

CONTENTS

PREFACE

vii

THE CHANGING LANDSCAPE OF PROJECT MANAGEMENT

1

CHAPTER OVERVIEW: 1

CHAPTER OBJECTIVES: 1

KEYWORDS: 1

1.0 INTRODUCTION 1

1.1 EXECUTIVE VIEW OF PROJECT MANAGEMENT 2

1.2 COMPLEX PROJECTS 4

Comparing Traditional and Nontraditional Projects 6

Defining Complexity 9

Tradeoffs 9

Skill Set 10

Governance 11

Decision Making 11

Fluid Methodologies 11

1.3 GLOBAL PROJECT MANAGEMENT 12

1.4 PROJECT MANAGEMENT METHODOLOGIES AND FRAMEWORKS 13

Light Methodologies 16

Heavy Methodologies 17

Frameworks 17

1.5 THE NEED FOR EFFECTIVE GOVERNANCE 19

1.6 ENGAGEMENT PROJECT MANAGEMENT 20

1.7 CUSTOMER RELATIONS MANAGEMENT 22

1.8 OTHER DEVELOPMENTS IN PROJECT MANAGEMENT 23

1.9 A NEW LOOK AT DEFINING PROJECT SUCCESS 24

Success Is Measured by the Triple Constraints 25

Customer Satisfaction Must Be Considered As Well 25

Other (or Secondary) Factors Must Be Considered As Well 25

Success Must Include a Business Component 26

Prioritization of Success Constraints May Be Necessary 27

The Definition of Success Must Include a "Value" Component 28

Multiple Components for Success 29
The Future 29

1.10 THE GROWTH OF PAPERLESS PROJECT MANAGEMENT 30

1.11 PROJECT MANAGEMENT MATURITY AND METRICS 32

1.12 PROJECT MANAGEMENT BENCHMARKING AND METRICS 36

Best Practice versus Proven Practice 36

Benchmarking Methodologies 37

1.13 CONCLUSIONS 42

2

THE DRIVING FORCES FOR BETTER METRICS

43

CHAPTER OVERVIEW: 43

CHAPTER OBJECTIVES: 43

KEYWORDS: 43

2.0 INTRODUCTION 43

2.1 STAKEHOLDER RELATIONS MANAGEMENT 44

2.2 PROJECT AUDITS AND THE PMO 55

2.3 INTRODUCTION TO SCOPE CREEP 56

Defining Scope Creep 57

Scope Creep Dependencies 59

Causes of Scope Creep 60

The Need for Business Knowledge 61

The Business Side of Scope Creep 62

2.4 PROJECT HEALTH CHECKS 63

Understanding Project Health Checks 64

Who Performs the Health Check? 66

Life Cycle Phases 67

2.5 MANAGING DISTRESSED PROJECTS 68

"Root" Causes of Failure 69

The Definition of Failure	71
Early Warning Signs of Trouble	71
Selecting the Recovery Project Manager (RPM)	72
Recovery Life Cycle Phases	74
The Understanding Phase	74
The Audit Phase	75
The Tradeoff Phase	77
The Negotiation Phase	79
The Restart Phase	79
The Execution Phase	80

3

METRICS

CHAPTER OVERVIEW:	81
CHAPTER OBJECTIVES:	81
KEYWORDS:	81
3.0 INTRODUCTION	81
3.1 PROJECT MANAGEMENT METRICS: THE EARLY YEARS	82
3.2 PROJECT MANAGEMENT METRICS: CURRENT VIEW	85
Metrics and Small Companies	86
3.3 METRICS MANAGEMENT MYTHS	86
3.4 SELLING EXECUTIVES ON A METRICS MANAGEMENT PROGRAM	87
3.5 UNDERSTANDING METRICS	88
3.6 CAUSES FOR LACK OF SUPPORT FOR METRICS MANAGEMENT	92
3.7 USING METRICS IN EMPLOYEE PERFORMANCE REVIEWS	93
3.8 CHARACTERISTICS OF A METRIC	93
3.9 METRIC CATEGORIES AND TYPES	95
3.10 SELECTING THE METRICS	98
3.11 SELECTING A METRIC/KPI OWNER	101
3.12 METRICS AND INFORMATION SYSTEMS	102
3.13 CRITICAL SUCCESS FACTORS	102
3.14 METRICS AND THE PMO	105
3.15 METRICS AND PROJECT OVERSIGHT/GOVERNANCE	108
3.16 METRIC TRAPS	109
3.17 PROMOTING THE METRICS	109
3.18 CHURCHILL DOWNS INCORPORATED'S PROJECT PERFORMANCE MEASUREMENT APPROACHES	110
Toll Gates (Project Management–Related Progress and Performance Reporting)	111

4

KEY PERFORMANCE INDICATORS 117

CHAPTER OVERVIEW:	117
CHAPTER OBJECTIVES:	117
KEYWORDS:	117

4.0 INTRODUCTION	117
4.1 THE NEED FOR KPIS	118
4.2 USING THE KPIS	122
4.3 THE ANATOMY OF A KPI	123
4.4 KPI CHARACTERISTICS	124
Accountability	125
Empowered	126
Timely	126
Trigger Points	126
Easy to Understand	127
Accurate	127
Relevant	128
Seven Strategies for Selecting Relevant Key Performance Indicators	128
Putting the R in KPI	129
Take First Prize	132
4.5 CATEGORIES OF KPIS	132
4.6 KPI SELECTION	133
4.7 KPI MEASUREMENT	138
4.8 KPI INTERDEPENDENCIES	141
4.9 KPIS AND TRAINING	142
4.10 KPI TARGETS	143
4.11 KPI FAILURES	146
4.12 KPIS AND INTELLECTUAL CAPITAL	147
4.13 KPI BAD HABITS	150
The KPI Bad Habits Causing Your Performance Measurement Struggles	151
4.14 BRIGHTPOINT CONSULTING, INC.—DASHBOARD DESIGN: KEY PERFORMANCE INDICATORS AND METRICS	156
Introduction	156
Metrics and Key Performance Indicators	156
Scorecards, Dashboards, and Reports	157
Gathering KPI and Metric Requirements for a Dashboard	158
Interviewing Business Users	159
Putting It All Together—The KPI Wheel	159
Start Anywhere, but Go Everywhere	161
Wheels Generate Other Wheels	162
A Word about Gathering Requirements and Business Users	163
Wrapping It All Up	163

5

VALUE-BASED PROJECT MANAGEMENT METRICS 165

CHAPTER OVERVIEW:	165
CHAPTER OBJECTIVES:	165
KEYWORDS:	165
5.0 INTRODUCTION	165
5.1 VALUE OVER THE YEARS	167

5.2	VALUES AND LEADERSHIP	168
5.3	COMBINING SUCCESS AND VALUE	171
5.4	RECOGNIZING THE NEED FOR VALUE METRICS	175
5.5	THE NEED FOR EFFECTIVE MEASUREMENT TECHNIQUES	178
5.6	CUSTOMER/STAKEHOLDER IMPACT ON VALUE METRICS	183
5.7	CUSTOMER VALUE MANAGEMENT (CVM)	184
5.8	THE RELATIONSHIP BETWEEN PROJECT MANAGEMENT AND VALUE	189
5.9	BACKGROUND TO METRICS	194
	Redefining Success	195
	The Growth in the Use of Metrics	196
5.10	SELECTING THE RIGHT METRICS	200
5.11	THE FAILURE OF TRADITIONAL METRICS AND KPIs	204
5.12	THE NEED FOR VALUE METRICS	204
5.13	CREATING A VALUE METRIC	205
5.14	PRESENTING THE VALUE METRIC IN A DASHBOARD	213
5.15	INDUSTRY EXAMPLES OF VALUE METRICS	213
5.16	USE OF CRISIS DASHBOARDS FOR OUT-OF-RANGE VALUE ATTRIBUTES	219
5.17	ESTABLISHING A METRICS MANAGEMENT PROGRAM	220
5.18	USING VALUE METRICS FOR FORECASTING	222
5.19	METRICS AND JOB DESCRIPTIONS	224
5.20	GRAPHICAL REPRESENTATION OF METRICS	224
5.21	CREATING A PROJECT VALUE BASELINE	237
	The Performance Measurement Baseline	238
	Project Value Management	238
	The Value Management Baseline	239
	Selecting the Value Baseline Attributes	242



DASHBOARDS

245

	CHAPTER OVERVIEW:	245
	CHAPTER OBJECTIVES:	245
	KEYWORDS:	245
6.0	INTRODUCTION	245
6.1	TRAFFIC LIGHT DASHBOARD REPORTING	249
6.2	DASHBOARDS AND SCORECARDS	251
	Dashboards	251
	Scorecards	252
	Summary	252
6.3	BENEFITS OF DASHBOARDS	254
6.4	RULES FOR DASHBOARDS	255
6.5	BITWORK, INC.: TEN QUESTIONS TO ASK BEFORE IMPLEMENTING A DASHBOARD OR REPORTING SYSTEM	255
	1. What Are Your Needs?	256
	2. What Do You Have in Place Already?	256
	3. What Is Involved in Integration?	256

	4. How Long Does Installation Take?	256
	5. How Easy Is the System to Use?	257
	6. Who Will Use the System?	257
	7. Can You Get Customizations?	257
	8. What's Involved in Operations and Maintenance?	258
	9. What Does the System Cost?	258
	10. How Long Will It Last?	258
6.6	BRIGHTPOINT CONSULTING, INC.: DESIGNING EXECUTIVE DASHBOARDS	259
	Introduction	259
	Dashboard Design Goals	259
	Defining Key Performance Indicators	260
	Defining Supporting Analytics	260
	Choosing the Correct KPI Visualization Components	261
	Supporting Analytics	262
	Validating Your Design	267
6.7	ALL THAT GLITTERS IS NOT GOLD	268
6.8	USING EMOTICONS	290
6.9	AGILE AND SCRUM METRICS	291
	X-Axis	291
	Y-Axis	292
	Project Start Point	292
	Project End Point	292
	Ideal Work Remaining Line	292
	Actual Work Remaining Line	292
6.10	MASHUP DASHBOARDS	292
6.11	DASHBOARD DESIGN TIPS	294
6.12	PURESHARE, INC.	296
	White Paper #1: Metric Dashboard Design	296
	White Paper #2: Pro-Active Metrics Management	307
6.13	LOGIXML, INC.: DASHBOARD BEST PRACTICES	317
	Executive Summary	317
	Introduction—What's New about Dashboards?	318
	How Modern Is the Modern Dashboard?	319
	The Dashboard versus the Spreadsheet	319
	Designing the Dashboard	321
	The Business-Driven Dashboard	322
	The Implications for the IT Provider	323
	Implementing the Dashboard	323
	Organizational Challenges	324
	Common Pitfalls	325
	Justifying the Dashboard	326
	Return on Investment	326
	Ensuring Service Level Agreements	327
	Conclusion	327
6.14	A SIMPLE TEMPLATE	328
6.15	SUMMARY OF DASHBOARD DESIGN REQUIREMENTS	328

The Importance of Design to Information Dashboards 328

The Rules for Color Usage on Your Dashboard 331

The Rules for Graphic Design of Your Dashboard 333

The Rules for Placing the Dashboard in Front of Your Users—the Key to User Adoption 334

The Rules for Accuracy of Information on Your Dashboard 335

6.16 DASHBOARD LIMITATIONS 335

6.17 THE DASHBOARD PILOT RUN 338

6.18 EVALUATING DASHBOARD VENDORS 339

6.19 NEW DASHBOARD APPLICATIONS 341

7 DASHBOARD APPLICATIONS 343

CHAPTER OVERVIEW: 343

CHAPTER OBJECTIVES: 343

KEYWORDS: 343

7.0 INTRODUCTION 343

7.1 DASHBOARDS IN ACTION: VENTYX, AN ABB COMPANY 343

7.2 DASHBOARDS IN ACTION: JOHNSON CONTROLS, INC. 344

7.3 DASHBOARDS IN ACTION: COMPUTER ASSOCIATES, INC. 350

Introduction 350

Project Watchlist Dashboard 352

Project Watchlist Drill-Down 354

PM Alerts Dashboard 354

Project Listing Dashboard 354

Project Status Reports Dashboard 358

Resource Planning Dashboard 358

Resource Planning Drill-Down 358

7.4 DASHBOARDS IN ACTION: PIEMATRIX, INC. 362

7.5 PIEMATRIX OVERVIEW 362

PIEmatrix Executive Dashboard 363

Executive Dashboard and To-Do List—Where Does All This Data Come From? 371

Project—Governing and Executing Complex Projects in a Visual and Friendly Way 377

Project—Planning the Project 381

Project—Breaking Down Silos 387

Authoring—Where the Best Practice Content Comes From 387

From Authoring Back to the Executive Dashboard 391

7.6 DASHBOARDS IN ACTION: INTERNATIONAL INSTITUTE FOR LEARNING 393

7.7 DASHBOARDS IN ACTION: WESTFIELD INSURANCE 396

7.8 DASHBOARDS IN ACTION: MAHINDRA SATYAM 398

8 MEASUREMENT-DRIVEN PROJECT MANAGEMENT 403

CHAPTER OVERVIEW: 403

CHAPTER OBJECTIVES: 403

KEYWORDS: 403

8.0 INTRODUCTION 403

8.1 MEASUREMENT CONCEPTS 404

If It Matters, It Is Detectable 404

If It Is Detectable, It Can Be Measured 404

If It Can Be Measured, It Can Be Managed 404

It Has Probably Been Done Before 405

There Is More Available Data Than You Think 405

You Don't Need As Much Data As You Think 405

What Gets Measured, Gets Done 405

You Have to Think Differently Than Most People 406

8.2 DEFINITIONS 406

Information Requirement 406

Entity 406

Attribute 406

Process 406

Measurement 407

Uncertainty 407

Accuracy 409

Precision 409

Measure 409

Indicator 409

Information Solution 409

8.3 MEASUREMENT PROCESS 409

Preliminary Research 410

Case Study: Customer Loyalty Project, Part 1 410

Identify Information Requirements 411

Case Study: Customer Loyalty Project, Part 2 413

Analyze Information Requirements 415

Case Study: Customer Loyalty Project, Part 3 416

Case Study: Customer Loyalty Project, Part 4 416

Create Indicator 417

Case Study: Customer Loyalty Project, Part 5 418

Integrate Measurement into Project Processes 421

8.4 ADDITIONAL INFORMATION ON MEASUREMENT CATEGORIES 428

8.5 FINAL COMMENTS 429

INDEX 431