

Intangible Benefit Identification and Realisation – Issues and Challenges in Project Program and Portfolio Management

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Abstract

In recent years there is an upsurge in the adoption of Benefit approach to project, program, and portfolio (PPP) management in the Government sector particularly in the area of procurement, commercial grade contracts, IT governance, innovation investment space and there is an emergence of new worldwide consulting business based on Benefit approach to PPP by mega consulting enterprises, however, customers such as large portfolio of government departments are not aware of the quantifiability of the benefit that has been identified or presented in PPP by the benefit team, or various of benefit offices or consulting companies. Our recent field studies and practical PPP evaluation of benefit approaches in PPP showed that although tangible benefits such as cost saving, Return on Investment, etc can be identified and measured in PPP management, 70-80% of benefits identified in those PPP management are Intangible benefits, such as Capability, efficiency etc and no measurement or technics provided on how to measure those benefits in PPP, as ““what gets measured get delivered””.

The intangible benefits are largely identified in the context of strategic intent, social economic drivers or futuristics. Due to the vagueness and imprecision of benefit concepts, particularly intangible benefits, there is no solid measurement techniques and tools available to help customers or largely government organizations to realise the benefit resulting in repeated high cost in procurement, contracts, IT and investment. In this research, we present our research on applying bivalent logic and probability theory to build the framework of tangible and intangible benefit concepts for PPP and to formulate fuzzy concept within the framework of bivalent logic and probability theory, the use Fuzzy logic via Computing with Words and Evidence Theory to model vagueness, fuzziness, and imprecision of benefit and intangible benefits. We also present an analytical framework of belief/perceptions and the concept of stratification(CST) to help define the inputs and fuzzy rules for project benefits leading to benefit realisation in PPP.