

Ametova Zh.A.

Republic of Kazakhstan, Al-Farabi Kazakh National University

Assessment criteria of the company's project activity

Nowadays many companies transfer their firm business operations on a project basis. Project management implementation is connected with the need to trace the results of the done work more legibly, to pinpoint the emerged deviations by the due date and to bring in the corrective measures. According to estimates of the American Institute for Business Value IBM studying the business processes effectiveness, the project management system gives up to 20% of business value increment at the expense of more effective use of the resources.

Project management system is the management area covering those companies' activities in which the creation of a product, services or any business event execution is realized as a unique complex of the interdependent goal-oriented processes at the particular requirements to terms, budget and characteristics of the expected result. Originally the existence of these restrictions for the project managers was only the instrument of definition of the project framework and balance assessment of these competing resources, way of monitoring and project control. Over the course of time triple project restriction started to be called a triplet of the project success, i.e. a method of the project effectiveness definition and measurement. Graphically these restrictions such as time, cost, contents which compete among themselves can be presented in the form of an isosceles triangle sides which are in the direct dependence. I.e. if there is a change of one side of the triangle, for example, the increase in the amount of works, it will surely cause the increase in other sides, i.e. cost and project terms. This simple implement gives the chance to the managing director and his command to organize the work most efficiently throughout all the project life cycle.

However it should be noted that the triple restriction is necessary, but is not enough since there are many cases in practice when the projects which have been

executed in time, within the budget and according to specification requirements were not apprehended as successful by the main concerned parties. In this regard project managers need to expand the criteria list of the project effectiveness assessment taking into account the stakeholders' satisfaction level and business results' achievement. Inclusion of the indexes characterizing the project qualitative purposes, instead of the quantitative has to be the main addition.

In the companies, which besides economic efficiency, take on itself the load in the form of social and state obligations (natural monopolies, national companies), indexes of social effectiveness and others, more specific indexes, for example the accounting of political (Force-In/Force-Out Projects) a component, i.e. when the company is compelled to realize the project initiated by the top management regardless of their actual effectiveness, can participate. Thus, the effectiveness assessment is based on definition, criterion selection which can vary depending on the organization scope of activity, the projects characteristic and system structure.

At the present stage of development the project-oriented companies even more often use the system of the Balanced Scorecard (BSC) — the concept of transfer and decomposition of the strategic objectives for scheduling of the operating activities and their achievement monitoring. In fact BSC is a mechanism of interrelation of strategic plans and decisions with the daily tasks, the way to direct the whole company's (or group) activity on their achievement. At the business processes level the monitoring of strategic activity is exercised through the so-called Key Performance Indicator (KPI). KPI are the indicators of the achievement of an objective, and also the characteristics of business processes and work of each certain employee effectiveness.

The advantage of BSC is in that the organization which has introduced this system, receives as a result "the frame of references" of the actions according to the strategy at any levels of management and connects various functional areas, as, for example, human resource management, finance, informational technologies, etc.

However we suggest creating on the basis of the methodology of Balanced Scorecard (BSC) the model of the project success assessment considering opinion of

all the concerned parties (the model of complex estimates by the strategic criteria). The assessment has a complex character and is built with the use of BSC methodology on the basis of taking note of the project on the improvement Key Performance Indicators of the company, i.e. to count the complex assessment by the strategic criteria as the weighted mean value of improvement rate of Key Performance Indicator, on the basis of comparison of their actual values with the target or alarm values. Thus the target and alarm values, as well as weights of the indexes used in an assessment, have to be defined within the processes of strategic management by the company.

The results of this assessment type allow detecting of "narrow" places in the company activity, to define the efficiency factor and, the main thing, to reveal potential opportunities for increasing the effectiveness of the company's activity.

References

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