



PROJECT MANAGEMENT CENTER FOR EXCELLENCE

A.J. CLARK SCHOOL OF ENGINEERING
Civil & Environmental Engineering Department



PERFORMANCE MANAGEMENT READINESS

*How To Assess Your Organization's
Foundation For Performance Management*

Susie Hostetter & Jim Miller
2017 Project Management Symposium

Susie Hostetter



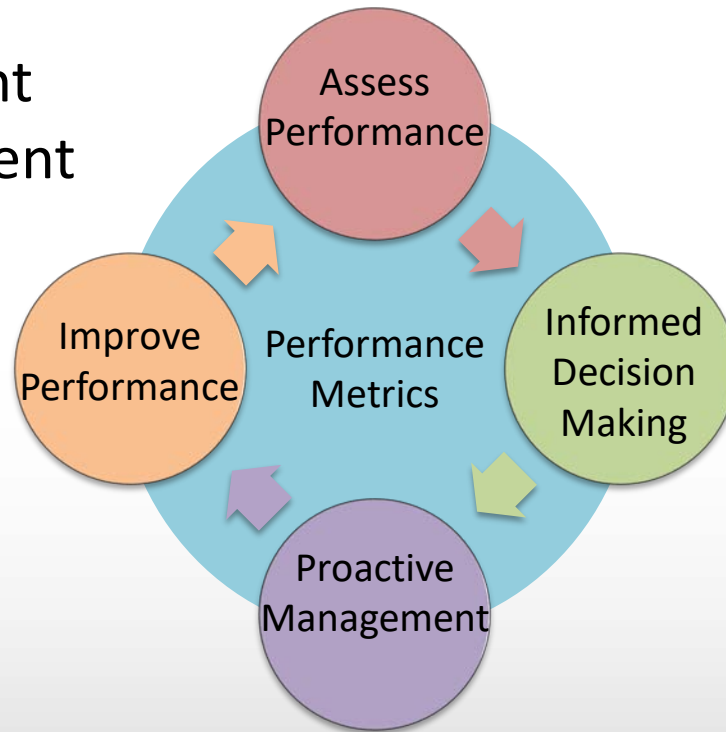
Jim Miller



*Approved for Public Release; Distribution Unlimited. 16-4012. ©2016 – The MITRE Corporation.
All rights reserved.*

Benefits of Performance Management

Organizations implement performance management to improve how they do business.



Performance Management Hierarchy

Benefits of Performance Management

Meaningful Metrics

Organizational Foundation

Organizational Foundation

Performance Management
Readiness Framework

Operational Readiness

Strategic
Readiness

Robust Project
Management
Processes

Good Store of
Current and
Historical Data

Executive
Vision

Strategic Readiness



How strong is the Executive Commitment to Change?

Operational Readiness



How mature are these processes?

Evaluation of Readiness - Scope

In Scope

- **Document the current state of performance management**
 - Identify tools, processes, reports, and data structures that are in place
 - Determine if and how performance is being measured
- **Inform the next steps**
 - Establish a baseline
 - Identify low-hanging fruit

Not In Scope

- **Grading individuals or the organization**
- **Defining requirements for a future performance management effort**
- **Fully assessing performance management flaws of the organization**

Evaluation of Readiness - Instrument

LAGGING INDICATORS

1. How do you determine that you're successful in your role?
2. What results does your supervisor expect from you and how are those results measured?
3. Who is your primary customer, what results does your primary customer expect, and how are those results measured?
4. Who are your other major customers or stakeholders, what results do they, and expect and how are those results measured?

LEADING INDICATORS

1. How do you predict whether or not you're on track to achieve those expected results?
2. What predictive information is important to your supervisor and how is it collected and verified?
3. What predictive information is important to your primary customer and how is it collected and verified?
4. What predictive information is important to your other customers or stakeholders and how is it collected and verified?

SCOPE, BUDGET, SCHEDULE

1. How is the [scope/budget/schedule] baseline defined?
2. How is change to the baseline managed?
3. How is variance to the baseline measured and monitored?

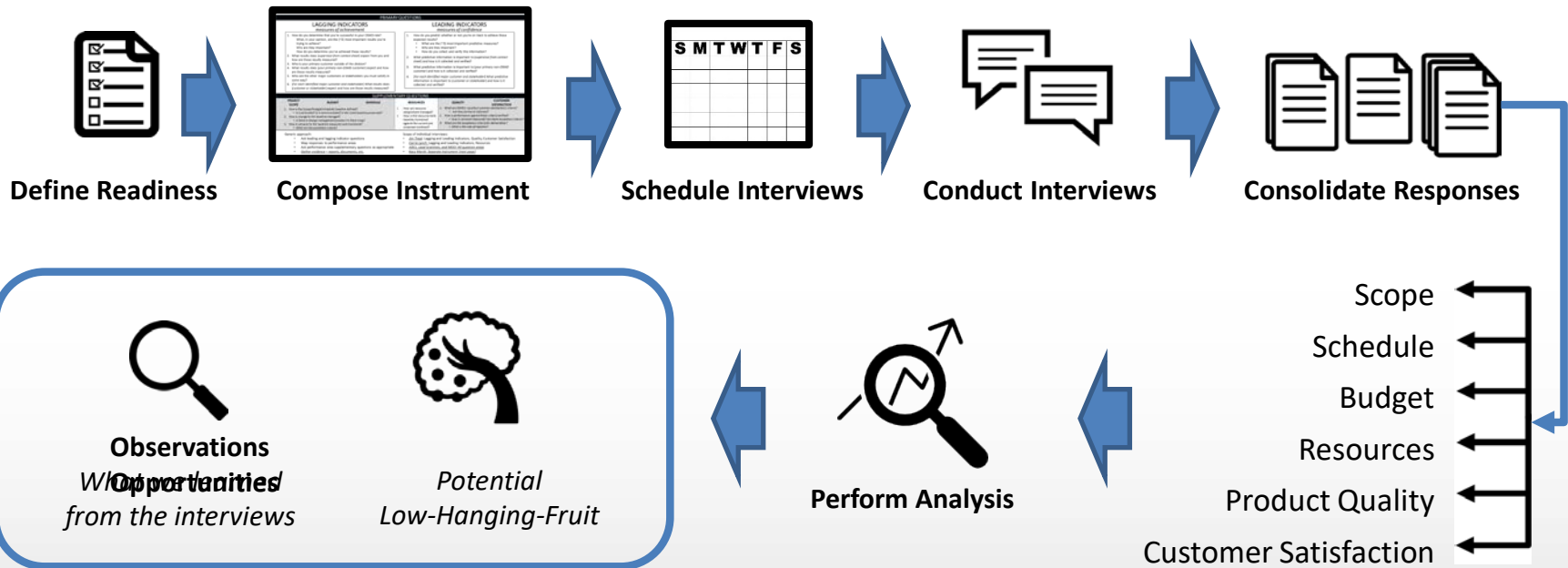
RESOURCES

1. How are resource assignments managed?
2. How is the resource/skills baseline monitored against the current and projected workload?

PRODUCT QUALITY AND CUSTOMER SATISFACTION

1. What are the organization's criteria for product quality? customer satisfaction?
2. How is performance against these criteria verified?
3. What are the acceptance criteria for deliverables?

Evaluation of Readiness - Approach



Readiness Assessment Report

Organizational Priorities

Based on the interviews, what are the organizational priorities and how is performance being measured for them?

Leading and lagging indicators

The current indicators illuminate how important or unimportant performance metrics are for decision making

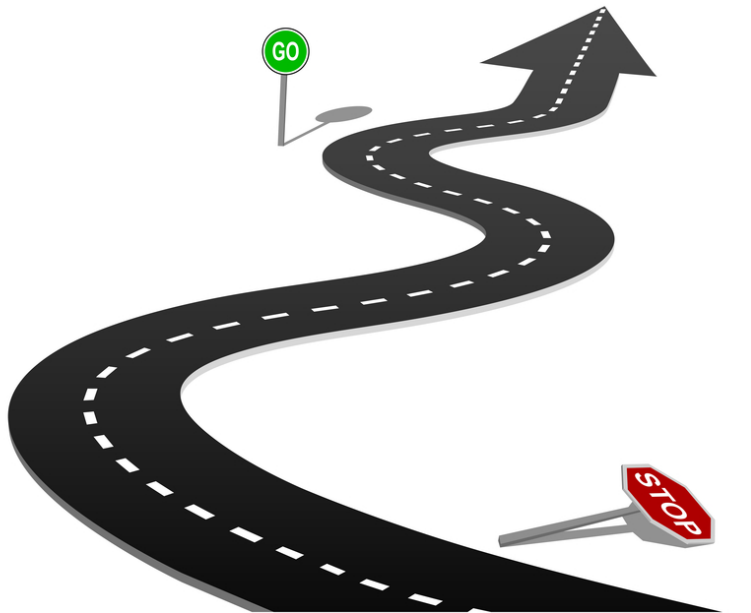
Strengths and weaknesses

A characterization of the performance management maturity of the organization

Opportunities

A short list of easily accomplished actions (low-hanging fruit) for establishing foundational processes

Roadmap to Performance Management



PERFORMANCE MANAGEMENT:

- Is a process that is built on other processes
- Requires effective change management and communication
- Cannot be built in a day
- Requires a significant investment