Introduction	When do you use this guide?
Research has shown that 80% of benefits are not delivered. In reality, benefits are often not delivered because the original analysis was ineffective and made assumptions that were never tracked. Benefits that are planned are frequently not delivered and those which are unplanned are not accounted for nor recognised as a positive change resulting from projects or programmes. Therefore detailed analysis is needed before the change gets under way to ensure that the business case is viable and the proposed benefits are achievable at the cost proposed. Don’t forget that there are also dis-benefits which are the negative effects of the change.	Before using this guide you should already have undertaken the benefits identification so should have an overview of the potential benefits that you may be able to deliver. Once a benefit has been identified then this analysis should be undertaken to ensure that the aspirations are realistic whilst also being ambitious. If there is a plan to create a Monitoring and Evaluation Strategy it should be included in the economic business case and it must be aligned with the analysis and planning of benefits. The evaluation will want to determine the cost of the change – has it provided good value for money as was originally outlined in the business case? If not, why not? What might have improved the situation? The output of using this guide will be the completion of the Benefits Profile template.

Validating benefits

As part of the benefits identification you should have produced a benefits map. This shows the major changes that are required and an indication of the types of benefits that will be produced. At this point there is a need to differentiate benefits from outcomes and other good things that might have joined the mix as part of the identifications step.

The validation is to ensure that what is being referred to as a benefit is actually a benefit. Below is the validation test (DOAM – *see definition below*) and is the minimum information that should be able to prove it is a valid benefit to be pursued and claimed. The same applies to any dis-benefits that have been identified. If you have a perceived benefit that does not pass all 4 tests, it may well be an output, outcome or feature and it may still be desirable but not a benefit.

Description	Observable outcomes	Attribution	Measurement
This should be a description of what will be improved or enhanced. It should be a positive statement indicating the likely effect.	Observable outcomes are the changes that will need to be put into place to enable this benefit to be delivered.	Attribution is the specific allocation of responsibility for releasing the benefit. This means allocating the benefits to a specific stakeholder group or individual to ensure it happens.	If you can't measure it you can't manage it. Finding measurements for benefits can often be complex and inadequate measures are selected at the outset, which is the cause of failure.
For example: 1. Reduce emissions from commuter vehicles by increasing the use of the rail network	**For example:** 1. More seats available on trains 2. Faster journey times 3. More frequent services	**For example:** 1. Rail companies to increase number of seats 2. Improve infrastructure to support trains 3. Rail companies increase rolling stock capacity	**For example:** 1. % increase in seats available on trains 2. Average journey times on the route 3. Investment levels in rolling stock

Benefits categorisation

One of the toughest parts of benefits is finding measures on which to justify the change. Not only do you need to establish what the performance improvements will be but also what the performance is now to provide the baselines against which the improvements will be measured.

The main reason for failure to achieve benefits is the lack of rigor and detail that is undertaken at the outset. Initiatives are launched without appropriate planning and analysis which results in benefits often being prescribed rather than calculated and they can take on mystical proportions.

Benefits measurements can be found from 3 main sources, these are referred to as impact types:

Effectiveness

Improvements that create an effectiveness are:

- Less failures or complaints
- Customer satisfaction
- Higher quality of service
- Better management control or flexibility
- Legislative compliance
- Service resilience

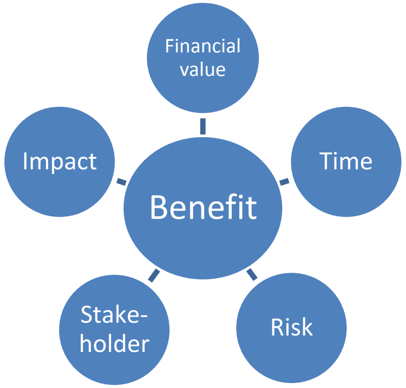
Efficiency

An efficiency is only a benefit if the resources are released to do other work or are no longer in place. Improvements that create an efficiency are:

- Achieving the same level of service with less resources
- Delivering more services with the same resources

Economic

- Improvements that generate socio economic performance improvements
- Improved cashflow
- More income
- Lower costs
- Better capital utilisation



There are a number of other categories that each benefit should be assessed against. These categories help to build an understanding of the complexity associated with the achievement of a benefit. It helps to understand when benefits are going to turn up, the type of effect they will have and the level of risk associated with achieving them.

By categorising benefits it is possible to take a view across:

Stakeholder impact

The problem with benefits is that what is seen as an improvement by one group is often seen as negative by others.

The stakeholder identification guide uses a stakeholder map to show areas of interest. This same technique can be used to show the interest in benefits.

Level of risk

There is inherent uncertainty about the achievement of each benefit and outcomes that support it.

To mitigate this, the value of the benefit should be reduced by the level of the risk. This is the common model being used:-

Very high	90%	Highly likely	75%
Likely	60%	Uncertain	40%
Low	20%		

Financial impact

The best practice is to value benefits in financial terms, this is because money is the lower common denominator for valuing the change, however be wary that the £ sign is being understood.

Cashable - those where the money is released by the organisation to reduce costs or for further investment.

Non cashable - where an efficiency saving is achieved across a number of activities and provide the potential to do more, but no cash is released.

Timeline

Benefits may turn up during delivery or long after delivery, each will have a time window when it will be released.

This information provides the basis for the benefits plan. The starting point will be the benefits map created as part of benefit identification as it shows the sequence of events.

Benefits may be released at any point in the programme or project and it is important that there is a plan.

Check out the how2guide on Planning Benefits.

The technique – Benefits measurement	
Technique overview	**Concept**
The fundamental basis for all benefits management is measurement - if you cannot measure it, you cannot manage it. The actual planning for benefits achievement is inherently linked to delivery of the capability in the blueprint by the projects. Key parts of measurement include projecting the effects of the change on performance, putting in place a contingency to cope with any potential deterioration performance and forecasting when and where the improvements will occur.	Benefits must be consistently and appropriately measured to understand and track where and how the benefit will manifest itself. The first thing to work out is what you will measure and the second is when the measurable improvements will occur. These are the only measurement criteria that may be used and they must be supported by tangible measures, otherwise they will not be accepted. These are the measures that can be used to define the value of any benefits: • Current performance • Outcomes that will be delivered • Improvement performance that will follow.

Outcome	Economic measures	Efficiency measures	Effectiveness measures
Process improvement	£x saved on external support, this will be visible in the following budget lines: xxx	Xyz tasks will be not be required which reduces the number of people involved in the delivery of the service by 1 post in department x.	Current failure rate is 20%, this will be reduced to 10%. The cost of resolving a quality failure is current £xz therefore a reduction of failures by 10% will by £n x 10. This saving will be removed from nnnn budget.