PROJECT MANAGEMENT
CENTER FOR EXCELLENCE
A.J. CLARK SCHOOL OF ENGINEERING
Civil & Environmental Engineering Department

Program Benefits Management: An International Best Practice the U.S. Government Could Use

David Pells, Wayne Abba, Miles Shepherd

2018 Project Management Symposium

http://pmsymposium.umd.edu

David Pells, Wayne Abba, Miles Shepherd

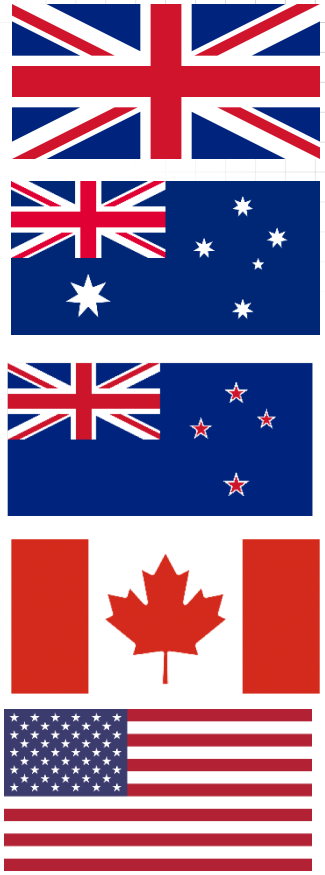
Contents

- A Very Short Introduction to Benefits Realization Management (BRM)
- BRM in the United Kingdom
- BRM in Australia
- BRM in New Zealand
- BRM in PMI Standards & Publication / CPM
- BRM in US Government Federal Programs: Not!
- BRM in USG Federal Programs: Why & When?
- Conclusion
- References

David Pells, Wayne Abba, Miles Shepherd

Summary

- Benefits Realisation Management (BRM) is well established and widely applied in UK, implemented in government & multiple industries including
- BRM has also been embraced by government bodies in Australia and New Zealand, frameworks and guides provided; Canada calls BRM "Outcomes Management", primarily implemented for IS/IT
- Benefits Management is a key element of PMI standard for program management, but not widely applied in USA; appears more in information systems/information technology (IS/IT)
- Focus in the PM profession on "benefits" seems to be result of increased attention and research on persistent project failure rates and "value" (Value = benefits – investment)
- Benefits primarily measured financially in business; more varied measures for public programs; Ex: increased safety, better services, etc.



David Pells, Wayne Abba, Miles Shepherd

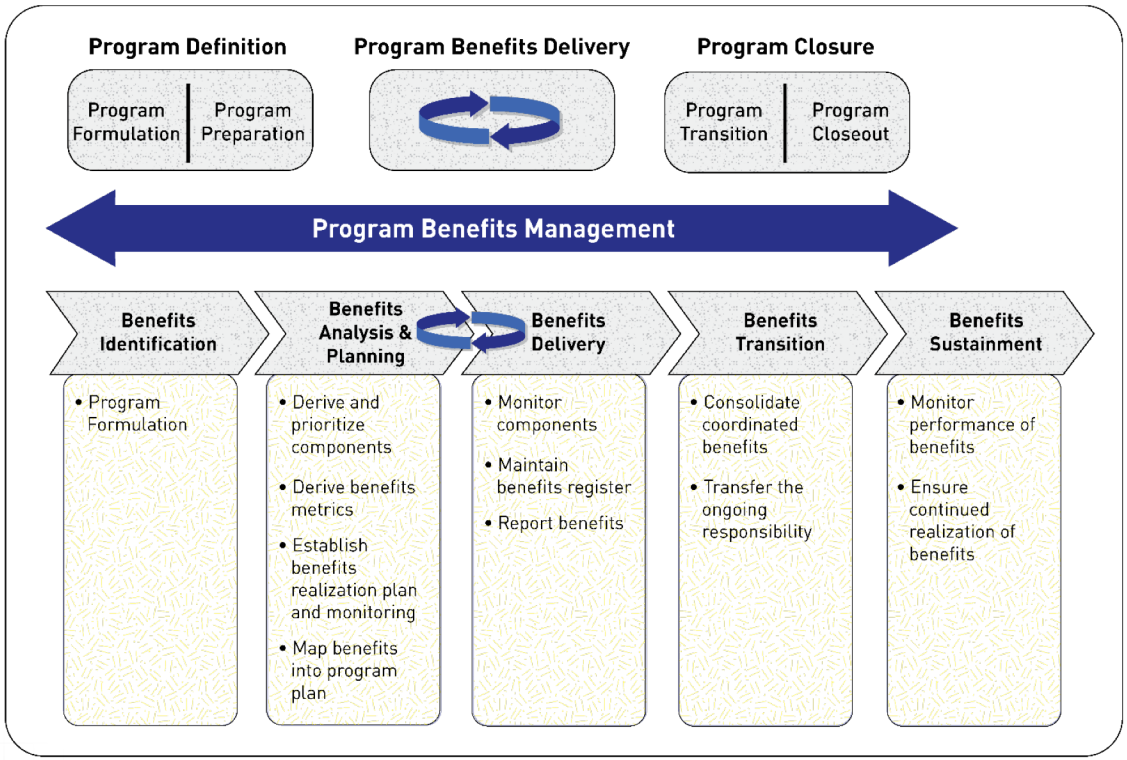
A Few Definitions

- Benefit – Gains and assets realized by the organization and stakeholders as the result of outcomes delivered by a program (PMI 2017); The measurable improvement resulting from an outcome perceived as an advantage by one or more stakeholders (OGC/UK 2007)
- Benefits Management – the identification, definition, tracking, realisation & optimisation of benefits within & beyond a programme (OGC 2007)
- Benefits Management Plan – A documented explanation of the processes for creating, maximizing and sustaining the benefits provided by the program (PMI)
- Benefits Realisation – A process to make benefits happen and also to make people fully aware of them throughout the process (Serra 2016)
- Outcome – The result of change, normally affecting real-world behavior and/or circumstances; the manifestation of part or all of the new state conceived in a programme's blueprint (OGC 2007)

David Pells, Wayne Abba, Miles Shepherd

Program Lifecycle & Benefits Management

adapted from PMI Standard for Program Management



Note: components = projects, sub-programs, operations;
Benefits from multiple projects may need to be coordinated

David Pells, Wayne Abba, Miles Shepherd

1. Benefits Identification

from PMI Standard for Program Management

- Define objectives and critical success factors
- Identify and quantifying benefits
- Develop meaningful metrics and KPIs
- Establish processes for measuring progress
- Create tracking and communications processes
- ***Deliverables***: Program Business Case; Benefits Register (where benefits are defined and documented, similar to risk register)
- Potential challenges: Defining meaningful benefits and metrics

David Pells, Wayne Abba, Miles Shepherd

2. Benefits Analysis and Planning

from PMI Standard for Program Management

- Purpose: to establish program benefits realization plan, and develop benefits metrics and framework for monitoring and control
- Benefits Analysis and Planning Activities:
  - Establish Benefits Realization Plan (how benefits will be achieved)
  - Define and prioritize program components (subprograms, projects)
  - Define KPIs and quantitative measures
  - Establish program performance baseline
  - Communicate performance metrics to key stakeholders
- ***Products***: Benefits Realization Plan; Program Roadmap; Benefits Register update
- Potential challenges: Defining components, meaningful outputs, outcomes and metrics

David Pells, Wayne Abba, Miles Shepherd

Quantification of Benefits

from PMI Standard for Program Management

- Quantification of benefits
  - can include hours or dollars saved, risks reduced, objectives achieved, productivity improvements;
  - should be measurable
  - includes date when realization of benefits should start and end
- Qualification of intangible benefits – might include improved employee morale, improved reputation or perception of the organization, improved stakeholder relations
- Traditional approach: cost/benefit analysis for projects

David Pells, Wayne Abba, Miles Shepherd

Benefits Realization Plan (BRP)

from PMI Standard for Program Management

- BRP is the baseline document for guiding delivery of program benefits
  - Defines how and when benefits will be achieved
- Benefits Realization Plan should
  - Define program benefits, assumptions and how to be achieved
  - Link project outputs/outcomes to program benefits
  - Define benefit metrics/KPIs and measurement procedures
  - Define how benefits (and new capabilities) will be transitioned to operations and achieved
  - Define how benefits will be sustained
- Potential challenges: defining meaningful benefits and metrics; mapping project outcomes to program benefits; keeping process and documents simple; incorporating BRM into existing processes

David Pells, Wayne Abba, Miles Shepherd

3. Benefits Delivery

from PMI Standard for Program Management

- Primary Activities
  - Monitor environment, program objectives and benefits realization
  - Initiate, perform, transition and close projects and subprograms
  - Evaluate risks and KPIs for successful benefits realization
  - Record benefits realization and report to stakeholders
- Benefits and Program Governance: Ongoing Assessment of:
  - Strategic Alignment
  - Value Delivery
- Potential issues: Redefining/describing current processes in BRP terms, identifying gaps, implementing changes (if any)

David Pells, Wayne Abba, Miles Shepherd

4. Benefits Transition

from PMI Standard for Program Management

- Purpose: Ensure benefits are transitioned to operations
- Benefits Transition Planning
  - Scope of transition clearly defined
  - Receiving stakeholders identified and participation planned
  - Benefits measurement and sustainment requirements defined
- Receiving organization must be involved before and after transition
- Assessment of benefits long after projects end
- Potential challenges: Different categories of benefits for different sub-programs; how to involve stakeholders; additional transition scope (i.e. documentation, training, monitoring, reporting)

David Pells, Wayne Abba, Miles Shepherd

5. Benefits Sustainment

from PMI Standard for Program Management

- Purpose: to ensure ongoing benefits realization after projects and subprograms completed
- Sustainment activities are operational in nature, not typically run as projects or programs
- Examples of benefits sustainment activities
  - Planning for any necessary operational, financial or behavioral changes needed
  - Monitoring performance of the new product, service or other project outcomes
  - Providing operational/maintenance support for new products, facilities or systems
  - Ongoing logistics support of new product, service or capability as technologies change
  - Planning new projects resulting from completed ones
- Potential issues: additional long term planning and budgeting associated with maintaining benefits; understanding current processes in BRM terms

David Pells, Wayne Abba, Miles Shepherd

Example: Benefit Categories

adapted from CIOB Code of Practice*

CATEGORY	BENEFIT TYPE (SOME)	POSSIBLE MEASURES
Financial	Revenue enhancement Capital expenditure	Increase revenue by 20% Reduce capex by 20%
Operational	Efficiency Effectiveness Quality Innovation	Increase profitability by 10%
Customer	Service Reputation Brand	Achieve 90% customer satisfaction Become market leader for programme management
People	Morale Capability	Reduce staff attrition rate by 20%
External stakeholder	Regulatory	Reduce CO_2 emission by xxx

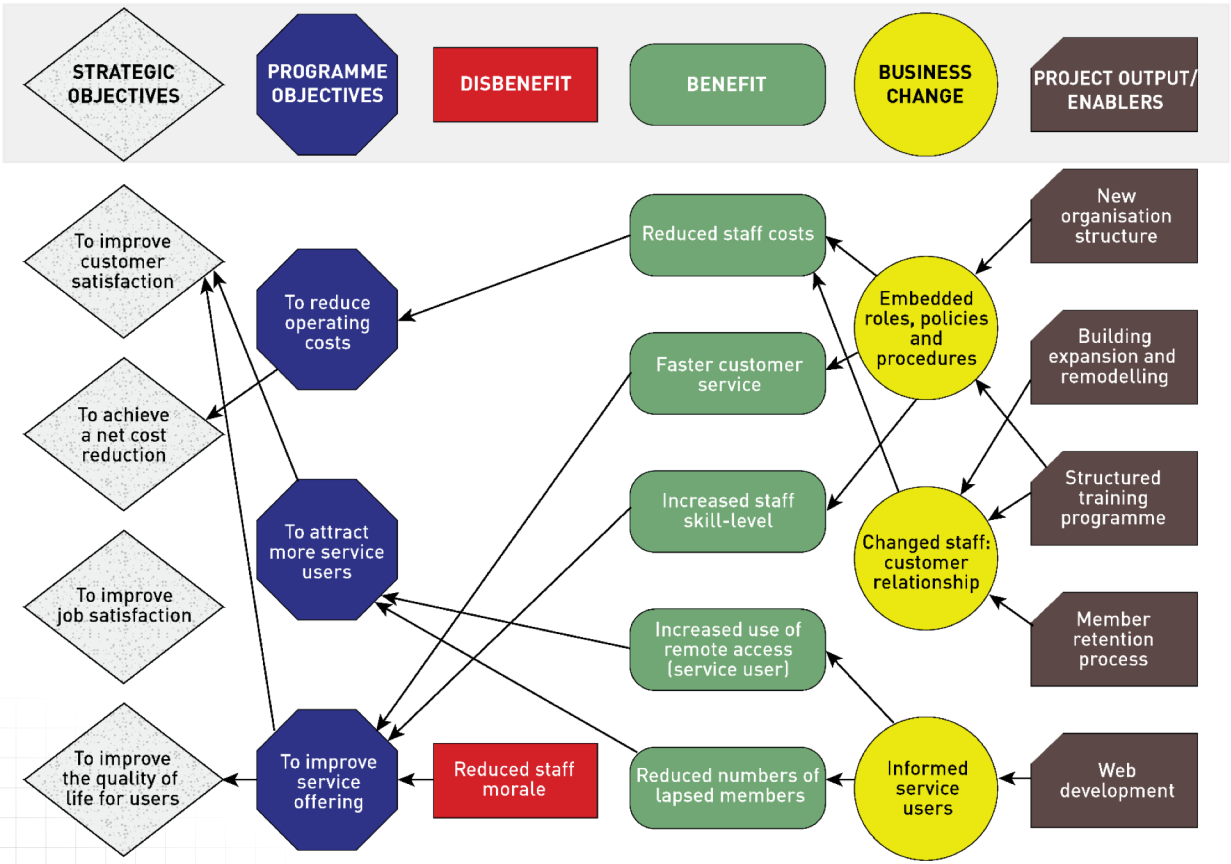
- Categorization can simplify the process
- Strategic – Operational – Compliance – Other – Etc.
- Financial/non-financial – objective/subjective – measurable/not easily measured

*Chartered Institute of Building, UK

David Pells, Wayne Abba, Miles Shepherd

Example: Benefits Map

adapted from CIOB Code of Practice

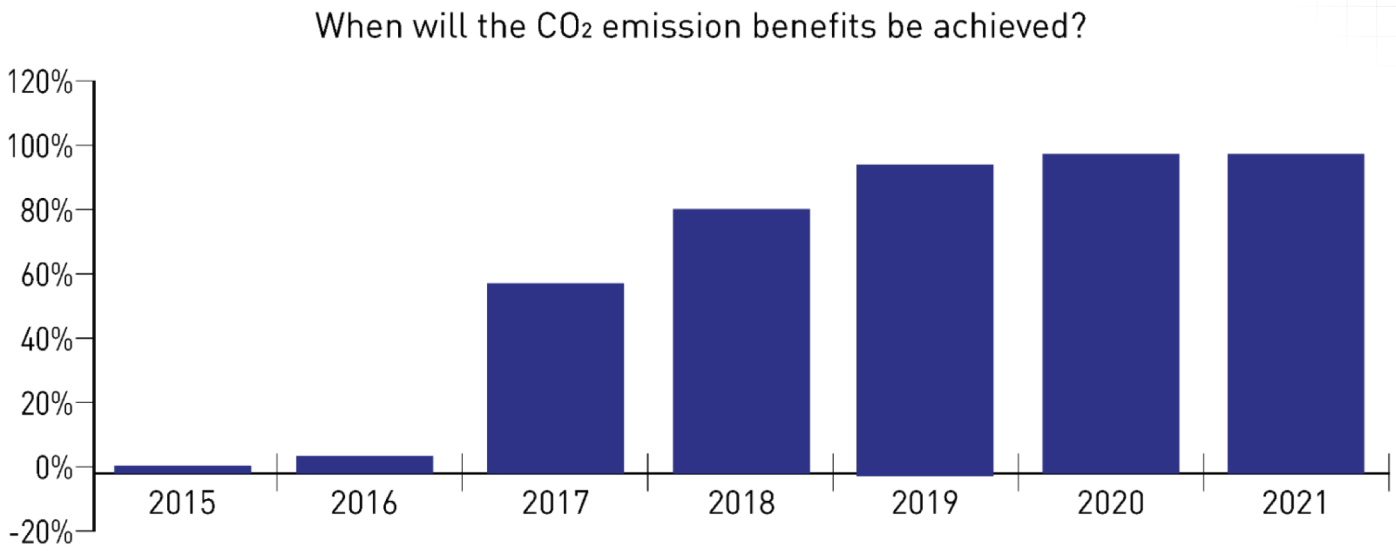


http://pmsymposium.umd.edu

David Pells, Wayne Abba, Miles Shepherd

Example: Benefit Realization over Time

adapted from CIOB Code of Practice

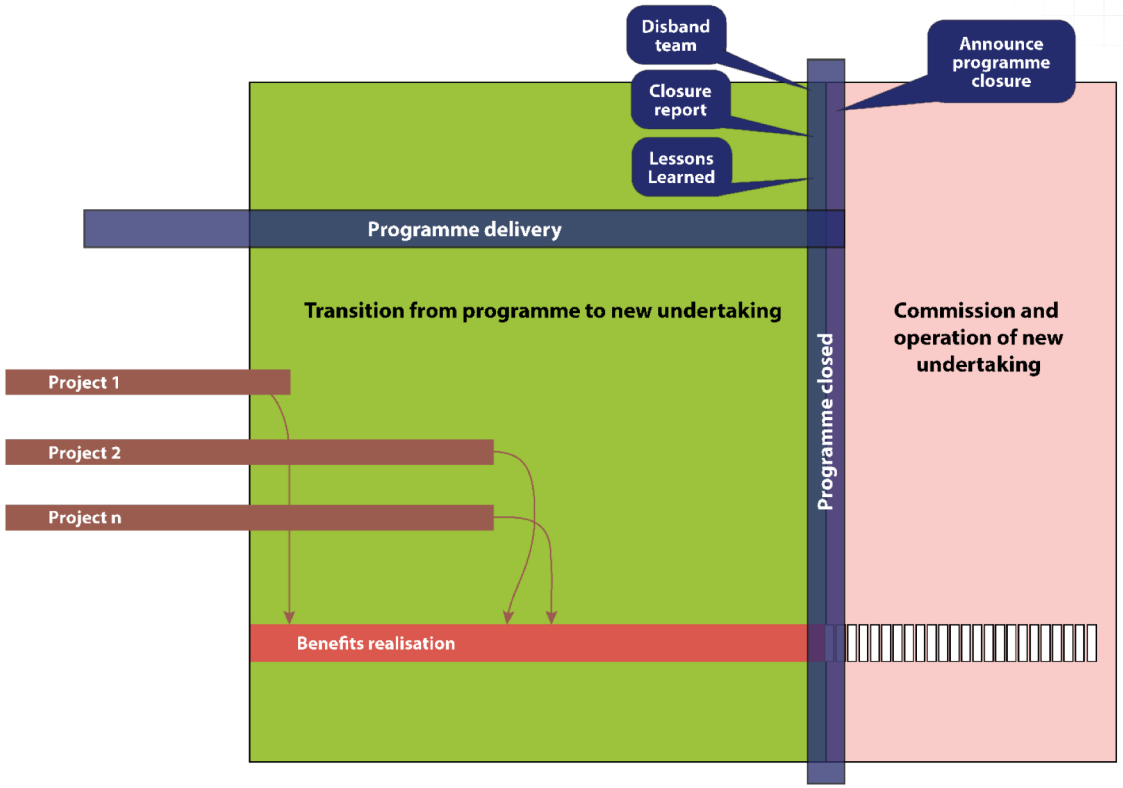


- Benefits generally start to accrue just before project completion
- Benefits can be "realized" for many months after projects completed
- Continuing benefits should be monitored and measured

David Pells, Wayne Abba, Miles Shepherd

Example: Closure / transition

adapted from CIOB Code of Practice



Projects produce benefits that are realized over future months

David Pells, Wayne Abba, Miles Shepherd

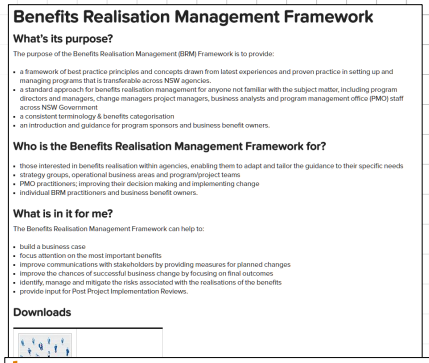
BRM in the United Kingdom

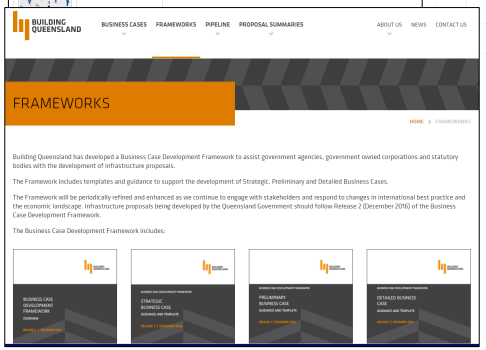
- UK Government: BRM is fundamental theme in programme management guidance and requirements
  - Managing Successful Programmes – OGC (1999 → 2007)
  - Guidelines on Programme Management (2010 - current)
- Northern Ireland Government: Programme and Project Benefits Management – Robust guidance on all phases of BRM (current)
- APM – Incorporated in APM BOK (Body of Knowledge) + APM Benefits SIG
- APM – Delivering Benefits from investment in change (reports)
  - Beyond 'Business as Usual' to 'Value as Usual' (2012)
  - An Essential Part of Everyday Business (2012)
  - Building Organisational Capability (2011)
- APM - Change for the Better: A study on benefits management across the UK (2009)
- Chartered Institute of Building (CIOB), BRM is major aspect of Code of Practice for Programme Management in the Built Environment (2016)

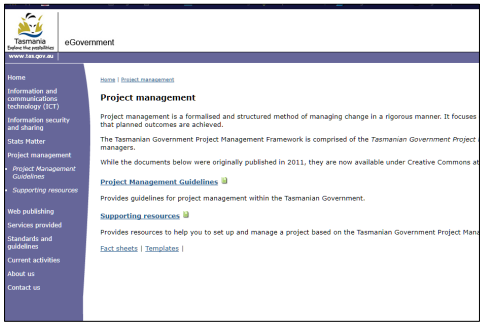
David Pells, Wayne Abba, Miles Shepherd

BRM in Australia

- Benefits Management Guidelines, Commonwealth Department of Infrastructure and Regional Development (Aug 2016)
- BRM Framework and Guidance documents; Finance, Services and Innovation Dept; New South Wales government (Oct 2015)
- Benefits Management Framework and Guidance, Building Queensland, Government of Queensland (Dec 2016)
- Outcomes Management Toolkit and Templates, Tasmanian Government (2008 – Current)
- Benefits Realisation is one of three Summit themes during AIPM pre-conference on 22 October 2017, has been subject of papers and presentations at previous AIPM events since 2007



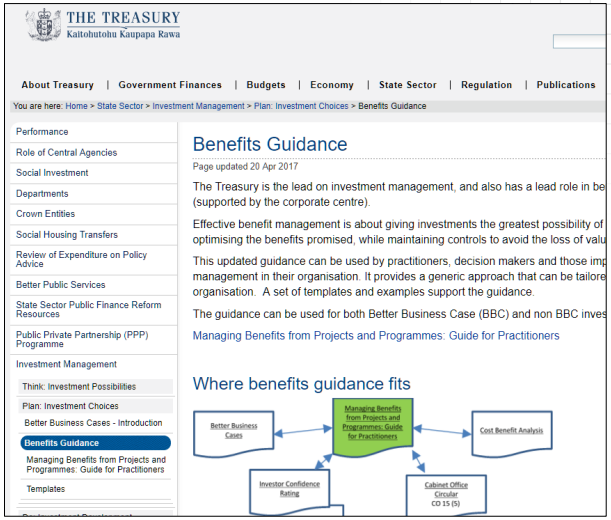




David Pells, Wayne Abba, Miles Shepherd

BRM in New Zealand

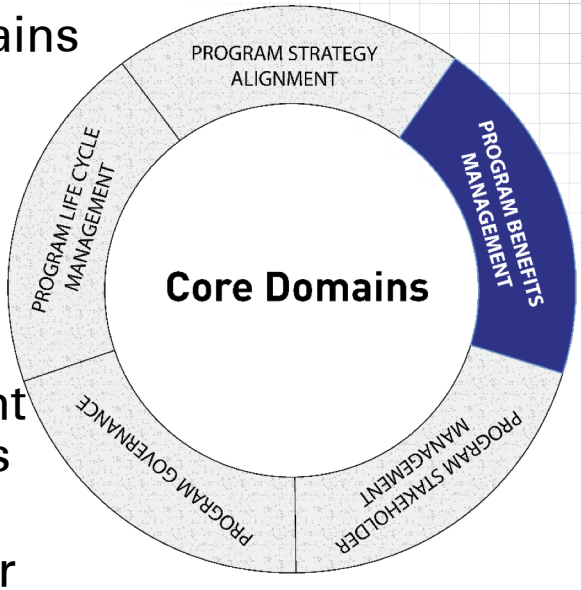
- Benefits Guidance (2017) (including templates, measures and guides library), The Treasury, New Zealand Government (NZG)
- Guide to Benefits Realisation Management; Vision 2015 programme, Ministry of Business, Innovation and Employment; NZG
- Managing Benefits from Projects and Programmes; National Infrastructure Unit, The Treasury, NZG



David Pells, Wayne Abba, Miles Shepherd

Benefits Management in PMI Standard

- Benefits Management is 2nd of five Core Domains in PMI's Standard for Program Management
  - Program Strategy Alignment
  - ***Program Benefits Management***
  - Program Stakeholder Management
  - Program Governance
  - Program Life Cycle Management
- The purpose of Program Benefits Management is to focus attention on outcomes and benefits (PMI)
- Program benefits management does not occur independently, but in conjunction with strategic alignment, stakeholder engagement and program governance; it occurs over the program life cycle (PMI)

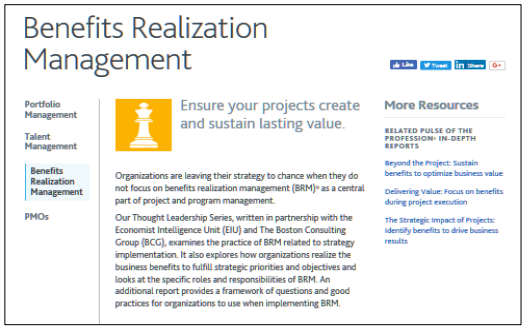


David Pells, Wayne Abba, Miles Shepherd

Major Messaging by PMI about BRM in 2016

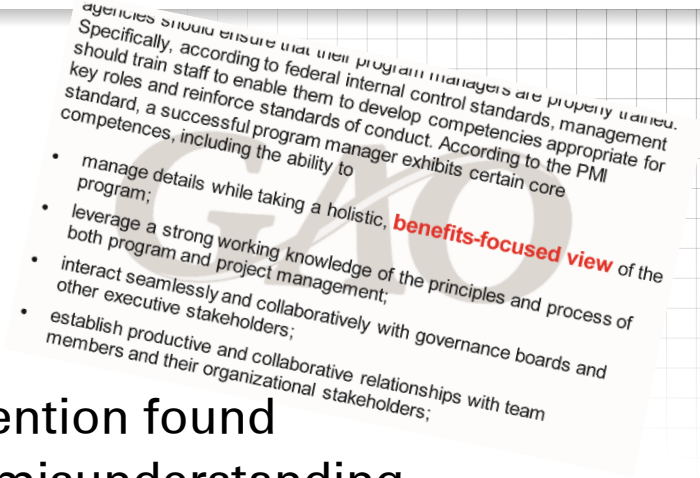
- 3 Pulse of the Profession Reports on BRM (2016)
  - Beyond the Project: Sustain Benefits to Optimize Business Value
  - Delivering Value: Focus on Benefits during Project Execution
  - Strategic Impact of Projects: Identify Benefits to Drive Business Results

- 5 Thought Leadership Series Papers on BRM (2016)
  - Establishing Benefits Ownership and Accountability
  - Strengthening Benefits Awareness in the C-Suite
  - Connecting Business Strategy and Project Management
  - Benefits Realization Management Framework
  - Benefits Thinking Movement



David Pells, Wayne Abba, Miles Shepherd

BRM in the U.S. Government* (Not!)


agencies should ensure that their program managers are properly trained. Specifically, according to federal internal control standards, management should train staff to enable them to develop competencies appropriate for key roles and reinforce standards of conduct. According to the PMI standard, a successful program manager exhibits certain core competences, including the ability to

- manage details while taking a holistic, **benefits-focused view** of the program;
- leverage a strong working knowledge of the principles and process of both program and project management;
- interact seamlessly and collaboratively with governance boards and other executive stakeholders;
- establish productive and collaborative relationships with team members and their organizational stakeholders;

GAO

- CoE (Army Corps of Engineers) – No mention found
- DOE – No evidence of use, evidence of misunderstanding
- DHS – No mention found
- DOT – Mentioned in regard to NextGen program, nothing on FAA, FHWA or FTA websites
- DoD – One mention found in VA audit of IT systems
- GAO – Many reports call for better measurement of benefits; no mention of program BRM found
- GSA – Mentioned for IT projects/programs for FITARA and FedRAMP only
- NASA – Mentioned on CIO blog; no other mention found
- OMB – No mention found

*based on open source research

David Pells, Wayne Abba, Miles Shepherd

BRM in the US Government: Why & When?

- Program Management Improvement Accountability Act: US S.1550; Public law 114-264, Dec 14, 2017, requires:
  - USG-wide standards, policies, guidelines for PPM
  - USG Program Management Policy Council
  - 5 year strategic plan for PPM
  - Program Management Improvement Officer at each Agency
  - Standards, policies, guidelines, implementation in all USG Agencies, based on PPM "best practices" in industry
  - Annual portfolio reviews of Agency programs
- Act was to be fully implemented within one year, but unlikely
- How soon will GAO take notice & take action?

David Pells, Wayne Abba, Miles Shepherd

Common Barriers to Successful BRM Implementation*

- Culture of assessing success based on traditional project completion metrics (cost, schedule, deliverables), not on long-term results
- Lack of benefits realization strategies at the org level, leading to lack of BRM processes
- Lack of integration between processes and organizational functions
- Lack of specific processes for managing benefits

**Serra, C.E.M. (2015), Benefits Realization Management and Strategic Project Success Analysis of UK, USA and Brazil, PMI*

David Pells, Wayne Abba, Miles Shepherd

Apparent BRM Implementation Success Factors

- Preparation of the organization for BRM
- BRM implementation planning
- Alignment of strategies, objectives, projects, outcomes and benefits
- Adequate staffing
- Full engagement with stakeholders

David Pells, Wayne Abba, Miles Shepherd

Possible Way Forward for a USG Agency

1. Assign someone to study BRM, become knowledgeable, brief executive leaders
2. Determine potential value of BRM to the agency
3. Determine if, when and how to implement BRM
4. Select program for demonstration / test case
5. Prepare BRM strategy & plan; implement slowly, in phases

David Pells, Wayne Abba, Miles Shepherd

Conclusion

- BRM is a key element of program (programme) management standards and guidelines worldwide (global best practice)
- BRM is now promoted by PMI (USA), APM (UK), CIOB (UK), AIPM (Aus) and several other professional bodies, for increasing value and reducing program/project failures
- BRM not yet widely implemented in USA, but required by UK government and widely accepted/adopted in UK, Australia and NZ
- BRM requires effective strategic alignment, stakeholder engagement and program governance
- BRM helps capture value after projects are completed, offers opportunity to capture more positive outcomes and performance measures
- US government programs should adapt global program management standards and best practices which clearly include benefits management / BRM

References - USA

- PMI Standards: https://www.pmi.org/pmbok-guide-standards
- PMI Pulse of the Profession, Benefits Realization Management: https://www.pmi.org/learning/thought-leadership/pulse
- PMI Thought Leadership Papers on Benefits Realization: https://www.pmi.org/learning/thought-leadership/series
- PMI Articles and Papers on Benefits Realization: https://search.pmi.org/default.aspx?q=benefits+realization
- Aron, Dave and Smith, Michael; Benefits Realization: The Gift That Keeps on Giving; Gartner

David Pells, Wayne Abba, Miles Shepherd

References - UK

- UK Government Programme Management Guidelines, with BRM as fundamental theme
  - Managing Successful Programmes (2007 - https://www.axelos.com/best-practice-solutions/msp
  - Guidelines for management programmes (2010) - https://www.gov.uk/government/publications/guidelines-for-managing-programmes-understanding-programmes-and-programme-management
  - Guide for Effective Benefits Management in Major Projects (Oct 2017) - https://www.gov.uk/government/publications/guide-for-effective-benefits-management-in-major-projects
- Definitions & description of Benefits Management in APM BOK
- APM Programme Benefits Realization articles & reports: https://www.apm.org.uk/search-results/?search=programme+benefits
- Northern Ireland government guidance on Programme and Project Benefits Management: https://www.finance-ni.gov.uk/topics/programme-and-project-management-and-assurance/benefits-management-and-realisation-programmes
- Code of Practice for Programme Management: In the Built Environment ; 2016 (Wiley): http://www.wiley.com/WileyCDA/WileyTitle/productCd-1118717856.html

David Pells, Wayne Abba, Miles Shepherd

References – Australia

- ATAP Guidelines T6 Benefits Management, Australian Transportation Assessment and Planning, Commonwealth Department of Infrastructure and Regional Development: https://atap.gov.au/tools-techniques/benefit-management/files/t6_benefits_management.pdf
- Australia, NSW government, Benefits Realisation Management Framework: https://www.finance.nsw.gov.au/publication-and-resources/benefits-realisation-management-framework
- Benefits Management Framework, Building Queensland, Government of Queensland: http://buildingqueensland.qld.gov.au/wp-content/uploads/2016/12/Benefits-Management-Framework-1.pdf
- Outcomes Management Toolkit and Templates, Tasmanian Government: http://www.egovernment.tas.gov.au/project_management/supporting_resources/toolkit/outcome_realisation

References – New Zealand & Canada

- Benefits Guidance (updated 2017), The Treasury, New Zealand Government
- Managing Benefits from Projects and Programmes: Guide for Practitioners (2016), The Treasury, New Zealand Government
- New Zealand government, Guide to Benefits Realisation Management (2015): http://www.mbie.govt.nz/info-services/immigration/vision-2015-lessons-learned/artefact-52.pdf
- Better Business Cases: Managing Benefits from Projects and Programmes, May 2014, Treasury's Infrastructure Unit, New Zealand Government
- Apply benefits realisation to projects, NZQA unit standard 2014, New Zealand Qualifications Authority, New Zealand Government
- Outcome Management Guide and Tools (2009), Treasury Board, Government of Canada
- Benefits Realisation: Government of Canada Experience, presentation to OECD 2006, Information Technology Services Branch, Public Works and Government Services Canada

References – Selected Articles

- Benefits Realisation Management in Wikipedia
- Benefits Realization Management and strategic project success analysis of UK, USA and Brazil; by Carlos E. M. Serra; paper presented at PMI EMEA Congress 2015, London
- Levin, G. (2015). Benefits — a necessity to deliver business value and a culture change but how do we achieve them? Paper presented at PMI® Global Congress 2015—North America, Orlando, FL.
- Houston Jr., C. J. (2014). Beyond project success: Benefits realization opportunities and challenges. Paper presented at PMI® Global Congress 2014—North America, Phoenix, AZ.
- Hassan, A. H. (2014). Bridging the gap: A people's approach to maximizing benefits realization and ROI. Paper presented at PMI® Global Congress 2014—North America, Phoenix
- Zwikael, O. & Chih, Y.-Y. (2014). Project benefit management: formulation and appraisal of target benefits. Paper presented at PMI Research and Education Conference, Phoenix, AZ
- Schibi, O. (2012). Program management—benefit measurement evaluation. Paper presented at PMI® Global Congress 2012—North America, Vancouver, British Columbia, Canada.
- Hudson, A. (2017); Managing Programme Benefits, *PM World Journal*, Feb 2017
- Dalcher, D. (2017); So where do benefits come from? *PM World Journal*, Feb 2017
- Pells, D (2017); The Missing Link, Benefits Realization Management, PM World Journal, Aug 2017

References - Books

- *Benefits Realization Management: Strategic Value from Portfolios, Programs and Projects*, by Carlos E. M. Serra; CRC Press (2017)
- *Benefit Realisation Management*; by G. Bradley, Farnham, UK, Gower (2010)
- *Transforming Government and Public Services: Realising Benefits through Project Portfolio Management*, by S. Jenner; Ashgate (2010)
- *Implementing Program Management*, 3rd Ed.; by Ginger Levin and Allen R. Green, CRC Press (2013)
- *Programme Management based on MSP: A Management Guide*, by J. Chittenden and J. V. Bon; The Netherlands; Van Haren (2006)
- *Project Portfolio Management: A Practical Guide to Selecting Projects, Managing Portfolios, and Maximizing Benefits*; by H. A. Levine, Max Wideman; USA, Josey-Bass (2005)
- *Project Management Metrics, KPIs and Dashboards: A Guide for Measuring and Monitoring Project Performance*; Harold Kerzner, PhD; Wiley, 2013

David Pells, Wayne Abba, Miles Shepherd

QUESTIONS

Follow-up Contacts or Questions

- David L. Pells, PM World Services, Texas, USA - pells@pmworldinc.com
- Wayne Abba, Abba Consulting, Florida, USA – abbaconsulting@cox.net
- Miles Shepherd, MS Projects, Salisbury, UK – miles.shepherd@msp-ltd.co.uk