

Mini-guide to Avoiding Benefit Loss

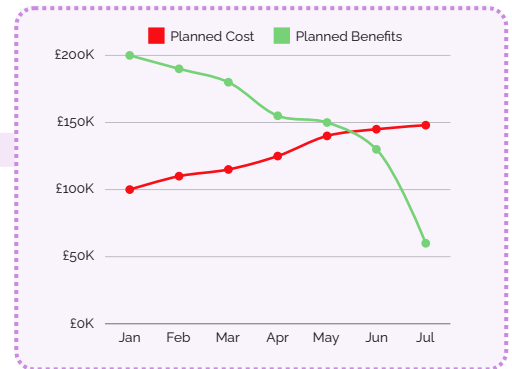
We invest in change activities in order to deliver benefits to the organisation concerned. These could be bottom-line financial improvements, market positioning, mergers or acquisitions or in some cases, survival itself. The benefits are vital, and experience shows there are several things that we should do to avoid putting those benefits at risk.

Avoid early exaggeration

At times, in our eagerness to implement change, we may neglect the importance of additional research or guidance. We often embark on our journey with an overly optimistic perspective on the advantages.

However, as we collect more information, our initial enthusiasm may begin to fade. It's as if our exaggerated expectations are catching up with us!

An unrealistic outlook is a guaranteed path to disappointment. Essentially, we're preparing for a setback! Let's be daring, but let's also approach it with wisdom.



Don't rely on just the technology

Change revolves around people, processes, and technology; however, we often mistakenly believe that technology alone will provide the majority of the benefits.

While technology is crucial, business processes, user training, communication, reward systems, and numerous other elements are equally significant.

True business benefits arise from changes within the organisation, not solely from the technology.

Realism

The benefits have to be realisable, and there are cases where this was not the case.

Assumptions made, but never tested or validated. Experts available, but never questioned.

Whatever your benefits, make sure you know exactly how they will be realised, by whom, and when.

Also, consider if your benefits hinge on changes being delivered by other efforts.

Sometimes, the art of juggling these interconnected pieces isn't fully mastered.

But having actively-involved benefit champions can make a world of difference.

Watch the scope carefully

When we were discussing this, we were reminded about a channel enhancement programme for a large retail organisation.

The company came under cost-pressure and the scope of the programme was cut, and then cut again and then again.

The impact of these changes wasn't assessed properly. The cuts fell in the areas that would otherwise have delivered much of the benefits

Always weigh the consequences of changing scope. You might be chopping off more than you think.

Understand the types of benefit

All benefits are not created equal. It's important to know what matters most to you. Typically, companies focus on four kinds of benefits, with the emphasis usually lessening from left to right.

Mandatory	Financial	Non-Financial	Soft
To meet legislative or regulatory requirements	Has a measurable, direct impact on the bottom line of the business	Improves the business but does not have an impact on the bottom line	Deemed important but won't directly improve the business
Example - tax changes	Example - new revenue	Example - process efficiency	Example - leadership training

Activities that may help you deliver the benefits you planned

Learn from the past

Take a look back at what worked and what didn't work with prior, similar changes. Chat with those who were on the front lines and learn from their experiences.

By knowing where they stumbled, you can sidestep those same pitfalls in our future ventures.

Ensure the benefits are owned

When it comes to benefits, sponsors and champions are your most valuable people. The sponsor? They're the captain of the ship, steering the business case and ensuring it reaches its destination. And champions? They're in the trenches, making change happen where it counts. So, make sure you've got these roles nailed down and filled with the right folks.

Understand the baseline

Ensure you really understand the baseline position, the baseline that you are improving.

If you don't understand, for example, the current cost of running a business process, how will you measure any improvements?



PMO!

Have a strong, skilled PMO that manages the plans, including the benefits plan, through well-structured governance.

A great PMO can ensure the robustness of the business case and changes to it.

Challenge

Challenge, and encourage others to do the same, and do it early.

If you have the experience and feel the benefits are over-stated, then they probably are.

Trust your instinct and ask the questions