

Benefits realisation management and its influence on project success and on the execution of business strategies



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KEYWORDS

- Benefits realisation management (BRM)
- Benefits
- Project portfolio
- Project success
- Strategy implementation

Article highlight:

This article looks at the success rates of projects using benefits realisation management (BRM) practices in organisations surveyed in Brazil, the UK and the USA. The aim of the paper is to test the relationship between BRM practices and perceptions of project success.

What does the paper cover?

Business strategies often imply organisational change and usually require the development of projects, for example in IT. But even when an organisation employs project, programme and portfolio management techniques, it often, in the end, fails to implement that strategy.

Good business strategies deliver value to an organisation's stakeholders, which can mean financial value (for example increased shareholder dividends) and/or better public services.

Projects are created to implement clearly defined changes (improvements) in an organisation. These positive changes, or strategic improvements, are called 'benefits'.

Benefits realisation management (BRM) is a set of processes that has been developed to close the gap between planning a strategy and carrying it out, by making sure that the most valuable initiatives in a strategy are implemented through project portfolio and programme initiatives.

However, there has been no empirical evidence of whether BRM practices are effective.

This paper presents the results of a survey of practitioners in Brazil, the UK and the USA which evaluates the impact that BRM practices have had on the rates of project success.

Methodology:

The authors conducted a questionnaire survey of project management practitioners who had worked in the area in the previous two years in at least one project that had by then concluded. They then analysed the responses using analytical survey tools.

The questionnaire consisted of closed questions asking respondents to identify perceptions of project success and BRM practices.

Nine hundred invitations were sent to project management practitioners with a presence on LinkedIn.com. The survey was also advertised on social networks and websites of organisations specialising in project management. The response rate was 32 per cent.

Research findings:

- BRM practices contribute to implementing an organisation's strategies successfully.
- There is some association between these practices and success related to project management performance, but there is a much stronger association between the same set of practices and the creation of strategic value for an organisation.
- Therefore, BRM practices had a high influence over project success from the perspective of creating value. However, they are not enough to bring about high levels of project management performance.
- BRM practices do not replace but complement the use of other project, programme and portfolio management practices.

Conclusions:

The paper suggests that organisations are more likely to add to their ability to define and manage their success criteria if their processes for corporate governance include a benefits realisation management strategy.

Significance of the research:

Organisations, or even countries, may want to prioritise some aspects of BRM practices to suit their particular types of projects.

A better understanding of the use of each practice can help organisations (and countries) to identify their maturity in BRM, to then help improve their practices.

Other aspects which can have an impact on comparisons of success rates between countries are the cultural and psychological biases that can shape individual perceptions of success. A better understanding of these kinds of biases can help to manage projects better, especially where an organisation manages cross-borders projects.

Comments from the authors:

The article provided one of the earliest academic evidences of the relevance of benefits realisation management practices in support of the strategic success of projects. In a global scenario where organisations aim to maximise the creation of value in return on their investment, the utilisation of such a set of practices has emerged as a new priority for organisations all around the globe, as recent research has found.

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Recent research has explored two critical aspects of BRM. Firstly, how managers react to the differences between planned and realised value obtained from projects depend on their biases, reporting and level of delays and disruptions. Secondly, the existence of synergies among projects imply a more complex BRM process as BRM needs to consider the impact of interrelated projects on the value realised.

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Complete article

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Glossary:

Benefits realisation management (BRM) The identification, definition, planning, tracking and realisation of business benefits.

Benefits Positive changes (improvements) that have been implemented as a result of strategic projects.

Project portfolio A set of proposals, projects and programmes managed jointly to achieve an organisation's strategic objectives.



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