

Relating three prominent program-related benefits management/ realisation processes with a basic organisational strategic management sequence ¹

By Alan Stretton

INTRODUCTION

In two recent articles in this journal (Stretton 2020e, i), I have discussed the question of responsibilities for benefits realization management (BRM), primarily in the context of commercial types of strategic initiatives, of relatively modest size. It was found that project/ program management seldom has actual responsibility for the ultimate realisation of benefits, which typically lies with user groups.

However, it was also noted that, even when it has no such direct responsibility, project/ program managers should always have the final usage of, and benefits from, their outputs prominently in mind at all stages of developing and executing their projects/ programs. It was further noted that this need has been emphasised in several important publications, particularly on program management, and I indicated an intention to discuss this, and some related issues, in a following article.

This article discusses three such prominent program-related benefits management/ realisation processes, and relates these with the following basic organisational strategic management sequence which I have been using for some time.

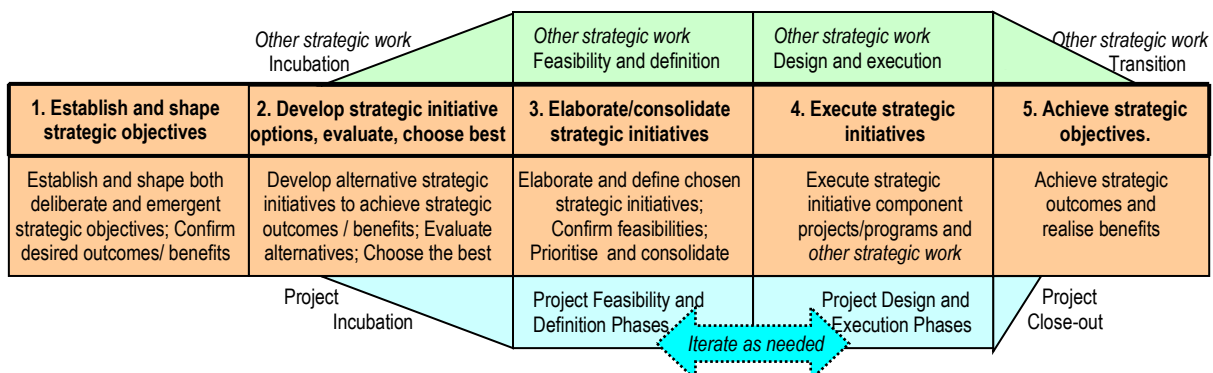


Figure 1: A basic organisational strategic management sequence

We will first overview these three prominent sets of processes from the literature. We then discuss them in more detail, both in terms of how they relate to each other, and to the various stages of this organisational strategic management sequence

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THREE BENEFITS MANAGEMENT/REALISATION (BM/R) PROCESSES

Benefits realisation process: OGC 2007

The title of this very substantial and widely used OGC 2007 publication is *Managing Successful Programmes*. As the title indicated, it is primarily concerned with programs, and the following *Benefits realisation process* adapted from its Figure 7.9, is concerned with the role of program management in the context of this process.

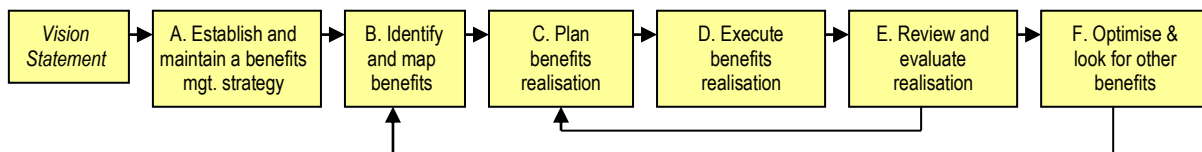


Figure 2: Adapted from OGC 2007: Figure 7.9 Benefits realisation process

It is immediately evident that the components of this process follow much the same pattern as the above organisational strategic management sequence. In particular, its *Vision Statement* is a commonly cited starting point for most organizational strategic management processes. We will be discussing this further shortly.

It is also evident that program management is brought into these processes very early indeed – an issue which we will also be discussing in more detail shortly.

Benefits management process: APM 2012

The following process derives from the UK's Association for Project Management's publication *APM Body of Knowledge (6th Edition)* – another prominent publication.

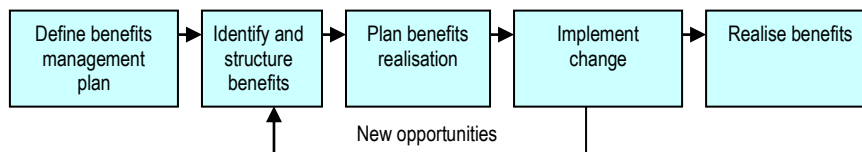


Figure 3: Adapted from APM 2012: Figure 3.7 Benefits management process

It can be seen that this sequence is very similar to OGC 2007. The first three components of the sequence are virtually identical to the first three operational processes in the OGC sequence. However, it is somewhat different in the remaining two stages, which have to do with change and benefits realisation.

APM 2012 discusses benefits from both program and project management, but its processes are so similar to OGC that I believe that it would also consider program management as being in the primary role in this context, and being brought in very early in the process, as with OGC.

Program benefits management: PMI 2017

The following set of processes come from the Project Management Institute's publication *The Standard for Program Management (4th Edition)*.

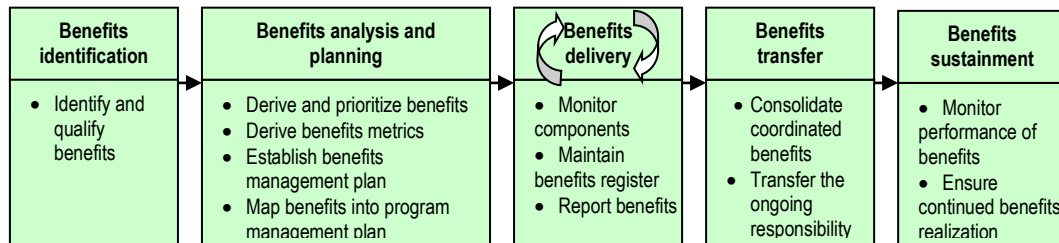


Figure 4: Adapted from PMI 2017, Figure 4-1 Program life cycle & program benefits management

As can be seen, PMI 2017 is specifically concerned with programs and program management, here in the context of benefits management. This sequence has much in common with those of OGC and APM, particularly in the first two components, but with some significant differences in the remainder.

We now look at some broad attributes of each of these three sets of processes, starting with the very early introduction of program management into these processes.

Early appointment of program managers into strategic initiative mgt. roles

In Stretton 2020h I discussed the very early appointment of program managers in the OGC context to a role which is essentially the same as that described earlier in that article (and in previous articles) for strategic initiative managers (who cover both the project management and other strategic work components shown in Figure 1). As can be seen, this type of early appointment also applies to the other two benefits management/realisation processes

I also noted that this type of extension from traditional project management, via programs, into effectively strategic initiative management roles, has been in place for a long time in the procurement and acquisition processes of public sector organisations in the UK. In government agencies in the USA, and especially defense, energy and transportation, the use of *programs* in much the same context also appears to have been entrenched for a long time.

However, in spite of its widespread usage, I have problems with this use of the descriptor *program* in this context. The main one is that many programs have nothing to do with strategic management, but we do not have a terminological way of distinguishing them. This is one reason why I strongly prefer the descriptor *Strategic initiative manager* to *program manager* in that context. Another reason is that it is non-jargon, and describes its function in a way most people can readily understand. Therefore, I propose to continue to use the descriptor *strategic initiative manager* in the following, except when quoting or referencing.

Benefits management/realisation processes and strategic initiative processes

OGC 2007:71 says that, “The Benefits Realisation Plan will be developed alongside the Programme Plan”. In Figure 4 above, PMI says, “Map benefits into program management plan”. So, while both OGC and PMI emphasise that their benefits management/realisation processes are developed with, and are part of, what they describe as the program or program management plan, the former are still presented as entities in their own right. Whilst I applaud any efforts which continue to emphasise the ends to which projects and programs are contributing, rather than focusing solely on the means, these separate processes appear to me to be somewhat disconcerting. They don’t really make contextual sense until they are directly associated with the operational actions which enable their processes.

In a broad context, the latter would appear to be quite well summarised in the organisational strategic management sequence in Figure 1. In the following we will attempt an approximate alignment of the three benefits management/realisation processes with each other, and with the strategic management sequences, and then look further at the roles of benefits within each of the stages.

ALIGNING THE COMPONENT STEPS OF THE THREE BM/R PROCESSES, AND RELATING THEM WITH THE ORGANISATIONAL STRATEGIC MGT. SEQUENCE

We will now assemble the component steps of the above three benefits management/realisation processes, and align them as well as we can with each other, and with the corresponding stages of the organisational strategic management sequence.

Establish/define benefits management plan/strategy (associated with Stage 1)

The first item in the OGC processes is a *Vision statement*. These precede the first of the alphabetically identified action steps of these processes.

OGC 2007: A. Establish & maintain a benefits mgt. strategy
APM 2012: Define benefits management plan
1. Establish and shape strategic objectives
Establish & shape both deliberate & emergent strategic objectives; Confirm desired outcomes/ benefits

We start with this first action step from OGC 2007, which is essentially the same as that from the APM processes, as shown. There is no comparable step in PMI 2007, which starts with the following step. OGC 2007:72 says the following about this step.

Some organisations establish Benefits Realisation Management at the strategic or portfolio management levels of the organisation.

The strategic management level would normally be responsible for establishing and maintaining a benefits management strategy.

Although APM does not discuss its *Define benefits management plan*, one would expect that this initial step would also be undertaken at the organisation’s strategic management level.

Fig. 5: Stage 1 BM/R

Identify and structure benefits (associated with strategic mgt. Stage 2)

A. Establish & maintain a benefits mgt. strategy	OGC 2007: B. Identify and map benefits
Define benefits management plan	APM 2012: Identify and structure benefits
	PMI 2017: Benefits identification
1. Establish and shape strategic objectives	2. Develop strategic initiative options, evaluate, choose best
Establish & shape both deliberate & emergent strategic objectives; Confirm desired outcomes/ benefits	Develop alternative strategic initiatives to achieve strategic outcomes / benefits; Evaluate alternatives; Choose the best option
ORGANISATIONAL STRATEGIC MGT. SEQUENCE	

In this stage we move on to specific strategic initiatives which are developed to achieve specific outcomes and benefits within the overall strategic objectives. These steps in the three processes are nearly identical. I have overlapped them slightly into Stage 1 of the organisational strategic management sequence because they derive from, and/or must align with, the broad strategic objectives.

OGC has substantial discussions on identifying and mapping benefits, including Table 7.3, which is a kind of checklist of “Business areas where benefits may be identified”, along with other ways of identifying and categorising benefits. In its context of “transformational” change within the organisation, OGC 2007:72 says,

Figure 6: Identify benefits, & Stage 2

Benefits are often best identified initially by gathering a group of representatives from key stakeholders to consider where the benefits are to be realised.

As noted in the introduction, final responsibilities for realising benefits with most types of strategic initiatives generally lie with the users of the outputs from projects/ programs. Therefore, the users (or their representatives) should be closely involved in establishing just what those benefits will be. In the OGC and APM contexts, whose main concerns are with business change initiatives, both nominate Business Change Managers as the users, or user representatives. They should therefore be closely involved in initial development and choice of “their” benefits.

Plan benefits realisation (also associated with strategic management Stage 2)

A. Establish & maintain a benefits mgt. strategy	B. Identify and map benefits	OGC 2007: C. Plan benefits realisation
Define benefits management plan	Identify and structure benefits	APM2012: Plan benefits realisation
	Benefits identification	PMI 2017: Benefits analysis and planning
1. Establish and shape strategic objectives	2. Develop strategic initiative options, evaluate, choose best	
Establish & shape both deliberate & emergent strategic objectives; Confirm desired outcomes/ benefits	Develop alternative strategic initiatives to achieve strategic outcomes / benefits; Evaluate alternatives; Choose the best option	
ORGANISATIONAL STRATEGIC MGT. SEQUENCE		

The previous two sets of steps from the BRM processes closely match those in the organisational strategic management sequence.

However, when it comes to benefits/realisation planning, the focus of each is different. OGC is concerned with planning for both shorter-term and longer-term benefits. PMI is concerned with prioritising benefits (which would include the above), and also with deriving benefits metrics. On the other hand, the organisational strategic management sequence is concerned with the actual operational actions now required to get to the point of final BRM, as now further discussed.

Figure 7: Plan benefits realisation, & Stage 2

It is at this point that both PMI (see Figure 4 above) and OGC discuss mapping benefits into the program management plan OGC 2007:72 says,

....map them [benefits], preferably by working from the strategic objectives back to the enabling project outputs.

As discussed earlier, the program management role in these two contexts is effectively one of managing the strategic initiatives from initiation to completion. What I am suggesting here is that the basic organisational strategic management sequence includes the program management plan as its major component. The former could therefore be adopted as a basic program management plan, in the sense discussed by both OGC and PMI.

In any event, the organisational strategic management sequence broadly follows the route outlined in the above quotation from OGC, but in more detail, as follows.

- Specific benefits have already been identified, based on the broader organisational strategic objectives established in Stage 1.
- Then determine what particular outcomes from planned activities will best facilitate the realisation of these benefits
- Then establish what outputs from the planned actions will best contribute to achieving those outcomes.
- Then develop alternative groups of actions (strategic initiatives) for delivering such outputs, and choose the best.

These actions are essentially summarised in the Stage 2 box above.

Stages 3 and 4 of the organisational strategic management sequence

The on-going actions following the above bullet points are then:

- Develop detailed action plans for the projects, programs and other components of the chosen strategic initiatives.
- Then implement/execute these planned actions.

These two bullet points are covered by Stages 3 and 4 of the organisational strategic management sequence, as shown and summarised in Figure 1, and in Figure 8 below.

These ongoing actions are not mentioned in any of the three BRM processes, whose next component steps relate to benefits delivery and realisation, as now discussed.

An initial alignment of concluding BM/R processes (associated with Stage 5)

The following figure attempts to align these components of the three sets of benefits/realisation processes. It can be seen that these group into two sections – one which is concerned with direct benefits delivery/realisation, and the other with more ongoing issues related to evaluating, sustaining and furthering benefits realisation.

A. Establish and maintain a benefits mgt. strategy	B. Identify and map benefits	OGC 2007: C. Plan benefits realisation		OGC 2007: D. Execute benefits realisation	E. Review & evaluate realisation	F. Optimise, look for other benefits
Define benefits management plan	Identify and structure benefits	APM 2012: Plan benefits realisation		APM 2012: Implement change	APM 2012: Realise benefits	
	Benefits identification	PMI 2017: Benefits analysis and planning		PMI 2017: Benefits delivery	PMI 2017: Benefits transfer	PMI 2017: Benefits sustainment
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 & shape both deliberate & emergent strategic objectives; Confirm desired outcomes/ benefits	Develop alternative strategic initiatives to achieve strategic outcomes / benefits; Evaluate alternatives; Choose the best option(s)	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		
ORGANISATIONAL STRATEGIC MANAGEMENT SEQUENCE						

Figure 8: An initial alignment of concluding benefits management/realisation processes

However, it can be seen that these processes give little indication about what actually happens with “enabling project outputs” (OGC’s descriptor quoted above) – i.e. about processes which indicate how project outputs facilitate the enabling of benefits realisation.

Fortunately we have a very good example of such processes in OGC 2007: Figure 7.3, which is described as an example of “a project output to strategic objective chain”. An adapted version of this figure was discussed in Stretton 2020i, and is reproduced in Figure 9 below.

From project outputs to benefits via business change initiatives

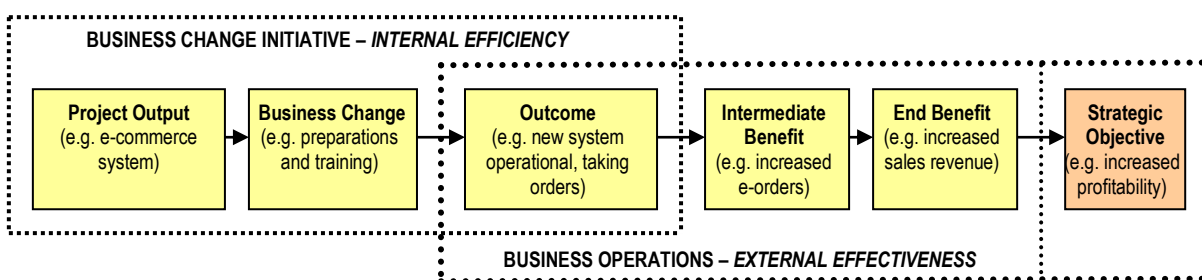


Figure 9: From project outputs to benefits via business change initiatives.
 Adapted from OGC 2007: Figure 7.3 Example of a project output to strategic objective chain -

The main thrust of OGC 2007 is on what it describes as transformational change within the organisation. This translates into business change in Figure 9, which is described as an outcome. Benefits derive later from consequent business operations which utilise these outcomes.

OGC specifically nominates Business Change Managers as the users of project outputs, and as being responsible for the achievement of the planned outcomes, although it does emphasise the role of program managers in helping them achieve these goals. However, program management clearly has no direct involvement in subsequent realisation of intermediate and end benefits.

It appears that APM 2012 is also primarily concerned with business change initiatives, as it similarly nominates business change managers as responsible for the implementation of change. This suggests that it strongly parallels the OGC representation of project outputs to benefit via business change initiatives.

This further suggests that we could represent these two processes as shown in Figure 10.

Representing later OGC & APM steps as outputs-to-benefits processes

OGC 2007: A. Establish and maintain a benefits mgt. strategy	OGC 2007: B. Identify and map benefits	OGC 2007: C. Plan benefits realisation				
			OGC 2007: D. Execute benefits realisation			
			Project Outputs	Business changes	Outcomes	Intermediate & End Benefits
APM 2012: Define benefits mgt. plan	APM 2012: Identify and structure benefits	APM 2012: Plan benefits realisation	APM 2012: Implement change			APM 2012: Realise benefits
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.		
ORGANISATIONAL STRATEGIC MANAGEMENT SEQUENCE						

Figure 10: Representing the concluding OGC and APM components in outputs-outcomes-benefits mode

I have not attempted to recast the later PMI 2017 benefits management steps in the same way, because I believe that they are intended to also cover outputs-to-benefits scenarios additional to those that go via business change initiatives, such as direct outputs-to-customers scenarios.

Also, important as they are, I did not add ongoing steps such as evaluating, sustaining and furthering benefits realisation to Figure 10, to keep it relatively simple.

This concludes these sections on aligning the component steps of the three program-related benefits management/realisation processes and aligning them with the organisational strategic management sequences. We move on to a summary and concluding discussions.

SUMMARY/CONCLUSIONS

I came to this line of enquiry out of personal curiosity about the utility of these three very prominent, mainly program-related, benefits management/realisation (BM/R) processes. I first noted that they were very similar, particularly in their earlier stages, but that they appeared to be of limited utility as presentations in their own right. However, two of the three processes also stipulated quite specifically that they had to be linked with an accompanying program plan – but I did not find any examples which specifically illustrated such linkages. This led me to start looking more closely at possibilities for developing an illustrative framework for the latter.

It was also noted that all three processes involved the very early appointment of program managers to positions which I had described in earlier articles as strategic initiative managers – i.e. managers who were responsible for individual or groups of strategic initiatives from inception to completion. Therefore, links between these processes and accompanying program plans could be viewed as links to strategic initiative plans. The latter, in turn, are an important part of the total organisational strategic management plan. Therefore, we have a direct link, via programs/strategic initiatives, between the benefits management/realisation processes and the organisational strategic management sequence.

This led to efforts to align the components of the three BM/R processes, first amongst themselves, and then with corresponding stages of the organisational strategic management sequence.

- The first OGC and APM process steps are closely aligned, and were collectively described as *Establish/define benefits management plan/strategy*. They correspond closely with the first stage of the strategic management sequence, *Establish and shape strategic objectives*, which includes establishing broad outcomes and benefits. This is normally undertaken at the organisation's strategic planning level.
- The following steps from the three BM/R processes were again closely aligned, and were collectively described as *Identify and structure benefits*. These evidently refer to specific benefits from specific strategic initiatives, and align mainly with the strategic Stage 2: *Develop strategic initiative options, evaluate, choose best*. This is seen by all three processes as being in the program management (i.e. strategic initiative management) domain.
- The next steps in each of the three BM/R processes are virtually the same, and are collectively described as *Plan benefits realisation*. Here we transition from the BM/R process stream to the organisational strategic management sequence – moving from planned specific benefits, through appropriate outcomes, the outputs from planned actions needed to achieve them, alternative groups of actions (strategic initiative) for delivering them, and choosing the best.

- The following development of detailed action plans for these initiatives (and their component projects, programs, and other strategic work), and their implementation/execution, are not mentioned in any of the three BM/R processes, but are, of course, covered by Stages 3 and 4 of the organisational strategic management sequence.
- The concluding BM/R processes aligned quite well, but gave little indication of how project/program outputs actually facilitate the enabling of benefits realisation. We substituted a figure from OGC which showed this progression, via internal business change initiatives – a progression which also appears to apply to the APM processes. However, the PMI processes evidently also allow for more direct progressions from outputs to outcomes to benefits, as exemplified in Stretton 2020i, Figure 8.

The following figure attempts to summarise all the above into one compact presentation.

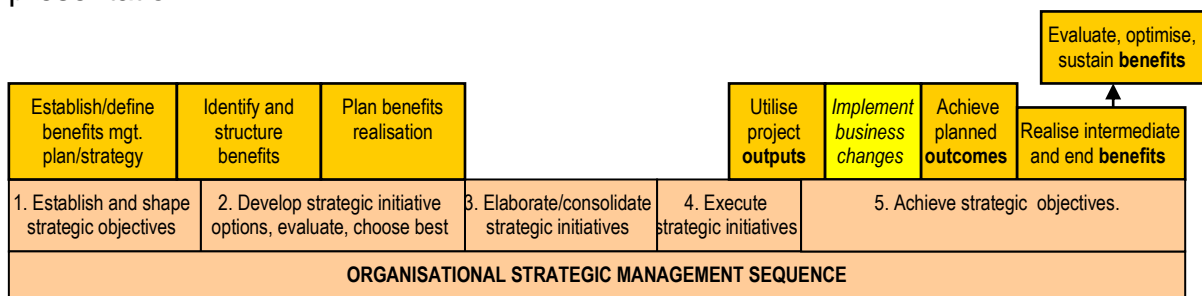


Figure 11: A summarised presentation of combined benefits management/realisation processes and the organisational strategic management sequence

The first three upper BM/R processes reflect the headings used earlier.

The progression illustrating the outputs-outcomes-benefits progression has been re-expressed in action terminology. The *Implement business changes* text-box has been italicised and coloured differently to suggest that it could be eliminated in cases where this progression flows directly from outputs to outcomes, as applies in many cases, as was exemplified in Stretton 2020i.

Additionally, the various BM/R steps for evaluating, optimising and sustaining benefits have been combined into the one text-box.

This has been an enquiry which arose out of personal curiosity. It has developed a model which integrates the three program-related benefits management/realisation processes with an organisational strategic management sequence in a way that appears to work quite well. I am not sure how useful this might prove to be, but it appeared to be important enough to be worthwhile sharing with others in the project management field.

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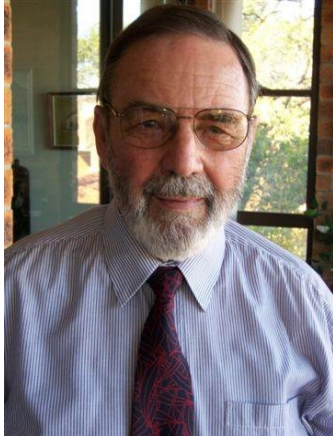
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Alan Stretton is one of the pioneers of modern project management. He is currently a member of the Faculty Corps for the University of Management & Technology (UMT), USA. In 2006 he retired from a position as Adjunct Professor of Project Management in the Faculty of Design, Architecture and Building at the University of Technology, Sydney (UTS), Australia, which he joined in 1988 to develop and deliver a Master of Project Management program. Prior to joining UTS, Mr. Stretton worked in the building and construction industries in Australia, New Zealand and the USA for some 38 years, which included the project management of construction, R&D, introduction of information and control systems, internal management education programs and organizational change projects. He has degrees in Civil Engineering (BE, Tasmania) and Mathematics (MA, Oxford), and an honorary PhD in strategy, programme and project management (ESC, Lille, France). Alan was Chairman of the Standards (PMBOK) Committee of the Project Management Institute (PMI®) from late 1989 to early 1992. He held a similar position with the Australian Institute of Project Management (AIPM) and was elected a Life Fellow of AIPM in 1996. He was a member of the Core Working Group in the development of the Australian National Competency Standards for Project Management. He has published over 200 professional articles and papers. Alan can be contacted at alanilene@bigpond.com.au.

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