

# BENEFITS REALISATION

*Organisations embarking on new outsourcing arrangements are looking to gain real business outcomes and a way of demonstrating their realisation.*

## Business need

Too often and for too long, outsource arrangements have been designed to deliver ‘your mess for less’. Once early cost-saving promises are delivered, clients cannot see where the benefits from these arrangements will come from.

## The solution

Benefits Realisation is a proactive approach to increasing the likelihood of benefits delivery. During procurement, it helps create a shared understanding of the business outcomes and thus build the most compelling business case for the outsource. We are able to identify clear linkages between delivery and outcomes. This allows us, if appropriate, to introduce cost transparency by contracting based upon business outcomes.

During transition Benefits Realisation helps shape the transition plan to produce the required profile of benefits delivery.

During ongoing transformation phases it informs transformation programme planning by making the change programmes business benefits focused.

Benefits Realisation is also used during the life of a client/supplier relationship as it provides a basis for measuring and monitoring the right KPIs to ensure that the planned-for benefits are being delivered.

## Benefits

Benefits Realisation helps to:

- Identify how benefits will be delivered and defines precisely what they will mean in terms of value for the organisation; including indicators which show the contribution that an outsource achieves as part of the organisation’s overall business objectives
- Increase the achievement of benefits that arise from outsourcing
- Enable the creation of true business partnerships and means - delivery is visible and aligned to the organisation’s business goals and KPIs
- Enable contracting based upon business outcomes
- Increase value delivered.

## Approach

We will:

- Rapidly develop a **Benefits Roadmap**, represented visually in the form a Results Chain™ diagram, and constructed through interviews, workshops and analysing available documentation. If appropriate, we will employ the Benefits Roadmap to define the basis for a contract, both in terms of defining the boundaries of responsibility and of contracting to outcomes.
- Develop a clear **Benefits Plan**, explicitly capturing expected outcomes or benefits, their target values and profiles over time, baseline values, a practical means of measurement, and defining clear accountability for their realisation.
- Establish a common understanding and commitment to the aims of an outsource, using the Benefits Roadmap and Benefits Plan as communications aids and participation in their development to cultivate buy-in.
- Create and manage a **Benefits Register**, in which benefits are actively monitored and reported for regular review and proactive management.

Benefits Realisation sits alongside Portfolio Management and Strategic Governance, which collectively form Fujitsu’s Value Governance capability. Value Governance ensures that clients get the maximum value from their investments in IT services.

### Experience

In the UK, at the **Environment Agency** we ensured the benefits of their Flood Warning Investment Strategy could be identified, measured, monitored and realised.

*In fact, benefits realisation is now embedded in our culture, which means more people get better warnings, faster, reducing flood damage to UK plc and loss of life. And there are not many jobs you can say that about,"* says Doug Whitfield, NFFS Benefits and Project Manager, Environment Agency.

At **Highland Council** we provided benefits management leadership and support to projects, programmes and people development. As a result, the Council was able to develop clear, holistic and inclusive business cases whilst increasing their own internal skills. This allowed them to maximise business benefits from investments and develop their own capability to articulate, handle and drive improvements with minimal medium-term external support.

On a **recent outsource bid** we applied Benefits Realisation techniques to the transformation programme we had proposed to the client and identified almost **£400m** of business benefits that could be achieved over and above the already impressive business case. For the client this represented a real 'wow' factor in our approach.

Fujitsu's approach to Benefits Realisation is based upon an **industry recognised** approach outlined in our book 'The Information Paradox'. It is supported by the Fujitsu Macroscopic toolset which is recognised by Gartner as in the 'top right' quadrant in a study on structured toolsets.

Our methods are being used as a fundamental part of the **Val IT** initiative. These guidelines, developed by the IT Governance Institute (ITGI), draw heavily on Fujitsu's IPR, and this is acknowledged by ITGI in their introduction to Val IT.

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