

What Do I Get for \$1,000,000?

Project Benefits Realization

Adam Tidwell

When is a project successful?

- Scope
- Time
- Cost
- Quality

The Problem

- Managing scope, time, cost, and quality - not value.

The Solution

- Benefits Realization Management

Project Failure?	Project Success?
<p data-bbox="132 364 407 406">Ford Taurus</p> <ul data-bbox="216 421 1235 885" style="list-style-type: none"><li data-bbox="216 421 1235 514">▪ Challenge to redesign the design of the modern car<li data-bbox="216 521 1235 564">▪ Innovative team and approach<li data-bbox="216 571 1235 728">▪ First year sold 200k cars and first generation sold 2M cars, providing a financial rescue to the company.<li data-bbox="216 735 1235 835">▪ Won every major automotive award for the model year.<li data-bbox="216 842 1235 885">▪ Saved Ford from financial ruin. <p data-bbox="132 963 242 1006"><u>BUT</u></p> <ul data-bbox="216 1021 1235 1120" style="list-style-type: none"><li data-bbox="216 1021 1235 1120">▪ Project ran 3 months late and PM was demoted for poor performance.	<p data-bbox="1312 364 1821 406">Iridium Satellite Phone</p> <ul data-bbox="1388 421 2242 678" style="list-style-type: none"><li data-bbox="1388 421 2242 564">▪ Project to launch multiple low earth satellites to create a global phone service<li data-bbox="1388 571 2242 621">▪ Revolutionary for the space industry<li data-bbox="1388 628 2242 678">▪ Well planned and managed. <p data-bbox="1312 699 1414 742"><u>BUT</u></p> <ul data-bbox="1388 756 2331 1178" style="list-style-type: none"><li data-bbox="1388 756 2331 906">▪ Produced a product that was too large to use and could often not even be used indoors.<li data-bbox="1388 913 2331 1013">▪ During the project, lower cost cellular phone networks proliferated.<li data-bbox="1388 1021 2331 1178">▪ Ultimately, the product failed in the market and caused the largest bankruptcy in US history (at the time).

What Is Success?

The Pentagon Wars

[PLAY](#)



Definitions

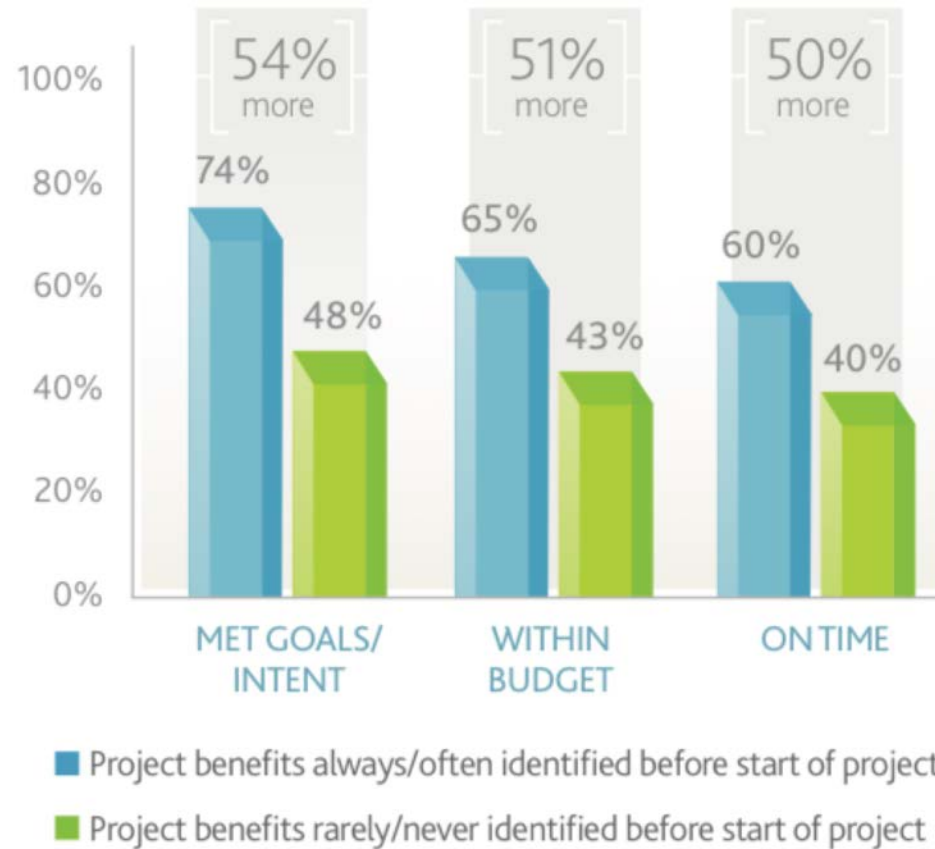
- **Objectives:** Results to be achieved after a project concludes, such as a successful IT conversion, development of a new product or manufacturing process, or construction and staffing of a new facility. Project measures typically specify project outputs, as opposed to outcomes.
- **Benefits:** Value that is created for the project sponsor or beneficiary as a result of the successful completion of the project.
- **Project Benefits:** Synonymous with positive strategic impacts.
- **Benefits Realization:** Means to ensuring benefits are derived from outputs.
- **Benefits Realization Management:** Incorporates activities of managing benefits throughout the life of the project: Identify, Execute, Sustain.

Research

- When project benefits are frequently identified before the start of a project- as part of the business case- organizations experience better results: 74% of projects meet goals and business intent versus 48% in organizations that do not.
- When organizations frequently use formal project management to address the benefits identification process, they experience greater gains: 80% of their projects meet goals and business intent versus 54% in organizations that do not.
- $\frac{3}{4}$ of organizations frequently identify benefits before the start of a project yet 83% report a lack of maturity with benefits realization.
- Only half of organizations report that they frequently identify benefits that are measurable, concrete, or explicit to achieving strategic goals.

Research

Figure 2: IMPROVE PROJECT OUTCOMES BY IDENTIFYING BENEFITS



Research

Figure 1: WASTE LESS BY MANAGING BENEFITS



Benefits Realization Management Framework

IDENTIFY

EXECUTE

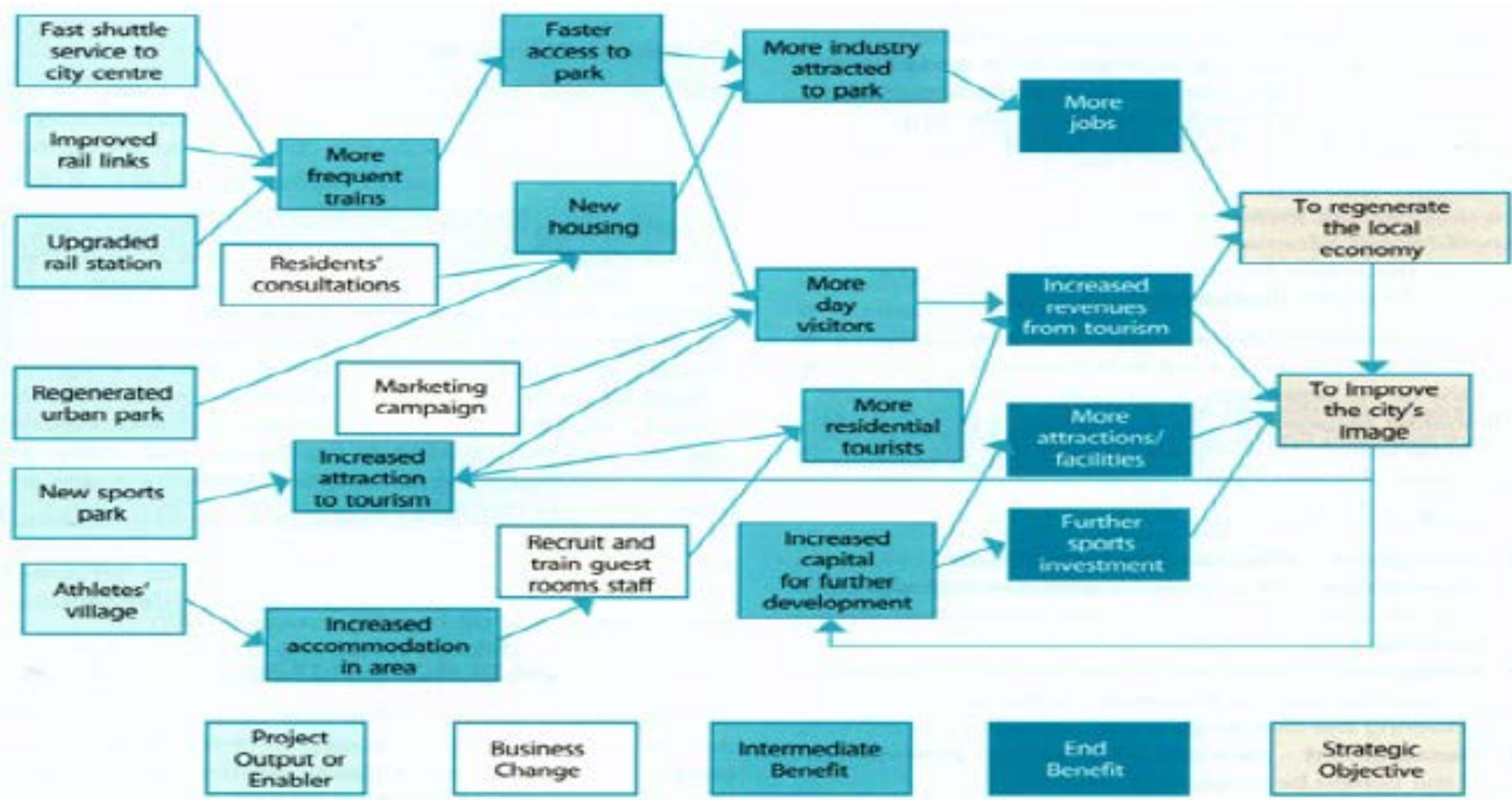
SUSTAIN

BRM: Identify Benefits

- Are benefits aligned with the organization's strategic goals?
- Are the benefits tangible, intangible, short-term, and/or long term-explicitly defined in the business case?
- Does the business case outline how the benefits will be measured and when the benefits are forecasted to be delivered?
- Are the project or program benefits documented in a benefits register and benefits realization roadmap?
- Have key stakeholders signed off on the benefits realization plan?
- Does governance take into account benefits management, including relevant acceptance criteria?
- Are project selection and/or funding decisions based on the impact to expected benefits?
- Have the benefits owners been consulted and confirmed?

BRM: Identify Benefits Tools

- Intake Process
- Benefits mapping
- Benefits Register
- Benefits Roadmap
- Ownership



BRM: Execute Benefits

- Have the expected benefits been clearly communicated to key stake holders involved with delivery?
- Does the project or program team understand how project level outputs contribute to business benefits?
- Is progress regularly reviewed against the benefits realization roadmap?
- Are benefits frequently modified to reflect the most current information regarding changing business conditions?
- Is effective change control being utilized to close gaps between expected benefits and actual benefits?
- Is there a formal process to discover new benefits opportunities?
- Is the project or program still relevant based on what benefits can be realized against unexpected events or changes to the benefits realization plan?
- Are the benefits owners responsible, accountable, and evaluated for achieving benefits targets?

BRM: Execute Benefits Tools

- Status update with benefits/milestones
- Goals

Goals

Choice A

- Achieve 85% CSAT score

Choice B

- By Jun'19 Increase CSAT score from 75% to 85% (SVP)
- By Dec'18 increase CSAT score from 75% to 80% (VP)
- From Jan'19 to Jun'19 increase CSAT score from 80% to 85% (VP)
- By Nov'18 establish baseline CSAT (Dir)

BRM: Sustain Benefits

- Have the benefits – tangible, intangible, short-term, and/or long term-been optimized?
- Have the benefits been transitioned to and approved by key stakeholders, including accountable operational/business owners?
- Have project or program outcomes and capabilities been handled over to operational/business owners?
- Are realized benefits being measured and verified against business and sustainment plans?
- Are actual benefits being delivered within the timeframe of the benefits realization plan?
- Were lessons learned captured and communicated?
- Have unanticipated benefits been realized and captured for the future?

BRM: Sustain Benefits Tools

- **Lessons Learned**
- **Product Management – handoff vs continuing support**

Call to Action

- **Define benefits goal for each project.**
- **Define measurement plan for each project.**
- **Begin tracking success/failure.**



Thank you!

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Bringing order to chaos through thoughtful project management and strategic planning.

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