

Benefits Management Essential For Business

Benefits Management refers to the management of benefits obtained from various change programs undertaken by an organization. The function of Benefits Management is to: determine the benefits that each project would provide to an organization; maximize the benefits for a project; and at the end of a project determine whether the predetermined benefits have actually been obtained. Benefits Management comes into focus before beginning a project, during the implementation of a project, as well as at the end of a project.

Benefits Management is quite different from project management. Traditional project management methodologies normally focus on time, cost, and quality and a project manager is responsible for administering and monitoring a project, and ensuring that it is completed on time. The benefits manager is responsible for benefit determination and evaluation of a project. In case of benefit determination, the task of a benefits manager begins before that of a project manager, i.e. before the implementation actually begins. Thereafter, on completion of the project, the task of the project manager ends, while the role of the benefit manager comes into focus in benefit evaluation. During the implementation of the project, the benefits manager and the project manager have to work in synchronization with each other.

From the above discussion, it is clear that the first step in Benefits Management is determining the benefits that would be obtained from a project in a clear-cut manner; both the tangible as well as intangible benefits foreseen through a project need to be defined. These benefits need to be prioritized, which is necessary for the selection of the right project. The benefits manager also has to develop suitable measures and timeframes for the benefits. However, measuring the benefits of a project can be a difficult task. It becomes even more complicated in case of measuring intangible benefits. Surveys of staff members, customers, etc. can help in this process. Sometimes, statistical models are utilized for the measurement of benefits.

During the implementation of a project, at regular intervals, the benefits manager has to check whether the benefits are being achieved within the specified time frame. He also has to determine whether there is a possibility of maximizing the benefits, and suggest appropriate measures to the project manager.

The benefits provided by a project are affected by several internal as well as external circumstances, which are subject to change. Hence, in the course of implementation of a project, it may sometimes happen that a certain change in the internal or external environment of the firm reduces the pre-determined benefits of the project. In this situation, the project might have to be scrapped altogether or modified. This situation is known as 'benefits creep'.

After the completion of the project, the benefits manager measures the actual benefits received, using the measurability criteria developed in the first stage. At this stage, discrepancies between actual and pre-determined benefits are noted, and reasons for the same are gauged.

Why is Benefits Management essential? Benefits Management helps in determining the benefits that each project would provide to the firm, and therefore helps the management in selecting the right projects. Unnecessary projects, which would not provide any real benefit to the firm, can be avoided and optimum use of available resources can be made. As the benefits manager constantly monitors the benefits obtained throughout project implementation, there is a greater probability of the predetermined benefits being achieved and if any negative aspects arise within a project, they can be dealt with straight away. Benefits Management can also help in interlinking similar projects so that the benefits obtained from each project can be maximised.

About the Author

Richard Watson wrote the article 'Benefits Management Essential for Business' and recommends you visit <http://www.afaprojects.com> for more information on [benefits management training](#).

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