

Facilitating a BENEFIT Definition Workshop

Tips, Traps and Templates

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1 PURPOSE OF THIS DOCUMENT

This document is written for the facilitator. It aims to provide facilitators with practical tips and guidance to help them successfully facilitate a Benefit Definition workshop. It also provides links to the templates that support the outcomes of the workshop.

What is contained in this document assumes you have read and understood the Investment Management standards and its associated guidelines. This document is also used in, and closely coupled with, the Accredited Facilitator training course. Further detail on the Accredited Facilitator training course can be found at www.dtf.vic.gov.au/investmentmanagement.

2 RESPONSIBILITY OF THE FACILITATOR

Workshops of the Investment Management standard are merely structured 'intelligent discussions' between those people who have the most knowledge of the problem, benefits or solution. It is the responsibility of the Facilitator to make this discussion a success. The output of the Benefit Definition Workshop discussion is the agreement by the key people as to the benefits any investment will be required to deliver and the evidence that will be required to prove the benefits have been delivered. This information is captured in the form of a Benefit Management Plan.

To be successful, the facilitator must:

- Make sure the right people will be attending the workshop and that 2 hours has been allocated for the discussion
- Conduct the workshop according to the guidance provided in this document, and
- Take action to finalise the discussion and the Benefits Management Plan in the 48 hours following the workshop.

The quality of the Benefit Management Plan you produce will be assessed using the Quality Assessment Form - Benefit Management Plan.

3 BEFORE THE WORKSHOP

PEOPLE

The quality of the solution developed will only be as good as the knowledge of the participants. It is therefore important to ensure that the participants are well selected. The roles of each person are defined in the Benefit Definition Guideline. The ideal number of active participants at this workshop is from 5 to 7.

Investor

- This person will have attended the previous workshop for this investment. They 'own' the problem and will be responsible for delivering the benefits. It is critical that they attend this workshop. If they have deputised someone else on their behalf they are unlikely to take ownership of the results.

KPI Designer

- This person will play a key role and must be prepared. Before the workshop ensure they understand their role and ask that they provide you with the Candidate KPI List (attached in Appendix) that they will table.

Data Provider/s

- There may be one or a number of these. This is determined by the KPI Designer who, prior to the workshop, has made judgements as to the best KPIs and the data that will be required as evidence that the benefits have been delivered. These are the people who will be required to provide this evidence.
- In the past, data providers nominated were not present at the Benefit Definition workshop. When contacted later they advised they were unable to provide the required data.

Business Case Developer

- The definition of benefits is central to the development of a business case. This person can learn more of the potential investment and act as a common sense check of the discussion.

KEY DOCUMENTS

Whereas no preparation was required for the Problem Definition workshop, there are two pieces necessary for this workshop:

Investment Logic Map

- This should have been assessed as satisfactory using the Quality Assessment Form - Investment Logic Map. If this is not the case it should be rectified by the Investor before proceeding as it is the foundation of the Benefit Management Plan. If it is poor quality this workshop is likely to collapse.

Candidate KPI Form

- This is the central focus of this workshop. It must be completed by the KPI Designer prior to the workshop. As the Facilitator, you should study it before the workshop and work with the KPI Designer to ensure it can effectively support the workshop discussion.

FACILITY

Ensure a room with an (electronic) whiteboard exists that can comfortably accommodate the number of people for two hours.

4 AT THE WORKSHOP

4.1 General Tips

- Of all the workshops of the Investment Management standard, this is probably the one that most needs tight time management - there is much detail that needs to be identified, noted and agreed.
- An efficient plan of how the data is to be recorded and agreed will help. Before the workshop you could draw a format for the data to be collected for each benefit on the whiteboard. Populate this format as each benefit is considered and print it following the consideration of each benefit. The data can then be wiped and the format is ready for the next benefit. A sample whiteboard format is in the appendix.
- You are encouraged to use the attached BMP Quality Assessment Form (see Appendix) as a tool to make sure you are focussing on the right things during the workshop and for ongoing feedback and learning.

4.2 Setting the workshop rules

Set the context of the workshop so that each participant understands their role, the approach to be taken, the time constraints and your role and responsibilities. These are set out in the guideline for the Benefit Definition workshop. The process for this workshop can be unclear and most of the participants might not have previously been involved in a similar exercise so establishing this context is important.

Hand out an example of a Benefit Management Plan so that people understand the outcome of the workshop (see Appendix).

Hand out the Agenda (based on the example in the guideline of the Benefit Definition Guideline). The Agenda should also have definitions for the criteria for the selection of KPIs (Meaningful, Attributable and Measurable).

4.3 Outlining the problem

Hand out copies of the Investment Logic Map to all participants and ask the Investor to use this to explain to the workshop the business problem and the benefits that any solution will be required to deliver. Allow a brief discussion so that everyone is clear of the need.

4.4 Selecting KPIs and targets

A good KPI (see Benefits Definition Guidelines) is one that meets the following criteria:

- It is MEANINGFUL
- It is ATTRIBUTABLE
- It is MEASURABLE.

Based on the full Agenda and the number of Benefits involved, advise the participants how many minutes will be available to identify and agree the KPIs, target measures and dates, reporting arrangements and responsibilities for each benefit.

- With the time required in the opening and closing sections, it is likely around 90 mins will be available for this part of the workshop. If there are 3 benefits, 30 minutes can be allocated to each (if needed).

Decide which Benefit you will consider first. Selecting the easiest first can help to get the process moving and understood. The easiest might be one where the KPIs are obvious and strong (meaningful, attributable and measurable).

Ask the KPI Designer to hand out the Candidate KPI List and to explain why the listed KPIs were selected and what they believe to be the most valuable.

Encourage discussion around these and move the participants to agreeing a ranking in order of value.

“Which of these are you most prepared to hold up as the strongest evidence that you will have delivered the claimed benefit?”

Maybe use the technique of providing percentages to define the relative strength of each. As much as possible, the KPIs should be described in simple English so that their connection to the benefit can be understood by the layman. When the set of KPIs (1 – 3) have been identified, use the format on the whiteboard to capture the required data.

Repeat the above approach until the KPIs for each benefit have been defined and the data to support them has been collected.

4.5 Summarising benefits - reality check

On the whiteboard list the Benefits and the primary KPIs that will be used as evidence that the Benefit has been delivered. Ask the question: *“Would the benefits we have identified justify the scale of investment that would be needed to deliver these benefits?”* This provides a common sense check to your work and allows you to validate the wording of the benefits and the investment story.

Get agreement to any changes that will be required to the wording of the benefits in the investment logic map and the wording to be used in the benefit management plan.

4.6 Concluding the workshop

Advise them that within 24 hours (first thing in morning?) they will be provided with version 0.1 of the benefit management plan. This will contain observations of the quality of the BMP and any suggestions for improvement. They will be asked to provide suggested changes within 24 hours. Within a further 24 hours you will distribute Version 1.0

5 AFTER THE WORKSHOP

The Benefit Definition workshop is used to identify the benefits that will be sought by any investment and the evidence required to demonstrate they have been delivered. This was done through an 'intelligent discussion' of a select group of people. What happens in the following 48 hours is just the finalisation of the workshop discussion. This finalisation should be decisive and only include those people who participated in the workshop. After the first version has been finalised it is then able to be provided to anyone to make whatever comments they wish.

Within 24 hours of the workshop:

- Update the existing ILM to reflect any agreed changes and to depict the benefits and their KPIs
- Download the current version of the Benefit Management Plan format from the investment management website and populate it with the data collected at the workshop to create Version 0.1 of the BMP
 - This will involve copying the amended ILM into the BMP template. This should be done without the headers and footers of the ILM template. Make the ILM as large as the space reasonably permits
 - It will also involve creating the Benefit Summary page
 - Use the Quality Assessment Form – Benefits Management Plan (Appendix) to check that the BMP you have created is of the required quality.
- Make any observations of the draft benefit management plan and suggest where its strengths and weaknesses are and how it might be improved
- Send an email with Version 0.1 of the BMP and your observations directly to each of the participants at the workshop avoiding, if possible, channelled it through a single. In the email ask that participants advise you (and copy to all other participants) any suggested changes within 24 hours and that you will make changes and provide them with Version 1.0 within 24 hours of that time. A sample email format is in the Appendix.

Within 48 hours of the workshop:

- Consider the feedback received to Version 0.1 of the BMP and amend as is necessary - if no feedback has been received finalise the BMP as you think best.
- Send an email to all participants with Version 1.0 of the BMP. Highlight that the BMP will need to be reviewed when the Solution has been developed to validate the benefits that the specific solution will provide (if different to that sought). If the proposed investment is ultimately funded the BMP that has been created is something that will be reviewed at set intervals during the investment.

6 DESIGN GUIDELINES – BENEFIT MANAGEMENT PLAN

Any of these rules can be broken but in doing so be aware of the impact it will have on the storytelling. These have been developed to assist facilitators develop high quality Benefits Management Plan. Any of these rules can be broken if it makes sense but each breach will reduce the impact of the BMP.

Item	Practice	Reason
Template	Always use the current BMP template. Do not alter the template. Current templates can be found at www.dtf.vic.gov.au/investmentmanagement .	Formats continue to improve to make them more useful as communication tools and contain better information.
Use of words	Be brief, clear and specific in your statements	It forces you to be precise in the words you chose to convey your message. It also maintains clarity and consistency when reading the BMP.
KPIs	KPIs must be included for each benefit At least 1 KPI is required as evidence of the delivery of each Benefit No more that two should be selected - though with major programs may need 4 or 5 The same KPI can be used against a number of Benefits	Gives credibility that the claimed benefits are achievable. It also focuses the group on determining the most important KPIs that this investment is going to achieve.
Responsibilities	There should be no more then one person assigned to the role of an: <ul style="list-style-type: none"> • Benefits Manager • Reporting Manager Though with major programs you may have to have more then one person	Identifies the persons responsible for delivering the BMP.
Completing the Control Fields	Ensuring that the document control fields have been completed in particular: <ul style="list-style-type: none"> • Investment Name • Department/Agency/Organisation name • Investor Name and • Facilitator Name 	Provides legitimacy and accountability to the investment

7 TEMPLATES

The templates that have been developed to support the Benefits Definition Workshops are available for download at www.dtf.vic.gov.au/investmentmanagement:

- Benefits Management Plan
- Quality Assessment Form – Benefits Management Plan:
View in Appendix 5: Quality Assessment Form – Benefit Management Plan
- Candidate KPI List
View in Appendix 5: Quality Assessment Form – Benefit Management Plan

8 Appendix:

8.1 Appendix 1: Sample email - Before the Benefit Definition Workshop

<Greetings>

You may (or may not) be aware of the business need we have in relation to < > and the thinking we have been doing to shape an investment that will respond to that need. Consistent with the Victorian Government's Investment Management standard we have already held a Problem Definition workshop defined the problem, the strategic interventions that will best respond to the problem and benefits that any investment will be required to deliver.

We will now be holding a two-hour Benefit Definition workshop that will consolidate the benefits we expect to deliver and will identify the Key Performance Indicators (KPIs) that will provide the best evidence that the Benefits we are seeking to produce have in fact been delivered. An output of this workshop will be the first version of a Benefit Management Plan that will be used over the life of the investment - here is an example of one. <Link to Benefit Management Plan>

Here also is a link to the Benefit Definition Guideline. This is a brief document that describes the workshop and the roles of the participants.

The workshop will be held as follows:

Date:
Time:
Venue:

The end result of this exercise will be an Investment Concept Brief <example>.

Your role in this would be as <role>. Please let me know if you are able to attend.

If you would like to read more about the benefits and practices of this approach you should refer to www.dtf.vic.gov.au/investmentmanagement.

<Investor sign off>

8.2 Appendix 2: Sample email - After the Benefits Definition workshop

<Greeting>

Thanks for your participation at yesterday's Benefit Definition workshop for <investment name>. I have attached Version 0.1 of the Benefit Management Plan that we produced and ask that you provide me with any suggested amendments by CoB today. I will then make any necessary changes and have version 1.0 to you by CoB the following day.

...my observations

<any observations on the investment itself or the process and any suggestions that might improve the case for the investment or the strength of the investment concept brief>

...about Benefit Management Plans

A Benefit Management Plan is a powerful document. It provides credibility to an investment proposal by providing compelling evidence that the benefits claimed are real, can be measured and will be delivered. A Benefit Management Plan is living document that will be used as a primary reference for a governance body of an investment. As an investment proceeds it will be changed to reflect the prevailing view of the benefits that can realistically be delivered and measured.

<Facilitator signoff>

8.3 Appendix 3: Benefit Management Plan – Fictional Example

BENEFITS SUMMARY

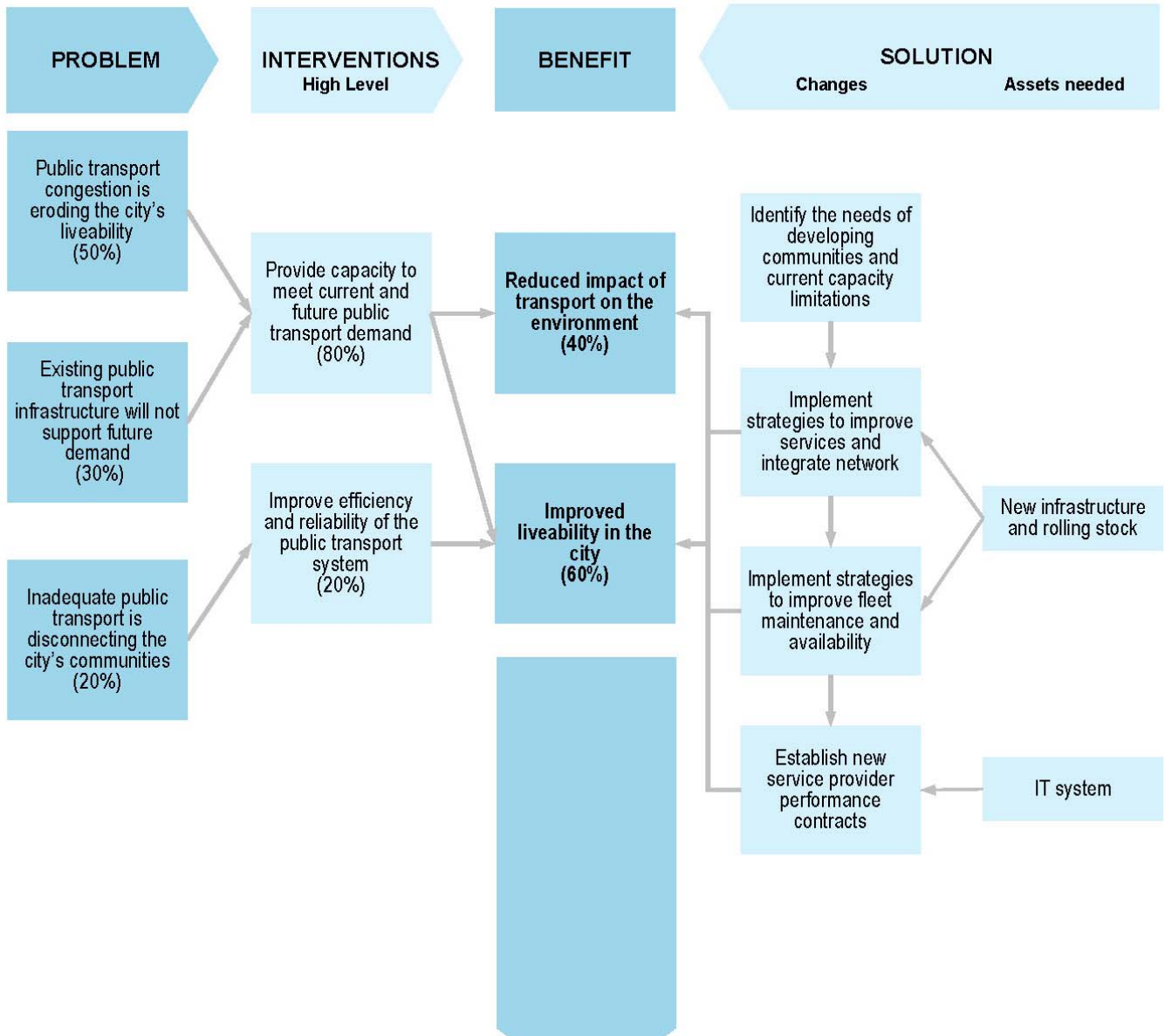
The proposed investment is expected to deliver the following benefits:

BENEFIT 1: Reduce Impact of transport on the environment (40%)

- Increasing the share of trips taken on public transport vs. road from 11% to 20%

BENEFIT 2: Improve liveability in the city (60%)

- Improving the reliability of transport services by increasing the % of public transport services that arrive on time from 95% to 99%
- Increasing the frequency of services that are provided from 10 minutes per services to 5 minutes.



Key Performance Indicators

Reduced impact of transport on the environment (40%)
 KPI 1: Increased share of trips taken on public transport vs. road

Improve liveability in the city (60%)
 KPI 1: Increase in the % of public transport services that arrive on time
 KPI 2: Increase in the frequency of services

REDUCED IMPACT OF TRANSPORT ON THE ENVIRONMENT 40%

KEY PERFORMANCE INDICATORS

KPI 1

Mode share

Measure

Increased share of trips taken on public transport vs road

Baseline value

11%

Target value for measure/s

20%

Date targets will be met

2020

RESPONSIBILITIES

Who is responsible for meeting KPI?

[Name]

Director of Transport

Department of Transport

Who is responsible for reporting?

[Name]

Director of Transport Planning

Department of Transport

REPORTING SCHEDULE

Frequency of reporting

Yearly

Source of measurement data

Australian Bureau of Statistics/Department of Transport

Starting date for reporting

2008

Date targets will be met

2020

IMPROVE LIVEABILITY IN THE CITY 60%

KEY PERFORMANCE INDICATORS

KPI 1	KPI 2
Reliability of services	Frequency of services
Measure	Measure
Increase in the % of public transport services that arrive on time	Increase in the frequency of services that are provided
Baseline value	Baseline value
95%	Services every 10 minutes
Target value for measure/s	Target value for measure/s
99%	Services every 5 minutes
Date targets will be met	Date targets will be met
2020	2020

RESPONSIBILITIES

Who is responsible for meeting KPI?	Who is responsible for meeting KPI?
[Name] Director of Transport Department of Transport	[Name] Director of Transport Department of Transport
Who is responsible for reporting?	Who is responsible for reporting?
[Name] [Position] Private public transport operator	[Name] [Position] Private public transport operator

REPORTING SCHEDULE

Frequency of reporting	KPI 1
Monthly	Monthly
Source of measurement data	Measure
Public Transport Operators	Public Transport Operators
Starting date for reporting	Baseline value
2009	2009
Date targets will be met	Target value for measure/s
Ongoing	Ongoing

8.4 Appendix 4: Benefits Framework

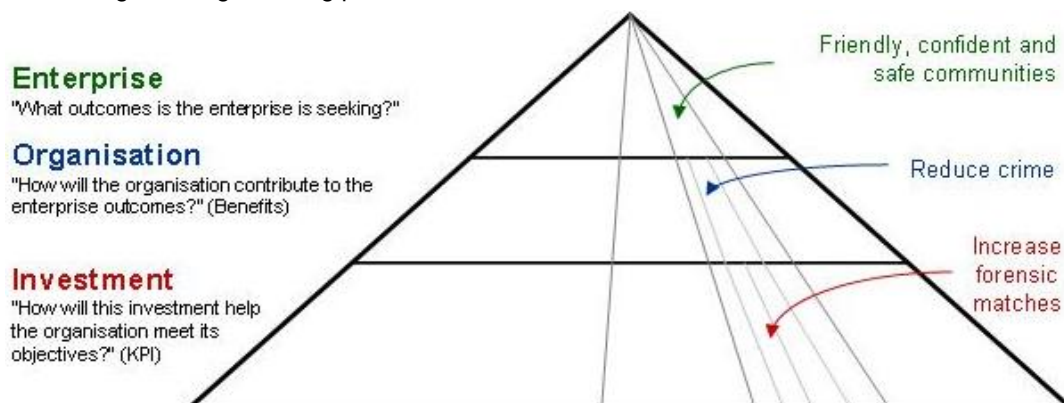
Each time an organisation makes an investment there is an expectation that some form of benefit will be returned. It therefore follows that the ability to design investment solutions that provide maximum benefits and to be able to confirm that the expected benefits were delivered is critical to every organisation.

Why is it then that very few investments are able to articulate the benefits they will provide, to define how they will be measured or to actually measure the benefits that are ultimately delivered?

In taking a fresh look at the problem of benefit management, it seems that within large organisations there has been an inability to define how each individual investment contributes to the primary benefits that are the point of the organisation's existence.

It is typical and appropriate that everyone within, say Police, believe their individual investment will provide the benefit of 'reduced crime' and everyone in Education will claim theirs will result in 'better learning outcomes'. But until now there has been limited ability to describe the contribution of an individual investment to reducing crime or to achieving 'better learning outcomes'.

The Benefits Framework that is depicted below has evolved, been tried and found to be effective at addressing this long-standing problem.



The framework is a three-level structure that links the contribution of an individual investment to the outcomes the enterprise is seeking.

In the example depicted here, at the *Enterprise* level, the Government is seeking to create 'friendly, confident and safe communities'. To this end they set benefits and targets that must be met at the *Organisation* level - in this case the Police are required to 'Reduce Crime'.

At the *Investment* level it is necessary to demonstrate how a particular investment will contribute to the benefits sought by the organisation. In the fictional example we are using here, the team of forensic scientists are seeking an investment to acquire state-of-art forensic software and to renew their aged computer system. In return for this investment they claim they will 'reduce crime'. Their evidence to support this claim is that they will reduce the time it takes to provide forensic matches by 30% and obtain 20% more forensic matches.

The head of the police organisation is then left to decide the following:

- How significant will meeting the targets associated with these KPIs be to a reduction in crime?
- Would the claimed KPIs and their targets be directly attributable to the proposed investment? and
- Would the likely impact on crime reduction be worth the cost of the proposed investment?

This Benefit Framework is used as the basis for considering the validity of potential benefits during the development of Investment Logic Maps. It has also been used during the development of more than sixty Benefit Management Plans, many of which are now tracking the delivery of benefits.

Any KPI selected must be MEANINGFUL, ATTRIBUTABLE and MEASUREABLE.

8.5 Appendix 5: Quality Assessment Form – Benefit Management Plan

The purpose of this form is to assist an Investor, a Facilitator, or anybody with an interest, to assess the quality of a Benefit Management Plan that was developed under the Investment Management standard. It tests the quality through six simple questions.

<p>Test 1: On reading the Benefits Summary, would a lay-person be able to understand the indicators that this investment has nominated?</p>	<p>Assessment: YES / NO / PARTIALLY</p>
<p>Any Comments</p>	
<p>Test 2: Would the indicators that are nominated in the Benefits Summary genuinely contribute to the claimed benefits and can they reasonably be attributable to this investment?</p>	<p>Assessment: YES / NO / PARTIALLY</p>
<p>Any Comments</p>	
<p>Test 3: In the body of the Plan, are the baseline values, target measures and target dates clear and defined in a way they can be measured?</p>	<p>Assessment: YES / NO / PARTIALLY</p>
<p>Any Comments</p>	
<p>Test 4: If the ultimate benefit targets are very long term, does the plan contain interim Key Performance Indicators that would indicate progress towards the ultimate indicators?</p>	<p>Assessment: YES / NO / PARTIALLY</p>
<p>Any Comments</p>	
<p>Test 5: Have those people responsible for making the Plan succeed been nominated in both name and person:</p> <ul style="list-style-type: none"> • A senior executive responsible for delivering the benefits? • Someone to report progress against the plan? 	<p>Assessment: YES / NO / PARTIALLY</p>
<p>Any Comments</p>	
<p>Test 6: Has a reporting schedule been defined and is it reasonable?</p>	<p>Assessment: YES / NO / PARTIALLY</p>
<p>Any Comments</p>	
<p>How do you rate this Investment Logic Map</p>	<p>Assessment: SATISFACTORY / UNSATISFACTORY</p>
<p>Any Comments</p>	

8.6 Appendix 6: Candidate KPI List

BENEFIT NAME:						
Candidate KPI	Evaluate (H/M/L)			Baseline value	Target value	Comments
	Meaningful	Attributable	Measurable			

8.7 Appendix 7: Transport White Board Example

Panasonic		Panaboard	
BENEFIT	IMPROVED LINEABILITY IN THE CITY	60%	10 B PREMIER
	KPI1	KPI2	
KPI	RELIABILITY OF SERVICES	FREQUENCY OF SERVICES	
MEASURE	↑ IN % OF PUBLIC TRANSPORT ARRIVING ON TIME	↑ IN FREQUENCY OF SERVICES PROVIDED	
BASELINE	95%	10 MIN	
TARGET VALUE	99%	5 MIN	
TARGET DATE	2020	2020	
FREQUENCY OF REPORTING	MONTHLY	MONTHLY	
DATA SOURCE	PUBLIC TRANSPORT OPERATORS	PUBLIC TRANSPORT OPERATORS	
START DATE	2009	2009	
END DATE	ONGOING	ONGOING	
WHO - KPI	- NAME - POS - ORG	NAME DIRECTOR OF TRANSPORT DEPT. TRANSPORT	
REPORT	- NAME - POS - ORG	NAME POSITION PRIVATE PUBLIC TRANSPORT OPERATOR	