

ROI – Building The Case For Professional Services Automation

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What is Professional Services Automation?

- Designed for Professional Services Organizations
- Automated, integrated capabilities to set-up, manage, control & report on client engagements
- Span includes
 - Initial opportunity identification
 - Proposal and planning processes
 - Staffing and executing the work
 - Collection of costs
 - Recognition of revenue
 - Invoicing the client
 - Knowledge management
 - Collaboration with internal team and client representatives.
- Single end-to-end, scalable system

Your Firm Is Thinking About PSA – Where Do You Start?

- Budgets are tight, this will be a significant expenditure of time and money. Will we get a return on this investment?
- What things do we focus on when looking at implementing PSA?
- I need a business case to present to the board. How do I approach creating this?
- Where do I turn for help?

Assess Your Firm

- Best place to start: examine where your firm is today
- PM skills are critical, so begin with understanding how this is measured and the importance to overall firm success
- Understand the 5 levels of Project Management Maturity

PM Level 5

Enterprise focus. Linked enterprise-wide tools. Feedback & process improvement used & rewarded. Best practices embedded. Cycle-time minimized. Enterprise structured to support PM.

PM Level 4

Processes, metrics & tools measured and controlled. Ability to capture and use lessons learned & best practices. Historical data available & used.

PM Level 3

Processes, tools and metrics are mature and widely understood, used and enforced. Ability to consistently detect and correct problems early.

PM Level 2

Standard processes, tools and metrics available, but inconsistently used, understood or enforced. Ability to detect some problems.

PM Level 1

Few standard processes, tools or metrics. Processes not predictable or controlled. Little ability to detect problems. Requires "heroics".

Third Party Studies

Bradford K. Clark, USC

A one-increment improvement in Project Maturity resulted in a 15% to 21% reduction in effort

THE EFFECTS OF SOFTWARE PROCESS MATURITY

ON SOFTWARE DEVELOPMENT EFFORT

by

Bradford K. Clark

A Dissertation Presented to the

FACULTY OF THE GRADUATE SCHOOL
UNIVERSITY OF SOUTHERN CALIFORNIA

In Partial Fulfillment of the
Requirements for the Degree

DOCTOR OF PHILOSOPHY

(Computer Science)

August 1997

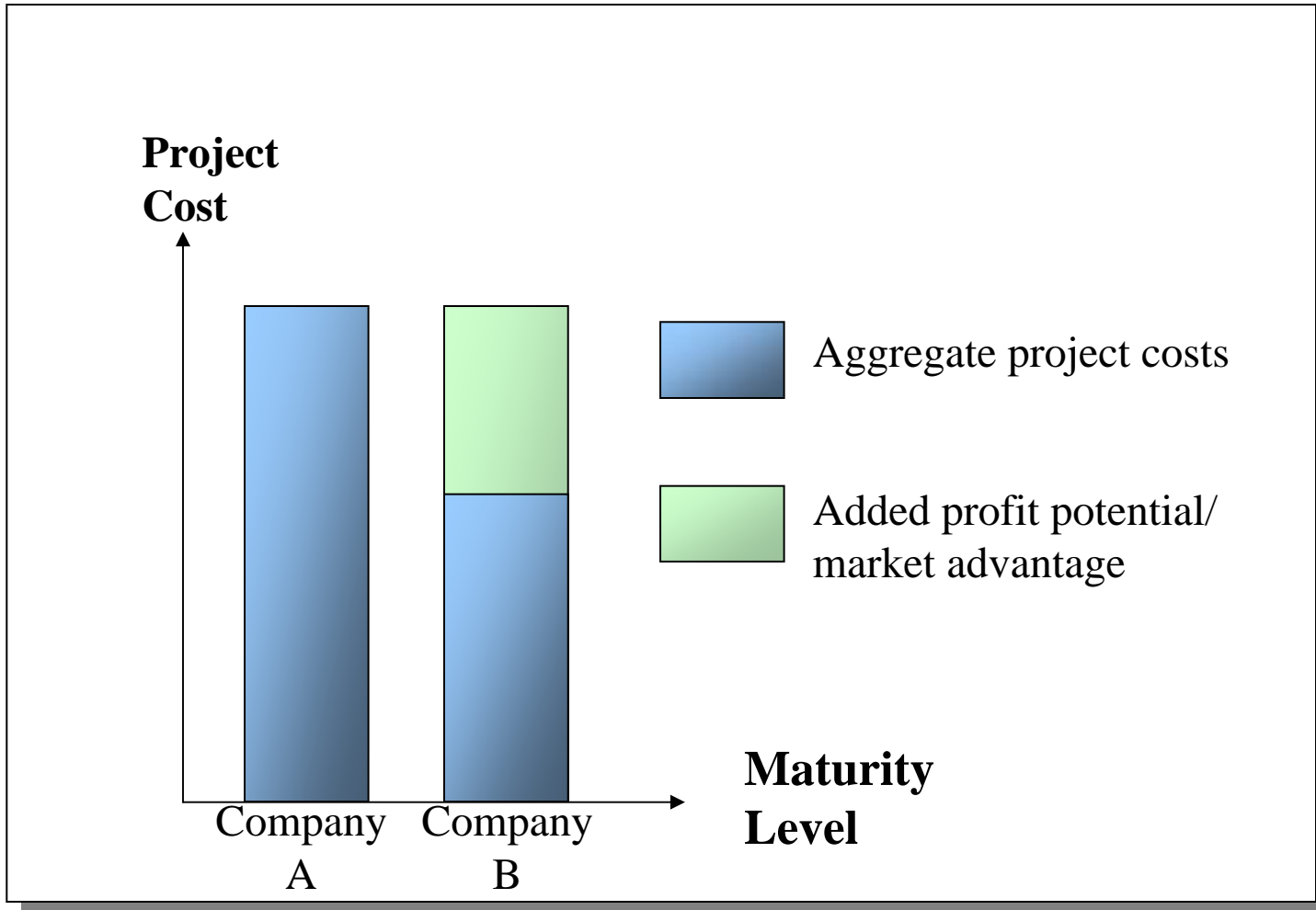
Version 1.0

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Dr. William Ibbs

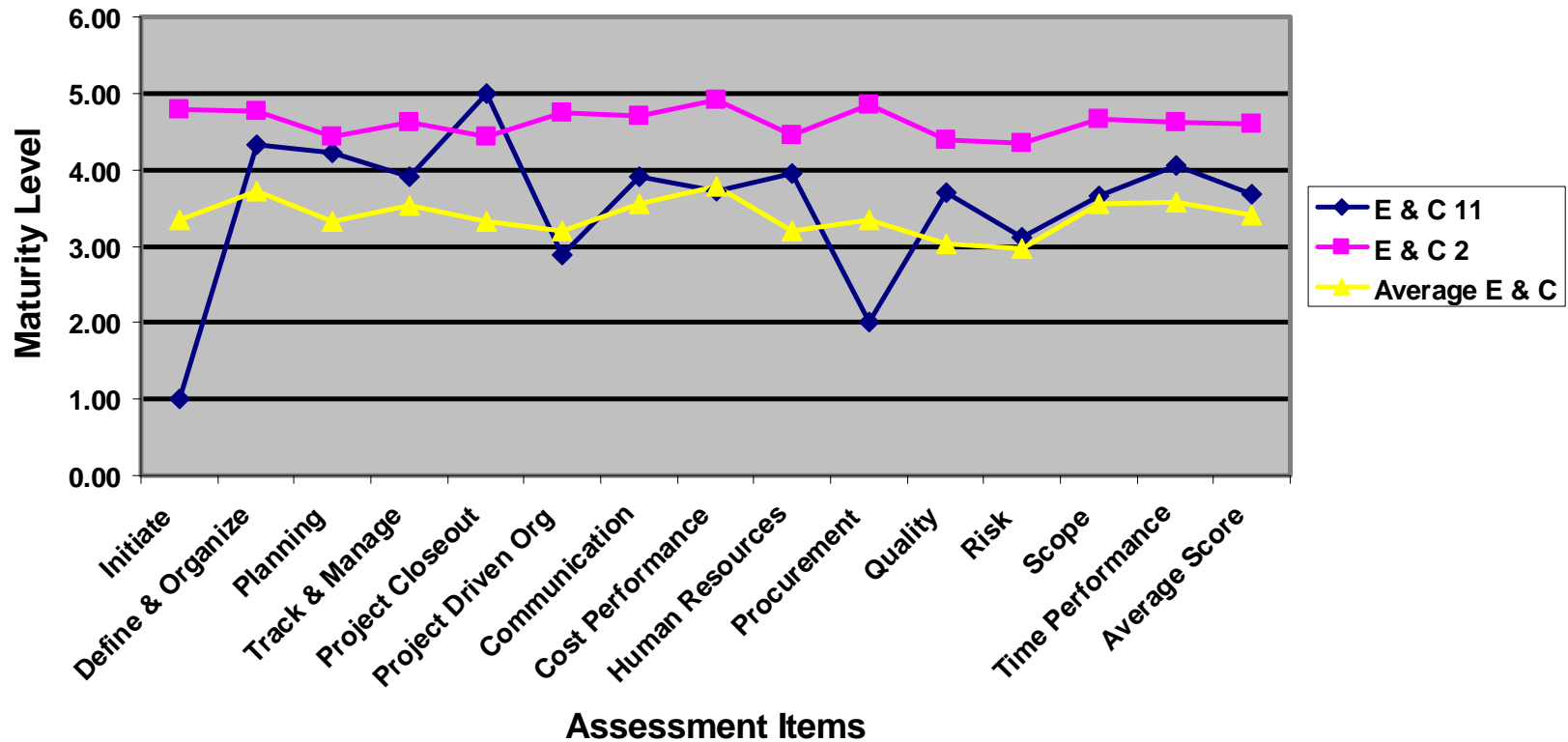
University of California, Berkley

- Studied 50+ firms, some over 20 years, including prominent engineering and consulting firms
- Summary of findings
 - “The \$\$\$ Value of PM (Can good PM Cost Less?)”
 - Increased PM Maturity leads to:
 - Better cost and schedule management
 - Less expensive PM
 - Improved *PM/ROI*SM



Berkeley Project Management Maturity Model

Project Maturity Comparison



Dr. Ibbs' Core Competency Definition

- Provides a benefit to customers
- Must be sustainable
- Continuously improved

Building the Business Case

- Appraisal of your firm today
 - DIY approach using tools such as OPM3 from PMI
 - External firms such as Ibbs Consulting
 - Consulting firms with PMP's familiar with professional service organizations

Examine Your Current Services P&L Projections

Vision Professional Services Projections

	2006	2007	2008	2009	2010	2011	2012	2013
Services Revenue Growth Rate	Baseline	15.00%	20.00%	15.00%	15.00%	10.00%	10.00%	10.00%
Net Sales - Services	50,000	57,500	69,000	79,350	91,253	100,378	110,416	121,457
Cost of Sales								
Internal Billable (30%)	15,000	17,250	20,700	23,805	27,376	30,113	33,125	36,437
Internal non-utilized (8%)	4,000	4,600	5,520	6,348	7,300	8,030	8,833	9,717
Subcontractors (25%)	12,500	14,375	17,250	19,838	22,813	25,094	27,604	30,364
Other (6%)	3,000	3,450	4,140	4,761	5,475	6,023	6,625	7,287
Total Cost of Sales	34,500	39,675	47,610	54,752	62,964	69,261	76,187	83,805
Gross Margin Services	15,500	17,825	21,390	24,599	28,288	31,117	34,229	37,652
Percent	31.0%	31.0%	31.0%	31.0%	31.0%	31.0%	31.0%	31.0%
GS&A								
Service Operations Payroll	4,500	5,513	7,166	8,779	10,754	12,367	14,222	16,355
Practice Overhead	2,500	2,688	2,956	3,178	3,416	3,587	3,766	3,955
Sales Commission	4,185	4,813	5,775	6,642	7,638	8,402	9,242	10,166
Total GS&A	11,185	13,013	15,898	18,598	21,808	24,356	27,230	30,476
Net Services Contribution	4,315	4,812	5,492	6,000	6,480	6,761	6,999	7,176
Percent	8.6%	8.4%	8.0%	7.6%	7.1%	6.7%	6.3%	5.9%

Four Success Measures

- Revenue Production
- Productivity Enhancement
- Risk Reduction
- Improved Cycle Times

Use the baseline assessment of your firm to identify the greatest weaknesses and pain points

Vision Professional Services

- High subcontractor use
- Low utilization of internal resources
- Struggle to be Level 1 project maturity
- Service Operations growing faster than sales

Services P&L Projections with Opportunities

Vision Professional Services Projections

	2006	2007	2008	2009	2010	2011	2012	2013
Services Revenue Growth Rate	Baseline	15.00%	20.00%	15.00%	15.00%	10.00%	10.00%	10.00%
Net Sales - Services	50,000	57,500	69,000	79,350	91,253	100,378	110,416	121,457
Cost of Sales								
Internal Billable (30%)	15,000	17,250	20,700	23,805	27,376	30,113	33,125	36,437
Internal non-utilized (8%)	4,000	4,600	5,520	6,348	7,300	8,030	8,833	9,717
Subcontractors (25%)	12,500	14,375	17,250	19,838	22,813	25,094	27,604	30,364
Other (6%)	3,000	3,450	4,140	4,761	5,475	6,023	6,625	7,287
Improve Utilization		-	-	-	(46)	(100)	(110)	(121)
Improve Effectiveness (internal)		-	-	(1,190)	(2,738)	(3,011)	(3,312)	(3,644)
Subcontractor to Employee				(218)	(502)	(552)	(607)	(668)
Total Cost of Sales	34,500	39,675	47,610	53,343	59,679	65,597	72,157	79,372
Gross Margin Services	15,500	17,825	21,390	26,007	31,573	34,781	38,259	42,085
Percent	31.0%	31.0%	31.0%	32.8%	34.6%	34.7%	34.7%	34.7%
GS&A								
Service Operations Payroll	4,780	6,400	8,320	10,192	12,485	14,358	16,512	18,988
Practice Overhead	2,627	2,400	2,640	2,838	3,051	3,203	3,364	3,532
Sales Commission	3,067	4,813	5,775	7,022	8,525	9,391	10,330	11,363
Slow SO Payroll Growth		-	-	(75)	(158)	(244)	(335)	(431)
Total GS&A	10,474	13,613	16,735	19,977	23,903	26,708	29,870	33,453
Net Services Contribution	5,026	4,212	4,655	6,030	7,670	8,073	8,389	8,632
Percent	10.1%	7.3%	6.7%	7.6%	8.4%	8.0%	7.6%	7.1%

Assumptions Behind Improvements

- Modest improvement in Service Operations
- Modest improvement in utilization of 1%
- Significant change in reducing the use of subcontractors and more employees
- Significant change in effectiveness of internal employees

Build Out Implementation Cost Estimates

- Consider the following:
 - Additional software and support costs
 - Training
 - Change Management
 - Development of interfaces, extensions and reports
 - Travel
 - Contingency

Build Your Roadmap

- In the Vision Professional Services example
 - Changes to existing HR, Procurement, Project Cost, Project Billing, OTL, iExpense required
 - Implementation of new Oracle Project Management and Project Resource Management modules
 - Multi-year, multi-project effort in a single high level roadmap

Assemble Project Return On Investment Summary

PROJECT RETURN ON INVESTMENT

Project Benefits (Describe Above)	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Increased GPM		\$ 1,408,463	\$ 3,285,090	\$ 3,663,788	\$ 4,030,167	\$ 4,433,183	\$ 16,820,690
Decreased Costs		75,000	157,500	244,125	335,081	430,585	1,242,292
Other		-	-	-	-	-	-
Total Benefits		\$ 1,483,463	\$ 3,442,590	\$ 3,907,913	\$ 4,365,248	\$ 4,863,769	\$ 18,062,982

Project Costs	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Initial Investment	\$ 35,000	\$ 112,000					147,000
Internal IT Implementation Cost							
	Hours	Rate					
PM	3,600	\$ 75	135,000	135,000			270,000
BA	7,500	\$ 75	337,500	225,000			562,500
Developer	2,200	\$ 75	45,000	120,000			165,000
DBA	400	\$ 75	26,250	3,750			30,000
Other	-	\$ 75	-	-			-
Total Hrs	13,700						
Total Internal IT Implementation Cost	543,750	483,750					1,027,500
Outside Consulting	621,000	460,000					1,081,000
Training - Core Team	45,000	45,000					90,000
Training - Organizational Development	30,000	40,000					70,000
New Software Support Costs	-	12,000	42,000	42,000	42,000	42,000	180,000
New IT Help Desk/BA Support		50,000	100,000	105,000	110,250	115,763	481,013
Patch/Upgrade IT Internal Cost			100,000	105,000	110,250	115,763	431,013
Other							-
Contingency	123,975	109,075	24,200	25,200	26,250	27,353	336,053
Total IT Cost	1,398,725	1,311,825	266,200	277,200	288,750	300,878	3,773,578
Business Implementation Cost							
	Hours	Rate					
Bus PM	4,000	\$ 50	100,000	100,000			200,000
Bus PA	4,000	\$ 50	100,000	100,000			200,000
Accounting	900	\$ 50	25,000	20,000			45,000
SME	3,800	\$ 50	130,000	60,000			190,000
Total Hrs	12,700						
Other	90,000	90,000					180,000
Patch/Upgrade Business Internal Cost			50,000	52,500	55,125	57,881	215,506
Contingency	44,500	37,000	5,000	5,250	5,513	5,788	103,051
Total Business Cost	489,500	407,000	55,000	57,750	60,638	63,669	1,133,557
Total Project Costs	\$ 1,888,225	\$ 1,718,825	\$ 321,200	\$ 334,950	\$ 349,388	\$ 364,547	\$ 4,907,134

Net Project Cash Flows	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Net Cash Flows	\$ (1,888,225)	\$ (235,363)	\$ 3,121,390	\$ 3,572,963	\$ 4,015,860	\$ 4,499,222	\$ 13,085,848

1.) Total Initial Project Costs	\$ 1,888,225
2.) Cost of Capital	15%
Net Present Value	\$6,217,045
3.) Internal Rate of Return	85%

Opportunity Still Exists

- In this example, a modest productivity enhancement drove the numbers
- Additional opportunities still exist in
 - Revenue Production
 - Productivity Enhancement
 - Risk Reduction
 - Improved Cycle Times

Leverage Oracle Project Management KPI's

- Key Performance Indicators assist in continuous process improvement
- Real-time monitoring maximizes performance over shortest time period
- Be SMART in use of these tools

Specific

Measurable

Achievable

Realistic

Timely

Project List Screen KPA Indicators

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Project List
 ✓ TIP Unless specified otherwise, all amounts are in Project Functional Currency, Global Calendar (Accounting (Month)) Actions Create Project

Views

View

Select Projects: | Previous 1-25

[Select All](#) | [Select None](#)

Select Project Number	Project Name	Organization	Project Manager	Financial	Schedule	Health
<input type="checkbox"/> ABC	ABC-Financials Implementation	Services-East		✓	✓	✓
<input type="checkbox"/> ABCHR101	ABC HR Implementation	Services-East	Hamilton, Ms. Anne	⚠	⚠	✓
<input type="checkbox"/> B100	Building 100 Construction	Services-Construction	Marlin, Ms. Amy	✓		
<input type="checkbox"/> CP101	Cost Plus	Services-West	Marlin, Ms. Amy	⚠	✓	✓
<input type="checkbox"/> Construction Design	Construction with Retainage	Services-East		✓	✓	✓
<input type="checkbox"/> Cost Reimbursable	Cost Reimbursable	Services-East	Hamilton, Ms. Anne	⚠	✓	
<input type="checkbox"/> E&C-100	Engineering + Construction-100	Services-Construction	Marlin, Ms. Amy	⚠	✗	✓
<input type="checkbox"/> FP101	Fixed Price	Services-East	Jameson, Ms. Marcia	⚠	✓	✓
<input type="checkbox"/> Feasibility Study	Feasibility Study-Imaging	Services-East	Cochran, Mr. Bob	✗	✗	✓
<input type="checkbox"/> Global Solution	Global Solution	Services-East	Hamilton, Ms. Anne	✓	✓	✓
<input type="checkbox"/> OKE Construction	OKE Construction	Services-East	Heather, Ms. Emily	✓	✓	✓
<input type="checkbox"/> OKE Services	OKE Services	Services-East		✓	✓	✓
<input type="checkbox"/> Overhead	Overhead	Executive Office	Kim, Sandy	✓	✓	

Enable Key Performance Areas

Projects: Key Performance Areas Lookups

Type: PA_PERF_KEY_AREAS
 Meaning: Key Performance Areas
 Application: Projects
 Description: Key Performance Areas

Access Level:
 User
 Extensible
 System

Effective Dates: _____ Enabled

Code	Meaning	Description	Tag	From	To		
KPA_1	Financial	Exceptions for key finan	2	21-MAR-2004		<input checked="" type="checkbox"/>	<input type="checkbox"/>
KPA_2	Schedule	Exceptions for key sche	3	21-MAR-2004		<input checked="" type="checkbox"/>	<input type="checkbox"/>
KPA_3	Health	Exceptions for key mea:	4	21-MAR-2004		<input checked="" type="checkbox"/>	<input type="checkbox"/>
KPA_4	Key Performance Area		5	21-MAR-2004		<input type="checkbox"/>	<input type="checkbox"/>
KPA_5	Key Performance Area		6	21-MAR-2004		<input type="checkbox"/>	<input type="checkbox"/>
						<input type="checkbox"/>	<input type="checkbox"/>
						<input type="checkbox"/>	<input type="checkbox"/>
						<input type="checkbox"/>	<input type="checkbox"/>
						<input type="checkbox"/>	<input type="checkbox"/>
						<input type="checkbox"/>	<input type="checkbox"/>
						<input type="checkbox"/>	<input type="checkbox"/>

Enable Performance Indicators

Projects: Performance Indicators Lookups

Type: PA_PERF_INDICATORS

Meaning: Performance Indicators

Application: Projects

Description: Performance Indicators

Access Level

- User
- Extensible
- System

Effective Dates						Enabled
Code	Meaning	Description	Tag	From	To	[]
INDICATOR_1	Critical	Critical	1	21-MAR-2004		<input checked="" type="checkbox"/>
INDICATOR_2	Very Severe	Very Severe	2	21-MAR-2004		<input type="checkbox"/>
INDICATOR_3	Somewhat Severe	Somewhat Severe	3	21-MAR-2004		<input type="checkbox"/>
INDICATOR_4	At Risk	At Risk	4	21-MAR-2004		<input checked="" type="checkbox"/>
INDICATOR_5	On Track	On Track	5	21-MAR-2004		<input checked="" type="checkbox"/>
						<input type="checkbox"/>
						<input type="checkbox"/>
						<input type="checkbox"/>
						<input type="checkbox"/>
						<input type="checkbox"/>
						<input type="checkbox"/>

Create Scoring Rules

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Key Performance Area Scoring Rules

[Create Scoring Rule](#)

Search

Note that the search is case insensitive

Key Performance Area Scoring Rule 

Key Performance Area	Scoring Rule	Description	Effective From	Effective To	Update	Delete
Financial	Financial KPA	Used for contract type projects	25-May-2000			
Health	Health - KPA	Use for contract project type	25-May-2000			
Schedule	Schedule KPA	Used for contract project types	25-May-2000			

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Define KPA Threshold - Financial

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Update Key Performance Area Scoring Rule

* Indicates required field Cancel Apply

Key Performance Area

* Name

Description

Precision

* Effective From

(example: 27-Feb-2008)

Effective To

Threshold Levels

Level Number	Threshold Range		Status Indicator
	From	To	
1	0	150	On Track <input type="text" value="v"/>
2	151	225	At Risk <input type="text" value="v"/>
3	226	450	Critical <input type="text" value="v"/>
4			On Track <input type="text" value="v"/>
5			On Track <input type="text" value="v"/>

TIP Define atleast one threshold level for the scoring rule.

Cancel Apply

Define KPA Threshold - Health

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Key Performance Area Scoring Rules >

Update Key Performance Area Scoring Rule

* Indicates required field

Key Performance Area:

* Name:

Description:

Precision:

* Effective From:
(example: 27-Feb-2008)

Effective To:

Threshold Levels

Level Number	Threshold Range		Status Indicator
	From	To	
1	0	150	On Track <input type="button" value="v"/>
2	151	300	At Risk <input type="button" value="v"/>
3	301	1000	Critical <input type="button" value="v"/>
4			On Track <input type="button" value="v"/>
5			On Track <input type="button" value="v"/>

✔ **TIP** Define atleast one threshold level for the scoring rule.

Define KPA Threshold - Schedule

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[Key Performance Area Scoring Rules](#) >

Update Key Performance Area Scoring Rule

* Indicates required field

Key Performance Area

* Name

Description

Precision

* Effective From
(example: 27-Feb-2008)

Effective To

Threshold Levels

Level Number	Threshold Range		Status Indicator
	From	To	
1	20	100	On Track <input type="button" value="v"/>
2	101	150	At Risk <input type="button" value="v"/>
3	151	300	Critical <input type="button" value="v"/>
4			On Track <input type="button" value="v"/>
5			On Track <input type="button" value="v"/>

TIP Define atleast one threshold level for the scoring rule.

Create Performance Rules

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Performance Rules [Create Performance Rule](#)

Search

Note that the search is case insensitive

Key Performance Area: Performance Rule:

Measure:

Key Performance Area	Performance Rule	Description	Measure	Period Type	Effective From	Effective To	Update	Delete
Financial	At Risk Revenue	At Risk Revenue Management	ITD Revenue at Risk	GL Calendar	25-May-2000			
Financial	Cost Performance Index (CPI)	The cost efficiency factor representing the relationship between the actual costs expended and the value of the physical work performed	ITD Cost Performance Index	Global Calendar	25-May-2000			
Financial	Cost Variance (CV)	Cost variance is the difference between the budgeted and actual cost of work performed - BCWP less ACWP.	ITD Cost Variance	Global Calendar	25-May-2000			
Financial	Forecast Cost Variance %	Forecast cost variance is the difference between the forecast and actual cost of work performed.	ITD Forecast Cost Variance %	Global Calendar	25-May-2000			
Financial	Nonbillable Cost % of Total Cost	Percentage of Nonbillable Costs against Total Cost	ITD Nonbillable Cost % of Total Cost	Global Calendar	25-May-2000			
Financial	Percent Complete	% Complete is a measure of performance based on the actual amount of a particular measure used to date and the estimated amount necessary to complete the task or project.	ITD % Complete	Global Calendar	25-May-2000			
Financial	Percent Money Spent	% Spent is a measure of performance based on the actual amount of a particular measure used to date and the amount that was originally planned for consumption.	ITD % Spent	Global Calendar	25-May-2000			
Health	ITD Margin % Variance	ITD Margin % Variance	ITD Margin % Variance	Global Calendar	25-May-2000			
Health	ITD Outstanding Receivables	ITD Outstanding Receivables	ITD Outstanding Receivables	Global Calendar	25-May-2000			
Schedule	Schedule Performance Index (SPI)	The ratio of work performed to work scheduled (BCWP/BCWS).	ITD Schedule Performance Index	Global Calendar	25-May-2000			
Schedule	Schedule-Baseline Finish Variance	Schedule-Baseline Finish Variance	Schedule-Baseline Finish Variance	Global Calendar	25-May-2000			
Schedule	Schedule-Estimated Finish Variance	Schedule-Estimated Finish Variance	Schedule-Estimated Finish Variance	Global Calendar	25-May-2005			
Schedule	Schedule-Prior Published Version Finish Variance	Schedule-Prior Published Version Finish Variance	Schedule-Prior Published Version Finish Variance	Global Calendar	25-May-2000			

Creating Performance Rules

- Use Oracle provided pre-defined measures
- Create your own rules using custom defined measures for your specific needs

Predefined Measures

http://hcdevatorc02.hitachiconsulting.com:8007 - Search and Select List of Values - Microsoft In...

Search and Select: Measure Cancel Select

Search

To find your item, select a filter item in the pulldown list and enter a value in the text field, then select the "Go" button.

Search By Measure Go

Results

Previous 1-10 Next 10

Select	Quick Select	Measure
<input type="radio"/>		Current Forecast To Prior Forecast Workplan Effort Variance
<input type="radio"/>		Forecast Workplan Effort Variance
<input type="radio"/>		ITD % Complete
<input type="radio"/>		ITD % Spent
<input type="radio"/>		ITD % Spent Effort
<input type="radio"/>		ITD % Spent Equipment Effort
<input type="radio"/>		ITD % Spent People Effort
<input type="radio"/>		ITD Accrued Revenue
<input type="radio"/>		ITD Activity Calculated Custom Measure 1
<input type="radio"/>		ITD Activity Calculated Custom Measure 10

Previous 1-10 Next 10

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At Risk Revenue

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Performance Rules >

Update Performance Rule

* Indicates required field

Key Performance Area:

* Name:

Description:

* Measure:

Period Type:

Precision:

* Effective From:
(example: 27-Feb-2008)

Effective To:

Threshold Levels

Level Number	Threshold Range		Status To Indicator	Report as Exception	Weighting
	From	To			
1	-9999999999	0	On Track <input type="text" value="v"/>	<input checked="" type="checkbox"/>	10
2	1	1000	At Risk <input type="text" value="v"/>	<input checked="" type="checkbox"/>	50
3	1001	9999999999	Critical <input type="text" value="v"/>	<input checked="" type="checkbox"/>	90
4			On Track <input type="text" value="v"/>	<input checked="" type="checkbox"/>	
5			On Track <input type="text" value="v"/>	<input checked="" type="checkbox"/>	

TIP Define atleast one threshold level for the performance rule.

ITD Outstanding Receivables

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Performance Rules >

Update Performance Rule

* Indicates required field Cancel! Apply

Key Performance Area: Health

* Name: ITD Outstanding Receivables

Description: ITD Outstanding Receivables

* Measure: ITD Outstanding Receivables

Period Type: Global Calendar

Precision: 1

* Effective From: 25-May-2000
(example: 27-Feb-2008)

Effective To:

Threshold Levels					
Level Number	Threshold Range		Status	Report as Exception	Weighting
	From	To			
1	0	1000	On Track	<input checked="" type="checkbox"/>	10
2	1001	50000	At Risk	<input checked="" type="checkbox"/>	50
3	50001	100000	Critical	<input checked="" type="checkbox"/>	75
4			On Track	<input checked="" type="checkbox"/>	
5			On Track	<input checked="" type="checkbox"/>	

TIP Define atleast one threshold level for the performance rule.

Cancel! Apply

Estimated Finish Variance

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Performance Rules >

Update Performance Rule

* Indicates required field Cancel! Apply

Key Performance Area:

* Name:

Description:

* Measure:

Period Type:

Precision:

* Effective From:
(example: 27-Feb-2008)

Effective To:

Threshold Levels							
Level Number	Threshold Range		Status To Indicator	Report as Exception	Weighting		
	From	To					
1	<input type="text" value="0"/>	<input type="text" value="10"/>	<input type="text" value="On Track"/>	<input checked="" type="checkbox"/>	<input type="text" value="10"/>		
2	<input type="text" value="11"/>	<input type="text" value="20"/>	<input type="text" value="At Risk"/>	<input checked="" type="checkbox"/>	<input type="text" value="50"/>		
3	<input type="text" value="21"/>	<input type="text" value="10000"/>	<input type="text" value="Critical"/>	<input checked="" type="checkbox"/>	<input type="text" value="75"/>		
4	<input type="text"/>	<input type="text"/>	<input type="text" value="On Track"/>	<input checked="" type="checkbox"/>	<input type="text"/>		
5	<input type="text"/>	<input type="text"/>	<input type="text" value="On Track"/>	<input checked="" type="checkbox"/>	<input type="text"/>		

✔ **TIP** Define atleast one threshold level for the performance rule.

Cancel! Apply

Schedule Performance Index

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Update Performance Rule

* Indicates required field

Key Performance Area

* Name

Description

* Measure

Period Type

Precision

* Effective From
(example: 27-Feb-2008)

Effective To

Threshold Levels						
Level Number	Threshold Range		Status	Report as Exception	Weighting	
	From	To				
1	<input type="text" value="-99999"/>	<input type="text" value="0.95"/>	Critical	<input type="text" value=""/>	<input type="text" value="75"/>	<input checked="" type="checkbox"/>
2	<input type="text" value="0.96"/>	<input type="text" value="0.99"/>	At Risk	<input type="text" value=""/>	<input type="text" value="50"/>	<input checked="" type="checkbox"/>
3	<input type="text" value="1"/>	<input type="text" value="9999"/>	On Track	<input type="text" value=""/>	<input type="text" value="10"/>	<input checked="" type="checkbox"/>
4	<input type="text"/>	<input type="text"/>	On Track	<input type="text" value=""/>	<input type="text"/>	<input checked="" type="checkbox"/>
5	<input type="text"/>	<input type="text"/>	On Track	<input type="text" value=""/>	<input type="text"/>	<input checked="" type="checkbox"/>

TIP Define atleast one threshold level for the performance rule.

KPA's In Project Opening Page

ORACLE Projects Project List Diagnostics Home Logout Preferences Help Personalize Page

Project Resources Workplan Control Financial Reporting

Home Overview Directory Attachments Relationships Setup

Home: Feasibility Study-Imaging (Feasibility Study) Shortcuts -----Project----- Go

Customer **Imaging Innovations, Inc.** Sales Opportunity Value **20,000,000.00 USD**
 Organization **Services-East** Project Manager [Cochran, Mr. Bob](#)
 Project Type **Cost Plus** Start Date **01-Jan-2000**
 Status **Active** Finish Date **31-Dec-2008**

General Tasks And Deliverables Change Control Performance

Key Performance Area Summary Refresh Key Performance Areas

Overall Performance Status ✘

Key Performance Area ▲	Status	Score	Score Threshold		Critical		At Risk		On Track		Last Recorded Date
			From	To	Count	Score	Count	Score	Count	Score	
Financial	✘	251	226	450	<u>1</u>	90	<u>1</u>	151	<u>1</u>	10	01-Aug-2006 12:13:48
Health	✔	75	0	150	<u>1</u>	75	<u>0</u>	0	<u>0</u>	0	01-Aug-2006 12:13:48
Schedule	✘	160	151	300	<u>2</u>	150	<u>0</u>	0	<u>1</u>	10	01-Aug-2006 12:13:48

[Show Status Indicator Keys](#)

KPA's In Project Performance Reporting Screens

ORACLE Projects
Project Feasibility Study-Imaging (Feasibility Study)

Project List Diagnostics Home Logout Preferences Help Personalize Page

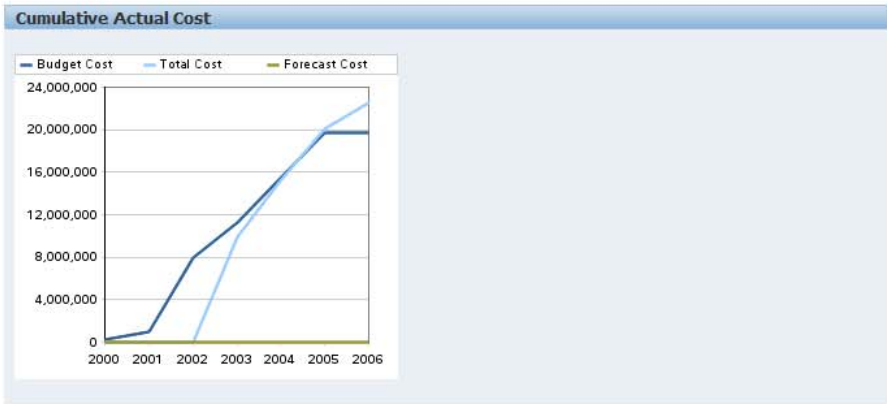
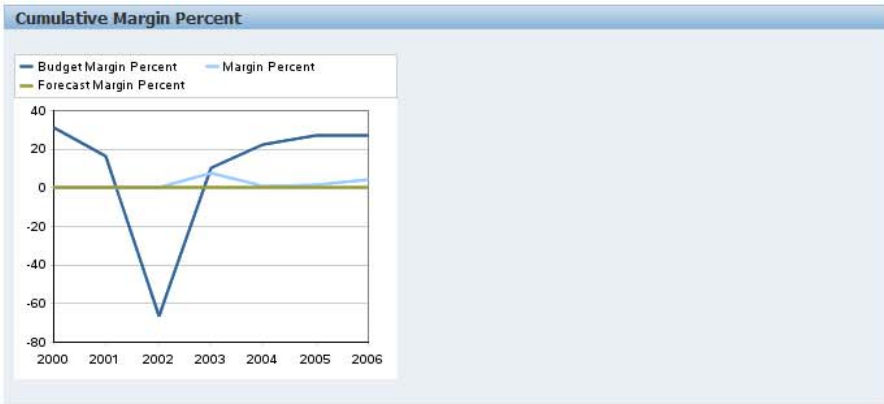
Project Resources Workplan Control Financial Reporting

Performance Exceptions Status Reports Setup

Performance Overview

[Printable Page](#) View Task Summary

[Show Details and Parameters](#)



Financial Performance

Indicator	At Completion			Period To Date			Inception To Date		
	Budget	Forecast	Variance	Budget	Actual	Variance	Budget	Actual	Variance
Revenue	27,175,400.00			0.00	321,754.41		27,175,400.00	23,525,282.68	-13.43%
Cost	19,756,500.00			0.00	272,803.82		19,756,500.00	22,550,761.83	14.14%
Margin	7,418,900.00			0.00	48,950.59		7,418,900.00	974,520.85	-86.86%
Margin %	27.3%				15.21%		27.3%	4.14%	✘ -23.16
People Effort	0			0	64		0	5574	

Setup KPA's To Be Used

ORACLE Projects
Project Feasibility Study-Imaging (Feasibility Study)

Project List Diagnostics Home Log

Project Resources Workplan Control Financial Reporting

Performance Exceptions Status Reports Setup

Reporting: Setup >

Key Performance Area Scoring Rules and Notification

Cancel Apply

Key Performance Area Scoring Rules

To enable status reporting for overall project performance exceptions, select a scoring rule for each key performance area.

Key Performance Area Scoring Rules	
Financial	Financial KPA
Schedule	Schedule KPA
Health	Health - KPA

Notification

To enable reporting of exceptions to specific recipients, select a report type and choose the notification Recipients icon.

Report Type	Notification Recipients

Cancel Apply

Select Page Layout For Project

ORACLE Projects
Project Feasibility Study-Imaging (Feasibility Study) Project List Diagnostics Home Log

Project | Resources | Workplan | Control | Financial | **Reporting**

Performance | Exceptions | Status Reports | **Setup**

Reporting: Setup >

Performance Page Layouts

Page Type	Layout	Preview
Period Analysis	Projects: Reporting: Defi	ⓘ
Period Summary	Projects: Reporting: Defi	ⓘ
Performance Overview	Projects: Reporting: Defi	ⓘ
PTD Analysis	Projects: Reporting: Defi	ⓘ
PTD Summary	Projects: Reporting: Defi	ⓘ
Resource Analysis	Projects: Reporting: Defi	ⓘ
Resource Summary	Projects: Reporting: Defi	ⓘ
Task Analysis	Projects: Reporting: Defi	ⓘ
Task Summary	Projects: Reporting: Defi	ⓘ

Manual and Automatic Reports

ORACLE Projects
 Diagnostics Home Logout Preferences Help Personalize Page

Report Types

Create Report Type

Name ▲	Description	Generation Method	Page Layout	Effective From	Effective To	Update	Delete
Customer	Use only for customer status reports	Manual	Customer Status Report Layout	01-Jan-2000			
Default Performance Status Report	Seeded Report Type for Performance Status sent through email	Automatic	Default Performance Status Page Layout	10-Jun-2004			
Default Status Report	Default Status Report	Manual	Default Project Status Report Page Layout	01-Jan-1950			
Healthcheck	Use for Health check reporting only	Manual	Healthcheck Status Report Layout	01-Jan-2000			
Internal Management	Use for Internal Management review boards	Manual	Internal Management Status Report Layout	01-Jan-2000			
Team	Use for communicating the current status to the project team	Manual	Team Report Layout	01-Jan-2000			

Report Details – Allow Override

ORACLE Projects

[Diagnostics](#) [Home](#) [Logout](#) [Preferences](#) [Help](#) [Personalize Page](#)

[Report Types](#) >

Report Type Details

Name	Healthcheck
Description	Use for Health check reporting only
Generation Method	Manual
Page Layout	Healthcheck Status Report Layout
	<input checked="" type="checkbox"/> Allow Status Report Page Layout Override on Project Level
Effective From	01-Jan-2000
Effective To	

[Return to Report Types](#)

Example Client A

- Several diverse business groups
- Conducted web based survey in advance
 - Some divisions were high maturity, others with semi-skilled project managers
- Scaled back features and functionality for rudimentary groups
- Focused advanced functionality on those in a position to leverage it effectively
- Held down overall cost of implementation while aligning with user community needs

Example Client B

- No formal assessment; project sponsors aware of limited PM capability in initial pilot group:
 - Small teams with few tools, limited staff, small repetitive projects
- Not in scope: advanced PM group with large, long duration projects, wanting advanced functionality – now!
- Sponsors resisted scope creep, so pilot was successful
- Advanced user group accelerated start of their own project

Example Client C

- Conducted detailed formal assessment
- Project included multiple continents, teams with widely ranging skills and environments
 - Europe: group & market mature, highly skilled and experienced project managers, smaller projects
 - China: rapidly growing market, large teams and projects, limited skills and experience
- Training programs, employee evaluation and transfers insured better match of skills and abilities to positions needed
- 5 years later: strongest PM practices were in China, result of comprehensive approach

Conclusion

- Tools assist an organization in introducing standards and common practices, provide visibility into and measure performance
- Baseline and periodic new assessments provide objective measure of impact
- Continuous improvement is true basis of successful PSA efforts
- Successful PSA will provide a strong ROI

Questions?
Answers!

For more information

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