

# Benefits Realisation Management Framework

## Part 4: Implementation

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

## Part 1: Principles

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## Part 2: Process

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## Part 3: Guidelines

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## Part 4: Implementation

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## 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](http://www.nsw.gov.au/customer-service/publications-and-reports/benefits-realisationmanagement-framework)

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# Benefits Realisation Management Framework

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**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.**

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## **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. Purpose

This framework provides guidance on best practice processes and deliverables, stakeholders are encouraged to adapt the framework to meet their needs and workplace. This part provides information on how to adapt the deliverables and techniques explained in Part 2, Part 3 and templates provided in Part 5 to meet stakeholder needs. Advising on what should be considered before starting, what analysis will help implementation plans and recommendations for adapting benefits management deliverables. The intent is to provide practical information to:

- help make the benefits analysis in the business case more robust
- make the process and deliverables more relevant to stakeholders
- help embed the benefits management planning and sustain progress towards realisation
- provide information and data to support an evaluation of the program, either as part of the evaluation phase or as an independent program evaluation.

# 2. Considerations

## 2.1 Questions

Benefits management informs investment decisions and establishes plans to realise intended benefits. Before starting to plan, clearly articulate why investment in the program is needed, asking evaluative questions such as

- What is the problem being addressed by this program?
- What are the strategic outcomes of the program?
- What are the measurable benefits?
- When will we realise the benefits?
- Who owns the benefits?

The answers to such questions can be documented in the benefits realisation management strategy with the supporting plans documented in the benefits plan. For more evaluative questions review the NSW Government Program Evaluation Guidelines, and think about what questions an evaluator would ask about the program.

## 2.2 Critical success factors

Before starting, consider the critical success factors that need to be in place for benefits management to be effective (refer to Figure 1). For more information, see Part 3: Guidelines on the challenges typically encountered in benefits management practice and the risks that may arise from poor forecasting or program delivery issues.

## 2.3 Principles

Before starting to adapt the benefits deliverables, review the benefits management principles in Part 1: Principles. The principles provide a foundation and rationale for how to approach and manage benefits, explaining the implications of each principle for a stakeholder organisation. The principles provide more context on why the benefits management process is needed and why specific deliverables are recommended.

## 2.4 Planning

How benefits management deliverables should be adapted and the timeframe will be influenced by the organisation's:

- maturity of the benefit management practice
- digital capability and software available
- governance requirements, including management and reporting information needs
- size, complexity, priority and risk of the program
- resources, both program and ongoing resources
- senior management sponsorship.

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

Figure 1 - Critical Success Factors

# 3. Benefits Management Maturity

## 3.1 Assessing benefits management practice

Benefits management helps stakeholder organisations to define and manage the value they anticipate gaining from an investment. Benefits management maturity is the capability of the organisation to:

- identify and define potential outcomes and strategically aligned objectives and benefits
- develop a benefits plan, including classifying, valuing benefits data collection, target setting, establishing governance and benefit owners
- set up ongoing monitoring and reporting that meet stakeholders' needs
- evaluate whether the program achieved its intended outcomes.
- assess the capability to manage benefits before starting to implement. Such an assessment will inform:
  - how to collaborate with stakeholders and whether any capacity building is required
  - how to capture data and available metrics
  - whether weaknesses in benefits management can be remedied by activities in a benefits plan or whether capability needs to build up as part of a long-term improvement plan
  - potential risks to the program or benefit realisation and provide an early chance to address any weaknesses or mitigate any risks before they happen.

An initial assessment can be followed up with regular assessments to help sustain progress, by monitoring plans to address any identified weaknesses. Also, the assessment findings and progress against plans will provide useful information and data for the evaluation phase or if required, an independent program evaluation.

## 3.2 Assessment models

There are several ways to assess benefit management capability. The method selected will be influenced by the scope of the assessment and senior management commitment to funding an assessment. So hence there are a range of assessment tools referenced below including:

- P3M3® Portfolio, Program, Project Management Maturity Model
- Managing Benefits Health-check Assessment
- Digital Service Standard (Australian)
- NSW Digital Strategy – Digital standard

### **P3M3® Portfolio, Program, Project Management Maturity Model**

The P3M3® Maturity Model provides a publicly available set of independent benchmarks against which a portfolio, program or project can be assessed. The P3M3® focuses on seven perspectives that exist across the three areas and assessed at five maturity levels. The perspectives group together one or more processes, they include:

1. Organisational governance
2. Management control
3. Benefits management
4. Risk management
5. Stakeholder management
6. Finance management
7. Resource management

When planning a P3M3® assessment, an organisation may choose to review only one perspective (for example benefits management) or group together one or more processes of the seven perspectives to gain a better understanding of their overall effectiveness. For benefits management, the attributes of the five maturity levels are reproduced in the table below.

For an initial assessment of benefits management maturity, compare how the attributes defined at each of the five P3M3® maturity levels match with the capability of the program, or if applicable portfolio/organisation or project. This will indicate the current maturity level for benefits management.

### 3. Benefits Management Maturity (cont.)

#### Benefits Management Maturity Assessment Model P3M3™\*

Maturity	Portfolio	Program	Project
<b>Level 1: Awareness of process</b>	There is a recognition that initiatives may exist within the organisational and divisional portfolio to enable the achievement of benefits for the organisation	Where benefits management approaches exist, they have been developed in isolation by individual programs	Where benefits management approaches exist, they have been developed in isolation by individual projects
<b>Level 2: Repeatable process</b>	The development of the investment cycle is increasing the awareness and importance of identifying benefits and subsequently tracking their achievement	Benefits management is recognised as a key component for program success, with localised approaches in place	Benefits management is recognised as a key component for project success, with localised approaches in place for groups of projects
<b>Level 3: Defined process</b>	There is a centrally managed framework used for defining and tracking the delivery of portfolio-level benefits across the business operations	Program consistently deploy benefits management to define and track their realisation from the delivery of operational capability to align with a centrally defined approach	Projects consistently establish benefits management to define and track their realisation from the delivery of operational capability to a centrally defined approach
<b>Level 4: Managed process</b>	The benefits realisation management process is well established, measurable and is integrated into how the organisation managed itself	The program's benefits management approach is integrated with the organisation's performance management and uses the measurement and analysis of performance to verify and refine the program's effectiveness across the organisation	The project's benefits management approach is integrated with the organisation's performance management and uses measurement and analysis of performance to verify and refine project effectiveness across the organisation
<b>Level 5: Optimised process</b>	Benefits realisation is maximised to provide the greatest return (in terms of strategic contribution and efficiency) from the investment made	The program's benefits management is embedded within the organisational change and performance management approach, focusing on outcomes to achieve the strategic aims and objectives of the organisation, with continual improvement across the organisation	The project's benefits management is embedded within the organisational change and performance management approach, focusing on outcomes to achieve the strategic aims and objectives of the organisation, with continual improvement across the organisation

If the initial assessment indicates a low level of maturity, see the recommendations section for actions that could improve benefits management practice at program and project level.

### 3. Benefits Management Maturity (cont.)

#### Managing Benefits Health-check Assessment

An alternative approach is the Managing Benefits Health-check Assessment which uses a survey to evaluate stakeholder perceptions of benefits management practices within their organisation. The example survey provided in Managing Benefits Health-check Assessment asks stakeholders to score 10 statements on benefits management. The survey can be easily adapted for different organisations, is scalable and can be repeated to monitor progress over time. Stakeholders can easily quantify their own scores.

The survey findings can review different stakeholder groups or focus on specific areas, enabling stakeholders to consider what actions are required to address any problem areas. The survey findings could also inform how stakeholders are to be engaged. For low scores see the recommendations below for actions that could improve benefits management practice at program and project level.

#### Digital Service Standard

As an organisation's digital capability directs new investment in services as well as benefits management practice, it is recommended that the digital capability of an organisation be assessed. The Digital Service Standard provides guidance and assessment services for Commonwealth (Federal) government agencies making new investments in information and transactional services. The guiding principles that inform digital service design should be reviewed to provide more context on how to design the service. When measuring benefits on digital services, the Digital Service Standard listed four Key Performance Indicators that should be used - refer to Part 3: Guidelines.

All services within the scope of the Digital Service Standard can be assessed against the standard. Assessors help services to meet the Standard and provide assurance that the criteria has been met. The Digital Service Standard has been adapted from the UK Government's Digital by Default Service Standard under the Open Government Licence v3.0.

#### NSW Digital Strategy

Within NSW, digital service design and investment should be aligned with the priorities of the NSW Government Digital Strategy. The strategy sets out the following three priorities for how to approach the design and delivery of next-level, user-centric public policy and services, with underpinning digital standards:

1. Customer experience, recognising the user is at the centre of business and designing solutions that put the user first, with services that are digital by default, integrated, seamless and accessible
2. Data, designing policies, services and all strategic decisions around data insights, where possible. With robust data management, digital and accessible datasets and sharing government held datasets for collaborative use
3. Digital on the inside including:
  - simplifying and streamlining government business processes
  - eliminating duplication
  - shifting away from manual, paper-based activities to automated, digitally enabled ways of working
  - implementing full automation wherever relevant

Before implementing the Benefits Management Framework, a quick assessment of how an organisation aligns to the NSW Government Digital Strategy will help inform decisions on identifying benefits, developing a benefits plan, establishing monitoring and reporting and evaluating the program.

The sample survey in Appendix A (page 14) asks stakeholders to rate how their organisation aligns to each of the NSW Government Digital Strategy priorities. Their answers can be rated as follows:

**Always = 3 | Usually = 2 | Occasionally = 1 | Never = 0**

Stakeholders can easily quantify their scores to provide a total score or average score for each priority category. The survey could be tailored for different stakeholder groups or for different investment requirements or benefits management practice. Enabling stakeholders to consider how to build benefits management into digital service design and measure a return on investment or identify what actions are required to address any problem areas with benefits management practice. The survey findings could also be used to benchmark assessments across NSW clusters.

For scores less than 28, review the recommendations in Section 4 below to identify possible improvements. For scores less than 20, also review the considerations on critical success factors above. For more information, see Part 3: Guidelines on the challenges typically encountered in benefits management practice and the risks that may arise from poor forecasting or program delivery issues. Also see Part 1: Principles for the principles that underpin the recommendations in the table below.

# 4. Recommendations

## 4.1 Assessment recommendations

The findings from the assessment analysis can inform which areas need to improve when implementing the framework for a digital government. It is recommended that a pragmatic approach to implementing the framework is taken, with each organisation deciding which benefits management maturity level would be optimal for its needs at a given time. Every organisation does not need to achieve a high level of benefits management maturity.

## 4.2 Recommendations for each phase

The following table outlines the processes and deliverables for each phase explained in Part 2: Process and Part 3: Guidelines, giving recommendations on what should be considered at each phase, if the stakeholder organisation has a low level of benefits maturity or digital capability. It would be useful to read the table alongside Part 3: Guidelines and the templates in Part 5: Glossary.

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**It is recommended that a pragmatic approach to implementing a framework is taken**

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## 4. Recommendations (cont.)

### Phase 1: Understand

#### Process

- Articulate the vision/objectives/key principles
- Identify key stakeholders
- Identify benefits collaboratively with stakeholders
- Map the outcomes and benefits with stakeholders
- Develop a benefits realisation strategy
- Obtain sponsorship buy in and ownership of benefits

#### Deliverables

- Benefits Realisation Strategy
- 3 Column Analysis
- First draft benefits map
- Benefits Distribution Matrix

#### Considerations (for organisations with lower levels of maturity and capability)

##### Identify benefits

- explain to stakeholders benefit management principles and terms before developing benefit deliverables. To help stakeholders understand what a benefit means to them.
- Identify benefits with stakeholders using techniques such as 3 column analysis
- to enable stakeholders to understand how the program objectives align with strategic goals

##### Map benefits

- develop a benefits map that shows a clear line of sight between program need, activity and the intended benefits. This will help stakeholders to understand how the program objectives align with strategic goals
- use simpler mapping techniques or develop a high-level map with stakeholders
- consider using benefit mapping software only to inform stakeholders. In practice it can be difficult to use software in a workshop

##### Develop benefit realisation strategy

- think evaluatively on why the program is needed, review questions and template

##### Obtain sponsorship buy-in

- agree on benefits owners
- it is essential that the impact of the program on different stakeholders be understood. A simple tool is the benefits distribution matrix in Part 3

## 4. Recommendations (cont.)

### Phase 2: Plan

#### Process

- Classify benefits
- Identify benefit measures
- Value benefits
- Create benefits register
- Develop benefits profiles
- Establish governance
- Confirm benefit ownership
- Develop benefits plan
- Inform business case

#### Deliverables

- Benefits plan
- Benefits profiles (included in plan)
- Benefits register or benefit tracking tool

### Considerations (for organisations with lower levels of maturity and capability)

#### Classify benefits

- classify benefits into structured categories to help stakeholders prioritise benefits, see Part 3 for recommended classification of financial and non-financial benefits.

#### Identify benefit measures

- limit the number of measurable benefits, ideally 6-10
- choose measures that will give an early indication of progress
- choose measures with existing data sources
- agree measures that will show intended intermediate and end benefits
- obtain baseline measures for each chosen benefit
- obtain sign-off of benefit forecasts and baselines using a benefits profile
- align benefits with measures for strategic objectives
- use the KPIs in Digital Service Standard measuring digital services see Part 3, at a minimum should measure
  - user satisfaction
  - digital take-up
  - completion rate
  - cost per transaction
- consider how the digital data could be used to, provide more certainty on cost and benefit estimates
- consider how user satisfaction, digital take-up, completion rates could improve understanding on stakeholders impact or user needs, or service performance

#### Value benefits

- value benefits using standard discount rate and sensitivity analysis in NSW Government Guide to CBA,
- use data to inform value for money analysis,
- if a portfolio prioritisation is not established develop a criteria for prioritising financial benefits such as calculation method aligns with NSW Government Guide to CBA or high confidence levels in realising benefit, documenting all assumptions

#### Benefits register

- use at minimum, the benefits register to record and monitor data, see template.
- adapt the benefit register template to the organisational style if useful,
- If digital capability is more mature, determine which software or service design is appropriate for collecting, managing and analysing data

#### Benefits plan

- align activities in benefit plans with defined program stages or other business processes or frameworks.
- integrate benefit profiles, benefit register and benefit map into benefits plan, to maintain version control

## 4. Recommendations (cont.)

### Phase 3: Manage and Report

#### Process

- Operationalise the benefits register or benefits tracking tool
- Agree final targets with benefit owners
- Monitor program progress
- Review progress against business case/baseline
- Update benefits plan, benefit register or tracking tool
- Establish reporting on progress
- Handover benefits reporting and measurements to BAU team

#### Deliverables

- First benefits report
- Updated benefits plan
- Updated benefits register

#### Considerations (for organisations with lower levels of maturity and capability)

##### Benefit report

- digital capability will inform data content format of reports and how reports are prepared
- use at minimum, the benefits register to report, see template. Consider if the template should be adapted to the organisational style
- ensure that the content of the benefits report provide a transparent overview of benefits realisation for easy comparison between the business case forecast and current progress
- review measures and activities on a formalised basis as part of a regular governance meeting
- if digital capability is more mature establish a benefit tracking tool to collect, manage and analyse data digitally. See Digital Service Standard for guidance on the Performance Dashboards.

### Phase 4: Evaluate

#### Process

- Clarify the purpose and scope of the evaluation phase
- Review the benefits deliverables
- Conduct post-implementation review to inform corrective action
- Capture lessons learnt to inform continuous improvement
- Report the results

#### Deliverables

- Updated benefits report
- Updated benefits register
- Business case variation report
- Lessons learned report

#### Considerations (for organisations with lower levels of maturity and capability)

- prepare for evaluation phase by maintaining document versions on appropriate data storage and information sharing software
- review requirements of NSW Government Program Evaluation Guidelines to prepare evidence base for an independent evaluation if required
- obtain information on what worked well for other programs within the organisation
- obtain organisational templates for learned Lesson reports or business case variation reports.

## 4. Recommendations (cont.)

### 4.3 Governance recommendations

Governance is key to implementing benefits management, as benefits need to be owned by appropriate sponsors and managers from within the organisation. To support active program sponsorship at the senior leadership and executive level:

- develop a program vision statement, to be promoted by senior leadership, to assist with the transformational change required to realise the program benefits.
- review the underlining principles of benefits realisation management outlined in Part 1: Process and how these principles support each phase of benefits management in the governance section of Part 3: Guidelines
- use benefits management deliverables to clearly articulate the program outcomes and intended benefits
- when possible, manage, report and approve benefit deliverables within existing governance meetings, noting that the size, complexity, priority and risk of a program and its benefits will affect the level of governance required to control its delivery and benefit realisation
- when possible, integrate benefits management processes with other business processes or NSW Government frameworks used within the organisation
- use the 'RACI' (Responsible, Accountable, Consulted Informed) in Part 3: Guidelines to review and agree on responsibilities for managing and realising benefits
- use the key roles and responsibilities table in Part 3: Guidelines to help with defining and agreeing on the roles involved for each phase of benefits management and their level of accountability
- adapt the organisation standard role descriptions to include responsibilities for benefits management. For smaller projects, avoid recruiting to the position description as some functions may be performed by staff already in place.

### 4.4 Documentation recommendations

The terminology, language and style of an organisation should be used when adapting the benefits management processes and templates. Using familiar terminology and language will provide consistent communication across program and business areas. Also, it will help to accelerate adoption and ensure continued use of the framework.

# Appendix A: NSW Digital Strategy priorities – self assessment

Always = 3 | Usually = 2 | Occasionally = 1 | Never = 0

Maturity	Always	Usually	Occasionally	Never
<b>Customer experience</b>				
1. Services are digital by default				
2. Services based on identified customer needs and digital capability				
3. Collaboration across the sector to design seamless and integrated services, using common standards and platforms where appropriate				
4. Services are accessible and easy to use for all customers and provide for differing levels of digital literacy				
<b>Data</b>				
5. All investment decisions, policies and service delivery models are informed by data insights				
6. Data is open, collected and shared in a digital format wherever possible.				
7. Agencies open their data in a format that can be readily used				
8. Data is published in real time where possible.				
9. Visualisation and mapping tools ensure accessible and actionable insights from data				
10. Customer data is protected in accordance with NSW privacy law				
<b>Digital on the inside</b>				
11. Government processes are designed around the needs of users				
12. Processes are streamlined within clusters to eliminate duplication, and whole of government platforms are used to increase efficiency				
13. Job tasks which are routine, repetitive, structured and rules based are fully automated (where appropriate) to free up time for higher-value tasks				



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