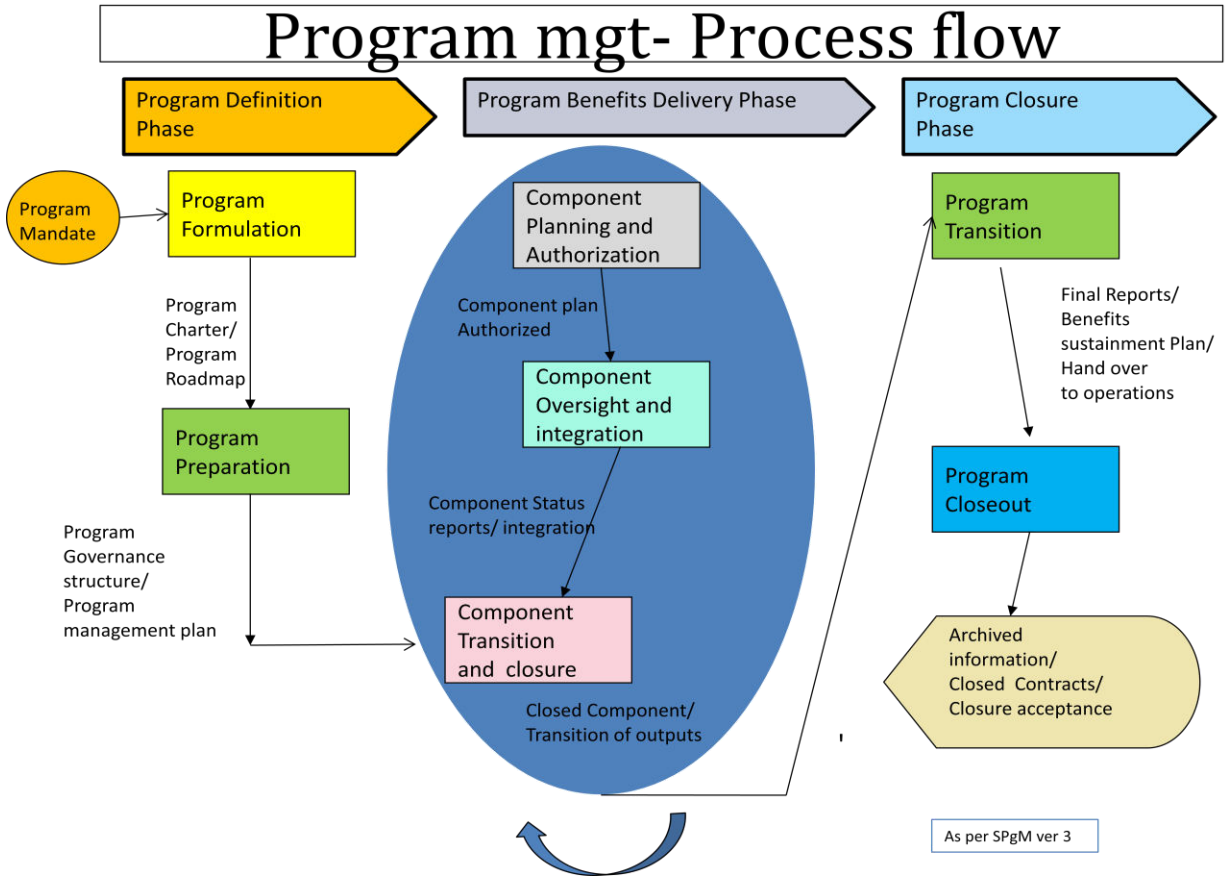
Program management - a Primer

This article describes the essentials of program management. We describe the flow aligned to the Standard for Program Management (SPgM ver 3) from PMI as per the following diagram, though we refer to the best practices from other global standards as needed.

In our consulting engagements and bootcamps, we go much beyond what is stated herein on applicability of these concepts to real life programs.



We also give reference to the tasks in the Examination Content Outline (ECO) for program management, as published by PMI. It needs to be noted that these ECO tasks are not performed sequentially in real life programs. Also the mapping indicated here (including the Domain number and Task reference – such as II- 4) needs to be correlated with the full ECO description available from the PMI website. This mapping is representative for understanding of ECO alongwith SPgM v3 – as it could apply to in a real life program. Many of the tasks are performed concurrently and iteratively.
Cross-cutting and domain specific knowledge factors are also critical for successful program management, which we address during actual implementation/ process customization for Corporates and also during our workshops.

The program management process flow is depicted in the diagram in previous page and is described below:

Program Formulation sub-phase (of the Program Definition phase)

The input to every program is the program mandate document, which is produced by the senior management of the company or the portfolio governance group. The context can also vary, depending on if the program is driven by strategic objectives of the entity (which could include governmental and non-profit organizations), or due to regulatory reasons or due to an emerging need for grouping existing projects under the program umbrella. In any case, program mandate becomes the input trigger for the program.

Program mandate document outlines the strategic objectives of the program, overview of the benefits the program is expected to give, broad scope, timelines/ budget and may contain details of initial assurance arrangements of the program. It also affirms the management commitment that the current change initiative is intended to be taken up as a program, as against a 'large project'.

Creation of the program mandate is done outside the program life-cycle and can involve intensive preparatory work – including feasibility studies, management meetings and so forth. In our experience, we have noted that the program mandate involves senior management discovering an issue or areas of improvement and get convinced that the change cannot be managed as a project, but as in a program.

During the preparation of the program mandate, the portfolio governance group/ top management also takes into account the organization's mission, vision and the strategic objectives/ imperative forces triggering off the program. Program mandate strengthens the strategic alignment of the program with the organizational portfolio. Program mandate document is specifically referred to in the Standard for Program Management (SPgM ver3) and is linked to the Task I-1 in the ECO ('Performing an initial program assessment...'). (The full description of the ECO tasks can be referred to in the PMI website).

Preparation of the program mandate is linked to the portfolio management, which defines the program as a portfolio component. In this respect, program mandate commits the business to the program benefits which would need to be attained from resource allocation and governance perspectives.
In this context, Task I-11 ('Exploit strategic opportunities for change in order to maximize the benefits for the organization...') would also be pertinent.
Program mandate becomes an input to the Program Formulation sub-phase in Program Definition phase, as noted in the above diagram. Program Formulation is where the program manager gets assigned to the program. In many situations, we have noted that the prospective program manager is identified even before the program commencement and gets assigned during the Program Formulation sub-phase, where program charter gets produced, giving authority for the program manager and the performing organization/ sponsor to apply organizational resources.
Every temporary endeavour is best addressed by the charter, which expands on the program mandate to incorporate information on high level schedule and costs, milestones, benefits, risks, major stakeholders and on the outline business case. In many programs which were implemented, we have noted that program charter coincides with the initial 'program kick-off' meeting- showcasing to senior stakeholders the objective of the program, benefits to be expected and introducing the program manager and other program management team members. (Task II-6: 'Conduct program kick-off...').

Program Charter is referred to in the task II-1 ('Developing the program charter...') and in the task I-9 ('Obtaining organizational leadership approval for the program by presenting the program charter...') . The actual approval of the charter can be done by the program governance board (as existing at the end of Program Formulation sub-phase) / Senior management.

The program manager will also prepare an initial program roadmap , with high level milestones and preliminary estimates to get the approval (Task I-2 : 'Establishing a high level roadmap...' and the task I-3 :' Defining a high level roadmap...'). Program roadmap sets out a high level chronological sequence of milestones which could happen in a program and the initial identification of components which could be taken up to get to these milestones and the benefits.

In our practical experience, we have noted that program roadmap gives a high level description of the possibilities which could be considered during the Program Preparation sub-phase for defining the program master schedule. The roadmap is more appealing to senior management, showing multiple options which could be considered even as the program is in initial stages. It should also be noted that the program charter and program roadmap need to be approved by the existing program governance board, before program gets on to the Program Preparation sub-phase. Task V-3 ('Obtain authorizations and approvals ...') would be applicable here, though in the ECO – it is more relating to the 'stage gate reviews'. Program governance board may take the approval of Senior management, if needed, while giving these approvals.

Program Preparation sub-phase (of Program Definition phase)

Program Preparation is the sub-phase where bulk of the planning gets done . Much of the work is undertaken by the appointed program manager – though other roles (including the program management office) and the core program team usually support the program manager.

During the initial stages of this sub-phase, the program manager needs to put in place the program infrastructure requirements (including guidelines for the artefact configuration management), program management information system (PMIS) tool support and other resources required to plan the program and subsequently run it. This could also include definition of knowledge portals applicable for the program and putting in place procedures for knowledge sharing, lessons reporting and updation. Tasks II-11 ('Define PMIS...') in the ECO refers to this. Typically programs are long-drawn endeavours and it is preferable for the program manager to put in place procedures for document control and knowledge sharing early in the engagement, before the artefacts start 'exploding'. We have noted this issue in many programs having multi-locational or multi-geography reach, where lack of uniformity created issues in subsequent version control and in knowledge management.

As the program manager gets more familiar with the program 'terrain', an initial work to be done includes better stakeholder engagement. Though the program charter contains initial identification of stakeholders, more sustained efforts are put in for identification of a wider sweep of stakeholders , their prioritization, development of stakeholder response stances along with the communications management plan.

Apart from the program sponsor and the program manager, the group of functional managers, whose operations will be impacted by the program form key stakeholders. These functional managers would be responsible for clarifying the benefits, as in their business areas benefits will be realized. These functional managers (and the functional users under them) can give key insights for stakeholder engagement.
All the seven tasks mentioned under the Stakeholder management domain (tasks IV-1 to IV-7) are applicable here. The key artefacts herein will include preparation of the stakeholder register, stakeholder map and the stakeholder engagement plan, alongwith the communications management plan. Again, as noted earlier, deliverables can parallelly produced and updated – rather than in a relative sequential mode as seen in a project environment. And stakeholder engagement happens throughout the program – not only during Program Definition phase, though the context can change across phases.

In practical programs we have noted that program manager does not have adequate seniority in the organization to engage effectively with senior stakeholders. The program sponsor and other senior managers / functional managers need to support the program manager in this respect.
Along with stakeholder engagement, it is essential that program manager needs to apply organizational change management to get the buy-in from diverse stakeholders. This aspect is increasingly gaining importance in large scale enterprise-wide transformation programs, as also noted as ECO as a key knowledge factor cutting across three or more domains.

Benefits management form the rationale of the program. It is important to note that program manager is more of a facilitator for realizing the benefits in the functional areas (such as sales, marketing, human resources, IT and so on) . Usually the functional managers become responsible for identification of the benefits, giving inputs for the projects leading to realization of the benefits, tracking the progress of the corresponding projects, integrate the outputs/ capabilities into operations towards realization of outcomes and benefits. Thus functional managers form a pivot for the program benefits management.

The key deliverables in benefits management cycle include the benefits map, benefits realization plan (which gets integrated as a part of program management plan), benefits register and the benefits sustainment plan. Task III-1 ('Develop the benefits realization plan...) and task III-2 ('Identify and capture synergies...') refer to development and updation of the benefits realization plan.
Initially benefit management activities are carried out to identify benefits which can go with the 'preliminary ' business case (relating to task I-6: 'Identify organizational benefits...'). Portfolio management can also define initial benefits to be realized by the program. Program manager coordinates with the functional mangers to produce the benefits map (or the results chain), which gives an initial overview of the components which could be undertaken, strategic alignment of the program to the organizational objectives and the outcomes to be realized. The benefits map needs initial alignment with the program roadmap and the set of initiatives which are grouped as a part of the program.
On ratification of the benefits to be obtained, their 'as-is' values and 'to-be' values are ascertained, the benefits register can be started. The benefits realization plan is parallelly maintained and gets integrated with program management plan.
Transition plan is an important plan which is invoked when the components go live. This plan outlines the work to be done during 'Go live' for respective iterations of Benefits Delivery phase and will involve convergence of multiple roles – including concerned component managers, program manager, functional managers and end-users. Task III-8 ('Developing a transition plan...') relates to this plan and rest of the tasks in domain III (Benefits management), incorporate references to the benefit management lifecycle.

Task I-10 ('Identify and evaluate integration opportunities..') is concerned with integration of benefits across the program and the organization.

During the commencement of the Program Preparation sub-phase, program manager also prepares the program vision and mission (Task I-4: 'Defining the program mission statement...'). Essentially the program vision statement indicates the end goal of the program and the mission states why the program exists.
During the development of the program vision/ mission statements, the program manager, alongwith the program sponsor/ concerned functional managers also assesses the organization's capability to execute the program and the program fitment to organizational strategic objectives (Task I-5: 'Evaluating the organization's capability..'). It needs to be noted that this evaluation can also be impacted by the constraints and other enterprise environmental factors in the program context.
Scope decomposition is tightly integrated with benefits management. From the program charter, the program manager will create a high level scope statement (Task II-2: 'Translate strategic objectives into high level program scope..') , followed by the detailed scope statement (Task II-7: 'Developing a detailed program scope statement..').
Scope statement is followed by creation of the program level Work Breakdown structure (PWBS) . (Task II-8: 'Developing program WBS...'). PWBS will relate to work done at the program level and the lowest level of the PWBS will integrate with the top-most level of respective component WBS. While decomposing the PWBS, the program manager usually takes the assistance from the program management office and subject matter experts, as it is generally unlikely that the program manager is conversant with technical/ operational aspects concerning all the deliverables. The PWBS can be used for refining the milestone plan (Task II-3: 'Developing a high-level milestone plan...'), in the context of refining rather than defining.
The PWBS will become the genesis of the scope statements which will be given to the component managers subsequently. The PWBS, alongwith the program roadmap, enables definition of the initial program master schedule. The master schedule needs to be aligned with multiple other inputs – including available resources, funding, risk, external constraints and is developed iteratively. In our practical experience, we have noted that many of these artefacts get refined through iterative discussions with stakeholders and assessment of forces impacting the program. Thus the program manager and the program team should be prepared with working through ambiguity and complexity, as compared to say, projects. Programs typically operate more in a 'greyscale' environment, as compared to projects.

In many programs, the program manager is also expected to understand the funding sources/ mechanisms and constraints involved to balance the cash-flows. This is a prominent responsibility of the program manager, as compared to the project manager. The program manager prepares the program financial framework and financial management plan to address the funding requirements of the program and integrate with the overall program cost management plan/ Cost baseline .
(Task I-7 : 'Estimate the high level financial and non-financial benefits...'). In large programs, where funding can be obtained through multiple sources, balancing of fund flows/ expenses need to be done , in conjunction with derivation of an optimal business case and benefit realization requirements, which can drive the component sequencing. This is an iterative process with consideration of multiple options, ascertaining the viability of each option and settling for the most viable option within the capacity and capability / risk appetite of the organization. Time spent during this initial planning is worthwhile, as it may lead to avoidance of costly reworks or backtracking subsequently during program execution.

While selecting the feasible delivery option, the program manager also gets the buy-in from key stakeholders. Cultural and ethical factors play an important role especially if the program involves multi-geography or multi-disciplinary roles. Change management aspects earlier discussed come into forefront. The corresponding ECO task is I-8 ('Evaluate program objectives...').

Capability of the resources and their bandwidth is a critical enabler for program success. These resources could be for assisting the program manager in program execution and for transition. Resources across multiple components are managed at the program level. Thus the accountability matrix at the program level can include diverse roles. Task II-4 ('Developing an accountability matrix...') addresses this work. The resource management plan at the program level will indicate how the resources are going to be acquired, ramped up, utilized and disposed off. The resources can include human and non-human resources. The procurement management plan at the program level incorporates the guidance for procurement at the program level and can synchronize with the resource management plan, especially if outsourcing of work or procurement of assets are involved. Resource management plan needs to be integrated with the program management plan and should focus on attaining the program benefits.

Governance takes a center-stage in many programs. Large programs involve far reaching decisions, involving huge funding and impacting diverse stakeholders. The program governance plan includes details on the governance arrangements which need to be in place for the program. This plan contains details on the membership of the governance board, escalation and resolution mechanisms for issues and risks and progress reporting requirements. The governance can span the oversight requirements from portfolio/ top management to the program as well as from the program to the constituent components. (Task: II-5: 'Define standard measurement criteria...'). Specific success criteria for the components can be set during the program Benefits Delivery phase.

The program management office plays an important role in program governance. In many companies we have worked with, a Center of Excellence (COE) is vested with the responsibility of defining the program and project best management practices, tools to be used and the structure of the management dashboards. COE or similar agency can give guidance to the program manager on application of best management practices and also assist in maintaining the knowledge portals.
Task V-1 ('Developing program and project management standards...') is concerned with this work .
Task V-2 ('Selecting a governance model structure...') links to the selection of the appropriate program governance model suited to the scale and complexity of the program. More often than not, we have noted that program governance plan is aligned with organizational governance strategies.

Risk management at the program level has a larger perspective. Typically programs get impacted by risks from the portfolio, components and also from operations. For instance, the impacted functional organization may not be 'change ready' is more a risk for the program rather than at a component level. Also, risks cutting across the components are addressed at the program level – rather than at the component level. The risk management plan gives guidelines on the risk management cycle at the program level and the program risk register captures and updates the program risks and their status.

The program management plan includes the constituent plans (like scope, schedule, cost, risk, procurement, communication, governance, benefits realization). It may also include details on how quality of the deliverables needs to be managed, program information needs to be distributed and how the stakeholders need to be engaged.
In effect, program management plan becomes the 'master guidance 'document for the program manger, whose constituent plans could be separately updated as needed. Integration and synergization are key aspects here, as also stated in the task V-10: 'Develop and support the program integration management...').
The program management plan, alongwith detailed business case gets approved by the program governance board at the end of Program Definition phase. Task II-9 ('Establish the program management plan...') integrates the constituent project plans as per the current information and task II-10 ('Optimizing the program management plan...') looks at enhancing synergies across constituent plans and those of components.

The success factors for the program can also be linked with the balanced scorecard (Task II-14: 'Develop KPIs using decomposition/ mapping/ balanced scorecard...'), which refers back to the outcomes and the benefits the program needs to realize.

Component Planning and Authorization sub-phase (of Program Benefits Delivery phase)

This sub-phase includes the work of the program manager in launching the components. During the Program Definition phase, program roadmap would have given the overall direction the program needs to take and the initial set of components to be launched.
In large programs, the program manager maintains a list of components (which we could call component register) which need to be launched. This register is constantly updated during the program Benefits Delivery phase with addition (and even termination) of the components. Maintenance of such a register and integration with the program management plan/ program roadmap gives an overview of the components which need to be authorized at appropriate timelines.

The program manager can assist the component manager during the initial component launch. In some cases, the program management can take on the work of preparation of the component project charter. In addition, the component managers need to be given initial inputs on the component scope, schedule, budget, reporting guidelines, lifecycle to be adopted, quality management standards to be used, escalation mechanisms and interfacing of the component with other components. Resource allocation to components is another key responsibility of the program manager (Ref. Task II-16: 'Charter and initiate constituent projects...'). In addition, the program manager can give initial guidelines to the component managers on risk and issue management, stakeholder and communications management and component success criteria. In effect, this information from the program manager to the component managers forms the critical linkage between the program and its components during their commencement. Typically the program governance board is vested with the responsibility of authorizing the launch of components- but we should note that these guidelines are set in the program governance plan. And it is quite likely that within each iteration of the Benefits Delivery phase, multiple components can be planned and authorized.

Component Oversight and Integration sub-phase (of program Benefits Delivery phase)

This sub-phase concerns the interaction between the program and component lifecycle(s). Having launched the components, it becomes the responsibility of the program manager to maintain an oversight on multiple components which can be running concurrently and integrate the outputs into capabilities as needed.

Typically in a program, this sub-phase can involve maximum effort and spending, as it interlinks with the projects' progress for each iteration. The projects may have their own reporting mechanism (generally determined by the program governance plan and supported by the PMIS). Task V-5 ('Develop/utilize PMIS..') refers to utilization of the PMIS to integrate the component status and report to stakeholders as per the program communications management plan.
It should also to be noted that the component projects follow their own lifecycles and have their respective milestones. Also, issues and risks being escalated from component projects to the program are analysed and resolved at the program level (Ref. Task II-12: 'Identify and manage unresolved project issues...' and tasks V-6 and V-7 on program risk management).

More often than not, programs operate with shared resources. It is the responsibility of the program manager to maintain an oversight on running components, accelerate and decelerate them for better integration, address dependencies keeping in view the available resources (Task II-15: 'Monitor key human resources for program and project roles..' and task II-26: 'Update program plan...' in the context of resource management).

The program manager, based on constituent component project progress reports, can consolidate and produce summary reports on an ongoing basis to the program governance board. Uniformity in decision making is facilitated by adoption of consistent techniques for progress monitoring
(Task II-17: 'Establishing consistency by deploying uniform standards...').

The program manager can also coach and guide the component managers for better performance and give reverse feedback for better delivery (Task II-20 : 'Review project managers' performance..'). Inputs from functional managers will also be useful here and in many programs, we have noted that HR and Resource Management Group can also play a key role. (Task II-19: 'Lead human resources functions...').

The program manager will execute the program management plan towards reaching its strategic objectives (Task II-21: 'Execute the appropriate program management plans...') to communicate the progress to the senior management / concerned stakeholders (Task II-22 : 'Consolidate project and program data...').

On an ongoing basis, the program manager needs to continuously evaluate the program progress and take any mid-course corrections (Task II-23: 'Evaluate the program's status..'). This can also include assessment and handling of emanating issues, risks and change requests (Tasks II-26 to II-30).

Lessons learnt are captured and disseminated to concerned stakeholders (Task II-18: Establish a communications feedback process.. and task V-8: Develop /contribute to information repository...'). In many programs, the knowledge management portal will have provisions to capture the lessons, index them and synergize them in a usable format. Task V-9 (Identify and apply lessons..') refers to application of lessons learnt during the program lifecycle.

Based on the progress of constituent components, the program manager can consolidate program progress to analyse the variances from the baselines. (Task II-23 ' 'Evaluating the program status...'). Tools like Earned Value Management can be useful here during analyzing variances and forecasting program progress. (Task II-25: 'Analyze variances and trends...').

Every program needs to remain aligned to the Corporate strategy/ portfolio. As a part of governance, the program manager/ senior stakeholders need to maintain horizon scanning and changing business conditions. (Task V-10: 'Monitor the business environment...') and mid-course corrections as required.

Component Transition and Closure sub-phase (of program Benefits Delivery phase)

Multiple component outputs can be combined as a capability and transitioned into operations for each of the iterations of this sub-phase. The transitions need to be approved by the program governance board, before moving on to the next iteration of the Benefits Delivery phase (or to the Program Closure phase for the last iteration). The program business case is always updated during this sub-phase, to enable the program governance board to assess the continued viability and benefits delivery capability of the program, which link back to the strategic alignment of the program to the portfolio.

Transition management is a key challenge faced by many programs. We have noted programs where technical delivery went off smoothly – but on account of poor transition management, the program failed to realize the benefits. The initial transition plan could have been developed during planning the program (Task II-13: ' Developing the transition/integration/ closure plan...') , but it gets implemented here. Effective change management is a key for robust transition management. (Task II-33: 'Execute the transition....'). It may be noted that in a large programs, multiple transitions can occur.

Before component closure, it is imperative that the user acceptance should have been obtained for the concerned deliverables through application of testing and quality control procedures. This aspect primarily falls under the purview of project management- but the program manager needs to ensure that such an acceptance is obtained, generally from the impacted functional users (who would have also had a part in the progressive elaboration of the project scope). (Ref: Task II-24: 'Approve closure of constituent projects.'). Lessons learnt can be applicable for each of the iterations of the Benefits Delivery phase.

Benefits management and governance management are performed concurrently alongwith the program lifecycle. As stated earlier, the raison d'être for the program is to realize the outcomes and the benefits. If the envisaged benefits are not forthcoming, the program governance board can legitimately question if the program needs to be terminated, though the component projects may be going well.

The program manager (and the concerned functional manager) will be monitoring the outcomes and the benefits resulting from the program. Task V-4: 'Evaluate key performance...' refers to this more from the delivery perspective. Task III-4 ('Monitor the metrics...) also refers to monitoring the program performance from the benefits realization perspective. It needs to be noted that business case and the benefits management are tightly interlinked. Scenario analysis as a tool can be used to model the benefits and assess the ROI during Program Definition and also program Benefits Delivery phases.
The benefits register will be maintained and realization status of the benefits reported to the concerned stakeholders (III-6: 'Maintain a benefits register..').

In case of risks, the program manager will assess the impact of the risk on the program benefits on a priority. It would also be useful to maintain discussion of benefits and the risks of obtaining them as a key agenda point during the program governance board meetings. (ref: Task III-7: Analyze and update the benefits realization plan...').

Program Transition sub-phase (of Program Closure phase)

After all the components have been closed during a normal program closure, the program itself can get closed. During the Program Transition sub-phase, the program manager evaluates the program success, gets the final approval for the closure, prepares the lessons learnt report and the benefits sustainment plan. This sub-phase links back the program closure to the portfolio management or to the senior management, which commissioned the program.

As the program approaches its end, the program manager completes an overall program performance analysis report (Task II-31: 'Complete a program performance analysis...'). The program governance board needs to give its approval for closure, for which it may refer back to the portfolio management if required. (Task II-32: 'Obtain stakeholder approval...'). During the program (and even during components closure), program manager needs to ensure that the closure has or will result in achieving the required benefits (Task III-5: 'Verify that close. Transition...').

During the Component Transition and Closure sub-phase, individual transitions would have happened. In Program Transition sub-phase, the final transition occurs. (Task I-33: 'Execute the transition...').
This final transition is critical, as once it is done, any further change initiatives may be taken up by the concerned functional managers as discrete projects outside the current program umbrella.

We have noted that in some programs, the final transition gets unduly delayed, 'locking' up the program resources indefinitely. The role of program sponsor is critical here, enabling a smooth transition to realize further benefits under the operational regime.

The benefits sustainment plan is updated and handed over to the concerned functional manager(s). (Task III-3: 'Develop a sustainment plan..' needs to be invoked from the updation perspective here).
A final lessons learnt report is produced and the feedback to strategy or portfolio management is given (Task II-34: 'Conduct post-review meeting...' and Task II-35: 'Report lessons learnt...'). In large programs, program financial closure is also performed to update the program business case for the last time, before handing back to operations.

Program Close-out sub-phase (of Program Closure phase)

The activities performed in this sub-phase mostly relates to administrative work to wind down the program. In large programs, it can include releasing of core program team members back , ensuring the program artefacts are archived and releasing back the infrastructure taken up for the program. Any ongoing contracts are assigned to appropriate business departments.
The program manager can also give feedback on the performance of the core team members to the resource management group or to the COE, so that any further skill-set improvements can be planned.

As noted earlier, this mapping of the ECO tasks to the program lifecycle is given to assimilate how they fit in a program environment. In an actual program, judgmental factors need to be applied by the program manager / sponsor and governance team, based on the context, domain and scale of the program on how effectively they need to be factored in. Not all the tasks may be applicable for a 'small ' program.

Pl. write to us in info@grt-consulting.com on how we can assist you in customizing and fine-tuning program management processes, specific to your context or to enhance the program management competency of your organization.