organisation. This tends to mean they will be engaged in organisational governance.
Organisations may have several benefits owners on the Investment Committee which authorises the change.

I'm a benefits owner and I realise halfway through a project that the dis-benefits of the initiative outweigh the benefits. What do I do?

Once this happens, the initiative will no longer produce sufficient value and serious consideration should be given to stopping the initiative.
However, you should ensure that other impacts are considered first:

- Is this a mandatory compliance project such as a legislation change? In this case it cannot be stopped, but you should still look for ways to minimise any loss of value.
- Understand what has changed from the original plan.
    - Have changes been monitored and acted on?
    - Have emerging benefits been identified and incorporated into the plan?
    - Can the dis-benefits be mitigated?
- Is your initiative a dependency for a later initiative with its own benefits? In other words, although your initiative will produce negative value the greater good may still be positive.

The benefit I'm accountable for delivering is dependent on another initiative which has been stopped or will be delayed. What do I do?

You will need to understand the impact before continuing with work on your initiative and answer the following questions:
Can your initiative continue to deliver with the dependent initiative stopping?

- If no, your initiative must be stopped.
- If yes, what is the impact on your planned benefits? Are they still going to produce positive value?

Revise the benefits plan and create a variation request for the governing body to approve.

The project that will be delivering the benefits I'm accountable for has been significantly de-scoped which means it can no longer deliver the forecasted benefits. What should I do?

As the benefits owner you will need to assess the impact of the changed scope on benefits realisation and raise this with project governance. A change request should be raised.

Can an ILM be produced in the "Think" phase of the investment life cycle?

An ILM can be produced at any time in the "Think" and "Plan" phase and is a useful tool to better understand the problem and identify the benefits.

However, you must consider that initiatives in the “Think” phase are generally identified a long time before the preparation of the business case when detailed analysis occurs. This lag may make it unwieldy to pour resources into ILM so early.
With such a long lead time, the original intent may change, and other initiatives may make the original benefits less useful or remove them completely.
Note an ILM may occasionally be necessary in the “Do” phase. Although this is not planned for, it may be useful to reconfirm assumptions following a significant intervention during project delivery.

Reading List

The following is a short list of texts that benefits owners find useful:

Author	Coverage
Jenner, Steve. A Senior Manager's Guide to Managing Benefits – 2nd Edition, Published by TSO (the Stationery Office), 2015.	This is a pocket guide is about benefits management and is specifically aimed at senior manager, addressing the subject from a strategic perspective.
Steve Jenner. Managing benefits, Published by TSO (the Stationery Office), 2015.	This guide is primarily for practitioners and guidance in introducing and supporting benefits management within an organisation,
Axelos, Managing Successful Programmes 4th Edition, Published by Axelos, 2011	MSP provides a proven, best-practice approach for designing and running programmes. It describes how organisations can both deliver their strategy and gain measurable benefits from change.
Establishing benefits ownership and accountability – benefits realisation, PMI, 2016	This particular paper provides compelling evidence as to the critical importance of establishing benefits ownership and accountability. http://www.pmi.org/-/media/pmi/documents/public/pdf/learning/thought-leadership/establish-benefits-ownership-accountability.pdf

Other excellent titles that provide useful evidence on the value of Benefits Management are the following titles:
http://www.pmi.org/learning/thought-leadership/pulse

Beyond the Project: Sustain benefits to optimise business value, September, 2016, PMI.
http://www.pmi.org/learning/thought-leadership/pulse/sustain-project-benefits-optimize-value

Delivering Value: Focus on benefits during project execution, June, 2016 PMI.
http://www.pmi.org/learning/thought-leadership/pulse/focus-on-benefits-during-project-execution

The Strategic Impact of Projects: Identify benefits to drive business results, March 2016, PMI.
"When benefits are identified before the start of a project, 74 percent of projects meet goals and business intent." http://www.pmi.org/learning/thought-leadership/pulse/identify-benefits-business-results

Appendix A

Benefits Owner summary RACI

The following table provide suggested guidance of the responsibilities for associated roles of the benefits owner. The table covers different times in the investment life. Agencies may tailor roles to disciplines in their own organisations.

RACI Pre Project is for the very early investment life cycle (covered in the Section 2). RACI during Project Life covers the roles during the project delivery stage of the investment and RACI post project covers the benefits realisation stage after the project has closed.
RACI: R = Responsible, A = Accountable, C = Consult, I = Inform

	Benefits Owner (Business Owner, Product Owner)	Senior Responsible Owner	Investment Committee	Programme Board	Project Board	Benefits Analyst	Programme Manager	Project Manager	Business Change Manager	Business Subject Matter Expert	Benefits Realisation Manager (Benefits Manager)	Enterprise Portfolio Management Office	Programme Management Office
RACI Pre Project													
Benefits Identification	A					R			C	C	C	I	I
Benefits Map	A					R			C	C	C	C	C
RACI During Project Life													
Benefits Identification	A	C		C	C	C			C	R	C	C	
Benefits Map	C	A		I	I	C	C	C	C	R	C	I	I
Benefit Profile	A					R	C	C	R*	C	C	C	C
Benefits Realisation Plan	C		A	C	C		R	R	C	C	C	I	I
Benefits Reporting	A	C	I	I	I	R	R	R	I	C	C	I	I
Authorise benefits	A	C	R	I	I		C	C	C	I	C	I	I
Benefit variations	C	C	A	C	C	C	R	R	C	C	C	I	I
Note * Benefits profile is prepared by the business change manager in MSP. MSP best practice includes a business change manager role with broader responsibilities than practiced by NZ Government agencies.													
RACI Post Project													
Benefits Identification	A					R			R	C	C	I	I
Benefits Map											C		
Benefit Profile	A									C	C	I	I
Benefits Realisation Plan	C		C						A	C	C	I	I
Post project evaluation	A		I	I	I	R	C		C		C		

Appendix B – Glossary

Agile
An iterative, incremental method of managing the design and build activities for engineering, information technology, and other business areas that aims to provide new product or service development in a highly flexible and interactive manner.

APMG
APMG are a global accreditation agency whose services include training and certification in best practices, including PRINCE2 and MSP.

Baseline
A baseline is the value against which all future measurements will be compared. In benefites management, it is a point of reference that includes values and a schedule.

BBC
Refers to Better Business Case (BBC) Five Case model developed by the UK Office of Government Commerce (OGC), and recommended by NZ Treasury, for the preparation of business cases. A number of agencies assisted with the adaption of the BBC materials to suit the NZ State sector. The BBC materials include the Investment Logic Map (ILM) process developed by the Victoria State Government.

Benefit
A benefit is a measurable gain from an investment which is perceived to be advantageous by a stakeholder.

Benefits Analyst
A benefits analyst is a person who has the skills and competence to prepare and review benefits baselines, measures and reports for the benefits owner. This includes data analysis.

Benefits Management Life Cycle
Benefits management life cycle is an iterative process that includes the sub processes of identification, analysis, planning, and realisation and reporting stages.

Benefits owner
The benefits owner is the individual accountable to the Senior User for the realisation of specified benefits within projects.

Benefit Realisation Manager
A benefits realisation manager is the person who provides expertise in the processes to help those involved in the planning and delivery of benefits.

Benefit – KPI

BBC definition (Implementation Plan): Refers to a Key Performance Indicator (KPI) – A measure that has been selected to demonstrate that a benefit expected from an investment has been delivered. The KPIs must be directly attributable to the investment.

Benefits Realisation Plan

A document that defines the pre-requisites for delivering each expected benefit, how the delivery of the benefits will be measured, and who will be responsible for measuring and realising the benefits.

Business case

A business case is the vehicle to demonstrate that a proposed investment is strategically aligned, represents value for money, and is achievable. It enables decision makers to invest with confidence knowing that they have the best information available at a point in time. It considers alternative solutions, and identifies assumptions, benefits, costs and risks.

Business change manager

The business change manager is responsible for benefits management from identification through to realisation (MSP).

Categorisation

Categorisation is a process to catalogue benefits. It is especially useful for a portfolio to demonstrate how the proportion of benefits aligns to strategic approaches. Agencies generally use their own catalogue definitions.

Dis-benefit

A dis-benefit is a negative impact that might occur as a direct consequence of implementing a particular solution. A measurable loss from an investment which is perceived to be disadvantageous by a stakeholder

EPMO

Enterprise Portfolio Management Office

Intermediate benefit

An intermediate benefit is a benefit that is an enabler for another benefit. The term is used in MSP.

Initiative

An initiative is an overarching term for a change and may include programme, projects, BAU activities and plans to achieve it.

Intangibles

BBC definition (Implementation Plan): Costs or benefits that are not easily quantified in monetary terms.

Investment

An investment is an asset or item that is purchased with the hope that it will generate income or appreciate in value in the future. In an economic sense, an investment is the purchase of goods that are not consumed today but are used in the future to create wealth. In finance, an investment is a monetary asset purchased with the idea that the asset will provide income in the future or appreciate and be sold at a higher price.

Investment Committee

The Investment Committee is a board that makes binding decisions for an organisation's investments, including benefits.

Investment Life Cycle

The Investment Life Cycle is a process to describe the investment system described in each of Think, Plan Do and Review phases. It includes; rules, capabilities, information and behaviours that work together to shape the way investments are managed throughout their life.

Investment Logic Mapping (ILM)

ILM is a technique to ensure that robust discussion and thinking is done up-front, resulting in a sound problem definition, before solutions are identified and before any investment decision is made.

Measures

Measures are used to express the benefit in quantifiable terms. These are also called Key Performance Indicators (KPIs).

Monetary benefit

A monetary benefit is directly measurable in financial terms. This can be revenue creating or cost reduction.

MSP

Managing Successful Programmes (MSP) – a framework developed by OGC for managing successful programmes.

Non-monetary benefit

A non-monetary benefit is a measurable benefit expressed in non-financial terms e.g. improved customer satisfaction.

Optimism bias

The demonstrated systematic tendency for people to be overly-optimistic about key project parameters, including capital costs, operating costs, work duration and planned benefits.

Payback period
A method that determines the point in time when cumulative net cash flows exceed zero. This identifies the number of years it will take for an investment to "pay for itself". Under the method, projects with a shorter payback period are preferred.

PMI
The Project Management Institute is a US non-profit professional organisation for project management. It provides best practice and research on project management practices.

PMO
A PMO is Project, Programme or Portfolio Management Office. The term is used interchangeably and care should be undertaken to understand which one it means because they have different responsibilities.

Portfolio
The totality of an organisation's investment in change put in place to achieve its strategic objectives.

Post-implementation Review
Reviews whether the planned outputs were delivered and benefits were achieved.

Programme
A temporary flexible organisation structure created to coordinate, direct and oversee the implementation of a set of related projects and activities in order to deliver outcomes and benefits related to an organisation's strategic objectives.

Project
A temporary organisation created for the purpose of delivering one or more business products according to an agreed business case.

Proxy
A substitute benefit measure used to simplify measurement and monitoring of benefits.

Qualitative (intangible) categorisation
Benefits expressed in descriptive terms eg satisfaction rating.

Quantifiable (tangible) categorisation
Measures expressed in numerical terms eg hours saved, income generated etc.

Senior Responsible Owner (SRO)
Act as the Chairs on programme leadership board with the overall accountability for ensuring initiatives meet their objectives and deliver their projected benefits.

SME

Subject matter expert

Strategic direction

Strategic direction is a course of action that leads to the achievement of an organisation's strategy.

Strategic objective

A measurable outcome to demonstrate progress in relation to an organisation's mission and to which the benefit must contribute.

Value

Value is the benefits delivered in proportion to the resources put in to acquiring them. This provides a measurable amount in monetary terms where the benefits exceed the sum of the investment.

Waterfall

The waterfall model is a sequential design process in which progress is seen as flowing steadily downwards (like a waterfall) through the phases of conception, initiation, analysis, design, construction, testing, production/implementation and maintenance.