



# Delivering Value Benefit Realization Management

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28 August 2018

Establish some context about PMI

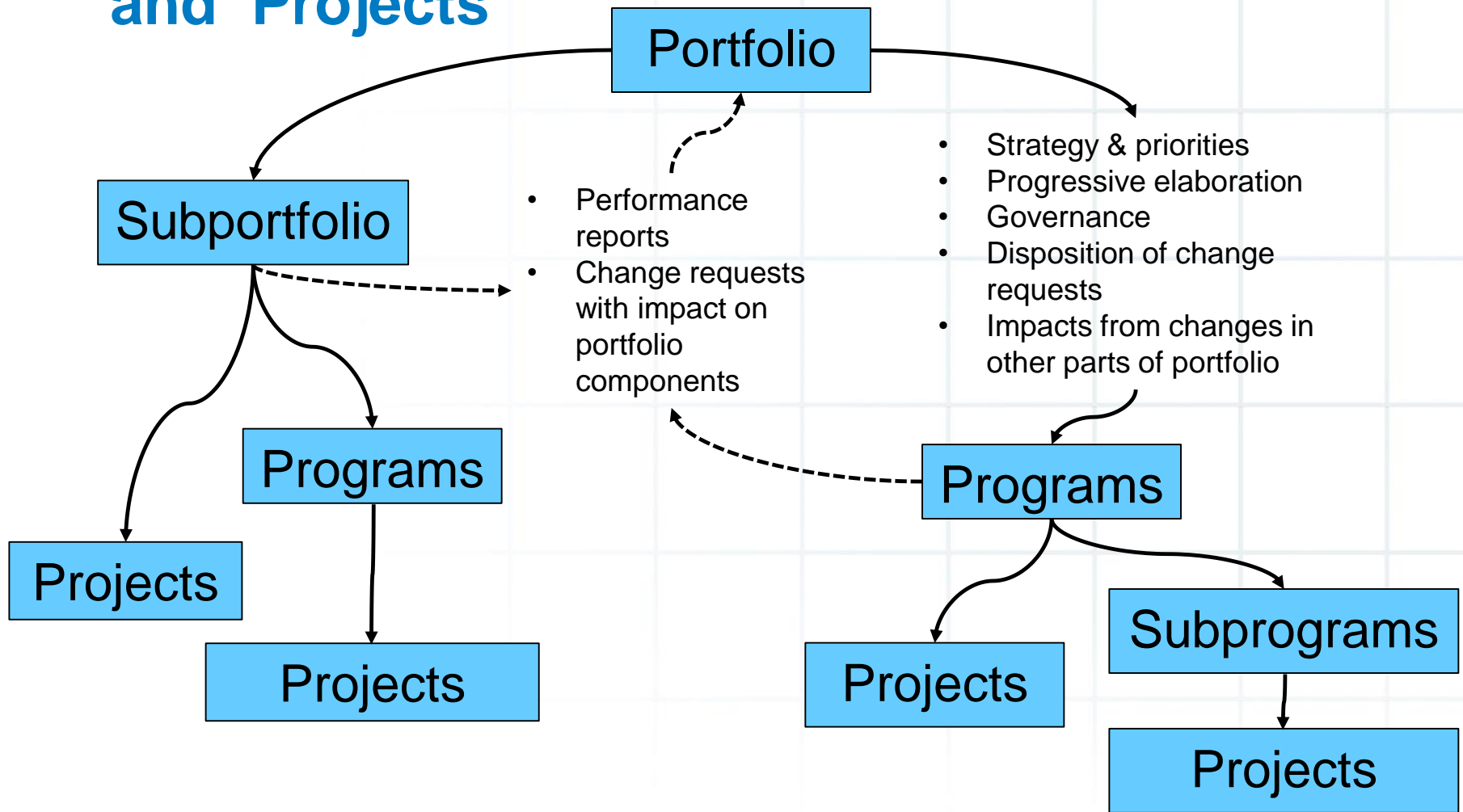
What is Benefits Realization Management

Is it Important? PMI Market Research

# Strategy to Value

PMI's Foundational Standards show a multilayer set of frameworks meant to be tailored for each organizations use.

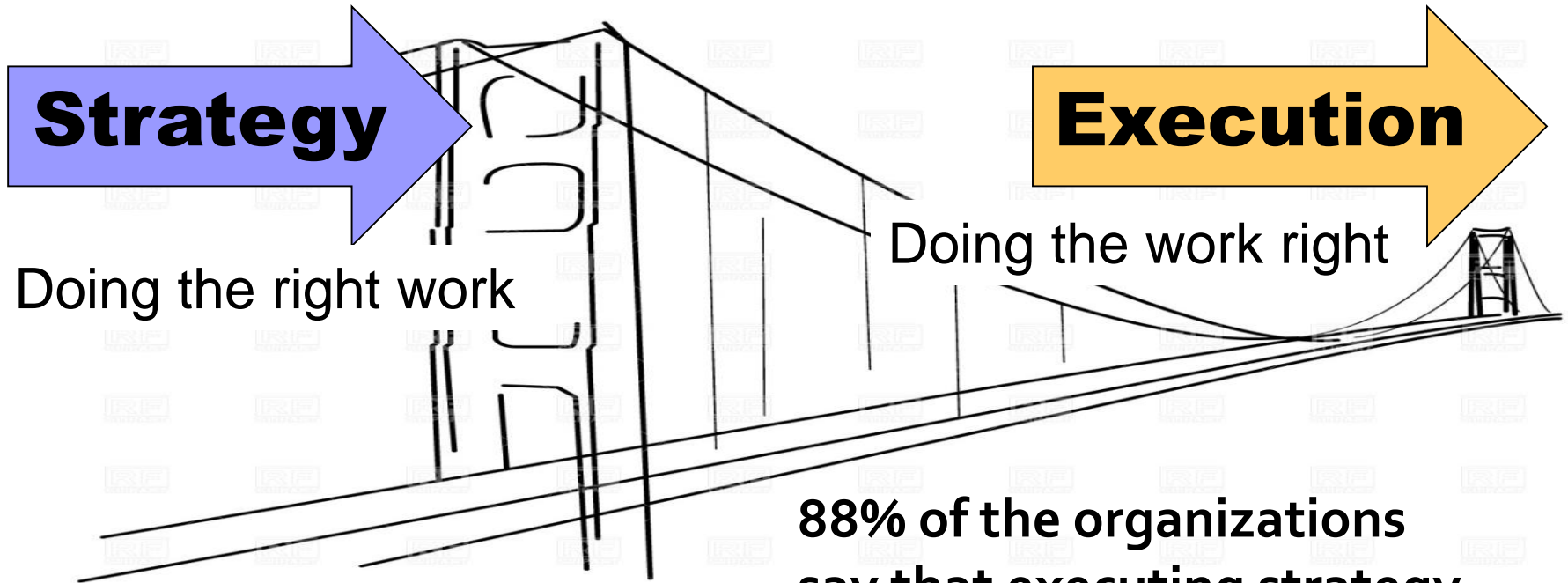
# Relationships Among Portfolios, Programs, and Projects



Source: Standard for Portfolio Management, 3<sup>rd</sup> Edition, Figure 1-2

# Portfolio Management Bridges the Gap

Organizations struggle with strategy implementation!



88% of the organizations say that executing strategy is essential to remain competitive.

# Three Tiers

- Portfolio's seek to provide their organizations with value for their investment.
- Programs drive towards developing benefits.
- Projects provide deliverables.

# Definitions

- **BENEFITS:** Benefits generate value that is created for the project sponsor or beneficiary as a result of the successful completion of programs and projects.
- **BENEFITS REALIZATION MANAGEMENT:** Collective set of processes and practices for identifying benefits and aligning them with formal strategy, ensuring benefits are realized as project implementation progresses and finishes, and that the benefits are sustainable—and sustained—after project implementation is complete.
- Various other definitions can be found in PMI Thought Leadership Series: “Benefits Realization Management Framework”, released November 2016.

# DOD and Benefits – Not PMI Position

For later discussion and argument.

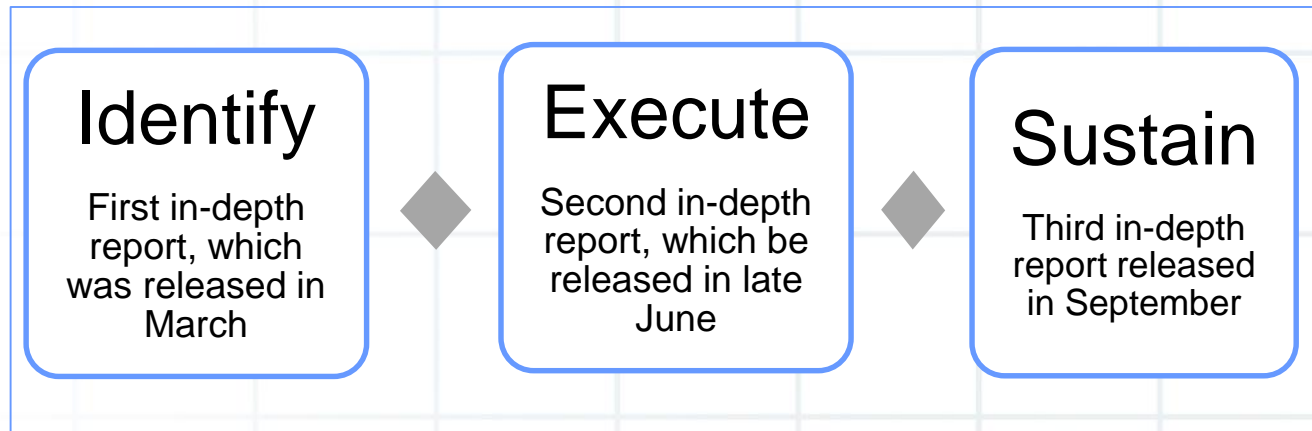
- DOD portfolio - the enterprise level. DOD requirements processes should understand COCOM missions. As a result it defines new capabilities needs or gaps.
- Service or Military Department portfolios that are managed by the ASA ALT, ASN RDA, and SAF – AQ.
- Within the Services, the Departments – their portfolios are further divided into portfolios led by flag level officers or SES's, aka the PEOs. Program Managers / PMOs drive to produce benefits = the system capabilities.



In our 2016 Global Project Management Survey, the *Pulse of the Profession*<sup>®</sup>, showed fewer projects meeting original goals and business intent or being completed within budget. More projects are failing and creating substantial monetary loss for their organizations. Further discussion is needed to understand why organizations do not fully appreciate that strategic initiatives are projects and programs. We suspect this disconnect may result because so few organizations monitor and measure the benefits that projects and programs deliver across a business.

# Benefits Realization Management

PMI's 2016 In-depth research series included reports that took a deep dive into the challenging world of benefits realization management:



Thought Leadership Series at PMO Symposium



IPMA's  
**PULSE** of the  
**PROFESSION**® In-Depth Report

The Strategic Impact of Projects  
**Identify benefits  
to drive business results**



# 1<sup>st</sup> 2016 In Depth Report

- **STRENGTHEN THE COMMUNICATION AROUND PROJECT MANAGEMENT AND BENEFITS IDENTIFICATION** – *BETWEEN EXECUTIVES AND PROJECT/PROGRAM MANAGERS.*
- **POSITION BENEFITS IDENTIFICATION AS A SHARED RESPONSIBILITY BETWEEN LEADERSHIP AND PROJECT TEAMS** – *THERE IS CONFUSION ABOUT OWNERSHIP FOR BENEFITS REALIZATION MANAGEMENT.*
- **TAKE A STRATEGIC VIEW OF BENEFITS** – *Better results*



**PULSE** of the  
**PROFESSION** In-Depth Report

Delivering Value  
Focus on  
benefits  
during project  
execution



## 2<sup>nd</sup> 2016 In Depth Report

Despite the proven value of benefits management, **83%** of organizations lack maturity with benefits realization.



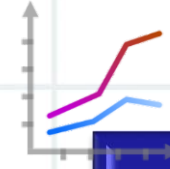
## PROJECT MANAGERS

- Revisit benefits
- Communicate with business owners
- Ensure alignment



## CROSS-FUNCTIONAL TEAMS

- Project manager expertise
- Business owner involvement
- Executive management involvement



## TOOLS AND PROCESS

- Prescribe process
- Standardized documentation
- Routine reporting

**better-equipped**

**cross-functional team**



**higher levels of benefits realization**

**collaborative effort**

## BENEFITS REALIZATION ROLES

Executive Sponsor

Ensures the project or program produces maximum value for the organization.

Benefits or Business Owner

Takes overall responsibility for monitoring and measuring benefits and ensuring they are achieved.

Project Manager

Leads the team responsible for achieving the project objectives.

Program Manager

Maintains responsibility for the leadership, conduct, and performance of a program.

Portfolio Manager

Establishes, balances, monitors, and controls portfolio components in order to achieve strategic business objectives.



# Responsibility for project benefits management

Role	Revisiting expected benefits	Communicating benefits-related issues with business owners	Ensuring project benefits stay aligned to organization's strategic objectives
Project manager	46%	63%	38%
Business owner	14%	n/a	13%
Executive sponsor	14%	9%	19%
Other senior management designee	9%	12%	11%
PMO staff	8%	9%	8%
PMO director	4%	5%	7%
Other	<1%	<1%	<1%
Not done in the organization	5%	2%	3%

*Note: Percentages reflect organizations that indicated role is primarily responsible for each activity. Column percentages may not sum to 100% due to rounding.*

# Tools and processes contribute to higher ROI

**Prescribed  
processes**



**38%**

**more projects meet or  
exceed ROI**

**Standardized  
documentation**



**19%**

**more projects meet or  
exceed ROI**

**Routine  
reporting**



**28%**

**more projects meet or  
exceed ROI**

Establish benchmarks for acceptable levels of performance

Avoid capturing too much data

Focus on key indicators

# QUESTIONS

to ask during the delivery phase:

- ▶ Have benefits been developed and agreed upon?
- ▶ Have key stakeholders been consulted?
- ▶ Are report structures and benefits monitoring processes in place?
- ▶ Have the benefits been reviewed and updated?
- ▶ Are benefits aligned to the organization's strategic objectives?

# ACTIVITIES

that make up benefits delivery include:

- ▶ Establishing the benefits realization plan that will guide the work through the remainder of the project or program.
- ▶ Defining the key performance indicators and associated quantitative measures required to effectively monitor the delivery of benefits.
- ▶ Establishing the performance baseline for the project or program and communicating performance metrics to key stakeholders.
- ▶ Monitoring the organizational environment (including external and internal factors), objectives, and benefits realization to ensure the project or program remains aligned with the organization's strategic objectives.
- ▶ Initiating, performing, transitioning, and closing component projects and subprograms, and managing their interdependencies.
- ▶ Evaluating risks and KPIs related to financials, compliance, quality, safety, and stakeholder satisfaction to monitor the delivery of benefits.
- ▶ Recording project and program progress and reporting to key stakeholders as directed in the communication plan.

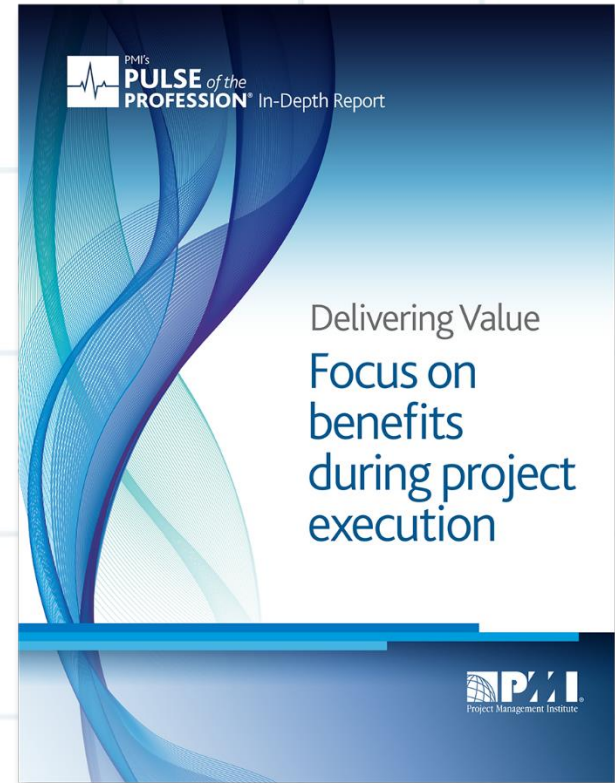
Support the role of project managers in benefits realization management.

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Engage cross-functional teams to fully realize benefits.

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Provide the right tools and processes to monitor and measure benefits.



[pmi.org/pulse](https://pmi.org/pulse)



2009's  
**PULSE** of the  
**PROFESSION**™ In-Depth Report

Beyond the Project  
**Sustain benefits**  
to optimize  
business value



# Path to Greater BRM Maturity



And there's a growing interest in the discipline, which has been a topic of conversation—and often frustration—as no single approach is upheld as the ideal. Despite that, our research shows that a majority of organizations (69%) consider it important to invest in resources to advance their BRM maturity. They recognize the connection to achieving their strategic goals.



**Bridge the project and  
business language gap.**

# What is BRM?



Source: PMI's 2016 Thought Leadership Series, *Creating Lasting Value: Benefits realization management*

# What is PMI's Position on Benefits Realization Management?



*Pulse of the Profession*®  
In-Depth Reports

Thought Leadership Series

# Three Challenges with BRM

**1** Everyone is interested but few are doing it well

**2** Confusion about who is responsible

**3** Looking for the easy answer

*Source: PMI's 2016 Pulse of the Profession® In-Depth Report on Benefits Sustainment*

# Value of BRM

Companies that report mature BRM capabilities

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**1.6x**

**more likely to  
realize project  
objectives**

**3.0x**

**more likely to  
meet or exceed  
target ROI**

*Source: PMI's 2016 Thought Leadership Series, Creating Lasting Value: Benefits realization management*

# BRM Drivers

- Recent Business Performance
- Increased Regulation
- Heightened Public/Shareholder Scrutiny
- Focus on Outputs Only

*Source: As presented by Iain Fraser at 2013 PMO Symposium*

# BRM Considerations

- Strategic Benefits
- Benefits to Managers & Staff
- Benefits to Brand
- Benefits to Customers/Clients

*Source: As presented by Iain Fraser at 2013 PMO Symposium*

# 6-Steps for Success

- BRM Strategy & Plan
- Identify & Map
- Plan
- Execute
- Review
- Optimize & Sustain

*Source: As presented by Iain Fraser at 2013 PMO Symposium*



# Quick BRM Wins

Select the right projects

Involve project managers throughout the project phases and invest in strengthening their capabilities

Articulate and encourage the right behaviors

Be relentless about matching the right project management skills for the project, particularly for complex projects

Source: PMI's 2016 Thought Leadership Series, *Creating Lasting Value: Benefits realization management*

# Medium to longer term actions

Develop approaches that hardwire the link between strategy and projects

Link c-suite, business owner, and project manager incentives to outcomes in addition to outputs

Formalize apprenticeship and on-the-job training to develop needed organizational skills for BRM

*Source: PMI's 2016 Thought Leadership Series, Creating Lasting Value: Benefits realization management*

# BRM Actions

- More to be Done!
  - Adopt/Adapt PMI's BRM Framework
  - Create & Foster the Right Culture
  - Recognize & Confirm Roles
  - Define Responsibility and Ownership for Measurement & Validation



# The EPMO, Role with BRM

- The role of the enterprise-wide PMO (EPMO) in organizations | great interest.
- EPMO has many opportunities to capitalize on as a significant contributor to advancing critical topics, such as the notion of value (& BRM) management.
- 2016 *Pulse* reports that organizations with high benefits realization maturity are nearly twice as likely to report having an EPMO and that organizational performance tends to track higher.
- This puts the EPMO in the ideal position to fully embrace value management and the related benefits capturing.
- This is a fantastic opportunity for EPMOs and for the profession, as currently there is confusion around responsibility and even authority. Thereby, EPMOs can add much more value to the organization.

Iain Fraser, PMP, PMI Fellow