#  Testing benefits – are you on track?

## Benefits management is a journey

It is not enough to identify benefits before starting an initiative and expect them to be achieved automatically by simply delivering the planned outputs. Benefits can be eroded during the project through increased costs, reduced quality and/or longer timeframe. Similarly, new benefits can be identified along the way. Therefore, it is necessary to test benefits at different stages and milestones of the project, to assess whether or not you’re on track to achieve the benefits.

## The benefits testing tool – how does it help?

The testing tool will help you validate the assumptions around your project’s planned benefits through experiments. It provides a snapshot of how the potential benefits of a new product, service or feature can be tracked and measured while still under development. It does this by creating an informed guess or **hypothesis**, about the expected outcome. This hypothesis is then tested incrementally through experiments as the product or solution is developed and rolled out. This helps minimise the risk of implementing something that is not fit for purpose.

It can be an effective tool to help develop **lead indicators** or **predictive** (before) **measures** for a benefit, as opposed to **lag indicators** or **output** (after) **measures**. So in a way, it can act as a compass for your project’s benefits journey and help you adjust your course by tailoring your product or solution, if your test results don’t match your expectations.

While the approach is primarily designed for agile product development environments, it can be effectively used to monitor the benefits of any initiative regardless of the delivery methodology. It can also be applied to the development of a new product, service or system or business process improvement, or even a new policy.

## Who’s involved?

Benefits testing is a collaborative activity which needs to involve end users, subject matter experts, change advisors, designers, developers and testers. The business analyst, change analyst or User Experience (UX) expert is the best person to fill in the template as they are likely to be more customer focused. The business or benefit owner, or product manager would need to review and approve this as they are accountable for the outcomes of the product or solution.

## When’s a good time to develop and test this?

Ideally, the benefits hypothesis should be drafted at the concept, ideation or start-up phase of an initiative. It must then be continually refined as the product or solution is shaped and more information is available, specially at the major stage gates of a project, such as before the business case is signed off, before it goes into delivery, before each release, and before final handover to the business. In the Agile world, the reviews should align with the end of a sprint or programme increment. This enables the product or solution to be modified according to the experiment results. The experiments themselves should be set up and run before and after piloting or soft launching a product or solution.

## You’ve tested your benefits hypotheses. Now what?

So what do you do with the results of your benefits experiments? Here are some possible scenarios:

1. Your benefits hypothesis is validated and is right on target – do nothing, or set yourself a stretch target.
2. You’ve fallen short of your target measures – evaluate what adjustments need to be made. Maybe the feature or solution needs to be tailored or maybe more training is required to drive adoption.
3. You may find that you have uncovered a new benefit or identified a disbenefit from the results – for example maybe hits to your website have increased but your support call volumes have gone up. In this case, you might want to record the new benefits and think about how you will offset the disbenefits.
4. Finally, you may discover that the tests or measures themselves may need to be refined to provide better evidence for your benefits. For example, you may find that you are surveying the wrong customer segment or asking the wrong questions in your survey.
5. Whatever the results, make sure these are reflected in all your benefits documentation like the benefits map, benefits profiles, benefits register and benefits reports. You would also need to raise a project change request if you realise you will not be meeting a particular benefit.

#  Benefit Testing Tool

|  |  |
| --- | --- |
| Project/Programme name: | [XYZ Project] |
| Benefit description: | [Benefit as stated in Business Case/Concept Paper/Proposal] |

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| --- | --- | --- |
|  | FORMAT | EXAMPLE |
| Benefit Hypothesis | We believe that **[customer/user segment]** will achieve **[benefit name – include words like higher, better, faster, lower]** if we implement/use a **[product/solution/feature name]**.*A* ***hypothesis*** *is a* ***testable*** *prediction or an informed guess. In the benefits management context, it means an assumption around the measurable outcome expected to be achieved by implementing a new product, solution or feature.* | **EXAMPLE 1:** We believe that **Facilities Management staff** will achieve **improved efficiency** if we implement **an asset tracking system**.**EXAMPLE 2:** We believe that our **customers** will achieve **higher levels of satisfaction** if we use a **customer relationship management system**.  |
| Test | We will test this assumption by measuring **[data element/metric]**.*A* ***metric****is a quantifiable measure that is used to track and assess the status of a specific business process.* | **EXAMPLE 1:** We will test this assumption by measuring the **average time taken by Facilities Management staff to find the location of a specified physical asset**.**EXAMPLE 2:** We will test this assumption by measuring the **customer satisfaction survey score**. |
| Validation | We will know this hypothesis is valid if we achieve the following **[measurable outcomes or Key Performance Indicators (KPIs)]** by **[target date]**.*A* ***Key Performance Indicator (KPI)*** *is a measurable value that demonstrates how effectively an organisation is achieving its key business objectives.**Note: All KPIs are metrics but all metrics are not necessarily KPIs.* | **EXAMPLE 1:** We will know this hypothesis is valid if we achieve a **20% reduction in the time taken by Facilities Management staff** by the [**end of the current financial year**].**EXAMPLE 2:** We will know this hypothesis is valid if we see **a 10% increase in customer satisfaction survey scores** within the **next three years**. |