

The value of projects and programmes

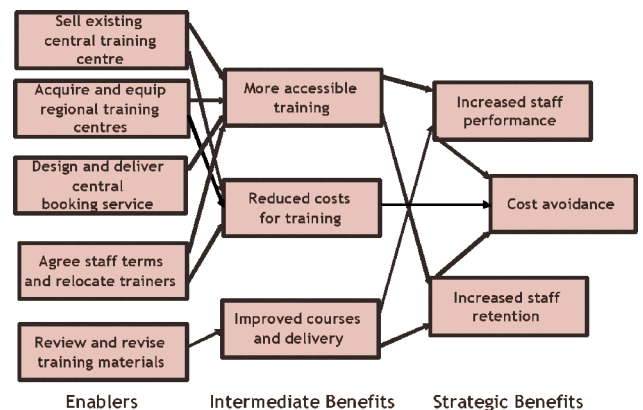
In this Lucid Thought we reflect on benefits, and the incremental value that projects and programmes are intended to create for the organisation that invests in them. In some organisations, and in some learned publications, it is argued that programmes alone deliver benefit, with projects delivering only the new capability that the organisation can subsequently utilise to create benefit. Where the managed change being undertaken is a goal-oriented programme, this distinction is perfectly valid and useful - but lots of people are involved in managing projects that are not overtly part of some larger scheme. We argue that in those situations, failing to focus on benefits in addition to delivering capability is actually taking the chance that a successful project will be a business failure.

For example, you may be managing the design and delivery of a new IT system. Let's say the new system is intended to change the way customer-facing staff do their job and that the return on the investment made by the company in the IT system is a reduction in headcount and increased customer satisfaction. It is possible that you could deliver the required system to specification, on time, and to budget - a project success at one level. But if the work to manage the human and organisational changes required to deploy the new system and realise the benefits was not part of your project scope, nor part of anyone else's planned work, then the IT system could be used (at a significant capital cost) without the reduction in operational costs and increased satisfaction that the organisation needed to stay competitive (or effective in not for profit organisations). In our experience, there are too many examples of successful projects resulting in (at worst) erosion of, or no gain in value.

So what can be done? Our answer to a significant business

problem is actually quite simple.

The technique of **benefit mapping** is arguably the most useful thing any Programme or Project Manager can do at the start of any managed change.



Benefit mapping simply models the relationship between the beneficial outcomes of the project (at a strategic/organisational level) and the enabling projects and other actions that will lead to that benefit. Asking "why are we doing this" leads to an understanding of value. Asking "how will we achieve this value" leads to an understanding of all the necessary pieces of the jigsaw required to realise the value. In the following example you will see the relationship between the projects related to setting up new training centres and courses for a company to the value that the company desires from the investment. Done well, the benefit map becomes the starting point for the business case and for modelling the cash outflows and inflows of the investment appraisal.

If you're a Programme Manager and responsible for the whole - benefits mapping is essential as a way of joining up the logic of the programme and gaining buy-in for benefit realisation from the line (standing) organisation.

If you're a Programme or Project Manager responsible for part - benefit mapping is really valuable as a way of testing the logic of the scope of your work, and making sure there is understanding from the others who will also need to play a part before your successful project can become a business success too.

One of our clients does this really well; benefit mapping and management for all managed change is a mandated requirement. This focus on benefits helps sponsors make good decisions at gate reviews - they only invest in work where the path to business value is clear and thought through. Some projects are pure enablers that alone will not create value - but those investments are never wasted as the other pieces of jigsaw that combine with the enabler to create business value are in place.

We work with lots of other people who are still struggling to put benefit management in its rightful central place. Some argue that it's too difficult to measure benefits (they are intangible!), others argue that it is obvious that if they do x, then y benefits will be realised (build it and they will come or does that only happen in films?)

Irrespective of whether an organisation is willing to risk its scarce resources on projects and programmes that have no clear path to measurable benefit; we argue that benefit mapping is the simplest and most useful technique that any person charged with managed change can use - to make sense of the work, to challenge assumptions, to engage senior stakeholders in the business and to create value by shedding light on managed change - which of course is our mission.

If benefit mapping isn't already a part of your normal practice - have a go - it could even yield big personal benefit.

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