

Delivering Successful Programmes

The rapid pace of innovation and the increasing level of management, stakeholder and customer expectations demands that organisations change how they do business.

Effective programme management—defined by the Project Management Institute (PMI)[®] as “a group of related projects managed in a coordinated way to obtain benefits and control not available from managing them individually”—is the key to effective strategic change in any organisation.

Unfortunately, many organisations are ill-equipped to effectively handle the complexity of defining, organising, planning and managing larger-scale programmes.

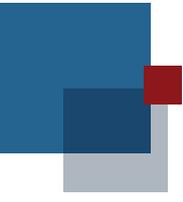
Most programme failures are ultimately people-related, spanning a range of causes including underestimating programme complexity; lack of firm leadership, commitment and sponsorship; poor cross-functional communication; lack of integrated planning; no defined success metrics; poor requirements management; lack of broad change management; misaligned stakeholder expectations; inadequate programme management skills and lack of resources.

The Vital Imperatives: 10 Things that Must Be Done Right

The goal of effective programme management therefore is to define, organise, plan and execute in such a way that the causes of failure are minimised through effective risk management—in other words overcoming the complexity of programme challenges by implementing a targeted group of mitigation practices.

This requires a variety of skills and methods. From initial evaluation of the programme within a portfolio management framework, to the measurement of project outcomes and benefits, we have identified the following 10 steps that programme managers must take to achieve success.

Programme management effects strategic changes in an organisation. The scale of such change is implicitly far wider than that of an individual project; programmes often facilitate change not only within a specific division or department but across an entire organisation.



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These steps, which may be performed by a programme manager or by others within the organisation, address the three overarching responsibilities of the programme manager: effective governance, stakeholder management and benefits management.

They illustrate the importance of establishing the right programme organisation structure, performing detailed integrated planning and conducting execution scenario analyses and thorough risk management, as well as ensuring proper stakeholder communications, benefits tracking and change control.

1. Generate a solid business case

The first phase in the life cycle of a programme is the feasibility stage. For some programmes, this may also be the last phase.

Whether the programme is terminated or continued, a firm basis for arriving at the critical go or no go decision is needed, which is provided by the business case.

An effective business case should comprise content that aligns with the organisation's project portfolio management framework. In particular, it should reflect those strategic dimensions considered most important by the senior management team and clearly articulate to what extent the programme would address and support these dimensions.

Fundamentally, the business case must address the following questions:

- Why is the programme important and what does it need to achieve?
- What is the current state and why does it need to change?
- What will the end state look like?

The answers to these questions should include a description of the anticipated outcomes and benefits. These will then need to be weighed against what it will take to execute the programme, including the level of funding, extent of organisational change, degree of risk and overall timing.

Acquiring the right level and quality of data to satisfy the decision makers will often entail an iterative process—multiple reviews and refinements of the business case may be required and expected.

This business case development process is part of the Strategic Enterprise Analysis (SEA) phase, which provides the input necessary for organisations to make the right decisions.

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By taking a close look at the organisation's business architecture and the impact to the business at multiple levels, the decision packages generated during SEA allow for early phase-gate decision making, culminating in the final decision package—known as the business case.

2. Establish the right programme organisation

There are a number of crucial roles that must exist at the programme leadership and management level in order to ensure proper governance.

The success of a programme depends heavily on the quality of sponsorship it receives. The scope and scale of a programme means that sponsorship typically resides not with one person but, rather, is distributed within a governance board or steering committee headed by an executive sponsor. This group provides authority on programme funding, purpose and direction.

The programme manager or director manages the programme plan on a day-to-day basis and defines the overall management process. He or she is responsible for the overall coordination and integration of the programme and, ultimately, for meeting the programme objectives.

The change manager would usually have had significant input into the business case and will be tasked with preparing the business for change. An important element of this role will be to align stakeholders' understanding of programme goals and manage customer expectations.

A risk manager should be appointed to define and implement the risk management process. This may typically include oversight of risk identification, analysis and response within each of the component projects, and active monitoring of the overall level of risk exposure.

The business analyst specialises in requirements elicitation, analysis and documentation. In programmes, this role has added significance in coordinating requirements scope across projects, evaluating change requests and performing quality assurance to verify programme deliverables.

Lastly, the programme office manager sets standards for programme and project management practices, provides administrative support in

A number of crucial roles that must exist at the programme leadership and management level in order to ensure proper governance include:

- *Programme sponsorship*
- *Programme manager*
- *Change manager*
- *Risk manager*
- *Business analyst*
- *Programme office manager*

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programme planning, resourcing and communications and consolidates project progress information in support of programme performance analysis.

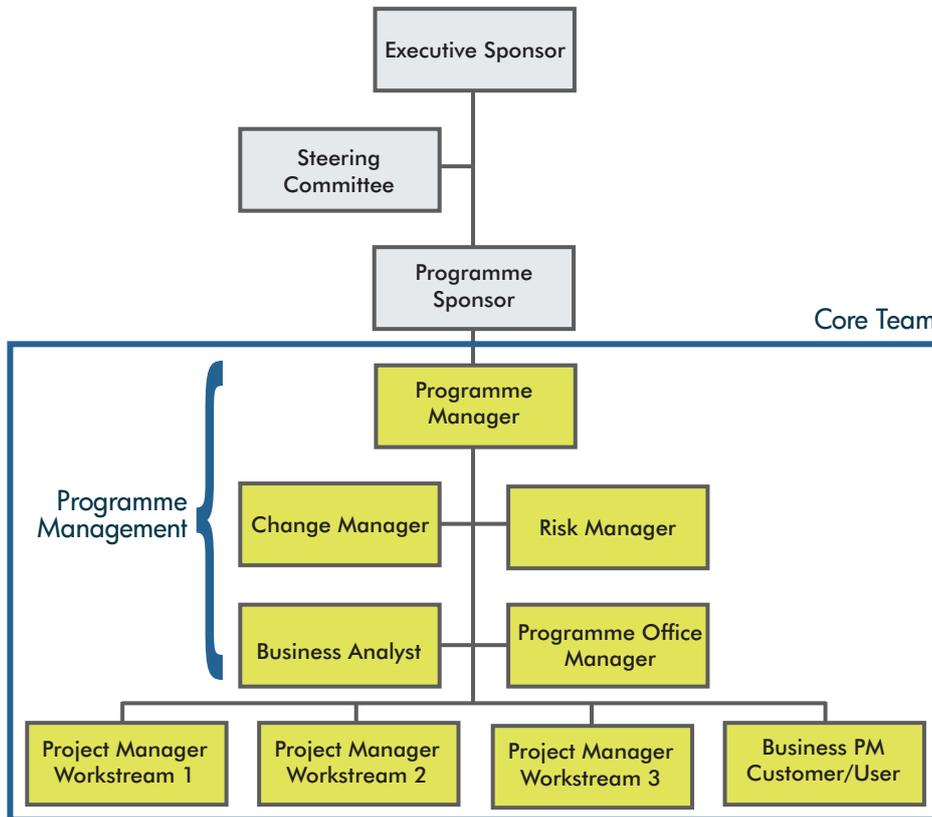


Figure 1: Programme Organisation

3. Build a well-defined programme architecture

The programme architecture provides an outline of how the projects within the programme will deliver the capabilities that result in the required benefits.

The programme architecture should clearly define the projects within the programme, ensure projects deliver benefits and define high-level dependencies.

A benefits map extends the architecture further by incorporating a depiction of how the ultimate strategic objectives for the programme will be met and provides a means for identifying and defining the boundaries of each component project.

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Many programmes suffer from a lack of proper alignment at a high level. Establishing a top-down approach to defining the programme architecture early on is the basis for ensuring effective alignment among stakeholders and the implementation team—and, ultimately, for influencing the division, integration and communication of all programme work.

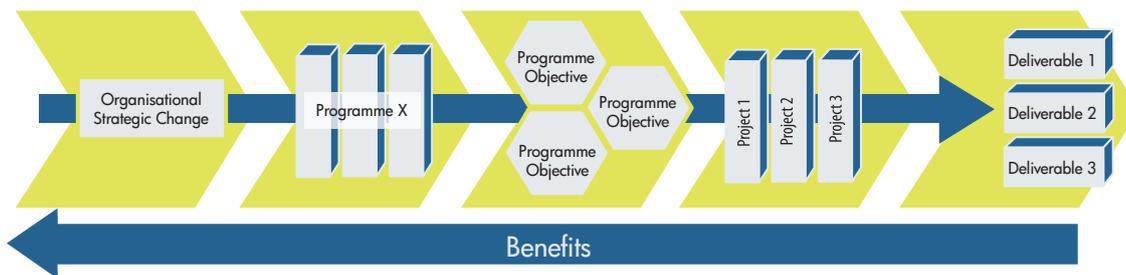


Figure 2: Benefits Map

4. Manage stakeholder expectations

Stakeholders play a critical role in the success of any project or programme, either helping or hindering depending on the benefits or threats they see.

The programme manager must understand the position stakeholders may take, the way they may exert their influence and their source of power. This is a key precursor to forging a deep understanding of needs and concerns, addressing any sources of apprehension regarding the programme goals and ensuring alignment of perspectives on programme objectives.

Generally, stakeholders want to know about the benefits achieved—and, ultimately, this is what the programme is about. Many programmes neglect to relay sufficient information on benefits realisation. The programme manager, therefore, needs to ensure there is early capture and communication of organisational benefit.

A fine balance needs to be sought between managing out-of-scope requirements and expectations and seeking support for the organisational change and its consequences. Effective programme management demands strong negotiating skills, an ability to manage cross-functional conflict and a properly balanced approach to coping with multiple interests.

5. Adopt integrated programme planning

The heavily composite nature of a programme requires an integrated approach. For example, traditional project scheduling techniques alone will not suffice—the programme schedule can only be considered correct when it properly integrates each component project through task-level interfaces.

The following steps are needed to ensure the plan is both reliable and scalable:

- Define and verify scope roll up from projects to programme
- Identify and define all cross-project interfaces
- Develop the integrated master schedule

Integrated planning begins with a programme charter which provides high-level programme scope, objectives and constraints and outlines the projects, the people involved, the funds needed and the processes to be followed. It describes the transition from current to desired future state, along with the costs, benefits and risks.

6. Use scenario-based execution simulation

The complexity of most programmes means the use of scenario analysis techniques such as the following are advocated:

Alternative execution strategy assessment

This involves re-shaping the detailed integrated master schedule to consider alternative execution approaches, for example the WBS and schedules may be adjusted to assess a number of changes, such as:

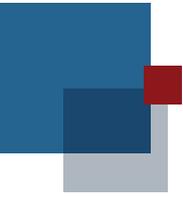
- Alternative technical approaches
- Alternative sourcing approaches
- Alternative programme funding scenarios and related programme scoping variations

This helps assess how programme timing, funding, risk and outcomes might be impacted by adopting different strategies and offers a more definitive assessment than any prior feasibility study.

Probabilistic forecasting and analysis

This provides crucially important answers to two fundamental questions that a programme manager and steering committee will have:

According to Gartner research, projects with a value of at least USD\$200,000 are cancelled 10% of the time due to inadequate risk management, and at least 20% of all projects lacking proven risk mitigation techniques are cancelled. (www.gartner.com)



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- What is the most likely completion date?
- How likely are we to finish by the target date?

Advanced schedule simulation techniques provide the answers to these questions with greater confidence than traditional critical path method scheduling, which only provides a single programme schedule solution.

Simulations provide a wealth of valuable knowledge on the sensitivities of any milestone to schedule movements, far beyond the level of a standard critical path analysis.

7. Practice systematic risk management

The programme risk manager determines and enforces the preferred methods and steps for each project team and ensures that these are adopted continuously throughout the life of the programme:

- Assessment of both programme- and project-level risks
- Prioritisation of all assessed risks
- Definition of response strategies
- Integration of all response strategies into the WBS
- Allocation of risk reserves

Risk identification and analysis should be applied at both the programme and the project level. The core programme team concerns itself with the "big picture" at the programme level itself while the project teams focus on perceived risks at the level of their respective project WBS.

Good risk management should be considered a key criteria for ongoing assessment.

8. Implement the right control processes

Tracking is of greater importance in programmes than projects since the consequences of missing targets are more severe, the likelihood of significant problems is greater and there are more things that might go wrong.

Some typical areas of concern for programme management include:

- Are project deliverables meeting requirements?
- Are teams adhering to project schedules?
- Are risks, issues and changes being properly identified and managed?
- Are estimates proving reliable?
- Is project cost and benefit tracking effective?
- Are resources and funding sufficient?
- Are scope, time, and cost or benefit changes being managed effectively?

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Project reports should highlight information to help aggregate the information at the programme level. The impact of any risk, issue or change within a component project needs to be recognised as early as possible in order to manage it carefully and guard against any adverse impact across the programme.

Therefore rigorous and systematic scrutiny of the status of programme interfaces must supplement traditional critical path analysis.

9. Develop achievable benefits and requirements

For a programme to have any chance of success, it is vital that both requirements and benefits be:

- Realistic
- Clearly articulated
- Understood by all stakeholders
- Accepted and signed off as viable
- Supported by a rigorous change management process

Benefits management

This is best led by a dedicated change manager who should ensure that clear pathways link outcomes to strategies, events and assumptions. The change manager should also establish agreed-upon benefits-tracking metrics.

It is advisable to introduce a series of regular, formalised quality checks to validate whether programme outputs are properly meeting needs and to hold regular stakeholder reviews and satisfaction surveys.

Requirements management

This is ideally led by an accomplished business analyst. This critical role must ensure that the front end of the programme and any later projects are consistent with common practices and processes for requirements elicitation and documentation.

10. Facilitate effective change management

Successful programme managers recognise the need for facilitating widespread understanding and acceptance of the programme goals, solutions and outcomes.

Project management offices (PMOs) can be key to helping to aggregate project information in readiness for the programme office. PMOs can also provide ongoing support that keeps projects on track.

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The following five-step approach helps to shape, steer and realise change:

1. Identify need for change
2. Define compelling vision or "to-be" state
3. Choose a change strategy
4. Engage the support of stakeholders
5. Implement change strategy

The need for change is articulated in the business case but should be based on input from multiple key stakeholders and answer questions such as:

- What/where is the problem causing pain or potential crisis?
- What/where is the untapped opportunity for gain?

Answers to these questions provide the basis for an inspiring change vision.

Facilitating unity of understanding in what will change, how the future will look for both the organisation and for individuals, and how employees can contribute to that goal are all important elements of transition communications.

A detailed communication plan should comprise frequent briefings, updates for all appropriate functions and levels, and regular learning review milestones.

Ultimately, a programme can never suffer from excessive support for change. Substantial effort must be devoted to building consensus from the top with meaningful understanding on the rationale for change, agreement and commitment to the nature and consequences of change, and monitoring and refining of the transition process.

Delivering Programme Success in Your Organisation

Achieving success in implementing strategic programmes demands attention and expertise across a multitude of programme management domains.

A combination of strong leadership, managerial, communication and technical skills is needed by programme managers to execute the 10 vital steps toward programme success.

Some tips before you take the first step...

- *Assess the current state.*
- *Are you currently performing all 10 steps on your programmes?*
- *Identify any obstacles keeping you from executing the steps.*
- *Communicate who is responsible for each activity.*
- *Implement checks and balances to ensure the steps are actually being performed—and being performed correctly.*

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Only through action across all 10 elements described in this paper will a programme be infused with the right enablers to ensure success in governance, benefits management and stakeholder management.

Mastering these elements requires focus and commitment—on the part of the programme manager and the organisation.

To achieve success, you must closely assess your current state by asking the following questions:

- Are you performing the 10 steps described in this paper on your programmes?
- If not, what barriers or obstacles get in the way of executing these steps?
- Do your programme managers know they are responsible for these steps?
- Is it clear who actually performs the steps and is responsible for their execution in your organisation?

The programme manager needs to ultimately own the steps, but in some cases, he or she may not actually perform the step. So, make sure that if execution does not fall on the programme manager, it is communicated to the person who does own it. Have the following questions in mind.

- Is that their accountability?
- How will you make sure these steps occur?
- Or, do you have the steps instilled in your processes in a way that assures they will occur?
- And what checks and balances do you have in place to determine when they are not happening?

Adoption of appropriate processes and tools provides the foundation for success. Structured training and results-oriented workshops can accelerate skills development, knowledge application and effective execution for everyone involved in the programme.

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To learn how programme management can help your organisation achieve its strategic objectives, contact a learning expert at +44 (0)20.3743.2910 or info@strategyex.co.uk.

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