

# Are you wasting time collecting the wrong data?

In the words of W. Edwards Deming, “Without data you’re just another person with an opinion”, but what is vital is that you understand what information your organisation actually needs to allow projects to be managed successfully, drive performance and make improvements. To ensure performance management is effective and the required results are achieved, the correct data must be tracked and reported.

In the words of W. Edwards Deming, “Without data you’re just another person with an opinion”, but what is vital is that you understand what information your organisation actually needs to allow projects to be managed successfully, drive performance and make improvements. To ensure performance management is effective and the required results are achieved, the correct data must be tracked and reported.

This paper is the first in a series of four Performance Management papers; we will demonstrate how critical it is to gather the right information to help you make management decisions to effect change that improves performance.

Without the right information, managers will not fully understand the exact status of the project, the impact of options available to them and where to direct their efforts, resulting in decisions not being based on sound data and detailed analysis.

Management of project performance involves the regular collection and analysis of data to assess whether the desired results are being achieved. It should be implemented at the project, programme and organisation levels.

At each hierarchical level, the desired outcome should be consistent but importantly, the data reviewed changes significantly.

## **A clear purpose for management information**

Your organisation must set the right Key Performance Indicators (KPIs) that will promote the right behaviours and ensure that they help to deliver the required results. A KPI is a quantifiable metric that reflects how well an organisation is achieving its stated goals and objectives. There may be a significant volume of data available and while you could measure everything, you should only concentrate on what information you need to enable informed decisions.

Collecting data that is never going to be utilised is a waste of time and money. The management information you are reporting should have a clear purpose, which could be for one of the following reasons:

### **Exert control and drive actions**

Measuring performance can tell you what you’re doing well but also reveal areas where you need to make adjustments. It will provide information to managers in order to exert control over projects and ensure that risks and issues can

be tackled early. Furthermore, informed decisions can then be made to drive projects in the right direction.

### **Hold to account**

Performance information can be used to hold the responsible person to account and help to ensure they are achieving the required project outcomes and delivering within the agreed performance, cost and time tolerances.

### **Informing stakeholders**

Collecting the right data will allow transparency with your key stakeholders who want to know about the quality and effectiveness of the project and organisation. It will help to build stronger relationships with stakeholders by presenting the truth and ensuring they are aware of any key risks and issues.

### **Drive continuous improvements in performance**

By measuring performance, projects can continually improve through the identification of problems and by making the necessary adjustments or actions. By doing this on a regular basis, rather than as one-off activities, continuous improvement and the right behaviours will be driven into the project.

### **Managing interdependencies**

Monitoring interdependencies with other projects or programmes is important to understand the critical relationships between parts of the organisation ensuring they are coordinated and integrated.

### **Accreditation**

There may be a requirement to demonstrate compliance with certain performance standards demanded by governing bodies.

## Effective performance reporting

This section considers some of the key considerations for maximising the benefit of your performance reporting and highlights some of the challenges and pitfalls that projects often fall in to.

A common failure of performance reporting that we have seen many times is when projects and organisations simply report project data without fully considering the benefit of the information or acting on it. When identifying what should be measured, you should ask yourself, "what are we trying to accomplish with this data?". Once you understand this and truly know what information you need, make sure that you have the right foundations in place so that information can be easily monitored and captured.

In order to do this, you should set a Performance Measurement Baseline with clear objectives and targets to be measured against. A performance baseline provides a steady reference to measure against and allows performance to be assessed more accurately. Without a baseline it can be difficult to know and / or demonstrate how the project is progressing. Without control, issues can be easily masked and change can become out of control.

Performance information that is measured and reported must be appropriate to the organisational level. While organisations often fall into the trap of reporting detailed project information at all levels, the management reviews further up the hierarchy should focus less on the detailed performance information and more on the decisions required to address strategic issues and risks to current and future delivery of agreed outputs.

Failure to do this means that senior management end up looking at too much detail and focussing on the wrong things. It creates a large time lag between information being reported and decisions actually being made.

Perhaps most significantly, this also takes away the empowerment and responsibility of the individuals at the lower hierarchical levels that should be making the decisions, leaving them to feel demotivated and ineffective.

We witnessed this when working with a large government organisation where two weeks' worth of effort was put in to creating eight A3 pages worth of data to be reviewed by the Programme Director in a half hour Management Board. By implementing a clear escalation route and driving decision making down to the lower levels, we were able to minimise the impact on the teams and allow the Director to focus on the strategic issues.

The required management information of a project and programme is fluid and should change to best suit the current stage and required output. However, once the performance measures have been set-up to provide maximum value, they should not be changed regularly, as this will prevent building up historical data that can be easily compared and provide performance trends.

Some projects frequently change their report format and metrics which prevents management from identifying a more complete view of performance. There is also a risk that more time is spent getting familiar with new report formats and understanding the metrics than actually reviewing the information and acting on it.

Collecting data and producing metrics costs time and money, so if the information is not achieving one of the principles mentioned above, then you should question the value of collecting it. With a limited project budget and an inevitable need to drive greater efficiency and obtain the most benefit for the money spent, vital funds should not be wasted on monitoring and reporting unnecessary information.

This particularly applies when requesting data and metrics from suppliers. Everything comes at a cost, and if asking suppliers to provide additional information or perform extra work and if in turn you are not fully utilising the output then the money could be saved. Obtaining the correct performance information from suppliers is important to better support your meetings with them and to accurately monitor and control their outputs. Be smart in what you are asking of them, as it will improve the customer/supplier relationship and save you money.

## Everything costs money

How many times do you ask someone in your organisation or a supplier, "Can I have this information?"

Asking someone in your organisation will cost them time to produce it.

Asking a supplier often means that they will charge you for the privilege of having the information because it will cost them time to produce it.

Therefore, if you don't know what you need the information for - don't ask for it. It will only cost you in the end.

## Conclusion

Putting a performance management system in place is an investment and realising the benefits of it takes time. It is important that it is maintained and adhered to in a controlled and disciplined manner.

The performance management system should be focussed, so that what is measured is what matters most to drive the right behaviours. Ensure that what is being measured is actually the critical driver/indicator of the required outcome, not just something that can fairly readily be measured.

With any performance data that is measured and reported on a project, real value comes from analysing the data and turning it into useful management information that allows informed decision making; this will be covered in greater detail in the second of our series of Performance Management papers - Do you have an 'added-value' phase in your performance drumbeat?

## BMT Hi-Q Sigma Ltd

Berkeley House, The Square  
Lower Bristol Road  
Bath BA2 3BH

---

**email:** [services@bmt-hqs.com](mailto:services@bmt-hqs.com)  
**Tel:** +44 (0)1225 820980  
**web:** [bmt-hqs.com](http://bmt-hqs.com)