

## PMO Measurement for Business Value

### **Dashboards, dashboards everywhere, and no one wants to think**

Have you noticed how many dashboards there are around these days? Now it's been a while since I learned the basic skills of project management, and my memory isn't what it used to be, so I thought I would refer to the latest version of PMBOK to get the PMI view on the role of dashboards in project management. Imagine my surprise when I couldn't find it. Not once. In 405 pages of the PMBOK 3<sup>rd</sup> edition, version 1.2, the word dashboard is never mentioned. However, if you put "project dashboard" into Google you get 28,800 hits, take the quotes away and it jumps to almost 5.5 million.

What is going on here? Around the world PMOs are becoming obsessed with dashboards; project managers are living their life trying to decide if they are 'yellow' or 'red', and for what purpose? It's all because of the need to provide consolidated portfolio (or program) level reporting to executives. It is an admirable aim, but somewhere along the line we all lost the plot.

### The need for reporting

The concept of a PMO to take accountability for all of the projects within an organisation, division, etc clearly makes good economic sense. It is a flexible tool that can be set up in many different ways, with varied organisational structures and responsibilities. Most of us have experienced a number of very different PMOs in our careers and there is no one model that provides the silver bullet.

One thing that most PMOs have in common though is the need to report to management, stakeholders, etc on the progress of projects. Project managers will complete their status reports, usually on a weekly basis, and provide that information to the PMO. The PMO will then need to create its own report which consolidates the individual project reports into a summary and the dashboard is born.

The problem is that a dashboard that is simply a consolidation of status reports doesn't add much in the way of value to the equation; it simply distils a large amount of information down into a more manageable subset. I have heard arguments that the dashboard standardises reporting by ensuring that we are comparing like with like across projects – i.e. that a 'red' status on one project doesn't equate to a 'yellow' status on another (assuming that traffic lights are used). I don't buy that – if a PMO is asking for status reports from PMs, then those PMs should be given the framework for reporting that will include definitions of the various statuses – you don't need a dashboard to ensure that they are aligned, you need management and control within the PMO.

The dashboard can provide useful information – reporting of projects by line of business, project phase, etc, but it does not fully utilise the capability of a PMO to add value to an organisation. For that we need to go deeper.

### Added value reporting

The PMO has a very obvious benefit over the individual project managers – they have a portfolio (or program) level view of the projects. The PMO starts to add value to the organisation when they are able to leverage this view in their reporting and provide an insight into macro level issues that may not be visible to PMs, and certainly won't be identified in individual status reports.

The focus of a PMO has to be on ensuring the success of the projects that it watches over, it is not merely a reporting tool. For this reason the PMO needs to focus on the macro level issues that are actionable – the question that needs to be asked is 'what information do I have access to that will allow me to improve the likelihood of success of these projects?' The report itself is a useful mechanism to update stakeholders, provide snapshots, etc, but it is only a means to an end – it is the decision, course of action, adjustment, etc that is needed.

The process to get to this 'actionable information' should be fairly straightforward – the PMO should have access to most of the raw data through project plans, status reports, etc and needs to simply interpret this data to create the meaningful information. Indeed a well structured PMO should be able to automatically generate much of what it needs through a well structured implementation of a project management tool, and maybe a spreadsheet or two.

## A practical example

All of this generalisation is great, but it doesn't help anyone solve real problems, so let's consider a real world example. Consider a software development company that is experiencing delays on some of its projects. One project is delayed because the requirements aren't ready; the other is delayed because there aren't enough developers to write the code. The PMO should see this problem and look at ways to move analysts from the project with code delays to help write requirements on the other project, and developers from the project with requirements delays to help write code on the other one.

This is a very simple example, and hopefully the PMs will be raising the flags to the PMO even if the PMO itself misses the problem. I can also anticipate the challenge to the premise that you can move staff around this simply – skill sets are different, product knowledge isn't there, etc.

This is true, so now let's move this PMO to the point where it truly adds value. The PMO has access to project plans as soon as they are created. A simple analysis should identify those periods of time when there is likely to be a shortfall of resources or less than full utilisation in teams. This might be months in the future, and the exact dates will move as plans become reality, but the PMO can now proactively drive out cross training, training courses, resource management to match up skills with needs, etc and start to prevent problems from happening.

The overhead for this is relatively small – a standardised tool and a resource pool with very basic information about skills is all that is needed, after that it is simply smart management.

## Building on the basics

A short article like this can only scratch the surface of the value add reporting that a PMO can deliver, and resource management is just one simple example. The specific focus areas will vary depending on the organisational needs – resource management, risk management, slack time management, decision making delays, cost management, change control, etc. The secret to adding value to your PMO reporting is to focus on actionable information, regardless of area, know what you are looking for and what to do about it, and ensuring that the focus remains on the facts that are being reported, not the format of that report.

A strong PMO leader, with a supportive corporate environment can make the PMO indispensable with this approach. Consider the resource management example – it is not much of a leap to see the PMO building out high level plans in the strategic planning process to help identify when initiatives can land, what level of hiring is necessary (and when it needs to be undertaken), what training courses need to be scheduled and where potential risks exist through a reliance on one or two 'experts'.

## Conclusion

This article is not looking to discredit the project dashboard, I am not suggesting that they are not useful tools in a PMO's arsenal, they clearly are. They do allow executives to see a snapshot of what is happening, and should also identify the projects in the portfolio that require a little more attention. However the dashboard can only go so far and that is the message that I want to get across.

PMO leaders should not be satisfied with a dashboard, they have the opportunity to deliver much more value. Business leaders should not be satisfied with a dashboard, they still have too many unanswered questions. No one is going to be able to completely revolutionise the reporting role of their PMO overnight; it is an evolutionary process that needs to be monitored to ensure that it delivers the expected benefit. It may also require political astuteness as the PMO takes a more central role, but if the organisation benefits then the process is worthwhile.

The role of the PMO is not to report – reporting is a tool that should enable the PMO to function more effectively.

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