



SIKELELO

Introduction

The case study provides a view of the benefits realization on an enterprise-wide program for South Africa's leading insurer with a footprint in 17 countries. The program achieved benefits of 280 m ZAR in the first 3 years with further savings of over 300 m banked in the following 3 years.

The Challenge

Sanlam Limited provides diversified financial services in insurance, financial planning, trust, fiduciary, asset management, risk management, and wealth management. Sanlam serves customers worldwide in over 17 countries.

The legacy Sanlam group operating model was a federal model. This resulted in duplication of sales, operations, facilities, and ICT capabilities and opportunity for aggregation, standardization and consolidation across the different clusters and line functions in the group.

Subsequent to the credit crisis in the late 2000s, the group decided to embark on a program to realize financial benefits through sharing, aggregation, standardization and consolidation.

**BUSINESS AND
ICT
TRANSFORMATION**



**TURNKEY
PROJECT
DELIVERY**

**FINANCIAL
BENEFITS
REALISATION**



**FOREX
RISK
MITIGATION**

**CRUCIAL
SKILLS
PROVISION**





The Solution.

The programme successfully achieved its benefits outputs through the adoption of the following key principles.

- **Clarity, coherency and accuracy with respect to the benefits cases and the realization plan was critical. The benefits hypothesis, benefits levers, benefits timelines and other benefits attributes were defined in specific, measurable, attainable and realistic time-bound business cases which were syndicated with the project sponsors, project executives and business owners.**
- **Roles and responsibilities were clearly understood. The structure allowed for active sponsorship by the executive, accountability for realization by the programme management team and in particular business responsibility for the realization of benefits.**

Figure 1 – Year 1 Snapshot

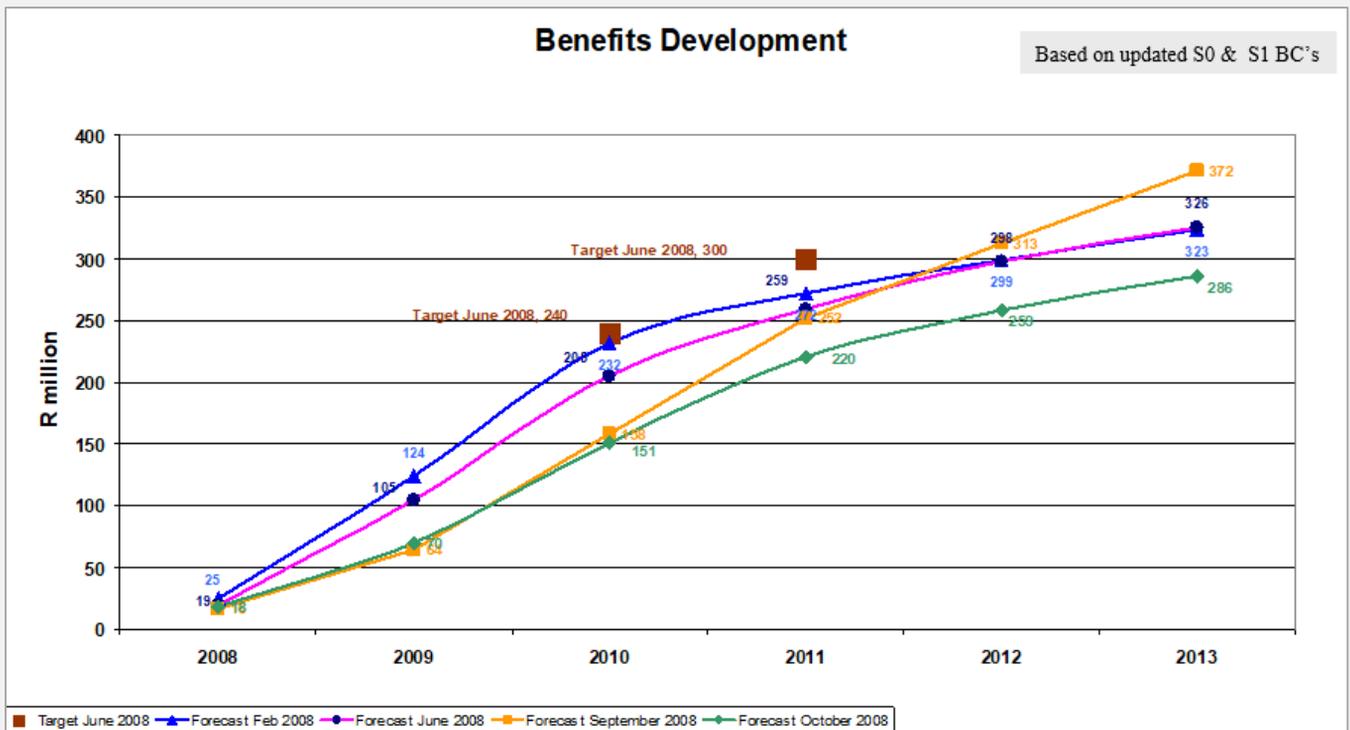
Programme/ Project	Stage 0 (50%) Concept & scope well understood (Year One Benefits)	Stage 1 (80%) Commitment to planned benefits (Year One Benefits)	Design & Develop solution & benefit measures	Implement/ Operationalise solution & benefit tracking	Realise benefits & track against business case
<ul style="list-style-type: none"> Completed In Progress Not Started BC out of Scope 					
Grow the Business <ul style="list-style-type: none"> Grow Commercial 	<ul style="list-style-type: none"> R 60m R 13m 	<ul style="list-style-type: none"> R2.3m 	<ul style="list-style-type: none"> In Progress 		
Developing Markets <ul style="list-style-type: none"> Quick Hits ELM SA 	<ul style="list-style-type: none"> R 18m R 8m 	<ul style="list-style-type: none"> R 0.6m 	<ul style="list-style-type: none"> In Progress 		<ul style="list-style-type: none"> R2.7m
Operations <ul style="list-style-type: none"> Office Consolidation Services Integration CCC Mgmt. Practices Operational Services 	<ul style="list-style-type: none"> R 20m 10 Nov R 17m R 5m 	<ul style="list-style-type: none"> R16m 15 Dec R2.5m 	<ul style="list-style-type: none"> In Progress In Progress In Progress 	<ul style="list-style-type: none"> In Progress In Progress 	<ul style="list-style-type: none"> R0.6m
IT <ul style="list-style-type: none"> Contract Cons/SSO & Standardization Best Practices Business Architecture BC & IT Model Strategic Arch Mgmt. 	<ul style="list-style-type: none"> R 32m R 4m R 1m 	<ul style="list-style-type: none"> 14 Nov 14 Nov 	<ul style="list-style-type: none"> In Progress In Progress Completed In Progress 	<ul style="list-style-type: none"> In Progress In Progress 	<ul style="list-style-type: none"> R12.3m
Enterprise Services <ul style="list-style-type: none"> Procurement MBR Trade Finance HR Admin Platform Medical Aid Opp Assessment Other 	<ul style="list-style-type: none"> R 50m R 18m 30 Nov R 4m R 2m 30 Nov 	<ul style="list-style-type: none"> R55.5 R 8m R 3.3m 	<ul style="list-style-type: none"> In Progress Complete Complete 	<ul style="list-style-type: none"> BAU Complete 	<ul style="list-style-type: none"> R198k R44k





- Often business is not formally contracted to deliver project and program benefits. Benefits are sometimes viewed by business as something the project does. However in many projects and programs, the benefits realization activities fall within the responsibility of a business line manager. In such cases, business responsibility for benefits realization is a key success factor. In this program, the benefits business cases were jointly developed by the program and the business. Formal benefits realization contracts were entered into between the business benefit owners and the programme. These contracts were aligned with the hypotheses held in the business cases. The contracts were signed by the responsible benefits business owner with associated values to realize over a timeline. Furthermore quarterly or six weekly reviews were held to track business benefits achievement against the plan. This assisted in managing the process and identifying and resolving risks and issues that had the potential to compromise benefits realization.
- Programme reporting structures were established to track the benefits case development, the acceptances thereof, implementation and benefits realization. This reporting was energetic, frequent and covered the full lifecycle from benefits case development to syndication to execution to closure.

Figure 2 – Year 2 Long term benefits outlook





Other factors relevant to the solution that may be mentioned are as follows.

- The initiative enjoyed executive support.
- It was recognized that benefits realization would continue after program closure and therefore provision was made for this capability post closure.
- Benefits realization strategies for the line of business owners were written into the annual book of work and KPI's, stretch targets and performance incentives were put in place.
- The methodology employed was aligned with the PMI benefits measurement framework. However, there is a view that existing frameworks are long on planning and short on realization and that these frameworks need to be supplemented with practical realization methods to bank cost savings or realize cost avoidance.
- The program was large in scope and consisted of multiple projects and portfolios of projects and was executed across different group companies with different equity and stakeholder structures, different organization structures, different cultures and varied geographies.
- The initiative was successful in delivering aggregate benefits of circa 600 M ZAR over six years.

Sikelelo's role in the program included management and realization of all ICT benefits across the group as well as other capability and maturity initiatives. Sikelelo has played an active role in benefits management on multiple other smaller initiatives for South African clients including Liberty Life, Shoprite, the Standard Bank Group and the Sanlam Group.

Sikelelo can assist in the following: -

- Delivering a steady-state benefits realization capability.
- Benefits realization awareness and training for managers and executives.
- Benefits realization services on nominated projects and programs.

For further information please contact mark@sikelelo.com

