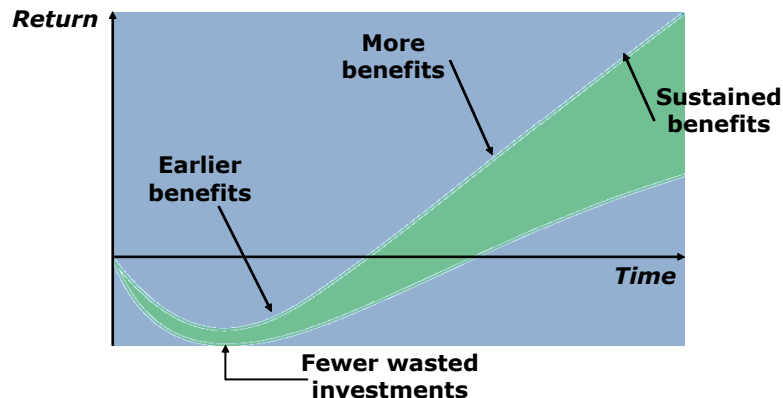


Can senior managers ignore this?

Gerald Bradley, chairman of **sigma** and author of “Benefit Realisation Management”, explores why the returns on investment in change are often poor and how they can be maximised.

Investment in change is often the largest part of an organisation’s discretionary spend. In today’s climate particularly there can scarcely be a more important responsibility for senior managers than ensuring that their organisation’s return on investment in change is maximised. Where an organisation succeeds in maximising their ROI in change, they see benefits earlier, they see more benefits and the benefits are sustained for longer. This is represented below.



Yet this responsibility is harder to exercise than many realise; industry statistics demonstrate how difficult most organisations find this challenge.

- An estimated 30-40% of systems to support business change deliver no benefits whatsoever¹
- 60% of projects do not review benefits after the business case stage and 70% after implementation²
- Only 31% of organisations track and report benefits realisation³
- 69% of organisations have no standardised plans for benefits delivery⁴
- 81% of organisations are not satisfied with the evaluation and review of benefit and change results⁴

With benefit realisation management (BRM) these dismal statistics can be turned on their heads, sometimes with exceptional results. These are some of **sigma**’s significant successes when applying BRM to sizeable investments.

A water company spent less than £20,000 on BRM and saved **£20m**, by recognising that by outlaying only £5m of the intended £25m on a major project they could still achieve 80% of the planned benefits.

Police forces were invited to bid for their share of the £30m to £40m of special funding available through a government programme to accelerate the use of Mobile Data. Many forces received nothing because the benefit cases in their bids were weak or non-existent; some forces received a proportion of what they requested; Cheshire Constabulary received the total amount requested, namely £2.1m, as a result of the quality of the BRM-based benefits case they submitted.

¹ Office of Government and Commerce (OGC)

² ChangeDirector survey of IT Executives at NCC annual conference November 2006

³ Study initiated by ING and executed by IBM, 2004

⁴ Cranfield Institute - survey of over 100 large organisations in Europe April 2006

As a result of the application of BRM to their portfolio of projects, the finance director of a multi-national pharmaceutical company shut down or postponed 40% of the portfolio, releasing cash and skills to ensure that the remaining 60% of higher value investments delivered on their promises.

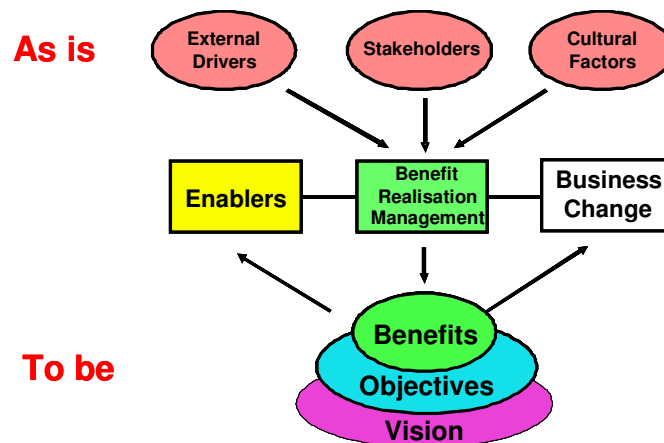
sigma's approach to BRM

The **sigma** approach not only delivers significant improvement to ROI, financial and non-financial, but delivers along the way many spin-off benefits, such as:

- Increased alignment of the change portfolio to the business strategy
- Improved stakeholder engagement
- Increased innovation and creativity
- Reduced programme and project costs
- Improved prioritisation and option selection
- Increased commitment to each programme
- Reduced resistance to change
- Minimised impact of potential disbenefits
- Greater visibility of risks
- Increased awareness of the value and impact of the total portfolio of changes

Key elements of the approach are:

- Starting by determining or clarifying the end in view – vision, end goal, bounding objective, end benefits
- Developing clear route maps to take us from where we are (the 'as is') to where we want to be (the 'to be'), and then using these route maps to: inform programme and project plans, drive the change, communicate with stakeholders, monitor progress and report success



Find out more

Visit our website, www.sigma-uk.com, or call us on 01372 450272



Established in 1986

Tel 01372 450272

www.sigma-uk.com