

Strategic moves

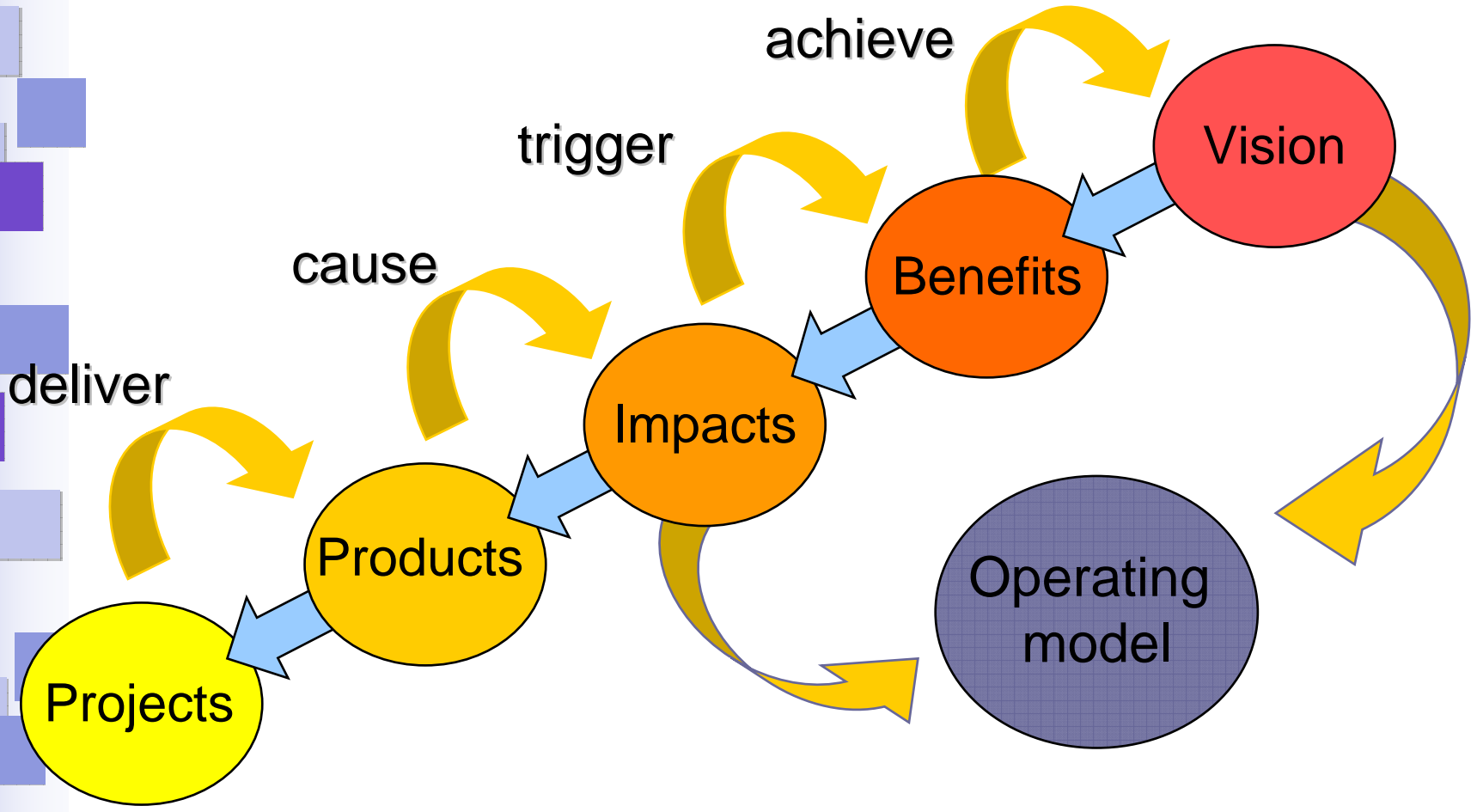
vision to realised benefits

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Delivering the vision



Impacts are changes in the operating model of the business

Customer value proposition



Vision

- Customers find properly stocked shelves
- Replenishment driven by customer selection
- Front line staff act to maintain availability
- Store management focused on replenishment

The outside-in perspective

Business benefits

- **Strategically valuable**

Benefits

Impacts

Focuses on customer

Customer loyalty increases

Increases turnover by shelf

The inside-out perspective

Business benefits



- Strategically valuable
- Competitively valuable

Benefits

Impacts

Reduces likelihood of customer transferring

Customer loyalty increases

Decreases income opportunities for Company A

The inside-out perspective

Business benefits

- Strategically valuable
- Competitively valuable
- Valuable as it increases revenue

Benefits

Impacts

Fewer lost sales

The inside-out perspective

Business benefits

- **Strategically valuable**
- **Competitively valuable**
- **Valuable as it increases revenue**
- **Valuable as it decreases costs**

Benefits

Impacts

Fewer returns to stock

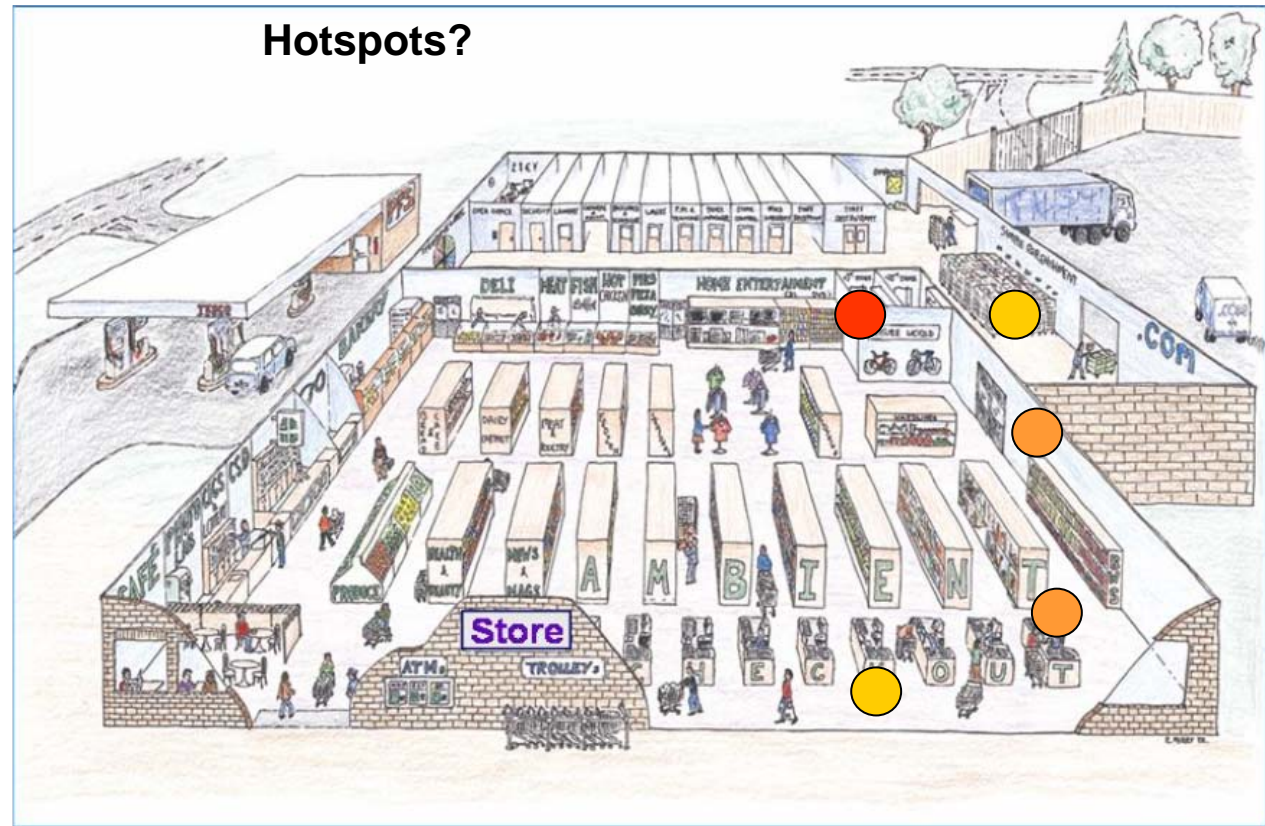
Lower investment in 'dead' stock instore

The inside-out perspective

The operating model

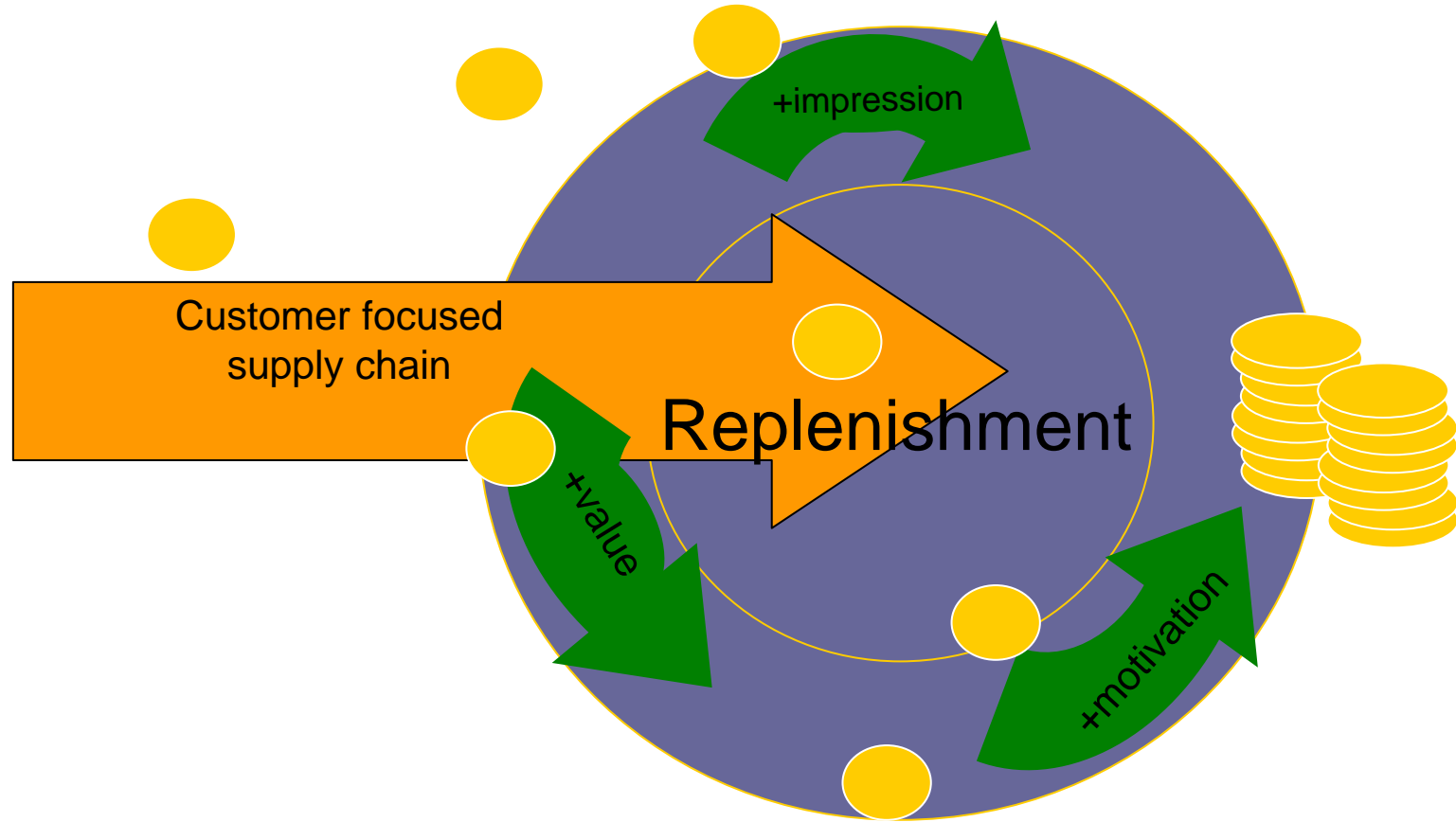
Products?
Processes?
Functions?
Staff?
Management?

KPIs...



What effort is needed to make the change?
Who's involved?
When?
Consequences?

The 'To-be' operating model

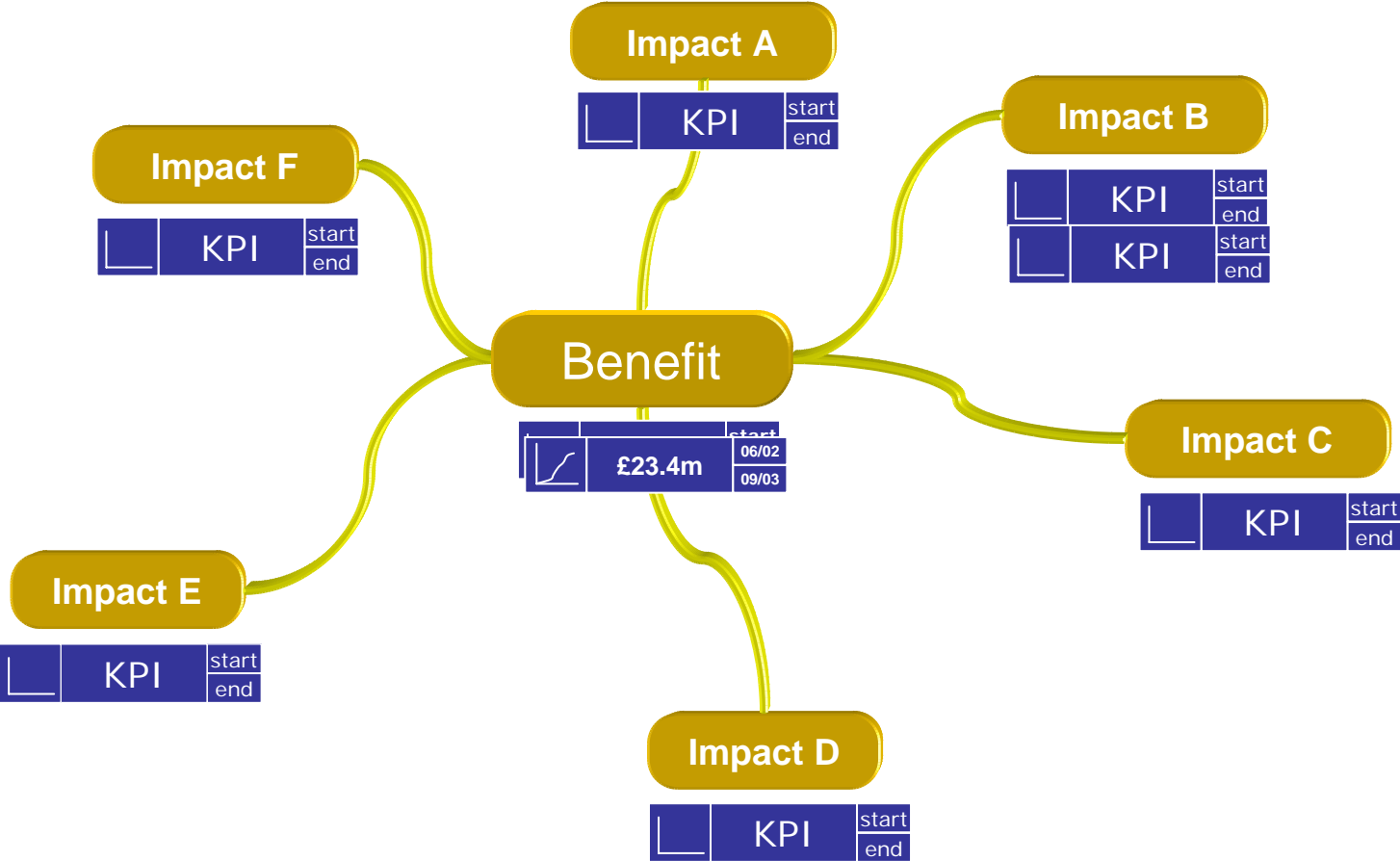


...and the value

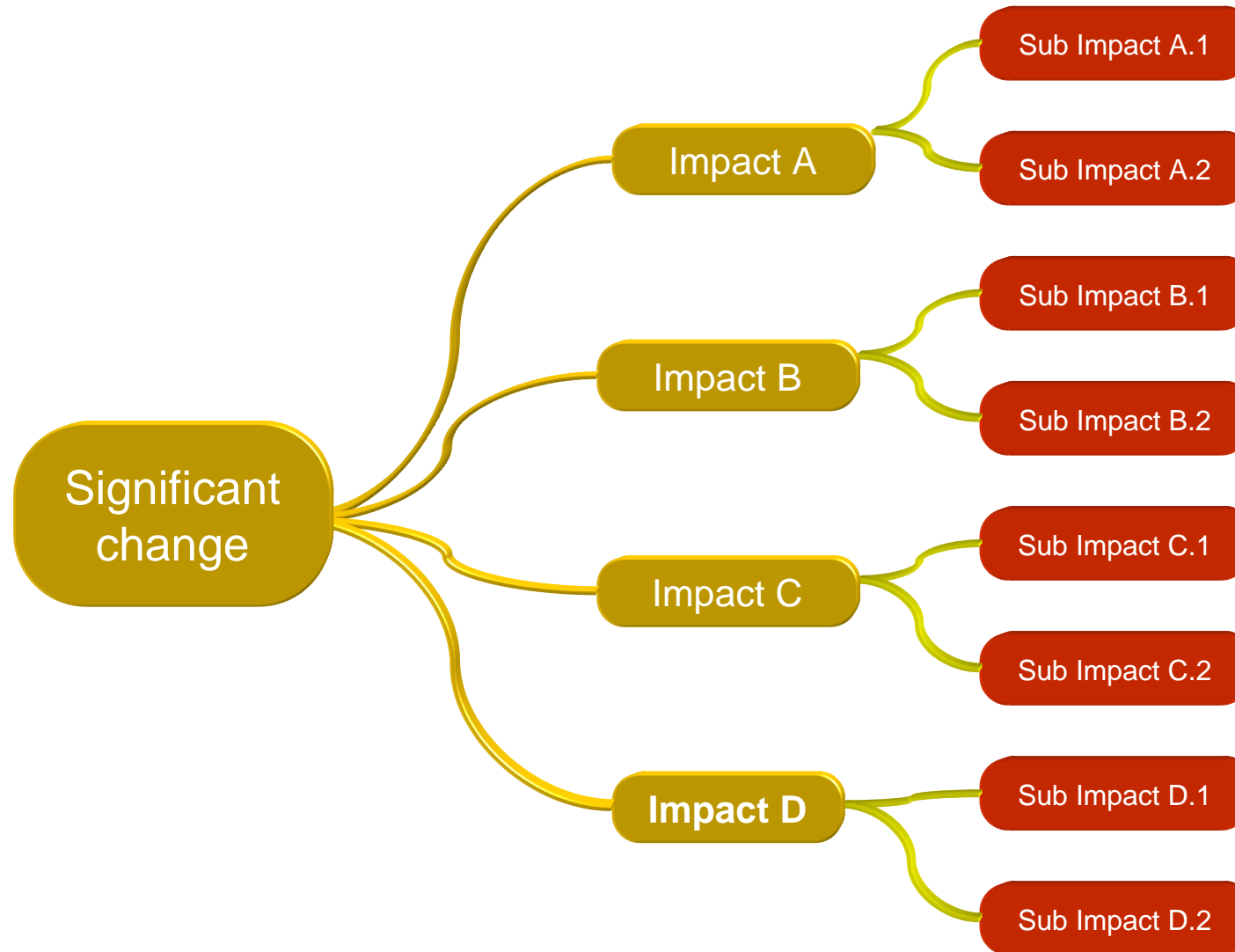
The 'points of difference'

...and the value

Benefits map



Impact map

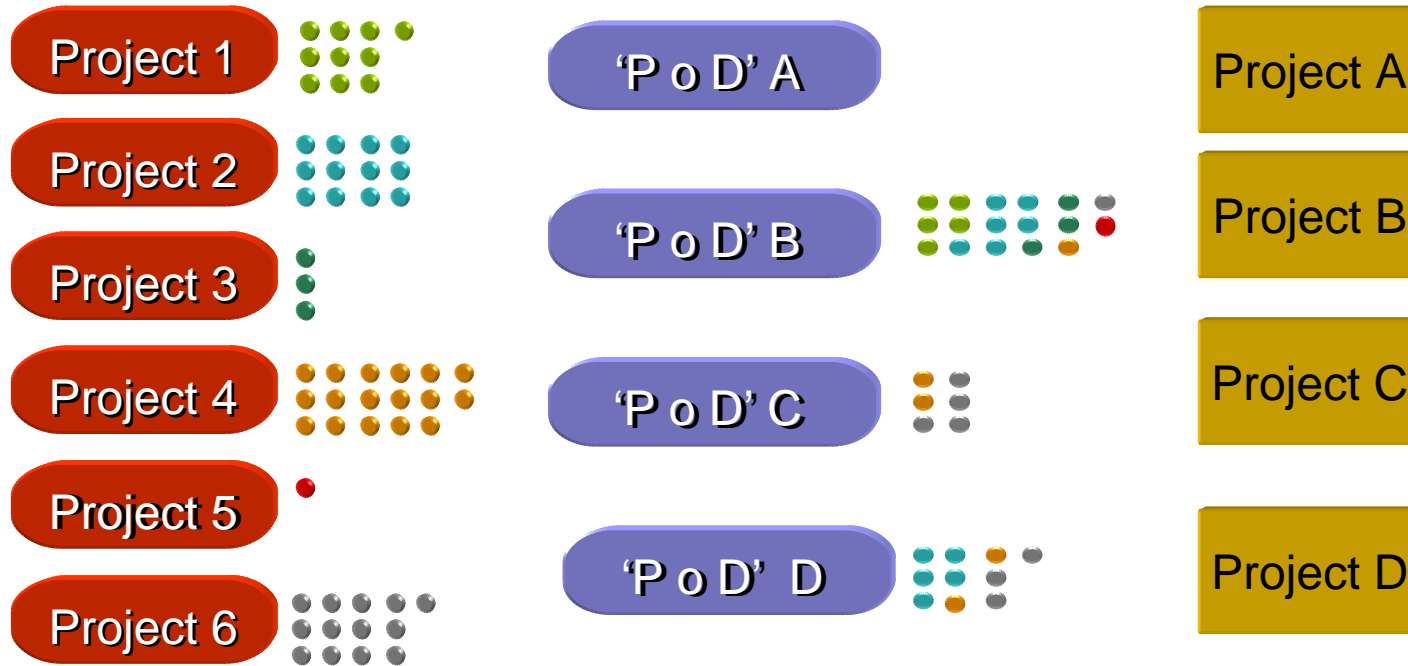


Impact mapping: the technique



For existing projects it may be faster to plot planned project impacts between the As-is and To-be maps

Benefits modelling in a portfolio



Analyse the projects' impacts

Analyse the significant changes

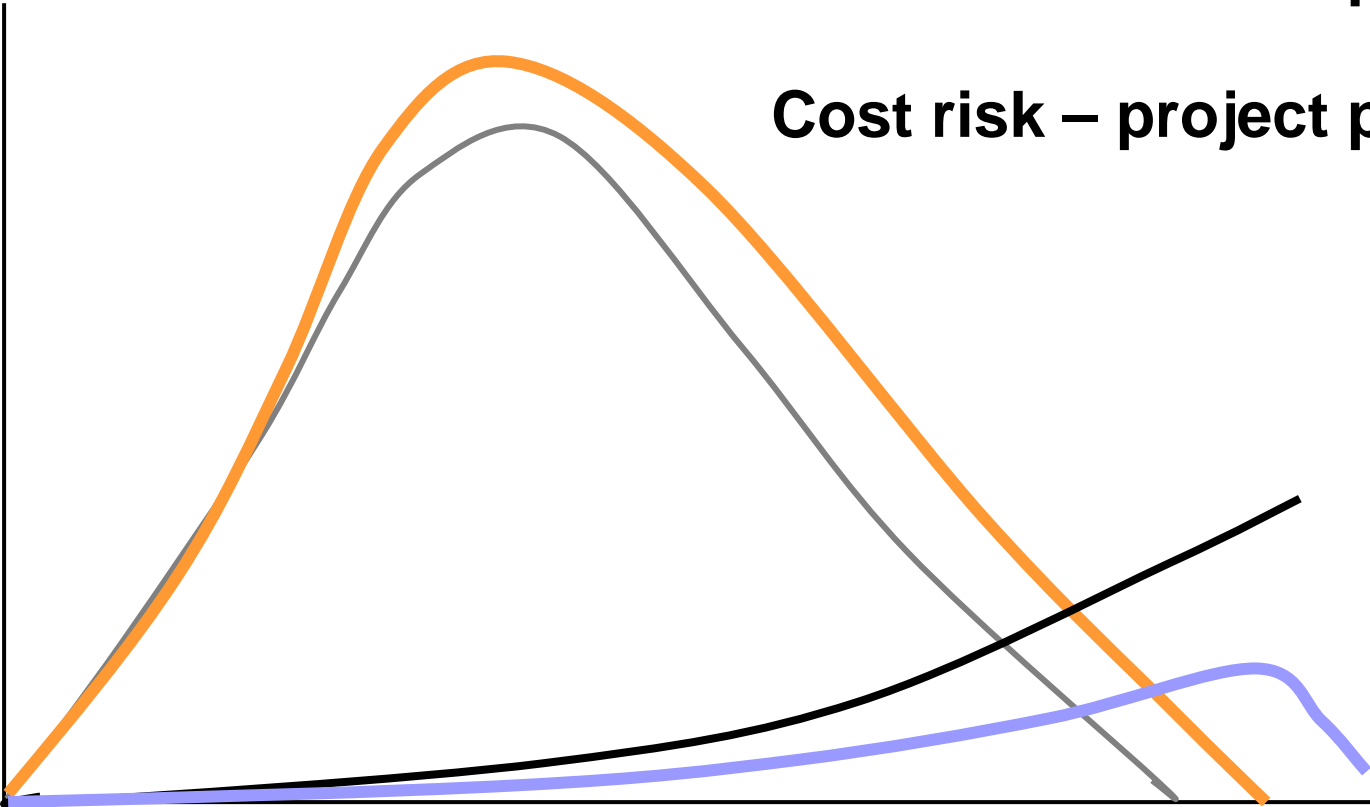
Reconstruct projects to simplify benefits tracking

Benefits risk modelling



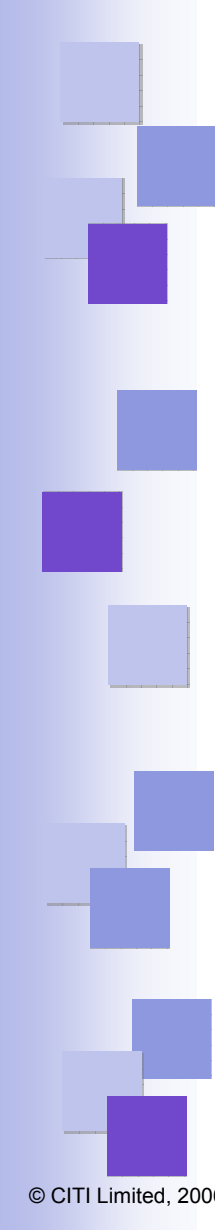
Benefit risk – benefit realisation planning

Cost risk – project planning

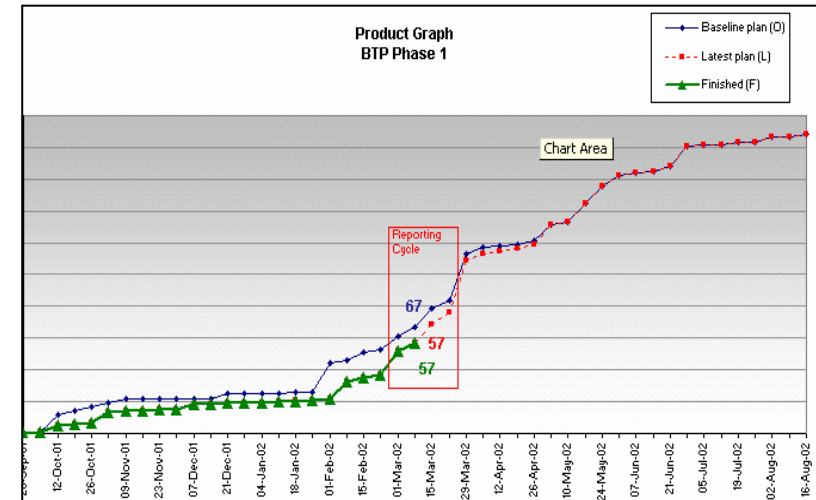
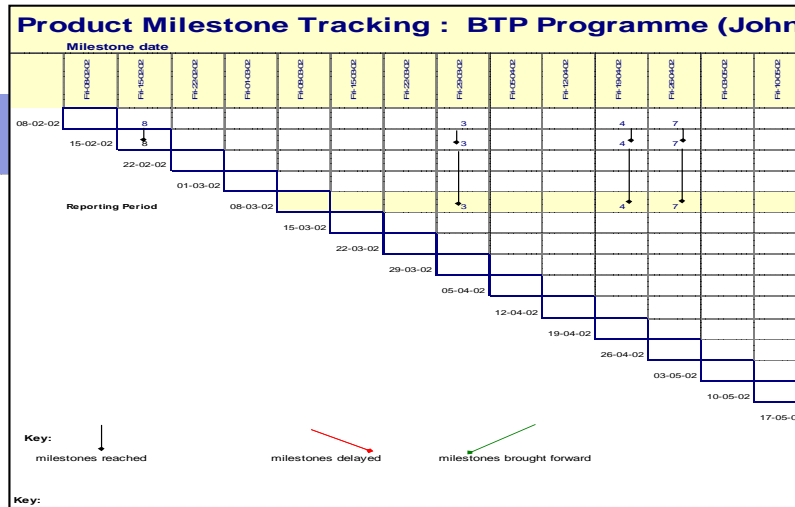


Categorise the risks so that clear RACI can be established

Risk strategies

- 
- A** Avoid the event
 - R** Reduce the likelihood
 - T** Transfer the problem
 - P** Protect against the impact
 - M** Mitigate the effect

Visibility



BTP Phase 1 - Risk Action Status - Programme Manager: John Gillis

Major Risks:

- R1: Lack of co-ordination across the programme results in critical areas not being complete on schedule, causing a delay to Go-Live.
- R2: Errors in the software configuration may cause disruption to the business operation at Go-Live.
- R3: Errors in migrated data may cause disruption to the business operation at Go-Live.
- R4: Unplanned expenditure is incurred and the project budget is exceeded without authority from the S/Group.
- R5: The scope of the project is extended in an uncontrolled manner, adversely impacting both project costs and timescales.
- R6: Project Managers may commit BTP to expenditure outside or over budget leading to a project cost overrun.
- R7: Incorrect capture of business requirements may lead to an incorrect or incomplete solution.
- R8: The individual module team develop solutions that do not work together.

	Very Low	Low	Medium	High	Very High
Very Likely					
Likely					R3
Possible			R4 R5 R6	R1	R2
Unlikely					R7 R8
Very Unlikely					

Impact

- Rn No Progress
- Rn Limited Progress
- Rn Satisfactory progress

Benefit-impact map

Project name	BTP Phase 1		Version	3		Date
Benefits	Link	Impacts	Link	Impacts	Link	Impacts
Product Cost reduction		Improved control of costs		Targeted cost reduction plans		Visibility of product cost
Improved Margins		Sale force deliver sales with improved contribution.		Sales force incentive to balance sale volume and margin.		Sales forecast monitored and rewarded for sales and profit contribution.
		Higher sales volume.		Model rewards desired customer behaviours		Model benefits consistent business supporters.
		Improved control of discounting		Visibility of discounting decisions		Full margin analysis
Higher cash balances		Reduced Cash outstanding.		Debtors identified and chased		Faster matching of invoice and remittance
Reduced resource requirement		Dunning letters on system		Full gross margin analysis		Faster and easier financial forecasting
Reduction in cancelled Orders		Reduced late deliveries		Accurate Available-to-Promise data		Visible Production planning
Reduction in airfreight costs.		Reduced late deliveries		Automated stock replenishment		Improved stock Forecast
Reduction in shortage claims		Easier for customers to match goods received with paperwork		Contents list attached to all boxes		Cleaner order acknowledgements and dispatch documentation showing "to follow" dates.

Summary

You can rigorously define the desirability of a project

Benefits management

You should balance desirability with do-ability

Portfolio management

You must define value (benefits and impacts) and track them

PSO management

Track benefits, impacts and products not just effort and activity!

Common sense