# BMT Hi-Q Sigma

Do you have an 'added-value' phase in your performance drumbeat?

The words 'real-time data' are used a significant amount in today's project world but many organisations confuse real-time data with useful and analysed management information. The drive for real-time data is often causing companies to miss out a crucial stage in their performance process, the data analysis phase.

This paper, the second in a series of four Performance Management papers, aims to show the importance of making time in your performance drumbeat to analyse and understand the project performance data that you are receiving, making it useful and enabling more informed decisions.

Informed decisions

Present MI clearly

Analyse the data

Track the 'right' data
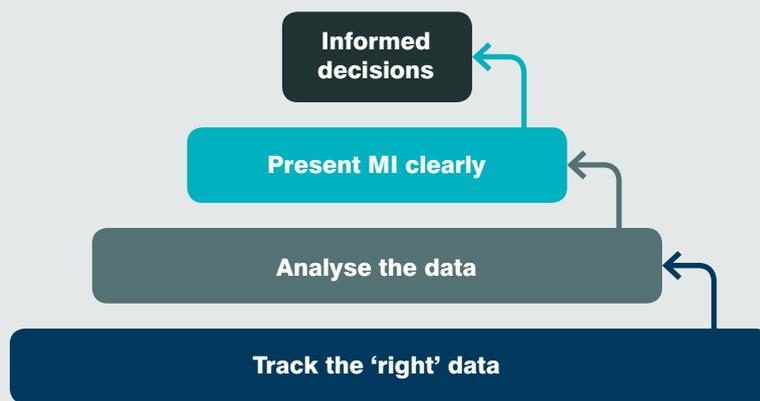
Why do you need analysed data?

The cornerstone of any effective performance management system is mature and trust-worthy data but unless you allow the time for your team to analyse the data you won't really understand the full implications of what it is telling you.

Data generally comes from tools but analysis comes from humans, people that can apply some thought to it, add value and turn data in to management information. Pulling milestone data from a schedule, for instance, can tell you quickly and simply how you are performing against your performance measurement baseline. However, if you don't take the time to analyse the data, you won't understand the root causes of any variances, the potential impact on later milestones, what options to consider and ultimately what recommended course of action should be put forward to senior management.

Analysis is the true value of project controls where the Project Controller can bring all of the toolsets and data together to understand the whole picture. Such analysis can also foster a culture of continuous improvement, feeding lessons learned back in to the change environment on a regular basis to enact improvements.

Why you don't always need real-time data

In our experience, many Programme Managers often make statements such as "I need real-time data" but do they really?

For large and complex programmes real-time data adds no value at the Senior level, as snap decisions are not required and Programme Managers should have trust in their Project and Control Account Managers to be managing the day to day issues. You need to have the analysis supporting the data to make it useful and worthwhile.

Programme Managers and those above them in the Project, Programme and Portfolio (P3M) hierarchy should be considering the trends and the high level programmatic issues rather than the 'in the weeds' technical issues.

There is no such thing as a good or bad variance but there is such a thing as good or bad explanations. Using the schedule example above, real-time data would tell the Project Manager the variance but not the reason for it, or impact of it. If presented with only a variance can they make an informed decision to increase confidence in successful project delivery? The answer is they can't, without guessing.

As ever, you have to consider the environment the project is operating in, as real-time data can be very effective in certain industries but as you go through the P3M hierarchy, it is common for senior personnel to make the mistake of desiring real-time data and seeing the inevitable failings that come with this.

"Where will our knowledge take you?"

Implementation of an 'added-value' phase

So how do you fully embed analysis in to your project or programme? Quite simply, make time for it in your performance drumbeat.

When defining your performance drumbeat, implement what we call the 'added-value' phase at the start where Project Controllers are afforded the time to properly analyse the data prior to feeding information to performance reviews.

The conflict with this is often that it means performance data reaches senior levels later than real-time data but this shouldn't be an issue, as senior managers should be thinking strategically and don't need to be looking at the detail.

As you go through the P3M hierarchy, ensure that there are differing levels of analysis undertaken. Project Controllers should be analysing the data within their project, reviewing critical tasks, identifying the root causes for variances, and doing impact assessments, but once this has gone through the project drumbeat, the Programme Office (PO) should be providing that programmatic analysis.

Too often, POs seemingly copy data out of a project dashboard and paste it on an amalgamated programme dashboard, without providing any thought or value to the data. What they should be doing is considering the impact outside of the project boundary and considering the dependencies with other projects and programmes.
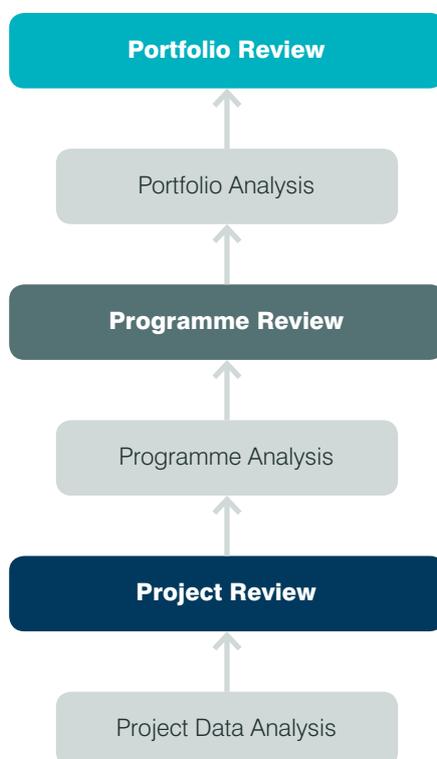
We have worked with managers at all levels of the P3M hierarchy and, in our experience, people spend more time trying to understand what the data means in performance reviews than actually discussing the real issues.

This is quite simply because no one has done any analysis prior to the review, which just means senior management waste their time trying to analyse the data themselves when this should have already been done for them by experts in understanding the data and with the relevant tools available to them.

Enablers to success

There are a number of key enablers to operating an effective 'added-value' phase, as you shouldn't underestimate how long it takes for someone to become experienced in data analysis.

You need to have a mature and well-functioning PO to ensure analysis is comprehensive and valuable. Studies have shown that project success rates have improved with a well-functioning PO (Gartner 2010 Survey).

Portfolio Review
↑
Portfolio Analysis
↑
Programme Review
↑
Programme Analysis
↑
Project Review
↑
Project Data Analysis

As your organisation develops, the analysis phase can become more efficient because your Project Controllers will be used to the drumbeat activities, will understand more about the project and will perfect their analytical skills further.

As our previous white paper, 'Are you wasting time collecting the wrong data?', explained in more detail, you have to make sure that the data you are analysing is worthwhile and adding value to the business. If you are wasting time analysing data that isn't used then this is adding no value and just costing more time and money.

You also need to be aware of the dangers of automated reporting tools because if installed incorrectly, it will fall in to the traps we have described, in that it won't be analysed data and absolutely no thought would have gone in to it. Automated dashboards can be really powerful and can save a lot of time but you should ensure that it is summarised data that has been analysed, not the raw data itself.

BMT Hi-Q Sigma are working within a major government organisation rolling out a robust and consistent performance management framework across a multi-billion portfolio. These are all challenges that we witness regularly and the best way we find to overcome them is to ensure that the performance drumbeat is extremely clear and consistent across the whole portfolio of work.

We are also ensuring that the flow of management information is clear and following the concept of a pyramid of data where the detail sits within the project but as the reviews move up through the P3M hierarchy, the level of detail reduces to ensure that seniors keep their heads above the clouds and focus on the strategic matters.

Conclusion

We live in a data rich environment but it's what we do with that data that makes a difference. Ensuring that you have an added-value phase in your performance drumbeat to fully analyse the data not only ensures that you have well understood management information but it brings you closer to having true management intelligence.

With any performance data, analysed or otherwise, it's just as important to present it clearly through the performance management process to ensure the right message is portrayed; this will be covered in greater detail in the final of our Performance Management white papers.