

Managing Successful Programs
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A book review by R. Max Wideman
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Introduction

We have to admit that there was a time when we viewed a "program", i.e. a project management program, as simply a glorified project. That is, a very large "project" that spanned a much longer time frame, could be broken down into a series of "phased projects" or sub-projects, and therefore had an extra layer in the work breakdown structure. It probably also had a lot more stakeholders, and therefore had a higher level of complexity. In other words, the management of a program was much the same as managing a project, but more so. When was that? Oh, we'd say around the development of the first project management body of knowledge (PMBok) for the Project Management Institute in the 1980s.

Since then, an erudite and talented group of people in the UK has dispelled all of that. They have developed and published a guide to program management the purpose of which is to help "ensure success with major projects and programs of business change".¹ This original work was published in 1999, and notes the shift in intent – not just very-big-projects but "business change" – and this change is described as:

"Program management is a pragmatic approach that will help organizations deliver and realize the required benefits, innovation, and new ways of working that will take them through the next decade."²

And while we are on this transformation, we should note that the description of "change" is also important. The term "Change Management" is often loosely bandied around. Does that mean "business change" as defined above or does it mean monitoring, managing and documenting changes to a project's scope, quality, time and/or cost? Obviously we should use better practice and be more specific and call it either *business* change management or *project* change management, according to our intent.

Since the original 1999 work, a new team, that has included four of the original team members, has taken the transformation even further by producing a much-updated second edition in 2003. In his Foreword to this 2003 edition, Sir Andrew Turnbull observes:

"In the Government context, Program Management is what the best policy makers have always done, though they might not have called it that: thinking through the end-to-end process to translate policy into delivery plans and delivery plans into desired outcomes. In a commercial context, Program Management is being used to deliver corporate strategies for increasing market position and shareholder value."³

Well, that's certainly nice to know. We only wish we could say the same for some of our governments in North America.

But Sir Andrew concludes his Foreword even more forcefully. He states:

"I commend *Managing Successful Programs* to you. If you are one of our partners in the private or voluntary sectors, you're bound to find it useful. If you work in Government, you cannot afford to ignore it."⁴

So what is this book, *Managing Successful Programs* (MSP), all about? Actually, it is a companion to the OGC's publication: *Managing Successful Projects with PRINCE2*, the UK's equivalent of the Project Management Institute's *Guide to the Project Management Body of Knowledge*, and that we compared back in 2002.⁵ As MSP explains in the Introduction:

"Change is now a way of life for all organizations. New or improved services are delivered, new processes are introduced, supplier relationships change, and organizations merge and divide in response to political or market forces. Organizations strive to achieve excellence by improving practices and services, to be better prepared for the future, to make innovation possible and to encourage new ways of thinking about doing business. Where there is major change there will be complexity and risk, and there are usually many interdependencies to manage and conflicting priorities to resolve. Program Management is a structured framework that can help organizations deliver change."⁶

More particularly, the focus of the book in the context of business change management is threefold. The nature of a "program" may be either:⁷

1. "Making and Delivering", i.e. Construction, engineering, or IT, and as evidenced by "Specification-led, output-driven, high clarity/low ambiguity, reactive adjustments to scope", or
2. "Organizational Change", i.e. Business change management, as evidenced by "Vision-led, benefits driven, good clarity/some ambiguity, reactive adjustments to scope, clear levers", or
3. "External or societal change", i.e. Policy, strategy, as evidenced by Vision-led, outcome-driven, ambiguity and clarity co-exist, proactive adjustment of scope, loose levers.

So there you have it in a nutshell. In the context of this range of program management description, the purpose of the MSP guide is to explain the characteristics of programs, the concepts of program management, and the main roles, activities, processes and products of the approach.⁸ Interestingly, as you progress from 1 through to 3 in the list above you notice a shift from deterministic type projects to probabilistic types. That is, from those with typically well-defined product scope and hence relatively low ambiguity, to those with typically difficult-to-define scope deliverables and hence with high ambiguity and risk.

Book Structure

As we noted, the 2003 version of *Managing Successful Programs* (MSP) is much different from the 1999 version. The 2003 content is structured in four parts:

- Part 1: Introduction and Overview – An introduction to Program Management and a discussion of the process
- Part 2: Program Management Principles – The concepts, strategies, techniques and tools that underpin programs
- Part 3: The Program Management lifecycle – The activities, inputs, outputs, decisions and responsibilities of the program lifecycle
- Part 4: Glossary and appendices

These parts contain the following chapters or contents:

Part 1: Introduction and Overview

Introduction

Managing the change process

Part 2: Program Management Principles

Organization and leadership
Benefits management
Stakeholder management and communications
Risk management and issues resolution
Program planning and control
Business Case management
Quality management

Part 3: The Program Management lifecycle

Overview of processes and products
Identifying a program
Defining a program
Governing a program
Managing the portfolio
Managing benefits
Closing a program

Part 4: Glossary and appendices

Glossary of terms
Appendix A: The case for Program Management
Appendix B: Program information
Appendix C: Risk identification checklist
Appendix D: Performance measurement
Appendix E: Differences between programs and projects
Reference sources

Of the four parts, Part 2 is by far the largest in terms of content, because it describes in detail what MSP considers the seven essential elements of program management.

What we liked

The structure of this 2003 version of Managing Successful Programs (MSP) is much better organized, more explicit and, in our view, more relevant to the subject as defined earlier than was the 1999 version. In Figure 1 we have constructed from our understanding of the text and illustrations a simplified flow diagram to illustrate the methodology. This spans from the initial vision to the successful realization of benefits and includes the range of types of program contemplated.

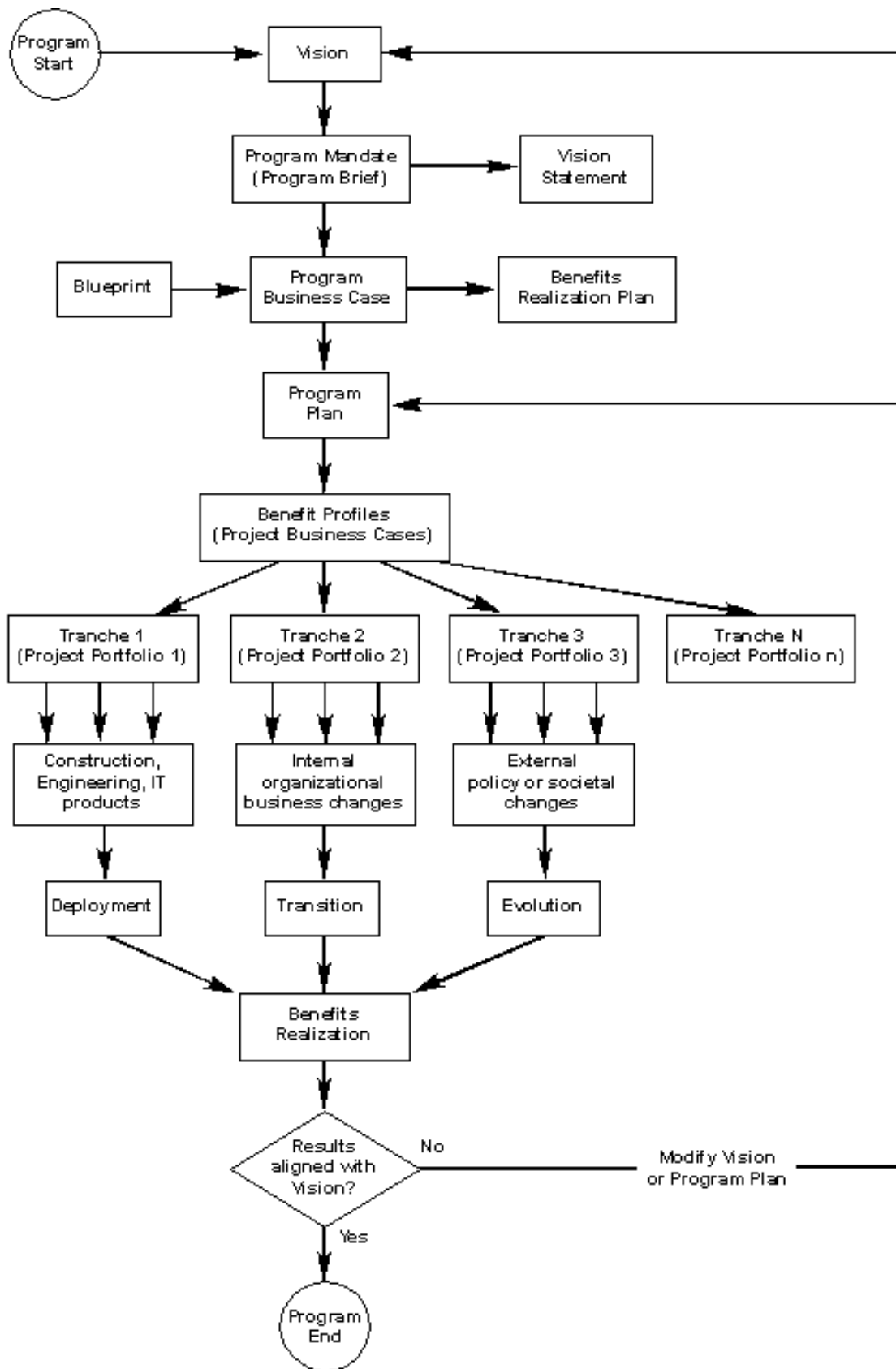


Figure 1: MSP flow chart

As indicated in the diagram, MSP uses a number of terms that require explanation:⁹

Program – A portfolio of projects and activities that are coordinated and managed as a unit such that they achieve outcomes and realize benefits.

Outcome – The result of change, normally affecting real-world behavior and/or circumstances. Outcomes are desired when a change is conceived. Outcomes are achieved as a result of the activities undertaken to effect change.

Benefit – The quantifiable and measurable improvement resulting from an outcome that is perceived as positive by stakeholders and that will normally have tangible value expressed in monetary or resource terms. Benefits are realized as a result of activities undertaken to effect change.

Program Mandate – The trigger for the program from senior management who are sponsoring the program.

Vision Statement – An outward-facing description of the new capabilities that result from program delivery.

Blueprint – A model of the business or organization, its working practices and processes, the information it requires and the technology that will be needed to deliver the capability described in the Vision Statement.

Tranche – A group of projects structured around distinct step changes in capability and benefit delivery.

In addition, MSP also uses the following terms:¹⁰

Senior Responsible Owner – The individual who is ultimately accountable for successful delivery. This title is apparently used extensively within the UK public sector for both programs and projects. Also known as "Program Director", this person is effectively the program or project champion.

Program Manager – The role responsible for the setup, management and operation of the program. Typically allocated to a single individual.

Business Change Manager – The role responsible for benefits management, from identification through to delivery, and ensuring the implementation and embedding of the new capabilities delivered by the projects. Typically allocated to more than one individual covering all the business areas concerned. Also known as "Change Agent".

In our view, the flow of the whole concept, process and hence the whole book is logical and complete. Where necessary, further detail is provided in the Appendices, including the required contents for the main documents generated and referenced through the process.

Further Observations

It is interesting to note that the term "Program Director", akin to the term "Project Director" at the project level, has generally been dropped in favor of the broader term "Senior Responsible Owner" (SRO). Further, the SRO is an accountable *individual*, whereas the "Program Manager" is a *role*, not necessarily an individual, and the "Business Change Manager" is most likely several roles allocated to multiple individuals. Of course, any given organization may not necessarily have all three types of "tranches" illustrated in the diagram.

The reference to the people side of *Managing Successful Programs* is brief but crucial. Highlights include:¹¹

"[P]eople need to be selected and recruited, developed and then posted out again with the

active support of the Human Resources (HR) function. HR policies need to be established covering the reporting and management relationships between staff involved on the program and staff in the rest of the organization(s)."

"It is important that line and functional responsibilities are clearly defined and agreed."

"Program work should not be seen as a job done 'in spare time' "

"Program and project experience should be highly valued by organizations and should be reflected in the reward and reposting of program staff who have gained such experience."

Downside

MSP uses the term "tranche" which is a word of French origin. It is more generally understood to refer to a slug of money in one form or another. It is not well known in North America and rarely used, so it is somewhat disconcerting to see it used to refer to a set of projects that represent deliverables rather than money.

The text is well illustrated by copious diagrams generally presented in solid colors. However, for our liking we tended to find some of them overburdened by the red color used and hence rather overpowering. Too much color tends to make the illustrations unnecessarily busy and cluttered with a consequent obscuring of the message.¹² In other cases, the graphics artist seems to have got carried away with wavy-lined connectors. We are not sure whether wavy connectors have some symbolic significance such as ephemeral or transient impacts, but since we are used to straight-line or single-curvature connectors in most flow diagrams, we found this rather disturbing.¹³

In a short section titled "Responsibilities for Program Planning and control" it states, in part:¹⁴

"The Senior Responsible Owner is responsible for approving the Program Plan and leading the monitoring activities, including the reviews at the end of each tranche." [I.e. at the end of each set of projects.]

"The Program Manager is responsible for designing and implementing the Program Plan, the Resource Management Strategy and the monitoring and control activities"

"The Business Change Manager(s) is responsible for managing the transition and will need to work closely with the Program Manager on designing the Project Portfolio and ***scheduling the projects to ensure the transition will align with required benefits realization.***" [Emphasis added]

In the information-technology industry at least, even once a program plan has been formulated, there is no certainty that the content of individual projects will remain whole. It's called "flexibility". The problem with program/project portfolio management in this instance is that one tends to think of projects like tiles on a Scrabble board – to be held, played or stopped to best advantage of the player. So, presumably the last item quoted means that in practice some projects may have to be accelerated, and others slowed down, or even canceled altogether.

The reality is that, aside from those projects that are in deep technological difficulty, you might get away with stopping a project once on grounds of market shift, competition, or whatever. Or you might just get away with it a second time. But the nature of successful project people is that they enjoy succeeding against the challenge and odds of serious constraints. To "pull the rug from under them" (as they say) at some crucial point is to be thoroughly demoralizing. So the next time around you ask your people to "accelerate", they'll just yawn and tell you to "Forget it!"

Given the importance of exercising control over the extensive resources required for the types of programs contemplated in the MSP, one might have expected more attention to this aspect of program management.

The last chapter, Chapter 16 – Closing a Program, is also quite short and appears to be somewhat ambivalent. For example: "Program closure may be scheduled at any point after the completion of the last project within the Project Portfolio." And: "To a large extent, when the program formally closes will depend on the amount of support required to ensure the new operational environment delivered by the program is fully embedded."¹⁵ This appears to be somewhat at odds with the definition of program that we cited earlier and in which it states: " they achieve outcomes and realize benefits". Note the present tense not future.

However, "Closing a program identifies the need for future assessment of benefit realization as well as a formal review of those achieved so far." Yet: "Program closure involves formal confirmation that the Business Case has been satisfied . . ."¹⁶ We suggest that benefits are like profits – you simply don't know their real value until the last penny has been accounted for, so that this closure is open to a lot of speculation, with the potential for undue optimism. We are inclined to think that perhaps a program should remain open for a specified period after the project tranche has been completed. This is to ensure that there is impetus to garner all of the planned benefits and that the program is fully accounted for.

There is an interesting area of program/portfolio management that does not yet seem to be on the radar screens of project management gurus, much less in any of the methodologies that we've seen to date. It is, in our view, the most crucial step in achieving a successful outcome. That is, the launch of the products of projects or, more specifically, the "transfer of the care, custody and control" of the product into its working environment.

We hear vaguely of the need for training and support for some products, but this tends to be somewhat brushed aside as a separate activity. What we don't hear about is the need for "marketing and selling" the product into its working environment. These activities are well established in the commercial or retail sectors, but are they not also essential activities if the full benefits of project products are to be garnered within the framework of project portfolio management? After all, acceptance by the stakeholders is the first step to "stakeholder satisfaction", so we feel that this is a serious missing link in present-day project management.

Summary

It is important to draw attention to the essential difference between project management and portfolio management. Project management, or even program management in the sense of very large projects, is all about the successful delivery of acceptable "deliverables" in terms of achievement within constraints of time and resources. Portfolio management goes much further and requires optimum selection of projects in the first place and the realization of intended benefits in the last.

Managing Successful Programs (MSP) points to the critical success factors of a successful program as having these attributes:¹⁷

- A clear and consistent vision of the changed business or other outcome
- A focus on benefits and the internal and external threats to their achievement
- Coordination of a number of projects and their interdependencies in pursuit of these goals
- Leadership, influence, management and direction of the transition, including cultural change

We are glad that the issue of "cultural change" is mentioned, even though only in passing. After all, cultural change necessary for a business organizational change is often the biggest hurdle to be overcome. As the MSP observes, the attributes listed should run as continuous 'strands' throughout the program and will inevitably change the way the organization or business works. Every effort should be made "to minimize 'stress' to the business by anticipating the magnitude of any change and allowing sufficient time and resource for the organization to adapt."¹⁸

MSP clearly sets out how successful programs, in the sense of project portfolios, can and should be accomplished, and it emphasizes that:

"A program will involve considerable commitment in terms of resources (from a number of areas), a significant budget, lengthy timescales, potential disruption of extant projects or programs, and major business or organizational change."¹⁹

In our view, MSP provides a sound basis for developing a program, or evaluating the effectiveness of those already in progress.

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¹ *Managing Successful Programmes* by the Office of Government Commerce (OGC), published by HM Stationery Office, UK, 1999 (original edition), Foreword

² Ibid.

³ *Managing Successful Programmes* by the Office of Government Commerce (OGC), published by HM Stationery Office, UK, 2003 (second edition), Foreword, p v

⁴ Ibid.

⁵ See *Comparing PRINCE2 with PMBoK®* (Book review) at

<http://www.maxwideman.com/papers/comparing/intro.htm>. Since then, both documents have been updated, the PMBOK Guide in 2004 and PRINCE2 in 2005.

⁶ *Managing Successful Programmes*, p3

⁷ Ibid, p6

⁸ Ibid, p7

⁹ Glossary, *Managing Successful Programmes*, pp125-128

¹⁰ *Managing Successful Programmes*, p5

¹¹ Ibid, p30

¹² Examples: *Managing Successful Programmes*, Figure 2.1 p10, Figure 3.2 p26, Figure 3.4 p28

¹³ Examples: *Managing Successful Programmes*, Figure 4.1 p31, Figure 4.2 p33, Figure 4.3 p36

¹⁴ *Managing Successful Programmes*, p69

¹⁵ Ibid, p119

¹⁶ Ibid.

¹⁷ Ibid, p5

¹⁸ Ibid, p14

¹⁹ Ibid, p12