# TEMPLATE

Provider Digitisation Programme

Benefits Realisation Management Strategy

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# 1 Introduction

## 1.1 Background

[This should include a brief overview of the Organisation including such things as size, spread and scale of the Organisation, services provided etc.]

To deliver the organisations vision as identified within the XXXX Organisation [Strategy/Plan], the organisation has embarked on a transformation programme, building on current initiatives and utilising the key components of the [Digital Health Strategy/Plan].

## 1.2 Purpose of this Document

This document’s purpose is to outline the benefits realisation management strategy that will be adopted by XXXX Organisation.

It provides direction and information in terms of:

### The purpose of benefits realisation management;

### The approach to benefits planning, which includes how benefits are identified, defined and prioritised;

### The approach for the benefits realisation management process (after benefits planning), and the criteria against which the effectiveness of that process is to be measured;

### The functions, roles and responsibilities of those involved in benefits planning and benefit realisation;

### When and how reviews and assessments concerned with measuring benefit realisation will be carried out, and who is to be involved;

### Measurement methods and steps that will be used to monitor and assess the realisation of benefits;

### The tool(s), system(s) and source(s) of information that may be used to enable benefit measurement; and

### The use and definition of any benefits management terminology.

## 1.3 Intended Audience

The intended audience for this document is [e.g.Executive Leads, Senior Management, Clinical Leads, Operational Leads, IM&T Strategy Group, Programme, Project and Transformation Leads, PMO] with the responsibility to ensure the successful implementation of transformation projects.

# 2 Strategic Context

## 2.1 Strategic Objectives

Generally, a programme or project should only be agreed which have at least one benefit that contributes to at least one organisational objective and justifies the investment. However, there may be benefits which do not directly contribute to an organisational objective, because it links into broader engagement activities within a change initiative.

Key strategic objectives for XXXX Organisation include:

### [List strategic objectives here]

## 2.2 Vision

This strategy places **VALUE** at the heart of XXXX Organisation’s [Digital Health Strategy/Plan], providing a framework to support a robust approach for realising benefits (quantitative and qualitative) to achieve key national strategic objectives[[1]](#footnote-1), including:

### The health and wellbeing gap

### The care and quality gap

### The funding and efficiency gap

# 3 Benefits Approach

## 3.1 Principles

The principles to support a benefits-led approach to change are:

### Develop a clear line of sight

Clearly align digital enablers to the national, regional and organisational objectives and desired outcomes and benefits.

### Start with the end in mind

Initiatives should be driven by the required outcomes and benefits, informing the scope of products and services to be delivered.

### Do the right things

Support the management of outcomes and benefits, minimise additional burden, with data on benefits gathered as a by-product of business as usual activities wherever possible.

Realisation of longer-term benefits are defined, managed and evaluated regularly.

Outcomes and benefits are measurable, base lined, tracked and will demonstrate the value of investment.

### Do the things right

Benefits management needs to be driven by the organisation exploiting opportunities for business transformation resulting in better patient outcomes and greater efficiency.

### Enable a Benefits led culture

Embed ‘benefits’ into the DNA of initiatives, incorporating benefits management across the lifecycle.

Benefits management activities are undertaken throughout the entire programme lifecycle and embedded in the business as usual processes of the organisation.

### Support Organisational Ownership

Support provided to identify and resolve issues that are preventing desired outcomes and benefits from being realised and be open to emerging benefits.

Supports a Learning Culture

Pro-active activities in response to benefits tracking to identify opportunities and maximise benefits realisation.

### Knowledge Sharing

Knowledge sharing will be promoted to help all stakeholders understand the full extent of the benefits that can be realised, leveraging existing forums where possible and working closely with suppliers where appropriate.

## 3.2 Benefits Realisation Management (BRM)

BRM is the activity of identifying, optimising and tracking expected benefits from the change initiative. XXXX Organisation recognises BRM as the model for identifying the appropriate deliverables and business change for investment, guides planning of projects and change initiatives and ensures success is measured and recognises the costs of change. It is important to continue monitoring benefits beyond the initial effort or project to ensure the change is sustained and continues to deliver value.

BRM is also an essential component of stakeholder engagement and communication, providing an engaging rationale for change, method of involving stakeholders and concrete progress to report.

The objectives of BRM are to:

### Provide alignment and clear links between the programme (its vision and desired benefits) and the strategic objectives of the organisation.

### Ensure benefits are identified and defined clearly at the outset, and linked to strategic objectives

### Ensure business areas are committed to realising their defined benefits with ownership and responsibility for adding value (e.g. by identifying opportunities for more or different benefits) through the realisation process

### Drive the process of realising benefits, including benefit measurement, tracking, recording and reporting benefits (and other notable achievements) as they are realised

### Use the defined, expected outcomes and benefits as a roadmap for the programme, providing a focus for delivering change

### See Annex A

#### 3.2.1 Defining Benefits

A benefit is:

### A measurable improvement

### Resulting from change

### Considered to be advantageous by at least one stakeholder

### Contributes to an organisational objective

### The value perceived or realised by those experiencing the outcomes of change

Disbenefits are the opposite.

Where a disbenefit is neither certain or expected (i.e. only anticipated or possible) it will be treated as a risk and if it occurs it will be managed as an issue.

#### 3.2.2 Identify and Quantify

[Complete details for Identify and Quantify in this section]

#### 3.2.3 Value and Appraise

[Complete details for Value and Appraise in this section]

#### 3.2.4 Plan

[Complete details for Plan in this section]

#### 3.2.5 Realise

[Complete details for Realise in this section]

#### 3.2.6 Review

[Complete details for Review in this section]

# 4 Valuation of Costs of Benefits

## 4.1 Principle Consideration

Benefits will only be recognised, tracked and reported, if:

### The benefits case is linked to a Business Case (or equivalent) approved by XXXX *Organisation*

### At least one contributes to XXXX *Organisation* strategic objectives

### The benefits case has been approved by the programme/project by the Senior Responsible Owner (SRO)

### There is clear evidence of identified Strategic and Operational Benefit Owners [with a signed benefit contract] see Annex D for example template

### The benefits are validated as robust, unique (not double-counted) and appropriate by the Benefits Realisation Manager (and, in the case of financial benefits, the financial reporting manager).

### Assessment of risks to benefits realisation must be demonstrated, although this will not necessarily prevent progressing the investment. For example, there may be a large but risky benefit and a small but definite benefit which in combination justify the investment

Emergent (dis)benefits (those recognised after the initiation of the project, for example in stage reviews) will be recognised, tracked and reported if validated as above by the SRO and BRM. However, if these cause scope creep, increase costs beyond tolerance or reduce benefits (i.e. identification of additional disbenefits) this should trigger a project review and, if tolerances which can be managed within the [Programme/Project] are breached, [programme board/ investment committee] approval of a modified business case should be sought.

Activity (producing deliverables or causing change) is only included in the scope of the project (and therefore the investment of resources) if it contributes to the realisation of one or more benefits. However, there may be occasions where the organisation does not wish to track the benefit, for example where the burden of monitoring is too great. Such activity can only be funded with the agreement of the [programme board /investment committee]. See the section 9 sustainability & manageability for more information.

**Cost Avoidance**

Cost avoidance (by spending x now, we will not have to spend y in the future) is **NOT** a benefit unless the money had previously been allocated in the budget and is now no longer needed. It is a legitimate criterion for options appraisal as part of the business case process. However, if for instance, the cost avoided can be classified in terms of reduced risk and that risk reduction had a measure (such as insurance premiums) the reduction in the insurance costs is a measurable benefit.

**[[2]](#footnote-2)**

## 4.2 Benefits Classifications

Benefits will be classified by value type:

|  |  |
| --- | --- |
| **Benefit Type** | **Description** |
| **Cash Releasing**  *[Financial]* | An economic benefit, whose value is expressed in monetary terms, these will be ‘booked’ in budgets, i.e. the value of the expected benefit will be removed from the relevant areas’ budgets to prevent them being lost |
| **Non-Cash Releasing**  *[Financial]* | An economic benefit, whose value is expressed in monetary terms, but which will not be removed from budgets. This type of benefit is about efficiency |
| **Public**  *[Financial]* | Improves the patient, carer, staff or citizen safety, clinical outcome or experience or affects the wider economy and public (e.g. public health; CO2 emissions). |
| **Quality**  *[Non-Financial]* | Where the quality improvement can be quantified but the monetary value is not known/cannot be expressed |
| **Qualitative**  *[Non-Financial]* | These are generally not measurable in monetary units or in some other objective way. Review of this type of benefit often involves the views of stakeholders, and may include data generated using interviews, focus groups, etc. |

See also ***Annex C*** - Benefits Categories Decision Tree

To be described as a benefit, the measurable outcome must have value – answering the ‘so what’ question. For cash releasing benefits this may be obvious (though there may be dis-benefits arising from the changes needed to save money), however, for other benefits this may be less clear cut.

For Example, an area requiring careful management are benefits such as time saved when that time is not going to be converted to a cash releasing benefit by releasing a post or reducing agency/locum costs. These will only be validated as robust if the additional time is made use of, such as, by providing additional care or improving the quality of care provided. In exceptional circumstances, time saving may not be measured as increasing productivity, but increasing resilience in a high-stress environment. However, this too must have a demonstrable effect, for example, by reducing errors and/or sickness. In these circumstances, time saved will be a lead indicator for the benefit which results from the extra capacity.

# 5 Quality Dimension

Expected benefits should be defined in line with the World Health Organisation (WHO) dimensions of Quality[[3]](#footnote-3), which provides a systematic process to design and implement effective interventions to promote quality in health systems.

|  |  |
| --- | --- |
| **Outcomes** |  |
| Safety/Quality | Reducing number of deviations in care among individuals e.g. care compliance, avoidable errors, complications |
| Clinical Outcomes(Effective) | Improving overall health of a population e.g. diagnosis rates, population health, survival rate. Also include Equitable Health care which does not vary in quality because of personal characteristics such as gender, race, ethnicity, geographical location, or socioeconomic status  e.g. population health |
| Staff & Patient Experience(Acceptable/ Patient-centred) | Patient interactions and perceptions e.g. comfort, level of satisfaction, waiting times also include Accessible Health care that is timely, geographically reasonable, and provided in a setting where skills and resources are appropriate to medical need e.g. ease of access, distance travelled |
| Resource Sustainability(Efficient) | Delivering health care in a manner which maximises resource use and avoids waste e.g. Reducing A&E presentations, avoiding hospital admissions |

# 6 Management of Costs

The organisation defines the cost of change as being the limited duration costs incurred to enable the benefits to be realised from a change initiative. These can include the cost of:

### Project management activities,

### Delivering outputs (enablers),

### Business change activities to realise benefits from the outputs,

### Benefits realisation management and reporting, including data collection and analysis

The cost of change should exclude any on-going cost to the organisation which operating in the new way incurs, these are classed as a disbenefit.

Any increases or decreases to income or costs, should profiled and tracked as a benefits/disbenefit in their own right and given equal priority.

# 7 Governance

## 7.1 Benefits Realisation Programme Management

[Insert Programme Organogram]

See ***Annex B*** for suggested governance arrangements. These will need to be tailored to the individual organisation.

## 7.2 Roles, Responsibilities and Resources

The organisation will ensure that each benefit will be owned by an appropriate Strategic Benefit Owner, who will be accountable for its successful delivery. Day to day responsibility for tracking progress of the change activities within a department or service may be assigned responsibilities to one or more Operational Benefit Owners across the organisation.

See ***Annex B*** for suggested Roles and Responsibilities

[Insert Resource Plan]

## 7.2 Benefits Reviews and Reporting

The XXXX Organisation will ensure that benefit review activities are aligned with the [Programme/Project] delivery timelines and planned milestone assurance.

Benefit review activities should be objective, evidence based, planned and developed collaboratively to meet the requirements, and is being tracked and demonstrated through the agreed review and reporting schedule of the [Programme/Project], with XXXX Organisation and any sponsoring organisations.

Reviews provide confidence that there is proactive measurement of improvement, progress towards benefits realisation, and effective management of dis-benefits (if applicable).

Benefit reviews and reporting should include summary descriptions of the key impacts, outcomes and benefits which have been observed or measured in the last period.

Reporting need not be restricted to formal reporting through [Programme/Project] management tools. Reviews through case studies and deep dives provide an opportunity to capture qualitative benefits that are not generally measurable in financial terms or in other objective ways.

# 8 Management of Risk

(Dis)Benefits should be assessed potential risk to realisation.

The [Programme/Project] will monitor risks around the realisation of (dis)benefits, for example, delays, lower realisation levels (or exceeded targets for disbenefits) or increased costs of realisation. The risk impact score will consider both the degree to which the (dis)benefit is affected and the priority the [Programme/Project] places on the (dis)benefit. For example, a minor delay in a medium level benefit might be rated as ‘negligible’, whereas an 80% under-realisation of a high priority benefit may be considered ‘major’.

**Risks that impact on BRM**

| **Description**  *(Including description of impact on benefits realisation)* | **Mitigation** | **Impact** | **Likelihood** | **Score** | **Risk Score for National Reporting** |
| --- | --- | --- | --- | --- | --- |
|  |  | 4 | 3 | 12 | 18 |
|  |  | 5 | 2 | 10 | 20 |
|  |  | 3 | 3 | 9 | 12 |
|  |  | 4 | 2 | 8 | 14 |
|  |  | 4 | 2 | 8 | 14 |
|  |  | 4 | 2 | 8 | 14 |
|  |  | 3 | 2 | 6 | 10 |

# 9 Sustainability and Manageability (Business as Usual)

It is important to continue monitoring benefits beyond the initial effort or project to ensure the change is sustained and continues to be beneficial.

It is also important to select a manageable number of benefits to track; otherwise monitoring may not be sustainable.

*HOW MANY* benefits to track will depend on:

### Programme size

### Stakeholder communication needs

### Budget for measurement

### Organisation requirements.

*WHICH* specific benefits to track will depend on:

### Realisation confidence

### Priority

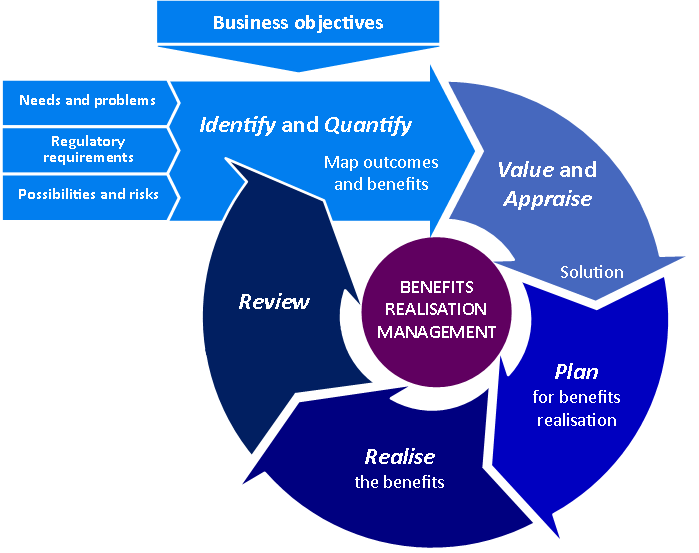
### Ease and expense of measurement

### Spread of benefits across stakeholders

Attribution (share) of benefits across projects/work packages (ensuring investment in different elements is justified).

# Annex A: Benefits Realisation Management Approach

**The Benefits Cycle**



Model based on Swedish e-government Delegation Benefits Model from Managing Benefits 2nd Edition (Jenner 2014)

The five key practices of benefits management are introduced below:

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Benefit Stage** | | | | | | **Project Phase** | | **Project Activity/ Output** | **Benefit Output** |
| **Identify & Quantify** | **Value & Appraise** | | **Pre-Initiation** | | | | | Business Case (where applicable)  Funding Agreement  Project Definition  Key Stakeholders | High Level Benefits map (outcomes, enablers, benefits, objectives, work)  Outline benefit profiles  Key stakeholders |
| **Plan to Realise** | **Initiation** | | | | PID  Plan  Communication Plan (high-level)  As Is (where applicable)  Stakeholder Analysis | Refined Benefits Map  Benefit Owners  Statement of Planned Benefits  Outcomes for enabler projects (where applicable)  Monitoring Areas for potential emergent benefits |
|  | **Design** | | | | Gap Analysis (where applicable)  Impact Assessment (where applicable)  To Be  Refined Stakeholder Analysis  Communication Plan | Change Management/ Benefits Realisation Plan  Refined Statement of Planned Benefits |
|  | |  | | **Optimise/ Realise** | **Build** | | | Build document | Baselines  Refined Statement of Planned Benefits  Refinement of Change Management/ Benefits Realisation Plan |
|  | |  | | **Test** | | | Test Plan |
|  | |  | |  | **Evaluate** | | **Go-Live** | Training and Support Plan  Training materials | Benefits progress reporting via highlight/ CORA  Lessons Learned report  Benefits Evaluation  Revised/ additional benefits profiles added to Statement of Planned Benefits following identification of emergent dis(benefits)  Refinement of Change Management/ Benefits Realisation Plan |
|  | |  | |  | **Post Go-Live** | End Stage/ Project/ Evaluation Report  Post Implementation Review |

See ***Annex D*** for suggested tools

# Annex B: Roles and Responsibilities

| **Role** | **Responsibility** |
| --- | --- |
| **Senior Responsible Owner** | * Own the strategic objectives for the programme * Owning the Benefits Management Strategy and is responsible for its adjustment, improvement and enforcement * Leading benefit reviews involving relevant stakeholders, business managers, and possibly internal audit * Approval, along with the Sponsoring Group, of all benefits claimed by the programme. * Provide progress reports to the appropriate committee * Validate benefits as relevant * Overall accountability for the project/programme, ensuring the objectives are met and benefits realised within the constraints of time, cost and quality. |
| **Benefit Owner** | **Strategic Owner**   * Overall responsibility and accountability for realisation of the benefit and outcome measurement, agrees the benefit profile, monitors delivery of change, tracks realisation of the benefit   **Operational Owner**   * Contribute to and agree the benefit profile and measures created by the Business Change Manager. * Monitor the successful delivery of Benefits Plan and business changes. * Collect and report data to evidence benefit realisation (May be delegated). |
| **Performance and Finance Investment Committee/ Transformation Board/ Quality Improvement/ Cost Improvement board/ Organisation board** | * Approve the business case. * Approve of the priority classification of the key outcomes. * Approve the tolerances. * Receive and approve the initiation, closure and post-project reviews. * Receive and approve the recommendations of all gateway reviews. |
| **Benefits Realisation Manager** | * Provide advice and guidance and, where appropriate, assistance to the SRO and [project/programme team on Benefits Realisation Management, including assisting the other roles with performance of their duties (such as benefits identification and mapping, creating profiles, reviewing, reporting and creating the benefits realisation strategy and plan). * Validate [project/programme] benefits as robust and appropriate. * Advise the investment committee on Benefits Realisation Management and projects/programmes’ suitability for investment. |
| **Financial Reporting Manager** | * Validate [project/programme] financial benefits as robust and appropriate. * Provide advice and guidance / assistance on the use of Net Present Value Net Present Cost (NPV/NPC). * Responsibility may be delegated. |
| **Sponsoring Group and Programme Board** | * Showing visible commitment to the strategic objectives of the programme and to the realisation of targeted benefits * Supporting the with Business Change Managers from the business * Ensuring the strategic alignment of benefits realisation * Ensuring commitment to benefits realisation from all relevant stakeholders. |
| **Project Board** | * Developing the Benefits Management Strategy with the Business Change Manager on behalf of the SRO and relevant stakeholders from the affected business areas * Developing, owning and maintaining the Benefits Realisation Plan in consultation with the Business Change Manager, relevant stakeholders and members of the project team * Initiating benefit reviews as part of Benefits Realisation Plan or in response to any other triggers. |
| **Business Change Manager** | * Benefits Realisation responsibility may be delegated to business change leads working to the BCM, with oversight. |
| **Programme / Project Manager** | * Manage the delivery of Benefits Realisation Plan. * Initiate benefit reviews in line with the Benefits Realisation Plan. |

# Annex C: Benefits Categories Decision Tree



# Annex D: Supporting Documentation

| **Documentation** | **Template** |
| --- | --- |
| **Problem Statement** |  |
| **Benefits Dependency Network Map** |  |
| **Benefit Profile Template** |  |
| **Benefits Tracker** |  |
| **Benefits Contract** |  |

1. The NHS Five Year Forward View (2014). <https://www.england.nhs.uk/wp-content/uploads/2014/10/5yfv-web.pdf> [↑](#footnote-ref-1)
2. The Green Book (2018). <https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/685903/The_Green_Book.pdf> [↑](#footnote-ref-2)
3. 3Quality of care: a process for making strategic choices in health systems. (2006) WHO. <http://www.who.int/management/quality/assurance/QualityCare_B.Def.pdf?ua=1> [↑](#footnote-ref-3)