Earned Benefit Program Management
Aligning, Realizing, and Sustaining Strategy
By Crispin ("Kik") Piney, PfMP, PgMP, PfMP
(A book review by R. Max Wideman, FPMI)

Introduction

This book[1] is a very solid treatise that explores and expands in great detail on the whole domain of project management families. That is, from the project level, to program, to portfolio and, for completeness, to the necessary close relationship with on-going operations. As author Kik Piney explains in his Preface:[2]

> "[T]here is general agreement that the overall goals of integrated project management are to generate *beneficial change*. [However,] there is still a large amount of discussion as to the scope of each family member and the actual techniques for achieving success. Rather than simply reformulating existing concepts, the book aims to break new ground and present a novel and consistent insight and approach at each stage.

> This new approach starts from the definition of the concepts and continues through modeling the solution, scheduling, risk management, resourcing, procurement, and progress tracking, right up to the handover of the new capabilities for ongoing operations and maintenance. The challenge of understanding stakeholders, analyzing their relationships to the program, and evaluating how to communicate effectively is also integrated consistently with the unique set of overarching tools and concepts that form the backbone of this book."

Kik goes on to explain:[3]

> "For many years now, I have been working on ideas and concepts of what I would like to see as *integrated project management* (IPM). . . . As part of my IPM analysis, I realized that earned value management, despite being a valuable tool for tracking completion of project scope, is ill-suited to and insufficient for tracking program and portfolio progress. These need to be measured in terms of value rather than content. This led me to develop a new method that I named the *earned benefit method*".

Kik adds that:[4]

> "I have done my best not to reproduce ideas that are described elsewhere in the literature. My aim has been to build up an original set of concepts that integrate project, programs and portfolios in such a way as to provide a new, consistent framework of concepts and tools for business management."

As reviewer of this book, I believe that in view of its length and detail, it will be of most interest to business managers involved in portfolio and program management of very large project/programs. It would also be of interested to academics studying this area of high-end project management.

About the author

Crispin Piney, PMP, PgMP, PfMP, (known as "Kik"), has been involved in cutting-edge development projects since the 1970s when he joined the Information Technology Group at CERN, the European Laboratory for Particle Physics. He has published a number of articles covering projects, programs, and

portfolios and their respective relationships and content, and presented them in a range of forums. These include industries such as aviation, banking, construction, electronics, information technology, packaging, and steelworks, as well as at various project management conferences.

Based on his experience, he has also dedicated much of his time to expanding the project management area of knowledge associated with the interrelationships between project, program, and portfolio management. He believes these depend on:[5]

- The need for alignment between all of these project management disciplines.
- The need for clarity and precision in order to avoid misunderstandings.[6]
- The willingness to generalize and expand valid concepts in order to increase their generality and potential value, and
- The willingness to reject ideas and beliefs, however well they are established, that are based on false or doubtful premises, and to discover creative, verifiable alternatives with which to replace them.

Book Structure

Disclosure

I had the honor of making some suggestions towards the creation of the book as Kik's work progressed. In particular, I collaborated with Kik in the writing of Chapter 15.

The content of this book is set out in seventeen chapters, including the Preface and Finale, followed by an Appendix, Acronyms, Glossary and a Bibliography. The Table of Contents is as follows:

Preface, including *Acknowledgements* and *About the Author*
1. Defining the Domains
2. Understanding the Problem
3. A Life Cycle for Program Management, Benefits Management, and Business Analysis
4. Building an Integrated Business Model
5. Calculating the Model
6. Dis-benefits and Essential Links
7. Applying the BRM Approach to the QERTS Example
8. A Generalized Approach to Scheduling and Cash Flow
9. Total Risk and Issue Management
10. Resource Capacity Planning
11. Procurement
12. Implementation Tracking – Earned Benefit
13. Business Key Performance Indicators
14. Stakeholder Analysis
15. Communication – Why, How and What
Finale: Benefit Mapping the Book
Appendix: Carrying Out the Calculations
Acronyms, Glossary, Bibliography and Index

The book has a total of 384 closely packed pages covering the items listed above. Each item in the Table of Contents includes further information that lists the contents of each chapter in considerable detail. Each chapter concludes with a Summary. Over 180 tables, charts, and illustrations amplify the book's contents. The list of Acronyms and Glossary terms are a particularly valuable feature.

What we liked

What we liked is that author "Kik" Piney has studied and established a clear relationship, and scope delimited, relationship between the three project management sub-divisions of single project management,[7] program management and project portfolio management. He has done this in a way that is especially suited to very large projects, not only in the private sector, but especially in the public sector, and whether they be infrastructure or information technology projects.

Thus, Kik has developed a clear and valuable exposition of these three related areas of project management fields of study, namely project management, program management, and project portfolio management. As he explains in his Preface:

> "For many years now, I have been working on ideas and concepts of what I would like to see as 'Integrated Project Management' (IPM). [In my view] IPM is characterized by a consistent model that combines and aligns the scope and methodology of each of projects, programs and portfolios."

He goes on to say that:

> "I have done my best ***not*** to reproduce ideas that are described elsewhere in the literature. My aim has been to build up an original set of concepts that integrate projects, programs and portfolios in such a way as to provide a new, coherent framework of concepts and tools for business management."

Kik then explains the structure of his book. The following brief observations attempt to capture that structure:

- **A Consistent and Integrated Model -** The differing points of view of each of projects, programs and portfolios and the necessary different mindsets required for each.[8]
- **Typical Problem and Analysis –** The description of a typical problem to be solved and some of the original analysis tools for improving the chance of program success.[9]
- **Integrating the Frameworks –** A clear modeling of how these members of the project family work together. Given all of the mutual dependencies between the three domains, a unique, consistent, and complete life cycle and a set of concepts are required and has been developed.[10]
- **An Honest Cost and Benefit Model for Programs –** This model is built up over three chapters[11] in such a way that the costs of the initiatives can (and should) be estimated independently of the predicted value of the results. This makes the model impervious to any political pressure aimed at forcing the numbers to support a potentially invalid proposal.
- **Intermediate Goals –** The model is based on decomposing the overall objectives into intermediate goals successively until this logic chain leads to the definition of the required solution.
- **Sharing of Benefits –** The model allows enabling initiatives to be justified – that is, component projects or programs that, on their own, cannot be validated directly because the value of their deliverables is spread across a number of areas.
- **Calculating the Model –** The basis for a program is composed of two sets of numbers and a solution framework. The first set of numbers incorporates the benefit expected from the program. The second set specifies the cost of achieving these benefits.[12]
- **Dis-benefits of Change –** Every change, however beneficial, can have side effects that negatively affect the final outcome. This new model allows these negative effects to be included in the complete analysis and taken into account in the evaluation of the business case.[13]
- **Concept of Essential Links –** The underlying synergy of the program model shows how several

nodes can contribute jointly to the values of a successor node, but where the absence of one or more of these "essential" nodes would inhibit all of the other contributions to this node.

Chapter 7 provides a useful case study that applies the model and its concepts described in the previous chapters. Subsequent chapters each deal with the impacts on the standard processes encompassed in traditional project management literature. That is: Scheduling, Risk Management, Capacity Planning, Procurement, Progress Tracking, Stakeholder Management, and Communications. The two largest chapters deal with *Total Risk and Issue Management,*[14] and *Implementation Tracking – Earned Benefit*.[15]

In my view, the whole book is written in a clear and unambiguous in-depth and realistic style, complete with detailed tables, charts, and illustrations as mentioned earlier. The concepts in total may in fact be difficult to implement in practice because of the ever presence of diverse "political" interests and consequent "interference". Nevertheless, these ideas should be tested by making them a part of the mandate of the types of projects implied.

Downside

This is not an easy book for the novice to read. While it is packed with valuable and detailed information, it needs considerable and widely gained experience in the field to appreciate its entire content. However, many chapters can be read out of sequence if that is your particular interest such as the chapters on Scheduling and Cash Flow, Risk and Issue Management, Procurement and so on. Nevertheless, if you are interested in building up mental models of the various aspects of project management *in toto* – this is the book for you.

Right off the bat, there is a serious problem in the project management industry – that is, of the very name *project management*. Does that mean the discipline of managing a project, or does it mean the whole gamut of family members in the overall domain of project management? Why can we not find and agree on a separate name for these two extremes?

In searching the book, we find that author Kik Piney has used a number of terms to refer to the whole domain of project management,[16] i.e. collectively: *Project Portfolio Management*, *Program Management* and (individual) *project management*. Kik's labels include "Integrated Project Management", "Project Management Domain" and "Practice of Project Management". These would be labeled successively: IPM, PMD, or PoPM. All of which would seem to be quite acceptable.

Personally, I would rather have the label "Project Management" kept to mean the whole range of disciplines contained within it. That leaves the individual project to be referenced differently. I would like to see that called "Single Project Management" (SPM).[17]

This way, "SPM" stands for the whole string of techniques such as *Scope, Quality*, *Time, Cost, Risk,* and *Procurement* etc. at the foundational level of the Project Management (PM) hierarchy.

While we are on about PM hierarchies, since Kik started writing his book, a new discipline level has come to the fore. This is referred to as *Project Management Governance* (PMG),[18] which is at the top of the tree. This is where the level of *Vice President – Project Management Governance* (VP PMG) would sit along with co-members such as VP Finance, VP Human Resources, and so on, at the corporate board level. The VP PMG's responsibilities would include such things as project economy, profitability, and

social, sustainability and professionalism standards. He or she would also be the final arbiter in the award of major performance contracts to ensure such contracts meet the social standards of the awarding organization.

Another area of interest is "Stakeholders". Stakeholder Management is a relatively new "Knowledge Area" of the Project Management Institute's *PMBOK Guide,* first introduced in its 5th edition, published in 2013. In the 6th edition published in 2017, PMI defines a Stakeholder as: "An individual, group, or organization that may affect, be affected by, or perceived itself to be affected by a decision, activity, or outcome of a project."[19] In my view, it is a mistake to put all of these people into one bucket. That is because those that "may effect" and those who are "affected by" are clearly on opposite sides of the equation with entirely different attitudes, expectations and concerns, especially where cost is involved. They therefore require entirely different management approaches.

However, Kik recognizes *three* categories, namely:[20]
1. The *Producers*, those who are all associated with creating the project outcome,
2. The *Transformers*, those who take the outcome and use it to create benefit, and
3. The *Receivers*, those who receive the benefit.

Kik goes on to explain (in short) that:[21]
- A *Producer* without power is unable to produce the deliverable.
- A *Transformer* without power will be unable to contribute to the outcome, and
- A *Receiver* without power is likely to disrupt the intended benefits anyway.

So, all three of these groups must be empowered in their own way to be effective. Kik then describes how each of these three stakeholder types can be analyzed and worked into his integrated system. Well and good, but I rather suspect that the problem is much bigger than it appears – especially in the case of large complex projects.

Summary

At the time of writing this book, Kik observes that there are a number of different terms for *project*, *program* and *portfolio* managements as proposed by different standardization bodies. But none of these captures what the profession really needs from a practical point of view, in order to make proper use of these concepts.

As he says:[22]

> "There is a benefit in distinguishing the activity of creating a deliverable (i.e., a *project*) from that of coordinating the creation and integration of multiple, related deliverables in a manner aligned to a common goal (a *program*), since each requires its own different level of focus and has specific types of success criteria.
>
> Similarly, the managers of projects or programs are not well placed to determine the relative priority of their endeavors with respect to the other work carried out to achieve the organization's strategy – the domain of *portfolio* management. However, there is the risk that the separation introduces an arbitrary distinction that limits the project manager's role and reduces the end-to-end flow from strategy to execution."

Kik adds that some thought also needs to be given to a particular non-'P' domain. That is the one that benefits (and suffers) from the 'Ps' but is ultimately the arbiter of success or failure of the 'P' outcomes – namely the operational arm of the organization. That is the part of the organization that actually delivers

resulting wealth, typically known as the "Business-as-Usual" (BaU) cohort.[23]

In summary, if the essence of this book's contents can be promoted and implemented by VPMGs,[24] and some general acceptance is reached, then we should be well on our way to a real and recognized profession.

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Fellow, PMI

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[1] *Earned Benefit Program Management* by Crispin ("Kik") Piney, PfMP, PgMP. CRC Press, Taylor & Francis Group, Boca Raton, Florida, USA, © 2018.
[2] Page xxi
[3] Ibid
[4] Page xxii
[5] Page xxix
[6] Editor: Including overlap of responsibilities.
[7] I.e., in the sense of managing a project only.
[8] Chapter 1
[9] Chapter 2
[10] Chapter 3
[11] Chapters 4,5, and 6
[12] Chapter 5
[13] Chapter 6
[14] Chapter 9
[15] Chapter12
[16] Page 11
[17] A note from author Kik Piney who adds: "A few years ago, I asked myself the same question and came up with a hierarchy of project management categories: project *deliverable* management (just make something), project *change* management (create a change), project *benefits* management (the focus of the work is on creating beneficial change), and project *strategy* management (normally portfolio work to combine the beneficial changes to achieve strategic goals). I fear, however, that most people seem quite content with the current, vague situation."
[18] "Governance" in this case implies the processes, systems and standards by which the organization marshals its Project Management operations.
[19] PMBOK® Guide, p550
[20] Page 296
[21] Ibid
[22] Chapter 1, p2
[23] Ibid, p2-3
[24] Vice President Project Management Governance – as mentioned earlier.