Measurement Of Performance – Common Pitfalls To Avoid

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by Ten Six

Many companies attempt to implement measurement of performance processes within their project management framework, find they have problems with the information they collect. There are many reasons for this but all of them have the same origin. The company has difficulty defining what should be measured and how those measurements align with business goals and strategy.

More often than not, the initial selection of Key Performance Indicators (KPIs) is done by inexperienced team members or executives who are going through the process for the first time. Sometimes, they select the wrong KPIs because they are attempting to measure immeasurable goals. Sometimes the KPIs selected don’t align with the strategic direction of the company or they ignore non-financial metrics. Sometimes, too many KPIs are selected.

It’s clear that the selection of KPIs is the first critical step in improving the measurement of performance process. Once the proper KPIs are selected, the next step is to define how the data collection process will support the agreed metrics. This involves collecting data from across the organization, often from disparate systems and data formats.

Dealing with inconsistent and sometimes inaccurate or incomplete data represents a huge challenge for organizations seeking to improve their measure of performance processes and project management performance. Failure to collect the necessary data, which is often caused by underinvestment, will result in a collapse of the whole performance measurement process. Most companies in this position resort to a very manually intensive process to ensure that the information collected and reports generated have some meaning to management.

Once the data is collected, the next challenge is the presentation of this information to management, and management’s interpretation of the data. Most dashboards use gauges, pie charts and other graphs that can mislead the user rather than present the quantitative information in a meaningful way that highlights problems areas and/or demonstrates emerging trends. Missing critical trends is a common problem for organizations that lack statistical skills; these organizations use short-term comparisons like month-on-month rather than analyze real trends in the data.

Integrating the measurement of performance process into the decision-making process is essential and is sometimes overlooked, when it should be second nature to senior management. In addition, as the business changes over time, it is important to review the measurement of performance...
processes to ensure the measurement is still relevant and delivers accurate and timely information.

This complex process requires the following simple steps:

- Deciding what measures best support the business strategy
- Ensuring the data collection process is accurate, complete and timely
- Reporting the information in a truly meaningful way
- Ensuring that the decision-making process incorporates the performance measurement process

Finally, we cannot overlook the cultural issues that plague any organizational change initiatives. How do we get people to buy into the change, engage them in the process, eliminate the fear of being measured in a new way, and sustain the commitment to maintaining the process? User adoption is a critical issue that must be addressed as a key part of any project management implementation. Failure to recognize the importance of successful user adoption can result in a slowed implementation, or worse, a failed one.

There are many more detailed problems and issues that can occur with the measurement of performance processes. This article attempts to give you an overview of the process and some insight into the most common challenges that we see at Ten Six Consulting.