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Reaching Maximum Performance

Companies are continually looking for ways to increase performance. They want to do things faster, better, and cheaper than before. In the simplest terms, performance management has three parts.

1. Set some standard
2. Measure the actual performance to that standard
3. Report the observed differences

Let's look at each of these parts in more detail.

Set some standard

Companies will establish certain standards against which all projects are measured. Standards will fall under the company's strategic indicators: either planning (vision, mission, goals) or implementation (structure, style, systems). These indicators are measurements for tracking the progress of the project.

Measure the actual performance to that standard

Companies may also use metrics to measure performance. Metrics are performance, measurements of project, people, or environmental attributes by designating a numerical value for comparing how each must function.

Metrics drive improvements to product and project processes. They help measure scope, cost, schedule, and quality and keep the focus on the highest product priorities. They will point workers toward precise success factors.

A metric system will:

- Document performance of your workers
- Communicate the commitment to project management theory
- Implement a standard project management approach
- Establish project management language which is clear and concise
- Reduce project risks due to role and requirements ambiguity

A strong metric will include elements which will be measured, processes which will be used, the rate of measuring occurrence, and the required level of performance. The metric which is set should be easily understood by everyone, precise, and include a contingency plan if the level is missed.

Report the observed differences

Occasionally, you will encounter a discrepancy between the desired performance standard and the actual performance measured. When this happens, corrective action needs to take place as soon as possible. There are three steps to follow in this situation.

Whether or not you reach your goals in life depends entirely on how well you prepare for them and how badly you want them.

Ronald McNair (1950-1986)

Astronaut

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Investigate and analyze each concern area

Take a detailed look at every area which is causing concern and try to find the root cause. Analyze whether this concern could've been detected earlier if a different metric had been used. Examine if there was a breakdown in resource planning and communication or if there were conflicting organizational goals. Establishing what the initial problem was will not only help you to create the best plan of action, but will also prevent it from happening in the future.

Prioritize all areas which need attention

In some cases, there will be more than one area that needs attention. After identifying all concern areas, prioritize which ones will have the most impact to the company.

Explore the outcome of this issue if no action is taken

If your company decides to do nothing, what will happen? Will the project be late? Will there be a loss of revenue? Determine if the answers to these questions are acceptable. If they're not, corrective action must be taken.

Another tool that can be used to evaluate performance is Earned Value. Earned Value compares what needs to be accomplished to what has actually been completed. This is often referred to as the percent complete. Earned Value tracks three measurements: Planned Value (budgeted cost of work scheduled),

Actual Cost (actual cost of work performed), and Earned Value (budgeted cost of work performed). If the project follows the project plan exactly, each of these three measurements will be exactly the same. Significant deviations in these three measurements, however, give a warning that something isn't right.

Aiming for optimized performance should be a goal of every organization. When employees are working at peak performance, the entire organization will benefit.

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