



## TenStep Supplemental Paper

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### Leverage the PMO to Consolidate Project Status and Metrics

One service that is typically associated with a PMO providing common, roll-up reporting on the state of all the projects being executed within the organization. This concept can be extended so that the PMO tracks a complete, portfolio-wide view of all active, pending and historical projects.

On the surface, this might seem like a trivial exercise. However, it can be quite time-consuming. First, the PMO must work with the management stakeholders to define what is in the consolidated status report. Some organizations like to keep each project to one line, with some type of overall status indicator such as green (okay), yellow (caution) or red (trouble). If the reader wants more information, he or she can follow-up with the project manager. Other organizations like to see a full status report on each project. If there are questions or concerns, the status report may contain the answers that the reader is looking for, so that he/she does not have to follow up further with the project manager.

#### Problems gathering the status

The PMO needs to collect status information on each project, consolidate it and report it. However, like all activities that rely on people, this can be easier said than done. Your PMO will probably encounter the following challenges.

- **Timeliness.** First, chances are that all of the project managers will not send you the required status information within the timeframe you need it.
- **Accuracy.** In many cases, the information will not be accurate. For instance, the project manager may make his or her project appear to be on schedule, even though not all scheduled activities are completed. The rationale is that the team will make up the activities in the next reporting period. You may spot this if the accomplishments for the previous period do not reflect the same work that was supposed to be completed according to the prior Status Report.
- **Completeness.** In many cases, the information on the report is accurate, and it may also be timely. However, you may find that it is not complete. For instance, the information provided may be very brief and does not provide a real sense for the status of the project.

#### Overcoming the status reporting problems

Of course, these problems need to be overcome. The PMO can address these types of chronic problems through activities such as the following:

- **Explain who is requesting the information and what it will be used for.** This is a key aspect of consolidated reporting. People do not like to spend the time to provide information if they don't feel it will be used. If they understand who is requesting the information, it might become a higher priority for them.



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- **Be clear on the information you need and use what you are requesting.** You want to be clear on the information you need and how it will be used. Make sure that you do not ask for status information that you don't need for consolidated reporting.
- **Clearly communicate when the Status Reports are due.** The PMO will have difficulty gathering status information from some percentage of project teams. Make sure that you don't give anyone the excuse that they did not know when it was due.
- **Follow up with project managers on items that need further explanation and clarity.** If you receive status information that does not contain the content or format you need, make sure you follow up with the project manager. This follow-up is designed to make sure that the project managers know what you need differently, with the hope that you won't have to continue to follow up with them.
- **Use the governance process if necessary.** If you find that the PMO is spending too much time running around for the information every month, you are going to have to go back to the sponsor for help. This is where you need backing on the process governance. Senior managers need to be held accountable if project managers in their organization cannot get the status reports in correctly and on time.

### Consolidated Metrics

There are a number of places where the organization gains value with the implementation of project management. If the PMO does not attempt to track and quantify some of these benefits, the organization will have no idea what value has been provided. In general, the metrics associated with project management value are also indirectly indicative of the value of the PMO. For instance, if more projects complete within expectations, it would indicate the value associated with project management, and would, in turn, point out the value provided by the PMO.

### Organizational Metrics

One of the most difficult items the PMO will be asked to work on is determining the value of project management. It is one of the most fundamental questions for your sponsor and senior management to ask, and yet it is also one of the most difficult to successfully answer. There seems to be intuitive value in implementing a standard project management methodology, but if you try to quantify the value, you will quickly become stuck. It is a little like holding a cloud. From the distance, it seems like there should be something there that is solid that you can get your hands on. However, the closer you get, the vaguer and more transparent everything becomes. There are a couple approaches to these organizational metrics. One is to rely on industry research and look for companies and case studies that are similar to your organization to compare yourselves to. The thought is that if someone else was able to measure value and you are a similar company implementing in a similar way, you should be able to claim similar value.

Second is to actually try to calculate the value associated with using a methodology. For instance, the PMO can work with project managers on different types of projects to determine the cost savings associated with maintaining good scope change procedures, managing risk proactively, and managing client expectations effectively. As you continue



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to interview a subset of the project managers, you should start to see some trends that you can apply to the rest of the projects in your organization.

Third, look for the reuse value associated with using the common project management process. Again, this approach asks project managers to estimate the savings associated with using similar processes on multiple projects and getting their estimate of the cost and time savings associated with reusing the common processes on an ongoing basis.

There are some areas of service where the PMO does not already have a sufficient level of expertise. Metrics could be another one of these areas. Many companies do not know much about defining and capturing a good set of metrics. Some consulting firms have a strong expertise in this area that could be leveraged to make sure you start off on the right foot.

### **Summary**

The PMO is in the unique organizational position of being able to view all of the projects going on in the organization. Therefore, the PMO is the logical organizational entity to define and collect a common set of metrics, and it is the logical place to collect common project status information for consolidated reporting. These activities can be trivial if all the projects collect metrics and report status as requested. However, this is rarely the case, which makes these valuable services a couple of the most time-consuming and least liked services the PMO performs.