

Strategic initiatives, project/program management, and responsibilities for benefits realization¹

By Alan Stretton

INTRODUCTION

The project management literature can be somewhat confusing in the way it depicts relationships between the project/program management (PPM) components of organisational strategic initiatives, and PPM involvement (or lack of involvement) in facilitating the achievement of broader strategic outcomes, and particularly in the realisation of benefits that (hopefully) flow from these. For example, there are at least three quite different depictions of responsibilities for benefits realisation management (BRM):

- Project and/or program management (PPM), and particularly the latter, are depicted as responsible for benefits management and/or its realization (e.g. “program benefits management”);
- The users of project/program outputs are seen as responsible for benefits realisation management (BRM), with PPM involvement in the latter varying from nil to very substantial;
- The focus is on the utility of project/program deliverables, with no direct consideration of broader benefits.

Such differences are obviously related to the large number of different contexts in which strategic initiatives, and their component projects/programs, are undertaken, and the even larger numbers of types of such initiatives, and of possible benefits relating to them. However, proponents of specific depictions of BRM responsibilities rarely, if ever, discuss whether or not these are appropriate to other contexts. This tends to leave an impression (hopefully unintended) that their particular depiction applies either universally, or very widely. If this impression is correct, it is highly misleading, and appears to warrant a more detailed analysis.

I have not seen any relevant analyses that relate different depictions of responsibilities for benefits realisation management with different types of strategic initiatives. This article attempts to rectify this situation. However, as will be seen, it is essentially only exploratory. Whilst it attempts a broad coverage of types of strategic initiatives and BRM responsibilities, it is far from being comprehensive. However, it is a start, and hopefully may encourage others to expand this topic further.

In this article I have mainly tried to represent the perspective of the owners/users of the outputs from strategic initiatives and their component projects/programs, rather than that of either internal or external resources which deliver these outputs.

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SOME BACKGROUND ON STRATEGIC BENEFITS & PROJECTS/PROGRAMS

From strategic vision, to desired outcomes/benefits, to broad strategic objectives, to specific strategic initiatives, to component projects/programs.

The above sequence, which helps illustrate basic relationships between projects/programs/ portfolios and strategic benefits, follows that outlined by Abba et al 2018:

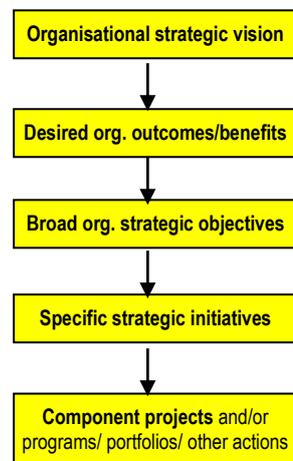
Strategies in fact should flow from desired outcomes and benefits; programs and projects then flow from strategies to achieve those benefits.

The sequence generally starts with a vision statement, which Ingason & Jonasson 2019 describe as “creating a clear vision for future direction that entails clear goals”.

These goals are expressed by Abba et al 2018 as “desired outcomes and benefits”. These are then developed and shaped into broad organisational strategic objectives.

Specific strategic initiatives are then developed to achieve specific outcomes and benefits from these broad objectives.

Strategic initiatives are described by Cooke-Davies 2016 as comprising projects, and/or programs, portfolios, and other actions (which I have described as *other strategic work*).



In this article we will be primarily concerned with activities following this sequence, how projects, programs, portfolios, and *other strategic work*, contribute to the realisation of ensuing benefits, and responsibilities for the BRM.

A basic organizational strategic management framework

The above sequence, and its continuation, are broadly reflected in the following basic organizational strategic management framework, which I have been using for some time. We will be mainly concerned with Stages 4 and 5, and particularly with responsibilities for the realisation of benefits from the strategic initiatives.

Other strategic work Incubation		Other strategic work Feasibility and definition	Other strategic work Design and execution	Other strategic work Transition	
1. Establish and shape strategic objectives	2. Develop strategic initiative options, evaluate, choose best	3. Elaborate/consolidate strategic initiatives	4. Execute strategic initiatives	5. Achieve strategic objectives.	
Establish and shape both deliberate and emergent strategic objectives; Confirm desired outcomes/ benefits	Develop alternative strategic initiatives to achieve strategic outcomes / benefits; Evaluate alternatives; Choose the best	Elaborate and define chosen strategic initiatives; Confirm feasibilities; Prioritise and consolidate	Execute strategic initiative component projects/programs and <i>other strategic work</i>	Achieve strategic outcomes and realise benefits	
Project Incubation		Project Feasibility and Definition Phases	Project Design and Execution Phases	Project Close-out	

Figure 1: A basic organizational strategic management framework

TOWARDS A CATEGORISATION OF STRATEGIC INITIATIVES AND BENEFITS

The multiplicity of possible strategic initiatives and benefits

As noted in the introduction, there are some very different representations in the project management literature about the nature and extent of PPM involvement in BRM, and these undoubtedly reflect the very different types of possible strategic initiatives, and ensuing benefits. The latter is emphasised in PMI 2017 in its introductory section in *Ch 4. Program Benefits Management*.

Various types of benefits may be defined and generated by programs. Some benefits, such as expanded market presence, improved financial performance, or operational efficiencies, may be realized by the sponsoring organization while other program outcomes may be realized as benefits by the organization’s customers or the program’s intended beneficiaries.

With such a multiplicity of possible strategic benefits, the challenge is to find a reasonable number of groups of such benefits that share sufficient common ground to provide a basis for discussion and analysis – particularly about responsibilities for realizing the ultimate benefits, which is the main concern of this article.

The following discussions track my attempts to develop a categorisation of strategic initiatives and benefits. This started with a partial categorisation by Shenhar & Dvir

A strategic portfolio classification framework - Shenhar & Dvir 2004

Shenhar & Dvir 2004 developed a strategic portfolio classification framework “based on the need to select projects in accordance with their strategic impact”.

...[Shenhar & Dvir] identified two dimensions to divide projects: the strategic goal dimension, which included operational and strategic projects, and the customer dimension, which involves external and internal customers ... This results in four major groups of projects ...

This framework is shown in Figure 2, together with the authors’ examples of types of projects which would fall into each of the four major groups

	Operational (<i>existing business</i>)	Strategic (<i>new businesses</i>)
External customers	<ul style="list-style-type: none"> • Product improvement 	<ul style="list-style-type: none"> • New product development
Internal customers	<ul style="list-style-type: none"> • Maintenance • Improvement • Problem solving 	<ul style="list-style-type: none"> • Utility and infrastructure • Research

Figure 2: Based on Shenhar & Dvir 2004 – Table 50.2: Strategic portfolio classification

It can be seen that Shenhar & Dvir share the distinction made by PMI in the earlier quotation above between internal and external customers or beneficiaries.

Towards a more inclusive strategic initiatives classification

It can also be seen that the context of this particular categorisation is that of industries and organisations engaged in selling products/services in commercial markets. Therefore, this categorisation represents only one segment of a much broader spectrum of strategic initiatives which are undertaken in the world at large.

I therefore searched for a more inclusive categorisation.

A relevant project categorisation – Archibald & Prado 2014

After quite a few false starts, I settled on a well-known project categorization table by Archibald & Prado 2014, which covers a very wide range of project types, and thence of strategic initiatives of which they are components. The primary categories of the Archibald & Prado table are shown on the right.

Adapted from Archibald & Prado 2014 Primary Project Categories	
1.	Aerospace//Defense
2.	Business & Organisation Change
3.	Communication Systems
4.	Events
5.	Facilities
6.	Information Systems (Software)
7.	International Development
8.	Media & Entertainment
9.	Product and Service Development
10.	Research and Development
11.	Healthcare
12.	Others

This categorisation also includes three of the four categories in the Shenhar & Dvir strategic portfolio classification, and so offered the prospect of an inclusive and more extensive categorisation of organisational strategic initiatives.

Aligning Archibald & Prado’s categories with Shenhar & Dvir’s classification

In Figure 3 below I have set down the Shenhar & Dvir classification on the left, and the Archibald & Prado categorisation on the right, the latter being re-arranged to show how the Shenhar & Dvir classifications align with some of their key categories.

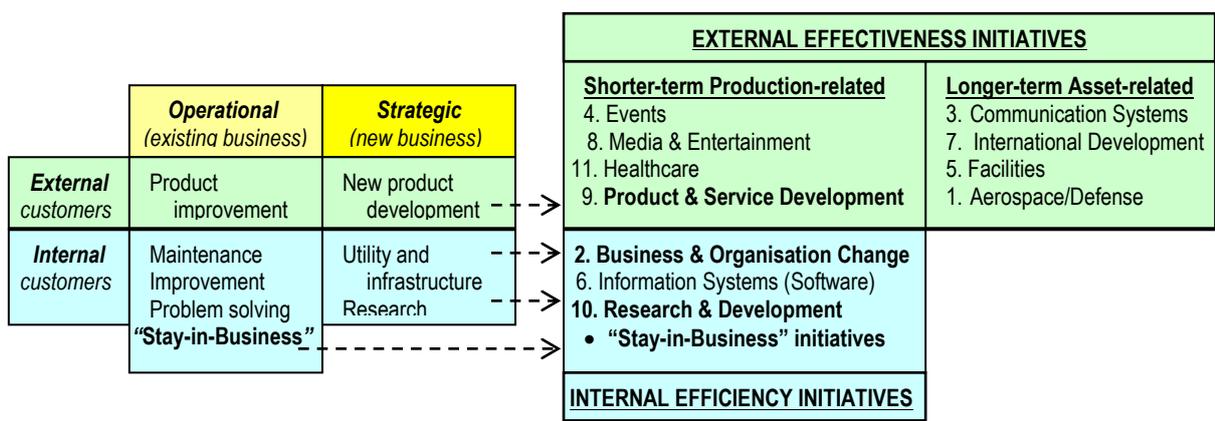


Figure 3: Aligning Archibald & Prado’s categorisation and Shenhar & Dvir’s classification

I have also divided the Archibald & Prado categories into two primary groups – *Internal Efficiency initiatives* and *External Effectiveness initiatives*, as now briefly discussed, along with key connections with the Shenhar & Dvir classification.

Internal Efficiency organisational strategic initiatives

INTERNAL EFFICIENCY INITIATIVES
Business & Organisation Change Information Systems (Software) Research & Development "Stay-in-Business" initiatives

Figure 4: Internal Efficiency strategic initiatives

I am now labelling the categories that Shenhar & Dvir associated with internal customers as *Internal Efficiency initiatives*, which seems to be an apt descriptor.

Regarding alignment with Shenhar & Dvir’s classification, the Archibald & Prado categories *Business & Organisation Change*, plus *Information Systems (Software)*, appear to cover my understanding of the nature of *Utility and infrastructure*; whilst R&D directly covers its counterpart in the Shenhar & Dvir classification.

The only item in the latter classification which is not covered in the Archibald & Prado categories is the *Maintenance, Improvement, Problem solving* group. I have borrowed from Bekker 2016 in labelling this group as *Stay-in-Business* initiatives, which I have added to the Archibald & Prado categories, as shown above.

External Effectiveness organisational strategic initiatives

EXTERNAL EFFECTIVENESS INITIATIVES	
Shorter-term Production-related	Longer-term Asset-related
Product & Service Development	Facilities
Events	Communication Systems
Media & Entertainment	International Development
Healthcare	Aerospace/Defense

Figure 5: External Effectiveness strategic initiatives

It can be seen in Figure 3 that the Archibald & Prado category *Product & Service Development* appears to cover both Shenhar & Dvir’s *Product improvement* and *New product development* classifications quite well.

For the time being I have divided the *External Effectiveness* initiatives into what I have described as *Shorter-term Production-related* initiatives and *Longer-term Asset-related* initiatives. I am not sure at this stage if this difference is significant in the context of benefits realisation management, but we will see.

The only Archibald & Prado category that I had some doubts about allocating was *Aerospace/ defence* initiatives, which appear to be so self-sufficient that I was initially tempted to put them into the Internal Efficiency sector. However, they also have prominently longer-term attributes, which accounts for the above allocation.

We will now look at the initiatives in each of the above two sectors in more detail.

INTERNAL EFFICIENCY ORGANISATIONAL STRATEGIC INITIATIVES

STAY-IN-BUSINESS STRATEGIC INITIATIVES

Types of *Stay-in-Business* (SIB) strategic initiatives

Stay-in-Business strategic initiatives can include:

- Maintenance; problem solving (Shenhar & Dvir 2004)
- Internal improvements (upgrades, replacements);
- Productivity or efficiency improvements;
- Cost reduction improvements (OGC 2007);
- Compliance (e.g. socio-economic, safety, health, environmental, legal – Bekker 2016).

INTERNAL EFFICIENCY INITIATIVES
“Stay-in-Business” initiatives Business & Organisation Change Information Systems (Software) Research & Development

I have added compliance initiatives to this stay-in-business listing, because they appear to fit best into this category. Indeed, a reviewer has suggested adding a *Surviving Covid-19* bullet-point as well, which would seem rather appropriate when we have already had one contribution to this subject in this journal (Lehmann 2020). However, in the following I will be concerned mainly with the first four bullet pointed initiatives above, which represent typically work-a-day SIB issues.

Discussion on responsibilities for benefits realization with the *SIB* category

In my experience, a characteristic of projects undertaken in this *Stay-in-Business* category is that the project manager tends to have close ongoing relationships with the operational people who will actually be using the project deliverables.

This may tend to support a perspective that the project manager is directly responsible for ensuring that benefits ensuing from their projects are actually realized. On the other hand, it is obvious that the only people who can actually realize the benefits are the operational people who use the project deliverables to help achieve the relevant *Stay-in-Business* objectives. As Dalcher 2015 noted,

... it is use that provides benefits, and not the project ...

Now, it is a fact that, when I managed SIB projects in Civil & Civic, I was always held directly responsible for realising ensuing benefits. Why was this?

It was simply because there was no existing entity in the organisation which had such specific responsibility. This meant that, as project manager, I had to assume wider responsibilities, which included engaging as many ultimate users as I could, initially in developing the project. (This habitually happens to varying degrees in some domains, including technology, information systems and computer science, but not often in construction). Later I also had to educate users, and help them prepare for, and actually embed the changes so that the benefits of the changes were fully realised.

These additional responsibilities are a good example of what I have described as *other strategic work*, as is specifically represented in Figure 1 above.

I suspect that many, if not most, SIB strategic initiatives may be similarly handled by project management in other domains, because of the absence of other responsible entities.

On the other hand, it appears that many compliance SIB initiatives, such as in the safety, health and legal domains, could well have a responsible entity already in place in the organisation. When such responsible entities exist, then it is their responsibility to manage the relevant benefits realisation.

Summarising responsibilities for BRM with SIB strategic initiatives

- Project management normally works closely with users in developing the project components of SIB initiatives.
- Actual responsibility for BRM depends on whether or not the users are specifically represented.
- If they are, the user representative is responsible for BRM, including educational and *other strategic work* needed for successful realization.
- If not specifically represented, project management is normally held responsible for BRM, including associated educational and *other strategic work*.

BUSINESS AND ORGANISATION CHANGE STRATEGIC INITIATIVES

Types of *Business and Organisational Change* strategic initiatives

There are multitudinous ways in which an organisation can bring about change in its internal business and/or organisational arrangements to improve the internal efficiency of its operations. Indeed, this is a huge topic in its own right, and I propose to discuss it in two sections. These are

INTERNAL EFFICIENCY INITIATIVES
“Stay-in-Business” initiatives Business & Organisation Change Information Systems (Software) Research & Development

- *Business Improvement*: This is the descriptor I have chosen to cover relatively modest types of changes in internal management and processing,
- *Organisational Change*: This will be concerned with quite major organisational changes, along the lines of *transformational* changes discussed in OGC 2007.

Business Improvement strategic initiatives

Types of *Business Improvement* initiatives

A partial listing, drawn from OGC 2007: Table 7.3, includes:

- Internal improvement (e.g. improved decision making, management processes),
- Process improvement (productivity or efficiency – ‘doing more with the same’),
- Economy (‘doing the same with less’ – cost reduction)
- Personnel or HR management actions (better motivated workforce - productivity)

Responsibilities for benefits realization with Business Improvement initiatives

In my experience, responsibilities for benefits realization with *Business Improvement* strategic initiatives are very similar to those applying with SIB initiatives. The main difference with *Business Improvement* initiatives is that they are more likely to have incumbent managers who are responsible for at least some such initiatives as they are developed, particularly with relatively large and/or important initiatives. But responsibilities for benefits realisation remain much the same, namely:

- Actual responsibility for BRM depends on whether or not the users are specifically represented.
- If they are, the user representative is responsible for BRM, including educational and *other strategic work* needed for successful realization.
- If not specifically represented, project management is normally held responsible for BRM, including associated educational and *other strategic work*.

Organisational Change strategic initiatives

Types of Organisation Change initiatives

As noted above, this group of strategic initiatives will focus on quite major organisational changes, along the lines of *transformational* changes discussed in OGC 2007, as now discussed

The most extensive discussions on organizational change that I know of are in the OGC 2007 publication “Managing Successful Programmes”. As the title indicates, it focuses on program management, and it is concerned with the role of the latter in undertaking what it describes as *transformational* organizational change initiatives.

I had initially thought that OGC 2007 regarded the program management as having primary responsibility for Benefits Realisation Management (BRM) in this context, because I had misinterpreted the following description of the relevant responsibilities of the program manager in OGC 2007:77:

- Developing the Benefits Management Strategy on behalf of the SRO [Senior Responsible Owner] with the Business Change Manager and relevant stakeholders from the affected business areas
- Developing, owning and maintaining the Benefits Realisation Plan in consultation with the Business Change Manager, relevant stakeholders, and members of the project teams
- Initiating benefits reviews as part of Benefits Realisation Plan or in response to any other triggers

However, in a later chapter (18) on Realising the Benefits, OGC’s Figure 18.2 very clearly places responsibility for BRM squarely with the Business Change Manager, as the formal representative of the owners/users.

This is consistent with the position taken by several other authors. For example, Hudson 2017 says,

Benefits realization is the responsibility of the programme's beneficial owners not the programme.

APM 2012: Section 3.2.1 discusses *Benefits management* in the context of organizational change in much the same way as OGC. It says (p.124):

Day-to-day responsibility for the implementation of change and realisation of benefits lies with one or more business change managers. The relationship between the project or programme manager and the business change manager is crucial. The delivery of outputs and the management of change must be closely coordinated.

Koch & Lock 2016 discuss the role of programs in IT and business change. They also nominate business change managers as the beneficial owners/users, with responsibility for BRM.

Summarising responsibilities for BRM in Organisational Change initiatives

- Business Change Management (or its equivalent) is seen as being responsible for BRM, working closely with program management.

INFORMATION SYSTEMS (SOFTWARE) STRATEGIC INITIATIVES

Information systems (software) strategic initiatives appear to me to be a particular example of either the more general category of *Business Improvement* initiatives, or, with very large systems, of *Organisational Change* initiatives, as have just been discussed.

INTERNAL EFFICIENCY INITIATIVES

"Stay-in-Business" initiatives
Business & Organisation Change
Information Systems (Software)
Research & Development

In the case of software systems initiatives, there can be particularly close relationships between project/program management and users when Agile methods are used. As Dalcher 2015 comments, Agile methods

.... recognize the centrality of users to development, and make a concerted effort to include them in the development process, often tailoring the process around users.

- As with *Business Improvement* initiatives, actual responsibility for BRM depends on whether or not the users of the software systems are specifically represented.
- In my experience these types of users normally have a specific representative, who is then responsible for BRM, including educational and *other strategic work*.
- However, if users are not specifically represented, project management then usually has responsibility for BRM, including educational and *other strategic work*.

RESEARCH & DEVELOPMENT STRATEGIC INITIATIVES

R&D is a huge topic in its own right, and I would not pretend to be able to adequately represent it in its totality. I therefore propose to draw on my own experience in managing R&D work in Civil & Civic over a long period, to make the following points relevant to BRM.

INTERNAL EFFICIENCY INITIATIVES
"Stay-in-Business" initiatives Business & Organisation Change Information Systems (Software) Research & Development

Our most successful R&D initiatives could be grouped into two categories:

- Those which were solely concerned with improving productivity (e.g. self-climbing formwork hoist; "Super-Shafter")
- One in particular ("Progressive Strength") which also doubled as a vehicle to help promote our *External Effectiveness*.

The R&D initiatives that were solely concerned with improving productivity can, of course, be seen as particular examples of *Business Improvement* initiatives. Regarding responsibilities for BRM, we worked hand-in-glove with a range of form-workers and others who directly used these new devices, so that BRM was essentially a kind of joint venture. However, the key R&D project people involved in each case had final responsibility for making these devices work successfully.

The other type of R&D initiative extends the potential benefits into the *External Effectiveness* domain. But this type of initiative could also be seen as a particular example of a more general situation, as now discussed.

FROM INTERNAL EFFICIENCY TO EXTERNAL EFFECTIVENESS INITIATIVES

Organizations do not normally elect to undertake *Internal Efficiency* initiatives just for the sake of doing so. They do this as part of an effort to enhance their *External Effectiveness* in the wider business (or equivalent) domain in which they operate. For example, OGC 2007:Table 7.3 includes such wider business initiatives/benefits as Quality of service, and Revenue enhancement or acceleration.

This creates an interesting situation when we come to look at benefits and their realisation. In one sense, *Internal Efficiency* benefits can be seen as intermediate benefits. The final benefits to the organisation come from the *External Effectiveness* benefits to which the internal ones contribute. I will try to illustrate these two levels of initiatives and benefits in the following figure, whose basic components have been (very broadly) adapted from Winter et al 2006.

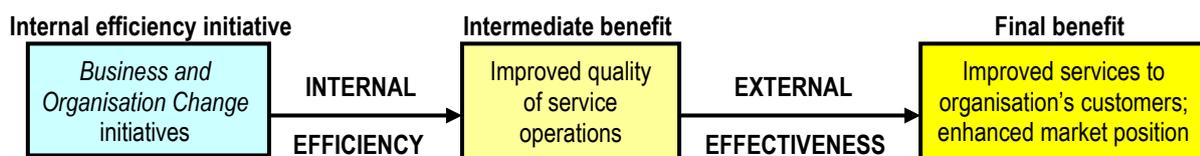


Figure 6: Illustrating two levels of benefits - intermediate Internal Efficiency benefits, which can then contribute to final External Effectiveness benefits - Adapted from Winter et al 2006, Fig. 2.

The recognition that there are these two levels of benefits should help focus attention on a key question which is perhaps not asked as often as it should be –

“How will realisation of benefits from these particular *Internal Efficiency* initiatives facilitate the realisation of benefits from ensuing *External Effectiveness* initiatives?”

However, in the context of this article, it does suggest that we need to clearly identify which benefit level we are talking about when discussing responsibilities for BRM.

SUMMARY: INTERNAL EFFICIENCY INITIATIVES – BRM RESPONSIBILITIES

There appears to be quite a consistent pattern when it comes to the question of who is responsible for benefits realisation management (BRM) in the various types of *Internal Efficiency* strategic initiatives.

First, in the internal context, it is often the case that project/program management (PPM) is in a position to work closely with ultimate users of the relevant strategic initiatives. In these circumstances, PPM can do a great deal to help users prepare for effectively realising the benefits. This appears to be one of the attributes of BRM in internal contexts which distinguishes it from most external contexts.

Actual responsibilities for BRM generally appear to depend on whether or not the users are formally represented by a specific entity within the organisation.

- If there is a formal representative of the users, then that representative is normally responsible for BRM.
- If there is no formal user representation, then project/program management is usually responsible for BRM, with its associated educational and *other strategic work*. In effect, PPM becomes the users' representative.

Now, the latter situation worked for me when I project managed change projects in that context. However, on reflection this was probably because I was also a senior manager in that project-based organisation, with the authority that goes with it. It probably would have been much more difficult if I had not had that degree of seniority and authority.

As just noted, there are generally close working relationships between PPM and the users with so many of these *Internal Efficiency* initiatives. This suggests the potential for joint responsibility for BRM – and I have been told that this indeed happens from time to time. Such joint responsibility would appear to reflect the type of teamwork approach which would most certainly be in the best interests of both parties.

EXTERNAL EFFECTIVENESS ORGANISATIONAL STRATEGIC INITIATIVES

Driver & Seath 2015 say that

The fundamental role of all organizations is to create assets (services, products, infrastructure) and enable people to use these to create benefits..... Organisations run **Projects** that produce **Results**, which citizens or communities **Use** to create **Benefits**.

As noted earlier, in this major sector I have divided what Driver & Seath call assets into two groups.

The first group is labelled *Shorter-term Production-related* initiatives, which incorporates Driver & Seath’s *services, products* in its component category *Product & Service Development*.

The second group is labelled *Longer-term Asset-related* initiatives, which includes Driver & Seath’s *infrastructure* assets in its Facilities component.

EXTERNAL EFFECTIVENESS INITIATIVES	
<u>Shorter-term Production-related</u> Product & Service Development Events Media & Entertainment Healthcare	<u>Longer-term Asset-related</u> Facilities Communication Systems International Development Aerospace/Defense

Figure 5 (Repeated): External Effectiveness strategic initiatives

We start with the first group, which is typified by the *Product & Service Development* category.

SHORTER-TERM PRODUCTION-RELATED STRATEGIC INITIATIVES

PRODUCT & SERVICE DEVELOPMENT INITIATIVES

I am proposing to use *Product & Service Development* initiatives to exemplify all four categories in this group of *Shorter-term Production-related* strategic initiatives.

<u>Shorter-term Production-related</u> Product & Service Development Events Media & Entertainment Healthcare

Here we are dealing with the creation of new or improved products and services which are developed within the organization and delivered to its operating arm, which is then responsible for realizing the market-place and customer-related benefits to be derived from their deployment and use.

This set of processes is illustrated in the following figure, which is based on Cooke-Davies 2002.

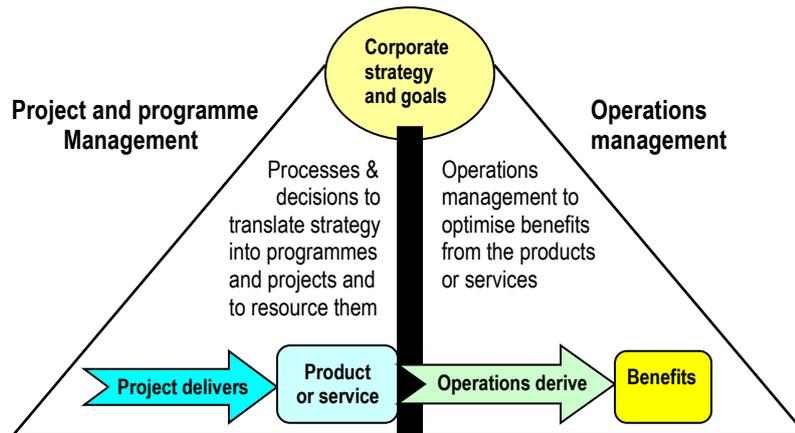


Figure 7: Depicting handover of project outputs to operations management, for the latter to realise benefits. Adapted from Cooke-Davies 2002, Figure 3

With this type of strategic initiative, project/program management needs to work closely with operations management to ensure that it is delivering the “right” new or improved products or services.

This situation has some parallels that that illustrated in Figure 6, in which *Internal Efficiency* benefits were seen as “intermediate” to the ultimate goal of contributing to the realisation of *External Effectiveness* benefits. However, in this case the products or services are not *Internal Efficiency* benefits. They are directly delivered to Operations Management, which, as indicated in Figure 7, is responsible for optimising benefits. The latter would involve effective deployment of the products/services in the organisation’s marketplace, and amongst customers, resulting in enhanced market share, profitability, or equivalent. This would be the responsibility of a dedicated manager who interfaces with the market/customers – e.g. a Marketing Manager or Product Manager.

In this scenario, project/program management is not involved in any way with the ultimate realization of benefits. As Cooke-Davies 2002 puts it,

...benefits are not delivered or realized by the project manager and project team, they require the actions of operations management.

Parallel considerations also appear to apply to the other three types of strategic initiatives in this group. Clearly, project/ program management that delivers the products/services which facilitate *Events, Media & Entertainment, or Healthcare* services such as major surgery, are not directly involved in realising the benefits that ensue (or don’t ensue) from these initiatives. Again, these are the responsibilities of the organisation’s designated managers at the market/customer interfaces.

Summarising BRM responsibilities with *Shorter-term Production-related* initiatives:

- Responsibility is with the designated manager interfacing with the organisation’s markets/customers – e.g. Product Manager, Events Manager, Producer, etc.;
- Project/program management normally has no direct involvement in ultimate BRM.

LONGER-TERM ASSET-RELATED STRATEGIC INITIATIVES

At this stage I want to present a diagram from Driver & Seath 2015 which is relevant to both the above *Shorter-term Production-related* initiatives, and to the various initiatives in this *Longer-term Asset-related* group.

Longer-term Asset-related Facilities
 Communication Systems
 International Development
 Aerospace/Defense

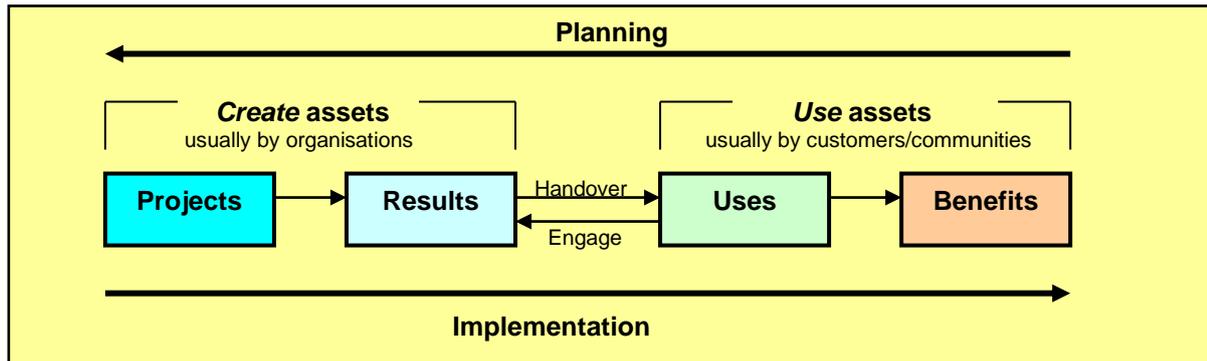


Figure 8: The PRUB path from assets creation to benefits – based on Driver & Seath 2015

It can be seen that this broadly represents a similar scenario to that in Figure 7, where the project *results* (Cooke-Davies’ *Product or service*) is delivered to users (in Cooke-Davies’ case customers, via *Operations Management*).

Figure 8 is equally relevant to this section on *Longer-term Asset-related* strategic initiatives, as now discussed. Although details can vary enormously over the whole assets spectrum, Driver & Seath make the following observation.

Of course, most Project and Programme Managers will understand that they can’t “realize” benefits since the majority of benefits come about after a project has finished and people start making use of the things that have been created.

We will now look at the *Facilities* initiatives component of this group in a little more detail,

FACILITIES STRATEGIC INITIATIVES

There appear to me to be two broad types of asset-related *Facilities*:

- Longer-term commercial production facilities
- Public infrastructure facilities

Longer-term Asset-related Facilities
 Communication Systems
 International Development
 Aerospace/Defense

We will start with the longer-term commercial production facilities, which, in a sense, can be seen as a time-extended version of the *Product & Service Development* strategic initiatives discussed in the previous section.

Longer-term commercial productive facilities

Here we are talking about facilities/ assets that can be productive over very long time periods indeed. For example, in the mining industry, one of the longest operating mines is the Bingham Canyon copper mine in Utah, which began production in 1906, and is still going strong.

With all types of such longer-term productive assets, whose benefits will generally be realized only over long time periods, responsibility for such benefits realization clearly rests with the owners/users. Program/project management has absolutely no direct involvement with BRM with these types of long-term facilities. Giammalvo 2019, who has long been associated with the oil and gas industry, puts the following perspective on responsibilities in relation to its types of facilities.

Stop positioning the Project Manager as the “star” of the show. The project manager is an important supporting actor, but the real stars of the show are the Asset and Operations Managers in their role as project SPONSORS.

So, in his idiosyncratic way, Giammalvo is pleading for greater realism about the position of PPM in relation to BRM with this type of longer-term productive facility.

- PPM has no involvement in, or responsibility for, the final BRM;
- Responsibility for BRM lies with the owner and/or designated owner/user representatives (e.g. Giammalvo’s Asset and Operations management).

Public infrastructure facilities

There are, of course, many types of public infrastructure facilities. In this country (Australia) transportation facilities come most readily to mind, albeit most often for the wrong reasons – underestimated costs, and over-estimated utilisation. However, there is still plenty of good work being done in this domain, and an occasional comment on relevant benefits realisation. In the context of main roads (in Queensland), McGrath 2007 observes that

Project managers cannot be held responsible for actually realizing the benefits from a project, as the delivery team will generally move on when the project is finished. Only the organization that had the new asset delivered and/or the organization that subsequently operates it can realize the benefit.

In the circumstances quoted by McGrath, it is obvious that

- Project/program managers cannot be held responsible for realizing the benefits when they are no longer involved in the initiative;
- BRM is clearly the responsibility of the owner and owner’s representatives.

Now, in some instances, public infrastructure initiatives are unrolled in stages, before completion of the whole facility – we have a recent example of this with a light rail facility in Sydney. Here, project/program management will have a keen interest in how the intermediate delivered facilities are functioning. But the responsibility for BRM in partial handover situations surely remains with the owner.

OTHER LONGER-TERM ASSET-RELATED INITIATIVES

Communication Systems initiatives

Parallel considerations to those discussed for public infrastructure facilities also appear to apply to the next long-term asset related initiative, Communication Systems.

- The owners of such systems, and their designated representatives, are clearly responsible for realising benefits arising from the use of these systems;
- Project/program management has no responsibilities for the ultimate BRM.

Longer-term Asset-related
Facilities
Communication Systems
International Development
Aerospace/Defense

International Development initiatives

However, when it comes to International Development, responsibilities for BRM can vary quite widely, and under some arrangements the project/program management team may have to attempt to pick up a good deal of the load. However, in the final analysis, if these initiatives are not embraced by the ultimate users, the benefits will not be realised. Therefore, with International Development initiatives,

- Responsibility for BRM can vary quite widely;
- However, BRM responsibility is often shared between the PPM providers and the ultimate user representatives.

Aerospace/Defense initiatives

These cover a huge range of types of long-term asset-related. Therefore,

- Responsibilities for BRM can vary very widely.

As noted earlier, I was initially tempted to put these into the *Internal Efficiency* group, because both are highly autonomous, and both appear to be essentially judged by the products/services they produce. In effect, the perceived benefits of both types of strategic initiatives appear to be quite directly focused on their outputs, and any broader benefits to the community or other entities are rarely discussed. Therefore, although it is most certainly a gross simplification of what are very complex circumstances, I identify what appears to be a quite a common circumstance – i.e.

- Benefits realisation is often focused on the utility of the project/program outputs.

Summarising BRM responsibilities with longer-term asset-related initiatives

- With the exception of the last two types, there is a broad common pattern:
 - Responsibility for BRM is with owners and designated owner representatives;
 - Project/program mgt. has no involvement in, or responsibility for, BRM.
- With *International Development* initiatives, responsibility for BRM is often shared between the PPM providers and the ultimate user representatives.
- With *Aerospace/Defense* initiatives, benefits realisation is often focused on the utility of the project/program deliverables.

SUMMARY/CONCLUSION

Summary

We first recap the summaries on responsibilities for benefits realisations management (BRM).

Internal efficiency strategic initiatives

- If the users have a formal organisational representative (e.g. Business Change Manager), then that representative is normally responsible for BRM;
- If there is no designated user representative, then project/program management is usually responsible for BRM, which includes its associated educational and other strategic work.

External effectiveness: Shorter-term Production-related initiatives

- Responsibility is with the designated manager interfacing with the organisation’s markets/customers – e.g. Product Manager, Events Manager, Producer, etc.;
- Project/program management normally has no direct involvement in the ultimate BRM.

External effectiveness: Longer-term Asset-related initiatives

- With the exception of International Development and Aerospace/Defence,
 - Responsibility for BRM is with owners and/or designated user representatives
 - Project/program mgt. has no involvement in, or responsibility for, final BRM.
- With International Development initiatives, responsibility for BRM is often shared between the PPM providers and the ultimate user representatives.
- With Aerospace/Defense initiatives, benefits realisation is often focused on the utility of the project/program deliverables themselves.

The primary types of strategic initiatives discussed in this article, and the above responsibilities for benefits realisation management (BRM) are represented in summary form in Figure 9.

INTERNAL EFFICIENCY INITIATIVES	EXTERNAL EFFECTIVENESS INITIATIVES			
Business & Organisation Change Information Systems (Software) Research & Development "Stay-in-Business" initiatives	<u>Shorter-term Production-related</u> Product & Service Development Events Media & Entertainment Healthcare	<u>Longer-term Asset-related</u>		
		Facilities (commercial production; public infrastructure) Communication Systems	International Development	Aerospace/ Defense
Responsibilities for BRM • If users have a formal organizational representative, the latter is responsible • If there is no designated user representative, then project/program mgt. is usually held responsible	Responsibilities for BRM • Responsibility is with designated mgr. interfacing with organisation's markets/customers – e.g. Product Mgr, Events Mgr, Producer • Project/program mgt has no direct involvement in ultimate BRM	Responsibilities for BRM • Responsibility is with the owners and/or designated user representatives • Project/program mgt has no direct involvement in, or responsibility for, final BRM	Resp. for BRM • Varies • Often shared between PPM providers and ultimate user representatives	Resp. for BRM • Varies • Benefits often focus on utility of project/program deliverables themselves.

Figure 9: Summarising types of strategic initiatives and responsibilities for BRM

Conclusions

The most obvious finding from the above is that there is a profound difference between most *Internal Efficiency* and *External Effectiveness* strategic initiatives when it comes to responsibilities for benefits realisations management (BRM).

With *Internal Efficiency* initiatives, project/program management (PPM) is normally intimately involved with the users. If the users are formally represented in the organisation, that representative is responsible for BRM. If there is no such representative, then PPM typically becomes responsible.

With probably the majority of *External Effectiveness* initiatives, (with the exception of many *International Development* and *Aerospace/Defense* initiatives) PPM is rarely involved with the users. Owners/users are generally responsible for BRM, and PPM does not normally have any involvement or responsibilities for the ultimate BRM.

This distinction between PPM responsibilities for BRM is seldom acknowledged in the project management literature, which all too often implies that PPM has BRM responsibilities with *External Effectiveness* initiatives, in spite of the fact that it very often does not (with the exceptions already noted).

Overall, this has been an exploratory article. Whilst it has attempted to cover most types of strategic initiatives and BRM responsibilities, this coverage is certainly far from being comprehensive. For example, I have not included mega-projects, which are major subjects in their own right – and where BRM responsibilities are sometimes assigned to the provider organisation.

Moreover, I have only touched on part of the topic of benefits realisation management. The focus of this article has been on who has responsibilities for BRM. However, it is one thing to have this responsibility, but it is quite another to be able to actually fully realise those benefits. To achieve this, one essential requirement is that the “right” projects/programs deliver their outputs “right”. In other words, first, the “right” project/program components of the strategic initiative need to have been chosen – and second, their outputs need to have been delivered “right”, particularly as regards quality. The latter tends to dominate in the project management literature, whereas the former is conspicuously neglected. I discussed actual and possible involvement of project management with regard to choosing the “right” projects/programs in the last issue of this journal (Stretton 2020d), and propose to further examine this broad issue in future articles.

Benefits realisation is an important topic, because it is concerned with just how project/program management contributes to the achievement of broader strategic objectives, and its involvement in, and responsibilities for, realising the associated benefits. This subject is not well covered in the project management literature, which tends to focus on projects/programs per se, rather than on their contributions in broader contexts. Hopefully this article may encourage others to take this topic to the next levels of breadth of coverage, and of relevant detail.

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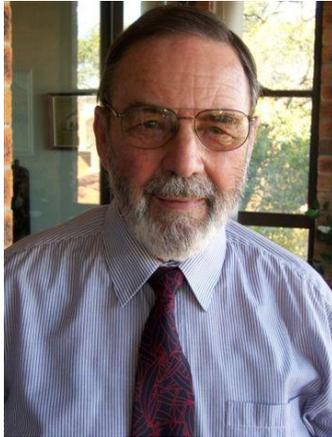
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