Program Management

Going Beyond Project Management to Enable Value-Driven Change

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To

my wife, Nicola

and my kids, Adam, Zeyad, and Sarah

for being my continued source of inspiration

the memory of

my Dad and Mom

for instilling in me the value of learning

my life's mentor

Dr. Harold Kerzner

for demonstrating impactful thought leadership

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Preface

For more than 50 years, project and program management have been in use, perhaps not on a worldwide basis. Significantly more literature appeared describing the accomplishments of project management rather than program management. By the end of this decade, there will be a great deal of growth in program management applications as companies begin working on more projects, especially those related to strategic business initiatives, innovation, and R&D. Grouping these projects into programs will be a necessity to maximize the expected business benefits and value.

What differentiated companies in the early years was whether they used project management, not how well they used it. Today, almost every company uses project management, and the differentiation is whether they are simply good at project management or whether they truly excel at project management. As the acceptance and use of program management grows, the difference between being good and excelling at program management is expected to be quite large. Program management is heavily focused on business applications. Project management is generally seen as a short-term perspective, but program management is often viewed in a 10–20-year time frame.

Companies such as IBM, Microsoft, Siemens, Hewlett-Packard, and Deloitte, just to name a few, have come to the realization that they must excel at project management. As such, these companies encourage their employees to become certified in project management. As program management applications increase, companies are expected to encourage their workers to become certified in program management practices as well because of the significant return on investment it can have on business success.

History is a great teacher and predictor of the future. What we learned from project management was that success was measured as a continuous stream of successfully managed projects. The challenge now will be defining program management success. Some of the components that are expected to be included in program management success are:

- *Nonlinear thinking*: Project management traditionally focuses on linear thinking with well-defined requirements and life cycle phases. Companies use the same forms, guidelines, templates, and checklists on all projects. The projects within programs may begin with just an idea, and new policies and procedures may need to be developed as programs progress. Projects within a program can become highly complex over time.
- *Strategic focus*: The focus of most projects is on the creation of a deliverable acceptable to stakeholders. The focus of programs will be on the creation of long-term business benefits and business value.
- *Change management*: Programs have a much greater impact on the organization's business models than do individual projects. As such, program managers must continuously evaluate the long-term effects of a successful program and prepare for change as early as possible. Program change management necessities have a much greater likelihood of removing people from their comfort zones.
- *Collaboration*: Traditional project may have just a few stakeholders, and their involvement in the project may be minimal. Programs may have a multitude of stakeholders, many of whom desire to be involved in critical decision-making. Programs therefore require much more collaboration and engagement, often on a continuous basis, than traditional project management.
- *Methodologies and life cycle phases*: Program managers must be able to manage multiple projects within a program, where each project can use a different methodology and have different life cycle phases.
- *Integration*: Each of the projects within a program must be integrated with other projects within the program. This creates challenges for program managers with problem-solving and decision-making.

- *Risk management*: The VUCA environment has a much greater impact on risk management and eventual success for programs than for individual projects. The program manager must continuously monitor the VUCA environment and be willing to mitigate risks, especially business-related risks that might impact future business value creation.
- *Culture*: Unlike project managers who may focus on just one project culture, program managers must deal with multiple cultures and how each culture interfaces with the corporate culture. Program managers must also possess the leadership skills to deal with cultures that can change over the long-term life cycles of programs.
- *Problem-solving and decision-making*: The growth in the number of projects will make it difficult for the program manager to solve problems and make decisions without the use of digitalization technology such as Artificial Intelligence (AI). On traditional projects, the project manager may have the luxury of deciding whether or not to use AI practices. But on programs, given the possibility of a large number of projects being performed consecutively, the program manager may find it necessary to educate all of the stakeholders on how digitalization practices will affect their projects.

There are, of course, other topics that will help in defining and achieving program management success. All of the topics discussed above, and more, appear in Dr. Zeitoun's book. If your company wishes to achieve the program management success that other companies have found, then this book is a "must read."

The future of program management may very well rest in the hands of solution providers. These providers will custom-design program management practices, such as those discussed in this book, for each client and possibly for each stakeholder. They must be able to develop program management skills that go well beyond current program management documentation and demonstrate a willingness to drive change, and make strategic business decisions as well as program decisions. The future of program management looks quite promising, but it will be challenging.

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Introduction

The Why of Program Management

BACKGROUND

The world has been changing and will continue to change and fast. If we have learnt anything from that last decade's experiences, it is that change will accelerate in its scope and speed and that we best be ready to adapt and to continually build the necessary future skills so as not only to sustain our progress but also to grow and lead. Projects have and will continue to be the vehicle for change. In its simplest form, a project is an endeavor that has a beginning and an end and consumes resources toward achieving a specific and meaningful change purpose.

Programs become the connecting grouping of projects to make the best coordinated use of precious resources across the projects and toward achieve benefits (something of value to the key program stakeholders) that would otherwise be missed if we manage these projects individually. Program stakeholders are the ones with interest in the program's outcomes and in many instances have the power to influence the program's direction toward achieving its benefits. The key word here is benefit, which ultimately becomes the key to achieving value. This is what makes programs exciting. They become the closest strategic vehicle leaders have to plan and execute large and sometimes complex change efforts. Programs are in essence the natural cascade from strategic vision into the reality of achieving what matters.

Another key aspect to the background of the importance of programs is that they represent the big nuggets in each portfolio that an organization would typically have in place to execute its strategy. A portfolio is in essence the holistic bucket of programs, components thereof, projects, and other parts of the business operations. Organizing the portfolio in a way that links directly to achieving the mission and vision of the organization becomes critical. Two building blocks exist in a given portfolio. One is focused on running the business. The other is focused on changing the business.

The main focus of this textbook is on strategic business opportunities in the form of programs and other strategic projects, changing the business. The "Why" of program management is in essence the criticality of ensuring that we step beyond just achieving deliverables, which seems to be the biggest focus of projects, to what most counts, which is getting to the change results that are envisioned in the programs' choices that are designed to achieve these benefits.

The book opens the door to what I could refer to as the ***Program Way***. It is a mindset and a way of working that is centered around finding the most fitting and simplest ways of working to handle the possible complexity with these likely major strategic business opportunities. While building on the classical project and program management tools and principles, this ***Program Way*** opens the door to multiple creative ideas for how we deliver project and program management efforts in the future. Scaling strategy execution services, for example by considering Program or Project Management Office, (PMO)-as-a-Service, will continue to be a strategic priority for organizations as they strive to achieve the most impactful mission that affect how we live, work, consume, and change societies.

DIFFERENCES BETWEEN PROGRAMS AND PROJECTS

Introduction

I worked with Dr. Harold Kerzner on this introductory portion of this book as we wanted to jointly address a few of the key differences between programs and projects. From the beginning of modern project management, there has been considerable confusion concerning the relationship between projects and programs, and how they are managed. The terms have often been used interchangeably. There have been articles written on the differences (Weaver 2010). But now, partially due to the learning from the COVID-19 pandemic, organizations are looking much more closely at the differences and whether with their limited funding, accompanied by a loss of critical resources, they should focus more on program rather than project management efforts.

The PMBOK® Guide provides the following definitions (Project Management Institute 2021)

- *Project*: A temporary endeavor undertaken to create a unique product, service, or result.
- *Program*: Related projects, subsidiary programs, and program activities that are managed in a coordinated manner to obtain benefits not available from managing them individually.

From a cursory position, projects focus on the creation of unique deliverables usually for a single customer or stakeholder. Programs focus on the synergistic opportunities that can be obtained from managing multiple projects to create business benefits and business value for both the organization and its customers.

There are textbooks that simply define program management as the management of multiple projects. However, there are other factors that create significant differences between projects and programs. Managing a project as if it was a program can lead to significant cost overruns and cancellation. Managing a program as if it was a project can lead to significantly less than optimal results and failure.

There are numerous factors that can be used to differentiate programs from projects. Some commonly used factors to identify the boundaries of projects and programs include:

- Type of objectives
- Type of products and services produced
- Industry type and characteristics
- Number and types of customers/stakeholders that will benefit
- Impact on business success and definition of business success
- Strategic risks
- Methodology used for implementation
- Size of the project or program
- Impact of enterprise environment factors such as the VUCA environment
- Complexity of the requirements
- Technology required and availability
- Strategic versus operational decision-making

Perhaps the greatest difference however is in the organizational behavior factors, the leadership style selected, the interaction with the team and stakeholders, and the decisions that must be made. Several of these factors are discussed in this study.

Selecting the Leader

There is a mistaken belief among many companies that the most important criteria for becoming a project or program manager is simply becoming certified through an examination process. While certification is an important factor, there are other attributes that may be considerably more important.

A vice president in an aerospace company commented that the two most important skills for a PM in his organization were a command of technology and writing skills. The command of technology had to be specifically related to the technology required to produce the project's deliverables. The assignment as a PM could be temporary, without any training, just for this project, and the PM could then return to his/her functional organization for other duties perhaps not project management related. Project management was seen as a part-time rather than a full-time career path position. Some companies hire contractors to perform work in their organizations and the contractors then take the responsibility for project management.

Program management must be owned by the organization and usually a full-time assignment. Program managers generally have more of an understanding of technology rather than a command of technology but must have excellent business skills related to customer interfacing, supply chain management, strategic planning, and interpersonal skills for team building.

Defining Success

There can be several definitions of success. Project managers focus on certainty by beginning projects with well-defined requirements and a clear understanding of exactly what deliverables must be provided for the customer. Success is then defined as providing these deliverables within the constraints of time, cost, and scope.

Program managers must often deal with high levels of uncertainty in the requirements, changing customer needs, possibly a continuous emergence of new business risks, and changes in technology. Therefore, it is difficult to measure program success in just time, cost, and scope. Program managers realize that their definition of success must be future oriented and view success in factors related to the long-term benefits and value that the program brings to the organization.

Re-engineering Efforts and Change Management

Organizational change is inevitable. Sooner or later, all companies undergo changes, some more often than others. The changes usually result from project successes and failures and can be small improvements to the organization's project management processes, forms, guidelines, checklists, and templates, or they can be major re-engineering efforts that impact the organization's business model. The changes can also affect just one project or all the projects within a program.

There must exist a valid justification for the changes. Some companies expend countless dollars on changes and yet fail to achieve the desired results related to their strategic imperatives. Lack of employee buy-in is often a major cause of concern.

Project managers seldom take the lead in implementing re-engineering efforts other than for the rare situation where the impact affects just one project. If the change impacts several projects that are not connected to a specific program, the leader of the change effort may be a steering committee. Program managers, on the other hand, must function as the change manager especially when the changes may impact many or all the projects within their program. Re-engineering efforts can impact just one program within a company based upon strategic program initiatives necessary.

Perhaps the most important responsibility of the person leading the change is communicating the business need for the change. Project managers may expect senior management or an executive steering committee to assume this role especially if the impact on their project is minimal. Program managers cannot and must not abdicate this responsibility to others especially if there could be a significant impact on the program's deliverables, customer and stakeholder expectations, and long-term financial considerations. Programs managers must assume the leadership role for program re-engineering efforts.

Face-to-face communication is very valuable, especially to get workers buy-in. Workers are always concerned as to how the changes will affect their job and whether new skills will be needed. People are fearful of being removed from their comfort zone especially if their vision of the future is uncertain. Project managers often have little regard for workers' concerns resulting from change management activities because the project manager's involvement with the workers may end when the project is completed, and the PM may never work with these individuals again.

Workers assigned to individual projects may have the option of requesting reassignment to other projects where they can remain within their comfort zone. Workers assigned to programs may be working on several projects within the program and reassignment may be impossible. Part of the program manager's face-to-face communications must include discussions concerning (i) the business need for the change, (ii) how and when the change will take place, and (iii) his/her expectations of the workers after the change occurs. Workers are more likely to respond favorably to the changes if the information is provided by the program manager face-to-face, or directly, rather than from someone not directly affiliated with the program.

Career Advancement Opportunities

Everybody seeks the opportunity for career advancement. In project management books and training courses, we stress that one of the roles of effective project management leadership is to help workers improve and advance their career opportunities. Unfortunately, this is easier said than done in traditional project management. Some reasons for this include:

- PMs may have little or no authority over the workers and cannot hire or fire.
- PMs may not have the authority to conduct official performance reviews and may not be asked to provide recommendations to the functional managers on how well or poorly a worker performed.
- PMs may not possess the technical knowledge needed to evaluate worker performance.
- Workers may be assigned to multiple projects under the guidance of several project managers and each of the PMs may not have sufficient time to evaluate worker performance.
- Project budgets may not have funding for the training workers need to advance their careers unless the training is specifically related to the project they are currently working on.

In most organizations, PMs do not conduct formal performance reviews. Worker performance improves when the worker exhibits his/her performance under the eyes of the person performing his/her review. If the worker on a project receives conflicting instructions from the project manager and his/her functional manager, the worker usually goes with the person conducting his/her performance review, which is usually the functional manager.

Program managers usually do not have all the restrictions mentioned above. Workers may be assigned full-time on several projects within the program, and the program manager may be authorized to make a significant contribution to the worker's performance review process. Program managers generally get to know the workers on their programs better than the project managers responsible for a single traditional or operational project.

Another important factor is the relationship between strategy and management/career development. Business strategies are formulated and executed through projects. Project management books and articles are now being written that identify the importance of aligning projects to business strategies. Why work on a project that is not aligned to one or more strategic business objectives?

There must exist a line-of-sight between senior management and project teams whereby team members understand the linkage to and importance of the strategic business objectives. Generally speaking, the linkage is often more evident between business strategy and programs than between business strategy and individual projects.

If a program has a long-term strategy and the workers recognize this strategy, then the program manager may be able to motivate the workers when they recognize the advancement opportunities through the business strategy for the projects within the program. Programs with growth strategies generally offer workers more management development opportunities than functional organizations that cater to single projects and focus on stability and possibly retrenchment strategies. Also, the re-engineering efforts discussed previous, if explained carefully to the workers, may identify career advancement opportunities.

Data-Driven Risk Management

An important lesson learned from the COVID-19 pandemic was that traditional approaches to risk management may be ineffective during a crisis. The risk associated with a failed project may be inconsequential compared to the failure of a long-term program.

Program managers require significantly more data than project managers for risk assessment since many of the projects within the program may be strategic rather than traditional or operational projects. Data-driven risk management will require access to information warehouses and business intelligence systems. As stated by the authors (Kerzner and Zeitoun 2022):

> *The changes that have been taking place in business and in the way of working of programs/projects have led to an unprecedented level of uncertainty that make the topic of estimating and the associated risks central to the success of the strategic initiatives. It is in our view that digitally enabled estimating requires innovation in order to create a commercially successful product, which also means that the team members must understand the knowledge needed in the commercialization life cycle starting from the early projects' stages.*

Some project managers might simply walk away from a failing project and then move on to their next assignment. Program managers have significantly more at stake and focus on ways to salvage as much business value as possible.

Risk management is often looked at differently whether seen through the eyes of a project or program manager. Project managers tend to focus on negative risks, namely the likelihood of something bad happening and the resulting consequences. The intent is to reduce negative risk and the ways we have taught it according to the PMBOK Guide are with strategies to avoid it, transfer it, mitigate it, or accept it.

Program managers must deal with positive risks as well as negative risks. Positive risks are opportunities to increase the business benefits and business value of the activities within the program based upon what is in the best interest of both the parent company as well as its customers. Opportunistic strategies include accepting it, exploiting it, transferring it, and enhancing it. Effective risk management activities for programs must be holistic in nature and consider both negative and positive risk management strategies.

Stakeholder Relations Management

Stakeholder relations management affects key principles in the PMBOK Guide. For the project manager, stakeholder relations management focuses heavily upon providing project performance feedback to stakeholders and engaging them in decisions and execution of the project plan. For program managers, the relationship is more complex.

Most project managers do not have the responsibility for marketing and selling of the deliverables of their projects. Project managers move on to their next assignment after project closure regardless of the business value of the deliverables and might never work with the same customers or stakeholders again. Program managers view themselves as managing a portfolio of projects with the strategic intent of creating a long and profitable life expectancy for the deliverables created within the program. Therefore, program managers may need much more sales and communication skills than project managers. This requires more frequent communications with customers and stakeholders.

Both project and program managers have a vested interest in quality management, but often for different reasons. For the project manager, quality is most often aligned with the organization's Customer Relations Management (CRM) program which looks for ways to sell more of the existing deliverables to the customers in the short-term. The focus is on short-term thinking and quick profits.

Program managers have more of a long-term and strategic perspective by focusing on Customer Value Management (CVM) rather than CRM efforts. The intent of CVM is to get close to your customers to understand their perception and definition of value and what value characteristics will be important to them in the future. This allows the program managers to create meaningful strategic objectives aligned to their customer base. It provides a much closer and stronger relationship with important customers. This can lead to lifetime bonding with critical customers and create a sustainable competitive advantage.

Multiproject Management and Innovation

Traditional project management focuses on managing a single project within the constraints of time, cost, scope, and quality. Innovation requirements are usually not included in most traditional or operational projects. The emphasis is usually on the application of existing knowledge and technology in the creation of deliverables. Program managers are required to perform in a multiproject environment using many of the concepts required for effective portfolio management practices. Multiproject management and effective customer relations management practices give program managers more innovation opportunities than project managers working on a single traditional or operational project.

Some of the issues that program managers must address come from answers to the following questions:

- How well are the projects within the program aligned to strategic objectives?
- Must any of the projects be cancelled, consolidated, or replaced?
- Must any of the projects be accelerated or decelerated?
- Does the portfolio of projects need to be rebalanced?
- Can we verify that organizational value is being created?
- How well are the risks being mitigated?

Answering these questions requires the program manager to utilize business and strategic metrics for informed decision-making regarding strategic opportunities, new technologies that may be needed, and new products/services customers expect. Strategic opportunities have a strong linkage to innovation activities that address the customers' definition of value.

Previously we stated that program managers have a greater interest in CVM than CRM and therefore must address innovation opportunities in the multiproject environment. Program managers must recognize that innovation-based strategies can become the key drivers to maintain or create a sustainable competitive advantage. By managing all the projects within the program in a coordinated manner whereby each project may be related to other projects, program managers are able to create significantly more business benefits and business value than traditional projects managers. Obtaining this synergy requires significantly more metrics and some expertise in innovation practices necessary to support CVM activities.

WHY THIS BOOK

As I was doing my undergraduate degree in civil engineering, a dear professor of mine introduced us to the mechanics of construction management. It was a fascinating experience that opened my eyes to a new and a different world of management at the time. Between breaking down the project into an organized set of elements and learning the steps of figuring out the critical path that determines a given project duration, I was mesmerized and thought this is such a great field of practice. Although I started my career as a practicing engineer, designing city and county utilities for example, I always had fond memories and great learning from this encounter with Prof. Hosny.

It was natural to get my Project Management Professional (PMP), and I was very proud to be the first certified professional in the city of Wichita, Kansas, USA, where I lived at the time. The biggest aha moment that I experienced then, was when I shifted from engineering to manufacturing to run a PMO for the first time. The realization that the project management practices apply almost equally well across most industries was a beautiful discovery. One thing I found then and continued throughout all my career changes and milestones was "projects could be thought of as successful, yet the impact envisioned or initially perceived by the customer or user of the service/product of the project might not have been realized."

This was the reason why I started to investigate and understand program management principles and got ever more excited about that field and its importance to creating the most meaningful changes. Programs are

strategy execution vehicles and this means that the intense focus on benefits management comes as a key ingredient to the inception of a program and the managing of its lifecycle. This would get us over this challenge of winning the battle and losing the war that could happen in project work that might be focused on just getting deliverables done, all the while missing the achievement of critical stakeholders' outcomes.

APPROACH

Throughout this textbook, the focus will span both the program management processes and techniques as the vehicle to achieving change and the person whom we give that title and responsibility of being the program manager. You will learn how to design your programs for success, how to prioritize and focus on achieving value, and most importantly develop the right skillset and qualities needed to lead the future most important change creation efforts. The principles presented and analyzed throughout the text align with many of the global industry standards, with closer alignment to the Project Management Institute (PMI) standards and practice guides.

The orientation of the textbook is in the direction of the practitioner and thus you will see cases and examples targeting how to apply program management principles and how to overcome the gaps and resistance that might be faced when working across organizational boundaries and the multiple program stakeholders and their competing demands. Yet, a few of the readers might also be candidates for pursuing professional certifications in the field of project and program management. There will be useful references throughout to guide these readers to the resources most relevant to these certifications too. In addition, there is an instructor's manual for the book and faculty can obtain this manual by contacting John Wiley Publishers.

THE EXPECTED OUTCOMES

It is my hope as the author that the reader of this textbook will develop a strong appreciation of the value of program management in enabling change. Understanding and practicing how growing beyond project management to the land of strategic value of projects in the form of programs is a critical outcome of this work. As a future leader of programs, the qualities that you develop, and the related critical skills necessary to achieve strategic benefits, should empower you to consistently tackle the most challenging transformation initiatives.

In an increasingly digitally driven universe, it is the strong mix of human behaviors and stakeholders' management practices addressed in this textbook that is the true difference makers for what success would look like in future organizations. The outcome of this textbook should be customized to the needs of the individual practitioner, the maturity of his/her project/program team, and the stage of the organization in its understanding journey of the value of projects and programs.

As the leader of future programs, learning to sharpen your adaptability in articulating and driving the story of your program and projects will dictate your success and your ability to make dreams a reality. Leading programs in the world from the angle of the prevailing VUCA (Volatility, Uncertainty, Complexity, and Ambiguity) is challenging enough. Yet as we mature this to the likely prevailing environmental versions for this coming decade, or the many others that might encounter our future path, managing programs will become even more challenging with an equally high potential for opportunity.

This could be a sandwiched VUCA between the two Ds of Diversity and Disruption (D-VUCAD) or the more likely future business state of Dynamic, Ambiguous, Uncertain, Nonlinear, Complex, and Emergent (DANCE). The key is that the program manager will have to more frequently and effectively call the shots, operate as an entrepreneur, make tough decisions, continue to connect vast variety of diverse stakeholders, drive integration, take Artificial Intelligence's impact into the mix, and ensure that every day in the life of a program is focused on achieving value. I would like to think of this as the ***Program Way*** in a future that is dominated by sensing, responding, and capitalizing on strategic business opportunities.

Wishing you a reflective read and the very best on your own journey of excelling in delivering consistent and sustainable value from your projects and programs.

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SECTION |

GOVERNING WITH EXCELLENCE AND ACHIEVING CHANGE

SECTION OVERVIEW

This section describes the fundamentals of program management. The value of program management in achieving organization change is detailed. A few initial tools to aid the program manager in achieving clarity and leadership of the change journey are explained. Governing with excellence is supported with a few case studies across global organizations.

SECTION LEARNINGS

- The relationships among portfolio, programs, and projects to understand how they align to deliver value.
- Why programs and strategy have to be connected to achieve meaningful success and gain a competitive advantage.
- The linkage process between program management and change management and its use to drive and sustain innovative outcomes.
- How the different program roles support its success, in addition to leveraging the role of the program sponsor in closely connecting to, and achievement of, business goals.
- Using a program roadmap to create the connecting blueprint that integrates the focus and expertise of the program team.

KEY WORDS

- Strategy
- Change management
- Complexity
- Program sponsor
- Excellence
- Roadmap

INTRODUCTION

The world must continually change to sustain humanity and its needs and to address the strategic complexities we all encounter. The execution of strategies in this changing world of work has been going through an evolution from its normal way of working. This transition is only going to be faster and more complex. As a leader and a program manager, it is becoming highly critical to learn and develop governing strategic and integration capabilities and possess a crystal-clear focus on value. This section highlights the challenging and rewarding journey towards program delivery excellence. It stretches the learners' skills of creating, thinking, and reimagining futures that are becoming more likely scenarios. You will learn how to deliver faster and remove strategy execution friction.

This work will build on the principles of the Project Management Institute's (PMI) program management standards. Of importance will be the focus on bringing the power of integration as the engine for programs success. This will help you drive and support meaningful change and realize a strong return on your programs' investments by deep diving into a selection of practical capabilities.

Building the necessary integration capabilities requires time and energy in exploring what it takes to stretch your leadership style, while uncovering the processes and principles of program management as the vehicle for creating change. This learning journey is designed with a global perspective in mind and is intended to help accelerate a project practitioner's growth as a future leader and a successful program manager.

Across the chapters of this section, there is an opportunity to learn and understand the delicate balance between program management and change management. A multitude of program management mechanisms provide the depth opportunity needed to drive achieving change. Programs by nature tend to also have a long-time frame, where multiple changes could occur. Leaders need to see programs as strategic business opportunities that are designed to create the organizational strategic objectives and/or solve critical customer needs.

There will be several global case studies to be addressed that propel us into the future of data and its role in program delivery, innovative decision-making tools, and the appreciation of the human side of change. An excellence model will also be referenced as a good anchor for the many behaviors that are critical to learn and practice across the planning and execution of programs.

A program manager needs to fully immerse in a continual learning lifestyle. As the leader of a program, she/he has access to a wide variety of learning instruments and success will depend on how the leader takes the time to step back and think about the learned practices and then personalize that to your specific learning and program work needs.

There are potentially different future roles in the growing program management field. Examples highlighted in this section will cover the conductor, the change maker, the holistic leader, and the storyteller. This provides the program leaders an opportunity to experiment with the most fitting role and where a clear impact is best created. These, and many possible others, are all roles you could practice, practice, practice. What could be more exciting than being equipped to lead, or participate in, the world's most meaningful programs?

This section is built on a global perspective to bring life to the principles and practices of program management. This should enable you and your organizations to experience the potential this program management discipline brings to the way you and your teams work now and into the future.

Before we get into the first chapter, let's highlight some of the typical challenges faced by programs and that affect the successful management of these critical change efforts.

PROGRAM MANAGEMENT CHALLENGES

A program is generally defined as a grouping of projects that can be managed consecutively or concurrently or a combination of both. There are numerous challenges facing the program manager that quite often makes it difficult to achieve all or even part of the strategic goals and objectives established by senior management. The larger the program, the more difficult it will be to overcome the challenges.

Many of the challenges are common to both projects and programs. However, the risks due to the challenges may have a much greater impact on programs than projects. When projects are challenged, some companies simply let the project fail and the team moves on to their next project assignment. When programs are challenged,

the cost of terminating a program can be quite large and have a serious impact on the organization's competitiveness and future success.

Projects generally have a finite time duration. Most programs, because of their strategic nature and impact on the success of the organization, are much longer in duration and are susceptible to more challenges, risks, and negative impact on the business.

TYPES OF PROJECTS

When managing individual projects that are not associated with a program, we normally treat them as "traditional" or "operational" projects. Program management activities are composed of "traditional" as well as "strategic" projects. Traditional projects begin with well-defined requirements, a detailed business case, a statement of work, and possibly a Work Breakdown Structure (WBS) that outlines all activities needed for the duration of the project. Strategic projects can begin based upon just an idea and the requirements are elaborated upon as the program progresses.

The mix of traditional and strategic projects varies with each program. The business environment seems to be changing and more programs are becoming strategically oriented. Reasons for the strategic orientation include:

- Today's business environment has much greater risks and uncertainties.
- There is a growing need for more products, services, markets, and customers.
- There is a much greater need for internal projects that promote better efficiency and effectiveness.

The challenge will be to accept more strategic projects as part of a program and recognize that most of these strategic projects cannot be managed using the traditional project management processes, tools, and techniques that have been taught for decades.

PROGRAM BUSINESS CASE

Many of the projects within the program will be strategically oriented and will be initiated without detailed requirements or even a business case. However, the overall program must be based upon a well-understood business case because of the cost and time associated with a program.

The business case must articulate the expected benefits and business value expected. The business case also provides the boundaries for many of the decisions that will have to be made. The challenge will be in the preparation of the business case such that all program team members clearly understand what is expected of them.

SCOPE CREEP

The risks associated with scope creep can occur on almost all programs and projects. However, the magnitude of the risks is greater on programs. The magnitude of the risk on programs depends upon the relationships between projects within the program. Scope creep on one project could cause costly scope changes on other projects within the program as well.

Change Control Boards (CCBs) are often created to deal the with approval or denial of a scope change. For projects, the CCB may be composed of project team members, organizational management, and stakeholders impacted by the change. On programs, determining the numbers of stakeholders impacted may be difficult. Decisions made by CCBs on programs must consider the impact that the scope change will have on the entire program rather than just on one project.

Another important consideration on programs is the impact that change might have on suppliers and distributors. The cost associated with bringing on board new suppliers or distributors could create a financial headache on programs.

ORGANIZATIONAL CHARTS

People can be assigned to projects or programs full time or part time based upon the size and/or duration of the activity. Projects tend to be shorter in duration than programs and usually do not have an organizational chart unless required by the contract. Projects use Responsibility Assignment Matrices (RAMs) and the only people that might appear on an organizational chart would be the project manager and assistant project managers, if applicable. Other workers, such as from sales, engineering, procurement, legal, and manufacturing, appear as dotted lines to the project manager and solid lines to the functional area.

Programs can have detailed organizational charts with full-time assignments from people in sales, engineering, and manufacturing. Because of the number of projects within a program, full-time sales personnel may be assigned for projects involving competitive bidding where proposals must be prepared continuously. The same may hold true for engineering and manufacturing personnel that will appear full time on the organizational chart and reporting directly to the program manager. But in reality, they may still be dotted line reporting to the program manager and solid line reporting to their functional managers regardless how it appears on the program organizational chart. The intent of showing reporting relationships, either solid or dotted, is to help identify the right accountability and eliminate the risks of mismatched skills.

Large programs may have special requirements that justify the need for full-time personnel. Examples might include:

- **Program office manager:** This can include handling administrative paperwork, meeting scheduling, and making sure that program activities are aligned to company standards and expectations.
- **Reports manager:** This person is responsible for the preparation and distribution of all reports and handouts. The person is usually not involved in the actual writing of the reports.
- **Risk manager:** This person monitors the VUCA environment, and the enterprise environment factors. Additional responsibilities include risk identification, analysis, and response to all risks that can impact program success.
- **Business analyst:** This person works closely with the risk manager and activities may include identification of business opportunities and threats. The analyst may monitor compliance to customer requirements and verification of the program's deliverables.
- **Change manager:** Some large programs may clearly indicate that changes in the firm's business model will be necessary. The change manager prepares the organization for the expected change. The change may just be in some of the processes or the way that the firm conducts its business rather than a significant change to the business model.

Removing critical resources from their functional area and assigning them full time to the program manager may seem like a good idea. However, there are risks if the program comes to an end and the workers do not have a "home" to return to.

Some people look at a program's organizational chart and believe that there are too many people, and the program is overmanaged. But we must remember that there are a multitude of points of contact on programs, all requiring possible continuous interfacing. The alternative would be poor communications where certain stakeholders might be left in the dark.

MANAGING STAKEHOLDER EXPECTATIONS

Stakeholders are the people that ultimately decide whether a program is successful. There can be significantly more stakeholders on programs than projects. Failing to meet program stakeholder expectations can result in a significant loss of business. Given the long-time frame of many programs, managing the changes in stakeholders over the lifecycle of the program and addressing their changing expectations are important muscles to develop in this ***Program Way***.

On projects, especially if short duration, project managers may be able to keep stakeholders at arm's length and minimize their involvement in the project. Program managers may not have this ability because of the power that some stakeholders possess. Managing customer expectations is a continuous process, beginning at the start of the project, and can help deal with stakeholders that continuously change scope because they cannot make up their mind as to what is really needed.

Program managers must ensure that program performance is aligned to the key strategic objectives of the stakeholders. This requires continuous rather than intermittent communications of performance and the ability to quickly address scope change requests and the resulting consequences.

Managing stakeholder expectations can become difficult if the stakeholders span several time zones. This can limit face-to-face interactions between stakeholders and the program team. The situation can be further complicated if many of the stakeholders have different cultures that can come with different areas of interest and levels of importance when resolving program issues.

STATUS REPORTING

Stakeholders want to see facts and evidence that program progress is being made toward benefits and deliverables expected. Monitoring and controls systems that are used on traditional projects may be insufficient for reporting program status. The program manager may need additional metrics that are not included in the Earned Value Measurement System (EVMS). Additional information required by stakeholders may necessitate the creation of business metrics, value and benefits tracking metrics, intangible metrics that measure the effectiveness of activities such as executive and stakeholder support, and strategic metrics that measure the alignment of projects to strategic business objectives.

Another issue is that many program managers follow traditional status reporting guidelines on the frequency and timing of the reports whereas stakeholders may want the information more frequently. Some programs use dashboard reporting systems where the dashboards may be updated as often as on a daily basis.

The format of the status report can also be an issue. Project managers may be content with providing status using a standard template. For programs that use dashboard reporting systems, program managers may find it necessary to prepare a customized dashboard for each stakeholder.

STRATEGIC ALIGNMENT

An important function of status reporting is to identify strategic alignment. Identifying strategic alignment requires that a line-of-sight be established between project teams and senior management. The concept of line-of-sight is now taking place in most companies as part of standard project management practices. Line-of-sight provides guidance to project teams to ensure that decisions are being made such that projects remain aligned to organizational strategic business objectives.

On programs, strategic alignment is more difficult because the program manager must align the projects within the program to his organization's strategic business objectives as well as the strategic objectives provided by the stakeholders. Conflicting strategic objectives will generate a lack of proper high-level alignment resulting in conflicts among project teams as to what are the real constraints and boundary conditions of the projects within the program.

SELECTING A METHODOLOGY

For decades, companies have endeavored to create a one-size-fits-all methodology that could satisfy the needs of all their projects. This approach worked well as long as the focus was on traditional or operational projects that had some degree of commonality.

As we began applying project management practices to other types of projects, such as those involving strategic issues, innovation, and R&D, the need for flexible methodologies such as Agile and Scrum became apparent. This created good news for standard project management practices, but challenges for program management.

Project managers selected methodologies that were aligned to their customer's business model. In many cases, this included using the customer's life cycle phases and gates. The selection of a methodology that could be aligned to the customer's way of conducting business brought with it high levels of customer satisfaction and repeat business.

Program managers could not follow the same path because of the number of customers and the complexities that this would create for progress reporting. Program managers will be allowed to use multiple methodologies for customer strategic alignment purposes, but not necessarily a unique approach for each customer.

DEFINING SUCCESS

Project and program managers can have different definitions of success. Most project managers working on traditional projects define success in terms of deliverable created and short-term business benefits and value. Program managers are long-term thinkers and may measure success in terms of long-term benefits and value achieved as well as repeat business.

The current trend on projects is that the project manager works closely with the customer at project initiation to come to an agreeable definition of project success. The project manager, possibly accompanied by the customer, will then select the metrics to be used on the project to measure and report progress toward the agreed definition of success. This can include metrics specific to an individual customer.

Programs become very difficult to manage when there are multiple definitions of success, especially if each success definition requires different metrics. Program success is measured in business terms usually, rather than technical terms, with a focus on a sustainable competitive advantage through business value creation.

Connecting to Purpose and Achieving Change

This first chapter is focused on the understanding of the typical program's ecosystem. It is intended to highlight foundational program management principles that help the program manager to clarity the direction, align the key stakeholders, and design the program plans with the customer in mind. This is intended to enable setting the stage for the ***Program Way*** of envisioning the program and its components and set the execution steps on the right track.

In a fast changing world, where Artificial Intelligence applications usage increases, integrating connecting prevails, and cloud applications become the norm, the program managers become the future architects of change.

1.1   PROGRAMS MATTER

> **Key Learnings**
>
> - Understand the value of programs in the delivering strategic outcomes
> - Get introduced to an excellence model to help you become more aligned in your program work
> - Explore a case and an estimating tool focused on driving program decisions for speed and quality
> - Learn how to develop the holistic views that prepare you to exercise the role of the program manager as the conductor
> - Address complexity for better, customer-centered solutions

Project and program management have been maturing rapidly over the last decade. The signs of that are seen everywhere, whether in the increasing number of global events in the field, the awards dedicated to recognizing the impact of program and project managers, the refreshed value or program offices, and ultimately the improving business leaders understanding of that value programs strategically bring to their organizations.

The nature of programs is unique. The idea that one has an overarching connecting structure to its individual components, being sub-programs or projects, is a valuable one in creating the often-lost holistic visibility. Programs teach us to be strategic, they enable us to build capabilities and develop muscles that would otherwise be neglected without the discipline programs require and bring.

The simplest way to highlight the difference between a Program and a Project:

- Project = beginning and end with a focus on deliverables
- Program = connects the sub-programs and projects, continues this on-going connectedness, still could have a targeted end in sight, and is highly linked to strategic purpose the organization has for this integrated strategy execution vehicle

What makes the program manager role most unique is having to develop a suite of skills that differ or build on what a project manager must possess and that center on the need to constantly wear the hat of value. This is the link to the business cases behind the program and ultimately what one would refer to as the "so what?" that could be missed in the noise of high deliverables focus that prevails in the classical project environment. This heightened Business Value matters strategically as it allows the program manager and the program team to drive the entire cross-organizational engine toward value from the get go, rather than catching that later in the program journey at a much higher price.

One of the critical reasons why programs matter is the fact that stakeholders' management and engagement is a key enabler for programs' ultimate success. Program managers invest in being politically savvy and in creating the comprehensive understanding of the stakeholders that allows them to develop the right engaging and influencing strategies. The groupings of stakeholder into buckets, such as interested, involved, and impacted, ensure that the right bets are placed on who is going to contribute what and how to a program's lifecycle and thus directly links to achieving a given targeted program's business value.

1.1.1   The Siemens Case

Understanding programs' complexity and finding ways to simplify it is critical. The changes that have been witnessed over the past decade regarding the imparlance and value of data have been immense. It is to be expected that digital innovations, and the associated data analytics and intelligence, will continue to dominate the next decade. Using case studies across global organizations help us shed the light on how to best break organizational barriers and create the right transformations in how we work and become more effective in achieving programs' successful outcomes.

In this Siemens case, highlighted in the whitepaper,[1] Zeitoun 2021, a combination of the strength of simulation and the clarity of an integrated view of a program lifecycle gives us the edge in enhanced prioritization at the core and showcases how to achieve the critical focus shift to outcomes as needed in programs (especially what matters the most to customers).

The role of data in creating programs value is multiplying. Simultaneous access to data via groups of stakeholders is critical to programs' success. This allows the envisioning of the program's roadmap, and the associated critical decisions, to become easier and more effective. Achieving quality decisions is enhanced with solid prioritization capabilities that include a dynamic re-prioritization capability that is becoming a must-have in the continually agile delivery of programs across organizations. Data seamless access allows us to achieve higher adaptability to changing program conditions and related external environment fluctuations.

As highlighted in Figure 1.1, the aforementioned elements are all pieces of the puzzle of the future digitalized program management. Program management is changing due to the degree of digital enablement. This is leading to a complete change of the way of working, collaborating, and most critically where the program mangers spend their time to create the most impact.

The figure also shows the importance of sharpening the focus on outcomes and that leadership component, which has become a key to the role of program manager, more than just outputs' focus. Additionally, streamlining customer's inputs is becoming a top agenda of most organizations in their pursuit of the customer centricity expected in today's and future businesses. This is achieved with the close mapping to the customers, their changing needs, their direct voices in the development and production process and establishing ongoing clarity through the noise.

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[1]Siemens Whitepaper – https://resources.sw.siemens.com/es-ES/white-paper-integrated-program-lifecycle-management-consumer-product.
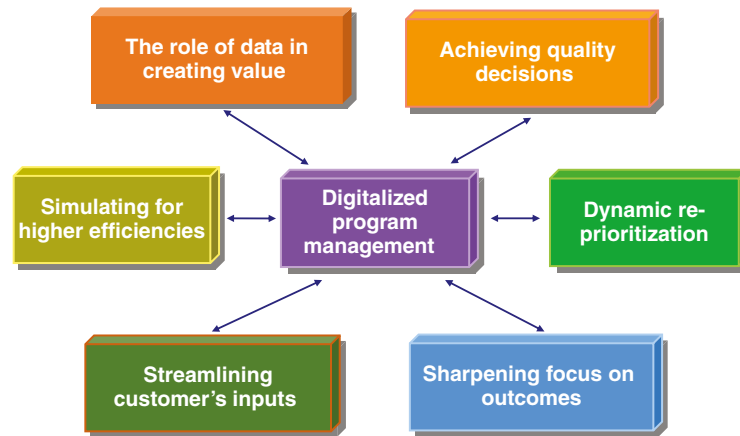
FIGURE 1.1   Digitalized Program Management Effects

Speed is an expected way of the future and simulating the work of a program, and envisioning the entire program's roadmap is a great way to predict and prepare for risks and thus contribute to higher Efficiencies. Digitalized program management enhances efficiencies in addition to the previous effectiveness points highlighted in this case.

1.1.2   Connecting to Strategy

Strategy is difficult. Being strategic is an organizational muscle that requires continued investment in its development. Strategy is an articulation of the aspirations of the organization and the intended building blocks of the investments and work required to get there. Strategic Aspirations of an organization or a team are typically broken down into buckets of work (programs and projects) to be achieved in the form of certain outcomes over time horizons.

Figure 1.2 shows the bi-directional impact program benefits have on strategic aspirations in addition to the envisioning of programs and related initiatives. The figure also reflects the role of strategic objective in maintaining the strategic clarity and continually updating what strategic success looks like, while reflecting that in necessary directional changes.

Programs Benefits are the link to strategy. For that reason, the lifecycle of a program needs to be benefits-focused. A natural cascade takes place to allow for capturing the benefits and their correlation to achieving strategic outcomes. Programs and related Initiatives form a map of connectedness, via seeing all programs in an organizational portfolio and their exact contributions to strategy. Another valuable aspect of digitalized program management is strengthening this visualization of the interplay across programs. Strategic objectives are the other strategic ingredient in the program manager's arsenal. They provide the holistic views that drive program success and support the integrator role of the program manager.
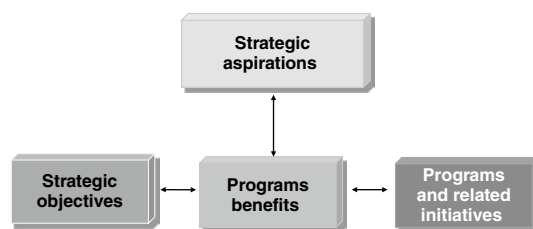

FIGURE 1.2   Program Benefits Strategic Links

1.1.3 Letter to the Future Program Managers

There are both concerns and equally a level of excitement about the future with the amount of disruption and the anticipated changing environmental and business dynamics. As a program manager you are in the right place at the center of leading through chaos and for creating opportunities. This brief letter to future program managers is intended to highlight some of the key anticipated shifts ahead, be aware of them, prepare for them, and ultimately put that readiness to good use in creating meaningful strategic impact.

The changing nature of your role and possibly title. Whether program manager remains as a title, or it get replaced with some elements of leading, collaborating, integrating, or driving, it is all about creating impact. There is a dominating need for servant or social leadership, where the program leader is able to adapt between being the coach and becoming the one carrying the program team across obstacles. Your future role is shaping to be the true organizational connector. Program managers have to have their voice in working across the business boundaries and continually breaking down actual and mental silos in the organization. Future program managers are connectors.

Readiness for that future also has growth and people components. The open window for continual learning is a feature that is strengthened by technology and artificial intelligence. This requires developing an appetite for your growth and for equally growing other key stakeholders around you. A more mature and developed stakeholder community directly contributes to making your future role most effective.

In the future, program managers will also have a vital impact on sustaining the growth of business and people. With the norm shifting to program managers being more aligned with the executive teams, being part of the most critical strategic dialogues and decisions, and having the right seat at the table, the value of program management continues to become more evident. This makes your role even more clearly strategic in terms of impact driving and affecting the future of organizations.

1.1.4 Strategy Execution and People

A well-planned strategy demands a clear roadmap for executing that strategy. This visualization of a strategic journey requires the collaboration of a large group of stakeholders, the right set of data, and an organized way to make sense of all the details. Program management's success is about connecting to the source, the strategy. Executing a program without a clear line of sight is a recipe for challenges, misalignment, and for potentially missing the mark on the right meaningful outcomes.

Strategy in the upcoming decade is expected to continue becoming more fluid. It is still going to be designed as a combination of ideas, aspirations, build on key discussions of stakeholders, and need programs as vehicles for getting from A to Z. Programs are critical for intentionally driving changes along the way and they use roadmaps to show the path forward.

People and the way they work are at the core of effective execution of these strategies. This is built on clarity of the strategy's purpose, effective communication of that purpose, and clarity of who is doing what.

Guided collaboration supports achieving people role clarity and directly contributes to the success of the Program Manager. This results in a number of important outcomes:

- Enables connecting the dots
- Integrates across stakeholders and their diverse interests
- Aligns across the business
- Achieves value to the business

Review Questions

Parentheses ( ) are used for Multiple Choice, when one answer is correct. Brackets [ ] are used for Multiple Answer, when many answers are correct.

Why does the role of a program manager matter to achievement of business outcomes?

( ) Creates a handful of metrics to achieve control.
( ) Builds and integrates cross programs' focus on realizing benefits.
( ) Engages extensively with program stakeholders.
( ) Ensures executive team looks good.

How does digital directly help with enhancing programs' customer-centricity?
Choose all that apply.

[ ] Sharpens the focus on outcomes.
[ ] Expands the role of data in creating value.
[ ] Supports knowledge-management infrastructure.
[ ] Streamlines the customer's inputs.

Where do future program managers need to focus most to remain relevant?

( ) Getting done on time and within budget.
( ) Expanding tighter governance.
( ) Ensuring alignment of program with strategic drivers.
( ) Strengthening conflict resolution skills.

1.2   ALIGNMENT ACROSS DELIVERY

Although most companies understand the importance of achieving benefits from their investments, there is a possible worst scenario related to getting work done, resources used, and budget spent and then not realizing benefits. This late discovery could result in a multitude of unpleasant results, from the classic blaming exercise that could take place, to real consequences for the program team, or even external results that affect the viability of the organization with its customers and other key stakeholders. If positively handled, it would be a learning opportunity where the organization could rethink its program choice, its processes, and the supporting resourcing of people and technology.

Key Learnings

- Understand the obstacles to benefits realization
- Linkages across: Focus on alignment across the 3Ps
  - Portfolios
  - Programs
  - Projects
- Explore program lifecycle phases to create a comprehensive understanding of the program
- Link to excellence by exploring the EFQM model (dynamics related to program management)
- Common reasons for tailoring delivery approach (why is this important and why one approach across program(s) does not work)

1.2.1   The Worst Scenario – Not Realizing Benefits

1.2.1.1   The Six Key Obstacles to Benefits Realization

Obstacle #1 Stakeholders Involvement

There is no targeted and active involvement of key stakeholders.

- Key to the success of your role as a program manager
- You won't get the right focus without the proper engagement

> **TIP**
>
> Invest in building the relation with key stakeholders and find ways to pulse what works best for their involvement in supporting your program's direction.

Obstacle #2 Missing Benefits Plan

The project or program is approved without a well-developed benefits realization plan.

- Not investing in developing one
- Who owns it?

> **TIP**
>
> Focus on knowing what the projects within the program contribute to achieving its benefits.

Obstacle #3 Deliverables Emphasis

There is a heavy focus on the projects' deliverables rather than on the creation of business value.

- Could be a negative thing
- Outcomes–orientation is what counts most

Another opportunity for aligning outputs to business value

> **TIP**
>
> Ensure being continuously strategic about the reasoning behind the program and the impact it is expected to create