

Chapter 16

The Use of Benefits Management in E-Government Projects

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ABSTRACT

The expenses in information systems and information technology (IS/IT) represent a substantial share in organizations' budgets. However, IS/IT investment projects seem to continue to show reduced success rates. The benefits management (BM) has gained relevance as a way, not only to understand these failures, but also as a tool available to organizations to improve the success of IS/IT investments. The objective of this article is to understand how BM can be applied in IS/IT investments in the public administration (PA) and help to leverage the benefits of these investments. A case study was conducted using an e-Government project in the Portuguese PA. The study showed how a BM approach can be applied in this environment and also identified some difficulties that must be considered. Several benefits, which were not foreseen, were identified and evaluated, or proposed some criteria for their evaluation, highlighting, this way, the true contribution of IS/IT investments in delivering services to citizens and increasing public organizations performance.

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INTRODUCTION

All organizations strive for sustainability, whether they are organizations in the public sector seeking to maximize their effectiveness or private firms looking to maximize their shareholder value. IS/IT has become instrumental in ensuring profitability and sustainability (Askedal, 2019). However, such implementation is far from straightforward, and many organizations struggle to realize the intended benefits of ICT investments (Doherty et al., 2012).

Investments in IS/IT continue to have significant and growing importance in organizations' budgets, with the average organization spending around 3.4% of its revenues (Gartner, 2015).

These investments have provided significant transformations in business and productivity gains but continue to fall short of expectations (Lin & Pervan, 2003). Almost 30 years later, the claim of the Nobel laureate in economics, Solow (1987), over the business value of IS/IT investments, what became known as the Productivity Paradox, seems to remain valid. Academics and practitioners argue that projects are a structured way to implement business change. It is thus vital that organizations ensure the success of their projects and, in this way, the success of the implementation of their strategy (Serra & Kunc, 2015). Most researchers and organizations involved in project management continue to use the *iron triangle criterion* to evaluate project success (Atkinson, 1999). These are execution and delivery criteria, but the post-delivery phase should also be considered and two additional success criteria must be added, such as the quality of the delivered product, and the benefits to key stakeholders (Atkinson, 1999). DeLone & McLean (2003) redefined their initial framework to evaluate the success of an IS/IT project (DeLone & McLean, 1992) to include the *net benefits* as one of the six dimensions to consider in evaluating success.

According to Ward & Daniel (2006), IS/IT projects have a poor reputation in many organizations, because often these investments fail to deliver the expected benefits: 70 to 85% of IS/IT investments fail to realize the promised benefits (Ward & Daniel, 2013). The idea that technology alone would bring competitive advantages to organizations has led many of them to spend more on technology (Carr, 2003) than would be desirable, or, at least, to do so in a non-selective way (Serrano & Caldeira, 2002). Managers have felt increasing difficulty in approving their investments in IS/IT (Lin & Pervan, 2003) and also a pressure to justify and measure the contribution of these investments to the organization's performance (Lin et al., 2005). Considerable resources are wasted on projects that deliver few or no benefits (Holgeid & Jørgensen, 2020). Benefits management is a management philosophy that puts the benefits in the central point for all actors' activities in organizational change (Badewi & Shehab, 2016). According to Ward et al., (1996) the benefits management model, benefits management goes through six processes: Benefits identification, planning, implementation, execution, reviewing and exploitation. Realizing the benefits of IS/IT investments must consider the organization's strategic objectives. This means that, on the one hand, investments in modern and efficient information technology must be an integral part of the company's strategy and, on the other hand, information technology must help the company to achieve its strategic goals/objectives (Koi-Akrofi, 2020). Research has demonstrated that many programs and related projects do not achieve their potential benefits mainly because they are not aligned with organisational strategy (Badewi, 2016). Organizations can derive more benefits from IT projects when benefits are stipulated up front and are managed throughout the project's life cycle (Marnewick, 2016).

The main objective of this study is to analyse how Benefit Management (BM) in IS/IT investments, in particular in e-Government projects, can help to leverage the benefits of these investments and thus contribute to the value creation for organizations, citizens and companies.

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