

# Performance Measurement

## *Top Ten Measures You Can Implement Right Now*

It's vital for your organization to measure performance and to make sure you've aligned your measurements with your strategic objectives.



Never lose sight of WHY you are measuring performance. Keep in mind that **\$122 million is wasted for every \$1 billion invested**, according to a recent PMI study.

### Top Ten Measures to Guide Your Organization's Choice of Performance Measurement

- 1 Return on Investment:**  $(\text{Net Benefits/Costs}) \times 100$ . This calculation determines the percentage return for every dollar you've invested.
- 2 Productivity:** Output produced/Unit of input. Productivity measures tell you whether you're getting your money's worth from your people and other inputs to the organization.
- 3 Cost of Quality:** Cost of Quality/Actual Cost. Cost of quality is the amount of money a business loses because its product or service was not done right in the first place.
- 4 Cost Performance Index:** Earned Value/Actual Cost. The CPI is a measure of cost efficiency.
- 5 Schedule Performance:** Earned Value/Planned Value. The Schedule Performance Index is the ratio of total original authorized duration versus total final project duration.
- 6 Customer Satisfaction:** Scale of 1-100. Meeting customer expectations requires a combination of conformance to requirements and fitness for use.
- 7 Cycle Time:** There are two types of cycle time — project cycle and process cycle. The project life cycle defines the beginning and the end of a project. Cycle time is the time it takes to complete the project life-cycle.
- 8 Requirements Performance:** To measure this factor you need to develop measures of fit, which means the solution completely satisfies the requirement. A requirements performance index can measure the degree to which project results meet requirements.
- 9 Employee Satisfaction:** The ESI comprises a mix of soft and hard measures, each assigned a weight based on their importance as a predictor of employee satisfaction levels.
- 10 Alignment to Strategic Business Goals:** Most project management metrics benchmark the efficiency of project management—doing projects right. You also need a metric to determine whether or not you're working on the right projects.