

CA PPM Financial Benefits | Overview

Your Guide: <Name of Presenters>

Introductions

- Take 5 Minutes
- Turn to a Person Near You
- Introduce Yourself
- Business Cards



Agenda

- Introduction
- What is the benefit of tracking benefits
- Benefit plan use cases
- Tacking benefits
- Summary

Introduction

- Are you considering the use of CA PPM's benefits tracking for planned and/or realized benefits?
- This session will be a review of common use cases for putting benefits forecasts and realized benefits into CA PPM along with the reporting available out of the box and within RegoXchange

Why Should We Do This Project?

- What is the Business Case?
 - Projects in general are of three categories:
 - Infrastructure/ keep the lights on
 - Compliance / regulatory
 - Discretionary
- Business Cases are assessed based on:
 - Soft benefits – Goals/objectives, etc.
 - Hard benefits – costed benefits
 - Both may have weights assigned
- This session is looking at costed benefits, which ultimately provide the metrics of:
 - ROI
 - NPV
 - IRR
 - MIRR

Open Mic

- What are hard benefits to you?
- What are soft benefits to you?
- Do you track benefits today?
- Would different projects be selected if benefits were taken into account?

Why Should We Do This Project?

Benefit Plans allow hard benefits to be tied explicitly to direct strategic goals that may include categories such as:

- Increase Revenues
- Reduce Costs
- New Markets
- Mandated Projects

Every significant project should have a business case, and hard benefits are a large part of most business cases

Benefit-Plan Structure

- Unlike the Cost-Plan (and Budget) the Benefit Plan has no formal structure
- Level of Detail
 - Benefit Class – Reduce Costs, Increase Revenue
 - Benefit Sub-class – Headcount, Infrastructure, New Customers, Product Sales T Timescales? Monthly, Quarterly Yearly – what timescales make sense?
- To be useful in CA PPM, Benefit plans must be tied to Cost Plans/Budget Plans
- The flexibility of Benefit Plans is their strength

Benefit Plan Data

- Where does your data come from?
- Is it hard for your organization to qualify and quantify expected benefits?
- Hard versus Soft Benefits – what do you track?
- Who looks to the Project's Business Case or some other Cost/Benefit Analysis?

Simple Plan

- Benefit Plans can as simple as:

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Properties Team Financial Plans Hierarchy Processes

Idea: JF Demo Idea - Properties - Main - Financial Summary

Calculate Financial Metrics ☒

Planned Cost	225,000.00
Planned Capital Cost	<input type="text" value="150,000.00"/>
Planned Capital %	66.67%
Planned Operating Cost	<input type="text" value="75,000.00"/>
Planned Operating %	33.33%
Planned Cost Start	<input type="text" value="6/6/2016"/>
Planned Cost Finish	<input type="text" value="12/30/2016"/>
Planned Benefit	<input type="text" value="2,500,000.00"/>
Planned Benefit Start	<input type="text" value="1/2/2017"/>
Planned Benefit Finish	<input type="text" value="12/27/2019"/>
Planned NPV	2,275,000.00
Planned ROI	1,011.11%
Planned Breakeven	4/30/2017
Planned IRR	17.92%
Planned MIRR	5.90%
Planned Payback Period (Months)	11.0
Currency	USD

Detailed Plan

Where more detail is needed, then create a detailed Benefit Plan. Detailed Benefit plans allow:

- Categorization
- Variability over time
- On-going Costs

Detailed Plan

Categorization by Class and Subclass

Benefit Plan Detail

General

★ * Description

Benefit Class ☒ [--Select--]
Reduce Cost
Increase Revenue

Benefit Subclass

★ = Required * = Unique

Benefit Plan Detail

General

★ * Description

Benefit Class

Benefit Subclass ☒ [--Select--]
Headcount
Infrastructure
Attract New Customers
Product Sales

★ = Required * = Un

Detailed Plan

Detailed Plan with On-Going Costs

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Properties Detail Processes

Project: JF Demo Project | Benefit Plan: Detail Benefits Plan - *Benefit Plan Details*

Filter: System Default

	Benefit Class	Benefit Subclass	Description	Benefit Total	Realized Benefit	Benefit Variance		Amounts By Period															
								Q1 FY 2017	Q2 FY 2017	Q3 FY 2017	Q4 FY 2017	Q1 FY 2018	Q2 FY 2018	Q3 FY 2018	Q4 FY 2018	Q1 FY 2019	Q2 FY 2019	Q3 FY 2019	Q4 FY 2019				
<input type="checkbox"/>	Expense	Depreciation	Depreciation/Amortization	(114,000.00)		(114,000.00)	Benefit	(15,000)	(14,000)	(13,000)	(12,000)	(11,000)	(10,000)	(9,000)	(8,000)	(7,000)	(6,000)	(5,000)	(4,000)				
							Realized Benefit	(15,000)	(14,000)	(13,000)	(12,000)	(11,000)	(10,000)	(9,000)	(8,000)	(7,000)	(6,000)	(5,000)	(4,000)				
							Benefit Variance	(15,000)	(14,000)	(13,000)	(12,000)	(11,000)	(10,000)	(9,000)	(8,000)	(7,000)	(6,000)	(5,000)	(4,000)				
<input type="checkbox"/>	Expense	Maintenance	Software Licenses	(90,000.00)		(90,000.00)	Benefit	0	(30,000)	0	0	0	(30,000)	0	0	0	(30,000)	0	0				
							Realized Benefit	0	(30,000)	0	0	0	(30,000)	0	0	0	(30,000)	0	0				
							Benefit Variance	0	(30,000)	0	0	0	(30,000)	0	0	0	(30,000)	0	0				
<input type="checkbox"/>	Increase Revenue	Product Sales	New Product	2,750,000.00		2,750,000.00	Benefit	0	100,000	125,000	200,000	125,000	225,000	350,000	500,000	250,000	225,000	250,000	400,000				
							Realized Benefit	0	100,000	125,000	200,000	125,000	225,000	350,000	500,000	250,000	225,000	250,000	400,000				
							Benefit Variance	0	100,000	125,000	200,000	125,000	225,000	350,000	500,000	250,000	225,000	250,000	400,000				
<input type="checkbox"/>	Reduce Cost	Infrastructure	Retire Servers	60,000.00		60,000.00	Benefit	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000				
							Realized Benefit	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000				
							Benefit Variance	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000				
Benefit				2,606,000.00				(10,000)	61,000	117,000	193,000	119,000	190,000	346,000	497,000	248,000	194,000	250,000	401,000				
Realized Benefit																							
Benefit Variance						2,606,000.00		(10,000)	61,000	117,000	193,000	119,000	190,000	346,000	497,000	248,000	194,000	250,000	401,000				

Non-Financial Benefit Tracking

- Anything OOTB?
- Options:
 - Subobject to project with process to move to a plan
 - Lines within the plan without financial \$ - just comments

Tracking Benefits

- Who consumes Actual Benefit data?
- Is it being used successfully to 'close the loop'?
 - Analyze
 - Invest
 - Execute
 - Measure results
- What should be the timeline of tracking Actual Benefits?

Open Mic

- How are benefits defined at your organization? Who?
- Do you feel a over time or flat benefit realization is better?
- How can we ensure the benefits are realized?

Tracking Benefits with Actuals

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Properties Detail Processes

Project: JF Demo Project | Benefit Plan: Detail Benefits and Actuals Plan - *Benefit Plan Details*

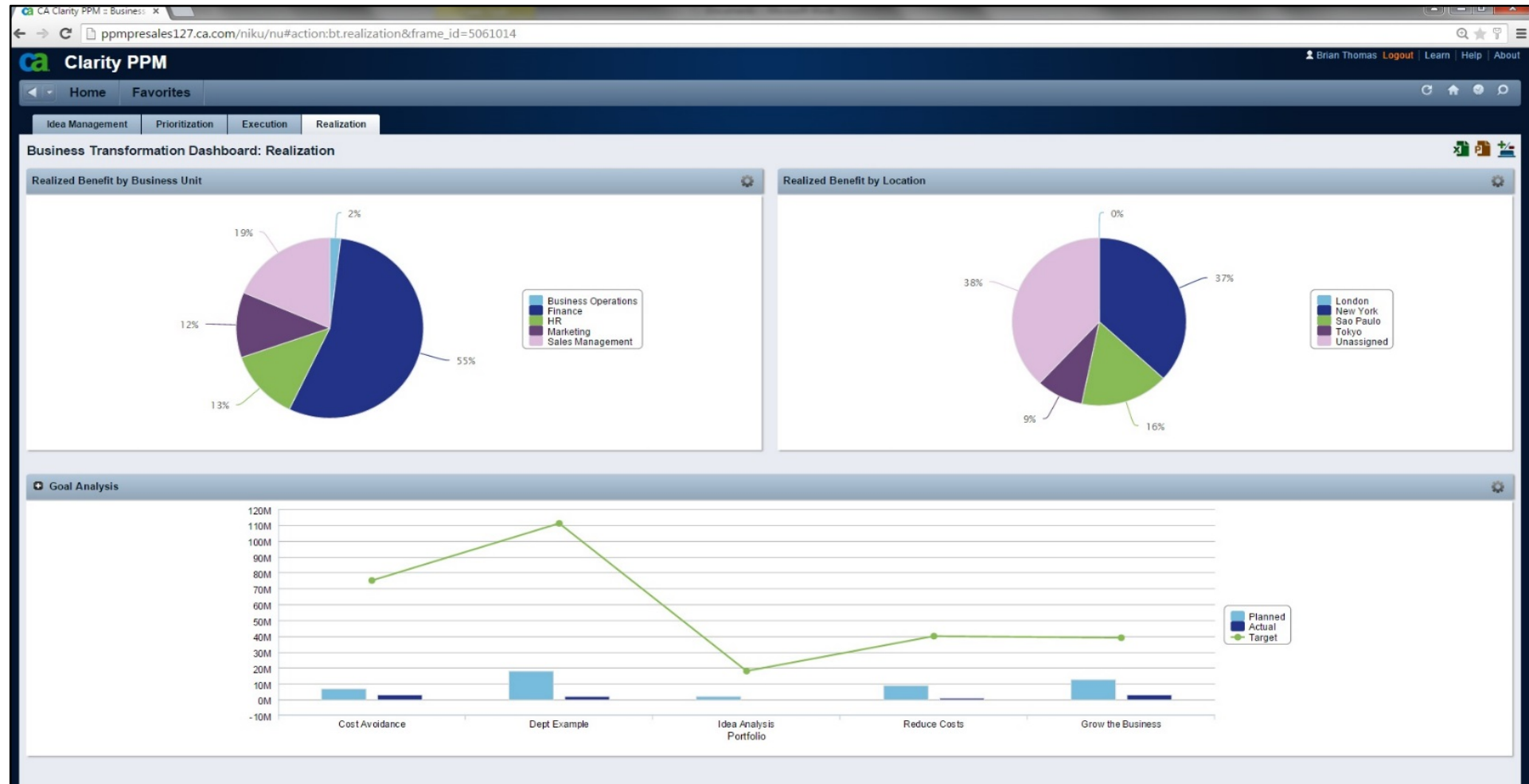
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	Benefit Class	Benefit Subclass	Description	Benefit Total	Realized Benefit	Benefit Variance		Amounts By Period													
								Q1 FY 2017	Q2 FY 2017	Q3 FY 2017	Q4 FY 2017	Q1 FY 2018	Q2 FY 2018	Q3 FY 2018	Q4 FY 2018	Q1 FY 2019	Q2 FY 2019	Q3 FY 2019	Q4 FY 2019	Q1 FY 2020	Q2 FY 2020
<input type="checkbox"/>	Expense	Depreciation	Depreciation/Amortization	(114,000.00)	(54,000.00)	(60,000.00)	Benefit	(15,000)	(14,000)	(13,000)	(12,000)	(11,000)	(10,000)	(9,000)	(8,000)	(7,000)	(6,000)	(5,000)	(4,000)	(3,000)	(2,000)
							Realized Benefit	(15,000)	(14,000)	(13,000)	(12,000)	0	0	0	0	0	0	0	0	0	0
							Benefit Variance	0	0	0	0	(11,000)	(10,000)	(9,000)	(8,000)	(7,000)	(6,000)	(5,000)	(4,000)	(3,000)	(2,000)
<input type="checkbox"/>	Expense	Maintenance	Software Licenses	(90,000.00)	(30,000.00)	(60,000.00)	Benefit	0	(30,000)	0	0	0	(30,000)	0	0	0	(30,000)	0	0	0	0
							Realized Benefit	0	(30,000)	0	0	0	0	0	0	0	0	0	0	0	0
							Benefit Variance	0	0	0	0	0	(30,000)	0	0	0	(30,000)	0	0	0	0
<input type="checkbox"/>	Increase Revenue	Product Sales	New Product	2,750,000.00	475,000.00	2,275,000.00	Benefit	0	100,000	125,000	200,000	125,000	225,000	350,000	500,000	250,000	225,000	250,000	250,000	400,000	400,000
							Realized Benefit	0	120,000	135,000	220,000	0	0	0	0	0	0	0	0	0	0
							Benefit Variance	0	(20,000)	(10,000)	(20,000)	125,000	225,000	350,000	500,000	250,000	225,000	250,000	400,000	400,000	400,000
<input type="checkbox"/>	Reduce Cost	Infrastructure	Retire Servers	59,000.00	14,000.00	45,000.00	Benefit	4,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
							Realized Benefit	0	4,000	5,000	5,000	0	0	0	0	0	0	0	0	0	0
							Benefit Variance	4,000	1,000	0	0	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Benefit				2,605,000.00				(11,000)	61,000	117,000	193,000	119,000	190,000	346,000	497,000	248,000	194,000	250,000	401,000	401,000	401,000
Realized Benefit					405,000.00			(15,000)	80,000	127,000	213,000	0	0	0	0	0	0	0	0	0	0
Benefit Variance						2,200,000.00		4,000	(19,000)	(10,000)	(20,000)	119,000	190,000	346,000	497,000	248,000	194,000	250,000	401,000	401,000	401,000

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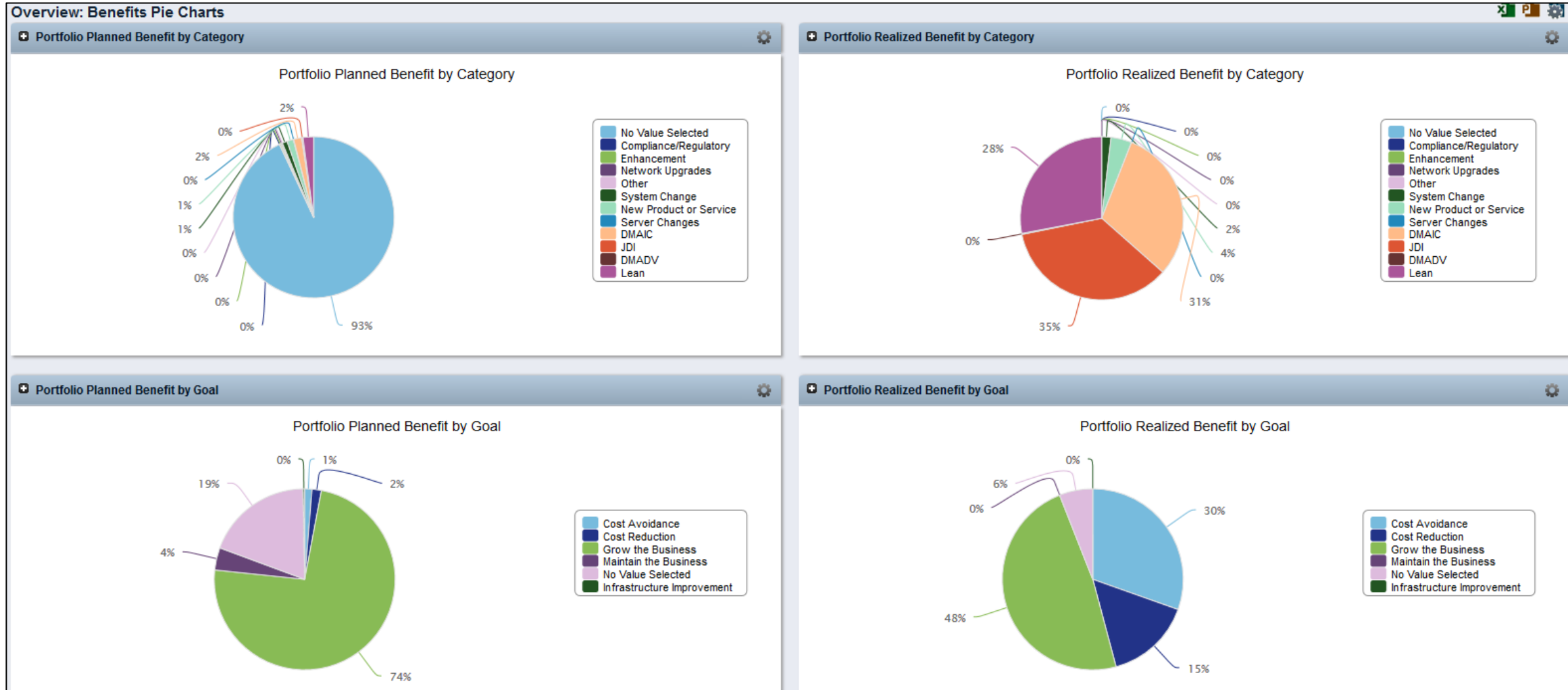
Benefit Realization

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Benefit Realization by Portfolio

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Summary

- So - was that project worth it? How do we know?
- Can we do without measuring actual benefit results?
- What challenges do we face?
- How do we best address them?

Questions?



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- Class Name = **regoUniversity**
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- Date Started = **Today's Date**
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