

**ESTIMATING
VALUE AND
REALIZING
BENEFITS**

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BENEFITS REALIZATION

- Seldom followed up on projects and programs – more of an aspiration
- Critical to getting further funding
- Key to realization is measurement, baselining before and after implementation
- Don't measure too early after go live – metrics can bounce around
- You need keen advocates in all departments – how has the solution improved your job?
- Perception can trump measurement and facts so it needs to be managed carefully

Benefits tracking and realization

Benefit Profile

This profile is used to de

Initiative Name:	Steady Focus on Benefits: 1 in 3 organizations report high benefits realization maturity. A key challenge many companies face is managing projects based only on traditional outputs—such as time, scope, and budget—without consistently tracking whether they help the organization achieve its larger strategic goals. Benefits, tangible and intangible, should be considered in the equation.	measures:
Benefit Name/Label:		Benefit ID:
Benefit Description:		gent, financial
Benefit Categorization:		Key Stakeholder
Organizational Goal/Outcome:		
Benefit Owner:		
Dependencies:		
Responsible Manager:	Reporting Frequency:	Target Value:

Bridging Strategy and Value Delivery with the EPMO:

Only 41% of organizations with an enterprise-wide project management office (EPMO) report that it is highly aligned to the organization's strategy. The EPMO is a centralized function that should operate at a strategic level with executives. It should ensure strategic alignment between business objectives and the projects and programs that deliver them. This lack of alignment indicates the need for executives to better recognize the full potential of how the EPMO can bridge strategy and value delivery.

However, we see that not many organizations are good at this. Fewer than one in 10 organizations report having very high maturity with their value delivery capabilities. About two in five organizations report that creating a culture receptive to change, that values project management, and that invests in technology are high priorities. A quarter consider developing skills for project sponsors a priority, and only 31% are prioritizing the development of a comprehensive value delivery capability. Again, we see that champion organizations are making the investment and have high delivery capabilities maturity—87% versus 5% of underperformers.

Project Management Institute. 2018. *Pulse of the Profession® Survey: Success in Disruptive Times—Expanding the Value Delivery Landscape to Address the High Cost of Low Performance*. Newtown Square, PA: PMI.

Benefits tracking and realization

Benefit ID	Name	Description	Owner	Type	Planned Benefit	Timing	Actual Recorded Benefit	Verification Method	Notes	Benefit Approved / Closed
001	Quality Review by Exception	Reduce the time taken for Quality Review and Release of Manufacturing Batch Records	J Smyth	Hard Benefit - Time	Reduce average review times from 6 hours to 1 hour	Medium Term – Measure after 3 months / 30 Batches	Average time recorded was 1 hour 10 minutes	Timestamp measurement using system timestamps	Longest review 1 hour 25 mins Shortest Review 45 Mins	Yes
002	Reduce Batch Deviations	Reduce the average no. of recorded deviations	P Jones	Soft benefit – Comp/Qual	Reduce average no of deviations from 12 to 1 per batch	Start measuring after 12 batches. Measure for 3 months / 30 batches	Average no. of Deviations recorded was 0.5 Deviations per batch	Run deviation report for 30 batches and take average	All deviations were minor in nature and closed within the hour.	Yes
003	Line Clearance	Reduction in Line clearance times	M Burke	Hard Benefit - Time	Reduce Line Clearance times by 50%	Short Term – Start Measure after 4 batches	Line Clearance times reduced by 30%	Time measurement	Clarification Sought. Review required of process of measurement. More time needed	No

THE IMPACT OF DIGITAL – VALUE AND BENEFITS

Hard Benefits	Soft Benefits
Time Savings	Transparency of Process Steps
Costs Savings	Improved Quality
Productivity Improvements	Improved User Experience
Efficiency Improvements	Improved Reporting
Improved Quality Metrics – Deviations / CAPAs	Reduced Business Risk
	Improved Compliance
	Improved Traceability
	Improved Flexibility (Product Ranges)



Direct Measurement –
Before and After



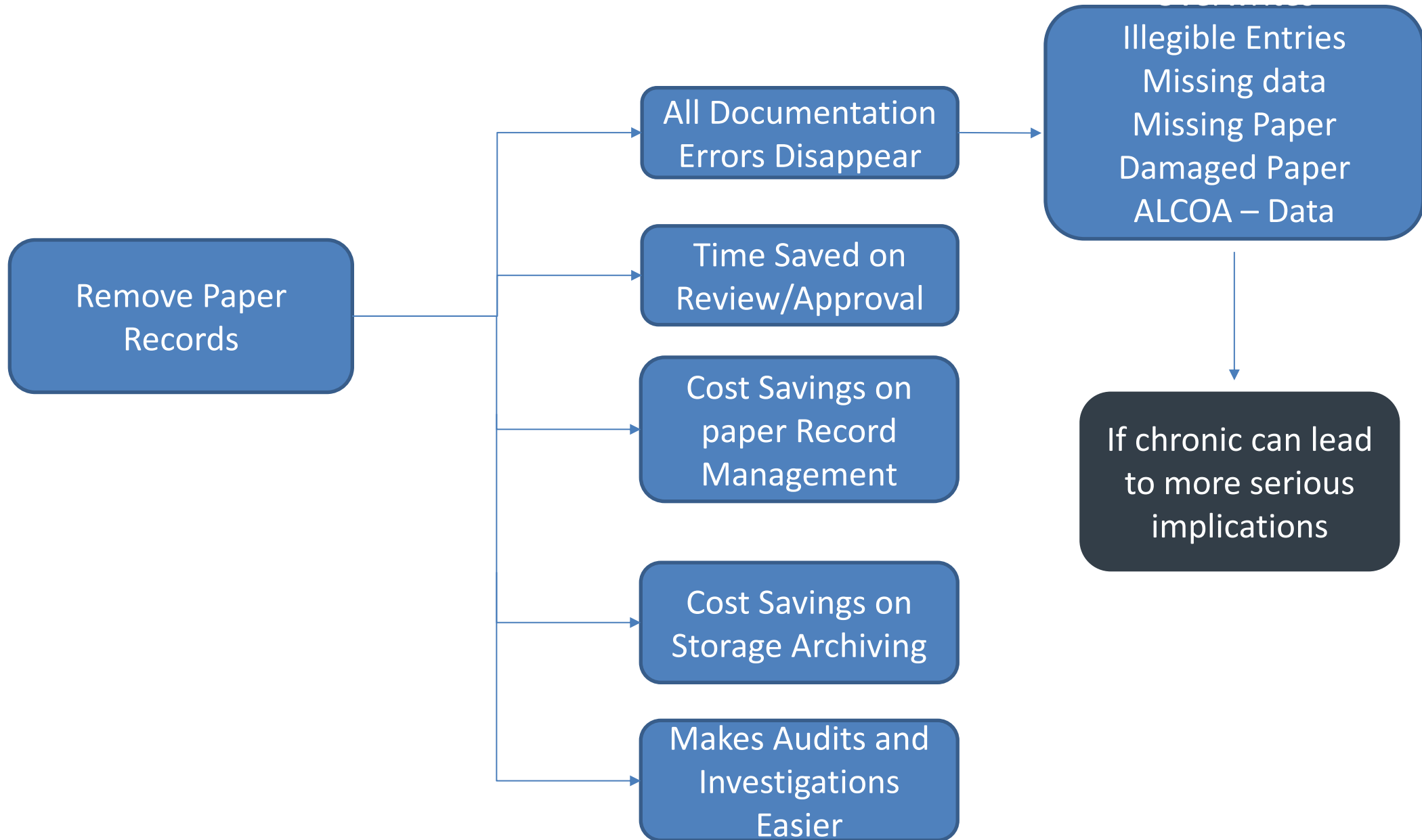
Perception and results of
Tangible Benefits

Value

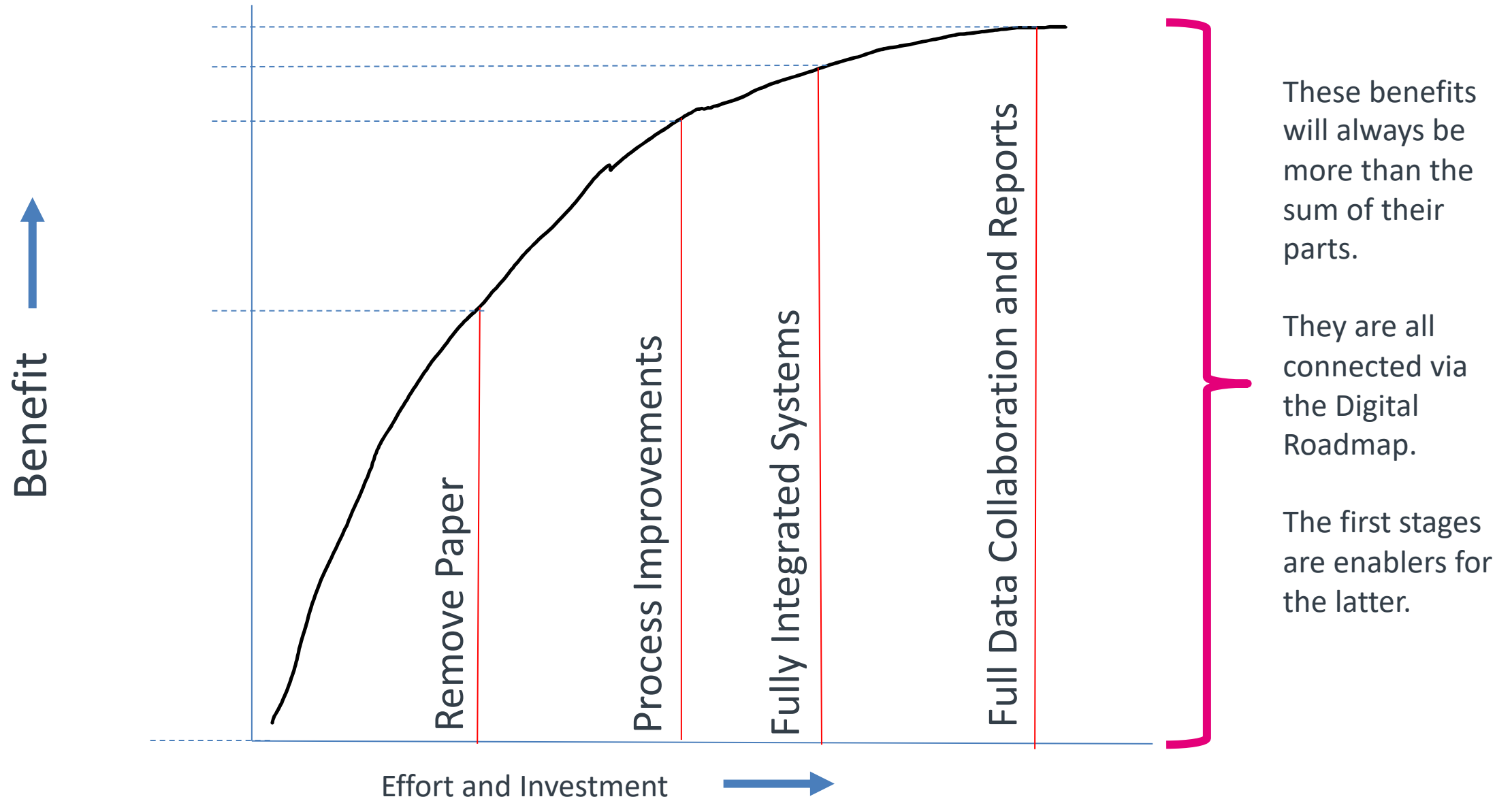
Zoom (Poll)

Does your organization currently measure the value of projects post implementation?

VALUE AND BENEFITS



THE IMPACT OF DIGITAL – VALUE AND BENEFITS



THE IMPACT OF DIGITAL – VALUE AND BENEFITS

Removing Paper

creates transparency highlighting inefficiencies that facilitate

Process Improvements

provide focus on the critical aspects of a process that will enable

Fully Integrated Systems

Provide data to the business and with time can enable

Full Data Collaboration and Reports

that support quality, regulatory compliance, continuous improvement and enable informed decision making in the business

Value

What are the key metrics to measure that will provide the best indication of Digital Transformation success?

THE IMPACT OF DIGITAL – VALUE AND BENEFITS

Paper Batch Record Example – One Production Area

25 Pages per Batch

20 Manual Data Entries per Page

500 Manual data entries per batch – (25×20)

150 Batches per year

75,000 Manual data entries per year (150×500)

(75,000 opportunities for error)

nRFT = 27%

27% of Manual Data Entries need to be re-reviewed/investigated

Or 20,250 Data entries need to be investigated every year $(27\% \text{ of } 75,000)$

10 Mins to Review each Doc Error (average)

202,500 Minutes Spent Every Year Reviewing Documentation Errors. (20250×10)

3375 Hours on Batch Doc Errors – $(202,500 / 60)$

421 Days on Batch Doc Errors – $(3375 / 8)$

Remember that some benefits don't have an obvious measurement.

Consider the perception of success of the system.

For this reason, the perception of success needs to be managed.

Manage the message

Choose your words carefully

There is a common misconception that new technology is replacing jobs
(Perception is as old as the industrial revolution)

The evidence actually demonstrates the opposite – more skills are needed to support, manage, maintain and upgrade any new technology improvement.

When working hours are freed up by improvements, it is always better to state that “the time can be invested in more “Value Add” activity” rather than state – “this can save us 2 Full Time positions in the Quality Team”.

If anyone states the latter – you’re starting your project 2 – 0 down !!!!!

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Where knowledge is shared and multiplied