

## **NPS AS A TOOL FOR VALUE ESTIMATION IN PROJECTS**

*The use of the NPS as a simple and effective practical tool for the value of project output assessment is proposed. The results of the use of NPS score in the value management processes in project-driven companies are shown.*

**Keywords:** *project management, value, value estimation, NPS*

**Problem statement and the goal of the research.** The concept of value-driven project management in accordance with which the main task of the project manager is to ensure the creation of value [1, 2] (in the form of a project output) and its delivering to stakeholders becomes more popular. One of the most important applied scientific tasks of the ensuring the effectiveness of project management is to organize the feedback to obtain the ratings of value perception by stakeholders. Therefore, a study aimed at the creation of a tool for assessing customer satisfaction by the value obtained in the project is an actual issue of project management.

**Research results.** The Net Promoter Score (NPS) becomes increasingly popular among experts because of its ability to gauge how willing a customer is to recommend a product or service [3]. It is used as an alternative or supplement to customer satisfaction measurement in more than two thirds of Fortune 1000 companies (GE, Apple, American Express, Philips, eBay, Amazon etc). NPS is based on the fundamental observation that every company's customers cluster into three groups, each with its own distinct patterns of behavior: promoters, passives and detractors [3]. So, the main question should be posted to a customer is "How likely is it that you would recommend our organization to a friend or colleague?". As the main purpose of NPS is to define customer's loyalty we can suppose that it can be an effective tool for measuring the effectiveness of value delivering because output is the main carrier of value delivered by a project.

The projects of plastic windows and doors installation as the most frequent and at the same time having all the characteristics of project management were chosen for obtaining certain statistics. For one of the leading enterprises in the city of Nikolayev was conducted a survey of more than 100 customers to determine their satisfaction with

the results of the projects on installation of metal-plastic constructions. In accordance with recommendations of the method's author, customers were also asked the question "What is the primary reason for your score?". This make it possible to assess the degree of objectivity of the answers to the basic question. The chart describing the basic estimations (Fig. 1-a) and revised estimations (Fig. 1-b), taking into account the comments received in response to the second question, were built.

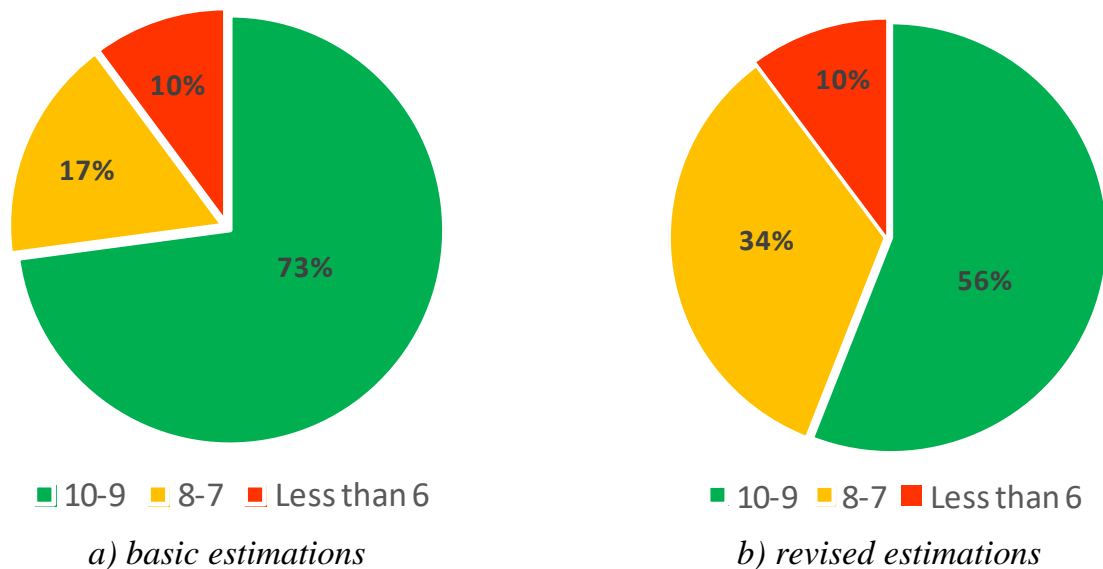
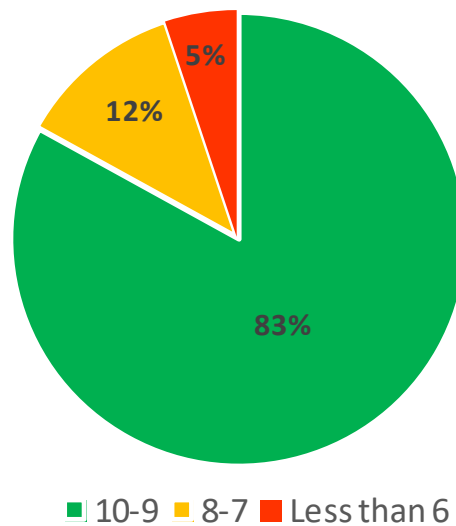


Fig. 1. The NPS scores before the improvement of value management system

On the basis of the ideas proposed in the [4], there were identified following six key points of value control in the structure of a project of plastic windows installation: at the reception of the order, immediately after the measurement, while making a business proposal, immediately after window installation, after the completion of all project works, 3 days after project finalization. The appropriate solutions aimed at improvement the perception of project output value for customers for these key points of value control were developed and implemented. After adjustments as a communication process with the customer, and the technology of the organization and implementation of projects, a survey with same period and sample size was repeated. It showed an average increase in the level of customer satisfaction by 50 % and as a result the company has shown the NPS score equivalent to the world's leading companies (Fig. 2).



*Fig. 2. The results of NPS scores after improvement the value management processes*

**Conclusions.** NPCs can serve as a tool for evaluation the effectiveness of providing value to projects stakeholders. The use of NPS allows to simply and quickly assess in practice the results of a project. The models of value management in projects can significantly and positively influence the assessment of the project stakeholders. Further research should be directed to the development of models of NPS integration into the value management processes in various fields, taking into account the features of respective projects.

### **Literature**

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