

Benefits Realisation Management Framework

Part 5: Glossary

This document is part of the NSW Government Benefits Realisation Management Framework. The structure of the Framework is as follows:

Part 1: Principles

Part 2: Process

Part 3: Guidelines

Part 4: Implementation

Part 5: Glossary

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“Benefits Realisation Management Framework” Parts 1-5. An electronic version of this document is available at www.nsw.gov.au/customer-service/publications-and-reports/benefits-realisationmanagement-framework

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Benefits Realisation Management Framework | Part 5: Glossary | 2018



Benefits Realisation Management Framework

A standard approach for benefits realisation management for anyone not familiar with the subject matter, including program directors and managers, change managers, project managers, business analysts and program management office (PMO) staff across NSW Government.

The purpose of the Benefits Realisation Management Framework is to provide:

- a framework of best practice principles and concepts drawn from latest experiences and proven practice in setting up and managing programs that is transferable across NSW Government agencies
- a standard approach for benefits realisation management for anyone not familiar with the subject matter.
- consistent terminology and benefits categorisation
- introduction and guidance for program sponsors and business benefit owners.

The Framework:

- is aimed at those who are interested in benefits realisation within NSW Government agencies, enabling them to adapt and tailor the guidance to their specific needs
- must be accessible by strategy groups, operational business areas and program/ project teams as well as by individual practitioners and benefit owners
- should help PMO practitioners improve their decision making and become better at implementing beneficial change.

1. Glossary

Terminology or Acronym	Explanation/Meaning
Baseline Measure	<p>A measure of the 'as-is' or 'before' state, prior to implementing a change to derive a benefit.</p> <p>Baseline data is established so that the benefits measurement at a point in time can be compared to the position prior to delivery of new capabilities or outcomes.</p>
Benefit	<p>The measurable improvement resulting from an outcome perceived as an advantage by one or more stakeholders, which contributed towards one or more organisational objective(s).</p>
Benefit Classification	<p>A benefit classification can be one or many of the following:</p> <ul style="list-style-type: none">• Financial with sub-categories cashable and non-cashable including increased revenue, cost avoidance, reduced cost or• non-financial with sub-categories including improved performance, social, economic and environmental benefits, enhanced user experience. <p>For more information see Part 3: Guidelines.</p>
Benefit Distribution Matrix	<p>A matrix mapping the stakeholders to each benefit to understand which stakeholders may be advantaged or disadvantaged by the program.</p>
Benefit Map	<p>A map linking benefits to the primary investment objectives, outlining the cause and effect relationships.</p> <p>Examples include:</p> <ul style="list-style-type: none">• MSP Benefits Map – Managing Successful Programmes (UK)• The Results Chain TM– DMR Group, John Thorp• Benefits Dependency Network– Cranfield University.
Benefit Owner	<p>The person responsible for the realisation of the benefit.</p>
Benefit Profile	<p>A template that contains a description of a single benefit, including all its attributes and dependencies as well as measures and estimated value.</p>
Benefit Realisation Manager	<p>Responsible for facilitating the realisation of benefits, including the profiling, planning and tracking of benefits across the cluster.</p>
Benefit Realisation Management (BRM)	<p>The process of organising and managing so that potential benefits arising from investment in change, are actually achieved. It is a continuous process running through the whole project lifecycle and should be the central theme of any change initiative. Benefits realisation is the end product of the implementation of change initiatives.</p>
Benefit Plan (BP)	<p>A benefits plan defines the benefits of the overall program and the responsibilities for their realisation, measurement, reporting and evaluating.</p>

1. Glossary (cont.)

Terminology or Acronym	Explanation/Meaning
Benefits Register (BR)	A register encompassing all quantitative and qualitative benefits with details on how each benefit has been determined, the calculation method used, key trigger points and phasing, target dates for realisation, KPI benchmarks and identification of the benefit owner and benefit manager. Can also be called a Benefit Tracking Tool.
Benefit Realisation Strategy	A benefit realisation strategy identifies, at a high level, how benefits are aligned to the organisation's strategy. It describes the end goal and the required direction for the organisation. It is used for communicating expectations and assessing the impact of unexpected changes, both internal and external. A benefits realisation strategy template is available in Part 5: Glossary.
Benefit Types	<p>Benefits are commonly categorised:</p> <ul style="list-style-type: none">• Financial with sub-categories cashable and non-cashable including increased revenue, cost avoidance, reduced cost or• non-financial with sub-categories including improved performance, social, economic and environmental benefits, enhanced user experience. <p>For more information see Part 3: Guidelines.</p>
Business Change	A change which is required to support the implementation of an Enabler e.g. new governance, training and communications etc.
Cashable benefits	Cash realising benefits are changes that will directly reduce an organisation's budget either through savings or through additional revenue.
Corporate and Shared Services Reform (CSS) Program	The DFSI CSS program is responsible for the consolidation and amalgamation of back office services to contemporise administrative processes and systems, reducing the total implementation and operating costs, while improving performance.
Cost Reduction Benefit	A cost reduction benefit is a previous cost that no longer applies or is reduced year over year.
Cost Benefit Analysis	An appraisal and evaluation technique that estimates the costs and benefits of a project or program in monetary terms. See NSW Treasury TPP 17-03 Policy and Guidelines Paper NSW Government Guide to Cost-Benefit Analysis.
Decreasing Benefit	A positive change that is identified as continually progressing down to an expected target.
Dis-benefit	A measurable decline resulting from an outcome perceived as negative by one or more stakeholders, which reduces one or more organisational objective(s).
Discounting	Technique to convert future costs or benefits to present values using a discount rate. See NSW Treasury TPP 17-03 Policy and Guidelines Paper NSW Government Guide to Cost-Benefit Analysis.
Double Counting	Is a term used to describe the situation where the same benefit cannot be claimed by two or more stakeholders (i.e. no double counting).

1. Glossary (cont.)

Terminology or Acronym	Explanation/Meaning
Effectiveness	An outcome type where the degree to which benefit(s) are achieved and the extent to which targeted problems are resolved. Effectiveness is determined without reference to costs and means doing the right or targeted activity.
Efficiency	An outcome type where benefit(s) are achieved and results in doing an activity faster or with less effort.
Enabler	An enabler is something that can be developed/built/acquired normally from outside the environment in which it will be embedded and where the benefits will be realised. Examples include a new IT system and business process.
End Benefit	An ultimate benefit of a program or project.
EPMO	Enterprise program management office.
Evaluation	A rigorous, systematic and objective process to assess the effectiveness, efficiency, appropriateness and sustainability of programs. See NSW Government Program Evaluation Guidelines.
Financial Benefit	A benefit type with a positive change which is contributed by one or many measures and is quantified with tangible financial measures.
Governance Structure	The organisation and processes needed to govern a program or project.
Gross Benefit	A result or value where the cost of delivering the capability or the new 'to-be' process (the so-called dis-benefit) is not taken from the gross (financial) benefit value.
Intermediate Benefit	Benefits which will occur between the implementation of early changes and the realisation of the end benefits (also referred to as enabling benefits).
Internal Rate of Return (IRR)	The annual percentage return (forecast or actual) from an initiative, at which the present value of the total cash inflows equals the present value of the total cash outflows. See NSW Treasury TPP 17-03 Policy and Guidelines Paper NSW Government Guide to Cost-Benefit Analysis.
Key Performance Indicators (KPIs)	Quantitative or qualitative variable that provides a reliable way to measure intended changes. Performance indicators are used to observe progress and to measure actual results as compared to expected results.

1. Glossary (cont.)

Terminology or Acronym	Explanation/Meaning
Measure	A measure is the agreed performance indicator used to contribute to the achievement of a benefit. A measure is calculated from one or many metrics.
Net Benefit	A result or value where the cost of delivering the capability or the new 'to be' process is taken from the gross or total (financial) benefit value.
Non-cashable benefits	Non-cashable benefits are changes that will result in an organisational efficiency but not necessarily a budget reduction. These may address long terms problems, including saving money in the future, or avoiding future procurement costs.
Non-financial Benefit	A benefit type that can be categorised as those quantified in non-financial terms or in qualitative terms. Examples include client satisfaction and loss of reputation.
NVP	Net Present Value: the value of future cash flows (inflows less outflows) discounted at the relevant cost of capital. See NSW Treasury TPP 17-03 Policy and Guidelines Paper NSW Government Guide to Cost-Benefit Analysis.
One-Off Benefit	A benefit that is achieved only once and is not recurrent or repeating.
Optimised Benefits	Benefits which have been maximised in a balanced manner i.e. obtaining best returns on overall investment given the desired outcomes of the project/program.
Outcome	A result or effect that is caused by or attributable to the project or program.
Outcome Based Budgeting	Budget technique that demonstrates a clear linkage between allocated funding and the intended program outcomes.
Program Sponsor	The person who owns the business case and therefore is accountable for realising the benefits (usually Deputy-Secretary or Secretary level).
Risk	An uncertain event or set of events that, should it occur, will have an effect on the achievement of objectives.
Strategic Goals	Describe how an organisation wishes to change in order to evolve and grow.
Target	A target is the agreed, approved 'to-be' result or value that is expected to be achieved as a result of the project deliverables.
Target Measure	A measure which, when achieved, will demonstrate that the benefit has been realised. To determine the target measure, a baseline measure has to be taken.
Three-Column Analysis	The three-column analysis involves brainstorming answers with relevant stakeholders to understand and agree on the current business problem, what has to change (and what must be stopped) and the benefits.

2. References

2.1 Principal policy documents and guides

NSW Treasury

- [Business Case Guidelines](#)
- [Guide to Cost Benefit Analysis](#)

NSW Department of Finance, Services and Innovation

- [Government Digital Strategy](#)
- [ICT Assurance Framework](#)

Infrastructure NSW

- [Infrastructure Investor Assurance Framework](#)

NSW Department of Premier & Cabinet

- [Program Evaluation Guidelines](#)

2.2 Literature

- Benefit Realisation Management (second edition): A Practical Guide to Achieving Benefits Through Change – Gerald Bradley, Gower Publishing Ltd, UK 2010
- Managing Benefits – Steve Jenner, APMG, UK 2014
- Managing Successful Programmes – APMG, UK 2018
- Managing Successful Projects with Prince2– Axelos, UK 2017
- Portfolio, Programme and Project Management Maturity Model (P3M3®) – Axelos, UK 2018
- Audit Office New South Wales *Why large public sector projects sometimes fail*
Retrieved 04 December 2018 from <https://www.audit.nsw.gov.au/news/news-archive/2013/paper---why-large-public-sector-projects-sometimes-fail> last updated 20 September 2013

BRM Framework

www.finance.nsw.gov.au/publications_and_resources/benefits_realisation_management_framework

Commonwealth Government of Australia

www.dta.gov.au/standard/

- Digital Service Standard

3. Templates

Below is a list of templates that are referenced in the four key phases of the NSW Government Benefits Realisation Management Framework.

Phase	Template
Understand	<ul style="list-style-type: none">• Benefits realisation strategy• Three-column analysis• Benefits map• Benefits distribution matrix
Plan	<ul style="list-style-type: none">• Benefits plan• Benefits profiles• Benefits register

These templates are available on the DFSI website:

www.finance.nsw.gov.au/publication-and-resources/benefits-realisation-management-framework



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