

Benefits Realisation

Benefits Realisation is a process which allows an organisation to evaluate its success on a project or initiative. A benefit talks to the reason why something is being done. It commonly exists in a business case or certainly in the mind of the person agreeing to pay for the initiative.

All projects, activities and initiatives must have some benefit; otherwise, there is no purpose in undertaking the activity.

For project managers and business leaders, we need to have some qualitative or quantitative benefit that we can assess as having been achieved to claim successful completion of a project.

A benefit is the measurable improvement resulting from an outcome which is perceived as an advantage by a stakeholder. Benefits are the specific outcomes where accountability can be assigned and measured. Benefits are used for defining and declaring success of any investment.

Broadly speaking there are two types of benefits: tangible and intangible. These can be divided into five categories:

- Cost reduction / revenue enhancement
- Efficiency or effectiveness
- Compliance / Penalty Avoidance
- Customer Experience or Satisfaction
- Reputation improvement
- Stakeholder and Employee Engagement

Best practice benefits are stated in a standard form (the order may change and context may be required for clarity), viz:

Action verb → benefit description → measure → date

Examples

Action verb	Benefit description	Measure	Date
Increase	cost reduction	nps	Q3
Decrease	revenue increase	renewal retention	by 23 June 16
Reduce/reduction	efficiency	hours	week ending XXX
Save	statutory compliance	fte/labour	within the financial
Invest	process compliance	time/duration	year
Improve	customer experience	audit result	
Awareness	enablement	survey results	
Production of	reputation	dollars/remuneration	
Positive impact on	employee engagement	focus groups feedback	
Expanded	process	interview feedback	
Strengthened	skill	workshop output	
Build		social media	
Assess	(may include context -	messaging	
Create	ie where it will apply)	customer retention	
		complaints	
		observation	
		absenteeism	

Benefit Category	Benefit Example	Measure
Cost/ Revenue	<ul style="list-style-type: none"> • Reduction of cost by 30% in sales business unit by 30 June 2017. • Increase in revenue from \$1,000,000 to \$2,000,000 in XX business unit by 30 June 2017. • Achievement of 100% of 2014 KPI 5 linked to Regulatory Reform deliverables. • As a result of the implementation of a new service model achieve 100% of performance fee. • Entry into Western Australian market by 1 July 2017. • Reduction in paper related costs (including paper, postage, printing etc) from \$2.5 million to less than \$1 million per year. • Reduction of the resource costs of manually processing invoices from an average of 43.79 FTE to 25 FTE in all operational business units by 30 June 2017. • Reduce the cost associated with cancelling cheques of \$10.30 per cheque to under \$7 per cheque. 	Budget vs actual Cost of service Cost of product Service fee Performance measures Labour/FTE

Efficiency	<ul style="list-style-type: none"> • Better than 10% increase in productivity across all sales management activities by 30 June 2016. • Increase in car payment determinations occurring early in the claim life by 31 March 2016. • Reduction in claims that are unnecessarily accepted or rejected due to lack of evidence in mortgage recoveries by 10% by 31 March 2016. • Reduction in the amount of time it takes a case manager to create, issue and file a piece of correspondence from Q3/2016. • Improved consistency in communications issued to clients by Q3/2015. • Improvement on current staff turnover measure results in Telco business unit by 31 December 2016. • Reduction of time taken for clients for online renewal process by 30 June 2016. • Reduced reliance on legacy applications for renewal process by June 2017. 	Time study Business process measure Current situation vs. to be situation Observation
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	<ul style="list-style-type: none"> • Increased visibility and collaboration of project activities during 2016 compared to previous year. • Reduction of touch points from 22 touch points to seven for invoice processing across all operational business units by 30 June 2016. • Increase accuracy with processing creditor payments from 93% accuracy to 98% across all operational business units by June 2016. • Improved visibility of tasks and success rates for the Sales Managers. • Reduction of lost, damaged or destroyed documents post implementation of e-docs solution. • Reduction in time spent filing, searching for files and retrieving documents post implementation of e-docs solution. • Leverage BAS capability to reduce error rates in car insurance calculations from 5% to less than 1%. 	
Compliance	<ul style="list-style-type: none"> • 100% compliance under the Outsourced Managed Service contract by March 2016. • The business will be enabled to achieve full service payments and bonuses by meeting contractual arrangements. • A suite of project management tools and resources will be delivered catering for all jurisdictions nationally. • 100% avoidance of fines and penalties associated with non-compliance. 	Contract reference Survey Regulator directive Audit result
Customer Experience	<ul style="list-style-type: none"> • Reduced errors in communications to stakeholders from Q3/2016. • Reductions in complaints and Net Promoter Score (NPS) detractor feedback that identifies communication as the issue from Q4/2015. • Improvement in customer experience as a result of implementation of new service model in Cocos Islands. • Reduced processing times from twenty days for the payee to receive the reimbursement within agreed timeframes. 	NPS Feedback Surveys Interviews Workshops Social media feedback Customer retention

Reputation	<ul style="list-style-type: none"> • Reduced complaints and Ombudsman applications from Q4/2015 • Online capability which matches what is in the market place providing competitive presence. • Increase the Net Promoter Score from 7.5 to 9.0 by 30 June 2017 	Survey NPS Feedback Surveys Interviews Workshops Social media feedback Customer retention
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Employee Engagement	<ul style="list-style-type: none"> • Feedback from field managers and other staff that indicates an improved level of support from Q3/2016. • Improved project related engagement, awareness and desire to change. 	Survey Absenteeism Specific project outcomes
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