
Project Benefits' Management

A one day programme

This programme focuses on three aspects of project management, firstly, how benefits are determined, secondly how risks impinge on the benefit equation and finally how we incorporate modern financial measurements into project management, control and monitoring.

Programmes and projects concentrate on deliverables, deliverables create or combine to create facilities, and these facilities, if used, may lead to business benefit. However, many programmes have deliverables and provide facilities that have a benefit that is hard to measure such as - improving our public image, changing behavioural patterns, getting a clean bill of health from government inspectors, or improving the availability of information.

In addition, we introduce you to the new technique of the 'Balanced Scorecard' (BSC). The BCS is a method of incorporating other measurements such as customer benefit, benefit gained by improvement in internal processes and benefit gained in the process of learning and growth of the organisation as well as pure financial measures.

Key elements of project benefit management

Benefits divide into four distinct elements. Direct - the programme delivers a facility that in turn delivers benefit, for example central reservations in a hotel chain. Symbiotic - delivers a facility that when combined with other facilities, e.g. ISDN. Enabling - linked to no specific benefit, but makes possible other projects that do provide benefit e.g. a computer system. Passenger – provides additional benefit to other projects, which deliver their own benefit. For example, email over an existing computer network.

Often companies concentrate on only one or two measurements when measuring the success of a project strategy. However, existing measurements become inadequate in the modern environment whose companies need a battery of measurements. We need a 'Balanced Scorecard' (BSC). This BSC technique is an integral part of project management.

The programme enables participants to:

- Understand the special needs of project benefit management
- Be able to plan and produce a cost benefit analysis
- Understand the special needs when monitoring and controlling costs
- Be able to delivery a cogent benefit analysis budget

Learning outcomes:

At the end of the programme, delegates will fully understand and be able to apply a full benefit analysis to their future projects. In addition, this knowledge on benefit enables delegates to prepare significantly improved project justifications, thereby ensuring that good projects do not fail the company's approval process because of a lack of rigour in benefit analysis.

Programme Agenda

Benefit estimating

What are the benefits?
Types of benefit, direct, symbiotic, enabling and passenger
The four stages of benefit management, definition, scheduling, execution and review
Linking deliverables with benefit
Defining benefit accountability

Building a sound budget

Creating a work package budget
Risk factors in the budget
Backup and support costs
Creating a contingency budget
Capital budgeting

Financial measurement

Payback period
Net present value
Internal rate of return
Capital rationing
Earned value

Typical delegates are:

Project Managers, who plan, run and organise projects.

Estimating techniques

Estimating pitfalls
Estimating for high risk projects
Life cycle costing
Systems pricing
Developing backup and support costs

The Balanced Scorecard

Using the balance scorecard
Financial perspectives
Customer perspectives
Process perspectives
Learning and growth perspectives
Linking risk with the benefit