



OAKS Performance Management Plan

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OAKS Project

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	Originator:	<i>Andrew W. Gordon</i>
Contact Information:	Author:	<i>Andrew W. Gordon</i>
	Phone:	<i>614-387-3001</i>
	E-mail Address:	<i>Andrew.Gordon@oaks.state.oh.us</i>

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1 Overview

1.1 Introduction

Performance Reporting involves the assessment and documentation of the overall project's performance and progress against the plan. The Program Management Office (PMO) manages the performance reporting process. Project status reporting and team member time reporting are critical functions within this process.

1.2 Purpose

This deliverable represents work done as part of the Program Management Office. The purpose of this deliverable is to develop the Performance Reporting process and to record any future changes in direction, scope, or timeframes.

2 Status Reporting

2.1 Objectives

Project performance is communicated on a regular basis through Project Status Reports and through regularly scheduled status review meetings. The Project Team Status Report contains a detailed breakdown of each team's performance and progress for the process leads and the project managers.

The objective of developing these performance/status reports on a consistent basis is to make certain that key parties are communicating with one another and that project managers are analyzing their team's performance and effectively monitoring and controlling their team's work. It also assures that the PMO receives early warning of potential problems, issues and risks and can assist in assuring that all aspects of the program operate smoothly.

In order to help ensure of the project's success in the reporting process, status reports should assess the true status and performance of the projects and should ensure objectivity. The reporting procedures, policies, and guidelines should be consistent throughout the entire project and results must be clear. Reports should be used to communicate the status and results of the project. They should also provide a mechanism for early warning of potential problems. Furthermore, reports should allow for easy analysis and be comparable to historical performance. Status reports should be produced and stored based on pre-defined requirements.

2.2 Scope

The scope of the program's status reporting will include the following two levels of reporting:

- Executive summary status report– record entire program status (scope, timeline, issues and risks within the program, resource turnover, and financial metrics).



- Project team status reports – record team and program status for project managers, and process leads

Additionally, in accordance with Accenture Quality Process Improvement (QPI) requirements, the following action is taken.

- Project metric workbooks are completed and submitted to the Accenture QPI team once a month.

Finally, the engagement partner is required to submit a monthly scorecard and risk assessment report to the Government Operating Unit partner to report the status of the OAKS project.

Figure 1 shows the project reporting structure on the OAKS project.

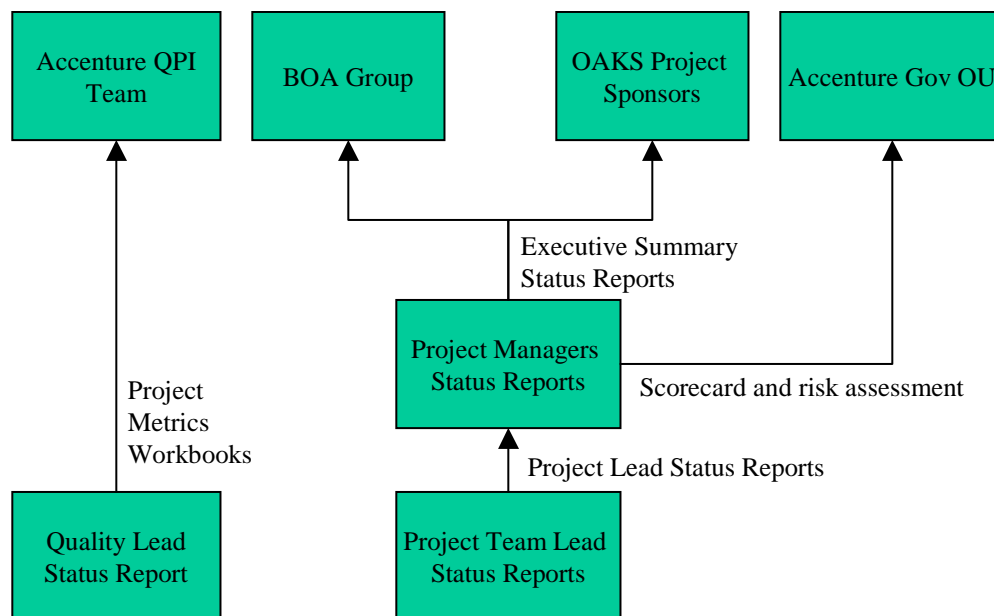


Figure 1 - Project Reporting Hierarchy

2.3 Reporting Frequency

- Executive Status Reports are completed and submitted to the BOA group and project sponsors on a bi-weekly basis.
- Project Team Status Reports are also completed and submitted to the deputy project managers on a weekly basis. This information is discussed in the project status meetings.
- Project Metric workbooks are completed and submitted once a month.

From time to time executive management may require additional progress reporting and analysis.



2.4 Status Review Meetings Schedule

- Executive level status meetings are held every Tuesday morning at 9am. Attendees of this meeting include the project managers and their deputies from Accenture and the State.
- Project status meetings are held every Monday afternoon at 3:00pm. This meeting includes all team leads, and the project executives. Status updates are briefed by talking to the actual team status reports that were submitted.
- Project team lead meetings are held once a week on a schedule set by the project team leads.
- Staffing meetings are held once a month between the Accenture deputy project manager and the Accenture HR representative staffed to OAKS. These meetings are held on Fridays at 9:00am.

2.5 Status Report Descriptions

All status reports follow the same outline. Project team leads have the discretion to alter the status report outline per their individual teams. The outline for status reports is as follows:

1. Project Summary
 - a. Summary of accomplishments for the prior period
 - b. Summary of upcoming activities
2. Issues for Management Attention (all applicable issues taken from the issues management tool)
3. System Investigation Request (this section is blank until the application enters formal testing)
4. Change Request (this lists all baseline change requests (requirement changes) and their current statuses)
5. Risks for Management Attention (this section list all applicable risks taken from the risk management tool)
6. Key Milestones – this lists all key upcoming milestones as listed in the work breakdown structure (project schedule)
7. Organizational Metrics – Thjs section lists all metrics that will be used to assist in performance management (see Section 3). This includes estimates vs. actuals, variances, projections, and thresholds (set by Accenture QPI)

All status reports are made available via the “P” drive, and are accessible of the OAKS Intranet website.

3 Performance Measurement Metrics

3.1 Metrics and Variances within the Reports



The metrics within the reports for the Project are listed and explained below. Initially, only the basic, project management metrics are reported. Enhanced metrics will follow once the initial metrics have been implemented and some additional reporting capabilities are available. All data for performance management metrics is taken from Project Server.

3.1.1 Budget Variance

The first metric for project managers to report in their weekly status report is Budget Variance. Budget Variance can be measured in both days (hours) and dollars. Budget Variance indicates to the project manager if the project will cost more or less than planned, or if it will require more or less effort than planned. A negative value indicates the cost or effort is more than planned; a positive value indicates a cost or effort under run; a value of zero indicates the cost or effort is on budget. Projects should aim for zero variance in its effort. For the OAKS project, budget variance will be measured in hours.

WO#	(A)	(B)	(C)	(D) = (B+C)	(E) = (A-D)
	Budget at Completion	Actuals to Date	Estimate to Complete	Estimate at Completion	Variance at Completion
	(BAC)		(ETC)	(EAC)	(VAC)
EFFORT (DAYS)	425	75	350	425	-
Cost (hours)	100	50	40	90	10

Table 1 - Budget Variance Example

- Budget (BAC) – the total budgeted cost and days of a project
- Actuals to Date – the total actual cost incurred by the project to date. This includes both labor and non-labor project expenses. Labor actuals are entered through the semi-monthly timesheet process (T-Docs). Non-labor charges for expenses, hardware, software, and vendor services are entered by PMO throughout the month, and as part of the monthly reconciliation process. The monthly reconciliation process is described further in the Project Financial Management Plan document. This actual cost to date is also known as Actual Cost of Work Performed (ACWP)
- Estimate to Complete (ETC) – the estimated cost and days to complete all of the remaining work for a project. The ETC should be reviewed and verified weekly.
- Estimate at Completion (EAC) – what the total cost and days of the project are expected to be at the end of the project. This can be calculated by adding the Actual to Date and the Estimate to Complete (ACWP + ETC = EAC).
- Variance at Completion - the difference between the original budget and the expected effort and cost. This can be calculated by subtracting EAC from BAC.



3.1.2 Staffing Variance

Staffing Variance compares actual days worked to planned days worked. Staffing Variance is measured only in days or hours. Staffing Variance is valuable to the Project Manager when comparing it to the Budget Variance. This comparison is the Composite (Schedule) Variance, which is explained in the next section. Staffing Variance indicates to the project manager how many days will be spent on the project by the originally scheduled project end date, as compared to what was originally planned. A negative value indicates that more days will be spent by the originally scheduled project end date than planned; a positive value indicates that less days will be spent by the originally scheduled project end date than planned.

	Current Week Staffing Variance	(F) Cumulative to Date Staffing Variance	(G) Projected Variance for remaining weeks	(H) = (F+G) Staffing Variance at Completion
STAFFING (DAYS)	-	2	1	3

Table 2 - Staffing Variance Example

- Current Week Staffing Variance – difference between the number of days planned to work during the current week compared to the actual days worked during that week. The planned days is also known as the budgeted or baselined days. Calculated as current period actual days minus current period baseline days.
- Cumulative to Date Staffing Variance – difference between the number of days planned to work since the beginning of the project through the current date, compared to the actual days worked since the beginning of the project through the current date. This indicates if more or less time has been spent to date on the project compared to plan. Calculated as total baselined days to be worked by this date in the project minus total actual days worked to date.
- Projected Variance for remaining weeks – difference between the number of days originally planned to work in future weeks through the end of the project compared to the current plan. This metric usually changes when a new resource joins the team or an existing resource leaves. This indicates if more or less time will be spent in remaining weeks on the project compared to plan. Calculated as total days baselined to be worked in remaining future weeks in the project plan minus total days currently planned to be worked in remaining future weeks in the project plan.

Staffing Variance at Completion – calculated as the Variance to Date plus the Projected Variance. This indicates if more or less time will have been spent on the project by the originally planned project end date compared to plan.

3.1.3 Completion Variance

Completion Variance is calculated as Budget Variance at Completion minus Staffing Variance at Completion. This metric is measured only in days or hours. Completion Variance indicates to the project manager if the project will be completed by the planned completion date. A positive



value indicates the project will be completed earlier than scheduled; a negative value indicates the project will be completed later than scheduled. This calculation provides this value as a total number of workdays. In order to determine how many calendar days early or late the project will be, this value must be divided by the total number of Full Time Equivalents (FTE) on the team.

(I) = (E-H)	(J)	(K) = (I/J)
Completion Variance (Days)	Average # of FTE's for future weeks	Calendar Days Variance
-3	3	-1

Table 3 - Completion Variance Example

- Completion Variance (Days) – the difference between the projected budget variance at completion and the projected staffing variance at completion. This indicates how many total workdays the project will be early or late from the planned completion date.
- Average # of FTE's for future weeks – the total number of FTE's currently available to work on the project.
- Calendar Days Variance – Completion Variance divided by Average # of FTE's for future weeks. This indicates how many calendar days the project will be early or late from the planned completion date.

Example 1: If the project's Budget Variance is -10 days, that indicates the project will require 10 more days to be worked than originally planned. If the project's Staffing Variance is 0 days, that indicates that the number of days worked is the same as the number of days planned. Therefore the Completion Variance is $-10 - 0 = -10$. If there are 5 FTE's working on the project, then dividing the Completion Variance by 5 provides a Calendar Day Variance of -2. Since the project's Budget Variance indicates that it will take 10 days more than planned, and the Staffing Variance is zero, the Project Manager knows that the project should be completed 10 workdays later than planned. Since there are 5 FTE's on the available to work these 10 days, the Project Manager knows the project will be completed 2 calendar days later than planned.

3.2 Enhanced Metrics

In addition to the current metrics, the program will produce enhanced metrics in the future. The metrics will provide more detailed insight into the projects. Some or all of the metrics in this section may be used in the future; the list below is a sampling.

3.2.1 Budgeted Cost of Work Performed (BCWP)

It permits the comparison of the amount of work planned to be spent producing a deliverable with what was actually spent on the deliverable. This helps to determine if cost or effort is within budget as well as calculate an efficiency index.



3.2.2 Cost Performance Index (CPI)

CPI is a gauge of productivity and efficiency and assists managers with forecasting or verifying EAC. If CPI is less than one, the project is completing its deliverables with more budget than was planned. This may lead to the project being over budget. If CPI is more than one, the project is completing its deliverables with less budget than planned which may lead to the project being under budget. The calculation is BCWP divided by ACWP.

3.2.3 Schedule Efficiency Index (SEI)

Schedule Efficiency Index (SEI) allows managers to determine if the project will be completed on time, assuming that the current trends continue. Since the metric is a percentage, the project may use either hours or dollars to calculate. This metric is different from the Cost Performance Index (CPI) as CPI provides budget information and SEI provides schedule information. When the SEI is below 100%, the project is behind schedule; more work was scheduled than was completed. When the SEI is above 100%, the project will finish ahead of schedule, assuming the trend continues.

3.2.4 Calculated Estimate to Complete

Calculated ETC assists managers with verifying the Estimate to Complete that is being reported weekly. The calculated ETC is based on the remaining amount of work divided by CPI. The calculated ETC plus the current actuals can be compared the Estimate at Completion (EAC). This comparison explains, based on historical productivity, estimates whether or the project will be able to complete the tasks.

If the calculated ETC plus the current actuals is greater than EAC, EAC is not in line with the current levels of productivity. The team must become more productive to achieve EAC. When the calculated ETC plus the current actuals is less than EAC, EAC may be overstated. This assumes that productivity will decline.

Calculated ETC equals $(\text{Budgeted Cost at Completion} - \text{Budgeted Cost of Work Performed}) / \text{Cost Performance Index}$.

3.2.5 Prior Period Comparisons

Comparisons between current and prior periods allow project managers to monitor progress and trends based on the differences.

3.2.6 Cost Variance (CV)

Cost Variance (CV) informs managers that to date, the project is at, over, or under budget. When the CV is negative the project is over budget. When CV is positive, the project is under budget. The calculation is Budgeted Cost of Work Performed (BCWP) less Actual Cost of Work Performed (ACWP).

3.2.7 Schedule Variance (SV)

Schedule Variance (SV) tells the managers whether or on the project is behind or ahead of schedule. When SV is negative, the project is behind schedule. When SV is positive, the project is ahead of schedule. The calculation is BCWP less Budgeted Cost of Work Scheduled (BCWS).



3.3 Interpretation and Reaction to Metrics

The variances are only indicators of problems. It is up to the manager to figure out what the cause may be and how to manage the project and work plan. Listed below are some examples for reference:

Variance Type	Potential Cause	Solution
Effort/Cost	Unqualified or inadequately trained team members	Provide needed training or hire skilled resources
Effort/Cost	Excessive overtime that causing decrease productivity due to stress and fatigue	Reduce overtime and extend finish dates or increase resources
Effort/Cost	Inadequate planning (deficient estimates of effort, actual labor cost higher than planned, etc.)	Revise effort and cost estimates with PMO assistance
Effort/Cost, Scheduling	Poorly motivated team members	Provide motivation; improve team cohesion with team building activities
Effort/Cost, Scheduling	Poor communication of scope, requirements, or standards (causes work done outside scope, rework, etc.)	Improve communication of work assignments; work with Business Unit to understand and manage scope; demonstrate how assignments tie to the overall project and program being developed
Scheduling	Resources worked on tasks unrelated to the project at hand	Verify that resources are working on the project they are supposed; Redistribute resources if current allocations are incorrect
Scheduling	No schedule contingency is included within the work plan or work was scheduled to resources capacity	Modify work plan to include schedule contingency; revise project milestones and schedule to handle the new contingency
Scheduling, Staffing	Resources scheduled to arrive on the project were delayed	Obtain delayed resources and modify work plan

Table 4 - Interpretation and Reaction to Metrics

Further details on all project related metrics can be found in the project measurement plan located in BI Designer at *OAKS\Cabinets\Project Management\Quality\Metrics\Project Measurement Plan*.