

Benefits Management - Investment Governance

"Reducing the risk of making the wrong investment decisions"

Total Metrics assist our clients to clearly define the rationale for their planned Investments¹ and ensure that their planned solution is appropriate for their need.

This Investment Management Standard (IMS) methodology, developed by the Victorian Government provides the framework by which a planned investment is fully investigated and all options explored to ensure that it is aligned with the organizations business objectives and strategic direction. This structured formal approach takes only 2 to 6 hours of workshops and its objective is to ensure that the investment directly addresses the problem that it is planned to 'fix'. Once the investment logic is verified we work with the client to develop a plan to monitor and report the delivery of the identified benefits over the lifecycle of the investment.

The deliverable from the Investment Management Facilitation is a one page **Investment Logic Map** which is a framework defining the investment, its objectives, benefits, and the organizational changes needed, in order to achieve the identified benefits. This Investment Logic Map summarizes the investment so the 'logic' behind it can be determined at a glance and constantly verified during the lifecycle of the investment.

This **Investment Logic Map** is the key component for documentation output from the IMS workshops, which also includes the quantitative assessment of the benefits in the form of KPIs and the Benefits Monitoring Plan. These documents support the Business Case for the investment and commit the person proposing the investment to accountability for its outcomes.

Total Metrics have been a member of the Government EServices panel since 2003 and are Government Certified Investment Management Standard Facilitators. The key deliverable from this Investment Logic Standard is the quantification and monitoring of benefits. Total Metrics, has over 15 years experience facilitating client workshops that define key performance measures for their business processes. This experience is essential in developing the Key Performance Indicators that underpin the **Investment Logic Maps** and the **Benefits Management Plan**.

Total Metrics also act in the role of using their extensive measurement expertise in assisting other IMS facilitators develop their KPIs for the Benefits Management Plan.

Formalize your Investment Decisions to ensure you are spending your dollars where they will be most effective

¹ Where an 'investment' is expenditure on a new service or product or the infrastructure to support existing products or services.



What is the IMS Methodology?

When an organization is planning to invest in a new product/service or the infrastructure to support existing products/services then before approving the budget, decision makers need to have objective evidence that the investment will yield the proposed returns and address the perceived problem. Typically in each budget cycle, multiple Investment proposals compete with each other for limited available funds. To justify their business case, candidate investments are usually supported by very detailed and lengthy documentation which needs to be evaluated, prioritized and selected based on merit. To optimize its chance of selection, the Business Case supporting the investment often claims significant benefits for the organization but with little objective evidence of how the investment will deliver these benefits. Typically once the investment is approved and the project has commenced no one monitors the delivery of the proposed benefits or verifies the original claims of the investment.

This Investment Management Methodology helps organizations optimize their investment dollars by ensuring that:

- ❑ Before putting forward a business case the proposers have objective evidence that their proposed investments will address the perceived problem so that time and money is not wasted with a solution for which the driver is not clearly defined.
- ❑ The Investment's benefits are mapped directly to the investment and each benefits has quantified key performance indicators that can be monitored over the lifetime of the investment so the validity of any investment is constantly monitored and budgets can be withheld or the investment cancelled if it is not achieving the benefits.
- ❑ The Investment, the problem it is addressing, its objectives, benefits and organizational impacts are clearly defined on a one page diagram (Investment Logic Map) so that management can quickly evaluate the viable investments from those with less merit. Regular review of the Investment Logic Map checks and re-establishes the investment validity if the rationale on which it is based has subsequently changed.
- ❑ The Investor is responsible for the delivery of the identified benefits thereby, ensuring that money is spent where it has the most impact for the organization and people do not propose expenditure for which they will not be held responsible if it doesn't meet expectations.

Contact us now to get a free quotation.

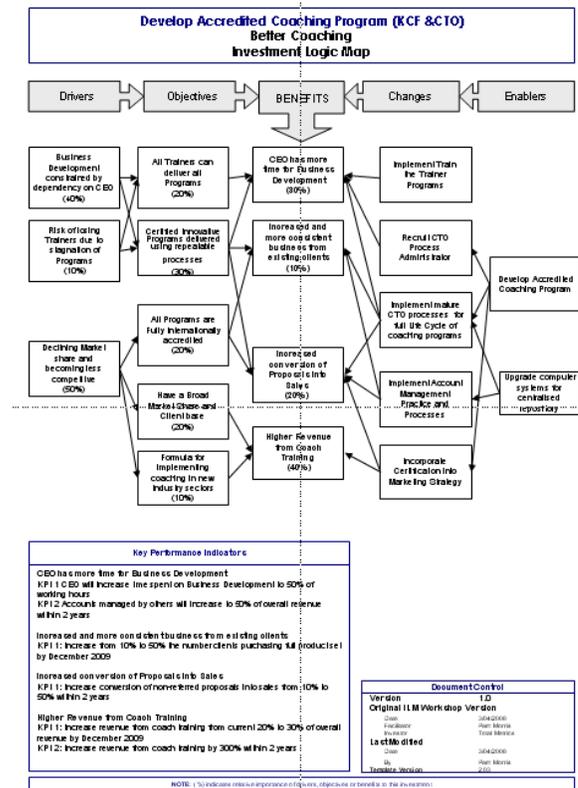


Figure 1 - Example Investment Logic Map