

**Performance and Decision Analysis  
The Foundation for Enterprise Success**



**John McGarry**

**U.S. Army Armament Research  
Development and Engineering Center**

**Project or Enterprise?**



## **Key Questions**

- 1. How does the Enterprise information-decision environment differ from that of a single project?**
- 2. How can the overall Enterprise information needs be identified and effectively addressed?**
- 3. How can we influence decision makers at all levels to use the data and communicate the results?**

## **Performance & Decision Analysis**

- Combines organizational and project measurement, risk management, information analysis, and decision making activities into an overarching corporate process**
- Identifies and integrates the unique information needs that exist across the Enterprise ...**
- To directly support performance related decisions**

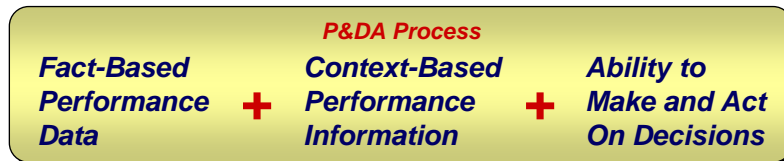
## **What is “Performance”?**

- **The degree to which a process, product, or organization satisfies its intended purpose(s)**

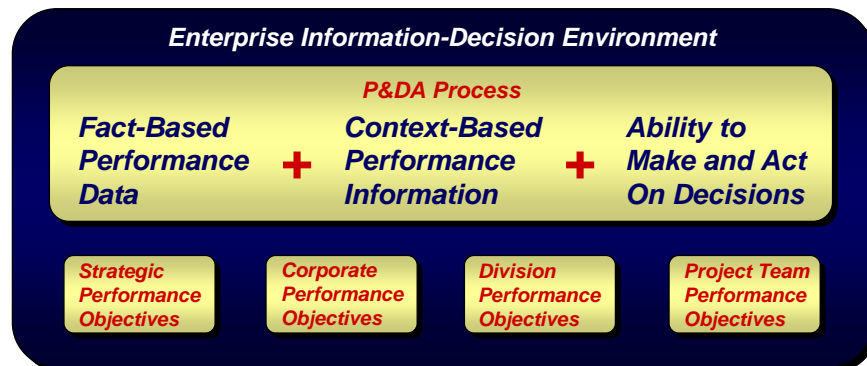
## **What is “Performance”?**

- **The degree to which a process, product, or organization satisfies its intended purpose(s)**
- **You can influence performance if ...**
  - **You can measure your results against established objectives**
  - **You can manage your environment**
  - **You are willing to take action**

## Performance & Decision Analysis



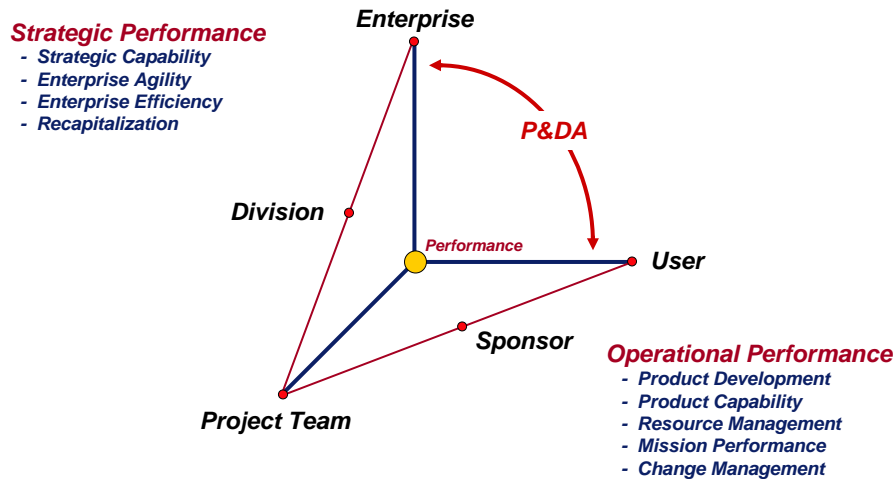
## Performance & Decision Analysis



## Enterprise Performance & Decision Analysis

### Enterprise Performance Objectives

*“Increased Capability at Reduced Cost”*



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## Enterprise Performance & Decision Analysis

### Performance-Information Environment

#### Division Performance Drivers

- Traceable influence on product availability - capability
- Reductions in the need for resources - people and dollars
- Enhanced resource productivity
- Improvement in overall project team performance
- Increased schedule efficiency - reduced product cycle time
- Performance gains through process improvement
- Measurable product quality - reliability improvements
- Workforce flexibility, agility and alignment

#### Project Performance Drivers

- Resource reductions vs. increasing tasking/workload
- Interrupt driven tasking - management
- Need for user requirements interface - communication
- External demands - initiatives
- Customer culture and capability

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## Information Needs

- **Information Needs** drive what you measure, analyze, and evaluate
- They are directly related to established objectives
- They define where you focus your attention
- They may be different for different organizational levels
- They are usually dynamic
- They may have both positive and negative connotations
- If you can adequately address your information needs you can make and justify a decision
- In other words - they are **what you need to know**

## Analysis Approach



**Enterprise Performance & Decision Analysis**

**Enterprise Information Environment**



**Enterprise Performance & Decision Analysis**

**Relative Information Priorities**

**Division**

Division contribution to Enterprise product portfolio performance and capability - **HIGH+**

Productivity improvement and resource efficiencies - process improvement - **HIGH**

Reductions in product delivery cycles - **HIGH**

Project resource, product, and financial profiles - quantitative organizational characterization (people, dollars, product) - **HIGH**

Degree of Staff and resource resource sharing - **MEDIUM**

Product quality and reliability growth - **MEDIUM**

Enterprise risk profile - **LOW**

**Projects**

Project management and performance status information - (progress, financial management, personnel resources) - **HIGH+**

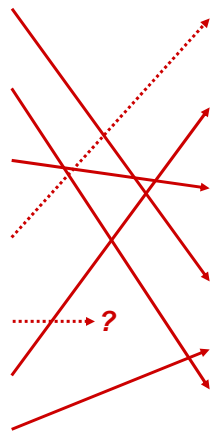
Platform requirements and implemented product quality information - **HIGH**

Objective work package estimation and interrupt driven task impact information - **MEDIUM**

Customer derived mission capability and product performance assessment information - **MEDIUM**

Project risk profile - **LOW**

Process efficiency - **LOW**



## ***Information Need Selection Factors***

- ***Relative priority***
- ***Near term usefulness for decision making***
- ***Applicability at multiple management levels***
- ***Availability and integrity of required data***
- ***Nature, extent, and location of analysis function***

## ***Measurement Gap Analysis***

- ***In general, most of the project teams had basic measurement data in some form***
- ***Only about 60% of the identified information needs were supported by the current data***
- ***The data varied significantly across the project teams based on project characteristics, information needs, customer requirements, process considerations, and depth of implementation***
- ***Very few measures/analysis constructs addressed strategic concerns***
- ***There was only some use of risk data beyond risk identification and problem tracking***
- ***Interrupt and event driven decisions generated prominent information needs not generally addressed by existing measurement practice***



**Enterprise Performance & Decision Analysis**

# Measurement Priorities

*Based on Identified Information Needs*

**Enterprise**

- Financial Performance
- Work Unit Progress
- Personnel Effort

**Division**

- Functional Size and Stability
- Financial Performance
- Work Unit Progress
- Physical Size and Stability
- Personnel Effort
- Functional Correctness

**Project Teams**

- Financial Performance - 61% satisfied
- Personnel Effort - 53% satisfied
- Functional Size and Stability - 54% satisfied
- Work Unit Progress - 55% satisfied
- Functional Correctness - 62% satisfied
- Milestone Completion - 69% satisfied
- Process Efficiency - 32% satisfied

**Enterprise Performance & Decision Analysis**

## Division Measurement Information Model



## **Potential Process Enhancements**

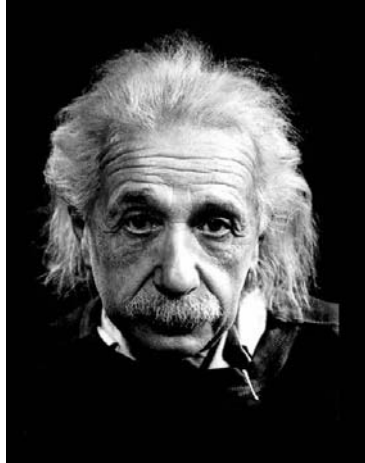
- *Interrupt driven task cost accounts*
- *Division defined WBS*
- *Overtime tracking*
- *Timekeeping standards*
- *EVM criteria*
- *Historical performance data*
- *Estimation process*
- *Division risk process*
- *Capability based measurement*
- *User requirements interface*
- *Stakeholder communication*
- *Financial management infrastructure*

## **Enterprise P&DA Recommendations**

- *Minimize the number of higher level information needs*
- *Align data requirements with those used by the project teams*
- *Improve the inherent project level P&DA processes*
- *Implement a division level analysis capability*
- *Employ consistent and periodic reporting requirements*
- *Minimize “special” data calls*
- *Improve measurement and analysis constructs and methodologies*
- *Correctly interpret and use the data that is provided*
- *Do not mandate measurement definitions and specifications*
- *Do not “Force” normalized data or composite data analysis*
- *Openly communicate the enterprise analysis results*
- ***Manage the information environment***

***Enterprise Performance & Decision Analysis***

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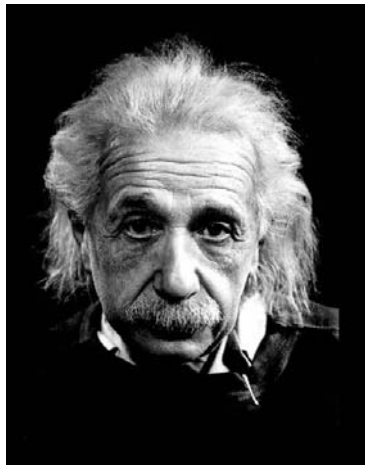
***Albert Einstein***

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***“Two things are infinite:  
the universe and human  
stupidity;***

***And I'm not sure about  
the universe”***

***Albert Einstein***

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## **One Approach**



***“We have no risks on this program...  
We only have challenges”***

*DoD Program Manager (West Point Graduate)*

## **Another Approach**



## ***The Way It Should Be***



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## ***Summary***

- ***Enterprise performance is the sum of the project performance***
- ***All enterprise data comes from the projects***
- ***All projects are different***
- ***Align the information needs***
- ***Know what you have and what you need***
- ***Use what you have correctly***
- ***Address both the information needs and the information environment***
- ***Communicate the performance results***
- ***Use the results to justify the decisions you make***

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**Contact Information**

**John McGarry**  
**U.S. Army RDECOM - ARDEC**  
**(973) 724-7007**  
**[jmcgarry@pica.army.mil](mailto:jmcgarry@pica.army.mil)**