Project Benefits Realization- Academics' Aspiration and Practitioners' Nightmare

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Introduction to Research

- Current debates on project success center around project outcomes rather than outputs
- Benefits management (BM)/benefits realization (BR) has become critical in addition to completion of scope on time and cost
- My research explored whether benefits realization is practicable – what practitioners say about it?

Introduction to Research

- This research investigated what benefits realization (BR)practices exist and how these are practiced in public sector organization
- It highlights challenges faced by project practitioners in benefits realization
- It also looked at the aspirations of researchers on BR and challenges in practice

Introduction to Research

- This research investigated what BR frameworks are being used in practice and whether these are similar to what PM literature proposes
- It focused on the public sector projects, as these projects are implemented in complex environment, deal with a large number of stakeholders, legal imperatives, public scrutiny and various layers of decision making

Existing Litt on Benefits Realization

- Growing awareness in organizations that benefits management must be an integral part of project management particularly P3M (APM 2017).
- Delivered benefits are not linked back to the organizational strategies (Marnewick 2016)
- organization do not have the ability to formulate benefits and do not have processes in place to link the delivered benefits to the promised benefits (Chih & Zwikael 2015)

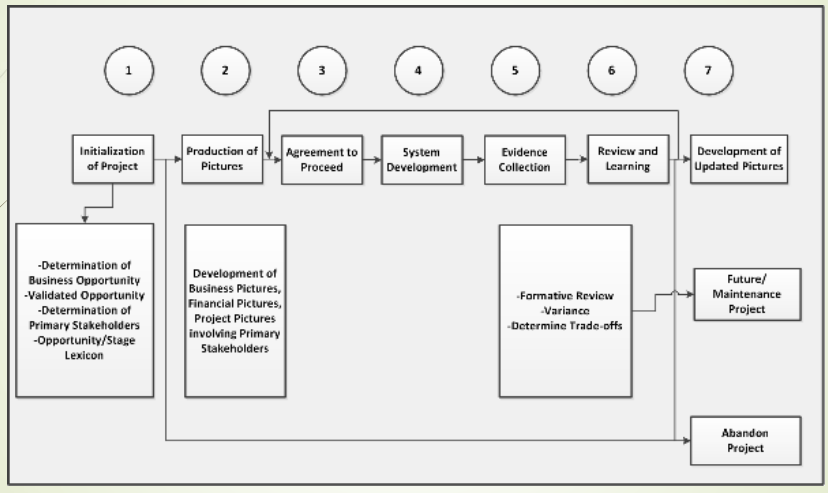
Existing Litt on Benefits Realization

- Focus should be shifted from project outputs to outcomes (Zwikael and Smyrk 2012)
- Project lifecycle should be extended to include benefits realization (Zwikael and Smyrk 2012)
- combining project management with benefits management in a single governance framework enhances the possibility of success (Badewi 2016)
- top management support (TMS) plays key role in the implementation of benefit management at P3M (Young et al 2017)
- Training and effective communication are other key elements to achieve understanding and compliance for the implementation of benefit realization framework (Young et al 2017)

Existing Litt on Benefits Realization

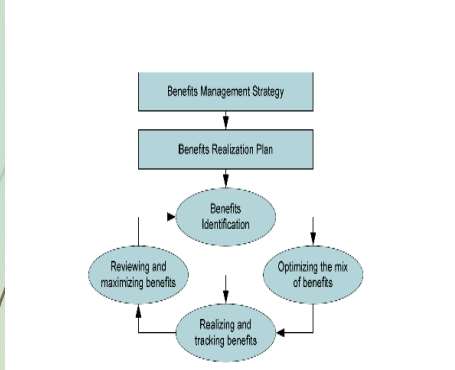
- The accountability of project funder and benefits owner for BR can enhance project performance (Zwikael and Smyrk 2012)
- BR has become a significant factor for projects therefore project success be assessed on project benefits rather than project completion on time and cost (Mossalman and Arafa 2015)
- Existing Litt proposes a number of frameworks for effective BR but most of these have not been Applied in practice

Frameworks in Litt:

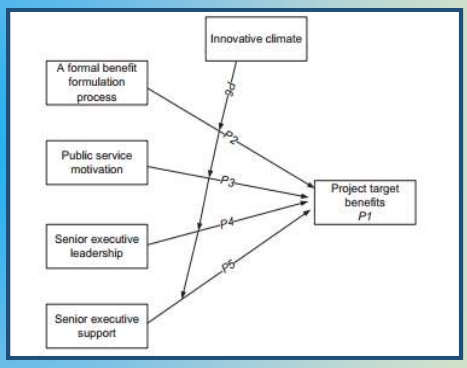


Active BR process (Remenyi and Sherwood-Smith 1998) adopted from Viklund and Tjernstrom (2008).

Frameworks in Litt:



OGC (2008) BM framework



BM framework to align benefits to organizational goals (Chih and

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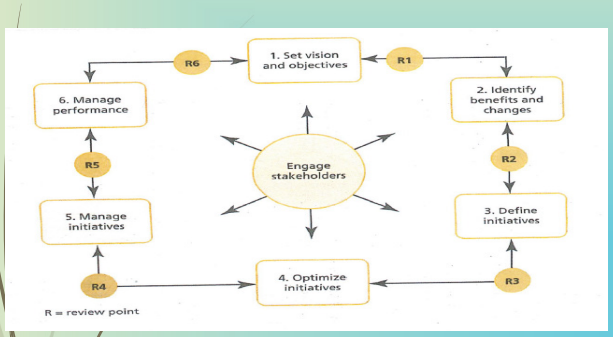
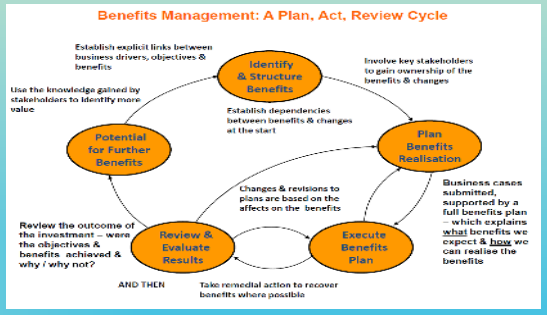


BM framework by Bradley (2010)



BM Framework (Ward and Daniel 2012)

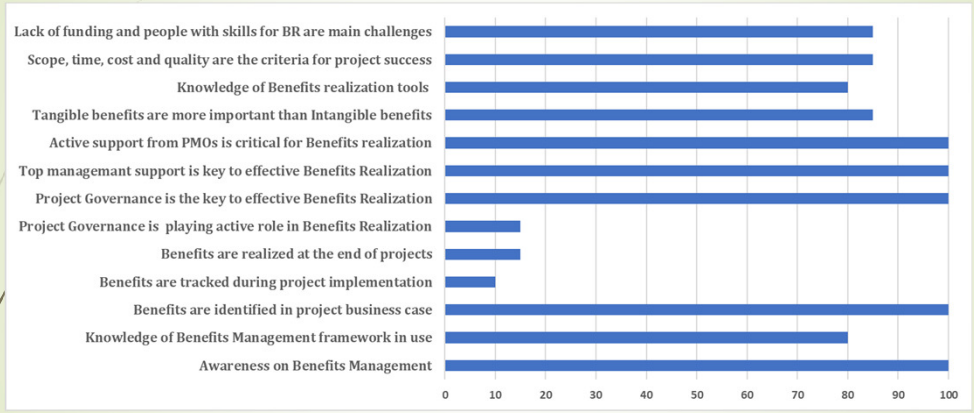
Methodology

- The methodology for this research is qualitative and is based on a case study method
- Semi-structured interviews of over 30 practitioners in 6 public sector organizations
- Organizations selected are big in size and budget
- Selected organizations have large project portfolios
- These organizations have projects such as capability enhancements, new applications, new systems and large scale and long running projects

Results- Initial Emerging themes

- Out of 20 interviews emerging themes were identified based on research questions
- These themes confirmed some of the findings in literature and highlight some new trends in practice

Emerging Themes



A few observations

- One participant said, 'They [project board] like when you provide benefits realization plan but if you do not, no body loses their sleep'
- ‚Another said, 'you may find very professional people sitting in the project board but at times they just sit in the meeting and play with their mobiles'
- "people in [project] governance do not understand benefits, they look at it with a scatter-gun approach and do not see at BM as a process from start to the end"
- A majority of participants think BR can be taken seriously only when project governance shows its seriousness about it.
- "If the project governance makes reporting on benefits tracking mandatory, the project managers will do it, in no time".

Findings

- This research identified that existing literature on benefits realization (BR) is normative and aspirational
- There is a widespread awareness on the significance of benefits realization among all the participants
- In most organizations identification of potential benefits is a requirement for project approval
- Majority of participants admitted that they are aware of benefits management tools such as Benefits profile, benefits maps, benefits plan, and benefits owners

Findings

- Some acknowledged the presence of BM framework but said never used it
- Some organizations have standalone BM frameworks whereas others think BM is ensured through quality and risk management plans
- However, the BM frameworks in use in case organizations are not similar to frameworks we find in literature
- There is one department within a case study organization, there was BM framework 7 years ago but it does not exists anymore

Findings

- Participants informed that effective PM governance is the key in the pursuit of BM and BR but it is not playing proactive role in the implementation of BM and BR in project management processes
- People sitting in project boards are at times not fully aware of their roles and responsibilities

Findings

- Majority of participants agreed that the push for BR should come from the top management
- In one case study organization Top Management has shown strong commitment to BR, therefore it has been taken seriously at all levels
- In that organization all involved were given training in benefits realization that resulted in 50% success rate in BR

Discussion

- The existence of BM frameworks is not enough as the use of frameworks varies even within an organization
- The lack of commitment from project governance has been identified as a main challenge
- The absence of reporting requirements on project progress indicate lack of commitment by project governance to benefits realization
- Digital Transformation Agency (DTA) offers hope for benefits realization but it is limited to IT projects only
- Peppard et al (2007) argue that benefits owners should be nominated and the responsibility for the realization of each benefits must be assigned to benefits owners.

Discussion

- Senior Responsible Officer and Capability Manager have been nominated as possible benefits owners but problem is lack of accountability
- In one case study operation manager/capability manager have been nominated as business owner, they were required to report on benefits tracking, results were encouraging
- In that organization Top Management Support (TMS) has shown commitment to BR and it was taken seriously at all levels
- Funding, skills and human resources are key challenges for effective benefits realization
- A proactive role of project governance has come out as the main key to success on effective benefits realization
- People in project governance need training on the training on their role

Conclusions

- All participants acknowledged the significance of benefits realization
- There are pockets of excellence in benefits realization in case study organizations
- Benefits realization is not being applied at the organization level except one case study organization
- Project governance can play key role in effective benefits realization
- PMOs need to play proactive role in benefits realization

Conclusions

- Funding, skills and human resources should be provided for effective benefits realization
- Most of the participants foresee that in next 5 to 10 years benefits realization will be widely adopted