Applying Benefits Management to the Implementation of a Copy Point: A Case Study

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ABSTRACT

We live in a macroeconomic period which is impacted by major technological changes. Organizations continue to invest heavily in new Information Systems and Information Technology (IS/IT) as a vehicle to increase productivity and add value to their business. Investment in IS/IT is not only acquiring technology, but above all investing in change. Difficulties in justifying investments in IS/IT are often the cause for uncertainty regarding expected benefits and are often identified as being one of the most critical management issues. In the literature, it is common to find reports about IS/IT investments that failed to achieve the expected results and benefits. Benefits Management approach (BM) tries to overcome this gap through a management process cycle that enhances the potential benefits from the planned use of IS/IT. In the authors’ case study, BM was applied to an IS/IT initiative that radically changed the way an internal printing process is carried out, with the added advantage of producing greater environmental and economic sustainability. This study also shows that the application of BM can contribute to increasing the degree of benefits realization and value from investments in IS/IT initiatives.

KEYWORDS

Benefits Dependency Network, Benefits Management, Benefits Realization, Benefits Realization Plan, IS/IT Investments

INTRODUCTION

IS/IT implementation calls for profound organizational changes that can affect internal structure and responsibilities, as well as processes and operations (Doherty & King, 2001). Investments in projects promote a change in the status quo. “The only valid reason to invest in change is to generate benefits” (Bradley, 2010, p. 31). The rationale of BM is that benefits and changes are closely linked and should be considered at the same time. BM can be described as a process of organization and management that facilitates the achievement of potential benefits from the use of IS/IT (Ward & Daniel, 2012). Managers can, and should, transform the results from the effective use of capabilities enhanced by IS/IT into benefits for the organization (Peppard et al., 2007). Two assumptions seem to be crucial for the effective realization of value from IS/IT investments:

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• A proper management approach in order that the benefits may be achieved (Ward & Daniel, 2012; Ward & Griffiths, 1996; Ward & Murray, 1997);
• A proactive management of the results of IS/IT initiatives to promote management change (Ashurst et al., 2008; Peppard et al., 2007; Remenyi & Sherwood-Smith, 1998).

In general, the concept of success in IS/IT investments follow the “iron triangle” criteria, or, in other words, that the results will be deliverable on time, within budget, and according to the defined requirements. Project Management (PM) is used to guarantees compliance with these criteria. However, in the empirical literature, PM is commonly criticized for systematically failing to deliver benefits from IS/IT investments. There are several reasons that could cause these failures are (Karamitsos et al., 2010):

• A lack of clear guidelines on how to carry out the activities of the project implementation, and how to develop a sound business case to justify the investment;
• Focus on monitoring the progress of the project results, rather than on benefits realization;
• Misalignment of expectations and strategic goals amongst stakeholders.

Worldwide, studies have shown that IS/IT investments fail to deliver expected benefits (Bloch et al., 2012; PwC, 2014). Systematically projects are completed in technical terms, but delivery of the intended benefits does not occur (Peppard et al., 2007). The main reason for this lies in the fact that benefits are often not properly identified or followed through on up until their full realization (PwC, 2014; Ward & Daniel, 2012).

BM approach complements most PM methodologies (Karamitsos et al., 2010) and acts as an alternative to traditional management practices, as it proposes a follow up process of benefit achievement, which provides intermediate results, and dynamically adjusts in order that benefits can be effectively obtained (Thorpe, 2007). The adoption of BM practices can reduce failure rates of projects (Serra & Kunc, 2015) and clarifies the value and strategic relevance of each project, which allows for an increase in the effectiveness of its governance (Bradley, 2010; Jenner, 2010; Melton et al., 2008). The use of BM shows clearly how investment in IS/IT can indeed contribute to the strategy and overall performance of the organization (McLoughlin et al., 2014). This case study aims to answer the following research questions:

• How can BM approach increase the realization of expected benefits?
• What are the main benefits for the organization?
• What changes are needed in the business to guarantee the achievement of expected benefits?

LITERATURE REVIEW

Introduction
The growth in investments in IS/IT, the key role that they play in the knowledge economy, and their impact on the competitive capabilities of organizations have led practitioners and academics to seek explanations for the business value generated from those investments (Earl, 1989; Thorp, 2007). The literature has many examples of unrealized benefits, discrepancies between expected benefits and implemented, budget overruns, unidentified costs and IS/IT unsuccessful projects (Al-Shehab et al., 2005; Ward & Daniel, 2012). The realization of benefits can no longer be considered an add-on during the final phase of project implementation (Glynne, 2012).

A study using 3 different countries (USA, Brazil, the UK), concluded that BM practices are an important contribution to the successful execution of business strategies (Serra & Kunc, 2015). Investing in IS/IT is no longer a question of just investing in hardware or software, but rather it is
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