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Predicting transformation success (*and failure*)

The benefits realisation survey 2024

Executive summary

Transformations do not deliver on benefits despite technical success

Your transformation will realise 50% of its benefits potential – if you are lucky

Succeeding with strategic transformations is critical to all organisations. Still, our ability to deliver real, measurable benefits from the projects, programmes and initiatives that drive our transformations is at best flawed.

“We realise less than half of the benefits potential.” This was the message from 62% of the 145 executives, managers, project managers and others engaged in development initiatives who participated in the survey¹. This leaves a disturbing picture: most organisations leave more than half of the benefits potential on the table. We need to change that.

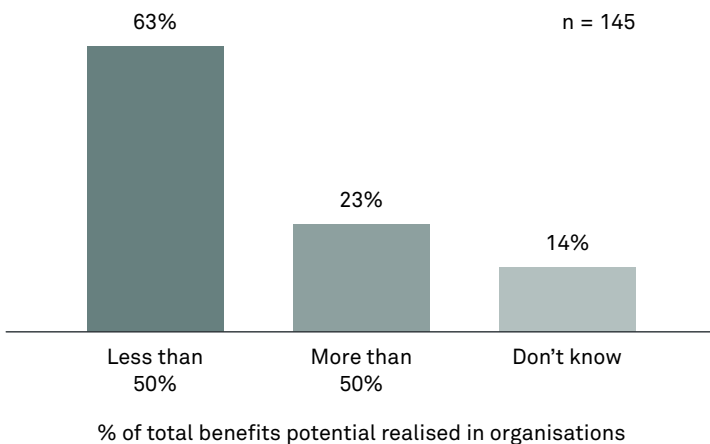
We settle for technical success and financial failure

The good news is that 81% say that their organisation is good, successful or very successful at producing deliverables, such as IT systems or products. This continues to be an important capability, since the CRM system or the new product often are key enablers to realise the benefits. Unfortunately, effective and fast IT, product or service delivery is not enough. If we keep our main focus on deliverables, we run a big risk that the transformations and the projects driving them will fail.

Successful transformations are benefit driven

The key question is: *what do we need to do to realise real, measurable benefits?* The answer has three parts. We need high maturity in the projects, programmes and initiatives that drive our transformation. Not just on technical delivery but on benefits and change management as well. Then we need management to take ownership of benefits. And finally, we need executives to make prioritisation decisions based on credible benefits and cost estimates. These three parts are summarised in the benefit equation.

Most organisations realise less than half of their benefits potential



The benefit equation: the recipe for benefits realisation



The empirical basis for the equation is derived from our experience with more than a hundred customer projects over the last decade (summarised in several books, articles and published cases².)

This survey adds data on the current state of benefits realisation as well as statistical evidence that each of the parts of the equation has a significant impact on our ability to realise benefits.

Below, the Project and programme maturity part is unfolded to show that high maturity requires both effective benefits and change management as well as successful technical delivery.

The benefit equation: current state overview

Benefits realisation	=	Project and programme maturity (unfolded)	+	Benefits ownership	+	Benefit-driven prioritisation
<50% of the benefits potential is realised in most organisations.		<p>Benefits management 9% do thorough estimates of benefits.</p> <p>Change management 26% are satisfied with their ability to make change happen.</p> <p>Technical delivery 81% are good, successful or very successful at producing deliverables.</p>		13% have ownership of key benefits in all projects.		11% use credible benefit data for prioritisation.



The above behaviours and capabilities have a significant impact on benefits realisation (with a 99% level of certainty).

The current state provides us with a good explanation to why benefits realisation is so low in most organisations. It also leaves us with an unsettling prediction for our current and upcoming transformations.

Executives' actions determine success or failure

The way to change the prediction from failure to success is ... change. A change in how we work with transformation projects and a change in the level of benefits ownership managers commit to. It is a change that executives need to lead to provide the time for benefits and change

management in projects and to provide the space for managers to commit to benefits without risking their career or reputation if a project goes wrong. It is these changes that will enable executives to make important investment decisions based on credible cost and benefit data. It is a change effort with a very high return on investment.



Changing the prediction from failure to success

The main conclusion from the benefits realisation survey 2024 is that most organisations realise less than half of their benefits potential.

From an academic perspective, there is some alignment on what to do but little consensus on how to actually realise benefits³. The purpose of the benefits realisation survey 2024 is to provide clarity on the specific behaviours and capabilities that make the difference between failure and success.

The benefit equation provides the overview of what we need to do to realise our benefits potential. We will elaborate on each part of the equation as well as on the specific behaviours and capabilities needed to succeed with benefits realisation.

Benefit equation part 1: project and programme maturity

Increasing maturity has a significant impact on benefits realisation

The benefit equation highlights that maturity is not only about technical delivery; it is also about benefits and change management. Thus, to realise the benefits potential, we must apply the same level of structure, planning and common sense to benefits and change management as most organisations already apply to technical delivery. That may sound like extra work, and frankly it is, but the impact that higher maturity on benefits and change management has on the ability to realise benefits is significant.

Benefits management: the place to start

Benefits management involves designing transformations and their projects, programmes and initiatives to deliver benefits. It is providing benefit estimates firm enough to lay the foundation for benefit tracking and for placing benefits in the centre of all project management discussions, including discussions about risk, opportunities and changes throughout the project's lifetime.

To measure the benefits management maturity, we chose two key behaviours:

1. The efforts that project managers devote to benefit estimation to ensure high quality estimates.
2. The extent to which the benefit estimates are kept updated throughout the project.

Both behaviours have a significant impact on benefits realisation⁴, and most organisations score low on both. Only 9% make thorough estimates of benefits that are key to transformational success, and only 20% often or always keep estimates updated, indicating that they are actively used to manage the project.

Benefits management is the foundation of benefits realisations. It drives the conversations about which benefits the project, programme or initiative should deliver and who should own them. It enables benefit tracking and management of your project to maximise benefits realisation. If you do not already apply a structured approach to benefits management, this is where you start.

Benefit estimates are in poor shape: **9%** do a thorough estimation of key benefits.

Benefits are forgotten after the project is initiated: only **20%** often or always keep benefit estimates updated.

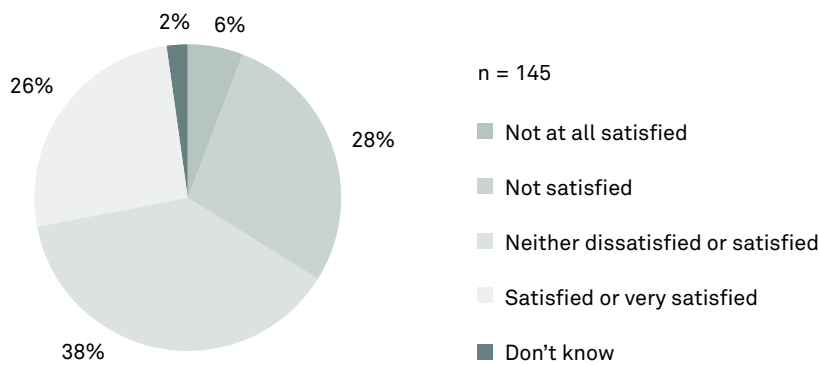
Change management: we know we need it, but ...

As the name suggests, transformational projects, programmes and initiatives require some of our colleagues to change their ways of

working to realise benefits. We know this; change management as a concept is familiar to 89% of the respondents. Still, maturity is not high. Only 41% answer that change management is a fully integrated part of their projects.

That, plus our (lacking) ability to make change happen, has a significant and often negative impact on our transformations' ability to realise benefits⁵.

Satisfaction with their organisation's ability to make change



Change management maturity is low.

Only **26%** of respondents are satisfied with their organisation's ability to make change happen.

From the data, we see that only 26% are satisfied or very satisfied with their organisation's ability to make change happen. This should be a wake-up call for everyone engaged in transformations. The key question is, of course, why? Three reasons stand out with the remaining 74% who are not satisfied with their organisation's ability to make change happen:

1. The effort to make change happen is underestimated.
2. We lack knowledge about what kind of change management effort is required.
3. An insufficient number of people who are capable of making change happen.

All three reasons relate to the lack of change management maturity. It takes both time and resources to help our colleagues change how they work. We need transparency on exactly how much it takes and factor it in when we decide on whether to do or not do a project. We need to invest in change. Otherwise, we can easily end up with another system that no one uses as

intended or a product that no one cares to sell.

Change management needs what classical project management has

Mature change management looks much like mature development of technical deliverables. It includes analysis, estimation, planning and constant follow-up on progress to make sure that especially first-line managers have the support they need to make the change happen in their teams. Technical delivery is the only part of the benefit equation where organisations perform fairly well. Currently, 94% of the surveyed organisations use a specific framework for producing technical deliverables⁶, and this is where we need to take our change and benefits management efforts.

Maturity at the project and programme level is the foundation for successful and value-creating transformations, but executives and managers also need to play their part.

Benefits realisation and technical delivery frameworks

Being good at producing technical deliverables has a significant impact on benefits realisation. However, there is no connection between using a specific delivery framework (e.g. PRINCE2®, SAFe®, Hybrid models) and the ability to realise benefits.

Benefit equation part 2: benefits ownership

The small change with a large impact

Successful transformation is not just the responsibility of project and programme managers or product owners. Senior management's commitment to own benefits and engaging in the process of identifying, managing and tracking them has a significant impact on benefits realised and financial success⁷.

In large organisations, we often need ownership from executives and the senior management layer below. We need executives to commit to the transformation ambition, and we need senior managers to commit to the contribution from each business unit, division or country. Senior managers are usually the ones who can take responsibility for increased sales, FTE reductions or higher productivity in their part of the organisation.

The very strong statistical linkage between ownership of benefits and realised benefits suggests that if you cannot get senior management to step up and commit to benefits in a project, there is no point in initiating it.

Lean in and take ownership of benefits

The importance of getting senior managers to own benefits as part of their involvement in projects is not a new finding, and yet only 30% of organisations always or mostly assign an owner to key benefits. From an effort perspective, this is a low-hanging fruit. It only requires a bit of workshop or meeting time in addition to current sponsor or steering committee activities. It is a small additional effort, a small change, that has a large impact on benefits realisation. To pave the way for this change, it is helpful to have an executive team that celebrates those senior managers who lean in, take ownership and are forgiving when, despite the best of efforts, transformational projects and programmes go wrong.

The last part of the benefit equation that determines transformational success is the need for benefit transparency to drive benefit-driven prioritisation decisions.

Benefit equation part 3: benefit-driven prioritisation

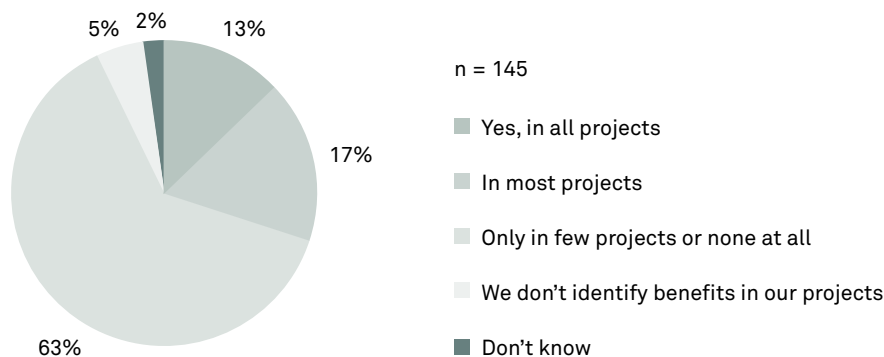
The importance of credible benefit data

Executives are rightfully not emerged in all the bits and bytes of projects, but they should be very interested in getting credible data on expected and realised benefits. When making critical strategic decisions, credible data can decide the fate of a transformation or the success of your strategy. Credible data on benefits and of course also on cost.

Nevertheless, 89% of executives and senior managers make their critical decisions without credible data on benefits⁸. The reason for this is low maturity in our transformational project, programme and initiatives as well as lack of benefits ownership.

Not surprisingly, stepping up the maturity ladder and providing your executives with a sound foundation for strategic prioritisation and decision-making also has a significant impact on benefits realisation. It is, like the other parts of the benefit equation, a strong indicator for transformation success (or failure).

Ownership assigned to key benefits



Most benefits do not have an owner.

Only **13%** of organisations ensure ownership of key benefits in all projects.

63% of organisations either do not assign benefits owners to projects or only assign owners to a few or some projects.

The need to make informed decisions at a strategic level is often the key motivator when senior management or executives initiate the conversation about benefits. That was also the case in the Ørsted and Novo Nordisk cases.

Executives make critical strategic decisions.

89% do it *without* credible data on benefits.

The Ørsted case:

improving strategic decision-making and ROI on projects

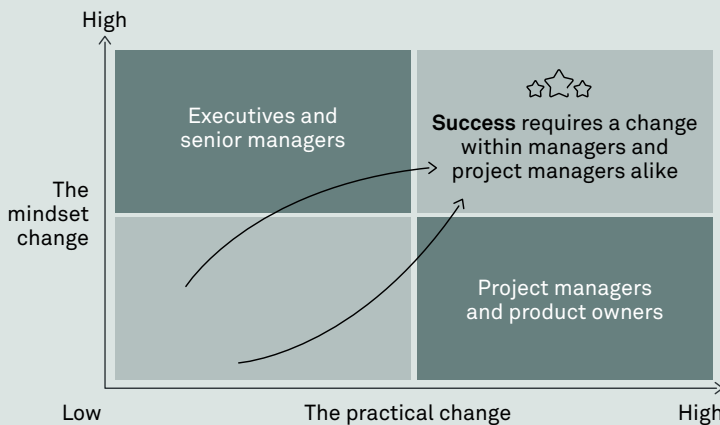
Ørsted A/S, the world's most sustainable energy company, wanted to improve its strategic IT portfolio decision-making to increase their return on investment in projects. To do that, they launched their benefits management project to increase benefits and change management

maturity and anchor benefits ownership with senior managers. The benefits management project was, in fact, a change project mainly aimed at changing behaviour for senior management as well as project managers and product owners.

The pincer: how the benefits management project effected senior managers and project managers

For project managers and product owners, the change was mostly practical; e.g. they needed to facilitate new types of workshops. For executives

and senior managers, it was more of a mindset change but nevertheless a change that needed attention and support to happen.



Benefits realisation has helped Ørsted to create significantly greater value through better prioritised decisions, clear ownership among managers and structured follow-up.”

Kenneth Roslind, then Chief Digital Officer (Country Director by 2024), Ørsted

Read the full case here: [Benefits Realisation: The Change-Driven Approach to Project Success](#). Rytter (2022). Wiley



Conclusion

Transformational success can become a credible prediction – but for now it is not

We started out by highlighting the fact that the large majority of our transformations, programmes and projects are not set up for success. 63% state that they realise less than half of the benefits potential. On average, most organisations should aim for realising at least 80% of their

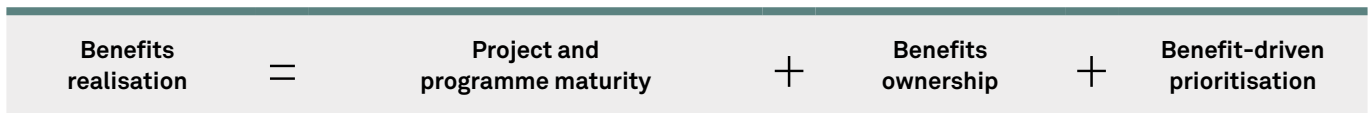
benefits potential, but right now, only 3% believe that their organisation actually does that⁹.

What is your prediction?

Take a look at the benefit equation below to quickly assess your own

transformation, programme or project. How are you doing on these parameters? Does realising 80% or more of the benefits potential seem like a fair prediction, or are there parts of the equation that require attention?

The benefit equation: predicting transformational success



Transformational success requires change: how to get started¹⁰

If you want to make success a credible prediction, the first step is to acknowledge that changing the outlook requires change. A change in how we work at both the programme, project and initiative level as well as at senior management and executive level.

If you want to make a change in one project or initiative, start by engaging the benefits owner(s) to ensure their commitment to the benefits. When you have succeeded, start assessing your benefits and change management maturity together with your team and create an action plan for getting to your desired destination.

Changing the prediction from failure to success

If you want to change the outlook for your whole transformation or organisation, look at Norlys, Novo Nordisk QS or Ørsted for inspiration. These organisations have all chosen a similar four-step approach to increasing maturity in their programmes, projects and initiatives, ensuring benefits ownership and enabling benefit-driven decision-making for their executives. Their approach is summarised in the Norlys case below.

Yes, it is a bit of extra work, but it is that bit of extra work that will make you realise the benefits potential and change the prediction of your transformation from failure to success.



We like that it is a **proven method** that can be used in conjunction with our agile project approach.”

Poul Henning Poulsen, Corporate VP, Novo Nordisk A/S

The Novo Nordisk case

“Now we realise the benefits.”

At Novo Nordisk Quality Systems, they applied benefits and change management with great results. The conversation about benefits was sparked by the management team when they asked themselves this question:

[Read the whole case here](#)



Do we have the right focus on what benefits we gain from projects, the benefits for end users and the changed ways of working needed to harvest the benefits? Or are we blinded by technicalities, deadlines and deliverables?”

Novo Nordisk A/S Quality Systems Management



The Norlys case:

from good intentions to hard and measurable benefits

How Norlys took a maturity leap to realise the benefits potential in their strategic development initiatives.

How are we actually doing?

Norlys was a company with a high level of maturity when it came to the classic and technically focused project management virtues of being in control of cost, schedule and scope. But how was Norlys doing when it came to benefits realisation? That conversation had been going on for some time, and the honest answer was that they did not know.

To have a good discussion with the executive team about benefits realisation, the PMO gathered the data that was available. They found a lot of good intentions, but they did not find much data on benefits realisation. Together with the executive leadership team, the PMO team formulated a new ambition for benefits realisation at Norlys:

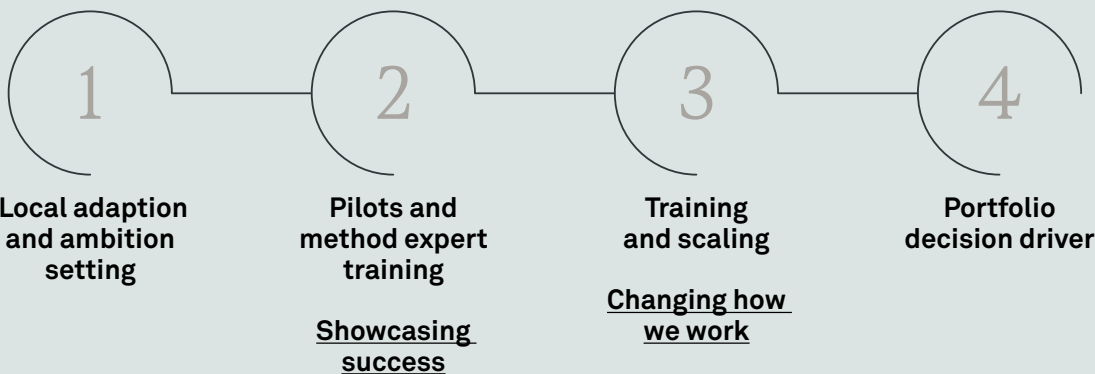
- Realise substantially more benefits – and have them documented.
- Improve strategic portfolio management and decision-making.
- Ensure that Norlys will continue to be a very attractive workplace by being ahead on subject matter expertise.



Benefits realisation challenged our thinking about our project maturity and created a demand for accurate benefit data to improve decision-making.”

Robbert Stecher, Director, Strategic Business Development and Legal

Four steps to enable benefits realisation and improved portfolio decision-making



The approach Norlys (and Novo Nordisk QS and Ørsted) used will look familiar to many as it leans on change management best practice. It involves adapting the new ways of working to the organisation and the technical development framework currently used. Then pilots are used to showcase that the method will create great results in your organisation. While showcasing success is critical for further scaling, the pilots also

provide on-the-job training to e.g. project managers or product owners, so scaling to the rest of the projects and programmes in the organisation can be done by them. Once a handful of programmes, projects or initiatives have found owners for their benefits and provided credible benefit data, it is possible to start making better decisions based on credible benefit data.

[Read the full case here](#)



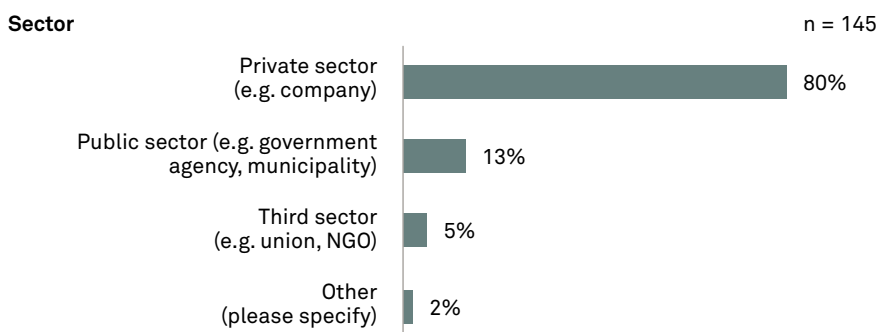
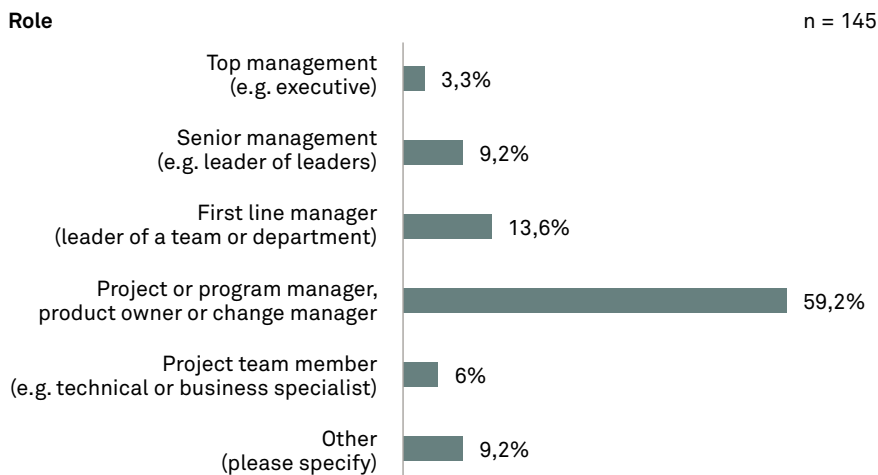
Predicting transformation success (or failure): method and data appendix

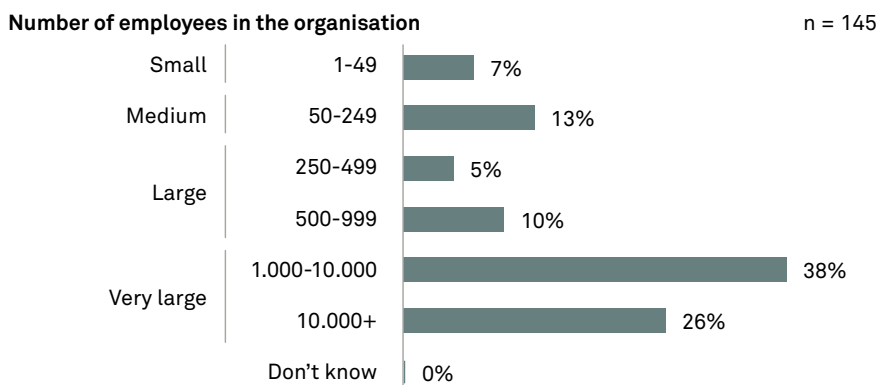
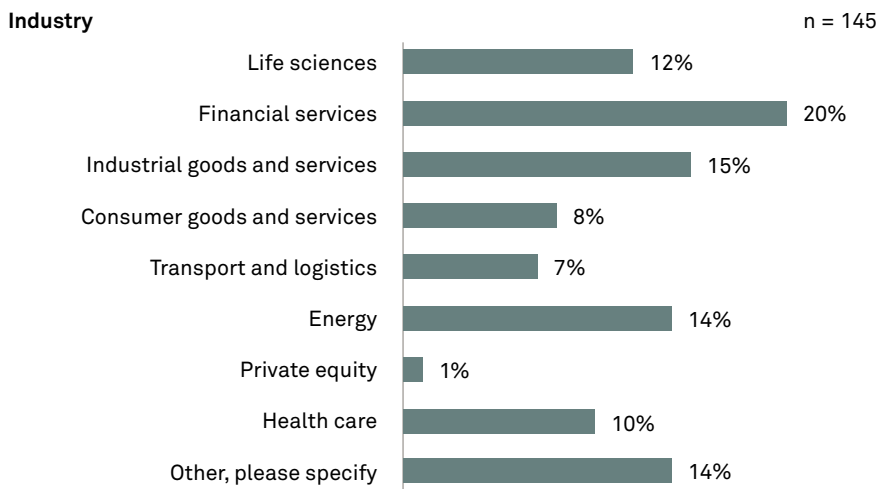
About the benefits realisation survey 2024

The following pages allow for a deep dive into the survey data and an understanding of the theory and empirical foundation behind the conclusions. We will start by providing you with an overview of the demographics.

Demographics

The survey results are based on data from 145 responses to a digital survey performed in 2024. The respondents represent top management (executives), senior management, first-line managers as well as the project and programme managers and team members, with the majority in the “project or programme management” category (59%). They cover more than 10 different industries and functions across the private, public and third sector, with the majority (64%) coming from very large organisations (1,000+ employees).





The theory and empirical foundation behind the conclusions

To be able to conclude that key behaviours and capabilities have a significant impact on benefits realised, we need two things:

1. Significant correlation (relation) between behaviour and benefits realised.
2. Theory and empirical (practical experience) support or time sequence of events.

To test the correlation between a specific behaviour or capability and benefits realised, we applied hypothesis testing and calculated p-values.

We decided to only conclude that we have a correlation if we could state that with 95% or higher certainty. In the data section below, the p-value results are shown, and all but one question have a correlation certainty of 99% or higher.

The theoretical and empirical foundation

The impact on benefits realisation from hypotheses on behaviour and ways of working is based on 100+ cases from 2016 to 2023 and the book *Benefits Realisation: The Change-Driven Approach to Project Success*. Rytter (2022). Wiley. The conclusion on current state on benefits realisation performance is also supported by conclusions from the Danish State

Hypothesis testing and p-value

To test the relation between behaviours and capabilities from the benefit equation and benefits realised in an organisation, we defined a null hypothesis saying that there was no correlation. We then calculated a p-value, which is a measure of the strength of evidence against the null hypothesis. If the p-value is below 0.05 / 5%, it means that with 95% certainty, the observed data is unlikely under the null hypothesis and provides evidence to reject the null hypothesis.

In other words, a p-value below 5% means that there is a significant relationship between the specific behaviour or capability and realised benefits.

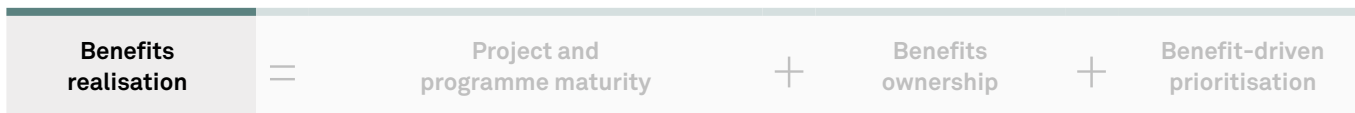
Auditors report from 2020 and “How Big Things Get Done”, Flyvbjerg and Gardner (2023). Macmillan.

Unfolding the data

The rest of the appendix is divided into two parts. The first part presents the raw data on benefits realisation performance and overall benefits and change management maturity.

The next part displays the questions and answers on project and programme maturity, benefits ownership and benefit-driven prioritisation as well as their correlation (relation) to benefits realisation.



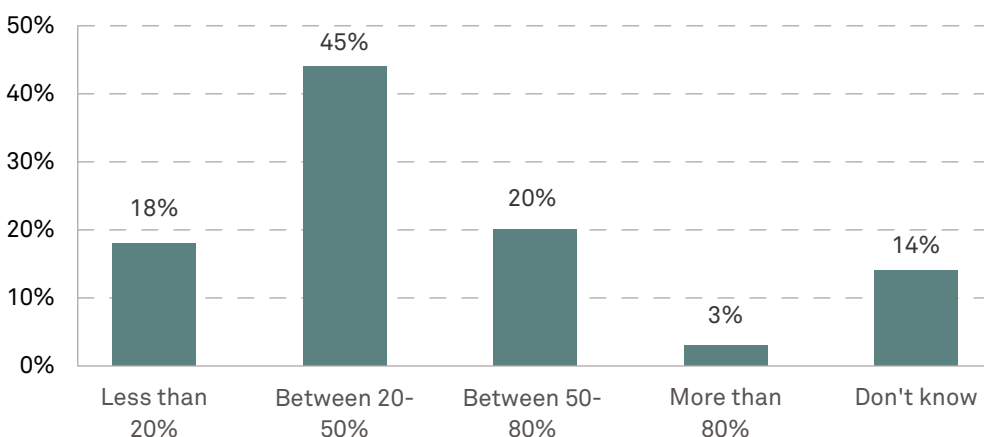


Benefits realisation performance and overall maturity

This section presents the raw data on benefits realisation performance and overall maturity on benefits and change management.

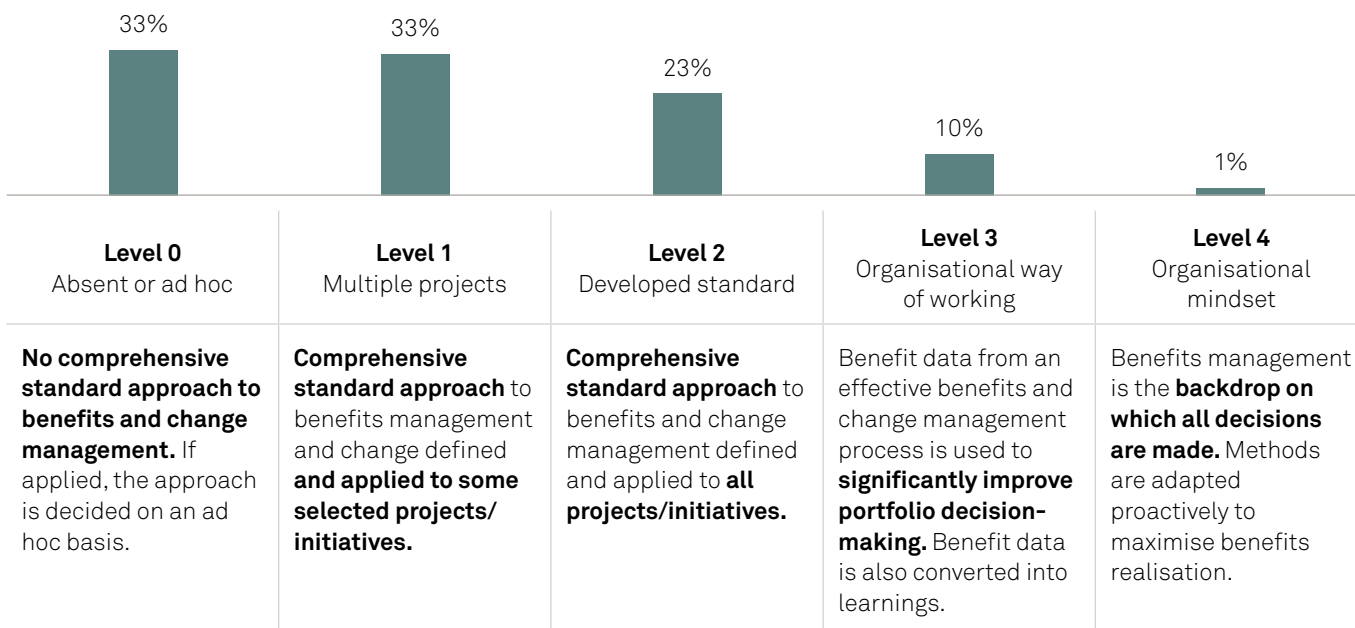
Benefits realisation performance

1 Question: Overall, how many per cent of the benefits potential do you think your organisation is realising in your change projects?



Maturity (overall assessment of maturity in benefits and change management)

2 Question: Please indicate where you find your organisation:



There is a strong correlation (relation) between benefits and change

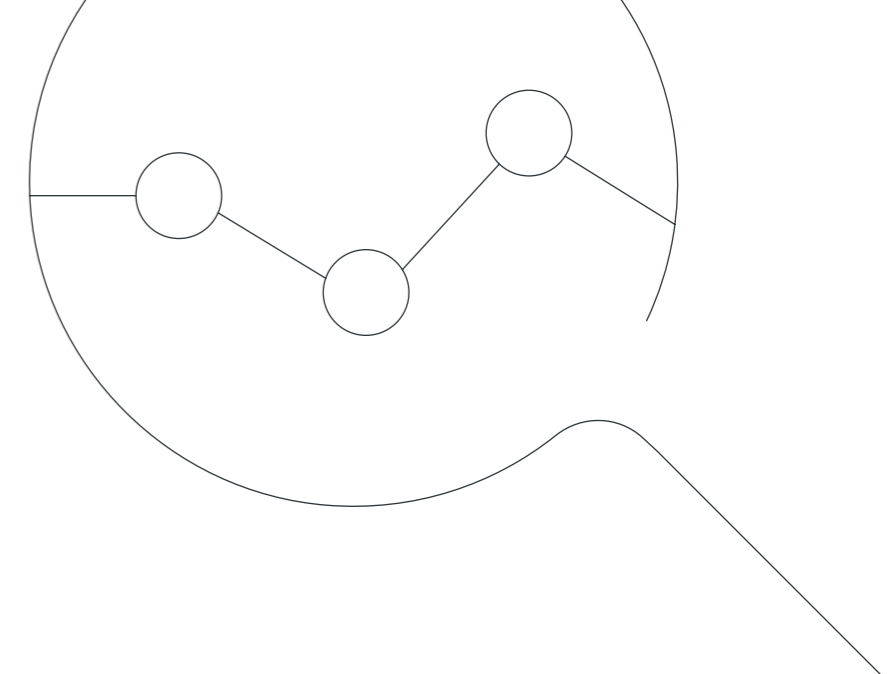
management maturity as described in the maturity assessment model and

benefits realised in the organisation (p-value is <0,01).

$$\text{Benefits realisation} = \text{Project and programme maturity} + \text{Benefits ownership} + \text{Benefit-driven prioritisation}$$

This section displays the questions and answers on project and programme maturity, benefits ownership and benefit-driven prioritisation as well as their correlation (relation) to benefits realisation, which is the benefits realisation performance question assessed in question #1.

We start with **project and programme maturity** and the underlying questions about benefits management, change management and technical delivery.



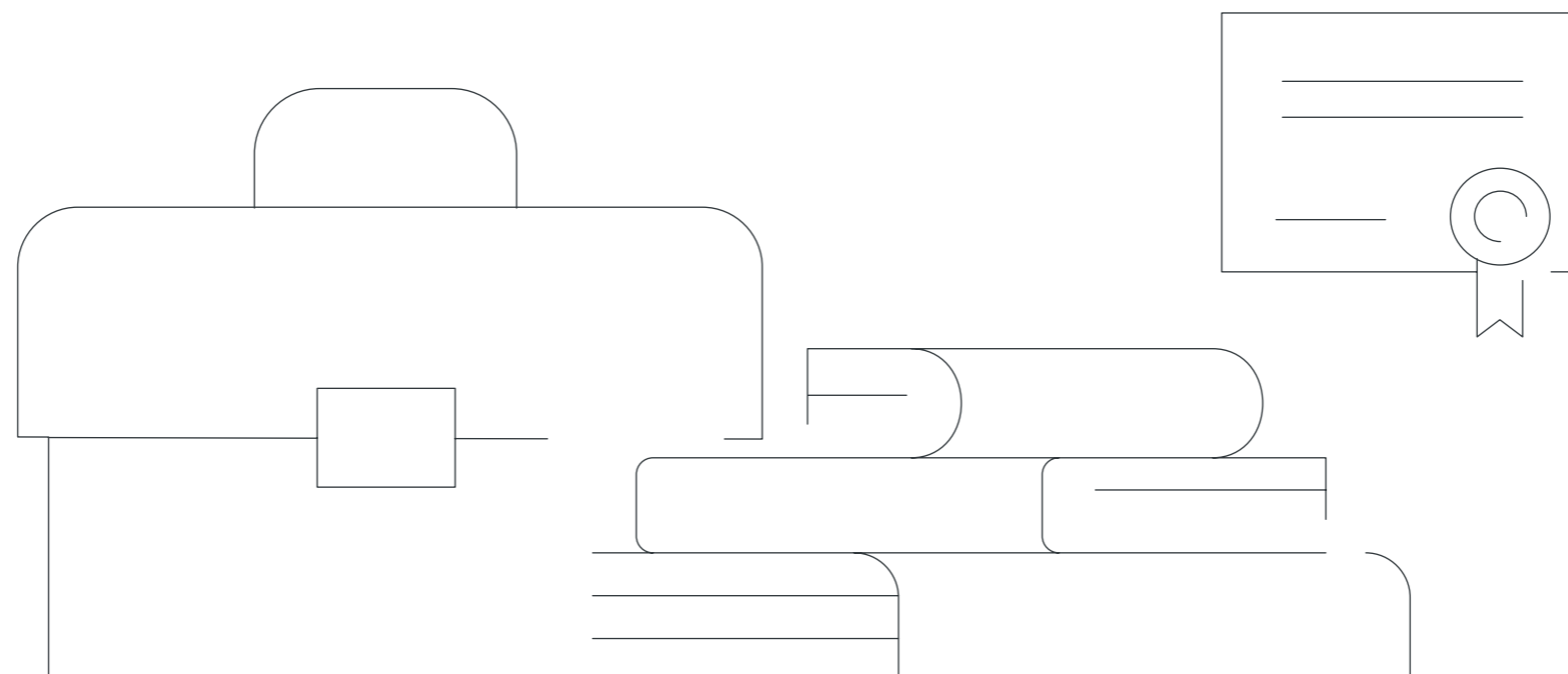
Equation reference	Question
Project and programme maturity: benefits management	Looking at change projects in your organisation, how would you describe the work going into estimating benefits?
	To what extent do you revisit and update project benefits during your project?
Project and programme maturity: change management	Is change management an integrated part of how you manage projects?

Answer	Significant impact on benefits?
<ul style="list-style-type: none"> We do a thorough analyses when estimating benefits (36%) We do some analysis when estimating benefits (63%) We use rough guesses when estimating benefits (13%) We rarely/never estimate benefits for our projects (2%) Other (2%) Don't know (9%) 	<input checked="" type="checkbox"/> P-value: 0.02%
<ul style="list-style-type: none"> Rarely/Never (3%) Occasionally (14%) Sometimes (32%) Often (31%) Always (7%) Don't know (13%) 	<input checked="" type="checkbox"/> P-value: 0.01%
<ul style="list-style-type: none"> Not at all (2%) To a little degree (10%) To some degree (16%) To a considerable degree (23%) To a high degree (31%) Don't know (18%) 	<input checked="" type="checkbox"/> P-value: 1.74%

Benefits realisation = Project and programme maturity + Benefits ownership + Benefit-driven prioritisation

Equation reference	Question
Project and programme maturity: change management	How satisfied are you with your project's ability to make change happen, such as helping different groups change behaviour?
	What are the typical reasons why change management might not be prioritised?

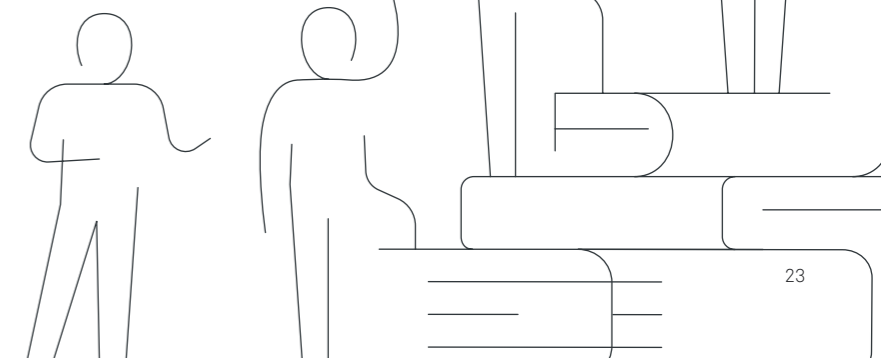
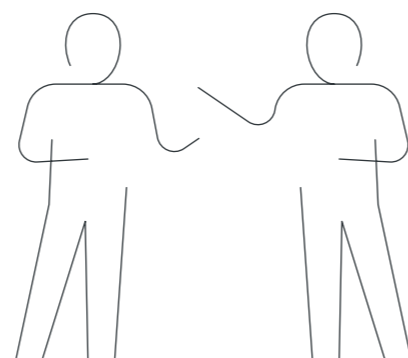
Answer	Significant impact on benefits?
<ul style="list-style-type: none"> Not at all satisfied Not satisfied Neither dissatisfied or satisfied Satisfied Very satisfied Don't know 	<input checked="" type="checkbox"/> P-value: 0.46%
<ul style="list-style-type: none"> That is not a problem in my organisation, we apply change management as it should be Lack of funding It is deemed unimportant It is not part of the plan / forgotten We do not have the (sufficient amount of) people who can drive the change management effort Lack of knowledge about that kind of change management is needed in the organisation The change effort needed is underestimated Other 	Not relevant



$$\text{Benefits realisation} = \text{Project and programme maturity} + \text{Benefits ownership} + \text{Benefit-driven prioritisation}$$

Equation reference	Question
Project and programme maturity: technical delivery	In your opinion, how successful are projects in your organisation in producing deliverables such as a system, process, product or service?
	Are you using a project delivery framework to help you produce deliverables?

Answer	Significant impact on benefits?
<p>4% 3% 3% 13% 47% 30%</p> <ul style="list-style-type: none"> Not at all successful Unsuccessful Fairly successful Successful Very successful Don't know 	<input checked="" type="checkbox"/> <p>P-value: 0.15%</p>
<p>Yes – PRINCE2® or similar 49%</p> <p>Yes – A hybrid model that combines elements of waterfall and agile (Half Double) 82%</p> <p>Yes – SAFe, Spotify or similar agile framework 26%</p> <p>Yes – other 26%</p> <p>No 7%</p> <p>Don't know 3%</p>	<input type="checkbox"/> <p>P-value >5%</p> <p>No correlation between using any delivery frameworks and the benefits your organisation realises.</p>



$$\text{Benefits realisation} = \text{Project and programme maturity} + \text{Benefits ownership} + \text{Benefit-driven prioritisation}$$

Benefits ownership has a strong correlation with benefits realisation performance.

Equation reference	Question
Benefits ownership	Do the key benefits you identify in your projects have an "owner" who is accountable for realising the benefits?

Answer	Significant impact on benefits?
<ul style="list-style-type: none"> Yes, in all projects, the key benefits have a benefit owner Yes, for most of our projects, the key benefits have a benefit owner In some of our projects, the key benefits have a benefit owner In only a few of our projects, the key benefits have a benefit owner We generally do not assign benefit owners to project benefits We generally do not identify benefits in our projects Don't know 	<input checked="" type="checkbox"/> P-value: 0.01%

$$\text{Benefits realisation} = \text{Project and programme maturity} + \text{Benefits ownership} + \text{Benefit-driven prioritisation}$$

Benefit-driven prioritisation has a strong correlation with benefits realisation performance

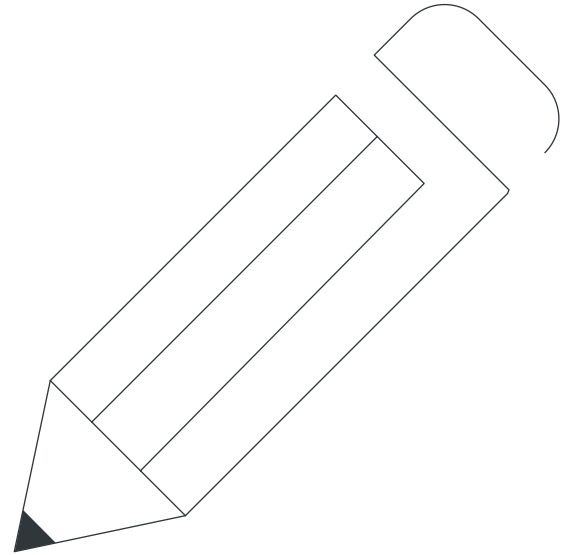
Equation reference	Question
Benefit-driven prioritisation (illustrated by question #2, the overall maturity question)	Please indicate where you find your organisation (in terms of your level of maturity with benefits management). Note: maturity levels 3 and 4 use data from an effective benefits and change management process for prioritisation.

Answer	Significant impact on benefits?
<ul style="list-style-type: none"> Do not have credible data on all projects Use credible benefit data for decision making 	<input checked="" type="checkbox"/> P-value < 0.01%



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Thomas Gottschalck
and Michael Ehlers.



Notes

1. All data used in the report is detailed in the “Prediction transformation success (or failure): method and data appendix” section on page 13
2. The latest book is: Benefits Realisation: The Change-Driven Approach to Project Success. Rytter (2022). Wiley Find cases, articles, templates, videos and podcasts at www.implementconsultinggroup.com/benefits
3. Svejvig, P. and B. R. Schlichter (2020). “The Long Road to Benefits Management: Toward an Integrative Management Model.” *Project Management Journal* 51(3): 312–327
4. The effort put into benefit estimation and the extent to which the benefit estimates are kept updated have a significant impact on benefits realisation with a 99% level of confidence, see “Method and data appendix” section on page 13
5. The extent to which change management is a fully integrated part of their projects and ability to make change happen has a significant impact on benefits realisation (with 98% and 99% certainty respectively), see “Method and data appendix” section on page 13
6. See data on the use of technical delivery frameworks in “Method and data appendix” section on page 13
7. Benefits ownership has a significant impact on benefits realisation (with 99% certainty), see “Method and data appendix” section on page 13
8. 11% of organisations have a maturity level where they have credible benefit and cost data available for decision-makers. See “Method and data appendix” section on page 13
9. See the ungrouped answers to the question: Overall, how many per cent of the benefits potential do you think your organisation is realising in your change projects? in the “Method and data appendix” section on page 13
10. Find inspiration for how to get started at Implementconsultinggroup.com/benefits, including videos, articles and templates

