

The EPMOWORX BIT™ Approach Supporting the Alignment of Business Delivery with Business Drivers

The true definition of a Business Intelligence solution is to detect, analyze and predict trends within an organization based on the data available. The same can be said for analyzing and predicting trends between transformational deliveries and the ultimate strategic business drivers within an organization. Few organizations can consistently measure, analyze and predict trends when comparing business delivery and business benefit against strategic business drivers. The cost of failing to monitor, analyze and control these trends can be significant. Yet, predicting trends between transformational deliveries and the ultimate strategic business drivers can be achieved by establishing and following basic principles.

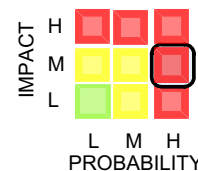
This problem is accentuated by the impact of unforeseen changes in business direction, by the influence of dynamic market forces and unpredictable delivery capabilities between teams inside organizations. As a consequence, management at all levels struggles to continuously align delivery and business benefits against volatile business drivers. Failure to achieve alignment between delivery and business drivers increases costs and erodes managements' ability to achieve strategic business directions. This failure becomes costly and systemic as deliveries continue to diverge from the intent of the business direction.

Transformational delivery must be linked to business benefit and finally to business drivers. This enables management at all levels to contribute a coordinated effort to business benefits and ultimately to the business direction. Linkages must be robust and transparent in order to withstand changes in business direction and delivery capabilities. The result of robust linkages between delivery, business benefit and business drivers reduces confusion and increases efficient coordination.

The first step to achieve robust linkages is to adopt a consistent RAG (Red Amber Green) status across the organization as a measure of impact. Management can then confidently measure impact and change in their sphere of influence. The next step is to effectively communicate the impact of change up an organization hierarchy for resolution decisions and back down to the affected area for resolution action. Whilst achieving consistent RAG standards and establishing an escalation feedback process is a basic requirement, it is rarely managed well.

Risks, Issues, Cost, and Progress must all be assigned a standard measure of tolerance for RAG management. The definition of the RAG status will vary between elements (Risk, Issues etc.) but the standards must be agreed and promulgated across the organization. Regular communication of the RAG status will give successive levels of management greater transparency inside their spheres of influence and beyond to other levels of the organization. Critical paths between projects, programmes, portfolios and ultimately to business drivers will become evident. Critical path failures can then be quickly identified, measured and escalated using the RAG linkage principles.

Risks should be measured using a predetermined RAG measure of comparing probability against impact.



Issues should be measured as a comparison of the lag between the resolution target date and actual date resolved.



Costs should be measured as a percentage variance between planned costs (capital and resource costs) and actual costs.



Progress should be measured as a comparison of the lag between completion target date and actual date completed.



The second step is to establish parameters and values of TOLERANCE as business rules across the entire enterprise. This will provide management at all levels a consistent foundation of measurement of the delivery and benefit the organization's goals.

EPMOWORX™ includes a Business Intelligence TOLERANCE™ (EPMOWORX BIT™) algorithm to consistently measure the delivery and benefit the organization's goals. It is important to note that different levels of EPMOWORX BIT™ can be set for each governance level (Board, EXECUTIVE, PORTFOLIO, PROGRAMME and PROJECT).

TOLERANCE 📄

	KPI	SEVERITY	UNIT	TOLERANCE		
				GREEN	AMBER	RED
<input checked="" type="checkbox"/>	BENEFIT ROI VAR		%	100	->	100
<input checked="" type="checkbox"/>	RISK CLOSURE	101 -> 200	DAYS	10	<-	20
<input checked="" type="checkbox"/>	ASSUMPTION	MEDIUM+HIGH	DAYS	10	<-	20
<input checked="" type="checkbox"/>	ISSUE	LOW+MEDIUM+HIGH	DAYS	10	<-	20
<input checked="" type="checkbox"/>	DEPENDENCY	MEDIUM+HIGH	DAYS	10	<-	20
<input checked="" type="checkbox"/>	COST		%	1	<-	20
<input type="checkbox"/>	MILESTONE	20%	DAYS		<-	20
<input checked="" type="checkbox"/>	REQUIREMENT	PRIORITY	DAYS	20	<-	25
<input checked="" type="checkbox"/>	DELIVERABLE	LOW+MEDIUM+HIGH	DAYS	10	<-	20
<input checked="" type="checkbox"/>	CHANGE	MEDIUM+HIGH	DAYS	10	<-	20
<input type="checkbox"/>	RESOURCE		%U		<-	20
<input checked="" type="checkbox"/>	ACTION		DAYS	10	<-	10

Ultimately, management must decide what levels of the RAG status of each element (Risk, Issue, Cost etc.) impact the RAG status of the entire delivery initiative (project, programme or portfolio). This measure must be objective and not subjective.

In conclusion, introducing and communicate an organization-wide standard of measure for RAG reporting is a basic but significant method to assist management in maintaining a robust alignment between delivery, business benefit and ultimately the business drivers. This will assist in reducing costs and improve alignment between transformational deliveries, business benefits and ultimately, business drivers.