

Realising tangible benefits from business change

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One of the things that gives change management a bad name, is just how frequently businesses embark on change programmes that promise much but deliver few tangible benefits in return for the business investment.

In this, the next in our next expert series, we tackle the important topic of benefits realisation and how you can ensure your change delivers positive impact both financially and for your customer or employee experience.

Be clear on the outcomes you want

To realise the business benefits, you need clarity on what they are, and why. It's vital to start with a clear vision for your project – what are the outcomes you want and how are they quantified? Not only in terms of the financial impacts but also to help you better serve your customers and engage your employees. A good set of benefits will balance what's good for customers with how you can deliver that in an efficient scalable way to make money from it.

We usually start work with a project sponsor or owner – the person who is spearheading the change. We help them together with other key stakeholders to hone the vision and the benefits they would like to see. It's then important to ensure the rest of the business is bought into this vision and it's expected benefits through communication and engagement sessions.

Find common benefits

You'll never get a clear set of benefits if you allow each business unit to set their own goals, without collaboration. The way you organise and set up delivery workstreams can tend to be functional - but getting people to work in cross-functional teams and share goals is more likely to realise common benefits and get teams working toward the same goals.

This approach also helps overcome one of the biggest pitfalls for benefits realisation where individual areas of the business get lost in a trying to resolve their single or few burning issues, rather than focusing on the bigger business issues that the project is designed to fix.

Timing is everything

Not all benefits of your change programme will be realised together. You need to work out the drivers and levers that will deliver the benefits - which change will deliver what benefit.

Some benefits will be instant upon task completion – for example you know that the cost saving for shutting down a server will occur when the server migration is complete. Some will have a lag before the benefits are realised – for example an improvement in customer satisfaction due to a new online feature may require enough customer volume to have the new experience before the increase in satisfaction or orders can be measured.

Key tools & techniques to keep your eyes on the prize

A *Benefits Tracability Log* is an essential control tool. Once you've defined your benefits clearly you need to document what they are, how you intend to measure them, when you expect them, and then track any changes and challenges along the way. As the project progresses you may spot additional, unexpected benefits and others may become less feasible or need to be measured differently than you had originally thought. Logging these changes enables clear feedback to the sponsor of what happened to the benefits they wanted.

A useful tool to understand how and where benefits are going to be realised, are *Conceptual Flow Diagrams*. These allow us to build an early view of what the future could look like by mapping out the features of specific areas of change and their individual benefits.

At the core of our change methodology is issue identification and getting to the common root causes. These *root cause issues* are usually a cause of pain points in several areas and so fixing them leads to real tangible change being felt and a sense of benefits being realisation.

Once we get to the stage of mapping process changes, we can simulate the impact on metrics like resource utilisation, customer time spent or revenue. We use Signavio to map the processes live, in collaboration with stakeholders, and the *Simulation* module helps us test which 'path to the prize' has the potential to deliver the best benefits.

Incorporate benefits realisation into user testing

For system change projects User Acceptance Testing (UAT) is the final safety net before you go live with your change. It's the first real view of whether you're going to realise the benefits as expected. If you expect your change to deliver key information more quickly, and that information is a lever to closing a sale or service case, your testing will confirm whether that happens.

If you're using an agile approach – to launch a technical change – delivery of the minimum viable product (MVP) offers the same first view of whether the expected metrics are achieved, and what still needs to be done to realise the full benefit – are those initial levers toward benefit realisation being pulled?

What if you realise the benefits won't be delivered?

Keeping your sponsor and governance stakeholders informed as the project progresses is critical for any change activity. Any changes to the Benefits Traceability Log should be incorporated into a Change Control process for these stakeholders to approve. In this way any potential misses on benefit realisation will be flagged early and necessary action agreed.

Benefits tracking never ends

When the change goes live and the delivery phase ends it's likely that you will be able to measure some, but not all of the benefits.

In some instances, you'll see improvements, but it will take time and traction to realise the full benefit – for example the quarterly or annual revenue uplift, or a full cost or headcount saving. We always recommend a hyper-care period at the end of the project to support transition to BAU and ensuring that tracking the benefits will continue is part of this process.

The sponsor and governance team need to be sure benefits are real, tangible and lasting. Often this falls to finance but that's not always ideal, not all the benefits will be financial. So ensuring the business functions, those who have made changes, got new tools, streamlined processes or whatever, take on the responsibility for ongoing evidencing that the benefits are being realised is a vital final step.

Making change happen, together

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