Introduction	When do you use this guide?
Benefits are the core of decision making at the start and during the delivery of a project or programme. Benefits tend to be more prevalent in programmes as they are orientated to delivering change, however this does not mean that it is limited to programme delivery, certain types of projects will generate benefits as well. The benefits theme is active throughout the lifecycle and also covers requirements and operating models. Don't forget that there are also 'dis-benefits' - they are the negative effects of the change.	Benefits identification happens, at the latest, in Define the outcomes. The benefits may well be aspirational statements at this point but the work to justify the move forward into the delivery stages involves a more robust approach to their identification. Benefits management is part of every milestone in the project delivery lifecycle, as such identification of benefits should be part of the completion of each milestone. This is to ensure more benefits are being captured and any that are no longer available are removed.

Where to look for benefits

Benefits tend to come from these three sources, therefore they are the starting point for most identification activities. Benefits can be found internally or externally of your organisation. External benefits are normally socio economic or related to creating more effective services while internal benefits tend to be linked to efficiency or effectiveness.

Economic – increased financial or socio economic performance	Efficiency – achieve more with the same	Effectiveness – improved quality
Changes that generate an improvement in: • Improved cashflow • More income • Lower costs • Better capital utilisation • Different methods of funding service • Socio economic improvements	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	Improvements that create effectiveness are: • Less failures or complaints • Customer satisfaction • Higher quality of service • Better management control or flexibility • Legislative compliance • Service resilience

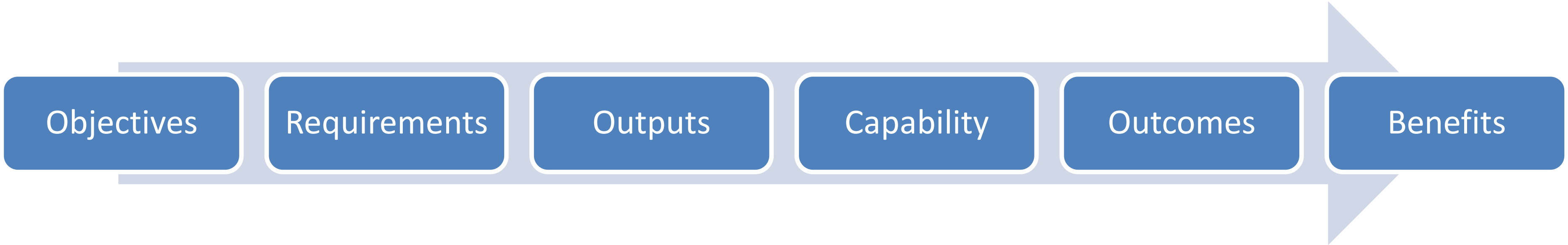
Outcomes are the sources of benefits

Outcomes are not benefits in themselves. The following table provides a number of common outcomes that are used as justifications for programmes and projects, these should help you identify the major changes that you will deliver and they may be the source of the benefits.

Internal Outcome	Description	External Outcomes	Description
Process rationalisation	Changes to any business process that creates an improvement or reduces the steps and associated costs of delivering a service	Market performance	Levels of investment by private sector Levels of competition Confidence of market participants Reduced use of levies Liquidity measures = number of trades
Staff utilisation	Less human resources being deployed to achieve a task or the resources are being used in a different way that enables a measurable improvement	Improved community safety	A change that provides greater safety to members of the local communities or members of the public
Supply Chain rationalisation	Reduction in supply chain complexity or opening up the supply market to increase competition will provide a justification for investment as long as the value can be measured	Protection for the vulnerable	Will provide greater security to vulnerable groups within the community through improved care, environment or monitoring
Improved control	Better management information that reduces the analysis or increases the availability of knowledge will contribute to more effective decision making and better control	Improved economic performance	The change will improve the economic performance of a specified place, which will attract more businesses into the area, reduce unemployment and increase citizens wealth
Asset utilisation	Better use of the property, technology, or production asset base by reduction or increased utilisation	Reduced emissions	Ensuring appropriate service levels are in place with the supply chain to ensure achieving any legislative obligations or imposed criteria

Overview of the benefits chain reaction

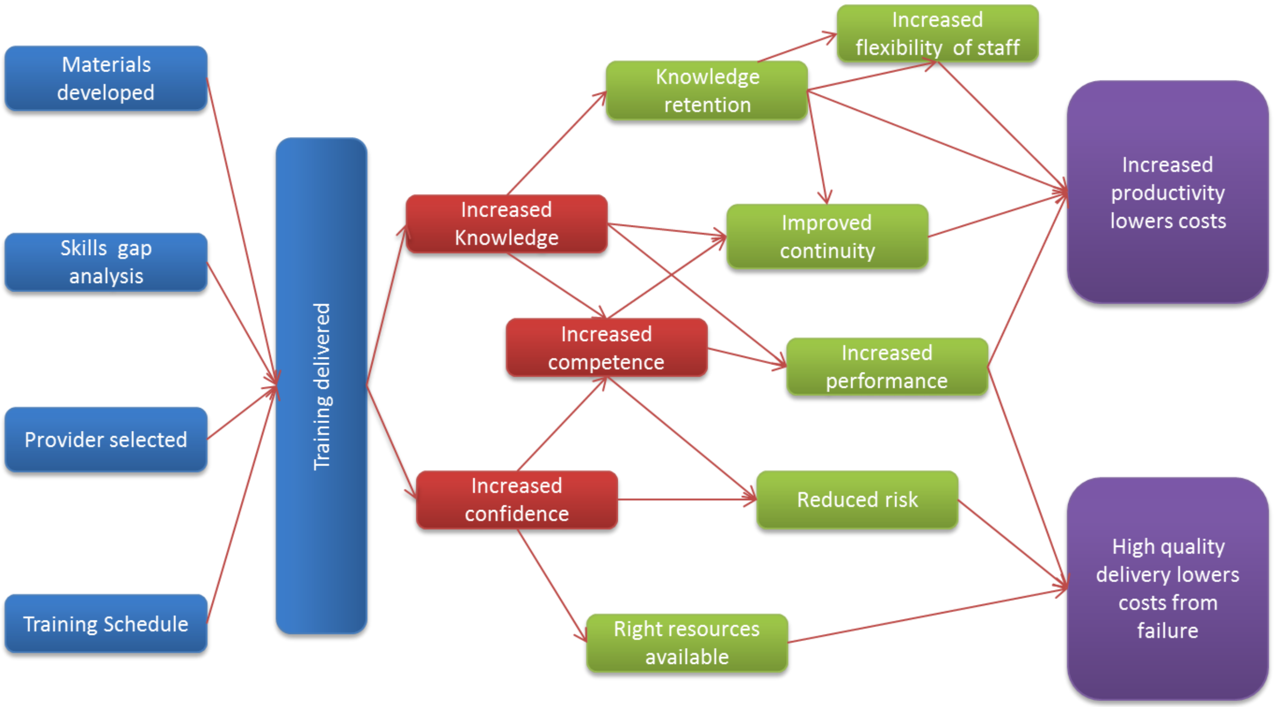
There are a number of steps in the chain to achieve benefits, it is common for benefits to be mistaken for other elements of the chain - this is an explanation of the steps that are involved in the journey to benefit release.



	Objectives are driven by the problem that is being addressed.	Requirements are the business specifications of what needs to be produced.	Outputs are what the projects produce to enable the requirements.	This is the point where all the outputs are in place and ready to go.	The system is live, it is being used and the outcomes are being achieved.	The improved performance that is enjoyed as a result of delivering the change
Examples	Improving the performance of managers through increasing their capability	Detailed explanation of what is required to achieve this, what skills will the training need to deliver	The project courses will be developed to the specification and are ready to be used. Training schedule is in place	Training is delivered and the managers now have new knowledge and capability	Managers change behaviour and use the new skills in the delivery of services	Business performance improves with greater staff motivation and performance from leaders.

The technique – Benefits Modelling

Technique overview	Concept
There are various approaches to identifying benefits. These can include workshops, consultation with stakeholders, reference sites, lessons from other projects or programmes and consultation with the supply chain. There is no end to possible benefits that can be identified; the challenge is to bring some order to the situation so that you do not end up with a long list of good things that might happen at some stage. The technique for organising the benefits is called Benefits Modelling.	The big idea behind the technique is to create a graphical illustration of how the benefits will come about. It also helps to show the relationships in the Benefits Chain Reaction so if one element is delayed or not delivered the knock on effect can been seen. Below is a worked example of the business improvements delivered by management training



- Blue boxes are outputs
- Red boxes are capability
- Green boxes are outcomes
- Purple boxes are benefits