

Realizing Benefits – *It’s What Projects Are For!*

“A project Business Case is your platform for agreeing the plan to ensure value-driven Benefits Realization.”

Gareth Byatt & Jeff Hodgkinson

We believe a simple methodology can be applied to attain Benefits Realization. Achieve true project success by ensuring:

- Project benefits are clear, concise and relevant in “value creation” terms from the Business Case onwards, and that they directly relate to your organizational strategy
- People are held accountable for achieving these benefits
- Benefits stated in a Business Case are actively measured throughout the entire initiative, i.e.,
 - During the project lifecycle (particularly if it is released in phases)
 - After the project is closed
 - When the product/output starts to be used
- Appropriate action is taken if required to alter direction (i.e., the organization changes course and the intended project benefits are no longer relevant)

Simple Process Flow for Project Benefits Realization



Start With a Good Business Case!

In the project management community, it is generally accepted that a project starts in earnest once a “Business Case” has been agreed to and various other initiation tasks are complete. The question now is, *“Does your Business Case remain a core reference document throughout the project’s lifecycle?”*

Or does it go into the project files, to be reviewed only if, say, key stakeholders request a change order or when Project Auditors visit?

Business Cases vary in size and complexity. A Business Case, and the process to agree to it, should include the following elements relating to benefits realization:

- Clearly show how the initiative contributes to the organizational strategy including the core reason for the initiative
- There must be measurable benefits that specifically relate to the organization’s goals and objectives
- People must be named as accountable for ensuring benefits are achieved (and they must know and accept this accountability)
- People must agree to these benefits being monitored over time, with appropriate adjustments made when necessary

Three Main Points

Point 1: Contributing to the Organizational Strategy

Circulate your proposed Business Case benefits with all key stakeholders to ensure they “stack up,” and a “Governance” control group should oversee and approve key project decisions regarding agreed benefits, including Business Case approval.

Remember, it can be all too easy to inadvertently omit certain stakeholders from the loop. From the beginning, ensure benefits monitoring is built into your project – it will keep you on track to deliver what your Customer needs. It is most useful to include the strategy for tracking benefits in the Business Case. This can be high-level or it can be a detailed explanation, depending on the circumstances. One word of warning: benefits tracking can mean many things, and can be subject to lack of clarity without the right level of rigor being applied. The sample extract from a Business Case below shows benefits, accountabilities, metrics (if applicable) and the proposed timeframe for realization:

Aim & Objectives of the INSERT NAME initiative

The aims of the initiative are to:

- Insert here.

Justification/Rationale for project investment:

Benefit	Accountable person	Metric	Timeframe
	INSERT NAME HERE		
	INSERT NAME HERE		
	INSERT NAME HERE		
	INSERT NAME HERE		
	INSERT NAME HERE		
	INSERT NAME HERE		
	INSERT NAME HERE		
	INSERT NAME HERE		
	INSERT NAME HERE		

When assessing benefits, and following through in the post-delivery phase, one should talk to people across the organization vs. taking one person’s opinion as the complete story.

Ensure that the focus is on creating value, and that it is realistic. For example, drawing up “Use Cases” of real-life scenarios of how people will perform activities with the new deliverables in place can help to define the realistic benefits.

This is what may be termed “active planning” for change, rather than “passive planning” as it means you will understand the true value creation process. It can help ratify the scope and intentions of your project, which should mean the people nominated as accountable for achieving the benefits are confident of their delivery (and hence they should be comfortable in signing up to them).

A Business Case may not always state specific financial benefits. Projects can be charted to contribute to a strategic objective of an organization where:

- Clear-cut financial returns are not directly evident
- Implemented as control measures in response to statutory requirements or legislation

It is wise to include financial metrics in a Business Case only if they can be substantiated; financial justifications should not be included if you cannot justify and measure them (but track financial improvement in future if possible).

Point 2: Assign Accountable People for the Benefits in Your Business Case

The governance group you establish for your project plays an important part in ensuring benefits are measured once the project is closed and the Operations or Sustaining teams start to use the Deliverable.

Assigning key people as accountable for realizing stated benefits should give a Business Case the importance it needs to ensure those benefits are traceable. The key to success is to make sure the benefits are realistic and measurable.

To link Business Case benefits with ongoing Benefits Realization, we have found it useful to clearly state in the Business Case that a Benefits Realization Plan will be implemented to track the proposed benefits over the initiative’s total lifecycle. We have found it can be helpful to include the proposed Benefits Realization Plan tracking mechanism as an Addendum to the Business Case.

One example format (*many exist*) is shown below:

TITLE OF INITIATIVE HERE									
Function	DATE	Created	NAME	NAME	NAME	BENEFIT OBJECTIVES (as outlined in project Business Cases)		Plan	Actual
Updated	DATE	Completed/Status	NAME	NAME	NAME	Accountable Person	Accountable Business Cases	Plan	Actual
1. Initiative 1									
2. Initiative 2									
3. Initiative 3									
4. Initiative 4									
Linked initiatives									

Point 3: Monitor Project Benefits Over Time

Successful project delivery is an important first step to achieving business benefits – completing a project on time, budget and to expected quality levels sets the platform for ongoing success. However, what we are most concerned about in Benefits Realization is to ensure the Deliverable that the project provides generates benefits as intended (or perhaps new, unforeseen ones) over its lifecycle.

Sometimes project Deliverables need to be adjusted before the project is complete or at a point in time after project closure – for example, as circumstances change, unexpected external impacts arise, or new opportunities result in a change of organizational strategy. This is often true for long duration projects. Such changes need to be fed into the Benefits Realization Plan, so that it is kept up to date and is ready to be used as soon as the project closes.

We have found that Benefits Realization Plans can be structured in “layers” – that is, specific project benefits can be measured regularly and aggregated at a program and/or portfolio level for overall benefits assessment and tracking.

Our Conclusions

The realization of project benefits can be considered to be dependent on the following five principle factors:

1. Business Case benefits should to be clear and concise, and relate to the organizational strategy.
2. Give your Business Case importance by assigning the people who will be accountable for achieving stated benefits in your Business Case (after obtaining authority to do so). Make sure the Business Case signatories agree and understand that benefits will be tracked and corrective actions will be taken in the event of a change or direction, or failure to realize the stated benefits.
3. The benefits stated in a Business Case should be actively measured through continuous participative engagement after project closure in a Benefits Realization Plan.
4. Action should be taken if a benefit is not being realized (for example, if the organization changes course or the project deliverables are no longer relevant).
5. Lastly, giving people a continued focus on benefits throughout a project helps keep it on track, and for the “big picture” to be maintained. It is from this vantage point that we can ensure projects deliver the benefits that were intended.

Summary Extract

Today, more than ever, project benefits need to be achievable then realized and then sustained (maintaining relevance) when your project is complete and its output goes into use. Adopting a simple “Project Benefits Realization Tracking Method” starting from the project’s business case onwards can help you achieve this outcome.

Mini Glossary

Term	Description
<i>Benefits Realization</i>	What the project intends to deliver to the customer/stakeholder upon completion.
<i>Business Case</i>	Why the project is being done and what justifies the resources being used.
<i>Project Lifecycle</i>	The phases a project goes through between start to finish. Typically 3 to 5.
<i>Project Benefits</i>	What will be the long term results or gain derived after completion of the project.
<i>Governance</i>	Management group that approves project charter and subsequent phases if needed.
<i>Strategic Objective</i>	High level business objective which the project has inclusion to achieving it.
<i>Deliverable</i>	A result gained either during or at the completion of a project.

About the Authors

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Gareth and Jeff met through [LinkedIn](#) and share a common passion for program and project management theory and practices. Though they live half a world away from each other collaborate and co-author articles. Together they bring over 40 years of experience into their subject writing for the benefit of their colleagues worldwide.