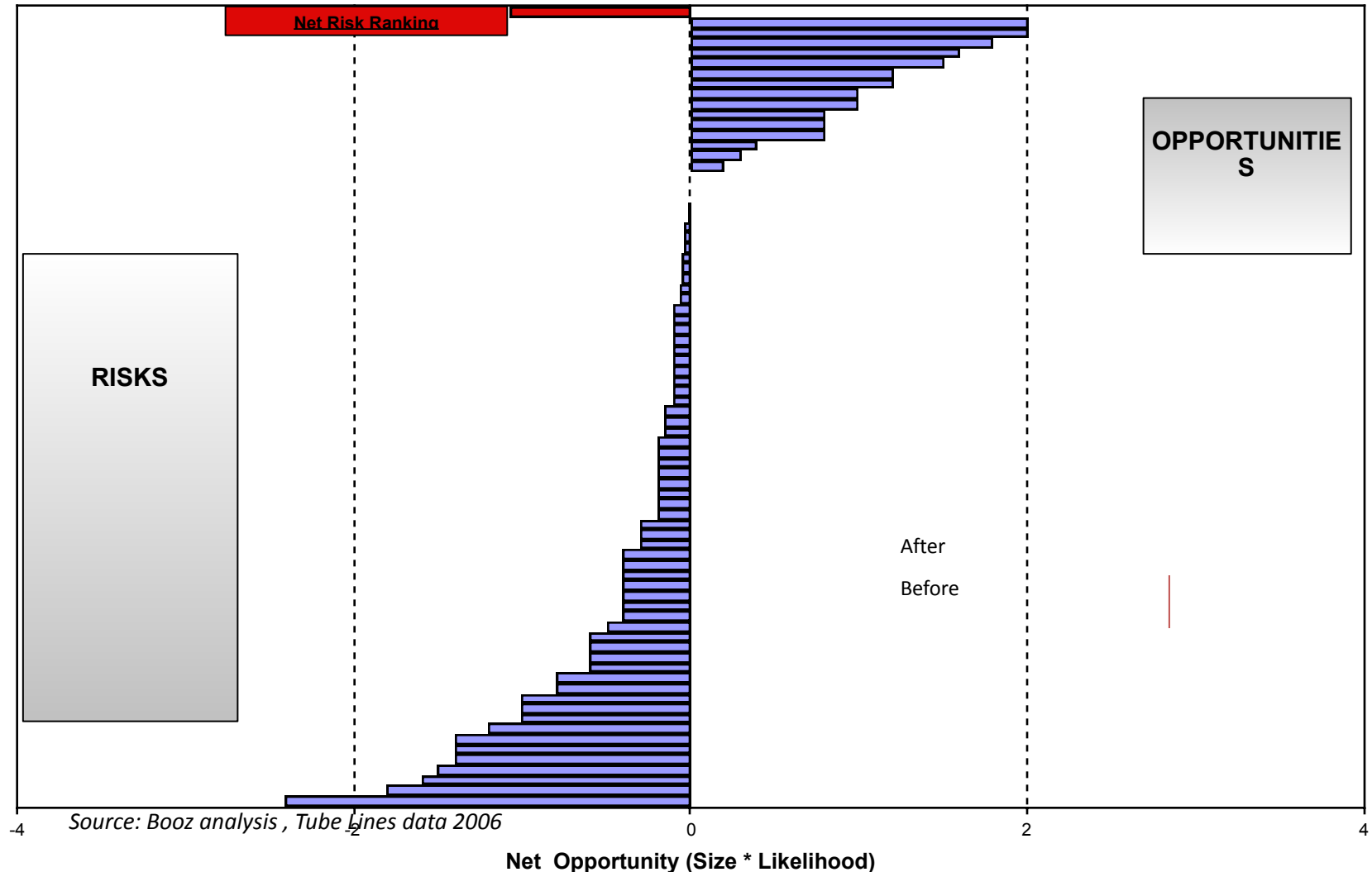


The Jubilee line Upgrade had been trying to benefit by cost savings

Management of performance and risk by Booz for Tube Lines 204-6



By turning risk management into value management, we brought the benefits of new revenue

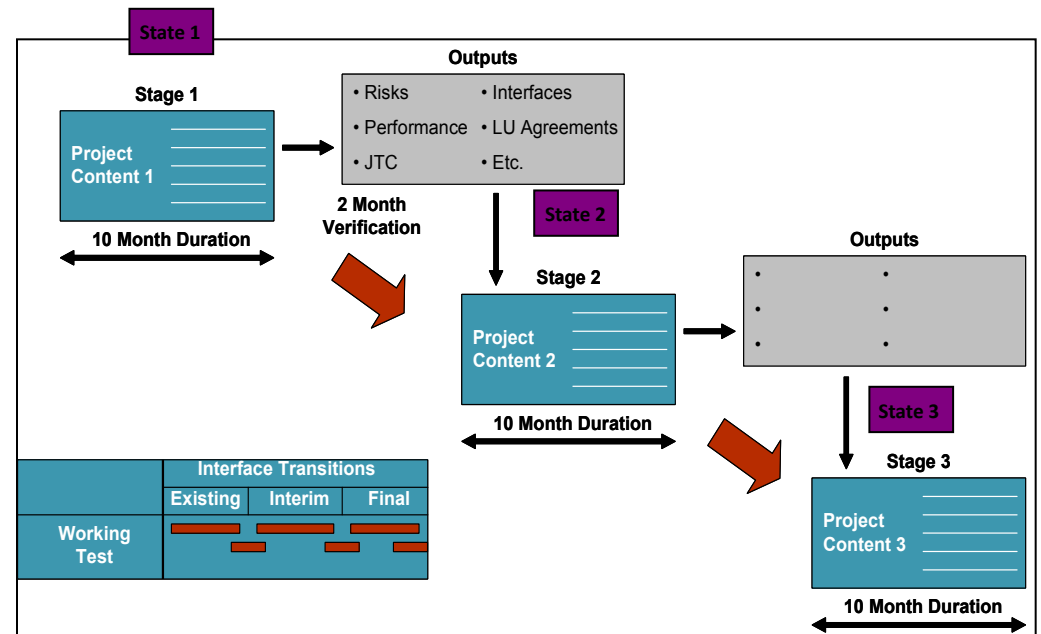
We pioneered the UK use of configuration states to realise benefits- it allows progressive benefits

Booz definition of programme for SSL , 2007

States agreed

- ▶ S1.1 Interim control
- ▶ S1.2 S8 Stock in Passenger Service (Trip cock mode)
- ▶ S2.1 SCC in service (1st)
- ▶ S1.3 Additional services timetabled under ATS
- ▶ S4.1 S7 Stock in passenger service (Trip cock mode)
- ▶ S3.1 Teacup service in operation
- ▶ S4.2 Mixed DTG Trip cock operation (1st)

Moving between states



The DfT has adopted the Booz concept now for all big programmes

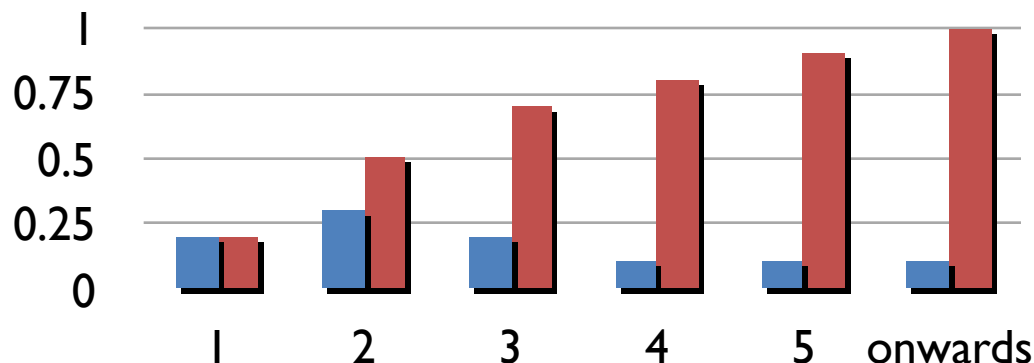
Organisations struggle to evaluate the benefits of cost-centres / support departments, even when they need to change them....

A CPC intervention at an Engineering Dept with 1000 staff relied upon tracking benefits

4 different ways of interpreting the importance of engineering	Leads to four different value measures
ENGINEERING IS THE QUALITY AND SCOPE ARM OF PROJECTS	Leads to a quality and milestone focus
ENGINEERING UNDERWRITES CURRENT ASSETS & OPERATIONS AS CAPABILITY GROWS SUSTAINABLY	homeostatic model, focused on feedback from Operations
ENGINEERING IS AN EARLY SERIAL STEP IN THE VALUE CHAIN FOR NEW CAPABILITY	incremental ROI focus
ENGINEERING IS ABOUT ENSURING THAT ALL ASPECTS OF AN ASSET UNDER OPERATION WORK AS FORESEEN	recall to fundamentals, such as focusing on the four types of cause

Source: CPC analysis Confidential metro client 2012

Illustration of how (blue) benefits accrue as cumulative cost mounts



- Understanding the benefits a support function brings along the way
- Avoids bunching up of Costs at the start and benefits at the end

...track benefits in a way that recognises how the client really values them

Map the outcomes, not just the benefits and keep on changing the map

A CPC intervention at an Engineering Dept with 1000 staff relied upon tracking benefits

Many to many

- Outcomes sometimes need to be negotiated on the way



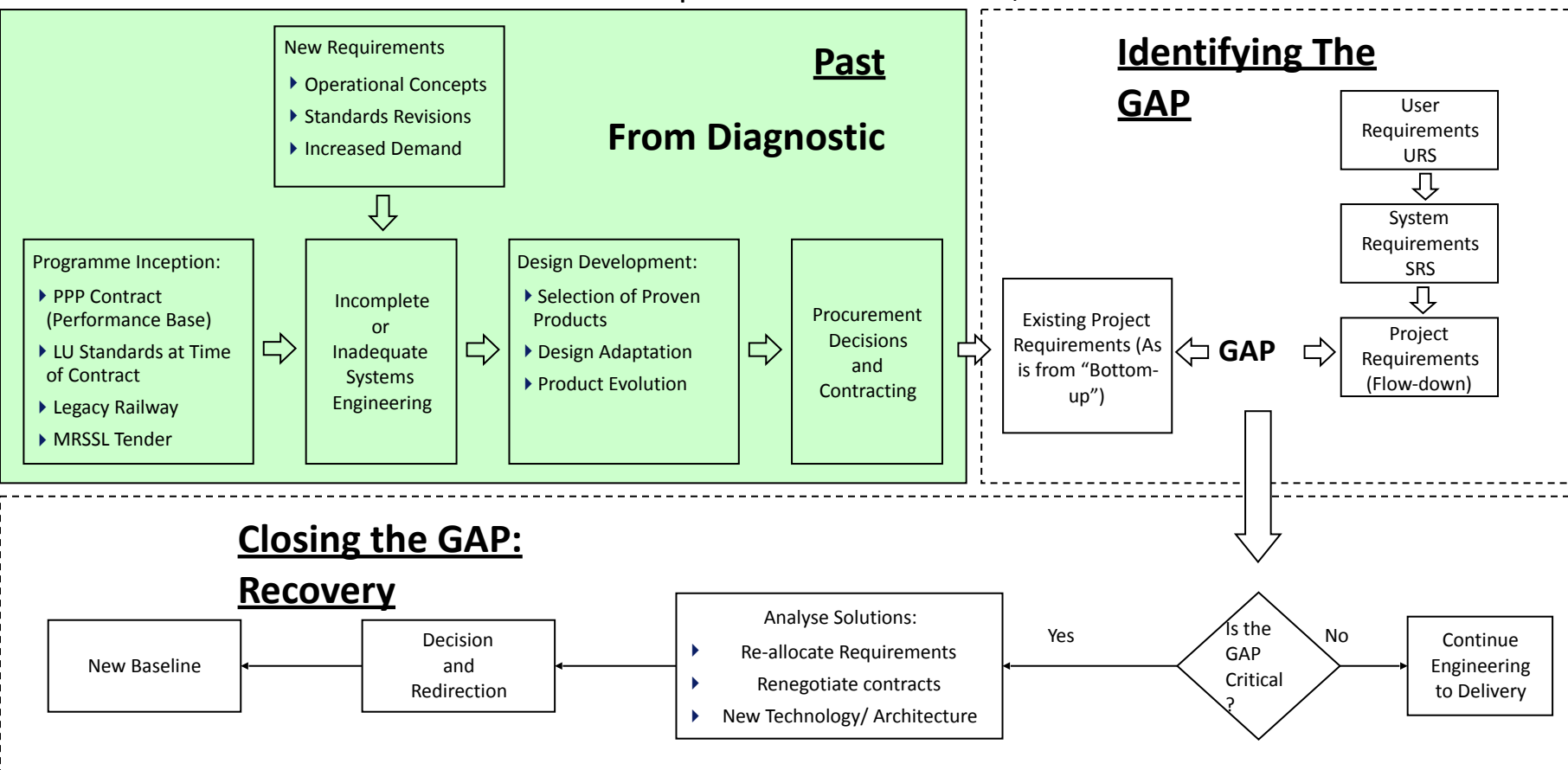
Correlation matrices

	x	y	z
x			
y	40%↑		
z		20%←	

- Benefit to benefit
- Business driver to driver
- Project to project

It is possible but expensive to get benefits on track half way through

Booz Department intervention, 2007



Source: Booz plan, SSL 2007

- Start with the assumptions and risk lists: the real scope is normally hidden in there
 - Forecast , Reforecast , Calculate
 - All the while delivering the day job

The benefits process needs a behavioural and organisational component...

BT Cost Transformation 2013: Moorhouse

- Underpin the benefits map with owners
- But accountabilities are written down but rarely understood
- The programme / business unit context /culture is widely variable
 - is the programme more or less important than the work at the business unit ?
 - It is not a portfolio race to achieve your own benefits....
 - Does this align with incentives ?
 - 'Cost saving' benefits feel and act differently to 'revenue benefits'

... if the benefits picture breaks down, will your Change Team
still deliver ?

Yes. A client delivered benefits because the PMO continued to re-define benefits

BT Cost Transformation 2013: Moorhouse

Why

- The Operations will normally be the one to deliver the benefits to the customer
 - Link with operations
 - Push or pull
 - Recognise externalities
 - No-one wants to hear the can being kicked down the road

How

- Will your programme have an Emergency mode in future ?
- Will the benefits need to be gained anyhow anyway in that state or not ?
 - Governance and social preparation
 - Agree the format of that operating state now
 - What are people signing up for ?

..negotiate now not later