

Realising Project Benefits –

The Tasmanian Government
Approach

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Outline

- Section 1: Tasmanian Government approach to Outcome/Benefits Realisation – the theory
Presented by Maria Jeffries
- Section 2: Realising Project Benefits – A Better Practice Project
Presented by Carol Bond

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The Tasmanian Government is currently undertaking the Realising the Benefits Project to improve understanding and practice in planning for project outcome/benefits realisation and associated organisational change management initiatives.

This presentation has two sections:

Section 1 – will provide an overview of the current approach to outcome/benefits realisation as outlined in the Tasmanian Government Project Management Guidelines (Version 6.0).

Section 2 – will share learnings arising from the implementation of the Realising the Benefits Project.

Section 1 - Introduction

- Tasmanian Government Project Management Framework (TGPMF) has evolved since 2000.
- Based on knowledge gained by experienced project managers in the Tasmanian State Government.
- Definition of PM: 'a formalised and structured method of managing changes in a rigorous manner ... [in the context of] the corporate and business culture that forms a particular project's environment.'
- Things change ...

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Project Management practice across the Tasmanian Government has reached a good level of maturity. This has occurred through the implementation and evolution of the Tasmanian Government Project Management Framework since 2000.

One of the key tenets of our approach is that 'all projects bring about change'. The *Tasmanian Government Project Management Guidelines* (Version 6.0, March 2005) define project management as 'a formalised and structured method of managing changes in a rigorous manner. The application of any project management methodology requires an appropriate consideration of the corporate and business culture that forms a particular project's environment.'

Of course, in any environment, circumstances change – this reality brings an added element to the challenge of undertaking robust project management.

Tasmanian Government approach to project planning & scoping

- Why – what are the 'business drivers'?
- What are the planned outcomes and long term benefits?
- What outputs are required and to whom will they be delivered?
- What organizational changes are required to realise the planned outcomes?
- Who is responsible and accountable?

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Our approach in the planning and scoping of projects is to begin with the following fundamental questions

'Why is the initiative being undertaken?' What are the business drivers?

'What are the planned outcomes and long term benefits the project aims to achieve?'

'What outputs are required and to whom will they be delivered?'

'What organizational changes are required to realise the planned outcomes?'

and

'Who is responsible and accountable 'at the end of the day'?'

Why – what are the business drivers?

- Where does the project fit?
- Organisational and strategic goals – the Corporate strategy.
- Clear agreement about the business drivers usually enables identification of the project objective.

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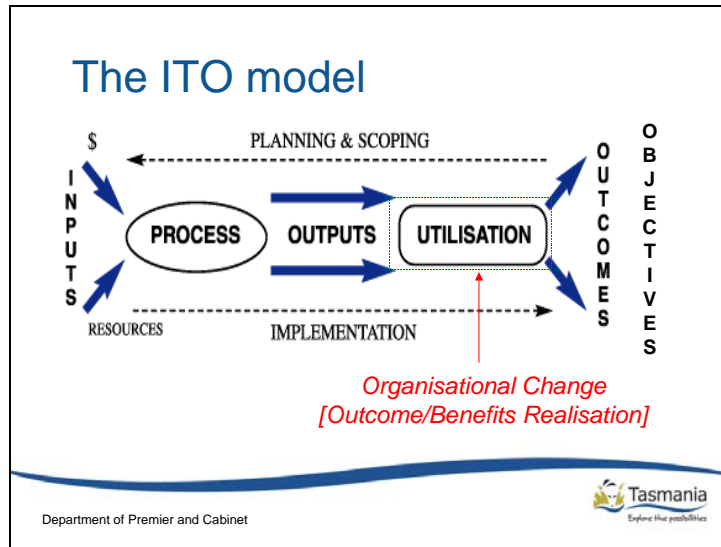


The main aim of any progressive organization is to evolve and grow to meet changing demands and conditions within the relevant compliance and legislative requirements, and improve performance, efficiency and effectiveness in the process, thereby obtaining better results for stakeholders. Government is no different, with a shrinking budget and increased scrutiny on the expenditure of public funds creating a need for a structured approach, clear agreement and measurable results.

Very few projects are carried out in isolation. The overall strategic direction for the management of change within an Agency or organisation may have been established already, and articulated in relevant Corporate or Strategic Plans or similar documents. Reviewing where a project might fit in relation to the corporate strategy can provide valuable insight into the level of political imperative or an emerging strategic agenda.

By identifying or confirming organisational and strategic goals, opportunities can be identified, for example the realignment of activities, achieving compliance, enhancing business processes and obtaining better results for stakeholders – these are the ‘business drivers’. In this context, projects can be initiated for any combination of drivers – in many cases to improve service delivery and capitalise on opportunities underpinned by business process improvement.

Clear agreement about the business drivers usually enables identification of the project objective.



The 'Input-Transformation-Output' model developed by John Smyrk (Sigma Management Science) provides a useful way to visualise the planning and scoping process (right to left) against the implementation process (left to right).

Once the objective(s) has been identified and agreed, a project can identify the required outputs (eg. revised business processes, new facilities, policy, infrastructure etc) in consultation with the relevant business areas, and the groups of stakeholders who will utilise them.

Whether the stakeholders are citizens, politicians, agency employees or other constituents, effective **utilisation** requires specific **organisational change** to satisfy the business drivers, thereby enabling the project's outcomes to be realised. The *Tasmanian Government Project Management Guidelines* refers to this stage of the project as outcome/benefits realisation. Outcomes are linked with objectives, in that if the outcomes are achieved then the project's objective(s) have been met.

The Tasmanian Government approach stipulates that Business Case funding requests and Project Business Plans are framed in terms of the business drivers rather than solely technology or infrastructure requirements. In this sense, there are no "ICT" or "infrastructure-only" projects as such, but rather projects with business drivers that may include an ICT or infrastructure component as part of the solution.

What are the planned outcomes and long term benefits?

Appropriate metrics ie. target outcomes

- Defined and quantified (quantitative and/or qualitative)
- Achievable but challenging
- Relevant, repeatable, reliable and consistent
- Be pragmatic and realistic
- Gain approval from key stakeholders
- Expect to refine measures as things progress

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There is a growing focus worldwide on being able to measure and secure project benefits. Mark E Mullaly in the Cutter IT Journal refers to creating a culture of benefits realisation that is supported by clear guidelines for the articulation of benefits, planning for benefits realisation and agreement to the roles and responsibilities for attaining those benefits. In the Tasmanian Government approach, we argue that every project, no matter what the size, should be able to prove at the end that they have achieved the planned outcomes and 'realized the business benefits'. This 'proof' requires **appropriate metrics** (quantitative and/or qualitative) and **timely measurement**.

Metrics

Project outcomes are often articulated in terms of improved business performance (efficiency and effectiveness), achieving compliance or obtaining better results for stakeholders, or a combination of the above. Under the current approach outlined in the *Tasmanian Government Project Management Guidelines*, achievement of outcomes requires specification of some as target outcomes that are **defined** in terms of relevant performance indicators and **quantified** in terms of measures, baseline data, target levels, target dates and accountabilities. Performance measures must be carefully thought through at the time they are devised, as reliable data must be available now and into the future. Useful information can be drawn from relevant corporate plans with reference to appropriate business process KPIs and such (pre-project), and is usually documented in the Project Business Case and subsequently the Project Business Plan.

While the theory might be straight-forward, the reality often is very difficult. Good measures are hard to define. Feedback gathered from project management practitioners highlights some valuable insights:

- The measures must be realistic – achievable but challenging.
- The measures must be relevant, repeatable, reliable and consistent, not subject significantly to events beyond the control of the project – is the source reliable and ongoing? Is it compiling composite data from multiple sources?
- Be pragmatic – consider the value for effort in preparation, data collection, analysis and evaluation. A complex survey might seem like a good idea, but is the time and effort required worth it?
- Gain approval of the outcomes – in other words how the measures have been defined and quantified - from key stakeholders to ensure agreement to how the project's success will be measured.
- Things change! Be prepared review and assess the appropriateness the outcomes and measures as things progress.

What are the planned outcomes and long term benefits?

Timely measurement:

- When?
- For how long?
- Accounting for the 'lag' effect
- What constitutes satisfactory 'evidence'?

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Once measures are defined, the next issues are when should measurement occur and for how long.

While it is accepted that there can be a lag effect in seeing long term business benefits, evidence that the planned target outcomes have been secured or achieved should usually be apparent towards the end of a project or shortly thereafter. Under the Tasmanian Government approach, we maintain that the Steering Committee must be satisfied that the planned project outcomes have been wholly secured or achieved, or achieved to a significant extent, before a project can be formally closed.

In many cases, it is also recommended a post project evaluation be conducted at a future point, which may be years later, to document a project's long term business benefits and assess the extent to which the Target Outcomes were attained.

What and Whom?

- Identification of required outputs
- The stakeholders who will use them
- The Business Owner is defined as 'responsible for managing the project outputs for utilisation by the project customers, after the project is closed.' (TGPMG)
- Outputs must be fit for purpose

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Outputs are the products, services, business or management practices that will be required (produced) to meet the identified outcomes. They are delivered by the Project Team and are the long term responsibility of the Business Owner.

The *Tasmanian Government Project Management Guidelines* defines the Business Owner as those responsible for managing the project outputs for utilisation by the project customers, after the project is closed. Outputs link with outcomes, in that if the outputs are used appropriately by the project's customers, the outcomes will be achieved. This implies that the outputs are fit for purpose.

Identification of Business Owner(s) is crucial

During the project - to ensure their participation in

- The decision making;
- The development of the outputs.

After project closure – to ensure their commitment to

- The long term management and maintenance of the outputs; and
- Reporting of progress against the realisation of the specified measurable metrics at agreed intervals.

Identification of the Business Owner(s) is crucial to ensure
Their participation in the decision-making via appropriate representation of the relevant business areas on the Project Steering Committee;
Their participation in development of the outputs to ensure what is delivered is fit for purpose (ie. meets the defined business need);
Their commitment to the long term management and maintenance of the outputs in a quality manner after the project is closed; and
Their commitment to reporting of progress against the realisation of the specified measurable metrics at agreed intervals after the project closes.

Confirming output ownership

- Formally document outputs delivery and the Business Owner(s) subsequent acceptance of ownership responsibilities - including maintenance requirements.
- Output delivery can occur sequentially during the project - plan early for management of the required organisational change and outcome realisation.

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We maintain that the delivery of the outputs to the Business Owner(s) and their subsequent acceptance should be formally documented to confirm output ownership, maintenance requirements and long term responsibilities.

Output delivery can occur sequentially during the project, so planning for the required organisational change management and outcome realisation should occur early.

Plan for transition - organisational change management

Document the **current situation** and the **new** in terms of

- organisational culture and structure
- physical environment
- job design/responsibilities
- skills/knowledge
- policies/procedures (incl output mgt and maintenance)
- workflows/processes.

Plan the 'how we get there'.

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Projects are all about transformation and are intended to create change of one kind or another, no matter how small or large. We contend that project outcomes and benefits cannot be fully realised without the necessary organisational changes being made. These must include process change, technology change and most importantly, people change.

In this context, effective project management includes planning to ensure the transition to the new operational - post project -environment is managed appropriately. Such planning involves understanding and documenting any changes that need to be made within the business areas prior to receiving the project outputs.

This includes documentation of the current situation and the new (ie. in terms of organisational culture and structure, physical environment, job design/responsibilities, skills/knowledge, policies/procedures (including output management and maintenance) and workflows/processes), and planning for implementing the transition (ie how the planned changes will be achieved).

Transition may also include an assessment of the success of the project's outputs and undertaking any required corrective action to ensure they are fit for purpose.

James Carlopio (2003) states that for a project to be successful, organisational change management needs to be integrated into project management, not just a bolt on. In the TGPMF we combine Organisational Change Management and Outcome Realisation as one of the 11 Key Elements of project management.

Responsibilities and Accountabilities: Business Owner

- Implement required organisational changes for appropriate output utilisation
- Identify additional resources (outside the project budget) in partnership with the Project Manager
- Maintain high level support for the project, especially during transition
- Long term outputs management and maintenance
- Monitoring and reporting of progress via specified measurable metrics at agreed intervals after project closure.

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The Business Owner(s) is responsible and accountable at a number of levels for:

Implementing the necessary organisational changes to ensure the project outputs are utilized appropriately (in order to realize the project outcomes); Identify additional resources (outside the project budget) necessary to achieve the required level of organisational change – this should be done in partnership with the Project Manager. The Business Owner's role may also include negotiating with the organisation for the required additional resources.

Maintain high level support for the project, especially during transition.

The long term management and maintenance of the outputs in a quality manner after the project is closed; and
Monitoring and reporting of progress against the realisation of the specified measurable metrics (the Target Outcomes) at agreed intervals after the project closes.

In every sense the Business Owner(s) has a vested interest in the project's success.

Roles: Project Sponsor

- Provide high level support for the project, especially during transition
- With Steering Committee support, gain Business Owner(s) commitment to additional resources necessary for organisational change
- Oversighting the “change” process in partnership with the Business Owner, including the transition of the organisation/business areas

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The Project Sponsor also has a vested interest in the project’s success, as they have ultimate accountability and responsibility for the project. This role includes providing high level support during the project and especially during transition.

With the support of the Steering Committee, it is the role of the Sponsor to gain commitment of the Business Owner(s) to any additional resources (outside the project budget) that may be necessary to achieve the required level of organisational change.

Their role also includes oversighting the “change” process, including the transition of the organisation/business areas, in partnership with the Business Owner.

Roles: Project Manager

- Assist the Business Owner(s) to understand
 - the nature and magnitude of the required organisational change;
 - the ongoing outputs management and maintenance requirements;
 - and identify any additional resources necessary to achieve the required level of organisational change
- Facilitate the change process in partnership with the Business Owner, including transition
- Encourage high level support, especially during transition

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To ensure the project achieves success by realising the outcome(s) and the objective(s), we maintain the Project Manager's role does not end with output delivery. Rather the Project Manager has a central role in outcome realisation by

Assisting the Business Owner(s) understand the nature and magnitude of the organisational change that is required for the project's objective(s) to be achieved;

Assisting the Business Owner(s) to understand the ongoing management and maintenance requirements for all outputs;

In partnership with the Business Owner(s) - identify any additional resources (outside the project budget) necessary to achieve the required level of organisational change;

Facilitating the "change" process in partnership with the Business Owner including the transition of the organisation/business areas;

Encouraging high level support for the project, especially during transition.

Section 2 - Realising Project Benefits

A Better Practice Project

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Reason for the project

Feedback mechanisms.
Project Management maturity across the
Tasmanian Government.
Project objective.

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Project Objective

To improve understanding and practice, across the Tasmanian Government, in planning for project outcomes/benefits realisation and associated organisational change management initiatives.

Target Outcome 1

Target Outcome 1

Increased awareness across Government of outcomes/benefits realisation and organisational change management practices through the provision of quality resources and information.

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To get the data on this we are surveying participants from all seminars. Originally we hoped that there would be a core group that participated in the seminar series aimed at them. Focus groups were to be held with those participants to deepen the understanding of the impact of the awareness raising.

Target Outcome 2

Target Outcome 2

Improved understanding of the corporate chain of accountability in outcome/benefits realisation (including organisational change management) by Tasmanian Government executives, including senior and middle managers.

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There are a range of strategies employed to realise this outcome. We have run a series of seminars aimed at government executives and another for steering committee members.

It has been difficult to attract many the executives and one of the sessions was cancelled due to lack of interest.

It has emerged that being on the agenda of their meetings where possible and providing regular reports has served well in engaging them. The draft outcome realisation plan template and guide and issues related to accountability was discussed at length at a recent meeting and has stimulated a fair degree of interest and follow up.

The steering committee briefing series has been well attended.

Target Outcome 3

Target Outcome 3

Improved capacity among Tasmanian Government project participants to:

- a Identify and document measurable project outcomes and processes to monitor their achievement;
- b Effectively plan, with Project Business Owners, for appropriate organisational change to support the realisation of project outcomes/benefits.

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A range of new resources will be developed by the Project including the Outcome Realisation Plan template and guide as already discussed. Other resources to be developed include:

- 2.1 New Outcomes/Benefits and Change Management resource kit;
 - 2.2 New Output Maintenance plan template;
 - 2.3 Revised sections of the Tasmanian Government Project Management Guidelines;
 - 2.4 New Fact Sheets:
 - 2.5.1 How to develop an outcome realisation plan;
 - 2.5.2 How to develop meaningful measures for project target outcomes;
 - 2.6 Revised Outcome Realisation Plan template and guide;
 - 2.7 Major review of the Business Case Templates (including Treasury requirements);
 - 2.8 AIPM paper and PowerPoint presentation;
 - 2.9 Case Study Report from selective PMQAR Service (related to output 1.5).
- 3. New Agency examples for the Project Management Knowledge Base**
- 3.1 Outcome Realisation plans;
 - 3.2 Project performance measures (current and past projects).

As these resources are developed and added to the egov website web statistics will be used to determine the level of use. Surveys used at seminars and forums will also assist in measuring this outcome.

Project Development Strategy

Stage 1 February 2007 to October 2007

Focus on research, professional development activities and needs analysis for resource development.

Stage 2 November 2007 to June 2008

Focus on resource development and project closure.

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A review will be conducted on completion of stage 1 to check that the project is achieving what it set out to do and what adjustments may need to be made.



The Project is progressing as planned with strong support from the Project Sponsor who is also the Business Owner for the Project outputs. Project planning and documentation, including a Communication Strategy, have all been completed. Outputs scheduled for delivery in Stage 1 are being delivered on target. The outcome measurement strategies have provided an excellent guide on how the Project is progressing towards its target outcomes.

Professional Development Activities

Three Better Practice Project Management Forums

Three Steering Committee Seminars have been delivered. These seminars have taken the form of facilitated discussions and provided both an opportunity

Three Executive Breakfast Sessions

All sessions have been evaluated through surveys that have been distributed to participants.

While the review of Stage 1 has not yet been conducted feedback indicates that targeted training sessions on specific aspects such as defining and measuring target outcomes would be appreciated.

Sessions of this kind will also be a feature of Stage 2.

Release of the draft Outcome Realisation Plan Template and Guide for feedback.

Project Communication Strategy finalised.

Learnings

The project is timely

2 stage project development strategy will assist in identifying and acting on improvement

Target outcomes may be achieved in other ways than those initially intended

Information related to the project can be found at
www.egovernment.tas.gov.au

Including:

Project Plan

Presentations from the Forums

Related Tasmanian Government Project
Management Framework documents

Related external information and websites

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