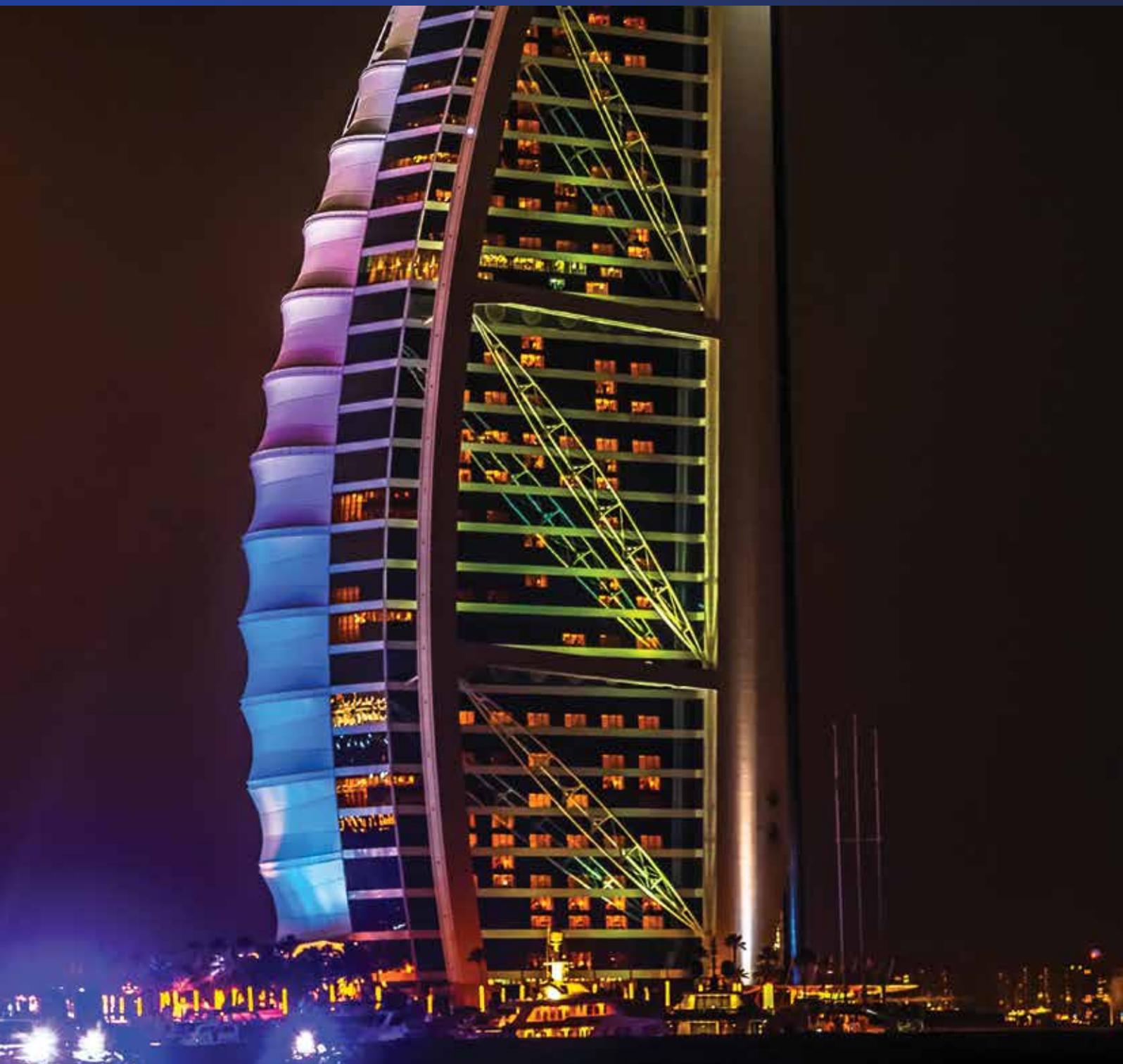


Successful Delivery of Change

How Managing Benefits™ is helping Dubai Customs optimize its return on investment

By Stephen Jenner, Author & Chief Examiner of Managing Benefits™ with
Mohammad Rashed Bin Hashim & Ajith Nair (Dubai Customs)



Introduction – Benefits Management

The reason organizations invest in projects and programmes is to realize benefits. As such benefits can be in terms of: increased revenue; efficiency savings; some tangible contribution to a strategic objective or business priority; risk mitigation; or to meet a legal or regulatory requirement or maintain business as usual.

Benefits are therefore not just one dimension of project and programme management – rather, they are the rationale for the investment of taxpayers’ and shareholders’ funds in change initiatives. As such benefits are, or at least should be, the driver behind all change initiatives.

Yet reports from professional bodies, audit agencies and academic research show that organizations in the public, private and 3rd sectors continue to struggle to demonstrate a return on their investments in change, with failure rates commonly in the 50-70% range. The significance of this is even greater in the current economic climate where the failure to optimize benefits realization may also put future initiatives at risk as investors lose confidence in the organization’s ability to effectively manage change.

Published evidence confirms the adoption of mature benefits management practices is linked to improved benefits realization, but unfortunately there is also a widespread and consistently low level of maturity in benefits management worldwide. For example, research by the PMI (2016)¹ noted, “Interest is high but few are doing it well”.

Examples of those who have been able to ‘buck’ this trend are therefore invaluable: in demonstrating how progress can be made in establishing and embedding an efficient and effective benefits management capability, and in validating the positive return on investment from managing the realization of benefits. One such example is Dubai Customs, which has been developing its approach to benefits management over the last five years.

¹PMI and BCG, (2016), Connecting business strategy and project management, PMI Thought Leadership Series.



Dubai Customs

The vision of Dubai Customs is to be, “The leading customs administration in the world supporting legitimate trade”, with the mission of, “Protecting the society and sustaining economic development through compliance, facilitation and Innovation”. In pursuing this vision and mission, Dubai Customs is responsible for: facilitating trade; securing the integrity of Dubai’s borders against attempted smuggling; collecting customs revenues; and ensuring that international conventions and agreements are strictly followed by the trade community.

In discharging these responsibilities, Dubai Customs also needs to comply with, and contribute to, Dubai’s vision, expectations and future expansion plans. To achieve this Dubai Customs has undertaken a major reform and modernization

program including investment in advanced infrastructure and state-of-the-art management facilities and services. Beyond this, Dubai Customs is committed to embedding a culture of continuous improvement – and as part of this, it actively seeks to identify and adopt global best management practices.

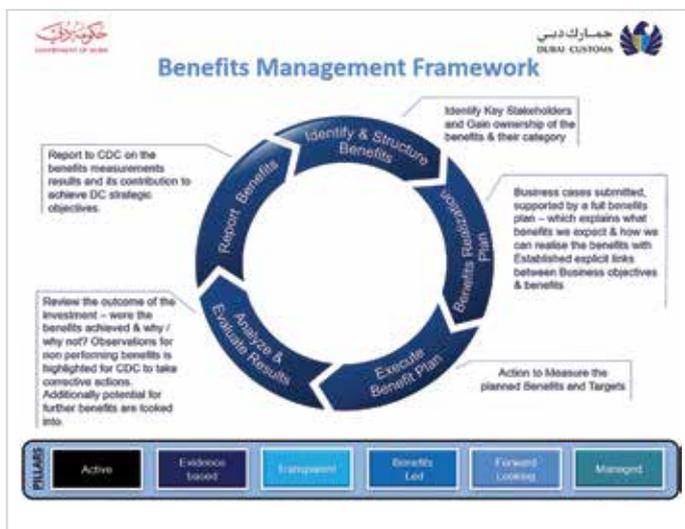
For example, Dubai Customs has benchmarked itself against relevant industry best practices receiving certifications in CMMI, COBIT, ISO, and Innovation Management. Dubai Customs has also been awarded the most prestigious Dubai Government Award (Best Project) for 3 years in a row, and also won the Distinguished Electronics Department award, in addition to awards by Ideas UK and Ideas Arabia. This commitment to continuous improvement is also evidenced in the area of Benefits Management.

The Development of Benefits Realization Management in Dubai Customs

Dubai Customs embarked on its Benefits Realization Management ‘journey’ in 2013. A key driver for this initiative was the Dubai Government Excellence Programme (DGE) Awards which are based on detailed audit of Government Departments’ practices, results and sustainability. Dubai Customs therefore sought to develop a portfolio-level Benefits Management Framework based on APMG’s Managing Benefits™ to leverage relevant global best practices, with the objectives of:

- Ensuring benefits are identified and defined clearly at the outset of an initiative, and are linked to strategic outcomes (via the Business Needs document - Demand Outline & Business Case);
- Providing alignment and clear links between the project/program and corporate objectives (via its objectives and desired benefits);
- Ensuring business areas are committed to realizing their defined benefits with assigned ownership and responsibility for adding value through the realization process (via the Benefit Realization Plan & Activity Tracker for monitoring and measurement);
- Using the defined, expected benefits as a roadmap for the project/program, providing a focus for delivering change (via the Benefit Quadrant feeding into Portfolio Management); and
- Driving the process of realizing benefits, including benefit measurement, tracking and recording benefits as they are realized, and managing benefits at a portfolio level to better budget and prioritize future initiatives (via the Benefit Realization Plan & Benefit/Value Quadrant).

Dubai Customs were keen to obtain an independent view to assess the progress made against these objectives and provide a roadmap for further development. Consequently, an independent ‘Managing Benefits Maturity & Benchmarking Assessment’ was conducted at the Department’s Head Office in early 2017 – this was the first time a government entity in the Middle East and North Africa has conducted such an assessment. This assessment confirmed that robust processes have been established based on recognized international best practice – see graphic below.



The fact that this process has been operating (with regular improvements) since 2013 indicates the process is embedded and repeatable. Specific strengths include:

- Clear allocation of responsibilities and accountabilities for benefits management and realization;
- Robust challenge of benefits forecasts by Customs Development Committee (CDC) members and the Demand Management Business Analysts;
- Short summary documentation focusing on the salient information – specifically the Business Case incorporating a Benefits Realization Plan;
- A clear Benefits Dashboard Report providing a transparent overview of benefits realization and ROI achievement, with drill down capability; and
- A strong focus on benefits realization post-project closure via the ‘Benefits Quadrant’ and drill down tracker.

Overall, the independent assessment concluded that the above is indicative of a disciplined and efficient approach to investment management. The process is also operating effectively with project/program benefits realization and return on investment (ROI) comparing well against forecast in most cases – and exceeding forecast in some. Indeed, the rigorous and disciplined application of ROI and benefits management practices have resulted in savings of AED146 million. Equally important, implemented projects have contributed a total of AED 10.9 billion to the Dubai Customs strategic objectives.

These findings were also corroborated via a survey of key stakeholders which found an average rating for Dubai Customs of 3.22 out of 4 compared with a benchmark average organisational score of 2.16; and Dubai Customs achieved a higher average score for all areas compared with the benchmark data.

As a result, it was judged that Dubai Customs is performing at ‘Level 4 – Advanced’ maturity for Managing Benefits and based on benchmark data, is operating in the top 20 percentile of organisations worldwide.



Whilst recognition of progress made is important, Mohammed Rashid Bin Hashim, Senior Manager of Demand Management, says recognition will, **“open the way for more gains in the race for distinction and success in project delivery.”**

Implementing efficient & effective Benefits Realization Management

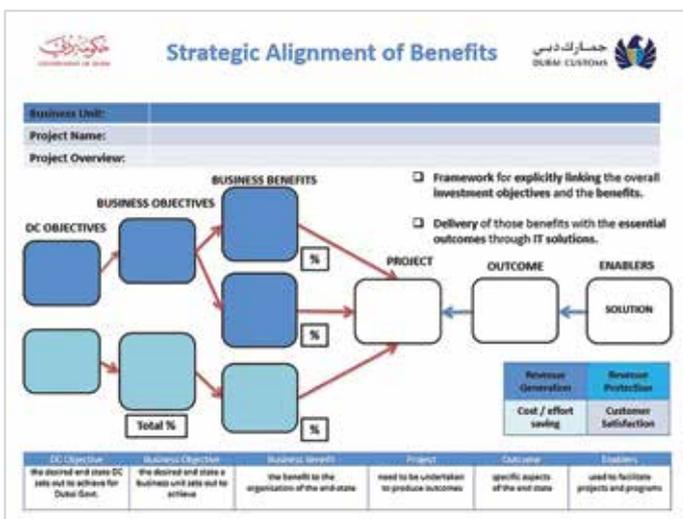
Local practices were evaluated against the Managing Benefits 'Health Check' assessment. The details are shown against each of the 10 following key elements.

KEY ELEMENT 1

The benefits from change initiative(s) are clearly identified in measurable terms that demonstrate strategic contribution.

Evidence from Dubai Customs includes:

- Feasibility studies address either a business problem to be resolved, or a business opportunity to be seized.
- When a business need is identified, a business analyst is assigned to do an initial validation of the need.
- Benefits Dependency Maps are included in the Business Case linking Business Benefits to Business Objectives and in turn to Dubai Customs' Strategic Objectives.
- The Benefit Realization Plan documents the Business Objectives aligned to the benefit drivers, baseline data measurement criteria, data source and the forecast measurement duration.



KEY ELEMENT 2

Benefits forecasts are robust and realizable.

Evidence from Dubai Customs includes:

- Business need and benefits forecasts are validated by the Demand Management function (independent Business Analysts).
- Benefits forecasts are signed off/approved by business owners.
- Benefits and ROI are robustly challenged at the governance board – the CDC.
- Tracking reports indicate a culture of 'under promise' and 'over deliver' rather than over-forecasting and failing to deliver on the promise.



KEY ELEMENT 3

Benefits are expressed and quantified consistently by all change initiatives so enabling reliable portfolio prioritization

Evidence from Dubai Customs includes:

- A clear benefits categorization framework is in place encompassing: cost savings; revenue protection; revenue increase; and customer satisfaction benefit categories. Although this last category is not yet operational, its inclusion encourages closure of the 'gap'.
- The project level benefit dashboard tracks benefits realized under these categories.

KEY ELEMENT 4

Responsibilities are clearly defined for realizing each benefit and for delivering the business and enabling changes on which benefits realization is dependent.

Evidence from Dubai Customs includes:

- Business Sponsor ownership (accountability and responsibility) for agreeing benefits quantification and for benefits realization is clearly established and applied – funding is only provided if the Business Sponsor presents the case at CDC.
- A Benefits Realization Plan is required to be presented with the Business Case.
- The Business Sponsor in effect fills the role of Benefits Owner given the focus on the top two to four most important benefits from each project.

KEY ELEMENT 5

We don't stop at the hurdle rate of return, but instead look for all potential benefits.

Evidence from Dubai Customs includes:

- Performance post-project closure is monitored and ways of improving benefits realization are considered – for example, via the Benefits Quadrant – see diagram under Key element 9.

KEY ELEMENT 6

The investment rationale and value-for-money position is tested on a regular basis with formal re-commitment to benefits realization so that there are no ‘orphan’ initiatives.

Evidence from Dubai Customs includes:

- Business sponsor sign off of the Benefit Profile/Benefits Realization Plan.
- CDC scrutiny of financials and ROI to release CAPEX funding.
- Demand Management benefits tracker reporting, including ROI.
- Monthly CDC meetings.
- Clearly defined RACI for Benefits Management – see below

Deliverable Name	Business Owner	Demand Mgt/ Demand Analyst	Project Manager	Sign-Off Responsibility
Demand Outline	A	R	I	CDC
Feasibility Study	A	R	I	BO/PPD /DM
Business Case	A	R	I	CDC
Benefits Realization Plan	A	R	I	BO
Updated Business Case	A	R	I	CDC
Updated Benefits Realization Plan	A	R	C	BO

KEY ELEMENT 7

Measures used provide a ‘rich picture’ on benefits realization and rather than encouraging perverse incentives they engage the user in exceeding forecast.

Evidence from Dubai Customs includes:

- The Benefits Realization Plan includes baseline benefit measures and measurement criteria.
- The project level benefit dashboard highlights the business objectives to benefit driver alignment and their realization with indicators.

KEY ELEMENT 8

Benefits realization is monitored on an active basis with prompt corrective action being taken to address emerging shortfalls and to mitigate known and emergent dis-benefits.

Evidence from Dubai Customs includes:

- Benefits and ROI Dashboard reporting is in place (see top right) and is a real strength of the process – incorporating a clear high level overview with drill down facility to assess benefits realization and ROI status on each initiative.

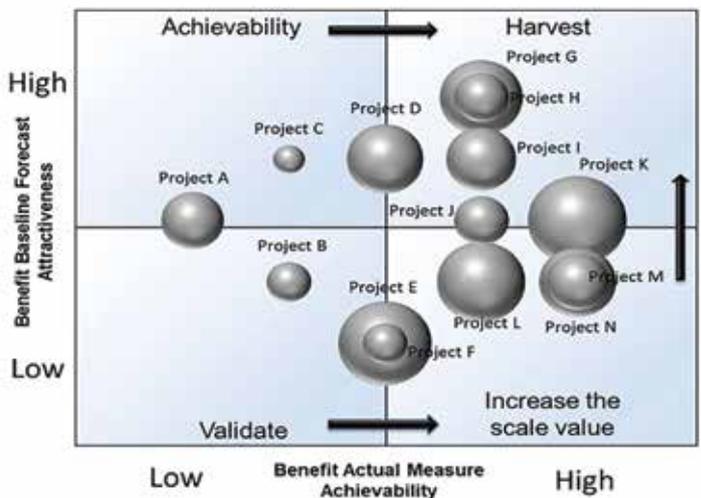


KEY ELEMENT 9

Effective action is taken to identify and leverage emergent benefits.

Evidence from Dubai Customs includes:

- The ‘Benefits Quadrant’ clearly focuses attention on areas in which improvement is required – monitoring benefits realization on completed initiatives and highlighting areas in which improvement is required. See below.



KEY ELEMENT 10

Checks are undertaken to assess whether the performance matched ‘the promise’ and identify and apply lessons learned.

Evidence from Dubai Customs includes:

- The Demand Management function conducts a customer satisfaction survey with the Business Owners for all completed projects.
- Benefits Realization and Sustainability Audits are also undertaken.
- The PMO tracks and analyses results of the survey and conducts root cause reports to the Project Delivery Head.

Lessons Learned and Next Steps

According to Mohammad Rashed Bin Hashim and Ajith Nair, the key lessons learned by Dubai Customs to date include:

- 'Start with the end in mind' - think carefully about the benefits you want to achieve, then design a portfolio of projects that will allow you to realize them. Thinking of the projects first and then trying to align these to the corporate strategy is just wrong;
- Beware of 'rogue' projects i.e. those that make no real strategic contribution and which consume valuable resources and distract attention from delivering the organization's strategy;
- Benefits forecasts and practices should be driven by evidence;
- Active sponsorship is essential for successful delivery of projects/programmes and therefore the expected benefits. The Business Owner needs to ensure that the project/programme delivers the expected benefits;
- Benefits reporting must be transparent based on open and honest forecasting & reporting with a clear line of sight from strategic objectives to business benefits;
- Maintain a focus on benefits beyond project closure with ongoing participative stakeholder management;
- Benefits management must be forward looking and must evolve through learning and continuous improvement; and
- Organizations must infuse a value culture to effectively mature in benefit realization driven by an unwavering focus on the actual realization of benefits.

The benefits management journey is however not complete and Dubai Customs are never prepared to 'rest on their laurels'. Next steps include:

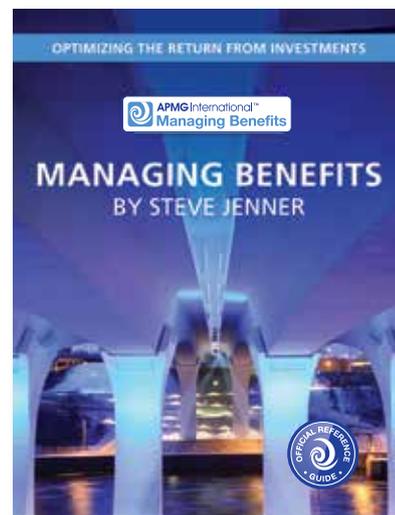
- Risk-based benefits forecasting using the PERT analysis technique;
- Developing a Benefits Measures Dictionary;
- Regular Benefit Health Check Surveys; and
- As part of the Dubai 'Happiness' agenda - capturing measurements for internal qualitative benefits and external customer benefits.

Ultimately what Dubai Customs have achieved is very impressive – beyond adopting and applying the tools and techniques of benefits management, Dubai Customs are seeing the benefits in terms of significantly higher benefits realization and ROI.

About Managing Benefits™

The Managing Benefits guidance and certification scheme provides managers and practitioners from multiple disciplines, working in a variety of organizations, with generally applicable guidance encompassing benefits management principles, practices and techniques, including:

- An overview of benefits management - what it is, the case for doing it, and some common misconceptions that can limit its effectiveness in practice.
- Descriptions of the seven principles upon which successful approaches to benefits management are built, and examples of how they can be/have been applied in practice.
- Guidance on how to apply benefits management at a portfolio level, as well as at an individual project or programme level.
- Details of the five practices in the Benefits Management Cycle and examples of how they can be/have been applied in practice.



Managing Benefits has been carefully designed to complement existing best practice in portfolio, programme and project management. It consolidates existing guidance on benefits management into one place, while expanding on the specific practices and techniques aimed at optimizing benefits realization.

For more information visit:
www.apmg-international/managingbenefits

FOLLOW US ONLINE

