

BEYOND BENEFIT FORECASTS

Transformation Never Realises Its Benefits Because It Treats Value as a Forecast — Not a Decision

A practitioner's reflection on the accountability gap between temporary delivery and permanent operating consequence



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“A benefit is realised only when someone changes an operating commitment, not when a programme completes an output.”

1. The programme succeeded and the value did not

The steering group approved closure with satisfaction. The new operating system was live in seven business units, 4,800 staff had completed training and every planned migration had finished. The programme had spent £68 million against an approved budget of £70 million.

The final report still carried £24 million of annual benefits.

When finance reviewed the evidence ten months later, it could identify £6.5 million in changed expenditure. Operations claimed further value through faster processing and improved information, but the baseline had shifted and no one could separate the programme effect from changing volumes. Local managers had retained old checking routines. Planned role reductions had become “capacity release”. Two sites remained open because the property decision had been postponed.

This composite outcome is familiar because the governing mistake is familiar. We ask programmes to promise benefits in order to win approval, but we do not require the permanent organisation to make the decisions that turn those promises into results.

The failure is not primarily one of measurement. It is one of consequence.

A benefit is realised only when someone changes an operating commitment, not when a programme completes an output.

2. The business case creates the illusion

The business case asks a necessary question: why should this investment proceed?

To answer, transformation proposals translate better capability into value. A common process becomes fewer roles. Better purchasing information becomes lower expenditure. Faster handling becomes productive capacity. A consolidated system becomes reduced support cost.

The arithmetic gives leaders something comparable. It also makes causality look more direct than it is.

The programme can deliver the common process. It cannot guarantee that local work will stop. It can provide purchasing information. It cannot compel managers to use negotiated arrangements. It can reduce handling time. It cannot decide whether released capacity leaves the budget, absorbs demand or disappears into fragmented schedules.

At approval, these operating decisions are assumptions. After delivery, they are the benefit.

That is why benefits realisation has remained transformation's unkept promise. The programme controls the enabling work and the business controls the consequential work, but the investment is governed as though one naturally produces the other.

It does not.

3. What practice reveals that the framework conceals

The textbook sequence is sensible: identify benefits, define measures, assign owners, track progress and review outcomes. No serious practitioner should argue for less discipline.

But lived programmes reveal the limits of those verbs.

“Identify” often means converting ambition into numbers before evidence is strong.

“Assign” often means placing a senior name beside a result assembled by other people.

“Track” often means reporting a forecast whose underlying operating decisions remain outside the plan.

“Review” often means explaining variance after the useful intervention date has passed.

The framework conceals a category error. It treats the benefit as an object to be managed. In reality, the benefit is the result of a chain of commitments across functions.

A £5 million saving may require:

- a new system delivered by the programme;
- adoption enforced by operational managers;
- an old process withdrawn by policy owners;
- vacancies held by human resources;
- a supplier arrangement ended by procurement;
- a budget reduced by finance;
- service risk accepted by an executive.

A register can hold the £5 million line. It cannot substitute for this governing chain.

Benefits fail when a cross-organisational decision system is reduced to a line item with one owner and one date.

4. The hard part is removal

Transformation is comfortable with addition. We build systems, introduce processes, create shared services, publish procedures and train staff.

Value usually requires removal.

The old spreadsheet must stop. The duplicate check must disappear. The local variation must be surrendered. The contractor must leave. The budget must fall. The vacant post must remain vacant. The facility must close.

These acts carry consequences that delivery milestones do not. They alter power, resilience, identity and local discretion. A manager asked to remove experienced staff hears operational risk where the business case sees efficiency. A business unit asked to adopt a standard process sees lost control where the programme sees simplification.

This is not resistance in the abstract. It is rational defence of local obligations.

Benefits frameworks often understate this because they describe change in the language of outcomes. “Reduce support cost by 20 per cent” sounds like a result. In practice, someone must decide which support disappears, when, and what risk remains.

Until that decision is named, authorised and scheduled, the benefit is not owned.

5. A promise distributed until it disappears

Consider a composite shared-service programme in April 2006. The case forecasts £14 million of annual value across four divisions.

The programme director owns implementation. A finance director is named as benefit owner because the value is financial. Divisional leaders own local adoption. Human resources controls establishment changes. Property controls two office leases. Procurement manages an external processing contract.

The register shows one benefit owner. The mechanism has six authorities.

Six months before launch, the programme asks divisions to stop recruiting into roles expected to be removed. Two comply. Two argue that service targets make the restriction unsafe. Three months before launch, the property committee defers a lease decision pending firmer migration evidence. The external contract requires notice before the programme can prove stable performance.

Every deferral is defensible within the authority making it. Together they cut the achievable first-year benefit from £14 million to £8.3 million.

The board does not see an investment decision. It sees several amber dependencies.

That translation is the point of failure. When a benefit assumption becomes an operating conflict, the governance process should force a choice. Instead, the conflict is absorbed into reporting until the date moves or the forecast quietly weakens.

The promise has not been broken by one negligent owner. It has been distributed until no one possesses enough authority to keep it.

6. The strongest objection: benefits cannot be guaranteed

There is a serious case against imposing harder benefits accountability.

Transformation operates under uncertainty. Demand changes. Managers learn during implementation. Some value is qualitative. Causality is difficult to prove. If leaders insist on fixed benefit commitments, teams will either become over-cautious or manipulate

measures. The programme may miss opportunities that were not visible in the original case.

This objection is right about uncertainty. It is wrong about consequence.

A benefits discipline should not pretend that a forecast is a guarantee. It should make uncertainty visible and govern what happens when evidence changes. The practical requirement is not perfect prediction. It is an agreed route from changed evidence to changed action.

When the forecast weakens, leaders should be able to choose:

- fund an enabling action;
- rephase operational change;
- reduce or redirect scope;
- revise the benefit;
- continue for strategic necessity;
- stop remaining investment.

The alternative is not flexibility. It is drift.

Uncertainty is a reason to revisit the case, not a reason to leave the original promise untouched.

7. Ownership must include authority and refusal

Benefits ownership is commonly treated as a moral obligation. A senior manager is named and expected to make the result happen.

Real ownership is more demanding.

The owner must understand the causal mechanism, influence the operating decisions and have access to the authority needed for cross-functional conflicts. The owner must agree the evidence before performance begins. The owner must also be able to reject an implausible commitment before approval.

This refusal right matters. If a manager cannot challenge the baseline, target or enabling plan without appearing uncooperative, the organisation will obtain a name and lose honesty.

Ownership should answer four questions:

1. What outcome is the owner accepting?
2. Which decisions can the owner make directly?
3. Which dependencies require action from others?
4. Which authority must intervene when those dependencies fail?

A name without these answers is not accountability. It is a place to send the variance.

8. Finance can prove the result but cannot create it

Finance has an indispensable role. It can distinguish a reduced budget from released hours, identify double counting, test the baseline and show whether expenditure changed.

But finance cannot realise most benefits.

It cannot compel a business unit to abandon a local process. It cannot make managers use a common arrangement. It cannot remove contingency from an operating model. It cannot decide that service risk is acceptable.

When finance becomes the default owner, the organisation turns an operating transformation into an accounting argument. The numbers improve while the mechanism remains unchanged.

The correct boundary is clear:

- operations owns the result;
- the programme owns enabling capability and integrated dependencies;
- finance owns measurement integrity;
- the investment owner owns continuation decisions;
- the portfolio or programme office owns the discipline connecting them.

Every role is necessary. None can replace the others.

9. The business case should govern delivery

The business case often becomes dormant after approval. The programme plan, budget and risk register take over. Benefits are reviewed, but they do not drive routine decisions with the same force as cost and schedule.

This allows value to erode through many small choices.

Training is reduced to protect budget. A legacy process remains to protect service. A supplier extension protects transition. Local roles remain to protect month-end. Each decision can keep the programme on track while weakening the return.

A live business case should preserve three numbers:

- the approved value;
- the current evidence-based forecast;
- the realised result.

It should also preserve the mechanism explaining the difference.

If the current forecast falls beyond tolerance, the board should reconsider the investment. The response cannot be limited to changing the traffic light. Otherwise, cost and time are controlled while value is merely observed.

The business case is not the ticket into the programme. It is the reason the programme continues.

10. Closure is where truth catches up

Programme closure creates a dangerous moment of apparent completion.

Delivery accountability ends cleanly. Benefits rarely do. Measures may require another year. Operating changes may remain incomplete. Owners may change roles. The programme office that understood the assumptions disbands.

If benefits are still carried mainly through programme reports, they will fade.

Closure should require an operating transfer with:

- named measures and data sources;
- remaining actions and dates;
- owners with authority;
- budget and staffing consequences;
- unresolved assumptions;
- a forum able to revise the case;
- a date for final outcome review.

The programme may end. The governing obligation should not.

Benefits that cannot survive the programme office were never embedded in the business.

11. The promise can be kept — but only by changing who promises

Transformation should stop promising benefits on behalf of operations.

It should present a joint commitment. The programme commits to capability. Operational owners commit to adoption, removal and performance. Finance commits to evidence. The investment owner commits to decide when assumptions fail.

The benefit exists only when these commitments form one governed chain.

This position is less comfortable than the conventional model. It exposes the operating decisions behind attractive totals. It may reduce the value in the original case. It may reveal that an owner lacks authority or that the organisation is unwilling to accept the necessary consequences.

That discomfort is useful. It moves doubt to the beginning, when leaders can still shape or reject the investment.

Benefits realisation has remained the promise transformation has never kept because the wrong institution makes the promise. A temporary programme cannot guarantee a permanent operating result. It can only create the capability and force the necessary decisions into view.

The value becomes real when the permanent organisation accepts those decisions as its own.

Until then, the benefit is not a commitment. It is a hopeful explanation of why the programme should exist.