Project management 101 *by Zavanak*

1. WHAT IS A PROJECT?

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1.2 Benefits

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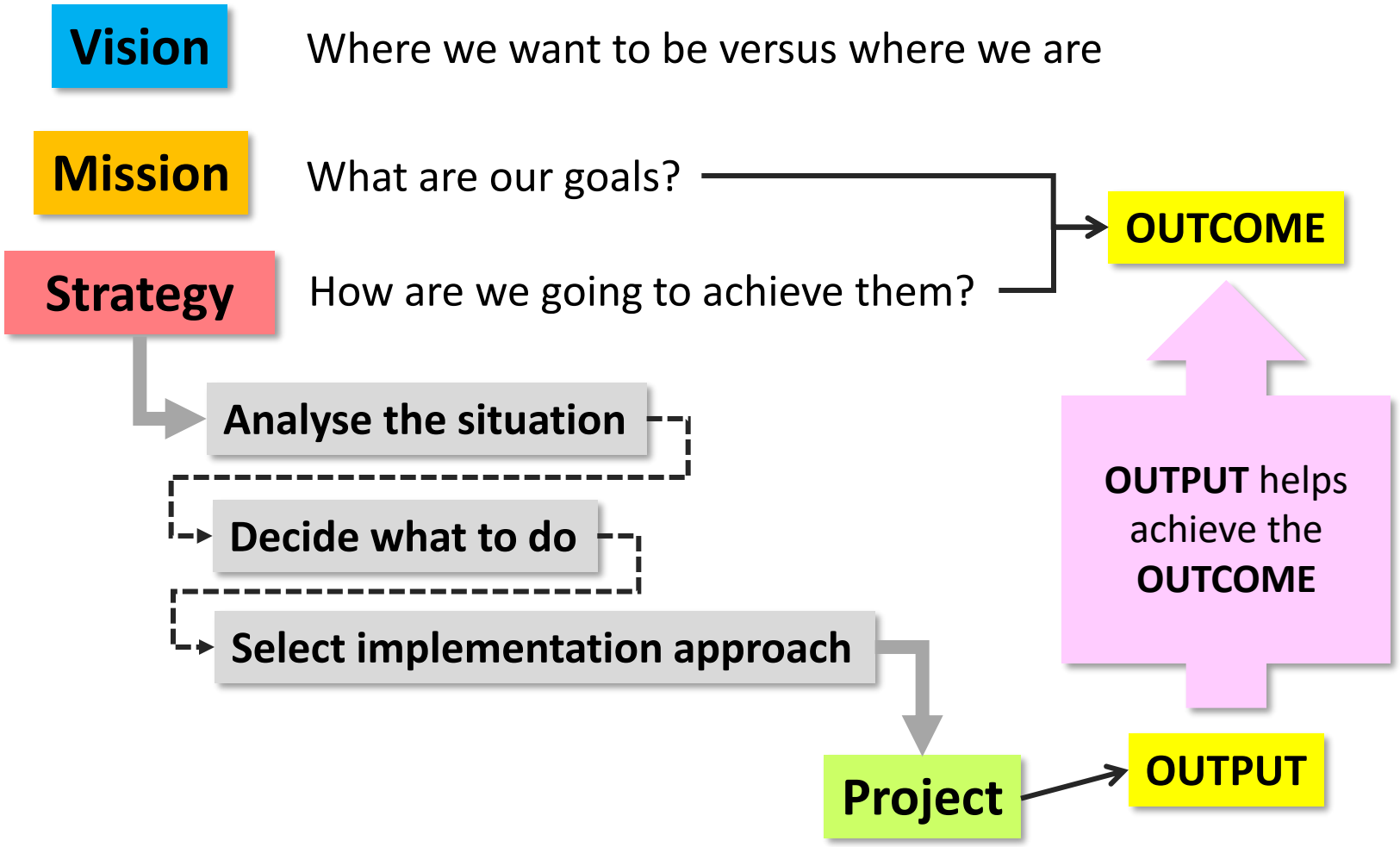
Delivering the strategy



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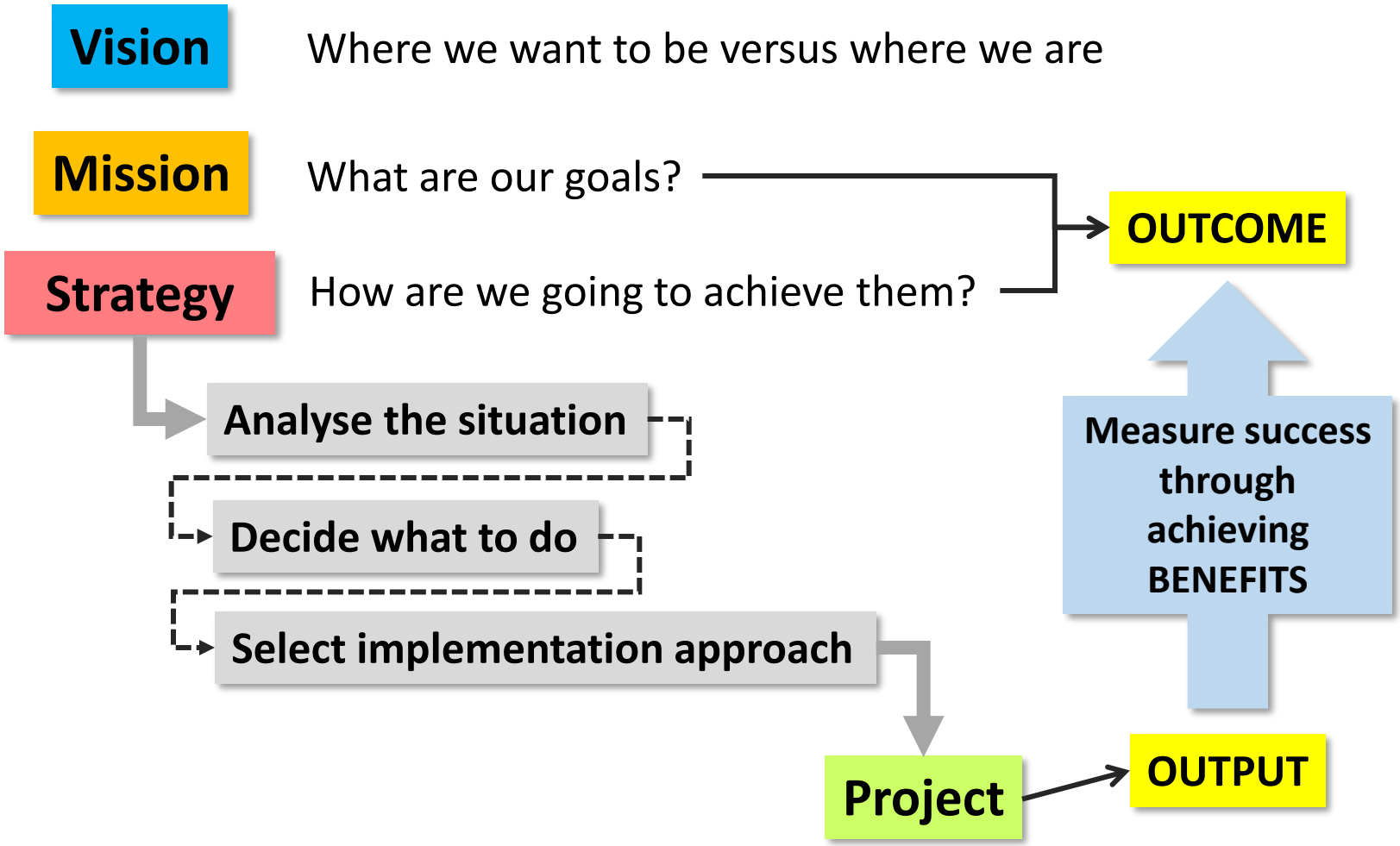
Proving the strategy



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Benefits measure the outcome

- The **strategy** identifies and specifies the desired **benefits** which will prove the **outcome** has been achieved.

- One or more **projects** are set up to contribute to realising those benefits.

- The **output** of each project is tested to see how well it delivers the benefits.

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Benefits over time

Detectability	*Easy to measure*	*Harder to measure*
Immediate	• Reduced development cost • **Reduced time to market** • Lower product cost • **Lower service delivery cost**	• **Higher employee morale** • More innovative culture • **More effective management** • Crisis averted or contained
Short term	• High sales revenue • **Greater productivity** • Higher usage • **Performance targets met** • Improved market share • **Reduced warranty claims** • Compliance with new rules	• **Increased customer satisfaction** • Improved customer service • **Better organisational learning** • Favourable media profile • **Greater investor confidence**
Longer term	• **Overall market growth** • Higher profits • **Improved RoI** • Policy fully implemented	• Burnished reputation • **Indirect positive outcomes** • Catalytic effects • **Access to new markets**

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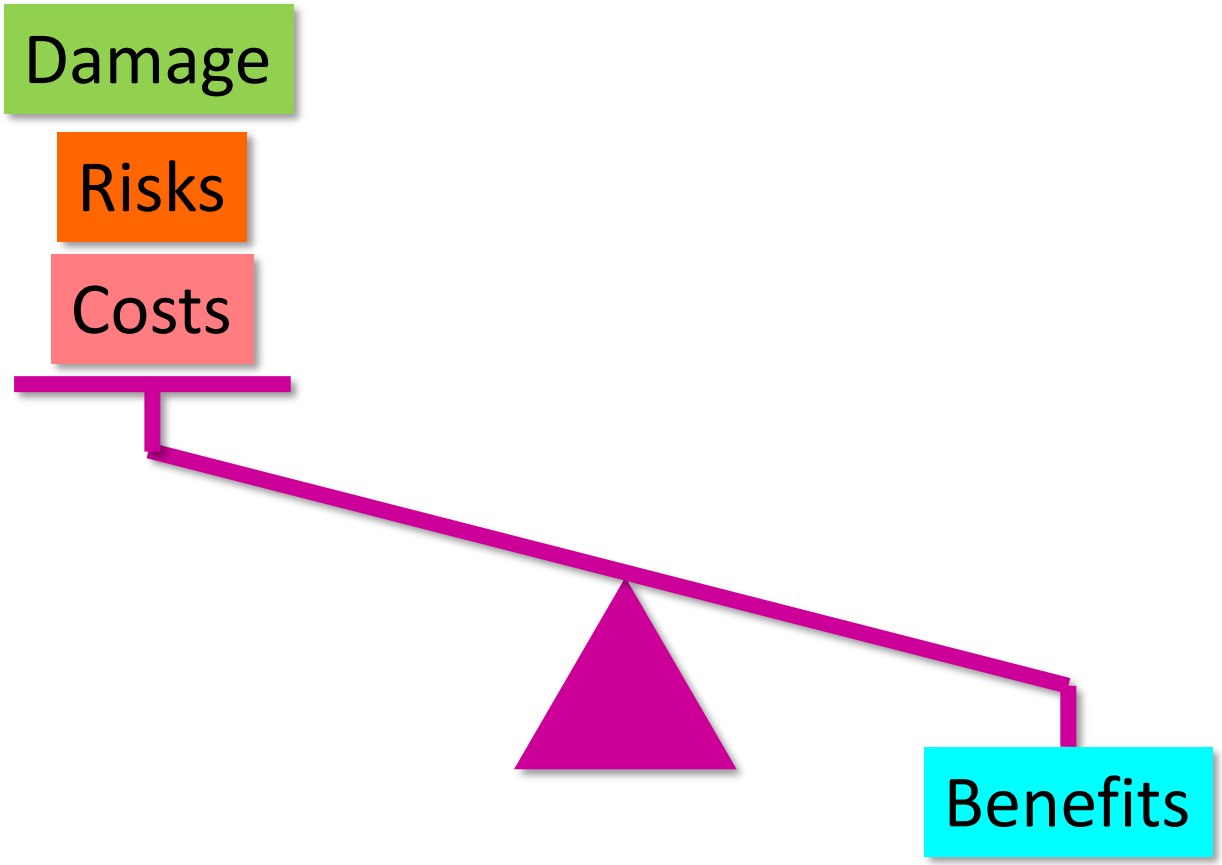
The benefits trade-off



Lower costs and fewer risks and less damage may yield smaller benefits.

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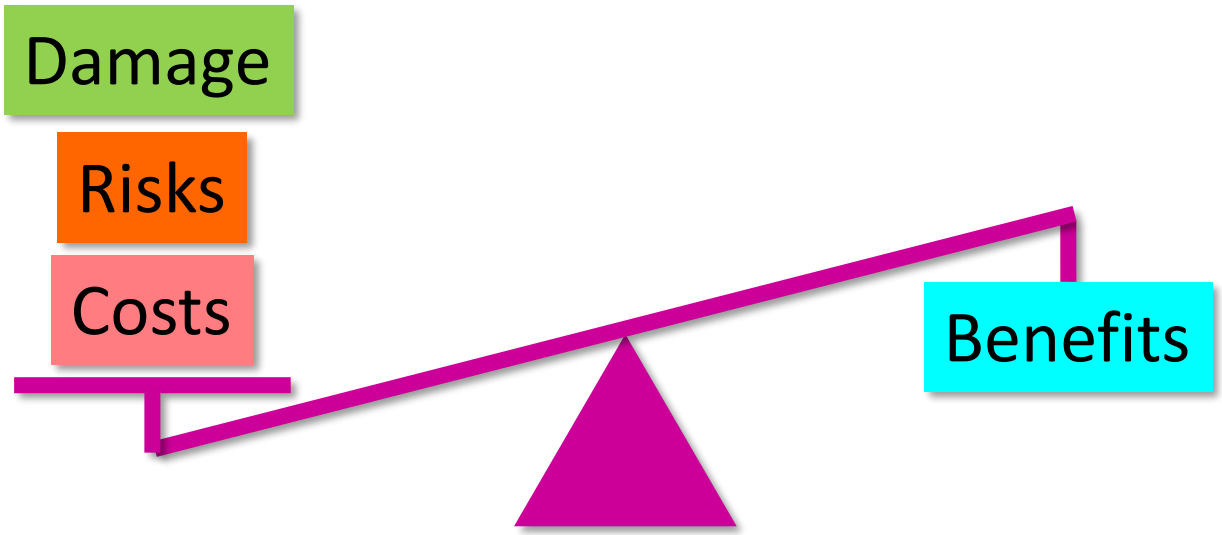
The benefits trade-off



Higher costs, more risks and more damage may yield larger benefits.

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The role of the project

Current state

GAP

Identify the desired **benefits** and the required **outcome**

Analyse how those benefits can be achieved

Plan the most effective project to deliver those benefits

Carry out the **project**: create the **output**

Check the project is realising those benefits as it goes

Manage the **transition** of the output into everyday use and the embedding of the required benefits

Desired state (the outcome)

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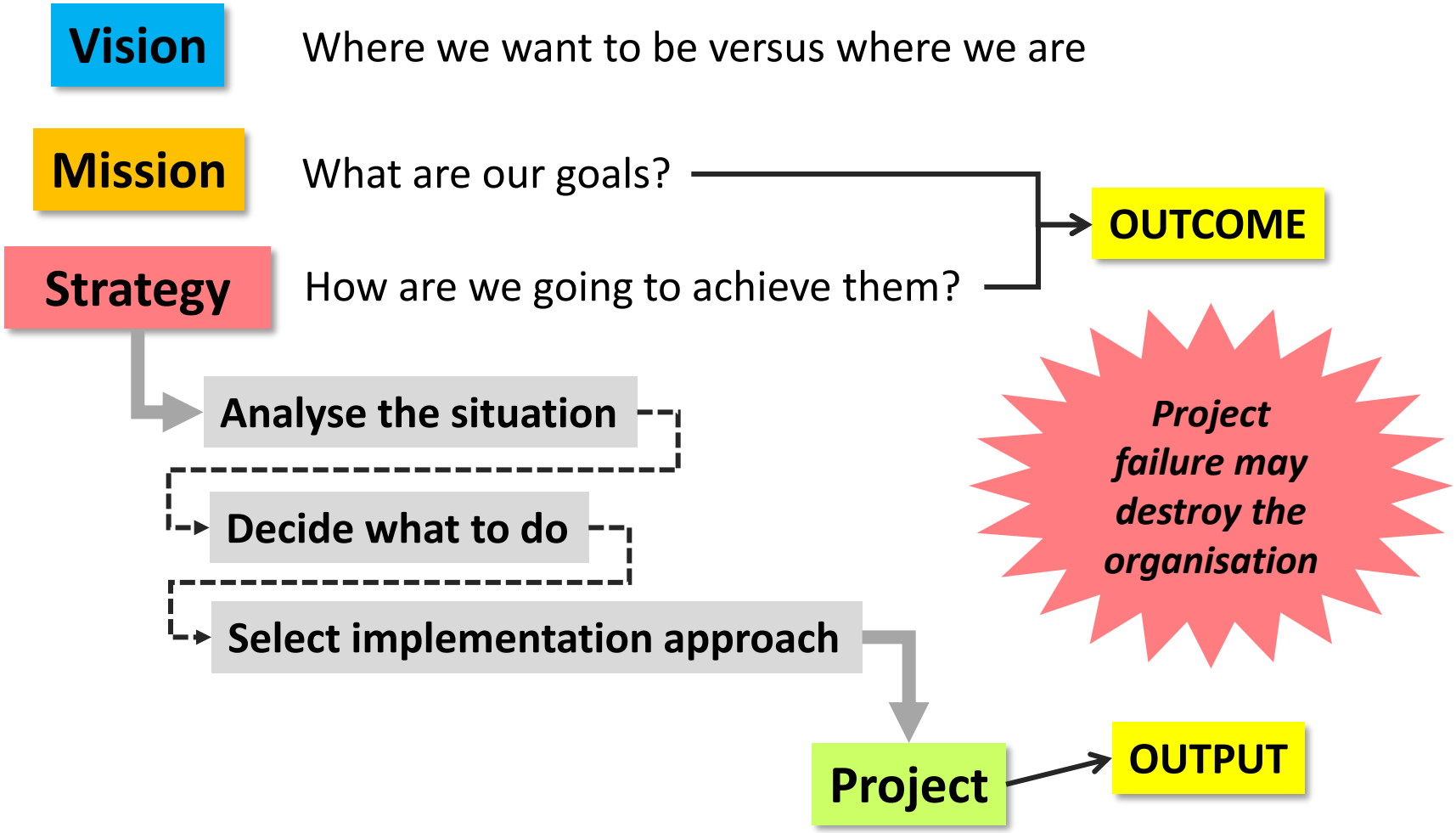
The price of project failure



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There are usually drawbacks* too

High speed inter-city rail project

BENEFITS

- Economic regeneration along the route
- **Thousands of construction jobs**
- Dramatic increase in rail passenger capacity
- **Growth in national technical skills and know-how**

DRAWBACKS

- Damage to beautiful countryside
- **Long term financing commitment**
- Major disruption during construction
- **Pollution and emissions due to building materials**
- Huge opportunity costs – could be spent on other worthy projects

* Often called disbenefits

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