The influence of Benefits Realisation Management on the success of projects in Brazil, the United Kingdom and the United States of America

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This paper summarises the most relevant findings of the research performed by the author for his Masters dissertation. The analysis of 331 quantitative questionnaires sent to project management practitioners in Brazil, the UK and the USA and of 40 qualitative questionnaires obtained from project governance professionals in the same countries identified the need for improvement in the utilisation of key benefits realisation practices. It has also identified, through the utilisation of statistic models, the influence of these practices on different dimensions of project success.

1. Introduction

An analysis of ten surveys performed in the last decade revealed a general perception of dissatisfaction over project success and the clear need for the improvement of success rates, although the results vary between different sectors, markets, and sources (Serra, 2012). The improvement in project success rates is critical for business success, since projects are increasingly recognised as the best way to manage the changes required by business strategies (APM, 2006; Buttrick, 1997; Kerzner, 2009). Moreover, the effects of the global financial crisis have required organisations to be more efficient and to have more effective and strategically aligned project portfolios (Wheatley, 2009), that could be achieved by having more effective governance processes (ESI, 2009; The Economist, 2009). In this scenario, organisations with mature benefits realisation processes are able to prioritise and to support the most valuable initiatives (HM Treasury, 2011; Gartner, 2011) which are those that will create more value for the organisation (Turner, 2009; HM Treasury, 2011).

2. The Research Question

'Benefits Realisation Management' (Bradley, 2010; OGC, 2007), 'Project Benefits Management' (Melton, et al., 2008) and 'Benefits Management` (Jenner, 2010) are terms regarding to the management of a set of processes needed to ensure programmes, projects and portfolios delivering and embedding into the current day-to-day business all requirements of business strategies, in order to perform a meaningful and sustainable creation of value. Since these practices are suggested to increase the effectiveness of project governance and project portfolio management, they may also support project success. Thus, this paper aims to answer the question: "Does Benefits Realisation Management increase project success rates?"

In order to answer the research question, the study has tested the Null hypothesis H0 = "Project success rates are not higher in groups of projects where benefits realisation management practices have been applied" by comparing a conceptual framework of benefits realisation management practices that can support project success to the current practices applied by project management practitioners.

The research question was broken down into the following four sub-research questions:

- Sub-RQ1 - What is the nature of the relationship between BRM and project success?
- Sub-RQ2 - Which BRM practices are instrumental in project success?
- Sub-RQ3 – How high are project success rates in projects employing BRM practices in Brazil, the United Kingdom and the United States of America?
- Sub-RQ4 - How is each country different in the employment of BRM practices? Why are they different? How do these differences influence project success rates?

3. Theoretical Background

The Sub-RQ1 and the Sub-RQ2 have been responded to by an in-depth literature review, which enabled the identification of criteria which define project success from the strategic perspective (OBJ1-1), how BRM practices support project success (OBJ1-2), which key BRM practices are essential in supporting project success (OBJ2-1) and which organisational roles are involved in the key BRM practices (OBJ2-2).

Firstly, in order to be able to evaluate project success, a prior understanding about the composition of the perception of project success was required. Several models and dimensions of success are suggested by different authors. Nevertheless, many of them agree on two approaches, which are success in project management performance and success in providing outcomes or benefits to the business, customers and other stakeholders (Baccarini, 1999; Pinto & Mantel, 1990). Although these approaches are different, they are complementary and they are both necessary to construct an evaluation of project success (Prabhakar, 2008).

Project performance was the most common criteria used since the 1960s in accessing how the project has met the triple constraint (Levine, 2005; Ika, 2009), iron triangle or golden triangle (Zwikael & Smyrk, 2011). However, organisations are increasingly evaluating projects by assessing their contribution to the business strategy and the consequent creation of shareholder value (Levine, 2005; Ika, 2009). Based on the analysis of criteria suggested by Shenhar, et al. (2007), Ika (2009), Zwikael & Smyrk (2011) and Camilleri (2011), Table 1 presents a set of criteria selected to be employed in this project by assessing seven dimensions of project success.

Table 1 – OBJ1-1: Seven generic project success criteria (Serra, 2012)

Criteria / Dimensions of success	Approach
Project satisfactorily meets the budget goals.	**Project management performance**
Project satisfactorily meets the schedule goals.	
Project satisfactorily delivers the required outputs (i.e. fulfilled its requisites).	
Project's outputs support the business to produce the expected outcomes (planed in the business case), and then to realise the expected benefits.	**Value for business**
Undesired outcomes are managed and avoided.	
Project provides the expected return on investment.	
Project's outcomes adhere to the outcomes needed by the business strategy and planned in the business case.	

Moreover, the literature review has revealed that BRM practices support a set of critical success factors, by enabling effective governance. Table 2 presents a set of eleven key BRM practices grouped by the governance processes in which they provide stronger support.

Table 2 - Key BRM practices to support project success (Serra, 2012)

Key Governance processes	Group of BRM practices	Key BRM practices	Code
Composing and prioritising portfolios of changes	**Planning benefits**	Each initiative has its expected outcomes clearly defined.	P1
		Project outcomes create a measurable value to the organisation.	P2
		Project outcomes support the achievement of clearly defined strategic objectives.	P3
		Expected outputs, outcomes and benefits are described in the business case and approved at the beginning of the project.	P4
Managing the on-going portfolio of changes	**Reviewing and measuring benefits**	Project outputs and outcomes are frequently reviewed and realigned to the current expectations.	P5
		Project reviews are frequently communicated to the stakeholders as well as their needs are frequently reassessed.	P6
		Project outcomes adhere to the expected outcomes planned in the business case.	P7
Concluding and embedding changes to realise benefits	**Realising benefits**	Project's scope includes activities aiming to ensure the integration of project outputs to the regular business routine.	P8
		Project outcomes are monitored by the organisation after project closure in order to ensure the achievement of all benefits expected in the business case.	P9
		The organisation works in a pre-planned and regular way to integrate project outputs into the business routine from the first delivery to the project's closure.	P10
Aligning strategies of change	**Defining benefits management strategy**	A BRM strategy defines the standard procedures for the whole organisation.	P11

Finally, different perspectives could perform different evaluations of project success. Then, Table 3 presents three groups of roles identified in the literature in order to enable the assessment of the different perspectives, and then to provide a comprehensive understanding of the perception of project success.

Table 3 - Key groups of roles involved in BRM practices (Serra, 2012)

Group of roles	Description	Typical role in each group
Programme and project governance	Perform the required executive leadership, establishing strategic alignment, providing project support and prioritisation, and then ensuring project success.	Project Sponsor
Programme and project management	Responsible for delivering the required outputs in order to satisfy their stakeholders' needs. Required to be aware of their projects' success criteria, and to maintain the alignment between the project and the expectations.	Project Team
Benefits owners	Receive project outputs, and then are accountable for delivering the required benefits.	Project Customer

4. Methodology

The research has employed a parallel mixed design for collecting data in a limited time, providing different but complementary data on the same topic (Creswell & Clark, 2011). A quantitative analysis (QUAN) has enabled descriptive and inferential statistics for the variables and, in parallel, a qualitative analysis (QUAL) has enabled thematic analysis over the narrative data (Teddlie & Tashakkori, 2009). These procedures have enabled methodological triangulation, which is comparison and contrast between statistical results and qualitative findings, providing corroboration and validation (Creswell & Clark, 2011). Furthermore, it has enabled the illustration of quantitative results with qualitative findings, a multilevel comparison within the system and a synthesis of complementary results (Creswell & Clark, 2011).

Analytical surveys tested the relationship between project success and BRM practices (Blaxter, et al., 1996). QUAN data has been gathered through questionnaires composed of closed questions requiring respondents to identify perceptions of project success, BRM practices and controlling variables. The questionnaires asked the respondents how much they agreed that their projects had been successful from the perspectives of the three groups listed in Table 3. Then, it repeated the question for each dimension of success listed in Table 1. Finally, it asked how much they agreed that the practices listed in Table 2 had been used in their projects. QUAL questionnaires followed a similar structure to the QUAN questionnaires, but they were composed of open questions aiming to support and complement the QUAN findings.

Probability-sampling techniques were employed for the quantitative strand and purposive sampling techniques were employed for the qualitative strand. Considering that populations of different countries had different environments, cultures and behaviours, these differences could affect results, and then variations from one country to another were expected. Then, in order to increase the reliability of the results, data triangulation was also performed. So, both the QUAN and the QUAL

surveys were performed in Brazil, the UK and the USA, because the three countries have been considered as having different environments and practices.

From 21/05/2012 to 26/07/2012 900 invitations were sent out through LinkedIn to project management practitioners (300 per country), and then 331 QUAN responses have been collected, where 156 were from Brazil, 63 were from the UK, 76 were from the USA and 36 were from other countries. Although invitations have been sent to people in the three target countries, there was no restriction for respondents, and then a small number of respondents from other countries have participated. These responses from other countries have been considered in the overall analysis. In parallel, from 06/06/2012 to 18/07/2012, out of 225 invitations sent out through LinkedIn to professionals working with project governance (75 per country), 40 QUAL responses have been collected, where 17 were from Brazil, 14 from the UK, and 9 from the USA. The majority of data from Brazil might have biased the consolidated results, and then any statistical difference found between the results of the three countries was analysed and reported.

In order to assess how seven dimensions and three perspectives of project success influence the final perception of success and how eleven key BRM practices influence the perceptions of project success, multiple regressions were applied over the QUAN data as the way to analyse how several predictor variables influence one outcome variable (Pallant, 2010; Field, 2009; Tabachnick & Fidell, 2007). The QUAN data was analysed using a thematic analysis, where answers were coded in order to identify their adherence to categories, which have been already defined on an initial microanalysis (Strauss & Corbin, 1998).

5. Results

The Sub-RQ3 has been fully responded to by the results of the surveys, which enabled the identification of the current employment of key BRM practices (OBJ3-3), project success criteria (OBJ3-1), project success rates (OBJ3-2) and how success rates are affected by key BRM practices (OBJ3-4). However, the Sub-RQ4 was only partially answered by identifying differences in BRM practices between different countries (OBJ4-1) and identifying whether these differences influence project success rates (OBJ4-3), but not identifying motivators for these differences (OBJ4-2).

The QUAN results have identified high utilisation of BRM practices for the composition and prioritisation of the portfolio and for the management of the on-going changes. However, most practices regarding the embedding of these changes into the day-to-day business presented medium utilisation, which means a weaker focus on benefits realisation. QUAL results revealed that cultural resistance, lack of organisational awareness, maturity and support are barriers for the implementation of these practices. Moreover, although benefits realisation is a key part of the governance process (Thorp, 2007), the incorporation of a benefits realisation

strategy into the governance strategy has presented low occurrence. Table 4 summarises these results.

Table 4 - Summary of current BRM practices (Serra, 2012)

Key BRM practices	Governance key processes	Current employment of key BRM practices (OBJ3-3)	Differences in BRM practices (OBJ4-1)	Motivators for these differences (OBJ4-2)
P1	Composing and prioritising portfolios of changes	High (76.1%)	No	
P2		High (69.2%)	Yes	Not Identified
P3		High (77%)	Yes	Not Identified
P4		High (67.7%)*	No	
P5	Managing the on-going portfolio of changes	High (70.1%)*	No	
P6		High (75.8%)	No	
P7		High (73.1%)	Yes	Not Identified
P8	Concluding and embedding changes to realise benefits	High (76.4%)	No	
P9		Medium (58.3%)*	No	
P10		Medium (57.7%)	No	
P11	Aligning strategies of change	Low (35%)*	No	
* QUAN and QUAL results are not similar. In the four cases, QUAL results are higher than QUAN.				

Small differences between countries were identified in three BRM practices. However, neither the QUAL results nor the literature review could explain these differences, and therefore additional research is suggested for developing a deeper understanding of these differences. Since the three practices presented the same medians of utilisation, these small differences have not been considered to invalidate the following set of analysis. Moreover, four practices presented QUAL results slightly higher than QUAN results, but based on the QUAL analysis these small differences were not considered to invalidate the QUAN results.

The QUAN results revealed that 86.1% of the cases were successful with no statistically significant difference between countries (OBJ3-2). However, only two dimensions of success were considered to have individual influence on the final perception of project success (OBJ3-1). These dimensions were related to 'Schedule Goals' and 'Required Outputs', which confirms a still higher influence of criteria related to project performance over the final perception of success. Moreover, although the literature remarks on the relevance of financial criteria, 'budget goals' were not found to be so relevant. As found in the QUAL results, it may be explained by a budgetary flexibility provided by organisations in order to prioritise the delivery of the expected outputs on the required schedule. Figure 1 presents the consolidated success rates for each dimension.
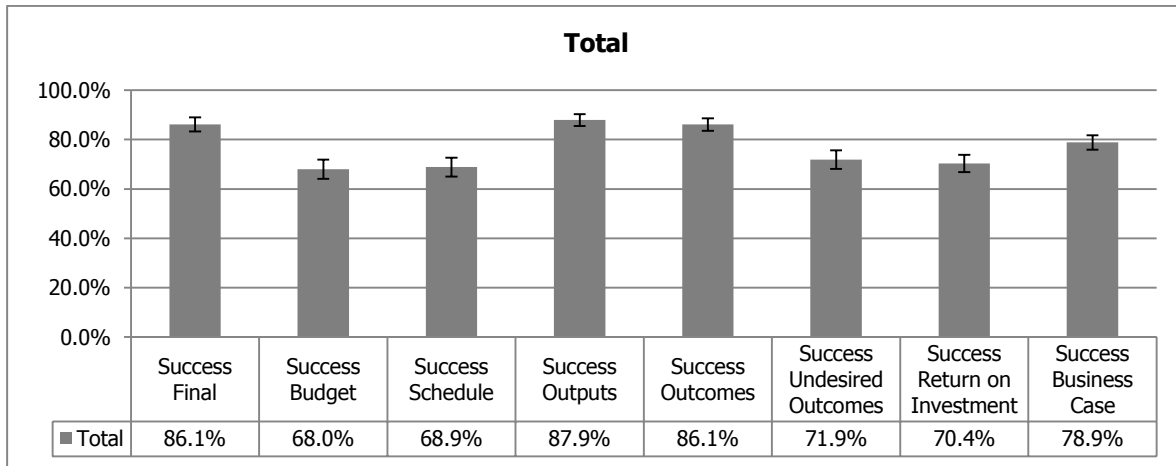
Total

	Success Final	Success Budget	Success Schedule	Success Outputs	Success Outcomes	Success Undesired Outcomes	Success Return on Investment	Success Business Case
■ Total	86.1%	68.0%	68.9%	87.9%	86.1%	71.9%	70.4%	78.9%

Figure 1 - Project success rates

Particularly the dimension related to 'Required Outputs' from the customers' perspective was the only perception having individual influence when considering the seven criteria from three perspectives (Customer, Sponsor and Project Team), which means that the satisfaction of the customer, by receiving the required outputs, is the most influential individual perception of success. Although it could represent the relevance of the customer's perception, it also highlights the lower influence of the perceptions related to long term results.

Moreover, the Sponsors' perspective and the Customers' perspective had stronger correlation between themselves than between them and the Team's perspective. Although it could suggest a misalignment between Project Teams and the others, this result could have been biased by 31% of the cases having the same person in the roles of Sponsor and Customer or even by 62% of the respondents being members of project teams.

Analysing together the previous sets of variables, a statistical model could predict 16% of the perception of project success based on the utilisation of BRM practices. Since the literature has suggested that BRM practices influence criteria related to the creation of value for business (Cooke-Davies, 2002), the lower influence of these criteria on the final perception of success could have an influence on this result. Therefore, another model was created considering the seven dimensions that were equally weighted. This time, the model could predict 44% of the perception of project success, which supports the idea of a higher influence of BRM practices on criteria related to the creation of value for business. In order to develop a better understanding of that influence, seven models were created analysing separately each dimension of success. These models confirmed the higher influence of BRM practices over criteria related to the creation of value for business. However, they revealed that these practices were also able to predict success when assessed by criteria related to project performance. Therefore, although BRM practices strongly influence success in the creation of value for business, they also influence success in project performance.

Since all models analysed were able to predict project success based on the utilisation of eleven key BRM practices, these results have enabled rejecting the Null Hypothesis and answering the research question, by identifying that benefits realisation management does increase project success rates.

Table 5 – Influence of BRM practices over success rates (Serra, 2012)

Objectives	Variance in the perception of project success predicted by BRM practices
How success rates are affected by BRM practices (OBJ3-4)	o 16% of Project Success (PSFs); o 44% of Dimensions of Project Success (PSDs); o 21% of Budget Goals (PSBs); o 23% of Schedule Goals (PSSs); o 27% of Required Outputs (PSRs); o 27% of Expected Outcomes (PSEs); o 29% of Undesired Outcomes (PSUs); o 31% of Return on Investment (PSIs); o 42% of Adherence to the Business Case (PSCs).

6. Conclusion and Suggestions for Practitioners

This research has identified the high value of BRM practices in supporting the successful execution of projects, especially those that deliver value for the business. Although some of these practices are already highly applied, they clearly lack integration into the governance processes. The emphasis in delivering immediate needs rather than in carefully embedding outcomes to enable the delivery of medium/long term benefits have also been noticed. The improvement in these two sets of practices can increase the levels of success in the execution of business strategies as well as the creation of value for the businesses.

Moreover, most organisations are still evaluating success based on project performance rather than on the creation of value for the business. This behaviour may jeopardise any attempt to implement BRM practices, since the real value of their strategic contribution could not be clearly measured, and then, not clearly noticed. Therefore, increasing the awareness about the importance of benefits realisation, overcoming cultural barriers and shifting from a perspective of success mostly based on project management performance to another focused on the successful execution of business strategies and on the achievement of long term benefits, organisations have Benefits Realisation Management as an effective set of tools to increase their success rates and to support the creation of value for the business.

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