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NOTES ON PROGRAM/PROJECT BENEFITS, OUTCOMES AND
OUTPUTS

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INTRODUCTION

These notes first look at definitions/descriptors of program/project outputs, outcomes and benefits, and then at materials that help clarify the nature of, and differences between, these three. This is followed by a brief discussion of two aspects of program/project benefits, namely efficiency and effectiveness benefits, and tangible and intangible benefits. Then follows a short section on what the literature has to say about distinguishing between program/project benefits/outcomes and outputs. Finally, the notes set out arguments for disputing assertions by some that programs are about delivery of benefits/outcomes, whilst projects are only about delivery of outputs.

DEFINITIONS/DESCRIPTORS OF OUTPUTS, OUTCOMES, BENEFITS**Program/project outputs**

I found two definitions of 'output' in the program/project literature. One is due to PMI 2006a:106 (reflecting the same definition as in PMI 2004), which defines an output in general terms, as follows:

Output. *A product, result or service generated by a process. May be an input to a successor process.*

The other definition in OGC 2007:247 is also expressed in general terms.

Output. *The tangible or intangible product resulting from planned activity.*

Program/project outcomes

I could find only one definition of 'outcome', in OGC 2007: 126. The 'change' is evidently concerned with organisational change programs, which are the primary focus of OGC 2007.

Outcome. *The result of change, normally affecting real-world behaviour and/or circumstances; the manifestation of part or all of the new state conceived in a programme's Blueprint.*

Program/project benefits

PMI 2006a:105 defines a benefit very much in the context of organisational change.

Benefit. *An improvement to the running of an organization such as increased sales, reduced running costs, or reduced waste.*

OGC 2007:125 has a more generalised definition, linked with outcomes and stakeholders.

Benefit: *The measurable improvement resulting from an outcome perceived as an advantage by one or more stakeholders.*

Outputs, outcomes and benefits

The above definitions have some inconsistencies, and are not particularly illuminating. Perhaps the most useful material in the literature which rounds out these definitions/descriptors, and illustrates the relationships between outputs, outcomes and benefits, is the following table from OGC 2007:64.

Project outputs/capability	Outcome	Benefit
Enables a new outcome in part of the operational organisation	Is the desired operational result	Is the measurement of an outcome or a part of an outcome. An end benefit is a direct contribution to a strategic objective
Describes a feature	Describes part or new organisational state	Describes an advantage accruing from the outcome
Answers at least in part the fundamental question: What new or different things will we need to realise beneficial change?	Answers the question: What is the desired operational state of the organisation using these new things?	Answers the question of what a project delivers: Why is this required?
An example of an output: a new hospital building	An example of an outcome: an additional hospital is now operational and serving regional demand for hospital care thereby reducing waiting lists	An example of a benefit from this outcome might be: reduced waiting times for hip operations to an average of three weeks from ten weeks
Another example of an output: an e-commerce system	An example of an outcome from this output: ability to process fulfil and charge for web-placed orders	An example of a benefit from this: increased sales revenue of x%

Figure 1: OGC 2007 - Table 7.1 Differences between outputs, outcomes and benefits

In this table, OGC 2007 makes a clear distinction between outcomes and benefits.

However, most writers tend to use benefits and outcomes interchangeably, implying that both essentially imply beneficial outcomes. I will adopt this majority position of broad equivalence of program/project benefits and outcomes, and use the terminology 'benefits/ outcomes' in discussing what the literature has to say about their being different to program/project outputs.

But, before discussing these differences, a couple of notes on program/project benefits appear to be warranted.

PROGRAM/PROJECT BENEFITS

Efficiency and effectiveness benefits

The majority of the discussion in the program/project literature on benefits is on program benefits. Just as there are different understandings in the literature of the nature of program management, there are corresponding differences in the way program benefits are seen in the literature. I found twenty (out of thirty six) definitions of programs/program management included the specific word 'benefits', but in two different contexts.

- Eight definitions of programs/program management used the word 'benefits' mainly in the context of efficiency gains through coordinated management of the program's component projects. For the sake of ready identification, I describe these as *efficiency benefits*.
- Twelve definitions use the word 'benefits' mainly in the context of outcomes from the program management process, which are generally described as business benefits. I have called these outcome-oriented benefits *effectiveness benefits*.

Therefore the word 'benefits' is used in these two different contexts in the literature, but it is normally quite clear which type is being discussed. For example, both are represented in the definition of benefit by PMI 2006a given above. In most of the following, the focus is on *effectiveness benefits*.

Tangible and intangible benefits

There is wide-spread agreement in the literature about the need to include both tangible and intangible benefits – e.g. PMI 2006a:10, Thiry 2004a:268. It is noted that intangible benefits are not catered for in the definition of 'benefit' by OGC 2007, but are explicitly mentioned in its definition of 'output'.

Pelleginelli et al 2007 make the following point from their research in the UK.

The prevalence of numerous unquantifiable benefits was evident. For Surrey Police many of the benefits were intangible and not easily measurable. The DCA's programme included projects that were 'leaps of faith' with no quantified benefits, and had a high proportion of intangible benefits.

DISTINGUISHING BETWEEN BENEFITS/OUTCOMES AND OUTPUTS

Several writers discuss the importance of distinguishing between program/project benefits/outcomes and outputs. For example, concerns about making such distinctions were expressed in the 'MSP Mandate for change 2006' (OGC 2006) as follows:

MSP needs more practical advice on benefits management, including better definition of what constitutes a benefit as distinct from an output (such as a new facility)

The above table is part of the response to this concern in OGC 2007.

Other writers who expressly discuss distinctions between program/project benefits and outputs include Thiry 2004a, who says

It is a mistake to consider project deliverables as measures of benefits, as it is the impact of deliverables on the organisation that constitutes the benefit

Maylor et al 2006 make a similar distinction regarding programs.

The programme embraces both delivery and beneficial use or application.

Jamieson & Morris 2004 say

Most companies consider that program management implies the management of business benefits (as well as the ideas of product, brand, or platform management).

CLAIMS THAT PROGRAMS DEAL WITH BENEFITS/OUTCOMES AND PROJECTS ONLY WITH OUTPUTS

Two of the primary contributors on program management imply that the delivery of benefits/ outcomes is the sole province of programs, and that projects are only concerned with deliverables/outputs.

For example, PMI2006a:17 says

Program life cycles serve to manage outcomes and benefits, as contrasted with project life cycles, which serve to produce deliverables.

OGC 2007:4 says much the same thing.

Programs deal with outcomes; projects deal with outputs.

This type of distinction has been criticised by Morris et al 2006, as follows.

There is a view current, for example, that project management is about outputs whereas program management is about outcomes. This surely needs challenging: most companies see projects as production outcomes as well as outputs (production throughput, therapeutic behaviour, meeting systems and business requirements, as well as commercial or financial goals).

'Independent' projects

My own perspective on this is as follows. If the need that is to be met by a program/project is of a scale where only a single project is required to deliver 'the goods' (rather than two or more projects in the form of a program), then such an 'independent' project is on exactly the same footing as a program with regards to delivery of beneficial outcomes, as well as its outputs. It is therefore important to distinguish between such 'independent' projects, and the 'component' projects of a program, in this context.

Rodney Turner evidently had 'independent' projects in mind when he specifically included and discussed benefits deriving from projects in his seminal book on project-based management (Turner 1993:343-4).

Additionally, in my experience providing professional services projects to external customers, if you do not have satisfied customers, you do not have a business. Therefore, successful outcomes from such 'independent' projects are absolutely critical to achieving on-going customer satisfaction.

'Component' projects

It has been pointed out that program benefits have a distinctive feature not generally shared with projects, namely that completion of 'component' projects during the course of the program contributes incrementally to the final overall program benefits. As PMI 2006a:10 says,

Individual [component] projects deliver results that contribute to or enable other projects to proceed, as well as contributing to the delivery of the overall program's expected benefits.

Therefore, in this sense, 'component' projects of a program also deliver benefits, albeit in a more incremental way than 'independent' projects.

But another perspective has been pointed out by Pellegrinelli 2008:3 (albeit in a broadly adversarial context, but stating a widely held viewpoint), when he says:

The shift in focus from outputs to outcomes held as a distinguishing feature by some texts (OGC 2003, 2007) is hardly new – good project managers have always had an eye on how their work was going to affect the organisation.

In support of this comment, in my experience competent managers of ‘component’ projects have most certainly been concerned with how their outputs contributed to overall outcomes. Failure to do so would be an abrogation of implied responsibility. In any event, even with tyro ‘component’ project managers, a capable program manager would surely ensure that the project managers would be fully aware of how their individual project outputs affect overall program outcomes, and encourage them to get involved in ensuring achievement of these broader outcomes.

Clearly, programs do not have an exclusive position vis-à-vis delivering benefits/outcomes.

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