Performance Measurement Techniques

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**Introduction**

A comprehensive assessment of the project during different phases is a necessary condition to ensure the successful development and execution of the project. The overall performance of the project is mainly associated with the domains of project scope, schedule, or deliverables. The criteria of performance valuation of the project require the adoption of specific and well-aligned performance measurement techniques — the broad concept of performance defined as objective assessment of performance against the benchmark. Implementation of suitable performance measurement techniques is necessary to condition considering the aim of measuring the performance of the project. This paper focuses on critically analyzing which performance measurement techniques can be used to identify or control changes to the project scope, schedule, or deliverables.

**Discussion**

Scope, schedule, and deliverables recognized as three major stages to guarantees successful development and application of the project. Assessment of the project at various phases is a mandatory condition to detect any problematic feature and propose suitable solutions timely. Further, this perspective is characterized as the assistive factor for the decision-makers in the future. The success of the project can only be apprehended by selecting a suitable performance assessment system. It is noteworthy to mention that the evaluation system requires the active involvement of suitable performance measurement techniques (Vanhoucke, 2009). The development of appropriate performance measurement metrics is the first stage to successfully identify factors of change or control in the scenario of project scope, schedules, and deliverables. The specific performance measurement techniques under this broad domain of project management can be examined in different forms.

**Evaluation of Direct Impact**

Assessment of the overall performance of the project is a necessary condition to make better inferences about the aspects of change in the scenario of project scope, schedule, or deliverables. Exploration of the size of influence is characterized as a business performance measure to evaluate the element of change for the phase of deliverables. The performance measurement of the direct impact made it possible to examine the entire form of the project's success. This performance measurement determines in the form of size of difference that exists in level of performance before and after the project's entire period.

**Return on Investment (ROI)**

Return on Investment (ROI) is categorized as one mandatory performance measurement technique to examine the suitability of the project. This idea of measurement is useful to identify control changes significantly for the phase of the project scope. It is helpful to examine the overall feasibility of the project. The assessment of the cost for the project is an integral condition of measurement of project performance. The criteria of ROI entirely focus on assessing financial benefits for the amount that is invested in a project. The financial balance is a basic condition under the domain of ROI concerning elements of cost and profit from the project. The focal point of this form of assessment measurement technique is to evaluate financial benefit from the specific form of the project divided by the spectrum of cost (Kerzner, 2011). The successful application of this assessment metric primarily associated with the contributing aspects of profit, cost savings, and the need for change during any phase of the project.

**Data Analysis**

Data analysis is a mandatory form of performance measurement for the stage of the project scope. It is vital for project planners to regularly adopt the option of data analysis by keenly examining various monetary and non-monetary factors. The need for change during the phase of project scope can only be assessed by opting for the prospect of data analysis. The objective of right fit for project scope is determined by evaluating various forms of financial position of project.

**Schedule Performance Index (SPI)**

           The performance measure of SPI is defined as one essential condition to determine the overall feasibility of the project’s schedule. It is an approach of measurement that identifies how close the project is being accomplished considering the standard of schedule. The calculated ratio of SPI attained by dividing the budgeted cost of completed work with the planned value. The financial measurement as SPI provides a clear indication to identify the need for change or control mainly during the stage of the project schedule. Evaluation of financial feasibility of the project is a mandatory requirement to develop a standard of change according to the needs of project.

**Cost variance**

Cost variance is defined as another criterion of performance measurement to successfully identify the elements of change or control under the spectrum of project deliverables. This metric is used to examine the existing difference between the factors of the planned budget and the real cost of the project (Schwalbe, 2008). This form of assessment is vital to make better inferences about the success of the entire project. The standard of cost variance is defined as cost variance (CV) = Budgeted Cost of project Operations – Actual Cost of Project Work.

**Schedule Variance**

The objectives of identification or control of changes to the project schedule can be successfully achieved through the active consideration of budgeted and scheduled project work. This form of assessment significantly indicates the current positioning of the project, whether it accomplishes the project work according to projection, or there is a need for offering any new practical measure.

**Conclusion**

To conclude the discussion on the consideration of different performance measurement techniques, it is vital to indicate that different phases of the project require an active form of evaluation. Assessment of project performance is an integral approach to identify the need for change and propose suitable practical strategies. Cost assessment is imperative to ensure the successful execution of the project.

**References**

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