



BUSINESS CASE DEVELOPMENT FRAMEWORK

BENEFITS MANAGEMENT FRAMEWORK

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BUILDING QUEENSLAND BUSINESS CASE DEVELOPMENT FRAMEWORK

Building Queensland has been established under the *Building Queensland Act 2015* to provide independent expert advice to the Queensland Government about infrastructure.

This document forms part of the Building Queensland Business Case Development Framework, as follows:

OVERARCHING FRAMEWORKS

Business Case Development Framework



Benefits Management Framework

GUIDANCE MATERIAL

Strategic Business Case

Preliminary Business Case

Detailed Business Case

SUPPLEMENTARY GUIDANCE MATERIAL

ILM Workshop Guide

Social Impact Evaluation

Cost Benefit Analysis

RELATED DOCUMENTATION

Project Internal Assurance Framework

Engaging with Building Queensland Guides

Building Queensland acknowledges the following work which has informed this guide:

- Project Assessment Framework, Queensland Treasury
- Investment Management and Better Business Case Guidance, The Treasury, New Zealand
- Assessment Framework, Infrastructure Australia.

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GLOSSARY

Benefit	<p>a measurable improvement resulting from an investment perceived as an advantage by one or more stakeholders.</p> <p>Benefits might initially be stated in terms of the outcomes being sought in response to a problem or opportunity before being refined in terms of the potential benefits that will occur from one or more options.</p>
Benefits management	<p>the identification, definition, monitoring, optimisation and realisation of benefits.</p> <p>Benefits management is a whole of life process.</p> <p>Benefits management involves measurable improvement resulting from the investment in the potential option, and contributes to one or more objectives sought by an agency or government.</p>
BCDF	<p>the Building Queensland Business Case Development Framework http://buildingqueensland.qld.gov.au/our-business/frameworks/</p>
Dis-benefit	<p>adverse impact illustrated through a measurable decline resulting from a negative consequence of implementing a particular solution.</p>
Outcome	<p>the result of change, normally affecting real world behaviour¹.</p>
PAF	<p>Queensland Government's Project Assessment Framework https://www.treasury.qld.gov.au/projects-infrastructure/initiatives/project-assessment-framework/index.php</p>

¹ UK Office of Government and Commerce definition



1. INTRODUCTION

1.1. Purpose of this Document

The realisation of benefits is a principal reason why an investment is made or change implemented. Benefits and their realisation is a critical factor in any investment decision making and underpins Business Case development in the Building Queensland Business Case Development Framework (BCDF).

This document provides information on benefits management and how benefits are managed within Building Queensland's BCDF (Appendix 1). The information contained in this document is designed to be introductory. Further reading on Benefits Management is available in Appendix 2.

Critical to effective benefits management is the need to start with the end in mind. For this reason, Building Queensland's Benefits Management Framework covers the entire lifecycle of benefits management notwithstanding that Building Queensland's involvement in projects generally ceases with the finalisation of the Detailed Business Case (DBC)².

1.2. What is a Benefit?

A benefit is: a measurable improvement resulting from an investment perceived as an advantage by one or more stakeholders.

1.3. What is Benefits Management?

Benefits management is: the identification, definition, monitoring, optimisation and realisation of benefits.

1.4. Why Manage Benefits?

The effective management of benefits will support³:

- investment decision-making
- optimisation of the value generated from existing resources and new investments
- increased efficiency and effectiveness of the investment management system
- investments to achieve their intended investment objectives
- effective management of investment within the fiscal strategy and priorities.

1.5. Benefits Management Principles

The following principles underpin benefits management for the purpose of the Building Queensland BCDF:

- The achievement of benefits should be the primary goal underpinning the investment design and Business Case.
- Benefits management is an end-to-end process during the full lifecycle of the investment.
- Benefits must be aligned to strategic goals and performance measures (i.e. the agency, State or Federal government).
- The number of benefits identified for monitoring outcome performance should be limited to a manageable number of relevant and significant benefits.

² Unless otherwise directed by the Minister

³ Adapted from: Managing Benefits from Projects and Programmes: Guide for Practitioners. April 2016, The Treasury, New Zealand

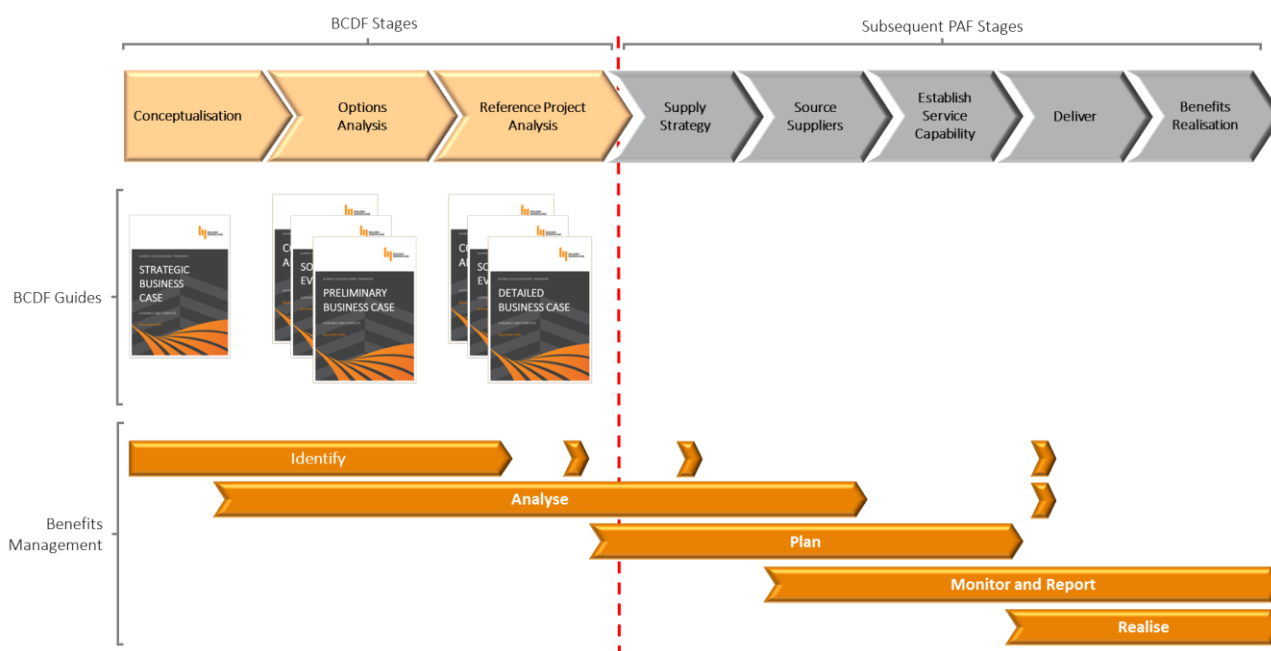


- Benefits must be owned by appropriate sponsors and managers who are accountable for their realisation.
- Benefits are dynamic and need to be regularly reviewed and updated.
- Benefits management must be integrated with an agency's project, program, and portfolio management practice.
- Baselining the existing situation is essential so that benefits realisation can be measured and reported.

1.6. How Benefits Management connects to the BCDF

Building Queensland's Benefits Management Framework aligns with the Queensland Government's Project Assessment Framework (PAF) and extends beyond the BCDF (Figure 1) to ensure benefits are effectively considered and managed throughout the investment lifecycle.

Figure 1: Benefits Management Framework



This document provides a general overview of benefits management, a more detailed description of benefits management activities during Building Queensland Business Case preparation is included in Appendix 1.



2. BENEFITS MANAGEMENT PROCESS

2.1. Process

Benefits management involves five main (and frequently overlapping) stages during the lifecycle of a project and beyond into the ongoing program management and delivery. These are:

- Identify
- Analyse
- Plan
- Monitor and Report
- Realise.

An efficient benefits-management process ensures that the organisational change or policy outcome being pursued by the investment has been clearly defined and is measurable, and ultimately is intended to ensure that the change or policy outcome is actually achieved.

Benefits management is an ongoing and iterative process which builds detail as the proponent progresses through the BCDP and the investment lifecycle itself. For the purpose of this document the lifecycle of the investment will be described in the following phases from the Queensland Government Project Assessment Framework:

- Strategic Assessment of Service Requirements (SASR) (Strategic Business Case)
- Preliminary Evaluation (PE) (Preliminary Business Case)
- Business Case Development (Detailed Business Case) (BC)
- Supply Strategy Development (outside Building Queensland scope unless directed by Minister)
- Source supplier/s (outside Building Queensland scope)
- Establish Service Capability (outside Building Queensland scope)
- Deliver Service (outside Building Queensland scope)
- Benefits Realisation (outside Building Queensland scope).

Detailed information on benefits management is provided in the Queensland Government's Project Assessment Framework.

2.2. Identify

This stage involves identifying and documenting the potential benefits, initially defining high-level measures and owners. Where possible, benefits which may be realised through the integration of projects/initiatives should be identified to highlight opportunities for enhanced outcomes.

While the majority of benefits will be identified during the development of the Strategic Business Case (SBC) and Preliminary Business Case (PBC), emerging benefits may be identified in all stages.



2.2.1. Stakeholders

Identification of stakeholders and their expectations is critical across all Business Case development stages. Initial identification and documentation of stakeholders during the SBC enables the problem/opportunity to be correctly identified and the benefits sought to be documented. Early stakeholder engagement also supports identification of strategic alignments which may identify opportunities for joint delivery or project integration and additional benefits.

Ongoing stakeholder engagement and analysis during PBC and DBC development (and later stages) will enable stakeholders' information to remain current and relevant, and benefits to be documented and tracked accordingly. Ongoing stakeholder engagement also ensures that options (ultimately the preferred option/s) are designed to effectively respond to stakeholder's actual and perceived needs as well as establishing and maintaining social licence.

2.2.2. Identification of Benefits

Effective benefits identification requires engagement with stakeholders to fully understand the problem/opportunity and benefits sought. Building Queensland recommends developing an [Investment Logic Map](#) (ILM) through a series (if required) of workshops which will clearly articulate the benefits sought. Other benefits may be identified during stakeholder engagement, options development, risk management, social impact evaluation, options analysis and Reference Project/s design. Benefits identified should include economic and social benefits as well as financial benefits.

The Building Queensland [Investment Logic Mapping Guide](#) provides further information on logic mapping and logic mapping workshops.

2.2.3. Strategic Alignment of Benefits

Benefits sought through an investment should align or contribute to strategic goals and objectives. Each of the stages of Business Case development must clearly document how the investment aligns to, and will achieve, strategic goals, portfolio and whole-of-government objectives.

2.2.4. Other Considerations

Other considerations include ensuring that benefits that have been accounted for in other projects are not double counted and where benefits and dis-benefits for an initiative are shared across multiple agencies, effective governance arrangements are in place.

2.3. Analyse

Benefits analysis enables the scale of benefits to be quantified, options to be valued and compared to allow for the opportunity for options to be adjusted should it be identified that benefits sought may not be able to be realised. Benefits to be considered should cover a broad range of areas including social, economic and financial benefits. Benefits to be considered may be categorised as:

- monetary/non-monetary
- quantifiable/non-quantifiable
- qualitative/quantitative.



2.3.1. Benefits Valuation and Appraisal

Benefits valuation and appraisal enables options to be compared and decision makers to assess the value of the investment. Building Queensland's BCDf provides detail on how to undertake a range of social, economic and financial assessments. The Building Queensland [Cost Benefit Analysis Guide](#) and [Social Impact Evaluation Guide](#) provide supplementary support for conducting benefits analysis.

2.3.2. Benefits Measurement

An important aspect of benefits identification and analysis is the establishment and agreement of the metrics for measuring the benefits. Establishing a baseline and target measures enables the extent of benefits realisation to be measured. Multiple measures can be used for a single benefit.

Where there is alignment to strategic goals and objectives, measures should also align with the key performance indicators (KPIs) for those strategic goals. A firm concept of how benefits are to be measured may not be able to be fully articulated until the DBC stage.

Identification of benefits throughout the investment lifecycle must have consideration for the cost and complexity of measuring the benefits realisation to ensure measurement is practical.

2.3.3. Benefits Attribution

Benefits attribution refers to how much of the outcome (and resulting benefits) can be attributed to the initiative compared to other initiatives. Benefits attribution involves identifying and understanding the relative contribution that an investment makes to the benefit target. It is imperative that the amount of benefit is not over-claimed or double counted as this would impact economic indicators. Further information on attribution is available in the [Cost Benefit Analysis Guide](#) and [Social Impact Evaluation Guide](#).

Benefits attribution supports options shortlisting and the design of options as it assists in prioritising resources to achieving higher weighted benefits. Effective benefits attribution will enable the development of appropriate options and support the identification and design of the most appropriate Reference Project/s.

2.3.4. Benefits Dependencies

Identifying and documenting the benefits dependences enables the reader to understand where the achievement of a benefit is reliant on an action or task which is outside the proposed project or program. This information then provides input into the project Risk Register and may result in the options put forward being adjusted in response to any dependency.

2.3.5. Benefits Assumptions

Any conditions or assumptions applied during benefit analysis would need to be documented.

2.3.6. Benefits Risks

Benefits risks are risks that may impact on the successful achievement of the benefits. Benefits risks may be analysed using the Impact Risk Assessment tool in the Social Impact Evaluation guide. Benefits risks should be documented in the Benefits Management Plan and the project Risk Register. Effective consideration of benefits risks will enable the development of appropriate options and support the identification and design of the most appropriate Reference Project.



2.3.7. Developing a Benefits Profile

Benefits profiles are descriptions of the measures and responsibilities for each benefit or dis-benefit. Initially a benefits profile established during the development of the SBC might only include a high level description of the benefit sought and notation regarding the strategic alignment, beneficiary and owner. The profile will be refined throughout the development of the PBC and further developed at the end of the DBC.

Development of detailed benefits profiles supports effective stakeholder engagement as well as the development of an effective supply strategy, sourcing of suppliers, and delivery by clearly articulating the expectations of the investment with regard to the management and realisation of benefits.

2.4. Plan

Benefits planning involves documenting what benefits will be realised by whom and by when. Benefits planning may commence initially during the development of the DBC in the refinement of the Reference Project and its implementation plan and will continue through supply strategy, sourcing suppliers and delivery stages.

2.4.1. Benefits Management Plan

A Benefits Management Plan provides a full view of all aspects of the benefits. The plan sets out the expectations of the investment and is used as the baseline to track benefits outcomes. The plan will continue to evolve and add detail as the Business Case stages progress.

A Benefits Management Plan also provides clarity to suppliers in the delivery of the investment. Projects that propose value sharing will require a detailed and comprehensive plan to be developed across all relevant agencies to support value sharing outcomes.

The Benefits Management Plan should be scaled to suit the size and complexity of the proposal/project and should be attached to the finalised DBC. The BCDF proposes that details of benefits identified in the SBC and PBC are captured in a Benefits Register which is included as an attachment to those documents.

2.4.2. Benefits Register

A Benefits Register stores high level benefits information and is used to track the performance of the benefits. A Benefits Register may include the following information:

- benefit statement
- benefit owner
- anticipated beneficiary
- measure/s
- actions intended to realise benefits
- timeframe for realisation (Benefits Realisation Schedule).



2.5. Monitor and Report

Benefits monitoring and reporting involves the active management of benefits to track, monitor, report on and ultimately, realise planned benefits.

2.5.1. Monitoring and Reporting

Monitoring and reporting of benefits must be considered in the identification of benefits and design of the project governance arrangements to ensure it is effective.

Where benefits are aligned with strategic objectives, reporting must contribute to reporting processes for the relevant strategy or initiative.

Effective and regular monitoring and reporting is also critical to effective ongoing stakeholder management.

2.5.2. Change Management and Embedding into Business as Usual

Consideration of governance and change-management activities and embedding benefits management into business as usual (BAU) must be made at all stages in the investment lifecycle to ensure the ongoing performance of the investment is managed and monitored once the project delivery team has handed the project over.

2.6. Realise

Benefits realisation confirms that the benefits established and defined in the Business Case are being achieved and that the operational service or asset is effective.⁴

2.6.1. Benefits Realisation

Benefits realisation involves collecting, analysing and comparing benefits data. It enables the project owner or business owner to establish:

- whether the investment is achieving the expected level of benefits
- what lessons have been gained from the project experience to inform:
 - aspects of the service or asset requiring remedy
 - successful elements of project assurance and/or management to inform future projects.

2.6.2. Lessons Learned

Lessons learned involves the identification and application of learning during benefits management to provide ongoing improvements to enable optimisation of benefits management.

⁴ Queensland Government Project Assessment Framework



3. GOVERNANCE FOR EFFECTIVE BENEFITS MANAGEMENT

3.1. Leadership and Accountability

Roles and responsibilities for benefits management must be clearly articulated and included in any project documentation.

Governance bodies such as accountable officers, boards, and audit and risk committees should include benefits-management oversight activities within their responsibilities.

3.2. Performance Management

Benefits and the measures should be integrated with an agency's performance management systems.

3.3. Communication

Benefits and their progress need to be communicated to all stakeholders. This will support effective ongoing stakeholder engagement.

3.4. Organisational Culture

Benefits management should be part of the organisational culture.



APPENDIX 1: ALIGNMENT OF THE BENEFITS MANAGEMENT FRAMEWORK TO THE BCDF

BCDF DOCUMENT	BUSINESS CASE DEVELOPMENT ACTIVITY	BENEFITS MANAGEMENT PHASE	BENEFITS MANAGEMENT ACTIVITY
Strategic Business Case	Identify problem/opportunity Document service need	Benefits identification	
	Identify stakeholders		<ul style="list-style-type: none"> Identify stakeholders related to benefits sought Document benefit/stakeholder relationship
	Document base case		
	Identify benefits		<ul style="list-style-type: none"> Identify and map benefits sought Document strategic alignment of benefits sought in the SBC (summary in the ILM) Document high level details of intended benefits in a Benefits Register (e.g. description ranking, likely beneficiary, possible measures, stakeholders)
	Document strategic responses		
	Document proposed business changes		
	Document potential initiatives		<ul style="list-style-type: none"> Identify and document benefits to be achieved by potential initiatives Document how potential initiatives relate to benefits sought
	Note alignment with State Infrastructure Plan Priority Model		
	Develop Governance Proposal and Recommendation		



BCDF DOCUMENT	BUSINESS CASE DEVELOPMENT ACTIVITY	BENEFITS MANAGEMENT PHASE		BENEFITS MANAGEMENT ACTIVITY
Preliminary Business Case CBA and SIE Guidance	Document project background	Benefits identification		
	Document base case (if not already completed)			
	(Review and) document project problem and benefits sought			<ul style="list-style-type: none"> Review (if SBC completed) and document benefits sought from investment
	Generate Options (long list)			<ul style="list-style-type: none"> Review of long list includes high level assessment of how each option achieves benefits sought
	Options filter	Benefits analysis		<ul style="list-style-type: none"> Document benefits to be achieved from shortlisted options in the Benefits Register (include: description, ranking, possible measures, likely beneficiary, dependencies, risks, other considerations) Consider benefits (with strategic considerations, risk etc) in shortlisting options
	Document options shortlist			
	Options Assessment			<ul style="list-style-type: none"> Analyse options and document benefits Review each option for alignment of benefits to be achieved with benefits sought Qualitative comparison of benefits for each option
	Identify option for further development			



BCDF DOCUMENT	BUSINESS CASE DEVELOPMENT ACTIVITY	BENEFITS MANAGEMENT PHASE		BENEFITS MANAGEMENT ACTIVITY
Detailed Business Case CBA and SIE Guidance	Document project background			
	Document base case (if not already completed)			
	(Review and) document project problem and benefits sought			<ul style="list-style-type: none"> Review (if SBC completed) and document benefits sought from investment
	Review and document options analysis			<ul style="list-style-type: none"> Include any benefit related reasons why options were discarded
	Document Reference Project			<ul style="list-style-type: none"> Document benefits from Reference Project compared to base case
	Option assessment <ul style="list-style-type: none"> Economic Social Financial Sustainability etc 		Benefits analysis	<ul style="list-style-type: none"> Review the outcomes of the assessment for alignment to the benefits sought Identify dis-benefits and how to mitigate
	Document recommendations			
	Develop Implementation Plan			Benefits planning



BCDF DOCUMENT		BUSINESS CASE DEVELOPMENT ACTIVITY	BENEFITS MANAGEMENT PHASE		BENEFITS MANAGEMENT ACTIVITY
Outside scope of BCDF	Procurement			Realisation and reporting	<ul style="list-style-type: none"> ▪ Update/refine Benefits Register ▪ Update/refine benefits profiles ▪ Update/refine Benefits Management Plan ▪ Benefits measurement, monitoring and reporting
	Delivery				<ul style="list-style-type: none"> ▪ Identifying emerging benefits ▪ Update/refine Benefits Register ▪ Update/refine benefits profiles ▪ Update/refine Benefits Management Plan ▪ Benefits measurement, monitoring and reporting
	BAU				<ul style="list-style-type: none"> ▪ Embedding benefits monitoring and reporting into BAU program and performance management ▪ Update/refine Benefits Register ▪ Update/refine benefits profiles ▪ Update/refine Benefits Management Plan ▪ Strategic feedback



APPENDIX 2: BENEFITS MANAGEMENT RESOURCES

New Zealand Treasury. 2016. Managing Benefits from Projects and Programmes: Guide for Practitioners. www.treasury.govt.nz/statesector/investmentmanagement/plan/benefits/guidance/managingbenefits-guidance.pdf

NSW Government. 2015. Benefits Realisation Management Framework. www.finance.nsw.gov.au/publication-and-resources/benefits-realisation-management-framework

Queensland Government. 2015. Project Assessment Framework Benefits Realisation Guide. www.treasury.qld.gov.au/projects-infrastructure/initiatives/project-assessment-framework/index.php

Transport and Infrastructure Council Australia. 2016. Australian Transport Assessment and Planning Guidelines: T6 Benefits Management. <http://atap.gov.au/tools-techniques/benefit-management/index.aspx>

VicRoads. 2015. Benefits Management Framework Version 2. www.vicroads.vic.gov.au/planning-and-projects/evaluating-investments

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