

1 Benefits management at the portfolio, Programme, and project level.

Approach: Benefits management is critical because without careful consideration Programmes often deliver scope but don't realise actual benefits. *We will implement a benefits management approach and plan that accommodates Owner's process readiness, existing levels of benefits and programme management maturity and – importantly – change readiness at both the stated portfolio and programme level.*

The benefit approach supports **the delivery of benefits in four stages:**

1. **Identify the benefits at the portfolio and programme level**
2. **Mapping expected benefits to scope**
3. **Controlling the delivery of expected benefits** via oversight of portfolio and programme delivery
4. **Realising the benefits in close working with the business and stakeholder groups**

1. **Identifying the benefits** is carried out as part of the portfolio investment cycle or programme start up and benefits are captured within the programme business case. The business case is often based on the HM Treasury 5 case approach and has a strategic section that sets out the benefit gained for the investment required in the programme. All of the strategic outcomes intended for the programme will be in some way closely linked to reaching particular benefit(s), or to minimising particular dis-benefits. Activities include:

- Agree clear benefits management roles and responsibilities and governance of benefits management
- Identify the functions and stakeholders involved, gather information. Understand and agree required outcomes and Identify strategic drivers
- Identify, define and agree benefits - document the benefits in the business case
- Apply lessons learned from previous projects

2. **Mapping Benefits to Scope.** To ensure that benefits claimed are achievable, each programme in the portfolio is reviewed to ensure that the scope of their tranches of projects will aggregate to the benefit desired. Scope is reviewed to ensure that it is both necessary and sufficient, typically We would use a benefits dependency network tool to do this. Activities include:

- Identify and model enablers and benefits critical to the realisation process
- Assess the enablers, benefits / negative benefits and outcomes (end benefits) and their linkages
- Agree how benefits will be quantified and measured (KPIs)
- Define measurement techniques to be used for expected benefits

3. Controlling the delivery of expected benefits via oversight of portfolio and programme delivery. This is completed by maintaining oversight of programme and project delivery and tracing the benefits through the dependency maps prepared in Stage 2 above. Without mapping it is often all too easy to potentially cut the scope of projects to permit delivery timescales yet find out later that key benefits are now unachievable. New benefits should be identified where possible, particularly where previously planned benefits are at risk of being compromised. Activities include:

- Develop benefits tracking and reporting
- Manage benefits realisation, conduct regular benefits review to capture progress both in terms of realising those benefits planned for and identification of new ones
- Update business case on an ongoing basis
- Use a scope management methodology to check benefits if scope changes and provide change control for benefits

• **Realising benefits**

is focused on linking between the final commissioning teams, the line operational staff who will run it after handover and the stakeholder groups that will use the new capability. Planning for the realisation of benefits starts early in the programme, and it will be delivered by following a pre-agreed benefit realisation plan for each benefit (or collection of benefits), where project members, operational staff and user stakeholder groups are co-signees of a benefit profile and are jointly accountable for realising a particular benefit. Activities include:

- Manage and track benefits realisation for actual benefits
- Define any required business change approach required to support benefits realisation
- Regular benefits management reviews for actual benefits delivery, report progress
- Develop Owner capabilities in benefits management (for testing and commissioning teams and operational line managers)

Any changes in current ways of working or Owner processes that are required, in order to support the benefits realisation / delivery approach, will be defined and managed as a business change approach.

Benefits Management at the Portfolio Level and Programme and Project Level .

Large capital programmes are often called capital projects, we have herein referred to it as a programme, to distinguish it clearly from its component projects. Success at a project level tends to be about very specific outputs. Benefits management ensures the project level outputs are delivered (including outputs like delivery of the infrastructure, updated operational regimes, engagement with the community, communications for the launch etc.) and that in collection they add up to the benefit claimed in the programme business case for the investment required.

The benefits picture at different programme levels:

Level	The benefit value chain	The dis-benefit value chain	Attribute	Key management focus
Portfolio	Expected rate of return	Portfolio risk	Correlations and dependencies between projects	Portfolio optimisation
Programme	Benefit	Dis-benefit	Outcomes	Programme benefits
Project	Scope	Risk	Outputs	Project delivery