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
“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*
“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: 13%
  - Lack of business focus
- **Content issues**
  - Shifting requirements: 9%
  - Technical complexity
- **Skill issues**
  - Unaligned team: 6%
  - Lack of skills
- **Execution issues**
  - Unrealistic schedule: 11%
  - Reactive planning
- **Unexplained causes**: 6%

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**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
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?
1. MSP Benefits Map

2. The Results Chain™

3. Benefits Dependency Network

4. Investment Logic Map
EXAMPLE 1

Managing Successful Programmes (MSP)
EXAMPLE 2

Results Chain
Fujitsu – “The Information Paradox”
Additonal staff will be hired or contracted with the purpose of not increasing existing workloads.

Develop new all-in-one booking system

Feature rich, easy-to-use replacement for existing booking systems

Engage staff in feature and requirements gathering, testing

Train staff in the use of new booking system

Increased staff motivation and engagement

Implement capability within existing support desk

Encourage staff to use new booking system where available

Increased employee satisfaction

Improved capability at support desk to assist staff with transition

More efficient booking process

High transition rate from old to new system

One system: reduction in operational cost

Retire old systems

Campaign to inform customer about easier and more convenient booking process

Increased customer satisfaction
EXAMPLE 3

Benefits Dependency Network (BDN)
Cranfield School of Management
Example 4

Investment Logic Map

Victorian Government Investment Management Framework
EXAMPLE 5

Amplify Benefits Maps
• 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.
Benefits Wording

- Maintain
- Eliminate
- Decrease
- Increase
- Create
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
• 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 Profile for PSB.03 Improved process efficiency in Corporate Paper Shuffling

**Benefit Progress**

- **JH**
- Jack Harkness
- Benefit Owner

**Classification:** Benefit
**Start Date:** 1 Jul, 2012
**End Date:** 30 Jun, 2024
**Owner:** Jack Harkness
**Unit:** Australian Dollars
**Weight:** 1.0

**Benefit Visualisation**

- **Plan**
- **Actuals**
- **Forecast**

**Benefit Delivery**

- **AMPLIFY BENEFIT INDEX™**
  - 92%

- **Benefit Progress**
  - 0%

- **Benefit Visualisation**
  - **$4.08 M**
    - Planned Benefit
  - **$3.862 M**
    - Forecasted Benefit
  - **-$96,767**
    - Forecast for Today

**AUSTRALIAN DOLLARS**

- $0.00
- $4,000 M
- $3,500 M
- $3,000 M
- $2,500 M
- $2,000 M
- $1,500 M
- $1,000 M
- $500,000
- $100,000
- $50,000
- $10,000
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