

Benefits Realisation Management Framework

Part 3: Guidelines

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

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. Introduction

1.1 Document Purpose

The purpose of Part 3 of the Guidelines is to provide an introduction to benefits management practice to assist program management practitioners to implement a benefits process.

The Guidelines provide a structured approach for agencies to manage and demonstrate the realisation of benefits from change programs. They help practitioners show the linkage between investment and government policy priorities, agency business objectives and service delivery outcomes.

Supporting these Guidelines are sample templates for benefits realisation:

- The Benefits Plan is used as a key component in the development of business cases used to support proposals for new change programs.
- The Benefits Register is used to ensure that potential benefits are captured and realised.
- For sample templates see Part 5: Glossary.

1.2 Scope

The Guidelines cover the phases involved in effectively understanding, planning, realising and reporting benefits of business change programs. It outlines how these phases relate to developing business cases as explained in the NSW Government Business Case Guidelines see Figure 3 (Benefits Realisation Management Deliverables) It does not cover areas such as writing a business case, undertaking project or program management, portfolio management or governance.

It should be read together with other NSW Government Guidelines including NSW Government Business Case Guidelines, Guide to Cost Benefit Analysis, Program Evaluation Guidelines, Digital Government Strategy and Digital Service Standard. Noting that currently there may be some differences in the use and meaning of terms.

**an introduction to
benefits management
practice to assist
program management
practitioners to
implement a
benefits process**

2. Objectives of Benefits Realisation Management

2.1 The Case for Benefits Realisation

Effective benefits realisation is critical to the achievement of the outcomes desired from investments. Benefits realisation is an important contributor of key information to the development of business cases, portfolio management, governance and decision making by Government.

2.2 Objectives of Benefits Realisation Management

The objectives of Benefits Realisation Management (BRM) are to:

- ensure benefits are identified and defined clearly at the outset, and linked to strategic outcomes
- ensure business areas are committed to realising their defined benefits with assigned ownership and responsibility for adding value through the realisation process
- drive the process of realising benefits, including benefit measurement, tracking and recording benefits as they are realised
- use the defined, intended benefits as a roadmap for the program, providing a focus for delivering change
- provide alignment and clear links between the program (its vision and desired benefits) and the strategic objectives of the agency involved.

For more information on the principles that underpin benefits realisation management, see Part 1: Principles.

2.3 What is a Benefit?

A benefit is the measurable improvement resulting from an outcome which is perceived as an advantage by a stakeholder.

Benefits are the specific outcomes where accountability can be assigned and measurement defined. Benefits are used for defining and declaring success of an investment. Benefits are the net positive changes resulting from outcomes. It is essential to understand the outcomes before we can define and declare them as benefits.

Benefits can be classified into the following types:

- Financial - benefits that can be quantified and valued in financial terms e.g. cost savings, revenue generation
- Non-financial - benefits that can be quantified in non-financial terms or qualitative terms e.g. user satisfaction, performance measures.

For a list of terms and definitions used in this document see Part 5: Glossary.

2.4 Challenges typically encountered in Benefits Realisation

The Guidelines aim to increase successful benefits realisation. They address typical challenges encountered in benefits realisation, including:

- ill-defined benefits
- unclear program objectives
- unclear strategic goals
- benefit measures data is unavailable or inaccurate
- unclear benefits ownership.

2. Objectives of Benefits Realisation Management (cont.)

2.5 Critical Success Factors

Benefits Realisation Management requires the following three strategic and integrated characteristics in place for successful operation.

Characteristics	Critical Success Factors
Stakeholder Buy-In	<ul style="list-style-type: none">• Senior management leadership and commitment• Active stakeholder participation• Operational ownership of benefits
Management of Information	<ul style="list-style-type: none">• BRM profiles, plans and tracking registers up to date• Data is available from digital services by default• Alignment with business forecasting/budgeting and actual performance• Alignment with project/program management and evaluation systems
Embedded BRM	<ul style="list-style-type: none">• Alignment of benefits to strategic objectives• Governing bodies maintain a benefits management focus• Monitoring and evaluation processes embedded into organisation• Integration with program, change management and program evaluation

2. Objectives of Benefits Realisation Management (cont.)

2.6 Risks to Benefits Realisation Management

Risks may arise from poor forecasting or program delivery issues. Below are examples of risks to benefit realisation and what should be considered when preparing migration plans.

Risk	Response
Benefits forecasts are incorrect or overestimated	<ul style="list-style-type: none">Identify the intended outcomes prior to the enablers/business changes required to realise the benefits
Optimistic benefits estimates or target benefit measures are unrealistic	<ul style="list-style-type: none">Identify how the impact of the program will be measuredIdentify data and systems to measure the program's impact and how to adopt, adapt or procure themDetermine the baseline measure prior to agreeing the target measureEstimate the potential for un-planned reduction in the value of the benefit in the future
Benefits delivery failure	<ul style="list-style-type: none">Failure to deliver the initiative with the planned functionality and on time, so impacting on the scale and timing of benefits realisation
The focus on benefit realisation is not maintained throughout the full program lifecycle	<ul style="list-style-type: none">Establish tools and techniques to collect, manage and analyse data digitallyImplement a stage gate review process which includes benefit related deliverables and acceptance criteria for each stage gateProduce periodic program status reports which focus on tracking 'actual' benefits against those identified in the original business caseReport on performance in a dashboardHave a reference that benefits management should be a standing agenda item at each program board meetingHave a defined governance structure in which benefits are managed
The benefits realised cannot be tracked back to the original business case including the underlying cost benefit analysis	<ul style="list-style-type: none">Baseline the benefits at key milestones and ensure that any changes are subject to a formal change control process
Benefit owners lose focus on benefit realisation	<ul style="list-style-type: none">Agree with benefits owners their accountabilities, meet regularly with benefit owners to review progress and reinforce commitmentEstablish a performance management system which is clearly linked to realising benefitsReport on performance in a dashboard
Staff do not have the capability or capacity to support new ways of working	<ul style="list-style-type: none">Update the organisation structure to reflect the new processes and systemsEncourage organisation to have capacity building initiatives

Active participation of stakeholders is of critical importance particularly in programs undergoing major change. It requires a certain level of discipline and attention to detail that is often overseen and undervalued. Through the implementation of clear governance, planning and the implementation of effective change management processes, the risk of program failure can be substantially reduced.

2. Objectives of Benefits Realisation Management (cont.)

2.7 Design Principles

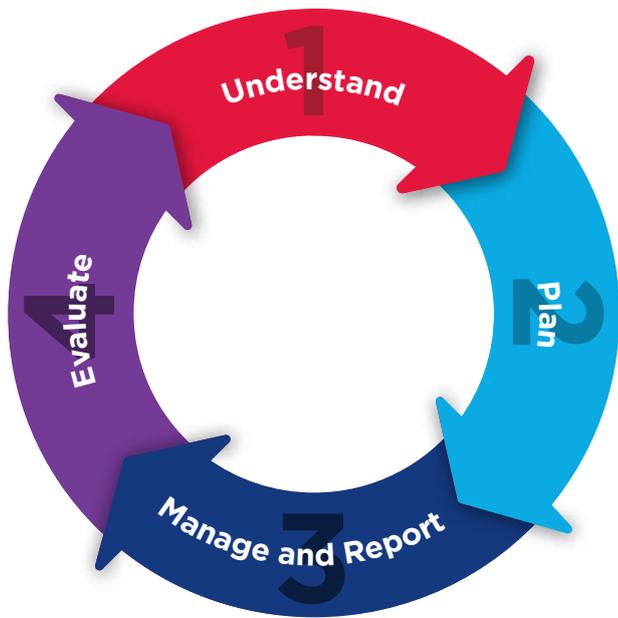
The following outlines the minimum requirements Agencies should adhere to in relation to the successful implementation of benefits realisation management. The following principles underpin best practice benefits management.

Business Rule	Purpose
Assign single points of accountability for realisation of each intended benefit	Benefit Owners must be identified and accept their role to lead the successful realisation of benefits
Baseline measures should be taken for prioritised tangibles	The baseline will provide an independent and credible reference level to demonstrate the extent of change
Develop benefit profiles for prioritised benefits using profile template	Developing profiles will ensure a complete assessment of prioritised benefits is undertaken
Develop a benefits plan outlining how and when benefits will be monitored and realised	A benefits plan will ensure that all the tasks and actions to realise benefits are recorded and monitored in a single document
Establish a benefit tracking tool or benefits register	The progressive achievement of benefits must be tracked throughout the program and beyond completion (note: in many cases benefits are realised after the program is complete)
Establish digital data collection by default, if applicable	Measuring the program service will be built into the service system design, if applicable
Establish a change control procedure which includes an assessment of impact on benefits	All changes should be fully assessed through the change control process to determine the impact on the expected benefits or benefit assumptions, prior to being approved by the relevant authority to ensure that benefits are not compromised
Adequately resource a benefit management capability	Departments should adequately resource benefits management to support program planning and evaluation
Establish a governing body e.g. a steering committee monitoring benefit realisation	A benefits governing body will ensure that the activities with a clear mandate for monitoring benefit realisation are progressed and that any major issues are identified and resolved in a timely manner
Establish Benefit realisation reference groups	The sharing of lessons learned and experiences will enable the benefits management capability across the sector to continually develop and improve

3. Benefits Realisation Management Process

3.1 Four Phases of Benefits Realisation

This section introduces the benefits realisation process, outlining the four key phases that can enable a program to realise benefits. Subsequent sections define each phase, each with its purpose and deliverables. The four key phases are displayed in a circle to reflect the iterative nature of the process.



Phase 1: Understand

The understand phase is about understanding why the program is needed, and identifies the required outcomes to address a problem and achieve the program’s purpose. This phase establishes the program’s strategic intent and defines the vision, objectives, and potential benefits, ensuring alignment with strategic drivers.

Phase 2: Plan

A plan is then created which builds upon the understand phase. The plan defines how the impact of the program will be measured, how data will be collected, benefit targets, benefit owners, and what activities need to be planned to realise the benefits. The deliverables of the plan will inform the benefits section of the program business case.

Phase 3: Manage and report

Realising the benefits is then achieved by monitoring progress towards the planned outcomes. Any deviations from the plan can be assessed early with the appropriate corrective action taken. Throughout this process the business case should be updated and maintained as there may be differences between what was initially proposed and what is attainable as the program progresses. The manage and report phase will measure, analyse and understand the program outcomes to proactively support delivery of benefits.

Phase 4: Evaluate

The evaluation phase documents the program outcomes and identifies learnings from program activities to inform strategic decisions and priorities. A governance body will determine the scope and focus of this evaluation phase or whether an independent Program Evaluation is required. For guidance on planning, managing and commissioning an independent Program Evaluation see the NSW Government Program Evaluation Guidelines.

3.2 Implementing the Framework

This framework and supporting processes and templates should be adapted to the specific environment an organisation operates in to optimise its use and increase its relevance to local stakeholders. For information on what to consider when adapting the deliverables and techniques see Part 4: Implementation.

4. Phase 1: Understand

Define vision, objectives and potential benefits ensuring alignment with strategic drivers.

4.1 Objective

The Understand phase identifies and defines the problem, that the program is seeking to address, and potential outcomes and benefits of the program. Appraising business ideas by focusing on the potential benefits, answering 'why we are doing this?'. This process of understanding the problem being addressed, outcomes and benefits is integral to writing a business case, with the articulation of the benefits providing the rationale and objectives of the program.

4.2 Questions

This phase aims to answer the following key questions:

- Has the program vision, objectives and desired outcomes been articulated?
- Who will be impacted by the program?
- Have the stakeholders been identified?
- What are the benefits of the program?

4.3 Process

To answer these questions, it is recommended that the following activities are undertaken:

- Articulate the vision/objectives/key principles, business context of the benefits:
 - explain why the program is needed, what problem is trying to be solved
 - define the scope and objectives of the program
 - define benefits intended to flow from the outcomes
- Identify stakeholders
- Collaborate with stakeholders to identify benefits:
 - facilitate reviews with stakeholders using a brainstorm technique such as the Three-Column Analysis

- Map the outcomes and benefits with stakeholders:
 - map and estimate scale of benefits
 - define the intermediate and final outcomes required to realise the benefits
 - analyse the impact of the change on different stakeholders
 - review how the impact of the program could be measured, considering the program maturity. For more information see Part 4: Implementation
 - identify any enablers
 - identify any dis-benefits
- Develop a benefits realisation strategy:
 - identify which benefits are considered strategic and align these with the strategic goals
 - identify any potential risks associated with either the forecasting or delivery of the benefits
 - review any interdependencies with other programs that may be claiming the same benefits
 - define the governance requirements to support benefits realisation
 - assess the resources required to identify and manage benefits
 - see Part 4: Implementation for information on adapting benefits deliverables to organisational needs
- Obtain sponsorship buy-in and ownership of benefits:
 - identify benefit owners
 - validate benefits realisation strategy with stakeholders

4. Understand Phase (cont.)

4.4 Deliverables

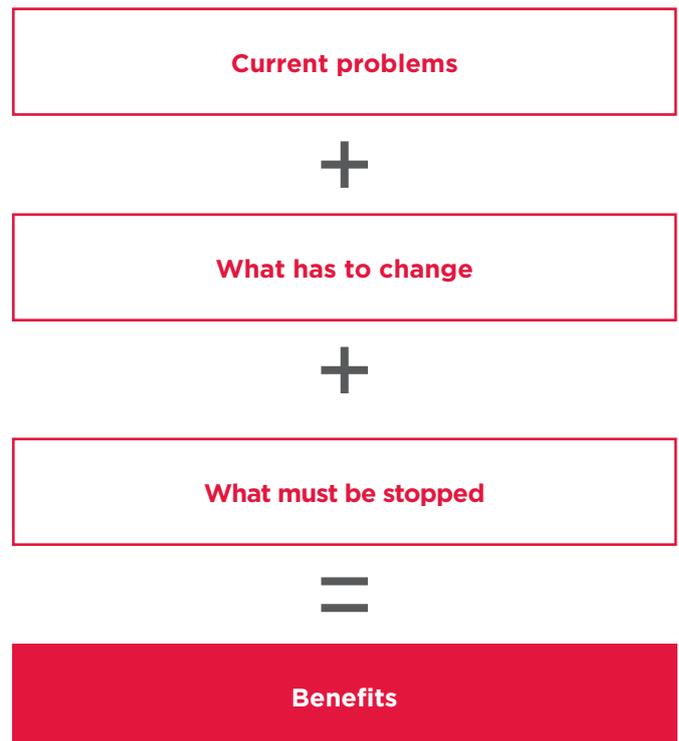
Characteristics	Required	Recommended
Benefits Realisation Strategy	✓	
3 Column Analysis	✓	
First draft Benefits Map	✓	
Benefits Distribution Matrix		✓

4.4.1 Benefits Realisation Strategy

The benefits realisation strategy identifies, at a high level, how benefits are aligned to the organisation’s strategy and the approach to ensuring that benefits are not double-counted. It describes the end goal and the required direction for the organisation. It generally includes a benefits map that provides a clear line of sight between outcomes, objectives, end benefits, intermediate benefits, business changes, enablers and dis-benefits. A benefits realisation strategy is a useful document 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.

4.4.2 Three-Column Analysis

A useful technique to help stakeholders understand and agree what is the current business problem, what has to change (and what must be stopped) and to start to identify benefits, is a three-column analysis. This technique involves brainstorming answers to each of the four sections shown below.



4.4.3 Benefits Map

The benefits map is a diagram that shows the cause-and-effect mechanisms by displaying how the program inputs, activities and outputs will lead to certain outcomes for stakeholders. A visual map helps stakeholders to understand the program chronology and intended outcomes. Also, it helps to avoid double counting of benefits, ensuring benefits are attributed to the correct program input or output. Typically, a benefits map is developed by working from right to left to identify the benefits which will contribute to each objective. Although some stakeholders may prefer to work left to right. There are many benefits mapping techniques and online tools. For further information see Part 5: Glossary.

4. Understand Phase (cont.)

4.4.4 Benefits Distribution Matrix

The benefits distribution matrix identifies how the benefits and potentially dis-benefits are distributed between the stakeholders. There are several techniques for mapping the impact of change on stakeholders. The example below is based on the work of Gerald Bradley. The matrix can be used to identify the appropriate benefit owners or review the scope of the program to ensure the benefits are more evenly distributed. It can also identify stakeholders that may be disadvantaged (either real or perceived) and may support stakeholder engagement and communication. For further information see Part 5: Glossary.

4.5 Considerations and Techniques

4.5.1 Benefit Workshops

Workshops are a technique to engage a cross-section of stakeholders to help identify benefits by answering key questions. Their answers to the questions below will inform an understanding of the cause-and-effect mechanism(s) by which the program activities and outputs will create certain outcomes and benefits.

- why is the program needed?
- what are the strategic outcomes of the program?
- how will the stakeholder be impacted?
- what are the measurable benefits?
- who owns the benefits?
- what is the mechanism to realise the benefits?

	Expenditure Review Committee (ERC)	Steering Committee	Program Director	Benefit Owners	BR Coordinators
Key benefits					
Creating and maintaining optimum project portfolio		Benefit	Benefit		
Increase return on investment	Benefit	Benefit	Benefit		
Key dis-benefits					
Extra effort required by agencies				Dis-benefit	Dis-benefit

Figure 1 – An example of a Benefits Distribution Matrix

5. Phase 2: Plan

Prioritise the benefits and business change required to determine a plan for achieving the objectives.

5.1 Objective

The Plan phase develops the initial findings from the understand phase into a benefits plan. The plan phase defines how the impact of the program will be measured, how data will be collected, what the benefit targets are, who the benefit owners are, and what activities need to be planned to realise the benefits. The deliverables from this Plan phase will inform the benefits section of the business case.

5.2 Questions

This phase aims to answer the following questions:

- what type of benefits will the program realise?
- can benefits be measured? What are the measures and data source?
- who should be responsible for realising each benefit?
- have the baseline data and targets been agreed with benefit owners?
- are there any risks relating to either the forecasting of benefits or delivery failures?

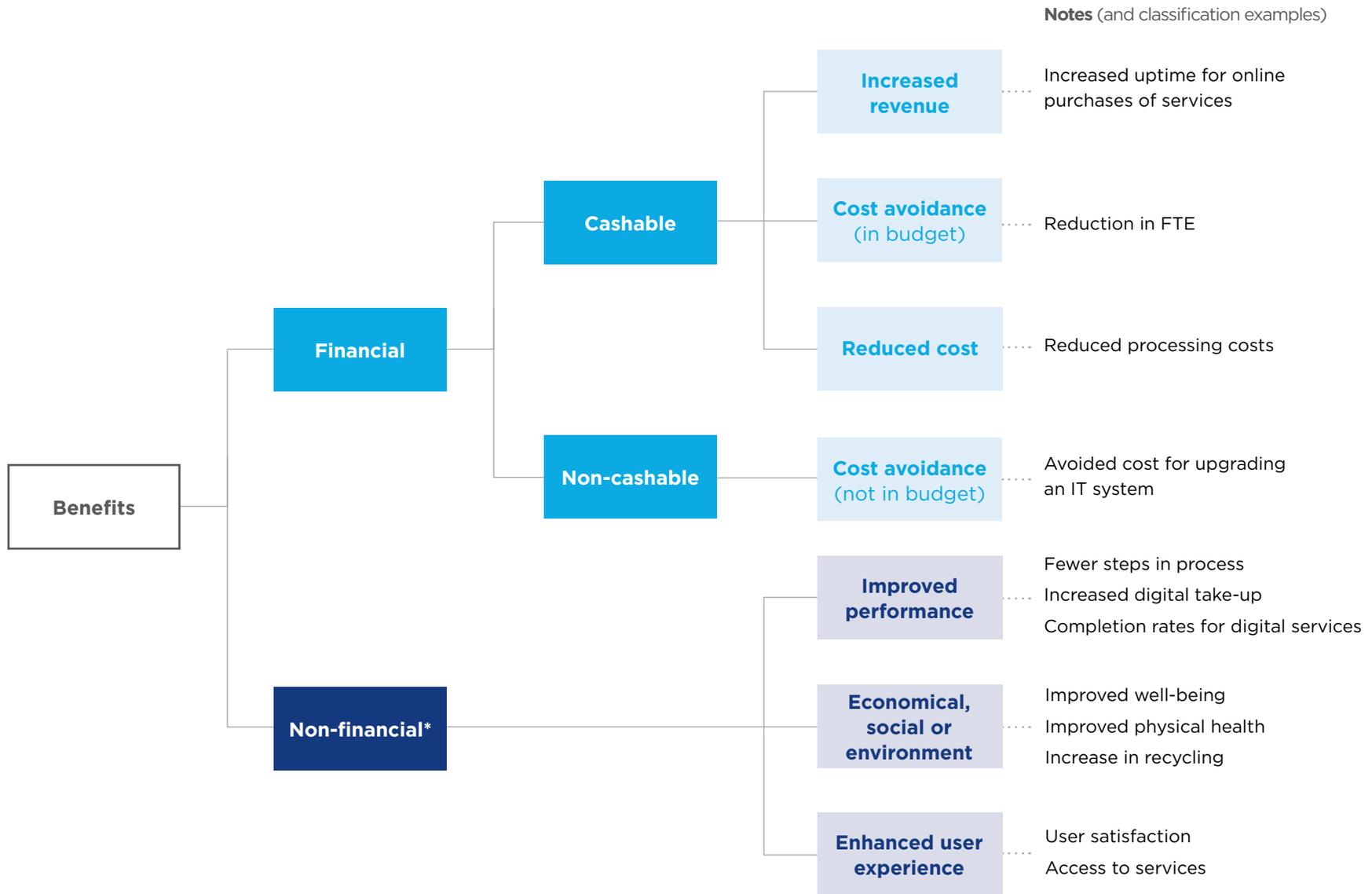
5.3 Process

To answer these questions, the following structured approach needs to be planned and undertaken:

- Classify benefits

There are several ways to categorise benefits. The structure in Figure 2 is based on the work of the NSW Government BRM Community of Practice. The initial groups are financial and non-financial categories. Classifying benefits informs which benefits should be valued financially or measured in relation to performance.

5. Phase: Plan (cont.)



*These are examples and should be tailored to the program/project environment

5. Phase: Plan (cont.)

Identify benefit measures

- agree with stakeholders which benefits should be measured, determine which benefits will best show the impact of the program
- determine which benefits can be measured and how, wherever practical, use existing performance measures, limit the number measuring unless program
- maturity is high. For more information on maturity see Part 4: Implementation
- consider how the available digital data could inform understanding on impact on stakeholders or user needs
- identify what is the key performance indicator (KPI) measure for each benefit
- determine whether data is available digitally, if not determine how data will be obtained
- for digital services, the Digital Service Standard identifies, all services must, at a minimum measure user satisfaction, digital take-up, completion rate and cost per transaction
- obtain a baseline measure for each benefit. Take a baseline measure at the earliest possible opportunity
- determine how much the benefit measure is expected to improve; establish a target
- determine the timeframe and milestones for each benefit.

Value benefits

- prepare an economic appraisal of the benefits in accordance with the NSW Government Guide to Cost-Benefit Analysis
- consider how the digital data available could improve economic appraisal analysis or expand the types of analysis

Create benefits register

- capture data into benefits tracking tool or benefits register, see Part 5: Glossary for templates. How to capture data will be influenced by the program maturity. See Part 4: Implementation for information on maturity

Develop benefit profiles

- create a benefit profile showing the measure attributes of each benefit on one page
- validate with Benefit Owners to ensure: the benefits are realistic, target values are achievable, and that the stakeholders understand and agree

Establish governance

- determine who will be responsible for benefits realisation, what governance structures, processes, resources and information needs are required, etc. For information on program governance structures refer to Prince2®.
- list any potential risks to benefits realisation and consider adding a confidence rating to each benefit

Confirm benefit ownership

- review responsibilities with the assigned Owner and obtain their agreement/sign-off

Develop benefits plan

- consolidate benefit measures, governance requirements into a benefits plan appending the benefits register and profile
- review benefits plan with stakeholders and obtain program sponsor/ benefit owner approval.

Inform business case

- use the benefits plan to inform the requirements of the benefits section of a business case
- develop the business case in accordance with the NSW Treasury's NSW Government Business Case Guidelines
- confirm the strategic link between the benefits identified and NSW Government strategies

5.4 Deliverables

Deliverable	Required	Recommended
Benefits Plan	✓	
Benefits Profiles (profile included in Plan)	✓	
Benefits Register	✓	

5. Phase: Plan (cont.)

Benefits Plan

The benefits plan explains how the program benefits will be realised. It outlines how the benefits will be monitored, managed, reported upon and evaluated, including any interdependencies with other change initiatives. It helps the program team to understand and keep track of what activities are required to enable benefit realisation. The benefit plan should clearly define the measurable benefits, and include baseline data and provide context on the need for the program and any subsequent program changes. This information will inform an evaluation on whether the program has delivered its expected benefits, providing a foundation and evidence for the evaluation phase and if required an independent program evaluation.

The benefits plan should evolve throughout the program life-cycle and can provide input into other program documents, as well as change management and program evaluation planning. It forms part of the Prince2 Project Initiation documentation. The benefits plan should be reviewed regularly and updated when benefits are achieved, or if any new benefits or dis-benefits emerge, or if there is a program change that will impact the realisation of any benefits. A benefits plan template is available in Part 5: Glossary.

Benefits Register

A register which tracks, for each benefit progress towards realisation targets can be a benefit register such as the template in Part 5: Glossary or a benefit tracking tool incorporated into a digital service. A benefit register can be linked with the benefits estimated in the cost benefit analysis and can be appended to the Benefits Plan. The selection of benefit tracking tool will be dependent upon the maturity of the organisation and program. For more information see Part 4: Implementation. The benefits register or tracking tool should contain the following key information about each benefit including:

- benefit name
- benefit description
- measurement metric
- calculation methods
- data source
- current baseline measurement and target
- timeframe for realisation
- benefit ownership

Benefit Profiles

The benefit profile is a view of a single benefit, showing all key attributes including measures, estimated value and dependencies. The data can be extracted from a benefit tracking tool or benefits register. A benefit profile supports good governance, as it enables the benefit owner and other stakeholders to quickly appraise all the attributes of a benefit. The benefit owner will be responsible for approving the target measures and the extent of improvement that is achievable. Benefit profiles can be appended to the Benefits Plan. A Benefits Profile template is available in Part 5: Glossary. It generally contains the following key information:

- unit of measure
- method of measurement
- benefit calculation methods (if appropriate)
- data source
- baseline measurement
- improvement timescale
- beneficiary of the expected improvement
- approved by benefit owners
- rationale

5.5. Considerations and Techniques

The following considerations and techniques are recommended for planning for benefits realisation:

- select measures that will indicate success of this program specifically. For example, overall user satisfaction will be influenced by many initiatives and can be too broad a measure. Selecting specific questions from user satisfaction survey results will be more relevant.
- be careful not to have too many measures
- always look for existing measures for benefits. A Cluster may have an existing dashboard and performance reporting that captures existing measures
- check benefits included in inter-dependent projects to avoid potential double counting of benefits
- meet with stakeholders to ascertain baseline metrics and level of buy in
- take the baseline measures at the earliest opportunity to ensure that any early achievement of benefits i.e. quick wins, are recognised and reported.

6. Phase 3: Manage and Report

Measure and analyse the program outcomes to proactively support the delivery of benefits.

6.1 Objective

The Manage and Report phase establishes the ongoing monitoring and reporting upon benefits beyond the life of the program into the business operations of the organisation.

Reporting should commence as soon as the program delivery commences. Initial reports should focus on progress in achieving intermediate outcomes of the program e.g. new capabilities successfully delivered, change outcomes achieved. This will give an early indication on the likelihood of program outcomes being achieved and inform if any corrective action is needed.

This phase continues over the life of the program and beyond completion of program delivery. Strategic benefits are usually realised well beyond the program delivery life-cycle. This phase does not end until the benefits have been realised, which may be several years, with the responsibility for ongoing management and reporting needing to be handed over to the usual business operations of the organisation.

A benefits register or benefits tracking tool needs to capture and monitor progress on benefits identified in the benefits plan and business case. These benefits deliverables will be reviewed in the Evaluate phase and if required an independent program evaluation.

6.2 Key Questions

This phase answers the following key questions:

- have any quick wins been realised?
- has progress been reviewed against the business case?
- has anything changed, such as program scope, organisational structure, external factors, that will impact the realisation of benefits?
- has an effective and sustainable monitoring, data analysis and reporting process been established? Or has data capture and analytics on benefits been embedded into the system with the capability to access, interpret, analyse and report upon and use data?
- do benefit reports/dashboards meet the needs of different stakeholders?
- are the responsibilities for ongoing managing and reporting documented in the benefits plan?

6.3 Process

To effectively manage and report on the realisation of the benefits, the following tasks are undertaken during this phase:

Operationalise the benefits register or benefits tracking tool

- review all the benefits selected for measurement during the Plan phase
- agree with stakeholders when and at what frequency benefits should be measured in the benefits tracking tool or benefits register
- agree with stakeholders the governance required for reviewing and approving changes.

Agree final targets with benefits owners

- schedule benefits review sessions with benefits owners
- ensure all benefits owners have signed off their allocated benefits.

Monitor program progress

- identify any quick wins
- assess how program progress and any external factors are impacting the intended outcomes
- identify changes or issues that may affect the realisation of benefits, either positively or negatively
- capture emerging benefits of the program, justify why they are included.

Review progress against business case/baseline

- validate that the benefits are still valid and achievable
- assess if there are benefits that need to be deleted.

Update the benefits plan and benefits register/benefits tracking tool

- obtain and record the actual measurements for the benefits in the benefits register or confirm that a benefits tracking tool is capturing the required data

Establish reporting on progress

- agree with stakeholders the content, format and required frequency of reporting.

Handover reporting to BAU team

- obtain agreement on ongoing BAU responsibilities.

6. Phase: Manage and Report (cont.)

6.4 Deliverables

Deliverable	Required	Recommended
Benefits Plan	✓	
Benefits Profiles (profile included in Plan)		✓
Updated Benefits Register	✓	

6.5 Benefits Report

A report can be as simple as a benefit register such as the example below through to a benefit tracking tool that is integrated into a system with customisable visualisation tools and public dashboards. Benefit reports will be dependent upon and will evolve in response to digital capability, audience needs and any evaluation requirements. It is important that the report presentation is structured to enable stakeholders to:

- make data driven decisions about how to improve services
- make comparisons with other government services
- provide transparency on service performance.

For recommendations on assessing digital capability and process maturity see Part 4: Implementation and Australian Government Digital Service Standard. When possible, it is recommended that explanations are expected impacts of change requests, any forecasting or delivery risks, corrective actions or lessons learned are included in reports.

6.6 Considerations and Techniques

The following techniques and considerations are recommended for establishing effective management and reporting:

- ensure all measurement and review activities are undertaken on a formalised basis, with regular formal meetings established
- embed benefits into existing reporting and include any expected savings into forward year budgets.
- face-to-face conversations are important to effectively understand the benefit realisation progress and to gain a shared understanding of the current situation and actions required
- capture any anecdotal 'benefits' that arise from stakeholder discussions. Anecdotal items tend to be personal experiences of users, and therefore add considerable credibility to the success of a program. Consider formalising anecdotal benefits in the benefits processes (where practicable).
- recognise that benefits are dynamic and can change during the lifecycle of a program
- be alert for benefits that need to be deleted if they are no longer relevant or achievable
- consider the impact on the business case and update if required
- incorporate any new emerging benefits, consider the impact on the business case and update if required
- incorporate any monitoring that will support program evaluation requirements, where practical.

7. Phase 4: Evaluate

Identify learnings from program activities to inform strategic decisions and priorities.

7.1 Objective

The final phase in benefits realisation is to evaluate whether the program achieved its intended outcomes. The scope of this evaluate phase will be informed by several factors including benefit owners and other stakeholder's needs, program size and complexity.

In this phase, at a minimum, the business case, benefits report and benefits plan, including the benefits register, benefits map, governance and risks, will be reviewed. The benefits register will be reviewed to compare the data collected on actual performance with the baseline data and forecast targets. The benefits map and benefit distribution matrix will be reviewed to assess how the program activities planned contribute to the intended outcomes, in comparison with actual outcomes, who benefited from the program, how and to what extent, and whether there were any unintended consequences for stakeholders. Periodic benefit reports will be reviewed to identify and provide context for approved changes to the program or benefit forecasts.

The findings from this evaluate phase will inform decision making on whether a more in-depth review is required, or if program improvements or corrective actions are required. These findings could be documented in a business case variation report or lessons learned report.

Also, the finding will provide evidence for an independent program evaluation, if required. See the NSW Program Evaluation Guidelines for guidance on approaches to program evaluation including planning and management recommendations.

7.2 Key Questions

This phase answers the following key questions:

- were the intended program outcomes realised?
- do the benefit management deliverables provide sufficient evidence to evaluate the program?
- has the transition to BAU been managed?
- did the stakeholders realise the benefits they expected?
- has progress towards the vision/end state been reported against?
- have lessons learned been captured and communicated?

7.3 Process

It is recommended that following tasks be undertaken during this phase:

Clarify the purpose and scope of the evaluation phase with stakeholders

Review the benefits deliverables

- review the data collected in the benefits register against baseline data and forecast targets
- review benefits map, benefits distribution matrix, benefits reports
- identify any gaps, any missing data or variations from targets
- review periodic benefit reports to check any approved changes and their explanation
- seek explanation for any unexplained variations from targets.

Capture lessons learned to inform continuous improvement

- assess whether any variations were due to estimating errors such as over optimistic forecasts, delivery failures or scope changes to the program
- identify which stakeholders were impacted, how and to what extent
- identify any unintended outcomes or dis-benefits
- identify any external factors that may have impacted benefits realisation
- review and collect suggested corrective actions with program manager and benefits owners
- compile and document lessons and actions to be taken

Report the results

- document findings and supporting evidence, the report type could be a business case variation report or lessons learned report
- escalate significant variations and collaborate with stakeholders to identify any corrective actions
- obtain approval for corrective action
- report regularly to stakeholders

Update benefit deliverables when corrective actions are implemented

- throughout the process, review the benefits plan, benefits register and business case and update if required.

6. Phase: Evaluate (cont.)

7.4 Deliverables

Deliverable	Required	Recommended
Updated Benefits Register	✓	
Updated Benefits Report	✓	
Business case variation Report		✓
Lessons Learned Report		✓

Business Case Variation Report

The business case variation report compares the forecasted benefits in the business case, including the desired outcomes, target measures and calculation methods, with the findings of the evaluation phase. A business case variation report will document the differences, referencing any supporting information from benefit reports or governance meetings that may explain the variations.

Lessons Learned Report

The lessons learned report identifies any successes, challenges or lessons learned that occur throughout the benefits management process. The report will draw upon benefits management deliverables and relevant governance information to understand the root causes of any problems that occurred, in a bid to inform decision making on how to improve planning for future programs.

7.5 Considerations and Techniques

7.5.1 Program considerations

Significant corrective actions may involve substantial changes in the program scope and budget. Formal approval is required for any changes to program scope and budget by the governance body and program sponsor.

7.5.2 Reporting Implications for Whole-of-Government Programs

These Guidelines are intended to apply equally to agency, cluster and/or Whole-of-Government programs. Whole-of-Government programs include:

- large ICT enabled business change programs
- reform programs

Whole-of-Government programs need to understand, plan, realise and report benefits at agency and aggregated whole-of-government levels.

8. Benefits Realisation Deliverables

8.1 Overview of Key Deliverables

The following table shows how the phases and associated deliverables for the benefits realisation process align with program lifecycle deliverables.

	P = Produced		U = Updated	
Document	Understand	Plan	Manage and Report	Evaluate
Benefits Realisation				
Benefit Realisation Strategy	P			
3 Column analysis	P			
Benefits Maps	P	U	U	U
Benefits Register		P	U	U
Benefits Distribution Matrix	P	U	U	
Benefits Profiles		P	U	U
Benefits Plan		P	U	U
Benefits Reports			P	U
Stakeholder Management				
Stakeholder Management Strategy	P			
Stakeholder Management Plan		P	U	U
Change Plan		P	U	U
Governance				
Program Mandate	P			
Strategic Business Case		P		
Detailed Business Case		P		
Program Management				
Program Brief	P			
Program Initiation Document		P	U	U
Program Evaluation				
Business Case Variation report				P
Lessons Learned				P

8.2 Overview of Process flow

The following diagram provides an overview of the benefits process flow and deliverables to understand, plan, manage and report and evaluate the realisation of benefits. It also indicates how the phases relate to developing a business cases as outlined in the NSW Government Business Case Guidelines.

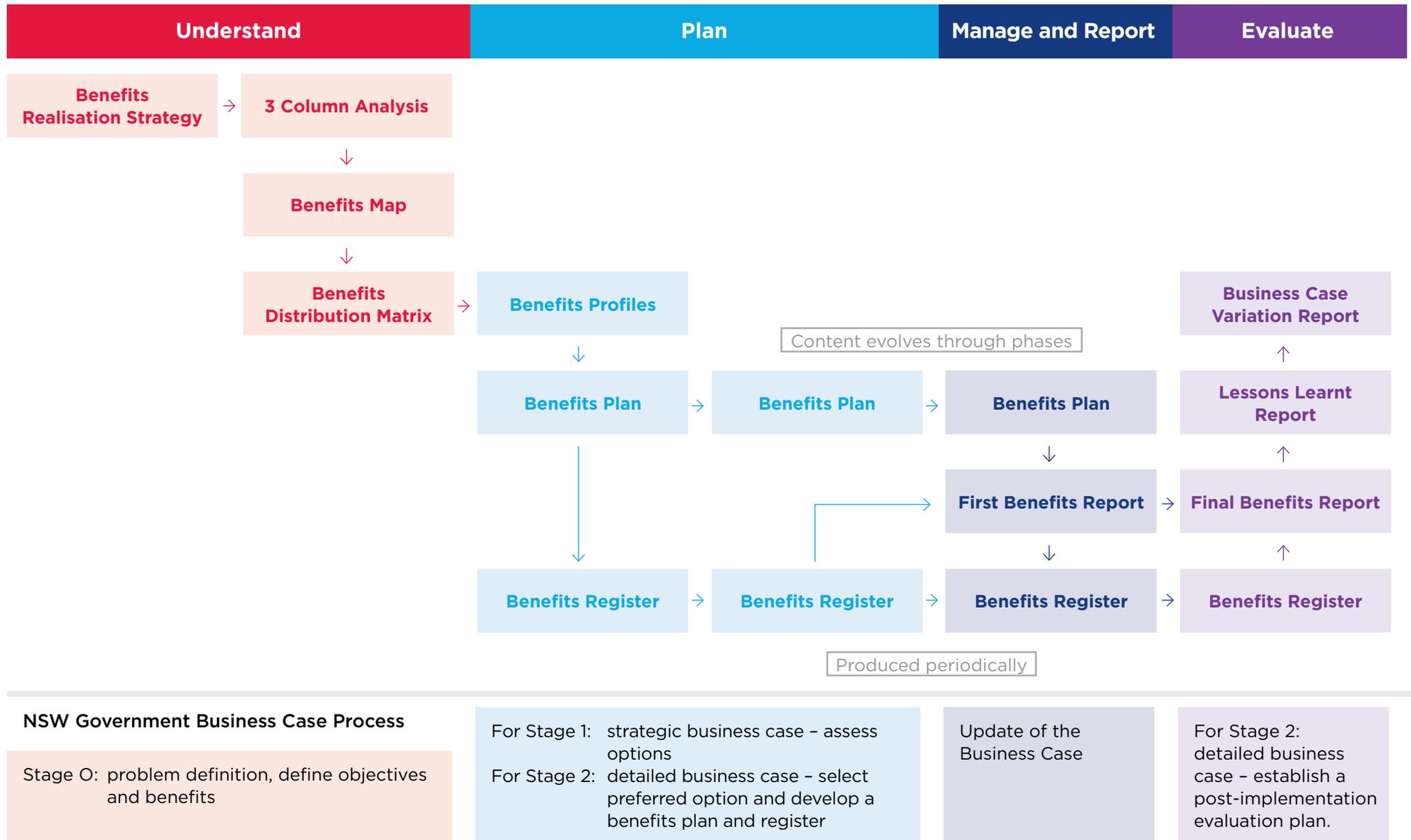


Figure 3 - Benefits Realisation Management deliverables

9. Benefits Realisation Governance

9.1 Governance Principles

Benefits Realisation Governance supports the four phases of Benefit Realisation Management. The following benefits governance principles should be considered:

- commitment and support at the senior leadership and executive level. Active support for the program will support and reinforce benefit ownership and realisation;
- clear and active program sponsorship and accountability. Sponsorship of the program, together with accountability for the benefits realised reinforces the benefits realisation process and framework; and
- program management and responsibility for defining, measuring and reporting benefits.

Clear responsibility and accountability of the roles to deliver the four phases of the benefits realisation guideline are critical.

9.2 Roles and Responsibilities in Benefits Realisation

A 'RACI' (Responsible, Accountable, Consulted, Informed) table is used to define the roles involved and their level of accountability or participation in an activity. The table below is a guide to defining the activities across the understanding, plan, manage and report and evaluate phases, the relevant roles and whether they are:

- **Responsible:** this role is responsible for achieving the result of the activity;
- **Accountable:** this role will be held accountable for the result of the activity;
- **Consulted:** this role will be consulted in order to agree on the result for that activity; or
- **Informed:** this role will be informed of progress and/or the outcome of the activity.

9. Benefits Realisation Governance (cont.)

R = Responsible **A** = Accountable **C** = Consulted **I** = Informed

	High level activity/Step	Program Sponsor	Program Manager	Benefits Owner	Benefits Realisation Manager	Program Management Office
Understand	Obtain business context of benefits	A	R	R	C	I
	Develop a benefits realisation strategy	A	C	C	R	I
	Identify stakeholders	A	R	R	C	I
	Identify and agree the outcomes/benefits with stakeholders	A	R	C	I	I
	Organise benefits discovery workshops with stakeholders	A	C	C	R	C
	Identify benefit owners	A	C	C	R	C
Plan	Establish benefits governance	A	C	C	R	C
	Develop a detailed benefits plan	I	C	C	R	A
	Confirm benefit ownership	A	R	C	R	I
	Develop benefit profiles	A	I	I	R	C
	Establish the benefits register	A	I	I	R	C
	Prioritise benefits to enable focus on the delivery of high end benefits	C	C	I	R	A
	Inform the business case	C	C	I	R	A
Manage and Report	Update the benefits register	A	C	C	R	C
	Agree final targets with benefit owners	A	R	C	R	I
	Update the benefits deliverables	I	I	I	R	A
	Review progress against business case/ benefits realisation register	A	I	I	R	C
	Establish a benefits tracking regime and mechanisms outlined in the benefits plan	A	I	I	R	C
	Handover benefits reporting and measurements to BAU team	A	C	R	C	I
Evaluate	Analyse the benefits	A	C	R	R	I
	Hold benefits evaluation meetings with all key stakeholders	A	C	C	R	C
	Conduct post implementation review to inform corrective action	A	I	I	R	C
	Capture lessons Learned to inform continuous improvement	A	C	C	R	I
	Report the results	I	I	I	R	A

9. Benefits Realisation Governance (cont.)

9.3 Key Roles

To enable agencies to adapt the roles and responsibilities to their needs the following table shows the benefit management responsibilities of key roles

Position	Responsibilities
Benefits Realisation Manager	<ul style="list-style-type: none"> • Owns the Benefits Realisation Management (BRM) Guidelines and toolkit including a benefits plan • Supports stakeholders with the adaptation and implementation of the benefits realisation toolkit to align with the program and /or wider environment • Provides objective challenge of benefits, dependencies, measures, targets and the program's approach to benefits realisation • Ensures department benefits plans align with the business case(s) • Produces the benefits register and/or sector-wide benefits register • Escalates any issues relating to BRM to the relevant governing body
Program Sponsor – Cluster (Deputy) Secretary	<ul style="list-style-type: none"> • Owns the departments business case(s) • Owns the Benefits Plan and is responsible for its adjustment, improvement and enforcement • Leads benefit reviews involving relevant stakeholders, business managers, and possibly internal audit • Approves, along with the Sponsoring Group, all benefits claimed by the program and described in the benefit profiles • Assigns responsibility for achieving the planned program benefits • Ensures links are maintained with other programs to maximise benefits
Benefit Owners	<ul style="list-style-type: none"> • Accept responsibility for realising assigned benefits • Identify and map benefits with the Benefits Realisation Manager • Identifies how the benefits are distributed between the stakeholders • Identify suitable benefit measures and targets with the Benefits Realisation Manager • Approve the Benefit Profile(s) • Measure and monitor the progress of realising the benefit ensuring the Department Benefit Tracking Register is kept up to date • Encourage workplace behaviour to support benefit realisation and the identification of additional benefits • Ensure the financial budget planning includes the intended outcomes of the realisation of each benefit
Program Manager	<ul style="list-style-type: none"> • Deliver the initiatives which enable the realisation of the Benefit Realisation • Plan on behalf of the Program Sponsor with the relevant stakeholders • Ensure any follow-up or corrective actions are taken to maximise benefits opportunities

9. Benefits Realisation Governance (cont.)

The following table outlines the levels of governance in relation to Benefits Realisation Management:

Body	Scope	BRM Role
Expenditure Review Committee (ERC)	All sector-wide reform	<ul style="list-style-type: none"> Oversee the distribution of reform investment across the Departments, in order to create and maintain a strategically balanced high-value portfolio Conduct regular strategic reviews of the sector-wide reforms to ensure that the investment is focused on delivering desired benefits
Agency Program Board (Sponsoring Group)	Department Program level	<ul style="list-style-type: none"> Oversee the distribution of investment across the level Department, in order to create and maintain a strategically balanced high-value portfolio Show visible commitment to the Blueprint and to the realisation of the end Benefits Approve the Benefit Plan Link the Program Sponsor's performance agreement to the successful delivery of the program's benefits Receive periodic reports to monitor the status of benefit realisation across the Department
Program/Project Control Groups	Single program or project	<ul style="list-style-type: none"> Approve relevant Stage Gate submissions specific to an agency and all relevant Gateway Reviews and Health Checks aligned with relevant assurance requirements, including the following NSW Government ICT Assurance Framework, Recurrent Investor Assurance Framework and the Infrastructure Investor Assurance Framework Receive periodic reports to monitor the status of benefit realisation within the program

9. Benefits Realisation Governance (cont.)

9.4 Reporting

Benefit tracking and reporting has the dual purpose of monitoring and improving performance through the implementation of continuous improvement initiatives.

For Agency Program Boards, it is recommended that visual reporting is provided in the form of one page dashboards to focus attention to the areas which require direction or intervention.

For Program/Project Control Groups, it is recommended that reporting by exception is used which presents detailed information on the areas where there is a deviation from expectation, e.g. measures which have fallen outside a specified tolerance of the relevant target, requiring further action.

Both types of reporting will benefit from the use of 'BRAG' status colour coding as outlined below:

Blue

Target has been achieved and monitoring of this measure is now complete

Green

Measure is within a narrow tolerance of target

Amber

Measure is within a wider deviation from target

Red

Measure is outside acceptable deviation levels

9.5 Benefits Realisation Management Organisation Maturity

The Executive Program Management Office (EPMO) or relevant area of responsibility for benefits realisation management should undertake a regular assessment of their Agency's benefits realisation management maturity level and implement actions to improve. For best practice in maturity assessment see Part 4: Implementation.

9.6 Change Control

An assessment of how a change will impact intended benefits will form part of each change request assessment. A change request will be raised whenever there is a change that has the potential to materially affect benefits realisation. If there is a material change, the benefits profile, plan and register will be amended and they should subsequently be approved by the appropriate authority. Implementing this type of change control process will support benefits management becoming part of BAU in an organisation.

10. Considerations for managing risks to Benefits Realisation

The purpose of this section is to reference considerations that should be taken into account when identifying and managing risks to realisation of program benefits. The following considerations should be taken into account:

- start to think about any potential risks or barriers to the achievement of the benefits in the initial Understand phase
- when documenting risks consider whether it is practical to use a program log with a delineation between the risks to the benefits and project delivery. Or whether to capture risks in the benefits register or benefit tracking tool with a cross reference to the program or program risk log
- when documenting risk parameters be consistent with the organisation's risk management process as it will be easier for the program team and business to understand the likelihood and possible impact
- when developing a risk mitigation or response plan define the responsibility for risk treatment, mitigation or counter measure for both the program and business team members
- interdependencies with other programs should be captured so that any risk mitigation can be managed holistically and remove the possibility of programs double counting of benefits.

(See also 2.6: Risks to benefits realisation management)



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