

Programme name Magellan

Date: 23rd June 2014

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Benefit ID: Mag B001

Version: 0.1

Revision History

Date	Summary of changes	Version
23.06.2014	Initial draft	0.1

Approvals

Name	Version	Date	Approval context	Signature

Distribution

Distributed to:	Version	Date	Signature
Initiation team	0.1	23.06.2014	AJD

Description

Reduced staff costs

The overall programme will produce a reduced cost of sale by various means. This profile relates specifically to salary costs that are reduced within the Operations Department.

Assumptions

- e-commerce will increase sales by 20% per annum
- 80% utilisation of increased warehouse capacity

Dependencies

The benefit arises from the outcomes of three projects:

- Warehouse facilities
- e-commerce
- Supply chain system

Business area

Operations Department

- 30% reduction in warehousing staff
- 10% Increase in support resource from IT
- 15% reduction in dealer support staff in Sales & Marketing

Costs

- Change management resources from HR: £50,000
- Legal fees: £40,000
- Redundancy payments: £130,000

Value

- £ 375,000 per annum

Cross references

See

- Benefits Management Plan for measurement standards
- Risk register for related risks:
 - Mag R014
 - Mag R018
 - Mag R027
- Stakeholder register and communications plan relating to:
 - Operations staff
 - Unions

Resources

- Change management resources from HR
- Legal resources from Carberry Solicitors

Supporting documentation

Magellan benefits map showing relationships between projects, outcomes and benefits

Narrative

You will see from the high level benefits map that this benefit is not specifically listed and is actually a component of reduced cost of scale. On a programme as large and complex as Magellan it may be necessary to have tiered benefits maps showing increasing levels of detail.

Alternatively, there could simply be a single 'Reduced cost of sale' benefit profile that covers everything to do with that benefit including salary savings in the Operations department.

The number and scope of individual benefit profiles is something that has to be tailored to the complexity of the programme.