High performance. Delivered.

Project Monitoring & Project Controlling

Sascha Kolbuch

Dresden, July 10th 2014

accenturestrategy

Agenda

- **Accenture Profile**

- General Overview Project Management @ Accenture

- Project Calculation & Project Planning

- Project Monitoring & Controlling

290,000 employees at Accenture serve more than 4,000 clients around the world

About Accenture

290,000+
More than 290,000 people serving clients in more than 120 countries[1]

200+
Offices and operations in more than 200 cities in 54 countries

$28.6B
Net revenues for fiscal year 2013

Communications, Media & Technology	Financial Services	Health & Public Services	Products	Resources

Accenture Strategy

Accenture Digital

Accenture Technology

Accenture Operations

Facts[1]
- Leadership: ~5,600 Managing Directors
- 28.6 billion USD revenues in FY13
- Geographic Regions:
  - Americas
  - Asia Pacific
  - Europe / Middle East / Africa

Clients
- 4,000 clients in more than 120 countries
- 89 of the Fortune Global 100
- 3/4 of the Fortune Global 500
- 28 of the DAX-30 companies
- 99 of our top 100 clients have been clients for at least 5 years, 92 have been clients for at least 10 years
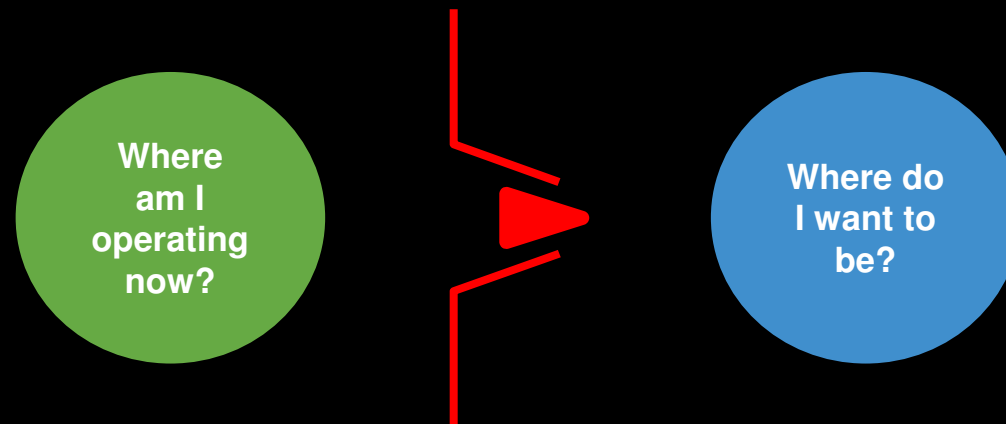
[1] As of Aug 31, 2013

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Project Management focuses on measurement-driven results, repeatable processes and clear communication.

Project Management – Introduction

- "A **project** is a temporary endeavor undertaken to create and deliver a unique product, service or result."
- "**Project Management** is the application of knowledge, skills, tools, techniques and processes to help clients make better decisions and to complete deliverables that meet a project's requirements."
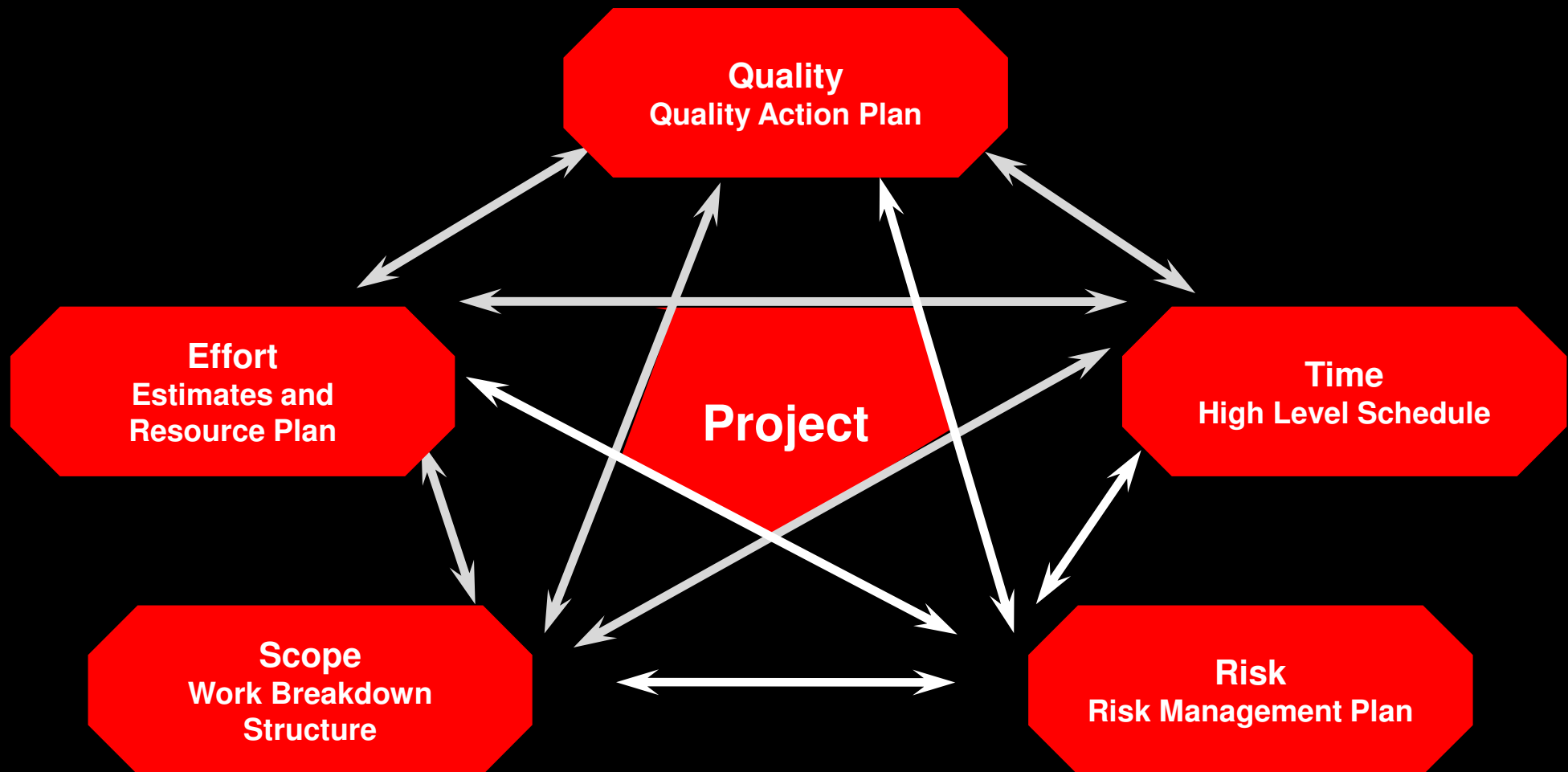
Where am I operating now?

Where do I want to be?

Principles:

1. Be clear on where you're going
2. Plan carefully on how you will get there
3. Deliver on promises made in your project plan

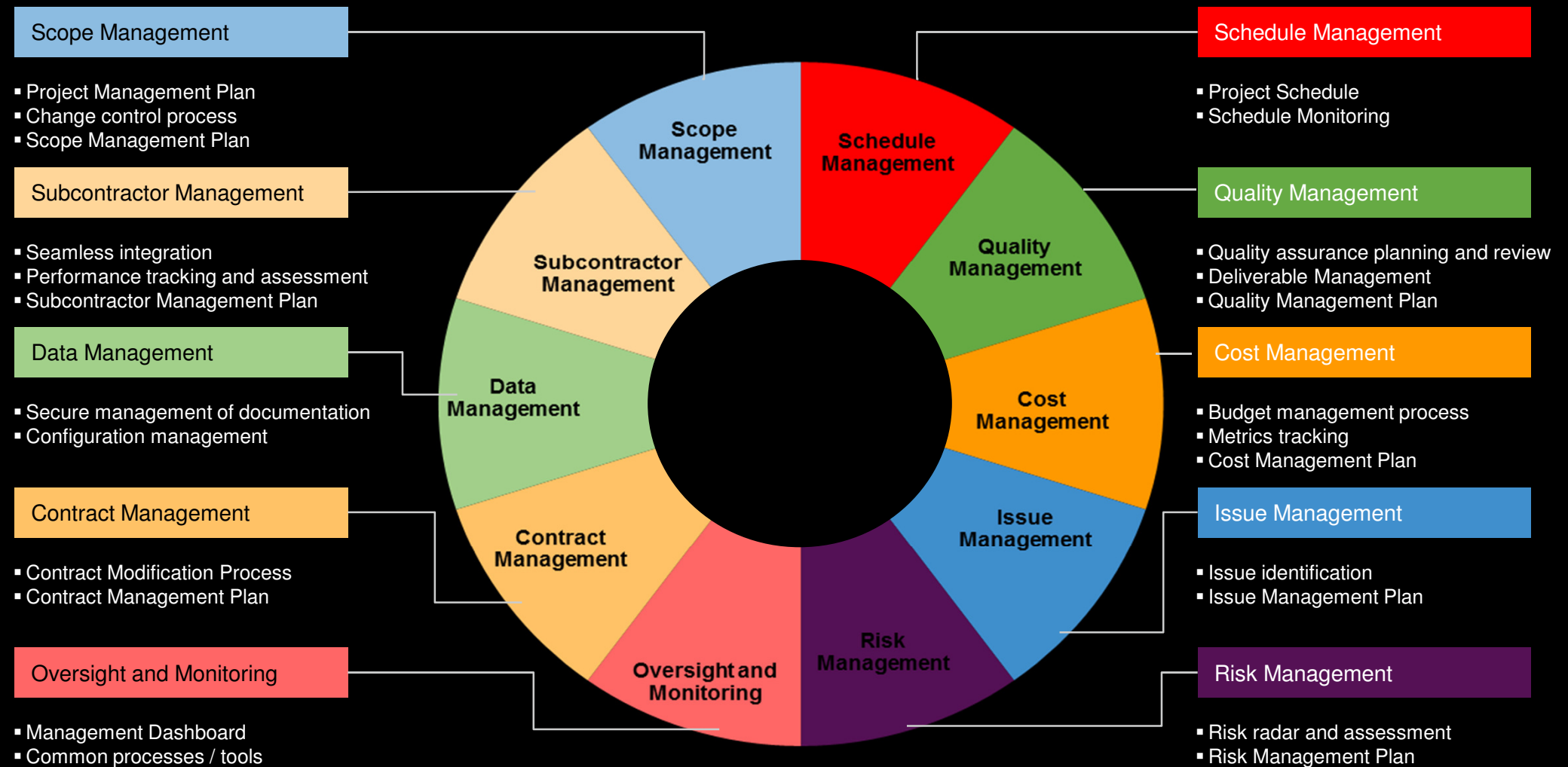# It is helpful to use the SQERT model when thinking about Project dimensions

SQERT Model

Quality
Quality Action Plan

Effort
Estimates and
Resource Plan

Time
High Level Schedule

Project

Scope
Work Breakdown
Structure

Risk
Risk Management Plan

6

Our comprehensive methodology provides tools to help manage projects effectively on schedule and on budget

Accenture Project Management Approach

Real Life

Scope Management
- Project Management Plan
- Change control process
- Scope Management Plan

Subcontractor Management
- Seamless integration
- Performance tracking and assessment
- Subcontractor Management Plan

Data Management
- Secure management of documentation
- Configuration management

Contract Management
- Contract Modification Process
- Contract Management Plan

Oversight and Monitoring
- Management Dashboard
- Common processes / tools

Schedule Management
- Project Schedule
- Schedule Monitoring

Quality Management
- Quality assurance planning and review
- Deliverable Management
- Quality Management Plan

Cost Management
- Budget management process
- Metrics tracking
- Cost Management Plan

Issue Management
- Issue identification
- Issue Management Plan

Risk Management
- Risk radar and assessment
- Risk Management Plan

Wheel diagram segments: Scope Management, Schedule Management, Quality Management, Cost Management, Issue Management, Risk Management, Oversight and Monitoring, Contract Management, Data Management, Subcontractor Management

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The project management method is part of Accenture Delivery Methods (ADM), our master project approach

Accenture Delivery Methods (ADM)
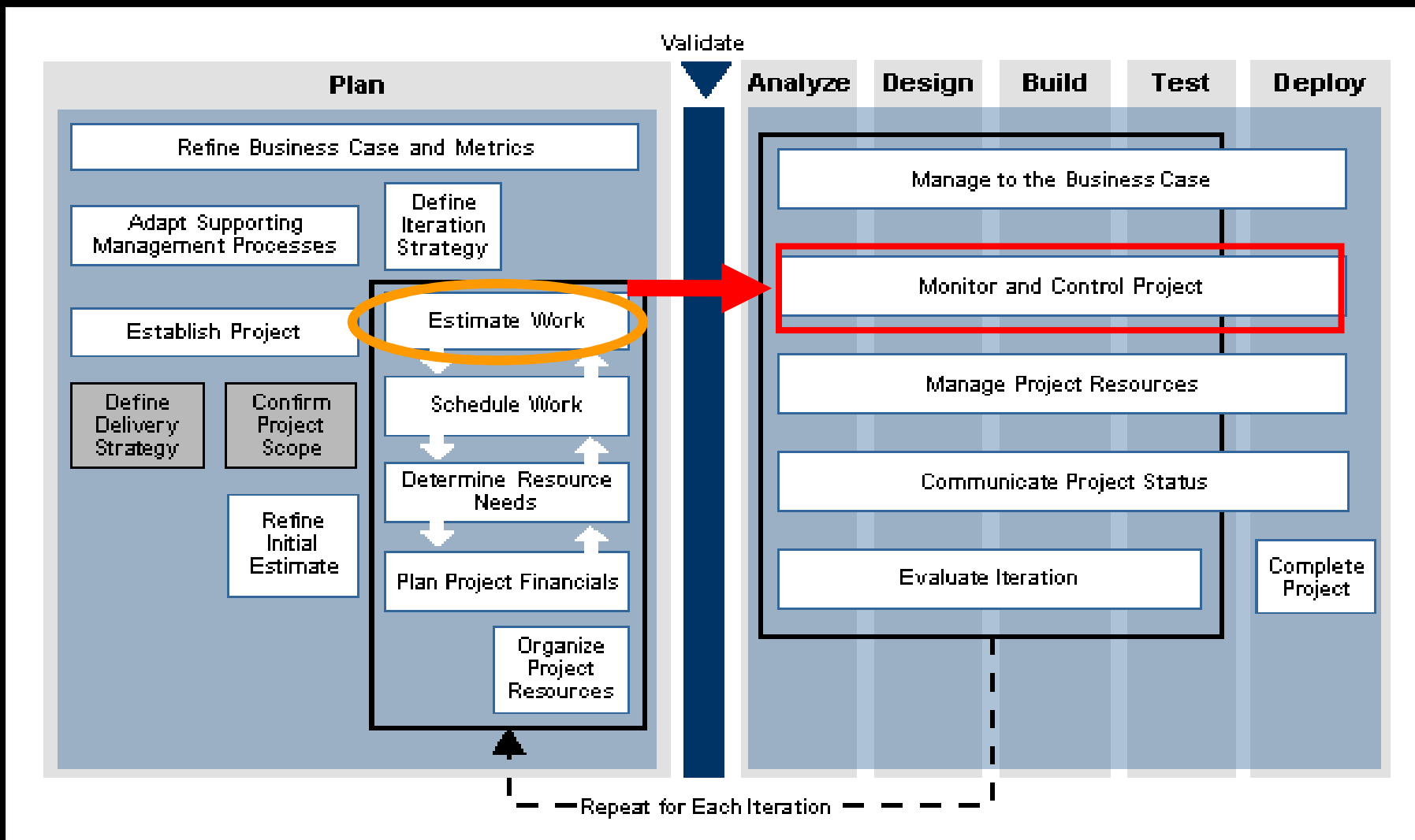
There are three key project management processes supporting a project's life cycle.

Project Management Process

The three key processes **Plan, Monitor and Control** are **co-dependent** and **continuously cycle** throughout **all of the stages** of the project.
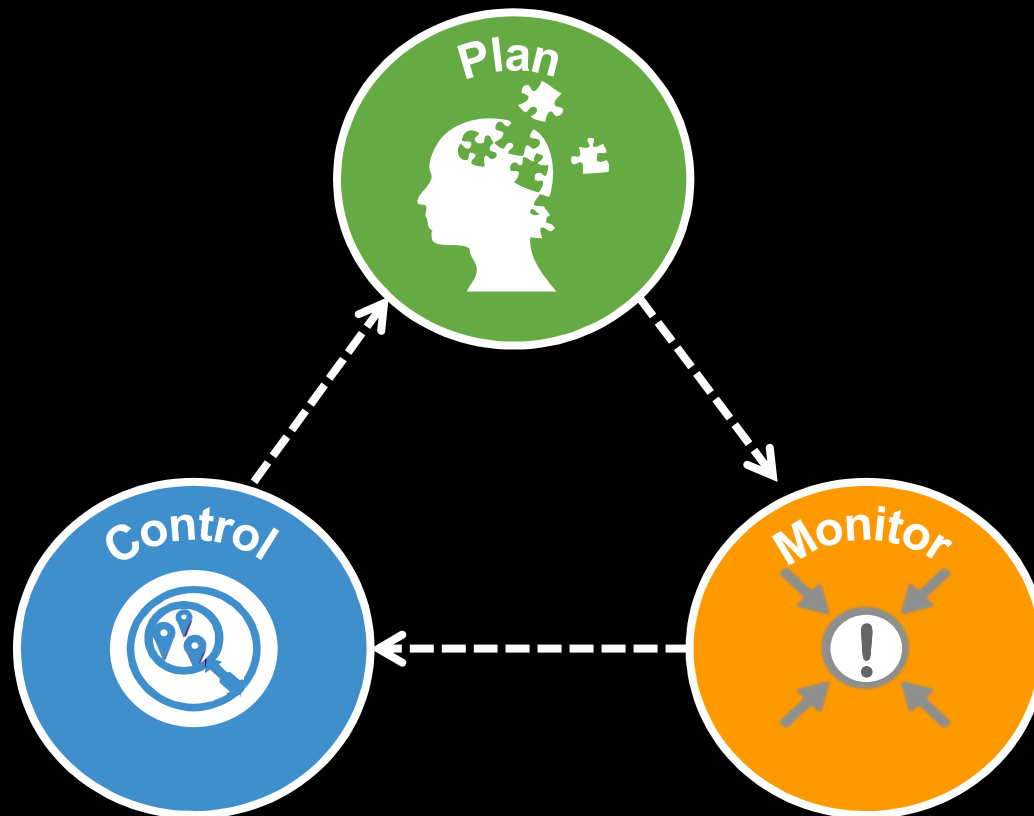
Planning and calculation are the initial steps in setting up a project – adaptions are possible within the lifecycle

Project Calculation & Project Planning

Project Calculation

- **Project calculation** is used for the estimation of efforts for the completion of tasks which builds the baseline for solid project controlling.

- Without a precise estimation of efforts a project can...
  - ...exceed the time and budget planning
  - ...radically reduce the profit margin
  - ...decrease the team morale

Example ADM Estimator

Project Planning

- **Project planning** is an essential part zu ensure that the adequate team members execute the right tasks at the right time.

- Project planning includes:
  - Project Plan
  - Milestones
  - Planning of resources

MS Project task structure

The general planning process includes four process steps – we focus on the estimation of a project's scope

Project Management – Planning Process

1. Confirm Project Scope	2. Estimate Scope	3. Schedule Work	4. Determine Resource Needs
Stakeholder Goals and Expectations	*Work Break Down Structure (WBS)*	*Project Plan*	*Roles and Responsibilities*
Project Scope Definition	*Detailed time/cost Estimates for each area within scope*	*Entry/Exit Criteria*	*Resource work profile*
Business Case and Solution Metrics	*Risk Analysis*	*Delivery Strategy*	

Focus Area

There are two different examples of how a WBS could be structured for a project
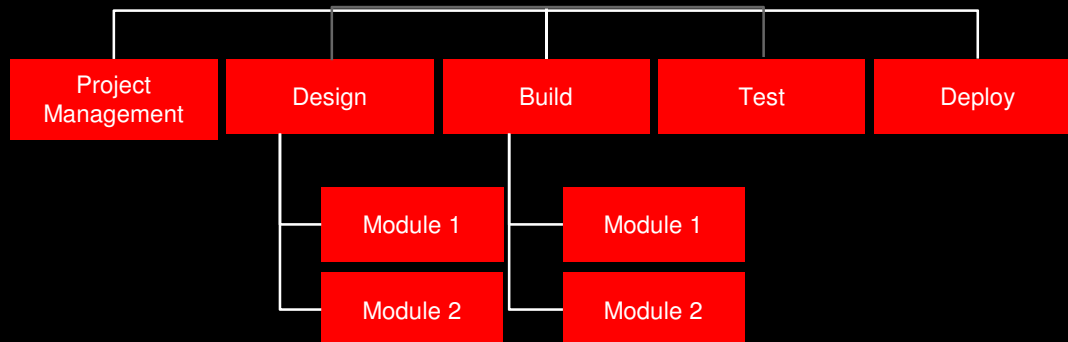
Task Structure – Define WBS
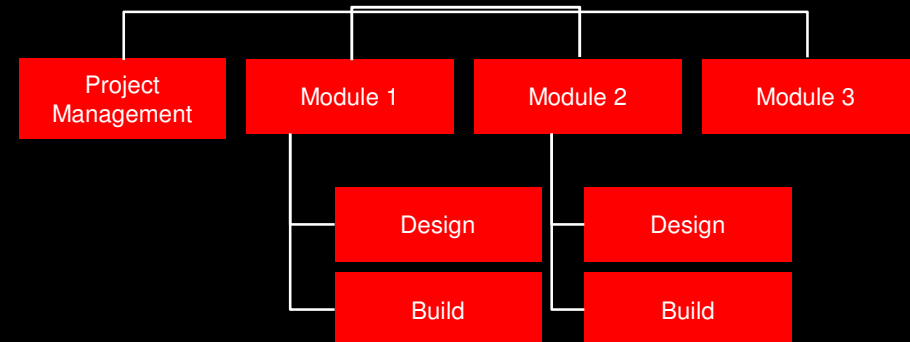
"

WBS (Work Breakdown Structure) ...

- is a **description** of the **project's scope** as defined by the program management.
- is used for **defining the scope of a project** in terms of its outcomes and deliverables.
- becomes the **structure of your work plan** within **MS Project**.
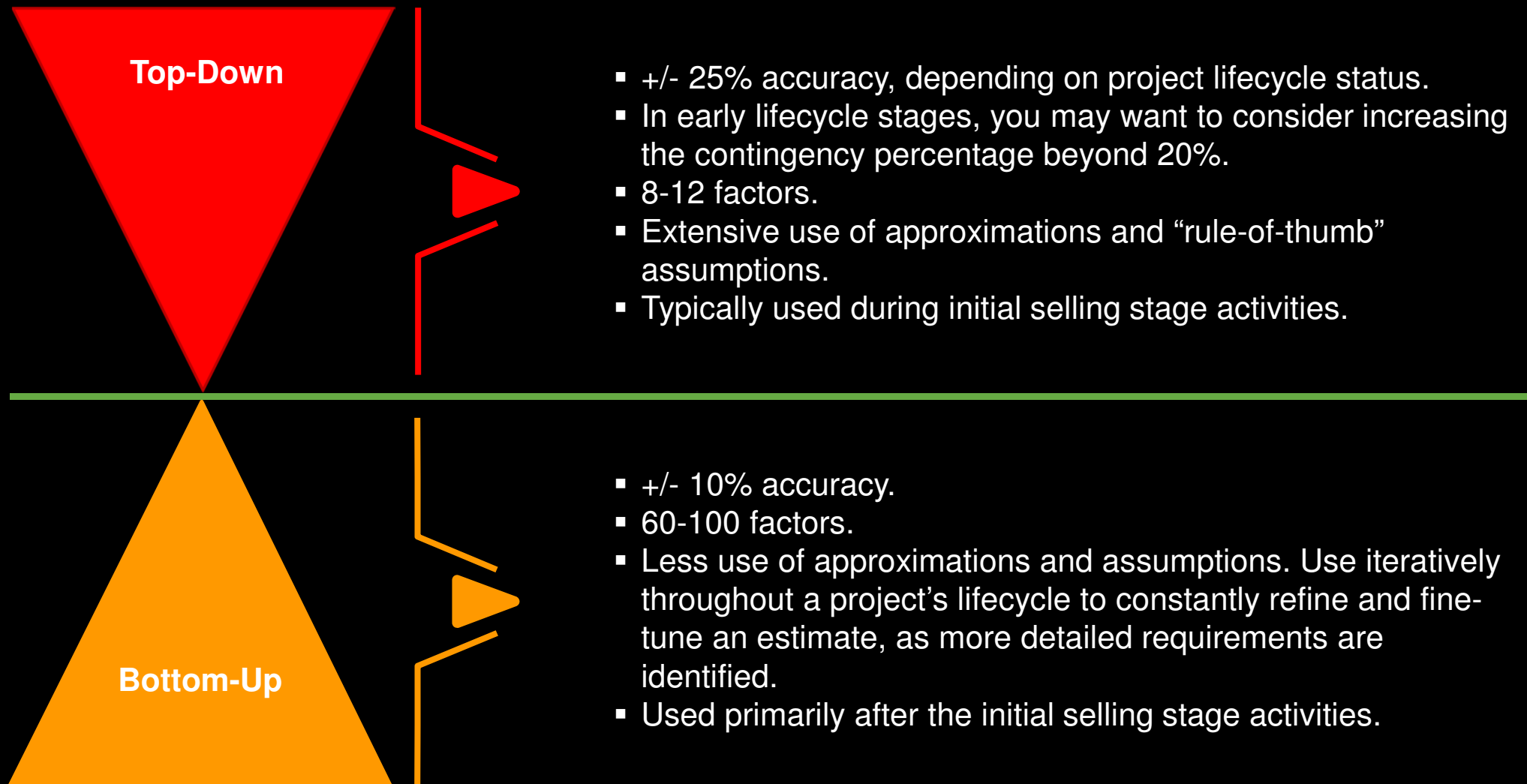
"

VS.

Facilitates Project Reporting by Phase

Project Management	Design	Build	Test	Deploy

Design:
- Module 1
- Module 2

Build:
- Module 1
- Module 2

Facilitates Project Reporting by Module

Project Management	Module 1	Module 2	Module 3

Module 1:
- Design
- Build

Module 2:
- Design
- Build

A combination of top-down and bottom-up estimating models are used to approximate the amount of work

Top-Down and Bottom-Up Estimating

Top-Down

- +/- 25% accuracy, depending on project lifecycle status.
- In early lifecycle stages, you may want to consider increasing the contingency percentage beyond 20%.
- 8-12 factors.
- Extensive use of approximations and "rule-of-thumb" assumptions.
- Typically used during initial selling stage activities.

Bottom-Up

- +/- 10% accuracy.
- 60-100 factors.
- Less use of approximations and assumptions. Use iteratively throughout a project's lifecycle to constantly refine and fine-tune an estimate, as more detailed requirements are identified.
- Used primarily after the initial selling stage activities.

ADM Estimators provide Input for Workplan and Cost / Pricing Models

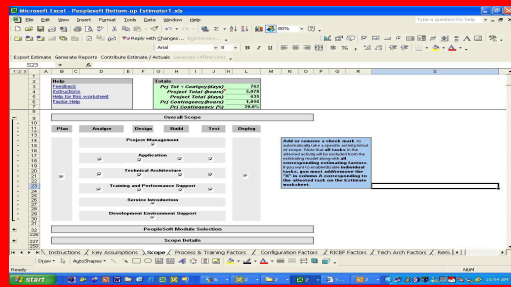## ADM Estimators – Benefits

**Tasks, Activity &
Role Navigation**
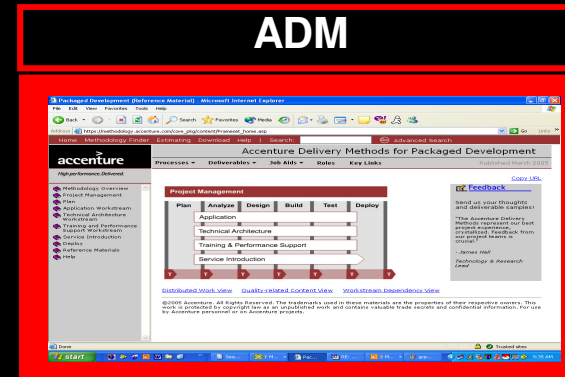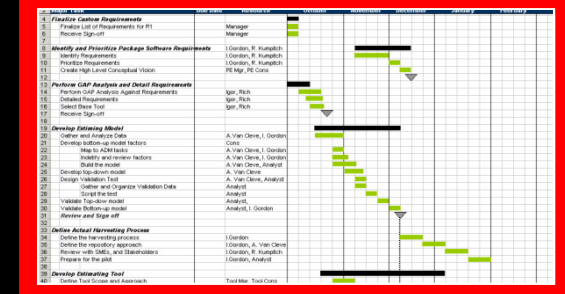
ADM

**ADM Estimator
Top Down / Bottom Up**

Tasks & Hours

Microsoft Project

**Levels, Bill Codes,
Duration**

GPS

Real Life

ADM Estimators are tightly Integrated with Accenture Delivery Methods

ADM Project Management – Plan Example
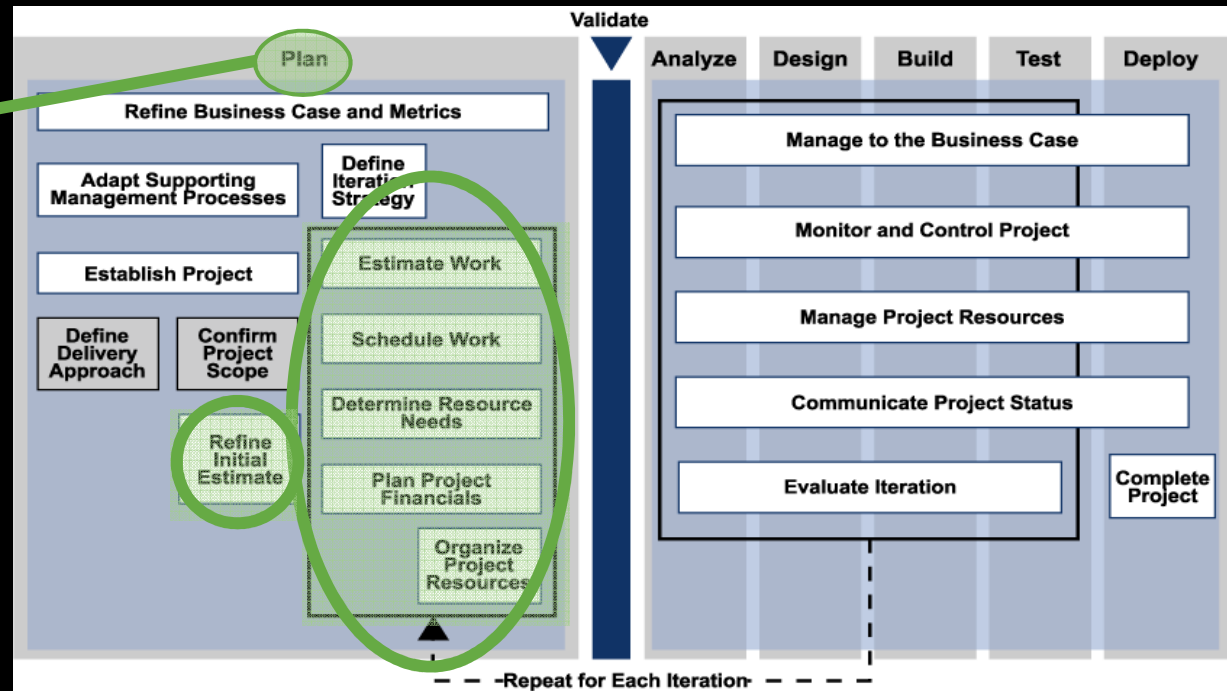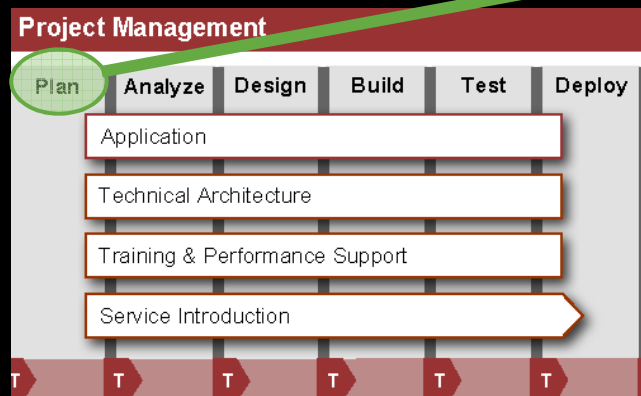
ADM Estimators support project managers at different stages of a project by helping:

- Define scope of work and factors
- Document detailed assumptions
- Generate task-level estimates
- Complete budget, schedule and resource estimates

Inputs
- Project Scope Definition
- Iteration Strategy
- Strawman Estimate / Assumptions
- Project Road Map
- Sponsor Goals & Expectations

Outputs
- Detailed Project Assumptions
- Bottom-up Estimate
- Work Plan (via export to MS Project)

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- **Project Monitoring & Controlling**

Monitoring and controlling are necessary to initiate measures at the right time of the project lifecycle

Project Monitoring & Controlling

Definition: „...the monitoring a project's proceedings along an as-is vs. to-be comparison. In case of any occurring problems adequate corrective measures have to be initiated."

Project Monitoring

- The **Monitor process** involves the following activities and deliverables:

ACTVITIES	DELIVERABLES
Daily 'Touch-Points' with Team	N/A
Weekly Status Meetings	• Meeting Minutes • Status Report • Issue Log • Risk Register
Reviews and QA of deliverables	• Quality Assurance Report
Tracking against Project Work Schedule	• Milestone Report • Risk Register
Identifying Risks and Issues	• Risk Register • Issue Log

Project Controlling

- The **Control process** involves the following activities and deliverables:

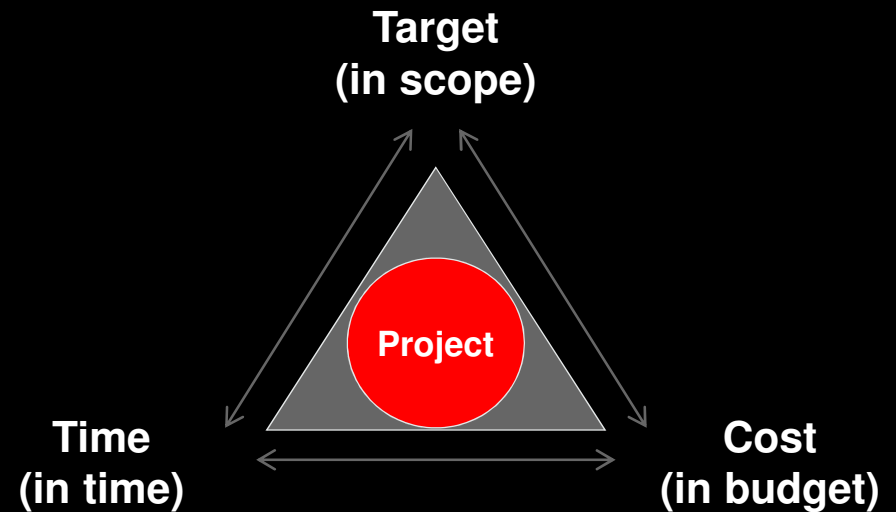| ACTVITIES	DELIVERABLES
Management of changes to project scope	• Change Request Form
Escalation of issues and risks that require intervention from roles higher in the project structure	The following is in **dashboard format**: • Status Report • Issue Log • Risk Register • Minutes from ad hoc Meetings

During the project lifecycle adaptions in the project triangle (SQERT) can be necessary

Three Dimensions of Project Controlling

3 Dimensions

1

Target Control

Management of Scope, e.g. definition of results per each project phase / approval

2

Time Control

Time Schedule, e.g. milestone trend analysis

3

Cost Control

Cash Outflow/ Inflow, e.g. Earned Value Analysis

" **PLANNING** and **MONITORING** "

are **iterative activities**

Target
(in scope)

Project

Time
(in time)

Cost
(in budget)

" **PLANNING**

has to be **adapted as precisely as** it was **created** "

In order to monitor a project's progress it is recommended to define and evaluate SMART goals

Target Control – SMART Goals

SPECIFIC

MEASURABLE

ACHIEVABLE

RELEVANT

TIME-BOUND

Accenture Additions:

Quality
What is the required quality?

Unambiguous
Are all addressees on the same page?

Prioritized
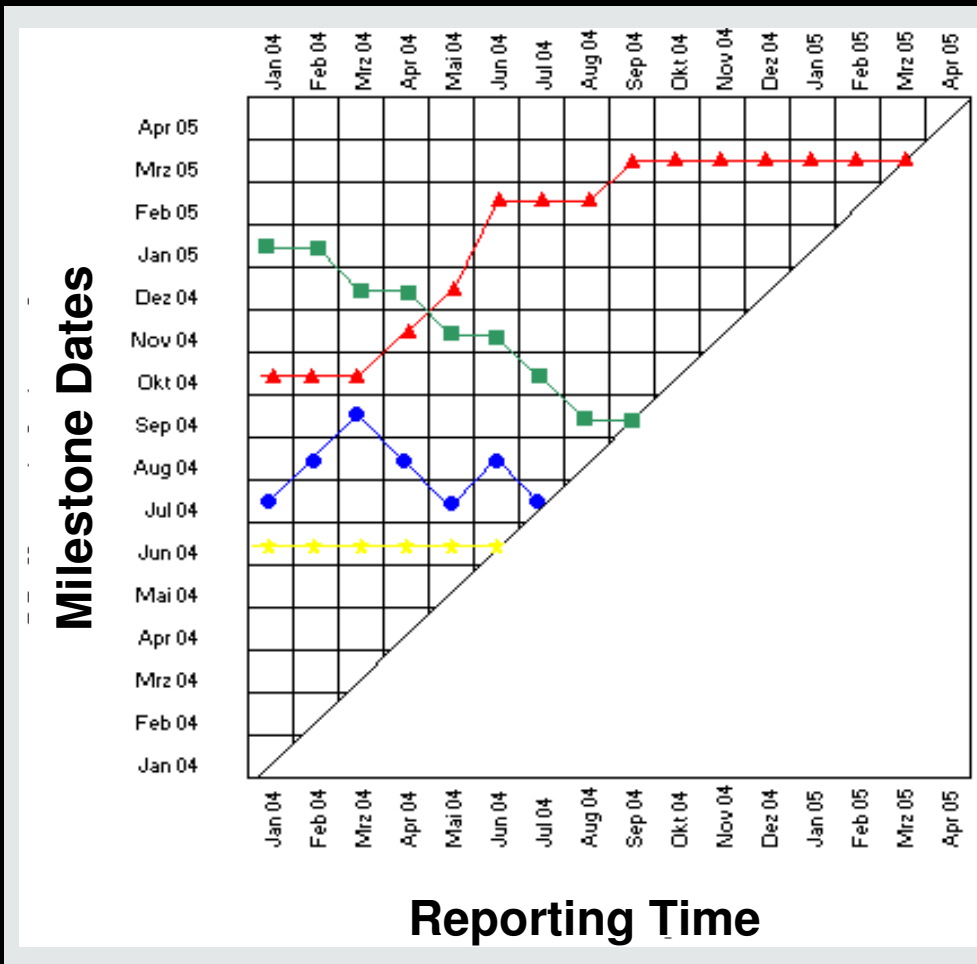Prioritization possible for planning / releases?

Traceable
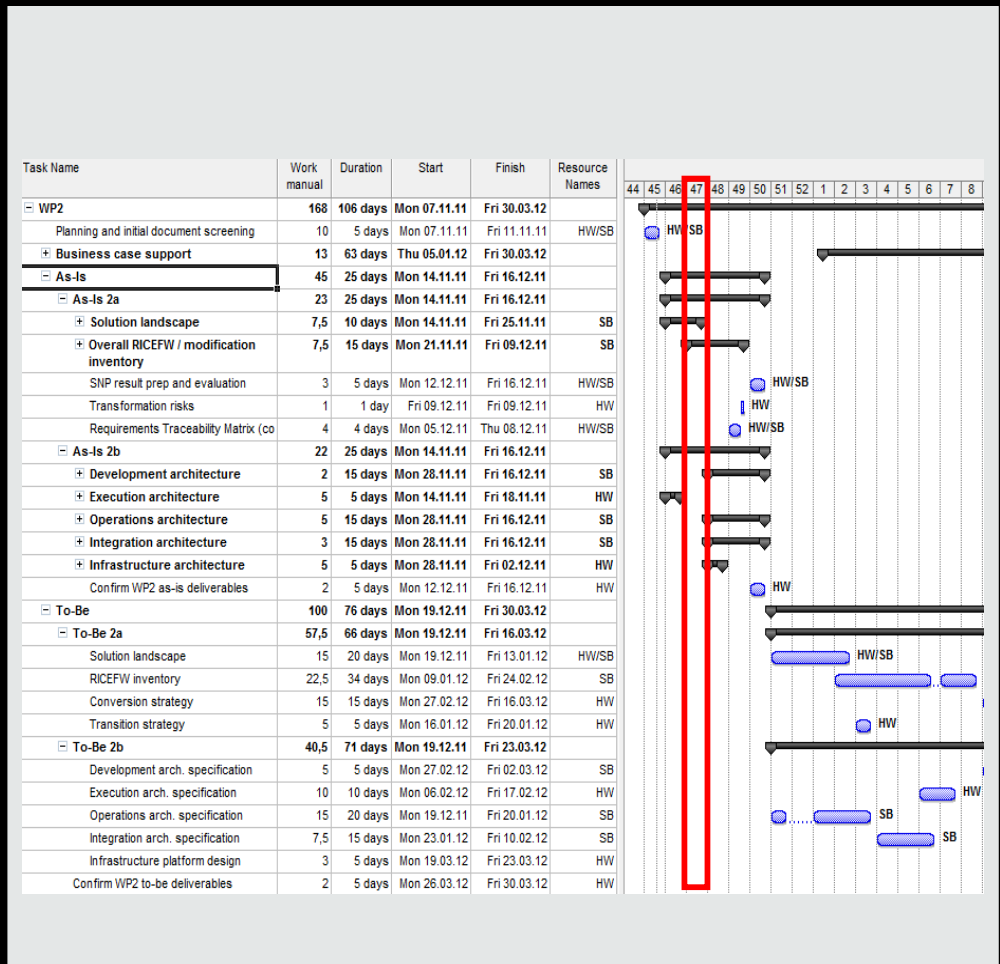Where does the objective/ request come from?

Examples: Milestone Trend Analysis / Gantt-Chart

Time Control

Example 1:
Milestone Trend Analysis

Example 2:
Progress Control via Gantt-Chart

There are three types of earned value metrics: base, summary, and forecast metrics

Cost Control

Basics

- Industry standard to measure the project progress:
  - Forecasting of the date of completion and final costs.
  - Shows time and budget deviations.
- Three different types of earned value metrics exist:

Base	→	Summary	→	Forecast

- Provides the basis to calculate all other metrics.
- Used in conjunction with summary and forecast metrics.

- Provide information to assess the current state of the project
- Based on the Earned Value (EV) base metric.

- Forecasts project status at completion.
- Derived from a combination of base and summary metrics.

Example

Measurement Workbook

Cost & Schedule Macro Results

There are different types of base metrics in place – the 0/100 formula is recommended for EV calculation

Base Metrics

Metric	Definition and Formula
Budget at Completion (BAC)	▪ Budget for the task, summary task, phase or other WBS component ▪ **BAC = Baseline budget expressed in days or hours, not dollars**
Actual Cost (AC)	▪ Actual cost of any work that has been performed ▪ **AC = Amount of effort already spent or "burned" expressed in terms of days or hours not dollars**
Earned Value (EV)	▪ Total amount of effort, in hours or days, for tasks that are 100% complete ▪ **EV = 0 if task is NOT complete, EV = BAC, if task is complete**
Planned Value (PV)	▪ Budgeted amount of effort, measured in hours for tasks scheduled to be 100% complete ▪ **PV = BAC if task is due prior to status date** **PV = 0 if task is due after status date**

Earned Value Calculation Methods:

Accenture Recommendation

▪ **0/100 formula**

   – Tasks must be 100% complete, then earned value equals Budget at Completion (BAC)

▪ Other methods for calculating Earned Value include:

   – 50/50 formula

   – Ratio to earned standards

   – Milestones

   – Percent complete

   – Milestones / Percent complete

There are different types of summary metrics – therefore variances and indices are calculated

Summary Metrics

Metric	Definition and Formula
Cost Variance (CV)	▪ The difference between the actual costs and the budgeted (baseline) costs ▪ **CV = Earned Value – Actual Cost (EV-AC)**
Schedule Variance (SV)	▪ Determines whether the project is on, ahead, or behind schedule ▪ **SV = Earned Value – Planned Value (EV-PV)**
Cost Performance Index (CPI)	▪ The ratio of budgeted cost to actual cost used to predict the magnitude of a possible cost overrun or under-run at a given point in time ▪ **CPI = Earned Value/Actual Cost (EV/AC)**
Schedule Performance Index (SPI)	▪ The ratio of budgeted cost to planned cost used to predict the magnitude of a possible cost overrun or under-run at a given point in time ▪ **SPI = Earned Value/Planned Value (EV/PV)**

Different types of forecasting metrics can be used for project performance and completion estimations

Forecast Metrics

Metric	Definition and Formula
To-Complete Performance Index (TCPI)	(BAC-EV)/(BAC-AC) **(Budget at Complete – Total Earned Value)/(Total Budget at Complete – Actual Cost)**
Statistical Estimate to Complete (STAT ETC)	(BAC – EV)/CPI **(Budget at Complete – Earned Value)/Cost Performance Index**
Statistical Estimate at Completion (STAT EAC)	AC + STAT ETC **Actual Cost + Statistical Estimate to Complete**
Statistical Variance at Completion (STAT VAC)	BAC – STAT EAC **Budget at Complete – Statistical Estimate at Completion**

There are various further tools and methods that can be used for the monitoring and controlling of a project

Further Project Monitoring & Controlling Dimensions

FINANCIALS	▪ Supplier / Consultantancy Margin Targets ▪ Control of Contingency ▪ Control of Travel Expenses ▪ Business Case Monitoring
RISKS	▪ Qualitative Risk Assessment ▪ Quantitative Risk Assessment ▪ Includes Opportunities and Threats
COMMUNICATION	▪ Communication Plan ▪ Stakeholder Management (Key Stakeholder Matrix) ▪ Change Management Instruments (Workshop) ▪ Target Group Refinement
QUALITY	▪ Quality Assurance (Interviews, Surveys,…) ▪ Quality Management and Configuration ▪ Management as a Planning Function ▪ Test Statistics
HR	▪ Employee / Project Survey ▪ Control of Overtime ▪ Individual Development / Motivation and Performance Evaluation
SOURCING	▪ Monitoring of Supplier Contracts ▪ Cost Control ▪ Regular Check of Conditions ▪ Spend Management

Special tools are used for the calculation of cost and revenues

Financials Monitoring & Controlling – Examples

Additional examples exist for the monitoring and controlling of risks

Risk Monitoring & Controlling – Example

Risk Register

🟥 = High Risk after Mitigation
🟨 = Medium Risk after Mitigation
🟩 = Low Risk after Mitigation

Nr.	Risk	Risk name	Project	Date	Source	Damage entry	before				Mitigation strategy, Remarks
	Risk Description	Short name of risk	Project name	Evaluation Date		Damage will occur approximately on date (mmm. yy)	Probability 1: 25% 2:50% 3:75% 4:100%	Consequence 1: < 10 T€ 2: 10 - 50 T€ 3: 50 - 100 T€ 4: 100 - 300 T€ 5: > 300 T€	Risk Classification value RCV1	Dependency to stream	
1	asdf	Parallelise IT concept (R2) and template (R1)	IT	19.11.08	rad	Mrz. 09	3	3	**9**		Detailed resource planning of both project phases
2	asdf	Less ressources for run SAP in futur	IT	19.11.08	rad	Jun. 10	2	5	**10**		Wait of detailed IT architecture information
3	asdf	Scope of divisional planning	BM	14.08.08	Unknown business requirements	Sep. 08	2	3	**6**		Scope has to be roughly defined in early stage of concept phase. Implementation is included in 2009.

When planning and controlling resources if is important to keep some facts in mind

Resource Monitoring – Recommendations

Loading Resources	Monitoring Resources	Levelling Resources
▪ Assign & monitor experienced resources to critical path tasks to mitigate the risk of schedule slippage. ▪ If resource availability permits, assign the same resource to work on inter-related tasks in the work plan. ▪ Take advantage of the context the resource has specific to the work and increase efficiency. ▪ Avoid assigning multiple resources to a task.	▪ Examples of over-utilization – during planning: – Fulltime assignment on >1 task during the same time. – Assignment to a summary task and 1+ of the subtasks. ▪ Examples of over-utilization – after project start: – Increased duration of tasks. – Increased assignment units for resources. – Decreased unit availability for resources.	▪ Do not plan for an absolute 100% utilization of all resources. ▪ At Accenture it is important for resources to have time for non-project activities important to our organization and to the morale of the resources (such as PTO, training, community meetings, etc.). ▪ Consider the morale of individuals.
Select and monitor the resource with the right experience and skills for the task.	**A flexible project structure is required as from time to time there are likely to be resources that are over or under-utilized.**	**Maximize resource utilization without exceeding their availability.**

Keeping a few rules in mind can help you to manage your daily project work in a successful manner

11 Golden Rules in Practice

#1 – Only completion is final.

#2 – Climb the wall. Problems are your business.

#3 – Escalate problems quickly.

#4 – Give managers a chance to manage.

#5 – Problems need owners.

#6 – Ask the right questions.

#7 – Issues and risks are different.

#8 – Always have a work plan.

#9 – Know your status – KPIs (CV, SV, CPI, SPI).

#10 – Stay clear on scope.

#11 – Write it down.

Sascha Kolbuch

accenture
High performance. Delivered.

Accenture GmbH
Anni-Albers-Straße 11
80807 München
Mobil: +49175 57 68260
E-Mail: sascha.kolbuch@accenture.com

Backup

In order to monitor a project's progress it is recommended to define and evaluate SMART goals.

Target Control – SMART Goals

S M A R T

SPECIFIC →
- **S**ignificant
- **S**tretching
- **S**imple
- **S**ustainable

MEASURABLE →
- **M**otivational
- **M**anageable
- **M**eaningful

ACHIEVABLE →
- **A**ttainable
- **A**ppropriate
- **A**greed
- **A**ssignable

RELEVANT →
- **R**esults-oriented,
- **R**ealistic
- **R**easonable
- **R**esourced

TIME-BOUND →
- **T**ime-oriented
- **T**imed
- **T**rackable
- **T**angible

Accenture Additions:

Quality
What is the required quality?

Unambiguous
Are all addresses on the same page?

Prioritized
Prioritization possible for planning / releases?

Traceable
Where does the objective/ request come from?