

DVLA Change Programme – Benefits Management

OGC Case Study

This case study describes DVLA's approach to implementing a new Benefits Management process. The Driver and Vehicle Licensing Agency (DVLA), with its strategic partner IBM, is running a complex Change Programme made up of over 40 projects with an annual investment in excess of £100million.

Background

The DVLA change programme generates a complex set of benefits including reductions of third party spend, headcount reductions, reduction in transaction timings and volumes, floor space savings and improvements in compliance such as reducing road tax evasion.

When building a change governance approach in 2003 the Change Programme Board recognised an immediate need to set out a process to ensure that these benefits and their return on the investment was identified, forecast and achieved.



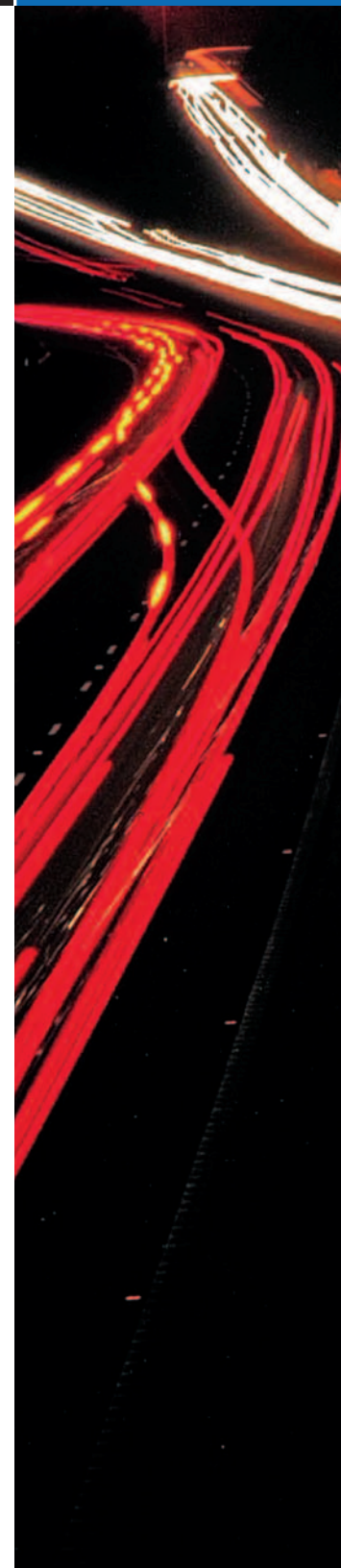
Responsibility for Benefits

DVLA's Programme Management Office (PMO) was given the responsibility for the Benefits Management process. A Benefits Manager has been appointed to ensure compliance with this process and ensure that forecast and actual benefit data is maintained. A Benefits Analyst has also been appointed; whose primary role is to carry out analysis of benefits realised by projects that have gone live.

The Benefits Manager works closely with programmes and projects which have responsibility for agreeing with the senior business managers the capability to be provided, the business case for the capability and the supporting benefits delivery plan which describes how and when specific benefits will be realised.

The senior business managers then identify who in their organisations will be responsible for realising and measuring benefits after each capability has been delivered. The end accountability for delivery of benefits remains with the business.

When we are involved in joint projects with other government organisations or partners, we expect them to manage their own internal benefits management process although we will ensure that they are aware of what they are signing up to.



Benefits Management

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The benefits are tracked using a benefits monitoring system run by the Programme Management Office

Process & Documentation

DVLA's Benefits Management approach covers the identification, measuring and tracking of benefits through the project lifecycle and then regular evaluation after go-live. The PMO has developed templates for the Benefits Management documentation to help teams collect the relevant information.

A benefits statement forms part of every stage of funding approval for a project from the initial concept through strategic and full business cases to the closure report, which passes responsibility for realisation to the business.

Each stage will generate further detail on benefit numbers and timing. The full business case will be accompanied by a Benefits Delivery Plan which will identify each benefit, who is responsible for delivering it, how it will be measured, the baseline position and the detailed forecast. This will be signed off by the Project Board.

The Benefits Delivery Plan may be revised during the remaining project lifecycle until project closure when the business owner will take responsibility. Subsequently the business owner will ensure that the actual benefits are measured each quarter.

The benefits are tracked using a benefits monitoring system run by the Programme Management Office, initially an Excel spreadsheet and subsequently a bespoke database. From this system the Change Programme Board receives a quarterly summary report.

DVLA's Benefits Management process is intended to:

- Increase the ownership and focus on Benefits Management
- Allow the Change Programme Board to take robust investment decisions
- Transfer Benefits Management skills to DVLA staff
- Provide accurate, consistent and timely management information to enable the management and reporting of benefits both within DVLA and externally
- Provide accurate reports on the success of programmes and projects to Change Programme Board
- Ensure buy-in from key stakeholders.

DIS-BENEFITS

DVLA's Benefits Management approach includes an additional focus on dis-benefits. The definition of a dis-benefit is 'any negative impact on business following a change'. This includes new and additional operational costs that are shown in the Business Case. These are also tracked and evaluated by the Benefits Analyst after the project has gone live until a steady state is achieved. DVLA found that although some projects fail to fully achieve forecast benefits they have lower operational costs than originally forecast still resulting in a net saving to DVLA. Conversely, some projects that do fully achieve the forecast benefits have done so with significantly higher operational costs, so the net benefit to DVLA is less than planned.

BEST PRACTICE RESOURCES

The PMO developed their overall framework for Benefits Management using concepts from Managing Successful Programmes, OGC guidance on business cases, and experience from IBM staff engaged in the Change Programme. They have also used shared experiences from other public and private sector organisations.



The DVLA benefits team

LESSONS LEARNED

Following the retrospective application of these processes to existing projects, benefits tracking started fully in early 2004. Some of our experiences from running the process are identified below:

- Projects that failed to achieve the forecast benefits had considerably reduced their additional operational costs resulting in a similar net saving to DVLA as planned
- Some projects were increasing operational costs to try to achieve forecast benefits. The additional costs over those forecast would negate any benefits achieved. Evaluation of dis-benefits identified this and enabled prompt mitigating action to be taken
- Evaluation has identified additional benefits not previously envisaged
- Duplication of benefits has reduced
- Delivery of project headcount reductions must be accompanied by an operational resource planning process that restricts the uncontrolled migration of staff to other work
- The Gershon driven Efficiency Programme has used the benefits data for its savings analysis
- Sceptical project managers can see the results of evaluation of other live projects and are now more supportive of the process
- Projects are being re-scoped where forecast benefits do not justify the expenditure
- The inclusion of all additional costs as dis-benefits has provided the Change Programme Board (CPB) with a clearer picture of the overall net financial benefit to DVLA
- Business case benefits are better understood if a Benefits Delivery Plan is produced at the same time. Projects that plan realisation of benefits at a later date often find that the benefits used to justify the project are not in practice realisable
- There were variable levels of buy-in from programme and project managers to the new Benefits Management approach. Support was required from the Executive and Change Programme Boards, with clear action for non-compliance
- Project managers did not see Benefits Management as part of their day job. A new project lifecycle with supporting templates and guidance was provided, together with PRINCE2 training for project teams
- Resource availability of experienced staff was a problem. The Benefits Manager provided workshops and mentoring for programme and project support staff
- Baseline data for benefits was difficult to find. It became apparent that baseline data should always be sourced from statistics routinely collected wherever possible
- Getting the buy-in to the benefits targets needed the explicit acceptance of key stakeholders and the relevant senior business manager
- Benefits Management is not about form-filling, it's a mindset that drives benefits accountability and delivery
- Benefits Management is part of a programme/project manager's day job, but they do need specialist support
- The need to focus on Benefits Management does not finish with the sign-off of the BDP. The challenge is to maintain momentum throughout the programme/project and beyond.



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OGC view

This case study highlights the emphasis on getting the buy-in at all levels to capture and track benefits in a consistent way. The DVLA is perhaps not typical of many departments in that its projects and services are highly transactional and centralised activities. DVLA has adopted a specific approach to handling dis-benefits where the costs associated with a new service are also tracked. This ensures that the advantages of new services (such as increased throughput) are balanced against the costs of these new services. The central role of the PMO in getting a new approach to Benefits Management off the ground is evident in this case study.

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