Guide to benefit realisation management (BRM)

Vision 2015 programme

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DOCUMENT CONTROL

Document information

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Document review

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Document sign-off

Sign-off	Position	Signature	Date
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1. ABOUT THIS DOCUMENT

1.1 Purpose

The purpose of this guide is to provide a toolkit of information for managing the expected benefits delivered by the projects included within the scope of Vision 2015 programme.

This paper covers the benefit realisation management (BRM) approach undertaken by this programme to manage benefits from their inception to their materialisation by describing the flow of key activities, roles and responsibilities, and how the prescribed deliverables capture and track the decomposition of benefits from the business needs of INZ down to the KPIs that support gauging the results of the solutions being implemented by the various projects of this programme.

This guide does not provide information about how realisation management (BRM) is implemented for the projects of Vision 2015. Any information specific to a particular project on benefits set on in the appendices are intended only as examples and will not be updated.

1.2 Audience

This document is intended for use by any stakeholder involved in the implementation of a project that promotes business change and therefore requires benefit monitoring:

- • Business Owner
- • SMEs and Lead SMEs
- • Project Team
- • any other stakeholder who is directly working on a project of Vision 2015 and/or involved in managing the business outcomes realised by these projects.

Note: The Project Team includes Project Managers, Business Analysts, Solution Architects/Designers, Developers, Testers, Change Management and Deployment Teams.

1.3 Document references

The table below presents, in alphabetic order, the list of reference documents that were used to support the development of this work:

Document	Author	Version
Benefit Realisation Framework Part 1: Principles	NSW Government	Jun/2014
Benefit Realisation Plan	Gavin Eiloart	1.3 (Nov/2014)
Better Business Cases - Guide to Developing the Detailed Business Case	The Treasury - New Zealand	Feb/2014
Better Business Cases - Managing Benefits from Projects and Programmes	The Treasury - New Zealand	May/2014
Cost Benefit Analysis Primer	The Treasury - New Zealand	1.12

2. INTRODUCTION TO BRM

Undertaking a project or programme and investing in change, should result in benefits of some kind (otherwise why do it?). Benefits can be considered as the return from the investment in undertaking the project or programme.

Assessing the contribution of benefits to organisational outcomes is also a way to align initiatives with the organisation's strategy. These are both important considerations when assessing which initiatives are approved to proceed and which aren't.

Benefit realisation management (BRM) is vital in ensuring that an initiative achieves what it sets out to do. It involves articulating what benefits are expected from the initiative, how it will be known that the benefits are achieved, and the assessment of what has eventuated against what was planned.

Every benefit that is expected to be achieved through the implementation of the solutions delivered by business change projects has the following four attributes:

1.   there is a beneficiary (e.g. society, a group or an individual),

2.   there is a gain,

3.   it is attributable, and

4.   it is discernible.

Managing benefits extends beyond the lifecycle of a project or programme. It requires a structure that survives long after the project/programme team has disbanded.

2.1   Goals of BRM

The following goals have been set to translate the overall purpose of BRM for Vision 2015 Programme:

1.   The selected way of managing how time and resources are invested into making desirable business changes;

2.   Ensure benefits are identified and defined clearly at the outset, and linked to strategic outcomes;

3.   Ensure business areas are committed to realising their defined benefits with assigned ownership and responsibility for adding value through the realisation process;

4.   Support the enrichment of the knowledge base of MBIE.

3. BRM WORKSTREAM OUTSET

3.1   Setup and initial considerations

The work to define the methodology for BRM began in early December 2014, with the handover of all existing benefit profiles for Vision 2015 and underlying models that were prepared by the business analyst who was leading the benefit profile work-stream.

At that time, Vision 2015 was comprised by 29 projects and the list of key spreadsheets regarding benefits can be found in "Appendix C".

These spreadsheets store data in a very granular way. This method allows handling almost every variance of how visa applications are processed within Immigration New Zealand.

Given the detailed nature of these spreadsheets, it is difficult to spot changes in these spreadsheets and clearly explain the rationale of these changes to a stakeholder.

The handover process was concluded with the development of a spreadsheet that took into account only the data elements that directly impact the final result for the expected benefits.

This streamlined spreadsheet was used to test the formulas developed for the migration of the previous artefacts about benefit and the average discrepancy between the results of both methods is under 0.01%, which is considered acceptable for this exercise.

Outcomes of the streamlined model are:

- All input data used in the model is normalised, which supports consistent terminology;
- Formulas to carry on data manipulation instead of manually transposing data between spreadsheets;
- Much smaller, thus easier to follow.

To pave a consistent way to manage benefit realisation of all projects of Vision 2015, a clear handover point between the outcomes produced by the teams responsible for business analysis and BRM was established.

While BRM identifies and scales the expected benefits that each project is targeted to enable, the business analysis of each project contributes with the detailed assessment of the benefit, factors that impact the benefit and the reporting requirements to monitor the benefit realisation in the agreed timespan.

The results of business analysis ratify, update and identify key assumptions (e.g. take up rates, baselines, forecast), risks and mitigation plans, key performance indicators (KPI) definitions and KPI targets (intermediates and final) that will support the monitoring of the benefits after the solution of the project is implemented.
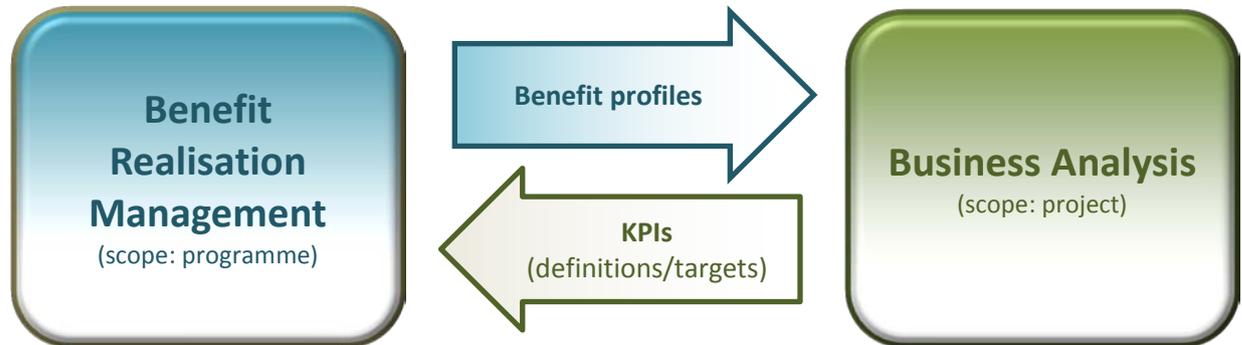
3.2   Guiding principles for BRM

These guiding principles steer the benefit realisation management and shall be observed by all projects of Vision 2015:

1. Benefits management starts by defining the programme/project objectives and the benefits they deliver.

2. Benefit identification and understanding drives refinements to the business case.

3. Benefits must be aligned with the strategic goals of the organisation.

4. Benefits need to be owned and managed by a designated person in the business; they don't just happen. Benefits can be tangible (e.g. monetary or non-monetary) or intangible (e.g. customer satisfaction, staff engagement, improvements in compliance levels).

5. Tangible benefits must be measurable and linked to performance data and reporting frameworks.

6. Benefits realisation requires a baseline and benefit targets in order to measure resulting outcomes.

7. Dis-benefits need to be recognised and mitigated.

8. The same benefits cannot be claimed by two or more projects (i.e. no double counting).

9. Benefits need to be communicated.

10. Benefits are dynamic; they need to be regularly reviewed and updated.

11. Intermediate outcomes are needed to realise end benefits (and are just as important).

12. Benefits tracking continues long after a programme/project has ended.

4. DEFINING THE BENEFITS REALISATION GOVERNANCE MODEL

For benefits realisation to be successful there must be established and maintained foundational governance structures, processes and responsibilities to ensure that the benefits will be managed though the whole life cycle of investment.

This foundational benefits realisation governance must be developed with a practical eye as to the size of the investment (both: its spend and potential benefits), and the capability of the Immigration's business sponsor and staff to effectively manage the benefits realisation process.

A key requisite for successful benefit realisation is an agreement between the programme and the business that the changes being delivered are broadly sufficient to realise the target benefits. Typically the programme will take responsibility for benefits enablement and the business for benefits realisation.

To this end the governance model needs to take account of the two areas of responsibility and the shift in emphasis over time from design, build and test to deploy, operate and refine.

The Handover to Business (HOB) signals the formal transition from the programme (benefits enablement) to the business (benefits realisation).

The Benefits Realisation Plan (BRP) is used to define the benefits of the overall programme of work and responsibilities for their realisation, measurement and reporting.

The whole set of deliverables that support this governance model is detailed further herein.

4.1   Roles and responsibilities for BRM:

Role	Responsibilities
Business Sponsor	Accountable for ensuring that benefits from the changes being introduced are realised. Responsible for ensuring Immigration line management understand the importance of achieving benefits.
Business Owner	Responsible for ensuring changes within the work packages they oversee are designed, constructed and deployed to deliver the maximum benefits possible.
Benefits Monitor	Responsible for collating and providing executive level information on benefits realisation at area and market levels. Ensuring that area and market managers are held to account for turning efficiencies into savings and benefit reviews are carried out periodically.
Benefits Analyst (Programme)	Responsible for maintaining and refining the benefit models to provide confidence to all stakeholders where and how, once implemented, the changes designed by the programme will deliver benefits.

Benefits Analyst (Business)	Responsible for maintaining the benefits model during and after implementation to track target and actual benefits realisation at office and process level.
Area Manager	Checking that processes are implemented in the offices as designed. Ensuring that the changes that are designed to deliver benefits are kept uppermost in the mind of the market managers during the weeks and months following the process being introduced.
Market Manager/ Assistant to Area Manager	Responsible for converting time savings achieved through process and technology changes into financial savings at office level Ensuring that accurate baseline and actuals measurements are taken to indicate savings being realised.

4.2   Structure within which benefits realisation will be managed:

The following diagram illustrates the organisation structure that will be in place for benefit enablement and realisation.
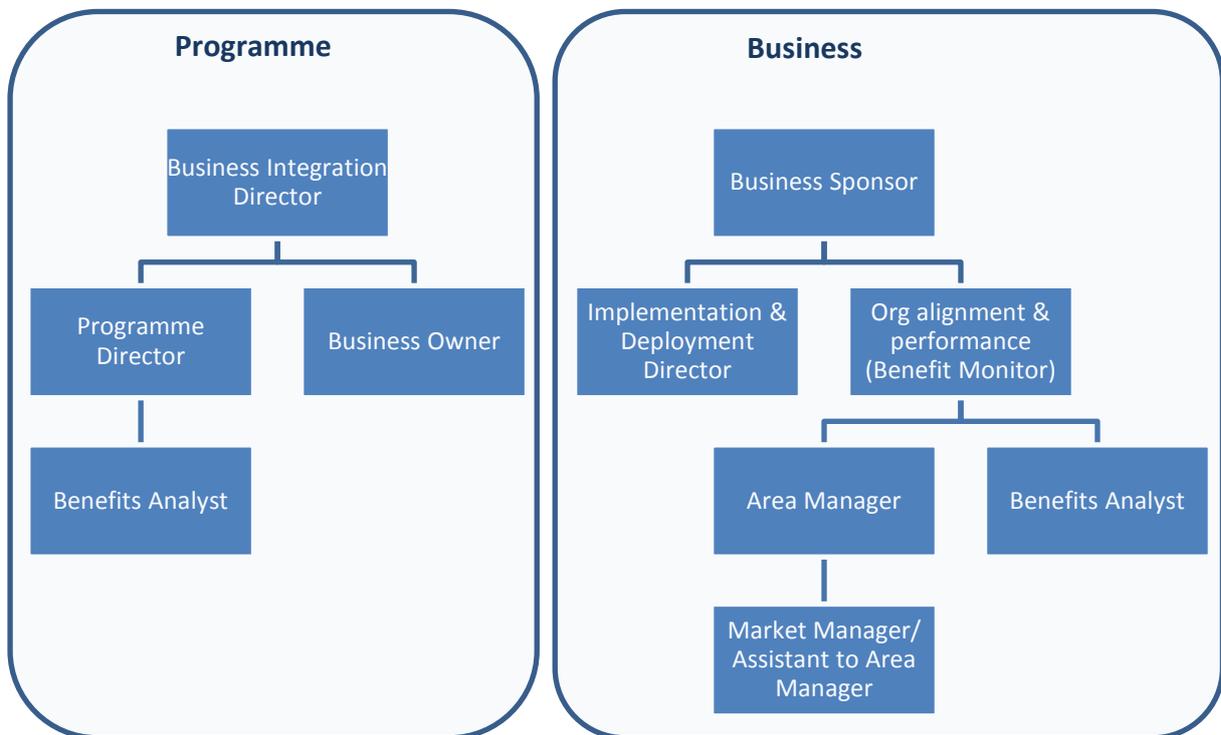
Note: This org chart may be reviewed to depict a more generic role description. This will allow this chart to be used across INZ and not only for Visa Services.

The programme will ensure that:

- Benefits areas are identified, quantified and refined through the operating model and process design phases
- The size and value of benefits are refined during the piloting and testing phases
- The benefit opportunities and enablement areas are communicated and clearly understood by the business change leads and market managers prior to hand over
- Benefit profiles are maintained as more knowledge is gained of the benefit opportunity
- Benefit models are maintained and revised throughout the design, build and test phases
- Benefit profiles are handed over and accepted by the business following an agreed pilot period.

The Business will ensure that:

- The benefits identified by the programme are realised to the greatest extent possible
- Benefits realisation will be tracked and corrective action will be taken where required during the monitored phase
- Benefit profiles are maintained through to full to the point of full realisation (2017/18) after being formally handed-over by the programme to the business.
- The Benefit model is maintained after the programme ends
- Management and executive benefit realisation reporting is carried out.

5. FRAMEWORK FOR BRM

5.1 Milestones of BRM

At a high level, the framework for benefit management has four milestones. Benefits are:

1. *Identified* – including defining their indicators and measures.

2. *Analysed* – including quantifying scale of benefits, comparing options, and assessing optimism bias.

3. *Planned* – including stating how much of the benefits will be realised, by whom, and by when.

4. *Monitored* – including reporting on both benefit realisation, and risks to benefits not being realised.

5.2 Domain model for BRM

A well thought-out domain model (DM) serves as a clear depiction of the conceptual fabric of the problem domain and therefore is invaluable to ensure all stakeholders agree on the scope and meaning of the concepts in the problem domain. An accurate domain model can also serve as an essential input to solution implementation within a software development cycle since the model elements comprising the problem domain can serve as key inputs to code construction. It is important, however, not to compromise the richness and clarity of the business meaning depicted in the domain model by expressing it directly in a form influenced by design or implementation concerns.

An important part of implementing BRM for the projects that are under the Vision 2015 programme is to capture the relevant information in the form of business entities (represented by classes) and their key attributes regarding how benefits are envisaged by the business and should be monitored after the solution is deployed.

This information is required to allow MBIE to put in place monitoring capabilities that are fully aligned with the KPI definitions that are associated to each benefit profile.

To maintain consistency across all projects being managed via BRM, the following DM depicts the set of deliverables that have been designed to support the interactions between the business and the Vision 2015 programme regarding how benefits should be identified, analysed, planned and monitored.

The DM also includes key artefacts of Vision 2015 programme and its projects. This allows tracing how information is decomposed from high level, such as strategy value drivers, down to the measuring points of the KPIs that are designed to gauge benefit realisation.

In addition, the DM for BRM depicts the associations between the business entities using UML notation. An example explaining the various types of connection can be found in Appendix D.

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class Domain Model for BRM

Domain Model for BRM

Indicative business case

Strategic case

Economic case

Short listed option

Cost benefit analysis

«instantiate»

Detailed business case

Selected option

Strategic objective

Scope

Cost

Quantifiable benefit

Qualitative benefit

Project

Project objective

Project plan

Risk register

Requirement

Benefit identification

(BRM-MAP) Benefit map

(BRM-BP) Benefit profile

Benefit planning

(BRM-Guide) Benefit realisation management

(BRM-BRP) Benefit realisation plan

(BRM-BMS) Benefit management strategy

Benefit monitoring

(BRM-HOB) Handover to business

(BRM-BR) Benefit register

(BRM-DM) Domain Model

(BRM-BO) Business objects

Benefit analysis

(BRM-BAH) Business analysis handover

(BRM-KPI) KPI definition

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6. THE DELIVERABLES OF BRM

Below is the list of prescribed deliverables grouped within the milestones of the framework of BRM:

6.1 Deliverables for benefit identification

BRM-BP - Benefit Profile: It contains the narrative describing the benefit opportunity and how that benefit is placed in the programme, by identifying its alignment with the business case, classification, owner, assumptions, risks and actions relating to the benefit. It also lists the foreseen key performance indicators and baseline and target measures. Wherever possible, benefits should be stated as a measurable change, and the key performance indicators are the measures that demonstrate a change has come about.

BRM-MAP - Benefit Map: Maps the outcomes of the various projects with the business changes and the related benefit. Identifies intermediate outcomes and also links the end benefit to the strategic objective. It also identifies the dependencies between projects to enable the achievement of the expected benefits.

6.2 Deliverables for benefit analysis

BRM-KPI - KPI Definition: Detailed specification to support the implementation of the KPI in the reporting/BI environment. Each KPI should be relevant, attributable, and measurable. BRM suggests using the SMART criteria:

• Specific (must be clear and unambiguous).
• Measurable (has an existing baseline or can establish one; is cost-effective to measure progress).
• Achievable (the goal is neither out of reach nor below standard performance).
• Relevant (must be an appropriate indicator for the specific benefit).
• Time-Bound (grounded within a timeframe).

BRM-BAH - Business Analysis Handover: Artefact that contain the results of the business analysis that underpins the expected benefits for the project. It provides the rationale and assumptions that support the stated targets and expected thresholds for the KPIs associated to the Business Analysis Handover. The detail may need to be held in other documents (spread sheet models etc.) as the data can become quite extensive.

6.3 Deliverables for benefit planning

BRM-BMS - Benefit Management Strategy: The benefits management strategy establishes the approach to realising benefits and the framework for benefits realisation. It sets out the rules for engagement on how to identify, map, monitor and review benefits.

BRM-BRP - Benefit Realisation Plan: The benefits realisation plan is a view of all the benefits, their dependencies and expected timing for benefits realisation. It sets out what stakeholders can expect from the project or programme and is used as the basis for tracking against what is actually realised. It is useful to include complete benefits profiles for each benefit within the plan, to enable them to be monitored beyond the life of the project or programme. It also contains the intermediate and final targets and thresholds of the KPIs that are relevant to gauge the performance of the implemented solution.

6.4 Deliverables for benefit monitoring

BRM-HOB - Handover to Business: Document that formalises the handover of the associated benefits from the programme to the business. This document contains the relevant benefit profiles, KPI definitions, target measures and the benefit realisation plan. It can also add new information about the covered benefits, if the business analysis found evidences that the expected benefit are likely not to be achieved as initially expected, or additional benefits were discovered.

BRM-BR - Benefit Register: The benefits register is where the relevant information (e.g., measures, timing, responsibility etc.) from the benefits realisation plan is placed, actively monitored and tracked against the plan. This also means someone needs to be assigned the accountability for doing this. The register shows expected benefits against what was actually realised. Tracking of benefits can begin at the start of the implementation stage, and continue after the project has completed to the timeframe indicated in the benefits realisation plan. The benefits register is the source of benefits realisation reporting information until this report becomes business as usual and these metrics are then published by the BI/performance team.

BRM-DM - Domain Model: The domain model identifies the relationships among all the business entities within the scope of Vision 2015 programme, and identifies the attributes that are relevant for defining and monitoring the expected benefits.

BRM-BO - Business Objects: Collection of data marts that are aligned with the business entities depicted in the domain model. It serves as a common data reference for projects defining assumptions and ratifying the results of the business analysis work.

The formats of the deliverables listed above can be found in appendix A.

7. METHODOLOGY FOR BRM

The benefits realisation approach is summarised below and whilst entitled benefits realisation approach includes benefits enablement. The following sections describe the activities that underpin this approach.

7.1 Benefit identification

Benefits identification can begin even before the business case process begins. INZ may identify desired outcomes as part of their organisational planning processes, which require as yet unspecified change initiatives to help bring about the benefits INZ needs to reach the outcomes.

More usually, benefits will begin to be identified and defined at the strategic assessment stage of a project or programme business case development.

The approach briefly described below follows the Investment Logic Mapping (ILM), which is the recommended approach to identify benefits by New Zealand Treasury. For more information see the SSC Project Delivery - Capability: http://www.ssc.govt.nz/project-delivery-capability.

ILM advocates that initially the problem is defined, the strategic interventions that will best respond to the problem are identified and the benefits that any investment will be required to deliver are articulated.

Once the benefits are articulated, the KPIs that will provide the best evidence that the benefits sought have been delivered are identified and specified.

Finally, the most likely best solution to the identified problem is proposed and fully scoped.

This checklist can be helpful to define the completeness of the benefits identification:

1. The problem is properly articulated and supported by evidence (True/False)

2. The selected strategic interventions properly respond to the problem and were identified among a range of explored options (True/False)

3. The benefits are clearly articulated and the relevant KPIs have been identified (True/False)

4. The proposed solution better reflects the strategic interventions (True/False)

5. The proposed solution can be shown as able to deliver the benefits through the set of KPIs (True/False)

Problem Definition → Benefit → Strategic Response → Solution

Business process → Technology

Stakeholders and dis-benefits

Benefits relate to stakeholders – different stakeholder groups can derive different benefits or dis-benefits from a proposed solution (a dis-benefit is a negative impact that might occur as a direct consequence of implementing a particular solution). It is important to identify dis-benefits along with the benefits of a proposed initiative to determine if the overall benefits of the proposal to the key stakeholders are worthwhile.

Types of benefits

Benefits should also not be constrained to financial benefits. Although many benefits can be quantified financially, there are others that it is difficult, undesirable, or insensitive to put a financial value on (these benefits are called non-monetary). The flows of benefits to different capital stocks (e.g. financial, physical, human, social and natural) should be considered.

All potential benefits within this project can be divided into the following two main categories:

Tangible Benefits are quantifiable and measurable. Tangible benefits can be monitored through a set of KPIs that allow the business to gauge the impact of a strategic response to a given problem once the solution is implemented. Examples are: cycle time to increase throughput, elimination of time-wasting tasks and inefficient processes, lowered level of material resources utilization to get same outputs, etc. Tangible benefits are divided in two main groups: Monetary and Non-monetary, where the monetary benefits are scaled in dollar amount and non-monetary are scaled in an array of units such as FTE, time, volumes, ratios, quality checks to name a few.

Intangible Benefits are difficult to measure however they are worth pursuing, as they relate to values and goals that are critical for the success of the business. Examples are: customer satisfaction, improved levels of compliance and regulation, secured access to information, increased staff motivation, etc.

In Vision 2015 programme the following benefit categorisation is used:
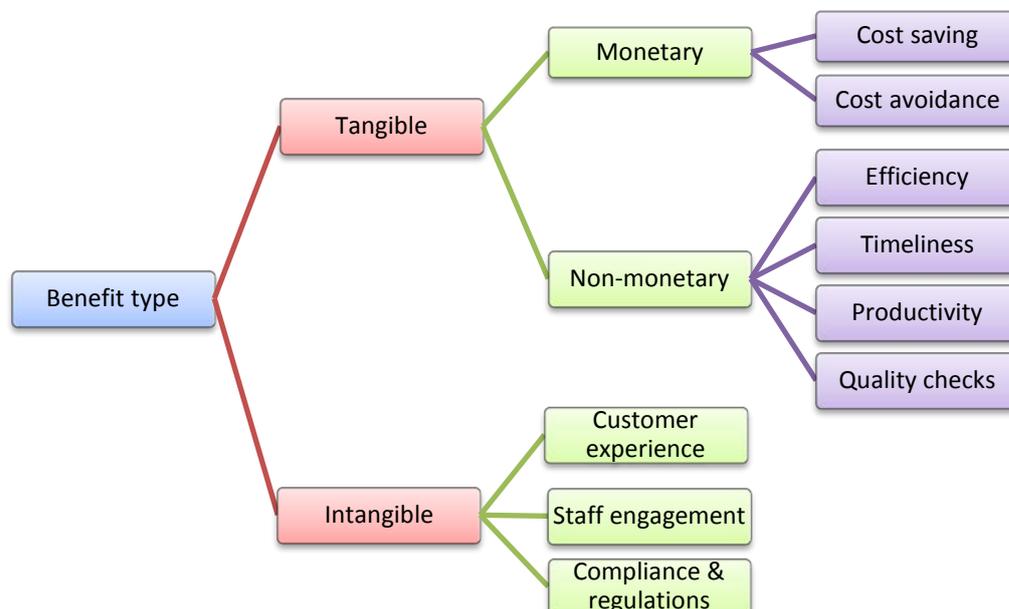
BRM Deliverables:

Benefit Profile - BRM-BP

Benefit Map - BRM-MAP

7.2   Benefit analysis

Benefits analysis can be undertaken throughout the initiative's lifecycle, however the main purpose of this activity is to validate the assumptions that were considered when the benefits were initially identified.

The outcomes of the benefit analysis provide to the business the required information to underpin the benefit realisation plan, by reviewing the baselines and assumptions, defining feasible targets and highlight the risks associated with the realisation of the benefit.

The extent or depth of the analysis should be tailored to the relative size, impacts, and risks of the assessed benefit. The type of the benefit (e.g. cost savings, customer experience) also defines the suitable business analysis approach.

The full set of benefits associated to a given project must be analysed and although BRM is not restricted only to financial benefits, this section briefly introduces the cost benefit analysis, which is suitable to assess benefits that are quantifiable and foster financial benefits.

Cost benefit analysis

Cost Benefit Analysis (CBA) is an economic assessment tool. By quantifying all costs and benefits in monetary terms, and discounting, it is possible to determine the net benefits (or costs) of a proposal in today's dollars.

CBA is flexible and can generally be applied to assess most proposals. However, it has some limitations that mean it is not suitable for assessing every benefit. For example, it is often not possible to assign a monetary value to all costs and benefits.

It is also useful to consider Cost Benefit Analysis as a series of steps:

1. Confirm desired outcomes of the project

2. Establish the assumptions and scope underlying the analysis

3. Decide an appropriate period for the analysis (often termed the 'appraisal period')

4. Identify all significant benefits and costs, and provide assurance that these will be realised

5. Assign monetary values to the benefits and costs wherever possible

6. Discount the benefits and costs to present values

7. Assess risk, and uncertainty

8. Consider the effect of any intangible costs and benefits that could not be reliably assigned monetary values

Refer to BBC-Cost Benefit Analysis Primer for more details by following this link:

http://www.treasury.govt.nz/publications/guidance/planning/costbenefitanalysis/primer

At the end of this activity, the business will have set the target to be sought for the benefits and delineated the intermediated targets that will be support monitoring the achievement of the benefit throughout the agreed timeframes.

The relevant outcomes of the business analysis are kept in the business analysis handover document and it might include additional artefacts that provide traceability for the findings disclosed by the business analysis.

In addition, the KPIs are fully described to enable the proper implementation in the BI/Performance reporting environment of MBIE.

BRM Deliverables:

KPI Definitions - BRM-KPI

Business Analysis Handover - BRM-BAH

7.3   Benefit planning

Benefits planning is the part of benefits management that details when benefits are expected to be realised from the preferred option, and who has what role in the realisation and reporting of benefits.

Benefits planning begins during the benefits identification, where information on the relevant benefits for the solution (i.e., benefits profiles, maps, benefit analysis) is used to document what is to be expected.

It is further refined and defined until the handover from the programme to the business happens, which triggers the beginning of the benefit monitoring phase.

The main components of benefits planning are: the benefits management strategy and the benefits realisation plan.

1. The benefits management strategy establishes the approach to realising benefits and the framework for benefits realisation. It sets out the rules for engagement on how to identify, map, monitor and review benefits.

An updated benefits map is valuable to show how the preferred option's benefits align with outcomes and INZ strategies.

2. The benefits realisation plan is a complete view of all the benefits, their dependencies and expected timing for benefits realisation. It sets out what stakeholders can expect from the project or programme and is used as the basis for tracking against what is actually realised. It is useful to include complete benefits profiles for each benefit within the plan, to enable them to be monitored beyond the life of the project or programme.

Tolerances can be applied to benefits realisation, much like for a budget or timeframe (e.g., +/- X% of target value), and these can be specified in the benefits realisation plan. This is useful when reporting on benefits, particularly on any concerns that levels of benefits may not be reached, as this may impact on the ongoing attractiveness of the project.

BRM Deliverables:

Benefit Management Strategy - BRM-BRS

Benefit Realisation Plan - BRM-BRP

7.4   Benefit monitoring

Benefits monitoring begins as soon as the solution components are deployed into production and the reviewed/new business processes are in place.

In the case a pilot implementation is conducted to experiment the new solution, benefit monitoring activities should be triggered to capture the early metrics produced by the pilot for further business analysis and monitoring by the business.

The benefits realisation plan identifies when benefits are expected to occur, and the benefits register is the place where achievement of the actual benefits realised against the plan are documented.

It is important to establish baseline information for the benefits against which the improvements brought as a result of implementation of the project solution can be measured.

The mechanisms for assessing the benefits realised should also be set up early to enable capture of the changes in measures over time.

Benefit monitoring stays within the realm of Vision 2015 programme until the BI/Performance monitoring team are capable to report on the agreed set of metrics and KPIs as any benefits realisation reporting arrangements must be sustainable well after the programme has closed.

The reporting on benefits should be timed to align with the benefits realisation plan and any other reporting requirements. When reporting, it is useful to indicate early if benefits are at risk of not being realised. This is where the tolerance levels, set in the benefits plan, can act as a trigger for when the risk of non-realisation of benefits should be highlighted and escalated.

Any proposed changes to the levels of expected benefits should be formally notified and discussed with the relevant Benefits Monitor and Benefits Analysts, as the changes could impact on the ongoing validity of the business case or wider work.

BRM Deliverables:

Benefit Register - BRM-BR

Domain Model - BRM-DM

Business Objects - BRM-BO

8. EXPECTATIONS REGARDING BENEFITS MANAGEMENT IN THE STATE SECTOR

As a minimum, Cabinet Circular CO(10)2 states clearly that there is an expectation that, unless otherwise agreed by Cabinet, chief executives of departments and Crown agents that seek Cabinet approval for proposals that are both large (i.e., over $25 million WOLC) and high risk (as determined by the SSC Gateway Unit), must:

> 24.2: report to Cabinet (via the Crown agent's board where applicable) within 12 months after the in-service date of the Cabinet-approved proposal on the actual level of benefits achieved compared with those outlined in the Cabinet-approved proposal.

As noted earlier, benefits management will play an increasingly important role in enabling an organisation to manage within its fiscal constraints. In today's environment Treasury expects chief executives to ensure that finances of significant projects and programmes are under control, costs are managed, value for money is optimised, the ambitions of the projects and programmes are achieved, and the benefits realised.

Amendments to the State Sector Act, and Public Finance Act in 2013 reinforce taking a longer term perspective and not just managing current financial performance. This is strongly aligned with the concept of benefits management. Specifically, this longer-term focus is supported in legislation through:

- The Public Finance Act where section 34 of this Act states that the chief executive of a Department is responsible to the Responsible Minister for the financial management, financial performance and financial sustainability of the department. Section 35 of this Act states, inter alia, that the chief executive of a Department is responsible for the financial management of, and financial reporting on, assets, liabilities, and revenue managed by the department on behalf of the Crown , as well as advising the Minister responsible on performance for these items.
- The Crown Entities Act, where section 51 requires Boards of statutory entities to operate in a financially responsible manner (including prudently managing its assets and liabilities to ensure it long-term financial). Similar, responsibilities for Crown entity companies are implicit in the board duties under this Act and the Companies Act (e.g., directors must act honestly in what they believe to be the best interests of the company and with such care as may reasonably be expected of them in all circumstances).
- The State Sector Amendment Act requires public service chief executives to take a stewardship9 role in relation to their department or departmental agency (including its medium to long-term sustainability, organisational health, capability etc.), and the assets and liabilities that are used by and relate to the department or departmental agency (s.32). The Act also has requirements of chief executives (s.32) that include their department's "responsiveness on matters relating to the collective interests of government".

The Treasury also has wide powers to obtain information from departments under sections 79 and 80 of the Public Finance Act in relation to their financial management, financial performance, banking activities and management of the Crown assets and liabilities.

The Government Chief Information Officer's (GCIO) All-of-Government ICT Projects and Programmes Assurance Framework requires that an assurance plan be developed (as part of the costed and resourced project plan). This assurance plan must cover areas including, but not limited to: governance, business case, procurement, service design, ICT, change management, implementation and benefits realisation.

Various other guidance and directives to agencies set the expectation that good process and practice are followed in relation to the organisation having the right competencies, that risk is managed, that records are kept, that standards are followed, and reporting is undertaken that gives stakeholders confidence in the information.

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Appendix A - BRM Deliverables

This section provides further details on the expected content of each BRM deliverable.

BRM-BP - Benefit Profile

Scope: **Programme Vision 2015** - Living artefact during the programme lifecycle.

Captures the expected benefits to be achieved due to the implementation of the solutions of the various projects of Vision 2015.

- Benefit ID
- Benefit title
- Benefit description
- Benefit owner
- Target value (as expected in the business case)
- Target unit
- Source (business case alignment)
- Description

BRM-MAP - Benefit Map

Scope: **Programme Vision 2015** - Living artefact during the programme lifecycle.

Identifies the break-down relations between the following components of Vision 2015:

- Problems being addressed
- Benefit profiles
- Success criteria
- Solution components of the projects as delivered by BSD
- Metrics used to gauge the performance of the solution components
- Targets defined by the projects (aligned with the business analysis handover)

BRM-KPI - KPI Definition

Scope: **Project and BSD** - An artefact per project that is delivering in the BSD.

Captures the business reporting requirements that underpin the monitoring of the performance of the solution components delivered by the project by BSD.

The reporting requirements are tiered as follows:

- **Measurements**, capture all discrete measurements definitions that are used to calculate the performance indicators (PIs).
- **Performance indicators**, disclose what performance indicators are deemed relevant for performance monitoring and how they are calculated through the Measurements.

Used in the benefit realisation plan to set the intermediate targets that lead to the expected benefit.

- **Key performance indicators** (KPI) to gauge the overall performance of the solution components delivered.

BRM-BAH - Business Analysis Handover

Scope: **Project and BSD** - An artefact per project that is delivering in the BSD.

Presents the ultimate targets of each performance indicator that is deemed relevant to monitor the performance of the solution component.

It contains the assumptions, rationale and data that are used in the business analysis exercise that back the expected results for the selected metrics to gauge the performance of the solution component delivered in BSD2.

Whereas the assumptions make up the expected results of each measurement, the targets are defined by replacing these results in the formulas for the performance indicator.

BRM-BMS - Benefit Management Strategy

Scope: **BSD** - An artefact for each BSD planned by Vision 2015 programme.

Sets out the approach, rationale and framework that the business will use to manage the realisation and delivery of benefits. It provides direction and information in terms of:

- The approach to benefits planning, which includes how benefits are identified, defined and prioritised;
- The functions, roles and responsibilities of those involved in benefits planning and benefit realisation;
- When and how reviews and assessments concerned with measuring benefit realisation will be carried out, and who is to be involved;

BRM-BRP - Benefit Realisation Plan

Scope: **BSD** - An artefact for each BSD planned by Vision 2015 programme.

A benefits realisation plan acts as an overview of the main milestones (intermediate targets) for each performance indicator that are associated with the benefit profiles that are impacted by the current BSD. It serves as a management tool to monitor, track and manage the collective set of benefits associated with the Vision 2015 programme. The key activities (e.g. measurements, evaluations etc.), from each benefit should be drawn together to form the consolidated plan. This will provide a centralised resource to help keep track of what needs to be done, when and by whom, to manage the successful realisation of benefits. It is key that the accountable party for the benefits accepts the benefit targets being set.

- Executive summary

- Roles and responsibilities
- Approach and considerations
- Activities, assumptions and conditions to deliver benefits
- Plan
  - Benefit ID
    - Ultimate target and its deadline
    - Impacted stakeholders
    - Performance Indicators #1
      - Baseline
      - Milestones (timespan, intermediate target values, % of benefit realisation)

BRM-HOB - Handover to business

Scope: **BSD** - An artefact for each BSD planned by Vision 2015 programme.

Artefacts that formalises the handover of the solution components being delivered in the BSD from Vision 2015 programme to the business. It must be presented along with the benefit management strategy (BMS) and benefit realisation plan (BRP).

- Purpose
- Background
- Benefits as outlined in the business case
- Benefit measurement
- Recommendations
- Benefit profiles (references to BRP and BMS)
- KPIs and targets (references to BRP and BMS)

BRM-BR - Benefit Register

Scope: **Programme Vision 2015** - Living document during the programme lifecycle.

Primary tool for facilitating the benefits realisation process by capturing the early measurements of the selected performance indicators. Its primary input would be the benefit realisation plan.

- Benefit ID and title
- KPI ID and title
- Target value
  - Date & Achievement level #1
  - Date & Achievement level #2
  - Date & Achievement level #n

BRM-DM - Domain Model

Scope: Programme Vision 2015 - Living document during the programme lifecycle.

The domain model is created in order to represent the vocabulary and key concepts of the problem domain. The domain model also identifies the relationships among all the entities

within the scope of the problem domain, and commonly identifies their attributes that are relevant for the problem domain. The domain model provides a structural view of the domain that can be complemented by other dynamic views, such as use case models.

The domain model can be effectively used to verify and validate the understanding of the problem domain among various stakeholders. It can add precision and focus to discussion among the business team as well as between the technical and business teams.

BRM-BO - Business Objects

Scope: Programme Vision 2015 - Living document during the programme lifecycle.

It's the collection of data marts that is used to support business analysis regarding benefit management. Each object represents the instantiation of the classes described in the domain model. Examples of potential data marts could be:

- the list of offices
- volume of visa applications in a given period of time.

Note that not all classes of the domain model would have a defined data mart.

Appendix B - Domain Diagram for Vision 2015

class Domain Model for Vision 2015

Domain Model for Vision 2015

Organisation

- **Geographic location**

- **Job position**
  - Cost

- **Resources**
  - Capacity
  - Forecast workload

- **Office**
  - Name
  - Type
  - Review

- **Role**
  - Averagen yearly cost

- **3rd party services**
  - Invoice date
  - Cost

- **Technology component**
  - Cost
  - Software
  - Hardware

- **Office general expenses**
  - Cost

Directive

- **Business strategy**

- **Business policy**

- **Immigration instructions**

- **Business rule**
  - Input data
  - Condition
  - Outcome

Workflow logic

Product

- **Application type**

- **Application stream**

- **Application substream**
  - Immigration online availability

- **Visa application**
  - Receive channel
  - Receive date
  - Lodge date
  - Triage date
  - Language form
  - Submitter type
  - Risk
  - Decision date
  - Decision outcome
  - Finalising date
  - Status
  - Processind days

- **Applicant**
  - Current Address
  - Nationality

- **Medical certificate**
  - Receiving channel
  - Assessment method
  - Assessment outcome

- **Country**
  - Visa-waiver country
  - eMedical availability

- **Verification report**
  - Type of verification
  - Result

Operational management

- **Forecast**
  - Forecast volume
  - Period

- **Quality Event Register**
  - Date
  - Type of event
  - Event description

- **Reporting**
  - Actual volumes
  - Period
  - Trend
  - Target
  - Threshold

«trace»

Communication

- **Notification**
  - Date
  - Reason

- **Communication channel**

- **Enquiry**
  - Date
  - Reason

- **Visa Application channel**
  - Receiving channel
  - Technology

- **Medical Certificate channel**
  - Receiving channel
  - Technology

- **Visa status verification channel**
  - Receiving channel
  - Technology

Process

- **Process (L3)**
  - Goal
  - Scenario
  - Events
  - Decision points
  - Elapsed time

- **Milestone (L2)**

- **Activity (L4)**
  - Pre-condition
  - Outcome

- **Task (L5)**
  - Effort time

Visa application life-cycle

| 1 - Receive | 2 - Lodge | 3 - Triage | 4 - Allocate | 5 - Assess & decide | 6 - Finalise |

Process modelling for analysis.
- Structured (BPMN)
- Layered (same level of abstraction)
- Aligned with scoped resources such as roles and technology components.

Process modelling for documentation and training.
E.g. Support development of SOP.
- Lightly structured (Activity diagram)
- Might outline some facts in more detail than others (different levels of abstraction)

Name: Domain Model for Vision 2015
Author: Paul Madlung
Version: 1.0
Created: 19/12/2014 10:50:45 a.m.
Updated: 29/06/2015 12:18:38 p.m.

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Appendix C - Handover details

At the time, Vision 2015 was comprised by 29 projects and the list of key artefacts regarding benefits were:

- • INZ Vision 2015 Programme Benefits v0 76(ST).xls - (Benefit profiles)
- • 0.0 Baseline Current State 2014 07 31 Forecast June 2018.xlsx
- • 1.1 Submit and Validate 2014 07 31 Student.xlsx
- • 1.2 Submit and Validate 2014 07 31 Visitor.xlsx
- • 1.3 Submit and Validate 2014 07 31 Work.xlsx
- • 2.1 Monitor 2014 07 31 Moving Peak Demand.xlsx
- • 2.2 Manage Risk 2014 07 31 Exclude Low Risk Triage.xlsx
- • 2.2 Manage Risk 2014 07 31 Rightsize Verification.xlsx
- • 3.1 Assess and Decide 2014 07 31 Rightsize Customer Contact.xlsx
- • 3.2 Assess and Decide 2014 07 31 Workflow.xlsx
- • 4.1 Monitor 2014 07 31 Rightsize Admin.xlsx
- • 5.1 Monitor 2014 07 31 Rightsize 2PC Checks.xlsx

A part from the first spreadsheet, all others have the same structure and baseline data for current state. The future state is determined through assumptions on required effort to accomplish the tasks impacted by that given initiative and the take up rate of the future mode of operation in the next few fiscal years.

These spreadsheets store data in a very granular way. This is an attempt to use business analysis outcomes, which are very detailed, to determine directly the expected benefits.

The overall method was to capture detailed data into pivot tables and then transpose these pivot tables into other tabs to be further updated and then pivoted to roll up the results. This method allows accommodating almost every variance of how visa applications are handled within the entire Immigration New Zealand; however it is very difficult to spot these changes in the spreadsheets and understand the rationale of these changes as they are not traceable and no support documentation was found that backed the amendments in the model.

Streamlining the benefit model

The handover process was concluded with the development of a spreadsheet that took into account only the data elements that directly impact the final result of expected benefits.

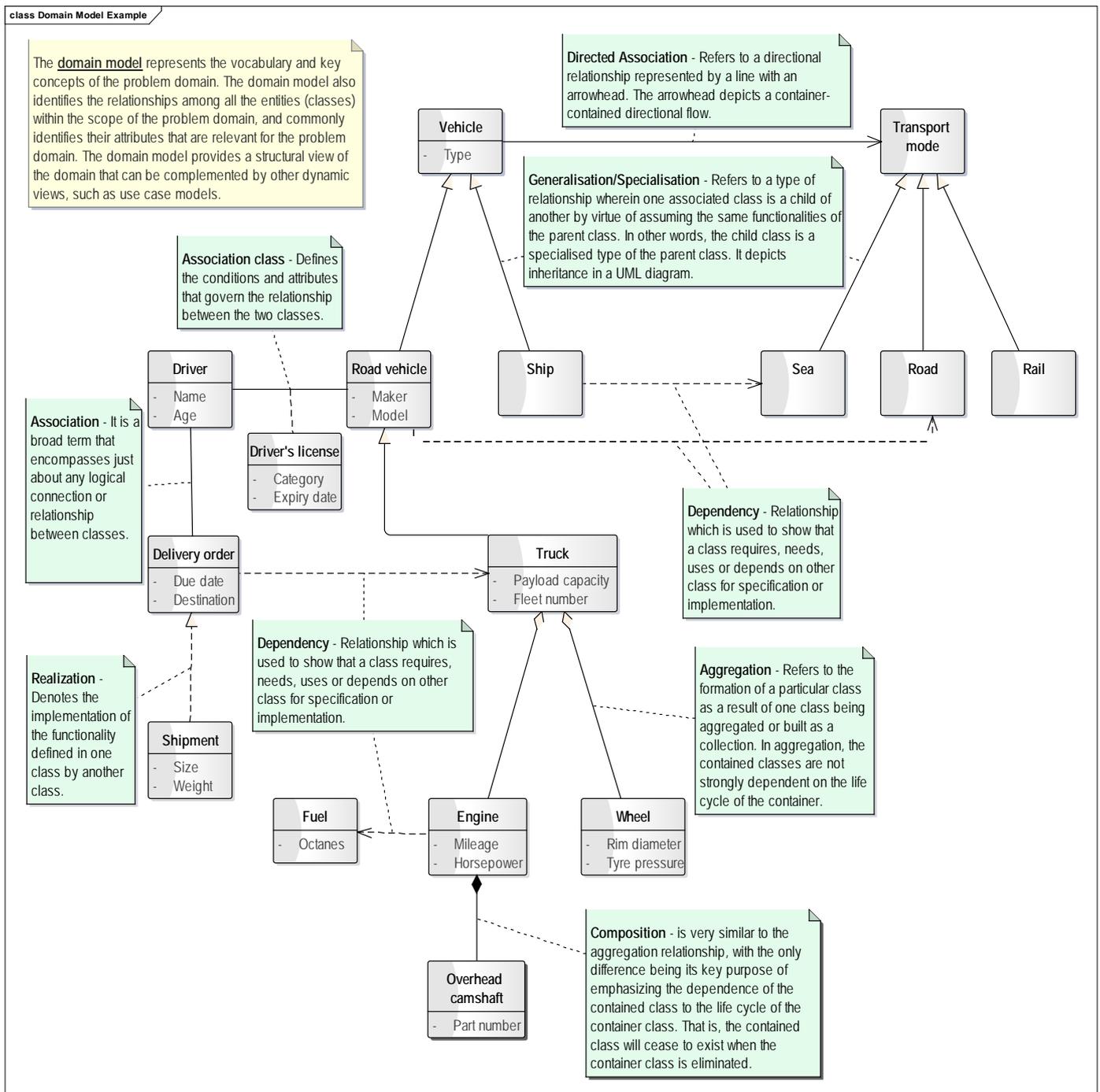This spreadsheet was used to test the formulas developed for the migration of the benefit profiles model produced in 2014.

The spreadsheet "1.1 Submit and Validate 2014 07 31 Student.xls" was used as source for this exercise and the average discrepancy is under 0.01%, which is considered acceptable for this exercise. Now, the approach used in the former benefit model can be re-assessed and adjusted if appropriate.

Appendix D - Connector types of the domain model

This diagram explains the connectors that represent the most common types of relationships that business entities (classes) can have in a domain model.

class Domain Model Example

The **domain model** represents the vocabulary and key concepts of the problem domain. The domain model also identifies the relationships among all the entities (classes) within the scope of the problem domain, and commonly identifies their attributes that are relevant for the problem domain. The domain model provides a structural view of the domain that can be complemented by other dynamic views, such as use case models.

Directed Association - Refers to a directional relationship represented by a line with an arrowhead. The arrowhead depicts a container-contained directional flow.

Generalisation/Specialisation - Refers to a type of relationship wherein one associated class is a child of another by virtue of assuming the same functionalities of the parent class. In other words, the child class is a specialised type of the parent class. It depicts inheritance in a UML diagram.

Association class - Defines the conditions and attributes that govern the relationship between the two classes.

Association - It is a broad term that encompasses just about any logical connection or relationship between classes.

Dependency - Relationship which is used to show that a class requires, needs, uses or depends on other class for specification or implementation.

Realization - Denotes the implementation of the functionality defined in one class by another class.

Dependency - Relationship which is used to show that a class requires, needs, uses or depends on other class for specification or implementation.

Aggregation - Refers to the formation of a particular class as a result of one class being aggregated or built as a collection. In aggregation, the contained classes are not strongly dependent on the life cycle of the container.

Composition - is very similar to the aggregation relationship, with the only difference being its key purpose of emphasizing the dependence of the contained class to the life cycle of the container class. That is, the contained class will cease to exist when the container class is eliminated.

Vehicle
- Type

Transport mode

Driver
- Name
- Age

Road vehicle
- Maker
- Model

Ship

Sea

Road

Rail

Driver's license
- Category
- Expiry date

Delivery order
- Due date
- Destination

Truck
- Payload capacity
- Fleet number

Shipment
- Size
- Weight

Fuel
- Octanes

Engine
- Mileage
- Horsepower

Wheel
- Rim diameter
- Tyre pressure

Overhead camshaft
- Part number

Appendix E - Glossary

Benefit	Any gain to one or more stakeholders from achieving the change in state Benefit-Cost Ratio. An alternative decision criterion. The benefit-cost ratio is given by the present value of benefits (cash inflows) over the analysis period divided by the Net Present Cost (NPC).
Benefit	An economic benefit is any gain in the welfare of society (or the individuals that comprise it) from the proposal being considered.
Benefit Management Plan	See Benefit Realisation Plan
Benefit Realisation Plan	A short document that defines the pre-requisites for delivering each expected benefit, how the delivery of each benefit will be measured, and who will be responsible for measuring and realising each benefit.
Benefit-Cost Ratio	An alternative decision criterion. The BC ratio is given by: BC = sum of present values of benefits (cash inflows) / sum of present values of costs (cash outflows)
Business Case	A management tool that supports decision-making for an investment. It considers alternative solutions, and identifies assumptions, benefits, costs and risks.
Cost	Economic costs relate to actual resource use in the economy and reflect the best alternative uses that the resources could be put to (i.e. they are opportunity costs).
Cost Benefit Analysis (CBA)	A systematic process for identifying and assessing all (both direct and indirect) costs and benefits of a proposal. All costs and benefits are assigned a monetary value, allowing the calculation of the net benefits of different proposals as a basis for evaluating alternative options. (Intangible costs and benefits can be weighted and scored using Multi-Criteria Analysis (MCA).)
Data mart	A data mart is a subject-oriented archive that stores data and uses the retrieved set of information to assist and support the requirements involved within benefit realisation management area.
Dis-benefit	A negative impact that might occur as a direct consequence of implementing a particular solution.
Net Present Value (NPV)	The sum of discounted net cash-flows over the analysis period. The difference between the net present cost (NPC) and the present value of a stream of benefits.
Opportunity Cost	The cost of the next best opportunity that has to be forgone if the opportunity under consideration is pursued.
Optimism Bias	The demonstrated systematic tendency for people to be over-optimistic about key project parameters, including capital costs, operating costs, works duration and benefits delivery.

Options Analysis	A process in which a range of options (both asset and non-asset) are evaluated. The most cost-effective options are then selected for more detailed evaluation through a business case.
Payback Period	A method that determines the point in time at which cumulative net cash-flows exceed zero.
Post-implementation Review	Reviews whether the planned outputs were delivered and benefits were achieved. Similar to a Close out Review when it is established how well the project was handed over to operations as business as usual.
Risk	The chance of something happening that will have an impact upon objectives. It is measured in terms of consequences and likelihood.
Scenario Analysis	A simple form of sensitivity analysis that models risk/uncertainty under several sets of assumptions about key variables.
Sensitivity Analysis	This is an examination of how the results of a calculation or model vary as individual assumptions are changed.
Sunk Cost	A cost that is beyond recovery at the point a decision must be made.
Transfer payments	Payments for which no good or service is obtained in return e.g. a social welfare benefit.
Travel Cost Analysis	A technique for quantifying intangibles that uses the value of traded goods and services (in this case the sum of travel costs necessary to reach a destination) to estimate the value of nontraded goods.
Utility	A measure of the satisfaction or welfare gained or lost from a particular activity.