

PMO SIG



PMO Internal Metrics
July 23, 2009

Agenda

- Metrics defined
- PMO Focus
- Sample metrics
- Frameworks/scorecards
- Continuous Improvement
- Member Examples
- Discussion
- Wrap-up

Metrics: defined

- **business metric**

- A business metric is any type of **measurement used to gauge some quantifiable component of a company's performance**, such as return on investment (ROI), employee and customer **churn rates**, revenues, **EBITDA**, and so on. Business metrics are part of the broad area of **business intelligence**, which comprises a wide variety of applications and technologies for gathering, storing, analyzing, and providing access to data to help enterprise users make better business decisions. Systematic approaches, such as the **balanced scorecard methodology**, can be employed to **transform an organization's mission statement and business strategy into specific and quantifiable goals, and to monitor the organization's performance in terms of achieving those goals.**

- SearchCRM.com

http://searchcrm.techtarget.com/sDefinition/0,,sid11_gci940481,00.html

PMO Focus vs. Project Focus

- Measuring projects:

- Schedule
- Project Budget
- Quality

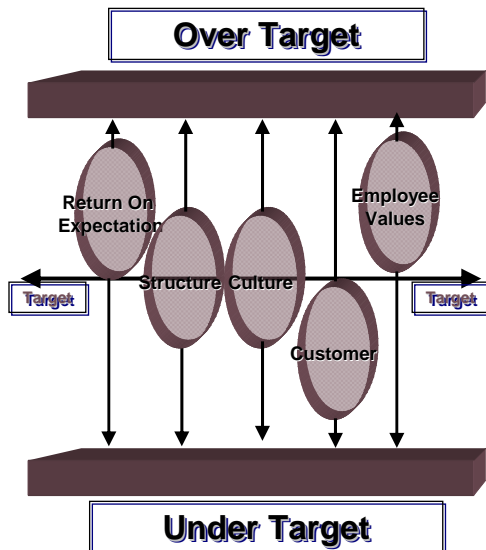
- Measuring PMO process, value, etc

- P&L Budget
- Productivity
- Process adherence
- Customer Satisfaction
- Employee Satisfaction

Frameworks/Scorecards

- **Framework:** In general, a framework is a real or conceptual structure intended to serve as a **support or guide for the building of something that expands the structure into something useful.**
 - Whatis.com
http://whatis.techtarget.com/definition/0,,sid9_gci1103696,00.html
- POWERSHIP®
- Balanced Scorecard

POWERSHIP®: Equalized Framework



- Graphic, courtesy of Kathie Topel, MPS Partners
- During the June 25 PMO SIG meeting, Kathie presented the POWERSHIP® model
- This graphic was taken from her presentation, with permission

Balanced Scorecard

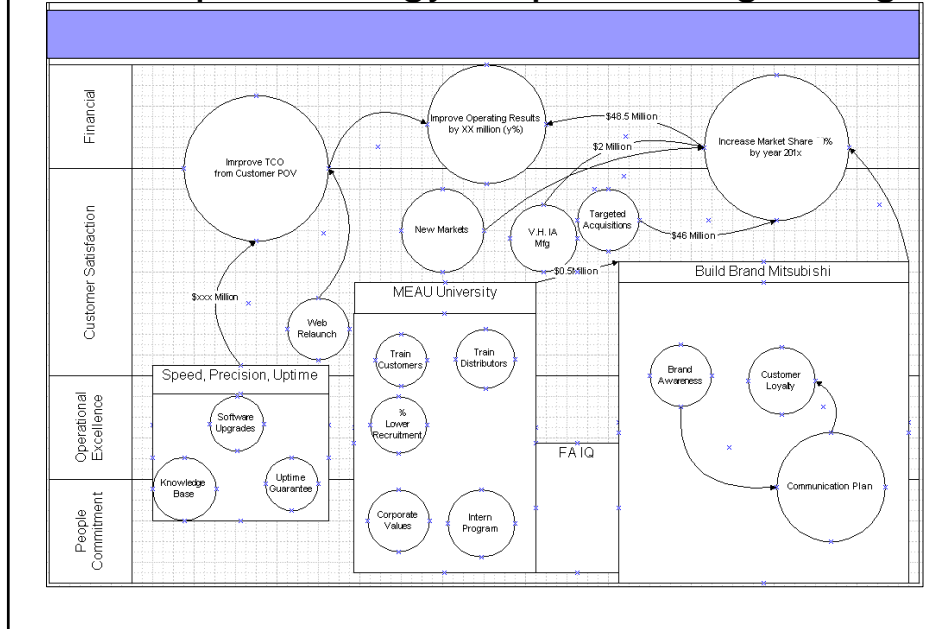
- **balanced scorecard methodology**
 - An analysis technique
 - designed to translate an organization's mission statement and overall business strategy into specific, quantifiable goals
 - to monitor the organization's performance in terms of achieving these goals.
 - based on the idea that assessing performance through financial returns only provides information about how well the organization did prior to the assessment (like driving with only rear-view mirror)
 - Assumes future performance can be predicted and proper actions taken to create the desired future.
 - '96 release of Norton and Kaplan's text, *The Balanced Scorecard: Translating Strategy into Action*.
- Robert S. Kaplan, David P. Norton, 1992
 - Harvard Business School Press
- Premise: Executives pay attention to what is measured
 - You can't manage what you don't measure
 - You can't measure what you can't describe
- Goal: Build measurement systems that create alignment with organization strategy
- Elements/layers:
 - People Commitment
 - Operational Excellence
 - Customer Satisfaction
 - Financial Performance

Strategy Map

Financial	
Customer Satisfaction	
Operational Excellence	
People Commitment	

- **Strategic Planning**
 - Describe
 - Measure
 - Manage
- **Breakthrough Results**
 - Strategy-focused Organization
 - Describe the strategy
 - Measure the strategy
 - Manage the strategy

Sample Strategy Map: showing linkage



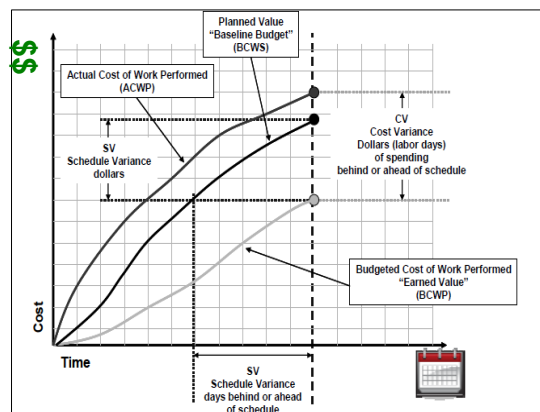
Continuous Improvement

- seeking **small improvements in processes and products**
- **with the objective of increasing quality and reducing waste (muda).**
- Continuous improvement is one of the tools that underpin the philosophies of total quality management and lean production.
- **Through constant study and revision of processes, a better product can result at reduced cost.**
- Kaizen has become a foundation for many continuous improvement strategies, and for many employees it is synonymous with continuous improvement. **[emphasis added]**
- BNET Business Dictionary
<http://dictionary.bnet.com/definition/Continuous+Improvement.html>

Text Book Examples

- Earned Value Method
- **PM Score Card**
 - Jack Phillips, Timothy Bothell & Lynne Snead, 2002, Butterworth & Heinemann (Elsevier)
 - Measuring Learning
 - Measuring Implementation
 - Business Performance
 - Employee Satisfaction
 - Customer Satisfaction
 - Team Effectiveness

EVM: Earned Value Method



- Constant monitoring of actual vs. baseline & EV
- PMP Mini Review:
 - $PV = BCWS$
 - $AC = ACWP$
 - $EV = BCWP$
- EVM measures project performance, not PMO performance
- Graphic, courtesy of Joe Norton, Sochin Consulting Group

PM Scorecard

■ Measuring **Learning**

- Methods:
 - Surveys
 - Interviews
 - Tests
 - Self Assessment
 - Focus Groups

■ Measuring **Implementation**

- Compare delivery to charter
- Same measurement methods as Learning
- "Promise vs. Actual" (PvA)
- Lessons Learned

PM Scorecard

■ **Business Performance**

- Productivity
- Utilization
- Conversion
- Throughput
- Error/reject rate
- Unit cost
- overtime

■ **Employee Satisfaction**

- Job satisfaction (judgmental)
- Complaints
- Turnover
- Absenteeism rate
- Tardy rate
- Transfer requests

PM Scorecard

■ Customer Satisfaction

- Satisfaction index
- Complaints
- One time resolution

■ Team Effectiveness

- Teamwork
- Cooperation/Conflict
- Decisions made
- Communication
- Suggestions

Call Center Examples

■ Call Center Score Card

- Discover Card, Enterprise Score Card dimensions
 - P&L
 - Productivity
 - Volume/Throughput
 - Employee Satisfaction
 - Customer Satisfaction
 - Quality

Call Center

- P&L

- Team Leader
- Call Center/Region
- National

- Avg. Cost per Call

- Divisional
- Charge-out

- Productivity

- # Calls/FTE

Call Center

- Volume / Throughput

- Actual vs. Forecasted Call Volumes
- Average Call Length
 - Talk Time
 - After Call Work

- Employee Satisfaction

Call Center

- **Customer Satisfaction**

- **Quality**

- Knowledge
- Courtesy
- One-call Resolution

- **Measurement**

- Agent
- Team
- Call Center/Region
- Brand
- National

- **Measurement**

- Agent
- Team
- Call Center/Region
- Brand
- National

Other Member Examples and Discussion



Wrap-up

- Thank you
- Feedback on Today's session
- Recognition – colleague contributions
- Future Sessions
 - August 27-External Benchmarking
 - September 24-Organizational Project Management Maturity Model (OPM3)
 - October 22 – *Project Rescue?*
 - Nov, Dec – no meetings (holidays)