

Who Really Benefits?

Who really benefits?

Benefits Realisation Summit 2012

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Agenda

Introduction

- **What's valuable to the organisation and its stakeholders**
- **Value is in the eye of the stakeholder!**
- **Types of value**
- **Links to Governance and CSR**
- **The value chain**
- **Conclusion**

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Who really benefits?




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Stakeholder analytics

Stakeholder Theory

- **Stakeholder's perspective**
 - *What do they want from the project?*
 - *What does the project want from them?*
- **Prioritisation**
 - *Who really matters?*
 - *Who can be accommodated or ignored?*
- **On-going Assessment**
 - *Is the assessment from 6 months ago still valid?*



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Stakeholder analytics

Stakeholder Theory

- **The Stakeholder Circle®**
 - *Identification*
 - > Who and why – what is their stake?
 - > Key characteristics
 - *Prioritisation – a combination of:*
 - > **Power** - is their power to influence the project significant or relatively limited?
 - > **Proximity** - are they closely associated or relatively remote from the project?
 - > **Urgency** - what lengths are they prepared to go to, to achieve their outcomes?



For more on the **Stakeholder Circle®** see:
<https://mosaicprojects.com.au/PMKI-TPI-075.php>

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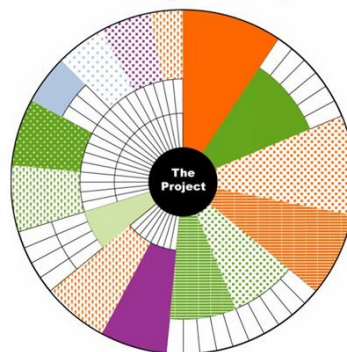
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Stakeholder analytics

Stakeholder Theory

- **The Stakeholder Circle®**
 - *Visualisation – understand who's who and who's playing*

Asset Management Project



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Stakeholder analytics

Stakeholder Theory

- **Engagement** (attitude towards the project)
 - Current level of support and receptiveness
 - Desired level of support and receptiveness
 - How are you going to achieve the change?
 - Design the communication plan
 - Implement the communication plan


S/H Profile

Support

Receptiveness

Support

Receptiveness




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Stakeholder analytics

Stakeholder Theory

- **Monitoring and Updating**
 - Review identification – new or changes
 - Review prioritisation
 - Review engagement
 - Adjust communication plan
 - Repeat the cycle (and link to risk management)
- **There are always more stakeholders than 'steak' – focus on the people who matter**



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Stakeholder Communication for Benefits

Stakeholder Theory

- Identifying real requirements
- Normal project stakeholder management
- Organisational change management
- Validating 'soft benefits'

For more on organisational change see:
https://www.mosaicprojects.com.au/WhitePapers/WP1078_Change_Management.pdf

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Value is in the eye of the stakeholder!

Value

- **What's valuable to who???**
 - *Who's value takes precedence?*
- **Governance and CSR = balance**
 - *Mutuality?*
 - *Long term -v- Short term?*
 - *Corporate Social Responsibility to whom?*
 - *Which stakeholder community takes precedence?*
 - > Shareholders/owners
 - > Employees
 - > The community at large


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Types of value

Value

- **Tangible**
 - **Fiscal:** Profit, revenue, cost saving
 - **Measureable:** reductions in waiting time, throughput, inventory
- **Intangible**
 - **Assessable:** survey-able/opinion (eg, staff morale assessed by survey), indirect measures (eg, reduced complaints)
 - **Perceivable:** image, feelings, emotions (eg, proud to work for...)




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Types of value

Value

- **KPIs need to reflect what matters not what's easy to measure**
- **Stakeholder perceptions and emotions are vital and influence all decisions**
- **Einstein:**
"Not everything that can be counted counts and not everything that counts can be counted."



For more on organisational governance see:
https://www.mosaicprojects.com.au/WhitePapers/WP1084_Governance_Systems.pdf

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Governance and CSR

Governance and CSR

- **Sir Adrian Cadbury Governance:** *"to align as nearly as possible the interests of individuals, organisations and society"*
- **OECD Governance :** *'involves a set of relationships between a company's management, its board, its shareholders and other stakeholders. Corporate governance also provides the structure through which the objectives of the company are set, and the means of attaining those objectives and monitoring performance are determined'*

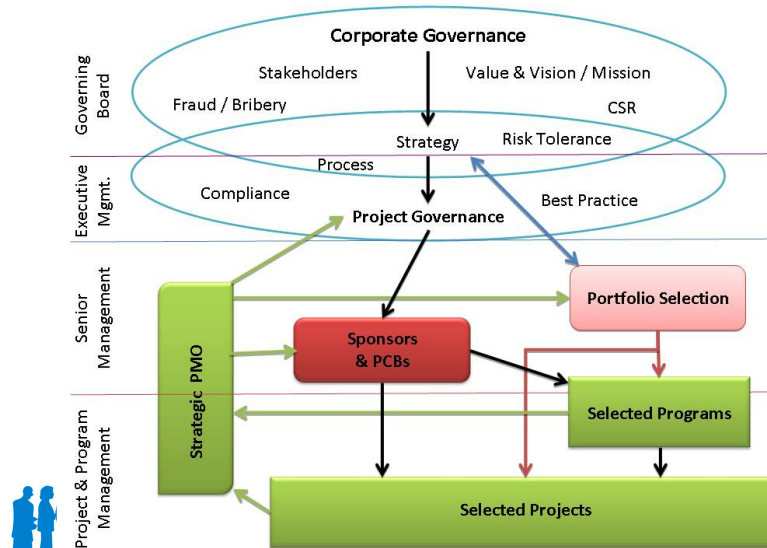


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Governance and CSR

Governance and CSR



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Governance and CSR

Governance and CSR

- **CSR = Corporate Social Responsibility**
- **The benefits of an effective CSR strategy include:**
 - *risk minimisation,*
 - *a vehicle to deliver competitive advantage,*
 - *an opportunity to create value through new products and service offerings.*
- **Governance and CSR require a wider benefits assessment than simple cost savings or profits!**



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Governance and CSR

Governance and CSR

- **Doing the *wrong* projects *right* helps no-one!!!**
- **Generating sustainable value for an organisation's stakeholders requires:**
 - *The **right** projects to be done for the **right** reasons*
 - *The selected projects to be done **right**!*
 - *Organisational change to ensure the deliverables are used in the **right** way*
 - *And for the intended benefits to be used to generate the expected value*



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Who Really Benefits?

The value chain

The value chain

- **PMI's 2012 Pulse of the Profession In Depth Study: Benefits Realization**
 - 80 percent of projects meet original goals in organizations with a mature benefits realization process
 - But it's not enough to only address project budget, schedule and scope

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The value chain

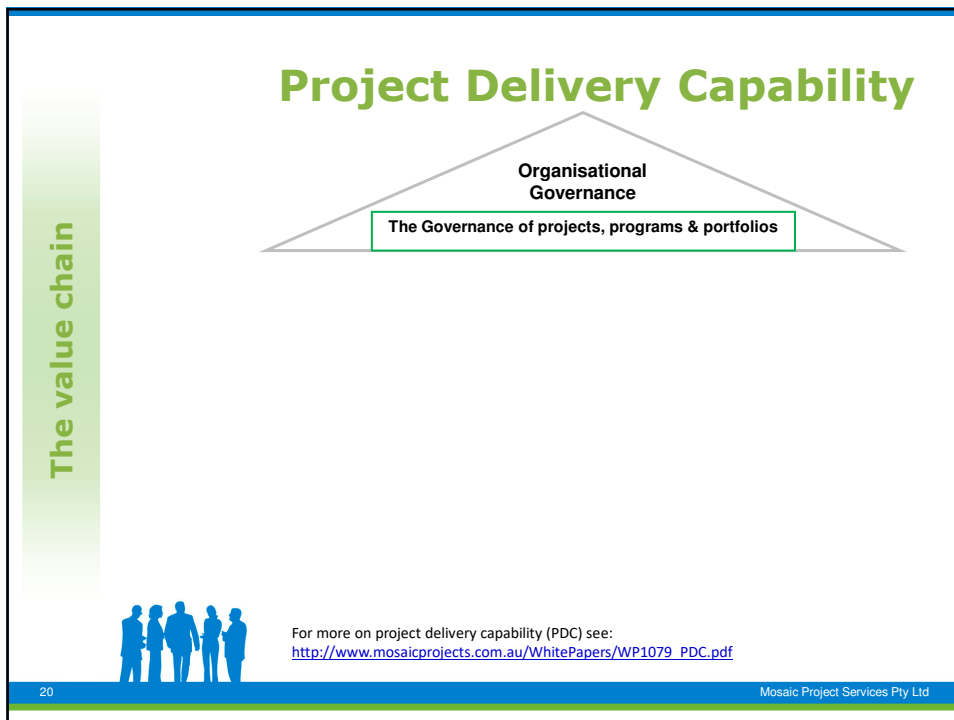
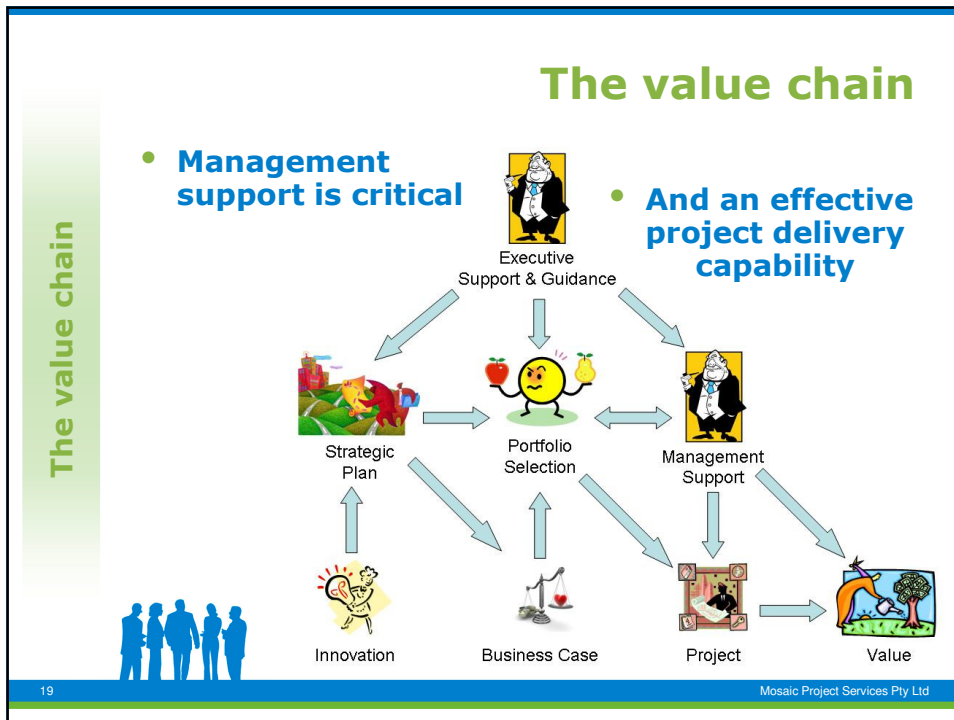
The value chain

- **Innovation and Strategy are the foundation**

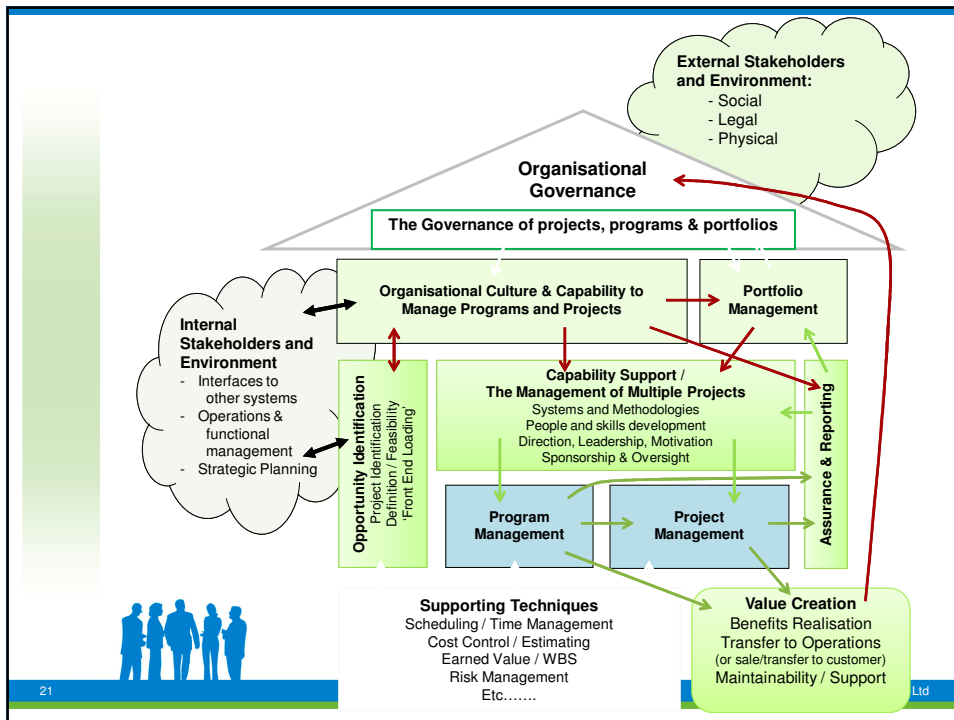
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Who Really Benefits?



Who Really Benefits?



Conclusion

Conclusion

- **Innovation generates the opportunity to create benefits**
- **The strategic plan and portfolio management choose which benefits to select for delivery**
- **Project delivery capability enables the benefit to be realised**
- **Organisational change creates the ability to realise the benefits within the business**

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Who Really Benefits?

Conclusion

Conclusion

- **But good process is not enough!**
- **Organisations choose who will benefit and who will lose out! This is a governance decision (or should be)**
- **Sustainable benefits realisation requires the right benefits to be achieved**
- **For the right reasons**
- **To benefit the selected stakeholders**




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Conclusion

Conclusion

- **A short term internal focus will destroy value and eventually the organisation**
- **Good benefits will benefit:**
 - *The organisation's management and employees*
 - *Customers / users / clients*
 - *Owners / shareholders*
 - *The wider community and the environment*
- **And be sustainable in the long term**



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Who Really Benefits?

Conclusion

Conclusion


- Organisations exist in a community and need to benefit the community to survive
- Balancing the competing needs of the different stakeholders is a governance responsibility and challenge *“to align as nearly as possible the interests of individuals, the organisation and society”*
- **Who benefits should be carefully determined, not an accident!**
- But you still need to measure the outcomes




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Questions Please

Conclusion



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