Realising benefits from IS/IT: exploring the practices and competences required to succeed

This item was submitted to Loughborough University's Institutional Repository by the/an author.

Additional Information:

- A Doctoral Thesis. Submitted in partial fulfillment of the requirements for the award of Doctor of Philosophy of Loughborough University.

Metadata Record: https://dspace.lboro.ac.uk/2134/10727

Publisher: © Colin Ashurst

Please cite the published version.
This item was submitted to Loughborough University as a PhD thesis by the author and is made available in the Institutional Repository (https://dspace.lboro.ac.uk/) under the following Creative Commons Licence conditions.

You are free:

- to copy, distribute, display, and perform the work

Under the following conditions:

**Attribution.** You must attribute the work in the manner specified by the author or licensor.

**Noncommercial.** You may not use this work for commercial purposes.

**No Derivative Works.** You may not alter, transform, or build upon this work.

- For any reuse or distribution, you must make clear to others the license terms of this work.
- Any of these conditions can be waived if you get permission from the copyright holder.

Your fair use and other rights are in no way affected by the above.

This is a human-readable summary of the Legal Code (the full license).

For the full text of this licence, please go to:
http://creativecommons.org/licenses/by-nc-nd/2.5/
University Library

Author/Filing Title  ASHURST, C.

Class Mark  T

Please note that fines are charged on ALL overdue items.

FOR REFERENCE ONLY
Realising benefits from IS/IT: exploring the practices and competences required to succeed.

by

Colin Ashurst

A Doctoral Thesis

Submitted in partial fulfilment of the requirements for the award of the degree of Doctor of Philosophy of Loughborough University

July 2007

© by Colin Ashurst, 2007
Realising benefits from IS/IT:
exploring the practices and competences required to succeed

That is what learning is. You suddenly understand something you've understood all your life, but in a new way.

Doris Lessing

Colin Ashurst
November 2007
Abstract

The primary driver for this research was the continuing high failure rate of investments in IS/IT which has stayed at around 70-80% for over 30 years. The aim of this research was to 'explore the extent to which organisations have adopted benefits driven practices when undertaking investments in IS/IT'.

An initial phase of the research was primarily based on detailed documentation on 25 projects taken from the knowledge management database of an IS/IT consultancy. A second phase comprised in-depth case studies at three organisations. This phase explored the practices adopted on three or four projects at each organisation and importantly the wider organisational context in which the projects took place.

An important contribution from this research has been the development of a framework of competences and practices for the realisation of benefits from investments in IS/IT. The empirical elements of the study then go well beyond recent survey-based research, by providing in-depth insights into the practice of benefits realisation, across a variety of organisations. The empirical study showed that benefits-related practices are very rarely adopted. The research has also provided evidence of the value of the practices 'lens', which is shown to provide a valuable way to operationalise competences, as it fits very well with how people think and work. The thesis provides some concrete suggestions as to how the practice of benefits realisation might best be improved.
Acknowledgements

When I finished my MBA I asked my wife to shoot me if I ever suggested doing any more study. Fortunately she didn’t. Perhaps it’s a good job we live in England and not the USA.

I can’t say every minute has been fun, but I wouldn’t have missed this chance to learn so much. My family has been great – although my younger daughter was amazed to discover I’ve been working on this half her lifetime (she is 10). My older daughter has great plans to take advantage of the free time I might have one day – decorating her bedroom is at the top of the list. My wife, who now says: “It’s nearly driven me demented and I haven’t been writing the thing”, has actually been very supportive. Thank you all.

Thanks to mum and dad for their encouragement and financial support.

Thanks also to Neil who has guided me and encouraged me throughout the process. Thanks also to many others who have helped and advised along the way. This has been a great introduction to the academic world and I hope it will be a foundation both for future research and for my teaching.
Contents

Chapter 1. Introduction ........................................................................ 1
  1.1. Outline of the chapter ............................................................ 2
  1.2. The drivers for the research .................................................... 2
  1.3. Objectives for the research ..................................................... 3
  1.4. Overall approach to the research ....................................... 5
  1.5. Significance of the study ......................................................... 6
  1.6. Structure of this thesis ........................................................... 6

Chapter 2. Literature Review .......................................................... 9
  2.1. Introduction ........................................................................... 10
  2.2. Types of benefits .................................................................. 12
  2.3. Perspectives on realising benefits from IS projects ................. 14
  2.4. Organisational capabilities and competences ............ 39
  2.5. Practices - a contribution to developing IS competences ........ 44
  2.6. Summary of gaps in the literature ........................................... 47

Chapter 3. Research Strategy and Methods ....................................... 50
  3.1. Introduction ........................................................................... 51
  3.2. The objectives for the research .............................................. 51
  3.3. Philosophy ........................................................................... 54
  3.4. Establishing the research strategy .......................................... 61
  3.5. Theoretical framework ........................................................... 63
  3.6. Research method - approach to the research ....................... 63
  3.7. Validity of the research ........................................................... 67
  3.8. Ethical issues ....................................................................... 71
  3.9. Understanding the limitations ................................................ 72

Chapter 4. Conceptual Framework .................................................... 73
  4.1. Introduction ........................................................................... 74
  4.2. Establishing a model of competences for benefits realisation ... 75
  4.3. Establishing a model of practices for benefits realisation ....... 83
  4.4. Summary ............................................................................. 95
Chapter 5. Findings from Phase 1 of the Empirical Study .................. 97
5.1. Introduction ........................................................................... 98
5.2. Approach to the research ...................................................... 99
5.3. Projects from the consultancy knowledge base ....................... 105
5.4. Findings from the consultancy engagements ......................... 120
5.5. Discussion of findings from Phase 1 of the empirical research ... 127

Chapter 6. Phase 2 Empirical Study – Struggling to Realise Benefits ... 141
6.1. Introduction .......................................................................... 142
6.2. Approach to the research ..................................................... 143
6.3. Case 1: Strategic Health Authority ...................................... 157
6.4. Findings – competences for realising benefits ....................... 161
6.5. Facilitators and inhibitors of benefits realisation ................... 177
6.6. Summary of the case ........................................................... 182
6.7. Case 2: University ............................................................... 183
6.9. Facilitators and inhibitors of benefits realisation ................... 194
6.10. Summary of the case ......................................................... 196

Chapter 7. Phase 2 Empirical Study – Succeeding in Realising Benefits 198
7.1. Introduction .......................................................................... 199
7.2. City Council ......................................................................... 199
7.3. The projects ......................................................................... 201
7.4. The Transformation Programme ........................................... 207
7.5. Benefits Planning ................................................................. 215
7.6. Benefits Delivery ................................................................. 222
7.7. Benefits Review ................................................................. 238
7.8. Benefits Exploitation ........................................................... 241
7.9. Facilitators and inhibitors of benefits realisation ................... 245
7.10. Summary of the case .......................................................... 255
7.11. Revised framework of practices .......................................... 257
Chapter 8. Discussion and Conclusions ............................................. 268
  8.1. Introduction ............................................................................... 269
  8.2. Summary of conclusions in relation to the research objectives . 274
  8.3. An enhanced framework of competences for benefits realisation (contribution #1) ................................................................. 276
  8.4. Applying practices to benefits realisation (contribution #2) .... 279
  8.5. Framework of practices for benefits realisation (contribution #3)......................................................................................... 280
  8.6. Facilitators and inhibitors for benefits realisation (contribution #4) .......................................................................................... 285
  8.7. Evidence of the adoption of benefits approaches (contribution #5) ............................................................................................. 288
  8.8. Establishing competences for benefits realisation (competence #6) ............................................................................................ 291
  8.9. Looking ahead: practices and patterns ..................................... 296
  8.10. Managerial implications ......................................................... 298
  8.11. Validity .................................................................................... 301
  8.12. Personal reflections................................................................. 302
  8.13. Limitations ............................................................................. 303
  8.14. Opportunities for further research ....................................... 303
  8.15. Overall summary .................................................................... 305

References .................................................................................. 305
Appendices .................................................................................. 320
Figures

Figure 1-1: The structure of this thesis ................................................. 8
Figure 2-1: Outline of the structure of the literature review ................. 11
Figure 3-1: Overview of the approach to the research .................... 64
Figure 4-1: Development of the conceptual framework .................... 74
Figure 4-2: Competences for the realisation of benefits .................... 79
Figure 4-3: Practices for Benefits Planning ........................................ 89
Figure 4-4: Practices for Benefits Delivery ....................................... 91
Figure 4-5: Practices for Benefits Review ....................................... 93
Figure 4-6: Practices for Benefits Exploitation ................................. 95
Figure 5-1: Overview of Phase 1 research design .......................... 99
Figure 5-2: Outline of the analysis process ..................................... 104
Figure 5-3: Practices for Benefits Planning ..................................... 131
Figure 5-4: Practices for Benefits Delivery ..................................... 132
Figure 5-5: Practices for Benefits Review ..................................... 133
Figure 5-6: Practices for Benefits Exploitation ................................. 134
Figure 6-1: Case study planning, analysis and completion ................ 153
Figure 6-2: Cross case analysis .................................................... 155
Figure 7-1: Outline benefits plan for HR / payroll project .............. 203
Figure 7-2: Outline benefits plan for the CRM project .................... 204
Figure 7-3: Outline benefits plan - thin desktop ............................ 206
Figure 7-4: Practices for benefits planning (revised) ...................... 263
Figure 7-5: Practices for benefits delivery (revised) ...................... 264
Figure 7-6: Practices for benefits delivery - teamwork .................... 265
Figure 7-7: Practices for benefits review (revised) ......................... 266
Figure 7-8: Practices for benefits exploitation (revised) .................. 267
Figure 8-1: Overview of this research ......................................... 273
Figure 8-2: Evolution of the model of competences ....................... 278
Figure 8-3: The relationship between capabilities, competences and practices...292
### Tables

Table 2-1: Benefits realisation builds on three streams of literature ..........37
Table 3-1: Research objectives and gaps in the literature .......................53
Table 3-2: Linking the objectives to the phases of empirical work ..........67
Table 4-1: Definition of the 'exploitation' competence.............................76
Table 4-2: Revised competences arising from empirical work ...............78
Table 4-3: Literature summary in relation to competences..................82
Table 4-4: Practices for Benefits Planning ........................................88
Table 4-5: Practices for Benefits Delivery .........................................91
Table 4-6: Practices for Benefits Review .........................................92
Table 4-7: Practices for Benefits Exploitation ..................................94
Table 5-1: Practices for Benefits Planning .......................................107
Table 5-2: Practices for Benefits Delivery .......................................111
Table 5-3: Practices for solution delivery and benefits realisation ........113
Table 5-4: Practices for Benefits Review .......................................116
Table 5-5: Practices for Benefits Exploitation ..................................118
Table 6-1: Potential new practices for Benefits Exploitation ............193
Table 7-1: Summary of new candidate practices .................................236
Table 7-2: Benefits from CRM..........................................................239
Table 7-3: Success from getting the balance right............................249
Table 7-4: Practices for benefits planning (revised) ..........................259
Table 7-5: Practices for benefits delivery (revised) .........................261
Table 7-6: Practices for benefits review (revised) ............................261
Table 7-7: Practices for benefits exploitation (revised) ....................262
Table 8-1: Cross case summary of facilitators and inhibitors ..........287
Chapter 1. Introduction

A new perspective

This research tackles a crucial business issue. The failure rate of investments in IS/IT is 70-80%, if success is measured by the realisation of benefits. The failure rate has been at this level for over 30 years.

So what is wrong? Why do organisation continue to fail with IS/IT? This research takes a fresh look at this problem. It seeks to identify the organisational competences and practices required to realise benefits from IS/IT. It also starts to explore how organisations can develop these competences.
Chapter 1  Introduction

1.1. Outline of the chapter

This chapter provides a brief introduction to the drivers and objectives for the research. It also provides an outline of the approach taken to the research and the structure of the remaining chapters. The following chapter develops the foundations for the study with a review of previous literature.

1.2. The drivers for the research

The primary driver for this research is the continuing failure of organisations to realise the full potential of investments in IS/IT. This is seen in the continuing high failure rate of investments in IS/IT in terms of benefits realised, which has stayed at around 70-80% over the last 30 years (Eason, 1988; Clegg, 1997, BCS 2004).

IT innovation is continuing at a rapid pace and there is significant opportunity for organisations that can realise the potential of IS/IT. Hagel and Brown (2001) cite the massive investments being made to create the infrastructure for web services as one example. The Internet will also continue to develop and impact on organisations and individuals (Barua et al., 2004). In addition, there is increased support for knowledge workers as they use IS/IT to informate (Zuboff, 1988) their activities and enhance communication (Davenport et al., 2002). These developments bring new opportunities and challenges for organisations that have used IS/IT primarily for automation of internal activities.

There has been some research exploring value from IT, success factors for IT projects and socio-technical approaches. Socio-technical approaches and benefits driven approaches for IS/IT have been available for over 10 years (Avison et al., 1998; Mumford, 1995; Ward et al., 1996). The lack of improvement in project success rates suggests that research to date has had limited impact on how organisations approach IS/IT investments in practice. The reasons for the lack of adoption of apparently more successful benefits driven approaches, have not been clearly identified and have not been resolved.
1.3. Objectives for the research

This research builds on the well established principle that technology by itself has no value and that the value comes from how people use the technology to enable them to work differently. Ward and colleagues at Cranfield have developed 'Benefits Management: the process of organising and managing such that the potential benefits arising from the use of IT are actually realised' as a set of principles, a process for the project lifecycle and a set of tools, to operationalise this core principle (Ward et al., 1996; Ward and Murray, 2000; Ward and Daniel, 2005).

The concept of an 'IS capability' as the source of organisational advantage from IS/IT builds on a resource-based view of the firm and is taken as a starting point for this research. The resource-based view has been extensively used in the strategic management literature and there has now been some research in the field of information systems (Andreu and Ciborra, 1996; Wade and Hulland, 2004; Santhanam and Hartono, 2003; Peppard and Ward, 2004). Bharadwaj (2000: p186) notes that an IS capability "is not so much a specific set of sophisticated technological functionalities as it is an enterprise-wide capability to leverage technology to differentiate from the competition". There has been some initial research exploring the resources and competences that contribute to an IS capability (Feeny and Willcocks, 1998 a, b; Wade and Hulland, 2004; Peppard and Ward, 2004). Peppard and Ward (2004) suggest that we are moving to a fourth era of IT which involves a shift from a focus on 'strategic information systems' to the concept of an 'IS capability' as the source of competitive advantage. They suggest that research to understand how an IS capability can be developed will be a source of real value to organisations.

This research explores the idea of 'practices' (as in working practices and the practices of a community of practice, also called routines by some authors) as a way to operationalise the idea of an IS capability, and the competences that contribute to it, in a way that is relevant and helpful to organisations. Managing IS/IT investments to realise benefits is a complex knowledge-intensive activity requiring multidisciplinary teamwork, and the focus on practices was also seen as relevant to how people actually approach work. It contrasts with the traditional focus on a methodology
for project management or software development that defines *what* is required. Brown and Duguid (2000: chapter 4) discuss these different perspectives of *how and what* in relation to business processes and the challenges faced by business process re-engineering. Nandhakumar and Avison (1999) highlight the gap between project methodologies and how project teams actually work.

This research tackles a major organisational issue and addresses a number of gaps in existing literature:

- The limited empirical work on Benefits Management.
- Evidence of how organisations actually approach realising benefits and factors affecting the adoption of Benefits Management.
- Understanding the competences required to realise value from investments in IS/IT through business change.
- How to establish the competences required to realise benefits from investments in IS/IT.
- The value of practices as a way of making resourced based approaches relevant to organisational practice and particularly providing a useful framework for improving organisations’ approach to IS/IT investments.

The primary contribution of this research is tackling the continued failure rates of IS/IT projects through changing management practice. The overall goal is to ‘explore the extent to which organisations have adopted benefits driven practices when undertaking investments in IS/IT’ and as a result to gain insight into the practices required to realise the benefits and how to secure adoption of benefits driven approaches. Specific objectives for this research are as follows:

**Objective 1:** To develop, from the literature, a framework of competences and practices related to the achievement of benefits from IS/IT investments.

**Objective 2:** To explore the extent to which the framework of competences and practices is adopted and used to facilitate the realisation of benefits from IS projects.
Objective 3: To evolve the framework of competences and practices based on learning from literature and experience.

Objective 4: To explore the reasons why particular competences / practices are either being adopted or ignored.

Objective 5: To critically review the value of the competences / practices approach, in the context of realising benefits from IS/IT investments.

1.4. Overall approach to the research

The research has some elements that test out existing theory and others which are more exploratory. A range of complementary data sources have been used to tackle the research objectives including:

- *Existing literature* from a range of sources was used to identify potential practices for realising value from IS/IT.

**Phase 1**

- A *sample of 25 case projects* from an IT consultancy knowledge base, which was used to gain a broad perspective on the adoption of benefits related approaches and to gain an initial insight into the value of the practices approach. These projects were the focus of a first phase of empirical work.

- A *sample of 20 consulting projects*, undertaken by the author, that built on the sample from the knowledge base. They provided wider insights into the organisational factors that affect both the success of projects and the adoption of benefits related approaches and helped in preparation for the in-depth cases studies that followed in Phase 2.

**Phase 2**

- *In-depth case studies* of three organisations and their approach to IS/IT investments. The studies explored the practices adopted on specific projects and the wider organisational framework for the management of IS/IT investments. These cases built on the work in Phase 1 by providing insight into how people think about, and talk about, what they do and enabled exploration of practices that were not addressed in project documentation. It also gave richer insight.
into the complex organisational context in which projects take place.

Together, these sources of data build up a picture of a complex situation and provide insights into the challenges of improving the ability of organisations to succeed with IS/IT.

1.5. Significance of the study

A key factor in meeting changing customer expectations and remaining competitive in a fast changing world is being able to manage change and improvement effectively. Projects are a primary mechanism for managing organisational change to improve performance and IT is a key enabler. As the use of IT becomes increasingly pervasive, its impact will be driven by further waves of innovation in the technology and its application in business and everyday life. The combination of the continued significant expenditure on IS/IT and the high failure rate of IS/IT projects, with the huge opportunities for organisations that succeed, makes realising value from investments in IS/IT a crucial issue for organisations of all sizes.

The limited academic work in the area addressing how organisations can actually realise the potential benefits of IS/IT and the major gap between existing theory and practice make this an important area for research. This research makes a contribution to this major business issue by providing new insights into the development of organisational competences for benefits realisation.

1.6. Structure of this thesis

The structure of this thesis is outlined below and in Figure 1-1:

- Chapter 2 is a discussion and critique of relevant literature providing a foundation for the research. It concludes with a discussion of gaps in the literature where further research is required.
- Chapter 3 provides a definition of the research objectives related to gaps in the literature. It provides an outline of the approach to the research.
- Chapter 4 describes the development of an initial model of competences and practices for realising benefits from IS/IT.
• Chapter 5 describes the first phase of empirical research. It describes the approach taken and then the results of examination of two samples of cases (25 + 20) to gain a broad perspective on the adoption of benefits approaches and make a preliminary assessment of the value of the practices approach.

• Chapter 6 describes the approach taken to the second phase of empirical work and presents the results of case studies in two organisations that the research revealed to be struggling to realise benefits from IS/IT.

• Chapter 7 presents the findings from the third in-depth case study – of an organisation which has had real success in realising benefits from IS/IT and in developing a capability to realise benefits from IS/IT.

• Chapter 8 builds on the previous chapters and provides a discussion of the overall findings and conclusions, and considers the implications for practice and for future research.
Figure 1-1: The structure of this thesis
Chapter 2. Literature Review

Building on past work

There are a number of areas of previous research to cover. Firstly, some important streams of IS literature that relate to the realisation of benefits are considered. Secondly, literature related to organisational capabilities and the idea of organisational Information Systems competences is examined. The capability and competence perspective helps explore broader factors, beyond an individual project, and also the adoption of benefits related approaches. Then finally, the concept of a practice is introduced as a way of making the idea of a competence more tangible.

Two main gaps are identified: empirical evidence of how organisations actually approach realising benefits from IS/IT; and understanding the competences and practices required to realise benefits.
Chapter 2 Literature Review

2.1. Introduction

IS/IT has had a major impact on organisations of all types. It has contributed to new ways of working and new types of products and services. There is an ongoing debate about the contribution of IS/IT to productivity, to organisational performance and to competitive advantage (Melville et al., 2004), which has recently produced evidence for the positive impacts. Irrespective of the academic debate, organisations are continuing to make very substantial investments in IS/IT (BCS, 2004) and many senior executives believe IS/IT is critical to the future success of their organisations, for example Jack Welch CEO at GE was reported to have said: “Information technology must become the central nervous system of any enterprise that expects to be a winner in the next century” (Earl and Feeny, 2000).

Although IS/IT is important to organisations and there are high levels of investment, the failure rate of investments in IS/IT in terms of benefits being realised has been consistently around 70% - 80% for over 30 years (Eason, 1988; BCS, 2004). The lack of improvement over this extended period suggests that there is no easy solution and also that this cannot be primarily a technology issue. Given the importance of IS/IT to organisations, the high failure rate of investments, the billions of £/$ wasted (BCS, 2004), and also the lost opportunities for performance improvement, this is a crucial issue for management in organisations.

The overall motivation for this research project is to contribute to overcoming the failure rate of IS/IT investments and to develop an improved understanding of how to equip organisations to succeed with realising benefits from investments in IS/IT. The focus is on the activities involved in realising benefits from specific investments. This research project sets out to investigate "to what extent have organisations adopted benefits driven practices for investments in IS/IT?" and as a result to help to tackle the failure rate by gaining insights into how to develop the organisational competences required to succeed with IS/IT investments.
Chapter 2 Literature review

The purpose of this chapter is to critically review relevant literature, to identify its strengths and weaknesses and to identify where further research could be beneficial. As Miles and Huberman (1994) suggest: "any researcher, no matter how unstructured or inductive, comes to the fieldwork with some orienting ideas". With this in mind a broad literature review was carried out, structured around the core ideas that provided starting points for the research (see Figure 2-1).

Outline of the literature review

- Types of benefits
  - Realising benefits from IS projects
    - Factors leading to the failure of projects & project success factors
    - Factors contributing to realising benefits from IS
  - IS capability – for realising benefits
    - Tackling the challenge of adoption of benefits driven approaches
  - Practices
    - Practices to develop the competences required to realise benefits
- Summary & gaps

Figure 2-1: Outline of the structure of the literature review

The literature review initially explores the different types of benefits enabled by IS/IT and the implications for planning & managing investments in IS/IT. This is a brief introductory section that provides a starting point for the core sections of the literature review. The review then sets the context for the current research by assessing IS literature that examines the failure of IS projects and related success factors. Then different perspectives on the realisation of benefits from investments in IS/IT are explored. From a benefits perspective the review reveals significant gaps in the existing literature. While there is some coverage of the value of IT, evaluation of IS/IT, and socio-technical approaches to systems there is
virtually no direct coverage of the activities required to realise benefits other than the original work by Ward et al (1996) and a very small number of articles that build on this (Lin and Pervan, 2003; Lin, Pervan and McDermid, 2005; Dhillon, 2005).

The literature review then explores the gap between theory and practice, the challenge of gaining adoption of benefits driven approaches, from the perspective of establishing an organisational IS capability to realise value from investments in IS/IT. It provides a brief assessment of the resource-based literature relating to organisational competences and capabilities and considers the relevance of this, and the recent literature on IS/IT capabilities, to the realisation of benefits. This perspective provides insights into the impact of the organisational context on the realisation of benefits from IS/IT. It also provides a new perspective on how to tackle the challenge of gaining adoption of benefits focused approaches to investments in IS/IT.

The review then explores the potential contribution of a focus on practices to establishing an IS capability and improving organisational performance. The concept of practices is introduced and related to sources in a number of areas of literature. The value of the concept is considered as a way of sharing knowledge and enabling the development of the organisational competences required to establish an IS capability.

The final section is an overall critique of the literature and opportunities for further research are identified. This provides a basis for the development of the objectives and strategy for this research in Chapter 3.

2.2. Types of benefits

There are many classifications for the types of benefits that can arise from the implementation and use of IS/IT. These include the 'tangible' v 'intangible' split that is widely used in practice, often driven from a financial perspective. There are also many approaches to project evaluation, from financially driven models such as net present value, to approaches that attempt to take into account non-financial benefits such as alignment with strategy and the return on management time (Ballantine and Stray, 1999). Among the many other approaches Ward and Peppard (2002) highlight "information economics" (Parker et al, 1992) as a useful classification that
links different types of benefits and different evaluation methods. Work by Farbey et al. (1999a) also addresses this area.

Melville et al. (2004) develop a model that shows key factors involved in linking IT resources with organisational performance. It makes it clear that the technology by itself is not the direct source of value, but that complementary organisational resources are required and that the value is realised through business processes. This aligns with the process model of how IT creates business value put forward by Soh and Markus (1995) which emphasises the conversion of IS/IT expenditure into assets, the use of IS/IT, and then a competitive process where value is realised from the use of IS/IT according to the competitive position of the organisation. Ward and Peppard (2002) suggest that the middle process, connecting IT assets to their impacts is the least well understood and it is this connection that is the focus of realising value from investments in IS/IT. Markus (2004) also emphasises the importance of organisational change, not just technology delivery, to realise benefits.

Jurison (1996) provides an important additional emphasis that is reflected in Ward et al. (1996) but is not made explicit in Markus (2004) or Melville et al. (2004). Jurison identifies that the benefits of IS/IT will often be benefits for specific stakeholders, including customers and employees, and that organisational benefits may come indirectly as a result of these benefits. The definition of a business benefit by Ward and Daniel (2005; p107) is consistent with this approach: “an advantage on behalf of a particular stakeholder or stakeholder group”. Jurison (1996) also suggests that the allocation of benefits depends on the power involved in the relationships, for example how competitive the market is. The extent to which benefits go to stakeholders and not directly to the organisation is one reason many studies of IT value show low returns, as the focus of these studies is typically on (bottom line) benefits for the organisation (Jurison, 1996). The important role of stakeholders is addressed in Benefits Management (Ward et al., 1996) which emphasises the importance of stakeholder involvement in projects and a focus on managing change – this is likely to be important in many types of projects including professional and knowledge work scenarios, where IS/IT is used to informate and aid communication rather than just automate (Zuboff, 1988). An important implication for the business case is that there will be a need to consider the
net benefits and 'disbenefits' across a range of different stakeholders. In addition, as some or many of these are likely to be non-financial benefits decisions on which projects to approve are not straightforward.

2.3. Perspectives on realising benefits from IS projects

2.3.1. Introduction

This section is a critical review of the literature related to realising benefits from investments in IS/IT. As a starting point, the literature on project failure and project success factors is examined. Then, a benefits perspective on a project is considered, and literature relating to the impact of the wider organisational context in which projects take place is assessed.

2.3.2. Causes of project failure

Over the past thirty years estimates of the level of project failure vary but they have tended to stay uncomfortably high. More specifically, it has been suggested that in the late 1970s only 20% of projects "achieved something like their intended benefits" (Eason, 1988: p12), whilst by the late 1980s, it was estimated that up to 70% of IS projects fail (Hochstrasser & Griffiths, 1991). By the late 1990s, Clegg et al (1997) estimated that 80-90% of all IT projects fail to meet their goals, whilst more recently still the British Computer Society (BCS, 2004: p8) concluded that "only around 16 per cent of IT projects can be considered truly successful".

A wide range of studies have explored the causes of failure and identified a range of success factors. Sauer and Cuthbertson (2003: p61) identify the need for greater top management support, more commitment from users and more power and decision making authority for project managers as key success factors. OGC best practice guidelines (www.ogc.gov.uk/documents/BPWhyITProjectsFail.pdf) identify lack of clear links between the project and the organisations key strategic priorities; lack of senior management ownership and leadership and lack of effective engagement with stakeholders as common causes of project failure. The Standish CHAOS report (Standish Group, 2001) on project failure identifies executive support, user involvement and an experienced project manager as the top success factors, followed by clear business
objectives. Kappleman et al. (2006), Schmidt et al. (2001), Iacovou and Dexter (2004), White and Fortune (2002) highlight similar factors. Isaac et al. (2004) take a total quality approach and identify a similar range of factors as critical (top management commitment and leadership, client focus, organisation culture). The BCS (2004) report highlights a slightly different range of factors including client-supplier relationships, contractual arrangements, evolutionary project management and requirements management. This is one of the few reports to highlight software engineering as an issue and in the summary highlights the need for greater professionalism in software engineering, improved management education in relation to IT and project management, and more effective risk management.

Key factors noted by Yetton et al. (2000) are:

- Project team dynamics which have a positive impact on budget variance. Good dynamics are encouraged by good planning – encouraging a stable team that performs effectively. Effective management of both social and technical processes is required.
- Risk Management resulted in reduced budget variances.
- Senior management support, which depends on the strategic nature of the project, has a powerful effect on successful completion.
- User participation assists the successful completion of projects.

It is suggested by Yetton et al. (2000) that senior management and user management participation provide continuity across development and deployment stages and helps build an implementation capability during development.

These studies of project failure and success factors often consider project success as being the delivery of specific features on time and on budget as Yetton et al. demonstrate (2000). However, there is not a clear link between feature delivery and benefits realisation as information technology cannot be viewed as a deterministic artefact, as it does not generally behave in a well ordered and predictable manner (Orlikowski and Hofman, 1997). Indeed, the application of identical technologies, in very similar organisational contexts, can often result in radically different organisational outcomes (Orlikowski, 1992). Consequently, predicting and managing the
social and organisational impacts of a system's implementation is by no means a straightforward endeavour. Moreover, in far too many instances the planned organisational impacts fail to materialise, whilst the actual impacts often ultimately prove to be undesirable. As Martinson and Chong (1999) note, IT-induced organisational change often results in user resistance and, in extreme cases, possibly even system rejection. Indeed, there is a growing consensus that the difficulties associated with predicting and managing the organisational change associated with information system's investments are the primary contributor to the high levels of failure associated with information systems' implementation (e.g. Ewusi-Mensah and Przasnyski, 1994; Doherty et al., 2003; Peppard and Ward, 2005).

The establishment of a link between the unpredictable nature of organisational impacts and unsuccessful IT projects has significant implications because of the considerable amounts of time, money, effort and opportunity that have been wasted upon IT investments that have ultimately failed to deliver benefits. If reliable ways of managing the organisational change associated with IT projects could be found, then the incidence of information systems failure might be substantially reduced.

While it is widely acknowledged that the unpredictable nature of organisational change is a key contributor to IS failure, paradoxically, it is also recognised that the benefits of IT typically come from the organisational change that accompanies its introduction. The explanation for this apparent paradox is not difficult to discern: rather than proactively managing organisational change, the typical IT project team will focus upon delivering a technical solution, and only worry about its organisational impacts, once it is operational (Ahn and Skudlark, 1997; Clegg, 2000; Eason, 2001; Markus, 2004; Peppard and Ward, 2005). The study by Clegg et al. (1997: p863), which addresses over 14,000 projects, takes a broad view of project success and focuses on benefits from organisational change. It identifies a wide range of success factors for example:

- “Successful organisations adopt an integrated approach to organisational and technical change. The technical, organisational and people issues are seen to be inextricably linked and successful change requires their joint management.”
• "Active consideration is given to the way in which work is organised and jobs are designed: these will almost certainly need to be changed to improve effectiveness."

• "Methods are used to help organizations explicitly incorporate these human and organisational factors."

• "Substantial resources are invested in these human and organisational factors. These may amount to 50% of the total cost of change."

As these examples indicate, the causes of failure, and related success factors identified by Clegg et al. (1997) emphasise success through a focus on human factors and organisational change. This provides a good starting point for consideration of a benefits perspective on a project.

2.3.3. A benefits perspective on investments in IS/IT

In this section different perspectives on the realisation of benefits from investments in IS/IT are explored. Topics of benefits planning, benefits delivery and then benefits review are considered. Then, the organisational context within which projects take place is explored.

Benefits Planning

A key focus of project management activity is on project planning. A benefits approach suggests that the focus of a project at this stage should be on planning for the realisation of benefits. One potentially important mechanism for proactively managing the social and organisational impacts of an IT project is Benefits Management, which can be defined as "the process of organising and managing, such that the potential benefits arising from the use of IT are actually realised" (Ward and Elvin, 1999: p197).

Unfortunately, there has only been very limited follow up of Benefits Management from a research perspective and although there has been some adoption in practice, its primary emphasis on shifting the focus of the project process to the realisation of benefits has not been widely adopted. Searching the practitioner literature on benefits from IT e.g. Giga, Gartner, cio.com, indicates that the focus of attention is on investment appraisal,
i.e. approaches for justifying projects based on assessing the potential value to the business. There is some attention to measuring the benefits delivered as opposed to justifying the initial investment decisions, i.e. through post project reviews, but very little on the process of managing the project to deliver benefits. As there is limited literature directly on benefits planning, a number of related areas are considered in this section.

There are two aspects to benefits planning. The first stage is to determine the priorities for IT investments. This is the role of IS / IT strategy and portfolio planning – the major gains come from “doing the right things” (Earl and Feeny, 1994). The IS / IT Strategy should present a broad overview of how the planned portfolio of IS applications will support the realisation of business benefits, and in so doing directly contribute to corporate objectives. As Henderson and Venkatraman identify (1993) the range of potential benefits is higher from revolutionary levels of business change – which include changes outside the organization in the network of the business. An implication is the need to manage benefits delivery from projects affecting multiple organizations. Earl (1993) put forward a number of options for Strategic Information Systems Planning and suggested that the “organisational” approach is the most effective. The focus is on integrating business and IS strategies and is carried out by a coalition of users, management and IT using multiple methods at the same time. This approach requires the involvement of different stakeholders which is highlighted as a success factor for realising benefits (Eason 1988, Ward et al., 1996, Clegg et al., 1997). The results of a large empirical study (Doherty et al., 1999) showed that organisations believed they were more successful in IS planning if they used the organisational approach.

Murray et al. (2001) note that the typical flow from strategy to IT investment portfolio and then to projects and subsequently change programmes is wrong. A major change is required so that business change programmes are identified directly from the strategy and that projects are then identified as required to deliver the change programmes. The target of the recommendation made by Murray et al. is to shift the focus of planning and ensure the output is focused on benefits from organisational change rather than technology delivery.
The second stage of benefits planning is to ensure that the selected investments/projects are planned and initiated effectively, identifying in more detail and planning for delivery of the intended benefits. The focus of IT project management is still almost exclusively on the delivery of technology solutions, though often with an emphasis on user involvement and an emphasis on ensuring the solution meets user needs. In a recent study (Yetton et al., 2000) the measures used for success of a project were performance on time and budget. Business value is not measured and is scarcely mentioned. On the other hand the importance of the non-technology aspects of a project is well documented. McKersie and Walton (1991), consider the relationship of organisational change with the successful introduction of IT: “effective implementation of IT is at its core, a task of managing change”.

They state: “where ITs potential has not been exploited or its implementation delayed, we invariably find insufficient positive motivation on the part of some stakeholder group, competence gaps, or co-ordination failure”. They also set out key roles for top and middle management and highlight these as critical for success.

An interesting empirical study (Doherty and King, 1998; 2001) shows that although 56% of senior IT managers questioned perceived that organisational issues were “the most important issue” or “more important than technical issues” it didn’t have any noticeable impact on how they ran projects. The reason for this lack of action is not clear. It could be that organisational issues are difficult to address, that the ‘tools’ aren’t available or known, and possibly that they fall down the gap between the IT professionals and the business. Building on these results and related work, a classification of organisational issues has been developed (Doherty and King, 2001) to provide a focus on the non-IT areas to be tackled as part of a benefits driven IS/IT project.

The Cranfield work on Benefits Management (Ward et al., 1996) does address the project activities required to realise benefits. Benefits Management is the “the process of organising and managing such that the potential benefits arising from the use of IT are actually realised” (Ward and Elvin, 1999: p197), i.e. it is about project management not project approval and addresses the challenge of benefits realisation. The initial research, which included looking at success factors in strategic systems, indicated that a comprehensive approach to benefits management initiated
in the planning phase and the allocation of responsibility for benefits, were critical factors in enabling success. 'High success' also required the existence of an 'organisational change method' and a willingness to invest in strategic benefits i.e. use of relevant evaluation methods.

At the planning stage Benefits Management focuses on the development of a 'benefits realisation plan' which is significantly different from the traditional business case. It identifies the target benefits, how they will be measured, who owns them and the major business changes required to bring them about. An important distinction is between a project outcome – the introduction of a new 'capability', and the benefit itself which comes when the new capability is successfully exploited (Alshawi et al., 2003). A key implication of Benefits Management is that project completion is measured by benefits delivery not software implementation. This typically extends the timescale of a project significantly. The Benefits Management work does not provide guidance on addressing the change issues beyond a stakeholder analysis that links the benefits and 'disbenefits' with different stakeholder groups. Benefits Management does not explicitly address the full range of organisational issues (Doherty and King, 2001).

A series of research projects at Cranfield built on the Benefit Management work. The IT and Change projects (Elvin et al., 2001) in particular, aimed to develop a management process for successfully delivering IT-enabled business change. The results of the research effectively build on the perspective of projects as organisational learning (Eason, 1988). As with the original work on Benefits Management, the framework does not provide guidance on the range of organisational issues to addresses or on how to match the project approach to the organisational context.

This review of the existing project planning literature has revealed very little material that explicitly adopts a benefits perspective. The focus in many cases is on the delivery of functionality to targets for timescale and budget. A specific gap in the literature is the lack of empirical evidence for Benefits Management and the associated lack of evidence for the extent of adoption of benefits related approaches.
Chapter 2

Benefits Delivery

The execution of the project plan can be considered from the perspective of Benefits Delivery. This is "doing things right" (Earl and Feeny, 1994) and delivering the intended benefits. Benefits delivery refers to the project process from completion of planning, e.g. after approval of the business case or benefit realisation plan, through to completion of the project – which is marked by organisational change and benefits realisation not technical solution delivery. Existing literature does not directly address benefits delivery so a range of perspectives that are related to this area are considered.

Work by Avison et al. (1998), Mumford (1995), Eason (1988) and others has established models for systems development as part of socio-technical change, not simply a technology project. On this basis, traditional approaches to IS/IT projects, which are still commonly used, have two fundamental flaws. Firstly, they approach the world from a functionalist / rational / mechanistic perspective and attempt to provide a detailed, structured, even automated approach to developing systems (Checkland and Holwell, 1998). Secondly, they only address the technical aspects of the socio-technical change. In ETHICS (Mumford, 1995) and Multiview (Avison et al., 1998) new approaches to systems development have been put forward based on this change of ‘paradigm’ to a socio-technical perspective that address wider perspectives on the organisation. However, these approaches have not been widely adopted. A number of related tools and techniques have also been developed (e.g. Soft Systems by Checkland (1981) but these too have not been broadly adopted.

Nandhakumar and Avison (1999) have also identified, based on an in-depth case study, that traditional methodologies are treated primarily as a “necessary fiction” to present an image of control or to provide symbolic status and are too mechanistic to be of much use in day to day activities. They assert that the imposition of methodologies is likely to be counter-productive. The current trend towards ‘agile’ development processes, for example the Microsoft Solutions Framework (MSF) – www.microsoft.com/msf and DSDM (Dynamic Systems Development Method – www.dsdm.org) reflects some of these insights, particularly the way Nandhakumar and Avison (1999) view a ‘methodology’. MSF is
explicitly a framework and focuses on high level concepts and models. It is intended to provide a basis for each project and company to evolve and apply based on its own experience and learning. The emphasis of MSF on different roles and skills and the constructive tension between the different perspectives of these roles is very close to the principle (Avison et al., 1998) of using a multiple perspective approach to address complex problem situations. The approach also focuses on being open to change, recognising that insights will be gained during the course of the project. Other 'agile' approaches address some of the same ground (e.g. Highsmith, 2004 and also Boehm and Turner, 2004). Earl and Kahn (2001) also support an agile perspective and indicate that a success factor for IT is to have a 'new venture' approach to IT development, focusing on launching products or services rather than delivering new technology.

Key success factors related to project success and benefits delivery noted in the empirical study by Yetton et al. (2000) included: risk management which reduces budget variation; senior management support, which depending on the strategic nature of the project, has a powerful effect on successful completion; user participation which assists the successful completion of projects. Yetton et al. (2000) suggest that senior management and user management participation should provide continuity across development and deployment stages and help build an implementation capability during development. The work by McKersie and Walton (1991) and a study on success factors in change management (Boddy and Macbeth, 2000), are two sources of further guidance on senior management involvement and end-user participation.

Clegg et al. (1997: p865) conclude that "the poor performance of IT systems is the result of complex set of interacting factors that will be difficult to change". A number of specific issues are identified and a set of key practices that contribute to benefits delivery are listed that include an emphasis on user involvement, the role of senior management, the need for a long term approach to change, and a substantial investment in human and organisational factors.

Ward and Elvin (1999) summarise the results of an 'IT and Change' research project. The aim of the project was to establish a project framework to manage IT-enabled change. The importance of the
organisational context for the change project is highlighted (both internal and external), as is the fact that the context will evolve during the project and will be affected by the project (as there is some degree of mutual interdependence). Problems in the projects studied arose from an unsuitable intervention process and particularly from inadequate or inappropriate stakeholder involvement, and underestimating the scale and complexity of the business changes. The framework established by the research focused primarily on project planning. The project execution / delivery is addressed by a ‘manage the process’ activity which covers the complete solution planning and delivery. There is little focus on benefits delivery.

The IT and Change Phase II study (Elvin, 2001) set out to determine what an organisation requires to achieve ‘best practice’. The intent was to explore a number of broader issues including how the business change management capability is created and maintained, personal skills of good business change managers and the relationship between the business and IT function. To a large extent these wider issues are NOT addressed in the final research output. The main areas covered are some fine tuning of the process model (Ward and Elvin, 1999), a linkage with the application portfolio (Ward and Peppard, 2002), considerable coverage of stakeholder analysis and some guidance on project team roles.

A further research project – Benefits Assurance was also carried out (Elvin, 2003). The primary driver for this research was to understand how to keep a focus on benefits through the life of a project. The research adds to the earlier work in a number of areas. Three key components of a successful approach are identified: benefits planning (Elvin sees Benefits Management as primarily about planning), adaptive project management and a supportive organisational environment. Benefits planning is largely as described in the IT & Change and Benefits research projects. The main new elements here are: the exploration of different project types and the need to adapt the approach taken. The Benefits Dependency Network is used as (Ward and Daniel, 2005) the starting point for the high level work breakdown structure and as a basis for focusing project activity on benefits delivery. A major limitation of the research is that although the case studies examined were based on ‘successful’ projects none of them had a benefits plan. As a result, the research did not gain insights from actually
using the benefits management process and did not address the core research question of keeping the benefits plan / process ‘alive’ through the project, beyond the recommendation to use it as the basis of the work breakdown structure.

In summary, the original work on Benefits Management at Cranfield (Ward et al., 1996) focused mainly on benefits planning with limited coverage of the rest of the project lifecycle, particularly benefits delivery. Also, it did not address the challenge of gaining adoption of Benefits Management. Subsequent research projects have built on this research and covered broader areas but have not yet addressed the issue of adoption. There is also very limited empirical evidence of benefits management and how organisations actually approach realising benefits in practice.

The need for projects to enable organisational learning Eason (1988) is highlighted by Garud (1997) from a different perspective: “customers invariably use technological systems in ways different from how they were designed or produced”. De Meyer et al. (2002) suggest there is a need to find the balance between planning and learning and set out different roles for the project manager and different approaches to managing tasks and relationships depending on the type / extent of uncertainty:

“openness to learning is new to many companies but it’s obvious from the many spectacular project failures that the time has come to rethink some of the traditions of project management. In an era of rapid change, uncertainty is the rule not an exception. Companies that understand that have the greatest chance to produce spectacular project successes” (De Meyer et al., 2002: p67).

Orlikowski and Hofman (1997) make a similar point as they identify a series of anticipated, emergent and opportunity based changes that together resulted in the realisation of benefits from new technology. This openness and encouragement of learning is a major theme not explicitly addressed by Benefits Management (Ward et al., 1996).

A key success factor noted in the study by Yetton et al. (2000) is project team dynamics. They are seen as having a positive impact on budget variance. Good dynamics are encouraged by good planning – encouraging a stable team that performs effectively. Although MSF and other agile
approaches emphasise the importance of empowering individuals and of teamwork, specific ownership for team building and the effective use of technology to enable the team to communicate and work efficiently and effectively are not highlighted.

Benefits delivery can also be related to the overall project portfolio. A study of product portfolio management (Cooper et al., 1999) identified three success factors: an explicit, consistently used approach – which is strongly supported by management and applied to all projects (the actual approach used is less important); multiple evaluation methods – e.g. financial, strategic etc; and a fit with the overall management style. Based on a study of projects for new product development, practices that enable radical and innovative projects to succeed (measured in terms of the impact on speed) are outlined (Kessler and Chakrabarti, 1999) and contrasted with success factors for more evolutionary projects. The study is limited in that the speed is the focus rather than quality or benefit. However it does provide some useful insights that support/complement the portfolio model (Ward and Peppard, 2002).

The review of literature related to benefits delivery suggests that there are a number of implications for the realisation of benefits. In particular there is a challenge keeping the focus on benefits through the life of a project and also there is a lack of relevant tools for tackling the full range of organisational issues relevant to a project (Clegg et al., 1996; Doherty and King, 1998). The literature identifies a number of success factors including the role of senior management and an effective project team.

In summary, a number of socio-technical approaches to projects have been established and Benefits Management provides an approach that is explicitly focused on the realisation of benefits. There are also a number of gaps in existing knowledge and literature. In particular, there is limited empirical evidence for benefits management and there has been little focus on the factors related to the adoption of benefits driven approaches. In addition, existing project methods are not well suited to evolution and learning during a project as new opportunities for benefits are identified. Also, they do not fit well with how people actually work on a project and these challenges have not been tackled effectively.
Benefits Review

There is a significant literature on IS project evaluation. Farbey et al. (1999b), in a summary of three major research projects running between 1989 and 1998, identify two underlying factors in the assessment of value for money from IT. Firstly, that poor evaluation practice has resulted in statistics of doubtful quality and secondly that because of poor practice there has been incorrect selection and management of projects resulting in poor returns from investments in IT. There is also a substantial gap between evaluation theory and practice. There is still an over-reliance on purely financial justification measures, the approval process is treated as a hurdle or hoop to be jumped through (Alshawi et al., 2003) and not a value adding part of the process, and effective post project appraisal is rare (Ballantine and Stray, 1999). As Irani et al. (2005) highlight, there is often “no robust framework to evaluate costs and benefits” (p64) and no “management process to govern and measure achievement of desired outcomes... (or) evaluate what benefits were actually achieved” (p65). Farbey et al. (1999b: p190) put forward the following definition for IT evaluation:

"a process or group of parallel process, which take place at different points in time or continuously, for searching and for making explicit, quantitatively or qualitatively, all the impacts of an IT project and the programme of strategy of which it is part"

The broad definition fits with the lifecycle process provided by Benefits Management (Ward et al., 1996). Smithson and Hirschheim (1999) and Walsham (1999) as well as Lubbe and Remenyi (1999) support this view of evaluation as an ongoing process during the project. A key challenge is how to apply this definition in a specific scenario. Irani et al. (2006) stress the importance of matching investments to sympathetic evaluation techniques. The application portfolio (Ward and Peppard, 2002) and other work on portfolio based approaches to managing IT projects (e.g. Ross and Beath, 2002), also identify that the sources of benefits and the appropriate approaches for justifying projects and measuring success differ according to the type of project.
The issue of identifying and taking into account relevant costs in the business case is also far from straightforward. Alshawi et al. (2003) and Irani et al. (2006) identify that the full costs are often not considered and that there are often significant hidden and indirect costs. This is supported by results from a recent survey (Ward et al., 2007) which suggests, for example, that only 51% of organisations include indirect business human resource costs in business cases.

Farbey et al. (1999b: p194-202) identify a number of learning themes for further research:

- Theme 1: Evaluation theory. Matching evaluation techniques to the situation including addressing the lack of structure with respect to cause and effect.
- Theme 2: Stakeholder theory. Exploring the important area of stakeholders, which is not well addressed in current systems development and project management approaches.
- Theme 3: Evaluation as part of decision-making. To explore how decisions are actually made using formal and informal criteria and at a range of levels of the organisation.
- Theme 4: Project dynamics. Exploring further the role of evaluation at different stages of the lifecycle through strategy and portfolio planning, project approval and project delivery.
- Theme 5: Management learning. The causes of a number of observed project failures are well known and documented. There seems to be an inability to learn from the mistakes of others. Specific problems observed included an inability to maintain strategic thinking, i.e. a focus on the business change, and not just the technology, throughout the project. A factor in this is senior management delegation. Also project boards tend to perceive projects differently from the actual users. And finally, projects are usually seen as ‘fixed’ the moment the go ahead is given. Project methodologies are well developed and much used yet often ineffective in practice.
Farbey et al. (1995) also point out that benefits often come from a major programme of business change and that the value is from the whole. There is a danger of sub-optimisation if the focus is on each project in isolation. The benefits from an IT project will not all arise immediately on implementation of the technology. A successful infrastructure project in particular can be seen as providing a competence that can then be exploited by the organisation, potentially in a series of further projects. While valuable, this work is limited in that it does not provide a focus on the activities involved in actually realising the benefits and developing the capability to realise benefits.

The Balanced Scorecard introduced by Kaplan and Norton (1993, 1996 etc) has increased the focus on measurement as part of the management process. It is also intended to help assist with the implementation of strategy. This is one part of a wider literature on performance measurement that is relevant to the measurement of benefits. A key advantage of the balanced scorecard is the focus on a balanced ‘basket’ of measures and not just financial performance. This links well with the need to consider measures related to different stakeholders, including non-financial measures (Jurison, 1996). The Performance Prism proposed by Neely and others (1999; 2000) is an evolution of the balanced scorecard in a number of areas. It focuses explicitly on a broader group of stakeholders. The stakeholder relationship is seen as two-way, with measures of both stakeholder satisfaction and the stakeholder contribution to the organization. Work by Irani et al., (2006) helps link this approach with evaluation: they identify that IS/IT investments affect multiple stakeholders and that this must be addressed in the evaluation process. The Performance Prism framework uses success (competence) maps to help clarify what has to be done to achieve business goals and satisfy stakeholder needs. It also considers strategies for meeting stakeholder requirements and the processes and capabilities required to execute the strategies. There is guidance on how to establish effective measures and sets of measures. Elements of this approach tie in with both the Benefits Management (Ward and Murray, 2000) approach and the approach to establishing business processes based on stakeholder expectations (Edwards and Peppard, 1997). Irani et al. (2005) take a different perspective and consider IS/IT evaluation in the public sector and suggest that traditional techniques of investment appraisal have little meaning.
They suggest that in this scenario it is particularly important to take into account the views of stakeholders.

Performance measures can have significant impacts on behaviour (Simons, 1995) and there can be significant unintended impacts if the measures are not carefully designed. As Hemingway (Murray et al., 2001) points out, the impacts can also be very different if the measures are focused on teams or individuals. As a result measurement of performance of a project is important not only in terms of providing evidence of the success or failure of a project. The measures used, through their impact on the behaviour of individuals and teams, will also have a significant impact on the outcomes and success of the project. This link is reflected on the focus of Benefits Management on linking benefits to stakeholders and having clear owners and measures for benefits (Ward et al., 1996). However, the Benefits Management work does not provide guidance on what is a good measure / set of measures.

Post implementation reviews are a core part of most IT project processes although they are not consistently carried out. The Benefits Management process proposed an additional 'Benefits Review' to focus on the delivery of benefits, opportunities for further benefits, and lessons learned to improve success with future projects (Murray and Ward, 2000). Key challenges are to make these reviews happen and then to succeed in capturing, and acting on the learning identified. Recognising that IS projects are knowledge-intensive work (Sauer and Cuthbertson, 2003) is an important factor in considering how to address these challenges.

There are a number of specific areas where there are gaps in the current literature related to benefits review. In particular, although evaluation literature has identified evaluation as a continuous process, and has noted that the approach should be contingent, and should reflect that benefits will be identified during the project, the emphasis is still on understanding if benefits have occurred. Thinking on evaluation has not made the switch to a benefits perspective where the focus of the project is to bring the benefits about and to ensure evaluation becomes an active process focused on delivery rather than measurement of benefits. Specific gaps include the impact of measurement on change and realisation of benefits, and keeping the focus on benefits through the life of a project. There is also limited
focus on evaluation following completion of a project during the life of the operational system / business process / organisational capability that results from the project. Finally, the challenges of learning from evaluation and acting on the learning in the knowledge-intensive context of the organisation and IS projects in particular have not been addressed.

Evaluation practice is an element of a benefits driven approach to a project. As work by Farbey et al. (1999b) indicates there is a considerable opportunity to improve evaluation practice. Serafeimidis and Smithson (1999; 2000) have also highlighted the difficulty in improving evaluation practice and suggested that this is itself an organisational change and that a paradigm shift is required to see evaluation as an ongoing process and to adopt a wider, contingent framework.

2.3.4. Organisational Context

There is a need to understand the organisational context of a project and to adapt the approach taken to the project to reflect the context (Ward and Elvin, 1999). This section outlines factors related to the organisational context of projects that are relevant to benefits realisation.

*Business Strategy.* Mintzberg (1994) differentiates between strategic thinking (vision) and strategic programming (planning) and highlights a strong emergent element in strategy. Recent writing has emphasised this emergent element and the value of a portfolio approach as a response to uncertainty (e.g. Bryan, 2002). Key elements include a clear vision (Beinhocker and Kaplan, 2002), reacting quickly to market changes and building capability through continuous innovation and learning (Beinhocker, 1997; Bryan, 2002). The clear vision, ability to react quickly, and portfolio approach to build organisational capabilities all relate directly to benefits realisation from IS investments.

*Business Processes.* The process perspective is widely used in IT projects as a basis for understanding the context of the project and developing the requirements for solution design. It is also well accepted in practice that the project should address the IT system in the context of the relevant business process - for example during testing and in user training. The approach is most frequently used in process automation projects and in scenarios such as enterprise resource planning, customer relationship
management or supply chain management. Garvin (1998) provides an in-depth study of processes of organization and management that applies the process perspective very broadly. In particular, Garvin considers management activities as processes. Work by Edwards and Peppard (1997) and Braganza (2001) provides an approach to establishing processes to meet the expectations of organisational stakeholders and to classify and manage processes according to their contribution to the business. The work by Garvin, Edwards, Braganza etc indicates the opportunity of taking a broader perspective on processes than typically happens in practice and brings in areas of the organisation that are not traditionally seen or managed as processes. Key implications for benefits realisation are that all processes are not the same and different processes need to be managed, and changed in different ways.

**Working Practices.** Brown and Duguid (2000, Chapter 4) examine the limitations and failure of business process re-engineering and develop a distinction between process and practice. Practice is about 'how' a job gets done and is often managed bottom-up as opposed to the top-down approach to processes. The description of practice is very similar to that used by Garvin (1998) for behavioural processes. As a result, although different terminology is used, the two accounts agree on the importance of 'practice' when attempting to make changes and improvements. Bohn (1994) provides a model of the different stages or levels of knowledge for a technological process - essentially covering a spectrum from tacit knowledge to explicit, scientific knowledge and building on the tacit v explicit model used by Nonaka (1991). In addition, Bohn highlights with the idea of the "knowledge tree", that the different aspects of the process will not be understood to the same level of knowledge. A key insight from the model is that the best way of managing a process varies according to the stage of knowledge, "the higher the stage of knowledge, the closer the process is to 'science', and the more formally it can be managed" (Bohn, 1994: p66). If there is a high level of knowledge about a process we can either automate it effectively or use unskilled workers adhering to strict procedures. If there is a low level of knowledge "this requires experienced and skilled people who use their own judgment each moment" (Bohn, 1994: p67).
The broad literature on managing knowledge, for example related to communities of practice (Wenger et al., 2002) is closely related to this area. Although there has been research related to information systems and knowledge management, research related to the realisation of benefits from IS/IT has not explored the implications of the working practice perspective on the organisation.

Culture. A number of aspects of organisational culture are important. These include the importance of culture when planning and managing change, the impact of different cultures in IT and business areas, and the potential impact of information systems on culture. Johnson (1992) introduced the 'cultural web' as a way of analysing the attributes of culture and making the current assumptions explicit as an enabler of change. Managing change includes making explicit and addressing the three 'hard' factors (power structures, organisational structures, and control systems) and most importantly as they are usually neglected, the three 'soft' factors (symbols, stories and myths, rituals and routines). The impact of culture on information systems, and the impact of information systems on culture also need to be considered. Claver et al. (2001) review work in this area and quote Avison and others to support a view that IT affects organisational culture and vice versa. Marchand et al. (2000) also explore the relevance of culture and in particular refer to behaviours and values that affect the ability of the organisation to exploit information.

The cultural barrier between business and IT is often seen as a major source of the problems with the exploitation of IT. It is important to note that the culture issues do not only affect business and IT. There are subcultures within the business and in different IT areas. In the view of the environmental psychologists this 'tribalism' is built very deeply into human behaviour patterns (Nicholson, 1998). This adds to the challenges of stakeholder management that contribute to the success of an IS project. Work by Peppard and Ward (1999) and Peppard (2001) explores how to bridge the gap in order to succeed with IS exploitation and the realisation of benefits.
Effective Teams. A key success factor in the study by Yetton et al. (2000) is project team dynamics. This is strongly supported in practitioner literature, particularly that related to ‘agile’ approaches (e.g. DeMarco and Lister, 1999).

The effectiveness of the team is likely to remain a key success factor when the goal of a project is shifted to benefits realisation. There are, however, likely to be impacts on the team because of the changed scope of the work and the wider variety of stakeholders involved.

Role of Management. Zuboff (1988; 1991) proposes that a ‘paradigm shift’ in the approach to management is required to take advantage of the new ‘informating’ capability. There will also be a need for structures that foster a learning environment – for example that allow admission of mistakes (Drucker, 1999). Rockart and Short (1991) explore the implications for the role of management in a move towards a ‘networked firm’. Both Clegg et al. (2000) and Yetton et al. (2000), in two very different pieces of work, highlight specific issues relating to the role of senior management that impact on IS project success. These include: the lack of understanding of senior managers and abdication of responsibility; managers values – the tendency to see staff as costs; the fragmentation of language / agendas / politics making co-ordinated effort very difficult to manage. Yetton et al. (2000) suggest there is a need for further research into the role of senior management and user management, and in particular how to achieve continuity between the strategic intent / vision and the focus of the project.

Performance Measures. Approaches to performance measurement such as the balanced scorecard (Kaplan and Norton, 1993; 1996) and Performance Prism (Neely et al 1999; 2000; Adams et al., 2002) are significant in the insight they can provide into business objectives and how they can influence the behaviour of individuals. Measurement of benefits is an important element of a benefits approach (Ward et al., 1996), and the approach to measurement and measures used will also have an impact on the behaviour of stakeholders and the success in realising benefits (Simons, 1995).

Learning. Strong links with organisational learning are highlighted in the capabilities literature (e.g. Andreu and Ciborra, 1996). Building or improving an organisational capability is essentially about learning – both
Chapter 2 Literature review

individual and organisational. The working practices perspective is also strongly linked with learning. There are a number of perspectives related to organisational learning including the learning organization (Garvin, 1993, 2000), communities of practice (Wenger et al., 2002), and knowledge management (for example Hansen et al., 1999). Garvin (1993) refers to approaches for learning and sharing knowledge, including transfers, tours of duty and pilot plants. Tours and transfers move key people around the organization to do a similar job in another location (or on another project) to share good practices. Pilot plants (projects) provide a 'greenfield' opportunity where radical new approaches can be tried out free from the constraints of trying to make incremental changes to the existing organization.

Organisational learning and IS planning are explored in Huysman et al. (1994). Learning of individuals and the organization are considered. A number of themes and practices are outlined including: incremental innovation - with learning by doing resulting in a progressive accumulation of tacit knowledge from problem solving; the development of organisational routines; evaluation of a set of projects - reflecting the fact that some individual projects will 'fail'.

The focus on learning is relevant to benefits realisation from a specific project, for example enabling a project team to take advantage of lessons from previous projects. Learning also relates to the development of competences for benefits realisation within the organisation as effective practices are established and shared.

**IS / IT Governance.** Governance addresses the management of the IS function and, depending on the approach taken, the wider IS capability within the organisation. Earl (1989) outlines the need for an Information Management Strategy that, in the context of the increasing business dependence resulting from the pervasive use / role of IT, addresses governance. A stages of growth model is used to show how the governance model changes according to the context. The proposed framework addresses planning, organisation, control and technology.

There is a need to adapt the governance model to reflect the role of IT in the organization and to the specific project / programme (e.g. Parsons as discussed in Ward and Peppard 2002). This also needs to be balanced with
the work by Earl (1993) that suggests that the organisational approach to strategic information systems planning is the best and that this is not contingent on the type / size of organisation, role of IT etc. Informal management processes / practices are also important and establishing effective governance is path dependent.

The governance framework is likely to have a significant impact on specific projects and also on the organisational competences for benefits realisation. For example, the clarity of business ownership of a project is an important element of a benefits approach.

There are a number of similarities between the capabilities and governance literature. To an extent they represent different lenses into the same set of issues. A critical point is the emphasis on path dependence and there being a maturity process in establishing governance. From a capability perspective this relates to the emphasis given to learning.

Review of the literature on the organisational context highlights a range of factors that impact on the benefits realisation capability of an organization. The implications for the research are significant. In particular the complex nature of organisations highlights likely challenges of benefits realisation and that benefits driven projects will need to address a wide range of perspectives on the organisation. There are likely to be many emergent aspects of the change process as planned interventions have unexpected results and new opportunities arise (Orlikowski and Hofman, 1997). The review also highlights many organisational factors that impact on the approach taken to a project and the success of a specific project.

2.3.5. Assessment of the literature related to benefits realisation

Eason (1988) sets out a project process that addresses the non-technical aspects of an IS project and makes provision for organisational learning as part of the process. The work of Clegg and others is complementary to this, for example setting out a number of principles for systems design (Clegg, 2000) and showing that a wide range of organisational issues need to be treated throughout the project (Doherty and King, 1998a,b; 2001; Doherty et al., 2003). From an IS evaluation perspective, Ward sets out Benefits Management as a part of the overall project process (Ward et al., 1996). This is consistent with Farbey et al. (1999) and Walsham (1999) who see
the importance of evaluation being ongoing, and part of the natural work of the project. Ward and Elvin (1999) propose a project framework that starts to try and address this, as do Avison et al. (1998).

Another element of the literature, represented by Checkland and Holwell (1998) and Smithson and Hirschheim (1999), is the recognition that much IS writing (e.g. textbooks), and also practitioner methods, do not reflect the underlying complexity of an organisation. For example, an organisation is assumed to be goal seeking and determining the business context and objectives for a project is not seen as problematical. Also, perspectives such as culture and working practices are typically not considered.

The wide ranging literature review carried out has covered a number of major strands of IS research. Areas covered have included: organisational issues, IT evaluation and benefits realisation. A key contribution from the literature review is to highlight that researchers have been addressing the same issues from different starting points and perspectives. The most recent thinking on IT evaluation and particularly the work from an interpretive perspective (Farbey et al., 1999a, b; Walsham, 1999; Smithson & Hirschheim, 1999) is very closely aligned with the organisational issues work represented by Eason (1988), Clegg et al. (1997) and Doherty et al. (2003). Work on benefits management and IT & change by Ward and Elvin and others is also complementary. Table 2-1 provides a brief summary of these three strands of literature.
<table>
<thead>
<tr>
<th>Stream</th>
<th>Key Themes</th>
<th>References</th>
</tr>
</thead>
<tbody>
<tr>
<td>Socio-technical</td>
<td>Tackling a broad range of organisational issues throughout the project process is a key contributor to success (for example organisational alignment, human centred and transitional issues need to be addressed). The focus must be on work design and understanding wider cultural issues etc not simply systems design. Close involvement of users and other stakeholders throughout the project is vital. Flexibility of the project process and the importance of organisational learning through the life of the project – reflecting both the changing organisational context and a deepening understanding of the opportunities.</td>
<td>Eason (1988)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Clegg et al.,</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(1997)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Clegg (2000)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Avison et al.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(1998)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mumford (1995)</td>
</tr>
<tr>
<td>IT Evaluation</td>
<td>IT evaluation as a process throughout the project lifecycle. The role of an 'IS evaluator' in gaining stakeholder involvement and commitment. Creating a climate for learning.</td>
<td>Farbey et al.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(1999 a, b)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Walsham (1999)</td>
</tr>
<tr>
<td>Benefits Management</td>
<td>Benefits management is a process through the lifecycle of the project and that of the system delivered from the project. The focus is on identifying and managing the business changes required to achieve benefits. The importance of understanding different stakeholder perspectives and getting involvement / commitment to change. Recent work is addressing the project process and how it needs to adapt to meet the objectives and context of specific projects.</td>
<td>Ward et al.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1996</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ward and Elvin (1999)</td>
</tr>
</tbody>
</table>

Table 2-1: Benefits realisation builds on three streams of literature
The literature review has highlighted that although there has been work from a range of perspectives related to the benefits of IS/IT this has not yet tackled the key aspects of the conversion process or the use process (Soh and Markus, 1995). Existing work typically tackles the economic impacts, evaluation and sources of benefits, but not how to realise the value. Work by Ward (Ward et al., 1996; Ward and Elvin 1999; Ward and Peppard, 2002; Ward and Daniel, 2005) on Benefits Management does address this area but there are a number of significant areas that have not yet been covered and it is in some of these areas that this research will make a contribution. In summary:

Benefits Planning is reasonably well supported by Ward. The specific focus of Benefits Management is to ensure that the project succeeds in realising the benefits, rather than simply developing a business case to gain approval for the project. There is however very limited empirical work on Benefits Management and there are a range of opportunities for refining and extending the work.

Benefits Delivery is perhaps the area where there is the greatest gap between literature and practice. Work by Ward and Elvin (1999) has started to cover this area and it is tackled by Eason (1988) but this work does not yet address a range of areas, for example how to keep the focus on benefits throughout a project.

Benefits Review is considered by Ward in Benefits Management. The key challenges here are broader, they relate to ensuring that reviews happen and that organisational learning takes place as a result and also that the process of realising benefits does not stop when the project is completed.

In each of these areas a key factor is the relationship of the wider organisational context to the approach taken and the success of the project in realising benefits. A further gap in the literature is that the issue of how to gain adoption of Benefits Management or related approaches is not addressed. This is a crucial issue as project failure rates remain high and there remains a substantial gap between theory and practice.
2.4. Organisational capabilities and competences

2.4.1. The need for improvement and the challenge of adoption of benefits driven approaches

Even from a traditional project perspective (e.g. based on CMMI www.sei.cmu.edu/cmmi and PMI www.pmi.org models) project performance is poor. As an example, a recent study showed that current performance is largely at level 1 or 2 (out of 5) (Pennypacker and Grant, 2003) and that there is therefore substantial opportunity for improvement. It is likely that the gap from a benefits perspective is even greater given the evidence of project failure rates. There are barriers of knowledge, skills and culture that affect the adoption of new approaches to projects and systems development (Benyon-Davies and Williams, 2003). The gap between IS professionals and the business is also a significant barrier to establishing teams that can work together effectively on business change (Taylor-Cummings, 1998).

The continued high failure rate of projects after 30 years of research and attempts at improvement by organisations, and the lack of adoption of benefits related approaches, suggests that the challenges of gaining adoption of new approaches to IS projects are significant. This section of the literature review explores resource based perspectives on the organisation as a way to understand more about the practices required to realise the benefits from IS/IT investments and also how to gain adoption of new approaches to projects.

2.4.2. Competitive advantage from capabilities

In the past twenty years there has been significant interest in the process by which organisations can assemble a unique portfolio of resources, competences and capabilities that will render them a competitive advantage. The resource-based theory (RBT) of the firm (Wernefelt, 1984; Barney 1991, 1995; Collis and Montgomery, 1995) suggests that organisations should invest in those assets and resources that they believe will best assist them in successfully gaining a sustainable competitive advantage. Moreover, it has been argued that an organisation's primary source of competitive advantage will be through those resources that are simultaneously valuable, rare, imperfectly imitable and non-substitutable –
the VRIN conditions (Barney, 1991). Whilst resources – which can be defined as “stocks of available factors that are owned or controlled by the firm” (Amit and Schoemaker, 1993: p35) – are clearly a critical element of the RBT, there is a growing recognition that resources, per se, do not create value. Rather, value is created by an organisation’s ability (or capability, or competence) “to utilize and mobilize those resources” (Peppard and Ward, 2004: p175). Drawing upon this analysis, it has been argued that organisations will only attain a sustainable competitive advantage if they can develop a set of core competences or capabilities that can be applied consistently (Teece and Pisano, 1994), and that competitors will find it difficult to imitate (e.g. Prahalad and Hamel, 1990).

The strategic implications of competing on resources are that management needs to continually invest to maintain and build valuable resources. In a situation where there are no competitive resources it may be possible to invest to build a competitive capability. One approach is to take on new challenges to build a capability over a period of time through learning and experience. From this perspective Collis and Montgomery (1995) liken the approach to the development of a learning organisation (for example Garvin 1993; 2000).

There is a lack of precision in the usage of terms and concepts surrounding the resource based perspective. In the IS context resources are primarily knowledge and skills, meeting Amit and Shoemaker’s (1993) definition. It is helpful to make the following distinction between competence and capability:

- **Competence** refers to a “firm’s capacity to deploy resources, usually in combination, using organisational processes, to effect a desired end” (Amit & Shoemaker, 1993: p35). A competence is thus an attribute of a team, function or even the entire organization. Each competence is underpinned by the skills, knowledge and experiences of employees, i.e. resources, who may be distributed enterprise-wide, and deployed in combination with specific organisational processes and resources (McGrath, 1995).

- **Capability** is a higher level construct than a competence (Stalk et al., 1992), defined and enacted through the strategic application of a set of competences (Teece et al., 1997; Moingeon et al., 1998).
More specifically, a capability can be defined as an organization’s ability to “perform a set of co-ordinated tasks, utilizing organisational resources, for the purposes of achieving a particular end result” (Helfat and Peteraf, 2003: p1000).

2.4.3. Competences and capabilities for IS

The IS literature has also started to address the area of competences and capabilities and to explore the contribution of a resource based view of the firm and it is seen as an important area for further research (Peppard and Ward, 2004; Wade and Hulland, 2004). A ‘fourth era’ of IS/IT is proposed (Ward and Peppard, 2002) based on the concept of an IS capability as being the enabler of competitive advantage from IS/IT: i.e. sustained competitive advantage does not come from any one project or solution, but from the ability to continually deliver solutions that provide a stream of temporary sources of advantage. Empirical studies (Santhanaman and Hartono, 2003) have indicated a strong linkage between IS / IT capability and firm performance and suggest that there is an opportunity to get a sustained advantage. The main shortcoming of the research, as highlighted by the authors, is the simplicity of the measure used for assessing the IS capability. They highlight the need for improved measures in future studies.

Previous work has considered the skills and competences of individuals including the CEO (Earl and Feeny, 2000), the CIO (Earl and Feeny, 1994), and organisational competences including competences for information management (Marchand et al., 2000). In the context of the IT function, Feeny and Willcocks (1998a; 1998b) have explored the concept of IT capabilities, and have proposed a framework of nine distinct capabilities necessary for its effective management. That the necessary capabilities can be developed within the scope of the IT function is at odds with the research that highlights the need for enterprise-wide co-operation and involvement to realise the benefits from IT investments. Peppard and Ward (2004) have addressed this and proposed a model of IS competences across the organisation. These competences are intended to contribute to an overall organisational IS capability to realise value from IS. Caldeira et al., (2006) are undertaking research to assess the applicability of the Peppard and Ward model to SMEs and to refine the model.
Benefits realisation can therefore be conceptualised as an organisational capability that has the express purpose of ensuring that investments made in IT consistently deliver benefits, through the enactment of a number of distinct, yet complementary, competences. However, whilst it appears to make sense to conceptualise benefits realisation as a capability, which is composed of a number of distinct competences, such a model is still at a relatively high level of granularity, what has been referred to as an “amorphous heap” (Wernefelt, 1984). Consequently, the practitioner will almost certainly be left asking questions as to how specific benefits realisation competences might best be developed, and ultimately managed, whilst the researcher will want to know how they can observe and measure such high level constructs, when conducting empirical research (Miller and Shamsie, 1996).

As with wider literature on resource based theory, there is as yet limited work on how to operationalise these broad concepts in relation to specific projects or the wider ability of the organisation to realise value from its investments in IS/IT (Peppard and Ward, 2004; Srivastava et al., 2001)

2.4.4. Competences for benefits realisation

The resource based concepts for competences and capabilities apply to benefits realisation in two ways. The area of the organisation being changed and the ‘benefits realisation competences’ (dynamic competences / capabilities - Eisenhardt and Martin, 2000) that are required to make the change are both part of the organisation and can both be considered as competences.

**Organisational competences as the goal of the change programme**

Firstly, the competences perspective can contribute to understanding the business being changed and designing the new business that results from the change programme. The existing and changed business areas can be considered as collections of resources and competences. Barney (1991) and Wernefelt (1984) provide examples of this approach
**Dynamic organisational competences to make change happen**

Secondly, the competences related to realising value from IS/IT relate to changing the organisation and are "dynamic capabilities" (Teece et al., 1997). Eisenhardt and Martin (2000) suggest that dynamic capabilities are in many respects similar across different organisations. They suggest that although dynamic capabilities do not directly provide competitive advantage, depending on how they are used, i.e. what new resources, competences and capabilities they are used to create, they can be a very valuable source of advantage. It is this second area that is the primary focus of this research. Clegg (2000: p472) makes a similar point when he identifies in his principles for socio-technical systems design (number 14): "design practice (of a socio-technical system) is itself a socio-technical system".

The similarity Eisenhardt and Martin (2000) identify across organisations in the underlying 'routines' that contribute to these dynamic capabilities is highly relevant to this research. It supports the argument that effective exploitation of IS/IT can be a source of advantage (the concept of the IS capability put forward by Ward and Peppard (2002) and others) and also that there are core routines (in their terminology) that will be broadly similar and of value in a wide range of organisations.

One element of the IS capability is evaluation. Serafeimidis and Smithson (2000) explore changes to information systems evaluation practices as organisational changes and highlight the difficulties encountered by organisations trying to change evaluation practice. In this context, changes to the overall IS capability, of which evaluation is only one part, are likely to be significant changes and a major challenge for organisations.

### 2.4.5. The need for further research

Given the specific gap in the competences and capabilities literature with regard to benefits realisation, and more generally the paucity of studies addressing the adoption of approaches to benefits realisation, there is a strong case for a research study to explicitly explore the competences required for benefits realisation from information systems.
The model of competences developed by Ward and Peppard (2002) provides a starting point for this research as it addresses the realisation of benefits and focuses on the organization rather than the individual and the whole organization rather than just the IS function.

2.5. Practices - a contribution to developing IS competences

2.5.1. The need to move away from a focus on project 'methodologies'

Work from many different perspectives, for example by Doherty et al. (2003), Eason (1988), Ward et al. (1996), Avison et al. (1998), Munford (1995), Peppard (2001) and Farbey et al. (1999b) identifies major shortcomings in the approaches taken in practice to IT projects. Previous research has explored a number of factors that could contribute to success including the role and abilities of the project manager (Turner and Muller, 2005; Anderson, 1992; Gioberson and Zwikael, 2002; Prabhakar, 2005), culture (Kendra and Taplin, 2004), handling conflict (Hayden, 2004), and rewards (Mahaney and Lederer, 2006). The focus of many efforts to improve IT project success rates has been on improving the project process with well defined methodologies and even comprehensive software tools. The current vogue for CMM/CMMI (Ngwenyama and Nielsen, 2003) is in this tradition. As Farbey et al. (1999b) note, projects exist in fluid environments and methodologies would better focus on emerging strategy and benefits, rather than requirements and costs. Given the evidence from Nandhakumar and Avison (1999) that traditional methodologies are treated primarily as a "necessary fiction" to present an image of control, further efforts to drive improvement to project success rates by improving ‘methodologies’ seem unlikely to succeed.

The focus on competences provides an opportunity to take a different perspective; more related to how people actually work, than a focus on a ‘project methodology’. The challenge is how to operationalise the broad concept of an IS competence and provide guidance for managers and project teams. As an example Peppard and Ward (2004) define 26 competences but these are not defined other than in a very brief description.
2.5.2. The role of practices

*Practice* is an increasingly widely used term, within the organisational literature, and a range of descriptions and definitions have inevitably emerged. Wenger et al. (2002: p38) suggest the following definition: “a set of socially defined ways of doing things in a specific domain: a set of common approaches and shared standards that create a basis for action, problem solving, performance and accountability”. In a similar vein, Carlile (2002) contends that practices are strongly focused upon their 'objects' and 'ends', which makes practices concrete and observable and as a result provide a solid basis for study. Not only does the concept of a practice appear to be very closely aligned with how people actually work (Brown and Duguid, 2000), it is also particularly relevant in knowledge-intensive activities, such as IS projects (Waterson et al., 1997) where much of the effort is based upon the experiences of individual and teams. Moreover, the concept of practice relates to the informal organisation and how work is actually done by individuals and groups.

By contrast, many approaches to change, such as business process re-engineering tends to focus upon processes which relate to *what* is required rather than *how* the work gets done (Brown and Duguid, 2000). This focus on the formal organisation can ignore many critical factors that affect performance. The focus on working practices provides a response to the limitations of methodologies (cf processes) highlighted by Nandhakumar and Avison (1999).

Grant (1996) highlights the importance of teams, team based decision making and a new role for managers who can't have the specialised knowledge of their 'subordinates'. They need to bring together a range of individuals with specialised knowledge and lead / participate in multi-disciplinary teams. He highlights the value of 'routines' as one way of helping to integrate the specialised knowledge of different groups. Grant (1996) also highlights the importance of a common language in enabling individuals to share and integrate knowledge across the different specialisations. Grant gives *routines* much the same meaning as *practices*.

The idea of *communities of practice* (Wenger et al., 2002) and others provides a focus on *people* rather than documents as the source of knowledge and the basis for sharing knowledge (Hansen et al., 1999). This
approach to knowledge management appears to be valuable in a range of scenarios. *Practices* are the knowledge of the community. Work, for example by Coombs and Hull (1998) and Schultze and Boland (2000), has identified specific practices as a way of trying to make the knowledge of what works more explicit. In this case they identified practices related to knowledge management itself. This emphasis on practice provides a way to help identify, collate, share and build on the knowledge of the community.

Practice appears to provide a valuable avenue for exploration. To date IS literature has not gone beyond starting to identify the competences required for an organisation to succeed with IS. Practices provide a way of gaining more insight into what contributes to these competences and to help organisations accelerate the development of the required competences. Practices provide a basis for evolutionary and incremental change allowing organisational learning, rather than the “one shot” approach that is typically adopted in IS change projects (Eason, 1988). As Tippins and Sohi suggest (2003), organisational learning is a crucial link between IT resources and organisational performance. Practices may provide a way to share useful information on the elements of a competence and also how to establish a competence through organisational learning.

2.5.3. Other aspects of developing competences

Practices are a possible contribution to the development of organisational competences and capabilities. In this section aspects of the wide range of other factors involved are considered briefly to help provide a context for the contribution of practices.

Pfeffer and Sutton (2002) address the broader problem of the gap between management theory and practice. They suggest that a key reason for the failure of attempts to bridge the gap has been a focus on 'knowing what' rather than 'knowing why'. Simply teaching people new techniques is not enough; if they are going to change how they work there also has to be a focus on the deeper philosophy and general guidance for action. This reinforces the relevance of a focus on practices with their foundation on 'general principles' (Schultze and Boland, 2000) but also highlights the importance of a focus on the wider context including principles and values if an organisation is going to be successful in building the competences required for realising benefits from IS. Garud (1997) and Bohn (1994)
consider ‘know-how’ in addition to ‘know-what’ and ‘know-why’ in different explanations of learning processes within organisations. The different perspectives combine to emphasise the importance of the wider principles (know-why) and developing experience and skills (know-how). Key areas to consider further are the role of principles / values in establishing organisational capabilities and also the extent to which the principles that underpin specific practices can be made explicit.

A further issue in the development of competences is the need for a process of learning (Andreu and Ciborra, 1996) or phased development (Peppard, 2001). The potential flexibility of practices compared to a more formal methodology, and their link with knowledge management and organisational learning, suggests that they may meet this need. Eisenhardt and Martin (2000) suggest that dynamic capabilities also need to be evolved over time, and that although starting points differ, the outcomes are likely to be similar. They suggest that there is a ‘maturity’ model or a natural order of development.

2.6. Summary of gaps in the literature

The literature review has addressed the failure of organisations to realise benefits from investments in IS/IT. Given the high failure rate, this is a major business issue where very large sums are regularly wasted and major opportunities lost. There are a number of gaps in the existing literature related to benefits realisation. The gaps are summarised as a basis for defining the key areas in which this research will focus and seek to make a contribution:

- **Benefits realisation approach to projects**

Very limited empirical work has been done on Benefits Management (Ward et al., 1996) or the related IT & Change framework (Ward and Elvin, 1999). There is a need for in-depth empirical work to understand how organisations actually approach benefits realisation and to test out the concepts of Benefits Management. There are also a number of opportunities to continue to evolve Benefits Management based on experience of using the approach and tackling the issues of gaining adoption. For example: exploring how to adapt the framework and establish an approach for a specific project; adapting the project
approach and scope to the changing organisational context during the life of the project; and establishing performance measures for a benefits driven project.

There is also a gap in relation to keeping a focus on benefits through the life of a project. There is a tendency to revert to a focus on the delivery of functionality after the benefit planning is completed. This area has been identified, but not yet well addressed, by the ongoing Cranfield programme of work.

Existing work has not explored the implications for the project team structure of a focus on benefits realisation. Research is required to test a project team structure / model that addresses responsibilities for benefits realisation, for example to maintain a focus on benefits through the life of a project.

• **Perspectives on the organisation being changed**

A broader perspective on the organisation is required (e.g. based on Checkland and Holwell, 1998; Smithson and Hirschheim, 1999) to enable IS/IT projects to address the complexity of real-world organisations. There is a need for work to understand practices required to address these broader perspectives during a project (Doherty and King, 1998). A key aspect of this broader perspective is the need to consider both process and practice (Brown and Duguid, 2000) in project planning & delivery.

Work is required on how to use these approaches and models such as *stages of knowledge* (Bohn, 1994) or *technology classification* (Woodward and Perrow as outlined by Hatch, 1997) to determine how to adapt the project approach to the context. Bohn’s (1994) original model has not been widely followed up and appears a potentially valuable area for further study to understand how project and solution design processes need to change to reflect the relative importance of process v practice perspectives.

Practices are required to address multiple perspectives on the organisation (e.g. process, practice, culture, management framework, performance measures etc).
• Adoption of benefits realisation methods

Closely related to both the focus on IS competences and the need to take a broader perspective of the organization, is the challenge of adoption of benefits realisation methods. There has been some work on adoption of IS development methods but very little specifically on the adoption of benefits related methods. This is an important area as there is a lack of adoption in practice of benefits / organisational approaches to IS.

• Competences for benefits realisation

A key area for research is developing a management framework / approach for establishing and sustaining the benefits realisation capability. Existing work suggests a resource based approach is valuable but has not identified the competences required for benefits realisation or explored how to establish them.

• Role of practices in establishing a competence

The role of practices has been identified as an avenue for exploration – as a way to share knowledge of what works that fits with how people actually work that can contribute to the development of competences and the overall capability for benefits realisation. For example, the use of practices may contribute to the challenge of sharing learning across projects and actually reflecting learning from other projects.

• A learning focus for projects

In a number of strands of literature the need for a greater focus on learning during a project is identified. The implications of this for management practice have not yet been developed. This is an important area in terms of the increasing ability of IS/IT to support new organisational forms, new ways of working and new products and services where there is major organisational innovation and change and there is a strong emergent element to the overall change programme.

The adoption of flexible, contingent approaches to projects based on practices may contribute to this greater focus on learning and the realisation of benefits from the use of IS/IT in these scenarios.
Chapter 3. Research Strategy and Methods

Planning the route

Specific objectives for the research are defined and related to the gaps in the literature. The research strategy provides an overview of how these objectives will be met.

The research is based on the participative paradigm and is seeking to provide results of value to practitioners.

The research involved four main phases. Firstly, building on the literature review, a model of practices and competences for the realisation of benefits was established. Secondly a first, broad phase of empirical work was carried out exploring two samples of projects (25 and 20). Then, three in-depth case studies were carried out in different organisations. Each case study involved three or more projects and also exploration of the organisational context in which the projects took place. Finally, the overall findings from all aspects of the work are developed.

* * * * *
Chapter 3  
Research Strategy and Methods

3.1. Introduction

It is not possible, within the scope of this report, to set out in detail the activities involved in completing this research or the complexities of the change and evolution during the work. Inevitably, this account is a simplified view of what happened. My aim in this section is to provide an overview of the approach taken to the research and to provide some insight into the actual challenges and complexity of the work.

From the beginning of my work on this research I saw it as an ‘agile’ project (Boehm and Turner, 2004; Highsmith, 2004) and as far as possible attempted to apply my experience as an IS professional and project leader. One implication was to see the research project as being delivered through a number of major phases marked by milestones at which progress was assessed. The approach was very much in line with the recommendation by Silverman (2000: p68), quoting Miles and Huberman, to “begin with a foggy research question and then try to defog it”.

This chapter builds on the literature review that was summarised in Chapter 2. It sets out the objectives for this research and then relates them to the gaps in the literature that have been identified. The approach taken to the research is then described and justified. The discussion covers the overall research project and also the approach to each of the main phases of work. Further detail on the research methods is given in later chapters as part of the discussion of each phase of work.

3.2. The objectives for the research

The researcher enters the problem situation with a guiding framework of ideas and ‘theories’ (Checkland and Scholes, 1999). This then evolves as the research progresses. The initial proposal for this research was to use the concept of a ‘learning organization’ (Garvin, 1993; 2000) as a conceptual framework for exploring how an organisation could develop a capability to realise benefits from IS/IT. As a result of the literature review and initial engagement with the problem, I narrowed the focus to concentrate on exploring the competences and practices required for an organisation to realise benefits.
The research is seeking to build on a number of strands of previous IS research relating to (for example): socio-technical approaches to IS, benefits management, project success factors, IT project evaluation. This work has provided valuable insights, but as the continued high failure rate of IS/IT projects suggests, has not yet succeeded in transforming practice. In particular, this research is exploring the value of practices and competences as ways to overcome the barriers to the adoption of benefits driven approaches to IS and to enable organisations to develop the capability to realise benefits from IS/IT.

The focus on competences and practices allows a number of the gaps identified in the literature review to be addressed within the scope of this research project. In particular, several areas will be addressed by considering relevant practices for realising benefits. An overall vision and direction for the research is provided by the research question:

**Research question:** "to what extent have organisations adopted benefits driven practices when undertaking investments in IS/IT?"

Specific objectives for this research address different aspects of this overall question. The objectives for the research are shown linked to the gaps identified in the literature in Table 3-1 and are outlined below:

**Objective 1:** To develop, from the literature, a framework of competences and practices related to the achievement of benefits from IS/IT investments.

**Objective 2:** To explore the extent to which the framework of competences and practices is adopted and used to facilitate the realisation of benefits from IS projects.

**Objective 3:** To evolve the framework of competences and practices based on learning from literature and experience.

**Objective 4:** To explore the reasons why particular competences / practices are either being adopted or ignored.

**Objective 5:** To critically review the value of the competences / practices approach, in the context of realising benefits from IS/IT investments.
Chapter 3

Research strategy and methods

<table>
<thead>
<tr>
<th>Gap</th>
<th>Coverage</th>
</tr>
</thead>
</table>
| Practices for benefits realisation | **Objective 1:** To develop, from the literature, a framework of competences and practices related to the achievement of benefits from IS/IT investments.  
**Objective 2:** To explore the extent to which the framework of competences and practices is adopted and used to facilitate the realisation of benefits from IS projects.  
**Objective 3:** To evolve the framework of competences and practices based on learning from literature and experience. |
| Empirical evidence for benefits management | **Objective 2:** To explore the extent to which the framework of competences and practices is adopted and used to facilitate the realisation of benefits from IS projects. |
| Adoption of benefits realisation approaches | **Objective 4:** To explore the reasons why particular competences / practices are either being adopted or ignored. |
| Benefits realisation competences | **Objective 5:** To critically review the value of the competences / practices approach, in the context of realising benefits from IS/IT investments. |

Table 3-1: Research objectives and gaps in the literature

By addressing these specific objectives the research makes a contribution to tackling the important issue of enabling organisations to increase their ability to succeed in realising benefits from investments in IS/IT.

The unit of analysis for the research is the IS/IT project. Based on the literature review, the purpose of IS/IT projects is considered to be delivering benefits to stakeholders (Jurison, 1996). Business changes enabled by IS/IT are required in order to realise the benefits. As a result it is important to consider IS/IT in an organisational context and to consider the impact of the context on the projects (Markus, 2004). This approach, of considering the project in the organisational context in which it takes place, provides the opportunity (Silverman, 2000: p69) of “using a zoom lens – zooming in and out to maintain perspective” and gain insights as the project and the impact of its context are considered.
The scope of the research specifically excludes the technical aspects of the delivery of the IT solution and of the IT project. However, the inter-relationship of the management of IT solution delivery with the wider business change project is considered.

3.3. Philosophy

3.3.1. General philosophical foundations for the research

This research project is exploring the practices required to realise benefits from IS/IT investments and in a sense is seeking to gain an understanding of an effective methodology or framework for information systems development (Avison and Fitzgerald, 2003). The question of philosophy is important as it underscores other aspects of a methodology (Avison and FitzGerald, 2003: p556) and also the research strategy.

Considering the philosophical perspective is helpful to make more explicit some of the assumptions about "what constitutes 'valid' research and which research methods are appropriate" (Myers, 1997). The aim of this section is to explain the stance adopted for this research as a basis for establishing foundations for the research methods adopted and in particular addressing considerations such as validity, generalisability and the role of the researcher.

Myers (1997) provides a helpful summary of ideas in this area and specifically relates them to research in information systems. He makes clear that the categories and language used varies considerably between researchers. For example Guba and Lincoln (1994) refer to four underlying paradigms for qualitative research: positivism; post positivism; critical theory; and constructivism. While Orlikowski and Baroudi (1991) refer to only three categories: positivist; interpretive; and critical. The situation is also complicated by the difference between the philosophically distinct perspectives and how they are applied in practice (Myers, 1997; Lee, 1999). It is beyond the scope of this research to attempt to reconcile the many varying viewpoints. My aim has been to establish a foundation for this research based on work from a number of significant authors contributing to the debates about research philosophy and methods in relation to information systems.
Myers (1997) suggests that the most important philosophical assumptions are those which relate to the underlying epistemology that guides the research. Epistemology refers to the "the assumptions about knowledge and how it can be obtained" (Myers, 1997). Myers then focuses on three categories: positivist; interpretative; and critical. In this he is in line with Lee (1999a) who focuses initially on positivism and interpretivism and then introduces the critical perspective as a relatively new development.

3.3.2. Positivist perspective

Positivism is "often known as the 'natural science' model of research" (Lee, 1999a: p12). Lee summarises key elements of this perspective as including "the rules of formal logic, the rules of experimental or quasi experimental design and the rules of hypothetico-deductive logic" (1999). Avison and FitzGerald (2003: 557) refer to this as the science paradigm – referring to Kuhn (1962) and using paradigm as "a specific way of thinking about problems, encompassing a set of achievements that are the foundation for further practice". They refer to Checkland (1981) who in work criticising the scientific / positivist paradigm summarises it as consisting of "reductionism, repeatability, and refutation":

"We may reduce the complexity of the real world in experiments whose results are validated by their repeatability and we may build knowledge by the refutation of hypotheses".

Positivist research generally assumes that reality is objectively given and can be described by measurable properties that are independent of the researcher (Myers 1997).

The overwhelming majority of IS research has been from a positivist perspective and, although the balance is shifting, this is still the case. Lee (1999a: p12) suggests (strongly), referring to work by Schon (1983), who is in turn referring to Bernstein (1976: p207), that "the positivist model of what science is has been shown to be unfeasible and thereby discredited" as it takes a "grossly oversimplified" approach (Bernstein, 1976). This reference by Lee is an indication of the tendency for there to be competing, rival, 'armed camps' – rather than exploring the value of a range of views (Silverman, 2000). Silverman, referring to Kuhn, suggests that this is
because some social science disciplines are pre-paradigmatic – i.e. there is not a single, agreed set of concepts.

3.3.3. Interpretive perspective

The interpretive perspective is the other (or one of the other) armed camps that Silverman (2000) refers to.

Interpretive researchers “start out with the assumption that access to reality is only through social constructions such as language, consciousness and shared meanings” (Myers, 1997). Interpretive studies attempt to understand phenomena through “the meanings people assign to them” (Myers, 1997) and interpretive methods of research in IS are “aimed at producing an understanding of the context of the information system and the process whereby the information system influences, and is influenced by the context” (Walsham, 1993: p4-5).

Avison and Fitzgerald (2003) relate this to the systems paradigm and work by Checkland. In contrast with the scientific paradigm which copes with complexity by reductionism, “breaking things down into smaller and smaller bits for examination and explanation”, they argue that a system has emergent properties (i.e. the whole is greater than the sum of the parts) and that therefore it is important to study the system. Study only of the parts cannot provide an understanding of the system as a whole. Human activity systems (Checkland, 1981), which are the subject of information systems research, are systems which do have emergent properties, and therefore from this perspective a reductionist approach is of limited value.

Checkland and Scholes (1999) argue that soft systems approaches are a better way of understanding the complex world of organisations than ‘hard’ structured analysis methods. They also contrast soft systems which are a way of modelling and thinking about real world activities to develop understanding, with the hard systems viewpoint that they are describing the systems that actually exist. This description helps relate different IS methodologies to either a positivist or interpretive perspective.
Chapter 3 Research strategy and methods

From an interpretive perspective, Lee (1999a) suggests that the distinctive element of social science research is that humanly created meanings are an integral part of what is studied. This means that research must address not only 'objective', observable behaviour, but also the meaning this behaviour has for the people involved. He suggests that this has no counterpart in the natural sciences, the foundation of a positivist perspective – where atoms do not attach their own meaning to the world around them. Lee also explores the role of the researcher from an interpretive perspective. The researcher is not an independent, detached observer. The researcher becomes a "human instrument of observation" and the research depends on their ability to understand and respond (1999a: p17).

Hermeneutics refers to both a philosophical foundation for interpretive research (Myers, 1997) and a range of research methods that originally referred to reading ancient texts (Lee, 1999a). Lee suggests hermeneutics is a valuable method as it helps relate the specific words or human behaviour to the context – either the passage and text as a whole, or the organisational and social context. Lee (1999a: p20) relates the idea of the 'hermeneutical circle' to understanding human behaviour “I would come to an understanding of a single action by relating it to the whole organisational setting: and reciprocally, I would come to understand the whole of the organisational setting by relating it to individual actions”. This approach is relevant and is adopted at a range of levels within this research as for example, projects are considered within their organisational context.

3.3.4. Critical perspective

A principle difference of the critical perspective (Lee, 1999a: p24) is that critical researchers cannot simply be onlookers but that "researchers influence and are influenced by the social and technological systems they are studying". Critical research aims not just to understand and explain but to "critique unjust and inequitable conditions from which people require emancipation". Myers (1997) provides a very similar perspective. Lee (1999a), referring to work by Hirschheim and Klein (1994) suggests that critical perspectives have a strong vision but that as yet there is limited guidance on how to implement them.
3.3.5. Establishing a participative paradigm

Breu and Peppard (2003) make the case for a participatory paradigm for IS research where researchers conduct an inquiry from the inside together with the research subjects. A driver for this work is to respond to the rigour vs relevance debate and the need for practical relevance of IS research. In this context they point to limitations in both positivism and interpretivism as both these philosophies have emphasised the researcher as a (detached) observer and aimed to reduce subjectivism. They are seeking to build on the tradition of interventionist research, for example action research (Checkland, 1981) and by integrating reflection and action, theory and practice, to produce knowledge with greater potential for practical relevance (Breu and Peppard, 2003).

Breu and Peppard (2003) outline support for a participatory paradigm. They stress that it is essential to assess the value of research using criteria that are based on the paradigm. For example, it is not appropriate to use criteria that are drawn from a positivist paradigm to assess interpretive or participative research. Referring to Rowan (1981) they suggest that the level of involvement of the research subjects in participatory research can vary significantly from that of subjects in action research, to full collaborating partners in participatory inquiry. They outline a set of principles that together outline a participatory research philosophy (paradigm) (cf Avison and Fitzgerald 2003: p557). This includes a political principle (Breu and Peppard, 2003) – that implies a change in the role of the researcher and that they engage together with the practitioner in the knowledge creation process. In line with the practical principle (Breu and Peppard, 2003) there is an awareness that the researcher “changes the system and social world of those being researched” through the entire research process. This is in-line with other forms of qualitative inquiry. From a participative perspective this impact is recognised, and seen as important, but the researcher does seek to ‘avoid imposition’ during the research. The epistemological principle provides a theory of validation through which the outcomes from research can be judged. Breu and Peppard (2003) suggest that validation of the knowledge occurs through several mechanisms and they specifically refer to co-creation and co-implementation of models from the research.
The goal of participatory research is practical or 'useful' knowledge (Worren et al., 2002). They suggest this practical knowledge has a different form from 'scientific' knowledge and that it is in concrete, everyday language and that it is necessarily ambiguous, yet "it can draw on a common vocabulary and frame of reference among those participating in its creation and use" (Breu and Peppard, 2003; p189). This common vocabulary is important throughout the research process. This useful knowledge emerges from interaction between conceptual understanding and practical application and needs to be judged by the extent to which the actions and tools generated in the research process produce the intended goals and are adopted by the practitioner community.

The participatory paradigm links well with the fourth dimension of MIS that is put forward by Lee (1999a; p9) "no MIS researcher is, or even should be, an objective, disinterested scientist. MIS researchers seek to contribute to the documentation, innovation, or illumination of better ways in which people in organisational contexts use, manage and maintain (in short 'instantiate') information technology.... MIS researchers want Hawthorne effects - we want our observations and theories to make a difference". He suggests that (some of) the subjects of MIS research consider themselves to be a profession and that MIS researchers are part of that profession and to an extent are responsible to and must serve the profession. The role of the researcher is not that of an observer but as a member of the professional community with the subjects of the research. This links well with the work by Schon (1983) on improving professional practice.

Peppard and Breu (2003) do not put forward an ontological principle, but building on the work by Lee (1999a) and Schon (1983) it is appropriate that participatory research is about becoming. The participative researcher, as a member of the professional community is becoming more effective as a (reflective) practitioner. The practitioner, as a member of the participative inquiry is also becoming a researcher, a more effective practitioner and this could also perhaps be described as becoming a reflective practitioner (Lee, 1999).
3.3.6. Philosophical foundations for this research project

This research project adopts an interpretive philosophy and in particular has a participative focus.

I see this research project as one part of a longer term programme of participative inquiry. Over the last 10 years I have been part of the participative research programme at Cranfield Information Systems Research Centre that is described by Peppard and Breu (2003). As a practitioner I have been responsible for implementing the Benefits Management process and models, and also for educating other practitioners on how to apply these ideas. I have also been a member of related research projects at Cranfield. This research is seeking to build on the Cranfield programme in a number of ways and in particular to explore the contribution of practices to developing organisational competences to realise benefits from IS/IT and as a result explore how to gain adoption of Benefits Management. I intend it to provide a foundation for participative work over a longer timescale that will develop the practices identified and lead to improved results in practice.

This research project, and the wider ongoing research programme of which it forms a part, are based on the participatory paradigm. I am working closely with practitioners, fellow IS professionals, with the intention of producing knowledge of value in practice. The participatory perspective (Breu and Peppard, 2003) relates in particular to the role of the researcher and the goal of producing knowledge that is useful in practice.

The timescales and scope of this research have not allowed full co-inquiry with the research participants (as described by Breu and Peppard, 2003), but as they also indicated, there is a wide range of participative approaches to research. In summary the philosophy underpinning this research is interpretive with a specific participative emphasis.

Even within the relatively limited scope of this research project it has been interesting to observe the learning of both researcher and participants from the interactions that have taken place.
3.4. Establishing the research strategy

The research strategy must be matched to the research context. Lee (1999a) identifies a number of dimensions of Management Information Systems (MIS) that influence the value of different research strategies. Firstly Lee (1999a: p7) suggests that "MIS involves not just information technology but also its instantiation": "There are rich organisational and political processes whereby a set of information technology is instantiated and there are also rich organisational and political processes pertaining to the continual managing, maintaining and changing of the information technology instantiation" (Lee 1999a: p7). Secondly, he suggests that "MIS involves, as reactive and inextricable elements, both an information system and its organisational context". Lee suggests that an "information system and its organisational context each have transformational effects on the other". He refers to work by Markus and Robey (1988) that suggests that there are emergent properties of information systems, as also described by Checkland (1981). This is also in line with a socio-technical perspective which implies that the focus should be on the system as a whole not the separate social and technical systems alone. As a result "the information system and the organisational context must be studied, understood and managed together, not separately" (Lee 1999a: p8). Thirdly, Lee (1999a) suggests that "MIS involves information technology as a form of intellectual technology". Information technology is an intellectual technology not an industrial technology in that it has properties that are not fixed on implementation but can be "innovated endlessly, depending on its interaction with the intellect of the human beings who implement and use it" (Lee 1999a: p8). This can lead to an ongoing cycle of innovation and change as the technology extends the intellects of its users leading to further innovation.

These factors underpin the approach taken to this research. In particular the projects and information systems that result from them are considered in their organisational contexts and the completion of software development is not seen as the end point, but just another milestone in ongoing activity to realise benefits.
A key challenge in the area covered by the research is the gap between theory and practice and the lack of widespread adoption of benefits realisation methods. This research is exploring whether this lack of adoption is due, at least in part, to not taking into account sufficiently the complex nature of organisations. Qualitative techniques will be used to investigate these complex problems as "the beauty of qualitative research is that its rich data can offer the opportunity to change the focus as the ongoing analysis suggests. Such changes of direction reflect the subtle interplay of theory, concepts and data" (Silverman 2000: p63).

As Yin (1994: pxv) states the case study may be the most appropriate research method for appreciating the complexity of organisational phenomena. Yin (199: p13) describes the characteristics of the case study as a research strategy. "A case study is an empirical enquiry that investigates a contemporary phenomenon within its real life context, especially when the boundaries between phenomenon and context are not clearly evident. The case study enquiry copes with the technically distinctive situation in which there will be many more variables of interest than data points, and as one result relies on multiple sources of evidence, with data needing to converge in a triangulating fashion, and as another result benefits from the prior development of theoretical propositions to guide data collection and analysis."

The case study is appropriate "when "how" or "why" questions are being asked, the investigator has little control over events and when the focus is on contemporary phenomena within some real-life context" (Yin 1994: p1). The case study can be used for exploratory, descriptive or explanatory purposes - depending on how the strategy is applied and what type of questions are being asked. Case studies can be positivist (Yin, 1994), interpretive (Walsham, 1993) or indeed critical.

One factor underlying the problems with adoption of benefits related methods is potentially a "paradigm filter" (Johnson 1992). If this is the case, a paradigm shift is required to see the problems from another perspective and to make a break-through in gaining adoption. Remenyi et al. (1998) suggest that the case study enables narrative thinking - "a consistent story that describes the essential features of the problem under consideration" this is "essential in facilitating a shift between paradigms".
This reinforces the value of the case study approach for this research project.

As a result of these factors, the case study will be adopted as the research strategy for this project. The following section explores how the case study method will be used to align with the research philosophy.

### 3.5. Theoretical framework

As Silverman suggests—"theory development as part of the design phase is essential", (Silverman, 2000: p27). From a different perspective Checkland and Holwell (1998) stress the importance of making explicit the framework of ideas and methodology before entering the real-world problem situation. This research has been approached in a number of phases, to allow theory development to occur, and to allow learning through a number of cycles of research and reflection. A preliminary theoretical framework was established as a basis for the literature review. The further development of this theoretical framework is described in Chapter 4.

### 3.6. Research method - approach to the research

Case study has been adopted as the research strategy. This section outlines the research method and how the case study strategy has been adopted and implemented in this research.

At a high level, the approach to the research has been influenced by the need to explore the value of the practices perspective and also the availability of an unusual and valuable source of evidence. Figure 3-1 outlines the approach taken in relation to a framework provided by Phillips and Pugh (2000).
3.6.1. Initial literature review

The literature reviewed has been outlined in Chapter 2. It also addresses research objective 1: "to develop, from the literature, a framework of competences and practices related to the achievement of benefits from IS/IT investments". The resulting framework of competences and practices is described in Chapter 4 (Conceptual Development).

The literature review has then continued throughout the research.
3.6.2. Phase 1 empirical study

A first stage of empirical work was carried out to get a broad insight into the extent of adoption of benefits related approaches to projects and also to make an early assessment of the value of the practices perspective. This empirical work was started at an early stage of the research through a pilot study for Phase 1 of the research which has been described in Ashurst and Doherty (2003). The full first phase comprised a study of 45 cases in a wide range of organisations.

3.6.3. Phase 2 empirical study

A second phase of empirical work was carried out to build on the findings from the first phase. This second phase involved case studies at three organisations. These in-depth case studies built on Phase 1 and in particular provided an opportunity to get a more in-depth understanding of the impact of the organisational context on projects and to explore the challenges of gaining adoption of benefits driven approaches to projects.

The primary source of data from each of these case studies was a series of interviews relating to three or more specific projects and also to the organisational context within which IS/IT projects were taking place. Additional evidence was obtained from review of documentation and observation, for example of meetings. The organisations were selected based on their size, complexity and the importance of IS/IT as well as the possibility of gaining sufficient access. They were not selected based on prior knowledge of their success, or otherwise, with IS/IT. These organisations were comparable in terms of size, use of IT etc to those studied in Phase 1.

The three case studies were carried out as individual projects and the findings analysed and reviewed with the relevant organisations.
3.6.4. Further analysis and write-up

On completion of the third case study a final phase of the project was undertaken. A cross case analysis of the three cases was carried out and the findings from Phase 1 were taken into account in the development of overall findings and conclusions from the research. The hermeneutic approach underpins the analysis of findings and the approach is described in more detail in the relevant chapters.

3.6.5. Summary of the overall approach to the research

The split of the empirical work into two stages provided the opportunity to evolve the detail of the approach taken and also to combine broad coverage with deep insight into specific organisations.

Table 3-2 links the phases of empirical work to the research objectives and also indicates the approach taken to each objective based on the categories put forward by Yin (1994).

<table>
<thead>
<tr>
<th>Objective</th>
<th>Approach(^{(1)})</th>
<th>Coverage by empirical work</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Phase 1</strong></td>
<td><strong>Phase 2</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Objective 1:</strong> To develop, from the literature, a framework of competences and practices related to the achievement of benefits from IS/IT investments.</td>
<td>Testing out</td>
<td>Covered by the literature review.</td>
</tr>
<tr>
<td><strong>Objective 2:</strong> To explore the extent to which the framework of competences and practices is adopted and used to facilitate the realisation of benefits from IS projects.</td>
<td>Testing out</td>
<td>Broad coverage in this phase from a wide range of organisations in studies of 25 &amp; 20 projects / cases.</td>
</tr>
<tr>
<td><strong>Objective 3:</strong> To evolve the framework of competences and practices based on learning from literature and experience.</td>
<td>Testing out</td>
<td>Some coverage.</td>
</tr>
<tr>
<td><strong>Objective 4:</strong> To explore the reasons why particular competences / practices are either being adopted or ignored.</td>
<td>Exploratory</td>
<td>Limited coverage.</td>
</tr>
</tbody>
</table>
**Objective** | **Approach**<sup>(1)</sup> | **Coverage by empirical work**
---|---|---
Objective 5: To critically review the value of the competences/practices approach, in the context of realising benefits from IS/IT investments | Exploratory | Some coverage. | Extensive coverage.

Note 1: The split of approach into exploratory and testing out is based on (Yin, 1994)

Table 3-2: Linking the objectives to the phases of empirical work

As Table 3-2 indicates the research combines aspects of both 'exploratory' and 'testing out' approaches to research (Yin, 1994). This reflects that some aspects of the research build on quite well developed areas of IS research and this project is seeking to bring together existing ideas in new ways and to provide additional empirical evidence. In other areas the work is more exploratory and is seeking to contribute by tackling new areas.

**The research method for each phase of the empirical research is described in more detail in later chapters.**

### 3.7. Validity of the research

The validity of research should be assessed in the terms of the paradigm on which it is based. Breu and Peppard (2003) do not develop specific guidelines for assessing participative research, so the principles for conducting and evaluating interpretive field studies in information systems proposed by Klein and Myers (1999) are taking as a starting point for exploring principles relevant to this research which is adopting a participative emphasis to an underlying interpretive philosophy. Klein and Myers (1999) suggest it is important for researchers to decide which of the principles are relevant to a particular project.
1. **Fundamental principle – hermeneutic circle**: They suggest that the hermeneutic circle (as already described) is a fundamental principle – “all human understanding is achieved by iterating between understanding the interdependent meanings of parts and the whole that they form” (Klein and Myers, 1999; p72).

The study was explicitly designed to gather information about multiple projects and the organisational context from multiple interviewees. This provided data at a range of levels. The construct of a practice is equally relevant to a specific aspect of a project and to a wider way of getting things done in the organisation. The analytical process involved a number of stages that specifically explored the relationships - between practices and projects, between projects, and also between projects and the wider organisation.

2. **Principle of contextualisation**: the subject matter can only be understood in its historical context, in this case of a continuously changing organisation. This fits well with the approach of this research and the resource based perspective on the organisation which sees the development of competences and capabilities as a complex, path dependent process.

The in-depth interviews provided insight into the history of the projects and the wider organisational context to help understand the current situation.

3. **Principle of interaction (between researchers and subjects)**: this principle emphasises that there will be interaction between the researcher and the subjects of the research and that both will be changed. The participants become interpreters as they appropriate the concepts used by researchers” (Klein and Myers, 1999). From a participative perspective this interaction and change becomes a specific goal of the research and the subjects become co-inquirers.

As noted elsewhere, I have extensive practical experience in relation to IS projects and the realisation of benefits from IS. This inevitably affects the research. It certainly made it possible to connect easily and rapidly with the interviewees and discuss the situation in their language. The analytical approach was designed to provide opportunities for new insights to emerge
and the early discussion of findings with the organisational sponsors helped validate and evolve the analysis and assess the practical value of the work.

4. Principle of abstraction and generalisation: interpretive research has established an argument that valid inferences and generalisation from “one or more cases does not depend on the representativeness of cases in a statistical sense “but on the plausibility and cogency of the logical reasoning used in describing the results from the cases and in drawing conclusions from them” (Walsham 1993; p15). Theory plays a critical role – it is a basis for ‘analytic generalisation’ in contrast to statistical generalisation – do the empirical cases support the theory? Is the theory a better explanation than rival theories? From this perspective “theory is a sensitizing device.” (Klein and Myers, 1999: p75) This principle relates closely to Checkland and Scholes model of action research (1998) which also stresses the importance of a theoretical framework as a foundation for entering a research situation and developing results.

From a participative perspective this principle remains important. However it also requires extending. Validity depends on the acceptance and adoption of the ideas by the participants, or co-inquirers in the research and ultimately the wider professional community that the research related to.

The theoretical perspective taken to this research has proved a useful way of understanding the evidence and comparing the different cases. Within the limited timescales of the research it has also provided some predictive ability.

5. Principle of dialogical reasoning: the researcher enters the research not just with a declared theoretical framework (Checkland and Scholes, 1998) but with their own preconceptions (prejudices). “Hermeneutics recognises that prejudice is the necessary starting point of understanding” and that the critical task is distinguishing “true prejudices by which we understand, from the false ones by which we misunderstand” (Klein and Myers 1999, quoting Gadamer 1976: p124). The researcher should become aware of their own history and resulting prejudices and as a minimum should “identify the type of interpretivism they prefer, identify its philosophical roots and relate the particular strengths and weaknesses of the preferred philosophical direction to the purpose if the work".
In the three cases studies examined by Klein and Myers (1999) this principle and principle 3 (principle of interaction) are the ones not clearly followed. They suggest that this may be due to the researchers not reporting the different perceptions or how their understanding developed, so that the emergent nature of the research is not clear.

As a member of the professional IS community this research is addressing, and also a member of the ongoing participative research at Cranfield (Peppard and Breu, 2003), I am aware of prejudices (and particularly principles) that I adhere too. Specifically these relate to the necessity of a focus on benefits and business change and also the importance of leadership, communication and teamwork. I see these as well supported by research and have summarised these principles later in this thesis, but also recognise that this represents a particular world view based on my history. I have also been aware of my interaction with, and sharing of ideas and learning with, the participants. The research has explicitly addressed the issue of different perspectives and in particular the different paradigms from which individuals approach IS. Inevitably I have a particular perspective - I have aimed to maintain awareness of this and also to judge the usefulness of my understanding through interaction with the participants of the research.

Interpretivism provides a foundation for this research but, as I have set out, the participative paradigm has provided the primary philosophical stance. The overall approach taken has been hermeneutic as I have tried to relate the situation to its context at a range of levels.

6. Principle of multiple interpretations: requires the researcher to seek out and document the multiple viewpoints of participants (Klein and Myers, 1999). This strongly reflects Checkland and Scholes (1999) work which, based on Vickers, views organisations as appreciative systems which depend on the relationships between individuals and groups with different perspectives. This perspective underpins Soft Systems Methodology (Checkland, 1981) and has been taken as a foundation for this work - in disciplinary terms it relates to the different perspectives and goals of different ‘stakeholders’.

The theoretical framework explicitly takes this into account, drawing as it does on practices that address the different views of different stakeholders.
in an IS project. In the analysis of findings from this research these different stakeholder perspectives were explored to understand the impact on the lack of adoption of benefits driven approaches to IS.

**7. Principle of suspicion:** emphasises critical thinking and for example getting an understanding beyond what is apparently happening in a situation. In a range of areas the research has gone beyond the stated views and explanations of the participants to seek a deeper understanding. The range of interviews and the number of cases, as well as the depth of relevant expertise of the researcher facilitated this.

In the absence of agreed principles for assessing participative research these principles, with their basis in interpretivism and hermeneutics provide a foundation for this research. I will return to them in the conclusions (Chapter 8).

Given the interpretive / participative perspective of this research the researcher is not an independent, detached observer. The researcher becomes a “human instrument of observation and the research depends on their ability to understand and respond” (Lee 1999a: p17). The researcher will “naturally form an understanding with the help of a pre-existing understanding that I carry with me” (Lee 1999a: p20). This pre-existing understanding is part of what it means for the researcher to be part of the same professional community with the other participants of the research, which allows effective communication and understanding. It is an important contributor to the outcomes from the research (Miles and Huberman, 1994; p38)

### 3.8. Ethical issues

The research does not deal directly with the performance of individuals and is relatively low risk from an ethical perspective. There are however a number of issues to address.

The research is designed to provide value to each participating organisation. The project is worthwhile in that it is tackling a significant problem and the researcher has considerable experience in the field. As a result there should be a balance between the cost to the organisation (in time) and the benefits received.
Chapter 3 Research strategy and methods

The information gathered may be sensitive within the organisation — potentially reflecting indirectly on the performance of individuals. A basic stance will be taken that comments and information gathered will not be attributed to individuals unless specific permission is given to disclose it.

At the organisational level the results may also be sensitive — for example if the benefits realisation performance is assessed as very good or very bad. The agreement with each organisation confirms that the results will be written up in the PhD and other research reports and potentially in articles, but the identity of the organisation will be disguised unless agreement is gained to the specific wording of any article. Names of individuals will not be disclosed except with their specific permission for particular quotes or wording.

3.9. Understanding the limitations

The research is tackling a major area. It is the first stage in a longer term research programme. The research will be limited by the resources available, which will mean that the number of organisations studied in depth will be small. However, this is not envisaged as a major restriction on the contribution of the research. It is important to note that generalisability of the findings is not based on sampling logic. Which insights and conclusions are organisation specific and which are generalisable will be considered in the findings and conclusion. The main limitation is likely to impact the more exploratory areas of work. Given the relatively limited adoption of benefits related approaches to IS/IT practice it will be hard to find an organisation that has a high level of competence for benefits realisation.
The development of a model of practices and competences to contribute to an organisational capability for the realisation of benefits from IS/IT is outlined.

The model of competences builds on strong foundations in existing literature.

The model of practices provides a fresh perspective drawing on a wide ranging review of existing literature.

The models of competences and practices provide a conceptual framework that is used in the two phases of empirical work.
4.1. Introduction

This chapter explains the development of an initial framework of competences and practices for the realisation of benefits from information systems. The framework draws directly on the literature review outlined in Chapter 2. The framework was refined based on feedback from a pilot study carried out as part of the first phase of empirical work. Figure 4-1 provides an overview of the development of the conceptual framework.

Figure 4-1: Development of the conceptual framework

The conceptual framework provides a foundation for the detailed empirical work carried out in later stages of this research.

The chapter specifically addresses the first research objective:

Objective 1: To develop, from the literature, a framework of competences and practices related to the achievement of benefits from IS/IT investments.
The structure of the chapter is as follows:

- Firstly, a framework of competences is developed drawing on work by Ward and Peppard (2002) and taking into account broader literature.
- Secondly, an initial framework of practices is developed based on a broad review of relevant literature.

4.2. Establishing a model of competences for benefits realisation

The literature review summarised in Chapter 2 provides the foundation for the focus on the competences that contribute to an organisational capability to realise benefit from investments in information systems.

4.2.1. Developing the competences model

The following distinction between competence and capability, as set out in Chapter 2, has been used in this research:

- **Competence** refers to a “firm’s capacity to deploy resources, usually in combination, using organisational processes, to effect a desired end” (Amit and Shoemaker, 1993; p35).

- **Capability** is a higher level construct than a competence (Stalk et al., 1992), defined and enacted through the strategic application of a set of competences (Teece et al., 1997; Moingeon et al., 1998).

The starting point for developing a model of competences that contribute to the capability for benefits realisation is the wide-ranging framework of ‘information competences’ developed by Ward and Peppard (2002) that explicitly focuses on the IS competences of the organisation. Whilst this model has played an important role in helping to shape and position the study, its scope was far broader and consequently, it did not have such an explicit focus on benefits realisation. The intention of this research is to build directly upon the work by Ward and Peppard by developing a model of competences that relates directly to the ability of organisations to realise benefits from investments in information systems.
The 'exploitation' competence as defined by Ward and Peppard (2002) was the starting point for the identification of the necessary competences for benefits realisation. The three 'micro-competences' they defined provided a basis for initial thinking, and design of the data collection instrument used in the first phase of empirical work. Table 4-1 shows the original competences and Table 4-2 a number of refinements and changes proposed based on the experience from the initial empirical work.

This section explains how and why the competences proposed in Table 4-2 are different from those defined by Ward and Peppard (2002). The next section (4.2.2) provides a summary description of the proposed competences.

<table>
<thead>
<tr>
<th>Ward &amp; Peppard (2002)</th>
<th>Micro-Competence</th>
<th>Definition (the ability to...)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Macro Competence</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. EXPLOITATION</td>
<td>4.1 Benefits</td>
<td>... explicitly identify and plan to realise the benefits from IS investments</td>
</tr>
<tr>
<td></td>
<td>Planning</td>
<td></td>
</tr>
<tr>
<td></td>
<td>4.3 Managing</td>
<td>... make the business &amp; organisational changes required to maximise the benefits without detrimental impact on stakeholders</td>
</tr>
<tr>
<td></td>
<td>Change</td>
<td></td>
</tr>
<tr>
<td></td>
<td>4.2 Benefits</td>
<td>... monitor, measure and evaluate the (net) benefits derived from IS investment &amp; use</td>
</tr>
<tr>
<td></td>
<td>Delivery</td>
<td></td>
</tr>
</tbody>
</table>

Table 4-1: Definition of the 'exploitation' competence
The revised model (Table 4-2) includes a proposed new competence 'benefits exploitation' that relates to realising value from the ongoing usage of the information, applications and IT services that are the result of the change programme. There is also a need to nurture and realise value from the new business capability that has been developed and to realise value over the life of the investment. This is important, as in many scenarios there is a need for a process of ongoing learning and incremental improvement to realise further benefits that is not the subject of any further IS project activity. This new competence builds on the benefits management process (Ward et al., 1996). In particular it emphasises an ongoing operational management perspective in addition to the project perspective of the existing model, which simply identifies the need to consider the potential for further benefits.

Table 4-2 also reflects proposals for changes to the definitions of the other three competences in the Ward and Peppard model. The definition of Benefits Planning is a minor revision to emphasise both the identification of the target benefits and the plan for how to realise them. This is intended to emphasise the elements of a benefits realisation plan i.e. 'what are the benefits?' and 'how will they be achieved?'

Managing Change has been changed to Benefits Delivery to emphasise the focus on benefits. The relationship with Benefits Review shown in Figure 4-2 emphasises the need to continually assess the progress in delivery of benefits and also the ability to evolve the benefits plan to reflect learning during the project and changes in the organisational context.

Finally, Benefits Delivery has been changed to Benefits Review as this name fits better with the benefits process model (Ward et al., 1996). The definition has also been changed to reflect the broad scope of this competence and the need for an ability to assess the benefits realised, identify both further opportunities, and also wider lessons learned. This competence is also envisaged as being relevant throughout the project from evaluation of the business case, and assessment of the benefits realised to ongoing assessment of the opportunities for further benefits.
The proposed four competences are an evolution of the original three competences put forward by Ward and Peppard (2002) and together are intended to provide a better basis for describing / developing the overall competence of 'Exploitation' (Ward and Peppard, 2002). This research will assess the value of the revised model. For the purpose of this research the higher level competence - 'exploitation' has been renamed 'Benefits Realisation' and is recognised as a capability to fit with the definition of capability and competences (see section 2.4.2). The four competences are shown in Figure 4-2.

<table>
<thead>
<tr>
<th>Capability</th>
<th>Competence</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefits Realisation</td>
<td>Benefits Planning</td>
<td>the ability to effectively identify and enumerate the planned outcomes of an IS development project and explicitly stipulate the means by which they will be achieved</td>
</tr>
<tr>
<td></td>
<td>Benefits Delivery</td>
<td>the ability to design and execute the programme of organisational change necessary to realise all of the benefits specified in the benefits plan</td>
</tr>
<tr>
<td></td>
<td>Benefits Review</td>
<td>the organisation's ability to effectively assess the success of the project in terms of the benefits already delivered and the identification of the ways and means by which further benefits might be realised</td>
</tr>
<tr>
<td></td>
<td>Benefits Exploitation</td>
<td>the adoption of the portfolio of practices required to realize the potential benefits from information, applications and IT services, over their operational life</td>
</tr>
</tbody>
</table>

Table 4-2: Revised competences arising from empirical work
A key value of using the concept of a ‘competence’ is that it can accommodate a broad range of perspectives on the organisation. In particular, unlike a project methodology (e.g. PRINCE2), the use of competence can help provide insight into the relationship between the organisational context within which projects take place and their success in realising benefits.

4.2.2. Summary of the proposed competences

Based on the literature review and the previous discussion - and the McGrath (1995) definition of competences - it is possible to suggest that competences will be associated with each of the following four broad areas of benefits realisation:
1. **Benefits Planning**: benefits planning is defined as *'the ability to effectively identify and enumerate the planned outcomes of an IS development project and explicitly stipulate the means by which they will be achieved'*. As such, this process should operate at two distinct levels. Firstly, the IS / IT Strategy should present a broad overview of how the planned portfolio of IS applications will support the realisation of business benefits, and in so doing directly contribute to corporate objectives. Secondly, benefits planning should be conducted, in far more detail, for every individual project. Learning from past experience is an important factor at the strategy / portfolio and the project level.

2. **Benefits Delivery**: benefits delivery can be defined as *'the ability to design and execute the programme of organisational change necessary to realise all of the benefits specified in the benefits plan'*. Consequently, benefits delivery typically relates to project initiation, after approval of the business case or benefit realisation plan, through to completion of the project. Benefits delivery focuses upon the organisational change necessary to achieve benefits, rather than the delivery of the technical solution. As Strassman (1990: p519) notes “computers add value only if surrounded by appropriate policy, strategy, methods for monitoring results, talented and committed people, sound relationships and well designed information systems”.

The organisational environment in which the project takes place is likely to have a significant impact on the attitudes and actions of the project team and wider stakeholders. Learning from other projects will also inform many aspects of planning and managing the changes required to realise the intended benefits.

3. **Benefits Review**: benefits review can be defined as *'the organisation's ability to effectively assess the success of the project in terms of the benefits already delivered and the identification of the ways and means by which further benefits might be realised'*. Benefits review is an on-going activity: plans are reviewed and adjusted, delivered benefits are reviewed and modified, and the on-going exploitation also requires on-going review. Benefits review is also conceived as being an ideal opportunity for organisational learning, so that the organisation's
capability to succeed in the realisation of benefits can be enhanced over a period of time.

4. Benefits Exploitation: benefits exploitation can be defined as 'the adoption of the portfolio of practices required to realize the potential benefits from information, applications and IT services, over their operational life'. More specifically, it is typically conducted through an on-going process of review, coupled with a programme of organisational change and software enhancements, to ensure the long-term delivery of commercial benefits from information systems operating in a highly volatile business environment both of which are determined by, and directed through, the application of the benefits review competence.

Peppard et al. (2000: p293) note that the value from IS / IT investments must be unlocked, and 'it is only business managers and users who can ensure that this occurs'. Consequently, it is important to note that the proposed model of competences focuses upon enterprise-wide clusters of skills, experiences and knowledge, rather than simply those that are sited within the IS/IT function. Moreover, as these competences have been defined as fairly high level constructs, it is important to decompose them into a number of distinct, yet complementary practices, in order to understand and manage them, in the organisational context. The four competences are closely related.

Table 4-3 provides a link between the four proposed competences and the literature drawing on Chapter 2.
<table>
<thead>
<tr>
<th>Competence</th>
<th>Definition</th>
<th>Sources</th>
<th>Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefits</td>
<td>the ability to effectively identify and enumerate the planned outcomes of</td>
<td>Ward et al. (1996)</td>
<td>Benefits Management covers the project lifecycle. Usage and evidence relates</td>
</tr>
<tr>
<td>Planning</td>
<td>an IS development project and explicitly stipulate the means by which</td>
<td></td>
<td>primarily to benefits planning.</td>
</tr>
<tr>
<td></td>
<td>they will be achieved.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Farbey et al. (1999 a, b)</td>
<td>Role of evaluation through the lifecycle – and need for it to become part of</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>the 'fabric'.</td>
</tr>
<tr>
<td>Benefits</td>
<td>the ability to design and execute the programme of organisational change</td>
<td>Eason (1988)</td>
<td>Evaluation throughout the project as a way to ensure the system &amp; work design</td>
</tr>
<tr>
<td>Delivery</td>
<td>necessary to realise all of the benefits specified in the benefits plan</td>
<td></td>
<td>provides benefits to users.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ward and Elvin (1999)</td>
<td>Sets out a project framework – a key aim is to design an approach / process to</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>meet the context / objective.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Clegg (2000)</td>
<td>Key principles for design – but provide a good framework for evaluation.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Highlights that the design practice (project process) is itself a socio-</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>technical system.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Doherty (various)</td>
<td>Sets out a broad range of organisational issues and process for addressing</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>them.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>De Meyer et al. (2002)</td>
<td>Need for learning during the project – due to changes in context. Implications</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>for the project approach and project managers' role.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Elvin (2003)</td>
<td>Importance of a supportive organisational environment. Contribution of</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>effective teamwork.</td>
</tr>
<tr>
<td>Benefits</td>
<td>the organisation's ability to effectively assess the success of the project</td>
<td>Ward et al. (1996)</td>
<td>Sets out a framework for the benefits review.</td>
</tr>
<tr>
<td>Review</td>
<td>in terms of the benefits already delivered and the identification of the</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>ways and means by which further benefits might be realised</td>
<td>Garvin (1993)</td>
<td>The challenges of sharing and acting on learning.</td>
</tr>
<tr>
<td>Benefits</td>
<td>the adoption of the portfolio of practices required to realize the</td>
<td>Alshawi et al. (2003)</td>
<td>The goal of projects must go beyond 'outcomes' to benefits realisation.</td>
</tr>
<tr>
<td>Exploitation</td>
<td>potential benefits from information, applications and IT services, over</td>
<td>Lee (1999a)</td>
<td>There are ongoing organisational processes related to the managing and</td>
</tr>
<tr>
<td></td>
<td>their operational life</td>
<td></td>
<td>changing of an information systems 'instantiation'.</td>
</tr>
</tbody>
</table>

Table 4-3: Literature summary in relation to competences
4.3. Establishing a model of practices for benefits realisation

4.3.1. Establishing a definition of ‘practice’

The first step in the formulation of a coherent framework of practices for benefits realisation was the derivation of a working definition for ‘practice’ to use to help identify likely practices from the literature. Based primarily on Wenger et al.’s (2002) definition, but also taking account of other appropriate sources (e.g.: Brown and Duguid 2000; Schultze and Boland 2000; Grant, 1996 and Carlile, 2002) the following working definition of ‘practice’ is proposed for the purposes of this research:

*a practice is ‘a set of socially defined ways of doing things, in a specific domain, to achieve a defined – and generally measurable – outcome, and creates the basis for responding appropriately to individual circumstances’.*

However, the following important words or phrases, from this definition, require further clarification, as they had a significant impact upon the way in which it was used to identify appropriate practices.

- **Socially defined ways of doing things:** ‘socially defined’ implies that a practice is inherently people-oriented: it relates to “the activities of people” (Brown and Duguid, 2000: 97). As Schultze and Boland (2000) note the term practice is deliberately chosen to capture the essence of “what people actually do”. Consequently, when reviewing the literature the focus was on explicitly looking for activities that are typically defined and undertaken by stakeholders in a systems development project.

- **In a specific domain:** given the study’s explicit focus on benefits realisation, the aim is only to identify those practices that might directly contribute to managing the realisation of benefits from systems development projects. More specifically, each identified practice is tied to one of the four competences, identified in the previous section.

- **To achieve a defined – and generally measurable – outcome:** all practices must have a clear and specified aim. As Carlile (2002) notes practices are typically defined in terms of their ‘means’ and
most importantly their 'ends', which allow the success of the practice to be demonstrated. It was particularly important, therefore, to ensure that candidate practices, identified from the literature, had a clearly identifiable outcome.

- **Creates the basis for responding appropriately to individual circumstances:** a practice is not a set of highly formalized rules that prescribe in great detail the way an activity should be undertaken. As Schultze and Boland (2000: p204) note, it is not "a mechanical reaction to rules, norms or models, but a strategic, regulated improvisation responding to the situation". Consequently, the intention was to identify general approaches that could be tailored, where necessary to specific sets of circumstances.

Following the approach taken by Eason (1988), the aim has been to ground practices relevant to the realisation of benefits in previous IS research but to target practitioners as the primary audience for the output. Having established a definition that could be used objectively to identify practices, it was necessary to identify the corpus of literature, from which such practices were most likely to be found. Given the relative immaturity of the benefits realisation literature, it was necessary to conduct a broader review of the IS literature, in order to identify potentially relevant practices. In particular, contributions from the socio-technical (e.g. Doherty and King, 2001; Clegg, 2000) and IT evaluation (e.g. Farbey et al., 1994, 19953; Remenyi and Sherwood-Smith, 1999) literatures were found to be very useful, as they also have a strong focus on stakeholder involvement, on-going assessment of outcomes and stress the need for proactive organisational change. Having identified a 'candidate practice', from the literature, it was then critically reviewed in relation to the definition of practice, presented above.

### 4.3.2. Steps in identifying practices

A process was established to identify potential practices. The main steps in the process are outlined in this section.
Preparation
The first step was a review of the literature on IS competences which established 'exploitation' (Ward and Peppard, 2002) as a foundation for a model of competences for benefits realisation. Based on the literature review and the model of competences a key set of domains related to realising benefits was identified to consider for candidate practices.

Developing an initial framework of practices
The next stage was to carry out a literature review to identify candidate practices i.e. practical recommendations on steps to deliver business value and a provisional relationship with a competence.

Each candidate practice was then reviewed and assessed to consider if it is a practice (or collection of practices) that relates to the overall principles and definition of a practice. Key questions considered to assess if it is a practice were:

1. Does it conform to the definition of a practice?
2. Does it have a clear benefits focus?
3. Does it have a measurable output [ends]?
4. Is it clearly stated how the desired output will be achieved [means]?
5. Is the relevance of the practice fairly widely acknowledged within the IS academic community [shared practice]?
6. Does it directly support one of the identified competences?
7. Is it relevant to the majority of IS implementation projects?

As a result an initial list of practices for benefits realisation was established.

Pilot study: testing & evolving the framework
A semi-structured data collection instrument was drafted based on the initial list of practices - for each practice one or more questions were devised. A pilot phase of the initial empirical study was then used to test out the data collection instrument and to refine the list of practices. The pilot study was based on an initial sample of projects from the consultancy knowledge base. This pilot stage involved a rapid, initial review of the
documentation. This was documented as Ashurst and Doherty (2003). The pilot was followed up in the main Phase 1 study by an in-depth review of a larger sample.

The main changes, already discussed, were to introduce the Benefits Exploitation competence and to shift the focus from 'best practices' to practices and refine the definition of practices. There were also a number of relatively minor changes - avoiding duplication, establishing more consistent levels, adding new practices. The literature review was also continued and this resulted in the identification of some additional practices.

The data collection instrument was then revised as a result of this initial pilot study (i.e. to reflect revised competences / practices). The results of this exercise are presented in Tables 4-4, 4-5, 4-6 and 4-7.

One of the drivers for the use of 'practices' in this research is the intention of exploring how people actually work and establishing a perspective on a benefits approach to IS projects and business changes that is more relevant to the complexity of the real world than many formal 'methodologies'. An implication is anticipated to be variety in the practices identified and also how the practices are adopted and applied in different organisations. While this will provide a challenge from a research perspective it also represents a potential significant advantage of the approach. The framework of practices developed from the literature and through the pilot of the first phase empirical study provides a framework for further evolution during later stages of the research. The research will also provide insight into the value of practices in enabling a flexible approach that can be adapted to a specific context.

4.3.3. Practices for Benefits Planning

The practices for Benefits Planning draw heavily on benefits management (Ward et al, 1996) and also a wide range of other literature. The practices are at a range of levels of granularity. At this stage of the research there has been no attempt to eliminate these different levels. Later stages of the work will seek to develop a deeper understanding of the relevance and value of practices at different levels of detail.
The practices specifically relate to the realisation of benefits, but in many cases also address other aspects of an IS project and the management of change. This appears inevitable as the benefits are inextricably linked with the delivery of the IS solution and the management of change. This will also be explored in later stages in the research. In particular the extent to which there are distinct practices which relate specifically to the realisation of benefits will be considered.

At this stage the practices in Table 4-4 were defined as candidate practices. It was expected that the empirical research would result in the discovery of new practices and also further insight into the relevance and usage of the practices outlined.

<table>
<thead>
<tr>
<th>Code</th>
<th>Practice Description</th>
<th>Code</th>
<th>Practice Description</th>
<th>Code</th>
<th>Practice Description</th>
<th>Code</th>
<th>Practice Description</th>
<th>Code</th>
<th>Practice Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>BP1</td>
<td>Identify strategic drivers</td>
<td>BP2</td>
<td>Analyse stakeholder expectations</td>
<td>BP3</td>
<td>Identify and define benefits</td>
<td>BP4</td>
<td>Establish benefit / process interactions</td>
<td>BP5</td>
<td>Establish benefit / stakeholder interactions</td>
</tr>
<tr>
<td></td>
<td>'Top down' activity to clarify the strategic / business drivers for the project and its contribution to the achievement of business strategy.</td>
<td></td>
<td>Conduct a structured, 'bottom up' analysis of the stakeholders' requirements, in terms of delivered benefits.</td>
<td></td>
<td>Review of strategic drivers and the stakeholder requirements, to identify / agree the target benefits.</td>
<td></td>
<td>Relate the benefits to business processes to identify where changes will take place and help identify relevant measures. Assess the variability and uncertainty in the process and consider the implications for benefits realisation.</td>
<td></td>
<td>Identify stakeholder groups affected by the technology, and changes required to realise the benefits. Identify business change issues and actions required including communication and engagement with the stakeholders, and the redesign of job specifications.</td>
</tr>
<tr>
<td></td>
<td>Strategic drivers analysis</td>
<td></td>
<td>Analysis of expectations by stakeholder</td>
<td></td>
<td>Benefits analysis including: agreed measures, targets and benefit owners</td>
<td></td>
<td>Process / benefit map</td>
<td></td>
<td>Stakeholder impact assessment</td>
</tr>
<tr>
<td>Code</td>
<td>Practice Description</td>
<td>Output</td>
<td>Literature</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>------</td>
<td>-------------------------------------------------------------------------------------</td>
<td>----------------------------------</td>
<td>-----------------------------------</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BP6</td>
<td>Establish the interaction between the benefits and a full range of perspectives on the organization.</td>
<td>Organisational impact assessment</td>
<td>Doherty and King, 2001</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BP7</td>
<td>Establish a design for an IS solution that takes account of the capabilities of the technology.</td>
<td>Conceptual architecture overview</td>
<td>Eason, 1988</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BP8</td>
<td>Develop an overall plan to show the business case (what the benefits are) and how they are going to be realised. The plan relates to the type of project and ensures the delivery of benefits is phased as relevant and that there is appropriate consideration of organisational factors.</td>
<td>Benefits realisation plan: defines the benefits and the actions required to realise them.</td>
<td>Ward et al., 1996; Clegg et al., 1997</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BP9</td>
<td>Design a governance framework addressing the business change project, including the enabling IS/IT activities. Agree how to bring together the sponsor, benefits owners, project manager and other stakeholders through appropriate meetings, workshops and other forms of communication.</td>
<td>Governance framework</td>
<td>Clegg et al., 1997; Avgerou, 2001</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BP10</td>
<td>Take a pro-active approach to risk that focuses on business change and benefits realisation.</td>
<td>Risk assessment and action plan</td>
<td>Gibson, 2003; Also found in PRINCE2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 4-4: Practices for Benefits Planning

In Table 4-4 each practice is given a reference, a name and a brief description. In addition, there is an indication of the output from the practice and examples of support from relevant literature.

The figures showing the practices for each competence (for example Figure 4-3 practices for Benefits Planning) give an indication of a possible sequence of enactment of the practices.
Chapter 4

Analyse stakeholder expectations

Establish benefit / process interactions

Identify and define benefits

Establish benefit / stakeholder interactions

Establish benefit / organisation interactions

Establish benefit / technology interactions

Plan benefits realisation

Design a framework for business change governance

Benefits driven risk assessment

BP1

BP2

BP3

BP4

BP5

BP6

BP7

BP8

BP9

BP10

Practices for Benefits Planning

Figure 4-3: Practices for Benefits Planning
4.3.4. Practices for Benefits Delivery

The practices for Benefits Delivery set out in Table 4-5 and Figure 4-4 include a number that are based on benefits management (Ward et al, 1996). Other practices are based on a wide range of literature.

As with the practices for Benefits Planning set out in Table 4-4, a number of the practices also relate to the delivery of the IS solution and the management of change. A number of the practices are at a high level - this is felt to be appropriate as these high level practices relate to areas such as teamwork and the project lifecycle which are not unique to the realisation of benefits. This will be explored in later stages of the research.

<table>
<thead>
<tr>
<th>Code</th>
<th>Practice</th>
<th>Description</th>
<th>Output</th>
<th>Literature</th>
</tr>
</thead>
<tbody>
<tr>
<td>BD1</td>
<td>Establish an adaptive project lifecycle</td>
<td>Establish a project lifecycle enabling change during the project in response to learning / uncertainty - based on iterative, incremental delivery and a small number of major phases controlled by phase end milestone reviews. The adaptive lifecycle continues into benefits ramp up and evolutionary deployment</td>
<td>Project approach – including definition of phases, deliverables and milestones</td>
<td>Eason (1988: p48) Boehm and Turner, 2004</td>
</tr>
<tr>
<td>BD2</td>
<td>Actively lead the business change</td>
<td>Design, build and lead the project team and governance framework with a focus on realising benefits. In particular, address responsibility for benefits for the organization / sponsor, benefits for the end user and the effectiveness of the team</td>
<td>Role descriptions</td>
<td>Ward and Daniel, 2006 Markus, 2004 Serafeimidis &amp; Smithson, 2000</td>
</tr>
<tr>
<td>BD3</td>
<td>Ensure continuing active involvement of stakeholders</td>
<td>Ensure there is communication and involvement with all stakeholders (based on the stakeholder analysis) to gain insight, ownership and support for changes.</td>
<td>Participation and communication plan</td>
<td>Eason, 1988 Clegg et al, 1997 Benjamin and Levinson, 1993</td>
</tr>
<tr>
<td>BD4</td>
<td>Specify changes to work and organisational design</td>
<td>The project focuses on the design and delivery of a business solution. This will typically require consideration of: business processes, working practices, structures, roles, management framework, performance measures, and culture.</td>
<td>Business solution design</td>
<td>Eason, 1988 Clegg et al, 1997</td>
</tr>
<tr>
<td>BD5</td>
<td>Make benefits driven trade-offs</td>
<td>Trade-off decisions (features, cost, and schedule) are driven from a benefits perspective.</td>
<td>Change log</td>
<td>Boehm and Turner, 2004</td>
</tr>
<tr>
<td>BD6</td>
<td>Ensure benefits driven risk management</td>
<td>Take a pro-active approach to risk that focuses on business change and benefits realisation.</td>
<td>Updated risk assessment and action plan</td>
<td>Ward and Elvin, 1999</td>
</tr>
</tbody>
</table>
Chapter 4

Conceptual framework

<table>
<thead>
<tr>
<th>Code</th>
<th>Practice Description</th>
<th>Description</th>
<th>Output</th>
<th>Literature</th>
</tr>
</thead>
<tbody>
<tr>
<td>BD7</td>
<td>Implement organisational changes</td>
<td>Implement new and revised business processes, working practices, structures, roles, management framework, and performance measures. Take action as required to encourage cultural changes.</td>
<td>Changed organization - this activity needs to be monitored to ensure that planned changes are actioned.</td>
<td>Eason, 1988 Clegg et al., 1997</td>
</tr>
<tr>
<td>BD8</td>
<td>Benefits driven training and education</td>
<td>Ensure education and training are focused on the realisation of benefits</td>
<td>Benefits focused training resources and plan</td>
<td>Eason, 1988 Clegg et al., 1997 Marchand et al., 2000 Davenport et al., 2001</td>
</tr>
</tbody>
</table>

Table 4-5: Practices for Benefits Delivery

![Diagram of Practices for Benefits Delivery]

Figure 4-4: Practices for Benefits Delivery
4.3.5. Practices for Benefits Review

The practices for Benefits Review set out in Table 4-6 and Figure 4-5 include the benefits realisation review set out in Ward and Peppard (2002).

Wider practices that contribute to this competence relate to management of the overall project portfolio, and ongoing learning and improvement. For example, a key area is the sharing and adoption of lessons across projects.

<table>
<thead>
<tr>
<th>Code</th>
<th>Practice Description</th>
<th>Output</th>
<th>Literature</th>
</tr>
</thead>
<tbody>
<tr>
<td>BR1</td>
<td>Establish portfolio based evaluation criteria</td>
<td>Evaluation framework and criteria</td>
<td>Ward and Peppard, 2002 Farbey et al., 1999 a, b</td>
</tr>
<tr>
<td>BR2</td>
<td>Use agreed evaluation criteria to undertake a systematic assessment of benefits.</td>
<td>Benefits' assessment report</td>
<td>Ward &amp; Peppard, 2002 Farbey et al., 1999 a, b Gwillin et al., 2005</td>
</tr>
<tr>
<td>BR3</td>
<td>Where planned benefits have not been achieved, or opportunities for new benefits have been identified, a benefits' action plan needs to be established</td>
<td>Benefits' action plan</td>
<td>Ward and Peppard, 2002 Farbey et al., 1999 a, b</td>
</tr>
<tr>
<td>BR4</td>
<td>Carry out lessons learned reviews at key stages in the project and on project completion.</td>
<td>Lessons learned report and action plan</td>
<td>Tippins et al., 2003 Included in PRINCE2</td>
</tr>
<tr>
<td>BR5</td>
<td>Carry out a review on completion of a project / to consider the contribution to the overall IS/IT architecture. Also consider the strategic alignment of a programme and implications for future projects / releases.</td>
<td>Updated architecture roadmap</td>
<td>Earl and Khan, 2001</td>
</tr>
</tbody>
</table>

Table 4-6: Practices for Benefits Review
Establish portfolio-based evaluation criteria

Benefits driven project appraisal

Complete architectural roadmap review

Identify action to realise further benefits

Facilitate lessons learned reviews

Figure 4-5: Practices for Benefits Review
4.3.6. Practices for Benefits Exploitation

Benefits exploitation is partially addressed in benefits management (Ward et al, 1996), for example through the idea of the project continuing after delivery of the IS/IT solution (benefits ramp-up). However, the benefits exploitation competence is a proposed addition to the model of competences put forward by Ward and Peppard (2002) and related practices are not prominent in the IS project / evaluation / benefits literature. Potential practices are shown in Table 4-7 and Figure 4-6.

<table>
<thead>
<tr>
<th>Code</th>
<th>Practice</th>
<th>Description</th>
<th>Output</th>
<th>Literature</th>
</tr>
</thead>
<tbody>
<tr>
<td>BE1</td>
<td>Ensure ownership of continuing benefits exploitation</td>
<td>Establish a clear business role for ongoing ownership of realising benefits.</td>
<td>Agreed / active benefits owner</td>
<td>Ward and Peppard, 2002</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Wellil and Woodham, 2003</td>
</tr>
<tr>
<td>BE2</td>
<td>Maintain benefits driven training</td>
<td>Training is focused around benefits realisation and establishing new ways of working.</td>
<td>Up to date training / education resources Ongoing training plan and provision</td>
<td>Clegg et al., 1997</td>
</tr>
<tr>
<td>BE3</td>
<td>Evolve working practices</td>
<td>Continue to evolve working practices post deployment to realise further benefits.</td>
<td>Revised working practices</td>
<td>Brown and Duguid, 2000 (Chapter 4)</td>
</tr>
</tbody>
</table>

Table 4-7: Practices for Benefits Exploitation
4.4. **Summary**

This chapter has built on the literature review and has outlined the development of the conceptual framework for the research. In particular, the chapter has outlined the development of a model of competences for the realisation of benefits and also an initial set of practices related to each competence.

The results of this phase of the research have been encouraging. Using the practices 'lens' to review existing literature has identified a wide range of candidate practices as a basis for further research.

The practices identified fit well with the proposed competences with little duplication or overlap. They provide a starting point for further evolution during later stages of the research.
Specific areas of interest that were highlighted during the development of the conceptual framework and that were explored in the empirical phase of the research include:

- The relevance of the practices to benefits realisation and, for example, the importance of specific practices and if there is any minimum set of required practices.
- The existence of gaps in the practices identified to date.
- The relationship between practices specifically related to the realisation of benefits and more general practices, for example related to IS solution design & delivery and teamwork.
- The extent of adoption of different practices. Also if there are any helpful patterns of adoption, for example if some practices provide a foundation for subsequent adoption of other practices. Consideration is also required of how well practices are adopted and used.
- The level of granularity of practices that is useful and how / if this differs depending on the context.
- Relationships between different practices and groups of practices.
- What else is required to realise benefits? The relationship of the practices with the overall competences for the realisation of benefits.
- To what extent practices can help make explicit important aspects of the organisational context in which projects are taking place.
Chapter 5. Findings from Phase 1 of the Empirical Study

Succeeding – in delivering software

The projects and organisations examined in this phase of empirical work revealed no adoption of benefits related approaches and only very isolated examples of practices for the realisation of benefits.

Many of the projects were good examples of successful software delivery. These projects consistently adopted a range of ‘agile’ project practices.

It was interesting to note that these projects were perceived to be successful by the organisations. Delivery on time and budget and perhaps the delivery of a headline benefit were accepted as the criteria for success.
Chapter 5  
Findings from Phase 1 of the Empirical Study

5.1. Introduction

This chapter contains the findings from the first phase of empirical work. This phase draws on two valuable sources of data. The core findings are based on the review of project documentation from a sample of 25 projects from a consultancy knowledge base. For these projects, there is also additional evidence from a follow-up survey of the project managers by email.

The second source of data was 20 consulting engagements that I was involved in for the same consultancy organisation. The findings from this second source of data provide additional insight into the wider organisational context in which projects take place and are used to supplement the findings from the first source of data.

To help clarify the discussion that follows, cases from the consultancy knowledge base are referred to as projects and given a reference Pn; cases from the consultancy engagements are referred to as engagements and given a reference En.

The structure of this chapter is as follows:

- Firstly, the research method for this phase of work is outlined. This section builds on the research strategy and overview presented in Chapter 3.
- Secondly, the major findings from this phase are outlined based on the findings from the cases from the consultancy knowledge base.
- Additional findings based on the consultancy engagements are summarised.
- Finally, the conclusions from this phase in relation to the research objectives are presented and areas for further exploration in the second phase of empirical work are outlined.
5.2. Approach to the research

5.2.1. Overview

Phase 1 of the research has been carried out as an exploratory study to help set the direction for later stages of the research. The focus has been specifically on practices related to benefit realisation and the study has not directly addressed issues related to the delivery of the technology aspects of IT solutions. A case study approach was chosen as a way to explore realising benefits from IS/IT projects in the context of the wider organisation. This approach is a good fit when the boundaries of the situation involved are likely to be unclear (Yin, 1994). The research design allowed an early start to analysing data and as a result to improve the research (Silverman, 2000). Figure 5-1 provides an overview of the main activities in Phase 1 of the empirical research.

Overview of Phase 1

![Diagram of Phase 1 research design]

Phase 1 builds on the development of the conceptual framework (Chapter 4)
The primary focus is the projects from the knowledge base

Figure 5-1: Overview of Phase 1 research design
5.2.2. Research design

The primary focus of this phase of the research is to provide evidence in relation to research objective 2:

To explore the extent to which the framework of competences and practices is adopted and used to facilitate the realisation of benefits from IS projects.

In addition, there may be some evidence in relation to objectives 3 and 5 and also to help plan a focus on objective 4 in Phase 2:

**Objective 3:** To evolve the framework of competences and practices based on learning from literature and experience.

**Objective 4:** To explore the reasons why particular competences / practices are either being adopted or ignored.

**Objective 5:** To critically review the value of the competences / practices approach, in the context of realising benefits from IS/IT investments.

Phase 1 of the empirical research addresses objective 2 by exploring two samples of cases from a wide range of organisations from the UK and the rest of the world. The organisations are all large, some are major global firms, and they are from a range of sectors.

Having established a framework of practices linked to the four distinct benefits management competences (as described in Chapter 4), it was necessary to establish a systematic and thorough method for acquiring evidence from each of the cases, relating to the adoption and significance of each of these practices. To this end, a pro forma data collection document was designed and tested as part of a pilot study (as described in Chapter 4). An extract is provided in Appendix A. This aim of this document was to ensure that a common approach was adopted to record the following information for each practice:

1. Was there evidence that the practice was adopted ['Yes', 'No', 'Yes – but'];

2. If 'yes', what specific evidence could be presented, to substantiate this claim [quotes from documents, notebook comments etc].
Chapter 5

Findings from Phase 1 of the empirical study

3. If 'yes - but', what specific evidence could be presented, to substantiate this claim, particularly focusing upon the caveats with regard to how it was adopted.

4. If 'no', were there any insights into why this practice was not adopted.

5. If 'yes' or 'yes - but', was there any specific evidence to provide insights into the significance of its adoption.

5.2.3. Research targeting

To provide a relatively rich data-set, two distinct, yet complementary, sources of data were used to explore the research objectives.

Consulting knowledge-base: Permission was gained to access the knowledge management system of a large and sophisticated IT consultancy organisation. This system was known as ICE - intellectual capital exchange. This data source was chosen as it contains detailed knowledge and information about the conduct and outcomes of a range of information systems development projects. The knowledge base contains detailed records of the vast majority of the projects carried out by the consultancy, and contains electronic copies of all the critical project documentation, such as: vision / scoping documents, project plans, risk assessments, functional designs and post-implementation reviews. Ultimately, a sample of 25 projects was chosen for the full analysis described in this thesis. In terms of selection criteria, the primary aim was to select projects that were judged successful on technical grounds in order to have an opportunity to focus specifically on benefits realisation. Moreover, only projects that were highly ranked by the consultants using the system, based on their value and reusability, were considered, as this would help to ensure that a complete set of documentation was available. As it happened, the resulting set of 25 projects provided a broad coverage of industry sectors from major commercial and public sector organisations around the world (see Appendix B).

An organisational capability to realise benefits from information systems investments is broader than an individual project or collection of projects as indicated by the competences identified in Chapter 4. The practices adopted on a project and the success of a project in realising benefits will
be influenced by the organisational context in which the project takes place. The competences and practices perspective was adopted, in part, because of its ability to address this wider organisational context. Although the documentation on the 25 projects was valuable it provided limited direct evidence of the organisational context. Phase 1 was in-part a preparation for Phase 2 where there would be an opportunity for in-depth consideration of the organisational context. In order to get the maximum value out of Phase 1, a source of data was required that would provide greater insight into the relationship between the practices adopted on a project and the organisational context. The consultancy engagements provided this wider perspective and complemented the knowledge-base projects by providing a richer insight into the organisational context in which projects take place and the factors that influence adoption of a benefit driven approach to projects.

Consultancy engagements: At this stage of the research I was employed by the same consultancy company that provided access to the knowledge base, and in this role I was able to study in detail the systems development approaches and the benefits realisation practices used on a variety of information systems projects, and in a selection of different organisations. In this role, not only did I have access to an even wider range of project documents than could be obtained from the knowledge-base, but also had the opportunity to keep detailed and contemporaneous notes of observations when working within the customer organisations. Ultimately, the sample comprised 20 consulting engagements carried out during the period of the research.

It was not possible to make these 20 organisations the same as those from which the sample of knowledge base projects was taken as knowledge base cases were not available for them. The organisations involved were from the same group of customers as those from which the knowledge base projects were selected and were all large, with significant IT functions. The primary difference of this sample was the access to broader information. This additional source of data was valuable as a preliminary step towards more detailed work with specific organisations in Phase 2 of the empirical work. A summarised description of all 20 organisations, used in this study is presented in Appendix C.
Chapter 5

Findings from Phase 1 of the empirical study

It can be seen from Appendices B and C that whilst the 'unit of analysis' for all the 'knowledge-base' cases, and the majority of 'engagement' cases, is the project, in a small number of the 'engagements', the unit of analysis was the organisation. The decision to include these organisational-level cases was based upon the assumption that they would provide richer insights into any contextual influences on the adoption of practices, and also perhaps some understanding of the commonality of practices, within specific organizations.

5.2.4. Pilot study

As described in Chapter 4, a pilot study was carried out to test and refine the data collection instrument and the framework of practices. The pilot study was based on a rapid review of the project documentation. The main Phase 1 study comprised a much more detailed review and covered a larger number of cases.

5.2.5. Data analysis

Following the review of each case a number of stages of analysis were carried out, firstly within case and then across cases. The approach can be characterised as a variable oriented cross-case analysis (Miles and Huberman, 1994). The data collection instrument provided a basis for the initial analysis. Conceptual maps and then a number of memos / vignettes (Miles and Huberman, 1994) were used to explore specific issues in more detail and to consider the linkages between the practices observed and the organisational context. See Figure 5-2 for an outline of the analysis process.

The overall summary of findings initially focused on evidence for individual practices and as part of this process a report was prepared summarising the evidence for each practice. This provided the basis for the summary by competence that is presented in this report.
Phase 1: Outline of the analysis process

The framework of practices for benefits realisation was used as an explicit mechanism for exploring the extent to which each practice - identified from the literature - was adopted. In carrying out the analysis I kept in mind that I would expect different organisations to adapt practices based on their experience and culture. Practices will not have exactly the same form in different organisations. So, in identifying evidence of a practice I focused particularly on its intended outcome and did not expect to find precisely the same form of the practice across different organisations.

All the project information including paper documents and computer files was stored. As the analysis progressed a clear chain of evidence was maintained through the conceptual maps and memos back to the evidence from the individual cases.
Chapter 5

Findings from Phase 1 of the empirical study

After a preliminary analysis of the results a brief email survey was sent to the project managers of the 25 projects from the consultancy knowledge base to gain further information on the visibility of realising benefits as an issue, and also to explore how they approached realising benefits. The questions asked in the survey are shown in Appendix D. Fifteen responses were received that provided useful additional insights and helped to develop some understanding of the context within which the projects took place.

In line with the participative focus of the research, I wanted to add to the validation of the findings, by getting feedback from members of the consultancy from which the projects came. I prepared a short report of key findings when I had completed the analysis outlined above. This report was circulated to a small number of members of the consultancy organisation who, as practitioners, were responsible for the approach taken to projects. There was full support for the analysis and in particular the senior consultant with responsibility for this area for the UK confirmed his full support for this preliminary analysis. See the report and response in Appendix E and F.

5.3. Projects from the consultancy knowledge base

5.3.1. Introduction

It seems appropriate to set out the main finding from this phase of research to provide a context for the more detailed discussion that follows. **Objective 2** for this research is as follows:

To explore the extent to which the framework of competences and practices is adopted and used to facilitate the realisation of benefits from IS projects.

None of the projects in the sample of 25 from the consultancy knowledge base followed an explicitly benefits driven approach in the sense established by Ward et al. (1996), where the emphasis is on “the process of organising and managing such that the potential benefits arising from the use of IT are actually realised”. As a result, the evidence from this phase of the research is that the competences and practices for the realisation of benefits from IS projects are not widely adopted. The
overwhelming focus observed in these cases is on delivery of an IS/IT solution. However, the projects did provide evidence of isolated adoption of a number of practices for the realisation of benefits. The evidence shows organisations adopting a small number of practices, and also some awareness of a need for a greater focus on benefits. In this context the following sections highlight the key findings for each competence and then provide an overall summary of findings from the study of the 25 cases from the consultancy knowledge base.

In the following discussion practices are referred to within square brackets as follows: [BP8: plan benefits realisation]. Illustrative quotes - taken directly from project documents or research notebooks - are presented in italics, whilst the document in which the practice was cited, and the case in which a particular practice was observed are highlighted as follows {Post-implementation review: P1}. It is not the intention of this review of the findings - which has been organised around the four high level competences - to discuss in detail each and every practice, but rather to focus specifically on the general trends and more interesting aspects of practice.

5.3.2. Benefits Planning

The competence of Benefits Planning is 'the ability to effectively identify and enumerate the planned outcomes of an IS development project and explicitly stipulate the means by which they will be achieved'. A range of practices related to Benefits Planning were identified.

Table 5-1 summarises the findings in relation to the framework of practices presented in Chapter 4. For each practice Table 5-1 provides the reference number of the practice to provide a link to Chapter 4, the name given to the practice, and then a brief summary of the findings from Phase 1 of the study. The table focuses on the practices observed in projects from the knowledge base.

In a many of the cases the practices identified and discussed are not the full practice identified in the literature. These have been included in the analysis, rather than eliminated, as I feel that these partially adopted practices provide useful insights into the extent of the gap between theory
and practice and may contribute to understanding the challenges of gaining adoption of benefits related approaches.

A number of practices were not found in the cases examined in this phase. It is not intended to remove these practices from the evolving model at this stage. These practices have a foundation in relevant literature and the sample of projects examined is not large. The need for changes to the model of practices will be considered in Chapter 8 as part of the final discussion.

<table>
<thead>
<tr>
<th>Ref</th>
<th>Practice</th>
<th>Incidence</th>
</tr>
</thead>
<tbody>
<tr>
<td>BP1</td>
<td>Identify strategic drivers</td>
<td>Low. Many projects used the language of driver analysis – but often at a high level and with a technical focus.</td>
</tr>
<tr>
<td>BP2</td>
<td>Analyse stakeholder expectations</td>
<td>No evidence</td>
</tr>
<tr>
<td>BP3</td>
<td>Identify and define benefits</td>
<td>Very low. Some projects established measurable targets for benefits, although ownership of realising the benefits was not clear.</td>
</tr>
<tr>
<td>BP4</td>
<td>Establish benefit / process interactions</td>
<td>Very low. Some projects gave limited consideration to localised processes.</td>
</tr>
<tr>
<td>BP5</td>
<td>Establish benefit / stakeholder interactions</td>
<td>Low. Several projects identified different stakeholders and particularly different groups of users. The analysis was not followed through to addressing business change issues related to each stakeholder (group) or to ensure the participation of the groups.</td>
</tr>
<tr>
<td>BP6</td>
<td>Establish organisation / benefits interactions</td>
<td>Very low. Not tackled in a structured way.</td>
</tr>
<tr>
<td>BP7</td>
<td>Establish technology / benefits interactions</td>
<td>Very low. Many projects took advantage of the technology capabilities – but this was typically requirement / feature rather than benefit driven.</td>
</tr>
<tr>
<td>BP8</td>
<td>Plan benefits realisation</td>
<td>Very low. Deliverables were generally stated in functional / technical terms and the focus of the plans was on IS/IT solution delivery.</td>
</tr>
<tr>
<td>BP9</td>
<td>Design a framework for business change governance</td>
<td>Very low. Projects had a business sponsor but this was not an active role and there was limited involvement of other project stakeholders in project governance. As a result the actual focus was largely on technical change.</td>
</tr>
<tr>
<td>BP10</td>
<td>Benefits driven risk assessment</td>
<td>Low. Generally focused on solution delivery.</td>
</tr>
</tbody>
</table>

Table 5-1: Practices for Benefits Planning
Chapter 5

Findings from Phase 1 of the empirical study

As all IS projects should be primarily driven by the host organization's strategic imperatives (Earl, 1993), it was reassuring to find that one of the most commonly occurring benefits planning practices was to review the project's drivers [BP1: identify strategic drivers], to ensure that the project would contribute positively to corporate strategy. However, there was a tendency for these drivers to be expressed in very high level, and often vague, terms such as:

- “to develop a platform upon which to build new and support existing revenue” {Vision & Scope: P2};
- “to be a showcase for the use of information technology in government bodies” {Vision & Scope: P4};
- “to reduce time to market” {Vision & Scope: P8};
- “to provide improved reporting to enhance strategic purchasing” {Vision & Scope: P17};
- “to create a new and stable Internet portal which helps the end user to obtain information quickly” {Vision & Scope: P24};

Having established the strategic drivers, most organizations had broken these down into a number of lower level benefits [BP3: identify and define benefits]. For the most part these were also fairly ill-defined, such as:

- “reduce the operational costs for maintaining the web-site” {Vision & Scope: P8};
- “to provide searchable indexing for web-site” {Vision & Scope: P20};
- “to make the work of representatives more effective” {Vision & Scope: P21};
- “to provide users with easy-to-use online e-procurement for ordering office supplies” {Vision & Scope: P24};

In a small number of cases, there were examples of benefits that were articulated in a more measurable, but not necessarily a business-oriented, form, such as: “generate 1 million visitors per month” {Vision & Scope: P14}. In another case {Vision & Scope: P17}, a portfolio of distinct ‘business goals’ had been established, each of which was supported by a
detailed discussion of why it was important, but for the most part, these
goals were expressed in terms of the system's functionality.

By and large, the need to articulate benefits, during a project's planning
phase, had been recognized across projects, but all too often these benefits
were either articulated in very general business sense, or in terms of the
system's functionality and features or its intended usage, rather than
clearly measurable business terms. Moreover, there was absolutely no
evidence of organization's explicitly identifying owners for these benefits,
to help facilitate their ultimate realisation. The difficulty of getting
organizations to provide clear measures for benefits was highlighted by a
project manager {P21} who lamented: "At the start of the project we
asked about success criteria and how they [the customer] would measure
return on investment. All we could get out of them was that other players
in the market already had similar technologies, and they wanted to
eliminate all paper from their sales cycle".

Even where business benefits are clearly identified, this is not sufficient to
facilitate their realisation, as the delivery of business value is dependent
upon the redesign of business processes, organisational structures and
user working practices, as well as the provision of new technical
functionality. However, there was very little evidence from the study that
any of the case organizations explicitly addressed these issues in the
planning phase of their projects. In a small number of cases there was
recognition that the realisation of benefits was predicated upon the
changing of business processes. As one report noted: "one of the biggest
mistakes of this project would be to introduce new technologies without
changing the processes" {Vision & Scope: P4}. However, there was no
evidence of any attempts to explicitly establish the relationship between
the redesign of specific business processes with the realisation of benefits
[BP4: establish benefit-process interactions].

The linking of the delivery of business benefits to changes in stakeholder
behaviour was perhaps a little more positive [BP5: establish
stakeholder-benefit interactions]. Indeed, in one case an entire section
of the functional specification was devoted to detailing: "the types of
people who would be affected by the release and the manner in which they
will interact with the system" {P14}. However, in the vast majority of
cases, these analyses focused on the manner in which stakeholders would interact with the system, rather than explicitly detailing how their roles and responsibilities should be modified to facilitate the realisation of benefits.

In many projects, a versioned release of the software was planned, to enable early delivery of a solution, and also hopefully of benefits [BP8: plan benefits realisation]. For example in one project it was possible to contrast this approach “based on prompt and small implementation solutions which can be quickly accepted and used, and which will enable further solution development”, with previous “over ambitious” approaches {Vision & Scope: P4}. However, typically the emphasis was on the phased delivery of software, rather than an explicit focus upon benefits.

Overall, from the data, the adoption of practices in support of benefits planning is very limited and sporadic. Practices all too often are ignored, or where they are being adopted, typically have a focus on the delivery of features and technical functionality, rather than the realisation of benefits. For example, one particularly glaring hole in the case organizations’ adoption of practices was the absence of any explicit attempt to formulate a benefits realisation plan [BP8: plan benefits realisation]. Indeed, the main rationale for identifying benefits, in the planning stages of our case organizations, was to facilitate the projects’ approval, rather than as a driver for how it is managed. Project teams still strongly prioritise, and focus upon, planning for the delivery of an IS/IT solution, rather than engaging in any systematic attempt to understand the linkage between delivered functionality, complementary organisational change and the ultimate realisation of business benefits. One possible explanation for this technological orientation was offered by an interviewee {P6} who noted: “too many techies were involved in the logical design – there should have been more input from business analysts”. This view was supported by another project team, where one of the key lessons learned was that: “to make a successful delivery we need to emphasise the business-driven principle, for the requirements’ collection, analysis and prioritisation” {post-implementation review; P14}. 
5.3.3. Benefits Delivery

The competence of Benefits Delivery is the ability of the organisation to 'execute the set of actions necessary to: evolve the benefits realisation plan to reflect relevant changes in the organisational context and learning during the project; realise the benefits specified in the benefits plan'. The empirical data provided little evidence that any of the practices related to the benefits delivery competence, were being routinely or uniformly applied.

Table 5-2 provides a summary of the practices relating to the competence of Benefits Delivery that were observed in the data from the empirical study.

<table>
<thead>
<tr>
<th>Ref</th>
<th>Practice</th>
<th>Incidence</th>
</tr>
</thead>
<tbody>
<tr>
<td>BD1</td>
<td>Establish an adaptive project lifecycle</td>
<td>Very low. Many projects took this approach but the focus seen was on solution delivery.</td>
</tr>
<tr>
<td>BD2</td>
<td>Actively lead the business change</td>
<td>Low. The scope of the role of sponsor was generally limited – there was no clear focus on leading the required business changes.</td>
</tr>
<tr>
<td>BD3</td>
<td>Ensure continuing active involvement of stakeholders</td>
<td>No evidence</td>
</tr>
<tr>
<td>BD4</td>
<td>Specify changes to work and organisational design</td>
<td>No evidence</td>
</tr>
<tr>
<td>BD5</td>
<td>Make benefits driven trade-offs</td>
<td>Very low. All the projects adopted a clear strategy for trade-off decisions but with no explicit focus on benefits planning, a benefits focus was impossible for most projects. A small number did identify the need for a benefits focus.</td>
</tr>
<tr>
<td>BD6</td>
<td>Ensure benefits driven risk management</td>
<td>As above</td>
</tr>
<tr>
<td>BD7</td>
<td>Implement organisational changes</td>
<td>Very low</td>
</tr>
<tr>
<td>BD8</td>
<td>Benefits driven training and education</td>
<td>No evidence</td>
</tr>
</tbody>
</table>

Table 5-2: Practices for Benefits Delivery
Chapter 5

Findings from Phase 1 of the empirical study

The majority of the projects adopted an 'agile' approach to IS development [BD1: establish an adaptive project lifecycle], such as that advocated by Boehm & Turner (2004), which might have been expected to facilitate the phased delivery of benefits. However, in practice, it was focused upon features and functions, rather than benefits: "the release of the solution will be divided into multiple releases culminating in a fully functional, feature-rich solution" {Vision & Scope: P11}. With the adoption of agile and adaptive development approaches, comes the opportunity to make trade-off decisions between different development alternatives, based upon the strength of their relationship to benefits realisation [BD5: make benefits-driven trade-offs]. For example, in the case of a wide-ranging e-government project, an overriding aim was to: "find quick win and win-win possibilities and see how the solution can be implemented in the most efficient and quickest way" {Vision & Scope - P4}. However, whilst such approaches were the exception, rather than the rule, at least one other organization realised their importance, albeit in retrospect; as one interviewee noted: "there should have been more emphasis on the trade-off triangle" {P6}.

One area where there was a little more evidence of practice adoption was with regard to the appointment of a business manager to lead the business change and to facilitate communication with the stakeholder communities [BD2: actively lead the business change]. For example, many case organizations appointed product managers or project sponsors, who had a range of responsibilities, including: "making the final decisions regarding scope, cost and project resources" {Vision & Scope: P2}, or "defining project objectives and success criteria to ensure that the project remains focussed on successfully fulfilling its defined vision" {Vision & Scope: P20}. In another case, a "technology committee" had been established, which had responsibility for making: "business-based IT decisions" {P6}. However, in some cases it was evident that the act of appointing business owners or committees had not been translated into any benefits-oriented activity, as was made clear in the post-implementation review: "the product owner has not been involved in this project" {P8}. Moreover, in many organizations it was clear that the project sponsor had failed in one of their primary roles, namely facilitating communication. As one interviewee {P6} noted: "communications did not always filter down to the teams in a timely manner".
A number of the practices related to IS/IT solution delivery observed in the projects were very similar to practices related to the realisation of benefits. Table 5-3 illustrates some of these practices and the gap from a true focus on benefits. The reference number of closely related practices is provided.

<table>
<thead>
<tr>
<th>Practice</th>
<th>Outline</th>
<th>Shift required to provide a focus on benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Release and milestone reviews (BD1)</td>
<td>Control of the project is based on review at key milestones.</td>
<td>The emphasis becomes progress toward benefits realisation rather than solution delivery.</td>
</tr>
<tr>
<td>Phased releases / incremental delivery (BD1)</td>
<td>The delivery of the solution is phased over a number of releases.</td>
<td>Phasing is driven by benefits not just features or architectural considerations.</td>
</tr>
<tr>
<td>Traceability (BD4)</td>
<td>There is traceability from the solution design to the requirements and business objectives.</td>
<td>There are key linkages to benefits and business changes.</td>
</tr>
<tr>
<td>Risk management (BD6)</td>
<td>Active risk management is a key project management activity.</td>
<td>Risk is related to benefits rather than the IS/IT solution.</td>
</tr>
<tr>
<td>Trade-off decisions (BD5)</td>
<td>There is an explicit focus on trade-off decisions (cost / features / schedule) as the project progresses and new information is obtained.</td>
<td>The key criterion considered in decisions is the impact on benefits.</td>
</tr>
<tr>
<td>Team design &amp; effectiveness (BD2)</td>
<td>Team roles have ownership of key aspects of quality (usability, reliability etc) and the relationships with key stakeholders.</td>
<td>Team roles explicitly address benefits for the organisation; the end users and other stakeholders.</td>
</tr>
</tbody>
</table>

Table 5-3: Practices for solution delivery and benefits realisation

In each case the core of the practice is the same in a project focused on an IS/IT solution and one focused on benefits. The key difference is how success of the project is defined. As a result, although the uptake of practices for benefits realisation is low, achieving a shift in perception of what constitutes success may enable relatively straightforward adoption of a range adoption of benefits driven practices.
The set of practices shown in Table 5-3 was applied successfully to a very wide range of projects. This suggests that although a contingent approach to projects is important (Ward and Elvin, 1999), in many circumstances the core of the approach can be very similar. This would support the findings of Eisenhardt and Martin (2000) that the routines that underpin dynamic capabilities are very similar across firms.

A small number of cases tackled the principle suggested by Eason (1988) that benefits come from organisational learning and progressive, evolutionary change. In particular the practice of [BD1: establish an adaptive project lifecycle] addresses the problem of pilots that do not provide any opportunity for learning and change i.e. when there is too much pressure to adhere to aggressive timescales for deployment of a technology solution {Post-implementation review: P10}. The practice extends openness to learning and change, into the deployment activities of the project as one e-government project identified: "it will be necessary, within the scope of project implementation, to go one-by-one through almost every single government body and talk to employees, organize short training, find Quick-Win and Win-Win possibilities and see how the solution can be implemented in the most efficient and quickest way" {Vision and scope: P4}.

There were other common practices that included a focus on effective teamwork and communication [BD2: actively lead the business change] and review of progress and direction at key milestones [BD1: establish an adaptive project lifecycle] that had the potential to facilitate the delivery of benefits, but there was little evidence from the examined cases, that this was the way they were used, in practice.

A number of cases highlighted practices and issues to do with communication and effective teamwork:

- "Some of the lessons learned during the POC had not been transferred to the rest of project team members, which caused some redundant development effort" {lessons learned: P25}

- "Regularly scheduled, informal briefing sessions allow interaction of project personnel and serve as a communication technique for members of the project teams" {lessons learned: P8}
Chapter 5

Findings from Phase 1 of the empirical study

- "Knowledge transfer is key to enabling smooth transitions between project life-cycle phases" [lessons learned: P8]

There appears to be an opportunity for a range of practices related to team building, communication, knowledge sharing, continuity of vision, use of technology to enable communication and effective teamwork. One aspect of this would be to have explicit ownership for team building and team effectiveness. This is usually seen as part of the project managers role – and taken seriously or not depending on their preferences, but could be a separate role given both its importance and the skills required. This raises the issue of the most helpful granularity of practices, which will be explored further in Phase 2.

All the projects reviewed followed a tried and tested model that proved to be very effective in facilitating the timely delivery of IS/IT solutions, with a small team of fairly technically-oriented staff. Unfortunately, there was virtually no evidence to suggest that the project teams had actively engaged in the critical element of benefits realisation, namely the enactment of changes to the design of the host organization, nor the working practices of project stakeholders [BD6: implement business changes]. Indeed, a review of all the project plans, confirmed that no time or resources had been explicitly reserved to enact a programme of organisational change after systems’ implementation. This view was supported by the largely negative responses from project managers when questioned about the roles and processes they had in place to manage the delivery of value. Typical responses included: "from a business point of view, I don’t know {P13}"; "there was no formal role to manage value delivery" {P21}, "honestly very few" {P24}; and "not many" {P25}.

5.3.4. Benefits Review

The competence of Benefits Review is ‘the organisation’s ability to effectively assess the success of the project in terms of the benefits already delivered and the identification of the ways and means by which further benefits might be realised’. A number of cases identified the need for benefits review; however there was very little evidence of any specific practices being adopted in our cases. Table 5-4 provides a summary of the findings.
Chapter 5  
Findings from Phase 1 of the empirical study

<table>
<thead>
<tr>
<th>Ref</th>
<th>Practice</th>
<th>Incidence</th>
</tr>
</thead>
<tbody>
<tr>
<td>BR1</td>
<td>Establish portfolio based evaluation criteria</td>
<td>No evidence</td>
</tr>
<tr>
<td>BR2</td>
<td>Benefits driven project appraisal</td>
<td>Very low. The focus of reviews tended to be assessing success or failure or understanding opportunities to improve the process of future projects rather than to realise further benefits from the completed project.</td>
</tr>
<tr>
<td>BR3</td>
<td>Identify actions to realise further benefits</td>
<td>Very low. The focus of reviews tended to be assessing success or failure or understanding opportunities to improve the process of future projects rather than to realise further benefits from the completed project.</td>
</tr>
<tr>
<td>BR4</td>
<td>Facilitate lessons learned reviews</td>
<td>Moderate. Carried out as part of a post implementation review.</td>
</tr>
<tr>
<td>BR5</td>
<td>Complete architectural roadmap review</td>
<td>No evidence</td>
</tr>
</tbody>
</table>

Table 5-4: Practices for Benefits Review

The responses from the project managers confirmed that the projects were seen as successful in technology terms. A number had involved changes to scope and / or timescales but this had been agreed as part of the project management. One project manager \{P21\} notes that the project was completed to time, cost and quality goals and that "the customer was deeply moved when they saw that IT projects can be done like this`.

From the review of the literature, it was relatively easy to establish a strong case for organizations to develop a competence in benefits review, but there was very little evidence that any specific practices in support of this were being adopted in any of the case studies. In particular, it was rather disappointing that little evidence could be found to suggest that case organizations were either identifying a set of criteria upon which the success of their projects could be judged [**BR1: establish portfolio based evaluation criteria**] or formally reviewing the benefits realised from their IT investments [**BR2: benefits-driven project appraisal**]. In most cases the project managers had a clear view as to whether, and in which ways, the project delivered value, but admitted that no concrete evidence had been collected to support these perceptions. Typical responses included: "no hard value numbers were collected" \{P3\}; "it was successful, but I don't think they tried to quantify it" \{P6\}; and "there was no assessment in terms of business impact" \{P26\}. By contrast, in a small number of the cases, specific benefit measures had been collated, using measures such as: "reduction in unhappy calls to their call centre" \{P5\} or
“reductions in the time it took for suppliers to receive feedback on their product sales” \{P25\}. In only one case had a project team attempted to establish a clear link between the original project goals, and the extent to which each had been successfully achieved \{post-implementation review, P8\}. More specifically, measurements were provided to show the results in relation to each of the benefits set out in the original business case \{post-implementation review - P8\}.

The responses from the project managers indicated that none of the projects had a strong focus on the measurement of benefits. The responses were in two broad groups. In one, the measures of success were based on time, cost and quality and this was what was accepted as the criteria for a successful project. In the other group, although there was no specific focus on measures and measurement, there was typically one outcome that was taken as indicating success in benefits terms. The nature of this outcome varied from project to project. Several resulted in clear IT cost savings. Others succeeded in delivering on a political commitment or responding to the activity of a competitor. Other 'headline measures' included a sales report available in 45 minutes rather than 4 weeks, or a reduction in customer complaints. Others enabled something new to be done that could not be done before or perhaps delivered a new product / service - this was seen as a binary situation with the single measure indicating success. In one project a number of measures were defined and used for measurement of non-financial benefits: number of papers used for preparation of government sessions (reduced by 80%), number of diskettes used to submit documents - eliminated, reduced number of viruses (mostly connected with diskettes) although the primary benefit was seen as the new image and perception of a modern government using the latest technology. One of the project managers indicated that he had made considerable efforts to try to persuade the customer to define more specific measures of success and to plan to track progress against them.

Although there were a number of examples of practices related to Benefits Review, projects typically ended very soon after the 'go-live' date for the new IS solution. Project completion and success was assessed based on the success of the technology solution and not the realisation of the benefits. A number of post project reviews did highlight valuable learning points including the need for improved business involvement and greater
Chapter 5

Findings from Phase 1 of the empirical study

focus on the benefits delivery in future projects. For example, one report explicitly highlighted the need for a greater focus on measuring benefits: "better tracking of the complete investment and projected return - including product sales, increased customer satisfaction, service and support" {post-implementation review - P10}. In a similar vein, a project manager {P24} noted: "Return on Investment (ROI) is used to justify projects, but during execution we lose focus on value, and monitoring value". If nothing else this provides some evidence that organizations were reflecting upon the how the performance of the projects could be improved [BR4: facilitate lessons learned review]. Overall, however, the general situation was that projects ended at or very soon after the 'go-live' date for the new software, with project success judged by the on-time, on-budget delivery of a technology solution, rather than through the realisation of the benefits. The lack of explicit focus on benefits at earlier stages of the project probably means that an effective benefit driven review would not have been possible.

5.3.5. Benefits Exploitation

The competence of Benefits Exploitation is the ability of the organisation to 'continue to realise the potential benefits from information, applications and IT services'. The main areas emphasised by the practices observed are ongoing ownership for realising benefits and the need for continued learning how to realise the potential benefits.

The empirical study highlighted evidence for a number of practices related to the competence of Benefits Exploitation as set out in Table 5-5.

<table>
<thead>
<tr>
<th>Ref</th>
<th>Practice</th>
<th>Incidence</th>
</tr>
</thead>
<tbody>
<tr>
<td>BE1</td>
<td>Ensure ownership of continued benefits</td>
<td>Very low. Two organisations saw the output from a</td>
</tr>
<tr>
<td></td>
<td>exploitation</td>
<td>project as a number of services and established owners</td>
</tr>
<tr>
<td></td>
<td></td>
<td>for ensuring use and realisation of value from these</td>
</tr>
<tr>
<td></td>
<td></td>
<td>services.</td>
</tr>
<tr>
<td>BE2</td>
<td>Maintain benefits driven training</td>
<td>No evidence</td>
</tr>
<tr>
<td>BE3</td>
<td>Evolve working practices</td>
<td>Very low. A small number of projects identified the need</td>
</tr>
<tr>
<td></td>
<td></td>
<td>for ongoing, gradual learning and change.</td>
</tr>
</tbody>
</table>

Table 5-5: Practices for Benefits Exploitation
Because project teams tended to be disbanded very soon after the go-live date, there was very little evidence to suggest that on-going benefits exploitation was explicitly practiced in any of the case organizations. However, in two cases managers were appointed to have responsibility for the long-term management and performance of the operational software [BE1: ensure on-going ownership of benefits exploitation]. For example, one project manager {P6} noted that "after a long battle, we managed to get them to name a person with responsibility for running the complete system - software, people and processes". In a similar vein, another organization had explicitly planned to appoint a system's manager whose responsibilities would include: 'process improvement' and "relationships with top managers in various business units and with stakeholders" {project plan: P15}. Whilst in neither case were these individuals explicitly tasked with benefits exploitation, their focus upon the on-going management of people and processes, as well as technology, put them in an ideal position, to do so. In another, government project, the minister wrote a memo to the divisional managers emphasising their responsibility for exploiting the solution. There is no evidence of how effective this was.

The most common modus operandi, witnessed particularly on 'infrastructure' (email, groupware, and mobile technologies) projects was to focus on the deployment of a technology solution, with little attendant focus on training, effective usage, or not surprisingly, benefits exploitation.

On a more positive note, a small number of projects emphasised the need to tailor working practices, to the system's capabilities, once operational [BE3: evolve working practices]. As one team recognised at their project's outset: "one of the biggest mistakes of this project would be to introduce new technologies keeping the old mode of operation, without changing the processes. Some processes, however, have to be changed gradually" {Vision & Scope - P4}. The practice of evolution of working practices is closely linked with [BD1: establish an adaptive project lifecycle] and carries the same ideas through into benefits exploitation and a focus on continuous improvement and increasing the benefits realised.
Once more, overall, the picture is fairly depressing with only very limited examples of practices related to benefits exploitation, as projects focused on the delivery of IS/IT solutions. This is a significant omission as in a range of scenarios much of the activity related to realising benefits is potentially part of this competence.

5.4. Findings from the consultancy engagements

5.4.1. Introduction

The cases from the consultancy knowledge base provided good evidence from project documentation of how projects approach realising benefits. However, they provided only limited insight into the wider organisational context and, for example, the factors influencing the approach taken to projects. The competences and practices lens used in this research and the conceptual framework developed in Chapter 4, based on the literature review, indicates the importance of the organisational context in which projects take place as a crucial element in the success of projects. Identification of the factors causing a lack of adoption of benefits related approaches will also require consideration of organisational factors. As a result, to complete Phase 1 and in particular to gain a deeper insight into the organisational context and its impacts on projects, a second group of cases was explored. These cases were my own consulting engagements. The same data collection instrument and analysis process was used as for the initial group of projects. My notebooks and other project documents provided the evidence. In each of these engagements I had the opportunity to be part of the organisational context, to take part in wider discussions, to observe and in a variety of ways to get a broader insight into the organisation than was possible through the review of project documentation.

The 25 cases from the knowledge base are the primary focus of this chapter. This section is intended to build on the evaluation of those cases and to provide additional evidence based on some broader insights into the context within which project take place. In particular these further cases help provide a foundation for Phase 2 which will involve deeper consideration of the organisational context.
5.4.2. Additional findings related to the competences for benefits realisation

**Benefits Planning**

The cases revealed isolated examples of a wide range of practices related to Benefits Planning and recognition of the need for organisational change to realise benefits. A small number of organisations claimed to be taking a 'benefits approach' to projects but when this was investigated they meant that there was a strong focus on a financial business case, in some cases with claimed benefits being reflected in departmental budgets based on the planned live date of the systems. There were also some indications of different stakeholder perspectives, with senior managers believing that they were planning a business change project and the project manager and project team recognising that with the authority and resources available they were only able to manage delivery of a technical solution. In part this difference was possible because of the lack of a linkage between the business changes and IS/IT functionality required to realise the benefits [BP8: plan benefits realisation]. The restriction of the role of the sponsor to approving the business case and attending steering committee meetings {E2} was also a contributory factor to the difference in perspectives. The sponsor role did not extend to active involvement with the project team [BD2: actively lead the business change]. This seemed to reduce the opportunity to develop and sustain a clear business vision to provide the motivation for a project. Often projects are started with the best of intentions with a clear desire to focus on business change. But the experience of one finance director is not untypical "... it was a real shock how rapidly they (the projects) each became a technology project - it just happened one after the other. It was really painful" {E4: consulting notebook}.

Only in one project was it possible to detect anything that was close to an explicit approach to benefits realisation, based upon a portfolio of appropriate practices. In this case {E10}, the overall objective was to establish a new business unit, and to develop an information system, to support its effective operation. The requirements and design, for this technology, were conceptualised in terms of the phased development of a number of business competencies [BP8: plan benefits realisation]. The
competences were defined and prioritised in relation to establishing service levels to meet the needs of specific customer segments. As the programme was setting up a new operation rather than changing an existing business this was equivalent to a benefits realisation plan. In no other case was there an explicit benefits realisation plan. The approach taken for this project provides the basis for a new practice – [BP11: develop a business competence based design], which shifts the focus of the project from solution delivery to changes on a broad range of dimensions of the organisation. This practice is a good fit with a resource based perspective on an organisation. A provisional definition of the practice is as follows:

Use a range of perspectives to get a rich view of the business problem / opportunity and to plan the changes required based on business competences. The use of competence encourages the use of a broad range of perspectives on the organisation, for example: structure, roles, culture, business processes, working practices, performance measures.

Benefits Delivery

In a number of cases the project team included specific role(s) related to realising benefits for both the customer and the organisation [BD2: actively lead the business change]. In three cases {E6, E12, E18} the team included a Product Management role providing a clear focus on benefits realisation. The Product Manager:

- Had responsibility for the ongoing revenue / profitability of the services to be delivered and was closely involved with the project planning and project delivery.
- Ensured that a detailed understanding of the behaviour, needs / wants, and potential usage patterns of different customer segments was developed. This provided the foundation for targeting the design of the services.
- Had the objective of developing an understanding of the customer and exploring the business opportunity through a series of versioned releases. There was strong commitment to incremental, modular development in order to gain speed to market and develop early revenue opportunities.
This Product Manager role was adopted in projects which were developing new products / services and were business led. It appeared to provide a good focus and to build on ideas of a business project manager or a benefits manager.

In one organisation (E17) a number of project ‘teams’ never met – the project consisted of activities carried out by a range of people in different functional areas and different buildings. This appeared to have a range of impacts on the understanding of the objectives of the projects and quality of the solution devised.

The engagements revealed a greater variation in approaches to the IS aspects of projects than the projects from the knowledge base. Some were very successful, and others, largely following traditional ‘waterfall’ approaches, were not. A number of projects reviewed as part of the engagements (E6, E15 and E19) had run into major difficulties. For example, one project had been running for 3 years and had delivered no system that the users were prepared to pilot. From the interviews carried out, one of the major causes of this was a focus on features not benefits – and also a lack of clarity about the strategic contribution of the project. This, for example, resulted in an attempt to engineer a software solution that addressed operational management and end-user views of the existing requirements while senior management actually wanted a move to a new way of working. The resulting software was not good quality technically and functionally did not meet the needs of any of the stakeholders.

Although it was outside the scope of the research, it was interesting to note that a six week pilot project - using the agile, Microsoft Solution Framework approach, a small team and different technology, was successful in delivering key elements of an acceptable solution.

This area requires further investigation in Phase 2 and in the overall discussion. In particular, the nature of the link between benefits delivery and solution delivery is important. For example, realisation of benefits depends on delivery of an IS/IT solution and it is also likely in some circumstances that the delivery of a solution requires a benefits focus. It will also be important to consider if there is any path dependency or maturity model involved and how the competences for benefits realisation relate to wider competences for solution delivery. These projects also
suggest that there is value in a range of 'agile' development practices including incremental versioned releases and strong technical skills in the project team. The projects from the knowledge base were consistently successful in delivering substantial functionality in short timescales (e.g. 4-6 months). This approach to the IS aspects of projects appears to provide a good foundation for practices that focus on benefits delivery.

Benefits Review

Another isolated example of a practice related to benefits review was identified in an organisation {E6} that had conceived a series of interrelated projects, all of which were in direct support of an overall strategic business goal (building an ecommerce capability). In this case post project reviews took an architectural perspective and considered the contribution of the project to the overall system's architecture {E6}. More specifically, this exercise considered:

- What new services had been provided that could be used by other projects?
- What components needed further development and/or could be reused by other projects?

The review also considered the alignment of the programme with the overall organisational strategy and considered priorities for further releases based on the learning and results from the programme to date and perceptions of future opportunities and requirements. This provides the first evidence for the practice - [BR5: complete architectural roadmap review].

The same organisation {E6} regularly carried out post implementation reviews to identify lessons learned from each project [BR4: facilitate lessons learned reviews]. The project teams did note that, although the reviews were carried out, the lessons learned were not consistently acted on. Opportunities for improvement were not followed through and other valuable practices were not repeated on later projects. The lack of learning seemed to relate to a number of factors. In particular, a range of improvements were outside the control of any particular project team and there was a reluctance to invest in activities not solely related to a specific
project and also a cultural barrier to admitting to senior management that there was a need for improvement.

**Benefits Exploitation**

One organisation reported carrying out annual reviews of each business / IS service to consider the value being realised and the potential for further benefits. This is a possible new practice [BE4: service review] – or it may be seen as an evolution of [BR2: benefits driven project (and service) appraisal], to make it clear that this is an ongoing review process. This was closely linked with clear responsibility for ownership of adoption, exploitation and improvement of the new or improved service [BE1: ensure ownership of continued benefits exploitation] {E3}. In another project {E9}, team members worked with small numbers of users over a period of time to help them gradually discover and exploit the benefits specific to their situation of a new infrastructure product (document management) by sharing ideas and tailoring their working practices. Interestingly, the project team could not get budget approved to do this so they hid the cost of the resource under a technical support cost centre.

A provisional definition for a new practice of [BE4: service review] is as follows:

Carry out a periodic review of the overall business service to identify opportunities for action to sustain existing benefits and to realise further benefits.

**Impact of the organisational context**

The cases provide useful insights into the impact of the organisational context on an individual project.

In several organisations {E1, E5, E6, E7} the performance measures for project managers were based on solution delivery. In one case there was the opportunity to discuss this with the head of the systems development function {E3}. He said he had no desire to change and that the current system of delivering a solution in response to requirements documented by users was appropriate. He saw a benefits approach as adding effort and risk. Given a political environment where the penalties for failure could be high, they did not want to take on a bigger and higher risk role. With the
current system, if the requirements did not align to benefits realisation it was the users problem.

A second feature, across a number of cases, was the disconnect between senior managers and the project team. This resulted in a lack of understanding about the real vision and objectives, which in some cases was a significant problem for the team as they were trying to deliver in line with project requirements but did not understand the wider goals or why (if) the requirements were appropriate. In one case the difference in perceptions between the senior manager and the project team were stark. He felt that the project was benefits focused as he had signed off the business case, which had clear benefits included. The project manager felt that there was a need for an increased benefits focus and that the changes required were significant and had not been well thought through and also that she did not have the authority or resources to do more than deliver a technology solution {E13}.

In several organisations there were hierarchical and risk averse cultures. In these cases enabling learning and improvement was very difficult because of the politics at individual and departmental levels. This appeared to be a significant barrier to change and improvement.

There was also evidence of a lack of leadership for projects and building the ability of the organisation to succeed with projects. One aspect of this was the difficulty reported at a number of organisations of making any investment of time or money in improving the approach taken to projects or the organisational infrastructure to support projects, for example better development and testing environments {E15, 17}. One contributory factor may have been the tendency for senior IT managers to have had no real project or development experience {E6}, which along with the hierarchical culture made it difficult to get recognition of issues and action to address problems perceived by the project teams (Earl and Feeny, 1994).
5.5. Discussion of findings from Phase 1 of the empirical research

5.5.1. Introduction

This section summarises the key findings from Phase 1 of the empirical research and also explores the implications for Phase 2.

5.5.2. Outline of Conclusions

The focus of this phase was on research objective 2. This section summarises the conclusions from the phase in relation to this objective and also the other objectives where there was some coverage.

Objective 2: To explore the extent to which the framework of competences and practices is adopted and used to facilitate the realisation of benefits from IS projects.

Case studies covering organisations in a wide range of sectors and locations have revealed that there is a very substantial gap between what we know, from the literature, about the value of adopting a strong benefits’ focus when managing information systems projects, and what happens in practice, where the focus is overwhelmingly on delivery of a technical solution.

The 25 cases provide evidence of some awareness of the need for a focus on benefits from business change and isolated examples of a wide range of practices related to benefits realisation. However, they also show a wide gap between theory and practice in that the overwhelming focus of the projects studied was on the delivery of IS/IT solutions. In addition, a number of the practices identified in the original literature review were not observed in any organisation.

The vast majority of the projects investigated in this study focused on the design and delivery of an IS/IT solution with only a limited focus on wider issues of work design. Typically, there was some consideration of business processes around the system, and very limited consideration of wider issues of culture and change management. There was no example of explicit adoption of a well integrated portfolio of practices for benefits realisation, which could truthfully be labelled a 'benefits management'
approach. However, there was evidence of some awareness of the issues that were drivers for the development of benefits management and there was evidence of isolated practices for benefits realisation.

The survey of project managers suggests a much more positive picture than the assessment of the projects against the model of practices for benefits realisation. The project managers indicated that the customers are generally happy with the current situation and perceive success as delivery of the IS/IT solution on time and on budget, and possibly of an easily measurable, ‘headline’ benefit. They are not using benefits realisation as the criteria for assessing success of a project. This suggests that there is little demand for adoption of a more benefits focused approach.

The responses from the project managers suggest that a significant factor in the lack of adoption of practices for benefits realisation (research objective 4) is lack of demand. Delivery of an IS/IT solution is perceived to be a success and also perhaps, given the 80% failure rate, realisation of any benefits is seen as very positive. The project managers also indicated that there was no specific process or role with a focus on benefit realisation. In a small number of cases they reported that there had been an emphasis on this area by a business sponsor or by the project manager. The focus of project activity was very much on solution delivery with a specific emphasis on ensuring the solution was what the customer wanted. Other project managers emphasised the important of the quality of the technology and the commitment of the teams. One highlighted that it had not been possible to use the Microsoft Solution Framework because of the political environment and that many of the project management activities defined by the customer added overhead rather than value.
Chapter 5

Findings from Phase 1 of the empirical study

There is also evidence that the approach adopted on these projects is very successful at delivering IS/IT solutions and also that it provides a good foundation for a benefits focused approach. As indicated in Table 5-3 there is a relatively small shift in perspective from a range of practices for IS/IT solution delivery focused on features to a focus on benefits realisation.

The evidence available does not permit deeper investigation of the projects or the implications of this focus on technology solutions. There are a number of possible scenarios. The lack of focus on benefits may have meant that a range of possible benefits were not realised. This would depend on the action taken after completion of the project. Also, it is possible that planning at a higher level set relevant goals for the project and that the focus on a single measure or small set of measures of success was a good match to the limited scope of the specific project.

The additional cases based on consultancy engagements provided a very similar picture to those from the knowledge base. Across all 45 cases, covering a wide range of organisations and sectors, from a number of countries, only one example showed a real focus on benefits and business change. This project was a special case as it was creating a new business unit and was not specifically about managing change. The approach taken in this case was to focus the project on establishing new business competences. The competences were considered from a wide range of perspectives including processes, individual skills management framework and organisational structure.

The engagements provided some insight into the impact of the organisational context on the approach taken to projects and the adoption of benefits driven approaches. This will be an important element of Phase 2.

A number of engagements revealed projects that were failing to deliver IS/IT solutions. In these cases the approaches taken were traditional, waterfall approaches.
Objective 3: To evolve the framework of competences and practices based on learning from literature and practice.

The study of consulting engagements revealed two candidate new practices. One project was focused on the development of new business competences and effectively addressed many aspects of a benefits driven approach [>>BP11: develop a business competence based design]. One organisation had clear ownership of business services and the ongoing exploitation and realisation of benefits from investments in IS/IT and used a periodic service review to maintain a focus on realising benefits [>>BE4: service review].

Also there are a number of issues that require further consideration in later stages of the research. In particular what is / are the appropriate level(s) of granularity for practices? For example a number of potential lower / micro level practices were identified. Also, the work has highlighted the need for consideration of the link with practices for solution delivery.

In addition, there is a need to consider how well practices are carried out. Many of the projects adopted an approach to planning that suggested a clear focus on a specific business problem and opportunity and also establishing a clear vision and target benefits for the project. While this approach was followed, particularly by the projects from the knowledge base, it did not appear to be an integral part of the project and was tackled from a technical perspective rather than from a true business perspective. For example problems and benefits were stated in terms of IS/IT issues, features and performance. As one consultant said in a planning workshop: "now we've got those boring business bits out of the way let's get on to the interesting bits and think about the (IT) solution design" {E1: notebook}.

Note: Figures 5-3 to 5-6 summarise the findings from this chapter. The figures chapter build on the diagrams of practices in Chapter 4. They indicate where there has been some evidence (even at a low level) for a practice and also indicate any potential new practices identified.
Chapter 5  
Findings from Phase 1 of the empirical study

Practices for Benefits Planning

- Identify strategic drivers
- Analyse stakeholder expectations
- Identify and define benefits
- Establish benefit / process interactions
- Establish benefit / stakeholder interactions
- Establish benefit / organisation interactions
- Establish benefit / technology interactions
- Plan benefits realisation
- Design a framework for business change governance
- Business competence based design
- Benefits driven risk assessment

Key

- Not found in any case
- Practices found one or more cases
- New candidate practice

Figure 5-3: Practices for Benefits Planning
Chapter 5

Findings from Phase 1 of the empirical study

Establish adaptive project lifecycle

Practices for Benefits Delivery

Actively lead the business change

Specify changes to work and organisational design

Implement organisational changes

Ensure benefits driven risk management

Ensure continuing active involvement of stakeholders

Make benefits driven trade-offs

Benefits driven training and education

New candidate practice

Key

Not found in any case

Practices found one or more cases

Figure 5-4: Practices for Benefits Delivery
Establish portfolio based evaluation criteria (BR1)

Benefits driven project appraisal (BR2)

Complete architectural roadmap review (BR3)

Identify action to realise further benefits (BR4)

Facilitate lessons learned reviews (BR5)

Key:
- Not found in any case
- Practices found one or more cases
- New candidate practice

Figure 5-5: Practices for Benefits Review
Chapter 5

Findings from Phase 1 of the empirical study

Practices for Benefits Exploitation

Ensure ownership of continued benefits exploitation BE1

Maintain benefits driven training BE2

Service review BE4

Evolve working practices BE3

Key

- Not found in any case
- Practices found one or more cases
- New candidate practice

Figure 5-6: Practices for Benefits Exploitation
Objective 4: To explore the reasons why particular competences/practices are either being adopted or ignored.

In addition to providing a timely update on the adoption of practices for benefits realisation in information systems projects, this study highlights reasons why benefits related practices are so commonly ignored. A primary reason relates to the organisational context and culture within which projects take place, which typically reinforces the focus on the delivery of a technical solution in the following ways:

- Performance measures for the IT function and for project managers are based on delivery of technology 'on-time and on-budget' and there is no clear ownership of the benefits and business changes {E15}.

- The business/IT relationship, and often the lack of real credibility of the IT function with top management. This prevents a close engagement around planning and delivering business change. IT are just asked to get on with their job of delivering the technology solutions {E3}

- Lack of active business leadership so that the project team do not have adequate contact with the business sponsor to develop an understanding of the wider business goals for the project {E1}.

The second fundamental reason for the lack of adoption seemed to be a lack of awareness of the possibility that there is a different way of approaching IS projects (we don't know what we don't know). Many organisations work as if completion on time and on budget and delivery of the planned features are the appropriate success criteria for an IS/IT project. This is a major difference in perception from the assumptions of this research. As a result there is no demand for a focus on benefits realisation from business change as the real measure of success. At best organisations were working hard to try and improve the existing ways of working focused on IT solution delivery {E3, E7, E17}.

In some organisations a related challenge is the belief of business sponsors that a project is focused on benefits when the project teams are in fact focused on solution delivery, perhaps because of lack of resources or authority to manage the greater scope of a business change project.
A third major reason relates to barriers to organisational learning and change. Although, there was a wide range of practices related to benefits realisation, the practices overall were not widely adopted, either within or across organisations. In a number of cases, post-implementation reviews made clear recommendations that benefits-related practices should be adopted in future projects. However, similar issues were raised across a number of projects and organisations found it difficult to learn from project to project {E6}. Together, these factors are major barriers to the development of the competences required for the realisation of benefits from IS/IT.

A further reason for the lack of adoption of practices for Benefits Delivery, Review and Exploitation may be the initial absence of practices for Benefits Planning. Projects could not be focused on delivering benefits as planning had not clearly identified the desired benefits, how they were to be delivered or ensured the involvement of the relevant stakeholders. The approach observed in practice is at best: define the benefits - deliver the IS solution - check if the benefits have occurred. The management of the intermediate change processes to deliver the benefits is either not there or is outside the project.

A final reason for the lack of adoption arose from exploring the different types of projects provided by the consultancy cases that formed the second data source in Phase 1 of the empirical work. A number of these cases were projects that were designed to improve the approach taken to a specific major project or to projects in general, within an organisation (referred to as 'process improvement projects'). A number of the cases were of this type. The cases included organisations where a major project was in trouble and they wanted advice on how to improve the project management and development processes so that the project could be completed successfully; cases where organisations wanted to explore moving to a benefits driven approach to projects; and more general cases where the organisation wanted to improve its success in managing IS projects. As a result it was possible to contrast the approach taken to these process improvement projects with the approach taken to projects in other cases in this sample.
As part of the analysis, this comparison was carried out in some detail. As a first step a number of conceptual maps were prepared to explore the findings and to identify the key points emerging. This process was then repeated preparing separate maps for the process improvement projects and the general IS projects. The conceptual maps suggested that there were strong similarities across the two groups of projects. A further stage of analysis was then carried out involving taking the key topics identified on the conceptual maps and revisiting the evidence from all the cases and collecting evidence for each topic from the process improvement projects and then for the more general projects. This analysis confirmed the very strong similarities between the management of IS projects in general and 'process improvement projects' in particular. Overall, the evidence suggested that process improvement projects suffer from a lack of leadership and that they are focused on delivery of a 'technology', either a new methodology or new IS/IT functionality. In general the process improvement projects were not focused on the delivery of specific improvements or benefits from organisational change. An additional challenge for process improvement projects was that they were hard to justify, as the benefits to the organisation were seen as indirect and unclear – the benefits only arose though the improved success of subsequent projects. So in comparison to spending money on a new IT solution, a process improvement project was hard to justify. The analysis revealed similar findings for both groups of projects for each of the factors considered.

The evidence indicates that process improvement projects are handled by organisations in very much the same way as solutions delivery projects and suffer from the same problems. In many respects this analysis is not surprising, the same people are involved in the different types of projects and one project is treated much the same as the next project.

This preliminary analysis resulted in an important, conclusion. Organisations cannot improve their ability to succeed with IS/IT projects or succeed in adopting benefits related approaches to projects because these activities are themselves projects – process improvement projects. And these projects tend to fail for all the reasons other sorts of projects fail. 

Organisations need to be able to succeed with benefits driven projects in order to improve their success rate in realising benefits from projects. This
analysis also builds on the situation highlighted by Serafeimidis and Smithson (2000) who explore the introduction of new methods of evaluation as organisational change.

**Objective 5:** To critically review the value of the competences/practices approach, in the context of realising benefits from IS/IT investments

A final important contribution of this study relates to the adoption of a practice lens, when studying information systems projects. A key aim of this phase of the research was to test out the concept of 'practices' as a way to operationalise competences and look beyond other factors such as job titles, organisational structures and the formal organisational view of project processes and 'methodologies'. Practices relate to how people actually work and may provide an effective way to share knowledge and enable organisations to establish the competences required to realise the potential benefits of IS/IT.

The concept of a 'practice' has been a useful way to compare how people actually approach activities across a wide range of organisations. As a result of this phase of the research the use of practices appears a promising way to gain an understanding of how organisations actually approach realising benefits from investments in IS/IT.

**5.5.3. Implications for Phase 2 of the empirical research**

This initial, exploratory, phase of research has sought to identify practices contributing to the effective management of benefits, and the reasons that they are not commonly applied, which in turn provides some useful insights into the unacceptably high levels of systems' failure. Although I have sought to adopt systematic and rigorous research approaches, in common with all attempts at social inquiry, this study inevitably suffers from a number of limitations. The exploratory nature of this work means that it is likely that there are many further practices still to identify, and also that there will be further learning as organisations adopt a greater range of practices. Moreover, because this phase focussed primarily on the review of project documentation, it may well be that there are some practices that have been applied, but have not been documented.
There are two primary areas where Phase 2 will build on the work carried out for Phase 1. Firstly, as Phase 2 will consist of in-depth case studies within organisations, there will be an opportunity to get close to how people actually approach realising benefits rather than just what is documented. Secondly, through the discussions, and particularly the interviews with a range of stakeholders outside individual project teams, there will be a much greater insight into the organisational context and how it impacts on the approach taken to projects and the success of projects.

In addition, Phase 2 will provide an opportunity to follow up a number of themes arising in this phase:

- The implications of benefits planning at a programme / portfolio level for the approach taken to a specific project and in particular if this makes it easier to focus on specific project outcomes.

- The most relevant level(s) of granularity for practices.

- The opportunity for a range of practices related to team building, communication, knowledge sharing, continuity of vision, use of technology to enable communication and effective teamwork. One aspect of this would be to have explicit ownership for team building and team effectiveness.

- The scope of the practices and competences that relate to benefits realisation. In particular, the nature of the link between benefits delivery and solution delivery appears to be important. Also benefits planning, or rather the absence of benefits planning, seems to undermine development of the other competences. In this context the possibility of a maturity model needs to be considered, or at least if there are any common paths by which organisations develop competences for benefits realisation.

- There were indications of some general issues relating to the difficulty of learning and improvement. The lack of learning seemed to relate to a number of factors. A range of improvements required were outside the control of any particular project team and there was both a reluctance to invest in activities not solely related to a specific project, and also a cultural barrier to admitting to senior management that there was a need for improvement.
• Finally, a major issue is the apparent strength of the current perception that delivery of a technology solution is the appropriate measure of success. For some cases in the sample it would certainly be a success to actually deliver a technology solution. However, this perception and the related lack of awareness of benefits related approaches seem to be significant factors in the lack of drive for development of competences for benefits realisation.
Chapter 6. Phase 2 Empirical Study – Struggling to Realise Benefits

Struggling

The cases discussed in this chapter provide insights into two organisations that are struggling to realise benefits.

Many aspects of the challenges they face are the same. Neither has a consistent approach to projects, or a clear decision making framework for project approval or management. Lack of alignment between project goals and strategic objectives of the organisations is undermining benefits realisation.

* * * * *
Chapter 6: Phase 2 empirical study – struggling to realise benefits

6.1. Introduction

This chapter presents an introduction to the second phase of empirical work and the findings from two of the three case studies carried out as part of this phase. The aim was to gain further insight into "the practices required to realise benefits from IS/IT investments" by carrying out in-depth case studies in three organisations. The research explores how people actually approach realising benefits from information systems and how the organisational context impacts on success.

The findings from the three case studies have been split over two chapters to reflect the very different findings that emerged. The two organisations that are covered in this chapter are struggling to realise benefits from IS/IT. The organisation covered in Chapter 7 is succeeding. Chapter 8 examines the findings across the three cases and also takes into account the findings from Phase 1.

This chapter is structured as follows:

- The research method for this phase of work is outlined. This section builds on the overview of research strategy presented in Chapter 3.

- Then, for each of the two cases covered in this chapter:
  - There is a brief introduction to the organisation and the context of the case study.
  - The specific projects studied are outlined.
  - The findings are discussed in relation to each competence in the evolving model of organisational competences for the realisation of benefits.
  - General facilitators and inhibitors for benefits realisation are discussed.
  - There is a brief summary of the findings from the case.
6.2. Approach to the research

6.2.1. Overview and research objectives for this phase

The first phase of the empirical work involved broad coverage of a range of organisations and found little evidence for the adoption of practices for the realisation of benefits from IS/IT. The second phase of empirical work is designed to build on this by exploring a small number of organisations in greater depth. In relation to the objectives for the research, the emphasis of Phase 2 is as follows:

- **Objective 2**

  "To explore the extent to which the framework of competences and practices is adopted and used to facilitate the realisation of benefits from IS projects." Phase 2 aims to provide deeper insight into the adoption and use of practices for the realisation of benefits within specific organisations.

- **Objective 3**

  "To evolve the framework of competences and practices based on learning from literature and experience." It was envisaged that through extensive engagement with the case study organisations, additional practices might be identified which would be used to evolve the overall model.

- **Objective 4**

  "To explore the reasons why particular competences / practices are either being adopted or ignored." Objective 4 is an important aspect of Phase 2. The in-depth access to specific organisations will provide further insight into the organisational context within which projects are taking place and specifically the factors that are affecting the adoption of benefits approaches and the adoption or rejection of specific practices.

---

1. The competences and practices referred to in Objective 2 are those established as a result of Objective 1 – the review of the literature (see Chapter 4).
• Objective 5

“To critically review the value of the competences / practices approach, in the context of realising benefits from IS/IT investments.” Objective 5 is also an important aspect of Phase 2. The aim is to gain insight into the value of the competences and practices approach, the fit with how people actually work, and the wider challenge of building organisational competences to succeed with IS/IT.

In summary, Phase 2 builds on Phase 1 by using evidence from in-depth communication with individuals in a range of organisations: to evolve the framework of competences and practices; to gain insights into the factors affecting the adoption of practices and the development of competences; and to assess the value of the competences and practices approach.

6.2.2. Research method

The research strategy was discussed in Chapter 3. The philosophy underpinning the research was set out and the overall design of the research was outlined. This section builds on that discussion and considers more detailed aspects of the research method for Phase 2 of the empirical work.

In Chapter 3 an interpretative and participative foundation for the research was established. This approach is well aligned with the overall goal of the research which is to produce “relevant and timely” research (Davenport and Markus, 1999: p20) and to “produce knowledge about how to intervene in the world and change it in order to satisfy real-world needs” (Lee, 1999b: p29). It also fits the area being addressed by the research which resembles the situation described by Lee (1999b: p32) “the practitioner’s organisational environment is murky, and the variables are not even known” rather than the situation put forward by Benbasat and Zmud (1999) where the researcher tests and validates a theory specifying dependent and independent variables and the relationships between them.

Qualitative techniques have been used to investigate these complex issues as “the beauty of qualitative research is that its rich data can offer the opportunity to change the focus as the ongoing analysis suggests. Such changes of direction reflect the subtle interplay of theory, concepts and
data" (Silverman, 2000: p63). As Yin (1994: pxv) states, the case study may be the most appropriate research method for appreciating the complexity of organisational phenomena. Yin (1994: p13) describes the characteristics of the case study as a research strategy: "a case study is an empirical enquiry that investigates a contemporary phenomenon within its real life context, especially when the boundaries between phenomenon and context are not clearly evident".

As Myers notes (1997), the research design is not typically as clear cut as the distinct philosophical types. For this research I wanted to balance building on previous research with being open to new insights that would emerge from engagement with the research context and the data. Also, as already noted in Chapter 3, the research objectives include elements that are exploratory and elements that are more focused on testing out. Following advice on action research (Checkland and Scholes, 1999) and Eisenhardt (1989: p536: "a priori specification of constructs can also help to shape the design of initial theory building research") I entered the empirical phase of the work having established a framework of competences and practices for benefits realisation as described in Chapter 4. However, as Eisenhardt (1989) also states, it was recognised that the research constructs were tentative at this stage (1989: p536). The aim was not to verify and validate the framework of practices in a 'positivist' sense but to explore its usefulness in understanding and explaining the situation, and in the longer term of being useful to practitioners. In particular, the in-depth study of a successful organisation presented in Chapter 7 aims to follow Dyer and Wilkins (1991: p617) and provide a good story that is an "exemplar of a new paradigm" rather than to focus on confirmation of the individual practices in the proposed framework. This use of a specific and detailed framework in the context of interpretive and hermeneutic research follows Davis et al. (1992), one of the examples of interpretive case studies recommended by Myers (1997).

6.2.3. Research setting

The three organisations explored in the case studies were chosen because they were large organisations making extensive use of IS/IT in important areas of their operations and also because they were willing to provide the researcher with access to a range of projects and people. The organisations
are comparable to the organisations that provided the cases in Phase 1 with the caveat that they are all wholly UK based. Specifically, the three case study organisations are all large organisations where IT plays an important role in their day to day operations and also contributes to strategic objectives. At each organisation, three or more projects were considered to provide a focus for the research. The projects were explored in relation to the wider organisational context to gain insights into practices not directly part of the delivery of each project that impact on the realisation of benefits.

6.2.4. Case study design

The research design is the logic that links the data to be collected (and the conclusions to be drawn) to the initial questions of a study (Yin 1994: p18). The design addresses "what questions to study, what data are relevant, what data to collect, and how to analyse the results" (Yin 1994: p20).

For this phase of the research, I decided that a key objective was to let the interviewees speak for themselves so that I could get to understand their perspectives and in particular how they actually approached (or at least how they described themselves as approaching) the goal of realising benefits from the projects they were involved in. As a result, I used a simpler structure than for Phase 1 and focused the interviews at the level of competences rather than specific practices. This strategy avoided putting words into the interviewees mouth. Silverman (2000: p88) – referring to Miles and Huberman (1994) suggests that "no prior instrumentation" is not the default option, so a simple set of questions was developed based on the competences to provide a basis for a semi-structured interview. This approach, along with the variety of different interviewees, worked well in providing flexibility and also in allowing different voices to emerge (Myers and Newman, 2007; Klein and Myers, 1999). See the Phase 2 research protocol in Appendix G.
Each of the case studies followed the same broad pattern:

1. Initial interview(s) with the potential sponsor of the research within the organisation to gain access, agree the scope and timing of the research, agree projects to cover and interviewees to meet.

2. A series of interviews as agreed with the sponsor, and review of related documentation. The interviews covered a range of people related to three or more projects in each organisation (e.g. sponsor, project manager). The interviews also addressed the wider organisational context within which the projects were taking place. The chosen interviewees were at senior levels so that they could discuss the management practices involved, and also why different approaches were adopted. See example of email to an interviewee prior to meeting in Appendix H, and also questions that provided a starting point for the semi-structured interviews in Appendix I.

3. The interviews were written up and an initial analysis carried out as the work progressed.

4. An initial summary of findings was developed – both a draft chapter for this report and a summary presentation.

5. The presentation was reviewed with the organisational sponsor to validate the findings and gain additional feedback. For each organisation, additional follow-up and validation activities were carried out based on the opportunities available. For example, with two of the three organisations there was an opportunity to attend workshops that explored how to improve the realisation of benefits.

In advance of the fieldwork a research protocol was documented in a form suitable for discussion with each case study organisation and also an email was sent to each interviewee. These are included as Appendices G & H. The preliminary meeting with the sponsor and the pre-interview emails provided a way to introduce the research and the researcher into the situation and to minimise “social dissonance” (Myers and Newman, 2007). It was also a way to start to assure interviewees of confidentiality (Myers and Newman, 2007).
The semi-structured interview was designed around the four competences for the realisation of benefits. One of the case studies was carried out first as a pilot to test out the overall approach to collecting and analysing evidence. The approach worked well and the main adaptation for the second and third studies was to simplify the interview plan further to ensure it was possible to focus on, and explore, the practices and other issues raised by the interviewees. A key factor was my experience as a practitioner which enabled me to relate easily to the interviewees using language that connected with them and to understand their concerns without unduly lengthy explanations (Yin 1994: p123/4). A second key factor in the research design was the use of multiple interviewees for each project – this allowed much greater insight through exploring their different perspectives on the same situation.

6.2.5. Collecting evidence

The interviews were the primary source of evidence. Notes were made during interviews and where possible interviews were recorded. Additional evidence came from a review of documentation, such as business case documents; project plans and business change plans – copies of documentation were taken and retained. Observation was also an important source of information. At the Strategic Health Authority (Chapter 6) there was the opportunity to attend a number of meetings and workshops discussing the development of their approach to building skills in benefits realisation. At the University (Chapter 6) there was the opportunity to attend a number of strategy and project meetings. At the City Council (Chapter 7) there was an opportunity to tour the Customer Services Centre and meet a number of staff informally. Notes based on the observations were made in a research diary / journal.

The notes made during each interview were reviewed immediately after the interview and additional marginal notes were made (Miles and Huberman, 1994) and also a brief summary of key points was made. On most occasions these notes were then typed up and combined with transcripts of the interview shortly after the interview took place. A running summary of key points was also kept, along with notes of any issues or ideas that arose. This data recording and preliminary analysis was in line with the recommendations by Silverman (2000: p92) that it is important to expand
Chapter 6 Case study - struggling

beyond immediate observations to have four levels of notes: notes made at the time, additional notes as soon as possible after the session, a fieldwork journal to record problems and ideas that arise, a provisional record of analysis and interpretation. This approach to data gathering and initial analysis was very helpful as it made it possible to adapt later interviews to take account of earlier findings, and for example, explore specific areas or seek evidence to support preliminary conclusions (Daniel and Wilson, 2003).

6.2.6. Analysing the evidence

This section provides a justification for, and overview of, the approach taken to data analysis and the development of the findings of the research

Miles and Huberman (1994: p12) highlight the relationship between data collection, data reduction and data analysis. They stress that analysis is an ongoing process and strongly recommend (Miles and Huberman, 1994: p50) an early start to analysis. In designing the analysis activities to be carried out as part of this research I sought to follow this advice and also to adopt a strategy which was well aligned with the underlying interpretive and hermeneutic philosophical stance adopted.

A key step in the design process for the research method, and particularly the approach to analysis, was to review the work of Myers (1997, updated) and also the principles for interpretive research put forward by Klein and Myers (1999). Both of these sources provided suggestions of valuable, high quality published case studies as additional sources of guidance. These examples of good case study research were reviewed to gain insights to help ensure the success of this research project.

Lee (1994) quotes Ricouer (1981) and Taylor (1976) to argue that the hermeneutic approach is valuable for studying "individuals their actions and organisations": "Many scholars have extended their conception of text to include not just the documentary artefacts that human subjects create but also their individual actions, group behaviours and even social interactions, all of which as text analogues have meanings that can be read and interpreted". Myers (1994) also supports the value of a critical hermeneutic approach which brings together critical and interpretive perspectives. Myers refers to Gadamer (1976: p117) to identify the hermeneutic circle,
the analysis of the parts in the context of the wider whole, and the overall situation in the context of the individual situations as a key aspect of the approach. This fits well with the scope of this study as the research design explicitly considers the projects as part of the wider organisational context and change capability. Boland (2002: p229) also refers to Ricouer (1981) to support treating the "situation as text" so that actions and situations are also understood as text.

The cases highlighted by Myers (1997) and Klein and Myers (1999) as good examples were reviewed to gain an insight into the analysis approaches adopted. Markus (1983), Orlikowski (1991), Burgess et al. (1992), Lee (1994), Markus (1994), Shanks (1997) and Komito (1998) make no specific reference to the approach taken to analysis. Walsham and Waema (1994) make brief mention of analysis and indicate that some interviews were transcribed and also that the structure of the interviews was varied according to the interviewee. There is no detail of the analysis, but they do identify that a key perspective was identified at a late stage suggesting an iterative approach. Cavaye and Cragg (1995) simply refer to using techniques from Miles and Huberman (1994). Orlikowski and Gash (1994) refer to using content analysis to enable within case and cross case analysis.

Butler (1998) provides a further set of principles for the hermeneutic interpretive process. These provide a guide for assessing output from the process but do not imply any specific analytic techniques. Butler also provides an example of a case study and refers to data reduction and data display, which is in line with Miles and Huberman (1994), as well as "content and constant comparative analysis" as elements of the analysis approach. He stresses the hermeneutic "circle of understanding" that occurred "throughout the research". Davis et al. (1992) provide a description of the hermeneutic approach to analysis of an IS case. In particular they highlight the hermeneutic circle and the repeated iterations of analysis as apparent anomalies are explored.

Based on the review of the literature an approach for data analysis was developed based on the principles put forward by Klein and Myers (1999) and drawing on techniques put forward by Miles and Huberman (1994).
The first stage of analysis for this research was to make summary notes of key points immediately on completion of each interview (Silverman, 2000: p92). These summary notes were a basis for reflection and were used to identify emerging themes and areas to follow up at subsequent interviews. In addition, potential new practices were identified. The detailed interview notes were then prepared as soon as possible after the interview, based on the tape recording where available, or the detailed notes made during the interview. A research diary was also kept to provide a record of any key issues and ideas (Silverman, 2000: p92). A provisional analysis and interpretation of findings was developed as each case study progressed (Silverman, 2000: p92) as - “unless you are analysing data more or less from day one you will always have to play catch-up” (Silverman, 2000: p119).

The analysis focused initially on the individual cases. The challenge of within case analysis is handling the volumes of data. It is important to get intimately familiar with the data to allow the “unique patterns of each case to emerge” (Eisenhardt, 1989). Accordingly, the next stage for analysis within each case was to prepare an initial report of the case. These reports provided a detailed discussion of each project and of the wider organisational context explored in each case. The framework of practices for benefits realisation developed in the literature review was used in this initial stage of the analysis approach. This approach was similar to that used by Davis et al. (1992) who used a 16 cell matrix as part of their initial analysis. It provided a specific framework to use when analysing the data. The general concept of a practice was also important as this was also used as a way of exploring the data gathered from interviews and documentation to identify potential additional practices. Evaluation and reflection in relation to the theoretical framework continued from the start of the project. Throughout the analysis “theory is used as a sensitizing device to view the world in a certain way” (Klein and Myers, 1999: p75).

Key findings were discussed with the sponsors of each case study during the study and at the end of the fieldwork. These final interviews were used to get initial validation of the findings and to gather further insights from these participants in the research.
This approach adopted elements of the approach used by Daniel and Wilson (2003) for the identification of e-business capabilities. Whereas they identified a model of capabilities from the first case study and then evolved it through further interviews and cases. I was able to use the framework of practices (Chapter 4) as a starting point and build on this and identify other key issues to explore as the study progressed. The approach to analysis combined a search for evidence to support (or otherwise) the conceptual model (research objectives 2 and 3), and also a broader exploration of the organisational factors affecting the adoption of benefits related practices and the development of competences (research objective 4). In relation to objective 4 there was a need to identify factors from the data, and the analysis followed the advice from Daniel and Wilson (2003) and also followed a series of cycles of exploration (Davies et al., 1992; Butler, 1998).

Lacity and Janson (1994) explore qualitative techniques for analysing text and contrast content analysis as a positivist technique with hermeneutic analysis as an interpretive technique. This suggests that a formal coding and content analysis approach is not a good fit with the overall approach taken to this research. In part, the use of practice and the specific framework of practices to help analyse the data provided an alternative to coding as part of a content analysis. The goal was to have enough structure to guide the research without preventing the emergence of new insights.

There was an “iterative process of data collection and analysis, with initial theories being expanded, revised or abandoned altogether. A simple metaphor for this latter case is the use of scaffolding in putting up a building, where the scaffolding is removed once it has served its purpose” (Walsham, 2002: p105). In this research the practices framework was used as an initial guide to design and data collection, as part of an iterative process of data collection and analysis, and was a final product of the research.
The review of the preliminary findings with the project sponsors from each case study organisation was extremely valuable. In each case this discussion validated key elements of the findings and also provided further insights to explain 'why'. Figure 6.1 gives an indication of the processes involved for each project and for each organisation for case study planning, evidence collection, validation and completion.

---

Figure 6-1: Case study planning, analysis and completion

The principle of the hermeneutic circle was applied at a range of levels: as different perspectives on each project were considered, as the different projects were compared and as the relationship of the projects with the wider organisational context was explored. At each stage the relationship with the conceptual framework for the research and wider theoretical models was considered. The evaluation continued over an extended period of time as the findings were documented, discussed with the organisational sponsor and then explored further in the context of the other case studies.
The approach was valuable in allowing a number of voices or perspectives to emerge and in exploring the different understandings of the different participants (Klein and Myers, 1999; Myers and Newman, 2007). For example, in one project there was a clear difference in view between the project sponsor and the project manager on the role of PRINCE2 in the success of the project. Exploring this difference and taking into account the perspectives of interviewees was very helpful in developing the findings. A second example is provided by the different perspectives on the benefits focus of projects in one of the organisations. Project team members saw the projects as being focused on specific benefits at the same time as a senior manager saw the projects as poorly aligned with strategic objectives and representing a missed opportunity to realise greater benefits through more radical changes.

Throughout the planning, data gathering and analysis, the theoretical framework based on the literature review and outlined in Chapter 4 was constantly referred to. It provided a basis for interview planning and was a guide in the analysis. As the researcher I was careful to look for evidence to challenge and to change the model as well as to support it.

6.2.7. Further analysis

Later stages of analysis then focused on cross-case comparisons and building on the initial write-ups and discussion with the sponsors. The key to cross-case analysis is to look at the data in many different ways with the goal of going beyond initial impressions (Eisenhardt, 1989). Three main approaches were used as part of a number of cycles (circles) of analysis. Conceptual maps were used to try and provide a clearer view of the "complex conceptual structures" emerging from the "thick description" provided by the case write-ups (Walsham, 2002). In addition memos / vignettes (Miles and Huberman, 1994) were used to explore a number of key themes and attempt to gain deeper insight into the complex scenarios. These short reports made a contribution to the "webs of significance which people weave within the cultural context, and these webs of significance can only be communicated to others by thickly describing the situation and its context" (Harvey and Myers, 2002). This process was valuable in exploring the perspectives of the different participants and resolving some element of the complexity of the layers of meaning recognising that "what
we call our data are really our own constructions of other peoples constructions of what they and their compatriots are up to" (Walsham, 2002: p102)

The approach at this stage continued to be hermeneutic. It was valuable to continue to switch the focus between the detail of specific projects and the wider organisational context and also between specific cases and the overall research. This hermeneutic circle of analysis is in part informed by the "pre-existing understanding that the researcher carries with them (Lee, 1999a: p20). Lee (1999a: p19) refers to work by Kuhn and Rosabeth Moss Kanter to suggest that "people know what they're doing" and that it is important to look at apparent absurdities and try and make sense of them. Lee suggests that when you do this it is important to look at what previously made sense and see if the meaning has changed.

Figure 6-2 indicates the approach to analysis taken as the findings from the three cases were considered in relation to each other and the theoretical framework.

Figure 6-2: Cross case analysis
In addition to the review of the findings related to each case with the organisational sponsors, elements of the overall findings were reviewed with participants and informants (Silverman, 2000: p144). This helped refine and further develop the overall analysis.

6.2.8. Research method - summary

The research is addressing a rich organisational and political context where the organisation and the technology impact on each other and are continually evolving (Lee, 1999a). The approach taken to the research is intended to reflect the challenges raised by the research objectives and this understanding of the research context.

Eisenhardt (1989) provides a framework for case study research with a focus on building theory. She suggests it is particularly valuable in new topic areas. Key criteria for evaluating this type of research are: "frame-breaking insights, tests of good theory (parsimony, logical coherence) and convincing grounding in the evidence" (Eisenhardt, 1989).

In line with the criteria provided by Eisenhardt (1989), Klein and Myers (1999) and Butler (1998), judgement of interpretive research is based on the output and not just the research process. In contrast with the apparent certainty of a positivist approach, the result of this is that the analysis process will be less clear-cut, with quality judged more by the output than the process. Section 3.7 provides a brief summary of how the research design reflects the principles put forward by Klein and Myers. This is revisited in the final chapter as part of the conclusions and final reflections on the research.
6.3. Case 1: Strategic Health Authority

Fragmentation

The over-riding image of this case is one of fragmentation. Fragmentation of goals, leadership, control and accountability, teams and language.

Individuals in the organisation who have recognised the need to focus on benefits are finding it hard to make an impact. There is no common agreed language or 'toolkit'. Other organisational factors are also holding them back. There was however, a very positive attempt to set up a community of practice for benefits realisation.

The importance of strong foundations of IT service management and effective project delivery for benefits realisation are highlighted. The case also shows the challenges of achieving change across many small groups of professional workers.

* * * * *
6.3.1. Introduction

The case study was based on an UK National Health Service (NHS) Strategic Health Authority (SHA). The SHA was part of a regional 'cluster' of SHAs that was in the early stages of the NHS National Programme for IT (NPfIT). At the time of the fieldwork (autumn 2005), the SHA was about to start a process of merging with an adjacent SHA to form a larger regional body.

The case study was set up with the programme manager responsible for NPfIT within the SHA. It involved a wide range of interviews and attendance at meetings (23 in total). It involved interviews related to three projects and a number related to the wider programme and organisational context, plus a number of meetings to discuss and validate the initial findings from the review. Appendix J provides a list of the various interviews, meetings and documents reviewed.

6.3.2. The organisation

The NHS is a large and complex organisation. Improving healthcare is a top priority for the government, and NPfIT is one of a number of major improvement initiatives: "The National Programme for IT, delivered by the new Department of Health agency NHS Connecting for Health, is bringing modern computer systems into the NHS to improve patient care and services. Over the next ten years, the National Programme for IT will connect over 30,000 GPs in England to almost 300 hospitals and give patients access to their personal health and care information, transforming the way the NHS works." (Source: http://www.connectingforhealth.nhs.uk/ on 1 Feb 2006)

The SHA co-ordinates healthcare within a geographical region working with the various trusts delivering for example, primary and acute healthcare services (see Appendix K).
The NHS has seen a huge pace of change with many different government initiatives affecting different aspects of the service. The SHA studied was set up in April 2002, and already in 2005/6, at the time of the field work plans were well underway to merge it with another SHA in the region.

6.3.3. The projects

Three projects were studied as part of this case. Two of these projects were separate implementations of the same technical solution into different primary care trusts (PCTs). In outline the projects were as follows.

Child Health (two projects)

The “Child Health Project will assist in the provision of primary and community healthcare” it will provide “increased access to information leading to better informed care and treatment” (ND01)\(^2\). There were two Child Health projects each covering a different PCT - North Tees PCT and Hartlepool PCT. The software is the same, but the business process and objectives were different in each PCT. There were 22 users - including clinicians with read only access and admin staff in these two projects. They were split across 6 sites. A later phase of the programme was to make access available more broadly - to around 180 clinicians. Each PCT will use the system differently. Hartlepool are only recording new births. North Tees are rekeying all the information they hold on immunisations and vaccinations for 0-5 year old children for each GP practice. They are only implementing the system at one GP practice in this phase - they will deal with a further 27 GP practices later.

Aspects of the two projects were being handled together as they were trying to use one technical ‘deployment slot’. These ‘slots’ were controlled at a ‘cluster’ level by Accenture and are a way of managing technical resources and technical change. Accenture have, as a result of nationally driven outsourcing process, been given responsibility for introducing new systems across the North East region (see the outline of the governance framework in Appendix L).

---

\(^2\) See the cross-reference to the list of interviewees and documents reviewed in Appendix J
The projects have different sponsors and users teams for each PCT. Also different procedures and funding arrangements are being established for each PCT. So from a benefits perspective they are separate projects.

Following the completion of the research field work, the SHA, which was the organisational unit the research was centred on, was merged with a second regional SHA. Also, all the regional PCTs were restructured to form fewer, larger organisations. The two PCTs in the study were merged. The outcome of the Child Health projects was that at a systems level the software was delivered and was in use with data being recorded and reports being produced. There were however, no real changes in ways of working and few, if any, effective benefits. The strategic objectives of the PCT also changed, so that there was no clear alignment of the new PCT objectives with the objectives of the Child Health projects (N13).

**Single Assessment Process (SAP)**

The goal of the Single Assessment Process (SAP) was to improve services to residents by removing the barriers between healthcare agencies and social care services. The aim was to move towards a 'one-stop shop' for health and social services, resulting in better, more integrated care for the elderly.

Currently, for an initial assessment, a healthcare worker would come to the client's home and ask questions, then a social worker would come and ask another set of questions, and probably 80 percent of them would be duplicate questions. SAP is a first step in preventing care professionals from collecting the same data for different uses when interviewing the same elderly client at first contact. The aim was to create one patient record to facilitate a team approach to patient-centred care. As the programme develops, Tablet PCs were to be introduced, providing a mobile computing platform to use when interviewing patients in their homes.

The first phase of the SAP project involved 30 office based users. A second phase was to provide mobile access using Tablet PCs. Access will then be extended to wider groups of users with a total user population of over 200.
An update on the status of the project was obtained in early 2007, after the completion of the fieldwork. Following the reorganisation of the SHA and PCTs (as described above), the PCT pulled out of the SAP project before it was completed, and as a result there were no benefits (N13).

6.4. Findings – competences for realising benefits

6.4.1. Introduction

This organisation is struggling in its attempts to realise benefits from specific investments in IS/IT as part of a large, long term IS/IT investment programme. A number of factors contributing to this struggle are outside the control of the people within the SHA who are involved in the projects. In the following sections the findings are discussed in relation to each of the competences in the evolving model of competences for the realisation of benefits from IS/IT.

In the discussion that follows the focus is on specific competences. Evidence related to specific practices is used, where applicable, to provide examples and illustrate the discussion. This approach illustrates the wider practice by practice analysis that was carried out to underpin the analysis at the competence level. The hermeneutic approach was helpful in carrying out an ongoing analysis of the different perspectives of the interviewees on each project, the projects in comparison with each other, and the projects in the context of the organisation.

A small number of potential new practices are identified. These are indicated by the use of a blue font as follows: [>>ref: new practice]. The evolution of the model of practices established in Chapter 4 is discussed further in Chapter 8 as part of the final discussion.

6.4.2. Benefits Planning

Practices observed

When the topic of Benefits Planning was raised in the interviews, and interviewees were asked to describe how they approached planning to realise benefits, the responses focused on PRINCE2. The projects adopted PRINCE2 as their basic project management framework. Interviewees stated that they just used the elements of PRINCE2 that they found useful:
"we’ve used PRINCE2 as a foundation. It can be laborious – but we take the bits we need – what we’ve used in the past – risk, governance through programme boards, principle users, action plans, weekly meetings (N12). Key project documents we used included: the PID, communications plan, risk and issue logs, action list" (N07).

The interviewees saw the Project Initiation Document (PID) as the core of the focus on planning for benefits as it helped to define both what the benefits are and how to deliver them. In one case this was managed as a collaborative exercise to gain involvement from a broad range of members of the team: "The PID was the focus of planning. We ran a series of joint / weekly meetings with the team to develop the PID and get sign-off. We covered: who are the users; what IT is required; what business changes are required" (N11). From a programme perspective these were small, low risk projects: "the project is low risk – it is scheduled to go live by December and will hit the targets" (N12). The PIDs provided a broad view of the projects covering key areas such as business drivers [BP1: identify strategic drivers], stakeholders, the project team, costs etc. It identified benefits for staff, end users and the organisation and discussed the approach to business change to realise the benefits (ND03). The PID was supported by a second project deliverable, a benefits and business change plan, that set out the business changes required to realise each of the benefits (ND04) [BP8: plan benefits realisation].

The project teams included a business change lead, a trainer and also part-time specialist communications resource which provided extensive experience of the NHS and the specific areas affected by each project. At a higher level there was a project board and a programme board that both included clinical representatives. The design of the project teams was, on paper, a good fit with a focus on benefits realisation [BP9: design a framework for business change governance].

An initial analysis suggests that a range of practices for realising benefits are in place and that there is a basic level of competence for Benefits Planning. However, there are a number of areas where there are significant opportunities for strengthening the competence for Benefits Planning. It is important to note that these initial projects were seen as pilots (at least by some of the stakeholders), so that one of the major outcomes was
intended to be insight into how to develop the competences of the SHA for realising benefits. Some of the gaps in current practices, and opportunities for improvement are explored in the next section.

**Gaps observed in the practices in use**

The remainder of this section explores the gaps or shortcomings in the current practices. Where the discussion revealed an issue that related to the absence of a specific practice, a link is indicated as follows: [~BP 2: analyse stakeholder interactions].

At an early stage in the analysis it became clear that in many areas, although there were elements of a practice in place, often the practice was not complete or was not being applied effectively. It became increasingly clear that the competences for benefits realisation depend on the quality of enactment of the practice not just its existence. As a result, in this section, a number of practices are reviewed that were previously also highlighted in the 'practices observed' section. Moreover, in this section practices are covered not just because of their absence but to illustrate the adverse impacts of absence of the practice, or of the practice that is incompletely or ineffectively enacted.

A major factor, that was particularly emphasised by one of the interviewees working at a regional level, was the fact that the solutions being delivered (imposed) might not actually have any benefits. He suggested that at the national and regional level the benefits activity was being imposed on the programme in the hope of finding benefits – which in fact did not exist: "The programme is already up and running and the systems are being developed. The work on benefits is just being forced fitted onto a signed off model – there is very little choice. It can't work, as there is no opportunity to influence what is happening. No one wants to do it. It becomes a political game – seeking for benefits that aren't there." (N08) [~BP3: identify and define benefits].

The lack of clear alignment of the projects with the strategic objectives of the organisation and with the realisation of benefits for the different stakeholders was also seen in the lack of agreement on how radical the changes should be. There was concern that the solutions being developed were incremental improvements rather than taking advantage of some of
the more significant opportunities: "a big risk is that we just automate the old way of doing things (he referred to Zuboff) – people don’t understand why they are doing things so the big changes aren’t considered" (N02). This may also relate to lack of clear strategy at a local level. As one interviewee (N09) noted, none of the PCTs had an IS/IT strategy. This lack of clarity in strategy was subsequently reinforced by comments I noted at events I attended (N17e, N18e). [~BP7: establish technology / benefits interaction], [~BP1: identify strategic drivers]

At first sight there was a clear governance structure in place. However, the effectiveness of its operation was less clear and this was an important factor undermining the realisation of benefits. The overall structure was very complicated with different layers from national, through regional to local (see Appendix L). Resources (budgets, consultants, software suppliers) and targets were generally controlled at a national level with little visibility of the arrangements at lower levels of the structure. The governance structure is complex on paper. In practice the situation was even less clear and it was hard to establish where the actual authority was. For example, one tension was clearly between the view that the SHA was there to advise the PCTs ("There is no SHA pressure to fill deployments slots. We can’t demand – we can only advise" (N06)) and a view that they were there to drive through the changes ("They will do what they’re told – they will have to do it" (N15e)). Similarly the role of the cluster and SHA was unclear: “the cluster has established EWIP – ‘enterprise wide improvement planning’ for products / risks / issues – but the SHAs are not providing any information”, they were continuing to deal directly with the Department of Health (N08). The structure was fragmented with control over different elements of the programme at different levels.

There was a lack of clarity about the overall goals and target benefits of the change programme, as well as about the decision making authority to bring the benefits about. Various national groups were setting targets and launching programmes and it was left to local groups to bring these together into a coherent plan and also determine how they were going to deliver the targets. The following examples illustrate this: "there is change at every level – SHA, PCT, short term, long term, funding driven, performance measure driven" (N02), also “Service Improvement Directors (regionally) are looking at harmonising all the initiatives of all sizes – they
don't come co-ordinated from the Department of Health” (N05) [~BP3: identify and define benefits], [~BP8: plan benefits realisation]. As a result, goals and target benefits were not clear nor was control over resources, responsibility for decision making or accountability. The lack of clarity of goals was also resulting in changes of priorities as people move around: “If we can get a benefit driven overall plan it will help keep focus through changes of personnel” (N05).

The structure appears to have achieved limited active involvement of senior business sponsors: “if it’s a priority for the PCT - why aren’t they putting the effort in?” (N06) [~BP9: design a framework for business change governance]. It seems likely that the lack of clarity of objectives and roles was resulting in a lack of engagement of senior managers at a local level and as a result the programme was increasingly IT rather than business driven: “we currently have a programme board across 10 PCTs plus acute and mental health - but only IT managers are attending (not Chief Executives as intended)” (N06)

Effective benefits planning was also hindered by the lack of local input to key aspects of the projects. As a result of the governance structure, the software solution for the projects reviewed was determined at regional and national level. The local teams were given a package to implement, but had not been involved in a requirements definition or selection process: “There was a PID but no requirements document - so we didn’t do the work to think through the goals - we were just given a system. We had limited knowledge of the system” (N02). The result was a focus on technology implementation that was not well integrated with any consideration of benefits realisation. [~BP7: establish technology / benefits interaction]. This had a number of unintended consequences. Firstly, the local project teams did not start the benefits planning and implementation activity with a good knowledge of the capabilities of the software solution or the requirements / overall solution envisaged by the team who made the selection. Some knowledge about the software became available gradually through the process as Accenture\(^3\) provided a demonstration. "There was no chance to have an in-depth look at the system - although

---
\(^3\) Accenture are the consultants engaged at a national level to implement NPfIT within the region. The overall governance structure is outline in Appendix K.
we were an early adopter - this caused us problems and also meant TPP\(^4\) didn't get feedback that they could have got. The future business process was based on understanding of the system gained in a demo / workshop in Oct" (The live date was 1 Dec) (N11). As a result, early work on benefits planning and business solution design was not informed by what was possible [\(~\text{BP7: establish technology / benefits interactions}\)].

Secondly, there were a number of mismatches between the requirements of the local teams and the capabilities of the solution they had been given to use. In the context of the limited scope of the system these were serious mismatches. In particular, the clinical coding used on the system was different from that used in the paper Child Health records provided to the patients. Also the system could not provide reports to fit in with the organisational structures and hierarchy in the region: "there are problems with the system and also with the way TPP are treating the problems: it hasn't got the right reporting hierarchy so we can't get out the information we need: it has a different clinical coding system – so we have to match the practice and system data" (a mismatch between paper books and the system) (N11). The governance structure also meant that it was difficult and slow to get these issues acknowledged and resolved – as the authority to make decisions and control of the relevant budget was at a national level [\(~\text{BP9: design a framework for business change governance}\)].

The fragmented governance structure and different goals of the different stakeholders also undermined the focus on planning for the realisation of benefits. As an example, the consultants provided useful advice on a benefits driven approach and provided a template and support for the development of business change plans: "Accenture have provided templates in a number of areas including for the business change plans" (N04), their action was focused on delivery of systems solutions, as the example illustrates: "Accenture provided a briefing on Child Health – lots of detail about how to use the system – but nothing on why or how to work differently. Simply training of staff in use of the s/w package – we have to get this in - in 13 weeks. There was no open discussion" (N14). "Our people can't see the big picture – they do not have consistent goals – its lacking in integration. For example at a recent meeting to plan Child Health all the people around the table were IT – talking about how to implement a

\(^4\) TPP are the software solution provider.
new IT system. There were no children. There were no parents. There were no child health care deliverers. I asked ‘what are you planning to deliver that will enable better service’ they said ‘we’ll worry about that later’”. The strategic policy lead for child health knew nothing about the meeting. The child workforce strategy lead was not involved. We need integration of the teams to make it management of change and not just technology delivery – but that’s not on anyone’s objectives. They are not thinking about benefits, service delivery, the organisational consequences, staff groups, professional benefits. The IT benefits they’re talking about are of the “if I press this button, it’ll be quicker than if I press that one” they have a very narrow view of benefits.” (N13). It seems that the governance structure and in this case the contractual framework was driving a focus on solutions delivery not benefits realisation [∼BP5: establish benefits / stakeholder interactions], [∼BP 8: plan benefits realisation].

The small scope of the projects caused some concerns as there was a perceived lack of benefits and end-users had expectations that the initial delivery would provide more of the benefits. This provides further indication that there was a lack of a shared vision and that more work could have been done to engage the different stakeholders and ensure the solutions actually provided benefits [∼BP5: establish benefits / stakeholder interactions]. From the project team perspective this represents a significant challenge as the lack of benefits made stakeholder involvement very difficult to gain, for example: “they presented ‘Choose & Book’ to the practice but none of the doctors was there” (N09). This illustrates the conflict between the perceived importance of the system at a national level and the lack of interest and priority locally.

Summary – Benefits Planning

Overall, Benefits Planning is not well developed as a competence. The project teams were attempting to focus on realising benefits; however this was not translated into effective action for a number of reasons, including a lack of clarity of goals, the fragmented governance framework at the programme level, and lack of alignment of the projects with the objectives of the different stakeholders. In summary, as one interviewee said about

[5] ‘Choose & book’ is one of the top priority national initiatives with the objective of allowing GPs to book hospital appointments for their patients on-line.
NPfIT: "it's not national and it's not integrated - IT people are leading and it's not what we want" (N02).

One of the interviewees (a GP) suggested that the professionals in these groups (e.g. GP practices) are good at managing change, that they have become very used to it. He suggested that a key factor is providing opportunities for beneficial changes - rather than imposing or selling changes that don't actually add value. This fits directly with other comments about benefits being force-fitted to existing solutions and suggests that the effort required to manage change would be less if the changes were seen as positive. This will require a real focus on the alignment of business and IT solutions with benefits to stakeholders. This will also require reconsideration of who is setting the priorities and at what level(s) in the overall organisation there is real ownership.

Although a number of practices for benefits planning were being used, the way they were being used meant they were not effective. For example interviewees saw processes as imposed, not adding value, and too complex: "Some of these rigid mechanical structures aren't giving us anything back - you just have to fill in a box" (N02). Also: "the goal is to balance simple / cohesive with comprehensive. What X and Y (part of the national team) have come up with is now a thick manual and is too complex" (N05). The practices have not become part of the way of working of the project teams. Related to this are three other areas. Firstly, the experience of the people involved and the extent to which they can bring that experience to bear in how they use the practices. In this case many of the project team members had only limited experience and there was little guidance and support available. Secondly, the impact of the wider organisational context on the projects and how effectively they were able to employ the various practices, for example the geographic fragmentation of the teams meant that informal communication and advice was difficult. Finally, there appears to be a lack of effective leadership to provide direction and also advice to the other personnel involved. This seems closely related to the lack of clarity of goals and governance framework.

The issues related to lack of clarity of objectives and governance framework were made worse by aspects of the culture. A number of interviewees referred to a blame culture and the pressure to demonstrate
benefits even though the programme lacked clarity and coherence: "there are lots of priorities to juggle and you can't say 'no!'" (N04).

6.4.3. Benefits Delivery

Practices observed

PRINCE2 continued to provide an overall framework for management of the projects and was central to responses from interviewees on questions related to Benefits Delivery. For example, one of the projects had a weekly team meeting that was used to update the plan, confirm progress and review the risk log (N04). [BD1: establish an adaptive project lifecycle]. As noted in relation to Benefits Planning, interviewees saw the benefits identified in the PID and the business change plan that provided a focus on how to bring them about, as important contributors to benefits realisation.

Two of the projects were successful in terms of delivery on time and to budget and this is a very good result given the challenging environment and relatively limited experience of some team members. They overcame the challenges presented by the fragmented governance structure to get a solution delivered. However, they did not succeed in getting the projects effectively focused on benefits realisation. The work on organisational change [BD4: specify changes to work and organisational design] that was carried out and reflected in the business change plan (ND04) did not result in a real benefits focus because of the gaps in other practices. As a result, the focus of the discussion of Benefits Delivery is on the gaps observed.

Gaps observed in the practices in use

There were a number of areas where there could have been a greater focus on benefits and where there may have been missed opportunities to realise benefits. In part, this was due to the areas not under local control and the difficulty of getting decisions taken and issues resolved. For example the software supplier (TPP) was a subcontractor and there were problems in resolving issues: "There are problems with the system and also with the way TPP are treating the problems – we need a process in place to fix the problems" (N11) and also "There is very poor communication – for example with the supplier. There is no visibility of what's planned or
happening." (N08). Another example is of the difficulty of getting financial and technical approval due to the extent of the hierarchy: "It has taken a very long time to get approval for the Tablet PCs" (N07). The problems reflect the shortcomings in benefits planning, the fragmented governance structure, and also the lack of engagement from senior managers [~BD2: actively lead the business change].

The Child Health project teams were formed from individuals from a number of different organisations from within the NHS and outside. The team met for weekly progress meetings but did not otherwise meet and work together as a team. For example, the interviews revealed no real connection between the work on training and the work on new processes. No one was in, or had taken, a leadership role to create an effective team [~BD2: actively lead the business change].

The teams had good experience of the NHS, but their experience of projects and the practices to be used was limited. For example, the projects undertook work on mapping the 'as is' processes. But their understanding of the required scope of this work was different. In one case this work seemed to absorb the available team and there was no real work on a future, 'to-be' process: "it was such a big job for them because she went too far - she\textsuperscript{6} tried to understand too much of the surrounding departments and why they need information and how they worked." (N11) Then "the 'to be' is much harder...it needed several iterations - it's difficult to think of working in a different way. In practice we didn't do one - X just made some changes based on her (partial) knowledge of the system" (N03) [~BD4: specify changes to work and organisational design].

In addition, the team was handicapped by different working styles and the lack of a common language. An interview with one of the SHA team revealed that this was a general concern. For example, there was a major difference in style between TPP (just do it) and Accenture (risk averse, focus on control) that was causing friction: "we're finding big language / cultural barriers - e.g. around terminology / deliverables and also much bigger issues of style. Accenture use 'greenfield' a lot - means nothing - they get off on the wrong foot and cause antagonism. It feels like a steam roller - it hasn't taken account of the local governance structures. There

\textsuperscript{6} The member of the team responsible for the business change plan
has been a big argument about the merits of the PID v the equivalent Accenture document. Accenture have a method and they want to stick to it" (N06) [\textit{\textsuperscript{\textdegree}BD2: actively lead the business change}].

There was also lack of expertise in business change and benefits realisation at a regional level: "there is a general lack of skills and experience. They don't know the language of project management - they don't think in terms of dependencies and risks. Even the risk manager isn't actually doing anything about risks. They're not doing lessons learned. It's seen as a weakness to ask for help. Business cases are very weak. The benefits are not well defined - it's just management speak" (N08). A second interviewee, also at a regional level indicated that there was a lack of effective support and guidance from national level: "no real support is available centrally - it's easier to work locally" (N05). If correct, this suggests that projects are getting approved without proper planning or effective scrutiny and that there has been insufficient focus on ensuring that there is the right level of experience and skill engaged in the teams.

The limited experience of the project teams tended to push the projects into an approach that was dominated by documentation deliverables - "The business change document took over my life" (N11) (ND04 Business Change Plan), rather than a focus on practices that would contribute directly to realising benefits. For one of the projects, a first draft of a PID produced by Accenture was 96 pages long (ND03: Project Initiation Document). The team, for example the project manager, received some level of support from more experienced managers who were part of the governance structure (i.e. on the project board). However, there was limited support for the team members carrying out important tasks, for example process mapping and design, with little past experience. Given the concerns expressed about experience at a regional level it may be that there were no people available who could play a support / advisory / coaching role for the project teams [\textit{\textsuperscript{\textdegree}BD2: actively lead the business change}].
The challenge of developing the team was linked to the lack of a clear agreed approach (and toolkit). Experience with Benefits Management was limited, it was seen as complex, and the fragmented leadership and governance structure meant that no local way of working was established. The emphasis seemed to be on completing documents based on templates rather than on realising benefits, with the documents as a means to an end.

On a more positive note, interviewees did recognise good skills at a local level: "People have skills – they might need slight additional training" (N04) and recognised that they are at the start of a long term programme: "This is a 10 year programme so some of these foundations have to be put in place" (N08). The local initiative to develop a community of practice for those working on benefits realisation is a positive step to develop and share experience. As one interviewee noted: "It's like learning to drive – you can only learn by doing" (N02). This area also relates to governance and leadership. One interviewee highlighted that local "senior management need to see their function as transformation" (N04) and provide more emphasis on developing skills, experience and the capability to realise benefits [~BD2: actively lead the business change]. In reality, there was very little engagement in the programme from senior management (N16e, N17e).

Benefits realisation depends on having a usable system that meets the needs of the end users and having users who are able to use it effectively. One interviewee provided an illustration of an incomplete and fragmented approach to organisational change based on the description of the implementation of a new system for a GP practice which resulted in significant 'dis-benefits'. Also, because of the fragmentation of responsibilities and goals the GP practice found it very difficult to find help to get the problems resolved. "We had s/w installed for the 'choose & book national spine' – it has really slowed service – you have to wait 15 secs for something to happen. They destroyed all printer settings – we couldn't print prescriptions. I had to correct it in my lunchtime – fortunately for the practice I'm quite good with PCs. A new PC network infrastructure has been provided by the PCT / SHA to the practice. As a result I've been without email and all the vital contact details I keep in Outlook for weeks. Also in the changeover, due to problems I lost two surgery sessions (60 patients)
and could not access my computer for 3 days. The PCT have provided the hardware - but there is no service management to back it up. No one cares about getting the system working. I have now got no access to diary, email or contacts and they don't want to fix it. They've just been told to install it. No one has access - 'who has the admin password?' - We don't any more. We have to raise a red alert - i.e. patients lives are at risk - to get anything done". There is a “lack of support on IT - one person does everything. One person covers 15 practices and the Child Health Centre" (N09). The example illustrates how the process of solution delivery failed to address crucial issues and compromised the ability of the end-users to provide a service to customers / patients. The fragmentation, of goals, roles and responsibilities contributed to 'dis-benefits' in this situation. The competence of Benefits Delivery is undermined as basic elements of project management of the business changes and IT service management were not in place [~BD7: implement organisational changes], [~BD1: establish an adaptive project lifecycle].

The number of initiatives, the fragmentation of the governance structure, and probably the lack of control at the local PCT level, meant that there was a lack of active sponsorship [~BD2: actively lead the business change] and effective engagement of key stakeholders. For example the sponsor of one project regretted the unambitious goals of a project and felt that much more could have been achieved. However, he had been unable to influence the project and had not had the interest or authority to make these wider changes.

There was also a lack of clinical engagement. It proved hard to get clinicians actively involved: "people were keen - but there was a lack of attendance at meetings - we need commitment to involvement" (N11); and also "what are the specific issues in health? What makes these ideas make sense to clinicians? They see it as 'all too techie' we need to break down the barriers. If we do anything they send their IT managers - they're scared of IT. But its just part of getting the job done to get involved in IT" (N01). This is directly related to the effectiveness of the project teams. There was an emphasis on stakeholder and clinician engagement. But there was a challenge in finding people who would provide the required input: "the role of the person picked to be involved is crucial. But do they understand the benefits - are they committed and will they disappear from
the meeting early?" (N12) [~BD3: ensure continuing active involvement of stakeholders].

One GP passionately described this as nothing to do with lack of interest or resistance to change, rather to the fact that these early solutions were badly thought through and there were no benefits: "There has been huge change for GPs over the last 5 years. The new contract with associated targets and performance measures has driven change. They don't need to be taught how to manage change - they can do it ...change - it just happens - we've been doing it for 5 years. There have been big changes - no paper records, no filing of test results....we will change if it's well aligned with practice goals and patient care. The trick is finding an actual benefit and also the alignment between GP / PCT goals." (N09). This was echoed by the regional benefits lead: "A well defined project hits you in the face. If they got staff to identify the benefits they'd be rushing to go and do it (implement / get the benefits)" (N08) [~BD3: ensure continuing active involvement of stakeholders].

Interviewees highlighted a number of possible actions to improve the focus on stakeholder involvement, as well as the need to strengthen active business leadership. For example: "We need a pincer movement - the clinical champions are important - people listen to them. We also need to engage with more junior members of staff and then get them on board" (N13) and "There is a need to consider internal marketing and use early adopters" (N01).

The limitations of involvement also related to members of the project team. One project manager, responsible for two of the projects, was also responsible for three other major pieces of work at the same time.

**Summary – Benefits Delivery**

The key conclusion to be drawn from this analysis is that the benefits focus was lost after the planning stage. There is little evidence of Benefits Delivery as opposed to solution delivery. The interviews suggested that there are a number of factors to be addressed in developing this competence. These include:
• Creating effective teams to manage change. This includes dedicating resources to projects and creating an environment where people can work together effectively. There was also a need to provide support to help them develop their expertise. "The challenge is to develop and build a change management capability – we need a common language related to them and their environment" (N15e).

• There is also a need for a common language and framework for a project to help the teams, and stakeholders, to work together effectively. Language is important: "we need to stress the important of language – not 'business change' – improved outcomes" (N15e)

• Creating a more effective governance framework to provide clarity of vision, active sponsorship, clear accountabilities and support for resolving issues and specifically a focus on realising benefits.

• Establishing effective foundations for benefits realisation – for example of IT service management, so that the technical aspects of services are well supported.

6.4.4. Benefits Review

The lack of coherent planning for benefits is likely to undermine the other competences. At the time of the field work the project teams had planned, but not carried out, lessons learned reviews following the recommendations of PRINCE2. The fragmented governance structure and lack of a clear, common language were likely to make it difficult to share learning across projects, although this was seen as an important goal by a number of interviewees.

A follow-up interview with one of the key interviewees (N13), provided evidence that the SAP project was abandoned by the relevant PCT following the reorganisations of the PCTs and SHA. The other two projects resulted in operational IT systems but no appreciable benefits. There were two main reasons. Firstly the PCT that became responsible for the solution and business processes had different objectives from its predecessor. Secondly, the very limited scope of the first phase meant that benefits would not arise until (if) a second phase was completed.
I was able to attend planning sessions and then two all-day workshops that were exploring benefits realisation activity in the region. Groups of 50 and 25 practitioners attended these sessions, which had the objective of sharing learning and building a wider capacity of individuals with expertise in benefits realisation. The intention was that the group became a ‘community of practice’ to develop and share knowledge in relation to benefits realisation (ND06). Key issues raised at the workshops were the lack of visible leadership and the lack of an agreed framework for benefits realisation. There was also concern about the impact of the impending regional organisation. This concern was shown to be justified as the reorganisation and associated job losses resulted in a loss of focus and momentum in this initiative.

6.4.5. Benefits Exploitation

At the time of the field work for the research Benefits Exploitation had not been a major area of emphasis. Given that the projects were early stages of longer term programmes this seems appropriate.

There were a number of warning signs that there could be challenges in this area. For example, a help desk had been established: "a help desk is provided as a national shared service - this is already in place" (N04), but as this is at a national level and the processes vary across each PCT, it seems this arrangement can only provide technical support and not support for the business process. Also, at local level, the trainer is intended to provide ongoing training and support, but at the same time she is also expected to support further new projects: "ongoing support is provided by training - they will run Q&A / drop in sessions. There is a potential conflict - as the one trainer will provide ongoing support / advice for child health and also continue to set up and deliver training for further new systems. The training has to be done for each PCT as their processes etc are different" (N04) (ND05 Deployment plan). It is likely that these arrangements for support and training can, at best, be only partial solutions [\~BE2: maintain benefits driven training].
One interviewee noted that the focus was on delivering the initiative / project and that this could have significant cost implications later on:

"initiatives are driven by policy announcements - they just have to do something by the target date - it always ends up meaning there are huge post live costs as they try and put it right and make further changes" (N08) [~BE3: evolve working practices].

Interviewees were also conscious of the impending reorganisation across the SHA and this limited their interest and ability to prepare for benefits exploitation following delivery of the projects.

6.5. Facilitators and inhibitors of benefits realisation

6.5.1. Summary

The case study has revealed a number of individuals working hard in a difficult environment to realise benefits for patients and their organisations. The projects attempted to focus on benefits and business change and clearly recognised the importance of this. There were attempts to adopt a number of practices for Benefits Planning and Benefits Delivery but this did not result in an effective focus of project activity on benefits realisation.

The case has highlighted the importance of the organisational context in which projects take place and has shown a range of organisational factors hindering the activity at a project level. The organisation faces major challenges in continuing to develop its capability for realising benefits. The fundamental issue can be summarised as fragmentation – of teams, language, vision, goals, approach and responsibilities. Many of these challenges are likely to be hard to resolve as they are driven top-down by central government at a national level.

A number of general facilitators and inhibitors for benefit realisation emerged from the case study and are discussed in this section. These factors are broader than the individual practices and competences, and are highlighted because of their potential impact on benefits realisation.
6.5.2. Effective leaders of benefits realisation

Leadership, or the lack of it, was a major inhibitor of benefits realisation in this case. Interviewees noted the need for more engagement from senior management and that senior management need to see their role as leading the transformation. There was a recognition that "the focus is now on Transformation not just NPfIT" (N05) and they need to "work bottom-up to create a new way of thinking and tackling improvement" (N05). The lack of engagement seems to be related to a range of factors including the fragmented objectives and governance structure, and the 'blame' culture. These factors reduce the ability of managers to make a difference and also increase the personal risk of getting involved.

There was also a lack of skill and experience related to benefits realisation at the senior manager level. Again, this was noted by a number of interviewees. The need to develop senior management experience and engagement was also an explicit driver for the regional benefits events I attended (N15e, N16e).

The lack of leadership had an adverse impact on the clarity and consistency of objectives, the engagement of staff, and the support available for project teams.

6.5.3. Effective skills and resources for benefits realisation

There was also a lack of skills and experience among the staff involved in the projects teams.

Developing the expertise of staff in the management of change and realisation of benefits is a key area. A number of interviewees acknowledged the value of templates provided by Accenture and also the value of the support / advice they provided as members of the teams. This was a valuable source of learning for some team members. Members of the project board also saw these projects as valuable opportunities for individuals to develop experience. In this sense, learning on the projects was planned. However, the way some of the benefits practices have been presented is seen as too complex: "the goal is to balance simple / cohesive with comprehensive. What X and Y have come up with is now a thick manual and is too complex." (N05). As a result there has been a focus on
compliance and on completing documentation rather than developing the skills of individuals.

The fragmentation of the overall governance framework and the lack of clear leadership also contributed to the lack of support and advice for individuals and teams to develop expertise.

A community of practice was being established to help gain adoption of practices related to the realisation of benefits. A core group planned and ran a workshop attended by over 50 individuals from the region (N17e). The all day workshop was run by one of my primary contacts in this case, and I was in attendance as a participant for the full day. This was a 'bottom-up', initiative to share ideas and experiences and develop an influential group in a wide range of roles across the region. They wanted to “create a community of practice and also identify people the central team can use as support” (N17e) as a way to introduce the benefits approach and facilitate its use (ND02, ND03). The aim was for the community to follow a similar approach to that taken in the region to the sharing of good clinical practice to help build on expertise in the region. A key point that emerged, unprompted, from the discussion was their view of the need to take a “benefits driven approach to gain the adoption of benefits driven approaches to projects”. This relates directly to the situation discussed in Chapter 5 where ‘process improvement projects’ in organisation were failing.

6.5.4. Consistent framework and common language for benefits realisation

The projects involved a number of third parties and also individuals from different elements of the overall organisation. The lack of a simple, consistent framework that forms a common language and common way of working for approaching change projects affected a range of practices and competences. It also contributed to the difficulty in developing skills as there was no agreement on what the focus should be.

6.5.5. Local input and ownership

Interviewees raised the issue of lack of awareness related to gaining adoption of practices for benefits realisation: "there are issues with benefits
Chapter 6

Case study - struggling

- no one has heard of it – it’s a different way of thinking” (N05). Compared to PRINCE2 the current knowledge and sponsorship is limited: “the value of PRINCE2 as a brand – we haven’t got that yet for benefits – it needs to be locally understood and owned in the right organisation” (N17e). As a result there had been only limited investments in developing benefits realisation expertise.

In much the same way, both the solutions being implemented and the approach taken to introducing them (see 6.5.6) were controlled centrally and there was very limited local input and less ownership.

6.5.6. Designing the approach to change

One of the major challenges faced by these projects, and by the wider organisation in making change happen, is that work is carried out by very small groups of workers, often highly trained professionals, working in a specific local context. The effort required to go from group to group managing change through a process of engagement, training and other activity is enormous: “there is a general resource shortage. Who covers the clinicians while they’re involved in design and systems training? This is a major resource impact. In some areas there are just one or two people in teams. This is such a complicated, unsolvable problem that it’s just ignored. If you tell them the commitment required they’re horrified.” (N12). In this respect the scenario has many similarities with other professional and knowledge work scenarios. Often workers will appear to be organised into larger groups, but in practice they will work in very small groups, organised around for example, a specific customer or project or sales opportunity. The implication is that the top-down, centrally driven approach to change is not a good fit.

There appears to be an opportunity for a very different approach to change, an interviewee suggested that a key factor is getting the right incentives – and as a result the changes will be driven locally without a need for (as much) central management: “The new contract with associated targets and performance measures has driven change. We will change if it is well aligned with practice goals and patient care. The current IT paradigm is central planning and control – it isn’t working. An alternative paradigm could be based on the NHS as lots of small independent businesses and creating an environment where innovations
can spread.” (N09). As one approach to this the NHS Modernisation Agency started to explore change as a social movement (ND05: Towards a Million Change Agents). The approach, as with evidence based changes to clinical practice, could take advantage of the flexibility of small groups and then address the sharing of learning rather than seeking to impose a centrally driven, top-down programme of change.

The implication for benefits realisation is the importance of designing the overall approach to change to fit the context (Balogun and Hope Hailey, 2002; 2004). This will have a broad impact across a wide range of practices. The example also provides an indication that benefits realisation can be undermined by a typical approach to change that is too centralised and top-down for some scenarios.

6.5.7. Clarity and stability of strategy and structure

A significant factor in this case is the absence of clear objectives and a coherent, agreed programme plan to deliver them. As well as the lack of clarity there was also a lack of stability as new top-down initiatives introduced change. Further factors were the lack of a clear and agreed governance structure for the programme, and the extent and frequency of change in organisational structures. There were many references to these issues. As one interviewee noted in relation to the ongoing organisational change and restructuring “everyone is uncertain about their future roles” (N08).

6.5.8. Additional factors

A number of additional factors are likely to inhibit an effective focus on realising benefits:

- The lack of competences for IT solution delivery and service management which is undermining a focus on benefits realisation.
- The culture – for example, the ability to learn or to have a discussion about what is possible: “the blame culture is huge – no one takes any decisions” (N08), “They’re not doing lessons learned. It’s seen as a weakness to ask for help” (N08), “There are lots of priorities to juggle and you can’t say ‘no!’” (N04)
6.6. Summary of the case

There were a number of further opportunities to validate the findings with participants in the study. I had three follow-up interviews with participants who had roles within the SHA across a range of projects and was also able to attend two workshops on topics related to the research. These interviews revealed that after completion of the fieldwork action was starting to address a number of the issues raised in the research. In particular, work was started to develop a clearer vision and goals for the change programme which would provide a stronger basis for planning and governance of projects. Work was also started to establish a clear project framework. In addition, the workshops which were intended to help to start a community of practice related to Benefits Management provided a broader insight into the issues identified in the research and confirmed the desire to share learning in this area within the SHA. Unfortunately, as a later interview revealed (N13), the SHA and PCT reorganisations stopped this progress before there was any impact on practice.

A number of practices for the realisation of benefits were observed. In particular, the projects had an explicit focus on benefits at the planning stage and a business change plan was a key project deliverable. The focus on benefits did not extend to Benefits Delivery, Benefits Review or Benefits Exploitation. An issue highlighted by this case study is the consideration of how well the practices are used; it is not simply a matter of the existence of a specific activity or the production of a particular deliverable.

The case study revealed a range of factors at the organisational level that impact on the adoption of specific practices for realising benefits. In particular, the lack of clear leadership and the lack of a coherent governance structure appear to have contributed to the absence of many practices for realising benefits. There was no real clarity of vision and no focus on creating experienced, effective teams working to a common language and project framework. The limited experience of teams was also revealed in the struggle to get some of the basics of the projects right. In addition, the lack of coherent / effective IT service management undermined the focus on benefits. Building competences for benefits realisation will be a major challenge in this context.
One project from this case stands out as a good example of practices for the continued exploitation of benefits in support of an important organisational activity. This example provided a number of potential new practices.

In other respects, the case revealed no effective focus on benefits and a range of wider factors preventing effective delivery of solutions. These included the absence of a clear framework for projects and also the absence of a coherent governance framework.

* * * * *
6.7.1. Introduction

This section presents the findings from a second case carried out as part of the second phase of empirical research. The aim is to get further insight into "the practices required to realise benefits from IS/IT investments".

6.7.2. The organisation

The case focuses on the use of Information Systems within a University. The study was set up with the IT Director and the Deputy Dean of a specific faculty (the Business School). They also provided feedback on the draft analysis of findings and this feedback has been incorporated into the final draft of this chapter. A range of interviews were carried out and there was also the opportunity to attend a number of project meetings and to review project documentation (see Appendix M).

The University has a federal structure with each department and faculty having considerable autonomy. The management of IT is in line with this model. The IT function is one of a number of service departments and does not have control over IT decision making across the University. At the time of the study this governance framework was evolving and there was an attempt to move towards greater central control of decision making, for example through establishing a new IT steering group and through greater centralisation of IT budgets.

There is a University IT department, and a number of the departments and faculties have their own IT resources. This case study is primarily from the perspective of the Business School which has its own IT department, has a number of School specific systems and also uses a range of systems provided by the University.

6.7.3. The projects

The case study addresses four projects. Some of the projects are specific to the Business School and others provide a Business School perspective on University-wide projects. There was also the opportunity to explore the wider organisational context of the exploitation of the use of IS/IT within the University through interviews and involvement in the development of an IS strategy for the Business School (U21e / UD05), involvement in
projects related to the University IT strategy (U19e / UD04) and also as a member of the University IT users committee (U20e).

**Customer Relationship Management**

Customer Relationship Management was identified as a priority area for action by the Business School. There were a number of drivers for action. At an operational level, the organisation of communications with contacts, setting up conferences etc was being hampered as each small team relied on its own data base, spreadsheet or set of contacts in Outlook. A preliminary study suggested that there were over 40 separate 'databases' in use. At a more strategic level it was a priority objective for the School to improve its ability to target marketing and attract people to courses and also to develop relationships with a wide range of contacts in other organisations.

A number of investigations and feasibility studies had explored aspects of the problem. The project was initiated in December 2004 with the objective of rapid implementation of an appropriate CRM package. The intended strategy was to progress with the selection and implementation of a solution as a first phase with the aim of eliminating a range of current problems and providing a platform for future exploitation. In parallel with this first phase, and then building on the knowledge gained from working with the solution, the aim was to develop a longer term strategy for customer service / customer relationship management and to establish a longer term benefits driven change programme (U22e).

**Desktop upgrade**

The network of 450 PCs managed by the Business School was upgraded to Office 2003 during 2005. From a technical perspective the project went smoothly. The case study takes a benefits perspective on the project. It is included to provide an insight into the approach taken to a system that enables the day to day work of virtually all members of staff in the School.
Durham University Online (DUO) – eLearning

Durham University Online (DUO) – is the Blackboard eLearning package. University-wide deployment had been completed and the case study focused on the efforts underway to sustain and extend the benefits realised.

Student Administration

Work on an IS Strategy for the Business School highlighted student administration as a critical area. Systems and processes are fragmented and rely on a range of spreadsheets and databases in the Business School, and flows of paperwork with central departments, for example the Graduate School, and the central system. At the University level, student administration is based on a package solution – Banner. This system is owned by the Registrars department and management of the system is outsourced to Unisys.

The complexity of the overall process leads to delays, errors and bottlenecks. For example, these have involved delays in getting new students fully registered and with access on DUO and the University IT systems, delays in getting degree certificates to students at the right address and delays in getting offer letters to prospective students. These issues are highly visible to students and cause considerable dissatisfaction which impacts on other aspects of the relationship. They also cause considerable extra effort and stress for staff. (U21e)

The case study examines ongoing work to streamline student administration processes. Initial work was carried out to assess the requirements of the different administration teams within the Business School, with the intention of developing a bespoke system (UD03). On completion of the requirements definition work it was decided that the focus of the project should be on making the maximum use of the University student admissions system, Banner, and then meeting any specific school needs around this system.
6.8. Findings - competences for realising benefits

The analysis of the findings from the interviews followed the process described earlier in the chapter. In the following section, the findings are discussed in relation to each of the competences in the evolving model of competences for the realisation of benefits from IS/IT.

6.8.1. Benefits Planning

*Practices observed*

The case study included coverage of the planning stage for three of the four projects. One of the projects was completed as the delivery of a technical solution. The others were cancelled without getting beyond the planning stage. No evidence could be found that any of the projects had an explicit benefits focus.

The issues are explored further in relation to the discussion of the gaps observed.

*Gaps observed in the practices in use*

The desktop upgrade was carried out as a technical project. There was no documented business case, no project initiation document and no benefits case [~BP8: plan benefits realisation]. The missed opportunity to realise benefits is illustrated by action taken by the Business School following completion of the fieldwork for this research. The School made an investment in end-user training, providing a mixture of rapid overviews of key features of the desktop software (Microsoft Word etc) and 1:1 coaching sessions. The feedback was extremely positive and many participants felt that they had learned information that would give them significant benefits as they would be able to save a lot of time.

The first stage of work on the student administration system was the development of a requirements document and functional specification (UD03 / UD04) for a ‘Client Information Management System’ (CIMS). Although this included a statement of benefits, these were stated in general terms and were not developed into a benefits realisation plan.
Examples of benefits included:

"Improve and standardised procedures (including workflows) will be derived and documented for all programmes within the Business School.

All Manual and semi-manual systems will be replaced with one consolidated and rationalised system." (UD03)

The benefits were not linked with specific requirements or with the functional specification [~BP7: establish technology / benefits interaction]. Also the process changes affecting University departments outside the School were not agreed: "a current limitation and risk to the project is the potential for changes to the procedures that are dictated outside of the Business School. An example of this is the proposed changes to the admissions process that have been recommended by the Graduate School. Confirmation of the process changes have not yet been communicated or implemented and therefore the admissions process has to be revisited to ensure that the system defined takes into account any agreed changes" (UD03) [~BP4: establish benefits / process interaction].

Work on the Customer Relationship Management (CRM) system was initiated with the intention of delivering a rapid, first phase as part of a longer term programme of work. The aim of the first phase was to deal with a range of specific problems caused by a proliferation of 'databases' of customer information (over 40) with each small team maintaining its own system and information. The first phase was also intended to provide facilities to provide improved support for administration processes for short courses and conferences. The initial business case identified key benefit areas. Specific benefit plans for the first phase were intended to be developed as part of the initial work on project planning. However, the project never got to this point, as a result of a range of factors including lack of support from top management who did not accept the value of the project [~BP1: identify strategic drivers].

The lack of a clear governance framework [~BP9: design business change governance] was also a significant factor in the (lack of) progress of the CRM project. Decision making authority was not clear at the
Business School or in the University and the steps to get approval of the project were not clear in advance. A number of different stages were completed, for example an Invitation to Tender process with input from the University purchasing department. However, the project was ultimately cancelled because of wider budget issues and concerns over lack of commitment and resource shortages. Appendix N provides further details of the history of the project.

There were no specific practices for managing a portfolio of projects within the School. Projects were treated on an ad hoc basis with the focus on budgetary control of a series of IT infrastructure projects.

**Summary – Benefits Planning**

The projects showed no explicit focus on benefits beyond the inclusion of a list of general benefits in project documentation. There was no specific focus on measurement or ownership of benefits, or the definition of the business changes required to realise the benefits.

The reasons for the lack of focus on benefits and the general lack of progress on student administration and CRM are not clear cut. The lack of a clear governance framework appears to be a major factor. In these cases there was no clear business ownership of the projects and in particular there was no clear route to get resources allocated and to get the pre-requisites in place to prepare for the projects. The third project, the desktop upgrade, was simply carried out as a technical project with no thought given to the user implications or the need for any activity other than the technical deployment.

**6.8.2. Benefits Delivery**

Customer Relationship Management and Student Administration did not complete planning and get initiated as projects. DUO was already in operation at the time of the field work and it was not possible to explore earlier activity due to changes in personnel. As a result, of the four projects studied only one, the desktop upgrade, included any activity related to Benefits Delivery. As noted in relation to Benefits Planning, this project was planned and delivered as a technical project. This was an important
omission as most of the staff at the School spent a substantial percentage of the working week using the desktop systems and as the training carried out after completion of the fieldwork revealed, there were significant opportunities for benefits from more effective use of the desktop.

None of the projects provided evidence of practices for Benefits Delivery.

6.8.3. Benefits Review

**Practices observed**

The DUO project showed a number of benefits related practices. In particular there was an annual survey of end-users (staff and students) as part of a review and exploration of the opportunities for further improvement. [BR3: identify actions to realise further benefits], [BR4: facilitate lessons learned reviews]. The practices are most directly related to Benefits Exploitation and are discussed in relation to that competence.

**Gaps observed in the practices in use**

The CRM and Student Administration projects did not proceed beyond planning. At the time of writing, more than twelve months after the completion of the field work, new attempts are starting to tackle the business problems in each of these areas. It is too early to tell if these will succeed (U13).

A further upgrade to the desktop is being planned. Also, steps are being taken to establish a user group to focus on realisation of benefits from the desktop (U13). However, there are no concrete plans and it is too early to assess the benefits focus of these activities.

Two broader factors related to Benefits Review were identified through the informal discussions and observation of a number of meetings. Firstly, at the level of the staff in the School there is an acceptance of the status quo and little emphasis on continuous improvement and changes to improve how things work. In fact, staff often perceive changes imposed by the University as making things worse for them and for students. Secondly, looking across the University, there appear to be power struggles between different groups and a hierarchical, blame culture. Both of these factors are
barriers to the development of a competence for Benefits Review [BR3: identify actions to realise further benefits], [BR4: facilitate lessons learned reviews].

There is a clear contrast between these gaps and the same practices, where positive evidence of the adoption of the practice was observed in relation to DUO. This illustrates the difference between a systematic, organisation-wide competence and fragmented, localised practice related to one or more projects, business processes or systems. The organisation is federal, so it is particularly difficult to establish any organisation-wide approach or competence. One key difference between the projects within this one organisation is the existence of the central team focused on exploitation in the case of DUO.

6.8.4. Benefits Exploitation

*Practices observed*

The initial deployment of the DUO solution was completed two years before the fieldwork. The system is used by virtually all academic staff in the University. The extent of usage varies. As a minimum it is used to share files (lecture notes / slides etc) with the students. Others make use of additional facilities such as on-line discussion groups or multiple choice questions (U18e). Coverage of this project (ongoing service) provided evidence of a range of potential practices related to Benefits Exploitation. This was helpful as the framework of practices described in Chapter 4 had limited coverage of this area, reflecting the emphasis of existing literature.

There was leadership and support for the usage, exploitation and development of the solution across the organisation from a small, central team: *"our aim is to work with academic staff to help them enhance learning for students"* (U16) [BE1: ensure ownership of continued benefits exploitation]. Responsibilities of the team include testing and releasing the regular upgrades from the package supplier, support and training for users, sharing good ideas and good practice. The team had a mixture of technical and business skills, in this case expertise in the design of eLearning (U01, U16). Establishing a team with this broad range of skills is an important practice: *"we now have the resources to support each faculty and also to develop expertise in specific areas such as assessment"*
(U16) [>>BE5: establish exploitation team]. Further description of the potential new practices is given in Table 6-2 at the end of this section.

Other practices include a regular review of usage. An annual end-user survey is carried out to understand satisfaction, identify problems and opportunities and to provide input into future developments. This service review is an important part of the overall management framework [>>BE4: service review - as identified in Phase 1] (U16, UD06).

In addition, there is an annual user conference which provides an opportunity for end-users to share how they are using the system and for good ideas to be communicated. [>>BE6: enable good practice sharing]. The team provide additional input to the conference based on their work with the solution provider and attendance at the user group meetings that include other organisations using the software. (UD07, UD08)

The team make regular updates to help guides and training courses that address how to get the most value from the system (UD09, UD10) [BE2: maintain benefits driven training]. In addition, the core team provides a consultancy service to end-users and user departments with the aim of tackling specific projects to help them realise additional value from using the system: “we'll put in time to run a series of short seminars to provide updates on the new features and then we can work 1:1 with people who want specific advice” (U18e, UD11). [>>BE7: exploitation consultancy]

The impact of these practices is to encourage gradual adoption of more facilities provided by the solution as individuals and departments experiment and innovate and build on the existing usage.

<table>
<thead>
<tr>
<th>Practice</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>BE4: service review</td>
<td>Carry out a regular (e.g. annual) review of the service with key stakeholders and explore the opportunities for further benefits and the actions required to realise them. Identified as a possible practice in Phase 1.</td>
</tr>
<tr>
<td>BE5: establish exploitation team</td>
<td>Establish a multi-disciplinary team with responsibility for ongoing benefits exploitation.</td>
</tr>
</tbody>
</table>
Chapter 6

Case study – struggling

<table>
<thead>
<tr>
<th>Practice</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>BE6: enable good practice sharing between users</td>
<td>The example of running a regular, internal user conference to is one example of a way to facilitate sharing of ideas and good practices.</td>
</tr>
<tr>
<td>BE7: exploitation consultancy</td>
<td>Provide a consultancy service to user areas to provide advice and expertise to help them realise further benefits.</td>
</tr>
</tbody>
</table>

Table 6-1: Potential new practices for Benefits Exploitation

Gaps observed in the practices in use

A number of positive practices for the exploitation of DUO were observed. A gap, identified through ongoing observation, was the lack of active leadership and ownership for exploitation at a local level, for example at the School [~BE1: ensure ownership for continued benefits exploitation].

A number of interviews revealed the opportunity for a focus on exploiting the potential benefits of the upgraded desktop. Examples include:

"How do you print from PowerPoint?" (U07)

"My main observation is that we have very sophisticated hardware and software and that these are updated regularly however there is no training available. Now it is left to individuals to work out how to use it and whilst we find our way round the packages there is an overwhelming feeling that we are not making the most of what is available. The problem is you don't know what you don't know..." (U11)

At the time of the study there was no activity to help users realise the potential benefits, other than infrequent, one-day courses provided by the University. These were not attended by School staff. There is also ample evidence of opportunities to realise benefits from the existing software, simply by using available facilities such as the 'Table of Contents' feature in Word to help manage long documents such as course handbooks.

A follow up interview was carried out (U13) and there was also an opportunity to review the Departmental Plan (an annual update of the 5 year strategy document for the School). It was interesting, and
disappointing to note that there was no reference to the exploitation of IT to improve performance or, for example, help address staff turnover due to high workload — which in large part comes from inefficient systems. [~BE1: ensure ownership of continued benefits exploitation]

**Summary – Benefits Exploitation**

DUO provides a strong example of a focus on Benefits Exploitation and revealed a number of candidates for new practices. It illustrates ongoing work that can be undertaken to sustain and extend the realisation of benefits from an important system. It also illustrates the level of effort required and that just having the technology, by itself, is not enough to gain adoption and exploitation.

The examples from DUO have been treated as candidate new practices rather then elements, or variants of existing practices. It seems helpful to use them to extend the practices framework for Benefits Exploitation where there is often limited focus in organisations.

The lack of focus on exploitation of the desktop was more typical. The training provided in this area as a one-off exercise provided an indication of the significant potential benefits.

6.9. **Facilitators and inhibitors of benefits realisation**

The case focuses on one part of a large organisation. The organisation has a federal management structure with a high degree of power in individual departments. The provision of IT is organised in a similar way to the organisation as a whole. The Business School, which is the primary focus of the study has its own IT function and also draws on services from a central IT function.

A number of general facilitators and inhibitors of benefits realisation emerged from the case study and are described below. Many of these are the same as those that were evident in the case from the SHA
6.9.1. Effective leaders of benefits realisation

There is a specific practice related to leadership for benefits realisation [BD2: actively lead the business change], but the issue here is broader. The leadership issue in this case relates to the overall organisational capability for the realisation of benefits from IS/IT.

The lack of leadership for benefits realisation from IS/IT may reflect the wider organisational environment. Management is largely by formal committees and the informal dialogues that take part around them (e.g. U20e). This activity appears to focus on taking decisions and setting policy. There is less time available for, and less emphasis on, leading change and benefits realisation i.e. on implementation. There is also little or no active leadership for the exploitation of IS/IT to deliver benefits to stakeholder and improve organisational performance.

Effective leadership for benefits realisation was also an important factor in the SHA (6.5.2).

6.9.2. Effective skills and resources for benefits realisation

The lack of skills and experience among the staff involved in the project teams was a factor in this case as at the SHA. Outside the small, technically focused IT team at the Business School there was no specific experience of project and change management. Also there was no explicit focus on developing individual skills or an organisational capability.

6.9.3. Consistent framework and common language for benefits realisation

Although the organisation has been going through substantial change, for example due to changing government policy, the management of organisational change related to IS investments has generally not been a priority. Investments have been largely in technology, and exploitation has typically been left to individuals and teams. The approach taken to different projects has also been left to individuals, teams and departments.

The organisation has little experience of IS projects and has no established framework or practices for managing projects. This lack of an agreed and adopted project framework and a clear focus on benefits realisation
appears, in part, to be a result of the federal, fragmented nature of the organisation. There is no group with the resources and the authority to introduce a consistent framework.

The SHA also suffered from the lack of an agreed approach to benefits realisation. Although not as clearly a federal structure as the University, the number of different organisational units with a degree of local autonomy and the significant role of external suppliers meant that in both cases there was a lack of a clear organisational framework for benefits realisation

6.9.4. Local input and ownership

In addition to the lack of leadership for benefits realisation from investments in IS/IT, there is also a wider issue of a lack of business ownership for realising the potential contribution of IS/IT to improved organisational performance.

Information systems have largely been seen as a day to day administrative and operational matter and not of major relevance to research or teaching. This has been a factor in the limited management focus and lack of leadership for exploitation at a local level. An aspect of this lack of business ownership is lack of insight into how IS/IT can contribute to improved performance.

6.10. Summary of the case

The University case study revealed two different situations. Firstly, three of the projects did not reveal any specific practices related to Benefits Planning, Benefits Realisation and Benefits Review. Although one of the projects was well executed as a technical project, the other two stalled after significant periods of time attempting to get them underway. A key issue within the Business School was the lack of experience of involvement with IS investments and business change. There is also no project framework, so there is no foundation on which to build specific practices related to benefits. Further factors are the acceptance of the limitations of current ways of working, and lack of awareness of the possibilities for improvement which reduce the demand for change.
Secondly, the fourth project showed a range of practices contributing to Benefits Exploitation and helped to broaden the understanding of this competence and develop the framework of practices. This example was directly related to the central mission of the University (teaching and learning) and also had a multi-disciplinary team of staff responsible for Benefits Exploitation.

There was no investment in education or other activities to develop individual skills and contribute to the development of organisational competences for benefits realisation.
Chapter 7. Phase 2 Empirical Study – Succeeding in Realising Benefits

Succeeding

This case provides an example of an organisation succeeding in realising benefits from investments in IS/IT. The focus on people was striking. There was a great emphasis on leadership, building effective teams and involving stakeholders. Another important factor in success was in enacting practices consistently and well. A number of potential new practices were identified.

The organisation was also making progress in developing an organisational capability to realise benefits. This was referred to as a 'transformation capability'. The organisation approached developing this capability in the same way it approached the projects, with an emphasis on leadership and developing people.
Chapter 7: Phase 2 empirical study – succeeding in realising benefits

7.1. Introduction

This chapter focuses on the third case study carried out as part of Phase 2 of the empirical work. This organisation was succeeding in realising benefits from investments in IS/IT and was making good progress in developing an organisational capability to succeed with IS. This case study is discussed in detail in order to maximise the learning from the success of this organisation. Wherever possible I have allowed the interviewees to speak for themselves and have included sections from the interviews to present the findings.

The case is structured in a very similar way to the two cases outlined in Chapter 6. Firstly, the organisation is described. Then, the three projects involved in the study are described. As this organisation had a specific goal to build an IS, or 'transformation capability' as they referred to it, this is discussed next as it helps provide the context for the individual projects. For each competence the practices that contributed to the success of the project in delivering benefits are outlined and gaps identified in the practices adopted are considered. There is then a discussion of the factors facilitating and inhibiting benefits realisation.

7.2. City Council

7.2.1. The organisation

The organisation involved in this case was a City Council. "The Council is committed to delivering best value services, which are of high quality and responsive to local views and needs. ... Improved back office systems and automation of routine tasks will free up staff to spend more time dealing with customer issues..." (Council web site – 21 July 2005). In 1999, in response to pressure from the government to ensure that local government was providing value for money the Council undertook a 'best value review' covering IT and various service functions (payroll, council tax collection etc). The process resulted in extended negotiations to explore outsourcing these Council activities. The negotiations with the potential outsourced
service provider showed that savings were possible, but that the service provider would receive most of the benefits. As a result, an internal proposal was developed to match the savings and to allow the Council to take more of the benefits. The result of this exercise was to establish a Transformation Programme that was a three year plan to achieve savings and invest in improved services. The programme related specifically to the areas of the organisation that had been the subject of the outsourcing negotiations, i.e. the Information Technology department and various Council service departments (IT, Customer Services, Exchequer, Revenue and Benefits).

The Transformation Programme and the related departments became the responsibility of a single director. As part of the formation of the new division a centralised IT function was formed bringing together the IT departments that had previously been within each directorate of the Council. In addition to this major change, there was also a significant change in the strategy adopted by IT in providing support to the business areas. Previously there had been a focus on customised system developments to meet the specific requirements of each business service or department. This had resulted in systems closely tailored to local ways of doing things, but the systems were expensive to develop and maintain. A new strategy was adopted based on purchasing industry standard, package software that was ‘fit for purpose’. The goals were to reduce costs, increase flexibility and learn from others. There was recognition that this might be painful for the business areas, and would result in change management issues, but was the right long term strategy. The approach being taken by the Council is very much focused on business change and benefits realisation: "In a compressed period of time we’re bringing about radical change in how the Council works using IT as a catalyst...The Transformation Programme plan and the Transformation Programme office is about monitoring the benefits realised and making sure benefits are realised at the appropriate time....IT is recognised as a key business enabler" (C02)

The case study is based on three projects that were part of the overall Transformation Programme. The sponsor of the study, and one of the interviewees, was the Director of the newly formed Council division. Interviews also included members of the central Transformation
Programme Team who managed and supported the overall programme. A number of interviews were carried out for each project and there were additional interviews to explore the overall organisational context of the wider Transformation Programme.

The interviews were supported by review of project documentation and a tour of the main Customer Service Centre. As the organisation is a government body, considerable information was available on the Internet to explain the Transformation Programme and the specific projects. This was supplemented by documents obtained directly from the interviewees. Appendix O provides a list of the interviewees and examples of the documents reviewed.

7.3. The projects

7.3.1. Human resources / payroll

The first project was the implementation of a Council-wide human resources and payroll system. The project involved the implementation of a package from SAP (www.sap.com) and was also the starting point of a longer term business and systems programme to exploit the facilities provided by the new common system. The system replaced a range of previous systems and processes for managing payroll. Prior to the new system there were “8 different HR systems and 14 different databases being used by 17 different departments” (C04).

A benefit plan for the project is shown in Figure 7-1. This was developed based on the interviews and review of documentation to provide a summary of the project in business and value terms. The research focused on how the benefits had been achieved. The project to implement SAP for human resources and payroll was successful “the software was installed and data migrated bang on target” (C03). The project was part of a wider HR programme with objectives of:

- Establishing streamlined business processes and a reliable and cost effective payroll.
- Contributing to transformation and job reduction goals.
• Providing better information on sickness to enable improved absence management.
• Enabling manager and employee self service for HR / payroll administration (sickness reporting, appraisals etc).
• Providing support for recruitment.
• Providing support for training and events. (C03)

The HR / payroll project is the first phase of a wider programme. The benefits network (Figure 7-1) provides a high level view of the scope of the project. It also shows a second phase that was planned to build on the initial project. This phase was to extend access to managers and employees so that they could access information directly and input information (e.g. change of address). The benefits from this second stage were to include further reductions in payroll staff costs and improvements in service quality. The HR programme was itself part of the Transformation Programme and a wider Organisational Development (OD) Strategy. The initial project was complex and challenging and took 18 months to complete.

The project involved significant change within the payroll department itself. Some of these changes were directly related to the new system, while others, such as the move from weekly to monthly payroll were business changes taking place in the same time period.
7.3.2. Customer relationship management

The second project in the study was the implementation of a customer relationship management system (CRM). This was a package solution and was chosen from what at the time was a relatively small supplier (Lagan - www.lagan.com (checked on 26 September 2005). The CRM project was part of a major, long term programme to improve customer service.

The focus on customer service was started by a previous Chief Executive who "talked about 'awakening the sleeping giant"' (C05) and said that Customer Services was about "challenging the way we operate and deliver services around the needs of the customer" (C05). At this time there were many opportunities: "there were 13 complaints systems - one for each department and also 18 reception points in the one building" (C05).

Figure 7-2 shows an outline benefits plan for the CRM project. Appendix P provides further information on the programme.
Case study - succeeding

Outline Benefits Plan – CRM

Enablers | Business Changes | Benefits | Investment Objectives
---|---|---|---
Organisational enablers | | | |
Central Customer Service Centre | Customer service skills development | Service available close to the customer | |
Local Customer Service Centres | Develop multi skilled team | Increased customer satisfaction | |
Recruitment of staff focused on customer service | Take-on services into CSCs | Increased first point of contact resolution | |
IT enablers | Ongoing measurement and action for improvement | Reduced cost of service delivery | |
CRM system | | | |

Figure 7-2: Outline benefits plan for the CRM project

The CRM project was part of a major, long term programme that started before the Transformation Programme. The immediate driver for the CRM project was that "an LPSA (local public service agreement) was in place to give stretch targets, and provide grants on the basis of achieving those targets - they committed to opening 2 CSCs (Customer Service Centres) and getting 200k transactions with a customer satisfaction level of 90%... The only way to achieve that was to provide services locally - they couldn't have experts at each local CSC - so the target was to introduce a CRM system to give them access to the required information, what they were quite clear about was they wanted to test the system in the existing CSC for a minimum of 4 months before they ever considered rolling out" (C08).

The focus of the CRM project in this public sector organisation was different from CRM projects in many commercial organisations. In this case the goal was to increase the quality and efficiency of service delivery to all customers.
Chapter 7

The Customer Services CRM programme has successfully delivered benefits: "first contact resolution went from 40% to 70% with the CSC and then to 80% with CRM" (C05). The CRM project reduced the need for staff training (from 6 months to 3 months); in particular time was saved by reducing the need to learn how to use many very different and complex systems. As a result the service could be provided in local centres, which was a top priority for customers. First point of contact resolution of queries rose from 70% to 83%, customer satisfaction improved, with 95% finding the service easy to use and customer numbers increasing from 150,000 in 2002 to 214,000 in 2004 (source: Council web site - accessed on 21 July 2005).

7.3.3. Desktop renewal

The desktop renewal project was seen by the Council as an important part of the transformation programme. It enabled rapid and efficient distribution of new software and generated savings that contributed to the overall goals of the programme. It was primarily driven by IT with the objective of reducing IT support staff and related costs. The project involved establishing a 'thin client' desktop system and rolling it out across all 4,000 PCs in the Council. This model shifts the emphasis from local PCs to central servers to provide the 'desktop' service. The goal was to simplify administration and support, for example related to data backup and administration, and software distribution.

The new thin client system replaced a wide variety of different PC configurations around the Council. In addition to the staff and cost reduction target, benefits of the programme included improved data backup and antivirus protection. A benefit plan for the project shown in Figure 7-3 provides a summary of the project in business and value terms. The benefits plan provides important context in terms of what the project was trying to achieve. It also shows plans for a second phase of work once the deployment of the thin desktop was completed. At this stage, additional training will be provided to develop enhanced skills so that staff can make use of desktop software more efficiently and have more time for core activities. The research findings explore how the project sought to deliver the IS/IT enablers and business changes required to realise the benefits.
Chapter 7 Case study

Outline Benefits Plan – Desktop

<table>
<thead>
<tr>
<th>Enablers</th>
<th>Business Changes</th>
<th>Benefits</th>
<th>Investment Objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>IT enablers</td>
<td>Centralise support &amp; security mgmt</td>
<td>Cut IT support staff</td>
<td></td>
</tr>
<tr>
<td>Thin client desktop</td>
<td>Central data back-ups</td>
<td>Improve security</td>
<td></td>
</tr>
<tr>
<td>Redesign jobs for IT support staff</td>
<td>Exploit capabilities of new software</td>
<td>More time for core activities</td>
<td>Reduce staff costs</td>
</tr>
<tr>
<td>Organisational enablers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Initial user education</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Additional training / support to enable exploitation</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Figure 7-3: Outline benefits plan – thin desktop

The focus of the initial project was primarily on cost savings from reducing the number of IT staff providing technical support to the users. There has been little focus on end-user benefits other than improved security: "the benefits for the end users come from the system being intrinsically more secure against virus attack and also the end-user doesn’t have to worry about backing up information – that’s all done centrally. So we can take away any worries about business continuity." (C02). At this stage they have not emphasised helping users get more out of the desktop to make their work more efficient or effective. So, although the project was benefits driven, the initial focus was on a subset of the possible benefits. This fits with the idea of phasing the delivery of benefits. The IT Director (and project executive) provided a very good summary of the programme: "It’s a desktop standardisation project based on using an architecture called thin client. Its an integral part of the Transformation Programme which is geared to driving savings out of traditional operations but also driving savings out of IT itself to provide the investment in our Customer Service
strategy. We, as an organisation, had acquired over the years a population of about 4000 desktop PCs which carry a significant support overhead using fat client technology, where the desktop pc would be equipped with its own CD drive, CD ROMs and peripheral devices etc. We estimated that via a rationalisation of the desktop we would need fewer technicians to provide support. The Transformation Programme is geared to driving out 25% staff reductions from a staff of 600. Of these staff reductions, 19 will come from desktop rationalisation and that gives savings of £500k pa. There are other business benefits from thin client and Active Directory in that it gives central control over security, antivirus, database administration and data backup.” (C02)

At the time of the study the project was still in progress and although the early results were promising and the project was perceived to be successful, realising the intended benefits fully will require completion of the deployment.

7.4. The Transformation Programme

7.4.1. Introduction

The projects in this case are all part of a wider Transformation Programme. The sponsor of the case study within the organisation is the Director of the Transformation Programme and also of City Services, the division of the Council most directly affected. A Transformation Programme team report to the director and play a number of important roles:

- Programme office: “managing the Transformation Programme plan” (C10).
- Programme and project management: “move the Council on in its ability to manage complex programmes” (C10).
- Communication & business change: “How do we broadly skill the business in change management and culture change? Recognising that IT is a capability – how do we get the value” (C10).
- Performance measurement: co-ordinating BVPI (Best Value Performance Indicators - as required by the Government).
Chapter 7

Case study - succeeding

- Service planning: "working with the business to support divisions in establishing three year plans to establish improvements to business as usual" (C10).

The Transformation Programme plan and team are an important aspect of the wider organisational context. They had a considerable influence on each of the projects including what benefits they were focused on, how they were resourced and what practices were used. In addition, a number of practices were evident at a programme level more directly than at a project level, for example: [BP3: identify and define benefits]. This section explores major themes that developed through a number of discussions with the Transformation Programme Director and Manager and that relate to all the projects.

7.4.2. Benefits Planning: programme level benefits roadmap and service improvement planning

The Transformation Programme team are involved in managing the Transformation Programme Plan (they are in year 3 of the current 3 year plan and will develop a further plan) and developing Service Improvement Plans that address 'business as usual operations'. Based on input from an external partner (Fujitsu), that has been engaged as the primary partner for the Transformation Programme, they have adopted a benefits planning approach for the Service Improvement Plans. It will also be used for the second 3 year Transformation Programme Plan. The approach they have adopted (Thorpe, 1999), is essentially a version of the benefits management approach. The 'Benefits Roadmap' produced focuses on 'outcomes' (measurable benefits) and identifies the initiatives (projects or programmes) that result in the outcomes.

The Transformation Programme team are working with the business areas and ensuring the process is business driven. "The benefit roadmap doesn't focus just on IT implementation – we're making it business driven, we're trying to establish a systematic approach to change management" (C10). The approach seeks to identify what is required to make the changes happen and realise the benefits "we often have a clear picture about the beginning - 'implement a system', and a clear picture about the end - 'top quartile performance', but there is a big gap about what goes on in
between. It's just going to happen”. “It's been really valuable in changing people from thinking about the input - which is really about the initiative, to the outcome - which is - 'what is the change in the business that is going to benefit the customer.” (C10) The programme level benefits planning was an important contributor to benefits realisation as it has meant that the individual projects have objectives that are clearly defined in benefits terms. [BP8: plan benefits realisation]

7.4.3. From project management to change management

The Transformation Programme Manager sees PRINCE2 as addressing project management, but the real challenge she is tackling is wider. “PRINCE2 - we have adapted this. We embraced the fundamentals - it's only a methodology - it's going to help. We've had a look at why programmes typically fail and we've come to a focus on business change. We need to get the capability to change. PRINCE2 doesn't address change - we need broader skills. Once you move away from a view that change management is ONLY soft - people management, psychology, counselling you have to look more broadly - we've looked at understanding the business, including:

- Technology - how is it exploited?
- People - how are the people engaged?
- Processes - how are the processes going to change?
- We also consider communication, training, culture change.

In line with guidance from ODPM (www.odpm.gov.uk) we have also been thinking about wider skills needs including stakeholder management, change management, culture change and putting the customer at the centre (e.g. customer focused measures)” (C10).

In tackling the improvement planning they have started to take a broad range of perspectives of the business area involved. “Another thing we've done is to establish key principles as a basis for each service or initiative - for example 'the customer will only have one hand-off'. These go on the edge of the bit of paper (i.e. a framework for the detailed requirements). That informs: process design, IT design, organisational design, and skills
capacity & learning. They're signed off by the people delivering the service – it's a really good way of working collaboratively." (C10). The approach they are taking is essentially [BP11: business competence based design] as noted in Phase 1. The shift from project management to a focus on benefits realisation through change management is an important aspect of developing the transformation capability (C13e).

As part of the effort to develop a 'transformation capability' they are developing a transformation toolkit, effectively a set of practices. The Transformation Programme Manager raised a number of examples where they wanted to develop additional practices / tools for tackling specific aspects of change management (C14e).

7.4.4. Adapting the approach taken to projects

The approach they adopted to adapting the approach to each project to suit the situation is largely based on resourcing. The Director and Transformation Programme Manager focus on this as an important part of their roles: "We focus very hard on resourcing – who we want and how we want the team to work is thought through very carefully. We look at the overall picture and not just the individual – (i.e. we need the skills within the team so that the skills / approach of specific roles can vary). What is the business trying to get out of it – and then looking at who we need. We worked with the business to say that the role on the project has to do this, it has to be credible, has to be able to think 'out of the box' – the person might know the procedure but can they contribute to the project? We work with the business around profiling of the personality". (C10)

This focus on individuals and their particular contribution is present in the application portfolio (Ward and Peppard, 2002) but is not emphasised to this extent. This approach extends the practices for designing the approach to business change governance to give a very strong focus to selecting the individuals involved and to taking into account their roles and skills in the design of the project team and wider governance structures [BP9: design a framework for business change governance]. So, for example, the focus might shift from asking "is X a suitable project manager for this project?" to "how can we best shape the project management role on this

7 Potential new practices are indicated by the use of a blue font [new practice]
team so that X can succeed in this role?” and “what are the implications for the wider team and project governance framework?” (C10). The emphasis on people – the right people with the right attitudes and skills was a feature of the case and is an important contributor to benefits realisation.

7.4.5. Establishing the transformation capability

A further key focus of the Transformation Programme and the Transformation Programme Manager is to establish a transformation / change capability within the Council. They are using the projects within the programme to develop experience and skills. A number of approaches are being used (C10):

- “We have a programme level resource plan to look at requirements and capacity across City Service and to help us decide on an approach to the team for each project. For example it’s no use having a real expert in the business area if they are not comfortable in looking at the area in new ways, if they can’t be flexible and think ‘out of the box’."

- “We also have to be flexible with resourcing and willing to act if we get it wrong. We also make changes over the life of the project. It may mean having difficult conversations with people – but we have to deal with people issues.”

- “A key issue is capacity (i.e. of people with the ability and experience to get involved in and lead transformation projects) – we have done some work with backfilling.”

- “We’re working on skills for continuous improvement – they need to have the skills to start looking forward.”

- “We’re working with corporate training and development as part of the Organisational Development strategy on the Council managers programme.” This will follow the extensive training on the Council project management framework (PRINCE2).

---

8 Backfilling: bringing in external, contract resources to free up internal staff from their ‘day job’ so that they can be part of one of the transformation projects.
Sharing learning across the organisation is an important aspect of the development of the transformation capability. This is being considered by the central team as they balance managing current projects with building a capability for the future. The lessons learned technique used in the approach to projects has been taken seriously and appears to have made a valuable contribution: “the project management framework included lessons learned – which was widely adopted – we’ve used lessons learned to share within the team and more widely – we haven’t systemised that. The OD strategy will develop to have more of a learning theme and to develop sharing of learning based on the learning reviews. Our ability to learn has been contributed to by:

- **Risk and project management training** – it has made us much more receptive to lessons learned – openness wouldn’t have happened without project and risk management – we’ve seen a significant culture change (i.e. through the implementation of risk management and lessons learned they are now more able to be open and honest about what has happened and as a result get insights into what to do differently)

- **Identifying risks beforehand and tracking them has been very valuable. We are more aware and receptive. We use risk management. We talk about lessons learned. There is a more open attitude. Management and leadership behaviours have changed – more proactive / constructive** (C02)

One of the project managers (C04) highlighted the issue of project culture and career progress for managers and those involved in project teams. Current reward and development structures are geared to line management roles. There is a risk that by being part of a project team an individual will miss out on development opportunities. Also, there is as yet no clear system of reward and recognition for successful contribution to projects. This could be an important factor in the longer term development of project and change management skills.
7.4.6. Transformation toolkit

A key element of the development of the transformation capability is the development of the transformation 'toolkit' that they intend to share with the rest of the organisation.

When he arrived, the Director saw latent change capability in people and the Council. People had been doing the right things but didn't know it and were not articulating it as managing change. One of the drivers for the toolkit approach was to release the potential in people and build on what they were already doing. "The toolkit is about: standardisation; simplification; and sharing. Establishing a series of 'tools' is a way to 'explain what people do' to demystify and make more explicit how to approach change. It provides a way to 'make it a common language, a common framework'. Working on a toolkit allows people to get involved if they want to help. It provides an opportunity to let people contribute. The toolkit also provides a basis for sharing and improvement and developing a shared understanding. PRINCE2 was only ever seen as a starting point. Some people see it as the answer, but it is only a means to an end" (C01).

The toolkit fits well with the emphasis given to flexibility and adapting the approach taken to specific projects. It supports the efforts to share learning across the organisation and enables incremental development of the transformation capability as new tools are introduced.

7.4.7. The changing role of middle management

The development of the transformation capability is thought to require a shift in the role of middle management so that they can make a greater contribution to realisation of benefits from change projects.

The Council is moving to flatter structures with a broader span of control. This is shifting the role of middle management away from 'telling' and control based on having the answers (C10). The aim is for management to develop confidence in a new role that is more about listening and coaching and that also includes significant responsibility for managing change. This may be in the form of continuous improvement, for example to continue the exploitation of benefits following a major project or programme. Customer Services appear to have been successful in making this transition
and also in developing skills to manage change, for example business process mapping and design, at supervisory level and below (C07).

7.4.8. Leadership for the programme and the development of organisational competences

The discussion of findings with the Director of the Transformation Programme provided a valuable opportunity to explore how the practices and competences observed on the individual projects had come about.

The Director saw a key part of his role as creating the organisational environment where the projects could succeed and this seems to have had a major influence on the approach taken and many of the practices observed. One element of this is the focus on people and the role of the manager as leader and mentor. For example the Director emphasised his role as manager / leader as being:

- Coaching / supporting his team and other members of the division. This includes working with them individually and in groups, and modelling helpful practices. The whiteboard in the room where we met still held the output from a session when they had worked together and tried to understand some problems they were facing. The session had been very successful in developing a clear problem statement – in this case relating to the need for better management of information in the Council. In this case the role is also to act as a facilitator.

- Encouraging and building confidence and a belief in their ability to succeed. For example he created situations where they represented him at important meetings. He helped them prepare for the meetings, rehearsing the arguments and how to handle the meetings.

- Talent spotting – identifying and then developing individuals and their contribution: "management is about releasing the potential of people".

- Encouraging team members to share problems with him and to ask for advice.
• Getting the team to manage in this way. This was achieved partly through recruiting / selecting people with this approach and also through coaching.

• Creating effective teamwork. This was for example, achieved by encouraging peer review (within the team, from others within the Council and from external experts) and modelling the need to be open to challenge. (C01)

This approach builds on a belief in people – and as a result in the importance of giving them responsibility and authority. This style of management appears to be well executed and an important element in the success of the programme. This style and some of the practices the Director used were also seen in the individual projects. For example, the HR project manager used the same approach of creating situations where members of his team represented him at important meetings and helped them prepare for the meetings, rehearsing the arguments and how to handle the meetings.

7.4.9. Summary – Transformation Programme

The Transformation Programme plan and the Transformation Programme team are an important part of the context within which the projects took place. Both the plan and the team had a significant influence on objectives and scope of the projects and also on the approach taken. The transformation plan provided clear objectives for each project. The Transformation Programme Director and Team were involved in selecting the people to be involved in each project, setting up a structure for the project and in the ongoing management of the project through the programme level management processes.

7.5. Benefits Planning

This case study is covered in greater depth than the previous case studies with the objective of learning from the success of the transformation within the organisation. Practices related to each competence for benefits realisation are discussed separately for each of the three projects. Gaps observed in the practices in use are also outlined and then there is a summary of the findings for each competence.
The primary focus for benefits planning, and for ownership of benefits, was at the level of the Transformation Programme. As a result of the considerable work undertaken as part of the outsourcing discussions, there was a three year programme plan with clearly defined targets for benefits from each project. The approach taken to benefits planning was to ensure that project outcomes contributed to the delivery of the programme level benefits plan. This approach was also used to rebalance the allocation of resources with jobs and money being saved in back office, administrative roles (payroll, IT support) and being re-invested in improved customer service.

7.5.1. Practices observed

Payroll

Success with the payroll project was not certain when planning started. The business sponsor said that “we had a failed payroll project (in 2000) that caused us to reflect and we identified the need to boost our project management capability” (C03). This project covered in this research was a success. At a basic level “software was installed and data migrated bang on target”. Also, “a key measure of success of the core project is reduced sickness absence. We set up a sickness absence board – driving a holistic approach to plan and manage change – they considered management practices, IT role, employee support – it addresses plans for each directorate. We’ve been successful – we’ve hit our targets.” (C03).

The payroll project provides an excellent example of the project sponsor providing active business leadership and a project manager who is embodying a whole range of agile project practices and applying them to a business change project. There are a number of factors that are particular strengths of the approach taken which are well supported by a number of different interviews.

A practice that the interviewees saw as important for realising benefits was establishing a vision for the project. The way they approached this was to build the vision over time so that they established a shared vision and understanding as the different stakeholders were involved in the project and worked together: “…they (the decisions) all build into a whole – and that whole is like the vision for the system and how it’s going to be used. A
collective vision means its collective to the people – also it's collective to the sub-decisions. In some ways it paints a picture as you move through the process, as much as just saying 'ahaa' there's our end state and there's our vision before you start out. So in some ways it's pragmatic and these moment by moment choices force out some form of vision and that's the link I think between project and vision development and how it links to benefits delivery" (C04) [BP1: identify strategic drivers]. There is an opportunity to establish a practice explicitly focused on establishing and communicating the vision for a project [BP 12: create a shared business vision].

It is interesting to contrast this ongoing process of building, evolving and sharing the vision, with the other cases where there was a lack of shared understanding of the vision, and understanding was not maintained over time as the project progressed. The payroll project provides an example of the distinction between an activity taking place at a particular time in a project (e.g. develop a vision statement) and the ongoing importance of a competence through the project.

Further practices related to establishing a governance framework for benefits realisation that was appropriate for this complex project. The project manager established a framework that got the right level of involvement, enabled decision making, and balanced exploring options with getting decisions made. Appendix R provides an outline of the governance framework which addresses the business project as a whole and ensured a high level of stakeholder involvement [BP9: design business change governance]. During the planning stage they were also preparing for later in the project when continued involvement of stakeholders was seen as vital [BD3: ensure continuing active involvement of stakeholders].

The payroll project had clear targets and a plan for benefits realisation. However, an aspect of the project that was different from the practices identified in the literature was the linkage between programme level targets for benefits and project outcomes. The overall Transformation Programme is clearly focused on measurable benefits. The project itself was focused on specific outcomes that contribute to the Transformation Programme and the realisation of benefits. The wider governance structure for the project, particularly the roles of the project sponsor and payroll
department manager were important in bringing together the responsibilities for project outcomes and the intended benefits. The project manager was not directly responsible for benefits: “I am not responsible for the benefit delivery whatsoever. I hit my deadlines and budget. The ‘kit’ is fairly well configured to allow (the business manager) to own benefit delivery. ['kit' seems to refer to the whole business system – software, hardware, business processes, documentation]. It’s that translation of ‘here’s the kit’ – now do something with it – that is probably the rockiest part. But of course he (the Payroll department manager) was involved with his people from first meetings setting up the project. He had personnel from Payroll in the project...” (C04), [BP9: design business change governance]. Initially, this did not seem to be benefits focused. However, on further exploration, the clear alignment of the project goals with the programme benefits targets and the well defined roles on the project, combined to establish a focus on benefits realisation.

**CRM**

The CRM project has been very successful in business terms and won a national award (British Computer Society – Business Achievement Award 2004) that recognised the work that had been done. The interviews highlighted a range of practices that contributed to the success of the CRM project.

The CRM project was a major project, run to tight timescales. It was also focused on very specific goals. The phasing of the overall Customer Services programme of work meant that the complexity of this project was greatly reduced. This may be one of the most important factors in the success of the overall programme – it has been tackled over the long term [BP8: plan benefits realisation], it is now in its seventh year, and each phase, including CRM, has had clear goals and benefits. The Council have not attempted to change everything all at once and have taken time to get benefits at each stage, and also to learn what works and to develop their ability to manage change.

The phasing of the programme resulted in a well defined scope for the CRM project and also meant that previous work had tackled difficult issues of getting other departments involved and starting culture change: "They had major challenges in terms of getting the rest of the business on board. I
think that's worked to our benefit in the end, because when we have introduced new technology a lot of the business challenges have been tackled. A lot of the culture change was already in progress. I think to try and drive through that culture change and the new technology at the same time would have been a major risk." (C08) [BP8: plan benefits realisation]

The CRM project was the first to use PRINCE2 in the Council and the IT project manager emphasised how this had contributed to the success of the project in realising benefits. He felt it reflected what he saw as good practice based on his 20 years experience of project management and it provided a good project management framework that kept them focused on goals of the project (the intended benefits). He introduced it to the rest of the project board and selected team members and they made pragmatic use of it in managing the project: "We actually decided to use PRINCE2 – I presented the way PRINCE2 worked to the working group and we decided we needed to manage on a proper basis and that was the way to do it. We obviously started off with a PID that clearly stated what we were going to do. It defined the project team, everybody’s roles and responsibilities and the project board. These were clear things that could not be short cut. It was extremely helpful to the customers, not just me, as PM, because it gave them absolute clarity and confidence that we were going to do it. I said to them I wanted feedback on how successful PRINCE2 was. If I was producing stuff they didn’t find helpful I wanted to know – because I was putting a lot of time into producing these things and I was tending to play it by the book, I suppose I did tailor it, if it was obvious to me that something wasn’t of value to the project. – I wouldn’t just do it for the sake of doing it." (C08) [BP9: design a framework for business change governance]. The strength of benefits focus given by the overall Transformation Programme and the strong business leadership contributed to keeping the projects focused on benefits and allowed them to use PRINCE2 rather than more explicit benefits tools as part of a benefits driven approach. The emphasis on PRINCE2 also contributed to Benefits Delivery as practices were maintained through the project [BD1: establish an adaptive project framework].
Chapter 7

Case study - succeeding

**Desktop**

The goals for the desktop project were defined as part of the Transformation Programme: "Of these staff reductions, 19 will come from desktop rationalisation and that gives savings of £500k pa. There are other business benefits from thin client and Active Directory in that it gives central control over security, antivirus, database administration and data backup" (C02). Additional benefits will be the objective of further projects and will require a greater business focus, for example on user education.

The Council has not yet published the benefits realised from the project as they will be included in the benefits review of the overall programme which is currently being completed.

**Gaps observed in the practices in use**

There were also a number of areas where practices identified in the literature were not adopted. The organisation has deliberately aimed to 'keep it simple' as they plan and deliver projects as part of the Transformation Programme and build the wider transformation capability. There did not use specific techniques for project level benefits planning – for example, a benefits dependency network. Instead they have relied on the clear targets at programme level and have taken a benefits focus to standard project planning and management practices taken from PRINCE2, for example the PID, the project management structure, risk management and lessons learned. In the projects reviewed this was not a major issue as the phasing of activity across several projects in a programme and the focus on 'hard' benefits (headcount savings) made the changes involved in each project relatively limited. There does appear to be an opportunity to apply the benefits ideas now being used at a programme level at individual project level. This would provide a focus on realising the wider potential benefits in particular the soft 'benefits' that are possible, for example, from improved management of training (HR) or greater use of the capabilities of the Office applications (desktop).

Although project resourcing and the approach taken to benefits planning was adapted to reflect the specific needs of each project, no specific framework such as the application portfolio (Ward and Peppard 2002), was adopted. There is an opportunity for one or more new practices to adapt
Chapter 7

Case study - succeeding

the approach to planning, delivery and realisation of benefits to reflect the context. A particular opportunity is to introduce the concept of 'high potential' projects (Ward and Peppard, 2002) as a way of testing out new and innovative business opportunities at low risk. This could have the advantage of making the current approach more scalable and less dependent on the input of the Transformation Programme Director and Manager. Also the existing portfolio based practice which is part of the Benefits Review competence was not adopted [~BR1: Establish portfolio driven evaluation criteria].

7.5.2. Summary – benefits planning

The relationship between the practices in use and the existence of a competence for Benefits Planning is complex. Although the organisation has not adopted some key benefits planning ideas at a project level, it has shown that competence in benefits planning at the programme level (phasing of benefits, for example as part of [BP8: plan benefits realisation]) has compensated for the areas not covered at the project level. Also, the organisation has realised a lot of value from doing simple things consistently and well (e.g. risk management) with a focus on benefits, and from providing a common language and framework for the approach taken to projects. They have not yet adopted the Benefits Management framework (Ward et al., 1996), but are gradually adopting more explicit benefits related practices. Distinctive elements of their approach are: the programme level benefits plan; the recognition that these are business change projects with IT as an enabler; and that the goal of the projects is to realise benefits. The case illustrates that there is no single best way to establish a competence (as we expect – and almost by definition).

Considerable emphasis was given to the role of people in realising benefits. In establishing each project, and setting up the project governance structure and project team, a lot of effort went into getting the right people ('its all about casting' C04). This was a focus for the project managers and particularly the Transformation Programme Director and Manager. Although PRINCE2 was taken as a framework, in practice they adopted a flexible approach, matching the skills of the people to the challenges of the specific project, setting up specific structures and roles for each project and
selecting specific practices from PRINCE2 as they felt was appropriate for each project. As an example, the CRM project was strongly business led with the IT role focused on technology. There were 3 elements to the project team: business, IT and IT supplier. In contrast the payroll project had strong business sponsorship but was led by a specialist project manager and had a combined team bringing together business, IT and consultants and working in an offsite location.

People were also a focus of ongoing project activities once the projects were established. The payroll project established a multi-level structure for business change governance to gain stakeholder involvement across the organisation. The CRM project placed huge emphasis on recruiting the right people and on ‘soft skills’ training and coaching. The desktop project used communication specialists to develop helpful documents explaining the changes in relevant language.

A summary of findings for each practice is contained in Appendix S.

7.6. Benefits Delivery

7.6.1. Practices observed

Two striking aspects of the case are the focus of the interviewees on the role of PRINCE2, and the emphasis on the importance of people – the teams and stakeholder engagement, as practices contributing to their success in realising benefits. As noted in Chapter 5 in relation to the findings from Phase 1, the gap between successful practices focused on software delivery and practices focused on benefits realisation can be small. The Council was not adopting a radically different set of practices – it was just doing established, ‘good’ practice very well and with a very strong focus on benefits and business change recognising, that IT is an enabler not the goal.

Payroll

The project management framework (i.e. PRINCE2) as adopted and adapted by the Council) was at the top of the list of practices outlined by the sponsor of the HR / payroll project (C03) as contributing to benefits realisation. He emphasised that "they ran it very tightly and had a detailed project plan in place", had "weekly or 2 weekly meetings with detailed
reports on key issues” and "detailed reporting of risks, issues and lessons learned, and a very tight change control system" (C03). It does seem to be the case that they emphasised doing these basic, or core elements, of running a project well and that this was an important factor in the success of the project.

A key factor was the role played by the project sponsor. He played a critical role and committed significant effort to the role [BD2: actively lead the business change]. "My role as project exec was:

- Challenging of detailed reports
- Co-ordination – handle tensions between different stakeholders, making it happen at board meetings and in between
- Coaching outside the meeting (e.g. other senior stakeholders)
- Clarifying roles and making sure people worked as a team
- Anticipating weak areas e.g. post implementation capacity to operate the system, commissioned report on knowledge transfer and post live admin
- (Being) Sensitive to communications
- Managing expectations”. (C03)

This “took up a lot of time – a substantial number of hours each week for a year”. “I gave him (the project manager) the support he needed”, he had “daily contact with the project Exec” (C03) [BD2: actively lead the business change].

The project manager (C04) put the importance of the project management framework much lower down his list of practices that contributed to the realisation of benefits. He saw PRINCE2 as valuable but not critical. He saw PRINCE2 as conflicting with the culture he was trying to create in the project team (for example the focus on empowerment and accountability) and chose to insulate the team from it. He agreed which elements of PRINCE2 ‘made sense’ with the project sponsor and used it in the formal management of the project. In effect, he used it as an overall framework, or possibly a ‘brand’ and picked specific practices that seemed to add value: “PRINCE2 is a critical set of skills to have - especially in public sector - it’s about risk management more than anything else. It enforces communication across a set of stakeholders [BD3: ensure continuing
active involvement of stakeholders]. But for me, I've been through enough public and private sector projects to cherry pick what I felt was useful. I was fully responsible for the PRINCE2 reporting and stuff. But within the team I didn't share my project board reports and transformation board reports - I didn't share my risk register and I didn't share my issues log and all the rest. I would feed their thoughts into it but I wanted to protect them or rather drive them away from anything that smacks of public sector. If I was gonna make an error it was going to be on approaching the project within the project room as a commercial, seat of the pants.. 'I don't know - you decide', kind of a project. I thought I could manage the two simultaneously - which I believe I did. I think if you ask senior management or the Audit commission about my level of responsibility to them and to PRINCE2 - I think they'd be very satisfied. There's a purity in the project room around well, hell, 'you decide' - 'let's go for it'. And then there's a purity of PRINCE2 which is truly public sector accountability. You must respect what its trying to achieve". (C04). From other perspectives this approach worked well, the project sponsor commented that "there was detailed reporting of risks and strong change control" (C03) and the IT Director commented "It went in absolutely on time and on budget and that was largely due to the fact that it was very tightly governed" (C02).

The discussion highlighted some subtlety relating to the selection and application of practices on the project. The project manager had a clear sense of what was important and in particular emphasised people ('casting') and creating an effective / empowered team. These strongly held principles provided a basis for the selection of appropriate practices that would contribute to an overall, coherent approach. This did not conflict directly with the sponsors focus on control; rather it brought a different emphasis. As a result two projects, both adopting PRINCE2 could have been run in very different ways. The tension / balance between PRINCE2 and the 'agile' approach adopted by the project manager on this project is a particular challenge for the Council as they consider how they are able to learn from the success of this project and take advantage of them on other projects.
The existing practice, [BD2: Actively lead the business change] has been defined as "design, build and lead the project team and governance framework with a focus on realising benefits. In particular, address responsibility for benefits for the organization / sponsor, benefits for the end user and the effectiveness of the team." The scope of this practice is broad. The HR/payroll project manager highlighted a range of possible additional practices related to people as critical for their ability to realise benefits. These practices could contribute to tackling this broad and important area at a more granular level. These possible practices are identified in this section and a follow-up discussion of the evolution of the model of practices is included in Chapter 8. Table 7-1 provides a summary of these new candidate practices. The practices have been highlighted as a starting point for further analysis, potentially building on and making more specific two existing practices: [BD2: actively lead the business change] and [BD3: Ensure continuing active involvement of project stakeholders].

The project manager focused on getting the right people and matching them to the jobs that needed doing, for example: "Let’s just remember that is about casting more than anything else – we could have done the HR payroll project with different people and it would have fallen flat. It really is about the people". "They were one of the best project teams I’ve ever had the privilege of working with. This project team was hand picked – I have to say superbly for skills and personalities." (C04) To reflect the focus on teamwork it seems appropriate to consider a specific practice [>>BD9: effective teamwork and communication] and to focus the existing practice more on the role of the leader [BD2: actively lead the business change]. The project sponsor emphasised a number of aspects of this leadership role including "coaching outside the meetings" and "coordination – handling tensions between different stakeholders and making it happen at board meetings and in between" (C03).

Accountability of team members was a key factor from the perspective of the project manager – developing a sense of responsibility as individuals and as a team. “One thing about project management is to say that anything that touches your project – IT, business, and finance – anything it’s your responsibility. I don’t hold anybody accountable to things other than output, participation and spirit. However, I did believe in points of
accountability – so what I would suggest is that if there was a work stream and somebody was assigned to that topic they had the ultimate authority over that topic". (C04) [>>BD9: effective teamwork and communication]

The project manager suggested that empowerment was as important as accountability and adopted a specific practice to help implement this: "the other method was 'UR CEO' – you are the Chief Executive Officer of this company – make a decision. That decision would be hard and fast as any other decision provided it was challenged. I'd say "give me the straw man, I'll run it by the Vision Group and unless they knock it off – that's it". That also facilitated a lot of critical benefits – because the key threat in this environment is to discuss it to death. So it was empowering people to say just imagine you are CEO" (C04). This approach provides the basis for a possible new practice: [>>BD10: ownership for decision making].

The emphasis on accountability and empowerment was part of a wider focus on the culture within the team. This was important to enable the team to work effectively and to succeed in realising the benefits. It was a significant break from the existing culture: "we were given free range to develop our culture; we were given our own space away from the civic centre. I'm not that interested in structure within the team. I considered us all to be extremely flat" (C04) [>>BD9: effective teamwork and communication]. The focus on the importance of the location of the team and their ability to work together is highlighted in practitioner literature (DeMarco and Lister, 1999) and this provides the basis for a further additional practice: [>>BD11: establish project team work space].

Team meetings were also an important part of how the project team worked together: "we had 'dailies' as we called them, so every day, every day we had a 9.00 am. It was sort of rally the troops, let's make sure we're aware of each others work, make sure we're floating resources back and forth across the project based on demand, flexibility in approach, where are we against the plan, where are we against a work stream, what's changing, what's not. It was everyday – half an hour – no more – and everybody was participatory." (C04) [>>BD12: daily team meeting]
The team structure was kept flat, was adapted to the strengths and interests of the individuals and evolved through the life of the project. The aim was to enable individuals to work together effectively and to focus on realising benefits: "following the work on requirements we said we are going to move to an account management structure where we divide up our audiences, all the people who are going to be on the system, into departments and we assigned account managers within the team for these departments. Now they represented the best interests of the departments across the team. It was mainly around data migration, UAT and all the rest" (C04). There was also an emphasis on keeping users engaged through written communication, for example an overview of the 'Managers Self Service' component of the system which was sent to all managers. [BD3: ensure continuing active involvement of stakeholders]. "And so people started to gravitate towards specific areas of interest and we would facilitate that and allow them to run with it. We found that Z, who was involved in change management, quickly became interested in training / personnel development. She became more of the visionary type – the one who said ‘How can we change?’ ‘What should change?’ How can we pilot?' So she was attending the vision sessions with me. People just gravitated towards their interests and strengths... as long as all the gaps were covered I was happy – mainly they worked in pairs. I always preferred them to work in pairs. The emphasis on working in pairs encouraged team work. As the team was small, 10 people, each person also took on a number of roles". (C04). At the micro-level two practices would emphasise these important issues of team flexibility and team design to realise benefits: [>>BD13: adaptive team structure] and [>>BD14: team design for benefits realisation]. The success of this approach was highlighted by the project sponsor who identified “communication” and “engagement with stakeholders” as two major success factors for the project (C03).

All these aspects of managing the team and the people were strongly emphasised by the project manager as practices that enabled them to succeed in realising benefits. The project sponsor and members of the wider Transformation Team recognised the achievement of the project manager in building an effective team: “he was a motivational project manager there was discipline and real ownership of tasks” (C03).
There was also a focus on timely and effective decision making. The challenges of getting so many different departments to agree could have caused delays. The project manager had experience of SAP and so could anticipate likely issues, he also used a time-boxing approach to force closure on key decisions: "So what I tried to do was look at the project plan, isolate key policy decisions or corporate decisions that are coming down the track against that project plan and give the feed to the key corporate benefits delivery people for example the Director of HR or Director of OD, and say in 4 weeks time we’ve got to make a decision about X. I’m giving you 4 weeks ramp up time. Let me show you the pros and cons. Some of these are low level but they require corporate consensus and a policy decision. Something as simple as do we go for a corporate letterhead or does each department get its own – here’s the impact on managing letters in the system. One of the ways I would drive decisions (with the project team and Vision Group) – especially around corporate policy was what we call time boxing. ‘I would say – ‘you’ve got 2 weeks’ what other inputs do you want – we’re going to sit in a room in 2 weeks time and I don’t care whether you have all the information you want – I don’t care where we’re at in terms of corporate decision making outside these four walls – you’re making a decision and you’re going to stick with it – and then you’ll build a benefit model against that decision being hard and fast. The time boxing approach kept us on plan. It allowed the corporation to pressure themselves to make a decision – they can be waffling for ever. I just said ‘that’s it – end of story’", (C04). Time-boxing is a common agile development practice. This application of the concept to decision making provides a further candidate practice: [>>BD15: time-box decisions].

There was flexible approach to the project. The project manager had the freedom to tackle different areas of the project and different stages of the lifecycle in different ways [BD1: establish adaptive project lifecycle]. He was also able to adapt his style for each area and as the experience of the project team members developed. This also linked closely with the focus on matching people and skills to the different jobs: "I mean, for example, with HR / payroll the challenge of some of the modules is very on the ground, practical, here and now. It’s got to be accurate, it’s got to be this, it’s got to be that. Payroll was all about detail. So everything we did was about gathering the details. There were people who were so into the numbers, the data migration team, that they barely saw the light of day.
They loved it as long as I brought them plenty of McDonalds. Some of the other modules are further reaching – personnel development, on-line appraisals, ‘is that appropriate for us?’ – ‘are we ready organisationally to run on-line appraisals?’ Something like personnel development was much more like ‘what are we courageous enough to try?’, so there was more visioning just by the nature of the task they were trying to complete. So one put a lot of emphasis on the Vision Group and quickly restructuring ourselves to support a pilot, for example training required an on-line training catalogue – we’d never had content management in the training department, so suddenly a new publishing system needed to be developed to keep the training manual up to date. Even though that only influenced 5-10 people’s jobs – we had to restructure ourselves quickly to facilitate that. That was visionary – that was ‘let’s try – let’s give it a punt.’ The Vision Group hardly ever saw anything of what was going on the payroll side. That’s just get your sleeves rolled up and find out what the hell it means. The modules each had their own different flavour” (C04)

The project manager was adapting the approach taken to specific elements of the project and not just to the project as a whole. He also placed a lot of emphasis on people and matching project team members aptitudes to the different characteristics of the different elements of the project [>>BD14: team design for benefits realisation], [>>BD13: adaptive team design]. Ward and Peppard (2002) provide a specific framework, the application portfolio, for adapting the approach taken to different projects. An advantage of this framework is that it is based on the contribution of the project to the business and as a result links effectively to a benefits driven approach. It seems appropriate to formalise this as a further candidate practice – designing the approach taken to the project based on the application portfolio: [>>BD16: application portfolio driven approach]. It is also important to set this flexibility within a common framework – which in this case was based on PRINCE2 and enhanced by the local practices. As the project sponsor noted a “common language” and “a common framework” for the project were key success factors (C03).
The project manager provided a range of evidence of the practices adopted by the project team, which was supported by the project sponsor and Transformation Programme Manager. There was also evidence of wider changes to management and leadership behaviours – they were “more proactive – more constructive” (C03). These wider changes were also important.

CRM

The Customer Services manager focused initially on the range of practices related to people as the key to their success in realising benefits. This encompasses getting the right people involved and enabling them to do a successful job. The interviewees saw this as a key factor at a number of levels, from getting Customer Services, IT and a good supplier involved, to selecting and involving the right Customer Service staff [>>BD14: team design for benefits realisation]: “The first stage in the project was to get the right people involved.” (C06); “We have a really enthusiastic team – we recruit people who are going to be adaptable.” (C05). “The key was that the people were empowered to make the decisions”. “We asked staff about empowerment in the staff satisfaction survey – 100% said they felt empowered to deliver customer satisfaction.” (C06) [>>BD9: effective teamwork and communication]. Previous work had also given the business team the opportunity to develop knowledge and skills that made a major contribution to the project. “Business processes were already defined in Visio. We’d used these for some time. These became the basis of the scripts.” (C06), (C12e) [BD4: specify changes to work and organisational design]

The CRM project also had strong business leadership and very clear ownership by the business team involved (CD02). This included very strong sponsorship from the Chief Executive at the start of the project: “To get started you could just kick down doors – as we had such strong backing ... couldn’t count the times we’d just mentioned ... (the Chief Exec), this at least got us started” (C05). “We had ownership from day one” (C06). “The CRM project was very much a business led project. We weren’t trying to sell them on the use of CRM as a technology” (C08). Also “This was a Customer Services system – they said what was required and so there was ownership. They had a good idea what they wanted – as a result of the
experience of the Customer Service Centre. They were demanding, but it was good." (C08) [BD2: actively lead the business change]

There was also an emphasis on stakeholder engagement: "We got people involved through training and communication. It generated a lot of excitement - it also saved a lot of problems as the users could see the potential pitfalls." "We used staff focus groups all the way through the development" (C06). "Customer services have made sure they’ve involved staff throughout." (C08) [BD3: ensure continuing active involvement of stakeholders]

The software package supplier was a key stakeholder in the project. They were involved in a partnership with Customer Services and IT. The supplier had a particularly high level of commitment to the project: "You’re dependent on your suppliers as well – we were lucky there. We were only the second local authority to take the system and we were taking it a fair bit further in integration terms. They had an absolute commitment to making it work – and we’ve been a key reference site for them. There’s been a lot in it for the supplier. You won’t always get that commitment from suppliers." (C08) [BD3: ensure continuing active involvement of stakeholders]

Desktop

PRINCE2 has been adopted by the Council as a whole following its initial use on the CRM project, and the wider Transformation Programme. The Director of Organisational Development and sponsor of the HR / Payroll project also noted how extensive the project management training has been - "we established a Council project management methodology - based on PRINCE2. Training has been given to all managers Council-wide (1st to 4th tier) - several hundreds" (C02). This was one of the initial activities contributing to the development of the transformation capability.

PRINCE2 was seen as a critical success factor in the desktop project and other projects: "In all these projects and programmes we have used PRINCE2 as a way of managing risk. Tight governance means that risks should be managed and therefore that the opportunities for benefits are maximised [BD10: ensure benefits driven risk assessment]. Properly dealing with issues, setting milestones, using the appropriate tools – that
must help ensure that the projects succeed.” (C02) PRINCE2 addresses benefits initially in the business case and then the Project Initiation Document (PID). This means that “there is always something to refer back to” (C02).

Key elements of PRINCE2 that have been taken seriously and used well include risk management and lessons learned: “the Council commitment to risk management has helped the acceptance of PRINCE2. It forces a practitioner to look at what needs to be done – it’s not just a case of a tick in the box – it requires action to be taken to establish for example, that for a risk of medium probability and high impact – you’re going to do something about it.” (C02). [BD6: benefits driven risk management]

They have got a lot of value from using a relatively small set of practices and using them consistently and well. Also they have used these standard project practices as part of a focus on benefits realisation rather than technology solution delivery. Interviews with the Transformation Programme team revealed that this was part of a clear plan to gradually develop the overall transformation capability of the organisation.

They have also recognised that PRINCE2 can be bureaucratic and have tried to ensure they get value from using it: “We don’t use everything in PRINCE2 because actually the staff would be fully deployed (in managing PRINCE2 paperwork). We’ve chosen the parts of PRINCE2 that enable us to conform to good practice – but also that actually enable us to deliver some work as well. It does have a lot of bureaucracy and documentation – risk registers and all the rest of it – however the proof of the pudding was that we delivered a very successful project to auditable milestones and that set the tone”. (C02) [BD1: establish an adaptive project framework]

As in the other projects, the focus on people was seen as a critical factor contributing to successful realisation of benefits: “we succeeded by involving the right people” (C02). This was a key element of the leadership role on the projects [BD2: actively lead the business change].

One aspect of the focus on people was an emphasis on communication and training as contributing to the success of the project in realising benefits. Communication has been an important part of deployment of the new desktop: “We’ve invested in communication. The Transformation Programme has 2 full time practitioners who are employed to inform City
Chapter 7

Case study - succeeding

Service staff and the Council about what’s being achieved and what we’re doing. We’ve used the communication officers to send out a really good communication pack in advance of the desktop deployment.” (C02) (ND03 to ND07) [BD3: ensure continuing active involvement of stakeholders].

Training was also seen as important: “There was a training programme to show people the differences. Post implementation support is through the help desk. The importance of training is often underestimated. It’s seen as a soft target and a place to cut budgets. That’s short sighted.” (C02) [BDB: benefits driven training and education],

7.6.2. Gaps observed in the practices in use

The desktop project faced a number of challenges. Some were purely technical. At one point there was a major issue as the servers were crashing periodically resulting in a large number of users loosing the desktop service. It was eventually discovered that the antivirus software was causing this. The key lesson – “to do one thing at once so if there is a problem you know where to look” (C02) is a key principle of software engineering and IT service management. Wider issues have related to the need to work individually with each business area and the time taken up by dealing with how to handle local applications used within that area [~BD4: specify changes to work and organisational design].

The HR project manager highlighted a number of challenges that had been faced in realising benefits from the project. A number of these, for example speed of decision making, have already been referred to and were addressed in the way the project was approached. There were also areas where the project could have been more successful and the interviewees discussed what else they could have done. These gaps are related to specific practices.

A key area is the management of business change. The project sponsor recognised the business and cultural change implied by the programme, and the business case provided for a focus on training and management education (C02). There was a joint business and IT team; there were strong arrangements for business engagement through the Project Board and Vision Group. The project team had made significant efforts in
developing new business processes and in providing training. Yet the extent of the challenges was not fully appreciated (C04): "there was no real understanding of what is required on change management after the technical implementation to reorganise yourself structurally and release some of the people. They just thought you do the project and they (the benefits) just drop out." (C04) The comments relate to the challenges of building the understanding of user staff in new business processes and a complex system and also relate to the opportunities for accelerating the realisation of further benefits. Interestingly, this was the example the project sponsor used to illustrate his role in anticipating weak areas – he commissioned a report on "knowledge transfer and post live administration" (C03). This difference in perspectives highlights the challenge in this area. In particular, the education and process change required an ongoing engagement and learning across the payroll department and this naturally took some time and was complicated by the pressure of other changes taking place at the same time. This also links with Benefits Review and Benefits Exploitation, related practices include: [~BD7: Implement organisational changes], [~BE3: Evolve working practices]. This area is discussed further in relation to Benefits Exploitation.

The final area where the project manager saw a need for different practice was that of change control. The challenge was to maintain open communication (i.e. and not hide changes) while retaining the flexibility to act quickly in response to the inevitable changes and unexpected events: "Some of the challenges for the Council are around budgets and change control - and speed of release of capital and access to resources. We talked about containing a contingency budget within the project itself to be released by the project exec. So then you don't need to go up to another project board - who then need a period of understanding - so that way you're not in a kind of skunk-works environment. There's an incredible level of scrutiny around change controls - but change control is to a budget that perhaps didn't go through the same level of scrutiny on set-up. When you set up a budget and benefits delivery profile there has to be a certain level of scrutiny - 'are you happy to work with them?' But you have to be flexible to change everything - you have to have your pre-determined tolerances. You cannot have a project environment without tolerances." (C04). The practices identified do not currently, explicitly include change
control. This was initially omitted as it was seen as a basic element of a project framework. Given the importance of change control on the project and also the emphasis of other practices on evolution and learning, it seems important to include a practice related to change control to ensure that there is a strong foundation for the more explicitly benefits related practices. There is a potential new practice [>>BD17: establish benefits driven change control].

7.6.3. Summary – benefits delivery

The organisation was successful in linking planning with delivery. The projects remained focused on clearly defined business goals. A key factor was the strength of leadership at project and programme level. Specific aspects of the competence for Benefits Delivery at the organisation are outlined in this section and then the related practices are summarised in Appendix S.

The emphasis on people discovered in the approach taken to Benefits Planning is also seen in Benefits Delivery. It can be seen in a number of areas. The project sponsors (for example payroll) took a very active role which including coaching and working with stakeholders to develop and maintain support for the business changes. This active business leadership was an important practice contributing to success in benefits realisation. The project managers (particularly payroll) placed significant emphasis on developing the effectiveness of the project as a team [>>BD9: effective teamwork and communication]. This was done through working closely with each team member (coaching) and through a daily project meeting with the aim of developing a sense of responsibility and empowerment. Both the project manager and the project sponsor emphasised the importance of this coaching role. Table 7-1 summarises a number of new, candidate practices. A number of these are lower or ‘micro’ level practices that relate to specific aspects of an effective project team. These micro-level practices are shown in italics.
Table 7-1: Summary of new candidate practices

The scope and objectives of each phase of the Customer Service programme were tightly defined, allowing the team to develop skills as they went, and particularly to get the most benefits at each stage before they moved on. Each phase had clear, measurable, motivational targets. This phasing of programmes into projects, each with clear targets, was an important part of the approach taken to benefits realisation. The development of skills within the team was also a key outcome from projects that contributed to the developing ‘transformation capability’. The team emphasised the importance of the skills they had developed in relation to the use of external consultants on the programme. One of the leading management consultancies had been engaged as part of the Transformation Programme to provide support and resources to assist with change management. This arrangement didn’t last long: “X was the change management partner – they didn’t last long. They didn’t know how to cope with us. They couldn’t keep up. They didn’t understand local government. All the work was done internally” (C05). In contrast to the Customer
Service programme, the payroll project was the first stage in a major programme and the team had not had the opportunity to develop change management skills and practices to the same extent.

A further major emphasis of the projects was on establishing new business competences. This was not referred to explicitly in these terms, but particularly for CRM and also HR / payroll, a broad approach was taken addressing general attitudes and behaviours, business processes and performance measures. The experience of the payroll deployment indicated the importance of approaching this from a perspective of learning and developing knowledge / skills rather than simply implementing a new system or process. The challenges faced by the payroll project team in deployment, and the perspective of projects as establishing competences highlight the challenges of organisational learning that are critical to benefits realisation (Eason, 1988). Even when a project is very well run with a strong emphasis on stakeholder engagement and the management of business change, there is an inevitable process of learning for individuals, teams, departments and the organisation.

There was a tension between the perceptions of the importance of process and people. A number of interviewees emphasised the critical role of PRINCE2, while others stated that although it was important, it was only one factor. It does seem valuable that training a lot of people in PRINCE2 established a common language. Also the use of risk and issues management, lessons learned and project boards were important. These 'basic' elements of the project were done consistently and well and were supported by the business sponsors and applied with a focus on benefits rather than technology. The Programme Director also took the opportunity to use the wide acceptance of the PRINCE2 'brand' to gain acceptance of the benefits focus and the emphasis on flexibility and people as the Council adopted its own version of the approach.

The emphasis on the development of their capacity for the management of change related to all the competences but was particularly focused on Benefits Delivery. Elements included: the project management framework and related training; management development including a new competence framework and 360° appraisal; starting to build a change management framework on the foundation of PRINCE2; selective external
recruitment; and the coaching role of leaders (C03). Various interviewees (C03, C01, C10, C02) commented on how these interventions were contributing to changes to management behaviours or culture and that this was accelerating the development of competences.

7.7. Benefits Review

7.7.1. Practices observed contributing to the realisation of benefits

Payroll

Practices adopted addressed the opportunity of learning during the project about the possible benefits and how to realise them. Although considerable effort had gone into developing the Transformation Programme plan and the overall benefit targets there was much more to learn as the project progressed. The project manager, who was brought in after completion of the business case, recognised this and also highlighted that it had been a great strength of the project that there had been a willingness to learn: "so to my mind it was more a process of discovering the benefits and I think it was for the Council as a whole. Business cases are written with the desire of reclaiming the capital to implement the project - if you start a project and you start to discover both the capabilities of the kit and the capabilities of the departments that are influenced, then you discover opportunities as well as just constraints. That's really challenging because benefits delivery and benefits profiling is a moveable feast. At best it's a guess at the start or a target to start with, and it changes over time...the Council have been superb at scrutinising themselves and admitting constraints as they learn, but also finding new opportunities as they go through the cycle" [BD1: establish an adaptive project framework]. The benefits realisation plan is intended to be flexible but it may be appropriate to emphasise the importance of evolving the benefits plan with a further candidate practice: [>>BR7: living benefits plan]. (C04)

CRM

The benefits realised from the Customer Service programme and CRM project were included on the Council web site and also the submission to the British Computer Society Business Achievement Award that they won in 2004 (see Table 7-2). As part of the judging process the submission for the award was subject to independent review.
The interviewees explained how they were using customer focused measures to continue to improve the service and realise further benefits (C06, CD11e). The CRM system was one important source of data. [BR3: identify actions to realise further benefits]

**Benefits from CRM**

**Customer services:** (overview from Council Internet site accessed 21/07/05):

- The number of queries resolved at first point of contact increasing from 40% in 2000 to 83% in 2004
- 95% of customers find CSC facilities easy to use
- The number of CSC users increased from 150,000 in 2002 to 214,000 in 2004
- The first CSC opened in the civic centre replacing 18 different reception points around the building (CD09)

**THE BCS BUSINESS ACHIEVEMENT AWARD 2004:** We have measurably improved the experience of our customers and increased levels of satisfaction, borne out by the following indicators:

- Customer Satisfaction levels increased from 91% to 97%
- Resolution at first point of contact increased from 70% to 83%
- Opening of 2 local CSC's securing LPSA funding & effective delivery of services at a local level
- Consistency & accuracy in response to customers
- Reduced induction time for generic service provision (4 weeks to 2 weeks)
- Reduced staff training time for generic service provision (6 months to 3 months)
- Improved job satisfaction for CSC staff

Motivation has been maintained by encouraging a positive attitude towards change. Equipping, supporting and valuing staff input, throughout the entire development of CRM, has helped to break down any barriers to organisational change.

"CRM has made my job much easier. It is a much more streamlined approach and I don't have to remember passwords for different systems. I think this makes the organisation look professional and this is beneficial to the customer". A quotation from a CSC Officer (CD09).

Table 7-2: Benefits from CRM

**Desktop**

At the time of the fieldwork the desktop project had not completed deployment and no formal review of benefits had been carried out. The clearly defined targets set for the project do provide a good basis for a review.
In addition, an in-depth, programme-wide review of the benefits realised against the objectives set in the original three year Transformation Programme Plan is now underway.

7.7.2. **Gaps observed in the practices in use**

The interviewees consistently had a clear understanding of the benefits they had achieved or were working towards. However, as the programme-wide benefits review has not yet completed the impact of this is not yet clear.

7.7.3. **Summary – benefits review**

PRINCE2 provided a foundation for practices related to Benefits Review. Lessons learned logs were kept through the projects, updated at stage ends and reviewed as part of project closure. Also project closure reports were used to review the success of the projects including the delivery of benefits. In the case of the payroll project the project closure report was followed up at the financial year-end to ensure project outcomes were translated into achievement of the benefit targets. A similar approach was taken on the CRM project. One interviewee noted how the introduction of risk management, and the lessons learned process had contributed to a culture change producing a greater openness to assess what had worked and why. In the Customer Service area in particular, a lot of effort went into measurement using information from systems, and direct from customers, to assess performance and plan improvements.

Some effort had been made to share learning across projects, for example by sharing lessons learned reports. To date this has largely been driven by the Transformation Programme Director and Manager, by their involvement in individual projects and through starting to establish a ‘transformation toolkit’ and building on the PRINCE2 education by establishing a broader management development programme with Organisational Development. They are also using the overall resource planning and allocation carried out by the Transformation Programme Team to move people onto new projects so that they can use what they have learnt. In this sense they are using some of the practices for a learning organisation put forward by Garvin (1993; 2000).
7.8. Benefits Exploitation

7.8.1. Practices observed contributing to the realisation of benefits

All the projects had well defined benefit targets and were established as specific projects within a larger programme plan. The phasing of the projects helps contain the scope and ensure the targets were clear to aid communication and provide motivation. There was also strong business ownership of each project, and the programme as a whole, to provide continuity between the project outcomes and benefits exploitation. The governance structure brought together ownership for the change and exploitation linking the two competences of Benefits Delivery and Benefits Exploitation [BD9: design a framework for business change governance], [BE1: ensure ownership of continued benefits exploitation].

A continued focus on benefits exploitation was encouraged by carrying out reviews of benefits realised over a period of time following the project. For example there was a review of the payroll project at the end of the financial year, and the Customer Service team used a range of measures to continue to assess performance and drive improvements. The Transformation Programme Team also introduced the concept of a Service Improvement Plan and was developing these plans with the business areas. The plans were taking a benefits approach and were owned by the head of the business unit. These plans were complementary to the Transformation Programme plan which focused on major changes. This provides further evidence of a potential new practice [BE4: service review] as identified in Chapter 5.

7.8.2. Gaps observed in the practices in use

The HR project has been successful in terms of delivery to time and budget, many of the benefits were "immediate" (C04), i.e. the single, lower cost, more reliable system, and also there has been good progress in reducing absence (C02). However, there are a number of challenges to consider from the perspective of the project manager that related to equipping the core end-user department (payroll) to realise the potential benefits. The payroll department was involved in a number of ways in the project: the manager was on the project board and staff were seconded...
into the project team. They were also represented in a series of business process re-engineering workshops that explored each sub process: "we ran a full series of bpr\(^9\) workshops around ‘here comes your kit’ – ‘how are you going to do it?’ And we did every process we could think of – we must have done 70 different processes in the course of the 12 workshops. We invited the business into those workshops, we produced the maps, we produced the end-user procedures, we produced the training, all off the back of the bpr – but – how do you make it stick?” (C04)

It is interesting to note that on the CRM project a different approach and project team structure was adopted. In Customer Services the project was led by a business sponsor and business project manager. Over the period of the Customer Services programme there had been the opportunity for many of the supervisory staff to develop process mapping and process design skills. This meant that the Customer Services team effectively ran the workshops rather than having them ‘done to them’. Crucially, this also meant that there was much deeper knowledge of the system and process within Customer Services than Exchequer (including payroll). The Exchequer staff, outside the project team, had not had the opportunity to build up the same level of knowledge.

One of the problems was that there was a lot happening at the same time for the payroll business area and they didn’t have the resource they wanted to dedicate to a readiness and change management team: "but the reality of a department like Exchequer is that they’re under the cosh because they’ve got to drop another 20 jobs in the next 6 months. There really needed to be a detailed change team – a combination of project and business as usual individuals who were dedicated towards ‘here it comes - prepare yourselves’" (C04) [\(\text{BE3: evolve working practices}\)]. Part of the goal of the team design was to prepare for ongoing operation and benefits exploitation after completion of the project. "Now (i.e. some time after ‘go-live’) he’s going through a structured re-design based on usage and how the system wants to be and how his people want to be.” (C04) [\(\text{BE3: evolve working practices}\)]. One action that could have been taken was to adjust the business case to reflect the additional post-live costs – "there was no extraction cost – they didn’t put

\(^9\) Business process re-engineering
anything against that either and it should be a genuine cost towards the benefits of reducing the labour count or whatever” (C04). This could be highlighted as an opportunity for a new practice to emphasise that the project continues after the launch of a new system to focus on getting the benefits in place: [BD 18: benefits ramp-up] or could remain an area of emphasis within [BP8: plan benefits realisation]. There are also further benefits to realise that will need to be the subject of follow on projects and further work by the business areas.

A lot of work went into preparing and delivering training related to the payroll / HR system. This was highly rated in course evaluations but the team found it hard to get real feedback – which meant that they had limited information to drive improvements in the training. Another, more significant, factor was the wider issue of developing the knowledge of the staff in the user areas. The project team, many of them new to SAP, learnt a lot – they spent 18 months dedicated to the project. At the end they felt “now we’re ready to implement SAP – let’s do it again” (C04). The challenge was how to help the end-users along the learning curve. Despite the emphasis given to training, each of the three phases of implementation felt like starting from scratch with all the same lessons being learned. Although there had been work on the new business processes this did little to accelerate the learning: “they just became flat documents. Unless there’s somebody there who truly owns the process and making it stick in the department it just falls flat and they go through the same period of process discovery that you actually already did in the project in microcosm in the workshop. They almost put the manuals and process aside and learn from mistakes. It’s kind of what happened – we almost rediscovered the process we’d discovered in a sort of vacuum, by trial and error on the system. Of course the errors are expensive. So I think there was a real need – once we create a set of documents - to translate those into behaviours – the question is who and how? I think that needs to be driven by a team with full sponsorship from the top. A team within the department – it takes communication before you go live, it takes training before you go live, over and above staff training.” (C04) [BD9: team design for benefits realisation], [BD8: benefits driven training and education].
The project budget and headcount reduction targets meant that resources were squeezed in the post-live period when there were significant challenges for end-users to take on the system and develop new ways of working. The end-user team also had difficulty adapting to the needs of improving the business as well as running the business – for example suggestions by the project manager of establishing ownership for processes and process documentation and involving staff in regular sessions to look at opportunities for continuous improvement were not initially adopted.

7.8.3. Summary – benefits exploitation

Benefits Exploitation was addressed in different ways by the projects. The CRM project, for example, forms one part of a much larger programme. The business team have used the projects to develop a wide range of skills, for example business process mapping and design, to allow them to continue to take on more services using the system and to continue to improve the services they already provide. From their perspective, development of the skills in the user team has been a key element in Benefits Exploitation. The Customer Service staff and supervisors are now able to take a lead in developing the services and gaining additional benefits.

The payroll project highlighted the difficulty of developing knowledge of the new system and processes in the user teams. Although training was treated seriously and apparently done well, it only scratched the surface. There was a tendency for the user groups involved in each of the three stages of implementation to each go through a similar learning process to the project team. As a result, evolution of new working practices to realise the potential benefits was slower than the project team had hoped. Eason (1988) considered a project as organisational learning. This perspective seems particularly relevant given the experience of the Council.

Exploring these areas further is important for the Council. Enabling individuals to establish new working practices based on detailed knowledge of major new systems is inevitably going to be a process that will not be fully addressed by formal training and will take a considerable period after the system goes live. But are there opportunities to prepare for this process as part of the project and accelerate it? Are there general abilities
that will help (for example skills in process design, techniques for continuous improvement)? In particular why were Customer Services able to handle this better than payroll? For example:

- Did they have more resources available to focus on managing the change?
- Did they have a more extensive training programme?
- What was the impact of the general skills they had developed (business process design, customer focused measurement) over a number of years during the earlier stages of the Customer Service programme?

The Transformation Programme Team has acknowledged that the programme was ambitious and that they may have tried to do too much too quickly (C13e). However the pace and pressure may have accelerated their learning, and their success is likely to have helped them develop credibility in the organisation. The context of the Customer Services and HR programmes are very different so there is no clear ‘best’ approach. It would be valuable to explore the differences further from a learning and knowledge management perspective.

7.9. Facilitators and inhibitors of benefits realisation

7.9.1. Introduction

The case focuses on City Services, one part of a large organisation. The projects examined are part of a three year transformation programme which has clear benefits targets and an overall governance framework. In addition to the specific objectives of the programme there is an explicit intention to develop the transformation capability of City Services and the organisation as a whole.

The focus on people was striking. Effective leadership is emphasising the development of the expertise of individuals and teams and this is underpinned by the evolutionary development and adoption of a transformation toolkit (set of practices).

A number of facilitators and inhibitors of benefits realisation emerged from the case study as the evidence was analysed and are described below.
7.9.2. Effective leaders of benefits realisation

Leadership is an important feature of the case. The CRM and payroll project sponsors showed great personal commitment to the programmes and realising the benefits. The Transformation Programme Director and Manager also showed leadership in relation to the delivery of the three year programme and also their wider goal of developing a 'transformation capability' in the organisation. The leadership was shown in their investment of a lot of time and energy. They approached this leadership with a focus on communicating a direction and a vision, as well as coaching and supporting people in the effort to achieve the objectives.

7.9.3. Effective skills and resources for benefits realisation

The emphasis on people is striking. There has been a major focus on getting the right people involved – both the core teams and wider stakeholders. The interviewees consistently highlighted this as an important factor in benefits realisation. This emphasis on people is again a good fit with the concept of practices. The practices provide a basis for ways of working for the teams and for sharing what works across teams. The emphasis on what works and building the expertise of individuals and teams is very different from an emphasis on compliance with a process / methodology.

Practices, related to a core set of principles, seem to fit how people think and work in practice. The organisation has sought to make their use common and habitual in a number of ways:

- By providing training across a large part of the management team at a number of levels to establish a common language and a basic understanding.

- By focusing on a number of core, basic practices and using those consistently and well.

- Through the leadership and influence of the Programme Director Transformation Programme Manager and senior project managers who have the experience and insight to get value from the practices without turning them into bureaucratic / compliance activities that become ends in themselves.
The Customer Service Manager suggested that their success was due to 'common sense': "You just know how to do it – its common sense, just operational management skills. You don't need an MBA." (C05). This was supported by other interviewees who use various car driving analogies to illustrate the point.

"I used to use the analogy - you know at road junctions where you get yellow criss - cross lines - when the Ministry of Transport first brought those in they said that 'these are to make the bad drivers do what the good drivers have been doing for years' – and I think PRINCE2 is the same – it reduces the risk of failure". (C02)

"I suppose the people who worked on the project will pick up on these things - I'd feel silly lecturing on it to a group of potential project managers - you need to experience it. For example - time boxing - you can read a book or an article - but as soon as you try and do it yourself you create your own rules for it - it's another weapon in your armoury. It's not a paper or a report - it's just something you do. I mean most of the things I do are instinctual - it's like driving a car. At first you're like "oh my' what are my hands doing, what are my feet doing" – now you just drive. It isn't common sense - these are formal, trained skills you go through. It's instinctual - through training and through repetition and exercise - that's the only way you learn any of the non-dogmatic approaches to project management which I might use – they're from years of this". C04

In support of this argument is the way they have used PRINCE2 as a set of practices. They have adopted these gradually and have used key elements well - getting the basics right (risk management, project boards, milestones, lessons learned, change control, project closure reports). Common sense has meant keeping it simple. For example, the Customer Service team emphasises that they were interested in 'business process simplification'. They have tried to keep it simple and build the expertise of the staff so that they can consistently and successfully adopt relevant practices. This is strongly linked with their focus on getting the basics right. In their focus on building the expertise of the individuals and teams, on the role of leadership and the gradual adoption of practices for benefits realisation they are seeking to make common sense common practice.
7.9.4. Consistent framework and common language

PRINCE2 training has been provided across all managers in the organisation and has provided a common framework for projects and risk management. PRINCE2 provides a consistent framework across all projects.

Within this framework the approach to individual projects has been adapted to meet the challenges of the specific project, primarily by establishing governance structures and involving people with relevant skills. There is no explicit portfolio management approach in the sense of different approaches to different projects and different project evaluation criteria. The adaptation is driven by the input of the Transformation Programme Director and Manager.

A further general factor was the common language - for example the consistent view of the role of IT as an enabler. There is a shared understanding of business change as the source of benefits and the role of IT as an enabler. This view appears to have been driven by the Transformation Programme Director and team.

7.9.5. Local input and ownership

There was clear business ownership at a range of levels. Customer Services and HR/Payroll sponsors were not just active and effective leaders of the transformation programme. They had a focus on the importance to the business in the long term and the linkages between the transformation and the ongoing development of the organisation.

There was also a consistent emphasis on the involvement of staff and other stakeholders. This was particularly striking in Customer Services where a tour of the Customer Services centre and more informal discussions with staff revealed a high level of enthusiasm and engagement. In this case the long term programme had allowed the development of the skills of the business staff at a supervisory level so that they were leading the later phase of work on business process change.
7.9.6. Designing the approach to change: balancing people and process perspectives

A major contributory factor in their success appears to be getting a good balance between various competing forces and perspectives and in particular between people and process perspectives. The role of the leadership team has been important in establishing this balance. The various factors and tensions reflect the challenges for the organisation of developing a transformation capability. These are outlined in Table 7-3.

<table>
<thead>
<tr>
<th>Tensions: success from getting the right balance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Process</strong></td>
</tr>
<tr>
<td>PRINCE2 has been adopted and a number of</td>
</tr>
<tr>
<td>interviewees saw it as the critical success</td>
</tr>
<tr>
<td>factor as it provided a consistent framework</td>
</tr>
<tr>
<td>and tight control.</td>
</tr>
<tr>
<td><strong>Project management</strong></td>
</tr>
<tr>
<td>PRINCE2 addresses project management</td>
</tr>
<tr>
<td>only. It provides a foundation for a wider</td>
</tr>
<tr>
<td>framework.</td>
</tr>
<tr>
<td><strong>Getting the right people</strong></td>
</tr>
<tr>
<td>The people I have met have had very high</td>
</tr>
<tr>
<td>levels of expertise. There has been a</td>
</tr>
<tr>
<td>considerable focus on getting the right</td>
</tr>
<tr>
<td>people in the right places – this has meant</td>
</tr>
<tr>
<td>bringing in some new people.</td>
</tr>
<tr>
<td><strong>Consistency</strong></td>
</tr>
<tr>
<td>PRINCE2 provides a consistent framework</td>
</tr>
<tr>
<td>across all projects.</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>Planned</strong></td>
</tr>
<tr>
<td>The Transformation Programme plan sets out</td>
</tr>
<tr>
<td>clear targets for the major benefits.</td>
</tr>
<tr>
<td><strong>Project</strong></td>
</tr>
<tr>
<td>The Transformation Programme emphasises</td>
</tr>
<tr>
<td>the role of projects in delivering change</td>
</tr>
<tr>
<td>and benefits.</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

Table 7-3: Success from getting the balance right

The Council have shown great flexibility in resourcing projects and adapting the approach based on the context and the people available. This fits well with the practices approach – the practices enable the project team to develop ways of working that work for them, and they also enable them to communicate what works across projects. The case study also revealed experienced project managers using a more formal method, PRINCE2, not
as a rigid methodology, but as a common language and a set of practices to draw from – "we just use the elements that make sense for us".

The organisation may be able to be more successful with projects in the future but their success based on starting with PRINCE2 rather than explicit Benefits Management tools suggests that there is 'no single best way' to establish a competence. They have applied the core principles of Benefits Management through PRINCE2 and have not yet used the specific Benefits Management tools at a project level.

The leadership team (including the Transformation Programme Director and Manager have played a critical role in recruiting people and designing the approach to each project.

7.9.7. Clarity and stability of strategy and structure: portfolio management

The work that went into investigating outsourcing resulted in a robust, three year programme plan. As a result the Transformation Programme had very clear benefits related goals and there was leadership and a governance framework for the programme as a whole. The programme was broad and was essentially a portfolio of projects with a range of objectives.

These factors had a significant impact on the individual projects. Firstly, it meant that the main benefits were clearly defined. The portfolio level control meant that there was consistency without the fragmentation seen in earlier cases. Also there was a clear management framework and central resources providing control and advice / guidance. These objectives, the overall structure, and also key individuals, were in place through the life of the programme. This contrasts with the other cases where there was a lack of clarity and stability of goals and there was no clear governance framework.

7.9.8. Gradual development of competences for benefits realisation

The Council have had success in gradually developing a transformation capability. PRINCE2 was never seen as the end point, at least by the core team. The work to establish the transformation capability has been incremental, allowing opportunities for 'learning by doing' and not diverting
energy from delivery of the specific business projects. They have also tackled the development of the transformation capability as change management, using a broad range of approaches to change how people work in practice and have avoided the trap of simply 'implementing a new methodology'. In addition the change toolkit being developed has the potential to build on their success with PRINCE2 and help establish a broader set of practices used across the organisation. In developing these competences there has been action in a range of areas:

- 'Casting': there was considerable emphasis on selecting the right people to be involved in each project and creating appropriate project team and governance structures. Work is now underway to establish resource plans at a portfolio level as part of work to develop the overall transformation capability of the organisation.

- Transformation toolkit: the idea of the toolkit and the gradual development of expertise in a range of tools / practices has been central to the development of benefits realisation competences. It provides a common language and way of working, while allowing adaptation based on the people and the projects.

- Culture: a number of cultural factors have contributed to the success of the projects. There is a general emphasis on the importance of involving people at all levels. This has resulted in attention to stakeholder management, training and involvement in solution / work design. Also the general culture is helpful, people are ready to make time for people, there is openness to learning, which individuals have attributed at least in part to PRINCE2 and there is pride and excitement in being part of the success of the programme (C11e, C12e).

- Impact on roles and careers: the interviewees noted how the general changes were affecting the role of middle management. A different approach and different skills were required. They also noted that to build the size and depth of their pool of project and change managers would require consideration of reward and career structures as currently the only recognition, reward and progression was through line management structures.
- **Role of Transformation Programme team**: the team has had a critical influence on individual projects and the wider context in which they are working. They provide governance over the portfolio, input to designing each project and project and team, coaching and support and are driving the development of a transformation toolkit and capability.

Forward plans to continue the development of the transformation capability within the Council include further development of the toolkit and additional training with a focus on change. A major challenge for the Council will be to build a transformation capability within the Council as a whole rather than just in the area within the scope of the Transformation Programme.

As a first step, ownership for the project management framework is shifting from the Transformation Programme team to a group with responsibility across the Council. For the Council it will be important to make this transition without undermining the factors that have enabled them to be successful to date. Can they continue to develop a *deeper* change capability (not just project management) and also *broaden* out the capability across the Council? How can they scale up the current contribution of a small number of key individuals? Review of the findings from the interviews and the initial analysis with the Transformation Programme director confirmed this as an issue they were currently facing. They were seeing support in the organisation for organisation-wide use of PRINCE2, but the emphasis they had given to change management, to people, and to the flexibility of approach was at risk of being lost.

### 7.9.9. Learning and improvement

A number of themes related to learning and improvement have been identified from analysing the findings related to the individual projects.

*Learning about benefits through the life of the project*: the project team made a number of changes to the approach being taken, priorities etc during the life of the projects. The changes were made as more information became available about the capabilities of the systems, the business opportunities or the wider business context.
The payroll project manager saw learning during the project as a natural process and suggested that the team only really feels ready to tackle the project when they have finished it. At this stage they have the knowledge to start again and tackle it how they would really want to. This was in a team that incorporated a wide range of relevant experience about delivering projects, the business area and the software package being used.

The payroll project manager highlighted the need for flexibility in the governance arrangements so that the project sponsor and project board could approve changes (within agreed parameters), and the importance of an organisational context and culture that enabled lessons to be learned and changes to be made.

*Developing skills through involvement in the project:* project sponsors, managers and the Transformation Programme team saw development of skills as an important outcome of the projects. As a result of participation in projects there were more people with stronger skills for project delivery (managers / sponsors), and also business areas with skills for participation in projects and exploitation of the capabilities provided by the projects.

*Sharing learning across projects:* a number of approaches were used to enable sharing of learning across projects. Moving people on from one project to another was an important mechanism, as was the role of the Transformation Programme team in establishing and controlling the projects. PRINCE2, in which all managers had received some level of training, also provided a foundation of a common language and approach to projects.

Additional steps being taken include establishing a transformation ‘toolkit’ to build on PRINCE2 and address the wider issues of change management and providing broader training. Other approaches such as communities of practice had not been established in any formal sense. These wider issues of sharing the learning through the Council will be explored as the focus is extended from the Transformation Programme to the organisation as a whole.

*Enabling learning in the business area:* the projects highlighted the challenges of learning in the business area. The CRM project benefited from
many of the business challenges, including development of skills for managing change, being tackled over a period of several years before the project started. The payroll project faced these issues as part of the one project. It highlighted the need for broad involvement in learning across the end-user population and also the need for an ongoing process of learning beyond any one-off training, however good.

As the work develops and they attempt to extend the 'transformation capability' across the organisation a key factor will be keeping this balance. This will not be straightforward – for example with different leadership the perception that PRINCE2 is the critical success factor could result in rigid enforcement of PRINCE2 and neglect of the wider change management capability.

**Summary:** a wide range of actions have been taken to enable learning to happen:

- Broad training in PRINCE2 and subsequent development of a project framework for the organisation based on PRINCE2.
- Recruitment of influential individuals with high levels of expertise as 'change agents'.
- Consistent use of risk management and lessons learned reviews.
- Project closure reports addressing realisation of benefits.
- Coaching provided by key members of the team.

They have perceived that PRINCE2 (training and use) has had an impact on culture – for example making it easier to be open about the need to learn. It has been valuable in *starting* a process of learning and influencing cultural change so that the environment enables learning. PRINCE2 also provides a foundation to build on as they shift to focus on change management in addition to project management.
7.10. Summary of the case

7.10.1. Value of practices

The interviewees naturally thought in terms of specific techniques that they used (which we have referred to as practices, tools and routines) to contribute to the success of the projects. This made it relatively straightforward to identify practices already in the model developed from the literature.

As expected, the practices in use showed some variation from the practices identified in the literature; however the overall fit with the model of practices developing in this research was very good. A particular feature of the case was the way in which the organisation was consciously developing a toolkit for business transformation and change (i.e. benefits realisation). Their concept of the toolkit is virtually identical to the idea of practices that is the focus of this research.

The organisation had not adopted all the practices identified in the research. They had focused on a number of key areas and were getting a lot of value from this initial focus on specific practices and using them effectively. This was part of a wider plan for gradual development of a benefits realisation or ‘business transformation’ capability which they saw as a long-term process requiring significant organisational learning and cultural change.

7.10.2. Common language and focus on benefits

The interviewees consistently emphasised a number of key themes including: IT as an enabler; the importance of people and teamwork in project success; and the importance of stakeholder management. This consistency was striking. This emphasis seems to be based on a core set of principles, or common values guiding the approach they are taking. Factors contributing to this include the fact that a core team has worked together over a period of several years; that new members of the team have been selected, at least in part, based on their fit with this mindset; and constant reinforcement from senior leaders through their involvement in projects and the programme. These principles and the significant influence of the leadership team have driven the practices adopted.
7.10.3. Common framework

PRINCE2 was a second important factor influencing the adoption of specific practices. The team wanted to take a phased approach and focus first on project management before they tackled the wider issues of business change management. PRINCE2 was a very visible ‘brand’ that easily gained acceptance and also provided resources, particularly training and accreditation, and a basic framework for projects. A key element of the way they used PRINCE2 was as a collection of practices (risk management, lessons learned, project boards, stage-end reviews) that they could adopt and adapt to meet their needs on specific projects. Adoption was enabled by the brand, the widespread training, and through consistent usage across the programme. The way they used PRINCE2, based on the core principles, was to focus on benefits realisation.

7.10.4. Developing competences for benefits realisation

A further perspective on the failure of ‘process improvement projects’ identified in Chapters 5 and 6 is provided by the Council. Previous examples related to the failure of attempts by organisations to adopt benefits driven approaches (i.e. develop competences for benefits realisation).

This case provides an example of an organisation focused on realising benefits from organisational change with a clear understanding of the role of ‘IT as an enabler’. There were a number of distinctive features of the approach taken. There was an overall Transformation Programme plan that provided a three year plan focused on the benefits required and how each of the projects was intended to contribute to the delivery of the benefits. There was strong leadership of the overall programme and a Transformation Programme team that provided support and control across the 20+ projects in the programme. Each project was addressed with a focus on organisational change and benefits realisation. There was a very strong emphasis on getting the right people involved both in the project teams and in wider stakeholder groups.

In addition to the focus on realising the intended benefits from the Transformation Programme the overall leader, and Transformation Programme team, were also working to develop the transformation
capability of the organisation. The aim was to develop an improved ability to tackle transformation and change beyond the initial three year programme. To achieve this, the team adopted a similar approach to that taken on the core of the Transformation Programme. As examples: there was strong leadership for building the transformation capability, including time allocated to communication; there was widespread involvement, for example in an education programme provided for all managers; there was phased development of a transformation toolkit - gradual introduction of practices that contributed to a benefits and change focus on projects; there was provision of support in the form of coaching and mentoring for project managers; there was emphasis on using the core projects to develop the experience and abilities of the individuals involved. Comparing this case to the findings from Phase 1 reveals a virtuous circle, rather than the vicious circle of previous examples.

7.11. Revised framework of practices

The following tables and diagrams build on the practices in Chapter 4 and set out a revised set of practices for benefits realisation. Each practice relates to a particular competence for realising benefits from IS/IT. The practices are presented first in tables and then as figures to indicate possible linkages between the different practices.

**Practices for Benefits Planning**

<table>
<thead>
<tr>
<th>Code</th>
<th>Practice</th>
<th>Description</th>
<th>Output</th>
<th>Literature</th>
</tr>
</thead>
<tbody>
<tr>
<td>BP1</td>
<td>Identify strategic drivers</td>
<td>'Top down' activity to clarify the strategic / business drivers for the project and its contribution to the achievement of business strategy.</td>
<td>Strategic drivers analysis</td>
<td>Ward &amp; Elvin, 1999 Ward &amp; Daniel, 2005</td>
</tr>
<tr>
<td>BP2</td>
<td>Analyse stakeholder expectations</td>
<td>Conduct a structured, 'bottom up' analysis of the stakeholders stakeholders' requirements, in terms of delivered benefits.</td>
<td>Analysis of expectations by stakeholder</td>
<td>Edwards &amp; Peppard, 1997 Neely et al., 2002</td>
</tr>
<tr>
<td>BP3</td>
<td>Identify and define benefits</td>
<td>Review of strategic drivers and the stakeholder requirements, to identify / agree the target benefits.</td>
<td>Benefits analysis including: agreed measures, targets and benefit owners</td>
<td>Peppard &amp; Ward, 2005</td>
</tr>
<tr>
<td>Code</td>
<td>Practice</td>
<td>Description</td>
<td>Output</td>
<td>Literature</td>
</tr>
<tr>
<td>------</td>
<td>----------</td>
<td>-------------</td>
<td>--------</td>
<td>------------</td>
</tr>
</tbody>
</table>
| BP4  | Establish benefit / process interactions | Relate the benefits to business processes to identify where changes will take place and help identify relevant measures. Assess the variability and uncertainty in the process and consider the implications for benefits realization. | Process / benefit map | Ward & Peppard, 2002  
Bohn, 1994  
Brooke, 2000  
Ward & Daniel, 2006  
Bashein et al., 1994 |
| BP5  | Establish benefit / stakeholder interactions | Identify stakeholder groups affected by the technology, and changes required to realise the benefits. Identify business change issues and actions required including communication and engagement with the stakeholders, and the redesign of job specifications. | Stakeholder impact assessment | Eason, 1988  
Joshi, 1991  
Benjamin & Levinson, 1993  
Doolin, 2004 |
| BP6  | Establish organization/ benefits interactions | Explore the interaction between the benefits and a full range of perspectives on the organization. | Organizational impact assessment | Doherty & King, 2001 |
| BP7  | Establish technology/ benefits interactions | Establish a design for an IS solution that takes account of the capabilities of the technology. | Conceptual architecture overview | Eason, 1988  
Peppard et al., 2006 |
| BP8  | Plan benefits realization | Develop an overall plan to show the business case (what the benefits are) and how they are going to be realised. The plan relates to the type of project and ensures the delivery of benefits is phased as relevant and that there is appropriate consideration of organizational factors. | Benefits realization plan: defines the benefits and the actions required to realise them. | Ward et al., 1996  
Clegg et al., 1997 |
| BP9  | Design a framework for business change governance | Design a governance framework addressing the business change project, including the enabling IS/IT activities. Agree how to bring together the sponsor, benefits owners, project manager and other stakeholders through appropriate meetings, workshops and other forms of communication. | Governance framework | Clegg et al., 1997  
Avgerou, 2001 |
| BP10 | Benefits driven risk assessment | Take a pro-active approach to risk that focuses on business change and benefits realization. | Risk assessment and action plan | Gibson, 2003  
Also found in PRINCE2 |
<table>
<thead>
<tr>
<th>Code</th>
<th>Practice Description</th>
<th>Output</th>
<th>Literature</th>
</tr>
</thead>
<tbody>
<tr>
<td>BP11</td>
<td>Develop a business competence based design</td>
<td>Use a range of perspectives to get a rich view of the business problem / opportunity and to plan the changes required based on business competences. The use of competence encourages the use of a broad range of perspectives on the organisation, for example: structure, roles, culture, business processes, working practices, performance measures.</td>
<td>Business solution design</td>
</tr>
<tr>
<td>BP12</td>
<td>Create a shared business vision</td>
<td>Develop an agree a vision statement to provide an overall direction for the project</td>
<td>Vision statement</td>
</tr>
</tbody>
</table>

Table 7-4: Practices for benefits planning (revised)

**Practices for Benefits Delivery**

<table>
<thead>
<tr>
<th>Code</th>
<th>Practice Description</th>
<th>Output</th>
<th>Literature</th>
</tr>
</thead>
<tbody>
<tr>
<td>BD1</td>
<td>Establish an adaptive project lifecycle</td>
<td>Establish a project lifecycle enabling change during the project in response to learning / uncertainty - based on iterative, incremental delivery and a small number of major phases controlled by phase and milestone reviews. The adaptive lifecycle continues into benefits ramp up and evolution deployment</td>
<td>Project approach – including definition of phases, deliverables and milestones</td>
</tr>
<tr>
<td>BD2</td>
<td>Actively lead the business change</td>
<td>Design, build and lead the project team and governance framework with a focus on realising benefits. In particular, address responsibility for benefits for the organization / sponsor, benefits for the end user and the effectiveness of the team</td>
<td>Role descriptions</td>
</tr>
<tr>
<td>BD3</td>
<td>Ensure continuing active involvement of stakeholders</td>
<td>Ensure there is communication and involvement with all stakeholders (based on the stakeholder analysis) to gain insight, ownership and support for changes.</td>
<td>Participation and communication plan</td>
</tr>
<tr>
<td>BD4</td>
<td>Specify changes to work and organizational design</td>
<td>The project focuses on the design and delivery of a business solution. This will typically require consideration of: business processes, working practices, structures, roles, management framework, performance measures, and culture.</td>
<td>Business solution design</td>
</tr>
<tr>
<td>Code</td>
<td>Practice</td>
<td>Description</td>
<td>Output</td>
</tr>
<tr>
<td>------</td>
<td>----------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>BD5</td>
<td>Make benefits driven trade-offs</td>
<td>Trade-off decisions (features, cost, and schedule) are driven from a benefits perspective.</td>
<td>Change log</td>
</tr>
<tr>
<td>BD6</td>
<td>Ensure benefits driven risk management</td>
<td>Take a pro-active approach to risk that focuses on business change and benefits realization.</td>
<td>Updated risk assessment and action plan</td>
</tr>
<tr>
<td>BD7</td>
<td>Implement organizational changes</td>
<td>Implement new and revised business processes, working practices, structures, roles, management framework, and performance measures. Take action as required to encourage cultural changes.</td>
<td>Changed organization – this activity needs to be monitored to ensure that planned changes are actioned.</td>
</tr>
<tr>
<td>BD8</td>
<td>Benefits driven training and education</td>
<td>Ensure education and training are focused on the realization of benefits.</td>
<td>Benefits focused training resources and plan</td>
</tr>
<tr>
<td>BD9</td>
<td>Effective teamwork and communication</td>
<td>Ensure there is clear ownership within the team for the effectiveness of teamwork and communication.</td>
<td>Individual with ownership</td>
</tr>
<tr>
<td>BD10</td>
<td>Ownership for decision making</td>
<td>Make individual team members take ownership for making decisions – &quot;what would you do if you were the CEO?&quot;</td>
<td>Clear accountability for decisions</td>
</tr>
<tr>
<td>BD11</td>
<td>Establish project team work space</td>
<td>Establish a work space where the project team can be located and work together on a daily basis.</td>
<td>Team work space</td>
</tr>
<tr>
<td>BD12</td>
<td>Daily team meeting</td>
<td>At relevant periods of the project hold brief, daily team meetings to provide a focus for communication and management control.</td>
<td>Daily / regular meetings</td>
</tr>
<tr>
<td>BD13</td>
<td>Adaptive team structure</td>
<td>Adapt the team structure during the project to reflect the changing situation and the expertise and interests of the team members.</td>
<td>Team structure updated to reflect the stage of the project</td>
</tr>
<tr>
<td>BD14</td>
<td>Team design for benefits realisation</td>
<td>Ensure the team includes roles with a focus on benefits for different stakeholders.</td>
<td>Clear roles related to benefits delivery / business change</td>
</tr>
<tr>
<td>Code</td>
<td>Practice</td>
<td>Description</td>
<td>Output</td>
</tr>
<tr>
<td>-------</td>
<td>---------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------</td>
<td>---------------------------------</td>
</tr>
<tr>
<td>BD15</td>
<td>Time-box decisions</td>
<td>Use the concept of ‘time-boxing’ to set a deadline for decisions to be made and avoid delays.</td>
<td>Timely decisions</td>
</tr>
<tr>
<td>BD16</td>
<td>Application portfolio driven approach</td>
<td>Use the application portfolio to adapt the approach and resourcing for each project within an overall framework.</td>
<td>Approach to project adapted to the context / people</td>
</tr>
<tr>
<td>BD17</td>
<td>Establish benefits driven change control</td>
<td>Establish a framework for change control at the project level. Focus on the impact on benefits as the primary factor in decision making.</td>
<td>Change control framework in place</td>
</tr>
</tbody>
</table>

Table 7-5: Practices for benefits delivery (revised)

### Practices for Benefits Review

<table>
<thead>
<tr>
<th>Code</th>
<th>Practice</th>
<th>Description</th>
<th>Output</th>
<th>Literature</th>
</tr>
</thead>
<tbody>
<tr>
<td>BR1</td>
<td>Establish portfolio based evaluation criteria</td>
<td>Establish project evaluation criteria related to the application portfolio – i.e. using either different criteria for different areas of the portfolio or using a basket of measures and changing the weighting.</td>
<td>Evaluation framework and criteria</td>
<td>Ward &amp; Peppard, 2002 Farbey et al., 1999</td>
</tr>
<tr>
<td>BR3</td>
<td>Identify actions to realise further benefits</td>
<td>Where planned benefits have not been achieved, or opportunities for new benefits have been identified, a benefits' action plan needs to be established</td>
<td>Benefits' action plan</td>
<td>Ward &amp; Peppard, 2002 Farbey et al., 1999</td>
</tr>
<tr>
<td>BR4</td>
<td>Facilitate lessons learned reviews</td>
<td>Carry out lessons learned reviews at key stages in the project and on project completion.</td>
<td>Lessons learned report and action plan</td>
<td>Tippins et al., 2003 Included in PRINCE2</td>
</tr>
<tr>
<td>BR5</td>
<td>Complete architectural roadmap review</td>
<td>Carry out a review on completion of a project / to consider the contribution to the overall IS/IT architecture. Also consider the strategic alignment of a programme and implications for future projects / releases.</td>
<td>Updated architecture roadmap</td>
<td>Earl &amp; Khan, 2001</td>
</tr>
<tr>
<td>BR6</td>
<td>Living benefits plan</td>
<td>Benefits plan is updated to reflect learning and change during the project</td>
<td>Updated benefits plan</td>
<td>Identified from practice</td>
</tr>
</tbody>
</table>

Table 7-6: Practices for benefits review (revised)
### Practices for Benefits Exploitation

<table>
<thead>
<tr>
<th>Code</th>
<th>Practice</th>
</tr>
</thead>
<tbody>
<tr>
<td>BE1</td>
<td>Ensure ownership of continued benefits exploitation</td>
</tr>
<tr>
<td>BE2</td>
<td>Maintain benefits driven training</td>
</tr>
<tr>
<td>BE3</td>
<td>Evolve working practices</td>
</tr>
<tr>
<td>BE4</td>
<td>Service review</td>
</tr>
<tr>
<td>BE5</td>
<td>Establish exploitation team</td>
</tr>
<tr>
<td>BE6</td>
<td>Enable good practice sharing between users</td>
</tr>
<tr>
<td>BE7</td>
<td>Exploitation consultancy</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Establish a clear business role for ongoing ownership of realising benefits</td>
</tr>
<tr>
<td>Training is focused around benefits realization and establishing new ways of working.</td>
</tr>
<tr>
<td>Continue to evolve working practices post deployment to realise further benefits.</td>
</tr>
<tr>
<td>Carry out a regular (e.g. annual) review of the service with key stakeholders and explore the opportunities for further benefits and the actions required to realise them.</td>
</tr>
<tr>
<td>Establish a multi-disciplinary team with responsibility for ongoing benefits exploitation.</td>
</tr>
<tr>
<td>The example of running a regular, internal user conference to is one example of a way to facilitate sharing of ideas and good practices.</td>
</tr>
<tr>
<td>Provide a consultancy service to user areas to provide advice and expertise to help them realise further benefits.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Output</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agreed/active benefits owner</td>
</tr>
<tr>
<td>Up to date training/education resources Ongoing training plan and provision</td>
</tr>
<tr>
<td>Revised working practices</td>
</tr>
<tr>
<td>Report/action plan from review</td>
</tr>
<tr>
<td>Team in place</td>
</tr>
<tr>
<td>Related to specific form of the practice</td>
</tr>
<tr>
<td>Consultancy advice provided to user areas</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Literature</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ward &amp; Peppard, 2002</td>
</tr>
<tr>
<td>Weill &amp; Woodham, 2003</td>
</tr>
<tr>
<td>Clegg et al., 1997</td>
</tr>
<tr>
<td>Brown &amp; Duguid, 2000 (Chapter 4)</td>
</tr>
<tr>
<td>Identified from practice</td>
</tr>
<tr>
<td>Identified from practice</td>
</tr>
<tr>
<td>Identified from practice</td>
</tr>
</tbody>
</table>

Table 7-7: Practices for benefits exploitation (revised)

The following diagrams provide an update on those included in Chapter 4. They represent the revised framework of practices / patterns.
Chapter 7

Practices for Benefits Planning

Key

| Practice in Chapter 4 framework | New practice identified from empirical work |

Figure 7-4: Practices for benefits planning (revised)
Chapter 7

Case study - succeeding

Practices for Benefits Delivery

Figure 7-5: Practices for benefits delivery (revised)
Practices for Benefits Delivery

Additional practices related to effective teamwork

The more detailed practices shown in the diagram are those identified in the empirical work. This is not intended to be a comprehensive set of practices for teamwork.

Figure 7-6: Practices for benefits delivery - teamwork
Establish portfolio based evaluation criteria

Benefits driven project appraisal

Complete architectural roadmap review

Identify action to realise further benefits

Living benefits plan

Facilitate lessons learned reviews

Figure 7-7: Practices for benefits review (revised)
Practices for Benefits Exploitation

Ensure ownership of continued benefits exploitation

Exploitation consultancy

Establish exploitation team

Enable good practice sharing

Maintain benefits driven training

Service review

Evolve working practices

Key

Practice in Chapter 4 framework

New practice identified from empirical work

Figure 7-8: Practices for benefits exploitation (revised)
Chapter 8. Discussion and Conclusions

New insights

The primary contribution of the research is a new framework of practices and competences for the realisation of benefits. This is an important contribution and also the use of the practice 'lens' is potentially an important starting point for further research and of considerable value for practitioners. The research has also produced evidence of the lack of adoption of benefits approaches and new insights into the reasons for this.

There are a number of further contributions. In particular, one of the case study organisations has provided valuable learning from its success in realising benefits from IS/IT, and in developing a 'benefits realisation' capability.

* * * * *
Chapter 8  Discussion and Conclusions

8.1. Introduction

8.1.1. Objectives

The aim of this chapter is to bring together all aspects of the research, outline the contributions made and discuss the conclusions in relation to the research objectives. In addition, the chapter addresses the implications for practice, opportunities for further research and the limitations of this research.

8.1.2. Drivers for the research

The primary driver for the research was the continuing failure of organisations to realise the full potential of investments in IS/IT. This is seen in the continuing high failure rates of investments in IS/IT in terms of benefits delivered, which have stayed at around 70-80% over the last 30 years (Eason, 1988; Clegg, 1997; BCS, 2004). Socio-technical approaches and benefits driven approaches for IS/IT have been available for over 10 years (Avison et al., 1998; Mumford, 1995; Ward et al., 1996), but the lack of improvement in project success rates suggests that they have had limited impact on how organisations approach IS/IT investments in practice. The reasons for the lack of adoption of these apparently more successful benefits driven approaches, have not been clearly identified and have not been resolved. This research project has been seeking to gain insights into how to gain acceptance of approaches to IS/IT investments that focus on business change and benefits realisation.

The concept of an ‘IS capability’ as the source of organisational advantage from IS/IT was taken as a second starting point for this research. This was highlighted as an important area for further research by Ward and Peppard (2004: p189): “research to examine and understand how IS competencies and capability can be developed and sustained will provide a source of real value to organizations”. Given the scale of the issue faced by organisations and the very limited empirical research in this area there was a need for further, high quality empirical research. This research has explored the concept of ‘practices’ as a way to operationalise the ideas of capabilities
Discussion and conclusions

and competences in a way that is relevant and helpful to organisations and that provides a useful contribution to academic knowledge.

8.1.3. The research

An overall vision and direction for the research has been provided by the research question:

**Research question:** "to what extent have organisations adopted benefits driven practices when undertaking investments in IS/IT?"

The research has explored the extent to which organisations have adopted benefits driven practices for investments in IS/IT and as a result provides insights into the practices required to realise the benefits and how to secure adoption of benefits driven approaches. Specific objectives for this research address aspects of the overall question.

Varied and valuable sources of data have been used to address the objectives. Together these sources form a wide-ranging and rich set of data which has provided important insights with respect to the objectives.

8.1.4. Summary of the contributions of this research

This research has been exploring ways of tackling the continued high failure rates of the investments in IS/IT made by organisations. The research has addressed a number of significant gaps in existing literature including: the limited empirical work on benefits management; the lack of research into the adoption of benefits related approaches; and investigation of how to operationalise a resource-based view of the firm specifically in the context of developing organisational competences for benefits realisation from IS/IT.

My hope is that by taking a fresh perspective on some well known issues this research has contributed to knowledge and will, in the longer term, make an important contribution to practice as the new insights provide a better way of tackling problems in organisations.
The research has made a number of valuable contributions:

1) **Developing an enhanced framework of competences for benefits realisation.** A model of competences for the realisation of benefits from investments in IS/IT has been developed. It is an evolution of previous work in this area giving a much clearer view of what is actually involved and provides a valuable improvement on previous models. (See 8.3 for further detail)

2) **Applying the concept of practices to the problem of benefits realisation.** A further important contribution of the research has been to confirm the value of the practice 'lens'. This has been applied to the problem of benefits realisation and provides a valuable way to operationalise competences, as it fits very well with how people think and work. The findings suggest that this lens is valuable from both research and practitioner perspectives. (See 8.4 for further detail)

3) **Developing a framework of practices for benefits realisation.** A framework of practices for benefits realisation has been developed and evolved through the empirical work. The framework draws on a wide range of previous literature but by using the practice lens tackles the issues in a very different way. It provides a first version of a comprehensive framework for tackling benefits realisation. The approach has been particularly helpful in addressing and making explicit some of the wider organisational factors that impact on the success of projects and that are not fully addressed in Benefits Management. The research suggests that the practices approach fits well with how people work and should provide a good basis for making improvements in organisations. (See 8.5 for further detail)

4) **Provided insights into facilitators and inhibitors of benefits realisation.** A further contribution of this research is to provide insights into the inhibitors and facilitators of benefits realisation in organisations. Although a number of these factors are well known, for example through previous work on project success factors, it is valuable to consider them afresh from the perspective of benefits realisation. (See 8.6 for further detail).
5) **Evidence of the adoption of benefits approaches.** There has been very little empirical research on benefits driven approaches and this study provides valuable new evidence based on project documentation and in-depth case studies. This first phase of the research provided evidence that benefits-related practices are very rarely adopted. The research suggests various reasons for this lack of adoption. These include lack of awareness that there is a different way to approach investments in IS/IT, and also that many organisations seem to be stuck in a paradigm where the focus is on delivery of technology solutions. Some organisations are also failing in attempts to make improvements. (See 8.7 for further detail)

6) **Developed insights into how competences for benefits realisation can be developed.** Although the development of IS competences and an overall IS capability has been identified as an important area for further research there has been no detailed empirical work in this area. In particular, the development of competences for benefits realisation has not previously been explored. Developing organisational competences for benefits realisation, i.e. achieving adoption of benefits approaches, is seen as organisational change, which requires learning over an extended period of time, as practices are adopted and competences are established in a series of stages. The research provides insights from a case study of an organisation succeeding in developing the required competences. (See 8.8 for further detail)

Figure 8-1 provides an overview of the research highlighting the gaps in the literature that were tackled and the main contributions of the research.
Overview of the research

Figure 8-1: Overview of this research

8.1.5. Structure of the chapter

The remainder of this chapter is structured as follows. Firstly, conclusions in relation to the research objectives are set out. Then, the main part of the chapter pulls together the work presented in previous chapters in a discussion of the major contributions of this research. There is then a discussion of the implications for practice. Validity is discussed, followed by personal reflections and limitations of the research, opportunities for further research, and finally a brief summary.
8.2. Summary of conclusions in relation to the research objectives

This section provides a brief summary of the conclusions from the research in relation to the original research objectives.

8.2.1. Objective 1

To develop, from the literature, a framework of competences and practices related to the achievement of benefits from IS/IT investments.

Chapter 4 describes the frameworks of practices and competences developed in the research. Both the practices ‘lens’, and the framework of competences and practices for benefits realisation, are important contributions of this research. Practices provide a valuable way to operationalise competences, that builds on previous, and largely conceptual literature, fit well with how people think and work, and provide a flexible approach that can tackle key factors affecting benefits realisation.

The framework of competences is discussed in section 8.3. The use of the practice ‘lens’ and the framework of practices for benefits realisation are discussed in sections 8.4 and 8.5.

8.2.2. Objective 2

To explore the extent to which the framework of competences and practices is adopted and used to facilitate the realisation of benefits from IS projects.

This research provides evidence that organisations in general are not applying practices for benefits realisation. While there is some evidence of an awareness of the need for greater business engagement and focus on benefits, there is only isolated adoption of individual benefits related practices. In only one organisation out of those studied (25+20+3) was there what can be described as a benefits driven approach.

The evidence of the extent of adoption of benefits related approaches and the reasons for the lack of adoption are discussed in section 8.7.
8.2.3. Objective 3

To evolve the framework of practices and competences based on learning from literature and experience.

The initial framework of practices and competences was developed through the early part of this research, including a pilot phase of empirical work is outlined in Chapter 4. The framework of practices has evolved through the research and a revised version was included in Chapter 7 section 11. I envisage that this framework will continue to evolve based on further research and feedback from practitioners.

The empirical work has not provided any reason to revise the model of competences for benefits realisation. This appears to be a valuable development of previous work.

The evolution of the framework of practices for benefits realisation is discussed in section 8.5.

8.2.4. Objective 4

To explore the reasons why particular competences / practices are either being adopted or ignored.

Previous research has not directly addressed the adoption of socio-technical and benefits driven approaches. This research has provided useful insights into reasons for the lack of adoption and the barriers to adoption. These factors are discussed in section 8.7. Factors that facilitate and inhibit successful benefits realisation are also discussed in section 8.6.

8.2.5. Objective 5

To critically review the value of the competences / practices approach, in the context of realising benefits from IS/IT investments.

The practices and competences approach has provided valuable insights into the cases studied and the challenges of benefits realisation in organisations. The competences perspective provides a powerful way to tackle the challenges of helping organisations improve their ability to realise benefits from investments in IS/IT. The concept of practices helps to operationalise the broad concept of an organisational competence in a way that fits with how people think about and approach their work. The
framework of practices for benefits realisation provides a valuable way to bring together previous research in this area, a resource for practitioners that addresses key factors in benefits realisation, and a starting point for further research.

The value of the competences and practices approach is discussed in section 8.8 in the context of establishing competences for benefits realisation within an organisation.

8.3. An enhanced framework of competences for benefits realisation (contribution #1)

Recent research (e.g. Santhanam and Hartono, 2003; Wade and Hulland, 2004) has emphasised the value of a resource based approach and the importance of the concept of an IS capability as a source of advantage for organisations. There has also been research starting to establish frameworks of competences that contribute to the overall IS capability (Feeny and Willcocks, 1998a, b; Ward and Peppard, 2002; Peppard and Ward, 2004). Previous research has not specifically tackled the important area of benefits realisation and has not established how to operationalise the various high-level competences identified. In addition, the importance of further empirical work has been identified by previous researchers (Santhanam and Hartono, 2003; Peppard and Ward, 2004).

An important contribution of this research has been to evolve a framework of competences for the realisation of benefits from investments in IS/IT. This framework builds on previous literature, particularly work by Ward and Peppard (2002; 2004) and Feeny and Willcocks (1998a, b), and in so doing makes several contributions. Firstly, the revised model addresses the area of benefits exploitation which was not highlighted in the three ‘micro-competences’ of the original model. Benefits Exploitation is the ongoing activity required to realise benefits after the initial change programme (Figure 8-2) and is a critical area for action in organisations. Secondly, the revised model introduces a competence of benefits review which becomes an important element of the overall capability for benefits realisation. The ability to conduct an effective and ongoing review of the benefits is an important factor in benefits realisation.
The study has also provided important new insights into the relationships between these competences, which can unfold in a number of different ways. The first and most obvious route moves from benefits planning, through benefits delivery to a major review of benefits, and finally to ongoing benefits exploitation, once the system is fully operational. The second, and probably more realistic, approach adopts the same primary relationship between competences, but views benefits review as an ongoing activity: plans are reviewed and adjusted, delivered benefits are reviewed and modified, and the on-going exploitation also requires ongoing review. The ongoing nature of benefits review through the life of an investment contrasts with the one-off nature of investment appraisal activities and builds on the importance of ongoing evaluation (Smithson and Hirschheim, 1999).

The research has provided insights into the relationship of the competences for benefits realisation with wider organisational competences. Benefits realisation from investments in IS/IT depends on competences for Solution Delivery and Service Management, as indicated by the example of the SHA. Successful solutions delivery also depends on benefit planning, as indicated by some of the organisations in Phase 1 (E6, E15, E19) where a lack of alignment with business objectives and stakeholder needs meant that solutions delivery projects could not be completed. This highlights the interdependence of a number of competences identified in the Ward and Peppard (2002; 2004) model. The competences for benefits realisation are not, by themselves, sufficient for an organisation to realise benefits from IS/IT.

As interviewees at the City Council noted, large elements of the framework of practices and competences for benefits realisation are about the management of organisational change, irrespective of the role of IS/IT. They emphasised this with their use of the terms transformation capability and transformation toolkit, i.e. with no reference to IT.

The development of an enhanced model of competences for benefits realisation is an important contribution of the research. The initial model of competences has proved useful and no changes are proposed as a result of the empirical stages of this research. Issues of the relationship of competences for benefits realisation with wider IS and organisational
competences require further research, as does the applicability of the competences and practices for benefits realisation to more general scenarios of organisational change.

Figure 8-2: Evolution of the model of competences

The development of the model of competences for benefits realisation

The original competences related to Exploitation have been redefined to clarify their meaning, and extended to focus more clearly on post project exploitation.

Exploitation
- Benefits Planning
- Benefits Delivery
- Managing Change

Enhanced model based on this research

Benefits Planning

Benefits Review

Benefits Exploitation

Benefits Delivery
8.4. Applying practices to benefits realisation (contribution #2)

Practices provide a way of sharing and describing how work is done (Brown and Duguid, 2000) that can accommodate some of the complexity of real-world organisations and the many different perspectives used to describe them. The value of practices (also called routines by some authors) has been highlighted in previous research (e.g. Brown and Duguid, 2000; Coombs and Hull, 1998; Grant, 1996). It has recently been applied to aspects of Benefits Management by Ward et al. (2007) in a survey, but has not been explored through in-depth case studies of benefits realisation or applied to a full range of benefits related activities.

A further important contribution of this research is the use of practices to provide an effective and novel lens to help operationalise the competences for benefits realisation. In carrying out the research I found this practices perspective helpful in seeking to understand and describe the research cases. This perspective reflects how experienced practitioners actually treat a formal, structured methodology such as PRINCE2. It also addresses a broad range of factors such as teamwork and leadership that are important for benefits realisation and are outside the scope of traditional project methods and work to date on Benefits Management. The practices framework also addresses important aspects of the organisational context, which this research identifies as important for benefits realisation and which are also outside the scope of traditional project methods. As the practices perspective fits well with how people think and talk about their work and how they actually go about their work, it provides a valuable basis for making change and improvement. The granularity of the framework also enables incremental change and gradual development of competence which has previously been identified as important (Eisenhardt and Martin, 2000).
8.5. Framework of practices for benefits realisation (contribution #3)

8.5.1. Comprehensive framework of practices

As well as making use of the practices concept the research has established a framework of practices for benefits realisation. Although many of the existing practices are grounded in, and supported by previous literature, by reconceptualising them as practices rather than, for example, success factors, there is a more direct link with what people actually do and with a specific output. The practices that have been identified provide a first iteration of a comprehensive, coherent framework that addresses key aspects of benefits realisation.

There are a number of advantages of treating these as practices rather than just as activities within an overall process of Benefits Management. The practices become an important element of the work carried out and have a clear output. When intervening to improve the success rate of projects, the practice 'lens' encourages and enables incremental improvements to address specific problems, rather than the adoption of Benefits Management as a whole. Also, the use of practices fits well with, and enhances, how experienced practitioners actually work (Brown and Duguid, 2000). They work with a 'toolkit' (i.e. framework of practices) that they use to get things done by themselves, or in working with teams. Practices enable flexibility in their use which encourages and enables the adaptation of the approach taken to reflect the people involved, the goals of the project, and the wider context of the project.

The practices approach also works well as a way to make explicit aspects of the organisational context in which projects take place – these are revealed as important factors in benefits realisation. This is an important contribution of the research, as many of these wider factors are seen to have an important impact on the success of projects. Practices have been identified that make some of these wider aspects more explicit, and for example address aspects of management of the overall project portfolio and sharing learning across projects. At a portfolio level, practices identified relate to using an appropriate set of evaluation criteria for the project; allocating relevant resources; and providing guidance on adapting
Chapter 8

Discussion and conclusions

the approach to the project, based on the specific objectives and context. These practices emphasise that the competences for benefits realisation are wider than the delivery of an individual project and help make explicit issues that are normally stated in general terms as success factors for projects.

Practices have been a valuable way to share and record common approaches to work at a wide range of levels from fairly broad issues that are significant elements of a project, to very specific issues handled on a day to day basis. One of the values of the practices approach, reinforced by the results of the empirical work, is that practices can be at a range of different levels of granularity, from specific micro-level practices related to daily meetings and problem solving, to more macro-level practices such as phasing benefits delivery across a number of projects in a programme.

Work on practices and patterns in other domains including architecture and HCI (human computer interaction) has suggested that patterns should be used in this way (Alexander, 1977; Borchers, 2001: p72). This flexibility of the practices concept is one of its strengths. It makes it suitable to apply to a very wide range of aspects of how people get work done. For example practices can helpfully be applied to a wide range of topics including people and process issues. This is broader than traditional project methods such as PRINCE2 (Coplein and Harrison, 2005), and as a result the practices approach and framework can help to make explicit more of the important factors that contribute to benefits realisation.

8.5.2. Evolution of the framework during the research

The empirical work has enabled a number of refinements and extensions to be made to the framework of practices originally described in Chapter 4. For example, a number of additional practices have been added, particularly in relation to the competences of Benefits Delivery and Benefits Exploitation. For Benefits Delivery there are two main changes. Firstly, \text{BD2: actively lead the business change} has been split so that BD2 focuses on the leadership role and a new practice \text{BD9: effective teamwork and communication} specifically addresses the effectiveness of the team. Secondly, a number of new 'micro-level' practices have been identified that address specific aspects of effective teamwork. The original framework for Benefits Exploitation was limited because of the lack of
practices found in the literature. New practices have been added, based on one of the cases, and these provided greater coverage of this competence. It is important to note that the value of the framework will be in its usefulness to practitioners. It is not envisaged that it can be validated and confirmed in a 'positivist' sense. Further participative research is required to continue the evolution of the framework of practices.

8.5.3. Contribution of different practices to benefits realisation

In considering the evolution of the framework, I also gained insight into the importance of different practices. Although this was not a primary focus of the research design, it is possible to put forward some tentative conclusions. For example, it was evident that the focus upon business benefits was most acute at the outset of a project. Most organizations attempted to identify the strategic drivers for their projects and then establish the benefits that were sought. However, the rationale for adopting these practices owed more to getting the project authorised and funding approved than it did to acting as a point of departure for the proactive management of benefits. The justification tended to be in broad or technical terms and the practice of benefits planning was not followed well enough to give a clear understanding of "the benefits and the actions required to realise them" [BP8] (Ward et al., 1996). Consequently, following their initial identification, business benefits tended to disappear from the agenda of the project teams. In effect, the lack of competence for benefits planning means that the ability to effectively enact practices related to the other competences is much reduced.

The only other significant occasion on which business benefits were explicitly considered in most organisations was the post-implementation review, at which stage a number of project teams made clear recommendations that more specific benefits-related practices should be adopted in future projects. Benefits Review can provide a second opportunity to develop a focus on benefits realisation. It may also be a driver for a different approach on subsequent projects.

The importance of practices for Benefits Delivery was highlighted by the difference between the Council (Chapter 7) and the other cases. The Council sustained a focus on benefits through the projects, and practices for Benefits Delivery were effectively enacted. This provides empirical
evidence for the proposition that has been previously set out on theoretical grounds i.e. that practices for organisational change and sustaining the benefits focus through the project are key factors (Clegg et al, 1997; Farbey et al., 1999b) in benefits realisation.

Overall, there is an indication that a consistent focus on a range of practices is more important than any particular practice. Further empirical work to explore the interrelationships between practices, and their contribution to benefits realisation, would be valuable.

8.5.4. Effective enactment of practices

A further, key lesson is that benefits realisation depends on the quality of enactment of the practices and not simply which practices are adopted. Again, the practice lens builds on previous work by providing a clear focus on what people actually do and on a clear output. As the City Council showed in Chapter 7, through education and guidance the gradual, phased introduction and effective enactment of practices with a consistent benefits focus can have a significant impact.

8.5.5. Practices in a wider context

From a resource based perspective, the organisation being changed as a result of the IS/IT project, and the aspects of the organisation making the changes, can both been seen as collections of organisational competences. As a result, the concept of practices can be applied to the organisation being changed as well as to the IS competences for benefits realisation. The question is - is it helpful to do this?

Further research is required to explore the potential contribution of practices as a way to capture and share how work gets done and as a basis for change and development of organisational competences.

8.5.6. Practices in knowledge work scenarios

The drivers for this research included the increasing role of IS/IT to support knowledge workers to informate their activities and enhance communication. The cases available have not allowed a direct focus on this scenario. However, a number of aspects of the findings from this research are relevant. The focus of practices on Benefits Exploitation, and the
ongoing nature of Benefits Review, are highly relevant in knowledge work scenarios where the perspective of IS/IT as an intellectual technology "innovated endlessly, depending on its interaction with the intellect of the human beings who implement and use it" (Lee, 1999; p8) is important. A specific focus on benefits realisation in knowledge work scenarios is a potential area for further research.

8.5.7. Summary – contribution of the framework of practices for benefits realisation

Exploratory empirical work found the concept of practices to fit well with how individuals approach and think about their work. It also provided reassurance of the validity of the framework (Objective 5) and was a point of departure for evolving the framework (Objective 3). The empirical work has provided evidence of a number of useful, additional practices and has enabled the initial framework of practices to be developed and refined.

The evidence from this research supports the position of Eisenhardt and Martin (2000) that many elements of the dynamic capability of realising benefits from IS/IT investments are similar across a wide range of organisations – the practices developed through this research make some of these elements explicit. As a result, there is a great opportunity for organisations to learn from each other and to share resources, for example by building on the framework of practices evolved in this research. A key requirement for many organisations is likely to be advice and support to help them establish a phased development plan for establishing competences and also to learn how to apply new practices in their environment.

The practices approach and framework goes beyond previous work on success factors in a number of ways. I feel that the fact that it covers many of the key issues identified in previous research is positive. It is the way the issues are tackled that is distinctive and a new contribution. In particular: practices provide more specific insight into what needs doing; the framework provides a linkage with a project lifecycle and when action is required; and specifically the practices have a consistent, explicit benefits focus. In contrast, previous work focused on project success, often defined in terms of delivery on time and to budget.
In summary, the research has established a framework of practices for benefits realisation. This is an important contribution. Also the practice format is promising as a way to share knowledge and actually have an impact in organisations. Further research to continue to evolve the framework of practices and, for example, to take into account the ideas of Ward et al, (2007) would be valuable.

8.6. Facilitators and inhibitors for benefits realisation (contribution #4)

Previous research has identified factors contributing to the success of projects. This current research has provided empirical evidence of how a number of these factors relate to benefits realisation. The three in-depth cases revealed a number of general facilitators and inhibitors of benefits realisation. These factors have a significant impact on the success of organisations in effectively employing benefits approaches and realising benefits from investments in IS/IT. These factors are summarised in this section. Table 8-1 shows how they relate to each of the case studies in Phase 2.

Effective leaders of benefits realisation: active business leadership throughout the project is an important facilitator of benefits realisation. This goes beyond the specific practice related to leadership [BD2]. The cases showed the impact of the lack of leadership and also an example of the contribution of effective leadership. In addition, as developing competences for benefits realisation is a substantial change programme; active business sponsorship and leadership are essential facilitators for developing these competences, as they are for realising benefits from individual projects (Clegg et al, 1997, Markus 2004).

Effective skills and resources for benefits realisation: a focus on people was identified as an important facilitator of benefits realisation. This includes investment in education and development, as well as providing support and leadership to enable individuals to develop and contribute their skills. This factor, along with others, addresses the important issue that the challenge is not just adoption of practices. The challenge for organisations is for the practices to be effectively enacted, enhancing the effectiveness of individuals and teams.
Consistent framework and common language for benefits realisation: important facilitators enabling individuals to work together effectively are a common project framework and a common language. The framework based on PRINCE2 and the common perspective of 'IT as an enabler' at the City Council are examples.

Local input and ownership: in addition to the emphasis on leadership for benefits realisation the cases revealed business ownership as an important factor. This includes championing exploitation of the potential of IS/IT to deliver benefits, and also ensuring that there is a consistent focus on engaging stakeholders and building local ownership throughout the process (Eason, 1988).

Designing the approach to change: an important facilitator is adapting the approach to a project to reflect the objectives, context and people involved, while maintaining a common language and common framework (Balogun and Hope Hailey, 2004). In the successful case explored in this research, designing the approach to each project was an important contribution of the leadership team.

Clarity and stability of organisational strategy and structure, and the objectives of the change programme: practices at a portfolio level were important for benefits realisation. Broader facilitators included the clarity of strategy and objectives at a portfolio level and the stability of organisational structures and relationships.

Governance of the business change was included in the framework of practices established early in the research. The cases in Phase 2 highlighted the importance of governance as a general factor. Governance, in the sense of roles and decision making at programme and portfolio levels, was an important facilitator of benefits realisation. Exploring the fit of this research with work from a governance perspective, for example by Weill and Woodham (2003) is an area where further research would be valuable.

Gradual development of competences for benefits realisation: a phased approach to developing the necessary competences is important with clear goals (benefits) for each phase and a focus on developing new business competences rather than implementing new 'technology', for
example a new project ‘methodology’. This gradual development is consistent with the different stages of maturity put forward by Ward et al. (2007) and Eisenhardt and Martin (2000).

<table>
<thead>
<tr>
<th>Facilitator / Inhibitor</th>
<th>SHA</th>
<th>University</th>
<th>Council</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Effective leaders of benefits realisation</strong></td>
<td>-</td>
<td>-</td>
<td>+</td>
</tr>
<tr>
<td>Importance of the effective engagement of senior management.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Effective skills and resources for benefits realisation</strong></td>
<td>-</td>
<td>-</td>
<td>+</td>
</tr>
<tr>
<td>Developing the expertise of staff, and the capacity of the organisation, to contribute to and manage change and benefits realisation projects.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Consistent framework and common language for benefits realisation</strong></td>
<td>-1</td>
<td>-</td>
<td>+</td>
</tr>
<tr>
<td>A common framework and language to enable individuals and groups to work together effectively.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Local input and ownership</strong></td>
<td>+/-</td>
<td>-</td>
<td>+</td>
</tr>
<tr>
<td>Local understanding and ownership of both the benefits approach and the objectives of the change programme.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Designing the approach to change</strong></td>
<td>-</td>
<td></td>
<td>+</td>
</tr>
<tr>
<td>Designing the overall approach to change to match the context.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Clarity and stability of organisational strategy and structure, and the objectives of the change programme</strong></td>
<td>-</td>
<td></td>
<td>+</td>
</tr>
<tr>
<td><strong>Gradual development of competences for benefits realisation</strong></td>
<td></td>
<td></td>
<td>+</td>
</tr>
<tr>
<td><strong>Learning and improvement</strong></td>
<td></td>
<td></td>
<td>+/-2</td>
</tr>
<tr>
<td>Establishing culture / behaviour to enable learning related to the individual projects and the ‘benefits realisation capability’</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Key**

+ implies this was a facilitator in the case  
- implies this was an inhibitor in this case

Where there is neither + or – there was limited direct evidence and the area is not discussed in relation to the cases in chapters 6 and 7.

**Note 1:** there was an attempt to adopt a benefits driven approach but this was not successful.  
**Note 2:** although there was a clear focus on learning, at the time of the review this had not been extended to the Council as whole.

Table 8-1: Cross case summary of facilitators and inhibitors
Learning and improvement: a key facilitator is creating an environment which enables and encourages learning and improvement. A part of this may be structural including changing performance measures, but a major element is likely to be conceptual and cultural, including new attitudes and behaviours (Garvin, 1993; 2000).

The findings of this research suggest that in many cases these facilitators are not in place, with an adverse impact on the effective enactment of practices for benefits realisation. Development of competences for benefits realisation is an organisational change, and these facilitators need to be considered as key elements of a benefits driven change programme to establish the required competences.

8.7. Evidence of the adoption of benefits approaches (contribution #5)

Previous research has highlighted the lack of adoption of effective approaches to IS project evaluation (e.g. Ballantine and Stray, 1999; Irani et al., 2006) and considered the challenges of gaining adoption of new approaches to evaluation (Serafeimidis and Smithson, 2000). In addition, there has been research into the adoption of approaches to software development and project management (e.g. Benyon-Davies and Williams, 2003; Ilvari and Huisman, 2007). Although, there has also been some recent, largely survey based, research into the usage of benefits related practices (Lin and Pervan, 2003; Bennington and Baccarini, 2004; Ward et al., 2007), there is a gap in the literature in relation to studies of the process of adoption of benefits related methods and the reasons for the lack of adoption. This research project has started to tackle this important gap.

A contribution of this research is to provide evidence that a large majority of organisations are not routinely applying practices for benefits realisation, and that IS/IT projects focus on software delivery rather than the benefits to be derived from organisational change. None of the 45 cases considered in Phase 1 revealed effective enactment of a benefits driven approach. Success is seen as the delivery of a technology solution and perhaps a particular headline benefit. Where there is awareness of the need for a focus on benefits it is typically at the planning stage. Similarly, there is no
evidence of any explicit or proactive attempt to develop practices for benefits realisation other than in the case study of the City Council, as discussed in Chapter 7.

The extent to which the framework of competences and practices is adopted and used to facilitate the realisation of benefits from IS projects varied considerably. For example, in a small number of cases there was evidence of projects failing to deliver technical solutions successfully. There was also some evidence of awareness of the importance of a focus on benefits realisation though organisational change, although this did not translate into the focus of project activity on benefits. In addition, there were isolated examples of a wide range of practices for the realisation of benefits. A number of projects raised the need for greater business involvement and more focus on benefits (for example in lessons learned reviews). Then, in a small number of cases, senior managers stated that a project was focused on benefits when in fact, although there were clear targets for benefits, the project activity was still focused on the delivery of a technology solution.

In one case from Phase 2, the SHA (Chapter 6), where there was a strong intention to adopt a benefits focused approach, there was only limited success because of a range of organisational factors including lack of clarity of goals at a programme level. The lack of experience of the project teams was also an important factor. In this case, the imposition of a benefits driven method, without a focus on education and skills development, resulted in more project documentation rather than a real change in approach.

Only in the case of the City Council (Chapter 7) was there an organisation with a clear focus on the realisation of benefits rather than delivery of IS/IT solutions. The organisation was using a wide range of practices for benefits realisation. This organisation was gradually building a "Transformation Capability" (i.e. a benefits realisation capability in the terms of this research). The development of the capability had strong business leadership and was supported by a core Transformation Programme team.
The evidence from this research of the widespread lack of adoption of benefits driven approaches suggests that recent survey based research may represent a too optimistic picture. A focus on technology delivery is, in many cases, seen as the right way to approach an investment in IS/IT. The differences of perspective across different stakeholders noted above would provide a possible explanation for the different findings.

The research revealed a number of reasons for the lack of adoption of benefits driven approaches. Firstly, there is a very limited awareness of benefits related approaches and this is a significant factor in the lack of adoption. Secondly, in many organisations the current organisational context provides significant barriers to adoption. Organisational factors include the barriers between the IT function and wider organisation, the goals of the IT organisation, different stakeholder perspectives and goals, the reinforcement of the current focus on solution delivery by IT service and solution providers. Thirdly, existing approaches (e.g. PRINCE2) have a strong ‘brand’ and are supported by professional bodies and by government requirements. A final, major factor, contributing to the lack of adoption of benefits driven approaches is that organisations do not have the ability to change to adopt new approaches.

The practices and competences perspectives are also valuable in providing insight into the challenges of gaining ‘adoption’ of benefits related approaches and how to overcome them. From the perspective of this research ‘adoption’ becomes a process of organisational change to develop new competences. This is a complex process that is dependent on the situation of each organisation and will typically include gradual development over an extended period. The practices provide guidance on key elements of the competences that can be shared across organisations. The maturity / phased development and the commonality of practices across organisations (routines) are in line with proposals about dynamic capabilities put forward by Eisenhardt and Martin (2000).

In summary, a major reason for the lack of adoption of particular practices and competences is the lack of awareness of benefits driven approaches, and this is reinforced by the perception of IS/IT solutions delivery as success, and the support for existing approaches such as PRINCE2. Also, attempts at adoption and improvement tend to fail, as they are not
approached as organisational change programmes. An important contribution of this research is to provide insights into the adoption of benefits related approaches as the phased development of competences for benefits realisation.

8.8. Establishing competences for benefits realisation (contribution #6)

As adoption of benefits approaches, i.e. the development of competences for benefits realisation, is an organisational change, there are likely to be big hurdles to be overcome by organisations if they are to succeed. One potential outcome of attempts at improvement, observed in this research, is that benefits approaches are enforced but in practice are subverted and simply become a focus on financial targets with no real impact on project activities or the mindset of those involved (SHA and Phase 1). To succeed practices need to be effectively enacted and this in turn depends on the knowledge, skills (know what / know how) and the 'know why' (Pfeffer and Sutton, 1999) of a focus on benefits realisation. The development of competences will need to be seen as a strategic initiative that may involve substantial change and will take place over a period of time.

This research has provided a range of insights into how practices relate to competences that provide a starting point for further research and for action in organisations. This section explores the relationship of practices to competences and specifically the important of a common language (provided by clear principles for benefits realisation) and a common project framework.

8.8.1. Relationship of practices to competences

An important area to consider is how practices contribute to the development of competences for benefits realisation.

Based upon the discussion and definitions of capabilities, competences and practices, it is possible to put forward a clear relationship between these three constructs, and envisage how they might be configured in the context of benefits realisation through IT. From this analysis, the benefits realisation capability will be enacted through a coherent set of benefits realisation competences. Each benefits realisation competence will be
enacted through a closely related suite of benefits realisation practices, which, in their totality help to establish each competence (see Figure 8-3). This fits well with the explanation of how resources are linked to IS competences and the IS capability provided by Ward and Peppard (2004: p608). Practices contribute to developing and sharing business and technical skills (know-how), knowledge (know-what) and experience at the resource level.

The relationship between capabilities, competences and practices

Figure 8-3: The relationship between capabilities, competences and practices
8.8.2. Common language: principles for benefits realisation

One of the facilitators of benefits realisation identified in the research is a 'consistent framework and common language'. This is closely linked with how practices contribute to the development of competences. The original model of practices developed as a starting point for this research (Chapter 4) was based on the general principles of a focus on benefits from people doing things differently (Ward et al., 1996). Schultze and Boland (2000) suggest that practices are related to general principles that provide a context for the description of what is to be done. These principles represent 'know-why', which Pfeffer and Sutton (1999) stress is critical in bridging the 'knowing-doing' gap and gaining adoption of new ways of working. They stress that 'know-what' and 'know-how' are not enough. The model of the development of competences addresses the importance of 'know-why' (Ward and Peppard, 2002). The resources that contribute to practices (Figure 8-3) include attitudes and behaviours, which they link with 'know-why'.

The work by Ward and others on Benefits Management (e.g. Ward and Daniel, 2005) highlights some key principles that underpin the approach. A similar approach to making key principles explicit is also seen in practitioner work (Highsmith, 2004). The evidence from this research suggests that these principles, representing 'know-why', are an important factor in organisational competences for benefits realisation. They provide part of a common language and set of attitudes. Appendix U discusses the development of a provisional set of principles for benefits realisation which provides a basis for further research in this area.

Adoption of benefits focused approaches to IS/IT is a 'paradigm shift' (Johnson, 1992) in perspective. Making this shift is potentially a significant challenge for individuals and organisations. The different paradigms can be characterised by adherence to different principles. A difference in paradigm is seen in Phase 1 where solution delivery was taken as a measure of success by most organisations. This reinforces the importance of 'know why', the principles that underpin the adoption and use of specific practices. This is an important subject for further research - how individuals and organisations can be enabled to make that shift.
An important finding that emerged from the research is that a range of practices, for example risk management or phased delivery, can be applied to IS/IT solution delivery or to a benefits realisation project. The shift from solution to benefits is subtle, for example affecting who is involved and the emphasis taken. An example is given in Appendix T. Although subtle, this shift appears to be extremely important and reflects a 'paradigm shift' (Johnson, 1992). For many practices, the shift from solution delivery to benefits realisation is more about a new paradigm, or mindset, than a substantial change in the actual practice. There is also a potential bonus that once the shift in perspective is made, a lot of what is already known is very valuable in the new paradigm. This potentially has important implications for the adoption of benefits related approaches and the development of competences for benefits realisation.

8.8.3. Common project framework

A clear and consistent project framework was also identified as an important facilitator of benefits realisation. Ward and Peppard (2002: p610) explore the role of a 'process' in providing a link between resources and competences. They describe a process as a set of activities, with an emphasis on flexibility and people collaborating to achieve a particular goal. Practices provide a flexible way for people to work together to establish competences as part of a flexible 'process' – in the context of an investment in IS/IT the 'process' can be referred to as a project framework. The City Council used PRINCE2 as the basis of a common framework. At the SHA, a significant issue was that there was no common framework shared by the different stakeholders involved.

8.8.4. A benefits driven approach to developing competences for benefits realisation

The persistent high failure rates of projects reported over the last 30 years, and the failure to adopt socio-technical and benefits driven approaches, is a major issue for organisations. This research provides a new way to understand the reasons for this, and insight into how to tackle the problem.

The dilemma of establishing an organisational capability for benefits realisation is this: to achieve the goal of establishing competences for benefits realisation, a certain level of these competences already needs to
be in place. Developing competences for benefits realisation is a programme of organisational change, consequently the ability to effectively manage organisational change is not only the key ingredient of a benefits realisation capability once established, it is also a key component of any initiative to develop that benefits realisation capability. In this I am building on the findings of Serafeimidis and Smithson (2000) who concluded that the introduction of new approaches to IS/IT evaluation constitutes an organisational change programme. In addition, participants in a benefits practitioner community workshop at the SHA identified the need to take a 'benefits driven approach to developing a benefits capability.'

The very real problems presented by this dilemma became apparent during Phase 1 of this research. Organisations were trying either to improve their IT solution delivery, or to adopt a greater benefits focus, and attempting to make these improvements by means of projects. The problem was that they were failing for the very same reasons that they failed when they were managing their IS/IT projects; i.e., they approached them as solution delivery rather than benefits realisation projects.

In contrast, things worked well for the Council, who were able to break out of the dilemma by applying the same practices to competence development as they applied to benefits realisation from IS/IT investments. This was made possible by bringing in an experienced senior executive from outside the organisation who not only had the leadership ability, span of control and authority to create a new culture and a new approach to projects, but was also able to lead the development of the benefits realisation competences. He was leading a change programme with the explicit objective of establishing a 'transformation capability' (benefits realisation competences) in the organisation.

The dual application of benefits approaches to IS/IT solutions and to developing the benefits realisation capability is consistent with Cleggs (2000) view that the design of socio-technical systems is itself a socio-technical system, Garvin's (1998) process perspective on the organisation that includes the processes of changing the organisation and also the resource based perspective on the organisation (Peppard and Ward, 2004;
Eisenhardt and Martin, 2000) that sees the organisation and its ability to change and succeed with IS as competences and capabilities.

Recognising this dilemma is key in understanding the high failure rate of investments in IS/IT. A clearer understanding of the problem provides a basis for further research and action in organisations to develop competences for benefits realisation.

8.8.5. Summary

In summary the research has provided evidence of a widespread lack of adoption of benefits related approaches and insights into the reasons for this lack of adoption. Some of these factors are major barriers. The research has also provided insight into the relationship of practices with competences and importance other factors that, along with practices, contribute to the development of competences for benefits realisation. This provides a basis for further research and for action in organisations to be more successful in developing competences for benefits realisation through benefits driven programmes of organisational change.

8.9. Looking ahead: practices and patterns

I chose to focus on the concept of 'practices' for this research, in part because of the links with wider management literature. Other authors might have used the concept of 'patterns'. Having conducted the research and found the value of practices it is interesting to consider how practices might differ from 'patterns'. A pattern (Alexander, 1977) is a very similar concept to that of practice. In essence a pattern is an outline of 'what works' based on observation of practice. Patterns are a way of summarising and communicating practice.

It seems helpful to make the following distinction:

A practice relates to an approach to getting work done in a specific social context (Wenger, 2002). Some authors refer to practices as 'routines' (e.g. Grant, 1996).

A pattern is an abstraction, a description of a practice. It must lose some of the richness and uniqueness of the related practice but it provides a way to identify and communicate what works.
The definitions distinguish between the practice, which reflects the unique organisational context, and the pattern which represents the essence of the practice and can be shared between individuals and organisations, for example through education or advice-giving. This distinction seems to be helpful and builds on the use of practice in this research. It relates to previous research and helps to clarify what is actually happening in giving advice and communicating what works.

Although Alexander’s work was published in 1977, until very recently it has not been followed up except in a small software development community. Recently, wider applicability of the ideas has been highlighted, for example by Coplein and Harrison (2005) writing on organisational issues in the context of software development; and Manns and Rising (2005) exploring the introduction of new ideas.

The codification of practice into knowledge is in essence an active and social task “connecting people so that they can think together” (Alvesson and Karreman, 2001), bringing together different people with different experience and enabling them to contribute their knowledge in a team (Becker, 2001). The concept of practices or patterns potentially helps address the challenge of how to represent the knowledge of a community of practitioners in an effective way so that it can be shared and used. The structure of a pattern, with explicit guidance on the context in which it is relevant, is particularly helpful in providing a structure to use to capture and share the practice. Appendix V explores the role of practices in sharing knowledge, based on a wider review of knowledge management literature. Appendix W provides further background on patterns and includes examples.

For the purpose of this research project the focus on practices has been appropriate and the distinction between pattern and practice does not affect the findings. Looking to the future patterns provide a potentially valuable refinement to the concept of practices and this is an area for further work as part of a longer term study to build on this research. In particular previous work on patterns may help develop the documentation of practices and their sharing between organisations.
8.10. Managerial implications

The original work on Benefits Management (Ward et al., 1996) was driven by practitioner needs and was carried out with significant practitioner involvement. The driver for this research was to contribute to management practice and the guiding philosophy was the participatory paradigm (Breu and Peppard, 2003). As Lyttinen (1999) comments a significant contribution to practice is typically beyond the scope of a PhD study: "My experience shows that it takes at least three to five years to do anything, which can make a difference in practice. Thus anything that really addresses relevant concerns is beyond the scope of a single Ph.D. study." However, despite these limitations, this research has a number of implications for managerial practice.

An initial implication is the value of a focus on developing organisational IS competences for benefits realisation. This represents a major shift in perspective for many organisations who have attempted to implement new methods, methodologies and tools to improve their success with projects and have focused on the IT function. The competences perspective emphasises that making an improvement should be a benefit driven change programme affecting the whole organisation.

A further implication is based on the value of practices, which in line with the perspective on dynamic capabilities provided by Eisenhardt and Martin (2000), show a strong degree of consistency across organisations. The practices developed require further research, but at a practitioner level are very well supported. They provide a basis for making phased and incremental improvements, starting by addressing the specific circumstances of a particular project or organisation. The fit of the approach with how people actually work suggests it is a valuable way to make improvements.

The practices and competences approach reflects that there is no single best way for an organisation to approach realising value from IS/IT and that the approach must be adapted to the specific circumstances of the organisation. This research has provided one example of a very successful organisation which provides a number of features that are likely to be of wide applicability to other organisations. One specific feature is the phased
development of competences, supported by the incremental development of a toolkit for change (framework of practices). In particular, the case showed a great value in education and development of people and in getting the basics right before moving on. Part of their success can be seen in the principles put forward by Lee (1999a) – the instantiation of the new ‘Intellectual technology’, the change framework, resulted in changes to the organisation which in turn affected the further development of the technology. Specifically they found that education based on core elements of PRINCE2, the consistent use of elements including risk management and lessons learned, resulted in cultural changes to allow more open communication and a greater openness to learning.

At the level of a specific project or investment in IS/IT there are a number of implications of the research for managerial practice. A number of changes are required, which for organisations that have already adopted agile approaches, should not be significant. However, the change in perspective from solution delivery to benefits realisation through changes to people, process and technology represents a paradigm shift, which for many individuals and organisations is a major challenge. Introduction of a benefits approach in the absence of this shift may only result in following a new set of rules without real change in the understanding and behaviour of individuals as observed at the SHA. Making this paradigm shift is potentially a critical factor in developing the benefits realisation capability of an organisation. A specific barrier to change is the adherence of most of the IT industry and project management profession to the old paradigm. In addition there is only limited brand recognition for benefits management and other socio-technical approaches – PRINCE2, CMMI and other traditional approaches are still seen as the answer.

In summary, developing organisational competences for benefits realisation is a process of organisational change that is likely to require a strategic initiative over a period of time. There is likely to be a maturity effect and organisations will need to continue to adopt new practices over a period of time (phased approach) as they gradually develop a benefits realisation capability.
The implications of this research for practitioners are that important factors that contribute to the development of a benefits realisation capability include:

- **Phased adoption of practices for benefits realisation.**

- **Phased development of organisational competences for benefits realisation.**

- Adherence to a set of *principles* that represent a focus on benefits delivery. Adoption of these principles will represent a 'paradigm shift' for many organisations and is a major issue. The extent of change involved may mean that new structures and roles are required.

- Establishing an overall project *framework* that provides a basis for the different stakeholders to work together and bring the various competences together.

- Ownership and leadership for development of the benefits realisation capability, supported by the ability to provide coaching and advice to people involved in project teams.

- An educational programme based on the practices and competences, underpinned by the principles and an overall framework for a project.

- An ability to learn and improve, enabled by sharing practices within the organisation, potentially provided by support for relevant pattern languages by communities of practice.

Work addressing the gap between the business and the IT function addresses aspects of this issue from a different perspective and it would be valuable to explore this further in future research (Taylor-Cummmings, 1998; Peppard and Ward, 1999; Peppard, 2001).
8.11. Validity

A number of factors provide reassurance as to the validity of the methods and findings of this study. Firstly, the research draws on strong foundations in a number of streams of existing research. Secondly, the researcher has extensive experience as an IS professional and through being involved as a practitioner in previous participative research. Thirdly, a range of sources of data have been used and in particular three in-depth case studies have been carried out. Also, a participative approach has been taken to this research and the findings have been validated in a number of stages with those involved in the research.

Detailed considerations are addressed in the research methodology in Chapter 3 and in the chapters on findings from the empirical work (Chapters 5, 6 and 7).

In line with the guidelines put forward by Yin (1994: p147) this research has tackled a significant issue and has presented considerable evidence to support the findings. Also, a number of other perspectives have been taken into account and this research has built on previous work from a range of perspectives. The number of areas for further research identified also helps indicate the value of the current work.

The fit of the practices and competences approach with how people actually work, and the discovery of similar practices across a very wide range of organisations as suggested by Eisenhardt and Martin (2000), indicate the generalisability of the findings from this research. The elegance of the solution of taking a benefits driven approach to develop competences for benefits realisation also supports the value and generalisability of the results.

The long term aim has been to produce practical, useful knowledge (Breu and Peppard 2003; Lee, 1999). This will only be confirmed by long term participative research.

Walsham notes that (1993; p15) "the validity of an extrapolation from an individual case or cases depends not on the representativeness of such cases in a statistical sense, but on the plausibility and cogency of the logical reasoning used in describing the results from the cases, and in
drawing conclusions from them". On this basis the final judgement must remain with the reader.

8.12. Personal reflections

This research project has provided a great opportunity for learning about both the subject of this research and about the wider research process. It has helped me to learn at many levels, only some of which can be covered here.

An important insight for me is the messy nature of research. Efficiency is not the main driver and work on literature and data gathering will in a sense be wasted as the research progresses and the focus is clarified and findings are refined. Seeing research as a creative and exploratory process this now appears inevitable.

Related to the messiness of the process and the emergence of insights, is the need for time. The timescales for this research, and in particular for analysing the data and developing the conclusions, have been long compared to project timescales for practitioners, where it is good practice to complete a project in 6-9 months. I suspect this reflects both the different nature of academic research and also that this project is my apprenticeship as a researcher. In practice however, it is a challenge for participative research, as to maintain some continuity with the participants in fast changing organisations it would be helpful to have shorter timescales. A further challenge has been to bring together an interesting real world problem and a valid research approach within the constraints of this relatively small research project.

Finally, it has been rewarding to gain insights from colleagues in other disciplines and to see the learning possible from insights across disciplinary boundaries. This matches the interdisciplinary nature of IS in practice and also the power of multi-disciplinary teams (Grant, 1996) that is highlighted in agile approaches to IS.
8.13. Limitations

There are inevitably limitations in a PhD project (Mullins and Kiley, 2002) and particularly one addressing a significant issue that has withstood previous attempts to tackle it over the last 30 years. Specific limitations of this research include the fact that it was not fully participative and there have not yet been opportunities to test out the conclusions through long-term, participative, action research working with an organisation (or more than one) to help them develop the IS / transformation capability. Also, inherent in the philosophical stance taken and the resource based perspective of the firm is that different researchers and different participants would have got different results. There is no single right answer and the final test of validity of the research is if it is useful (Lee, 1999a, b; Breu and Peppard, 2003).

In terms of tackling the specific real world issue this research is also limited in that it did not address perspectives such as leadership and innovation. The results from studies taking these perspectives may give valuable additional insights.

8.14. Opportunities for further research

The work carried out for this thesis was always intended to be the start of a longer term programme of research. The research has been exploring an area that is important in relation to both the academic field of IS and management practice in organisations. It has adopted a novel 'lens' to explore an important area and provides a starting point for a range of future research projects.

The overall vision shaping the opportunities for further research is to enable organisations to realise the potential of IS to provide benefits to stakeholders and improve organisational performance. There are a range of opportunities to build on the work done to date on practices / patterns and competences for benefits realisation. Some of the opportunities for research tackle further aspects of the gaps identified in the literature review (Chapter 2) and others tackle areas emerging during the course of this research.
Specific areas of opportunity areas are:

- **Refining the framework of practices that contribute to benefits realisation.**
  
The practices identified to date could be evolved through a participative research programme. This would test out the value of the approach and refine the framework.

- **Testing out the use of practices in developing an organisational benefits realisation capability.**
  
  Beyond developing the framework of practices, there is further work to do to explore the development of organisational competences for benefits realisation and the overall IS capability. This would require a long term study of this major programme of organisational change. The project could also use the patterns concept as a way of capturing and sharing practices and test out the value of practices / patterns for knowledge sharing.

  As part of this study it would also be valuable to explore the contribution of other perspectives including leadership and governance.

- **Applying the practices and competences perspective to the development of organisational competences.**
  
  As the objective of an IS/IT project can be considered to be the development of organisational competences, it will be valuable to explore the wider applicability of the practices / competences approach taken in this research. This would also link well with emerging practitioner approaches that are adopting a resource-based approach and defining the goal of a project as new or enhanced business competences. Future research could consider the implications for a benefits realisation project. It is possible that this will fit best in specific scenarios, for example knowledge work, where a practices perspective is a particularly good fit.
• Practices and competences: implications and opportunities for management learning and education

An implication of the competence and practice perspectives is the need to build expertise across an organisation and not just in a small number of specialists in an IT function. Research to investigate the contribution of practices to knowledge sharing and to translating management education into action to improve organisational performance is required.

8.15. Overall summary

This research has taken a fresh approach to an important issue that has remained unresolved over the last 30 years and makes a number of valuable contributions to knowledge. The real test will be the foundation it provides for making an impact on management practice in the longer term.

END
References


Boland, R.J. (2002) Information use as a hermeneutic process (chapter 12) in Qualitative Research in Information Systems (eds) Myers, M.D. and Avison, D. Sage


Braganza A (2001), Radical Process Change: A Best Practice Blueprint, CBI - John Wiley and Sons


Harvey, L.M. and Myers M.D (2002) Scholarship and practice: the contribution of ethnographic research methods to bridging the gap. (chapter 10) In *Qualitative Research in Information Systems* eds Myers, M.D. and Avison, D. Sage


Miles, M.B. and Huberman A.M. (1994) *Qualitative data analysis: an expanded sourcebook.* SAGE Publications Inc. 2nd ed.


Walsham (2002) Interpretive case studies in IS research: nature and method. (chapter 6) in Qualitative Research in Information Systems eds Myers, M.D. and Avison, D. Sage


Zuboff S (1988), *In the Age of the Smart Machine*, Basic Books
Appendices

Appendix A. Data collection instrument – an extract .........................................322
Appendix B. Outline of cases from the knowledge base .................................324
Appendix C. Outline of cases based on consultancy engagements .................325
Appendix D. Survey of project managers in Phase 1 ....................................327
Appendix E. Report to validate findings from Phase 1 ................................328
Appendix F. Response to validation report ....................................................332
Appendix G. Phase 2 research protocol .........................................................333
Appendix H. Example of an email to an interviewee prior to a meeting ...336
Appendix I. Questions for semi-structured interviews in Phase 2 .............337
Appendix J. Interviewees in the SHA ..............................................................339
Appendix K. Background information on the SHA ........................................341
Appendix L. Governance framework for change at the SHA ....................342
Appendix M. Interviewees in the University ................................................345
Appendix N. History of the CRM project at the University .......................348
Appendix O. Interviewees at the City Council ............................................349
Appendix P. Outline of the CRM programme at the City Council ..........351
Appendix Q. Governance framework for the HR / payroll programme ....353
Appendix R. Practices for benefits realisation: the City Council ..........354
Appendix T. Exploring a practice for realising benefits ............................359
Appendix U. Principles for Benefits Realisation ........................................362
Appendix V. Patterns ..................................................................................364
Appendix W. Patterns, practices and sharing knowledge .......................368
Appendix X. Gaps in literature related to benefits realisation .................371
Appendix A. Data collection instrument – an extract

The table is a short extract from the data collection instrument used in Phase 1. The original is in landscape format and the comments column was used to capture both quotes from the various documents reviewed and initial analysis related to each question.

<table>
<thead>
<tr>
<th>Related practice</th>
<th>Question</th>
<th>Y/N</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Benefits planning</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.1 Identify strategic drivers</td>
<td>Does the project initiation / planning documentation establish clear business drivers and investment objectives for the project?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.2 Identify strategic drivers</td>
<td>Have the sources of benefits, and approach to justification and planning taken into account the type of project?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.1 Establish benefits / stakeholder interactions</td>
<td>Have key business and IT stakeholders been identified and involved or considered in change planning? Specifically those affected by changes (nb sponsor and end users).</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.2 Establish benefits / stakeholder interactions</td>
<td>Have relevant business stakeholder / owners agreed their ownership for the changes?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.3 Establish benefits / stakeholder interactions</td>
<td>Has a stakeholder analysis been carried out to clarify the changes and related actions required?</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| 6.1 Establish benefits / organisation interactions | Have business changes been considered from relevant perspectives? Consider for example:  
- Processes (have the business processes affected been clearly identified)?  
- Working practices?  
- Culture?  
- Management framework including performance measures?  
- Roles?  
- Structures? | | |
<p>| 6.2 Establish benefits / organisation interactions | Has the full range of ‘organisational issues’ been explicitly addressed? | | |</p>
<table>
<thead>
<tr>
<th>Related practice</th>
<th>Question</th>
<th>Y/N</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.1 Establish benefits / technology interactions</td>
<td>Does the proposed project exploit the existing technology infrastructure and as appropriate take advantage of new technology opportunities?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8.1 Plan benefits realisation</td>
<td>Are measurable benefits defined?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8.2 Plan benefits realisation</td>
<td>Are measures and targets for the benefits defined?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8.3 Plan benefits realisation</td>
<td>Are owners for the benefits agreed?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8.4 Plan benefits realisation</td>
<td>Are the changes to the business required to realise the benefits identified?</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>o Consider one-off changes (Enabling Changes)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>o Ongoing changes to ways of working (Business Changes)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Appendix B. Outline of cases from the knowledge base

<table>
<thead>
<tr>
<th>Case</th>
<th>Type of Organization</th>
<th>Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Logistics</td>
<td>Providing up to date information on the status / location of packages to customers</td>
</tr>
<tr>
<td>2</td>
<td>Media</td>
<td>Web publishing and news solution</td>
</tr>
<tr>
<td>3</td>
<td>Oil</td>
<td>Upgrade desktop and communications infrastructure</td>
</tr>
<tr>
<td>4</td>
<td>Government</td>
<td>Portal site for access to government services</td>
</tr>
<tr>
<td>5</td>
<td>Retail</td>
<td>Ecommerce solution</td>
</tr>
<tr>
<td>6</td>
<td>Financial services</td>
<td>Customer sales and service solution</td>
</tr>
<tr>
<td>7</td>
<td>Manufacturer</td>
<td>Communications (email etc) infrastructure upgrade</td>
</tr>
<tr>
<td>8</td>
<td>Manufacturer</td>
<td>Content management system across information and ecommerce web sites</td>
</tr>
<tr>
<td>9</td>
<td>Leisure</td>
<td>Communications infrastructure consolidation and upgrade</td>
</tr>
<tr>
<td>10</td>
<td>Food manufacturer</td>
<td>Web site migration to new technology including workflow and content management</td>
</tr>
<tr>
<td>11</td>
<td>Oil</td>
<td>Development of Point of Sale system for retail stores</td>
</tr>
<tr>
<td>12</td>
<td>Government</td>
<td>Transaction portal providing services to business and citizens</td>
</tr>
<tr>
<td>13</td>
<td>Financial services</td>
<td>Provide access to customers on the status of mortgage applications</td>
</tr>
<tr>
<td>14</td>
<td>Retail</td>
<td>Ecommerce site</td>
</tr>
<tr>
<td>15</td>
<td>Manufacturer</td>
<td>Enterprise architecture and new centralised infrastructure including directory services</td>
</tr>
<tr>
<td>16</td>
<td>Telecommunications</td>
<td>Unified directory service to link employee information</td>
</tr>
<tr>
<td>17</td>
<td>Recruitment / HR</td>
<td>Employee purchasing system</td>
</tr>
<tr>
<td>18</td>
<td>Armed forces</td>
<td>Internal collaboration and communication</td>
</tr>
<tr>
<td>19</td>
<td>Government</td>
<td>Integrate criminal justice systems</td>
</tr>
<tr>
<td>20</td>
<td>Government</td>
<td>Web portal to manage / publish educational materials to schools</td>
</tr>
<tr>
<td>21</td>
<td>Beverages</td>
<td>Sales force automation</td>
</tr>
<tr>
<td>22</td>
<td>IT services</td>
<td>Knowledge management solution</td>
</tr>
<tr>
<td>23</td>
<td>Retailer</td>
<td>Ecommerce solution</td>
</tr>
<tr>
<td>24</td>
<td>Government</td>
<td>Speech enabled access to web portal to provide access to education information and services</td>
</tr>
<tr>
<td>25</td>
<td>Leisure</td>
<td>Provide access to sales information to vendors / partners</td>
</tr>
</tbody>
</table>
Appendix C. Outline of cases based on consultancy engagements

<table>
<thead>
<tr>
<th>Case</th>
<th>Type of Organization</th>
<th>Project</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Retail financial services</td>
<td>Review of major projects to identify opportunities for better use of technology and more effective benefit delivery</td>
<td>O</td>
</tr>
<tr>
<td>2</td>
<td>Retail financial services</td>
<td>Project to improve the efficiency and effectiveness of project administration</td>
<td>P</td>
</tr>
<tr>
<td>3</td>
<td>Media</td>
<td>Improvement of systems development / project management processes</td>
<td>P</td>
</tr>
<tr>
<td>4</td>
<td>Local government</td>
<td>Establish programme level plans for priority business / IS initiatives</td>
<td>O</td>
</tr>
<tr>
<td>5</td>
<td>Global investment bank</td>
<td>Develop benefit plan for desktop upgrade</td>
<td>P</td>
</tr>
<tr>
<td>6</td>
<td>Motor manufacturer</td>
<td>Major b2c programme – projects delivering a range of services to various markets in Europe</td>
<td>P</td>
</tr>
<tr>
<td>7</td>
<td>Motor manufacturer</td>
<td>Review of major programmes and input to programme planning</td>
<td>O</td>
</tr>
<tr>
<td>8</td>
<td>Bank</td>
<td>Review of major process improvement programme to explore opportunities for exploiting IS to increase the benefits</td>
<td>P</td>
</tr>
<tr>
<td>9</td>
<td>IT sales</td>
<td>Mobile workforce programme: Tablet PC, Smartphone, Wireless LAN</td>
<td>P</td>
</tr>
<tr>
<td>10</td>
<td>Software sales</td>
<td>Call centre consolidation programme to bring together country level contact centres into 3 centres for Europe</td>
<td>P</td>
</tr>
<tr>
<td>11</td>
<td>IT consultancy</td>
<td>Rollout in UK of new world-wide knowledge management system</td>
<td>P</td>
</tr>
<tr>
<td>12</td>
<td>Mobile communications</td>
<td>Project initiation for new consumer data service including establishing process framework</td>
<td>P</td>
</tr>
<tr>
<td>13</td>
<td>Retail financial services</td>
<td>Establish flexible back office services to improve efficiency and to enhance ability to meet changing workloads</td>
<td>P</td>
</tr>
<tr>
<td>14</td>
<td>Health</td>
<td>Technology support for community of practice of health professionals</td>
<td>P</td>
</tr>
<tr>
<td>15</td>
<td>Media</td>
<td>Improve project process and explore implementing Benefits Management</td>
<td>P</td>
</tr>
<tr>
<td>16</td>
<td>Oil</td>
<td>Document management solution</td>
<td>P</td>
</tr>
<tr>
<td>17</td>
<td>Retail</td>
<td>Pilot programme to adopt new technology and new ways of working in systems development</td>
<td>P</td>
</tr>
<tr>
<td>18</td>
<td>Mobile communication</td>
<td>New consumer product for data services business of mobile operator</td>
<td>P</td>
</tr>
</tbody>
</table>
Appendices

<table>
<thead>
<tr>
<th>Case</th>
<th>Type of Organization</th>
<th>Project</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>19</td>
<td>Global investment bank</td>
<td>Review a major trading systems project and explore the benefits of a more agile project process</td>
<td>P</td>
</tr>
<tr>
<td>20</td>
<td>Retail</td>
<td>Improvements to project / development processes</td>
<td>O</td>
</tr>
</tbody>
</table>

Note 1: The consultancy cases are of two types: involvement in specific projects (P) and wider consultancy about strategy and process (O). A number of the latter cases (O) are exploring how to make improvements to software development and benefits realisation.
Appendix D. Survey of project managers in Phase 1

Text of email to project managers

I'm doing some research to explore how our customers tackle realising business value from IT projects and to explore options for a closer fit between some of the business value approaches and MSF.

I picked your project from ICE\(^1\) as a highly rated project. It would be a great help if you could spend just a few minutes to respond to a couple of questions:-

*Did the customer see your project as successful in IT terms (i.e. on time and budget and delivered key requirements)?*

- How did they assess the value?
- Was the project successful in value terms?
- What roles / processes etc did they have in place to manage delivery of value (in addition to the core technology solution)?
- Any other thoughts / comments very welcome.

All comments will be treated as confidential and any output from this work will ensure that no individuals / organisations can be identified.

\(^1\) ICE = Intellectual Capital Exchange - the knowledge management system
Appendices

Appendix E. Report to validate findings from Phase 1

Exploiting the Potential of MSF?

Introduction and Context

This note is based on ongoing work being carried out towards a PhD and also follows up discussions about exploiting MSF that took place during FY02.

The research for the PhD is exploring the successful delivery of benefits from IT investments and specifically the reasons for the lack of adoption of good practices. As part of the initial work I have reviewed 25 projects from ICE and experiences from 20 consulting engagements carried out over the last 5 years. Each of these 45 cases has been assessed against a model of good practice for successful benefits realisation based on MSF and Benefits Management (Cranfield) supplemented by practices from wider literature addressing user experience and business change issues.

The purpose of this brief note is to highlight some of the initial findings relevant to Microsoft, Microsoft Services and Microsoft customers.

One caveat is that the projects in ICE should be examples of good practice and the projects selected were as far as possibly highly rated projects from the CoEs. As a result the comparison made with customer engagements may be slightly biased. Also the sample of projects from ICE reflects the US bias of ICE content and the different engagement mix in the US compared to the UK.

Summary of Major Findings

Significant benefits from using MSF

MSF was consistently used on the projects in ICE. In most cases a Vision & Scope document was part of the content available. There is an overwhelming impression of the consistent, successful delivery of solutions, with small teams in short timescales.

In contrast most customer projects observed during consulting engagements followed traditional, waterfall methods, not following the concepts of the team or risk model. A considerable number of these projects were much less effective than the MSF based projects. Some examples revealed large teams...
making little effective progress over 2-3 years. Partners and competitors typically followed the same non-MSF approaches.

On the basis of the work done there is strong evidence that the benefit of an MSF based approach is significant. MSF also remains at the forefront of thinking on agile approaches.

Opportunities for improving MSF and how we use it

There are a number of areas where we can improve the use made of MSF within MSO:-

- Traceability: in no case was there clear traceability from the business goals & benefits through to the solution. In one or two cases there was some focus on setting risk / priorities for specific features but this was the exception. Traceability is emphasised in MSF v3.

- User experience was typically restricted to user involvement in requirements and training. The UK skills around user centred design do not appear to be available elsewhere.

- Lessons learned: only a small number of lessons learned documents were included in ICE – this probably indicates these sessions are not happening consistently.

- Senior management / project sponsor involvement appears to be limited – this is probably related to, among other things, the focus on solution delivery rather than benefits realisation.

- Application Portfolio: this Cranfield model has been included in MSF v3 but is not really used. Although MSF fits most situations the portfolio provides additional insights into how to approach individual projects in the most effective way.

- Benefits Management: in no case was there an explicit focus on benefits realisation or any usage of equivalents to the key Benefits Management concepts and frameworks – all the projects focused on delivery of a technology solution. In one case there was measurement of the benefits realised and a report back against the original objectives. Two projects highlighted the need for greater business involvement.
• Collaboration: MSF focuses on effective teamwork – but the team model does not clearly address ownership of team effectiveness and there is no guidance on practices for the exploitation of technology to enable effective, virtual team working.

In each of these areas there is an opportunity to improve MSO practice and help customers succeed with IT projects and realise more value from their IT investments.

The lack of focus on benefits realisation is perhaps the most worrying factor – but it does reflect the general IT industry focus on the delivery technology. Discussion with business sponsors and end users would be necessary to explore any adverse impacts on CPE.

Gaining adoption of MSF and benefits related practices

A number of the consulting engagements have explored gaining adoption of MSF and benefits related practices in order to help customers improve their development / project capability or as part of envisioning for MS Project Server implementations.

There are considerable barriers to gaining adoption of both MSF and benefits related methods across a customers IT organisation. The research is indicating some steps that could help to overcome these barriers – these are not explored further in this paper.

On individual projects the barriers are much lower and we can generally be successful at using key MSF practices on customer engagements (even if we do not explicitly state that we are using MSF). Benefits Management practices are typically not used in services engagements.

The lack of adoption by customers of the practices represented by MSF and Benefits Management is adversely impacting on the ability of our customers to realise value from their investments in IT and our ability to help them succeed consistently with IT projects.

Follow up

MSF is hugely valuable IP. The move of the MSF team into the Visual Studio group is very positive, as is the use of MSF in the services engagement process – even if the principles are a little lost in the detail.
Given our objectives as a services business we need to ensure that customers are realising value from successful, innovative use of our technology. In achieving this we are severely handicapped by poor practice across the IT industry.

Based on this short study we should consider action in a number of areas:-

- Ensure we use the IP / key practices represented by MSF to help our customers succeed with IT projects. This means Services Execs, Engagement Managers and in fact all customer facing staff should be confident in doing a quick, informal project health check and recommending specific improvements and areas we can help ensure projects succeed and succeed in terms of benefits realisation. Given the current level of industry practice it is not in our interests or the customers simply to do what the customer tells us!

- Improve our use of MSF in Services engagements - for example making sure we follow key aspects of the model as highlighted above.

- Start to use Benefits Management principles and practices on our engagements so that we are consistently successful in business terms as well as in technology delivery.

- Consider broader opportunities for educating / influencing our customers and enabling them to succeed – based on both MSF and Benefits Management.

- Build on the foundations provided by MSF and Benefits Management to focus more on innovative solutions – for example using the Envisioning service developed by Benefits and UXP teams.

The potential benefits for Microsoft are significant. Other consultancies and service providers benefit from customers failure with IT projects - it is uniquely in our interests to enable them to succeed as and we have the IP they need to do it. A strategic assessment would show that we are missing a big opportunity by focusing too much on services revenue and partners and need to shift the balance to helping our customers succeed. Exploiting MSF more fully is one step in the right direction.

Colin Ashurst
Appendix F. Response to validation report

Ilia was at the most senior consulting level and was responsible for the approach taken to projects and quality assurance of engagements within the UK firm.

********************************************************************************

From: Ilia Fortunov  
Sent: 29 February 2004 14:17  
To: Colin Ashurst  
Subject: RE: Exploiting MSF

Colin,

Very good paper -- I agree with everything you say. Although not based on detailed and methodical research, my impressions from various projects are pretty much in line with yours. There is a lot more we can do by applying MSF -- and the benefits aspect is largely untouched.

Regards,

Ilia Fortunov  
Senior Architectural Consultant  
Microsoft Services  
Tel: UK (+44) 118 909 3416  
mailto:iliaf@microsoft.com
Appendices

Appendix G. Phase 2 research protocol

Detailed document prepared for case study organisations

Realising the benefits from IT projects

Background to the research

The primary impetus for the research is that organisations are not succeeding in realising the full potential of IS/IT. A recent report by the British Computer Society (The Challenges of Complex IT Projects – 22 April 2004) suggests that “billions of pounds are wasted every year on new IT systems...we looked at a range of studies showing that only around 16 per cent of IT projects can be considered truly successful...”. According to the report actual practice has changed little - “projects are often poorly defined, codes of practice are frequently ignored and there is a woeful inability to learn from past experience.”

A range of studies over many years has shown the same results. The low success rate is similar across all types of investments (Customer Relationship Management, Knowledge Management, eCommerce etc) and is a major factor impacting on business productivity and success.

This research is seeking to build on current knowledge of successful practices for realising benefits and improving organisational performance through exploiting Information Systems. A first phase of research has now been completed and a series of case studies is being planned to build on the findings to date.

Each case study will address the following areas:

- Current practices for realising benefits from IS investment projects and programmes.
- How the model of practices for realising benefits that is emerging from the research fits with practices observed in the organisation; as a result improving the research model and exploring the reasons for differences.
- The barriers and enablers to the organisation developing the capability to consistently realise benefits from IS investments.
Planning for the case study visit

The research in outline

The main stages of the case study are as follows:

- **Planning**: confirm objectives with the business sponsor and identify relevant business and IT contacts. Identify available documentation on plans / policies etc relevant to the review.
- **Interviews**: meet individual stakeholders to gain a deeper understanding of the current process for planning and delivering IT projects including the business involvement in the process.
- **Review of sample projects**: review project documentation, meet team members and attend project meetings to get a 'coalface' perspective.
- **Consolidation of findings**: the information from the interviews is consolidated and key issues / opportunities are identified and reviewed with the project sponsor.
- **Feedback**: the findings are reviewed with the sponsor (and key stakeholders if this is helpful). Key areas for action are discussed.

The case study requires approximately 4 days work on site with the organisation. The elapsed time depends on access to diaries. The process works best if it can be conducted over a two week period.

The precise scope and process will be agreed with each participating organisation.

Output

The output from the case study will include a brief summary of the current situation, an outline of areas where there are opportunities for change, and recommendations for action.

Areas covered will include:

- **The Organizational Context**: to provide a high level perspective on the potential contribution of IT and any specific challenges.
- **Benefits Planning**: processes for planning investments in IT to realise benefits in line with business priorities.
- **Benefits Delivery**: processes for delivering IT solutions and the associated business changes required to realize the benefits.
- **Benefits Review**: how the success of IT investments is measured and the track record of recent investments.
- **Benefits Exploitation**: how the organisation continues to realise benefits from the new business services or processes.

Setting up the case study

The practical arrangements for the engagement will have a major impact on its success. Many of the key areas are covered in an initial meeting with the customer sponsor.
Key topics for the initial meeting(s) with sponsor:

1. Confirm objectives and scope of the engagement, including any specific areas of interest and any 'no-go' areas.
2. Agree potential interviewees (see final section)
3. Agree arrangements for setting up interviews. Where possible the sponsor, through a PA or member of their management team should take the lead in setting up meetings to ensure that the sponsorship for the engagement is clear.
4. Where possible, aim to set up the interviews so there are 4 a day (60mins each) with the interviews spread over a small number of days. Typically there will be 10-12 interviews depending on the scope agreed.
5. Identify a day to day contact during the engagement – to handle any issues that arise.
6. Identify relevant documentation that can be made available to provide background prior to the interviews.
7. Agree a further meeting with the sponsor at the end of the interviews. Consider the need for an interim meeting.
8. Agree how to handle the feedback session, for example a meeting with the sponsor or workshop session with key interviewees.
9. Review and agree the plans for the overall structure of the output from the case study.
10. Confirm any specific targets / milestones that are relevant for the sponsor.

Interview planning

The actual interviewees will vary from organisation to organisation. The following job titles and outline of the areas to cover are intended to provide a guide for planning.

The interviews cover a small sample of specific projects / programmes and the overall organisational context and IS/IT management framework.
Appendix H. Example of an email to an interviewee prior to a meeting

Thanks very much for making the time available so we can meet. We have a slot in the diary on Thursday at 9.00.

I just wanted to send you a few notes to provide an introduction to the areas I'd like to explore. My goal is to understand how you approached planning and delivering the business changes associated with the HR programme, and in particular how you approached realising benefits (in a broad sense - not just financial).

Areas covered will include:

- **Benefits Planning**: processes for planning investments in IT/business change to realise benefits in line with business priorities.
- **Benefits Delivery**: processes for delivering IT solutions and the associated business changes required to realize the benefits.
- **Benefits Review**: how the success of IT investments is measured and the track record of recent investments.
- **Benefits Exploitation**: how the organisation continues to realise benefits from the new business services or processes.
- **The Organizational Context**: to provide a high level perspective on the factors affecting the programme and any specific challenges you faced.

I hope that's useful as background.

If it's possible I'd like to record the interview - just to help me capture a good set of notes - otherwise I'll just make notes as we talk in the normal way.

Thanks again

Best wishes

Colin

0191 334 5233
Appendix I. Questions for semi-structured interviews in Phase 2

Context

Introduction – explain the background to the research
Why was there a need for change?
What were the objectives of the programme?
What were the major benefits you hoped to achieve?
Could you describe the programme briefly? How it was structured, who was involved?
What was your role?

Overview

Was the programme successful in achieving these benefits?
What were the main factors that made it successful?

Benefits Planning

How did you approach identifying and planning to achieve the benefits?
[drill down to specific practices if appropriate – also consider specific objects]
How did you identify what had to change?

Benefits Delivery

How did you approach delivering the benefits?
What were the challenges in establishing the team and getting it working well? (common language / approach)
How did you monitor and control the project?

Benefits Review

How did you assess if the benefits had been achieved?
How did you incorporate learning from other projects?
Was there an opportunity to learn during the project – for example about potential benefits and how best to realise them?

Benefits Exploitation

What did you do to exploit the results of the programme? How did you seek to realise further benefits from the ongoing operation and development of the new processes?
Appendices

Organisational Context

How did the project relate to other projects?
Was the approach to the project the same as on other projects? How was it established / adapted for this project?

Summary

What are the major lessons learned from the project? What would you do differently next time?
Appendix J. Interviewees in the SHA

<table>
<thead>
<tr>
<th>ID</th>
<th>Interviews</th>
</tr>
</thead>
<tbody>
<tr>
<td>N01</td>
<td>Programme Manager – with responsibility for the overall programme in the SHA</td>
</tr>
<tr>
<td>N02</td>
<td>Business Sponsor – Project 1</td>
</tr>
<tr>
<td>N03</td>
<td>Business Project Manager – Project 1</td>
</tr>
<tr>
<td>N04</td>
<td>Project Manager Projects 1&amp;2</td>
</tr>
<tr>
<td>N05</td>
<td>Change Lead (2 meetings)</td>
</tr>
<tr>
<td>N06</td>
<td>SHA business lead</td>
</tr>
<tr>
<td>N07</td>
<td>Project Manager</td>
</tr>
<tr>
<td>N08</td>
<td>Regional Benefits lead</td>
</tr>
<tr>
<td>N09</td>
<td>GP – an end user (2 meetings)</td>
</tr>
<tr>
<td>N10</td>
<td>GP – an end user</td>
</tr>
<tr>
<td>N11</td>
<td>Business Sponsor &amp; project manager – project 2</td>
</tr>
<tr>
<td>N12</td>
<td>Business Sponsor Project 1</td>
</tr>
<tr>
<td>N13</td>
<td>SHA Benefits lead (2 meetings)</td>
</tr>
<tr>
<td>N14</td>
<td>Benefits team member</td>
</tr>
</tbody>
</table>

**Observational events**

<table>
<thead>
<tr>
<th>ID</th>
<th>Observational events</th>
</tr>
</thead>
<tbody>
<tr>
<td>N15e</td>
<td>Planning workshop for SHA benefits strategy (approx 6 attendees)</td>
</tr>
<tr>
<td>N16e</td>
<td>Planning for benefits community workshop (approx 6 attendees)</td>
</tr>
<tr>
<td>N17e</td>
<td>Benefits community workshops (50 attendees)</td>
</tr>
<tr>
<td>N18e</td>
<td>Benefits community workshops (25 attendees)</td>
</tr>
</tbody>
</table>

**Follow up and validation meetings**

<table>
<thead>
<tr>
<th>On completion of fieldwork</th>
<th>Separate meetings to discuss the preliminary findings were held with:–</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• N13</td>
</tr>
<tr>
<td></td>
<td>• N06</td>
</tr>
<tr>
<td></td>
<td>• N11</td>
</tr>
</tbody>
</table>

| 2007 | Update on progress – N13 (SHA benefits lead) |

Page - 339
Examples of documents reviewed

<table>
<thead>
<tr>
<th>ND01</th>
<th>Child Health deployment plan v1.01</th>
</tr>
</thead>
<tbody>
<tr>
<td>ND02</td>
<td>Benefits Management slides used at workshops to explain benefits management</td>
</tr>
<tr>
<td>ND03</td>
<td>Service improvement plan development guidance Draft v0.1</td>
</tr>
<tr>
<td>ND03</td>
<td>Project Initiation Document for SystmOne Child Health Solution. Version 1.0 - 23 Aug 05</td>
</tr>
<tr>
<td>ND04</td>
<td>Business change plan Child Health NT PCT - 8 Nov 05</td>
</tr>
<tr>
<td>ND05</td>
<td>Towards a Million Change Agents. Paper published by the NHS Modernisation Agency</td>
</tr>
<tr>
<td>ND06</td>
<td>Benefits Management - community of practice workshop Weds 3rd May 2006. Agenda and planning document</td>
</tr>
</tbody>
</table>
Appendix K.  Background information on the SHA

The Strategic Health Authority

County Durham and Tees Valley Health Authority was formed on 1 April 2002, replacing County Durham and Darlington and Tees Health Authorities, and was renamed County Durham and Tees Valley Strategic Health Authority in October 2002 to reflect its role in the local health community.

This happened as part of the Government's plan to shift the balance of power from Whitehall to the people working at the frontline of the NHS, particularly doctors and nurses.

The County Durham and Tees Valley Strategic Health Authority (SHA) is one of 28 SHA's across the country. It is the local headquarters of the NHS, leading the strategic development of the local health service and performance managing local primary care trusts and NHS trusts.

"The Strategic Health Authority covers an area with a population of nearly 1.2 million people. The area is coterminous with the boundaries of the seven district councils and the County Council in County Durham, and five unitary borough councils in Tees Valley.

The SHA has a strategic role. We are responsible for

• developing plans for improving health services in the local area

• making sure local health services are of a high quality and are performing well

• increasing the capacity of local health services - so they can provide more services

• making sure national priorities - for example, programmes for improving cancer services - are integrated into local health service plans."

Source: http://www.teesreview.nhs.uk/ on 1 Feb 2006
Appendix L.  Governance framework for change at the SHA

Outline of the governance framework

National
NPfIT is a nationally led programme. Accenture have been contracted to provide IS/IT services and consultancy support to get systems implemented in the North East of England (they are referred to as the Local Service Provider - LSP). The Accenture contract is not controlled locally and none of the interviewees were aware of their terms of reference or performance measures or the basis on which they were paid. As an example:

"The whole programme is very complex - you have to consider national, cluster, SHA, PCT and local levels. The LSPs contract is set at a national level - we have to escalate queries and problems to get them resolved - the complexity has hugely increased" (N12)

NE Region - Cluster
For the purposes of NPfIT, SHAs have been grouped into 'clusters'. One of these clusters forms the NE region and this is the region that Accenture resources and other national teams, for example the consultants supporting ISIP (a new framework for Integrated Service Improvement Planning) are focusing on. A software supplier (TPP) has also been contracted at this cluster level to provide software for GP practices and other user groups.

An NPfIT programme board has been established for the cluster. This is intended to bring together different representatives from the various SHAs and manage the overall programme.

In practice, as the SHAs report directly to the Department of Health (DH), the cluster does not seem to be a high priority for senior SHA management: "A key issue was the disconnect between the SHAs and cluster. The SHAs report direct to DH and could see no reason for the cluster. So the Cluster Programme Executive Group had no power" (N08)
SHA
The SHA covers a broad area and includes a range of PCTs, acute hospital trusts, ambulance trusts etc. The SHA has a NPfIT programme board. The projects examined were at the level of the PCT. Two of the projects, for different PCTs, had some team members in common as they were using the same technology. The third also included Social Services who are outside the overall governance framework which is focused on the NHS.

PCT
The PCT is an important level of the framework, as they have a critical role to play in commissioning patient care within their geographical area. It is arguably at this level that there is real accountability for expenditure and health care outcomes: “Benefits / strategy need to be owned locally – by the PCT” (N02). The PCT (and other trusts) have the option to opt out of NPfIT or specific projects. The PCT does not have any influence on the overall NPfIT budget.

GP practice
Within the PCT there are a number of GP practices and various other general and specialist healthcare groups. From the perspective of a GP the practice is an independent business that under the terms of the new GP contract is remunerated for the services provided and has freedom over how to provide the services: “the practice is a private business that earns money doing what doctors do – it needs links with the PCT, pharmacies, hospitals and lots of others” (N09).

Other factors
At the time of the review the PCTs and SHAs were being merged and reorganised into larger units and there was considerable uncertainty over the future and in particular over the future of individuals’ jobs.

The new ISIP framework being driven by the DH required Local Healthcare Communities (LHCs) to develop initial strategic plans by March 2006 to set out targets and programmes of action to drive improvements in care.

The LHCs do not exist at this stage – but will be geographically based and will be formed from representatives of all healthcare and related groups (e.g. Social Services) in that area. One goal of ISIP and the LHCs is to achieve integration across all the various change initiatives in each area.

Within the SHA, and at other levels of the framework, resources and control are based on functional lines. For example, within the SHA there are teams focused on: NPfIT including realising benefits, workforce development – education and training, service improvement – process redesign. Any change initiative would need to involve representatives of each team, their respective management / governance structures, and potentially take into account programmes and targets set by different groups in the Department of Health.
## Appendix M. Interviewees in the University

<table>
<thead>
<tr>
<th>ID</th>
<th>Interviewee</th>
</tr>
</thead>
<tbody>
<tr>
<td>U01</td>
<td>IT Director</td>
</tr>
<tr>
<td>U02</td>
<td>Deputy Dean</td>
</tr>
<tr>
<td>U03</td>
<td>Registrar</td>
</tr>
<tr>
<td>U04</td>
<td>Deputy IT Director</td>
</tr>
<tr>
<td>U04</td>
<td>IT Manager</td>
</tr>
<tr>
<td>U05</td>
<td>Admissions Manager</td>
</tr>
<tr>
<td>U06</td>
<td>Marketing Manager</td>
</tr>
<tr>
<td>U07</td>
<td>Professor 1</td>
</tr>
<tr>
<td>U08</td>
<td>Professor 2</td>
</tr>
<tr>
<td>U09</td>
<td>Professor 3</td>
</tr>
<tr>
<td>U10</td>
<td>Academic 1</td>
</tr>
<tr>
<td>U11</td>
<td>Academic 2</td>
</tr>
<tr>
<td>U12</td>
<td>Academic 3</td>
</tr>
<tr>
<td>U13</td>
<td>Operations Director</td>
</tr>
<tr>
<td>U14</td>
<td>Dean</td>
</tr>
<tr>
<td>U15</td>
<td>Deputy Dean (new)</td>
</tr>
<tr>
<td>U16</td>
<td>DUO - Manager</td>
</tr>
<tr>
<td>U17</td>
<td>DUO - team member</td>
</tr>
</tbody>
</table>
There was the opportunity to observe and take part in a number of events / activities related to the management and exploitation of IT within the School and University. In each case I was not leading the process and was able to observe the practices adopted for benefits realisation.
**Examples of documents reviewed**

| UD01 | School IS Strategy  
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Oct 2006</td>
</tr>
</tbody>
</table>
| UD02 | University IT strategic framework  
|      | 20/8/05             |
| UD03 | Client information management system  
|      | Requirements document – 3 March 05 |
| UD04 | Client information management system  
|      | Functional specification 15 March 05 |
| UD05 | CRM system – project brief July 05 |
Appendix N. History of the CRM project at the University

Dec 2004  Agreement to proceed with the selection and rapid implementation of a CRM solution early in 2005. The main drivers were to support administration of two conferences and to avoid the repeat of dissatisfaction caused by multiple emails and newsletters being sent from different departments to the same customers.

Feb 2005  Initial selection completed and core team agree broad forward plan with solution supplier

March 2005  Funding not currently available

May 2005  Funding found. Formal selection process has to be completed with the involvement of the University purchasing department

June 2005  Selection process completed just in time for year end. Not able to get contracts signed and raise purchase order in time to use the available funding.

Aug/Sept 2005  Budget for new year not finalised. Plan challenged by Vice Chancellor but agreed after some discussions.

Oct 2005  Review with supplier. High level forward plan developed. Detailed plans to be developed with supplier as part of the project process - once they are engaged. Resources no longer available to take on project management role.

Nov 2005  Plan challenged by Dean. Further, detailed planning required before a purchase order can be raised.

Feb 2006  Project manager made available from other work (part time). Starts work on project planning - in order to gain approval to proceed with the project.

March 2006  Project suspended - wider financial issues mean that all discretionary expenditure is cancelled.
Appendix O. Interviewees at the City Council

<table>
<thead>
<tr>
<th>ID</th>
<th>Interviewee</th>
</tr>
</thead>
<tbody>
<tr>
<td>C01</td>
<td>Director of business division (including IT) &amp; sponsor of the Transformation Programme (2 meetings)</td>
</tr>
<tr>
<td>C02</td>
<td>IT Director and project manager for thin client desktop (plus email follow up)</td>
</tr>
<tr>
<td>C03</td>
<td>HR/Payroll project sponsor (Director of Organisational Development)</td>
</tr>
<tr>
<td>C04</td>
<td>HR/Payroll project manager – a member of the Transformation team responsible for the overall project (business and IT)</td>
</tr>
<tr>
<td>C05</td>
<td>Customer Services Manager and sponsor for the CRM programme</td>
</tr>
<tr>
<td>C06</td>
<td>Customer Services Operations Manager</td>
</tr>
<tr>
<td>C07</td>
<td>Customer Services Supervisor</td>
</tr>
<tr>
<td>C08</td>
<td>IT project manager for the CRM project</td>
</tr>
<tr>
<td>C09</td>
<td>Customer Services Assistant</td>
</tr>
<tr>
<td>C10</td>
<td>Transformation Programme Manager</td>
</tr>
</tbody>
</table>

**Observational events**

<table>
<thead>
<tr>
<th>ID</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>C11</td>
<td>Tour of Customer Services Centre</td>
</tr>
<tr>
<td>C12</td>
<td>Informal discussions with Customer Services staff</td>
</tr>
<tr>
<td>C13</td>
<td>Attendance at leadership Forum event – presentation of lessons learned from Transformation Programme (C10)</td>
</tr>
<tr>
<td>C14</td>
<td>Informal discussion with member of Transformation Programme Team</td>
</tr>
</tbody>
</table>

**Follow up and validation meetings**

<table>
<thead>
<tr>
<th>Event</th>
<th>Details</th>
</tr>
</thead>
</table>
| On completion of fieldwork | Separate meetings to discuss and validate the preliminary findings were held with: -  
  - C01  
  - C10  |
| Late 2006 | Further discussion and review of progress (C10)                                      |
### Examples of documents reviewed

<table>
<thead>
<tr>
<th>CD01</th>
<th>Manager Self Service (26 July 05) Overview description sent to all managers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>'Managers Self Service' is an important component of the HR/Payroll programme - it provides managers across the Council with direct access to HR / Payroll information and facilities, for example enabling them to manage absence more effectively.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CD02</th>
<th>Customer Service Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Continuing the journey - 2004 review and update</td>
</tr>
<tr>
<td></td>
<td>Description of use of 'enabling IT' including CRM</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CD03</th>
<th>Thin Client</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Communications plan Oct 2004</td>
</tr>
<tr>
<td></td>
<td>The thin client documents are part of a major emphasis on communication that was part of the desktop project. The communications highlight the benefits and how to realise them to the end-users.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CD04</th>
<th>Thin Client</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Welcome email – printed 3/8/05</td>
</tr>
</tbody>
</table>

| CD05 | Thin Client FAQs v10 |

<table>
<thead>
<tr>
<th>CD06</th>
<th>Thin Client Fact Sheet (providing information on benefits)</th>
</tr>
</thead>
</table>

| CD07 | Thin Client User guide |

<table>
<thead>
<tr>
<th>CD08</th>
<th>Customer Services Overview (from web 21/07/05)</th>
</tr>
</thead>
</table>

| CD09 | Submission for 'THE BCS BUSINESS ACHIEVEMENT AWARD 2004' |
Appendix P. Outline of the CRM programme at the City Council

Outline of the Customer Service Programme

**Driver:** The Chief Executive wanted to see a significant improvement in Customer Service and became the champion for change. Key goals were to establish one point of contact and to resolve a high percentage of queries at the first point of contact.

**Stage 1: Establish Customer Service Centre (CSC).** A new Customer Service Centre was established within the main council building and the other reception points were closed. The CSC had a single queuing system and two main service areas. In the front office, multi-skilled CSC staff provided a broad range of services and dealt with most enquires. In the back office CSC staff and staff from specialist departments (e.g. Planning) dealt with other enquiries. There was a huge emphasis on training, both in how to handle different types of enquires, and in Customer Service skills. At this stage the IT changes only involved making existing applications available on the front and back office desktop PCs. This was a technical challenge but did not require changes to systems functionality or business processes.

**Stage 2: Introduce CRM system.** Customer research indicated that a key requirement was to have services available locally, so the council committed to opening local Customer Service Centres. The central CSC relied on the availability of the specialist back office staff and could not be replicated in local centres. A CRM project was started to provide an easier to use system for CSC staff, replacing the many previous systems. This was to reduce the training requirement and the extent of specialist input required so that small, local centres could be opened.

The CRM project that was included in this case study resulted in a new CRM system for the central CSC and two new local CSC's. The CRM system provided a new, easy to use front end, with extensive information and support for the staff but it did not involve any changes to the 'back end' business applications.
Later stages: Further work is building on the new CRM system and developing the services provided through the CSCs. More services are being brought into the CSC as they develop capacity and the various departments see the value to them of using the CSC as an interface with the public. The CSC is also developing as a multi-channel contact centre as telephone and email services are developed. Finally, work is underway to replace the main back office (bespoke) applications with packages. At this stage work is also taking place to review and re-engineer the end to end business processes.

Business process re-engineering is only taking place several years into a long term programme. Significant benefits have already been achieved by making other changes. The work already carried out has also been used to develop the skills of the Customer Service staff so that they are able to play a lead role in the re-engineering now taking place.
Appendix Q. Governance framework for the HR / payroll programme

Governance Framework

**Project Team:** The team brought together business and IT council staff with external specialists (e.g. in SAP and SAP training). The project team was empowered to take decisions and to propose decisions to other levels of the governance framework.

**Operational Representatives Group:** The operational reps were practitioners (i.e. rather than managers) representing the different teams and departments affected by the project. They provided a two-way communication channel for the project team.

**Vision Group:** The SAP methodology is to focus the work on requirements and design on specific 'topics'. For this project 17 topic papers were prepared and the Vision Group was the forum for reviewing key issues from these papers and gaining consensus on key policies.

**Project Board:** The project board included some of the same people as the Vision Group but was kept separate so the Board could focus on delivery against budget and timetable.

In addition the **Transformation Programme Board** kept this project under review, along with the 20+ others in the programme.
### Appendix R. Practices for benefits realisation: the City Council

#### Benefits Planning

<table>
<thead>
<tr>
<th>Code</th>
<th>Practice</th>
<th>Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>BP1</td>
<td>Analyse stakeholder expectations</td>
<td>No explicit evidence of this specific practice, although there was a very strong focus on the customer and on stakeholder involvement.</td>
</tr>
<tr>
<td>BP2</td>
<td>Identify strategic drivers</td>
<td>The driver analysis resulted in the Transformation Programme plan. The exploration of outsourcing resulted in clear and strong drivers for change.</td>
</tr>
<tr>
<td>BP3</td>
<td>Identify and define benefits</td>
<td>The work on benefits and dependencies was at a high level and focused primarily on hard benefits (headcount reductions) and also measurable targets for Customer Services. The projects had clearly defined targets. A more explicit benefits focus is now being taken with the development of ‘benefits roadmaps’. Ownership is clear at the level of the Transformation Programme.</td>
</tr>
<tr>
<td>BP4</td>
<td>Establish benefits / process interactions</td>
<td>Processes were an important focus for the HR and CRM projects.</td>
</tr>
<tr>
<td>BP5</td>
<td>Establish benefits / stakeholder interactions</td>
<td>Stakeholder involvement was a key focus of the projects. There was no formal framework. They did emphasise the need for a ‘diagonal slice’, meaning stakeholders from a range of areas and a range of levels.</td>
</tr>
<tr>
<td>BP6</td>
<td>Establish benefits / organisation interactions</td>
<td>The CRM project in particular had a significant organisational impact and resulted in changes in a number of dimensions: new structures, buildings, etc.</td>
</tr>
<tr>
<td>BP7</td>
<td>Establish benefits / technology interactions</td>
<td>The design of the project teams ensured there was good knowledge of the technologies involved (CRM package and SAP). The project processes allowed an element of opportunity based design.</td>
</tr>
<tr>
<td>BP8</td>
<td>Plan benefits realisation</td>
<td>The benefits realisation plan was at a programme level – with an emphasis on ensuring project outcomes are well aligned to the overall plan. The Customer Service programme (CRM) in particular strongly emphasised phasing of benefits delivery.</td>
</tr>
<tr>
<td>BP9</td>
<td>Design a framework for business change governance</td>
<td>Each project had a governance structure that addressed business change. Although the basic structure was based on PRINCE2, the specific structure for each project and the people involved were designed for each project.</td>
</tr>
<tr>
<td>BP10</td>
<td>Benefits driven risk assessment</td>
<td>The risk assessment was strongly linked with the business leadership and governance for business change and had a focus on delivery of the target benefits.</td>
</tr>
</tbody>
</table>
### Appendices

<table>
<thead>
<tr>
<th>Code</th>
<th>Practice</th>
<th>Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>BP11</td>
<td>Develop a business competence based design</td>
<td>Business competence based design was observed on the CRM project. There was considerable emphasis on getting the right people, developing business knowledge, soft skills (customer focus, dealing with people) and also building skills for continuous improvement (process mapping). This was not the result of a formal framework - it was just seen as the right thing to do by the business team leading the project.</td>
</tr>
<tr>
<td>BP12</td>
<td>Create a shared business vision</td>
<td>The vision for the customer service programme was established top down with a Chief Exec providing initial goals and sponsorship. The vision for the payroll project emerged as the consequence of many decisions about the project.</td>
</tr>
</tbody>
</table>

### Benefits Delivery

<table>
<thead>
<tr>
<th>Code</th>
<th>Practice</th>
<th>Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>BD1</td>
<td>Establish adaptive project lifecycle</td>
<td>The CRM project was part of a long term programme which allowed opportunity for learning and change. All the projects emphasised the need for learning and change as they progressed and were controlled through a series of milestones.</td>
</tr>
<tr>
<td>BD2</td>
<td>Actively lead the business change</td>
<td>Leadership of the business change was a particular strength on both CRM and payroll projects where a very active role was taken by the business sponsors.</td>
</tr>
<tr>
<td>BD3</td>
<td>Ensure continuing active involvement of stakeholders</td>
<td>The payroll and CRM projects, in particular, had a range of approaches to ensure active management of stakeholders. For example: Vision Group, user representative group, project team given account management responsibilities for different groups.</td>
</tr>
<tr>
<td>BD4</td>
<td>Specify changes to work and organisational design</td>
<td>There were many elements of work design, particularly in the CRM project. The business team, for example, developed skills in process mapping and took the lead in this area. There was also a focus on people, general skills, and the physical environment. The payroll project highlighted how the work design continued after 'go-live' as processes and working practices were evolved.</td>
</tr>
<tr>
<td>BD5</td>
<td>Make benefits driven trade-offs</td>
<td>Beyond PRINCE2 there was no specific framework for the project team. The clear targets set for the projects provided a strong focus.</td>
</tr>
<tr>
<td>BD6</td>
<td>Ensure benefits driven risk management</td>
<td>The focus on benefits was maintained as a key aspect of project activity.</td>
</tr>
<tr>
<td>BD7</td>
<td>Implement organisational changes</td>
<td>Although the projects ended with deployment of the IT solution and new business processes, the extent of business involvement, particularly on the CRM project meant that there was a continued focus on benefits. Also, on the payroll project there was a project review at the end of the financial year to assess how well project outcomes had been translated into business benefits.</td>
</tr>
<tr>
<td>Code</td>
<td>Practice</td>
<td>Findings</td>
</tr>
<tr>
<td>------</td>
<td>---------------------------------------------------</td>
<td>------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>BD8</td>
<td>Benefits driven training and education</td>
<td>Education was a particular emphasis of the CRM programme where, in the early years, benefits were realised from education rather than system changes.</td>
</tr>
<tr>
<td>BD9</td>
<td>Effective teamwork and communication</td>
<td>This was strongly emphasised, particularly on the payroll project, where the project manager worked hard to develop an effective, empowered team with good communication, for example based on brief, daily team meetings.</td>
</tr>
<tr>
<td>BD10</td>
<td>Ownership for decision making</td>
<td>The payroll project provided evidence of a specific practice designed to emphasise ownership for decision making in the team. This was important in a culture where decisions often required consensus and could take a very long time to emerge.</td>
</tr>
<tr>
<td>BD11</td>
<td>Establish project team work space</td>
<td>The team space for the payroll project team away from the normal offices, enabling co-location of the team, was important in enabling good communication and the development of teamwork and a team culture.</td>
</tr>
<tr>
<td>BD12</td>
<td>Daily team meeting</td>
<td>The daily team meeting was used to enable communication, maintain a focus on ownership and delivery, and reduce the need for paper based reporting.</td>
</tr>
<tr>
<td>BD13</td>
<td>Adaptive team structure</td>
<td>The team structure was adapted as the project progressed and took into account the emerging interests and skills of the team.</td>
</tr>
</tbody>
</table>
| BD14 | Team design for benefits realisation              | The team designs had a number of roles focused on benefits realisation. The communications role was certainly emphasised on the desktop project. There was investment in education and training.  
   The 'product management' role observed in Phase 1 was effectively addressed by the sponsor and project manager.  
   The payroll project did identify that there was a lack of resources to address embedding business changes. In part this seemed to reflect that the payroll business area had not had the same time as Customer Services to build up skills and a culture for change. |
| BD15 | Time-box decisions                                | The time-boxing applied to design decisions was another aspect of the teamwork culture emphasised on the payroll project. |
| BD16 | Application portfolio driven approach             | There was a great emphasis on adapting the approach to the context at the project level and within the project. This also focused on the skills / experience of the people.  
   The Application Portfolio (Ward and Peppard), or other formal frameworks were not explicitly used. |
| BD17 | Establish benefits driven change control          | The payroll project emphasised the emergence of additional information and opportunities during the project and the need for a flexible but managed approach to changes with a focus on benefits. |
### Benefits Review

<table>
<thead>
<tr>
<th>Code</th>
<th>Practice</th>
<th>Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>BR1</td>
<td>Establish portfolio based evaluation criteria</td>
<td>No evidence.</td>
</tr>
<tr>
<td>BR2</td>
<td>Benefits driven project appraisal</td>
<td>Project approval was tied into the overall Transformation Programme plan which focused on the delivery of specific benefits.</td>
</tr>
<tr>
<td>BR3</td>
<td>Identify actions to realise further benefits</td>
<td>All projects, particularly CRM, emphasised the need to track benefits at project closure and beyond.</td>
</tr>
<tr>
<td>BR4</td>
<td>Facilitate lesson learned reviews</td>
<td>Benefits were included in project closure reports reviewed by project boards. Also followed up, for example at year end to assess wider process. The project closure report is completed soon after the completion of the project as an output from a benefits review. The lessons learned log and related activities from PRINCE2 are used to drive learning.</td>
</tr>
<tr>
<td>BR5</td>
<td>Complete architectural roadmap review</td>
<td>Not identified.</td>
</tr>
<tr>
<td>BR6</td>
<td>Living benefits plan</td>
<td>The payroll project manager identified the emergence of new opportunities and that there was a need to review and evolve the targets through the project. This links with change control at the level of the project and programme / portfolio.</td>
</tr>
</tbody>
</table>

### Benefits Exploitation

<table>
<thead>
<tr>
<th>Practice</th>
<th>Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>BE1 Ensure ownership of continued benefits exploitation</td>
<td>The Transformation Programme provided the links between the projects and ownership of benefits with the service owners.</td>
</tr>
<tr>
<td>BE2 Maintain benefits driven training</td>
<td>The training was based on business processes / new ways of working. In Customer Services there were clear links with the benefits targets.</td>
</tr>
<tr>
<td>BE3 Evolve working practices</td>
<td>Evolution of working practices was driven as an ongoing activity by Customer Services. Initially a significant challenge for payroll – but momentum was developing.</td>
</tr>
<tr>
<td>BE4 Service review</td>
<td>The Transformation Programme team introduced an annual service review and service improvement plan</td>
</tr>
<tr>
<td>Practice</td>
<td>Findings</td>
</tr>
<tr>
<td>--------------------------</td>
<td>------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>BE5 Establish exploitation team</td>
<td>Customer Services had built up change skills across many of the management and supervisory group. Their core management structures addressed continued exploitation and evolution of the service. For Payroll it was identified as an area where they need to develop further skills and resources in the business area.</td>
</tr>
<tr>
<td>BE6 Enable good practice sharing between users</td>
<td>At the programme level the arrangements were largely informal, through sharing of the lessons learned reports and through the movement of people onto new projects. Within the business areas – it was emphasised by Customer Services through there management practices and there were early signs of practices developing in the payroll business area.</td>
</tr>
<tr>
<td>BE7 Exploitation consultancy</td>
<td>The Transformation Programme team provided ongoing support and advice to the business areas.</td>
</tr>
</tbody>
</table>
Appendices

Appendix T. Exploring a practice for realising benefits

Introduction

The cases explored in Phases 1 and 2 raised a number of issues about how to apply the concept of practices. Two of these are explored in this appendix. Firstly, the granularity of practices and how to match the granularity to the context is considered. The cases provided evidence of practices at a number of different levels of granularity that contributed to the successful outcome of projects. Secondly, the shift from a practice focused on solution delivery to one focused on benefits realisation is explored. There were indications that a range of practices contributing to an agile approach to solution delivery could, with a change of perspective (paradigm), become practices for benefits realisation.

The following notes explore risk management as an example of a practice and illustrate how a practice can be applied to solution delivery or benefits realisation with relatively small changes. Granularity of practices is explored by considering if this is one practice or a number of different practices.

Risk management

We could look at risk management as a success factor for IS projects. We are not taking this perspective. We are considering risk management as one of a number of practices that contribute to competences for realising benefits from investments in IS. The emphasis is on how to ensure risk management contributes effectively to success in benefits realisation.

Risk management is perhaps unusual as it contributes to a number of competences and can in fact be used in a wide range of business and project contexts. It is also a practice that is in virtually all, but not every, respect the same as a practice that forms part of IS projects.

The mind map for benefits driven risk management is based on a simple risk management process and also shows important success factors for risk management (Microsoft Solutions Framework: Risk Management Discipline v1.1 White Paper – June 2002).
Granularity

In the framework of practices developed in this research, risk management is a practice (BP10 / BD6). At a more detailed level risk management could be seen as comprising a range of practices for identifying risks, capturing lessons etc etc. I think that it would be reasonable to call them practices as they have a specific output and meet the definition of a practice. The mind map covers the overall practice and the different branches are broadly related to the more granular practices.

There is probably a connection between the appropriate level to describe, share and use practices and the experience of the people involved. For relative novices a more detailed level, giving more guidance is relevant. For experts a higher level is relevant, the details they will decide for themselves. In a way I think this fits with Checkland's description of different ways that SSM is used (Checkland and Scholes, 1999). The mind map helps thinking in this way – with different levels of detail. The more granular set of practices may also be relevant if there is a specific problem with how risk management is carried out in a particular context.
Perspective on a practice – solution delivery v benefits realisation

The cases from the knowledge base studied in Phase 1 adopted a consistent approach to risk management. They followed the Microsoft Solutions Framework which is also reflected in the mind map. These projects were successful in delivering solutions. The City Council studied in Phase 2 used PRINCE2 as the core of its approach and emphasised the importance of risk management. In this case the focus of the projects was on specific benefits.

In these different cases, the core of the risk management activity was very similar. The difference was in how the goals of the project were defined: was the focus on solution delivery or benefits realisation. Risk management as a practice is essentially the same – the difference is the goal it is applied to.

This strong similarity of the core practice for solutions delivery and benefits realisation applies to a range of other practices. Particularly in Phase 1, where an agile approach was adopted with a focus on involving people and effective teamwork, a number of practices related to solution delivery, would with a change of objective, become practices that contribute to benefits realisation. This suggests that, for some situations, the critical factor for adoption of benefits driven approaches is a change of perspective to focus explicitly on benefits as a goal and that if this can happen, actual day-to-day practice does not need to change significantly.
Appendix U.  Principles for Benefits Realisation

As noted in the literature review, practices relate to a wider context or set of principles (Schultze and Boland, 2000). As a result, in addition to the framework of practices for benefits realisation, it is important to consider a set of principles that provide the context for the identification and adoption of specific practices.

There are good precedents in both academic and practitioner literature for this approach. Examples include:

- Principles for benefits management (Ward and Peppard, 2002)
- Principles for socio-technical design (Clegg, 2000)
- Propositions for the socio-technical design of information technology systems. (Eason, 1989: Chapter 4)
- Principles for agile project management (Highsmith, 2004) and the agile manifesto (www.agilemanifesto.org)
- Principle for DSDM (Dynamic Systems Development Method - www.dsdm.org)
- Principles for the Microsoft Solutions Framework (an approach to solution development and project management) (www.microsoft.com/msf).

The benefits management principles set out by Ward and Peppard (2002) provide a focus on realising value and have been used as a starting point for a set of principles for benefits realisation. By themselves they are insufficient as they do not address how benefits are realised. In building on this foundation a key step was to consider the scope of the four competences already outlined and the role of people in the successful realisation of benefits, particularly the project team and issues of wider stakeholder management. Principles addressing these broader factors draw on work by Eason, Clegg and the ‘agile’ software development movement.
The set of principles is seen as a starting point and there is an expectation that they will evolve over time as the emphasis and detail of the wording is refined. Together, the principles represent a worldview (Checkland and Scholes, 1999). The principles provide a foundation for the specific practices. Different principles would result in different practices, for example with a focus on technology delivery or less of a focus on people and stakeholders.

**Principles for Benefits Realisation**

1. Focus on the delivery of value to customers and other stakeholders throughout the lifecycle (MSF).
2. Performance only improves when people do things differently (Ward) (integrated planning... / IT is an enabler...)
3. Benefits are most likely to occur when they are measurable and have clear owners who are responsible for their delivery (Ward)
4. Benefits arise when new capabilities are exploited and managed to the advantage of stakeholders.
5. Motivated individuals (and teams), with the environment and support they need, will deliver innovation and value (agilealliance).
6. Focus on individuals and interactions over processes and tools (agilealliance).
7. Invest in quality (MSF) do the basics right....
8. Realisation of benefits will depend on the participation of all relevant 'stakeholders' (Eason).
9. Exploitation of the potential of IS/IT requires a major form of organisational and individual learning (Eason)
10. Match the approach to the context and the experience of the people involved.
11. Simplicity – the art of maximising the amount of work not done - is essential (agilealliance).

**Metaprinciples**

12. The 'organisation' being changed and the 'organisation' making the change are both socio-technical systems (Clegg).

These proposed principles provide a starting point for further research and also a potential guide for organisations seeking to develop a benefits driven approach. Achieving an understanding and commitment to these principles is an important element in establishing the competences required for benefits realisation.
Appendix V. Patterns

Thinking on patterns has developed from a number of sources including the work of Alexander (1977) in architecture. The idea of patterns has subsequently proved of use in software engineering (e.g. Gamma, Helm, Johnson and Vlissides, 1994; Coplien and Schmidt, 1995) in providing an understanding of how code is best communicated in a way that encourages re-use. In management, patterns or pattern-like thinking is increasingly to be found. Slywotzky et al (1999) give thirty patterns for business improvement; Coplien and Harrison (2005) write on organisational issues in the context of software development; Manns and Rising (2005) provides patterns for the introduction of new ideas. There is even a Harvard case study involving patterns (Austin and Westerman, 2002).

Alexander (1977) envisaged patterns as providing advice about what it was thought best to do to provide a solution and some rationale for why it should be adopted. This advice was set in a problem context showing how the problem usually arose and why it was a problem. Where appropriate, links to other patterns were made, either to acknowledge functional links between sub-problems or to point to necessary prior knowledge. This structure helps sharing of knowledge and provides insight into how, where and when it might be usefully applied.

There are a number of formats in use for documenting a pattern.
This example, with an explicit structure, appears useful for *debriefing* and *capturing* information.

**Pattern 16: Review the Architecture**

**Problem**
There are blind spots in the architecture and design.

**Context**
A software artifact’s quality is to be assessed and improved.

**Forces**
Architectural decisions affect many people over a long time. Nevertheless, individual Architects and Designers can develop “tunnel vision.” A shared architectural vision is important.
Even low-level design and implementation decisions matter.
All things are deeply “interwineded” [Ed Yourdon].

**Solution**
All architectural decisions should be reviewed by all Architects. Architects should review each other’s code. The reviews should be frequent—even daily—early in the project. Reviews should be informal, with a minimum of paperwork.

**Resulting Context**
This pattern sets the context for Pattern 23, Mercenary Analyst. It will also solve potential problems with Pattern 17, Code Ownership.
The intent of this pattern is to increase coupling between those who have a stake in the architecture and implementation, which solves the stated problem indirectly.

**Rationale**
The pattern is based on QPW, and on a successful object-oriented project at AT&T.
This example (Alexander, 1977) has a less explicit format and is perhaps more effective for sharing information.

**243 Sitting Wall**

... if all is well, the outdoor areas are largely made up of positive spaces - POSITIVE OUTDOOR SPACES (106) in some fashion you have marked boundaries between gardens and streets, between terraces and gardens, between outdoor rooms and terraces, between play areas and gardens - GARDEN STREETS (51), PEDESTRIAN STREET (100), HALF-HIDDEN GARDEN (111), HEIRARCHY OF OPEN SPACE (114), PATH SHAPE (121), ACTIVITY POCKETS (124), PRIVATE TERRACE ON THE STREET (140), OUTDOOR ROOM (166), GARDEN GOWING WILD (172). With this pattern, you can help those natural boundaries take on their proper character, by building walls, just low enough to sit on, and high enough to mark the boundaries.

If you have also marked the places where it makes sense to build seats - SEAT SPOTS (241), FRONT DOOR BENCH (242) - you can kill two birds with one stone by using walls as seats which help enclose the outdoor space wherever its positive character is weakest.

***

In many places walls and fences between outdoor spaces are too high; but no boundary at all does injustice to the subtlety of the divisions between spaces

Consider, for example, a garden on a quiet street. At least somewhere along the edge between the two there is a need for a seam, a place which unites the two, but does so without breaking down the fact that they are separate places. If there is a high wall or hedge, then the people in the garden have no way of being connected to the street; the people in the street have no way of being connected to the garden. But if there is no barrier at all - then the division between the two is hard to maintain. Stray dogs can wander in and out at will; it is even uncomfortable to sit in the garden because it is essentially like sitting in the street.

The problem can only be solved by a kind of barrier which functions as a barrier which separates and as a seam which joins at the same time.

A low wall or balustrade, just at the right height for sitting is perfect. It creates a barrier which separates. But because it invites people to sit on it - invites then to sit first with their legs on one side, then with their legs on top, then to swivel round still further on the other side, or sit astride it - it also functions as a seam, which makes a positive connection between the two places.

Examples: a low wall the children's sandbox on one side, circulation path on the other; low wall at the front of the house connecting the house to the public path; a sitting wall that is a retaining wall, with plants on one side, where people can sit close to the flowers and eat their lunch.
Therefore:

**Surround any natural outdoor area, and make minor boundaries between outdoor areas with low walls, about 16 inches high, and wide enough to sit on, at least 12 inches wide.**

Diagram o/s

***

Place the walls to coincide with natural seat spots, so that extra benches are not necessary – SEAT SPOTS (241); make them of brick or tile, if possible – SOFT TILE AND BRICK (248); if they separate two areas of slightly different height, pierce them with holes to make them balustrades – ORNAMENT (249). Where they are in the sun, and can be large enough, plant flowers in them or against them – RAISED FLOWERS (245)...

References


Appendix W. Patterns, practices and sharing knowledge

The codification of experience and its use are necessarily activities carried out by groups of practitioners with a common interest (communities of practice e.g. Wenger et al. (2002)). A challenge for communities of practice is how to represent the knowledge of the community in an effective way so that it can be shared and used.

This challenge is closely linked to a number of important debates in the field of knowledge management. Most importantly, the categorisation of knowledge as either explicit or tacit is likely to be misleading: there are different levels of tacit knowledge and of skills (Hammad, 2003; Ambrosini and Bowman, 2001). In some cases important aspects of tacit knowledge can be made explicit while retaining much of its value. For example, some ‘tacit skills could be articulated readily if organisational members were simply asked the question “how do you do that?”’ (Ambrosini and Bowman, 2001).

A closely related issue is the consideration of the form in which knowledge can be captured and shared. Although ‘tacit knowledge has resisted operationalization’ (Ambrosini and Bowman, 2001) there have nonetheless been many attempts within organisations to manage knowledge using a variety of ‘organisational memory systems’ to make ‘experiential knowledge accessible’ (Fernando, 2000). These organizational memory systems include documents and repositories and ‘also organizational routines, processes, practices and norms’ (Alvesson and Karreman, 2001). Becker (2001) refers to the value of reducing the opaqueness of a problem by ‘cutting up’ into small chunks that can be ‘analysed, understood and handled’. This decomposition or chunking is a well recognised modular approach to overcoming cognitive limitations and it is one of the characteristic differences between novices and experts that they have different chunking strategies (Cross, 2004). Kamoche et al. (2003), referring to work by Eisenhardt and Martin (2000), use the jazz metaphor of improvisation in suggesting that there is an ‘optimal amount of structure’. This tension between codifying nothing, thereby risking the loss of important information, and trying to codify everything, risking banality, is at the very core of attempts at knowledge management and its precursor, expert systems. Wenger (1998) sees reification as ‘central to every practice’ and refers to ‘abstractions, tools, symbols’ and to a range of knowledge processes including ‘designing, encoding, naming, decoding and interpreting’.
An empirical study by Thompson and Walsham (2004) showed that if knowledge is to remain useful once made explicit, a link with the context in which the knowledge was used and so in which it might be reused must be retained. They also noted that while the ideal of 'strictly explicit knowledge is self contradictory' there are still opportunities to codify some aspects of knowledge that will be useful, particularly with a specific context as provided by, for example, a community of practice.

The codification of practice into knowledge is of its essence an active and social task ‘connecting people so that they can think together’ (Alvesson and Karreman, 2001), bringing together different people with different experience and enabling them to contribute their knowledge in a team (Becker, 2001). Methods of reification must enable group learning by the 'sharing of individual interpretations to develop a common understanding' (Bontis et al., 2002). In this social context there will be a wide range of relationships, for example that of mentor providing advice to new recruits (Thompson and Walsham, 2004). In this sense reification is like any other group activity and must be managed well to be effective.

The concepts of patterns and pattern languages potentially help address the challenge of how to represent the knowledge of the community in an effective way so that it can be shared and used. The structure of a pattern, with explicit guidance on the context in which it is relevant, is particularly helpful.

References


Appendix X. Gaps in literature related to benefits realisation

This appendix provides an analysis of the gaps in the literature related to benefits realisation and shows the trail from the gaps identified to the scope of this research project.

Chapter 2 includes a critical review of the literature related to benefits realisation. As the review was carried out a number of gaps in the literature were identified. The following tables list these gaps at a detailed level. There is a table for each of the main sections of the literature review, which was structured in line with a preliminary theoretical framework for the research.

<table>
<thead>
<tr>
<th>Ref</th>
<th>Gaps related to Benefits Planning identified in the literature</th>
</tr>
</thead>
<tbody>
<tr>
<td>BP1</td>
<td>Empirical support for Benefits Management and guidance on applying the approach in specific scenarios.</td>
</tr>
<tr>
<td>BP2</td>
<td>Empirical support for guidance on how to adapt the project approach to match the organisational context.</td>
</tr>
<tr>
<td>BP3</td>
<td>Empirical work on approaches to addressing organisational issues.</td>
</tr>
<tr>
<td>BP6</td>
<td>Empirical work on benefits based portfolio planning (Advanced Benefits Management).</td>
</tr>
<tr>
<td>BP7</td>
<td>Exploration of the organizational approach to strategic information systems planning (SISP) identified by Earl (1993) may provide insights into practices relevant to establishing approaches to benefits realisation – for example developing coalitions of users, using multiple methods.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ref</th>
<th>Gaps in the literature related to Benefits Delivery</th>
</tr>
</thead>
<tbody>
<tr>
<td>BD1</td>
<td>Maintaining a benefits focus throughout the life of the project.</td>
</tr>
<tr>
<td>BD2</td>
<td>Guidance on how to respond to the changing organisational context.</td>
</tr>
<tr>
<td>BD3</td>
<td>Adopting techniques relevant to the approach and objectives of the project. There is a need for research to explore the techniques and approaches to use to manage successful delivery of changes, taking into account a richer understanding of the organisation based on a range of perspectives including process, practice, and culture and perspectives and the focus on benefit delivery.</td>
</tr>
</tbody>
</table>
### Appendix

#### Ref Gaps in the literature related to Benefits Delivery

**BD4** Learning model for projects. In certain scenarios a learning model may be appropriate to reflect the difficulty of understanding the potential benefits and related requirements at the start of the project. In some situations a large element of the project is focused after the delivery of any new software and the benefits come from learning how to use the software in the business context to improve performance.

A programme perspective should also be considered to explore the issues of learning across a series of closely related projects. This may be particularly true in knowledge worker scenarios where the traditional view of business processes is less valuable. In this scenario the project may be providing tools for use by highly skilled professionals (Eason). There is an opportunity in this area from both theoretical and empirical perspectives.

**BD5** An approach to managing the project that relates to how people actually work rather than a formal 'methodology'.

**BD6** Effective teamwork within the project is likely to be a critical area in benefits realisation. There is no guidance on the implications from a benefits perspective.

**BD7** Use of technology to support communication and collaboration as well as effective administration and control of the project is also likely to have a critical role in the success of projects – particularly when teams are not co-located and there is a need to involve a range of stakeholders.

#### Ref Gaps in the literature related to Benefits Review

**BR1** Performance metrics for a benefits realisation project.

**BR2** Guidance on matching the evaluation approach to the project / business context.

**BR3** Management learning – maintaining a continued focus on business change (Farbey et al, Theme 5).

**BR4** Maintaining an evolutionary / flexible approach to a project.

**BR5** The impact of measurement on organizational change and ongoing realization of benefits.

**BR6** The contribution of developing a performance and benefits tracking solution as part of a change programme.
The gaps identified in each section of the literature review were clustered to establish a smaller number of gaps that could then be used to help identify the scope of this research. Figure CC-1 shows the linkage between the gaps originally identified and the summary level gaps. These summary level gaps are discussed below and cross-referenced to Figure CC-1.

Very limited empirical work has been done on Benefits Management (Ward et al 1996) or the related IT & Change framework (Ward and Elvin 1999). There is a clear need for further work to test out these concepts and frameworks through in-depth empirical work. There are also a number of opportunities to continue to evolve Benefits Management based on experience of using the approach and tackling the issues of gaining adoption. For example: exploring how to adapt the framework and establish an approach for a specific project; adapting the project approach and scope to the changing organisational context during the life of the project; establishing performance measures for a benefits driven project. [G1]
There is a gap in relation to keeping a focus on benefits through the life of a project. There is a tendency to revert to a focus on the delivery of functionality after the benefit planning is completed. This area has been identified, but not yet well addressed, by the ongoing Cranfield programme of work. [G2]

Existing work has not explored the implications for the project team structure of a focus on benefits realisation. Research is required to test a project team structure / model that addresses responsibilities for benefits realisation, for example to maintain a focus on benefits through the life of a project. Related to the practice perspective, and the understanding that many aspects of a project are knowledge work, is the importance of team effectiveness. Building an effective team and also the use of technology to enable effective communication & collaboration are important areas that are not explicit parts of commercial practice in project management. An appropriate framework and set of practices is required. [G3, 4, 5]
A broader perspective of the organisation is required (e.g. based on Checkland, Smithson) to enable IS/IT projects to address the complexity of real-world organisations. There is a need for work to understand practices required to address these broader perspectives during a project. A key aspect of this broader perspective is the need to consider both process and practice (Brown & Duguid, 2000) in project planning & delivery. Work is required on how to use these approaches and models such as stages of knowledge (Bohn, 1994) or technology classification (Woodward and Perrow as outlined by Hatch, 1997) to determine how to adapt the project approach to the context. Bohn’s original model has not been widely followed up and appears a potentially valuable area for further study to understand how project and solution design processes need to change to reflect the relative importance of process v practice perspectives. Practices are required to address multiple
Appendices

perspectives on the organisation (process, practice, culture, management framework etc). [G6]

An important perspective on the organisation is that of performance measurement. Work is required to help to establish practices for effective measurement that will help to assess and to drive success in the realisation of benefits. [G7]

There is also a gap in relation to practices related to the challenge of sharing learning across projects and actually reflecting learning from other projects. [G8]

Closely related to both the IS capability and the need to take a broader perspective of the organization, is the challenge of adoption of benefits realisation methods. There has been some work on adoption of IS development methods but very little specifically on the adoption of benefits related methods. This is an important area as there is a clear problem with the lack of adoption in practice of benefits / organisational approaches to IS. [G9]

A key area for research is developing a management framework / approach for managing the benefits realisation capability. The role of practices has been identified as an avenue for exploration – as a way to share knowledge of what works that fits with how people actually work. Management of the benefits realisation capability needs to reflect the role of practices and the wider issue of competence development. [G10]

In a number of strands of literature the need for a greater focus on learning during a project is identified. The implications of this have not yet been developed. This is an important area in terms of the increasing ability of IS/IT to support new organizational forms, new ways of working and new products and services where there is major organizational innovation and change and there is a strong emergent element to the overall programme. [G11]

Finally, a key contributor to realising benefits is ‘doing the right things’ – selecting which projects to invest in. This is one aspect of benefits based planning and management of the project portfolio and includes the challenge of matching evaluation approaches to the project and project context. There is also a need for further work in this area. [G12]
Table CC-1 provides a link between the analysis of the gaps in this appendix and the summary in Chapter 2. It also shows the scope of the current research.

<table>
<thead>
<tr>
<th>Gap</th>
<th>Objective</th>
<th>Objective</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Benefits realisation approach to projects</strong></td>
<td>G1</td>
<td>Empirical work to strengthen the evidence for benefits management and in particular the level of adoption and the value of a practices perspective. A specific area relevant here, and to G9 &amp; G10, is the insights from Avison on the difference between methodologies and how project teams work in practice.</td>
</tr>
<tr>
<td></td>
<td>G2</td>
<td>Understanding of how to keep the benefits focus throughout the project.</td>
</tr>
<tr>
<td></td>
<td>G3</td>
<td>A project team model to enable effective benefits realisation.</td>
</tr>
<tr>
<td></td>
<td>G4 / G5</td>
<td>Team role(s) to enable team effectiveness and related use of technology.</td>
</tr>
<tr>
<td></td>
<td>G7</td>
<td>Practices for developing effective measures to assess and drive benefits realisation</td>
</tr>
<tr>
<td></td>
<td>G8</td>
<td>Practices to incorporate learning from other projects</td>
</tr>
<tr>
<td><strong>Perspectives on the organisation being changed</strong></td>
<td>G6</td>
<td>Use of a broader range of perspectives to understand the organisation being changed by the project and to plan the approach to change (e.g. process, practice, information, culture, management framework) and to adapt the approach to the context.</td>
</tr>
<tr>
<td><strong>Adoption of benefits realisation methods</strong></td>
<td>G9</td>
<td>Insight into the challenges of getting adoption of ‘benefits realisation’ approaches / methods by using a richer perspective on the organisation.</td>
</tr>
<tr>
<td><strong>Competences for benefits realisation</strong></td>
<td>G10</td>
<td>Test out the models developed by Ward and Peppard and develop a deeper understanding of, and framework for the management of the benefits realisation capability (addressing process, practice, culture, role of management, performance measures, etc).</td>
</tr>
<tr>
<td></td>
<td>G12</td>
<td>Empirical work on benefits based portfolio planning. Matching evaluation approaches to the project / project context.</td>
</tr>
<tr>
<td><strong>Role of practices in establishing a competence</strong></td>
<td>G6, G9, G10</td>
<td>The practices perspective provides a possible way to address a number of the gaps identified</td>
</tr>
<tr>
<td><strong>A learning focus for projects</strong></td>
<td>G11</td>
<td>A learning paradigm for projects for scenarios where there is significant innovation / change</td>
</tr>
</tbody>
</table>
The area addressed by the literature review is extremely important as it addresses a major business issue where very large sums are regularly wasted and major opportunities lost. In summary, there are a number of gaps in existing research literature:

- The limited empirical work on Benefits Management.
- Understanding of how organisations actually approach realising benefits.
- The factors affecting the adoption of Benefits Management.
- Understanding of how to establish an IS capability and specifically to develop the ability to realise value from investments in IS/IT through business change.