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Challenge of a Program Management Professional

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With the introduction of the Program Management Professional (PgMP) credential by PMI, a number of seasoned PMPs are lining up for the certification.

Being an original member of the Program Management Credentialing Committee since early 2006, I have spent nearly two years supporting the PMI Certification Governance Committee in formulating the credentialing process for Project Managers who want to be certified as a Program Management Professional (PgMP).

One of the key missions of a Program Manager is to ensure project deliverables will add value to the program outcomes, and to initiate projects within the Program Scope during Program Initiation. Since the introduction of the PgMP in October, 2007, I have been asked by many a similar question...***How can we identify initial projects that fall into the defined Program Scope, and evaluate their potential benefit toward the Program?***

This article is not intended to be the answer to the above question, but some thoughts that I have had and ways that I have been using to manage Programs since the early 1990s to identify projects within a program' s scope, i.e. the assigned mission boundary of a Corporate Strategic Vision.

The Standard for Program Management (referred to as "The Standard" hereafter) published by PMI mentioned "Project selection criteria" as output from the Program Initiation Process Group. It never informs us how to identify projects that belong to the program or to be selected for the program. It becomes the initial challenge for program managers when tasked with the responsibility of delivering the assigned strategic vision.

The Program

A program is part of the strategic portfolio which originates from the corporate strategic vision. Its purpose is to improve on current capabilities and/or deliver additional benefits, capabilities that help an

organization to achieve its strategic objectives after consolidating project deliverable.

There are many effective tools such as Mindjet's Mind Manager and other similar tools that can help us identify eventual projects by brainstorming and collecting relevant thoughts. Just like the Work Breakdown Structure (WBS) used by Engineers, the usual challenge is how many levels we have to break down in order to come up with the project definition we can work on.

From a program's prospective, how do we know if we have identified all the relevant projects that cumulate to the program outcomes during program initialization? Even program managers are encouraged to embrace changes during program life cycle, and can submit new projects to the Program Board for approval, so as to secure the delivery of program outcome. But then, we have to revise our program budget and resource requirements.

When a program manager envisions a project deliverable's cumulative benefits are not achieving original expectations, the program manager can terminate such project in order to minimize wastage. Are there any ways we can identify these projects so that we don't have to initiate such project at the first place?

How can we maximize resource utilization within projects under the program? How much impacts will the Corporate Organization Structure influence the Program Organization Structure and resources assignment? If the program is a cross-national boundary program, involving multiple organizations within a Group of Companies, dictated by functional departmental structures in certain parts of the world, will the Program Organization Structure impact the eventual Program Governance framework?

Learning the necessary knowledge to manage a program is not difficult. Challenge commences when we receive the first program assignment, and knowing where and how to begin.

Program Management Themes

The Program Management Themes are the key to the success of a program, according to The Standard. It included:

- Benefits Management
- Program Stakeholder Management
- Program Governance

The purpose of the program management themes helps program managers to ensure the successful accomplishment of the program by managing project deliverables and measuring cumulative benefits; managing relevant program stakeholders and setting up the appropriate governance framework. What contribute to the program outcomes are project deliverables; therefore the basic unit of a program is the project itself. Identification of appropriate and relevant projects for initiation is the key success factor for program management.

In the early 90s, I was assigned to Europe with a mandate to revise our Professional Service Division business. Increasing business revenue and producing profit margin became my program benefits.

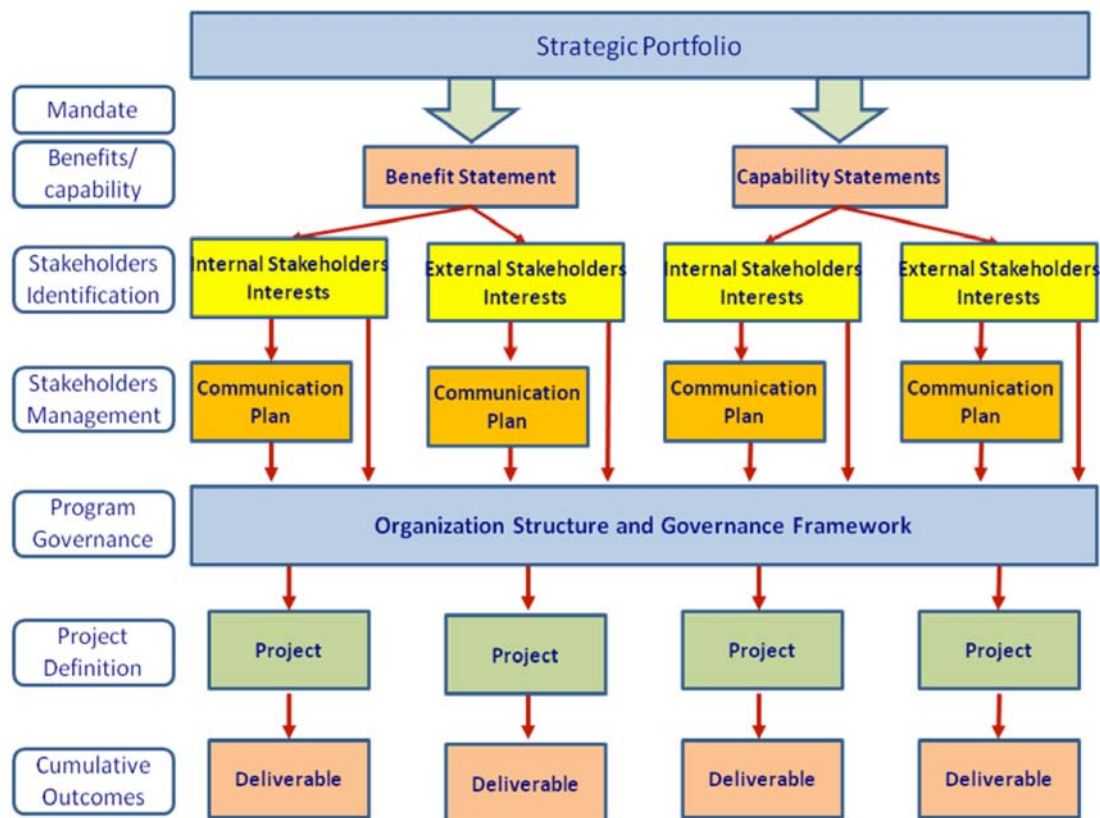


Figure 0: From Strategic Portfolio to Project Deliverable

In order to produce the expected benefits, one of the key elements was to consolidate existing resources and align our business strength with targeted customers. In Program Management terms, it is part of the identification of Program Stakeholders (both internal and external) and Stakeholder Management. Eventually we identified four to six lines of

businesses (LOBs) where we had strong customer bases, delivery teams, and total solutions. Each country manager in the territory identified potential customers within the next 6 months, next 12 months, and next 18 months so that our lines of business could map and align with these focused customer groups in each respective country.

With the alignment done, we then developed a communication and sales plan for each LOB according to the targeted external stakeholders, restructured our division, and re-assigned resources to support each line of business in the whole of Europe. Each LOB was an independent unit that consisted of its own sales team, delivery team, and management team, and sharing such supporting resources as Administration Services and Procurement Services. The Sales team was responsible for initiating additional projects that fell within the assigned LOB to be delivered and supported by other team members.

By the end of 12 months, we increased our sales revenue by 32% and improved our profit margin from 17% to 24%.

Identifying projects for Program Initialization

By looking at the above example and map with the Program Management Themes, it is apparent that we can identify initial projects for Program Initialization by applying the same approach. The program mandate from any strategic portfolio can be developed into Benefit Statements or Capability Statements. From Program Management prospective, it is the benefit identification of Benefit Management Processes and should be authorized by a phase-gate review after pre-program setup phase.

Once the Benefit and Capability Statements are confirmed and authorized, the potential Program Manager will continue to conduct benefits analysis that derive and prioritize benefits, as well as deriving benefit metrics. Before we move on to the next phase-gate review, the Program Manager should identify and map each and every benefit statement and/or capability statement with related Internal or external Stakeholders. A list of Stakeholders is developed and the importance of each stakeholder to the program is identified based on the prioritization of the benefit statements. It is time for the phase-gate review for Program Board to confirm the Benefit Analysis and Stakeholder-Benefit Map.

While the Program Manager moves on to the next phase of establishing program and management infrastructure and begins Benefit Planning, the Stakeholders physical location will impact the eventual program

organization structure and governance framework. Therefore it is necessary to group stakeholders into groups based on stakeholders' interests to the program and develop the necessary stakeholder management plan that can link with the benefits realization plan and program benefits monitoring plan.

The program organization structure and governance framework can be developed while we look at each stakeholder group and brainstorm potential projects that can be delivered by each and every stakeholder group. The grouping of Internal Stakeholders is a way to consider how resources can be shared by different projects from which deliverables are cumulated into the final benefits.

Based on the program benefit metrics, these projects can be evaluated and consolidate into the program benefit monitoring plan for project initiation purposes.

This will create a comprehensive relationship between Program Life Cycle, Benefit Management, Stakeholder Management, Program Organization and Governance, related projects and project deliverable into one complete manageable framework. The framework will have the added benefits to develop resources planning and communication planning which is important to the success of the program.

This may be a missing part of Program Management Standard, or it may not be. I am just sharing my personal view on how projects can be identified from the initial strategic portfolio and tried to answer some of the questions brought forward during the last few months by senior project managers who are trying to manage programs for the first time.

About the Author



Hubert Vaughan

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Professor **Hubert Vaughan** is a graduate of Melbourne University in Australia, with an MBA from York University in Canada. Professor Vaughan commenced his career with National Mutual Insurance in the field of Information Technology in 1972. During the last 30+ years, he has lived on all five continents and held senior technical and management positions with such international organizations as IBM, DEC, Unisys, Tandem, Cable & Wireless, Bell Canada, ANZ Banking Group and Bank of Montreal. His career has covered software development, professional services, technology consulting, project/program management, strategic planning as well as business development. Mr. Vaughan is a Professor at the Institute of International Engineering Project Management of Tsinghua University, Beijing, China. He also teaches PM at the Graduate School of the China Academy of Science; Software College of Beijing University of Astronautics and Aeronautics; Software College of Nankai University, and the School of Software Engineering of the Harbin Institute of Technology. Apart from his teaching engagements, Hubert also acts as consultant for several State owned organizations in China. Professor Hubert Vaughan is an International Editorial Advisor for PMForum and PM World Today; he can be contacted at hubertvaughan@pm.tsinghua.edu.cn. Additional information can be found at http://www.pmworldtoday.net/team/editorial_advisors.htm.