

Measuring intangible benefits

Welcome to the 3rd Blog in our series on benefits. Today, the focus is on measuring the intangible benefits and we are going to discuss the types of benefits, look at the different measures and talk about the use of recognition events as a useful tool. If you haven't caught our other blogs, you can get to them through the links below:

- Benefits identification
- Dependencies
- Measuring Intangible Benefits
- Ownership
- Realisation

What are intangible benefits

Let's start with the basics and see an explanation of the different types of benefits.

- Direct monetary benefits (tangible) – those benefits that can be quantified and valued in financial terms, for example cost savings, revenue generation, cost reductions
- Direct non-monetary benefits(tangible) – those that can be quantified but are difficult or impossible to value in financial terms, for example fewer customer complaints, productivity gains, greater accuracy, lower staff turnover, increased response time
- Indirect benefits (intangible) – can be identified, but cannot be easily quantified e.g. end user satisfaction, more trust from supplier or customer, better access to information, organisational image, customer service, better morale, better perceptions, etc.
- Dis-benefits – negative consequences from the intended change

So an intangible benefit can be something like an increase in trust, or a feeling of wellbeing within the organisation. In most cases, these are noted within the business case, but rarely get taken any further and the measurement of them often gets put into the 'too difficult' box.

How do we tackle something like this?



What measures can we use?



This is the great part; it's entirely up to the business to decide, based on the intangible benefit they are looking to achieve. You may have multiple measures for a single benefit and examples could be as diverse as:

- Quarterly surveys across the organisation to assess organisational health
- 6 Monthly 'dip test' interviews with stakeholders to assess trust
- Check of 'churn rate' each month to assess trend of people leaving due to unhappiness with line management or leadership _ look for a reduction over time for increased satisfaction?

How will the business know the benefits are being achieved?



This will mostly be down to one of the key tenets of a successful change; great communications! There is a tendency in some companies to hide the benefits and not communicate them, just in case they miss the milestones and the benefits are not achieved. In the case of intangible benefits, you may be relying on a change in behaviour, in thinking or in feeling in order to be successful and it is

vital to help people to understand where you are trying to get to and the steps along the way. Only by being honest and can you get their accurate feedback, to keep the change on track and realise the benefits.

If you are having problems in developing measures for intangible benefits, or would like some more information on how you can use Recognition Events in your change programmes, please contact us for a no obligation discussion.

Please take the time, if you haven't already, to read our other blogs and look out for our next blog on benefits, Ownership.