

Facilitating a PROBLEM Definition Workshop

Tips, Traps and Templates

Contents

1	PURPOSE OF THIS DOCUMENT	2
2	RESPONSIBILITY OF THE FACILITATOR	3
3	BEFORE THE WORKSHOP	4
4	AT THE WORKSHOP	5
4.1	General Tips	5
4.2	Setting the Scene	5
4.3	Define the formal role of each participant.....	6
4.4	Starting the discussion	6
4.5	When it comes to benefits	7
4.6	Concluding the workshop	7
5	AFTER THE WORKSHOP	8
6	DESIGN GUIDELINES - INVESTMENT LOGIC MAPS	9
7	TEMPLATES	10
8	Appendix:.....	11
8.1	Appendix 1: Sample email - Before the workshop	11
8.2	Appendix 4: Sample email - After the workshop	12
8.3	Appendix 2: Investment Logic Map – Fictional.....	13
8.4	Appendix 3: Benefits Framework	14
8.5	Appendix 5: Design Guidelines - Investment Logic Maps	15
8.6	Appendix 6: Quality Assessment Form - Investment Logic Map	17
8.7	Appendix 7: Facilitator Feedback Form - Problem Definition Workshop	18

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 Problem 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 Problem Definition Workshop discussion is the story of the potential investment in the form of an Investment Logic Map.

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 Investment Logic Map in the 48 hours following the workshop.

The effectiveness of the Facilitator at the workshop is assessed using the criteria in the Facilitator Feedback Form (Appendix 7: Facilitator Feedback Form - Problem Definition Workshop). The effectiveness of the investment logic map you have produced will be assessed using the Quality Assessment Form (Appendix 6: Quality Assessment Form - Investment Logic Map). The templates of these documents are available via www.dtf.vic.gov.au/investmentmanagement.

In developing the investment logic map you are effectively producing the executive summary of the business case for any subsequent investment. There is no 'right answer' to the investment story - just a story to which the participants, particularly the Investor, have agreed.

3 BEFORE THE WORKSHOP

Identify who the real Investor is and, as far as is possible, insist that that person is present as the key participant at the workshop. If they have deputised someone else on their behalf they are unlikely to ever take ownership of the results.

Have the investor identify those people that should attend the workshop, either to help define the problem or as stakeholders who will be critical to the success of the investment. Refer to the Problem Definition Workshop Guideline at www.dtf.vic.gov.au/investmentmanagement for the participant list. The ideal number of active participants at a workshop is around 5 but the nature of the investment may dictate that this is anything up to 15.

Have the investor send an email outlining the purpose of the workshop to the participants. A suggested template for this email can be found in the appendix.

Make sure that the venue that has been reserved for the workshop can accommodate the number of participants comfortably and have a suitably sized whiteboard - preferable one that can produce screen copies. And take some working whiteboard markers with you!

4 AT THE WORKSHOP

4.1 General Tips

Maintain a time-pressure awareness throughout the workshop....there is no 121st minute!

Allow 'venting' of ideas in the first period (10 - 15 mins)

Focus on establishing very strong Problem statements (no more than 3). This may take up to 75 min but is time well spent as their identification is most critical element of a successful investment

Benefits need to be expressed in the context of why the organisation exists and **MUST** be able to be supported by good KPIs (meaningful / attributable / measurable). If these are weak you will pay heavily when the ILM falls apart at the Benefits Definition workshop

For major investments, don't be concerned to define the Solution - that will be given serious consideration at the subsequent Solution Definition workshop

If you attempt to get agreement to each word in the ILM at the workshop you will probably finish up running out of time and the ILM you produce will look like it has been produced by a committee. A better approach is to get a clear agreement to the intent of the wording and a 'licence' to undertake word-smithing in the final copy

You are encouraged to use the attached ILM Quality Assessment Form 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 Scene

The following is provided as a possible introduction that the Facilitator might use to set the scene for the workshop. It attempts to establish a climate of robust and open discussion set within a 2-hour 'time-box'.

"Why are we here?"

"We are here to have an intelligent and open discussion that will extract the story of this potential investment. This investment story will be in the form of an Investment Logic map. What is an investment Logic Map?"

Hand out an example a good ILM (eg. Rail Freight Strategy, Southbank Art Precinct redevelopment). This won't be necessary if the participants have previously been to a Problem Definition workshop and are familiar with Investment Logic Maps.

"An Investment Logic Map tells the story of a potential investment. The problem and the strategic response are defined in the left hand two columns. The Benefits sought are in the middle column. The proposed solution is defined as the Changes and Assets Needed.

An Investment Logic Map must speak to the funder in a language they understand. It should tell a compelling story for investment that is logical, able to be supported by evidence and easily understood. Your uncle or aunty must be able to read and understand it. When completed it becomes the executive summary of the business case and the headings in the business case.

The Investment Logic Map itself becomes the foundation document that will be modified to reflect the logic for an investment throughout its lifecycle.

This session will go for two hours...not 2 hours and five minutes. In that time we will shape and record the story of this investment. In 2 hours time when we look at the whiteboard we will see one of three possible outcomes....each of which is valid and valuable

1. *We will like what we see (validation that the idea has merit)*
2. *We won't like what we see (seemed like a good idea at the time!)*
3. *We will have nothing coherent (clearly no point in proceeding)"*

"What is my role?

I am content free. I am a story teller. My role is to tell the best story possible...that is achievable.

You probably won't like me much because I will challenge everything...I am paid to detect the fiction".

4.3 Define the formal role of each participant

Make it clear at the start what role everyone is playing:

Investor.

It is their forum. They are the person with the problem, who will be making or advocating the investment decision, and who will ultimately responsible for delivering the benefits. Any decisions that need to be made will be directed to them.

Investor's Helpers and Stakeholders.

Those people who will assist the Investor to define the problem, the strategic interventions that need to be taken and the expected benefits.

Observers.

People with an interest in the investment who might benefit from hearing the discussion (such as business case developers or project managers). Generally they are there only to observe.

4.4 Starting the discussion

Everyone will typically want to talk about a solution as few people are able identify the problem. The challenge for the Facilitator is to move the discussion to the root of the problem. Ask the Investor to outline the problem that has caused them to consider an investment. This provides an opportunity to establish whether all participants have a shared understanding of context of the problem. Let them 'vent' for as long as it takes.

4.5 When it comes to benefits

You may like to handout and discuss the benefits framework attached in the appendix. It is critical that any benefits claimed MUST be able to be supported by reasonable KPIs - ones that are *Meaningful, Attributable* and *Measurable*.

4.6 Concluding the workshop

Advise them that within 24 hours (first thing in morning?) they will be provided with ILM version 0.1. This will contain observations of the quality of the ILM 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 Problem Definition workshop is where the first version of the investment story is extracted. 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.

1. Within 24 hours of the workshop send v0.1 of the ILM to all participants at the workshop.
2. Download the current version of the ILM format from the investment management website.
3. Populate the format from your whiteboard copy.
4. Use your storytelling and word-smithing skills to create a plain English story that encapsulates the workshop discussion and meets the 6 tests of the ILM Quality Assessment Form.
5. Make any observations you have of the draft ILM and suggest where its strengths and weaknesses are and how it might be improved. If you think it worthwhile, provide an alternative version (0.2) for their consideration but be careful that it still reflects their work.
6. Send an email with v0.1 of the ILM and your observations directly to each of the participants at the workshop avoiding, if possible, channelled it through a single person (sometimes the hierarchy works against this!). It is important that all participants are involved in finalising the discussion.
7. 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 v1.0 within 24 hours of that time. All of this reinforces the 'what do we think today' principle that underpins this approach. A sample email format is attached in the appendix.
8. Within 48 hours of the workshop send all participants v1.0 of the ILM
9. This should respond to any feedback that was provided in response to V0.1. If no feedback was received finalise this as you have suggested
10. Suggest or confirm any agreed next step (eg. A Benefit Definition workshop). If it is agreed there should be a next workshop, a 2 week break is thought to be ideal (allowing time for the dust to settle but still being fresh in the mind of the Investor party).

6 DESIGN GUIDELINES - INVESTMENT LOGIC MAPS

The function of Investment Logic Maps is to portray the logic underpinning a potential investment on a single page and in a form that can be quickly understood by decision makers. Already several thousand Investment Logic Maps have been developed. On the basis of this experience those things that work well have been identified and they are provided as guidance in Appendix 5: Design Guidelines - Investment Logic Maps.

Any of these rules can be broken but in doing so be aware of the impact it will have on the storytelling.

7 TEMPLATES

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

- Investment Logic Map
- Quality Assessment Form - Investment Logic Maps:
View in Appendix 6: Quality Assessment Form - Investment Logic Map
- Facilitator Feedback Form - PROBLEM Definition Workshops:
View in Appendix 7: Facilitator Feedback Form - Problem Definition Workshop

8 Appendix:

8.1 Appendix 1: Sample email - Before the workshop

<Greetings>

<something about the proposed investment>

As a way to consolidate our thinking about this initiative we will be holding a Problem Definition workshop with the aim of properly understanding and articulating the need for this investment. This will be held as follows:

Date:

Time:

Venue:

These 2-hour workshops have been designed to enable common sense discussions that extract the compelling logic that underpins a potential investment or program. On a single page, an Investment Logic Map tells the story of an investment. An example is attached.

The Investment Logic Map that is created forms the basis of all subsequent investment decision making and is ultimately used to measure the effectiveness of the investment.

The primary participant at this workshop is 'the Investor', that person who has the business need, who will be making or advocating the decision to invest in the solution and who will be responsible for delivering the identified benefits. Other participants are invited to help define the problem that needs to be addressed or as observers. The workshop will be facilitated by an Accredited Investment Management Facilitator - in this case, <NAME>.

No preparation is required before the workshop - it is assumed that the Investor and the other participants understand the problem. The role of the facilitator is to extract the story of the potential investment in the form of an Investment Logic Map.

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

<sign off>

8.2 Appendix 4: Sample email - After the workshop

<Greeting>

Thanks for your participation at yesterday's Problem Definition workshop for <investment name>. I have attached the Investment Logic Map that we produced and ask that you provide me with any suggested amendments by Close-of-Business today. What happens over the next 48 hours is just the conclusion of our discussion. As such, there is no point in circulating this draft to people who were not present in our discussion and their comments would lack context - they will be free to make comment when we have completed this iteration of the Investment Logic Map. You should copy your responses to all other participants so we continue to understand each other's perspectives. Based on your responses I will make any necessary changes and have version 1.0 to you by Close-of-Business on <the following day>.

...my observations

For what it's worth I make the following observations as to the relative strengths and weaknesses of the ILM we produced:

- Both the Drivers and the Objectives are generally strong - they speak well and there is strong evidence to support the Drivers
- Whereas Benefit 1 would be powerful I am not sure that it can be supported by a KPI that is attributable to this investment. It probably needs to change to "<rewording>" and could then use "<name of KPIs>"
- <etc>.

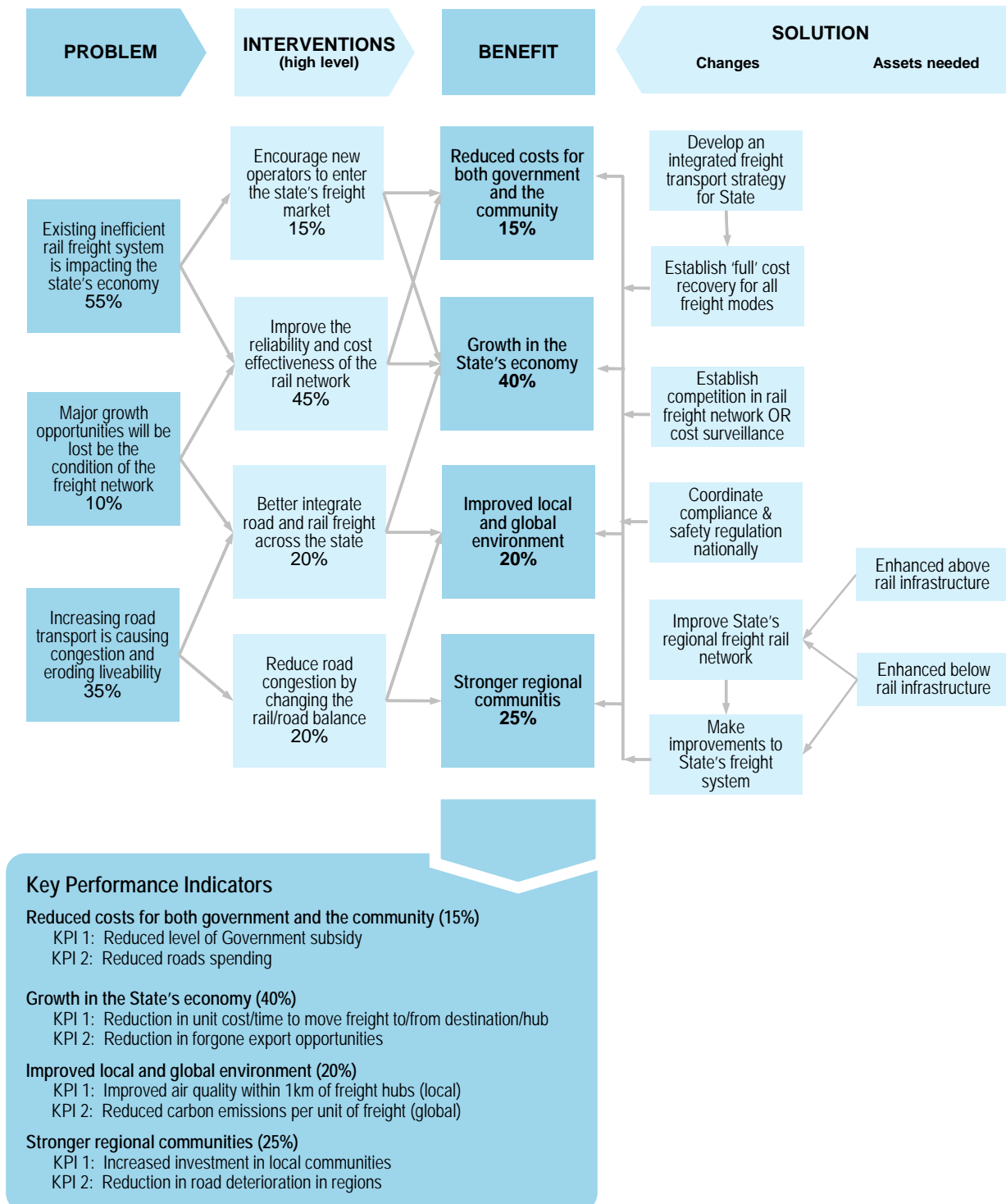
...about Investment Logic Maps

An Investment Logic Map is never finalised. It is an enduring document that tells the story of an investment at any point in the investment lifecycle. Its strength is measured by its ability to be easily read by anyone who can then understand why an investment is being considered (or is underway). The reader is also then able suggest how it might be reshaped to deliver a better outcome.

8.3 Appendix 2: Investment Logic Map – Fictional

Rail Freight - Policy and Strategy (Fictional)

Department of Transport Investment Logic Map



8.4 Appendix 3: Benefits Framework

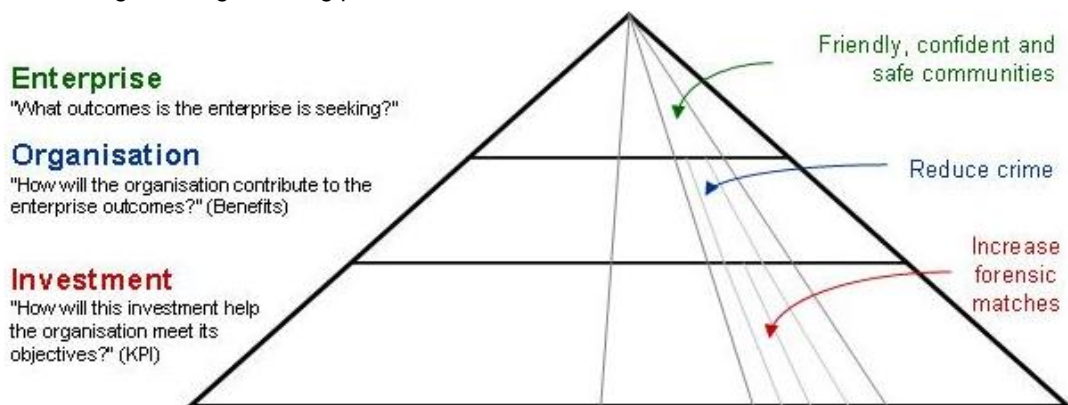
Each time an organisation makes an investment there is an expectation that some form of benefit will be returned. It therefore follows that the ability to design investment solutions that provide maximum benefits and to be able to confirm that the expected benefits were delivered is critical to every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

These have been developed to assist facilitators develop high quality Investment Logic Maps. Any of these rules can be broken if it makes sense but each breach will reduce the impact of the ILM.

Item	Practice	Reason
Template	Always use the current ILM 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.
Problem statements	Maximum of 3 problems statements	Forces decision as to what are real problems and reduces unnecessary complexity
Intervention statements	Maximum of 4 interventions	As with <i>Problem statements</i>
Benefit statements	Maximum of 3 benefits	As with <i>Problem statements</i>
Number of words	The ideal number of words per box is between 8 -10.	It forces you to be precise in the words you chose to convey your message. It also maintains clarity and consistency when reading an ILM.
Size of boxes	Do not alter the size of the box or the font size.	Retains simplicity and forces the use of plain English.
Connections	No more than 2 linkages from any element in one direction is two	Retains simplicity and creates need to prioritise what really matters.
Use and distribution of percentages (%)	A total of 100% to be distributed within each column. This is distributed to indicate the relative importance of the various elements within each column. Elements then re-distribute their % to the boxes to which they are connected in the following column.	Acts as a tool to extract judgments on the relative importance of the identified problems, interventions and benefits.
	When distributing %, not two elements should be given the same (eg. Split Problems 50%:50%)	Forces decisions of relative importance
	Elements rated less than 15% should be questioned re the need to mention them at all	Each element and its connections add to the complexity. Aim is to capture those things that really matter and eliminate the rest.

KPIs	KPIs must be included for each benefit	<p>Claimed benefits have no credibility</p> <p>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.</p>
	No more than 2 KPIs per benefit	Simplicity and identifying priority KPIs
Completing the Control Fields	<p>Ensuring that the document control fields have been completed in particular:</p> <ul style="list-style-type: none"> • Investment Name • Department/Agency/Organisation name • Investor Name and • Facilitator Name 	Provides legitimacy and accountability to the investment

8.6 Appendix 6: Quality Assessment Form - Investment Logic Map

This form uses six simple tests to determine the quality of an Investment Logic Map. These tests can be applied by anyone, regardless of their understanding of the subject matter. For the ILM to be of *acceptable standard* it must pass all six tests. Whether the case for the investment is strong or weak, good or bad is not the purpose of this assessment. This assesses whether the case for investment can be well understood.

Test 1: Could your uncle or grandmother read and understand it?	Assessment: YES / NO / PARTIALLY
Any Comments	
Test 2: Does each Problem convey what is broken and the implications of this?	Assessment: YES / NO / PARTIALLY
Any Comments	
Test 3: Do the Interventions read as a list of strategic interventions that need to be taken to respond to the Problems?	Assessment: YES / NO / PARTIALLY
Any Comments	
Test 4: Are the Interventions described in a way that provides no hint of a solution?	Assessment: YES / NO / PARTIALLY
Any Comments	
Test 5: Have you accurately defined the benefits?	Assessment: YES / NO / PARTIALLY
Are benefits described in a way that makes clear: <ul style="list-style-type: none"> • The organisational benefit that the investment will provide • The localised impact of this benefit (eg. Reduction in crime against the elderly in city west) • Do the KPI's seem like reasonable evidence the claimed Benefit had been delivered", and Would you reasonable expect these KPIs to be the Solution? 	
Any Comments	
Test 6: Is the solution described in a way that is logical in its approach and clearly identifies the business changes required to adequately respond to the identified Interventions?	Assessment: YES / NO / PARTIALLY
Any Comments	
How do you rate this Investment Logic Map	Assessment: SATISFACTORY / UNSATISFACTORY
Any Comments	

8.7 Appendix 7: Facilitator Feedback Form - Problem Definition Workshop

Critical to the success of the investment management standard is the ability to have an 'intelligent facilitated discussion' focussed on the logic that is underpinning a potential investment. The capabilities of the facilitator are key to this discussion.

You have just completed a workshop and we would like you feedback as to how well the discussion was facilitated.

How would you rate the truth contained within the following statements?	TRUE (5) FALSE (1)
At the commencement of the workshop all participants were given a clear understanding of the role of the facilitator and the outcomes sought by the workshop	
The opinions of the key participants were obtained and properly considered	
The difficult questions that were pivotal to the success of this investment were identified and properly addressed	
Hard evidence was sought to validate each statement of the investment story	
The workshop concluded with the agreement of participants that the investment story that was documented was consistent with the discussion	

The Workshop was completed within 2 hours	Yes / No If no, for how long did it run? (hrs: mins)
-------------------------------------------	-------------------------------------------------------------

Date of Workshop			
Department / Organisation			
Size of Investment	Less than \$500k	\$500k - \$10m	Above \$10m
Your name			
Your position			

Would you be happy to be contacted by other 'Investors' seeking further information on the capability of this facilitator?	Yes / No
----------------------------------------------------------------------------------------------------------------------------	----------