

Program Management **Key Points**

Programs consist of groups of related projects, usually that need to be managed in a coordinated way to obtain benefits and control not available from managing them individually. This document summarizes key program management concepts.

Organization Strategic Plan:

- Mission: What the organization does now.
- Vision: Where the organization wants to be.
- Sometimes organizations settle on just a Vision for simplicity.
- Strategic Objectives: Three to five key objectives that describe how the organization can achieve the vision.

Project:

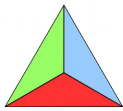
- Creates and delivers something: a product, service, or result.
- Is a unique effort, so needs to be planned to know the scope, budget, schedule, and risks, and to create enough documentation to smoothly monitor and control.
- Has an end date, unlike operational work that continues indefinitely.

Program:

- A group of projects that are related in some way, usually with interdependencies that require coordination by a higher level program manager to optimize progress.
- However projects can be grouped into a program merely because they are similar kinds of work, even if there is little coordination or interdependencies beyond the opportunity to transfer best practices and lessons learned between the projects.
- The decision criteria is the component projects of a program require interaction monthly or less (if interaction is required more often, then the effort is better structured as one integrated project regardless of size).
- Can be strategic, operational (emergent), or compliance.
- Usually has an end date and fulfills the program level objective, however sometimes a program continues indefinitely: new roads, open new stores.

Portfolio:

- Management of multiple programs, may included individual projects as well.
- There can be interrelationships between the programs, however at the portfolio level programs are sometimes bundled purely for organizational or budget reasons – they all fall under the same VP and are funded from the same budget.



Program Life Cycle:

- Definition, Benefits Delivery, Closure.

Program Management Performance Domains:

- Strategy Alignment, Stakeholder Engagement, Benefits Management, Governance, Life-Cycle Management

Program Management Supporting Processes:

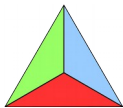
- Integration, Stakeholder, Scope, Financial, Schedule, Risk, Quality, Resources, Procurement, Communications

Program Governance:

- Governance Board: Establish a Program Governance Board, including the Executive Sponsor, Portfolio Manager (may be the same as the sponsor), heads of all departments / units / groups affected or involved, the key financial manager (VP Finance, CFO, etc.), and any other senior managers that are affected or need to support the program – HR, Legal, Procurement, Quality, etc.
- Program Management Office: Have a Program Management Office, sometimes comprised of part-time staff from the organization level Enterprise Program Management Office (EPMO), often including personnel to help with risk management, schedule management, financial management, quality management, procurement management, and admin support.

Program Definition Stage:

- Business Case: Conduct stakeholder engagement and identify the needs (problems and opportunities), define objectives to meet the needs, ensure alignment of the objectives with the strategic plan objectives (unless operational or compliance and therefore mandatory), conduct options analysis to choose the high-level solution to meet the need, estimate the benefits, costs, and value (benefits minus costs) of the options to demonstrate the selected option is best value.
- Program Charter: Copy or reference the business case, provide a description of a compelling vision (end-state) that achieves the objectives and produces the benefits, and obtain program approval by a sponsor high enough up in the organization that covers all parts of the organization that will be involved.
- Program Plan: Build the program work breakdown structure identifying the project components, work with the program team (project managers) to build the network diagram of the program flow including identification of any interim deliveries by the projects and showing all the interdependencies, do high-level estimation of the schedule and budget of each project component, create a draft Gantt schedule, and iterate and optimize as needed to the extent possible at this point.



- Project Plans: Then provide the component project managers with their project objectives, the benefits their project must achieve, and high-level budget and schedule constraints from your high-level estimates, and then obtain thorough and complete project plans for each component project to obtain accurate cost and schedule, providing any direction and mentoring as required to ensure proper project management planning is done.
- Baseline Program Plan: Based on the much more accurate project planning budget and schedule from the project managers, iterate and adjust the program plan, including going back to the project managers to adjust, combine, split up, or otherwise modify their projects as required, and iterate until the program schedule and budget fulfills the business case and fits within the sponsor expectations, adjusting the scope, schedule, and budget based on the feedback and priorities of the program sponsor as needed to ensure the plan is balanced and achievable.
- Benefits Planning: Baseline the register of benefits (efficiencies, reduction in cost, increase in revenue, increase in capability, client satisfaction, etc.), identifying the projects or milestone within projects that deliver the benefit or the program as a whole if the benefit is only achieved by completion of the entire program, the metrics to measure progress and key performance indicators to ensure the benefits are being achieved, the owner of each benefit (project manager, key member of project team, or program manager), and a benefits sustainment plan to ensure the benefits continue after the program completes including identification of post program benefit owners and budget and resources needed.
- Risk Planning: Ensure each project has a well planned and sufficient risk budget to protect the project effort, then baseline a complete risk register at the program level including risks such as project delays, change in business environment, change in organizational priorities and strategy, market changes, organizational changes, currency exchange, program transition issues, etc.
- Program Approval: Baseline, brief, and obtain approval of the program plan from the Executive Sponsor and other relevant stakeholders, with an updated program charter with the latest information often baselined and communicated to the whole organization as the formal gate to the delivery stage.

Program Delivery Stage:

- Weekly Status: Obtain brief, informal status from the project managers weekly, through a meeting, phone call, or weekly email report, with a focus on the status of risks and issues.
- Monthly Status: Obtain formal status updates from the project managers monthly on scope, schedule, budget, issues and risks, typically one hour maximum per project, and then update the program level plan as required.
- Monitor & Control: Work any issues and risks that rise to your level, providing projects with additional budget and resources if required, with a particular focus on the impact of project delays and knock-on effects to other projects.
- Benefits Management: Ensure the benefits are realized to the greatest extent possible, restructuring the program if required to preserve benefit realization,



changing or combining or splitting or reallocating the management of projects as needed, with the potential option always existing of cancelling part or all of a program if the benefit / cost ratio (BCR) turns upside down (benefits decrease and/or costs rise and the BCR ratio becomes less than 1).

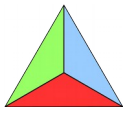
- Program Reporting: Provide program status once a month (ideal) to quarterly (for very long projects) to the program governance board on scope, schedule, budget, issues, risks, and benefits, request assistance with anything you need help with such as prioritization of your program with the organization, resource allocation, and coordination with external groups, and if the performance deviates from the plan and exceeds the ability of the program risk budget to address then request guidance on what is most important – the program scope, budget, or schedule – and adjust as required.

Program Closure Stage:

- Project Closure: Help ensure component projects are closed in an organized manner, including procurement closure, deliverable acceptance, transition, lessons learned documentation and transfer, resource release, and a final report.
- Transition: Ensure the program deliverables are transitioned to any parts of the organization that must take ownership, including provision of sufficient training, documentation, and identification of resources and budget required.
- Benefit Sustainment: The criteria for program closure requires delivery of the benefits or outcomes that will deliver the benefits over time, with a well organized and implemented benefit sustainment plan, including identification of personnel, systems, and budget to track and sustain the benefits after the program finishes.
- Lessons Learned: A program level lessons learned report should be finalized, including relevant project level lessons learned, with a process for gathering program level lessons learned as the program progresses, including a set of recommended actions implied by the major lessons learned that are allocated to the responsible areas of the organization, with someone (such as the quality assurance department) following up to ensure the reasonable actions and improvements are implemented.
- Final Report: Prepare a program final report and provide to the major stakeholders, describing the program performance on scope, schedule, and cost compared to plan, the status of benefits realization and plans for sustainment, the status of the business case describing the end program actual value of the benefits compared to costs, major lessons learned, and recommendations for next steps to provide continuity to any future programs or effort that should be considered.

Stakeholder Expectations Management:

- Engage with all the stakeholders during program planning to ensure the program addresses their needs and provides them with real benefits that can be sustained.
- Ensure the stakeholders receive a thorough program briefing at the end of planning and before delivery commences so they understand exactly what the



program will do, won't do, how they will be affected, and the support they will need to provide to the program.

- "Under promise and over-deliver", since it is very easy to do the opposite, and then can take considerable time to rebuild credibility.
- "Never commit at the table" when asked if you can do something, unless you are 110% sure, instead saying "Let me check into that / get with the team and make sure we can do that, and get back to you."

Quality:

- Deming's "Quality must be planned in, not inspected in" is the best practice, so make sure the projects are ensuring quality while they are actually doing the work, not just by conducting inspections and tests at the end.
- The two greatest quality contributors are (1) peer reviews (formal with records and followup for health, safety, or legal efforts, informal with management by the deliverable owners themselves for everything else) and (2) frequent user reviews of designs / drafts / builds / sprints / prototypes / versions to ensure issues are found and redirection is possible at the earliest and least expensive point.
- Ensure somebody does quality assurance, checking through audits and reviews that the projects are actually using professional policies, procedures, and best practices, and are not short-sightedly cutting corners due to schedule or budget pressure.
- Ensure projects are implementing quality control to measure the quality of the outputs – weight, power, defect rate – to ensure the requirements are being met.

Procurement Planning:

- Use fixed price only when the scope is very fixed and will not change, otherwise consider cost-plus with incentive structures such as a satisfaction fee (i.e. each quarter you provide contractor with a percentage of \$100K, e.g. if 80% satisfied then they receive \$80K).
- Only award contracts on lowest price for commodity deliverables that require no development, otherwise select winning contractors by best value based on meeting all mandatory requirements and scoring of the quality of their proposal (experience of firm, experience and qualifications of lead personnel, extent of warranty and support, etc.) for any contracts that are project like and not straight off-the-shelf.