

Benefit Mapping - defining the relationship between Projects and Outcomes

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ABOUT CONNEXION SYSTEMS



Connexion Systems practice areas:

- Project Portfolio Management
- Benefits Realisation Management
- Best Practices (eg PRINCE2, MSP, P3O)
- Earned Value Management
- Project Controls



SOME OF CONNEXION'S CUSTOMERS



Australian Government
The Treasury

BAE SYSTEMS



BOEING®



Planning &
Infrastructure



Australian Government
Department of Defence



Family &
Community Services
Community Services



PARLIAMENT of AUSTRALIA



AFP

AUSTRALIAN FEDERAL POLICE



Health



Government
of South Australia

tafeSA

BENEFITS DEFINED



“A measurable improvement resulting from an outcome perceived as an advantage by one or more stakeholders”.

— -UK Government Cabinet Office

“A business outcome that delivers value to the organisation.”

— -NSW Department of Finance & Services

BENEFITS MANAGEMENT DEFINED



“The identification, definition, tracking, realisation and optimisation of benefits at initiative and portfolio level.”

- *Steve Jenner, Managing Benefits (APMG)*

“The benefits realisation approach is used to determine whether a program has produced the value claimed in the business case. It is an approach that enables key stakeholders to clearly measure the effectiveness of the program by focussing on business metrics, rather than just program/project metrics.”

- *Deloitte*

CURRENT ISSUES



- Stakeholder engagement and ownership
 - Getting buy-in and ownership from those with the authority to make change happen
- Business Case Quality
 - Business cases are long on rhetoric, short on objectivity
 - Expected benefits are often difficult to measure whether they have been achieved
- Focus on Outputs, not Outcomes
 - During project and program delivery, focus on delivery of capability, with little regard for business change and outcome achievement

WHAT'S WRONG WITH THE STATUS QUO?

Rough distribution by cause of the 45% of IT projects that experience cost overruns (for those with budgets >\$15 million in 2010 dollars), %

Missing focus

- Unclear objectives
- Lack of business focus



Content issues

- Shifting requirements
- Technical complexity



Skill issues

- Unaligned team
- Lack of skills



Execution issues

- Unrealistic schedule
- Reactive planning



Unexplained causes



IT projects with budgets >\$15 million

Cost overrun, 45%

Schedule overrun, 7%

Benefits shortfall, -56%

Source: McKinsey-Oxford study on reference-class forecasting for IT projects

BENEFIT MAPPING



- A Benefits Map is created in a visual form to capture and communicate the relationship between project outputs and business outcomes
- The interactive process of creating these Map drives stakeholders towards a consensus definition of project success, and contributes to a well-defined business case.
- The resultant Benefit Maps can also be used throughout the life of initiatives to analyse any impacts on benefits caused by changes in direction or changes to the strategy as a whole.

SURVEY



- Who has a Business Case for their project?
- Who helped to write the BC?
- Who has *quantified* benefits in the BC?
- Who is responsible for benefit delivery?
- Who is having difficulty engaging the business?
- Who has run a benefit mapping workshop?

BENEFITS MAPPING TECHNIQUES

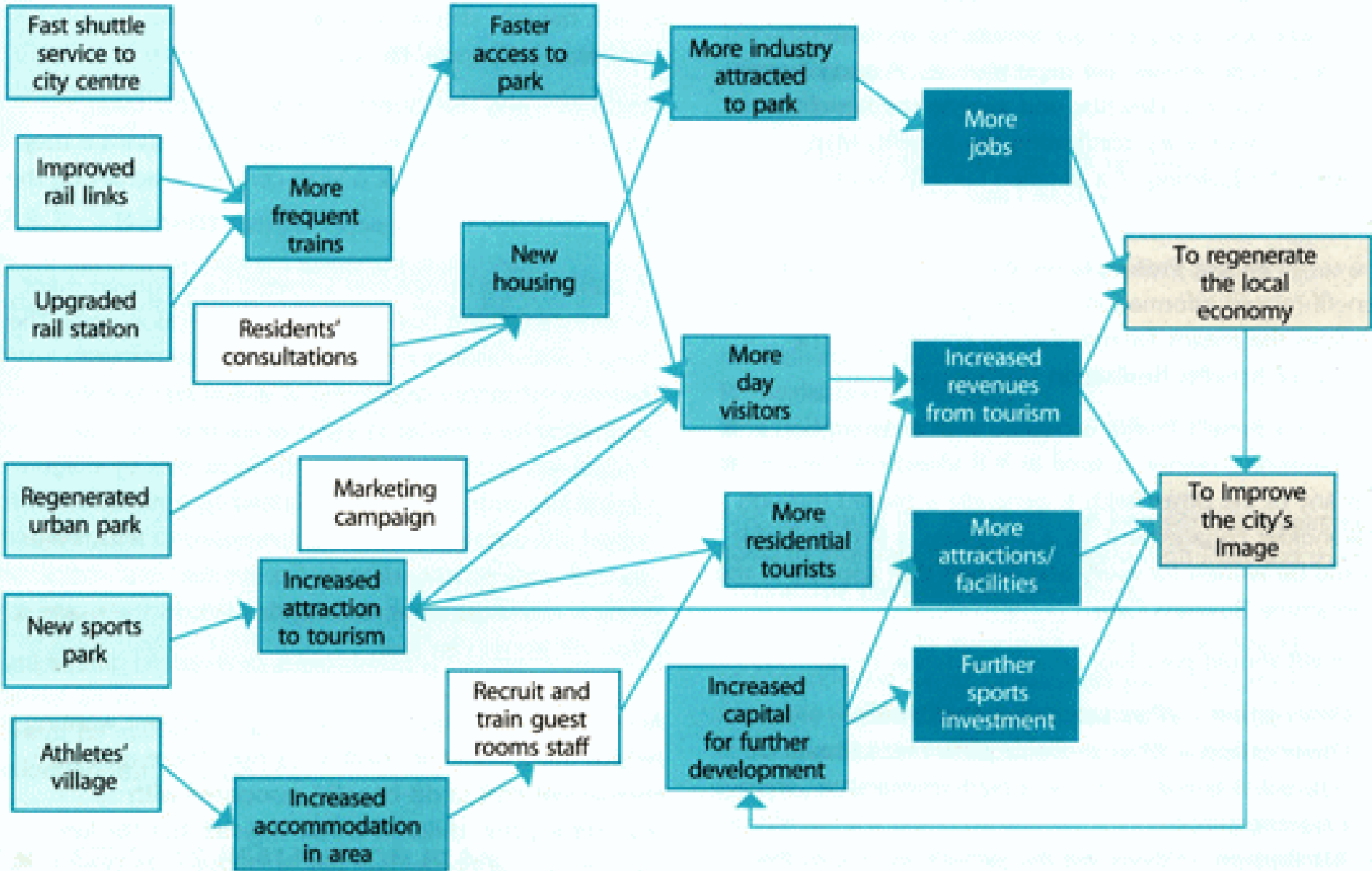


1. MSP Benefits Map
2. The Results Chain™
3. Benefits Dependency Network
4. Investment Logic Map

EXAMPLE 1



Managing Successful Programmes (MSP)



Project
Output or
Enabler

Business
Change

Intermediate
Benefit

End
Benefit

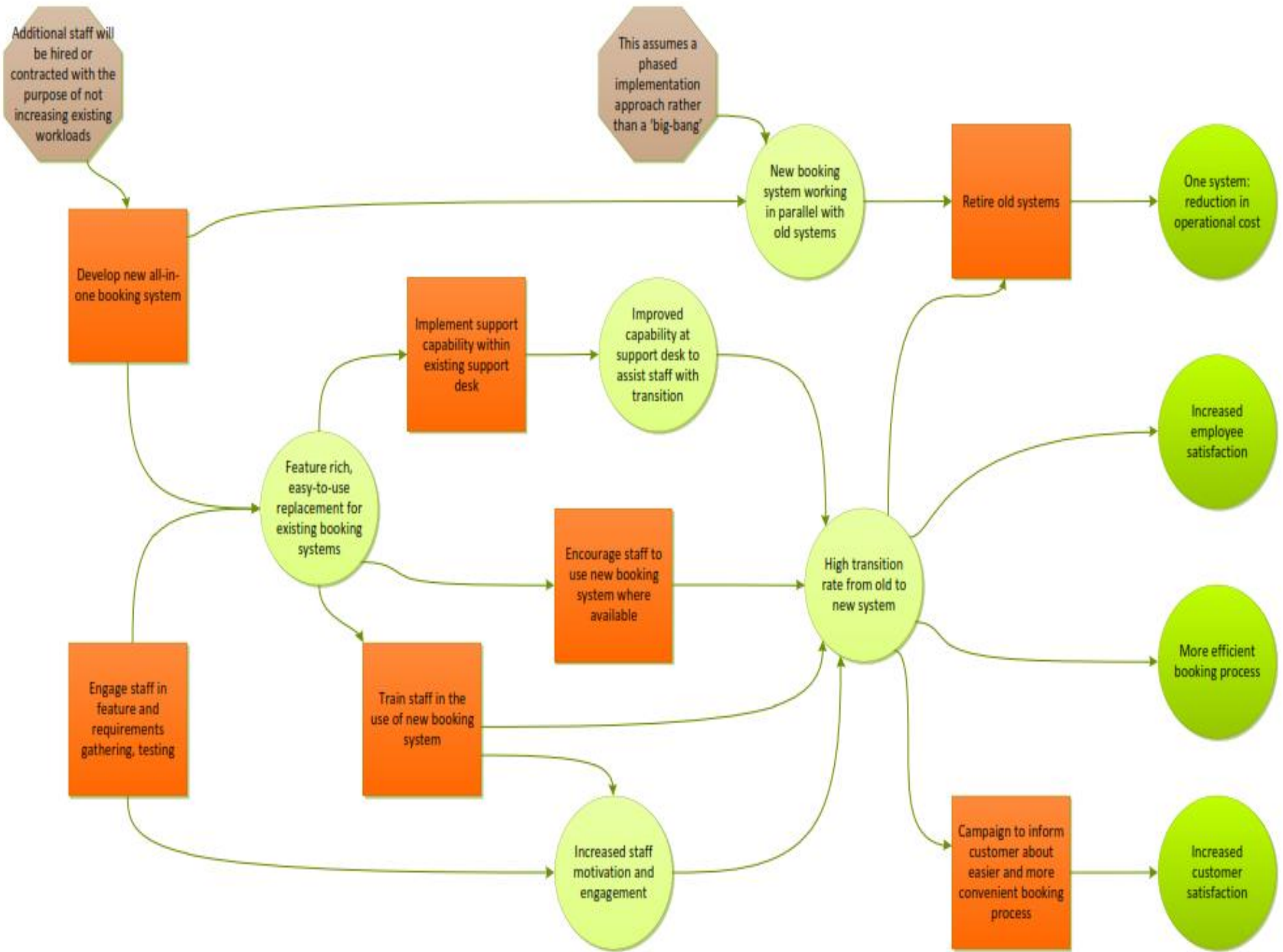
Strategic
Objective

EXAMPLE 2



Results Chain

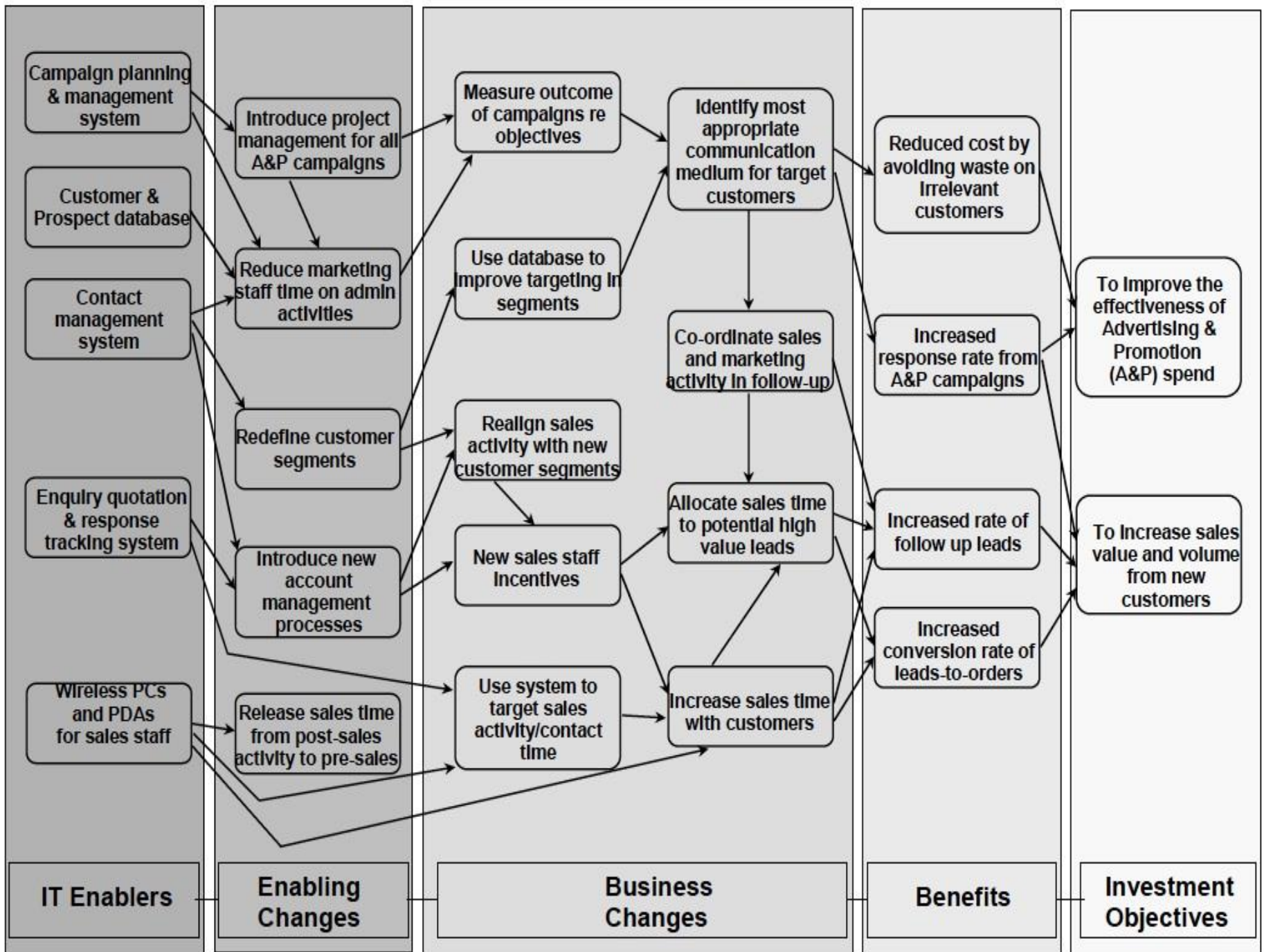
Fujitsu – “The Information Paradox”



EXAMPLE 3



Benefits Dependency Network (BDN)
Cranfield School of Management



EXAMPLE 4

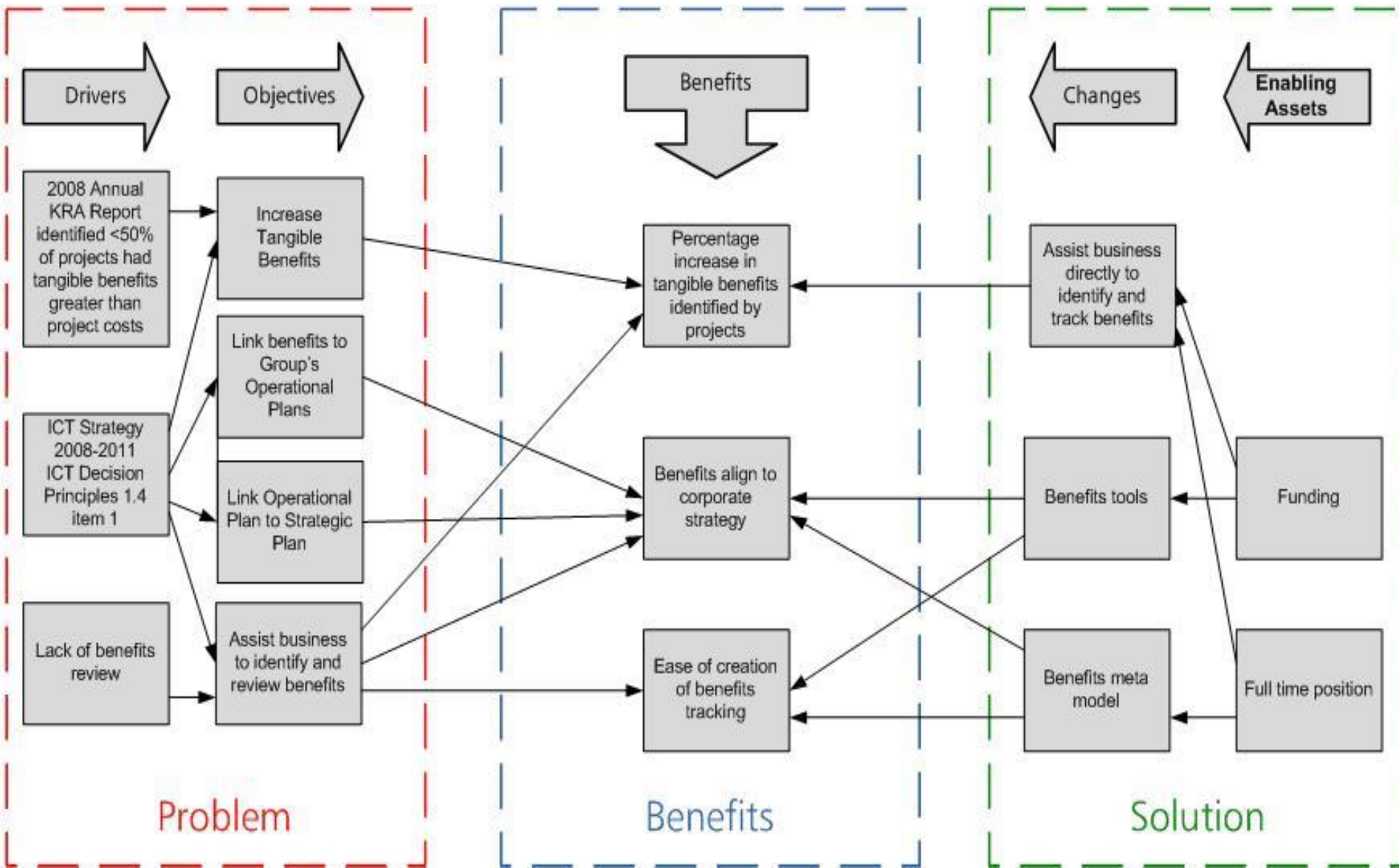


Investment Logic Map Victorian Government Investment Management Framework

IP Australia

Investment Logic Map

Benefits Realisation

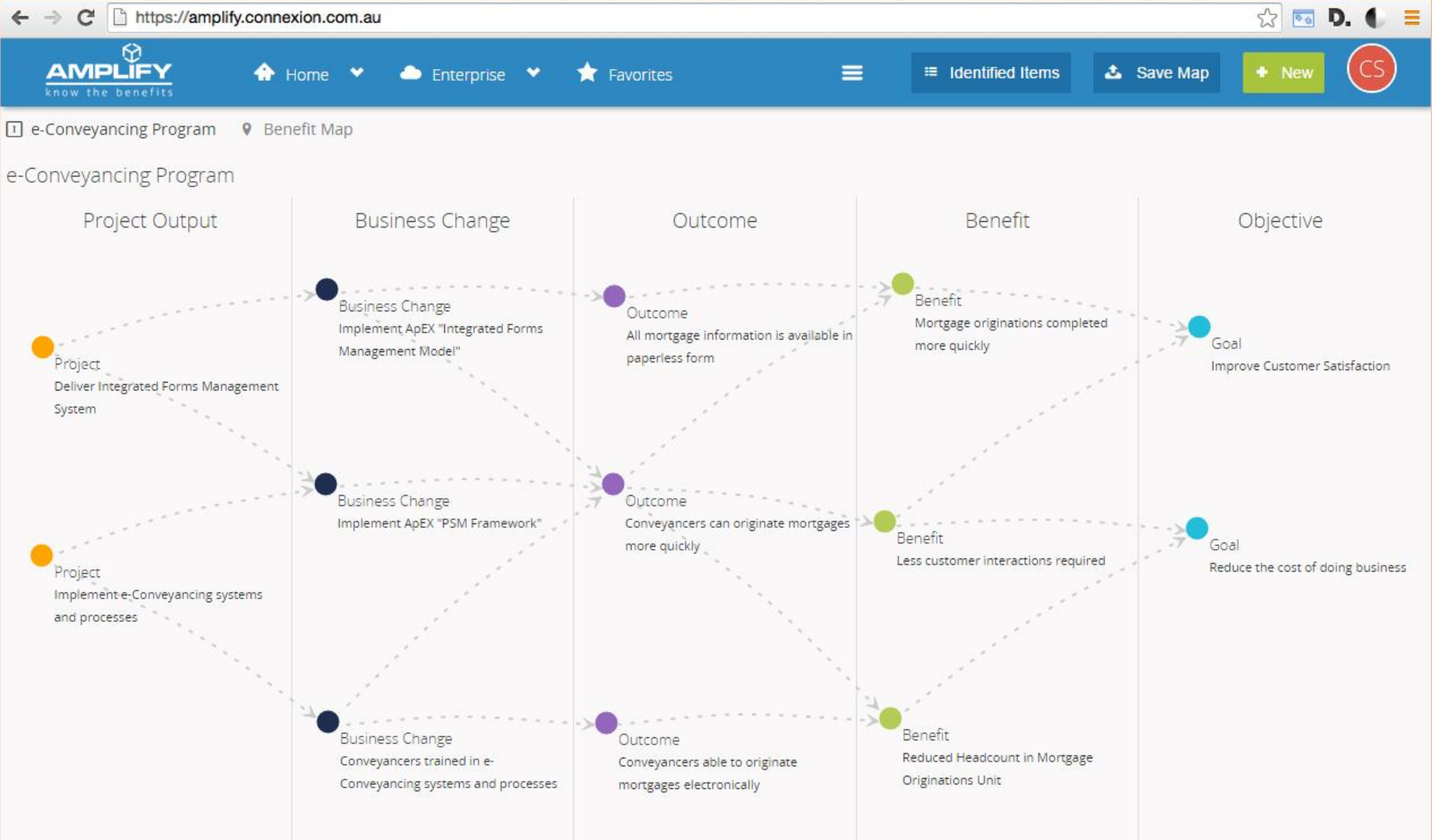


EXAMPLE 5

Connexion
SYSTEMS

Amplify Benefits Maps

AMPLIFY BENEFIT MAP



BENEFIT WORDING



- If the Outcome is to have MORE of something, use words such as Increased, Greater, Stronger, Heightened, Closer, Free, Released, Faster, Deeper, Efficient.
- If the Outcome is to have LESS of something, use words such as Decreased, Reduced, Lesser, Weaker, Worse, Distant, Uncertain, Slower
- If the Outcome is to have something NEW, use words such as Created, New, Available, Exists.
- If the Outcome is to have something REMOVED, use words such as Eliminated, Stopped, Removed, Disposed.
- If the Outcome is to have something the SAME, use words such as Maintained, Frozen, Held, Consistent, Stable, Equal.

BENEFIT WORDING



- **M**aintain
- **E**liminate
- **D**ecrease
- **I**ncrease
- **C**reate

MAPPING PROCESS



- Complete all known information
 - project outputs (enablers)
 - Benefits (business case)
 - Goals (Business case, strategic plan)
- Then brainstorm missing items, contributions, assumptions etc

OUTPUTS FROM BENEFITS MAPPING EXERCISE



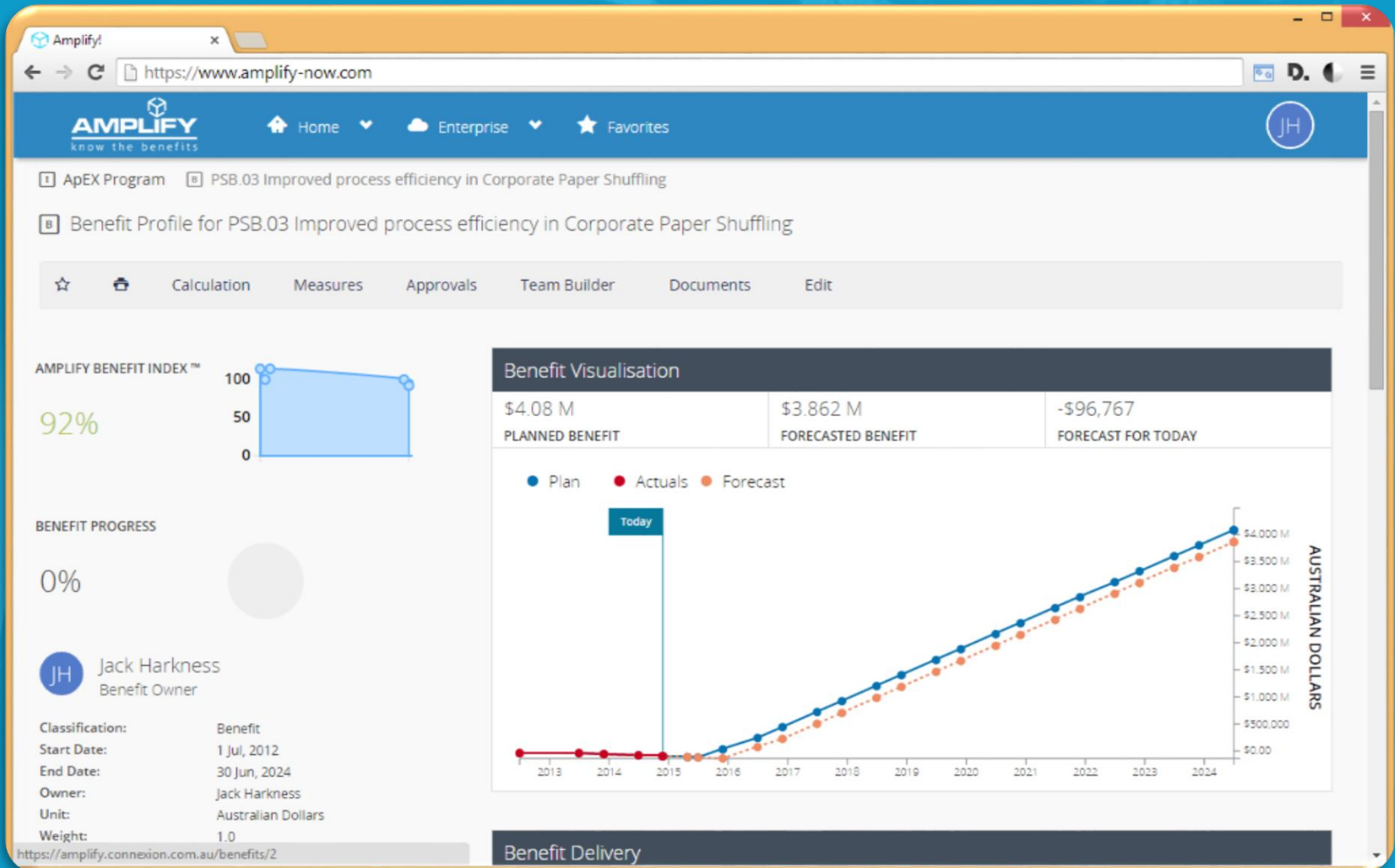
- Benefit Map (obviously!)
- Benefit register
- Assumptions (Risk) register
- Business Changes
- Owners for each Business Change, Benefit
- Agreed Contributors

NEXT STEP: BENEFIT PROFILES



- Once benefits are identified, a detailed profile of each is produced including:
 - Detailed description of benefit
 - Ownership
 - Contributing initiatives (dependencies)
 - Metrics for benefit Quantification

BENEFIT PROFILES



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