

Earned Benefits, Risks, Standards and Then Some

Interview with Kik Piney¹

PM Author, Advisor, Expert, Volunteer
Risk Management, Benefits Management, Integrated PPM
South of France



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Introduction to the interviewee

After many years managing international IT projects within large corporations, **Crispin (“Kik”) Piney**, B.Sc., PgMP decided to work as a freelance project management consultant based in the South of France. At present, his main areas of focus are risk management, and integrated Portfolio, Program and Project management. He has developed advanced training courses on these topics, which he has delivered in English and in French to international audiences from multiple industries.

Kik has served as a volunteer for PMI since year 2000, contributing to most of their foundational standards, from the first Edition of the Organizational Project Management Maturity Model (*OPM3™*) right up to the seventh edition of the *Guide to the Project Management Body of Knowledge* in 2020. He was a “significant contributor” to the second edition of both PMI’s Standard for Program Management as well as the Standard for Portfolio Management. He is co-author of PMI’s original *Practice Standard for Risk Management*. In 2008, he was the first person in France to receive PMI’s PgMP® credential; he was also the first recipient in France of the PfMP® credential. He has presented at a number of recent conferences and published formal papers, many of which are available online.

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As a follow-up to his book on Earned Benefit program management that he wrote in 2018, Kik is currently working on developing a complementary handbook on complete benefits realization management that he hopes will help the project community deliver more worthwhile results successfully.

Kik Piney is the author of the book [*Earned Benefit Program Management, Aligning, Realizing and Sustaining Strategy*](#), published by CRC Press in 2018.

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Interview

Q1: First of all, thank you for accepting an interview request from PMWJ. You have written a lot about benefits realization /earned value: could you give us a definition of benefits realization, please?

Crispin Piney (Kik): Yasmina, thank you for inviting me to share my views on a number of topics that I find interesting and challenging. I will attempt to share my enthusiasm with the readers.

I am glad that you put Earned Value and Earned Benefit together in a single question, because it was thinking about Earned Value that led me to develop the theory and framework that I named Earned Benefit.

I was an early advocate of Earned Value and still encourage project teams to use it, but I also realized that its name promises more than it can offer: it does not, in fact, address the value of a project or a program. It only works with budgetary quantities. As such, it would be better – but less attractively – called Earned Budget. Although cost is naturally an important consideration, what the business, the customer and the users actually care about is the benefit that the work has been commissioned to deliver.

Put simply, Earned Value forecasts and tracks what the business has decided to put into a project, whereas Earned Benefit focusses on what they intend to get out of it. Earned Value tracks the spend for the funder and the supplier, whereas the Earned Benefit framework provides the business and the customer with the strategic information they need.

So, to answer your question as to the definition of benefits realization: benefits realization addresses all of the steps required to ensure that a project or a program delivers the planned benefits in a transparent, efficient, and controllable manner. Benefits realization is a bit like Rumpelstiltskin in the children's story. It takes budgetary straw and spins it into strategic gold.

Fortunately, in our case, we do not need to rely on magic, although forecasting of benefits realization does present a number of interesting challenges such as: how to measure the targeted benefits (dollars, user acceptance, happiness, etc.); what needs to occur or change for the benefit to become possible; how do the components of the solution interact with each other, how much does each component contribute to (or remove from) the overall benefit, and when can the client expect the benefits to arrive?

However, forecasting is not sufficient. We also need to be able to track the progress of the work against the plan. That is where the concept of Earned Benefit comes in. Although I suggested the term “Earned Benefit”, it was Ginger Levin who encouraged me to use it as the focus and title of the book that I wrote under her direction as series editor.

Earned Benefit at any point in time represents the potential benefit corresponding to the progress in each of the component projects. But, as we all know, (and external consultants especially!) “earning” and “realization” are two separate situations. The payment for what you have earned may well come a considerable time after you have completed the work.

Earned Benefit can address these delays by taking into account a realization schedule that also indicates the lead-times for each component of the planned solution – i.e., the delay between performing the work and the arrival of the actual benefit. The addition of this schedule-related information allows a complete chronological benefits-flow analysis to be developed, showing cumulative spend and cumulative benefit, from the start of the program through to realization of all of the benefits, followed by ongoing operations.

Q2: Is this more important now than before? Why?

Kik: It is not more important now than before, because it has always been essential. The difference now is that people recognize its importance.

Project and program management organizations have not always appreciated their key role in managing the concrete business aspects of their work, and the earlier editions of standards from the Project Management Institute appeared to take it for granted that the business justification for the project or program was what we might characterize as a SEP – that is to say, Someone Else’s Problem. However, organizations have evolved from the original strictly hierarchical model to give progressively more business responsibility further down the organization. At the same time, program managers, initially, and project managers more recently, have felt the wish to increase their visibility and value to the organization by taking additional responsibility for business aspects of their work.

The criteria for project success have moved from simply delivering what was asked for from the point of view of time and cost, to providing what is needed in a manner that supports the strategic and business goals of the organization. This means that the focus now is on benefits realization.

I would like to add that I do see a danger for business and for the profession in this changing role. The danger is that a total focus on benefits by project and program managers could lead to overlooking or downplaying the crucial value of the creation of the required deliverables and the importance of specific skills involved in creating them – and the key role of the experts who create these deliverables. As the Israeli writer Amos Oz was told when he asked to have time off from working in the kibbutz to write: “If everyone is an artist, who will be left to milk the cows?”

Q3: You have also studied risk management: according to you, in what way has risk management changed over the years?

Kik: If we go back to ancient times, risk was viewed as impossible or even sacrilegious to manage because the gods had total control over all events in the world. We have certainly moved on from there. The initial mathematical analyses of chance and probability were motivated by the wish to get a better handle on the odds at various games on chance. However, more recently, risk management has become generally relevant, and the techniques have been codified. One major advance since the start of the millennium has been the increasing acceptance, thanks to the work of David Hillson and others, that opportunities can and should be integrated under the general umbrella of risk management. In both cases, a risk is defined as an uncertain event which would have an impact with respect to the stated objectives. For threats, this impact is negative; for opportunities, it is positive. All of the techniques and challenges are identical on the two sides of the picture; the only difference is in the response techniques to be employed depending on whether the goal is to reduce or increase the likelihood and the impact of the potential event. In fact, we could say that every cloud should be examined to find its proverbial silver lining, and vice versa.

And the mention of “impact” brings us back to the concept of benefits. The impact of an event should be measured by its effect on the benefits to be delivered to the project or programme. The importance of the actual impact can therefore be much larger or smaller than the actual effect of the event. For example, you only need to beat the world record in the 100 metres by 1/100th of a second to win fame and a considerable fortune. And the same feature is true for threats: being only slightly late at the station can lead to missing your train, a delay of many hours in reaching your destination and this, in turn, could lead to your missing a key interview and therefore failing to secure your dream job.

This dual nature of risk and the importance of defining objectives can be illustrated by the fact that, whereas an optimist would see that the glass is half full and the pessimist would see it as half empty, the project manager just asks whether the objective is to fill it or to empty it

Another fact that has frequently been overlooked is that every action undertaken to respond to a threat or an opportunity will have side effects that also need to be taken into account. There are two categories of side effects leading to additional threats that are often ignored but that should be described clearly with the initial definition of objectives.

One key consideration is the set of constraints attached to the solution. Examples of these constraints are: organizational principles, budget limitations, safety, security, human factors, ethical considerations, etc. The other area to be taken into account is the set of assumptions associated with the objectives and the solution. The potential impacts of violating any of the constraints or invalidating an assumption should be included in the overall risk assessment.

In addition, there has recently been the explicit recognition that there are two different complementary categories of risk: individual risks which arise from specific situations, and overall risk which takes into account the impact on the project or program of multiple individual risks and their interactions, in a similar manner to modelling the combined effect of multiple program components on the overall program benefits. For this reason, all of the tools and techniques of benefits realization management can also be applied to planning and tracking responses to overall risk.

One other fairly recent enhancement of the risk management process is the explicit inclusion of a subprocess responsible for ensuring that the planned responses are actually implemented. This may seem to be an obvious inclusion in any effective risk management process, but it was simply taken for granted for many years rather than being explicitly specified and, as the saying goes, “if it isn’t written, it does not happen”.

Q4: What is the impact of Covid19 on benefits realization?

Kik: I cannot see any direct impact of Covid19 on benefits realization other than that the pandemic and the effects of actions to control it have led to the failure of many major projects. It may also be the case that, in some projects, Covid is being used as a welcome excuse for failures that would have occurred anyway.

Q5: What is the impact of Covid19 on risk management?

Kik: I can see three interesting links: objectives setting, communications, and lessons learned.

Although it is clear that the key objective of management of the pandemic is to minimize the number of deaths, the reality is not that simple.

In the specific case of the pandemic, although the key objective must be to control the number of excess deaths, the situation is complicated by the many constraints that have to be included with this objective. Different countries have placed different weightings on these constraints which include: ability of the health service to cope, the financial burden of restrictions on businesses and the economy, individual liberties, collateral deaths due to focussing resources on the pandemic, etc.

One other point which has come out clearly is the importance of communication when managing a situation of this type. In general, the challenge is to provide timely and

accurate information, avoiding rushing out with unverified data while still providing the public with consistent and reasoned messages. However, because the situation has been so unusual and has evolved so fast, firm data has often been unavailable. Officials too often fell into the trap of filling the void with unreliable noise, without evaluating the corresponding threat to their long-term credibility.

Taking a longer-term view, what can we take away from this pandemic as lessons for the future? The most disappointing lesson in my view is that, although we may be good at determining lessons from projects and programs, we consistently fail to learn from them. All of the lessons from previous pandemics have been well documented and contingency measures were initially put in place. However, over time, these capabilities – which would have been invaluable in the current situation – have either been shelved or allowed to go out of date. Will we now take this lesson on board for the long term?

Q6: You also contributed to many books at PMI: is it important to have standards about project management? Why?

Kik: There is no lack of excellent books available on all aspects of project management, so, as you ask, why should we also develop standards?

Two important characteristics of projects are that they are temporary initiatives and that they require a cohesive team to manage them. Together, these two characteristics entail the need for all members of the team to use compatible techniques and understand the same technical language as the other members of the team, from one project to the next. Standards provide this foundational knowledge in the form of terminology, core principles, practices, tools, and techniques.

Standards also incorporate the knowledge of a very broad set of experts from multiple industries and are developed under a process based on consensus, openness, due process, and balance. As such, they are generally applicable to most projects most of the time.

Why did I invest my time and effort in contributing? There were several reasons.

Having personally benefited from the existence of these standards in order to improve my skills as well as obtaining the corresponding certifications, I felt that I was part of the family of project managers and, as such, that I should contribute as well – and I was arrogant enough to believe I had something worthwhile to contribute.

One other reason was that, by being involved in the development and revision of these standards, I was able to exchange ideas with experts in the field that I would otherwise never have met.

Q6: What would you recommend to a project manager to manage risks in the future?

Kik: In short: make sure the objectives of the project, including the constraints and assumptions, are clearly defined along with the success metrics, and ensure that the response plan is acted upon in a timely manner.

Q8: Do you have a last message to PWJ readers, please?

Kik: I would like to start by thanking PWJ and its editor, David Pells, for providing a forum for experts and beginners alike to share their knowledge and ideas.

And a last message to readers: think about reacting to any articles you find interesting (for good reasons or bad!), by writing either a letter to the editor or your own article, or by contacting the author directly.

About the Interviewer



Yasmina Khelifi

Paris, France



Yasmina Khelifi, PMP, PMI- ACP, PMI-PBA is an experienced project manager in the telecom industry. Along with her 20-year career at [Orange S.A.](#) (the large French multinational telecommunications corporation), she sharpened her global leadership skills, delivering projects with major manufacturers and SIM makers. Yasmina strives for building collaborative bridges between people to make international projects successful. She relies on three pillars: project management skills, the languages she speaks, and a passion for sharing knowledge.

She is a PMP certification holder since 2013, a PMI- ACP and PMI-PBA certification holder since 2020. She is an active volunteer member at PMI France and PMI UAE, and a member of PMI Germany Chapter. French-native, she can speak German, English, Spanish, Italian, Japanese and she is learning Arabic. Yasmina loves sharing her knowledge and experiences at work, in her volunteers' activities at PMI, and in [projectmanagement.com](#) as a regular blogger. She is also the host and co-founder of the podcast [Global Leaders Talk with Yasmina Khelifi](#) to help people in becoming better international leaders.

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