

communities of expertise

From problem to value



Problem and value

Problem/opportunity

Value/benefits



**"If I resolve a
problem..."**

**"...I'll be
better off!"**



Here's a problem, GLIT



GLIT = £3,000,000 (per annum)

NPBIT = £7,000,000

Value = 43% increase in profitability

HHBCSSP = £5,000,000 (one off)

The problem with problems



Not easy to identify:

- People are poor at problem analysis
- Solution orientation dominates
- Bias and 'lazy' thinking means problem analysis is superficial
- Symptoms, rather than problems, get addressed.

GLIT, the problem

NPBIT = £7,000,000
GLIT = £3,000,000 (per annum)
Value = 43% increase in profitability
HHBCSSP = £5,000,000 (one off)



£3m

1. Theft (internal)	18%	= £540,000
2. Theft (external)	53%	= £1,590,000
3. Damages	14%	= £420,000
4. Logistics process errors	9%	= £270,000
5. Accounting process errors	5%	= £150,000
6. Shrinkage	1%	= £30,000

The problem with projects



- Projects provide solutions
- But, if we don't know the problem, then we can't have faith in the solution
- And, when projects have delivered the solution, they close and can do no more
- Since benefits depend upon the use of the solution, by the 'owners', value often can't be achieved until after the solution is delivered and the project closed.

Value

RED – many project cannot deliver value

Helpful distinctions

Benefits is a large part of the vocabulary of value:-

OED:

Benefit
noun

1 An advantage or profit gained from something.

Financial:

- Cost avoidance
- Additional income
- New income
- Asset enhancement.

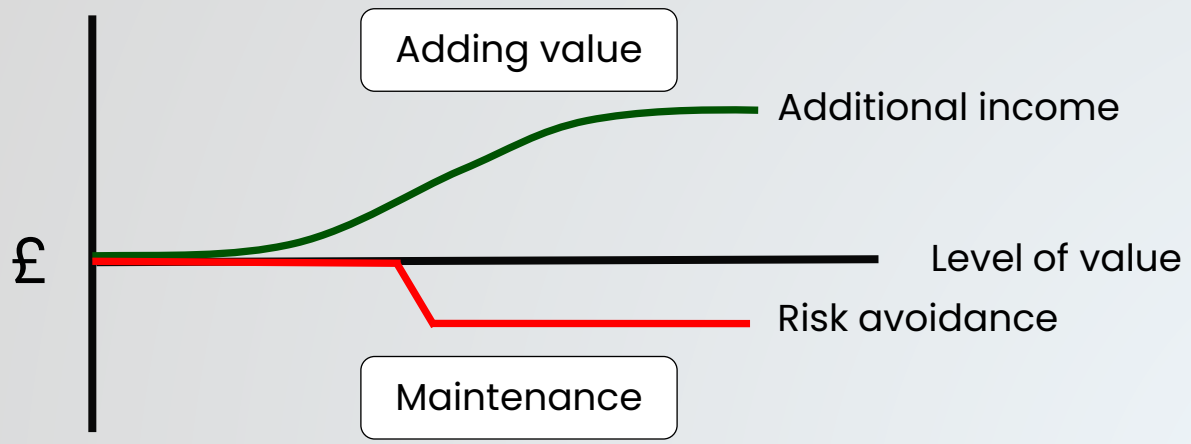
Strategic:

- Strategic alignment
- Competitive advantage
- Competitive response
- Intellectual property.

Benefits

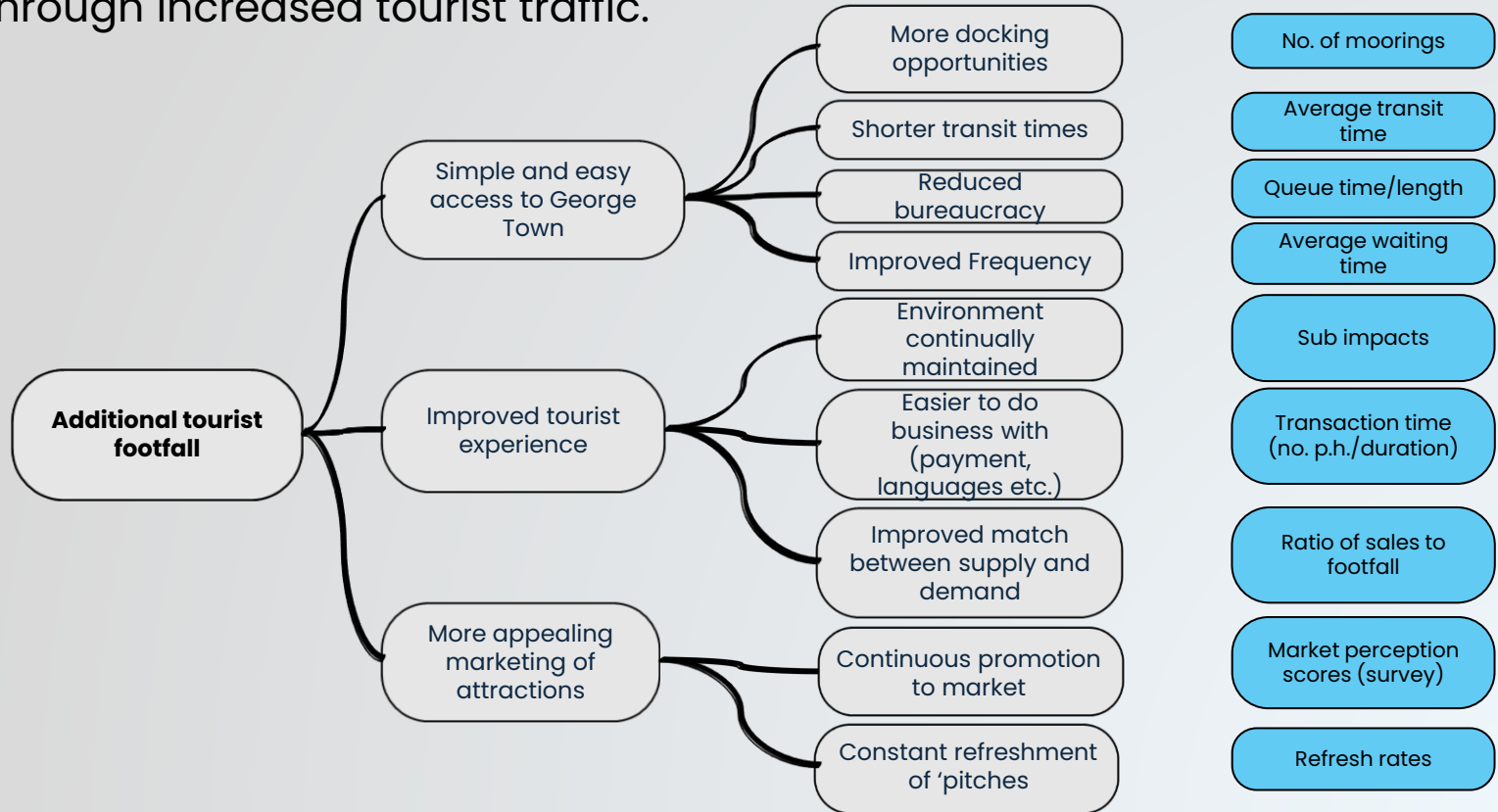
Benefit = the measurable addition of value

Value adding is different from valuable



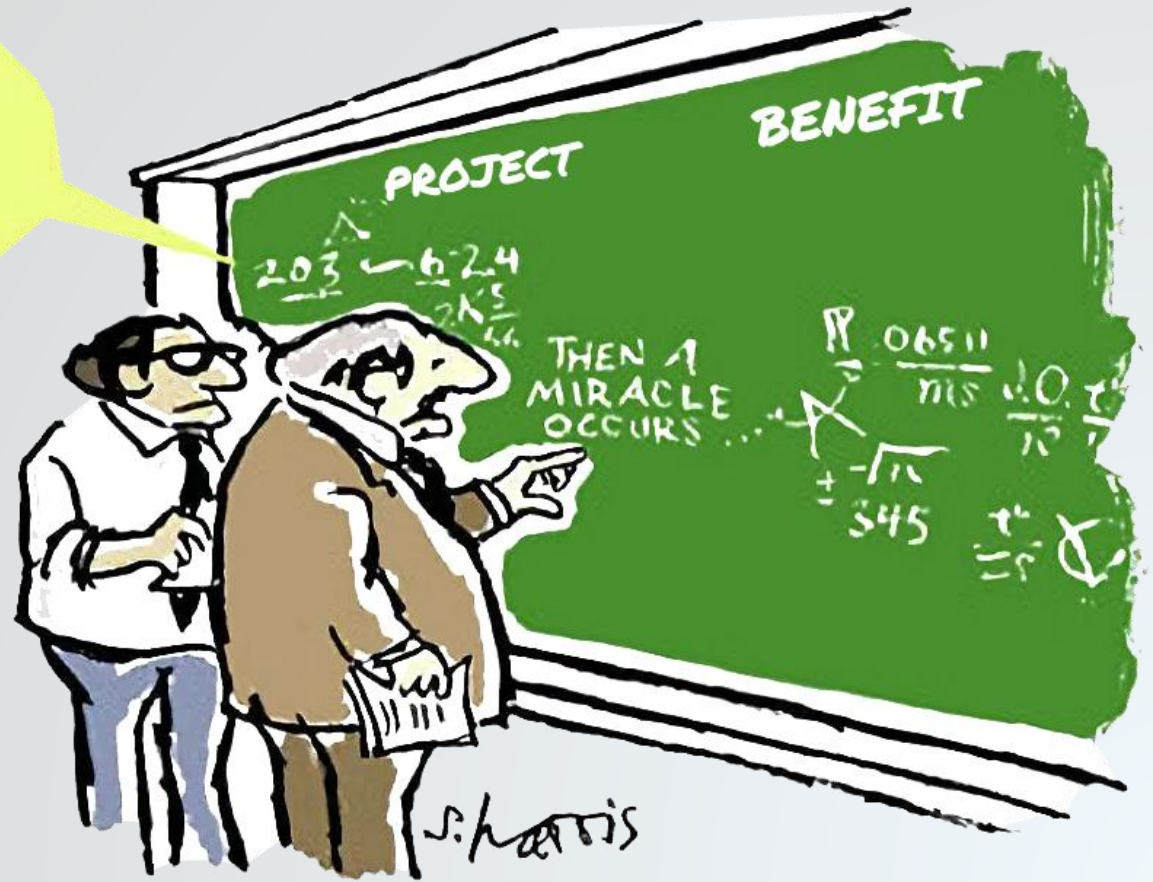
Impacts - intent versus action

Part of the benefits case for the development of the harbour claimed value through increased tourist traffic.



Benefits arise from impacts

I THINK YOU SHOULD BE MORE SPECIFIC HERE IN STEP TWO



The problem with solutions

Solutions don't provide value....unless they are used

What makes them 'useful' (and therefore used) is the functionality that they provide.



VS

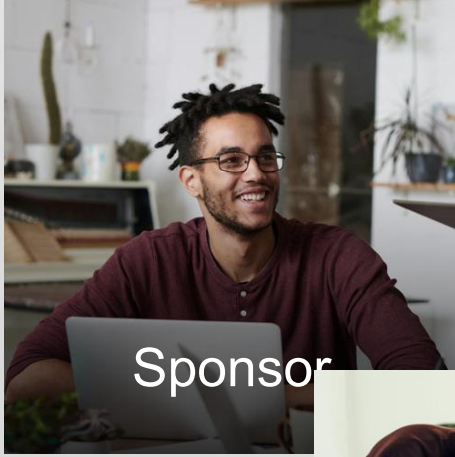


Four big questions

- What outcome (aka, new behaviour) have we got to achieve?
- Who has got to change their behaviour?
- How do we ensure they do?
- What measures will show us they have?



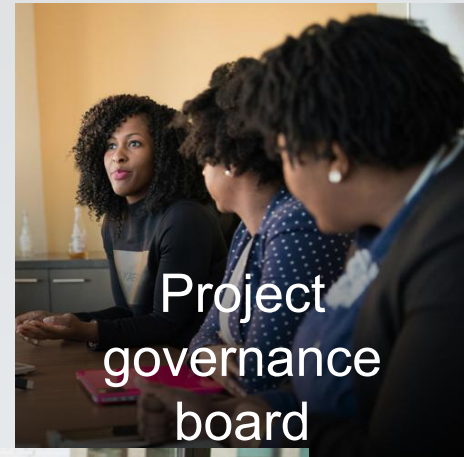
Roles and accountabilities



Sponsor



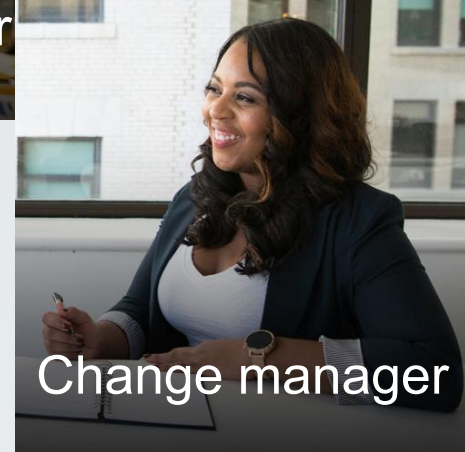
Project manager



Project governance board



Operational users/change agents



Change manager

Who owns, or does, what, at which point/s in time?