Analysing benefits realisation from a theoretical perspective and its contribution to value generation

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The benefits realisation approach:

- Emerged in the IS/IT sector in the beginning of the 90’s as an alternative to traditional PM;

- Management of IS/IT implementation focusing in the delivery of expected business benefits rather than on the traditional quality, time and cost triangle;

- Since the 90’s several BR models have been developed, including construction (Sapountzis et al., 2010)
Underlying assumption:

- Project management is primarily based on the conversion model, while value generation concept is still underdeveloped.
- Benefits Realisation has potential contributions to value generation, as the approach focuses on delivering benefits from projects.

Hypothesis:

- “How a better understanding of benefits realisation can contribute to further develop the value generation concept in project management?”
Research objectives

- Understand the potential contributions of the BR approach for project management, specifically for further **developing value generation concept**

- Better **support the adoption** of such approach in the construction sector.
Research Methods

- Literature Review
  - Benefits realisation
  - Theories that could explain it
Projects create deliverables, the combination of deliverables generate capabilities, capabilities enable desired benefits to be achieved.

Figure 1: Path from project outputs to strategic objectives (Adapted from OGC, 2007)

Benefits Realisation process is suggested as a way to make sure the capabilities created will generate the expected benefits.

Maximisation of benefits is also emphasised, which is enabled through learning and coping with contingencies.

References:
Core guidelines of BR process

1. Identify and **engage stakeholders**;
2. Identify and **agree** on benefits and possible dis-benefits;
3. Set the **plan** for benefits realisation and define **targets**;
4. Realise the benefits, **track** achievements and review **strategic alignment**;
5. **Adapt** the process based on monitoring data and on **emergent changes** in expected benefits; and
6. Review achieved benefits, identifying **opportunities** to improve
BR from a theoretical perspective

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### Stakeholder engagement
Social science

### Analysis and synthesis
Production science

### Holistic and dynamic views
Systems thinking

Findings
Stakeholder Engagement

- Identify and engage stakeholders throughout the process
- Reach stakeholder agreement on benefits and awareness of possible dis-benefits from investments
- Assign responsibilities for realising benefits and ensure stakeholders are committed to realise them (including the search for opportunities to maximise benefits)


Analysis and Synthesis

- Method in the core of Aristotle’s description of production science: making (designing, planning and producing) of useful and beautiful objects.

- **Analysis**: first the end is assumed and then it is considered by what means it is to be attained.

- **Synthesis**: provides the proof that the desired solution is possible. *Arrange means* in their natural order as *consequences*, until the construction of the thing sought is achieved.


Holistic & Dynamic view

- Track and proactively manage the emergence of unplanned benefits/dis-benefits
- Maximise benefits through learning and adaptation
- Continuously review expected benefits, recognising and appropriately managing changes in plan
- Identify internal and external changes that may affect the realisation of benefits
- Consider interconnected issues (outside the project scope) that might influence project’s results

Underlying concepts in BR techniques

- Envision final picture & explore means
- Continuously check if means will lead to final picture
- Recognise and manage changes (opportunities or threats)
- Conduct the process collectively

Scenarios development (Remenyi; Sherwood-Smith, 1998)

4 are’s techniques (Fujitsu 2007)
Conclusions

- Benefits realisation moves the focus of value from product creation to the organisation’s strategic objectives and the generation of benefits to different stakeholder’s groups.

- Benefits realisation combines concepts from different theoretical backgrounds enabling a wider perspective of value generation and potentially contributing for further developing the value generation concept.
Future developments

- There is a need to test this theoretical proposition using empirical data.
- This research work intends to assess the contributions of benefits realisation based on the proposed theoretical perspective.
  - Three empirical studies are being conducted to implement and test a benefits realisation model in the construction of healthcare facilities in UK (Sapountzis et al. 2010).
Thank you

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