



# Benefits Realisation Workbook

**GATE**

**5**



**Government of South Australia**

Department of Planning,  
Transport and Infrastructure

# Contents

- Contents..... 2
- Background..... 3
- Overview..... 4
  - About this Workbook..... 4
  - Benefits Realisation..... 4
  - Purpose of Gate 5..... 5
- Project Documents..... 6
- The Review..... 7
  - 1. Review of Realisation Phase..... 7
  - 2. Business Case and Benefits Management..... 9
  - 3. Plans for Ongoing Improvements in Value-for-Money..... 10
  - 4. Plans for Ongoing Improvements in Performance and Innovation..... 11
  - 5. Review of Organisational Learning and Maturity Targets..... 13
  - 6. Readiness for the Future: Plans for Future Service Provision..... 14
- Resources..... 17
  - Gateway Review Resources..... 17
  - Additional Information..... 17
  - Acknowledgements..... 17

# Background

The Gateway Review process examines programs and projects at key decision points. It aims to provide timely advice to the Senior Responsible Officer (SRO) as the person responsible for a program or project. A review provides the SRO with an independent view on the current progress of the program or project and assurance whether it can proceed successfully to the next stage.

Given the aim is to help the SRO at key decision points, each review is short and focussed on the work that is complete at the time. For the best result, a review is carried out shortly before a key decision is made to allow sufficient time for recommendations to be implemented.

The Gateway Review process supports delivery of a wide range of programs and projects and is coordinated through the 3PMO.

## Document Amendment Record

Version	Change Description	Date	Coordinated by
1.0	First Published	29/09/2017	Paula Hollamby, PMO

# Overview

## About this Workbook

This workbook supports the Gate 5: Benefits Realisation Review.

This Review confirms that the benefits set out in the business case are being achieved and that the operational service (or facility) is running as intended. The review is repeated throughout the life of the service, with the first review typically 6 - 12 months after handover to the new owner and a final review shortly before the end of a service contract. The review can also be used on a one-off basis to check that a project has delivered its intended outputs.

This workbook offers key questions to explore and evidence to look for when undertaking a Gateway Review. Because each program, project or policy is unique and circumstances change, the workbook should be used as a guide to the range of appropriate questions and evidence, rather than a full checklist of mandatory items.

## Benefits Realisation

The Gate 5 Review of the realisation phase is designed to occur after the project has delivered its agreed outputs which contribute to the outcomes of a program. Unlike earlier phases of the project lifecycle, the realisation phase is likely to be long term and consume a significant proportion of the whole-of-life costs of the investment from the business case.

A Gate 5 Review may occur several times over the life of the operational service.

An initial Gate 5 Review examines aspects such as arrangement for contract management improvements in value-for-money and performance incentives against a baseline. For a long-term service contract (such as bridge construction) there may be four reviews over a period of twenty years. For an ICT-enabled project, the period may be much shorter and may only be one or two reviews over a five year period.

A final Gate 5 Review will concentrate on the project activities concerned with closing down the current service contract and ensuring that suitable arrangements are in place for the future.

There may also be projects where only one Gate 5 Review is needed. In this case, the review should be held 6 – 12 months after roll out of the new service or delivery of the asset, when evidence of the in-service benefits delivered is available.

The findings from Gate 5 Reviews will inform future program level decisions.

Handover from the project's SRO to the operational business owner typically occurs within a year of the date of the operational service. It will be the business owner's responsibility to ensure expected benefits are delivered and the operational service runs smoothly. It will also be their responsibility to close the current arrangements and report back to departmental executive, providing input as necessary into new initiatives.

During the Gate 4: Service Readiness Review, the SRO decides on the timing of the initial Gate 5 Review to coincide with key decision points following the post-implementation review. The new owner of the operational service / asset will decide when subsequent reviews are held.

The post implementation review is an internal project assurance for the SRO. It confirms that investment in the business case was justified and lessons learnt have been captured. Gate 5

Review is an external peer review that includes the post implementation review as a major input into its investigation.

## Purpose of Gate 5

This Gateway Review will commence with a review of the Realisation Phase (i.e. progress since the last review), and will examine:

- business case and benefits management;
- plans for ongoing improvements in value-for-money;
- plans for ongoing improvements in performance and innovation;
- review of departmental learning and maturity targets;
- readiness for the future: plans for future service provision; and
- assess lessons learnt and methodology for sharing with peers.

# Project Documents

Examples of evidence relevant to the areas of investigation covered in the sections following should be available before the Gateway Review process commences.

The information is likely to be found in the documents suggested below, but may be located in other program or project documents, or elsewhere in the department's systems. These documents include:

- an updated business case that reflects actual operating conditions;
- report on the findings from post implementation review;
- an assessment of the benefits delivered to date and expectations for the future;
- a summary of contract changes since Gate Review 4;
- plans for contract improvement and service improvement;
- performance reports;
- customer surveys;
- performance measurement systems;
- reports on stakeholder issues;
- plans for disposal of any assets at the end of the contract e.g. resources, buildings, staff, intellectual property rights;
- information showing how clients and/or providers manage the relationship and engage with each other;
- investment management standard benefit management plan and benefits reporting spreadsheet;
- operational documentation;
- for construction projects, updated health and safety files and plans for future use of the integrated project team; and
- for IT enabled projects, security documents.

# The Review

This section contains topics that would commonly be considered when undertaking a Gate 5: Benefits Realisation review. Review Teams are expected to use their own expertise in determining whether these topics are relevant and appropriate for the specific project under review. The Review Team may determine additional topics be considered that are also critical to the assessment of the project.

## 1. Review of Realisation Phase

How to use this section for:	
An initial Gate 5 Review	All investigation areas and evidence expected in this section may not be available at this review.
A Gate 5 Review at the start of a medium to long term contract for service	<p>This review will occur 6 – 12 months after the asset / system or service becomes operational. This will examine current processes and behaviours as well as future difficulties that could hinder the success of the operating period, e.g. client, provider and user relations.</p> <p>The review should look at how transition to the operational state is progressing.</p>
A mid stage Gate 5 Review	This section together with Section 3 and Section 4 form the core of the repeating reviews for operational service contracts.
A final Gate 5 Review	The main focus of this section at the final stage is to assess the operation of the contract over the period since the last review in the same way as a mid stage Gate 5 Review. It will also look ahead to see how the operating phase is being brought to a close

Areas to Probe:	Evidence Expected:
1.1 Is the service and/or facility operating to defined parameters?	<ul style="list-style-type: none"> <li>operating parameters are updated as needs change and are documented in change control and updated service level agreements (SLAs);</li> <li>service delivery measured against those parameters;</li> <li>measures to address poor and/or non-performance are proving effective;</li> <li>facility safe to operate and maintain;</li> <li>information on how the assets are being satisfactorily maintained, including mechanical and electrical systems;</li> <li>maintenance plans over the asset’s lifecycle;</li> <li>sustainability targets met or exceeded; and</li> <li>customer and/or stakeholder satisfaction assessed.</li> </ul>
1.2 Has benchmarking / market testing been undertaken?	<ul style="list-style-type: none"> <li>details of the benchmarking and/or market testing conducted by the parties as agreed; and</li> <li>regular value-for-money reviews are conducted in the absence of contractual benchmarking or market testing.</li> </ul>

1.3	Has the project documentation including training material been delivered and kept up to date?	<ul style="list-style-type: none"> <li>• new staff trained and existing staff updated at appropriate intervals;</li> <li>• no backlog of material to be updated;</li> <li>• responsibilities for updating training material and documentation defined;</li> <li>• health and safety file updated as required.</li> </ul>
1.4	Are governance and contractual relationships satisfactory?	<ul style="list-style-type: none"> <li>• regular reviews between supplier and client;</li> <li>• documented improvements and evidence that any changes to the contract are justified;</li> <li>• documentation showing how agreed actions are dealt with operationally;</li> <li>• action plan kept up to date as a live plan;</li> <li>• measurement of service or contract improvements;</li> <li>• reports on work done and plans for expected work; and</li> <li>• representation of client and supplier(s) at an appropriate senior level.</li> </ul>
1.5	Are there plans for continuity in contract management?	<ul style="list-style-type: none"> <li>• future resource plans;</li> <li>• succession planning for key roles;</li> <li>• continuity of knowledge when contract team staff change;</li> <li>• handover and key process information recorded clearly and simply;</li> <li>• facility management and/or contract guide available and in use;</li> <li>• informal contract agreements documented and updated / reviewed on a regular basis;</li> <li>• record of customer input; and</li> <li>• skills appraisal and plans for addressing shortfalls.</li> </ul>
1.6	Are plans for ongoing risk management up to date?	<ul style="list-style-type: none"> <li>• updated risk register, risk reporting and management according to best practice</li> <li>• business continuity and contingency plans updated as required;</li> <li>• consideration of all operational health and safety aspects</li> </ul>
1.7	Is change management effective?	<ul style="list-style-type: none"> <li>• process for evaluating and agreeing proposals for major change</li> <li>• documented process for addressing minor changes;</li> <li>• approvals processes; and</li> <li>• reviews identifying possible change.</li> </ul>
1.8	Is relationship management effective	<ul style="list-style-type: none"> <li>• meetings held between various parties with forward outline timetable;</li> <li>• communication and meeting structure, both formal and informal, between all parties including stakeholders;</li> <li>• a structure for running long term contracts;</li> <li>• robust contract management processes in place for keeping good records;</li> <li>• on-site presence of supplier staff and client view of this; and</li> <li>• user groups or equivalent.</li> </ul>
1.9	Is training and support adequate?	<ul style="list-style-type: none"> <li>• the key personnel have appropriate skills and experience; and</li> <li>• access to expertise and specialist training if required.</li> </ul>

## 2. Business Case and Benefits Management

How to use this section for:	
An initial Gate 5 Review	<p>This is for projects delivering an asset as a stand alone project or as an input to a program. Alternatively, the project may be delivering an asset as part of the maintenance regime of an existing operational service. The main focus of this section will be delivery of the business case and the benefits that will be subsequently managed within a larger operational program or service.</p>
A Gate 5 Review at the start of a medium to long term contract for service	<p>The review will occur 6 – 12 months after the asset / system / service becomes operational. All areas of this section will need to be investigated to confirm there is a business need and supportive stakeholders. The governance arrangements of the operational contract are fundamental to the success of all contracts.</p> <p>This section will measure the delivery of the asset and benefits against the original business case and will set a benchmark at the time of the review for any changes to the business case.</p>
A mid stage Gate 5 Review	<p>This section will focus on what has changed in terms of assumptions or circumstances; e.g. change of policy direction, technology change, people skills or resources, the governance arrangements and user satisfaction.</p>
A final Gate 5 Review	<p>This review is held one to two years before the completion of a contract period, depending on the overall length. The key aspects to probe in this section include whether the asset will fit in with a new program and whether the business case meets the requirements of stakeholders. The new business case is examined in detail at Gate 2 Review on a new program or project.</p> <p>A strong governance structure should be in place to oversee the end of one contract and the start of another.</p>
Areas to Probe:	Evidence Expected:
2.1 Is the business case still valid?	<ul style="list-style-type: none"> <li>• confirmation that the business case still fits with the department's strategic objectives and priorities, is achievable and affordable;</li> <li>• confirmation of ongoing stakeholder commitment;</li> <li>• the investment logic remains sound; and</li> <li>• confirmation the SRO is committed to the business case.</li> </ul>

2.2 Are benefits being realised as set out in the business case? Did the department achieve more or less than expected?	<ul style="list-style-type: none"> <li>• findings from post implementation review, post project review or equivalent major review documented, showing project success criteria are met, project performance criteria and key performance indicators (including design quality indicators) met or exceeded and whole-life value targets achieved;</li> <li>• contribution to program or project benefits and strategic outcomes tracked;</li> <li>• updated benefits capture plans compared with previous Gateway Reviews; and</li> <li>• anticipated future benefits.</li> </ul>
2.3 Have needs of the department, end users or stakeholders changed?	<ul style="list-style-type: none"> <li>• comparison of current business and end-user needs with those identified in previous gateway reviews; and</li> <li>• periodic reviews of business and end user needs and a projection of future changes.</li> </ul>
2.4 Have all the governance and stakeholder issues been addressed? These include statutory processes, external relations, communications, environmental issues, personnel	<ul style="list-style-type: none"> <li>• operational communications strategy, communications plan and issues register updated;</li> <li>• governance structure documented including representatives of key stakeholders reciprocated in both client and provider organisations / business units;</li> <li>• delegation and empowerment given to staff who are required to make the decisions; and</li> <li>• appropriate level of stakeholder involvement.</li> </ul>
2.5 Are the users satisfied with the operational service?	<ul style="list-style-type: none"> <li>• details of user groups, outputs and feedback processes;</li> <li>• indication of advance preparation for changes in the way services are delivered under this contract; and</li> <li>• user-friendly guide to services provided.</li> </ul>

### 3. Plans for Ongoing Improvements in Value-for-Money

How to use this section for:	
An initial Gate 5 Review	All investigation areas and evidence expected in this section may not be available at this review.
A Gate 5 Review at the start of a medium to long term contract for service:	<p>The review will occur 6 – 12 months after the asset / system / service becomes operational.</p> <p>This section's aim is to ensure future value-for-money improvements are being considered and are reflected in the next review.</p>
A mid stage Gate 5 Review	This section together with Section 1 and Section 4 form the core of the repeating reviews for operational service contracts.
A final Gate 5 Review	All investigation areas and evidence expected in this section may not be available at this review.

Areas to Probe:	Evidence Expected:
3.1 What is the scope for improved value-for-money: <ul style="list-style-type: none"> <li>• Can more be done for less?</li> <li>• Could the provider deliver better service quality at the same price?</li> <li>• Can maintenance costs be driven down?</li> </ul>	<ul style="list-style-type: none"> <li>• analysis of value-for-money to date against future service use scenarios;</li> <li>• commercial intelligence about the provider's track record with others and comparison with other providers offering similar services; and</li> <li>• details of expected and achieved efficiency gains.</li> </ul>
3.2 Has the department benchmarked its processes by comparing them with others involved in similar relationships?	Benchmarking of processes undertaken such as: <ul style="list-style-type: none"> <li>• demand management;</li> <li>• service planning and development;</li> <li>• service quality;</li> <li>• investment decisions and/or project justification; and</li> <li>• benefits management.</li> </ul>
3.3 Are commercial mechanisms providing appropriate incentives?	Examples could include: <ul style="list-style-type: none"> <li>• payments to the provider dependent on the benefits derived from implementing a particular program of change;</li> <li>• provider is given incentives to deliver and also for ensuring individual investments are well planned, achievable and will deliver value;</li> <li>• clear business justification with identified benefits;</li> <li>• target incentive mechanisms where work is task based; and</li> <li>• provider is given incentives to submit estimates for a task, with risks and benefits shared in pre-defined ratios of the provider exceeding or undercutting those original estimates.</li> </ul>
3.4 Are inter related projects integrating properly?	<ul style="list-style-type: none"> <li>• governance arrangements operating effectively; and</li> <li>• related service enhancing or limiting service delivery.</li> </ul>
3.5 Predicted condition of the asset at the end of the contract period.	<ul style="list-style-type: none"> <li>• contract information relating to condition of asset at the end of the contract documented; and</li> <li>• supplier maintenance plans in place and client's understanding of these gained (e.g. responsibility for updating of software).</li> </ul>

#### 4. Plans for Ongoing Improvements in Performance and Innovation

How to use this section for:	
An initial Gate 5 Review	All investigation areas and evidence expected in this section may not be available at this review.

	This is an important section to ensure the teams are positioning themselves to innovate and deliver improvements in performance between now and the next Gate 5 Review.
A Gate 5 Review at the start of a medium to long term contract for service	The review will occur 6 – 12 months after the asset / system / service becomes operational.  This section's aim is to ensure future value-for-money improvements are being considered and are reflected in the next review.
A mid stage Gate 5 Review	This section together with Section 2 and Section 3 form the core of the repeating reviews for operational service contracts.
A final Gate 5 Review	All investigation areas and evidence expected in this section may not be available at this review.

Areas to Probe:	Evidence Expected:
4.1 Is the department setting realistic targets for continuous improvement year-on-year for this asset / service? Are the targets specific, measurable, agreed, realistic and timely?	Understanding and use of key techniques evident – e.g. balanced scorecard, business excellence model, ongoing stakeholder analysis, benchmarking, goal, question or metric approach.
4.2 Are the client and partners working together to actively identify opportunities for improvement through innovation?	<ul style="list-style-type: none"> <li>• details of innovation achieved using industry surveys, benchmarking, reviews by external parties and reports from the service provider.</li> <li>• whether people at all levels are able to contribute, encouraged by feedback and staff suggestion schemes.</li> </ul>
4.3 Is the department tracking its progression to improved performance and the flow of results through key milestones and the business planning cycle?	<ul style="list-style-type: none"> <li>• performance information clearly linked to planned outcomes which enables ready assessment of performance in terms of effectiveness, efficiency and service quality;</li> <li>• performance information that meets multiple purposes, is consistent and complementary;</li> <li>• ongoing assessment undertaken of appropriateness of performance information;</li> <li>• responsibilities for performance management defined and understood by department and supplier;</li> <li>• direct links between planning and results are evident;</li> <li>• ongoing monitoring of performance and periodic evaluation undertaken; and</li> <li>• integration with departmental and government planning.</li> </ul>
4.4 Does the department have performance measures to cover all aspects of the contract?	<ul style="list-style-type: none"> <li>• performance measures relating to: <ul style="list-style-type: none"> <li>- cost and value obtained;</li> <li>- performance and customer satisfaction surveys;</li> <li>- delivery improvement and added value;</li> </ul> </li> </ul>

		<ul style="list-style-type: none"> <li>- delivery capability; realised benefits and relationship strength and responsiveness;</li> <li>• defined roles for measurement responsibilities;</li> <li>• details on how the information is used and followed up; and</li> <li>• effect of any contract change or rebalancing of the performance measurement system.</li> </ul>
4.5	Do the performance measures offer clear and demonstrable evidence of the success (or otherwise) of the contract?	<ul style="list-style-type: none"> <li>• performance measures chosen are meaningful and visible to the department's senior leadership group; properly reflect user and stakeholder perceptions and are amenable to identifying the need for supporting or remedial action as part of the contract management activity.</li> </ul>
4.6	Are performance measures that are related to delivery or capability improvement tracked against an existing baseline?	<ul style="list-style-type: none"> <li>• baseline is established in the business case; and</li> <li>• performance measures tracked against that baseline.</li> </ul>
4.7	Are there performance assessment measures for: <ul style="list-style-type: none"> <li>• ongoing service delivery;</li> <li>• the desired results of individual programs of change or improvement and implementation of other projects;</li> <li>• the overall results or impact of the project; and</li> <li>• benefit tracking and realisation?</li> </ul>	<ul style="list-style-type: none"> <li>• documented service level agreement approaches and related measures;</li> <li>• investment appraisal and benefits management techniques are constructed on a case by case basis;</li> <li>• objectives identified during project scoping and in the preliminary business analysis are embedded in the department's long term business strategy;</li> <li>• review of the benefits management plan and benefits reporting documentation; and</li> <li>• for construction projects, user satisfaction is monitored as required.</li> </ul>

## 5. Review of Organisational Learning and Maturity Targets

How to use this section for:

An initial Gate 5 Review	All investigation areas and evidence expected in this section may not be available at this review.
A Gate 5 Review at the start of a medium to long term contract for service:	What arrangements has the department put in place to collect and evaluate lessons learnt from the contract and how will this operate? This is important for contracts let on a similar contract basis to confirm that the relevant sections are collecting and collating learnings.
A mid stage Gate 5 Review	The topics in this section are used to assess if business areas are actually collecting learning on an ongoing basis.

---

A final Gate 5 Review      Lessons learnt are to be embedded in the project close down.

---

Areas to Probe:	Evidence Expected:
5.1 Does the department have an effective process for taking improvements out of the lessons learnt from the project and sharing them?	<ul style="list-style-type: none"> <li>• a mechanism for capturing and recording the initial data;</li> <li>• evaluation of lessons learnt by PMO;</li> <li>• mechanisms and policy for making information available within and outside the project area;</li> <li>• feedback process for project teams;</li> <li>• participation in knowledge sharing forums;</li> <li>• help and expertise provided by the PMO when required; and</li> <li>• details of the application of learning from the provider and other external systems.</li> </ul>
5.2 Has there been a review of how well the project has been managed?	<ul style="list-style-type: none"> <li>• a formal review at project closure; and</li> <li>• for construction projects, a post project review using key performance indicators.</li> </ul>
5.3 Are suppliers encouraged to learn from experience?	<ul style="list-style-type: none"> <li>• incentives for suppliers to improve delivery; and</li> <li>• evidence of a commitment to long-term relationships with integrated project teams.</li> </ul>

## 6. Readiness for the Future: Plans for Future Service Provision

---

How to use this section for:

An initial Gate 5 Review	All investigation areas and evidence expected in this section may not be available at this review.
--------------------------	--

A Gate 5 Review at the start of a medium to long term contract:	All investigation areas and evidence expected in this section may not be available at this review.
---	--

A mid stage Gate 5 Review	All investigation areas and evidence expected in this section may not be available at this review.
---------------------------	--

	<p>This is the key section for looking forward in relation to the service being provided.</p> <p>Are there clear plans for the future use of the asset post contract? What preparatory work has been done regarding the condition of the asset post contract?</p> <p>For an asset or facility where the life of that asset is generally longer than the contract, plans for future use of the asset as part of an overall service need to be clear. The closing down of the contract and all the preparatory work that goes with it in relation to the asset condition is very important.</p>
--	---

---

Areas to Probe:	Evidence Expected:
6.1 Is there an ongoing need for the service?	<ul style="list-style-type: none"> <li>• department has planned sufficiently for the contract expiry (i.e. sufficient time to undertake forward planning, current contract performance assessment, business needs analysis, market analysis and market engagement preparation); and</li> <li>• updated business case, linked to current departmental and government strategy.</li> </ul>
6.2 If the asset or service is needed in the future, what is its likely scope?	<ul style="list-style-type: none"> <li>• options appraisal to include some or all of the following: <ul style="list-style-type: none"> <li>- do nothing;</li> <li>- retain the scope of the existing contract;</li> <li>- split the scope of the existing contract;</li> <li>- broaden the scope of the existing contract;</li> <li>- single or multiple sources of supply; and / or</li> <li>- combining similar services.</li> </ul> </li> </ul>

---

<p>6.3 Are there any major issues with the current contract that could affect the approach to re-tendering the service? Factors to consider include:</p> <ul style="list-style-type: none"> <li>• Range of services – could the provider cope with the range of services provided or were there significant weaknesses?</li> <li>• Flexibility of contract – how adaptable was the relationship to changes in the nature and level of demand?</li> <li>• Customer’s reaction and adjustment to outsourcing – how well did users adapt to services provided by a third party? Was the department confident that the provider could be trusted to provide the service? Is the department ready for greater dependence on outsourcing?</li> <li>• Exit strategy – will the re-competition be straight forward or is there a danger the department is now locked in? Have agreements been made to ensure the handover is as smooth as possible?</li> </ul>	<ul style="list-style-type: none"> <li>• updated risk register and issues log;</li> <li>• reporting of exceptions at regular client and/or provider progress meetings;</li> <li>• reports from contract and service management functions; and</li> <li>• exit strategy and details of handover arrangements.</li> </ul>
<hr/> <p>6.4 What is the predicted condition of the asset at the end of the contract period?</p>	<ul style="list-style-type: none"> <li>• contract information relating to condition of the asset at the end of the contract; and</li> <li>• supplier maintenance plans and client’s understanding of these (e.g. responsibility for software updates).</li> </ul> <hr/>

# Resources

## Gateway Review Resources

Refer the Gateway Review Process Overview

Workbooks have been prepared for each Gateway Review. The workbooks provide further guidance on:

- the structure of each review;
- areas of investigation and topics to be explored; and
- examples of the types of evidence / artefacts that the Review Team will seek.

## Additional Information

For further information, please contact the Project Office:

Email: [DPTI.GatewayReviews@sa.gov.au](mailto:DPTI.GatewayReviews@sa.gov.au)

Intranet: [http://cms.dpti.sa.gov.au/portfolio\\_management\\_office/gateway](http://cms.dpti.sa.gov.au/portfolio_management_office/gateway)

## Acknowledgements

The department acknowledges the assistance of Gateway Unit, Department of Treasury and Finance, Victorian Government in preparation of these materials.

Successful Delivery Toolkit, UK Office of Government Commerce (OGC), 2007

OGC Gateway™ is referred to in this document as 'Gateway'.

OGC Gateway™ is a Trade Mark of the UK Office of Government Commerce