

# Developing Project Steering KPIs for Procurement Department

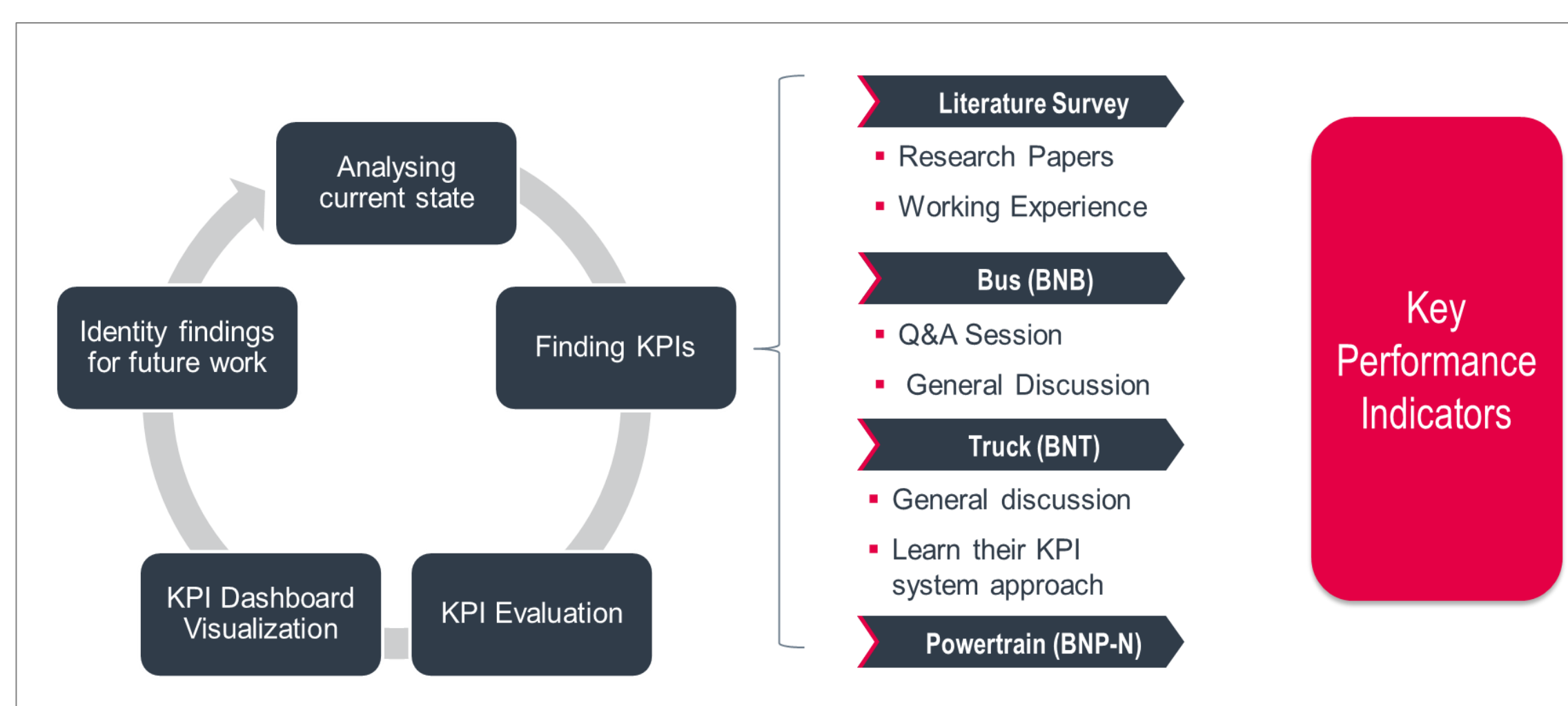
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**Introduction:** The master thesis work aims on developing key performance indicators and visualizing it through different charts and graphs on a dashboard to track project performance for Project Steering Procurement department at MAN Truck & Bus SE. For the department, the amount of information is increasing and the Project Steering team needs a detailed overview at different stages and milestones of a project to achieve the most useful outcomes. The team needs to define, along with the KPIs, how the metrics are implemented and communicated with the right decision-makers in order to get the departmental transparency. With a result that makes tasks easier to track, the Project Steering Team can gain significant advantage now and in future new ventures.

**Objectives:** The objective of the thesis is to propose a set of KPIs and visualize it with a performance dashboard. The goals of this thesis work are stated below:

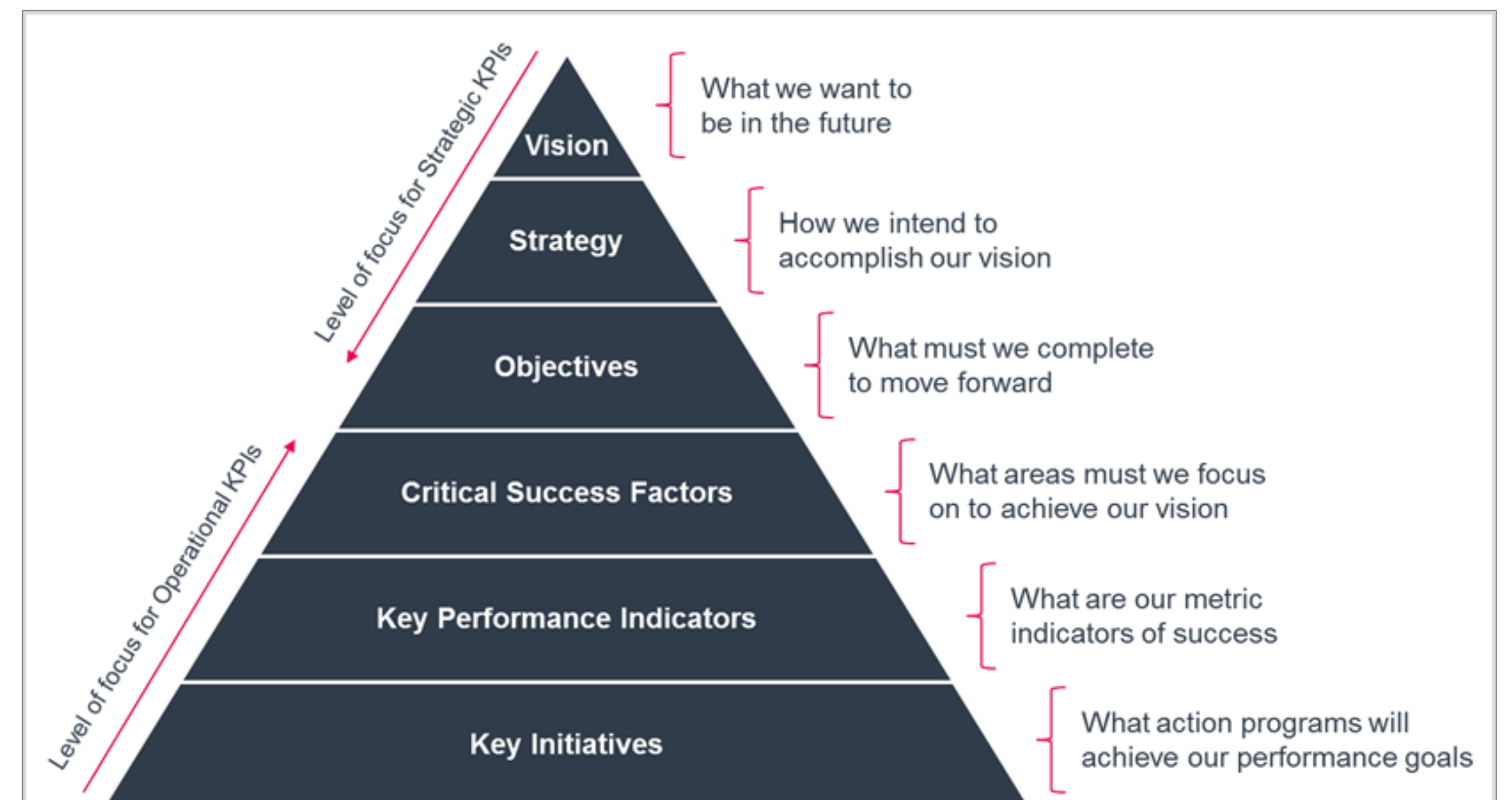
- Project goal measurement for achieving Procurement department goals and milestones with respect to the Project Steering team.
- Providing information and feedback to track procurement department's project performance, as well as reliable information for effective decision-making.
- Highlight project risks and set KPIs to improve performance.
- Motivating Employees: Receiving positive feedback for achieving KPIs can be rewarding and motivating for the employees.

**Methodology:** The method implemented to examine the research problem explains the use of specific procedures to identify, select, process and analyze the data collected to understanding the problem. The action research approach stated by Susman & Evered (1978) forms the primary framework of this thesis. Starting with diagnosing phase that considers the current state analysis, gathering requirements and identifying problems.



Methodology and Research Approach

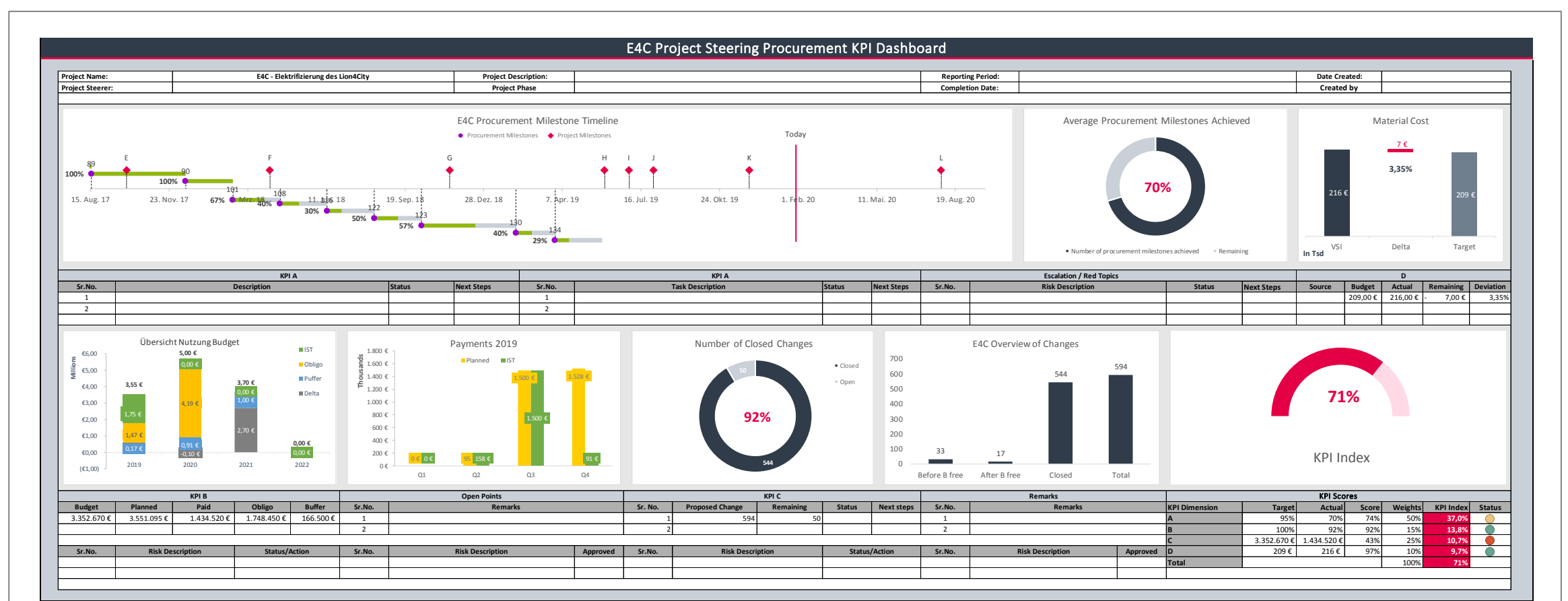
The cyclic approach of action research is applicable to this study since this thesis work focuses on solving a problematic situation for the Project Steering Team. According to the identified problem, course of activities are planned for solving the problem in the action planning phase following with selecting a course of action applicable for the study. The evaluation phase takes into account the consequences of this action or proposal of a solution to the problem.



Strategic Alignment Framework

The proposal of KPIs aims to establish an alignment between strategy, objectives, performance measures and actions. Finally, lessons learned during this process are identified and documented for future research.

**Results:** KPIs are operational entities more dynamic than static but still are measurable and manageable.



KPI Dashboard

During this research approach, there are several commonly accepted and frequently used KPIs, while some are specific to the project work and organization. When KPIs are identified and used in a particular environment, they require frequent monitoring and evaluation to achieve their goal or need to be modified or totally changed. It is also important that information is collected and correct changes are made. KPIs and dashboards are, in the end, with an unpredictable lifespan. The results and dashboard of KPIs do not substitute any type of legal validation and the Project Steerer cannot depend on them implicitly. Alternatively, they are useful tools that endorse managerial decisions.

### References

- Kerzner, Harold (2017). "Project Management Metrics, KPIs, and Dashboards - A Guide to Measuring and Monitoring Project Performance"
- Parmenter, David (2015). "Key Performance Indicators: Developing, Implementing and Using Winning KPIs"

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