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# **Benefits Validation Workshops Introduction**

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*Version 1.0*

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# 1 Introduction

The objective of this document is to provide an analysis and validation of potential benefits identified within the Project Definition Phase.

Benefits fall into **three** categories:

- ⊙ Direct financial benefits (also known as tangible benefits) which can be quantified and financial values derived e.g. staff reduction, accommodation savings;
- ⊙ Direct non-financial benefits (also known as intangible benefits) which can be quantified, but are difficult or impossible to value e.g. greater accuracy, lower staff turnover;
- ⊙ Indirect benefits which can be identified but cannot be quantified i.e. better image, staff morale, customer service.

The document also contains an analysis of business impact, detailed design and training requirements.

The document should be completed after the completion of each Blueprint Workshop. Follow-up meetings will need to be arranged to agree specific details.

## 1.1 Benefits Process

- ⊙ **Step 1: Plan for Benefits Management:** Specify whether a benefit falls within the Upgrade or the SAP Roadmap.
- ⊙ **Step 2: Identify and Structure Benefits:** Specify the exact nature of the benefit to the business and key dependencies and linkages.
- ⊙ **Step 3: Optimise Mix of Benefits:** Specify the implementation strategy for the benefit.
- ⊙ **Step 4: Realise and Track Benefits:** Set up a benefits tracking/data collection procedure.
- ⊙ **Step 5: Review and Maximise Benefits:** Measure and adjust to optimise benefit.

### 1.1.1 Address the Key Questions for the Business

In order to manage benefits effectively, Business Managers need to be able to answer the following questions:

- ⊙ How do we identify the potential benefits from this investment?
- ⊙ How do we assess their relevance and priority to the organisation?
- ⊙ How do we know if we are achieving them?
- ⊙ What are the risks in achieving them?
- ⊙ What are the risks in not achieving them?
- ⊙ How do we identify and maximise unexpected benefits?
- ⊙ How can we achieve more?

### 1.1.2 Identify Relevant High-level Benefits

These are the generic benefits (outcomes) that are important to the organisation directly related to the implementation of the project.

High-level benefits that may be applicable to the organisation, or to the individual project, include:

- ⊙ Mandatory: allow fulfilment of policy objective or satisfy legal requirements;
- ⊙ Quality of service: benefits to customers;
- ⊙ Internal management: improving quality of decision-making, or management productivity;
- ⊙ Productivity: efficiency gains, or cost avoidance;
- ⊙ Workforce motivation: leading to other benefits, e.g. flexibility, increased productivity;
- ⊙ Risk reduction: greater preparedness for the future;

- ⊙ Economy: reducing costs while maintaining quality;
- ⊙ Revenue enhancement: increasing revenue, or bring in revenue faster;
- ⊙ Strategic fit: enabling benefits of other systems or projects to be realised.

### 1.1.3 Potential Benefits

The following table provides examples of possible benefits:

Potential Benefits	Tangible	Intangible	Indirect
Staff savings	X		
Possibility of reduced work hours	X		
Travelling time and cost reduction	X		
Cost of paper-based storage reduced	X		
Less accommodation required	X		
Greater accuracy		X	
Tasks eliminated		X	
New/more tasks/services taken on		X	
Better forecasting		X	
Better image			X
More reliable information			X
More creative thinking/decision making time			X
Improved turnaround time			X
Better quality output			X
Improved presentation			X
Lower staff turnover			X
Improved job satisfaction			X
More flexible working			X
Better tools/facilities/services			X
Smoother peaks and troughs			X
Better management control			X
Wider span of control			X
Easier communication			X
Greater organisational flexibility			X
Lesson learning improved			X
Business change better facilitated			X

## 1.2 Who completes the document?

The document should be completed by the appropriate **IT Team Members** who will work with the Module Owners, the Internal Support Team and Consultants.

## 1.3 When should each document be completed by?

It is recommended that the document should be completed as far as possible in advance of the actual Workshop through informal meetings.

The Workshop should be used as an opportunity to agree requirements.

All documents should be completed ready for review within 7 working days of the Workshop.

#### **1.4 Review Process**

The first draft of the Blueprint will be produced on June 18<sup>th</sup> and will be sent out for review. The review will include all members of the Business & IT Teams. There will be 1 week to review the document i.e. until June 25<sup>th</sup>.

Having reviewed the document a Final Version will be produced and signed-off on June 30<sup>th</sup>.