To provide an overview of a benefits realisation framework

- **Focus on Benefits Management Life Cycle and highlight need to “integrate and align”, We will mention:**
  - Problems with benefits realisation
  - Migrations from IT project to business / service change programme.
  - Factors influencing the achievement of benefits – organisation, people and procedures.
  - Programmes of interdependent projects and services. Evaluating business change initiatives
  - Roles and their responsibilities for achieving benefits – business sponsor, service manager, programme manager and project manager.
Adrian Leach

Adrian Leach has an IS and Business background of almost 36 years.

He has worked in over 30 countries with almost 300 different organisations.

He has been involved in, consulted on, or been responsible for all aspects of the IS Applications and Service Delivery lifecycle including Programme, Application, Project, Relationship and Service Management through to Information and Operational Systems Auditing.

He is the Parity Training Business Development Manager responsible for Business and IT Alignment products including those associated with Security, Governance, Infrastructure, Service Management, Supplier and Customer Relationships and Business Management.
Who generates the benefits?

- Where does the Business get its IT Benefit from?
  - From IT applications in **production**
  - **Not** from projects in development

Business relies on the benefits delivered by:
1. Operational Applications
2. The ICT infrastructure
3. Service Management
4. However they are identified in programmes or projects management
Do we really need a life cycle approach with Benefits Management and Service Management?

1. Once in production, it is too late to make significant impact on the cost of ownership of an IT system.

2. Once developed, it is often too late to get the service levels and benefits expected at a reasonable cost; sometimes they cannot be met at all.

3. Application design severely constrains service level potential, benefits realisation and cost of ownership.

4. Service Improvement cannot re-engineer the operational design of a system.

◆ Need a lifecycle management approach

Adrian Leach, a personal view of Benefits Management presented to BCS SIG on 9 March 2005
(a.leach@parity.net)
Objectives of benefits management

- Benefits clearly identified and linked to strategic outcomes
- Business areas committed
- Proactive benefits realisation
- Make benefits the focus for delivering change
- Record benefit realisation
- Link the vision, outcome and strategic objectives
- Requires Service Management and Business Change Management
For the life cycle need to integrate Benefits Management

IS and Business Strategy
Policy
Programme, Capability,
Governance, Business Change

Asset / Portfolio
Management
Infrastructure, Data,
Applications, Skills

Project Management,

Service Support and Delivery Management

Measured by
Value, Performance, Benefits, Risk, Quality,
Tools include
Score Cards, Cobit, CMMI, BS15000, Six sigma, EFQM,
“It’s a vision thing” President George Bush

Where are we going?

Why go there?
(issues, themes, strands and options)

What must we do to get there?
(plan and do)

How will we know we have arrived?
(check and act)

Vision

Strategy

Objectives and Requirements

Financial | Customer | Internal Process | Learning & Growth

Measures (SLA and Contract)

Financial | Customer | Internal Process | Learning & Growth

Targets

Initiatives

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“It all looks too simple”

Strategy is about Direction

Desired Future Position aligned with the Corporate Vision

The Strategic Plan shows how to get there, includes projects, processes, frameworks, options, regulations, portfolios, Changes, transitions and potential Benefits

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We could use current ITIL guidance to help

Planning to Implement Service Management

The Business Perspective

Service Management

ICT Infrastructure Management

Application Management

Supported by and contributes to:
Business IS Strategy, Initiatives, Programmes, Projects, Governance, Architectures, Changes, Assurance, Benefits Realisation

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You have probably heard it all before!

- A “birth to retirement” view of assets and services is needed
- Requires process-based approach to the
  - Strategy and Business/IT alignment,
  - Requirements elicitation and management,
  - Design, build, deployment,
  - Operations, optimisation and retirement phases of the service lifecycle.
  - Benefits Management
- Supported by quality, skills, roles and organisational structures
Let’s start with Programme Management

The co-ordinated management of a portfolio of projects that change organisations to achieve benefits that are of strategic importance.

Programme management manages the inter-dependencies between related projects.

Programme management helps to realise benefits, both during the lifetime of the programme and beyond.
And see how Service Management aligns with Programme Benefits Management.

The purpose of “Managing benefits” is to track benefits from initial identification to final realisation.

Key Areas for Service Management alliance with Programme Management

- Programme Mandate
- Identifying a Programme
- Programme Brief
- Defining a Programme
- Programme Definition, Strategies + Plans
- Governing a Programme
- Running a Programme
- Managing the Portfolio
- Managing Benefits
- Completion of Programme
- Closing a Programme

The purpose of “Managing benefits” is to track benefits from initial identification to final realisation.
The Vision Statement

- **Purpose**
  - Used to communicate the ‘end-goal’ of the programme.

- **Content**
  - A clear statement of the ‘end-goal’.
  - New or changed capability.
  - Indicates desired improvements:
    - Performance measures.
    - Service levels.

- **Derivation**
  - Programme Mandate.
  - Programme Brief.
The Blueprint is a model of the changed organisation that will deliver the capabilities described in the Vision Statement:

- Business models (functions, processes, operations)
- Organisation, structure, numbers, levels, roles, skills, etc
- Technology, IT systems, tools, equipment, buildings, etc
- Data and information to run the business
Managing benefits

- Benefit Profiles, Benefits Realisation Plan, Benefits Management Strategy, Business Case, Programme Plan and Blueprint
- Project progress
- Programme Manager, Business Change Manager, Senior Responsible Owner and Service Management?
- Improvements and achievements

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There are also benefits in aligning Service and Project management

Key Areas for Service Management alliance with Project and Benefits Management

The focus of benefits management is on the realisation of benefits from the new capabilities delivered by the programme, project and delivered service
And with Project Management (PRINCE 2)

Key Areas for Service and Benefits Management in alliance with Project Management

- Change Control
- Business Case
- Organisation
- Plans
- Controls
- Management of Risk
- Quality in a Project Environment
- Configuration Management

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Documenting Programme Benefits

Vision Statement

- Broad but specific benefits (in the new capabilities of the organisation or company)

Benefits Management Strategy

- How benefits will be managed throughout the Programme (and after?)

Benefit Profiles

- Detailed descriptions of individual and specific benefits, related to project(s) and business areas

Benefits Realisation Plan

- Showing aggregated Benefit Profiles in the form of a schedule
Four critical tests of a benefit

DESCRIPTION
- What precisely is this benefit?

OBSERVATION
- What differences should be noticeable between pre- and post-programme?

ATTRIBUTION
- Where will this benefit arise?

MEASUREMENT
- How will the achievement of the benefit be measured?
Benefit Profiles

Derived from Vision Statement & Blueprint

Used to define each benefit (and dis-benefit) and track its realisation

- Description
- Interdependencies with other benefits
- Timing
- Measurement process
- Key performance indicators
- Changes to business processes

- Costs
- Business area responsible for realisation
- Project responsible for delivery
- Dependencies
- Owner
Business and IT Asset Management should also be aligned to IT Service Management

- IT Service is used to support business processes
  - constructed from assets
  - externally provided “underpinning” services.

- Supported and modified throughout “life”
  - changing the users for the service
  - changing quality needs
  - changing its supporting IT assets

- Retirement
  - business processes no longer have a use for it.

- Service Support and Delivery are key to construction, support, benefits management and retirement
Ultimately, these other Assets also contribute to the Services

Manage four types of IT Asset throughout lifecycle.

1. ICT Infrastructure Components,
2. IT Skills,
3. Information
4. Applications Software.

Software applications built and / or procured are seen as critical to the success of a business in its use of IT in general.

All of these should generate benefits
Therefore, develop Business IT Alignment with Service “Lifecycle” Management

• Cuts across many IT disciplines (“silos”)
• Helps ensure that business analysis, systems development, project management, architecture and software testing specialists work with traditional IT Service Management disciplines especially:
  – Capacity, Availability, Service Level and Continuity Management,
  – Problem Management and Release Management.
• Needs very tight coupling with Business Change and Benefits Management
• Many common processes and skills
Benefits Management, Service Assurance, Gateways

Service Assurance - review at each stage of lifecycle to ensure the service levels are embedded in design, and the end product (system) is of the required operational quality

An operational architect works with technical, application and data architects

Service Assurance Review at each stage of the Lifecycle. Ensure operational activities focus on the Service Level Requirements

Service Management disciplines help design develop and test operational processes

Benefits Management throughout

Strategy, Policy, themes, imperatives plan

Programme Blueprint, Governance and Business Change

Project Initiation - PID

Requirements An analysis and Specification

Design Technical and Business Process

Build and Integrate

Test and prove

Deploy Transition

Service Desk, Incident, Problem, Change, Release and Configuration Management

Operate and Optimise

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WHERE DO YOU START MANAGING BENEFITS?

Business

Customers

Users

Requirements

Solutions

Policy

Strategy

Plan

Prove

Deploy

Operate

Obsolete

Design and Planning

Deployment

Operations

Technical Support

Administration

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The benefits management process  

Desired outcomes

Develop Benefits Management Strategy

Identify and model benefits

Plan for benefits realisation

Look for additional benefit opportunities

Quantify benefits and optimise the mix

Benefits review

Benefits realisation
Benefits Management, don’t we need a Strategy first?

Derived from Vision Statement & Blueprint
Used to establish the approach to managing benefits

- Outline description of benefits
- A model of the benefits
- Responsibilities for benefit planning and realisation
- Review and assessment process
Benefits Management Strategy

Check that

- Benefits match required outcomes
- Stakeholders have been engaged in development
- Organisation can deliver
- Responsibilities have been allocated
- The strategy is integrated with other parts of the Programme (must include Service and Business Change Management)
Benefits Realisation

Benefits Realisation

Implementation  Post-
Implementation

Time

Performance with
Benefits Realisation

Performance without Benefits
Realisation

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# A Balanced Scorecard and Benefits

<table>
<thead>
<tr>
<th>Strategic Theme</th>
<th>Objectives</th>
<th>Measurement</th>
<th>Target</th>
<th>Initiative</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Customer</strong></td>
<td>Economic opportunity for business and citizens</td>
<td>Number of new jobs created</td>
<td>Average of 1000 per month</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Number of new businesses</td>
<td>1 per month</td>
<td></td>
</tr>
<tr>
<td><strong>Financial</strong></td>
<td>Lowest business rates in South East</td>
<td>Rateable value of mid-band business</td>
<td>Lowest in SE</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Grow business and citizen tax base</td>
<td>CAGR in tax income</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td><strong>Process</strong></td>
<td>Promote a complementary business mix</td>
<td>Number of new businesses identified</td>
<td>5 per month</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Increase infrastructure capacity</td>
<td>Strategic business plan % achievement</td>
<td>75% by yearend</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Improve productivity</td>
<td>Capacity versus strategic plan</td>
<td>Plan +/- 5%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Social cost/citizen</td>
<td>-2.5% per annum</td>
<td></td>
</tr>
<tr>
<td><strong>Learning &amp; Growth</strong></td>
<td>Close skills gap in attracting and developing business opportunities</td>
<td>Business advisor training and development plan</td>
<td>75% complete by end year, 100% end year 2</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Critical information on business needs and opportunities is available</td>
<td>Strategic information availability versus plan</td>
<td>80% in 6 months, 100% by year end</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Critical information availability</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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Programme, Service and Project with Business Alignment and Benefits Management

- Programme, Service and Project Management are the link between the Business and IS Strategy
- Applications, ICT Infrastructure Management assist on Design, Plan, Develop and Deploy process
- To implement BITA you define the “five year plan” for your Business and IS strategies
- Business Change Management is mandatory
- Customers and Suppliers are major stakeholders
How do we implement Benefits Management the Life Cycle and Strategy?

- A political campaign
  - make sure that all the executives and senior managers believe and are committed to the approach,
- A marketing campaign
  - so that the people in the organisation sign up and support the change
- A military campaign,
  - work with potential suppliers and own staff to develop / upgrade the systems, processes, procedures,
What about the plans and tasks?

Strategy, programme, project and service management covers at least:

- **Initiation,**
  - Strategy, programme, procurement plans, requirements, options, business case
    - Long term view on “What supplier and customer should be doing, Where they need to get to, How to get there”

- **Migration and Service Assurance**
  - Governance, project, supplier, application and ICT architecture management,
    - selection, deal making, contracts / SLA and metrics, knowledge, skills and other transfers, testing, continuity

- **Operation**
  - Delivery and Support Management, Benefits management, performance improvement and termination / upgrade processes
But will integrating Service Management and Benefits Management with all these other areas really help us?

A benefit
• To help deliver consistent and agreed best value from proposed business and IT assets

A cost
• Requires people who are accountable as “strategic bridges”; they manage the processes that ensure technical, business, project and support staff work together to common goals

A possible problem
• Management are too frightened to implement
Service Management with Benefits Management – the Strategic Bridge

Is this the way, a way, or, just another impossible ideal? suggestions please

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