



**The Noel Group**

Experienced delivery

## Programme Management

### Introduction

A project achieves a distinct outcome in a fixed timescale while other types of business activity are essentially continuous processes. For example, processing a tax return is not a project because the work is similar to processing any other tax return. The project challenges stem from this difference. Project managers have to cope with novelty, change, and time pressure.

A programme is a set of projects and related activities that aims to achieve a strategic goal of the organisation, planned and managed in a co-ordinated way. A programme provides the direction for a set of projects and orchestrates organisational resources to accomplish the organisation's strategic goals.

An increasing proportion of business activity is carried out within a project and programme framework. The lower proportion of routine work and the need to distinguish this from project work has led one client to name non-project work as BAU or Business As Usual.

The implication of the increase in project and programme activity is that the performance of organisation is increasingly influenced by their project performance rather than their BAU efficiency. The need to respond to constant business change penalises organisations that deliver projects late and over budget and do not realise the benefits of business changes. Organisations are implementing programme management processes in their organisations to increase the effectiveness of their project activities.

### Programme management helps establish organisation control over change

*"Good fortune brings in some boats that are not steered. Only direction can bring in the fleet." Shakespeare, 1580.*

Programme management provides a way in which business change can be planned, monitored, and directed by the senior sponsors of change.

A major programme of change will often comprise a large number of activities with a significant number of internal and external dependencies, often involving several internal and external parties. The previous approach to managing large business change was to create a single large project containing many hundreds of separate tasks. This approach becomes very difficult to manage as projects grow in size. The complexity and unwieldiness of the plan make it very hard to track progress in any meaningful way. The cost of developing and maintaining the plan makes the organisation reluctant or incapable of adapting it to changes external and internal events.

The complexity of programme management is further increased by the current trend in organisations to tackle major business change in a series of smaller projects. This approach reduces project complexity and increases project success rates. However, the large number of projects, their increased number of interdependencies, and increased sharing and competition for resources, mean that inter-project coordination again becomes too complex for traditional project management. The difference can be compared to cooking a family meal and running an à la carte restaurant. Both are cooking but the skill levels and management processes are totally different.

A common response is to use prioritisation techniques to reduce the number of active projects and their call on the organisation's resources. We often find that within three months of an agonising prioritisation process, 70% of all projects are deemed to have top priority; the process leads to lost tempers, ill will, and little gain.

A more effective approach to this problem is to establish programme management to identify, select, and to approve projects. Programme management provides a

focus on business goals that makes it easier to select projects that make the most effective use of resources. This helps control project proliferation, ensures that projects have a business owner, and makes the success of projects more certain.

Programme management provides a better way of managing many separate projects by providing a “federal” structure within a programme management umbrella. In this approach, detailed project activities and day-to-day control are delegated to the project level while exposing the key dependencies and resource conflicts for the attention of the programme manager and sponsoring executive.

### **Programme management characteristics**

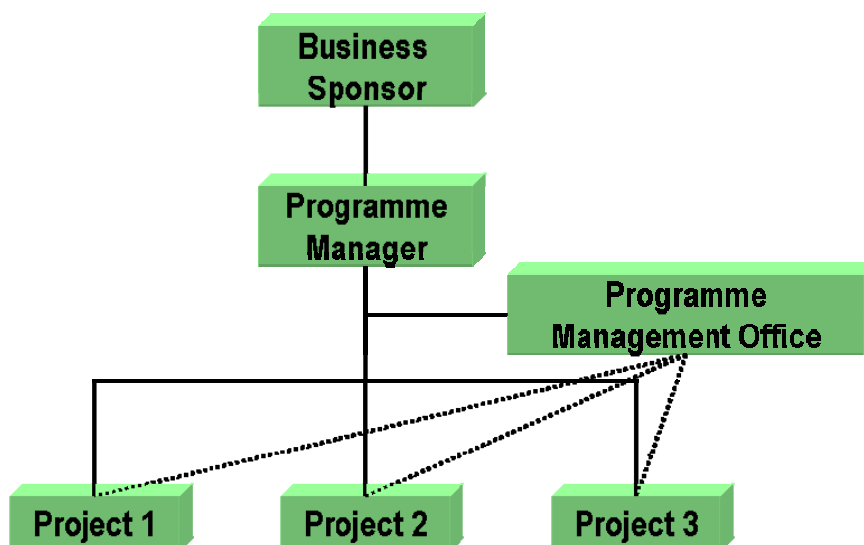
The programme approach has the following key characteristics

- It matches and tracks projects in the context of the business strategy and supporting strategies for technology and systems infrastructure, all of which are likely to be in a constant state of flux because of continued changes in the business and technical environment.
- A business manager (who is not withdrawn from his/her line responsibilities) sponsors each programme
- Each programme focuses on the achievement of a key business goal for which it takes responsibility. A programme is derived from business objectives and determined by strategic targets. The programme defines the principal objective to be achieved by programme management. It is responsible for maintaining and changing the principal objective in line with evolving business goals. The programme may take on temporary responsibility for existing business systems that are intricately tied up with the achievement of the business goal.

- Changes to business working processes, practices, and products, are identified and scoped into a programme of change with the business objective as a starting point.
- The programme can be adapted to changes in business strategy, to external events, and to changing resource availability, while the internal capabilities of the organisation, other operational imperatives, and the effect of timing on the proposed changes are all kept in balance.

### Programme management structure

Organisations that have adopted the programme approach make use of separate programme management function - the Programme Management Office. This supports the Programme Manager and the Programme board. Other specialists usually assist the Programme Manager with expertise in relevant disciplines. A project(s) manager manages each project but the Programme Office manages resources used in these projects. A model structure is shown below.



## **The programme management approach**

A programme is typically made up of a set of well-defined and limited-timescale projects. These will often span a range of activities including cultural change, procurement, construction, and IT implementation as required in combination to reach the business goal. Dependencies and relationships between projects are taken into account during the programme planning process. Approval (or suspension) of projects requires a new consensus on the overall programme by the strategically oriented programme management board. Thus, the strategically oriented components of project management are fulfilled by programme management separately from the management of individual projects allowing individual projects to focus exclusively on delivery.

Projects are selected and prioritised according to three factors of equal importance

- Criticality in the context of the current business goals
- Clarity of their project objectives
- Availability of the required resources

Only those projects that are critical to the business change and have a realistic chance of being successful are selected.

The development of an open-ended programme plan that is not supported by detailed project plans can be very disconcerting experience for those used to traditional project management methods. However, organisations find it much easier to deal with change and uncertainty at the programme level than at the project level. The programme plan enables management to make more informed decisions on the selection of a few candidate projects from the many activities that are competing for resources. Experience shows that focusing limited resources on the chosen projects increases their success rate and typically decreases their elapsed time by up to 50 percent.

## **Projects are more likely to succeed with the programme approach**

Once the constituent project set has been established, precise targets and realistic plans for individual projects must be developed and agreed with the project management participants and enforced by formal reporting mechanisms.

Programme management only initiates projects that have a high probability of success and when the project environment contributes to the achievement of that success. Programme management will assess the clarity and focus of the project's aims and its contribution to the overriding business goal.

Project milestones, statements of business deliverables, and project targets expressed as business goals, make it easy for the Programme Manager to reassess the criticality of the project and its likelihood of success at any stage.

## **Programme management provides flexibility while shielding projects from change**

Programme implementation can generate its own momentum. To remain relevant, the constituent projects must be monitored and assessed against the changing business environment. Programmes should be evaluated on at least a half-yearly basis to check that the programmes are reaching their goals, achieving targeted outcomes, and are doing so in an efficient manner. Programme management - linking and balancing at the individual project level - provides the business with the flexibility and control to make the necessary adjustments.

Programme evaluation has numerous advantages. It can verify or improve the results and outcomes for customers and it can fine-tune the delivery of results - saving time and cost. Often the programme plan ends up changing dramatically over time as the programme is overtaken by events.

Programme management also can ensure that individual projects, once initiated, are shielded from change. Change is reflected in the forward programme of projects, not in projects that are already running. This is made easier by keeping the individual projects relatively small and by the use of time-limited projects.

## **The five cornerstones of sound programme management**

### *1. The programme should be tied into the organisation's mission and strategic plan*

Each programme should be strongly associated with the organisation's overall mission. That is the organisation's executive leaders should ensure that the programme addresses at least one of the goals that make up the mission. The value of programmes that cannot be tied to the organisation's mission must be questioned.

### *2. Involve senior management*

The organisation's senior management should be heavily involved in authorising and guiding the programme. The organisation's selection and execution of its projects represents the most important means by which the organisation reaches its goals.

### *3. Establish and track objective measures of programme and project success*

The tangible and intangible results of each project should be developed and quantified into success measures that assess the contribution the project makes to the programme goals. These metrics would be in addition to the measures of budget and schedule progress commonly used to assess project progress.

### *4 Plan the organisation's programme with the whole business team*

The chief executive, key planners, relevant middle managers, and major internal or external customers should be involved in programme planning. This will ensure that the programme addresses all interests, coordinates all resources, and meets all major needs.

#### *5. Provide programme management support - The Programme Management Office*

Executives managing one or more programmes will need a Programme Management Office to provide them with briefings and management information they need to make decisions. The Programme Management Office fulfils four key roles in supporting programme management:

- It establishes a common approach to the development of a standard project business case -simplifying the task of initiating a new project.
- It monitors and reports on project progress noting slippages, resource conflicts major changes and emerging risks.
- It manages the total programme resources.
- It monitors the benefit stream ensuring that the programme results align with the organisations budget and goals.

#### **Programme management delivers many benefits**

As organisations spend more of their resources on projects and as these projects become more significant and complex, programme management will become increasingly important to their success. The key benefits that programme management delivers to these organisations are:

- Alignment of business change with the organisation's goals. The methods of project selection and the visibility of programme results enable the organisation to maintain a tight relationship between its change activities and the organisation's mission.

- Visibility at the appropriate business level. By consolidating related sets of projects into a single programme at the appropriate level, suitable management attention can be given to these programmes.
- Improved project performance. The combination of prioritisation of small, rapid projects and the overall senior management guidance and protection provided at the programme level radically increases the benefits of projects, while reducing the level of failures and disappointing results.
- Orchestration of change. It is a typical characteristic of modern projects and programmes that they involve and affect a wide range of disciplines and parties. The programme structure provides a convenient way of aligning and coordinating this wide variety of projects elements into a single coherent agenda, minimising the impact on business as usual.
- Coordination of resources - the cost of the internal and external resources will be minimised ensuring that demands are predictable and smoothed over time.