Project Assessment Framework

Deliver service

July 2015

Component of the Project Assessment Framework (PAF)

This document forms part of the Project Assessment Framework, as outlined below.

Overarching policy document	
	Policy overview
Guidance material	
	Strategic assessment of service requirement
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	Business case development
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✔	**Deliver service**
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Purpose

This document provides guidance regarding the range of issues to consider when transitioning a project into its ongoing service delivery mode, including guidance on how to conduct post-implementation and post-project benefit reviews.

The purpose of the *Deliver service* stage is to transition a project into its ongoing service delivery mode through commissioning, implementing or rolling out the goods, services or outputs (products) produced by the project.

Evaluation is an important aspect of this stage. It is used to assure project decision makers and other stakeholders that the project has been implemented successfully (through a post-implementation review). Evaluating if the project overall has delivered the intended benefits is performed in the *Benefits realisation* post-project stage.

Agencies should refer to the Project Assessment Framework (PAF) Policy Overview for further information about the PAF's application and the roles and responsibilities that may apply.

2
Process

The final project stage, *Deliver service*, is undertaken after the robustness of a solution and the readiness of the organisation/s involved to implement it have been assessed in the *Establish service capability* stage. It may have a longer term focus than other project stages, as often the new ways of working after implementation need time to 'stabilise' before the post-project stage can truly assess whether benefits have been realised.

The key activities undertaken in the *Deliver service* stage include:

- operationalising project products
- managing the contract
- positioning for the future
- conducting post-implementation review
- managing and monitoring supplier performance
- checking exit and/or transition strategies
- planning to close the project
- planning to progress to the Benefits realisation post-project stage
- seek approval to close the project.

2.1 Operationalise project products

During the *Establish service capability* stage, significant effort is allocated towards finalising plans for the commissioning, implementation or rollout of the goods, services or outputs (products) produced by the project. This usually includes planning for and monitoring:

- business operations during the commissioning period
- fitness for purpose of commissioned products
- workplace health and safety
- integration with existing business operations
- benefits management and realisation
- change management
- business continuity
- contingencies and/or reversions
- processes to seek assurance or accreditation.

The commissioning plan provides the basis for the complex sets of actions and coordination that will bring into operation the products developed by the project.

Successful implementation means focusing on the whole business change. Key factors include: people; organisation/s; business processes and supporting infrastructure; managing and measuring benefits; interacting with stakeholders; and sharing lessons learned.

What you need to do:

- commission, implement or rollout project products in accordance with implementation plans as finalised in the E*stablish service capability* stage
- control the rate of change
- provide post-implementation support.

2.1.1 CONTROL THE RATE OF CHANGE

Depending upon the nature of the project, the products to be commissioned and the extent of change involved, operationalisation may take different forms. This includes full or phased implementation, or a combination of these.

2.1.1.1 Full implementation

In a full implementation, all project products are implemented at once, leading to an immediate switch from the old ways of working to the new. This approach delivers immediate access to expected advantages of the new ways of working, however at an increased level of risk given the lack of a viable fallback position should implementation fail or be delayed. Successful implementation using this technique requires sufficient change management preparation and training opportunities, and full cooperation and communication amongst all delivery partners.

2.1.1.2 Phased implementation

In a phased or staged implementation, project products are implemented in a structured way, over a period of time, often by function and/or location. This leads to a timed transition from the old ways of working to the new, based on a predetermined flow of effort from implementing one complementary product, function or location to another. This approach delivers incremental access to expected advantages of the new ways of working driven by quick wins and sustained by ongoing progress toward the intended 'final' state.

Using this approach may generate benefits in its own right, such as revenue during transition or increasing momentum from greater customer input, adoption and promotion of the new ways of working. However, diluting the change effort over long periods of time may reduce the likelihood of success from a phased approach, primarily due to the increase in resources required and possibility of stakeholder fatigue.

2.1.1.3 Pilot implementation

In a pilot or 'test and learn' implementation, project products are trialled over a specified period of time in a limited, representative sample of organisational environments often by location or work unit. This leads to a test of the transition from the old ways of working to the new, after which lessons learned can be used to enhance project products or further implementation efforts. This technique may be used to reduce the risks associated with a full implementation, or to generate quick wins as the first phase in a phased implementation.

Pilot implementation complements, but does not replace the need for, product testing. Further information on product testing is available in the *Establish service capability* guidance material.

Sources for further information

The *Capital Works Management Framework* (CWMF) sets out sets out further guidance on how to plan for the operation of a new government building through commissioning and handover and the *Maintenance Management Framework* (MMF) sets out what are required to appropriately manage maintenance and asset management information.

Both the CWMF and the MMF are administered by the Department of Housing and Public Works and available at www.hpw.qld.gov.au.

2.1.2 PROVIDE POST-IMPLEMENTATION SUPPORT

It is important to provide, or organise, support after operationalisation is completed, (e.g. terms of follow-on or refresher training, availability of product information, maintenance or exploring upgrade options). Post-implementation support helps to translate the new ways of working into the customised way of working.

2.2 Manage the contract

With project products operationalised, the transition to ongoing service delivery is nearing completion. Depending upon the nature of the project and whether contractual arrangements for ongoing service delivery have been entered into, effort may now shift into ongoing contract management.

Contract management is critical to the success of the project as it ensures the value created through the procurement process is realised and maintained. Appropriate contract management procedures should be established, including a clear approval process for future amendments to the contracts.

The foundations for contract management should have been established in the previous project stage, *Establish service capability*, and should address:

- relationship management
- service delivery management
- contract administration.

For more information on establishing contract management roles and processes, refer to the *Establish service capability* guidance material.

What you need to do:

- manage the contract by applying principles of relationship management, service delivery management, and contract administration.

2.2.1 MANAGE THE CONTRACTUAL RELATIONSHIP

When managing the contractual relationship, consideration must be provided for, communication, culture and attitudes, and issues.

2.2.1.1 Communication

Good communication is essential in managing a relationship. Communication allows problems to be identified and resolved early, and can build an atmosphere of mutual trust and appreciation of partners' priorities. For effective communication in contract management, consider:

- using an appropriate number of management levels and establishing formal, yet flexible, structures which distinguish between managing strategic and operational issues
- defining and testing the routes and media for information flows
- maintaining peer-to-peer communication to the greatest extent possible.

2.2.1.2 Culture and attitudes

There will always be some tensions between the different perspectives of a customer and a supplier. Contract-based relationship management is about resolving or easing such tensions to build a 'win/win' relationship.

Successful relationship management is dependent upon the cultures of the organisations involved. Overall, the 'right' attitudes engender the 'right' behaviours. Both partners' objectives must be shared and understood with the emphasis directed towards achieving them. Adversarial approaches are not recommended as they often only increase the distance between customer and supplier.

Consider identifying partnering champions at senior levels to lead by example in each organisation, and empowering staff directly involved in managing the relationship.

2.2.1.3 Issues management

However effective the relationship between delivery partners, and however stable the product being delivered, issues can arise. Effective issues management is built upon:

- identified issue management procedures, including known and applied escalation procedures which seek to resolve issues as early as possible
- preventative measures, as well as problem resolution
- defined procedures for corrective action (e.g. if target performance levels are not being achieved).

What you need to do:

- implement effective communication mechanisms
- consider culture and attitudes
- implement effective issues management mechanisms.

2.2.2 MANAGE SERVICE DELIVERY

When managing service delivery, consideration must be provided for service levels, quality, benchmarking and risk.

2.2.2.1 Manage service levels

Service level management is the process of managing the performance provided to the customer as specified in the contractual performance metrics.

The goods, services and outputs (products) provided and delivered under contract need to be proactively monitored and managed to ensure adherence to committed service levels and service payment streams. Customers and suppliers need to take a defined share of such service management arrangements to make them work. In cases where the supplier is an in-house unit or agency (relative to the agency or agencies managing the project) the level of service required should be set out in a service level agreement.

The achievement of the contractual service levels will trigger an appropriate payment stream to the supplier.

Therefore, data collection, reporting, monitoring and validation arrangements are needed for each product being delivered. This leads to clear identification of when delivery targets are met, and when the relevant payment becomes due, or otherwise.

Each element for delivery within the total 'package' ideally needs to have its own: target level; system for data collection, monitoring and validation; usage and outage report; and links to the payment mechanism.

Service level management may also include:

- providing for new, amended or deleted delivery elements or payment streams
- establishing dispute escalation and resolution procedures
- synchronising or creating compatibility between the service management arrangements in the contract with other related contracts
- specifying appropriate arrangements for:
  — service exit or termination
  — handover to the next supplier upon completion of a new competitive selection process
  — handing the service provision back to the agency or agencies managing the project, (including any necessary asset, skill, licence and knowledge transfer).

Wherever there are formal agreements, on service levels or otherwise, there is often a need for some flexibility as operational realities are established. In the early stages of an agreement, appropriate rigour should be applied with sensitivity.

2.2.2.2 Quality

The quality of the product as operationalised must be able to be determined and assessed. This requires the creation and use of quality metrics specific to the product. Quality measures might assess aspects including completeness, availability, capacity, reliability, durability, flexibility, and timeliness.

Some aspects of a service will be measurable by numerical means whereas others may require subjective assessment. Regardless of the measure used, it should seek to assess overall fitness for purpose.

2.2.2.3 Benchmarking

Benchmarking (or the practice of making like-for-like comparison in order to measure and improve value for money) can be used to compare performance between different organisations, or different units within a single organisation, undertaking similar processes. This can assist in determining performance criteria including cost, quality, improving business practices or reducing prices. To determine its use, the effort, complexity and cost of benchmarking should be measured against the criticality of the products to be delivered.

The advantages of benchmarking can be gained provided there is scope to adjust prices or processes within the contract.

2.2.2.4 Risk management

Risk is the uncertainty of outcome, whether it is a positive opportunity or a negative threat. In the context of service delivery management, operational risks (rather than business or project risks) may represent the greatest concern. These risks are often managed on a day-to-day basis by service managers and can relate to many aspects of the contract, including fluctuation in demand, lack of supplier capacity, change in requirements or transfer of skilled staff.

Effective risk management in this context is similar to overall project risk management in that all risks should be identified and managed, allocating risks to the party best placed to manage them.

> **What you need to do:**
> - manage service levels
> - manage quality
> - undertake benchmarking (where appropriate)
> - consider risk management.

2.2.3 MANAGE AND ADMINISTER THE CONTRACT

When managing and administering the contract, consideration must be provided for management reporting, asset management, and contract maintenance.

2.2.3.1 Management reporting

Requirements for management of information, as defined before and during contract negotiations, are likely to change during the lifetime of the contract. Where possible, using the supplier's own management information and performance measurement systems may help to facilitate this flexibility.

Information may be required about all performance measures or only about exceptions (i.e. instances when performance differs from the expected). Exception reporting minimises the time needed to assess performance and ensures attention is focused on areas that need it most. In most cases, a summary of the product received along with a note of exceptions will suffice. However, the ability to access more detailed performance information should be retained to facilitate trend analysis and further querying of exceptions, where required.

During the early stages of the contract, the contract manager should ensure that all information flows between customer and supplier, and between various internal groups, are identified and tested.

2.2.3.2 Asset management

If ownership of assets used in the delivery of products is retained by the agency or agencies managing the project, then this entity or entities will have responsibility for those assets.

In many cases, day-to-day management of assets will be carried out by the supplier; however the contract manager should ensure that:

- the asset register is up to date
- any third party use of assets is recorded (e.g. the supplier may use the assets to deliver services to other customers)
- upgrades and replacements are planned and budgeted for.

Unless otherwise delegated, the contract manager is usually responsible for liaison with the supplier on the administration, upkeep and maintenance of assets.

2.2.3.3 Contract maintenance

Contractual relationships evolve over time and must respond to changes in the business environment. The contract document itself must also be capable of evolving efficiently and effectively in response to changing requirements, through formal change control procedures and by mutual consent.

To avoid conflicts, it is preferable for documentation to be updated as changes occur, rather than relying on informal arrangements. For a large or complex contract, a formal document management process is important.

What you need to do:

- consider management reporting, asset management and contract maintenance.

Sources for further information

The extensive series of Procurement Guidelines, produced by the Department of Housing and Public Works available at www.hpw.qld.gov.au covers topics such as *Managing and monitoring suppliers' performance.*

2.3 Position for the future

As well as delivering results as intended, the agency or agencies managing the project are also responsible for continuous improvement through direction setting, evaluating achievements and identifying improvement actions. Positioning goods, services and outputs (products) for the future is important and may include:

- benchmarking – the process of like-for-like comparison, with the aim of identifying opportunities for process improvement (refer to section 2.2.3: *Manage and administer the contract*)
- post-implementation review – ensuring that the implementation of project products resulted as expected (refer to section 2.4: *Conduct post-implementation review*)
- performance-related management – the process of tracking performance against targets and seeking opportunities to improve (refer to section 2.5: *Manage and monitor supplier performance*)

- re-competition – the process of reviewing and revisiting service provision at the end of a contract, with the aim of identifying the optimum solution for the future (refer to section 2.6: *Check exit and/or transition strategies*)
- post-project benefits realisation – ensuring that the benefits identified in the business case and subsequently planned and managed have been realised (refer to section 2.8: *Plan to progress to Benefits realisation post-project stage*).

What you need to do:

- plan for and establish mechanisms to promote continuous improvement.

2.4 Conduct post-implementation review

At the end of the commissioning, implementing or rollout of the project goods, services or outputs (products), there should be an evaluation of success. This often represents whether the delivery partners delivered what was asked for in terms of products.

Overall, for the post-implementation review, evaluation highlights lessons learned for the future and involves: consideration of economy; efficiency and effectiveness; whether value for money has been achieved; how well implementation objectives have been met; and whether there were any unintentional outcomes (positive or negative).

Although the review methodology is similar, determining whether what was asked for actually met the project outcome sought is the subject of the post-project benefits review (refer to section 2.8: *Plan to progress to Benefits realisation*)

What you need to do:

- define and conduct a post-implementation review
- document findings from post-implementation review, for example, in the end project report.

2.4.1 DETERMINE THE SCOPE FOR THE POST-IMPLEMENTATION REVIEW

Depending upon the nature of the goods, services or outputs (products) implemented, the post-implementation review may include one or more of the following:

- economic review
- user acceptance or product performance review
- delivery process review
- technical review.

2.4.1.1 Economic review

The purpose of an economic review is to evaluate whether the project as implemented achieved the benefits and costs estimated in the business case, and identify which factors have led to variations from the estimated benefits and costs.

2.4.1.2 User acceptance or product performance review

The purpose of a user acceptance or product performance review is to evaluate whether the product as implemented met end-user requirements as expected. This type of review seeks to describe or explain cause-and-effect relationships as they relate to any intended or unintended results from implementation, be they positive or negative.

2.4.1.3 Delivery process review

The delivery process review focuses on issues which are related to project management (e.g. time and resources used to deliver or implement the product) or the impact of any issues, variations or disputes encountered during the project lifecycle. It may also examine decision making processes in the delivery or implementation of products, and the effectiveness of communication channels.

2.4.1.4 Technical review

Technical reviews may relate to one or more of a range of specialist-led reviews that seeks to identify good practice and areas for improvement in a specific field or discipline. Often important for construction projects, examples of technical reviews include: maintenance reviews, communication infrastructure reviews, or engineering-based reviews.

2.4.2 CONDUCT THE POST-IMPLEMENTATION REVIEW

The methodology supporting a post-implementation review largely follows a generic problem-solving approach:

- define review objectives and approach
- undertake background research
- allocate resources to meet review objectives
- collect, analyse and compare data
- identify findings, issues and recommendations
- link findings to future action.

When defining review objectives, consideration must be provided for specifying issues for exploration; devising a priority list; selecting performance measures for comparison; clearly defining the context and limits of the review; possible stakeholder concerns; and potential availability of resources and information.

When undertaking background research, attempt to make maximum use of available material such as feasibility studies, cost plans, contract documentation and project progress reports.

When allocating resources, consider the objectives of

the review when specifying roles, responsibilities and timeframes.

When collecting data, it is important to maintain a balance between the amount and quality of information sought and the expense and effort to do so. A range of data collection techniques are available, including questionnaires, participant interviews, observation, walk-throughs, workshops, and discussions. Selection of technique/s should be based upon which one generates information in a form suitable for analysis and comparison.

When analysing data and before finalising outcomes from the review, holding a workshop with key stakeholders and project decision makers to reflect upon draft findings and obtain a collective view can be useful. This collective view can be used to inform recommendations and proposed future actions.

When documenting and disseminating findings, the aim should be to link the findings back to the right people, at the right time and in the right format, to aid application and understanding to other current or potential projects.

What you need to do:

- use a problem solving approach to undertake a review of project success after implementation.

2.4.3 DOCUMENT THE FINDINGS FROM THE POST-IMPLEMENTATION REVIEW

The post-implementation review report describes how well the project has performed in terms of: the original planned cost; schedule and risk allowances; the refreshed business case; and the refreshed project implementation plan.

A typical post-implementation review report is prepared by the project manager for the consideration of the project sponsor, and should include:

- achievement of implementation objectives
- whether implementation was consistent with planned timing and costs, and met with acceptance from stakeholders
- effects on the original business case
- effects on the original project implementation plan
- a plan to conduct a post-project benefit review.

Sources for further information

Under the CWMF, guidance is available at www.hpw.qld.gov.au on planning and conducting project reviews and post occupancy evaluation for government building projects.

2.5 Manage and monitor supplier performance

Following the implementation and evaluation of project goods, services or outputs (products), managing and monitoring supplier performance is a key activity.

Often facilitated by the contract management process, but in a broader context than managing service levels or the contract itself (refer to sections 2.2.2: *Manage service delivery* and 2.2.3: *Manage and administer the contract*), supplier performance can be monitored at various levels to generate different types of information. For example, at the operational level, monitoring generates information about volumes, availability and other day-to-day concerns. At a business level, monitoring can generate information about the supplier-customer relationship. At a strategic level, monitoring can generate information about the supplier's understanding over time (of the project outcome sought, of the agency or agencies managing the project or of future needs); perceptions, attitudes and trust; and responsiveness to change.

Effective management and monitoring of supplier performance throughout the life of a contract can:

- enhance strategic relationships with suppliers
- assist in developing supplier capability
- improve supplier and customer performance
- contribute to effective risk management.

As described in the *Supply strategy development* guidance material, suppliers should be made aware at the earliest possible opportunity that their performance will be assessed and recorded.

At a minimum, suppliers should be familiar with any performance criteria, how they will be measured, how performance assessments will be recorded, and who will have access to such information. Any information learned about a supplier should be retained, carried forward and built upon, to ensure the best possible working relationship can be maintained.

Performance assessment is a two-way process. As the agency or agencies managing the project use approaches, tools and techniques to explore a supplier's contribution to ongoing service delivery, suppliers too will be assessing the agency or agencies' contribution to their business.

What you need to do:

- monitor supplier performance at operational, business and strategic levels (using approaches, tools and techniques as appropriate).

2.5.1 USE PERFORMANCE MONITORING AND MANAGEMENT APPROACHES

Supplier performance should be objectively assessed against pre-determined criteria, as understood and agreed by the supplier and agency or agencies managing the project. To do this, contract managers (or their equivalent) may implement one or a combination of the following performance monitoring approaches.

2.5.1.1 Direct monitoring

Under the direct monitoring approach, monitoring and managing supplier performance is under the direct influence of the agency or agencies managing the project. This approach may increase contract management costs incurred by the agency or agencies managing the project, but encourages timely resolution of any issues raised.

2.5.1.2 Supplier monitoring

Under the supplier monitoring approach, responsibility for monitoring supplier performance is devolved to suppliers, yet accountability remains with the agency or agencies managing the project. This approach relies on regular checks on information provided by suppliers to test accuracy and reliability.

2.5.1.3 Customer monitoring

Under the customer monitoring approach, supplier performance is assessed through follow-up with end users or customers. This approach may generate accurate perceptions of supplier performance under real delivery conditions, however may be costly and time consuming to implement.

2.5.1.4 Independent monitoring

Under the independent monitoring approach, responsibility for monitoring supplier performance is directly devolved to an independent third party (external monitoring body) or indirectly devolved through an accreditation process. In an accreditation process, service standards are set, reviewed and monitored through an independent body. When considering the use of independent monitoring approaches, potential costs incurred should be compared to potential benefits accrued.

Independent monitoring should be facilitated by an Independent Verifier if the agency determined in the Business case development stage that, due to the high complexity and risk of the project, there was a need for an objective and competent assessment of the project solution once it became operational.

2.5.2 USE PERFORMANCE MONITORING AND MANAGEMENT TOOLS AND TECHNIQUES

A range of performance monitoring and management tools and techniques are available to contract managers (or their equivalent). These include, but are not limited to:

- key performance indicators
- regular supplier-customer meetings
- progress review meetings
- technical review meetings
- longer term reviews and audits
- contract-specific audits
- spot checks and inspections
- contract reports
- non-conformance reports from the field.

The selection of appropriate tools and techniques is dependent upon the nature of the project, the nature of the performance monitoring approach/es implemented and whether provision for the tool or technique has been included in the contract.

To effectively manage supplier performance, performance monitoring tools and techniques can be used to explore a range of issues pertaining to delivery, pricing, customer service, the project product itself, overall understanding, the working relationship, change and the strategic relationship.

A range of questions to consider is included in *Appendix A*.

Sources for further information

The extensive series of Procurement Guidelines, produced by the Department of Housing and Public Works available at www.hpw.qld.gov.au covers topics such as *Managing and monitoring suppliers' performance*

2.6 Check exit and/or transition strategies

In most cases, service delivery will continue after project effort ceases. Preparations, however, should still be made for contract exit and/or transition strategies that may not come into effect until long after the project team disbands.

Preparing for the expiry of a contract is informed by effective monitoring and management of supplier performance. As a service delivery arrangement nears its contractual end, issues such as ownership of information or infrastructure become increasingly important.

Any exit and/or transition strategies should support a supplier's proactive involvement in any rebidding or re-tendering process, especially if it is likely that the incumbent supplier is interested in continuing to provide the good, service or output (product) in question. This can also act as an incentive for the incumbent supplier to maintain desired performance levels until the actual expiry date of the existing contract.

2.6.1 NEW COMPETITIVE PROCESS ON CONTRACT EXPIRY (RE-COMPETITION)

Re-competition is particularly important where an incumbent supplier becomes entrenched, thus potentially deterring alternative suppliers from competing in a rebidding or re-tendering process.

Provisions for re-competition are usually included within the terms and conditions of service contracts, and may include for example:

- mechanisms to enable full sharing of information which may give the incumbent supplier an advantage
- a requirement to maintain a current inventory of infrastructure provided
- details of who will own infrastructure at contract end
- arrangements for infrastructure services, and access to other property, software and data.

The length of time required to adequately prepare for re-competition increases in proportion with the length of the contract signed.

Consideration of the probity of any re-tendering process is required to ensure that the process is fair for all tenderers.

2.6.2 EXTENDING EXISTING CONTRACTS

In most cases, exit and/or transition strategies should not rely on multiple extensions of existing contracts. Extending an existing contract should be reserved for cases where:

- there is scope within the contract for possible extensions (of time and/or value)
- the supplier is performing well and is well placed to continue to deliver
- the supplier is not overly dependent upon the Government's expenditure
- the market remains competitive.

It may be preferable to restructure or repackage the existing contract into smaller lots.

2.6.3 REALISTIC CONTINGENCIES

It is important to consider realistic contingencies when developing or maintaining an exit strategy. Realistic contingencies allow for a competitive 'threat' to be maintained during the term of the contract. Contingency planning can also be used as a tool to assure the Government that the marketplace remains contestable and to assure that an agency or agencies, or the Government as a whole, will not be exposed to an unacceptable level of risk should the incumbent supplier be unsuccessful in the renewal of a significant contract.

What you need to do:

- consider exit and/or transition options
- consider implications for re-competition
- devise mechanisms to ensure an appropriate level of supplier performance is maintained as the contract term nears expiry.

2.7 Plan to close the project

In order to ensure all handover activities are defined and allocated before the project team disbands, it is important that the agency or agencies managing the project plan for a controlled project closure.

What you need to do:

- refresh project documentation as required
- make known any future work requirements.

2.7.1 REFRESH THE BUSINESS CASE

Given the outcomes of the *Deliver service* stage, the business case should be reviewed in light of actual financial and non-financial information once available. Some sections of the business case may need to be revised, and documented as addendums/revisions to the business case.

The final refresh of the business case is important in confirming acceptance of project products and checking the extent to which the project outcome sought has been achieved.

2.7.2 REFRESH THE PROJECT IMPLEMENTATION PLAN

The project implementation plan should take into consideration all pertinent matters which arose during the *Deliver service* stage such as outcomes from service delivery or post-implementation review.

The plan should also reflect the activities, budget, timeframes, key skills and capabilities required to close the project or affect handover. This may mean planning for, or confirming:

- ongoing contract management
- benefits management and realisation
- post-project benefits reviews
- maintenance and ongoing support
- exit and transition strategies related to operations and contracts.

The refreshed project implementation plan should receive the agreement of stakeholders, especially in the case where handover for future work is required.

In conjunction with refreshing the project implementation plan, it is also important to document any 'unfinished business'. These matters will need to be made known to those responsible for managing a service or a contract after project closure. Examples of such matters can include:

- remaining risks and issues
- deferred change requests
- training needs
- outstanding actions from commissioning, implementation or rollout
- ongoing problems with project products.

2.7.3 UPDATE THE CHANGE MANAGEMENT PLAN

Given the outcomes of the *Deliver service* stage, the change management plan should be reviewed and updated to reflect any pertinent information which arose during service delivery or post-implementation review.

2.7.4 REFRESH RISKS AND ISSUES REGISTERS

Given the outcomes of the *Deliver service* stage, the risks and issues registers should be reviewed and updated to reflect any pertinent information which arose during service delivery or post-implementation review.

Where possible, risks or issues should be 'closed' or allocated as 'unfinished business' to the person most able to manage them.

2.7.5 CONVERT THE LESSONS LEARNED REGISTER INTO A LESSONS LEARNED REPORT

Throughout the project lifecycle, the learnings (both positive and negative) from the course of the project should have been compiled and made available as resource material.

Given the outcomes of the *Deliver service* stage, the lessons learned register should be reviewed and updated to reflect any pertinent information which arose during service delivery or post-implementation review, then converted into a lessons learned report.

The purpose of the lessons learned report is to consolidate any lessons learned during the project that can be usefully applied to other projects. A typical lessons learned report contains:

- information on which processes worked well
- information on which processes need improvement
- an assessment of technical methods and tools used
- recommendations for future enhancement or modification to the project management methodology
- indications of effort required to create project products
- findings from product testing, project reviews and other quality assurance processes.

In converting the project learnings register into a lessons learned report for sharing within and across organisations, it is useful to identify groups and individuals who will make use of the lessons learned now (i.e. projects in the early stages of their lifecycles) as well as groups and individuals who may make use of the learnings in the future.

Where agency processes and structures provide for it, lessons learned reports may be consolidated by a group responsible for project management standards across the organisation or by a project management office. Whole-of-government opportunities also exist for sharing lessons learned.

2.7.6 UPDATE THE COMMUNICATIONS PLAN

Given the outcomes of the *Deliver service* stage, the communications plan should be reviewed and updated to reflect any pertinent information which arose during service delivery or post-implementation review.

The communications plan should also include any provisions required to formally notify stakeholders of the intention to close the project and disband the project team.

2.8 Plan to progress to Benefits realisation post-project stage

The *Benefits realisation* post-project stage is undertaken after the closure of the project and once the new ways of working have reached a 'steady state'.

This is separate from the post-implementation review which focuses on the degree of success attained in the commissioning, implementing or rolling out of project goods, services or outputs (products) (refer to section 2.4: *Conduct post-implementation review*).

The *Benefits realisation* post-project stage considers the project's entire benefits management process, including any benefits that may not be ready for measurement and assessment when the post- project stage is undertaken. It measures the extent to which the project solution addressed the outcome sought, as described in the business case and to what extent further actions are required to achieve and/or enhance benefits.

Effective completion of the *Benefits realisation* post-project stage requires willing participants, access to relevant information and stakeholders, and a commitment to apply any findings and lessons learned to inform current projects as well as future projects.

Ideally, the findings and lessons learned resulting from the *Benefits realisation* post-project stage should provide balanced and constructive feedback which can improve future project decision making.

A detailed plan and budget for progressing to the *Benefits realisation* post-project stage should be included in the submission presented to the Cabinet Budget Review Committee (CBRC) or other project-specific governing body in seeking approval to close the project (refer to section 2.9: *Seek approval to close the project*).

2.8.1 IDENTIFY THE APPROACH FOR BENEFITS REALISATION

In preparation for the *Benefits realisation* post-project stage, it is necessary to identify the approach to be undertaken. This includes but is not limited to the following:

- identifying timing – the benefits management plan should be reviewed to assess whether the proposed timing is still appropriate (typically within 6-12 months of commencing operations)
- developing a succession plan to handover any benefits management plans and reporting responsibilities to the appropriate business owner

- identifying research requirements – the main sources of documented information may include:
  — refreshed business case
  — benefits management plan
  — benefit profiles
  — interviews/workshops with stakeholders and customers

allocating resources– consultations should include the following parties:

  — people with a working knowledge of the project, and its processes
  — people with relevant technical knowledge of the project
  — project planners with knowledge of the project's contribution to the outcome sought by the agency and the Queensland Government
  — people involved with the everyday benefits management process.

- identifying how findings and lessons learned will be linked to future action – an important outcome of benefits realisation is to make the fullest use of the experience gained for managing future projects. Therefore, the benefits realisation should identify successful elements and opportunities for improvement (not just for the current project, but for future projects).

Depending on the size and complexity of the project, an independent, multi-disciplinary team should be established to enable objective analysis and reporting of benefits realised and lessons learned. Independence in this context means independent of the functional / project area, not necessarily independent of the agency (although this may be appropriate in some instances).

Benefits realisation requires a systematic approach with clearly defined success criteria. It may also be useful to consider how a prospective team would seek answers to the following questions:

- to what extent has the project achieved the benefits expected
- is there an identifiable trend of improving benefits
- are stakeholders satisfied with project outcomes
- are project outcomes proving to meet quality expectations
- are project outcomes supported as well as was expected, and are staff involved in providing this support satisfied with the tools and training they were provided
- have project outcomes caused any new or unexpected problems?

2.8.2 DETERMINE THE PROCESS FOR DISSEMINATING THE FINDINGS AND LESSONS LEARNED

The findings and lessons learned resulting from the Benefits realisation post-project stage is an important piece of project documentation and warrants considered construction and dissemination. To many, it represents an accessible summary of the project and its achievements, future actions required and lessons learned from the experience.

> **What you need to do:**
>
> - Plan to progress to the *Benefits realisation* post-project stage, including:
>   — identifying the approach for benefits realisation
>   — determining the process for disseminating the findings and recommendations.

> **Sources for further information**
>
> Under the CWMF administered by the Department of Housing and Public Works, guidance is available at *www.hpw.qld.gov.au* on planning and conducting project reviews for government building projects.

2.9 Seek approval to close the project

At the end of the *Deliver service* stage, a submission should be presented to the CBRC or other project-specific governing body seeking approval to formally close the project and transition to the operational phase.

The submission should describe the approach taken (and where available, findings from) post-implementation reviews, and arrangements governing handover and ongoing service delivery requirements, including progressing to the Benefits realisation post-project stage.

> **What you need to do:**
>
> - develop a submission to the appropriate decision maker seeking approval to close the project.

3

Products

The products to be produced in the *Deliver service* stage include:

- documented findings from continuous improvement mechanisms, for example:
  - supplier performance monitoring
  - checks of exit and/or transition strategies
  - post-implementation review
- post-implementation review report
- the business case refreshed to reflect the outcomes from service delivery and findings from post-implementation review, and budget for any ongoing activities (if applicable)
- updated:
  - project implementation plan
  - change management plan
  - issue and risk register
  - benefits management plan
  - communications plan
- updated lessons learned register, converted into a lessons learned report
  - plan for progressing to the *Benefits realisation* post-project stage.

4

Checklist

As each project is unique, the following checklist should be used as a guide to a range of appropriate project assurance questions, not as a full checklist of mandatory items. Where a 'no' or 'not applicable' response is recorded in the checklist, it is good practice to provide justification in some form, such as in the stage products listed in 4.1.

4.1 Products

Have the following products been completed in accordance with quality standards as agreed via relevant project governing bodies?	Guideline Ref	Yes	No	N/A
Documented findings from continuous improvement mechanisms, for example: • supplier performance monitoring • checks of exit and/or transition strategies • post-implementation review	2.3	☐	☐	☐
Post-implementation review report	2.4	☐	☐	☐
The business case refreshed to reflect the outcomes from service delivery and findings from post-implementation review, and budget for any ongoing activities (if applicable)	2.7	☐	☐	☐
Updated: • project implementation plan • change management plan • issue and risk register • benefits management plan and supporting benefit profiles • communications plan	2.7	☐	☐	☐
Updated lessons learned register, converted into a lessons learned report	2.7	☐	☐	☐
Plan for progressing to the *Benefits realisation* post-project stage.	2.8	☐	☐	☐

4.2 Process

Have the following processes been completed in accordance with quality standards as agreed via relevant project governing bodies?	Guideline Ref	Yes	No	N/A
Can project decision makers be assured that products have been commissioned, implemented or rolled out according to plan?				
Have products been operationalised according to plan, and is post-implementation support proving effective?	2.1	☐	☐	☐
Can project decision makers be assured that the contract is being managed well?				
Are mechanisms in place to manage relationships, service levels and contract administration?	2.2	☐	☐	☐
Can project decision makers be assured that project products are being positioned to encourage continuous improvement?				
Are plans and/or mechanisms in place to encourage continuous improvement, including but not limited to: • benchmarking • post-implementation review • performance-related management • re-competition • post-project benefits management and realisation?	2.3	☐	☐	☐
Can project decision makers be assured that a post-implementation review has been undertaken?				
Have findings from a robust post-implementation review been documented, disseminated and actioned accordingly?	2.4	☐	☐	☐
Can project decision makers be assured that supplier performance is being effectively monitored and managed?				
Have findings from a robust program of monitoring supplier performance been documented, disseminated and actioned accordingly?	2.5	☐	☐	☐
Can project decision makers be assured that exit and/or transition strategies have been appropriately considered?				
Have preparations for contract expiry been considered?	2.6	☐	☐	☐

Have the following processes been completed in accordance with quality standards as agreed via relevant project governing bodies?	Guideline Ref	Yes	No	N/A
Can project decision makers be assured that the business case and project plan have been refreshed?				
Have the following been refreshed to reflect actuals from service delivery, and any future actions required: • business case • project implementation plan • change management plan • risk and issue registers • communications plan • lessons learned register?	2.7	☐	☐	☐
Can project decision makers be assured that a sufficiently detailed submission seeking approval to close the project has been prepared?				
Does the submission include a detailed plan and budget for progressing to the Benefits realisation post-project stage, including the: • approach for assessing benefits achieved • process for disseminating the findings and lessons learned?	2.8	☐	☐	☐

Appendix A – Managing supplier performance

Effective management and monitoring of a supplier's performance relies upon:

- identifying critical areas of performance and applying key performance indicators
- agreeing performance measures and methods of measurement
- documenting performance for future reference
- reviewing performance management approaches, tools and techniques to ensure relevance.

The following questions to consider represent a starting point for the types of issues that should be explored when monitoring and managing supplier performance.

1   Delivery

Does the supplier:

- deliver goods, services or outputs (products) on time
- meet due dates
- offer a competitive lead time
- deliver correct products and quantities
- provide accurate documentation and information
- respond to emergency delivery requirements?

2   Pricing

How does supplier performance rate in terms of:

- competitiveness
- price stability
- volume or other discounts
- the manner in which price changes are negotiated and introduced?

3   Customer service

Does the supplier:

- comply with contract terms and conditions
- demonstrate a sincere customer focus and desire to meet customer needs
- provide feedback to/from third parties involved in the development or delivery of products
- provide effective sales or product support
- demonstrate market insight
- provide, or organise, training for products delivered
- provide, or organise, support on professional or technical matters
- demonstrate administrative efficiency, for example through accurate invoicing
- adhere to their company policies
- adhere to their company quality assurance systems?

4   Product

How does the supplied good, service or output (product) rate in terms of:

- meeting specifications
- reliability and durability
- quality
- quality and availability of associated documentation, technical information, instructions, etc
- packaging suitability or environmental aspects?

5   Overall understanding

- How well does the supplier understand the project outcome sought? Is this understanding growing?
- Does the supplier have the technical competence to provide the project products which will meet the project outcome sought?
- How well does the supplier understand the business processes used by the agency or agencies managing the project? Is this understanding growing?
- Does the supplier take a proactive interest in building their overall understanding, as opposed to waiting for knowledge to be imparted?
- How well does the supplier understand the procedures, policies and standards relating to the service delivery or contractual arrangement? Is this understanding growing?

6   Working relationship

How does supplier performance rate in terms of:

- perceptions of the working relationship
- attitudes toward the working relationship
- behaviours within the working relationship
- trust and tolerance to risk within the working relationship
- communication and information sharing
- relationships with any subcontractors or third parties?

7   Change

How has the supplier initiated or responded to change in terms of changes in:

- shared strategic aims
- price
- subcontractors and/or supply chains
- commercial status of the supplier
- key staff?

8   Strategic relationship

- What characterises the supplier-customer relationship? How well do parties communicate? Do common objectives exist? How are risk and responsibility shared?
- What characterises the supplier's capability? How does a supplier's past performance rate? Are the right resources available now, and will they continue to be available in the future?
- To what extent is the supplier aware of the customer's needs? To what extent does the supplier actively seek to align customer needs with its own business strategies?
- What characterises the supplier's commitment to quality and innovation? Does the supplier offer a defect-free product? Does the supplier seek to continuously improve the product delivered by offering innovative solutions?
- What characterises the supplier's total response capability? How well does the supplier's financial status position it?