

Chapter 83

Enhancing Organisational Maturity with Benefits Management

Jorge Gomes

Universidade de Lisboa, Portugal

Mário Romão

Universidade de Lisboa, Portugal

ABSTRACT

The business challenges that some companies face require enterprise-wide solutions that call for an integrated approach and an effective management of organisational resources in order to achieve business objectives with an acceptable level of risk. A maturity model is an improvement approach which provides organisations with the essential elements for effective change. The maturity models process helps to integrate traditionally separate organisational functions, enhances goals and priorities, supplies guidance for quality processes and shares benchmarks for appraising current outcomes. The benefits management approach emerges as a complement to traditional management practices and proposes a continuous mapping of business benefits and the implementation and monitoring of intermediate results. Benefits management reinforces the distinction between project results and business benefits. Based on a case study, the authors show how a set of business objectives derived from a maturity level upgrade can be obtained from identifying, structuring and monitoring objectives and benefits. This was supported by information technology enablers and organisational changes which were all framed in an organisational maturity level that had been previously measured.

INTRODUCTION

All organisations are interested in finding ways in which they can ensure their long-term viability, whether they are private firms looking to maximise their shareholder value, or public sector and not-for-profit organisations seeking to maximise their effectiveness. Gaining a competitive advantage over competitors has been the focus of organisations for a long time, as only a competitive advantage can

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assure the long term existence of the organisation (Jugdev & Mathur, 2006). Firms that have captured a competitive advantage (Porter, 1984) are attempting to maintain their competitiveness by increasing knowledge and by managing that knowledge. In a competitive environment, organisations need flexibility to meet customers' demands, by offering customised and high-quality products and services. In the management of projects, organising people and work in an appropriate way is a key success factor. The functional organisation, with its distinct hierarchy is being abandoned in the modern business world and other organisational structures that enable higher flexibility are becoming more and more dominant (Dinsmore & Cooke-Davies, 2006). In order for organisations to succeed in the global business competitive environment of today, it is necessary for them to produce a high standard of performance.

Basically, the purpose of the Maturity Model (MM) is to provide a framework for improving an organisation's business result by assessing the organisation's strengths and weaknesses, enabling comparisons with similar organisations, and the measurement of the correlation between organisations (Combe, 1998; Ibbs & Kwak, 2000).

There are a number of reasons why organisations might choose to use a MM to assess their current performance, such as: justifying their investment portfolio, programme or project management improvements, gaining recognition of service quality in order to support proposals, or gaining a better understanding of their strengths and weakness in order to enable improvement to happen. The MM is an important element of strategic planning, as it provides a methodology, a road map, to determine and compress the gaps in resources and quality (Kerzner, 2005). Working with different types of projects within an organisation requires standard models in order to deliver successful projects in the future repeatedly, to improve both the quality of future projects and also to gain knowledge and learn from past mistakes.

According to Andersen and Jessen (2003), measuring maturity in organisations is regarded as a subjective, instead of an objective measurement, since most significant research is primarily focusing on what people do operationally. Skulmoski (2001) recommends a view where competence and maturity should be linked together for project success and that one should not focus only on action and where competence should be regarded as a combination of knowledge, skills and attitudes, that work together to support performance. The assessment procedures helps an organisation understand where they have been, where they are, and what processes they need to implement, in order to continue their implementation of management methodologies. As organisations mature in business and project management processes and also their use of information technology, they implement centralised solutions to facilitate these processes. Since 1995, due to the recognition of the importance of benefits realisation and management within different sectors, various approaches and models have been developed to help organisations identify, monitor and ultimately achieve the benefits. It is unlikely that benefits will simply emerge, as if by magic, from the introduction of a new technology. Their realisation needs to be carefully planned and managed (Markus, 2004).

Benefits are often identified in the early stages to form the business case and to sell the idea to stakeholders. A follow-up procedure with the purpose of evaluating those benefits achieved is often missing, and problems arise after system delivery, by which it's time to show whether those previously stated benefits have actually been realised (Remenyi, Money, & Bannister, 2007). One of the factors that differentiates successful from less successful companies in their deployment of IS/IT, is the management resolve to evaluate IS/IT investments before and after they occur. The perception of continuous unsuccessful IS/IT investments led to a new way and approach for how projects are managed. The focus should now be on the realisation of the benefits, since this is the main reason for an organisation's investment (Ward & Daniel, 2006).

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