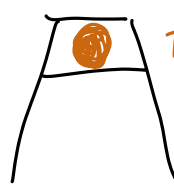


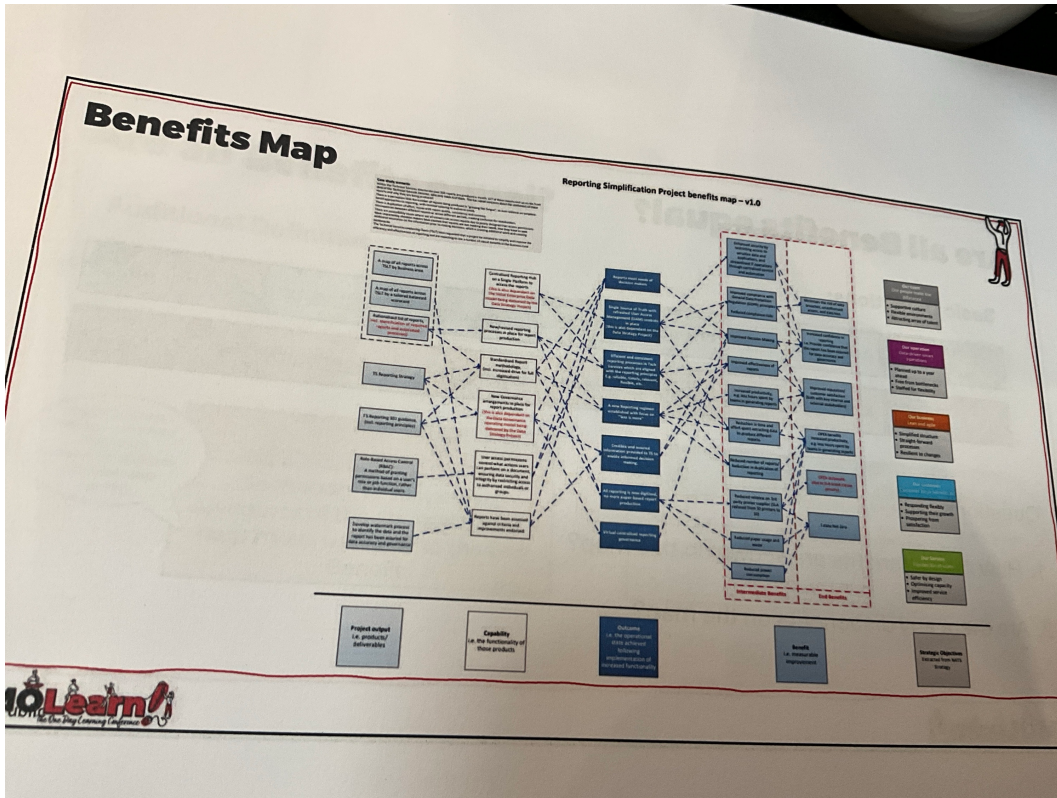
Identified benefits, now what?



the control tower!  
@ NATIS



Jess Richardson +  
Steve Bladen



**Benefit definition;**

'A measurable outcome of change that is perceived as positive by a stakeholder'

**Disbenefits definition;**

'perceived as a negative...'

Intermediate benefits - the secondary or supporting outcomes - progress along the track  
End benefits - the ultimate value or strategic outcome - the real end goal

Types of benefits - finance Vs non-financial.

THESE ARE JESS' DROPDOWN CATEGORIES

| Benefit Categories                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>FINANCIAL BENEFITS</b> <ul style="list-style-type: none"> <li>Can be measured in monetary terms</li> <li>Will result in actual cashable savings</li> </ul>                                                                                                             | <b>NON-FINANCIAL BENEFITS</b> <ul style="list-style-type: none"> <li>Normally measured by non-monetary KPI</li> <li>Will not result in actual cashable savings</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Cost Reduction</b> - tangible cost saving or cost benefit<br><b>Revenue Growth</b> - improved operating margin from increased price or volume or revenue recovery<br><b>Capital Expense Reduction</b> - improved working capital (inventory, receivable, payables etc) | <b>Environmental Impact</b> eg reduces carbon footprint/ emissions, less energy/ consumption<br><b>Processing Improvements</b> eg improve speed/ efficiency, reduce errors, eliminate waste<br><b>Customer Experience</b> eg improved satisfaction, improved perception of value<br><b>Staff Experience</b> eg improved engagement, satisfaction, improved retention<br><b>Regulatory of Compliance</b> - project required to comply with changed regulation or legislation<br><b>Risk Mitigation/ Cost Avoidance</b> - eg improves safety, sustains existing technology or avoids a cost increase<br><b>Image or Reputation</b> eg improves company's external image or brand reputation |

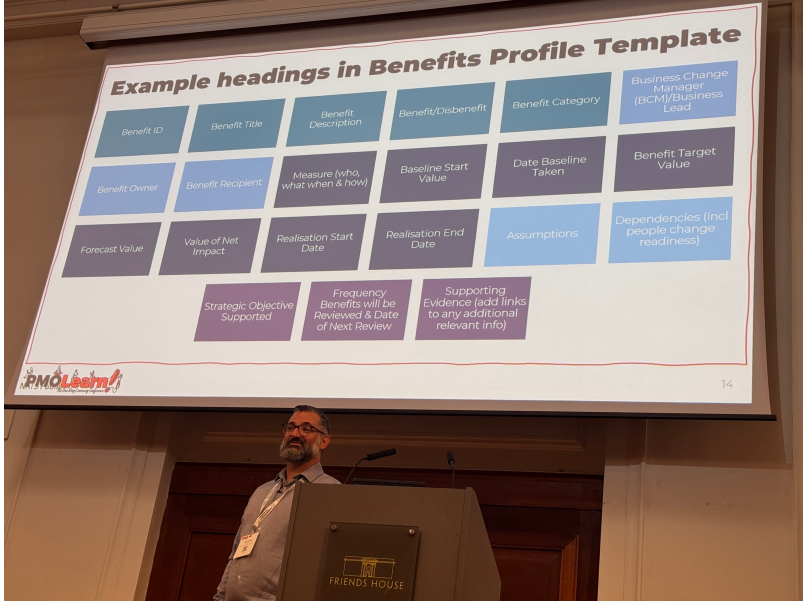
**BENEFIT PROFILES** : more detail.

- : define change in value
- : how to measure + report on progress
- : the improvement when realised
- : identifications of individuals responsible for delivery of the benefits
- : how benefits will be measured
- : indication of effort.



**HEADERS:**

Do people do 3D modelling - combining Cynefin + Benefits?



A good profile?

- ① Description
- ② Observation
- ③ Attribution
- ④ Measurement

DOAM

Benefits Profile exercise.

- ① Financial benefits
- ② Non-financial benefits

worked examples.

- \* Jess recommended 'Managing Benefits'
- book includes some good non-financial benefits + how to measure.



OVER MONETISE BENEFITS?

- attempting to assign £ to non-finance benefits
- unrealistic assumptions in models
- optimism bias
- external or political influence

BENEFITS

Tangible

Intangible

Definite - predicted  
Expected - predicted  
Logical - not predicted

Anticipated  
difficult to substantiate

BENEFITS are a subrection of VALUE

"we value this because..."

Benefits Mgmt Vs Value Mgmt  
a session or hot-house.

SMART

— on the org's strategies

Benefits - SMART



Are all Benefits equal? - Take 2

| Value Type | Definition                                       | Examples                                                                            |                               |
|------------|--------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------|
|            |                                                  | Financial                                                                           | Non-Financial                 |
| Tangible   | Definite                                         | Value may be predicted with confidence                                              | Reduced costs                 |
|            | Expected                                         | Value may be predicted on the basis of historic trends                              | Fewer steps in a process      |
|            | Logical                                          | Logically a change may be anticipated whose value may be measured but not predicted | Quicker performance of tasks  |
| Intangible | May be anticipated but difficult to substantiate | Improved management of risk                                                         | Greater customer satisfaction |

BENEFIT MEASUREMENT  
definition of measure  
a benefit may have several measure.

The Delicate Art:

Finance Vs Non-Finance  
Tangible Vs Intangible  
Leading Vs Lagging  
Direct Vs Indirect