Achieving Effective Benefits Management in Major Projects Webinar: 9 Nov 2017

Questions & Answers supplied by presenters Laura Geddes-Brock & Hannah Bullingham, DfT

Q1. What is the difference between "evaluation" and "benefits realisation" reports? I write benefits realisation reports but worry that the audience isn't clear on the difference

A1. Benefits realisation and evaluation are separate disciplines, but can have overlapping interests in evidencing the impacts of projects. As well as looking at impacts, evaluation tends to be more independent and address different/additional questions around the importance of the delivery model for project effectiveness (process evaluation) and the value for money of a project (economic evaluation). On the other hand, benefits management is grounded in project delivery and ensuring that benefits are on-track to be delivered and reporting their realisation.

Nonetheless, when evaluation is focused on impacts, a benefits realisation report could contain a lot of the same material that an evaluation report would in terms of 'monitoring' data. Evaluation will often seek to go further in establishing attribution of benefits to a particular project by employing analytical techniques.

This is especially the case where key benefits are delivered in complex settings, and may be difficult to attribute to the programme itself without accounting for other factors. Benefits reporting may occur more regularly based on the availability of data whereas an evaluation report may be more of a "one off" report or produced at key milestone intervals that presents key findings, observations and impacts.

Q2. Is there agreement on which benefit categories are monetised in business cases and should benefits be monetised in benefits realisation reports?

A2. Unless the benefit is best measured using a monetary value (such as money saved from a renewed contract) then is generally better to use the most suitable unit of measurement for that benefit.

In the example of journey times reporting on the monetary value would not be as meaningful or informative as using the performance indicator of time taken.

You might consider using the monetary value of the benefit. rather than the quantitative/qualitative measure, if you have the same benefit being reported using different performance indicators with different units of measurement, preventing the aggregation of data.

Using the monetary value instead would allow you to aggregate the value of that benefit and understand the performance at portfolio level for example.

Q3. We often find that documentation is completed up front and we are very focussed on the benefits at this time however the documentation is not maintained (for whatever reason). Can you suggest a way to make the documentation a useful tool to support project delivery, management and benefits monitoring?

A3. This is a very common problem. Firstly, ensure that all your benefits documents have a clear purpose. For example, it may be more practical to develop a Benefits Management Strategy at Directorate or Portfolio level only, then for individual projects and programmes to state in Benefits Realisation Plans where they may differ from the wider approach.

Secondly some projects find that the process of getting stakeholders together in a room to identify benefits and create a benefits map is more useful than the product itself. However, keeping the benefits map up to date throughout the project lifecycle is a great way to demonstrate your "project on a page" and should be used as a quick communications tool with stakeholders.

The Benefits Realisation Plan is perhaps the most useful document. By making this as streamlined as possible and containing only the most relevant information this reduces the overhead on teams and makes it much easier to maintain. Alternatively, if benefits documentation just doesn't get the attention it deserves try instead to absorb benefits into other project documentation.

Manage benefits risks on the project risk register, add benefits realisation milestones to the project plan, include a section called "impact on benefits" in any board papers and consider inviting Benefits Owners to project boards to discuss planned benefits and benefits realisation.

Q4. It is not the responsibility of the IPA to undertake PIRs, these should be undertaken by the project team during the realisation and review stage to assess whether benefits have been realised or if they are on track to be realised.

All projects should undertake a PIR regardless of successful delivery or not.

The PIR should also review the benefits approach taken and assess whether it was effective, proportionate and appropriate for the project. However, at a point agreed with the project after implementation the IPA should undertake a Gate 5 Benefits Realisation assurance review to assure that the appropriate benefits reporting, and realisation has taken place and review project close documentation such as the PIR.

Q5. Who would normally be responsible for funding user surveys to test non-financial benefits once a project or programme as closed? SRO? Benefit Owner?

A5. The project or programme would normally be responsible for identifying the funding required for user surveys. This is something that should be discussed with projects when they are developing their benefits management approach. Once benefits have been identified and prioritised suitable measures should be assigned to the benefits.

For the high priority benefits that are difficult to measure because either a) no suitable measure currently exists or b) a measure exists but needs some adjustment to make it suitable then budget and resource should be invested to find ways to measure these high priority benefits. The same applies for if the project requires an evaluation study. Costs for benefits realisation and evaluation activities should be built into the project costs within the Business Case. The budget for measure development and measurement would then be used as appropriate during project delivery then the remaining budget should transfer to the most appropriate cost centre post-delivery. This could be the Portfolio Office, the Evaluation Team or Benefits Owners.

This would be down to what is most appropriate in your organisation. Remember benefits management activities should be proportionate to the level of investment which is why any additional resource or cost for benefits management should be assessed against the importance of the benefit and how useful it would be to measure it.

Finally, user surveys should not just be undertaken once the project or programme has closed but should also be undertaken pre-delivery so that you can baseline the benefits the survey is being used to measure.

Q6. Can you explain the 'recovery' category a bit more please and give examples? Is it as simple as saving money by switching supplier?

A6. The Private Sector Partner 'recovery' category are any savings or revenue that would be generated by suppliers or Arm's Length Bodies (ALBs) that will not be given back to the Government or benefit the Wider UK Public.

This could be manufacturers who can save money per unit cost price because of certain requirements perhaps, or if a construction company makes savings through implementing the Government's construction strategy. These savings will be retained by that organisation, the Private Sector Partner, and not passed on to Government or the Wider UK Public.

In your example the benefit for the Private Sector Partner would be the revenue generated for the new supplier, and the Government cash-releasing benefit would be any savings generated due to that new supplier being cheaper than the previous one.

Q7. I notice in the benefits cycle practices there is nothing about procurement e.g. choosing a contracting strategy whereby a provider is rewarded for realising benefits; selecting them on their ability to deliver benefits; how requirements are written etc.

A7. The benefits cycle practices have intentionally been kept sufficiently generic and therefore do not specifically reference procurement activities. Of course, good practice means benefits should influence procurement activities. As you can see in Identify and Quantify benefits targets and linking benefits to requirements activities should take place.

This should all follow through to any procurement activities and suppliers should be assessed against how they can help or will realise those benefits targets. Also, if those benefits have been properly linked to requirements then the solution delivered by suppliers should enable the benefits to be realised.

As discussed in the webinar the Commercial Case currently has arguably the least amount of benefits management content however as we become smarter at both our benefits and procurement activities these should both align more closely.

Q8. Within my organisation resourcing is as much an obstacle to benefits management as enthusing the requirement amongst staff which includes 'remembering' the need for benefits management and its importance. Benefits management typically falls on to existing staff as an additional responsibility to an already busy day job.

As such it is relegated to second or third place as the pressures of 'operating the project' and delivering outputs take precedence. If 'staffing benefits management' isn't resolved, then it is unlikely to achieve the significance or attention it deserves.

A8. Capacity is the most common reason we hear for projects and programmes not undertaking effective benefits management. Benefits management if done well can be a time-consuming function – and rightly so as benefits are the reason why projects and programmes are undertaken!

Sometimes it is disproportionate for projects and programmes to have dedicated benefits management resource. Where this is the case then it is imperative that benefits management activities are as proportionate, practical and worthwhile as possible. In this instance it is worth referring to an earlier question regarding integrating benefits activities and ensuring that benefits are considered in the round with other project management practices such as risk, planning and governance.

If full time resource cannot be allocated to individual projects and programmes then it is essential to try and have a Benefits Lead role within central Portfolio Offices, Programme Management Offices and Centres of Excellence. They can then develop appropriate guidance, templates and provide advice to ensure benefits can be managed as easily as possible. They may even be able to undertake certain activities to help with benefits management such as workshop facilitation and benefits reporting once the project has closed. However, benefits management is continually recognised as an area of weakness and we will not learn lessons and embed good practice until proper resource is dedicated to this hugely important function.