

Funding the right projects: «Benefits-based» planning and delivery

Or how to create real VALUE by ensuring
a permanent link between projects
and corporate strategy

«Benefits-based» planning and delivery

As the proverb says...

«A tree falls the way it leans»

Bulgarian Proverb

- ❖ The «Project Age Value Model» : linking projects to strategic benefits
- ❖ How can a project help benefits realisation ?
- ❖ The «Wallace Wheel»: obstacles to benefits realisation
- ❖ The «Chaos Report»: the effect of stakeholders' alignment/misalignment on project success
- ❖ «Cassivi's Model»: how to achieve benefits realisation
- ❖ A must: the «Benefits Realisation Support» work package
- ❖ Conclusions and question period

The «Project Age value Model[©]»

Linking projects to strategic benefits

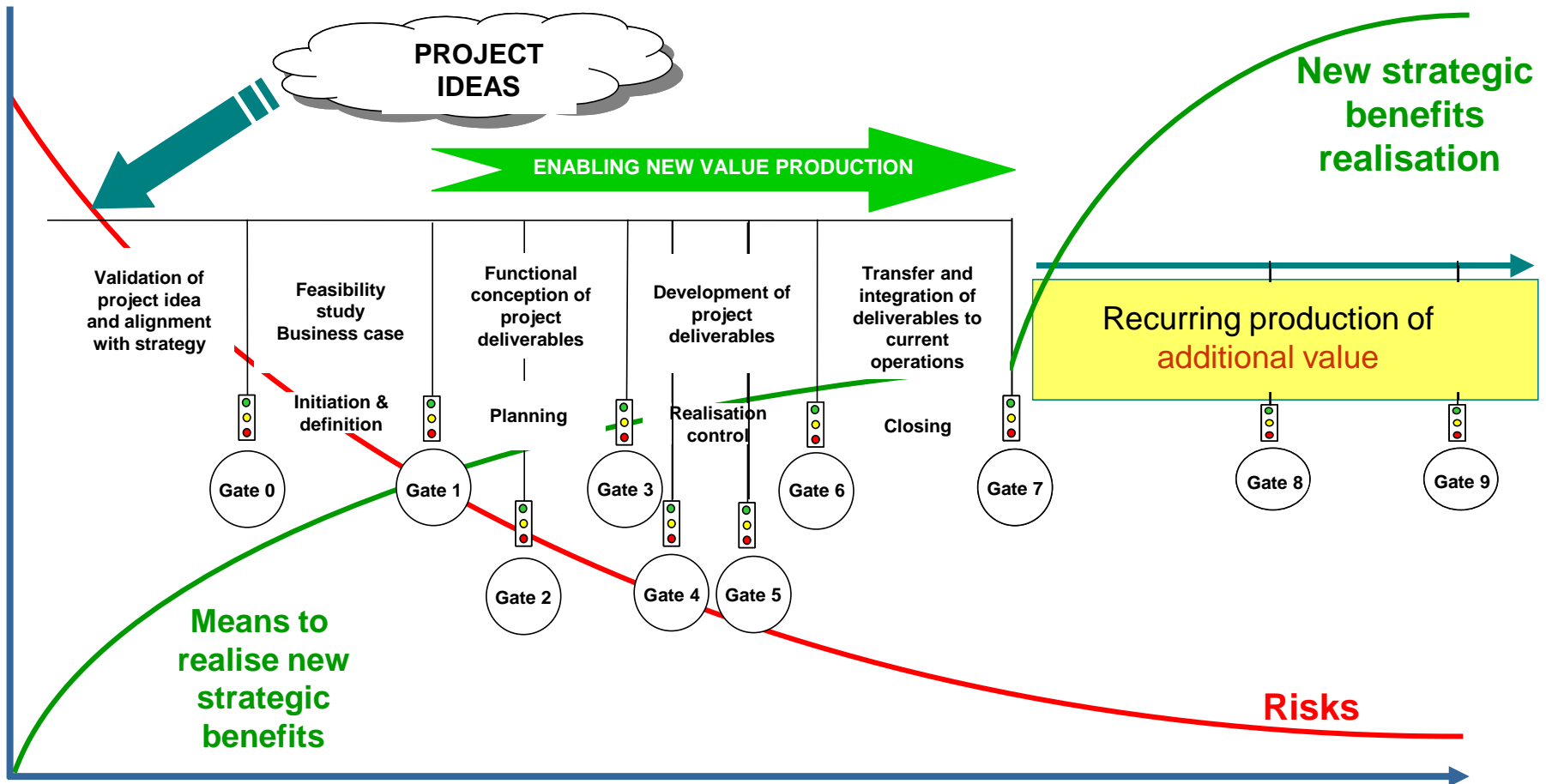
In a well organised environment, where there is a clear purpose ...



Our dynamic, complex and constantly changing environment

How can a project help benefits realisation ?

Some things have to be planned, for ...



Emphasis remains on strategy: from idea to benefits realization

The «Wallace Wheel»

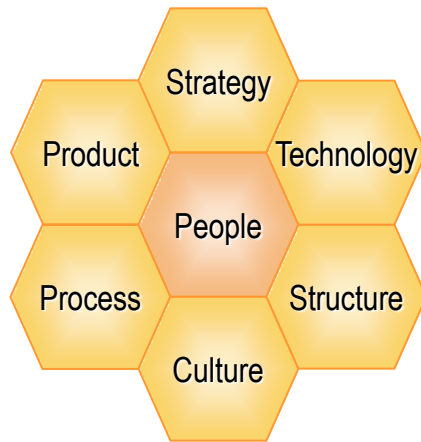
Obstacles to benefits realisation

*One has to understand the true nature of projects ...
... it's about people changing the life of other people*

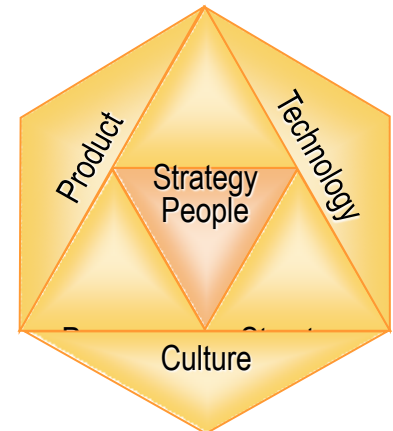
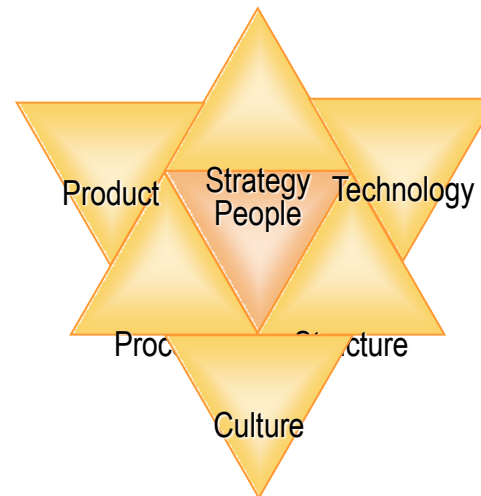
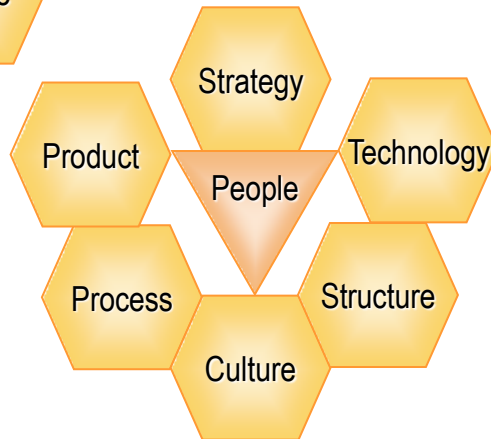


The «Wallace Wheel»

Illustration of change dynamics (1)



An important change to one element brings a realignment of all elements

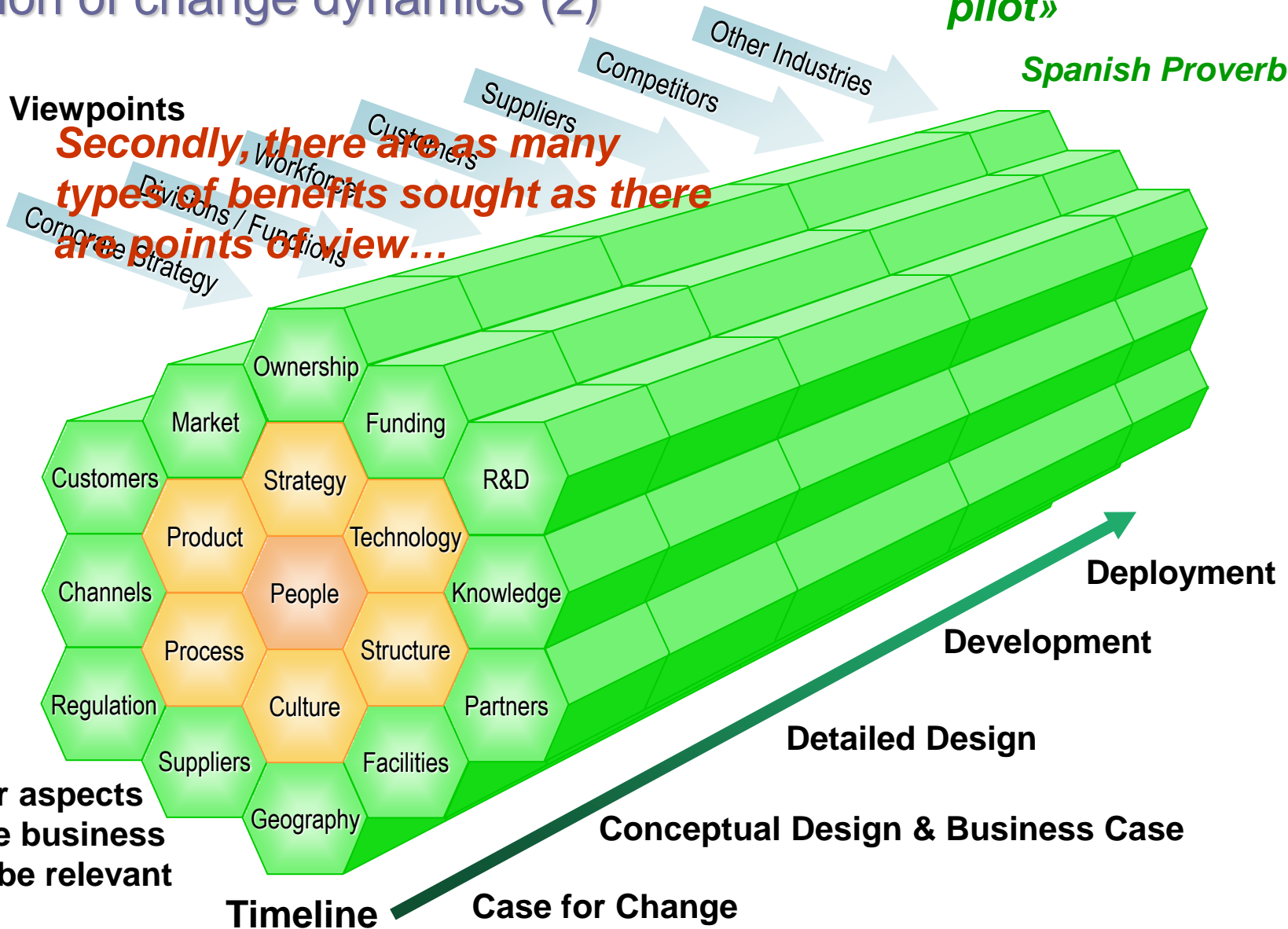


The «Wallace Wheel»

Illustration of change dynamics (2)

«In a calm sea, everyone is a pilot»

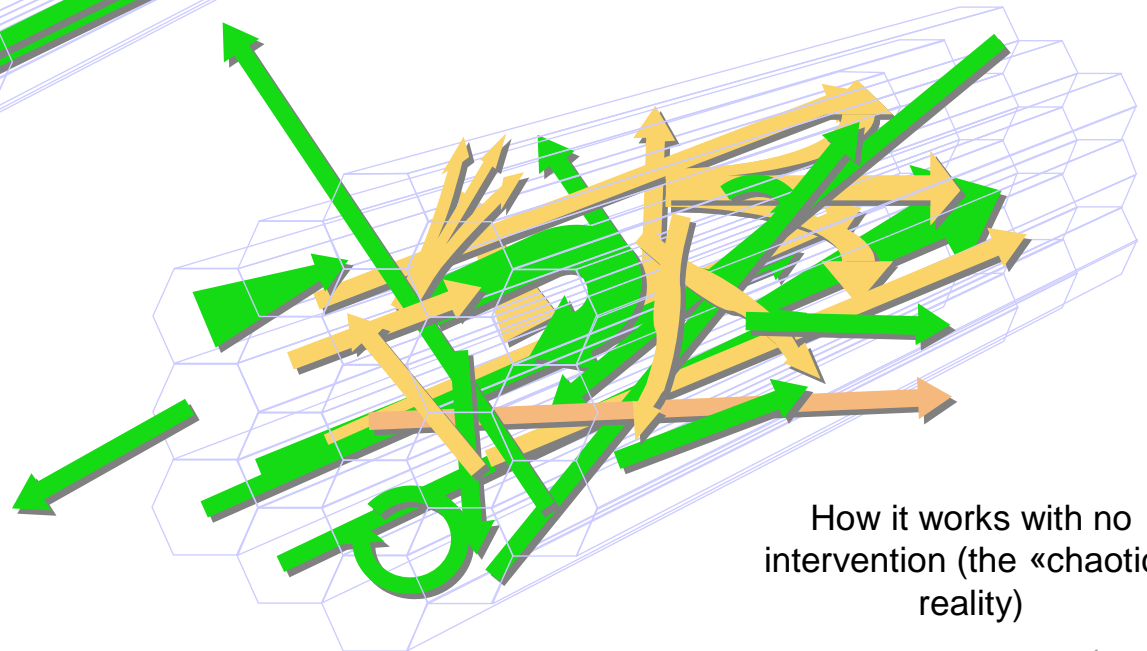
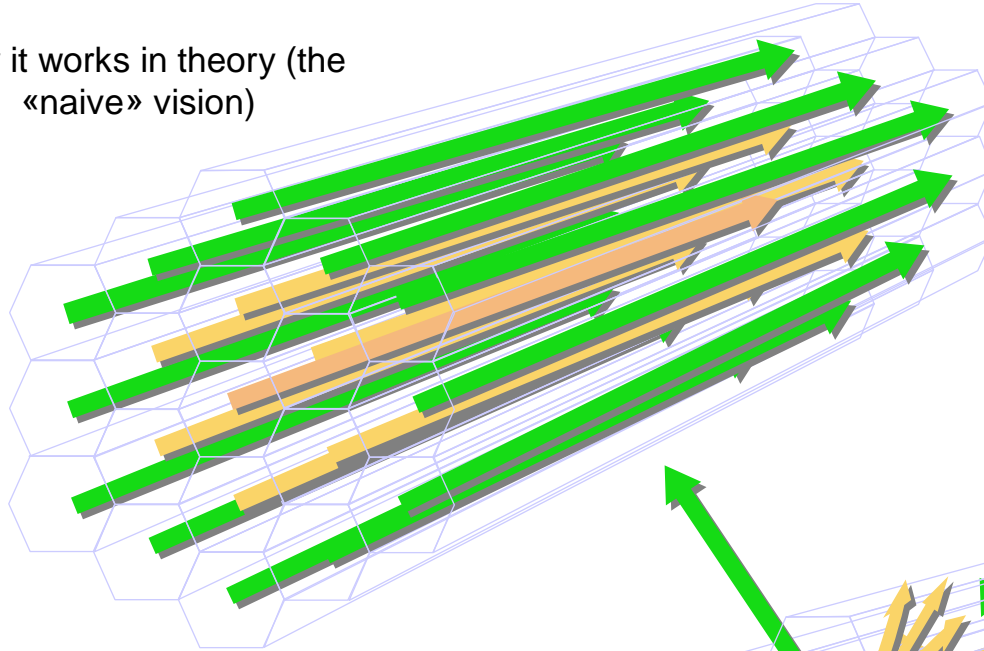
Spanish Proverb



The «Wallace Wheel»

Illustration of change dynamics (3)

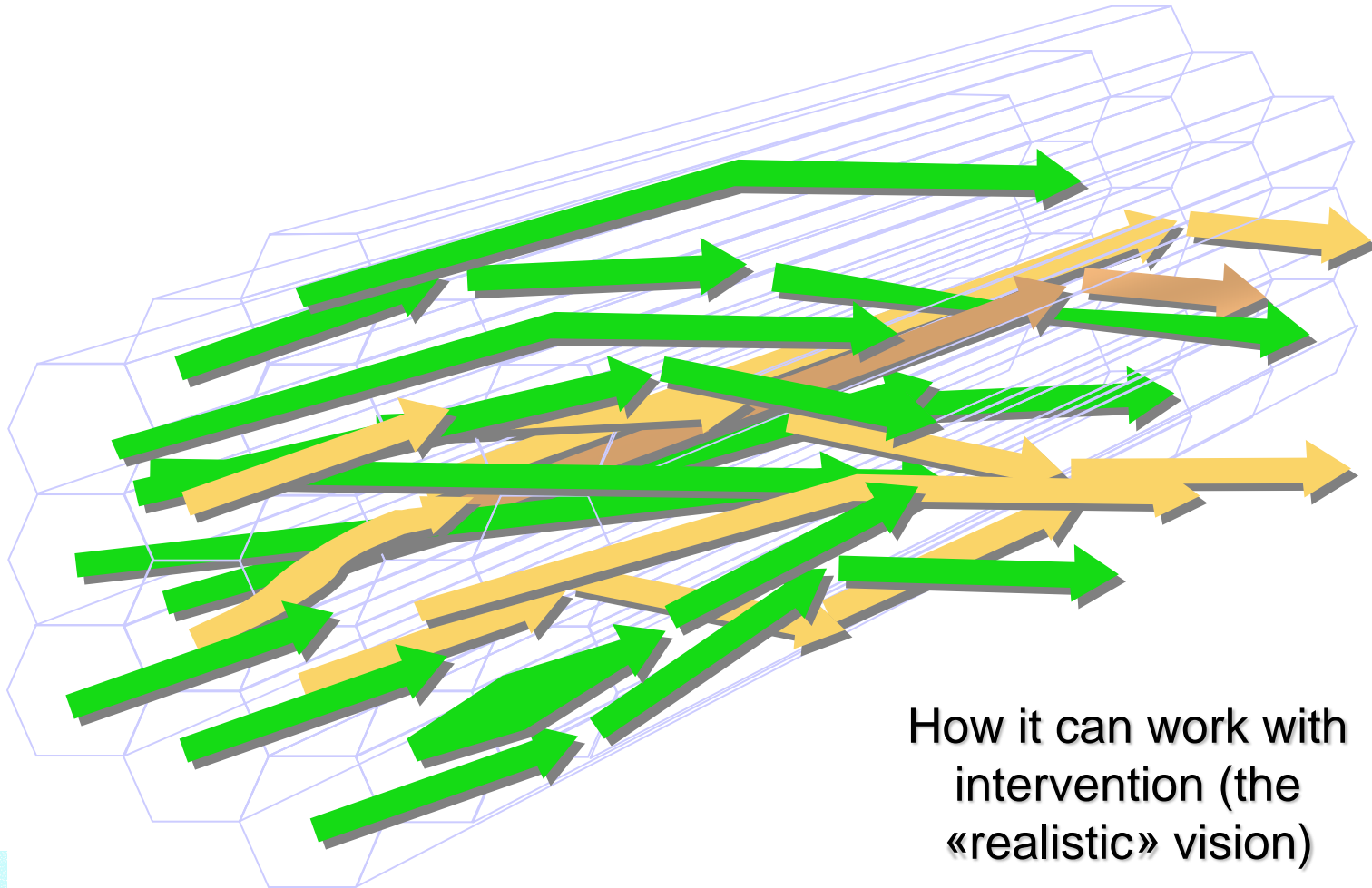
How it works in theory (the «naive» vision)



How it works with no intervention (the «chaotic» reality)

The «Wallace Wheel»

Illustration of change dynamics (4)



How it can work with
intervention (the
«realistic» vision)

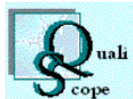
The «Chaos Report»

The effect of stakeholders' alignment/misalignment on project success

The 10 project success/failure factors *	
User involvement	20 %
Executive support	15 %
Shared/clear business objectives	15 %
The project manager	15 %
Small milestones	10 %
Firm well-understood/shared basic requirements	5 %
Competent staff	5 %
Proper (participative) planning	5 %
Accepted activity/task/deliverable ownership	5 %
Other	5 %

* Standish Group study on 23,000+ IT projects

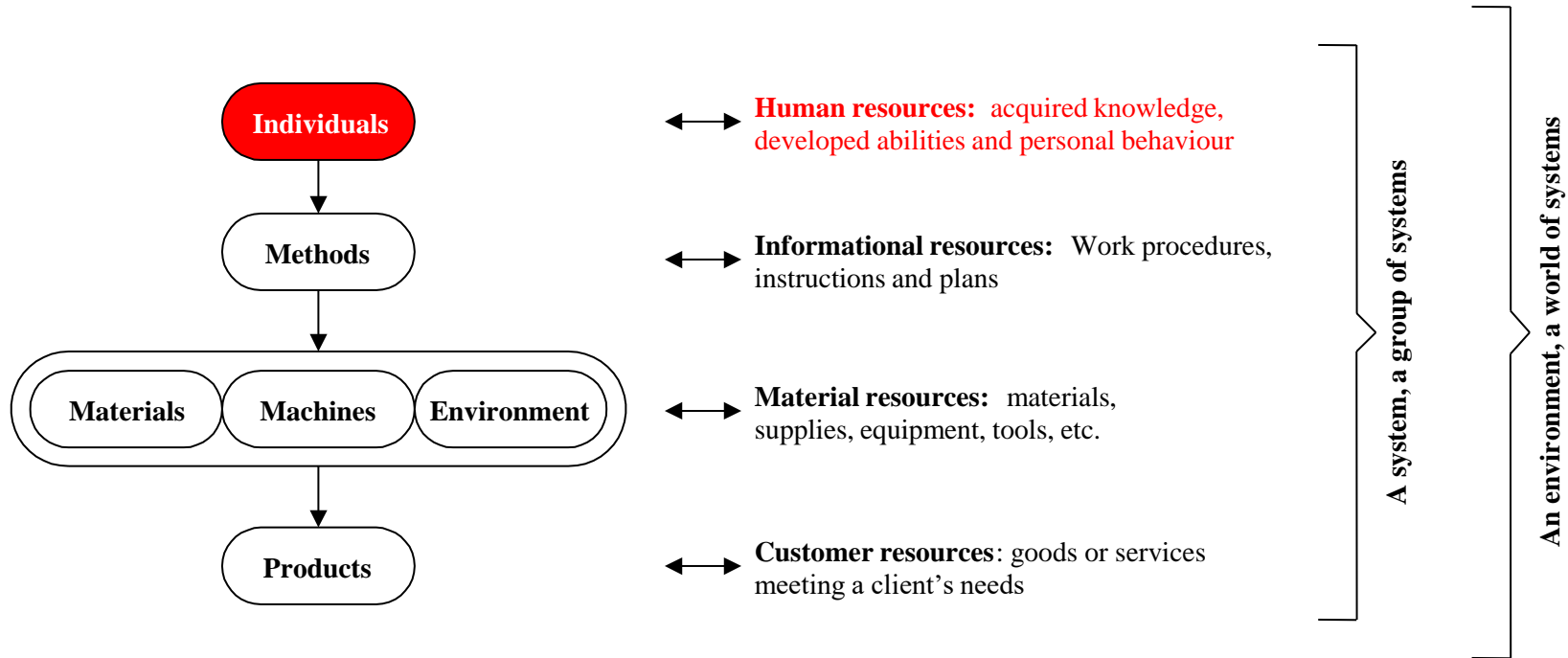
http://www.standishgroup.com/sample_research/index.php



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Cassivi's Model

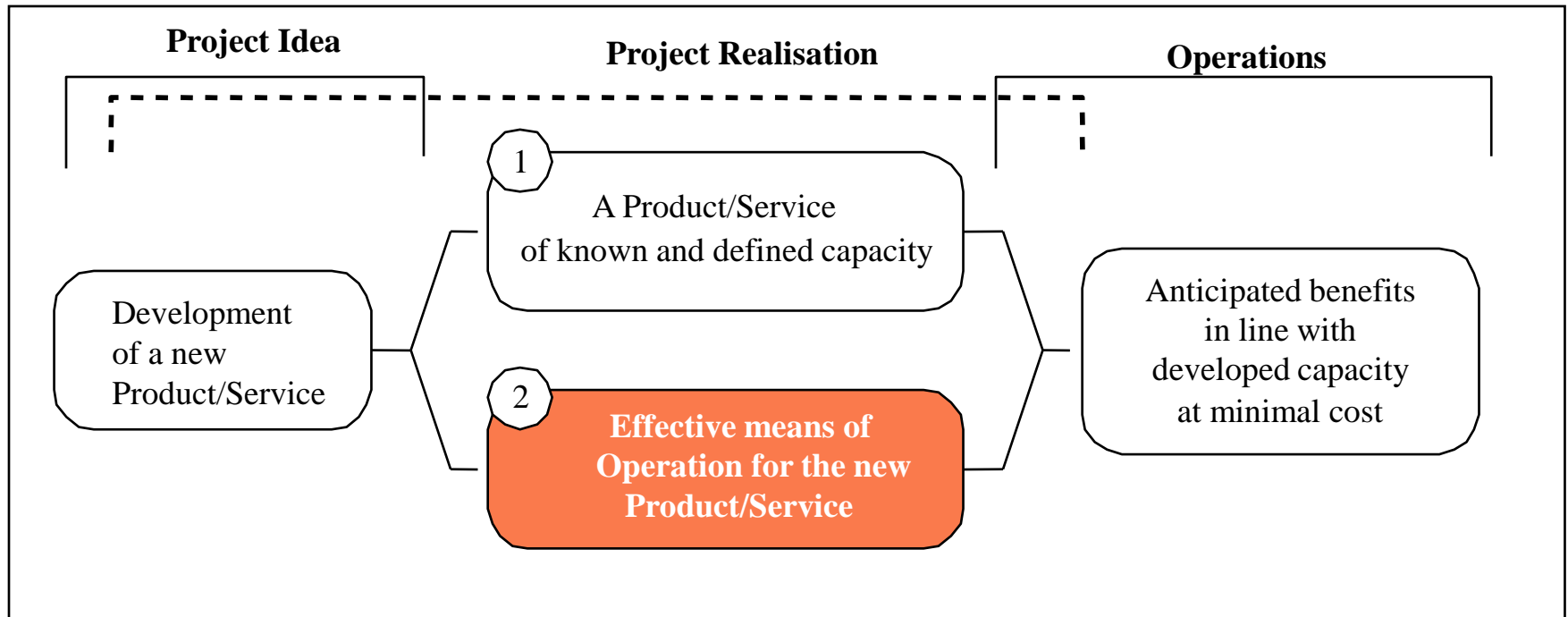
How to achieve benefits realisation (1)



The ultimate deliverable of a project is an interrelated group of sub-systems (similar to Wallace)

Cassivi's Model

How to achieve benefits realisation (2)



A project must therefore include two major sub-categories of deliverables

Cassivi's Model

How to achieve benefits realisation (3)

«Change management» is intertwined with benefits realisation

Typical «Change management » Critical Success Factors

User/client participation to project definition, planning and execution

Changes to project Scope/timeline/cost are presented/shared with user/client

Changes required to organisational components are synchronized with integration of product/service deliverables

Having in place a shared benefit realisation plan

Having in place a shared communication plan

Cassivi's Model

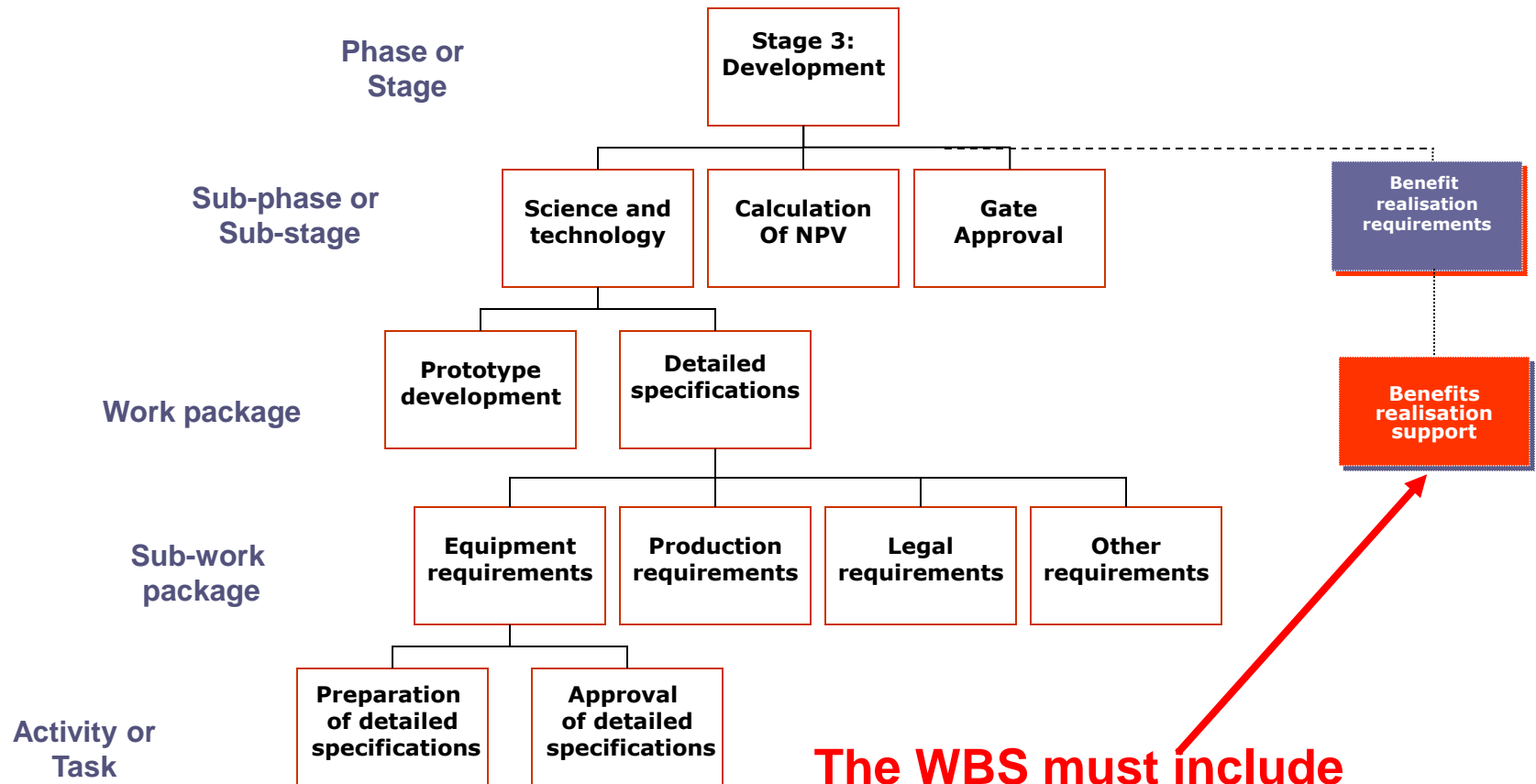
How to achieve benefits realisation (4)

Benefits realisation is possible only when the environment and the people can readily integrate the new product/service in day-to-day operations

Some typical« means of operation »

All new sub-systems(human, machines, methods, organisation, etc) are in place
All sub-systems contribute as anticipated to benefits realisation .
The new system is well integrated to all adjacent/interdependent systems
A shared ramp-up plan defining, over time, the activities required to realise anticipated benefits
KPIs and measurement tools are in place to guide benefits ramp-up and recurrent new value production
All required support and training documentation is complete and readily available
All stakeholders contributing to benefits realisation are properly trained
Budgets are available to correct ramp-up activities as required and to foster continuous improvement of the new system in place

A must: The «Benefits Realisation Support» work package



The WBS must include benefits realisation activities, which cover «change management»

Conclusions

«Speak the truth, but leave immediately after»
Slovenian Proverb

- ❖ Projects must provide benefits in line with corporate strategic objectives
- ❖ Selecting «good projects» is not enough, **benefits must also be delivered**
- ❖ A project is a **change vehicle** affecting the current «value production» system
- ❖ **This change is disturbing** and requires a realignment of all the elements of this current system, including the people involved

Conclusions

- ❖ The project plan have to include «Benefits Realisation Support» activities
- ❖ Those activities have to necessarily include a change management strategy and the alignment of the various «personal interests» with strategic needs
- ❖ Executing and succeeding these activities is **required for the project to continue being funded**
- ❖ This is a «Must» – avoiding it results in benefits not being realised and the ultimate failure of the strategic plan
- ❖ THEN, LET'S JUST DO IT !!



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**« TAMING CHAOS...
...BY MASTERING CHANGE »**