Infrastructure and Projects Authority

Guide for Effective Benefits Management in Major Projects

Key benefits management principles and activities for major projects

October 2017

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and Projects
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This information is also available on the Infrastructure and Projects Authority website: https://www.gov.uk/government/organisations/infrastructure-and-projects-authority

Contents

1. Introduction

1.1 The vast majority of Government policies are delivered through projects and programmes of various forms. It is therefore vital that we deliver projects successfully in order to realise their intended benefits for citizens.

1.2 As the centre of expertise for infrastructure and major projects and the home of the project delivery function across Government, the IPA's purpose is to continuously improve the way projects are delivered. To do this, we first need to be able to measure performance, including the expected benefits of major projects, so we can learn important lessons and make continuous improvements to the system over time.

1.3 The majority of Government projects are complex to deliver. The IPA works with departments and industry to help improve the way individual projects are being delivered, and this includes ensuring that the forecast benefits of each project are protected and citizens receive the promised improvements.

1.4 Another vital component is ensuring projects are initiated in the right way. Evidence shows that the best way to ensure successful delivery is by setting up projects correctly in the first place. The most common causes of failure are well rehearsed: lack of clear objectives, insufficient resources, and over-ambitious cost and schedule, among others. All these mistakes impact on the level and amount of benefit that can be realised, and can be avoided if tackled in a project's early stages.

1.5 Benefits management goes to the heart of delivering projects successfully. If appropriate time is dedicated to benefits early on then clear objectives are shaped and there is an agreed understanding of stakeholder wants and needs. Issues that we know are crucial to the success of projects, such as accounting for optimism bias during the early stages of development for example, can be tackled best by focusing on rigorous benefits management from the start.

1.6 One of the IPA's priorities is to measure and improve performance of projects over time, in order to help them realize benefits for society, provide value for money and enable lessons learned to be shared. Effective benefits management is essential to this and the IPA will increase its focus on benefits management, and in particular benefits analysis, to better understand key challenges and promote good practice from past projects and apply them to current and new projects. However, we can only do that if projects themselves improve how they understand and measure their own benefits.

1.7 This guide has been written to help project teams develop their benefits management capability and ensure benefits activities mature at the same pace as other areas of project delivery. This document promotes a benefits led approach to project delivery which should ensure decision making, planning and risk considers the impact on benefits realisation throughout the project lifecycle.

Endorsement of the Guidelines

"As one of the newest Chartered bodies in the UK, APM - the Association for Project Management - is delighted to be able to endorse this guidance which will be another step in raising professionalism on project management across the government. We stand shoulder to shoulder with the IPA in the belief that the increased profile of the project management profession will be enhanced by the benefits created through the increasingly successful delivery of project and programmes in government. Whilst great strides have been made, there always more that can be done, hence the value of this guidance.

Like the IPA we believe in the importance of measuring performance, including the expected benefits of major projects, so we can learn the important lessons and continue to make continuous improvements over time. Effective benefits management is essential to:

- measure performance
- deliver the widest possible benefits to society (and not just financial ones)
- provide value for money to the public, and finally,
- create a virtuous circle of lessons learned and shared.

We are pleased to be able to support this guidance as another important step towards these shared goals and look forward to the benefits of reading and sharing this guidance being realised!"

Sarah Drake CEO, APM

"The guidance is invaluable for anyone needing to know how to apply benefits management to a government policy or major project. It is particular helpful in explaining how benefits management requirements fit with concepts that will be more familiar to government professionals such as appraisal, evaluation and business case development. I would encourage everyone to apply this guidance as early as possible in the development of your policy or project – as we have sought to do on the HS2 programme."

Bridget Jackson, Head of Benefits Management, HS2 Ltd

2. Overview

2.1 This guide for Effective Benefits Management in Major Projects aims to provide structure and set expectations for major project teams when undertaking benefits management.

2.2 These guidelines are primarily aimed at Senior Responsible Owners (SROs), Programme and Project Directors, Benefits Managers and Business Change Managers working on major projects. They are also relevant for Benefits Owners who are responsible for the realisation of benefits from major projects that have been assigned to them. Benefits Leads and Portfolio Directors, Managers and Offices within Departments looking to strengthen their benefits management approach will also find this document useful.

2.3 The scope of this guide covers:

- key activities to be undertaken for effective benefits management;
- principles and good practice to adopt to ensure benefits are managed and realised;
- how benefits management fits within IPA's assurance process;
- how benefits management fits within the Green Book Business Case process;
- a suggested RACI (responsible, accountable, consulted and informed) matrix for the key roles involved in benefits management
- a glossary of terms;
- suggested benefits management cycle and practices.

2.4 These guide is not prescriptive, but provide key principles and practices to consider during each stage of the project lifecycle for benefits management. The aim is to promote a proactive benefits management culture and a consistent approach across Government for benefits management activities in major projects.

2.5 These guide aligns with:

- the Government's functional standard: Project Delivery – portfolio, programme and project management;
- the key assurance questions outlined in the Assurance of Benefits Realisation in Major Projects document.[1] As such this document does not go into detail on assurance review expectations, but instead outlines the key activities required in each stage that would evidence the 'areas to probe' outlined in the document above.

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[1] https://www.gov.uk/government/publications/assurance-of-benefits-realisation-in-major-projects

2.6 This document contains good practice and universal principles that can be applied at project, programme and portfolio level, regardless of the delivery approach taken, whether waterfall, agile or other specialist method.[2]

2.7 The guide concentrates on projects and uses the project lifecycle to provide guidance on the benefits management practices within the context of a project. However, the benefits management practices can be applied to a programme as whole, to a tranche within a programme and to a discrete project within a programme. To understand alignment of the benefits management practices with the programme lifecycle and how to use this sections within this guide from a programme perspective please see Figure 1.
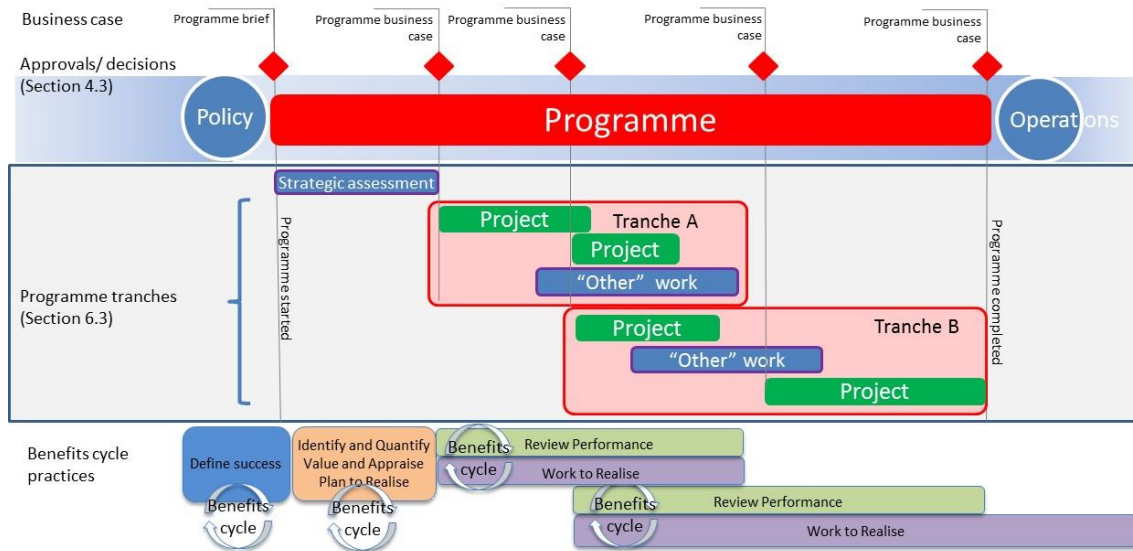
Figure 1: Benefits cycle practices alignment with programme lifecycle (programme lifecycle taken from Government Functional Standard)

2.8 Each practice in the benefits management cycle section of this document includes detailed advice on key activities and considerations. A brief summary is also provided at the end of each lifecycle stage for those requiring a quick reference guide.

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[2] Traditionally, project management thinking has been that projects deliver outputs/products while programmes combine the outputs delivered by these projects to deliver a desired outcome in business as usual. However in benefits led project management, projects should deliver outcomes and realize benefits in their own right. The exception would be for "enabling projects" which deliver a capability as part of a programme.

2.9 This guide has been developed by the IPA in consultation with members of the Project Delivery Profession and Benefits Leads from other Government Departments.

2.10 This guide provides an over-arching framework for the IPA's other benefits management documentation, as follows:
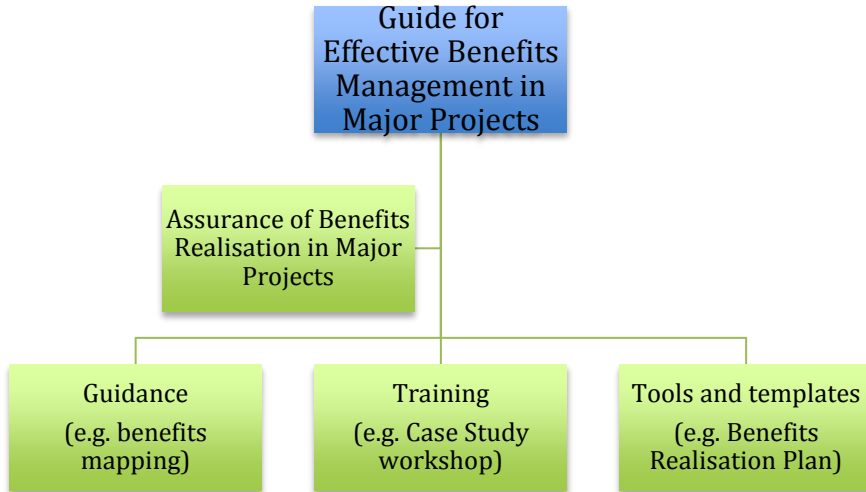
Figure 2: benefits documentation hierarchy

- the Assurance of Benefits Realisation in Major Projects document aligns with these Guidelines.
- guidance on benefits mapping, template completion and measurement can be found on the Benefits Management Specialists Knowledge Hub site.
- the Case Study workshop training is internal training available on request for delivery to project teams, benefits management specialist interest groups and Programme Management Offices (PMO).
- tools and templates have been developed in conjunction with this document and can be found on the Benefits Management Specialists Knowledge Hub site.[3]

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[3] Knowledge Hub is an online forum. A Government Project Delivery Community has been developed for the sharing of knowledge, guidance and ideas. The Benefits Management Specialists group (https://www.khub.net/group/govpdc-benefits) sits within the GovPDC and access is granted via request.

3. What is benefits management?

3.1 A benefit is defined by the Cabinet Office as "the measurable improvement resulting from an outcome perceived as an advantage by one or more stakeholders, which contributes towards one or more organisational objectives". Fundamentally this means that benefits:

- should be measurable – if they cannot be measured they cannot be claimed as 'realised';
- are the improvement resulting from the outcome (the end result) of the change, they are not the change itself;
- are in the eye of the beholder – in other words different; stakeholders will value the same benefits differently. Additionally, in some cases, a benefit to one stakeholder may be a disbenefit (an outcome perceived as negative) to another;
- create the link between tangible outputs and strategic goals, and;
- ensure there is alignment of effort, resources and investment towards achieving organisational objectives.

3.2 Active and effective benefits management demonstrates the reason why a project should be undertaken, and as such should be managed as robustly as costs. The realisation of benefits show that a project has been worthwhile and the investment of time, money and resources have had a positive impact for stakeholders. Project success should be measured not only by the delivery of outputs to time, cost and quality but also the positive, measurable improvements they have delivered for stakeholders.

3.3 Benefits management is "the identification, definition, tracking, realisation and optimisation of benefits".[4] Benefits management is undertaken throughout the project lifecycle and into operations/business-as-usual, not just during investment decision-making. The identification of benefits should happen before a project is even initiated, informed by a defined problem, strategy or policy. These benefits are then developed throughout the project lifecycle, and then typically measured during project delivery and after the project has closed.

3.4 Benefits management therefore follows the full extent project lifecycle (before the project, during the project and after the project). Benefits management is most successful when this approach is kept in mind. Thinking about benefits before the project has been scoped and starting with the end in mind ensures the most adequate and suitable solution is developed. Considering the impact on benefits throughout the project lifecycle provides reassurance that the project is still viable and worthwhile. Planning for benefits activities to continue after project close

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[4] Steve Jenner, "Managing Benefits", (APMG International 2012), p.15.

means that valuable information will be collected regarding benefits realisation, performance management, assumptions and lessons learned.

3.5 Another key aspect of benefits management is managing the disbenefits. A disbenefit is the measurable decline resulting from an outcome perceived as a negative by one or more stakeholders. Disbenefits are different to project risks. Disbenefits are a negative consequence as a result of the project; whereas risks (both positive opportunities and negative threats) might occur and are managed and mitigated during the project, or after the project at programme or portfolio level. Disbenefits are more typically managed and mitigated after the project has been delivered.

3.6 Disbenefits should follow similar activities and processes as benefits management. They should be identified, categorised, quantified and measured in the same way benefits are. Often project teams are reluctant to be forthcoming with disbenefits. However, disbenefits management is invaluable in understanding what your stakeholders perceive as negative consequences of change, and help inform communications plans and realisation planning. Most projects will have some type of disbenefits, whether they are actual negative consequences of change, or a benefit that is perceived as positive by most, but another stakeholder group may perceive as a disbenefit.

> **Benefits, disbenefits and risk – an example**
>
> A major project has been planned to build a motorway to connect two large cities. Most stakeholders want to enjoy the **benefits** of reduced journey times and the additional leisure and job opportunities of living closer to the other city. Other local residents are worried about the **disbenefit** of increased noise pollution from the motorway and are worried their house may decrease in value. All stakeholders are concerned about the increase in air pollution and disruption to traffic whilst the motorway is built. As the air pollution and traffic disruption will occur during delivery, the project team have captured this as a project **risk** and will mitigate and manage it during construction.

3.7 A full Glossary of Terms can be found at Annex A.

4. Key benefits management challenges

4.1 There are common challenges faced by Government Departments when adopting and applying benefits management. Major projects often have a large scale of investment, high levels of complexity and a changing political landscape during an often lengthy delivery period, which means benefits management can be more challenging. These challenges, and suitable mitigating actions are summarised below:

Challenge	Mitigating Action
Project teams and stakeholders are overly optimistic about benefits	• Undertake sensitivity and scenario analysis and apply optimism bias to both benefits and costs during the initiation stage of the project
Solution has been decided before benefits have been identified (not adopting a benefits led approach)	• Engage with policy and strategy development as early as possible to shape benefits led rather than solution led thinking • Use the HM Treasury (HMT) Green Book process to consider alternative options and undertake cost benefit analysis to ensure the solution offers the best value for money (VfM)
Benefits management is seen as bureaucratic and time consuming	• Integrate benefits management into other project management activities so they are not seen as separate
Project is not scoped to deliver the outputs needed to realise the benefits	• Cross reference benefits maps with requirements to ensure a joined up approach • Consider any requirements changes alongside the potential impact on a benefit chain (see section on benefits mapping)
Not engaging with stakeholders enough	• Prioritise benefits based on stakeholder needs and reach of benefits realisation • Use a benefits map to communicate with stakeholders • Integrate benefits into the communications and stakeholder engagement plans to ensure alignment of messaging
Benefits are realised after the project has closed leading to	• Involve operations/business as usual in benefits management activities from the beginning and then throughout the project

difficulties collecting realisation results	• Assign key operations roles as Benefits Owners and formally allocate responsibility for the benefits to them. • Engage with the Portfolio Office or Programme Management Office to handover benefits realisation reporting responsibilities • Create a Benefits Realisation Plan (BRP) • Work benefits targets into budgets and performance management before the project closes • If the benefits are wider economic or social benefits where causality is more difficult to attribute work with evaluation teams (if they are in place) to discuss the feasibility of a pre and post project evaluation review
Lack of benefits management data, or poor quality data	• Introduce a trial period to test measurement and understand the value of the results • Work with performance management specialists and analysts to see if there is scope to amend measures to make them more suitable • Invest proportionate resource, money and time into developing new measures
Not setting aside resource for benefits realisation activities	• This includes measurement equipment, people and time to ensure sufficient baselining, monitoring and measurement has taken place • When identifying suitable measures consider how any new measures would be developed. Work with the business to cost up the equipment and resource needed to take these measures and ensure they are budgeted for in the overall cost of the project • Work with finance to ensure any appropriate budget for benefits realisation activities can be transferred to a business as usual budget once the project and its budget has closed • Work with other projects to see if benefits realisation resource can be shared, and if the same equipment or people can be used for several projects
Benefits are difficult to measure	• If benefits are difficult to measure using business as usual performance data look into the viability and proportionality of

	developing new measures (see measures section for more information)
	• Use proxy or indicative measures to demonstrate realisation but ensure appropriate caveats are provided

4.2 Although some of these challenges are easier to resolve than others, there is a growing recognition across the project and programme delivery community that solutions need to be developed. Sharing good practice, creating communities and forums to share ideas, and developing capability through guidance, role profiles and training are all ways to develop innovative solutions.

5. Benefits Management Principles

5.1 For benefits management to be successful the SROs and managers of major projects should consider applying the following principles throughout the lifecycle:

- Benefits management activities should be integrated into other project management activities as much as possible.
- Project benefits should be identified, quantified and managed in line with the programme or portfolio strategically above it to ensure consistency and strategic contribution to programme and portfolio or Departmental goals.
- Benefits management should be undertaken throughout the project lifecycle and operations, with regular reviews to ensure benefits are on track to be realised to the expected level and sense checked with stakeholders to ensure they are still desirable and worthwhile.
- There should be a clear and documented understanding of roles and responsibilities for all benefits management activity, with sufficient evidence that individuals have accepted the responsibilities and activities assigned to them.
- Benefits management activities should be appropriate, scalable and proportionate to the size of the project.
- Benefits management should be an evidence based activity driven by actual and real information as much as possible.
- Valuation and appraisal of benefits is one element of a much wider benefits management process.
- The SRO should work to ensure that the approved Business Case and corresponding benefits remain aligned and valid throughout the project lifecycle.
- As far as practicable benefits should be specific enough and isolated enough so that their realisation can be directly attributed to the specific initiative or change it has been identified by.

- These benefits should have a proportionate amount of time, money, resource and activity spent on them so that adequate identification, quantification, planning and measurement can be undertaken on them.
- Benefits management should be seen as a continuous activity, whereby the benefits realised and reviewed by one project should inform valuable lessons learned and determine the starting point for similar future initiatives.

5.2 These principles align with the overriding principles for portfolio, programme and project management defined in the Government's project delivery standard.

6. Benefits Management Expectations

6.1 The Government's Major Projects Portfolio (GMPP) is created using the following definition of a major project: "a central Government funded project or programme that requires HM Treasury approval during its life, as set out in Delegated Authority letters, or is otherwise of special interest to the government"[5]. There are areas where HM Treasury authority can never be delegated and accordingly it is assumed that projects that exhibit any of the following characteristics will also be classed as major projects:

- above delegated authority limits;
- could create pressures leading to a breach in Departmental Expenditure Limits, administration costs limits, or Estimates provision;
- would entail contractual commitments to significant levels of spending in future years for which plans have not been set;
- could set a potentially expensive precedent;
- are novel and contentious; or could cause significant repercussions for others; or
- require primary legislation; or where HM Treasury consent is a statutory requirement.[6]

6.2 All projects are expected to manage their benefits and government's project delivery standard outlines the requirements. Major projects, that are part of the GMPP, are expected to be more rigorously managed, especially relating to assurance, reporting, capability development and product development. Some of these activities include a minimum requirement for benefits management for IPA assurance and review

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[5] https://engage.cabinetoffice.gov.uk/major-projects-authority/chapter-2-the-major-projects-authority-remit/
[6] Ibid.

purposes. The main project functions where there is an IPA expectation regarding benefits management are:

IPA Area	Expectation	More information
Assurance	• Benefits management activities should develop alongside other project management activities • At each gate review, benefits management documentation should be assured to confirm it is accurate and up to date and there is clear evidence benefits are being actively managed • Those involved in benefits management activities may be interviewed as part of the assurance review process	• The IPA assurance toolkit is available online and includes an Assurance of Benefits Realisation in major projects document that outlines the key areas for Assurance Reviews to probe[7]
Reporting	• Projects on the GMPP will undertake quarterly reporting, providing information to the IPA on key data points • Qualitative information is collected on projects' objectives (aligned to the HMT spending objectives) • Quantitative financial data is collected on projects' cash releasing, non-cash releasing and other monetised benefits • Benefits should be profiled for baseline and forecast for each financial year until the last year of Parliament, plus the remaining balance	• The specific categories used for GMPP reporting can be found at section 13.8 • For those projects required to undertake GMPP reporting guidance is issued quarterly alongside the commission for dashboard returns. For the latest version please contact the Portfolio Insight Team
Products	• Individual Departments should establish the benefits management product requirements for projects • Typically, major projects should have a benefits map (or similar) and a benefits	• Contact Department Benefits Leads to understand local requirements • Templates for these products can be

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[7] https://www.gov.uk/government/collections/infrastructure-and-projects-authority-assurance-review-toolkit

	management strategy and/or benefits realisation plan	found on the KHub site[8]
Profession	• Civil Service Learning (CSL) provides online awareness training for Benefits and Outcomes. The IPA worked with CSL to develop a suite of modules on project delivery. The Benefits and Outcomes module outlines the key principles of benefits management, and provides examples, a case study and quiz to build awareness. • IPA has also developed a Project Delivery Capability Framework that describes the job roles, capabilities and learning for all Government Project Delivery Professionals across the Civil Service[9]	• The IPA has recently launched a Government Functional Standard[10] that sets expectations for the direction and management of portfolios, programmes and projects ensuring successful, timely and cost effective delivery of Government policy and business objectives. The Project Delivery Capability Framework aligns with this standard

7. Benefits cycle practices

7.1 The detailed IPA benefits cycle can be found at Annex B. The benefits cycle shares similarities with the Managing Benefits APMG International practice cycle, Managing Benefits APM™ international benefits management lifecycle. It can also be used in conjunction with the Government Functional project delivery standard's example project lifecycle as well as with the HMT Green Book Business Case lifecycle.

7.2 Benefits management spans the whole of the project lifecycle, from policy formation, via project initiation through to post-delivery operations and business as usual. The benefits cycle practices can generally be aligned to the lifecycle stages of a project when they are predominantly undertaken but are not necessarily sequential, however, there is no unique mapping of each benefits management practice to project stage. For example, elements of **Plan to Realise** (practice 3) may begin at the same time as **Identify and Quantify** (practice 1) as project teams begin to think of measures and identify suitable Benefits Owners. Similarly

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[8] https://www.khub.net/group/govpdc-benefits

[9]https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/613477/project_delivery_capability_framework.pdf

[10] Available via Knowledge Hub.

benefits can be identified and quantified throughout the whole lifecycle as new benefits and disbenefits emerge.

7.3 Benefits management practices are often iterative and should be repeated in each project stage, as the project matures and the level of certainty around delivery to time, cost and requirements increases.

Define Success
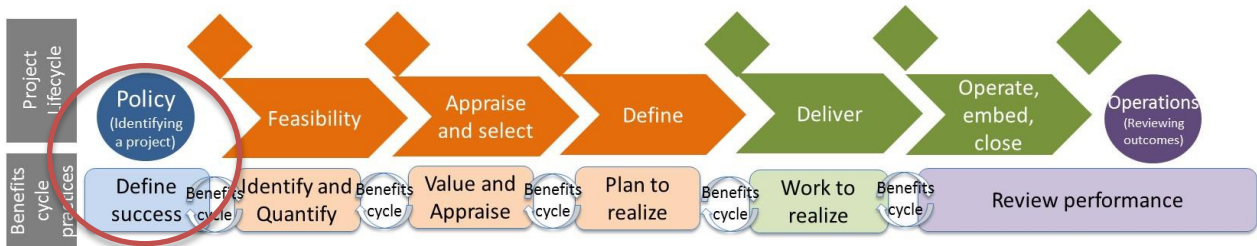
7.4 Policy formation aligns with the benefits cycle practice **Define Success**. This practice covers the policy definition and the shaping of the interventions that are required to deliver it. Whilst the IPA previously engaged with projects after initiation, advice and assurance is becoming more prominent prior to formal project start. This concept aims to bridge the perceived gap between policy and project delivery, by offering assurance and critical friend reviews as projects are conceived and scope defined. Engaging with the IPA as early as possible is strongly encouraged and if you would like to know more on the project initiation advice offering please ask your Departmental Strategic Delivery Advisers.
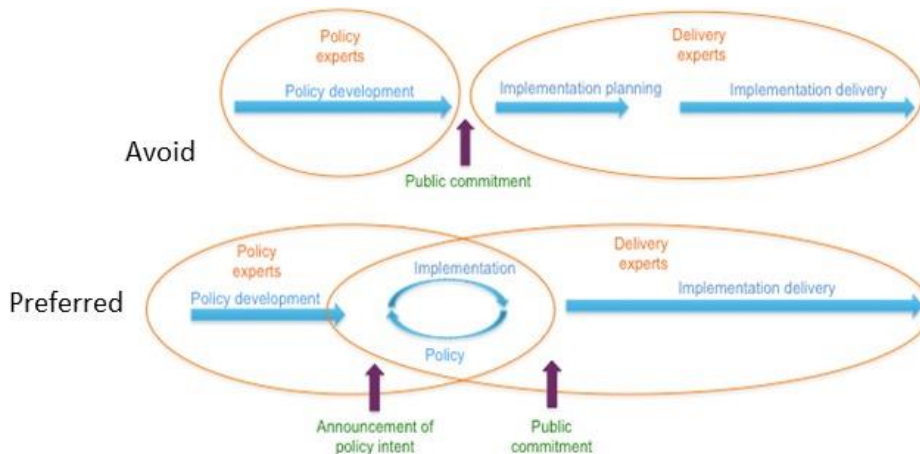
Figure 3: Preferred alignment of policy and delivery

7.5 Major projects can often be economically, environmentally, politically and societally transformative so it is essential to develop a clear understanding of why the project needs to happen and how it contributes to Department policy and strategy. Ensuring buy-in and approval of a defined set of objectives that have been linked to Departmental strategy is an essential start to undertaking effective benefits management.

7.6 Without clear objectives it can be ambiguous what improvements project teams are striving to achieve. This will lead to difficulties later in later benefits management practices when trying to prioritise benefits and identify appropriate trade-offs.

7.7 During the project it is essential to check that the objectives remain relevant and achievable based on analysis of risks, constraints and the operating environment into which the project delivers. Due to the typical longevity of major projects regular reviews of the level of "unknowns" regarding influence of external factors and the wider social and economic environment should take place. This should allow the project team to ensure the objectives remain relevant, and that any subsequent benefits remain achievable, realistic and can be delivered in a timely manner. More information on preparing for uncertainty can be found in **Value and Appraise**.

7.8 During **Define Success** another key activity is to undertake driver analysis. Understanding the existing problems or opportunities that are stimulating the need for change will help shape the benefits the project is to realise. Identified benefits are likely to be the opposite of the existing or anticipated problems that the project is being initiated to solve. Engaging with stakeholders and identifying and understanding the key drivers will not only help with benefits identification but will also help shape the options analysis during Strategic Outline Case and Outline Business Case development.

7.9 From a benefits perspective it is essential that during policy formation key success criteria are identified and agreed by stakeholders. These key success criteria will set the bounds of the future project in determining why it is necessary to intervene, why intervention needs to happen now, and what the key issues the project should address are.

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Objectives, drivers and success criteria

Project objectives should be based on what the Department is seeking to achieve and outline the fundamental reasons why an intervention should happen.

Drivers are the existing problems or opportunities that are stimulating the need to intervene. They are typically the business needs outlined in the Strategic Case section of the Business Case.

Success criteria, or Critical Success Factors are the attributes essential to the successful delivery of the scheme.

Options should (amongst other criteria) be assessed against how well they meet the project's objectives, how well they satisfy the business needs and how well they meet the Critical Success Factors.

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7.10 Once objectives, drivers and success criteria have been agreed the desired outcomes can then be identified. At this point they might not be specific but an initial identification exercise should be undertaken with stakeholders to discuss and agree the outcomes that would demonstrate project success. These outcomes should be strategic and not be solution focused, so as not to limit benefits identification and solution development during project initiation.

7.11 The most appropriate way to capture objectives and driver analysis is to create a strategic benefits map. Benefits maps are an effective way to capture key information that is shaping the benefits management narrative of a project. Benefits maps are discussed in more detail in the **Benefits Management Products** section, however the map produced as part of **Define Success** should include the following:

Drivers: What are the problems or	→	Objectives: Aims aligned to Departmental	→	Outcomes: What are the desired results
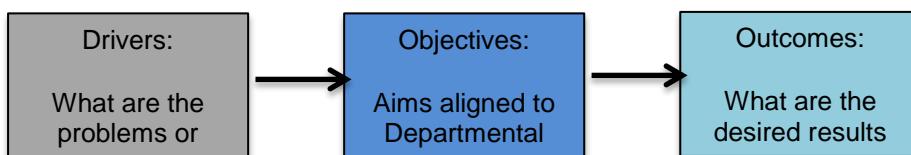
Figure 4: suggested objects in a strategic benefits map

7.12 Defined benefits might not be known before a project has started, so the map will typically include high level outcomes instead. The strategic benefits map can be created as a standalone document and further refined and developed once the project has been initiated.

Key Activities	Key Considerations
• Defining and agreeing clear objectives • Identifying the drivers with stakeholders • Identifying and agreeing key success criteria • Initial identification of desired outcomes • Start a strategic benefits map	• Engaging with the IPA's project initiation advice offering • Consulting with an array of stakeholders to ensure clarity of objectives, drivers and success criteria • A good understanding of the Departmental strategy or policy to which the project contributes

Identify and Quantify
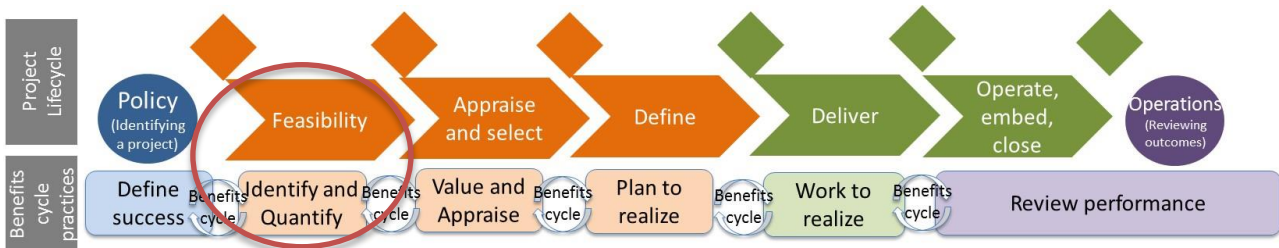
7.13 The **Identify and Quantify** practice of the benefits management cycle aligns with the project initiation stage, and the Strategic Outline Case from a HMT Business Case perspective. The **Identify and Quantify** practice builds upon the work undertaken during the **Define Success** stage and has two main aims:

1. Identify all potential benefits and disbenefits that the project could realise
2. Quantify the level of benefits that could realistically be realised

Benefits Identification

7.14 Benefits should be identified using an unrestricted, open-minded approach to ensure all possible benefits and disbenefits have been identified. Benefits should be identified by consulting with relevant and representative stakeholders and understanding what improvements they

see as positive outcomes and what negative consequences may be delivered by changes within the scope of the project. Ideally a benefits identification workshop should take place to capture all stakeholder ideas and gain agreement on the set of desired benefits and potential disbenefits.

7.15 At the start of **Identify and Quantify,** project teams should have a longlist of benefits. At this point the list should not be constrained by whether the benefits are measurable or whether they can be monetised for the Economic Case. The longlist of benefits should cover all potential improvements that stakeholders have identified and agreed through the identification process. These potential benefits should be used as one of the criteria used to score the longlist of options in the Strategic Outline Case to identify the shortlist of options to take through to the later Outline Business Case options appraisal.[11]

7.16 The identification approach, identified benefits rationale and a brief description of each identified benefit should be documented in either the Strategic Outline Case and/or the Benefits Management Strategy. This gives assurance that appropriate consultation has been undertaken to identify benefits from a wide variety of stakeholder perspectives.

7.17 In addition to this, the high level outcomes identified previously (during **Define Success**) should now be replaced with the identified benefits and disbenefits. The benefits map should show all potential benefits and disbenefits that have been identified, as well as the relationships between the benefits, disbenefits and the project objectives.
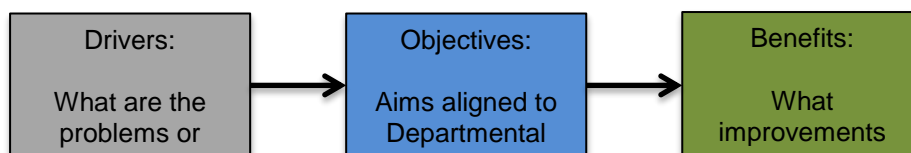
Figure 5: suggested objects for a benefits map during Identify and Quantify

7.18 The benefits map demonstrates what the project is trying to achieve. The benefits should be mapped to show cause and effect in terms of what benefits need to be realised first (intermediate benefits) to enable further benefit realisation and, ultimately, the realisation of the end benefits. Realisation of all the end benefits linked to each project objective should be sufficient to demonstrate complete achievement of that objective. The relationships between each object should be clear so that the map can be

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[11] Option appraisal in the Strategic Outline Case consists of comparing all viable options (the longlist) against a set of agreed and potentially weighted criteria and selecting the options that best suit the criteria (the shortlist). The shortlist is then taken forward to the Outline Business Case for Cost Benefit Analysis (CBA).

used as a communications tool, and to help develop the management of benefits going forward.

7.19 Through the benefits identification workshop potential enablers should also be identified. Initially enablers should represent the potential scope and should be relatively high level. Potential scope can be based on achievement of benefits and satisfaction of business need (the drivers). All mapped onto one page (drivers, enablers, benefits and objectives) with appropriate links provides a benefits map 'project on a page' view. The benefits map should be a live document that is updated throughout the project lifecycle. The benefits map provides relevant 'sign posts' that should be detailed in the relevant section of the Business Case. A list of typical benefits map objects can be found in the **Benefits Management Products** section.

7.20 The longlist of benefits should be given unique identification numbers so that their evolution can be tracked throughout the lifecycle. One option is to capture all the benefits in a Benefits Register. A Benefits Register is list of planned benefits, who is responsible for measuring them, when they are expected to be realised, how they will be measured, baseline and current measurements. Benefits Registers can be kept and maintained from project up to Department level depending on the local benefits management approach.

7.21 The longlist of benefits then needs to be prioritised. Managing the benefits of the project should be proportionate to the size and scale of the associated project. Even in major projects it is unrealistic to take forward, quantify and measure every benefit that has been identified. Prioritisation criteria will vary by Department but consideration should be given to:

1. Contribution to project objectives – if any benefits do not directly map onto the project objectives are they worthwhile?
2. Stakeholder perception – during benefits identification were certain benefits deemed more important by key stakeholders?
3. Reach of realisation – which benefits have the greatest impact in terms of stakeholder volume, geographical reach, economic or social impact?
4. Scale of realisation – where can the biggest improvements be made?

7.22 Once benefits have been prioritised the benefits map should be used to ensure that a suitable mix of the highest ranked intermediate and end benefits have been selected. If no intermediate benefits have been prioritised there will not be enough early indication that benefits are being realised. Measuring intermediate benefits ensures that early performance can be gauged and that associated end benefits are on track to be realised. This will provide an early indication of benefits realisation success during the realisation and review stages.

7.23 Only then should benefits be finally prioritised based on ease of measurement. For those benefits that are prioritised highly if a suitable measure, such as a Key Performance Indicator (KPI), already exists it should be specific enough to demonstrate the project's impact upon it. If a measure already exists but needs adjustment to make it suitable, or a new measure needs to be developed the effort, resource and cost required should be proportionate to the importance of that benefit. Benefits that are of low priority but easy to measure may be taken forward for quantification, but only if it seems proportionate to the size and scale of the project. This should be a subjective judgement call by the Senior Responsible Owner in conjunction with the project team and appropriate operational stakeholders. A general rule is to have one measure per benefit. If a benefit has multiple measures it might not be specific enough. It can also be difficult to determine successful realisation if each measure is performing differently.

> **Benefits Measurement**
>
> When considering appropriate measures to demonstrate benefits realisation try to ensure that wherever practical the measures are 'lead indicators' rather than 'lag indicators'. For example, if an organisation was suffering from high staff turnover they could measure the turnover rate but this would be a lag indicator as once people have left the organisation there is little ability to influence their decision. However, to pre-empt the turnover rate lead indicators such as staff morale measured via surveys, sickness absence rates and performance management issues could be measured as lead indicators to give clues how to improve staff turnover rates in the future.
>
> As this example shows, lag indicators are generally easier to measure as they are output focused. However they are typically difficult to influence the direction of performance. Lead indicators on the other hand are usually more difficult to measure but easier to influence. They can also help identify what is contributing most to the lag indicators and give much more opportunity to influence performance.

7.24 You should follow a similar approach for disbenefits in terms of prioritisation. Those disbenefits that are substantive should be taken forward for quantification, whereas minor disbenefits that are difficult to measure should not.

Quantifying Benefits

7.25 The next activity in **Identify and Quantify** is to quantify the benefits. The benefits that have been deprioritised should still be described in the Strategic Case narrative of the Strategic Outline Case. The remaining benefits need to be quantified and the scale of the benefits and disbenefits documented in the Economic Case.

7.26 A useful way to help quantify benefits is to categorise them first. Departments may have their own benefits categories but for major projects that are part of the GMPP, benefits should be categorised using the descriptions outlined below.
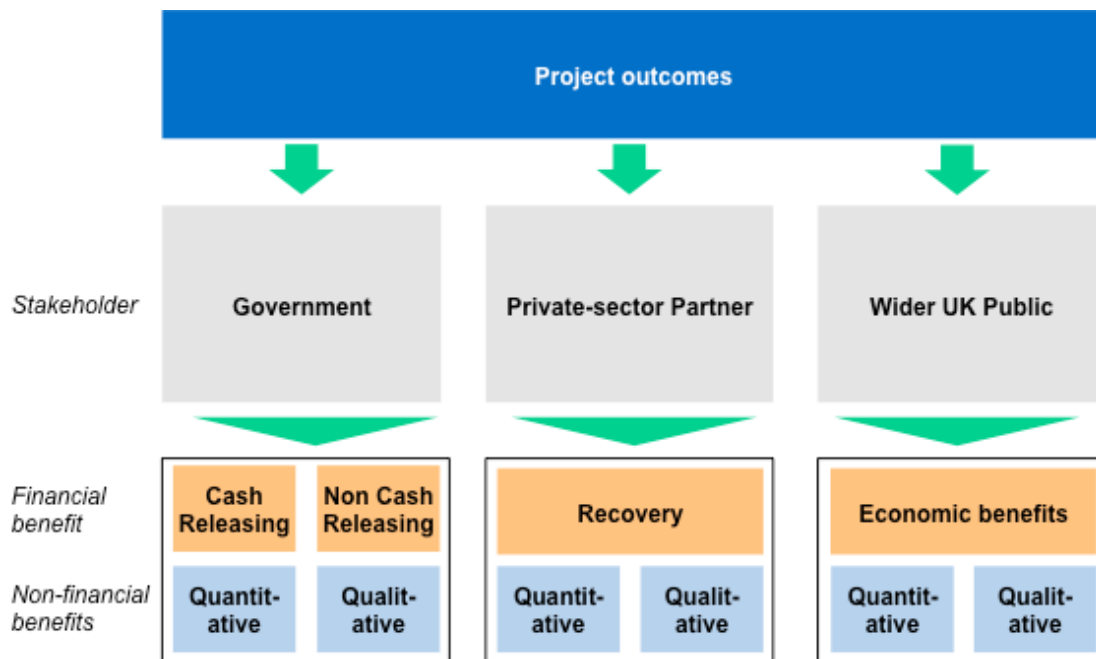
Figure 6: IPA benefits categories

7.27 First of all major project teams should categorise their benefits based on the stakeholder receiving the benefit. Government should be used for those benefits directly accruing within the Department or another Government Department. Private sector partner should be used for benefits accruing to suppliers or Arm's Length Bodies (ALBs) – i.e. those outside of Government but not the general public. Wider UK public should be used for benefits that will be received by UK citizens.

7.28 Secondly benefits should be categorised by whether they are financial or non-financial. Financial benefits are those that can be quantified in monetary terms. Government financial benefits can be categorised using the Green Book categories of cash releasing and non-cash releasing. Cash releasing benefits (also known as cashable) are benefits that will directly reduce a Departmental budget. Government non-cash releasing

(or non-cashable) are benefits that will result in a Departmental efficiency but not necessarily a budget reduction.

7.29 Private sector partner financial recovery benefits are savings or revenue that would be generated by suppliers or ALBs that will not be given back to the Government or used to fund the UK economy.

7.30 Wider UK public economic benefits are those benefits that can be assigned a monetary value and modelled for the Economic Case within the Outline Business Case. Departments should have a methodology document that outlines the benefits that can be monetised for the economic case and how projects can compute them accurately.

7.31 Major projects undertaking GMPP reporting will be asked to report on financial benefits for each financial year up to the end of Parliament and a 'total remaining' balancing figure for post Parliament for each of the three stakeholder categories.

7.32 Non-financial benefits can be separated into quantitative and qualitative benefits, whereby quantitative benefits can be objectively measured using a numerical value. Qualitative benefits are those that are either difficult to measure or can be measured using a numerical value but is subjective, such as customer satisfaction or staff morale.

7.33 Categorising benefits in this way determines which groups of stakeholders should be engaged to quantify the benefits. Government financial benefits will typically be quantified by Department finance teams and non-financial benefits will typically be quantified by relevant operations or performance analysts. Private sector benefits should be quantified by the supplier or ALB in consultation with the project team.

7.34 Wider UK Economic financial benefits should be modelled by Economists and analysts within the Department during **Value and Appraise** for each shortlisted option. The project team should engage with the Economists during **Identify and Quantify** to ensure the Economists have the capacity and time to model the benefits of each option as often this can be a lengthily and resource intensive process.

7.35 For the remaining benefits the project team should work with the appropriate analysts and performance teams to understand the current level of performance of each financial and non-financial benefit measure. This represents the 'as-is' picture and is known as the baseline. The baseline should be taken during project initiation so that performance is not impacted by any element of project implementation.

7.36 It is essential to baseline each benefit measure in order to understand whether the actual level of performance matches the perceived level of performance. This links back to the drivers identified in **Define Success** and the benefits map and validates that the problems exist.

7.37 The most appropriate time to baseline should also be carefully considered. This ensures that once the project has been delivered there is a suitable comparator for the realisation results to be compared against. Baseline information and circumstances should be documented in the Benefits Realisation Plan (described further in the **Value and Appraise** section).

7.38 Next realistic targets should be set for each benefit. Without a target benefits realisation success is difficult to determine. At this point in the lifecycle it is unrealistic to set targets for all benefits as the preferred option has not been selected. However, targets might have been assigned from a strategic level. The programme, portfolio or policy above the project may include certain targets for the project team to achieve. This is typical of Government financial benefits, whereby a savings target may have been set during the Spending Review. The achievability of assigned targets should be determined during **Value and Appraise**. For measures that do not have a strategic target the target can remain 'to be confirmed' until **Value and Appraise** when the preferred option is selected and the target can be more accurately forecast.

7.39 The quantification process will further engage operations, which should have been involved in the benefits identification process. Operations (which may be internal or external to the Department) will have first-hand experience at the best measures to demonstrate benefits realisation, as well as the ability to ensure the benefits are realised. During the quantification process potential Benefits Owners should be identified, who can take responsibility for ensuring the benefit is realised after delivery.

7.40 The information captured regarding the approach taken to **Identify and Quantify** benefits, the stakeholders consulted and the principles regarding managing benefits for the project should be captured in the Benefits Management Strategy. Specific information regarding benefits measures, baselines, targets, Benefits Owners and relevant dates should be documented in the Benefits Realisation Plan.

Key Activities	Key Considerations
- Identify benefits, ideally by holding a benefits identification workshop with key stakeholders - Prioritise benefits based on contribution to objectives, stakeholder perception, reach and scale of realisation and finally ease of measurement - Categorise benefits - Baseline appropriate benefits - Set benefits targets were practical	- Engage with Operations early on to ensure a collaborative approach between the project and Business As Usual (BAU) - Using identified benefits as one of the criteria to narrow down the long list of options to the short list - How to depict the benefits management work to date in the Strategic Outline Case - Give benefits unique IDs so they can be easily identified

• Update the benefits map • Create a Benefits Management Strategy and/or Benefits Realisation Plan • Create a benefits register (if appropriate)	and tracked throughout the project lifecycle

Value and Appraise
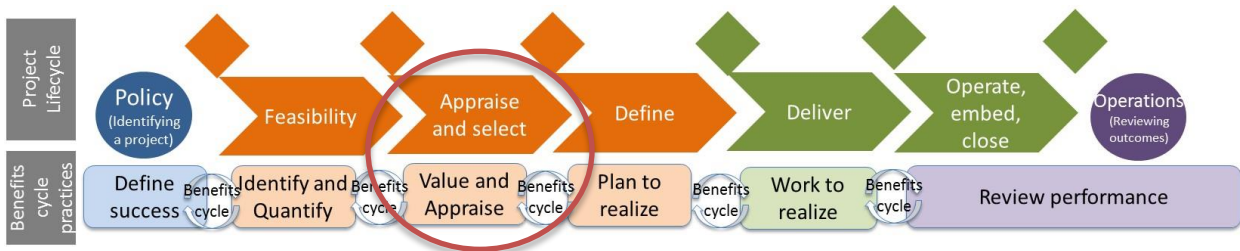
7.41 Often there is a misconception that Benefits Management starts with the **Value and Appraise**. Although the culture is changing there is still a commonly held belief that benefits management starts and ends with Business Case appraisal. However, by undertaking Benefits Management from the start of the project (or even before the project starts), the Business Case and option appraisal becomes much easier as project teams have a clearer understanding of the benefits they are seeking, and have already engaged with Economists and stakeholders through the benefits identification process.

7.42 The main purpose of **Value and Appraise** is to model and monetise the relevant costs and benefits for the shortlisted options of the Outline Business Case. These activities are usually undertaken in conjunction with Finance and Economists within the Department.

Modelling the Economic and Financial Case

7.43 All of the benefits identified as being financial during categorisation can be included within the Outline Business Case's modelling for the Economic Case Cost Benefit Analysis (CBA). The HMT Green Book guidance states, "the main purpose of the Economic Case is to demonstrate that the spending proposal optimised public value (to the UK as a whole)".[12] This is not limited to the wider UK public, but also to

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[12] Green Book Guidance Public Sector Business Cases 2015, p.12.

benefits for Government and private sector partners. On the other hand, the Financial Case "demonstrates that the 'preferred option' will result in a fundable and affordable deal", and therefore is looking at whether the project is affordable from the perspective of the organisation.[13] Therefore only the financial benefits realised by Government should be included within the Financial Case. The types of costs and benefits that can be included in both cases can be summarised as follows:
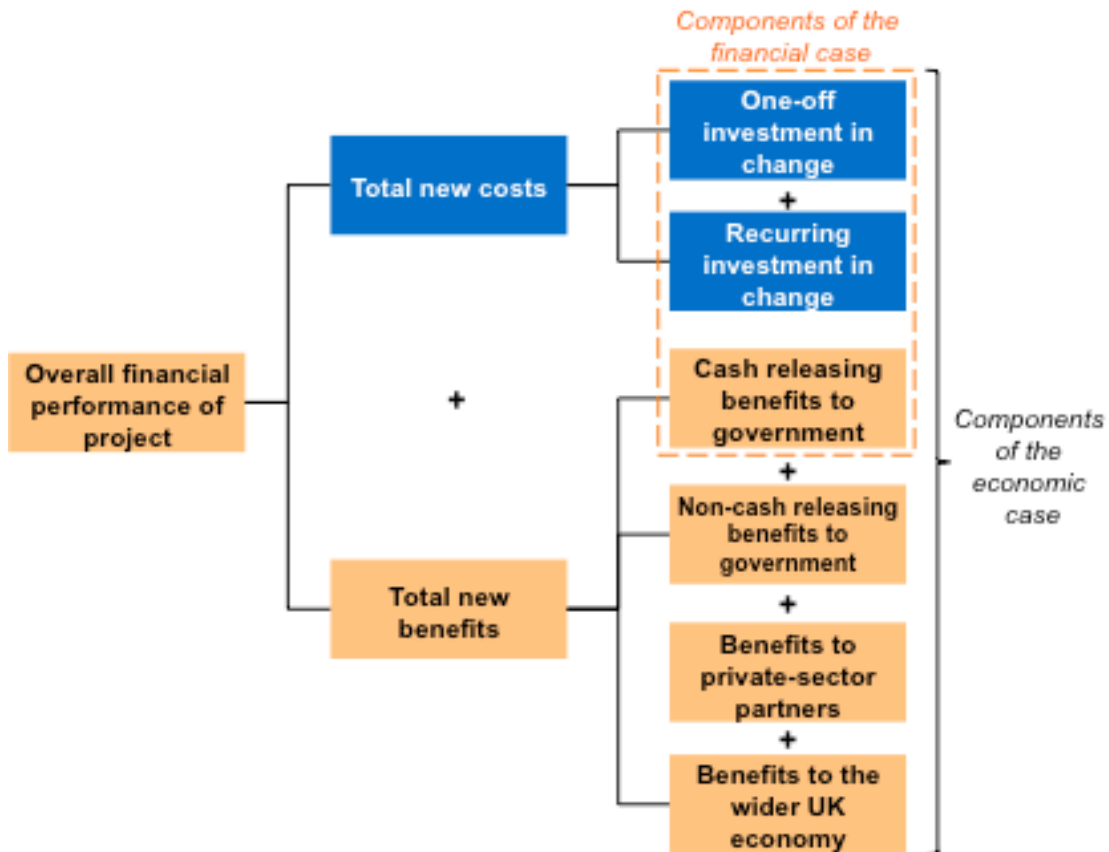
Figure 7: benefits and costs contained within the Economic and Financial Cases

7.44 Within the Economic Case benefits, disbenefits and costs are typically modelled for three to four shortlisted options: the do nothing, do minimum and a preferred way forward (plus another – perhaps a do maximum). Most Departments will have guidance (such as DfT's WebTAG)[14] outlining which benefits can be monetised, the monetary value that should be assigned to them, and how they should be treated within the Economic Case.

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[13] Ibid, p.14.

[14] https://www.gov.uk/guidance/transport-analysis-guidance-webtag.

7.45 Valuing benefits and disbenefits in financial terms provides a consistent basis for assessing different options and whether the benefits justify the costs. Cost Benefit Analysis (CBA) will compute a Net Present Value (NPV) and/or Benefit Cost Ratio (BCR) for each option. Typically the option with the best NPV, BCR or Value for Money (VfM - described below under non-financial benefits appraisal) will be selected as the preferred option.

7.46 Modelling of benefits for the Economic Case should be proportionate to the level of investment. For most major projects developing a robustly modelled Economic Case will be proportionate, however there may be certain projects (for instance compliance projects) where CBA is not the most appropriate tool to justify investment. In these instances Cost Effectiveness Analysis should be undertaken whereby the cost of alternative ways of producing the same or similar outputs is compared instead.

7.47 Within the Economic Case, it is extremely important to document any assumptions that have been made, and ensure they are regularly tested for robustness throughout the lifecycle. Within major projects there can be lots of unknowns due to the nature of the projects. They may be innovative, complex or contentious so therefore assumptions will have to be made, which implies there is a risk. Clearly stating the assumptions and explaining the rationale behind them will allow decision makers to assess the level of confidence in the benefits being realised and to the expected level.

7.48 In major projects it can sometimes be challenging to have absolute certainty in the assumptions and modelling undertaken due to the novel and large scale of the investment. When developing the models for the Economic Case it is recommended to test the models with other subject matter experts. This could be by asking behavioural Economists or operational staff whether the new ways of working or anticipated adopted behaviours are appropriate and realistic. Time and motion studies could be one way to assess whether certain models, such as those involving internal processes, are accurate. Similarly ask Economists in Other Government Departments (OGD) to review the modelling as part of a "critical friend" approach. Projects should seek wherever possible to find actual data to support assumptions and models, whether this is through lessons learned and outturn data from other projects, or looking at sector or geographical benchmarks.

7.49 Another possibility could be to adopt more of an agile approach to implementation. If there are large areas of uncertainty in the assumptions used in economic modelling a pilot could be undertaken to test the assumptions on a smaller sample, and the results used to scale up the model to reflect the overall investment. This is particularly helpful where the external delivery environment may be constantly evolving or changing:

and provides additional opportunities to shape delivery so that it remains appropriate and relevant for the end users.

7.50 Optimism bias and sensitivity analysis should also be taken into account for both the costs and benefits. This allows stakeholders to assess the maximum and minimum level of costs and benefits that can be expected. Analysis of the IPA's GMPP data and Green Book guidance suggests that typically benefits are overestimated and costs are largely underestimated in Outline Business Cases. Therefore clearly documenting the minimum and maximum values for benefits and costs is required for effective decision-making and financial planning.

7.51 Additional considerations when modelling the Economic Case include moving from gross to net benefits in terms of deadweight, displacement (including geographical apportionment of benefits), leakage and multiplier effects. Attention should also be paid to discounting and dealing with the timing of costs and benefits. This is so that models consider the impact of the project on UK PLC as a whole, and avoid benefits that are simply displaced from one location to another, or remove improvements that would have occurred anyway due to external factors such as population growth. For more information on Economic Case considerations please see "Additionality" section within the HMT Green Book Appraisal and Evaluation in Central Government guidance.

Testing estimates and data

Projects and programmes should have a clear mechanism to test benefits to ensure that they are realistic. If they fail to do this, it is unlikely that they will achieve buy-in and ownership from business leaders.

To ensure benefits were credible in HMRC a "Star Chamber" was established in the Enforcement and Compliance programme lead by the Programme Benefit Manager supported by analysts and Business Owners. All projects were expected to present standard data which was tested to ensure it stood scrutiny, and allowed effective challenge of over optimistic estimates. The agreed figures were delivered to plan.

7.52 For GMPP reporting the financial benefits that have been monetised for the Economic Case should be reported as gross benefits. Gross benefits mean any investment in change costs have not yet been netted off. Where possible they should be broken down year-by-year across Parliament and the remaining balance included in the un-profiled remainder section. It is extremely important that the information presented in the GMPP return accurately reflects the Government Cash Releasing, Government Non-Cash Releasing and Economic Benefits for the

preferred option in the Economic Case. This is so that any aggregate reporting undertaken by the IPA accurately reflects the true cross Government picture.

7.53 The IPA is regularly asked to provide a quarterly update on the costs, benefits and net cashable savings position of the Transformation and Service Delivery and ICT major projects.[15] Therefore ensuring that numbers presented are reliable and recognisable is essential. As part of projects' GMPP reporting IPA is also requesting projects state how the net cashable savings position is computed (i.e. what costs should be deducted from the gross cashable benefits to compute the net cashable savings position). This will enable the IPA to aggregate the computation of net cashable savings to a portfolio level to understand the cross-Government savings picture.

Appraising Non-Financial Benefits

7.54 Typically there may be other benefits that cannot be monetised that are also important to consider during option selection. Those benefits identified as quantitative or qualitative during benefits categorisation should also be included in the Economic Case within the narrative, and scored using Multi-Criteria Analysis (MCA). MCA techniques such as Management of Value (MoV) or Appraisal Summary Tables (AST) allow options to be scored against weighted benefits to determine non-financial value. The table below uses an example of a project comparing four different options against weighted qualitative benefits:

Benefit		Reputation	Customer Satisfaction	Iconic	Supporting growth	
Benefit importance (out of 100)		25	50	15	10	VfM Score
Option	1	6	7	8	8	700
	2	7	7	8	8	725
	3	5	3	7	9	470
	4	1	5	7	5	430

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[15] The IPA currently has four project categories: ICT, Transformation and Service, Military Capability and Infrastructure and Construction.

Agreement of benefits weighting and scoring of the options should take place in a workshop environment. This allows the non-financial benefits, which may be of equal importance to the project, to be appraised against each option fairly.

7.55 The most important financial and non-financial benefits should be documented in the GMPP return in the 'Outcomes' section, and the type of benefit selected from the drop down box.

Modelling the Financial Case

7.56 For the Financial Case the affordability of the preferred option should be modelled. Modelling is from an accountancy-based perspective and only takes into account 'relevant organisations' rather than the Wider UK Public. For major projects financial models will need to be developed and revised throughout the project lifecycle as more accurate costing information becomes available.

7.57 Cash releasing benefits should be included in the Financial Case as negative costs, and as per Green Book Guidance should be presented as nominal values.

Thinking about Planning to Realise

7.58 Although **Plan to Realise** is considered to be the next activity in the benefits management cycle, a lot of planning is also undertaken during **Value and Appraise**. All the hard work undertaken so far to baseline, value and model benefits should be fed into the Management Case and the Benefits Realisation Plan.

7.59 There is often confusion as to what information should be included in the Management Case, Benefits Management Strategy and Benefits Realisation Plan.

7.60 As a general rule the Management Case within the Outline Business Case should include an overview of the Benefits Management approach for the project, a brief synopsis of work to date and next steps. As good practice the Benefits Management Strategy and Benefits Realisation Plan can be added as appendices or hyperlinked.

7.61 When planning for benefits realisation during **Value and Appraise,** it is important to start outlining roles and responsibilities. Benefit Owners should continue to have been engaged and project teams should be close to finalising who the Benefits Owners will be. Project teams should also

start creating Benefit Profiles, which should be reviewed and agreed with the appropriate Benefits Owners[16].

7.62 It is also important to outline measurement and reporting arrangements and where possible build in the Management Information requirements to any supplier contracts or system requirements. This can feed into the detailed design of the preferred option during the Define project stage, when the Full Business Case is produced. This will ensure that benefits tracking is as easy as possible during the realisation and review stage.

7.63 Identifying benefits dependencies and benefit risks are the final activities during **Value and Appraise**. Dependencies should be identified using the benefits map and added to project level Risk, Action, Issues and Dependency (RAID) logs. Benefit risks should be identified using the standard risk management approach within Departments. The APMG Managing Benefits™ guide identified five sources of benefits optimisation failure:

- Forecasting failure: for example benefits are not identified or are overestimated.
- Delivery failure: i.e. failure to deliver the initiative with the planned functionality or on time, so impacting on the scale and timing of benefits realisation.
- Business and behavioural change failure: i.e. the business and behavioural changes on which benefits realisation is dependent don't occur or are poorly scheduled (causing delays in benefits realisation).
- Benefits Management failure: in relation to capturing and leveraging emergent benefits and mitigating disbenefits.
- Value for money failure: the benefits are realised but at excessive cost.[17]

7.64 Risks to benefit realization should be identified with these sources in mind. Risks to benefits are best added to the Project Risk Register and managed alongside project and operational (or other) risks as per the usual process, rather than be kept on a separate register. However, the approach to be taken should be agreed between the project team and the central Portfolio Office/Programme Management office.

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[16] More information on Benefits Owners and Benefits Profiles can be found in the Roles and Responsibilities and Benefits Management Products sections.
[17] APMG International™, "Managing Benefits by Steve Jenner", p. 114.

Key Activities	Key Considerations
• Modelling the appropriate benefits and costs for the Economic and Financial Cases • Evidencing non-financial benefits using MCA and Business Case narrative • Clearly documenting assumptions • Aligning benefits to GMPP categories for GMPP reporting • Start outlining roles and responsibilities, including finalising the Benefits Owners • Identify and log benefits risks and dependencies	• Undertaking appropriate sensitivity analysis in case benefits are over estimated and costs are under estimated • How to depict the benefits management work to date in the Outline Business Case and aligning with benefits management products • Start outlining measurement and reporting arrangements so that appropriate MI requirements are factored into the design and costs

Plan to Realise
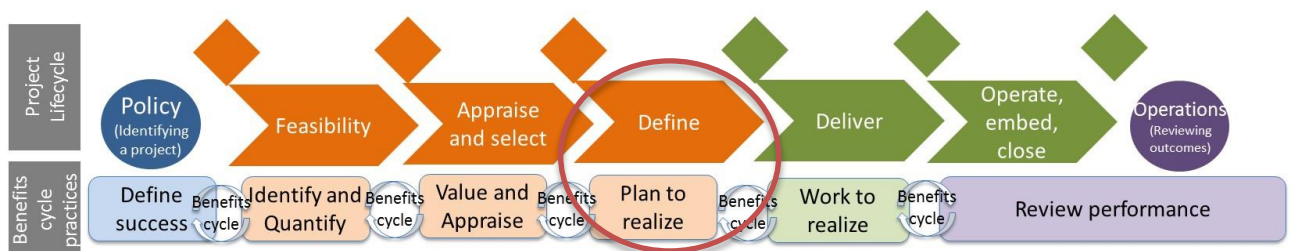
7.65 **Plan to Realise** occurs during the Define project stage when the Full Business Case is produced and there is a firm understanding of what the project is delivering and the project schedule. The main purpose of **Plan to Realise** is to put the appropriate mechanisms in place so that there is a clear understanding of the roles, responsibilities, timescales and governance arrangements required for realising and reviewing benefits. This activity looks forward to ensure that during handover and transition to business as usual there is a Benefits Realisation Plan in place that has been approved and signed off to ensure benefits are managed and monitored beyond project closure.

7.66 The Full Business Case contains finalised costs for delivering the project. This should include any costs for equipment and resources that will be required to measure and report on the realised benefits. There is no 'one size fits all' budget for benefits realisation and will depend on how many additional activities, new measures and resources are required. If most

benefits can be measured using business as usual metrics then benefits realisation overheads will be small.

7.67 However, if there are several qualitative measures that require new surveys or resources to develop case studies they will require funding. This funding should be ring-fenced for benefits realisation and during **Plan to Realise** arrangements should be put in place to transfer this budget to the most appropriate team once the project closes.

7.68 Project plans will also be finalised during this stage of the project. This will include baselining all approved costs, benefits and milestones as included in the Full Business case. Linking your BRP to your project schedule will ensure timely measurement of benefits by linking their realisation to project deliverables. Project teams may wish to identify and add outcome and benefit realisation milestones or benefits forecasts to the project plan if the benefits are realised during delivery or shortly after. Benefit realisation milestones can signify when benefits should start to be measured after suitable bedding in period post-delivery, and can also signify when benefits targets should be achieved. This makes benefits realisation seem more tangible as it is linked to key outputs.

7.69 Roles and responsibilities and governance arrangements should also be finalised. This means confirming Benefits Owners and formally outlining handover arrangements for realisation. Reporting and governance arrangements with the Portfolio Office/PMO should also be finalised, and ensuring those responsible for quantifying benefits have agreed baselines and signed off the level of benefits expected. Ensure that any realisation reporting frequencies agreed with the Portfolio Office/PMO align to the availability of the data required to measure realisation. There is little point reporting on benefits realisation monthly if data is only available quarterly or annually.

7.70 If significant time has elapsed since Strategic Outline Case and Outline Business Cases were approved, it may be beneficial to re-baseline the benefits. This will ensure there is still significant potential for improvement to be made, and will give the most accurate gauge of pre-delivery performance. If some baselines have improved the benefits should be reconsidered in the overall plan to see if they can be maximised further. Other baselines may have worsened and the Senior Responsible Owner might wish to reconsider slight scope change to get benefits back on track and ensure the target levels of benefits are achieved.

Key Activities	Key Considerations
• Costing arrangements for benefits realisation activities and budget arrangements • Baselining FBC approved benefits and tracking their expected levels of realisation during delivery • Finalise roles and responsibilities and ensure people are signed up to them • Formalising governance arrangements for reporting and approval of benefits	• Aligning benefits realisation activities with the project implementation plan • If significant time has passed since Strategic Outline Case and Outline Business Case were approved, benefits may need to be re-baselined to provide a more up to date view of current performance

Work to Realise
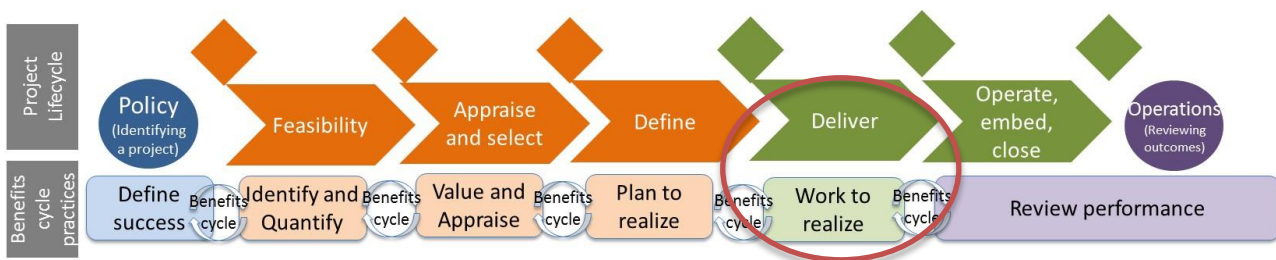
7.71 **Work to Realise** spans project close. It encompasses handover of responsibility for benefits realisation to Benefits Owners, initial benefits measurement and reporting and finalises plans for review and long term benefits tracking.

7.72 **Work to Realise** is where the hard work undertaken during project initiation and the early project stages pays off. The project team's key focus at this point tends to be delivering the project on time, to budget and meeting requirements. It is important, however that benefits are not forgotten during this stage. Some benefits, such as apprenticeships or cost savings through the supply chain, might be realised during delivery. They should be tracked and reported alongside project delivery metrics such as costs and milestones.

7.73 Other benefits that will be realised after project delivery should be measured as soon as is practical to gauge go-live performance. Measures should be compared to the forecasts profiled within the BRP. It is important to understand the operating environment within which benefits are being realised. Projects that have an element of business change may need to wait at least six months before taking initial benefits measures. This enables new ways of working to become embedded and required behaviours to be developed.

7.74 All benefits realisation reporting should be presented at a relevant board. It is important that any data is presented with accompanying narrative to provide additional context and rationale of current performance. The board should have suitable authority to sign off realised benefits, and approve additional resource or funding if any mitigating action is required to get benefits realisation back on track. This is not the funding required to measure the benefits, but additional funding that would enable benefits to be realised to their anticipated level. This funding should be proportionate to level of benefit required, and the relevant importance of the benefit that is not on track.

7.75 An example of good practice is to draft Benefits Handover Certificates prior to Project Close that are signed off by the Senior Responsible Owner or Programme Director and the relevant Benefits Owners. The certificates signify that responsibility for realising a benefit is transferring from the project team to the most suitable person in business as usual. They are a good way to formally transition management of benefits from project delivery to operations.

Key Activities	Key Considerations
- Formal handover of benefits realisation from the project to Benefits Owners (including sign off of Handover Certificates) - Tracking of benefits that are realised during delivery - Measuring post-delivery benefits as soon as possible to understand outturn performance - Reporting benefits realisation to the appropriate board, providing contextual narrative alongside any measurement indicators	- Ensuring sufficient communication has taken place with Benefits Owners and operations for benefits management activities - Truly understanding when benefits might start to be realised and only taking measurement once sufficient bedding in has taken place - Communicating benefits realisation and providing updates to all appropriate stakeholders

Review Performance
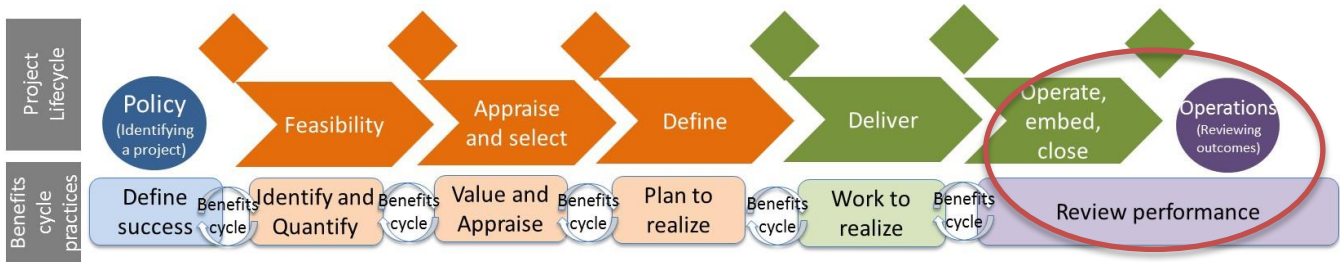
7.76 **Review Performance** happens in conjunction with the **Work to Realise** stage, but continues beyond it. **Review Performance** is more of a holistic look back through the entire project lifecycle. As well as continuing to monitor benefits realisation, this activity looks to assess the benefits management process and if it was successful, and feedback to relevant teams on lessons learned and the accuracy of the assumptions. **Review Performance** is a suitable time for a Gate 5 assurance review to take place, and should be organised with the IPA after sufficient benefits realisation evidence has been collected.

7.77 Benefits reporting should continue at the intervals, using the agreed governance arrangements documented within the BRP. Benefits reports should contain as a minimum:

- The benefit titles and measures
- Baseline and target
- Current performance
- Previous reported performance
- RAG status and commentary
- Benefit Owner

7.78 Benefits reports should be produced (typically by the Portfolio Office or PMO) and signed off by the board. Benefits reporting should be undertaken until the majority of benefits have been realised, or are at least consistently performing as expected.

7.79 In some instances this will be unrealistic – such as measurement of wider benefits. In these instances suitable arrangements and budget should be agreed with the Evaluation team (where one exists). The Evaluation team will undertake evaluation studies at agreed points in the future to look at wider benefits such as jobs created, homes built and performance of local businesses. It may difficult to associate the realisation of wider benefits explicitly with one initiative. The Evaluation team should take the realisation of wider benefits of one particular project in review of the wider environment. Understanding attribution of specific initiatives is difficult to determine, but linking wider benefits to delivery milestones and undertaking qualitative analysis such as surveys will help.

Benefits Management and Evaluation

DfT's Rail Group published a joint Benefits Management and Evaluation Framework for projects to ensure that benefits management and evaluation activities are sufficiently resourced and planned for throughout the lifecycle. The most recent Framework published in 2016 includes a stronger emphasis on evaluation as the Department is now encouraging project teams to use benefits management and evaluation alongside each other to produce proportionate evidence about the benefits and impact of a project.

7.80 **Review Performance** also includes a retrospective review of the benefits management and business case preparation processes and guidance. This should include undertaking Post Implementation Reviews (PIR) where the following questions should be answered:

- Was the Business Case delivered in terms of outcomes achieved, operational performance and benefits realized both now and in the future?
- How effective was the benefits management process?
- Was the benefits management process proportionate to the size and scale of the project?
- How accurate were the benefits models and assumptions?
- Are there any benefits management lessons learned that would be useful for future initiatives to be aware of?

7.81 Answering these key questions will enable improvements to the benefits management approach for similar projects. One of the advantages of having an effective benefits realisation process in place is that good practice can be shared. It also enables assumptions based benefits modelling to be updated with actual results, which could improve benefits forecasting for future projects.

7.82 **Review Performance** is one of the most important practices in benefits management. Ensuring suitable arrangements are in place for this during project initiation and delivery will reap dividends in the long run.

Making lessons learned matter

To avoid overestimating and ignoring of risks that could affect benefits quantification the PPM community were asked to document lessons learned and present them to Investment Board as part of the final PIR as part of project close. However more often than not lessons learned activities were viewed as a tick box exercise or a list of excuses as to why targets were not met.

To counterbalance this the Benefits Management team amended the Business Case template to request references to at least two relevant case studies from the lessons learned database. The expectation was for the Business Case author to explain how they would avoid the 'what went wrong' of others and how they had reflected this in their estimates, perhaps by applying optimism bias or sensitivity analysis. The Benefits Management team were authorised to assure Business Cases before they went to the Investment Board and reject any that did not comply with this. The team would then work with the authors to explain the issue and help improve it.

As a result lessons learned became useful and were no longer thought of as a tick box exercise. Investment Board also became more confident that projects were no longer repeating the same mistakes. Ultimately it also meant that there was less of a gap at portfolio level between benefits forecast and realised.

Sarah Harries, former Head of Benefits Management at Openreach

Key Activities	Key Considerations
- Continue Benefits Reporting - Liaise with Evaluation Team for any longer term impact studies - Undertake Lessons Learned exercise - Review the appropriateness of the benefits management process - Review the assumptions and compare with the actual results, update models where appropriate	- Which other projects would benefit from sharing of the lessons learned, process review and assumptions review? - Following project closure are all appropriate benefits arrangements in place - How are benefits realised being fed into wider Departmental policy and strategy measurement? - Do Portfolio Offices need to review any processes to make benefits management activities/arrangements easier?

8. Roles and Responsibilities

8.1 Benefits management is not the responsibility of one person alone, but a combined effort of project and BAU roles. Benefits management roles and responsibilities interface with many functions, most of which transcend the project management lifecycle. Outlined below are the key roles involved in benefits management and their specific responsibilities with respect to benefits management, but it is by no means an exhaustive list. An example RACI model can be found at Annex C. The project delivery standard includes role descriptions in summary and in more detail in Annex C.

Role	High level responsibilities
Senior Responsible Owner (SRO)	• Owns the Business Case and is the primary risk taker • Accountable for the effective identification, quantification, management and communication of benefits throughout the project • Typically accountable for the realisation of benefits. In major projects this is not always practical so accountability may be devolved to the Programme Director
Programme Director	• Responsible for day to day management of the project, ensuring benefits management products being completed accurately and timely, and are signed off by relevant stakeholders • Responsible for the effective identification, quantification, management and communication of benefits throughout the project
Economists/Analysts	• Help identify and quantify benefits • Responsible for the valuation and appraisal of economic benefits for the Business Case • Responsible for documenting assumptions that feed into economic benefits modelling • If appropriate help develop benefits baselines
Finance	• Help identify and quantify benefits • Responsible for the valuation and appraisal of cash releasing and non-cash releasing benefits for the Business Case • Responsible for documenting assumptions that feed into cash-releasing and non cash-releasing benefits modelling

	• If appropriate help develop benefits baselines • Manage budgets related to benefits management activity, ensuring transfer of any post implementation benefits budget is transferred to the relevant budget line
Evaluation Team	• Responsible for initial scoping work including logic mapping • Responsible for undertaking pre and post project evaluation studies to measure wider benefits at appropriate intervals • Input to wider benefits quantification and management
Portfolio Office/PMO	• Responsible for collating benefits measurement information to create meaningful reports and ensuring the relevant governance board has sight of them • Responsible for ensuring sufficient assurance of benefits management activity through the project lifecycle
Benefits Owners	• Responsible for the realisation of benefits assigned and handed over to them (as well as signing off the appropriate Benefits Profiles and Benefits Handover Certificates) • Responsible for ensuring the appropriate metrics are assigned to benefits and measurement and reporting is undertaken as agreed • Responsible for undertaking appropriate investigation to assess benefits performance and identify appropriate mitigating actions if benefits realisation is not on track
Operations / Business as Usual	• Help identify benefits and appropriate measures • Work with the project team to ensure appropriate documentation of requirements, business need and business change to ensure delivery and optimisation of benefits

Booking the benefits in contracts: Holding people to account to drive up realisation in a public sector organisation

An organisation had a problem where each year they were required to meet savings targets and every year they fell short; on average achieving only around 60% savings.

Benefits maps and profiles helped; clearly understanding and managing the change, rather than top-slicing inappropriately, meant they deliberately created capacity to remove, rather than forcing a reactive, "fire-fighting" attitude. As a result achievement reached 75%.

However when signing off benefit profiles, some Benefits Owners and SROs did not understand the role and responsibilities they were being asked to take on. Attention given to enacting change was similarly variable.

Benefits contracts were introduced to stop the complacency. Once signed, the benefits were 'booked' and Benefits Owners and SROs would be held to account against them. If cash releasing, finance removed the money immediately, from all future budgets.

What made it work was persuading the Chief Executive Officer to use signed contracts as the basis of each executive's Personal Development Review. Objectives were written, holding the individuals to account for realisation. The Senior Management Team cascaded responsibility down though their departments' PDRs, ensuring change was enacted so their service could cope with the reduced budget. As a result achievement reached 98% and the newly embedded process ensured this target was sustained.

Claire Dellar, Senior Benefits Realisation Manager, NHS Digital

8.2 Some programme and project management methodologies assign many benefits activities to the role of a Business Change Manager. Where an individual project has a Business Change Manager role some of the responsibilities outlined above may be assigned to them. These will typically be defining benefits, assessing progress towards realisation and achieving, documenting and reporting on benefits realised once the project has transitioned into BAU. The role of the Business Change Manager is particularly useful to ensure operational buy in and benefits are realised.

9. Benefits Management Products

9.1 Sometimes benefits management documentation can seem onerous due to the range of products and the issue that it may seem like a duplication of effort. Outlined below are the key documents and their typical purpose. However, ultimately the Benefits Management Strategy could be the overarching document for the project and can include the Benefits Map, Benefit Profiles, BRP and Benefits Reports. This will greatly reduce duplication and confusion and create a succinct document for the project's benefits management 'journey'.

9.2 **Benefit Map** – A logic map linking drivers, enablers and business change to the benefits, and linking the benefits to objectives and goals. Typically benefits maps contain the following (local templates may vary):

Typical objects	
Strategic objective	• The ultimate end goal of the project • Should align to departmental policy / strategy
End benefits	• The final benefits that arise from delivery of the project • Collectively prove that the strategic objective has been met
Inter-mediate benefits	• The benefits arising directly out of changes in practice enabled by the delivery of the project • Collectively inform the end benefits
Enabling changes	• The changes in practice (either business or in the wider public) that have been enabled by the successful delivery of the project outputs
Project outputs	• The immediate tangible deliverables of a project • Essential to ensure their delivery, but are by themselves insufficient to count as project "success"
Drivers	• The business needs of the project • Can be both opportunities and problems

Figure 8: typical objects within a benefits map

Benefits maps can also include additional objects such as requirements, solution and outcomes, as per the example benefits map shown in the Government Functional Standard (figure 5).

9.3 **Benefit Management Strategy** – A document for a project or programme outlining the approach for managing benefits, including a description of how, when and at what level, benefits realisation management will be applied. Includes outlining roles and responsibilities, governance and reporting arrangements and how benefits management aligns with other project and programme management activities.

9.4 **Benefits Register -** Typically an Excel spread sheet that includes line items of each benefit, a short description, the objective the benefit links/contributes to, the Benefit Owner, the beneficiaries, the baseline, target and measurement methodology. The Benefits Register is the collection of all benefits and relevant information, the details of which are broken out into separate **Benefit Profiles** for the Benefits Owners.

9.5 **Benefit Profile** – Template that contains all information for a single benefit such as the measure, baseline, target, frequency of measurement and associated risks. It is often provided to the Benefit owner as an 'instruction' for how the benefit will be realised and the change that needs to take place.

9.6 **Benefit Realisation Plan** – A document profiling all of the benefits and how they are forecast to be realised from baseline to target, including baseline and measurement information, dependencies, identified benefit risks and benefit realisation milestones.

9.7 **Benefit Report** – A report produced at an agreed frequency demonstrating the realisation of benefits to date, usually comparing the baseline, target and actuals. It is important that any data provided has sufficient narrative to explain additional context and rationale to explain whether performance is as planned.

9.8 **Benefits Handover Certificate** – A formal signoff between the project and the Benefit Owner confirming responsibility for realising a benefit is transferring from the project to the most suitable person in BAU. The Benefits Handover Certificate could include the Benefits Profile, and should also include the handover date and any terms and conditions agreed (such as reporting arrangements for example).

10. Portfolio Benefits Management

10.1 One way to effectively manage the benefits of individual projects is to take a portfolio level benefits management approach. This enables the Portfolio Office to use the definitions and principles outlined above to address the common challenges and create a consistent benefits management approach across all projects in order to optimise benefits realised by the portfolio as a whole.

10.2 Most Government Departments already have Portfolio Offices that undertake reporting, assurance, capability development and other activities for their projects and programmes. From a benefits perspective Portfolio Offices currently provide a range of activities from developing frameworks and guidance, to reporting to Ministers and investment boards on benefits management maturity,[18] to actually undertaking monitoring and reporting on benefits realisation on behalf of projects and programmes that have closed.

10.3 These are good foundations to build upon to undertake portfolio level benefits management. Consideration should be given to the benefits management perspective within each of the definition and delivery cycle steps.

10.4 The main points to consider when approaching benefits from a portfolio perspective are:

- Prioritising projects based on the level of expected benefits and how these benefits contribute to achieving (weighted) strategic objectives
- Understanding the attribution (relationship between) initiative benefits and portfolio benefits
- Understanding the contribution (level of influence) of initiative benefits on portfolio benefits
- Understanding the impact of external factors (such as wider economic impacts) that are also contributing or deducting from portfolio benefits, and adjusting the initiatives within the portfolio to either scale back or overcompensate realisation
- Developing a methodology to depict at what level individual initiatives 'link' to portfolio level benefits
- Understanding how portfolio level benefits will be measured based on whether they can be aggregated from project level benefits measures, or whether lead indicators (typically input oriented and easy to influence measures) can be identified at project level
- Managing benefits from a portfolio perspective as much as possible so that resources, budget, planning and measurement can be

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[18] There are several maturity models that can be employed to review benefits management maturity, such as P3M3 and the Management Benefits Health Check by APMG.

streamlined and the aggregated impact of change can be more effectively understood

10.5 If portfolio benefits management is undertaken effectively then projects will be initiated with a benefits led approach. Projects will start because they have been prioritised based on the potential level of benefits expected to be realised, and will initially be scoped based on the level of portfolio benefits required.

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13. Annex A – Glossary of common benefits management terms

Terminology	Definition
Aggregate	The total of a combination of several separate elements.
Appraise	Assessment of the value or quality of different options against similar criteria.
Assumptions	Something that is accepted as true but there is a lack of appropriate evidence to substantiate it.
Attribution	Something that has a relationship or leads to something else.
Baseline	A reference point, usually the value, trend or average of a benefit measure at a particular point in time, usually before any change has been implemented, used to measure progress against. (NB: this differs from the definition within the Government Functional Standard that defines a project delivery baseline).
Benefit	The measurable improvement resulting from an outcome perceived as an advantage by one or more stakeholders, which contributes towards one or more organisational objectives
Benefits Map	A map linking all of the drivers, enablers and business change to the benefits, and linking the benefits to objectives and goals. Can contain dependencies with other projects and programmes.
Benefits Management Strategy (BMS)	A framework for a project or programme for realising benefits, including a description of how, when and at what level, benefits realisation management is to be applied.
Benefit owner	A person representing the business area who will ensure the actual realisation of the benefit.
Benefit profile	Template which contains all information for a single benefit and is often provided to the Benefit owner as an 'instruction' for how the benefit will be realised and the change that needs to take place.
Benefits Management	The process of organising and managing investments in change and their measurable improvements, to ensure that the outcomes or transformation is actually achieved. Can be applied across the organisation down to individual project or scheme level.

Terminology	Definition
Benefits realisation milestone	A date a suitable period of time after the embedding of associated outputs and capabilities when benefits can realistically and meaningfully be measured
Benefits Realisation Plan (BRP)	A document profiling all of the benefits and how they are forecast to be realised from baseline to target, including baseline and measurement information, identified benefit risks and benefit realisation milestones.
Benefits report	A report produced at an agreed frequency demonstrating the realisation of benefits to date, usually comparing the baseline, target and actuals.
Business Case	The justification for an organisational activity (strategic, programme, project or operational which typically contains benefits, outcomes, timescales, costs and risks against which continuing viability is tested.[19] It is the narrative that forms a compelling story for investment and includes: strategic justification for investment (Strategic Case), multi-criteria analysis and formal benefit to cost ratio option analysis (Economic Case), whether the investment is affordable (Financial Case), whether the deal is attractive to the market (Commercial Case) and a framework for delivery (Management Case). The Business Case is developed in three iterations: the Strategic Outline Case (SOC), Outline Business Case (OBC) and Full Business Case (FBC) which mature in detail as the project matures.
Business Change	A change that needs to occur in the business/operational environment in order to successfully implement the key project outputs/enablers/deliverables.
Business As Usual	The on-going operational environment.
Capability	Collection of business change and enablers implemented successfully in order for a function to operate as planned.
Contribution	The level of significance given to something to bring about a result.
Cost Benefit Analysis	Approach to estimating strengths and weaknesses of alternatives by valuing the relative costs, benefits and risks of different options to identify the best value for money solution.

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[19] Taken from Government Functional Standard glossary and adopted from AXELOS Common Glossary.

Terminology	Definition
Cost Effectiveness Analysis	Compares costs and outcomes of different courses of action.
Counterfactual	Estimating what the outcomes would have been without an intervention, taking into account future growth and impacts
Deliverable	An output of a process or project.
Dependency	A dependent relationship between two activities, or between an activity and a milestone.
Dis-benefit	A measurable deterioration resulting from an outcome perceived as negative by a stakeholder. An actual consequence of activity.
Driver	An internal or external challenge, pressure or opportunity that is driving the need for change.
Enabler	Something that can be built, developed, acquired and will enable benefits realisation.
Financial Benefits	Benefits that can be quantified and expressed in monetary terms.
Goal	Ultimate objective of the project, programme, portfolio or organisation.
Green Book	HMT guidance on how proposals should be appraised and how activities should be evaluated.
Intermediate benefits	Benefits that will occur between implementation of early changes and the realisation of the end/wider benefits, usually operational benefits.
Key Performance Indicator	A measure that demonstrates whether a company or organisation is achieving key business goals.
Maximise	To get the highest possible amount of…
Measure/metric	A quantity that is measured on a regular basis, and direction of travel confirms the realisation of the benefit.
Measurement methodology	Where the data for the measures will come from, could be a person or role but should realistically be a team or Department.

Terminology	Definition
Monetise	Converting benefits into money so that they can be appraised in the Economic Case.
Multi Criteria Analysis	Using stakeholder consensus to weight and score different criteria in order to compare listed options against one another.
Net Present Value	Remainder of present values of benefits minus the present values of cash inflows over a prescribed period of time. Positive NPV results in 'profit' (i.e. more value is being derived from benefits than is being spent on change). Negative NPV results in a loss (i.e. more money is being spent than value will be derived – from a monetary perspective anyway).
Non-Financial Benefits	Benefits that cannot be quantified and assigned a monetary value, but may still be meaningfully measured.
Objective	An answer to the important question of 'why?' which defines purpose, aim, and direction. Objectives should be Specific, Measurable, Achievable, Realistic and Timely (SMART).
Optimisation	To find the best compromise among several often-conflicting requirements to get the most balanced result.
Optimism Bias	The tendency to overestimate the probability of positive events (e.g. realisation of benefits) and underestimate the probability of negative events (e.g. risks and costs).
Outcome	The result of change, normally affecting real-world behaviour or circumstances. Outcomes are desired when a change is conceived. Outcomes are achieved as a result of the activities undertaken to effect the change; they are the manifestation of part or all of the new state conceived in the blueprint.[20]
Output	A specialist product (the tangible or intangible artefact) that is produced, constructed or created as a result of a planned activity and handed over to a user(s).[21]
Portfolio Benefits Management	Delivering strategically aligned benefits through optimising the portfolio's associated projects and programmes to deliver

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[20] Taken from Government Functional Standard glossary that quotes from AXELOS Common Glossary.
[21] Taken from Government Functional Standard glossary.

Terminology	Definition
	the required scope, at the right time to the anticipated level of value.
Portfolio Office	An organizational unit who manages the organization's project and programme portfolio, which includes prioritizing projects, reporting on portfolio progress, allocating resources to projects, and, on a regular basis, identifying which projects to initiate, reprioritize, or cancel.
Post Implementation Review (PIR)	Evaluating after the project is delivered whether the project has realised its anticipated improvements and benefits
Senior Responsible Owner	An individual who has been assigned personal responsibility for delivery of a project and will be held accountable for the delivery of its objectives and policy intent, for ensuring responsible governance and transparent progress reporting, and for influencing constructively the context, culture and operating environment of the projects. The SRO should also be accountable for the Business Case and benefits realisation where appropriate.
Qualitative	Whereby something is better measured through its quality rather than a quantitative measure. Something which is subjective or difficult to verify but is useful in understanding experiences and attitudes
Quantified	An aspect of performance that can be easily and consistently measured through a numerical or volume metric
Stakeholder	Any individual, group, or organisation that can affect, be affected by or perceive itself to be affected by an initiative.[22]
Strategic Driver	The problems or opportunities that are driving the need for an intervention
Strategy	An approach created to achieve a long-term aim, can exist at different levels within the organisation.
Target	A result towards which efforts are directed, and measurement of performance is compared with
Value Management	Maximising value in line with the programme and project objectives and key stakeholder requirements.

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[22] Taken from Government Functional Standard glossary that quotes from AXELOS Common Glossary.

Terminology	Definition
Value for Money	Ensuring the optimal use of resources to achieve the intended outcomes
Wider benefit	The 'ultimate' benefit that is often hard to attribute but the project knows it is contributing towards it in some way.
Whole Life Cost	The amount of costs (including one off costs, recurring new costs, recurring old costs, income and disposal costs) up to the end of the appraisal period
Whole Life Value	The total amount of benefits minus the total amount of costs up to the end of the appraisal period

Additional project delivery terminology and definitions can be found in the Government Functional Standard on project delivery.

14. Annex B – Benefits cycle practices

	Policy (Identifying a project)	Feasibility	Appraise and select	Define	Deliver / Operate, embed, close	Operations (Reviewing outcomes)
Project Lifecycle		*Project brief*	*Strategic Outline Case*	*Outline Business Case*	*Full Business Case* — *Full Business Case updated, if needed* — *End project report*	
Benefits cycle practices	Define success	Benefits cycle — Identify and Quantify	Benefits cycle — Value and Appraise	Benefits cycle — Plan to realize	Benefits cycle — Work to realize — Benefits cycle	Review performance
Key activities	Align with Business Plan Identify and prioritise project objectives Driver analysis Identify desired outcomes Identify key stakeholders	Revalidate strategic alignment Identify benefits and agree them with stakeholders Identify potential Benefits Owners Prioritise benefits Categorise benefits Identify existing measures Identify new measures Baseline benefits and set targets (where appropriate) Document assumptions Link benefits to requirements	Model benefits for Business Case Value (using MCA) additional benefits Update assumptions Refine requirements based on benefits Identify benefits dependencies Outline roles and responsibilities Outline measurement and reporting arrangements Identify benefit risks Review, refine and reprioritise benefits	Finalise measurement and reporting arrangements Finalise roles and responsibilities Finalise costs of benefits measurement Review and refine benefits Rebaseline benefit measures if necessary Track benefit risks Manage change and impact	Work with Benefits Owners to transition to Business As Usual Formally sign off benefits responsibility to Benefits Owners Measure, track and report benefits Formally review benefits Agree and implement mitigating action for delayed benefits Identify and monitor emerging benefits Agree and document plan for Post Implementation Reviews	Review benefits realisation to date against plan Review performance management Present findings of PIR to relevant board Agree actions for further benefits realisation Identify and document lessons learned, including assumptions and models Benefits realisation fed back into Business Plan
Key Products	Create Strategic Benefits Map *Project started*	Develop Benefits Map Create Benefits Management Strategy	Update Benefits Map Update Benefits Management Strategy Create Benefits Realisation Plan Create Benefits Profiles	Update Benefits Map Update Benefits Management Strategy Update Benefits Realisation Plan Update Benefits Profiles *Final investment decision*	Finalise Benefits Realisation Plan Finalise Benefits Profiles Handover Benefits Management Strategy Create Benefits Reports *Project Close*	Create Benefits Reports Update Lessons Learned Reports* Create Post Implementation Review

* Lessons Learned should be captured throughout the lifecycle, this specifically refers to capturing lessons learned regarding benefits realisation management

15. Annex C – Example RACI

APM Lifecycle	Lifecycle Stage	Activity	Policy Experts	Economists/Analysts	Senior Responsible Owner	Project Manager/Team	Business Change Manager	Operations/BAU	Portfolio Office
N/A	Define Success	Align with Business Plan	A	I	R	I	I		R
		Identify and prioritise project objectives	A	C	R	I	I	I	R
		Driver analysis	A	C	R	I	C	C	I
		Identify required outcomes	C		A	C	R	R	R
		Identify key stakeholders	C	C	A/R	C	C	C	C
Identify and Quantify	Identify and Quantify	Identify benefits	C	C	A/R	C	R	R	C
		Prioritise benefits	C		A/R	C	R	R	R
		Categorise benefits	I	I	A/R	I	I	I	R
		Identify measures and quantify benefits	C	C	A/R	I	R	R	C
		Baseline benefits	C	C	A/R	I	R	R	C
		Document assumptions	C	C	A	R	C	C	C
		Link benefits to requirements	C	C	A/R	R	C	C	I
Value and Appraise	Value and Appraise	Model benefits for Business Case	C	A/R	A	I	I	I	C
		Value additional benefits	C	C	A/R	I	C	C	C
		Identify benefits dependencies	C	C	A/R	I	R	R	R
		Outline roles and responsibilities			A/R	C	R	R	R
		Outline measurement and reporting arrangements	C		A/R	C	C	C	R
		Identify benefit risks	C		A/R	R	R	R	R
Plan to Realise	Plan to Realise	Finalise costs of benefits measurement		C	A/R	R	C	C	R
		Manage change and impact	C	C	A/R	R	R	R	R
Realisation	Work to Realise	Work with Benefits Owners to transition to BAU	I		A/R	C	R	R	I
		Formally sign off benefits responsibility to Benefits Owners	I		A/R	C	R	R	R
		Measure, track and report benefits	I	I	A/R		R	R	R
		Formally review benefits	R	R	A	I	R	R	R
		Agree and implement mitigating action for delayed benefits	C		A/R	R	R	R	R
		Identify and monitor emerging benefits	C		A/R	R	R	R	R
		Agree and document plan for PIR	I	R	A/R	R	R	R	R
Review	Review Performance	Review benefits realisation to date against plan	I	R	A/R	R	R	R	R
		Review performance management	A/R	C	R		C	R	R
		Present PIR findings to relevant board	R	I	A/R	C	R	R	R
		Agree actions for further benefits realisation	C		A/R	R	R	R	R
		Identify and document lessons learned, including assumptions and models	R	R	A/R	R	R	R	R
		Benefits realisation fed back into Business Plan	A/R		R		C	C	R

DUPLICATED ACTIVITIES ARE NOT REPEATED IN THE ACTIVITIES LIST

This Guide for Effective Benefits Management in Major Projects aim to provide structure and set expectations for major projects to undertake benefits management.