

Businesses Need Programs to Implement Strategy

Today's business environment is increasingly complex. The ability of an organization to stay competitive in the ever-changing marketplace is critical to achieving success. Without the ability to stay the course towards a predefined objective and implementing change throughout the business to achieve that objective, an organization will falter. Maintaining focus on long-term goals allows an organization to continue to grow and meet customer needs. Program managers are responsible for the continual implementation of the organization's strategic objectives.

The career of program management is in its infancy. Program management used to be a side job for executives, but in today's environment of change, it is clear that a new approach is needed. In the near future, organizations will rely on individuals to focus all of their energy on implementing an overarching strategy that pulls together multiple disciplines within the organization. This new responsibility of program management is a likely path for both functional managers and project managers.

A program manager's focus never wavers from the organization's strategic objective. The *strategic objective* is a long-term objective that is essential for the business to achieve in order to maintain a competitive advantage, for instance, reducing cost by 10%, increasing customer satisfaction by 30%, or increasing revenue by 20%. Once the strategic objective is identified, the tactics, in terms of identifiable projects, must be outlined in order to achieve this objective. The program manager must sustain the organization's focus by continuing to identify and drive the implementation of projects that will ultimately support the strategic objective. Successful program managers are able to move the organization toward achievement of the strategic objective in a timely manner without interrupting the day-to-day operations of the organization.

Defining Programs: More Than Just Large Projects

The terms *program* and *project* are used interchangeably in most literature today, and, to be sure, they have similarities. For example, projects with many subprojects look very much like programs with a portfolio of projects. But there are important differences. The Program Management Institute's Project Management Body of Knowledge (PMBOK) defines a *project* as "a temporary endeavor undertaken to create a unique product or service." PMBOK defines *program* as "a group of projects managed in a coordinated way to obtain benefits not available from managing them individually." Below are two other possible definitions of *program*:

A portfolio of projects that will benefit from a common approach - This definition mirrors the PMBOK definition and would relate to organizations that have a number of projects underway requiring some type of coordination, for example, of resources, communication, etc. An example of this type of program would be a quality program where common methods or procedures are used to implement quality into a process.

A portfolio of projects that will deliver a specific objective - This is probably today's most widely used definition of *program*. For instance, most of the Y2K efforts were handled as programs with a supporting infrastructure such as a program office. A program manager for this effort had clearly defined roles and responsibilities, and the enterprise had a clear purpose. But these efforts, even though they are related because of their focus on a single objective, are better defined as large projects. Most of these efforts were IT-related and had defined start and completion dates, not unlike a large project with many sub-projects.

While efforts fitting these definitions are called programs in some circles, a true program encompasses more than these two definitions imply. A program's focus is strategic in nature, and it spans the entire organization. For the purpose of this paper, we will employ the definition below. Even though it is not

the most widespread definition, it more clearly represents the nature of a program and helps to clarify the skills required of a program manager:

A portfolio of projects that accomplish a strategic business objective - Delivering a strategic business objective takes into consideration multiple aspects of an organization. By this definition, a program may require changes to the organization's structure, policies, processes, procedures, and technology. It may require the organization to transform itself. The strategic vision of the organization will drive the program, and projects will be identified and prioritized over time to fulfill the strategic objective. These types of programs span business units and are generally undertaken at the corporate level.

This definition implies a need for the organization's many facets to work in unison to achieve the objectives of the enterprise. Defining a program and the supporting infrastructure to deliver the objective requires coordination between business units in order to achieve success. Program management enables this coordination.

Despite having a clear definition of *program*, it can sometimes be tricky to differentiate between projects and programs. Here are a few key distinctions to keep in mind:

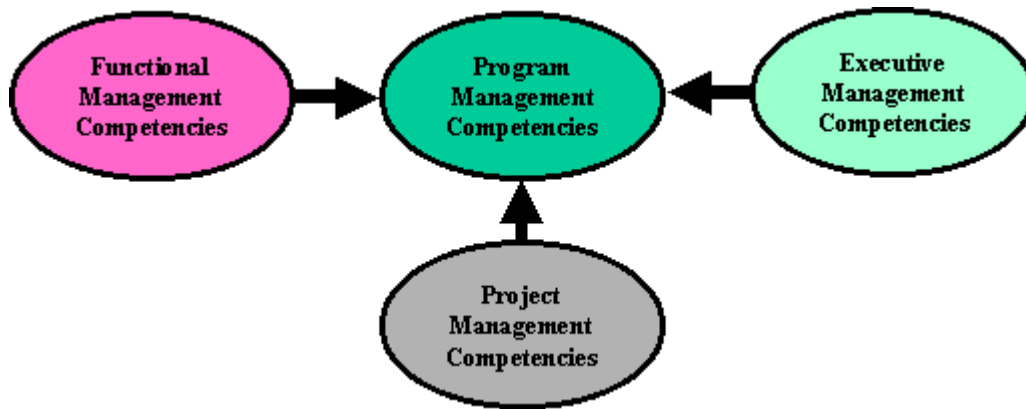
A project

- Delivers a single unique product or service that is tied to delivering business value (it may be part of a program focused on a strategic objective, but does not stand alone in delivering the end objective);
- Has a defined start and end date;
- Is usually done at the tactical or operational level (implementing part of a strategy);
- Is schedule-, activity-, task-, and resource-driven.

A program

- Has a portfolio of simultaneous, related projects focused on a strategic objective;
- Identifies projects that will achieve the strategic objective;
- Is done at the strategic level;
- Requires coordinated effort in terms of risk, resources, communication, and other project management processes across multiple projects and business units;
- May not have a defined start and end date, but instead a more general time frame;
- Is driven by strategic business needs.

Project vs. Functional vs. Program Management A Difference of Focus



Just as there is a fine line between *programs* and *projects*, the program manager's role overlaps with but differs from functional management and project management in important ways. Program management requires project management and functional management capabilities as well as the leadership, change, and organizational capabilities usually associated with executives.

Figure 1: Program management requires project management and functional management capabilities as well as the leadership, change, and organizational capabilities usually associated with executives.

Below is a comparison of the differing foci required by project, functional, and program managers, respectively:

Project Managers

- Manage a single project (it may have subprojects, but these are usually small efforts);
- Manage a project team (generally not including other project managers);
- Focus on the delivery of a unique product or service that adds business value, especially in the areas of project scope management, project cost management, project human resource management, and project time management (the four corners of project success drivers).

Functional Managers

- Manage projects that may or may not be related;
- Manage personnel that may include project managers, but whose resources are mostly focused on the operation of the organization;
- Focus on the day-to-day operations of a business unit, especially the areas of administration, financial management, issue resolution, human resource management, and operational efficiency.

Program Managers...

- Manage a portfolio of projects aligned by a strategic objective;
- Manage project managers, each of whose project is focused on delivering one aspect of the overall strategic objective;
- Focus on the delivery of a strategic objective, especially the areas of project identification, scope definition, project dependencies, and strategic alignment.

In summary, a program manager needs to know both functional management and project management--and understand the differences between these three forms of management--in order to be successful. They must stay focused on the strategic objective, understand project management processes, tools, and techniques, be supportive of day-to-day operational needs, and provide the leadership for the

organization to accomplish the end goal. Project managers, functional managers, and program managers require differing skills in the areas of expertise, executive capabilities, focus, and relationship management.

Preparation for Program Management - Diversity Is Required

When functional or project managers are ready for a new challenge in their careers, program management may be a viable option. Since program management is not as simple as just managing bigger projects or managing a functional area, candidates should...

- Know the processes, tools, and techniques associated with project management and when and how to apply them to all types of projects.
- Have a diverse background in project management, i.e., do more than just IT-related projects. Be engaged in process projects, network projects, training projects, etc.
- Be highly skilled in the soft skills of project management, especially communication, organizational effectiveness, problem solving, decision-making, and team building.
- Manage projects that are part of a program, especially those that involve multiple lines of business.
- Manage a function, department, or business unit. This will increase awareness regarding impacts of change initiatives on day-to-day business activity.
- Learn how to lead effectively by being able to share the end goal, delegate appropriately, and motivate the team.

Gaining the expertise necessary to be a good program manager and being able to work effectively at the executive level within an organization simply takes time. A profound understanding of project management processes, tools, and techniques is necessary to appropriately coach and mentor the project managers on the team. Expertise in communication, problem solving, decision-making, team building, and other basic skills of project management is required to be effective in managing a program effort. Program management also requires executive capabilities such as leadership, appropriate delegation, understanding day-to-day operations, and organizational effectiveness. It is simply not possible to master these skills overnight, nor is it possible to learn these competencies in a classroom. The application of these practices over time and experience with what works in various situations are what make the difference.

Focus and Relationships - Key Ingredients to Success

The two essential ingredients of successful program management are a keen focus on objectives and an expertise in handling all types of relationships. An effective program manager has mastered the complexities of relationships within an organization, understands project interactions, and can resolve the issues that arise within these relationships and interactions. Focusing on the right things helps to create the right environment for success; likewise, focusing on building relationships, coordinating the relationships between the projects, and managing those interactions are essential parts of the program manager's job. Below is a list of responsibilities of a program manager that, when done effectively, enhance the likelihood program success and help to maintain healthy relationships and a keen focus.

- Interpersonal Relationships
 - Move effectively throughout the organization to resolve issues, obtain resources, and maintain focus on the objective.
 - Communicate frequently with the project sponsors to keep the projects focused.
 - Manage the project managers, not their projects. Be their mentor and coach when it comes to project management competencies.

- Keep the organization focused on the objective, not on the individual projects designed to obtain the objective.
- Remove barriers for the project managers.
- Provide leadership at the executive level.
- Program Relationships
 - Identify and prioritize projects focusing on the scope and plans of the projects, not the complexities of implementation.
 - Understand the business benefit of each project within the program and how it contributes to the objective.
 - Stay abreast of the vision of the organization. Be aware of changes in business strategy. If you are micromanaging projects, you will fail to react to changes in business needs, which could directly impact the projects that are currently involved in the program.
 - Be aware of all the initiatives within the organization to determine whether they need to be part of the program or to identify potential cross-impacts.
 - Continually assess the validity of the active projects to ensure they are aligned with the objective.
- Project Relationships
 - Ensure there is no overlap between projects; redefine or eliminate projects that overlap.
 - Keep an eye on the relationships of the projects from a deliverables and resource perspective.
 - Implement the appropriate infrastructure to ensure success.

Program Management - Risks and Rewards

Few things are more rewarding than assisting a business in achieving a strategic objective, whether it be entering new markets, increasing customer satisfaction, reducing cost, or increasing revenue. The diversity of the projects that enable the implementation of these efforts can be enormous. Leading such an effort can be extremely exciting at the same time that it poses many challenges and risks. The business itself may rely on the program manager's focus to maintain its competitive advantage. The skills required of the program manager are diverse, and expertise in the areas outlined above is necessary for success.