RADAR

SYSTEM-BASED PROJECT STATUS REPORTING

3 Keys to Success

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Executive Summary

Project status reporting is an essential element of supporting regular communication and ongoing collaboration inside teams, across departments and functions, with external stakeholders.

A myriad of tools in varying degrees of sophistication now widely available on the market can greatly facilitate these processes. Nonetheless, choosing the most appropriate system that will successfully serve the paramount purpose of keeping key people in the organization informed and in control can still turn out to be a challenge.

To assist project management professionals in this task, current white paper proposes three principles that a status reporting software should comply with: first, it must be accepted by users; second, it must enable efficient reporting; and lastly, it must provide such level of clarity with regards to understanding a particular project situation so as to allow key decision makers regain a sense of control over their area of responsibility

These principles are meant to be used as evaluation criteria in the assessment of various reporting systems and as general guidelines in the design and implementation of system-based project status reporting if it is to aid decision-making and improve management effectiveness.

Introduction

In project management, and particularly in multi-project management, the ability to stay on top of individual project updates without losing sight of the big picture and various interrelations is crucial. And yet, this often constitutes a serious challenge.

A modern project status reporting system designed specifically for such purpose can greatly facilitate this task by allowing all interested stakeholders the ability to track progress and performance of projects in their area of responsibility in a convenient manner.

In a sense, the goal of such software solution is to become a de facto control center for all project-related activities within an organization, thereby contributing to *timeliness*, *reliability*, *completeness*, *consistency*, and *continuity* of all project data and acting as a single source of truth that can be queried whenever the need for trustworthy information arises.

However, for this goal to be viable the reporting system itself must meet a set of requirements. Many and various, they can be translated into the following three principles:

- **Clarity** *as an end*

- **Efficiency** *as a means*

- **Acceptance** *as a starting point*

The notions of clarity, efficiency and acceptance are multifaceted, and each is comprised of a number of aspects. Even so, they serve as a useful backdrop against which to examine the features and characteristics of a reporting system. The following sections introduce these principles in more detail.

Acceptance → **Efficiency** → **Clarity**

Figure 1. Core principles of effective system-based status reporting.

Principle 1:
Acceptance

Principle 1: Acceptance

"Knowing is not enough; we must apply. Willing is not enough; we must do."

— Johann Wolfgang von Goethe

Even the best methods and tools cannot be of any help if they are not being used. But unfortunately, it is precisely the lack of acceptance of specialized software solutions what often constitutes a major stumbling block towards establishing effective status reporting practices. The reasons for this are manifold; and normally, people on either side of the reporting process each have their own.

For instance, some project managers or team members may find that the data collection and processing as well as filling out reports is complicated and time-consuming, and they might end up being reluctant to use the system that was allegedly provided to them as a supporting tool.

Other reporters may express general resistance towards status reporting itself – usually due to the lack of sufficient understanding of the necessity of implementing formal reporting processes, or because they have only a vague idea of the purpose of their own task. In both cases, however, status reporting is seen as something that is only distracting from what is considered to be actual work.

Furthermore, it is not uncommon for people to oppose any efforts aimed at instilling higher levels of transparency in the organization, be that on account of having everything under control or because they simply prefer to attract as little attention to their work as possible.

All in all, the causes of such behavior can be attributed to what Fred D. Davis proposes as fundamental determinants of user acceptance of information technology – *perceived usefulness* and p*erceived ease of use* (1989, p. 323).

Perceived usefulness is "the degree to which a person believes that using a particular system would enhance his or her job performance" (1989, p. 320). The stronger is the person's belief in the system's ability to provide true performance gains, which could potentially result in a certain job-related reward, the more likely is he or she to use it. Perceived ease of use, on the other hand, refers to "the degree to which a person believes that using a particular system would be free of effort" (Davis, 1989, p. 320). In other words, the easier to use an application is perceived to be, the higher the probability that it will be accepted by users.

Although both these constructs are essentially subjective appraisals of performance and effort, they cannot be ignored by those attempting to design or implement a successful reporting system. Of course, a company may use all kinds of employee motivation techniques to encourage cooperation and better reporting discipline, but efforts at ensuring that

a chosen system itself meets key acceptance criteria should be made nonetheless.

It is imperative that the value added by using the system is clear, transparent, and unambiguous to all users. By identifying and drawing attention to specific problems in the already established processes a reporting system should eliminate and actively communicating these benefits to teams directly through training and workshops it is possible to tackle any doubt and hesitation that users tend to have at the start. Acceptance of an information system will be even greater if reporters are also familiar with the rationale behind their tasks, understand what purpose certain data eventually serves, and share common vision of the role that regular and consistent reporting plays for the organization.

Davis argues in his study that usefulness is more strongly linked to usage than ease of use because "no amount or ease of use can compensate for a system that does not perform a useful function" and that "users are often driven to adopt an application primarily because of the functions it performs for them, and secondarily for how easy or hard it is to get the system to perform those functions" (1989, p. 333–334). And yet, it is hard to dismiss that actual performance gains a system has to offer, such as increased productivity or faster and better task accomplishment, can be obstructed by system's complexity. A simple observation of computer usage at work and in private life reveals that complicated tools rarely capture users' attention.

Complexity, defined by Rogers and Shoemaker as "the degree to which an innovation is perceived as relatively difficult to understand and use" (1971, p. 154), is intimidating and not only deters users from learning and using a new application but also often impedes organizational communication, which sooner or later can lead to adverse effects.

Unluckily, this is a typical case of the many well-known ERP systems. Bad usability, excessive, overly complex and thus often baffling functionality, coupled with insufficient communication on the actual benefits of using a given system, prevent users from taking the full advantage of their extensive capabilities and thus also limit the potential to derive any real value from them.

In the context of a project-oriented organization which relies on a software solution designed to facilitate reporting, a user's unwillingness to accept an application puts key people at risk of being inadequately or untimely informed about important developments. And when the management's ability to make sound decisions is impaired, the project outcome can hardly be predicted. Consequently, the system must be built in such a way as to make it no more complex than is necessary to meet the organization's reporting needs.

A simple tool that is easy to understand and use and which does not increase the workload – mental or physical – of those involved in reporting at all levels has a far greater chance of being adopted fast and becoming valuable.

To achieve this, both functional and interface characteristics of an application should cause as little friction as possible, allowing to complete desired tasks painlessly. Ideally, a system must give users absolutely no reason that might justify, for example, unwillingness to enter data. Repetitive reporting cycles, recurring and one-off reminders, clear expectations and consistent requirements with respect to deadlines, form and content as well as actual simplification of the reporting duty, e.g. making it easy to generate and submit reports, are all contributing to better user acceptance.

Change is hard as it is; and developing a new habit can take time. Accepting new reporting processes as part of one's workflow is no exception. However, if people affected by this change are offered some sort of assistance and, if possible, reward, results are likely to be worth the effort.

Ultimately, a system that is accepted both consciously and intuitively will, in turn, improve the affective perception of status reporting per se, helping to establish it not as an annoying chore but as an integral element of project management.

Principle 2:
Efficiency

Principle 2: Efficiency

"There is surely nothing quite so useless as doing with great efficiency what should not be done at all."

— Peter Drucker

On the most basic level, efficiency of software means that it is designed in a way that allows users to achieve the highest amount of output using the least amount of effort. In the case of reporting systems, the most useful are those that offer its users, above all, speed, flexibility, and accessibility.

As anyone who has ever been assigned reporting duties knows well, obtaining complete and accurate data on a regular basis is not an easy task. Likewise, processing the gathered data and further transforming it into useful information in the absence of a unified reporting system can and often does take a lot of time and effort, and despite this is still prone to error.

In the past, these essentially administrative efforts have prevailed in responsibilities of a reporting function, taking up to 80% of their time. But with today's technology, this should not, and cannot, be the case.

A new generation of business applications allows for a large portion of this tedious work, particularly in what concerns data collection, processing, input, and visualization, to be successfully standardized and automated. Everything from preformatted and thus already approved templates to scheduled report generation and delivery effectively help optimize and speed up the exchange of information between different levels and interest groups, significantly increasing the likelihood that the right information will reach the right people at the right moment of time.

Moreover, by outsourcing these activities to a reporting system and liberating those involved in reporting from the burden of mundane and often repetitive tasks, the workload can be redistributed in way that will eventually increase the productivity and make project management more cost-effective.

As a matter of fact, by successfully digitizing processes that pertain to data gathering and report creation, and which have thus far required manual labor, it is possible to shift such a significant share of reporting responsibilities to a software solution that people will be able to spend 80% of their time on what brings most value to the company.

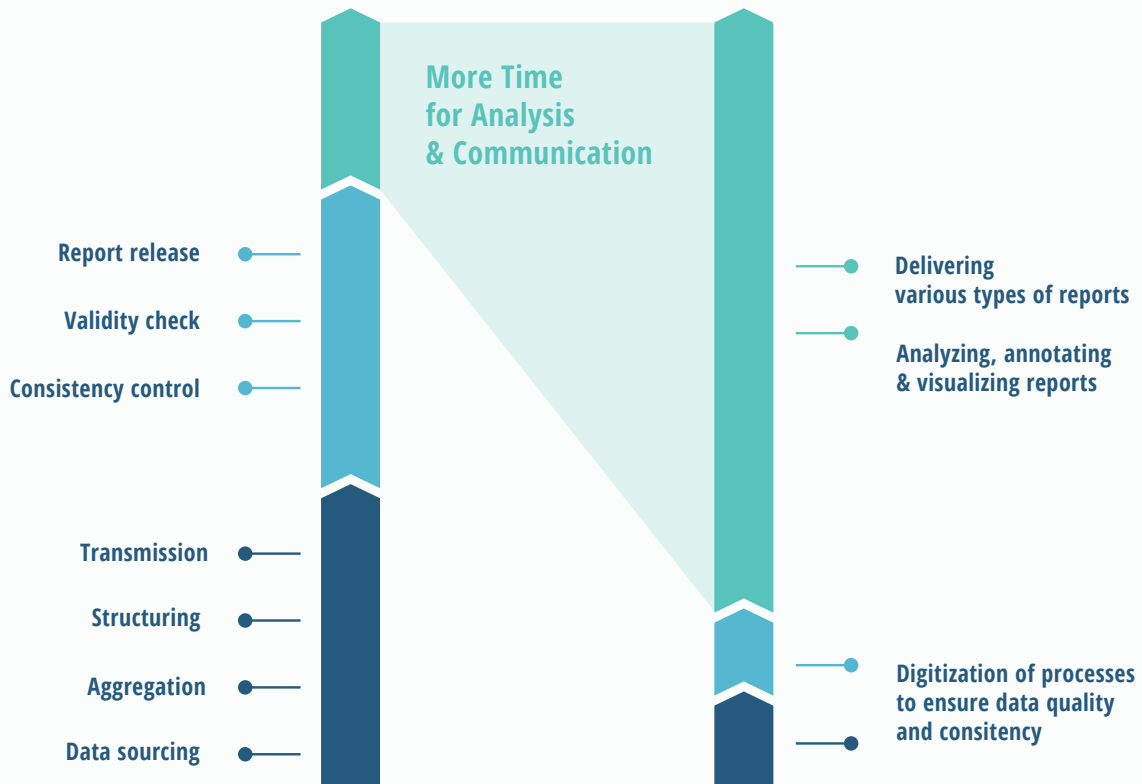Proper analysis and interpretation of information,

**More Time
for Analysis
& Communication**

Report release

Validity check

Consistency control

Transmission

Structuring

Aggregation

Data sourcing

Delivering
various types of reports

Analyzing, annotating
& visualizing reports

Digitization of processes
to ensure data quality
and consitency

Figure 2. Workload redistribution as a result of standardized and automated reporting processes.

identification and handling of deviations, risk assessment, strategizing and other efforts required to solve various business needs still depend on human expertise, competence, experience and knowledge of a specific project situation. Accordingly, with people having more time at their disposal to devote to tasks that require their unique human skills, an organization can only benefit.

With all this in mind, however, automation and standardization should be approached with caution to ensure that they are being implemented only to the extent that is beneficial. The temptation to standardize and structure processes and deliverables as far as possible may indeed be great because, after all, it could enable company-wide controlling. But on the other hand, a system that essentially employs a one-size-fits-all approach, while certainly easier to build and maintain, is unlikely to be very effective in catering to the demands of different stakeholders and

supporting personalized management reporting.

Since information needs and expectations of report recipients can be and usually are diverse and because fulfilling these individual requirements in scope and in quality must at all times remain a priority of project status reporting, the system is bound to be flexible enough to be able to adapt to an unlimited number of reporting scenarios.

Nowadays information quickly becomes stale. What was deemed useful yesterday may easily be totally obsolete today, while something that was irrelevant a week ago might suddenly turn into a vital necessity. Especially in a highly dynamic business landscape where volatile conditions can jeopardize the project at any stage, information needs tend to fluctuate by the hour.

Reporting that is static and fails to keep up with this new reality will inevitably be of little value, because

often it is the timeliness of decisions and not the decisions themselves that makes a difference between success and failure. This imposes yet another requirement on a project status reporting system, that of constant accessibility.

It is becoming ever more common for stakeholders to be involved in projects from across the other end of the world. Many already have come to perceive this as the norm and expect to be able to receive status updates in real time.

What follows from this is that a state-of-the-art reporting solution should not only shorten the interval between the moment when the need for certain information arises and the response to it, but it should ensure that the required information is easily available to the interested parties, regardless of their location or the device they have chosen to use to monitor their project's performance.

As the demand for information and the density of available data both increase, the need for efficiency grows all the more important. In fact, project status reporting cannot be effective without first becoming efficient. Poorly organized information flows not only slow down progress but, even more crucially, they conceal the true state of things.

A software solution that removes complexities associated with project status reporting and streamlines existing processes in every respect contributes to better awareness and thus not only enables the organization to reach its goals but allows doing so much faster.

Principle 3:

Clarity

Principle 3: Clarity

"In strategy it is important to see distant things as if they were close and to take a distanced view of close things."

— Miyamoto Musashi, The Water Book

One of the main purposes of status reporting in project-oriented organization is to ensure that the people responsible for important business and strategic decisions throughout the phases of the project life cycle can properly fulfil their duties.

To make this possible, key decision makers must be fully aware of what is happening with any given project at any moment of time as well as have complete understanding of any potential implications that certain developments might have for other projects or the company's objectives.

What specific information is most relevant and important to the decision or scenario at hand depends on conditions that are unique for each case and hence can vary significantly. But when it comes to defining universal requirements for a software solution designed to support reporting processes, systematically facilitating such awareness and understanding, or *clarity*, should be established as the overarching goal.

It is important to distinguish between clarity and transparency. Clarity is by no means achieved by simply providing transparency – something that is often pursued but rarely thought through. Although increased transparency with regards to internal project management mechanisms and performance can help enforce better accountability and boost motivation, it should never be an end in itself.

Transparency is only a premise to clarity, whereas clarity can be achieved only if the features of a reporting system afford a combination of visibility and context.

To enable the first of the two elements – visibility – a reporting solution is required to provide both a bird's-eye view of the entire project landscape and the ability to drill down to any level of detail whenever such necessity occurs. Functionality of this kind would ensure that the system is able to provide answers not only to questions that have been determined in advance but also to those that tend to arise as the situation unfolds.

As the importance of projects as organizational instruments and their entanglement with corporate structures both grow, so does the need for

simultaneous monitoring of a mounting number of action fields and their interplay. Moreover, taking into account that projects are often carried out in increasingly difficult conditions where internal and external factors change constantly, a better understanding of existing interdependencies similarly becomes a necessity.

A reporting system must help identify and make visible these various project connections, dependencies and potential impacts in the project environment, and thus enable faster and more accurate risk and opportunity assessment.

In what concerns context, the second prerequisite for clarity, it is important because it allows to unearth patterns, trends, and correlations which may have been not been apparent before and thus enables more realistic forecasting and goal setting. Proper contextualization is possible if all processes and previous events are thoroughly documented and saved for future reference and reuse. A reporting system must therefore be able to hold and present historical data in such quantities and format as to help

people make better decisions in real time. One way to facilitate this is by standardizing the phases of a project life cycle, since it is the standardization that primarily aids consistency and allows comparability of data over periods of time.

Experience shows that rarely does management suffer from insufficiency of information. Rather, it is the incomprehensible "data graveyards" that get blamed for the lack of adequate visibility and a sense of control over projects. Even though their creation may have taken an unwarranted amount of time and effort, the end result is often of limited application potential.

Intelligent analysis and interpretation of available, frequently abundant, data is only possible if it has been purposefully selected, appropriately processed and then presented in an easily comprehensible format. An advanced reporting solution is therefore expected to provide such cleansing, filtering, sorting and visualization capabilities, which would help aggregate data collected from multiple different sources and turn it into meaningful insights.
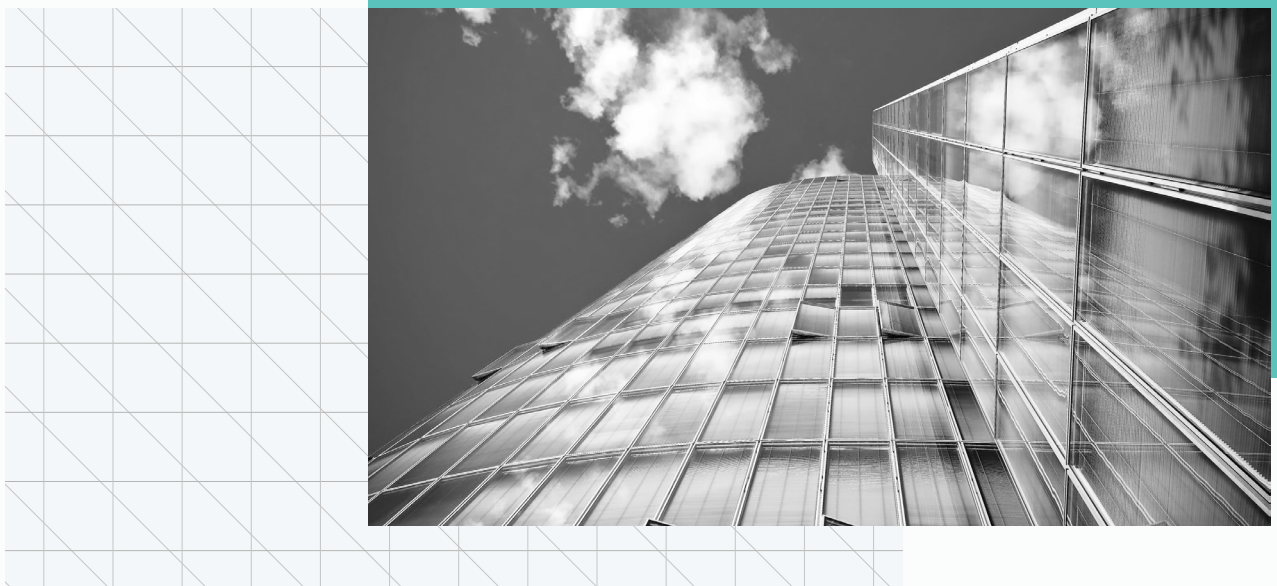
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ABOUT RADAR

RADAR is a project tracking and status reporting solution that provides complete visibility into company's project portfolio and a one touch access to a detailed project overview. RADAR streamlines reporting processes, fosters collaboration, saves administrative effort, and ultimately allows for informed decision-making at all levels.

ABOUT GET IT

GET Information Technology is an international management consulting and software engineering company. GET IT supplies clients across industries with solutions designed to support project, resource and portfolio management, post-merger integration programs, operational efficiency and cost reduction initiatives, as well as the implementation of major engineering projects.

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