



 **APMG** International

Top tips for Managing Benefits

Project & Programme Management



INTRODUCTION

Benefits management is not another aspect of programme or project management. Rather it is the rationale for progressive options analysis and investment appraisal of the programme or project business case that ultimately informs portfolio prioritization in any capital investment in the make-up of an expansive portfolio of programmes, projects and other work.

As such, benefits ought to be the primary driver behind all organizational change via benefits-led programmes and projects from initiation through to – and beyond – integration into operational service.

7 Guiding Principles

The *Managing Benefits - Optimizing the Return from Investment* by Steve Jenner guidance¹ provides seven overarching principles to improve individual capability and organizational maturity in benefits management. They are:



1

Align benefits with strategy. Benefits represent the measurable improvements which contribute towards one or more organizational or strategy objectives. As such, new strategy objectives must be clearly articulated so this contribution can be measured consistently and reported in the performance management system.



2

Start with the end in mind. By adopting benefits-led rather than output-driven programmes and projects, commissioning organizations can better identify how the scope of the proposed investment is determined by the benefits required. Simply, the benefits required should determine the scope (and the business requirements) for investment approval rather than vice versa.



3

Utilize successful delivery methods. Disciplined delivery methods like the Praxis Framework remain a necessary pre-requisite for benefits realization. If programmes and projects are not delivered effectively, or if they are delivered late, there will inevitably be adverse impacts on benefits realization.



4

Integrate benefits with performance management. Linking benefits from programmes and projects to the performance management system is further enabled where balanced scorecards and strategy maps are cascaded down and across the organization. By doing so, it enables benefits to be mapped to measures used at a unit and functional level.



5

Manage benefits from a portfolio perspective. Managing benefits at a portfolio level does not mean that you can dispense with benefits management at a programme or project level. A portfolio-based approach to benefits management does, however, help to ensure consistency of practice, enabling a clear line of sight with new strategy objectives, efficiency in the use of funding and people resources and effectiveness in term of optimizing benefits realization.



6

Apply effective governance. This is to ensure that clear, aligned, consistent and active governance exists with agreed accountability for enabling business changes upon which benefits realization is dependent, and for the realization of the required benefits in operational service. The intent is not to attribute blame but rather ensure clear allocation of accountabilities and transparent reporting of performance as a basis for continuous learning and improvement.



7

Develop a value culture. Effective benefits management is enhanced by the shift from a delivery-centric culture (where the focus is on delivering capability to time, cost and quality tolerances) to a value-centric culture (where the primary focus is on delivering value to customers). Given value is largely subjective, embracing both monetary and non-monetary benefits, it needs to be actively managed to deliver the most efficient use of finite resources and to optimize the benefits realized from the portfolio of programmes, projects and other work.



8

The realization of benefits is critical for investment decision-making. As such, be wary of any spending proposals with ill-defined benefits, unclear strategic objectives, unavailable or inaccurate benefit data and measures including unclear benefits ownership.



9

Benefits identification can be significantly improved by incorporating post-benefits evaluation from previous programmes and projects. This underscores the importance of conducting a full benefits lifecycle analysis for all spending proposals (from the 'identify and quantify' to 'value and appraise' through to 'plan', 'realize' and 'review' practices).



10

Ensure the measurable improvement from change is consistently articulated in a structured manner to enable progressive objective assessment of the benefits plan against the business case. For example, an “efficiency - cashable” benefit category would typically be written as [increased cost saving of “X”% over “Y” years]. That is, [measurable verb] by [benefit type] of [amount as a percentage or data range] over [time period].



SUMMARY / CLOSING THOUGHTS

Successful benefits management realization is not the most important thing, **it's the only thing** if organizations want to optimize their return from investment!

As such, commissioning organizations that fall short will likely face programmes and projects that are prone to optimism bias, blank-cheque syndrome, conspiracy of continuation or worst, strategic misrepresentation.

References

1. APMG International (2014). Managing Benefits by Steve Jenner, 2nd Edition. The Stationery Office, Norwich.
2. Infrastructure and Projects Authority (2017). Guide for Effective Benefits Management in Major Projects. Available at: <https://www.gov.uk/government/publications/guide-for-effective-benefits-management-in-major-projects>



We would like to thank **Milvio DiBartolomeo** for this top tips content.

About Milvio

Milvio is an ICT project portfolio management professional who has had a varied career. Starting in the private sector (working for some well-known multinational companies in business development) and later in the public sector in Queensland, Australia. For the past 13 years, he has worked on a number of transformational change initiatives across the entire programme and project lifecycle and worked as a business and process analyst, software tester and project manager.



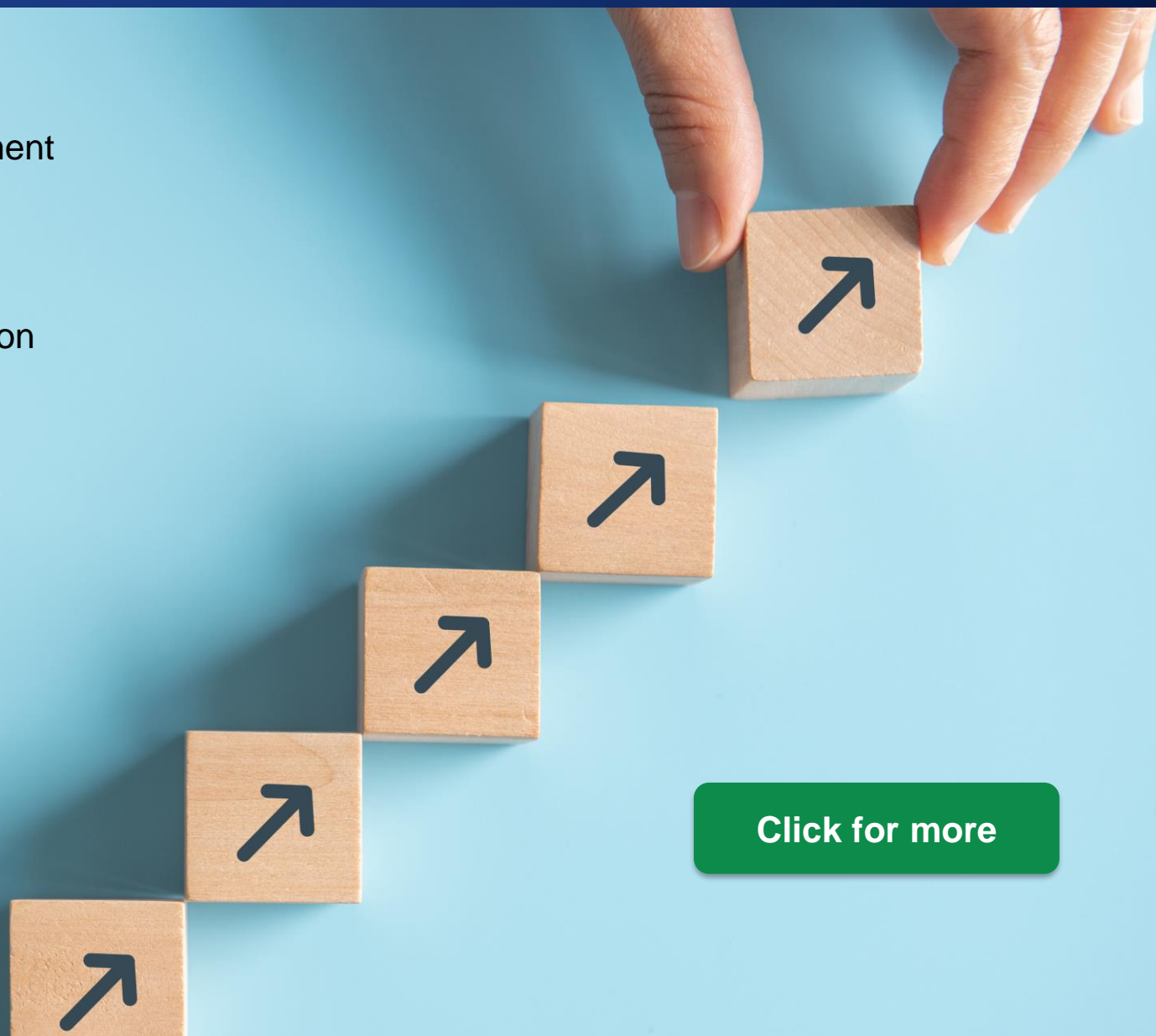
[Click to find and connect with Milvio on LinkedIn](#)



To discover more about effective benefits management and boost your skills, check out our **Managing Benefits training and certification program**.

Managing Benefits guidance, training and certification provides practitioners with generally applicable guidance encompassing benefits management principles, practices and techniques.

apmg-international.com/managing-benefits



[Click for more](https://apmg-international.com/managing-benefits)