Business Benefits Realisation – The Unfortunate Truth
by By Craig Wilkins, Gareth Byatt, Gary Hamilton, and Jeff Hodgkinson

Gareth, Gary and Jeff would like to thank Craig for agreeing to partner with us and share his expertise as the primary author for this article.

Business Benefits Realisation for programs and projects should be tackled very early in their lifecycle. A concerted effort towards the management of business benefits realisation is key to the success of programs and projects.

The Current Scenario Business Perspective

Business benefits realisation (BBR) is a process which is sometimes practiced, and often hypothesised about. However, the unfortunate truth is that more often than not, the business case proposition is not analysed post-program or project to verify whether the benefits are being realised – and what happens if they are not.

Project Management Perspective

The traditional role of the Program or Project Manager (PM) is to deliver an outcome of some sort. The PM is typically not tasked with identifying benefits, nor do they remain active in the program/project when the time arrives to harvest those benefits. The responsibility of "harvesting the benefits" is passed back to the business or, if pertinent, back to the program of which the project was a part.

It is imperative for the PM to be cognizant of the benefits their project has set out to gain, and, as such, all advanced PMs should be acutely aware of the benefits' lifecycle and to know their role in that lifecycle.

A Story on Benefits: the Business Perspective

Imagine this scenario: a business intends to invest capital in an idea that its management believes will improve efficiency and increase customer satisfaction, which will, in turn, generate new business. A business case is developed which focuses on the opportunities and is so well-structured that the financiers approve it to proceed. They hand this opportunity over to the program office to deliver but, to keep it tight, they set definitive time and financial constraints to prevent the project from squandering their profits.

The program and project team works incredibly hard to deliver and, with a few challenges along the way, they succeed. Everyone is happy; they have a post-implementation celebration and the product is handed over to the business to manage and maintain. All the business has to do to ensure that the profits will come rolling in is to keep the financiers happy and be certain that their staff is trained in the new product.

Morale is high and the executives want to move on to their next opportunity. However, the financiers stop them in their tracks by asking: "Can you provide us with evidence proving your last investment is reaping the rewards you anticipated?" The executives reply: "Well, the product was implemented on time and we didn't waste any of the money you lent us, we have trained staff and happy clients utilising the system. We are paying you back the agreed amount, so that's a proven success isn't it?"

The financier replies "Yes, that sounds like a success story; however, we would like to see exactly how much more income your organisation is booking since the launch of your new product, and the percentage client growth this product has provided. If you can show us these figures, we will be happy to partner with you in this new venture. This new business case looks appealing."

The Executives think for a while before responding "Yes, I'm sure we have that information somewhere; we will speak to our people and prepare a report for you. What does your calendar look like in two days? We can get something to you by then."

And so it begins . . . the scramble to reverse engineer some random numbers and search high and low for the benefits.

A Story on Benefits: the Project Management Perspective
"Right, let's get the best team we have available and design this new product. We have a definitive completion timeframe and a set budget; I am certain we will make this happen".

After a lot of hard work, long hours and stress, the product is delivered. However, we didn't have enough time nor money so we only implemented 80% of the required functionality. But, hey, what a product! We met most of our delivery constraints. Well done to all; let's have a celebration to share our success story.

Three months later, the PM is in an interview for a new role. The interviewer asks the PM: "Was you last project was a success?" The PM responds honestly: "Yes, the product was implemented on time and we didn't waste any of the budget. We developed a well-trained staff and there are happy clients utilising the system. That's a success, isn't it?"

The interviewer retorts, "Yes, that does seem impressive, but did the project reap the business benefit it set out to achieve?" The PM replies: "That is not a PM's task, you know, to identify and then measure the benefits. That is what management is for. I am certain they have that data somewhere; surely we would have been told if it hadn't met the benefits."

He didn't get the new role.

The concept of Business Benefits Realisation (BBR)
Businesses can and should measure their return on investment post program/project (throughout the lifecycle of the product) to verify a good or a bad decision as a result of the information provided to them in the business case, and to learn from their decisions. Early in the life of the project, a benefits realisation plan should be created that details expected benefits of the project, and if relevant, how they align to the benefits of a "parent program". It is important to consider both "hard" business benefits as well as "soft" benefits.

Often it is easier to agree soft, intended benefits rather than hard numbers (not just financial numbers, it could include specific time saving improvements or percentage improvement in coverage of processes, for example). The program/project manager should own the benefits realisation plan throughout the life of the program/project, and transition it to a business owner at the appropriate time, to manage the benefits through the product lifecycle.

This is the concept of Business Benefits Realisation (BBR).

Benefits can and should be documented in a plan, not just discussed. If the results are positive, well done; your decision-making processes are working and your forecasting techniques are sound. If the results are negative, you have a method of identifying exactly where you went wrong and the ability to rectify the process in order for this not to reoccur. If you cast your mind back to the second reason companies take on project management process, this would be a success, wouldn't it?

How do you perform Business Benefits Realisation?
The answer is simple – you plan for it and realise that it will take some time. As with any solid process, an organisational process, guidelines and template(s) should be available to assist staff in meeting corporate expectations.
The template is like a hybrid of a business case and a simple project plan. The focus is to flesh out the tangible benefits that will be "baked into" future business plans, utilising the expected outcomes as a base and attributing an owner and hence a value to each benefit. It is crucial to identify real, tangible benefits, and not too many of them (too many benefits means too many things to track in future).

The BBR has its lifecycle which must be overseen by a senior staff member for management until completion. This is management to the end of the life of the product as per the business case, not the end of the project life cycle.

The benefits will have a realisation timeline, and some may kick in earlier than others. This realisation schedule is monitored and measured by the overall BBR owner and each specific benefit owner. There may be KPIs for them to achieve. As each anticipated benefit has been realised, the actual value of the benefit is measured against the planned value to obtain a variance (if any) in value as proposed in the business case. In order to do this successfully, a governance and reward process must be applied to the BBR. If a manager is remunerated on the basis of the success of their BBR process, they may actually pursue the benefits the project has delivered with enthusiasm. Common sense and strong business acumen should prevail when managing benefits.

Conclusion
In summary, the ultimate achievement of program and project success entails a great deal more than successfully delivering the investment initiative to meet time, cost and scope. It includes meeting the business benefits as proposed during the initial business case.

A well-written business case is essential, as is a structured approach to ensuring the benefits lifecycle is planned, measured and tracked to the end. This is not necessarily the domain of the program or project manager; however, the astute PM should be aware of the benefits lifecycle and the relevance of their program or project to the success of their organisational strategic goals – and know how they can play their part in making it happen. We would really like to hear from you if you have any feedback, a story to tell us or a specific topic you would like us to use in a future article. If so, please email us at Contactus@pmoracles.com.

Article Author Bios (with Craig Wilkins) as of February 2012

About The Article Authors, Their Roles Their Plans, And Their Goals	Gareth Byatt, Gary Hamilton, and Jeff Hodgkinson are experienced PMO, program, and project managers who developed a mutual friendship by realising we shared a common passion to help others and share knowledge about PMO, portfolio, program and project management (collectively termed PM below). In February 2010 we decided to collaborate on a three (3) year goal to write 50 PM subject articles for publication in any/all PM subject websites, newsletters, and professional magazines / journals. Readership of the articles is continuously increasing and we are fortunate to have assistance from people around the world who have taken the time to translate our articles into Arabic, Czechoslovakian, French, German, Indonesia, Italian, Korean, Spanish, Portuguese, and Russian for their readers. Our articles are published on websites in 30 countries including Australia, Brazil, Canada, Chile, Costa Rica, Czech Republic, Finland, France, Germany, Hong Kong, Italy, India, Jamaica, Jordan, Netherlands, New Zealand, Nigeria, Pakistan, Panama, Poland, Portugal, Russia, Singapore, South Korea, Spain, Sri Lanka, Trinidad, Turkey, UK, Ukraine and the USA. Our mission with these articles is to help expand good PMO, program, and project management practices by promoting the PM profession, to be a positive influence to the PM Community, be known as eminent influencers of good PM practices, and in earnest hope readers can gain benefit from the advice of their 66+ years of combined experience plus the expertise of co-authors who kindly write with us on particular subjects. As of December, 2011, we have been published over 500 times! Along with writing articles, each also champions a role in the overall writing program collaboration process: → Gareth manages all requests for additional guest author collaborations → Gary manages the article development tracking and readership metrics → Jeff manages the article distribution and new readership demographics Each of us can be contacted for advice, coaching, collaboration, and speaking individually as noted in their bios or as a team at: Contactus@pmoracles.com
	Craig Wilkins (PMP, MPM) has over 25 years of experience in the Information Technology and Telecommunications industry, of which the last 17 years have been in the application of program and project management practices. Craig has been assisting and guiding global organisations in their pursuit of efficient program and project management practices for the past 11 years. Craig is a vocal advocate of proactive risk management and has a keen interest in the business benefits lifecycle. Currently, he is actively campaigning to promote the practice of benefits harvesting post project to allow the business to ascertain the level of success of their financial investments. Email Craig craig@wilkins.com.au.
	Gareth Byatt has 16+ years of experience in project, program and PMO management in IT and construction for Lend Lease. Gareth has worked in several countries and lives in Sydney, Australia. He can be contacted through LinkedIn. Gareth holds numerous degrees, certifications, and credentials in program and project management as follows: an MBA from one of the world's leading education establishments, a 1st-class undergraduate management degree, and the PMP®, PgMP®, PMI-RMP®, PMI-SP® & PRINCE2 professional certifications. Gareth is a past Director of the PMI Sydney Chapter, he is currently the APAC Region Director for the PMI's PMO Community of Practice and he chairs several peer networking groups. He has presented on PMOs, portfolio and program and project management at international conferences in the UK, Australia, & Asia including PMI APAC in 2010. Email Gareth: gareth.byatt@gmail.com
	Gary Hamilton has 17+ years of project and program management experience in IT, finance, and human resources and volunteers as the VP of Professional Development for the PMI East Tennessee chapter. Gary is a 2009 & 2010 Presidents' Volunteer Award recipient for his charitable work with local fire services and professional groups. He has won several internal awards for results achieved from projects and programs he managed as well as being named one of the Business Journal's Top 40 Professionals in 2007. Gary is the 5th person globally to obtain the six PMI credentials PgMP®, PMP®, PMI-RMP®, PMI-SP®, PMI-ACP®, and CAPM®. In addition to these, Gary holds numerous other degrees and certifications in IT, management, and project management and they include: an advanced MBA degree in finance, Project+, PRINCE2, MSP, ITIL-F, MCTS (Share-Point), MCITP (Project), CSM (Certified Scrum Master), and Six Sigma GB professional certifications. Email Gary: Gary@PMOracles.com or contact him through LinkedIn.
	Jeff Hodgkinson is a 32+ year veteran of Intel Corporation, where he continues on a progressive career as a senior program/project manager. Jeff is an IT@Intel SME and blogs on Intel's Community for IT Professionals for Program/Project Management subjects and interests. He is also the Intel IT PMO PMI Credential Mentor supporting colleagues in pursuit of a new credential. Jeff received the 2010 PMI (Project Management Institute) Distinguished Contribution Award for his support of the Project Management profession from the Project Management Institute. Jeff was the 2nd place finalist for the 2011 Kerzner Award and was also the 2nd place finalist for the 2009 Kerzner International Project Manager of the Year Award ™. He also received the 2011 GPM™ Sustainability Award. He lives in Mesa, Arizona, USA and is a member of Phoenix PMI Chapter. Because of his contributions to helping people achieve their goals, he is the third (3rd) most recommended person on LinkedIn with 590+ recommendations, and is ranked 72nd most networked LinkedIn person. He gladly accepts all connection invite requests from PM practitioners at: www.linkedin.com/in/jeffhodgkinson. Jeff holds numerous certifications and credentials in program and project management, which are as follows: CAPM®, CCS, CDT, CPC™, CIPM™, CPPM–Level 10, CDRP, CSM™, CSQE, GPM™, IPMA-B®, ITIL-F, MPM™, PME™, PMOC, PMP®, PgMP®, PMI-RMP®, PMI-SP®, PMW, and SSGB. Jeff is an expert at program and project management principles and best practices. He enjoys sharing his experiences with audiences around the globe as a keynote speaker at various PM events. Email Jeff: jghmesa@gmail.com