
A Perspective on Programme Management

Decision Support Information

By Duncan Haughey

<http://www.projectsmart.co.uk>

April 2001 - Version 1.0

1. EXECUTIVE SUMMARY	2
2. INTRODUCTION	3
3. WHAT IS PROGRAMME MANAGEMENT?	4
3.1. DEFINITIONS OF PROGRAMME MANAGEMENT.....	4
3.1.1. <i>Central Computer and Telecommunications Agency (CCTA)</i>	4
3.1.2. <i>The Programme Management Group (PMG)</i>	4
3.1.3. <i>The Interactive Project Workout, Robert Buttrick</i>	5
3.1.4. <i>Association for Project Management (APM)</i>	5
3.2. PROGRAMME MANAGEMENT OR PORTFOLIO MANAGEMENT?.....	6
3.3. OBJECTIVES OF PROGRAMME MANAGEMENT	6
3.4. OBJECTIVES OF PORTFOLIO MANAGEMENT	7
4. PROCESSES	8
4.1. PROGRAMME MANAGEMENT FRAMEWORK	8
4.2. THE FOURS STAGES OF PROGRAMME MANAGEMENT	11
4.2.1. <i>Programme Identification</i>	12
4.2.2. <i>Programme Planning</i>	12
4.2.3. <i>Programme Delivery</i>	12
4.2.4. <i>Programme Closure</i>	13
4.2.5. <i>Conclusions</i>	13
5. RESEARCH PROJECT	14
5.1. FINDINGS.....	14
5.2. USER REQUIREMENTS.....	15
5.3. CONCLUSIONS	15
6. SOLUTIONS	16
6.1. HYDRA	16
6.2. PLANVIEW.....	16
6.3. ARTEMIS VIEWS	17
6.4. MICROSOFT PROJECT 98	17
6.5. CONCLUSIONS	17
7. SUMMARY	18
8. REFERENCES.....	19

1. Executive Summary

This document looks at the technique of programme management and is designed to give a strong business case for the purchase or development of a Programme and Portfolio management solution. For the purpose of this study programme management is defined as a group of related projects carried out to achieve a defined business objective or benefit. Portfolio management is all projects, related or unrelated, being carried out by an organisation.

Programme management is a way to control project management and covers vision, aims & objectives, scope, design, approach, resourcing, responsibilities and benefits realisation. Using a well-defined framework, such as the one outline in chapter 4 can provide significant benefits.

Identified in this document are four basic stages in programme management. These are programme identification, planning, delivery and closure. These stages take a programme from initiation, based on strategy or a desire for change, right through to the final realisation of a defined business objective or benefit.

In the accompanying research the respondents showed an almost unanimous interest in introducing or further enhancing programme management within their organisations.

The solutions looked at during this study take a bottom up approach, incorporating a timesheet element that captures activities and aggregates them up to project, programme and portfolio level.

2. Introduction

Today most organisations manage multiple projects concurrently with shared or overlapping resources often in different geographical locations.

Traditional project management products and techniques do not recognise the reality of today's organisational structures and work place priorities, nor do they leverage the potential benefits that accrue from multi skilled, multi location teams.

Programme management is a technique that allows organisations to run multiple related projects concurrently and obtain significant benefits from them as a collection.

Programme management is a way to control project management, which traditionally has focussed on technical delivery. A group of related projects not managed as a programme are likely to run off course and fail to achieve the desire outcome.

Programme management concentrates on delivering some or all of the following:

- New capabilities and services
- Business plan
- Strategic objectives
- Change
- Other initiatives

It is important to understand exactly what programme management is, an often misunderstood or misused term. In the next chapter I look at four definitions of programme management from some influential bodies.

3. What is Programme Management?

Programme management is a fairly new technique and as such is not always well understood. Following my survey it is clear that programme management is an area of growing interest for organisations.

3.1. Definitions of Programme Management

Here are four definitions of programme management all trying to explain in a nutshell what is in effect the management of multiple projects in order to affect major change or gain significant benefits within an organisation.

3.1.1. Central Computer and Telecommunications Agency (CCTA)

Definition: The co-ordinated management of a portfolio of projects to achieve a set of business objectives.

The CCTA's Introduction to Programme Management talks about defining the long-term objectives of the organisation. Once these long-term objectives are established the organisation identifies projects that help achieve these objectives and thinks carefully about the benefits these projects are designed to bring about.

It advises that the organisation set-up assorted structures to manage the programme and keep the strategic objectives in mind. The sorts of projects are likely to change the organisation itself. So to give the organisation a chance to stop and take a look at what has changed, what is to change next and to compare all of that with those highly significant overall objectives the CCTA recommend achieving 'islands of stability'. Whilst on an island, the ground is firmer under foot and you are better able to take stock of the past, present and future.

3.1.2. The Programme Management Group (PMG)

Definition: The planning and monitoring of tasks and resources across a portfolio of projects.

The Programme Management Group talks about the limitations caused by methodologies incapable of being addressed by traditional project management products and techniques. The PMG have identified the types of organisation that they feel benefit from Programme Management and say they are those that have:

- Multiple projects happening simultaneously.
- Complex mix of uniquely highly skilled individuals.
- Geographically dispersed projects.
- Conflicting priorities and schedules for people and projects.
- Changing deadlines and objectives.
- A requirement for responding to 'what if' scenarios and requests.

Those organisations with a very stable, large, single project approach do not benefit in their opinion.

3.1.3. The Interactive Project Workout, Robert Buttrick

Definition: Directing a 'programme' of projects is a key management task, as it is this 'bundle' of projects that will take you from where you are now to your, hopefully, better future.

In his book *The Interactive Project Workout*, Robert Buttrick identifies three different configurations of programmes.

- Portfolio: a set of related projects aimed at meeting the business plan needs.
- Goal directed: a set of closely related projects aimed at creating a new capability.
- Heartbeat: a set of activities managed around a service delivery e.g. a large IT system.

The author goes on to say that some projects 'are simply too large to manage as a single entity.' His concept is that the organisation structure for programmes is one of a programme manager supported by multiple project managers, all of whom have their own teams.

3.1.4. Association for Project Management (APM)

Definition: To co-ordinate a portfolio of projects to harmonise communications in order to achieve a set of stated business objectives. Provision of strategy alignment with design objectives in order to maintain control over a multiple project environment. Ensuring quality end deliverables which meet business operational needs.

In his paper *Understanding Programme Management*, Dr Glenn Strange identifies three 'crucial sins.'

- Not having a clear understanding of the definitions and the technologies involved.
- A lack of a clear sense of direction and purpose in which the programme is aimed.
- Not having the 'baselines' clearly defined, which promotes an unstable programme from the outset.

The author goes on to say that 'all programmes must have a well-defined baseline from which to measure costs and benefits resulting from investment into the programme.' He warns against facilitating scope creep by a lack of a clear definition.

3.2. Programme Management or Portfolio Management?

Next it is important to establish what we mean by Programme Management as opposed to Portfolio Management. The term Programme Management is often used to mean portfolio management and vice versa. For the purposes of this study I will use the following definitions:

- Programme Management: A group of related projects carried out to achieve a defined business objective or benefit.
- Portfolio Management: All projects, related or unrelated, being carried out by an organisation. These may be divided into functional areas e.g. IT, Supply Chain, HR.

With this understanding we can go on to look at what it is that we want to achieve and how programme and portfolio management fits into an organisations processes and procedures. The hierarchy in this definition is:

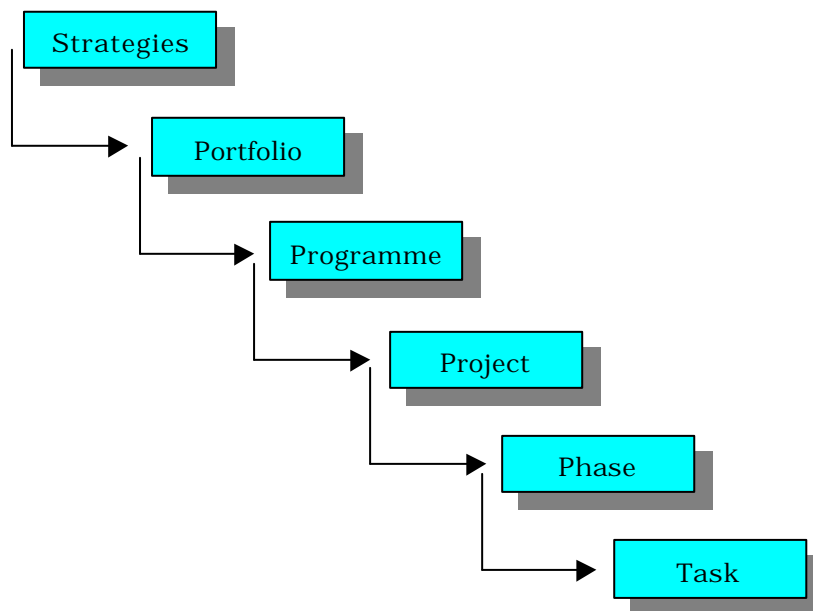


Figure 1: Programme Management Hierarchy

3.3. Objectives of Programme Management

Programme Management is a technique concerned with controlling a group of related projects carried out to achieve a defined business objective or benefit. If we take one of Robert Buttrick's definitions that some projects 'are simply too large to manage as a single entity,' then we necessarily need to split them up into smaller manageable projects. If the whole is too large for a single project manager to handle, then it follows that a number of projects managers are required to take care of the smaller projects. So smaller projects with multiple project managers all designed to achieve a single long-term objective or benefit for the organisation. In order to control this group and have an overall view we require a programme manager.

The programme manager is not concerned with the day to day running of individual projects in the programme, this is the project managers responsibility but he/she needs to ensure that all projects are running on target and that each will achieve it's overall contribution to the whole programme. The activities undertaken during programme management are:

- Setting the baseline
- Agreeing roles and responsibilities
- Programme planning
- Project prioritisation
- Stakeholder communication
- Progress reporting
- Managing benefits
- Quality management
- Risk management
- Issue management
- Programme closure

3.4. Objectives of Portfolio Management

Portfolio Management is about all projects, related or unrelated, undertaken by an organisation. These may be divided into functional areas e.g. IT, Supply Chain, HR, Brand Development. At this level we are able to have a complete view across the organisation in order to understand the projects are taking place, related or unrelated. Often the most useful way of presenting this data is by business function, thereby giving a view of the projects in a particular area.

Portfolio Management is of interest to decision-makers because it gives them a total view of all the initiatives taking place across the organisation. This ensures that the organisation remains focussed on what is important, helps avoid duplication and informs strategic decision-making.

At this level the focus is on the direction of organisation as a whole not on individual programmes or projects. The activities undertaken during portfolio management are:

- Checking strategic alignment
- Risk management
- Progress reporting

In the next chapter I suggest a framework for programme management.

4. Processes

In order to obtain the most from programme management, organisations should establish processes that will enable them to leverage maximum benefit from what is a fairly new technique.

4.1. Programme Management Framework

This chapter looks at a framework in which programme management can operate. As identified in the introduction, programme management is a way to control project management. A group of related projects not managed as a programme are likely to run off course and fail to achieve the desired outcome. There are eight key areas in the framework:

- Vision
- Aims & Objectives
- Scope
- Design
- Approach
- Resourcing
- Responsibilities
- Benefits realisation

Let's take a brief look at each area in turn...

Vision is the high level strategy or idea to drive the organisation towards a goal, benefit or other desired outcome. This vision will usually be a brief statement of intent communicated down from the management or leadership. It is important that the vision has high level sponsorship and commitment for it to be successful.

The aims and objectives is a more detailed statement that explains exactly what is required. This provides a point of reference to go back to when renewed focus is required.

The scope gives boundaries to the programme explaining what exactly it is that will be delivered. The scope should leave no room for doubt and everyone should be clear about what is and isn't being delivered.

Design is the way in which the projects that make up the programme are put together. In this process the programme manager considers which projects have dependencies on others and therefore which should come first, can run concurrently and those that come last.

The approach is the way the programme will be run. The approach is dependent on many factors and it is left to the skill of the programme manager to decide the most effective way. The communication plan is contained within the approach and at the very least should commit to regular progress reporting to stakeholders.

Resourcing looks at the scheduling and allocation of resources. Short term and longer-term views should be taken. For the projects that will start straightaway it is important to identify resources and obtain line manager commitment early. For later projects, required resource levels should be identified but line manager commitment is not needed at this stage.

Responsibility identifies and allocates responsibility for each area of the programme. Every member of the programme must clearly understand his or her roles and the roles of the other team members. It is the task of the programme manager to ensure that this is clearly communicated and understood.

Benefits realisation is the process at the end of the programme by which the benefits identified at the beginning of the programme and measured. It is the responsibility of the programme manager to demonstrate to the steering committee that the desired benefits have been realised. Often this will mean that the programme manager will continue to monitor a programme long after the individual projects are complete in order to ensure that the benefits are realised at a business level.

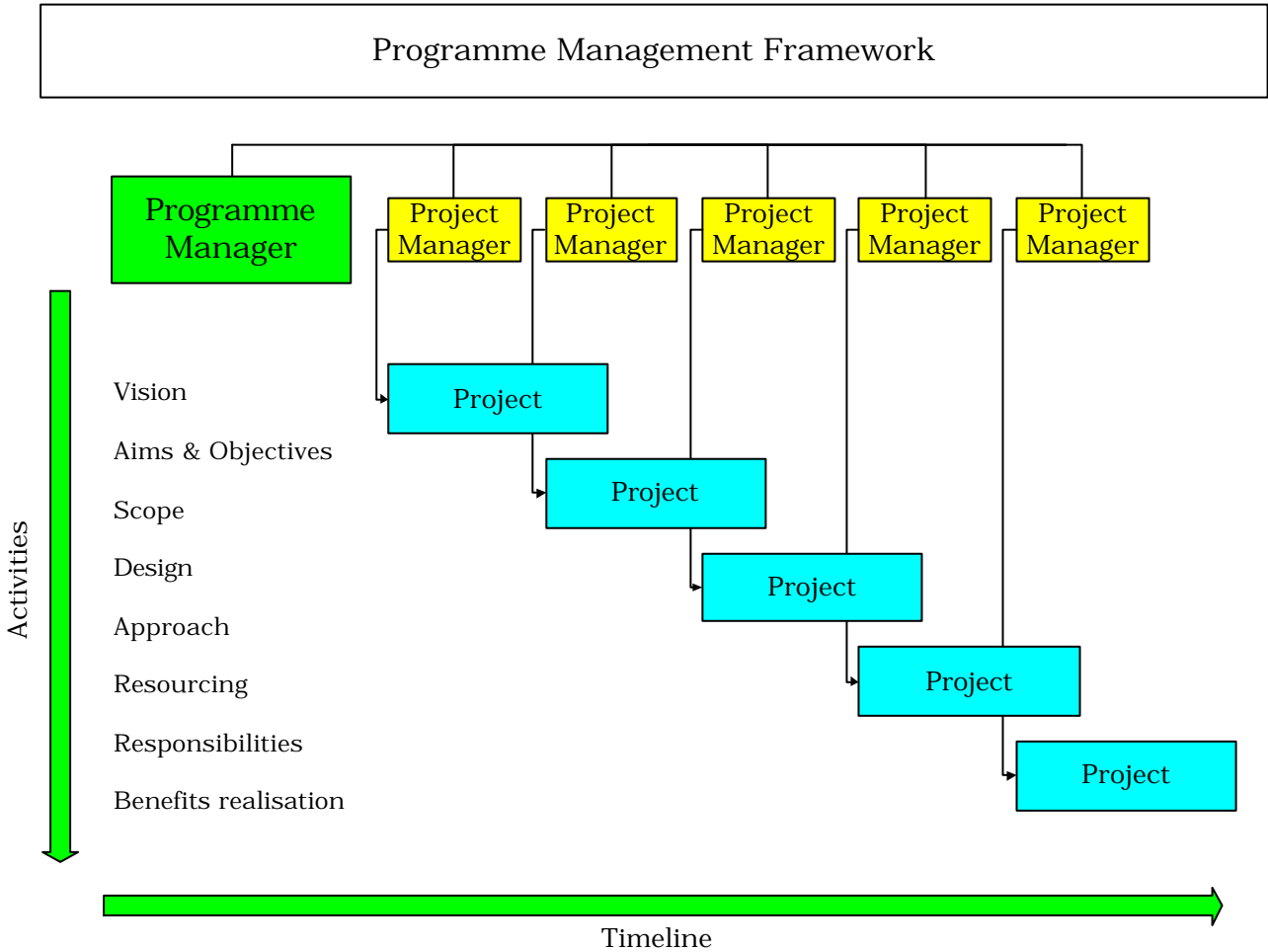


Figure 2: Programme Management Framework

This framework will provide:

- A focus on delivering major organisational changes or benefits.
- Greater control through visibility of all projects in the programme.
- An understanding of project dependencies.
- Clearly defined roles and responsibilities.
- A single line of communication to the steering committee or sponsor.
- Optimised use of resources across projects.
- Ability to leverage economies of scale and maximise value.
- Management of risk across related projects.
- Mechanisms for measuring benefit realisation.

4.2. The Four Stages of Programme Management

There are four basic stages in programme management:

- Programme Identification
- Programme Planning
- Programme Delivery
- Programme Closure

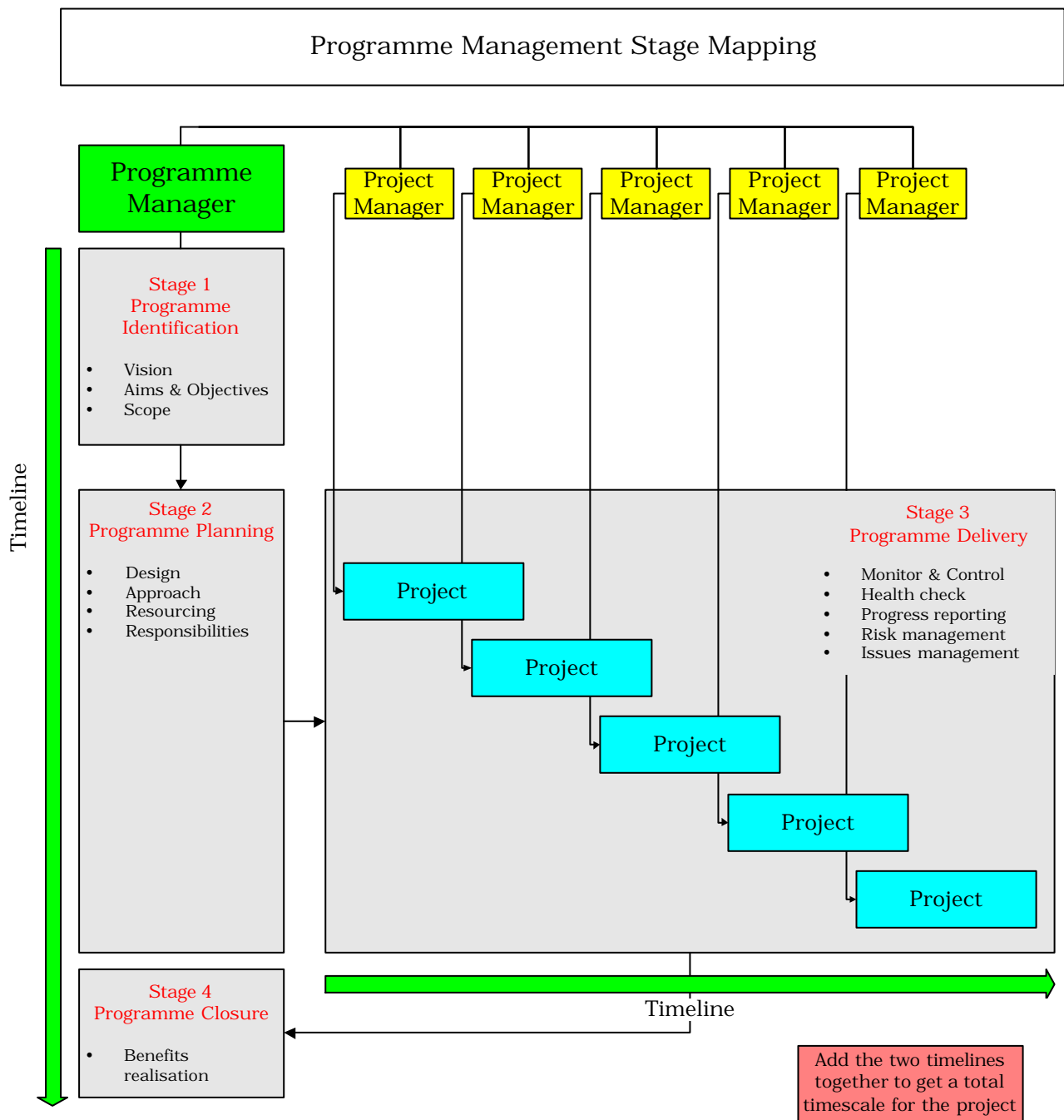


Figure 3: Programme Management Stage Mapping

These stages take the programme from initiation, based on strategy or a desire for change, right through to the final realisation of a defined business objective or benefit.

4.2.1. Programme Identification

This is a high level process where the strategy and direction of the organisation are decided. It is from this that the programmes required to realise these strategies are determined. A document for each programme is produced outlining the business case, alignment to strategy, scope and the expected business objective or benefits. All benefits should be graded in accordance with their importance. I suggest three grades A, B and C. A's are those benefits that are of the highest value, often it is 20% of the programme that delivers 80% of the benefits. The B's those benefits that are seen as important but not absolutely essential. The C's those benefits that if not realised will not prevent the programme being declared a success. This grading will be used by the programme manager to assess the degree of success achieved at the end of the programme.

4.2.2. Programme Planning

The planning stage is where the design of the programme takes place. The programme manager in establishing the programme will:

- Define clear objectives
- Agree an approach.
- Agree roles and responsibilities with the team.
- Set-up communications channels.
- Agree priorities of the projects that make up the programme.
- Complete project planning.

It is important at this stage to identify adequate levels of resource for the early projects and identify the requirements for later projects.

4.2.3. Programme Delivery

At this stage the individual project managers run the identified projects. The programme manager's responsibility at this stage is to monitor progress, assess risks and report progress to the steering committee or leadership. The programme manager has a view across all projects and must ensure that the programme stays aligned with the overall strategic objectives of the organisation.

4.2.4. Programme Closure

Like projects, programmes have a finite life and are closed once they achieve their defined business objective or benefit. Before the programme is closed the programme manager must demonstrate to the steering committee or leadership that the desired benefits have been realised, often called 'benefit realisation'.

These benefits are those that were identified in the first stage, programme identification. As these have been graded it is possible to quantify success e.g. 90% of A graded benefits delivered.

As a final task the programme manager should review the entire programme and document any lessons that have been learnt that will enable future programmes to be run more effectively.

4.2.5. Conclusions

A group of related projects not managed as a programme are likely to run off course and fail to achieve the desired outcome. It is therefore important that programmes are run within a framework that ensures there is a focus on the overall strategic objectives.

By applying the four stages of programme management outlined above, organisations will have created an effective environment in which they can monitor and control the progress of their programmes, improving the chances of bringing them to a successful conclusion.

In the next chapter I analyse the findings from my research project.

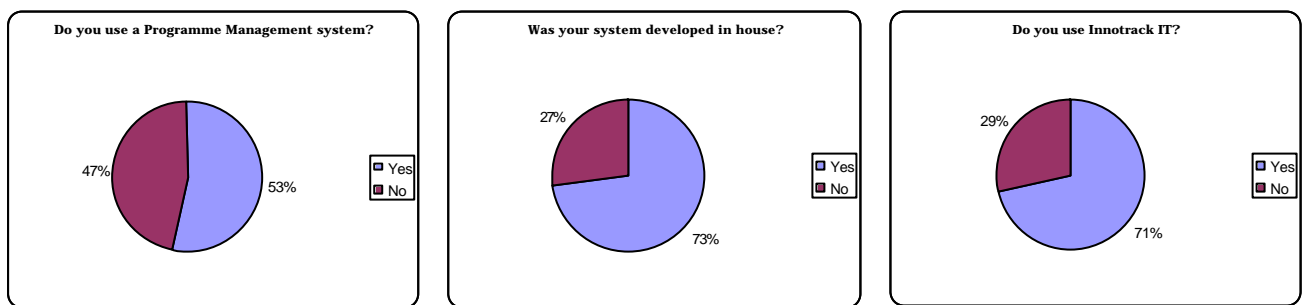
5. Research Project

During this study I carried out a small survey (25 respondents) to establish what people want from programme management. The survey looked at whether the respondents are using programme management and if so what elements are important to them.

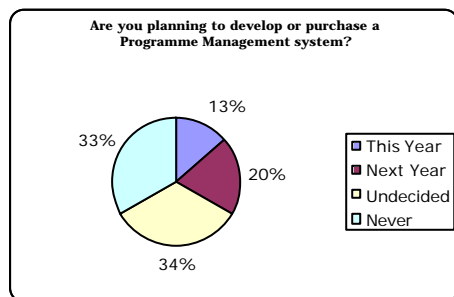
All people surveyed have a keen interest in programme management and provided information through either an on-line survey or questionnaire.

5.1. Findings

The survey has shown that more than half (53%) of people are using some form of programme management system of which 73% are in-house developments.



When asked whether they were planning to develop or purchase a programme management system 13% said they were this year (2001) - 20% next year, a third (34%) remained undecided while a further third (33%) said they were not. A majority of the respondents are able to identify tangible benefits from programme management, including those that have no plans to implement it.



The most important feature of programme management was seen as the ability to have an overview of all projects in the programme. Having a view of the total programme cost and the ability to plan resources across projects followed. Finally of equal importance were the ability to provide a summary of human resource requirements and report upon progress.

When asked about the benefits of programme management the most popular answers revolved around visibility of programme and projects across the enterprise and the ability to plan resources effectively. Many people cited common processes and tools to support these as an important issue.

5.2. User Requirements

As a result of my research the following list of desirable features for a programme management system has been compiled:

- Programme planning
- Resource scheduling
 - Skills mix
- Budget planning
- Time planning
- Progress reporting
 - Traffic lighting
- Communications plan
- Risk analysis
- Issues management
- Quality management
- Programme health check
- Reporting
 - Overview of projects
 - Missed deadlines
 - Overrun budgets
 - Task lists
 - Resources available verses required
 - Resource utilisation

5.3. Conclusions

The findings of my survey have shown a significant interest in programme management and its ability to deliver strategic benefits. If organisations are to benefit from strategies and initiatives that will see them remain competitive in an increasingly global marketplace, then programme management is a huge step toward enabling it. Programme management not only ensures that precious global resources are deployed effectively but that the benefits from any programme are leveraged to maximum effect.

The driver that will see this happen is the need for organisations to become faster and more responsive to a rapidly changing environment.

In the next chapter I look at some of the commercial offerings in the area of programme management.

6. Solutions

During this study it has become clear that most solutions investigated offer-varying degrees of programme, portfolio and project management capability. Clearly there is an overlap between all three and it is important for any organisation to establish exactly how far they wish to go when introducing a system. The following solutions were investigated:

- Hydra (PMG)
- PlanView (PlanView Inc)
- Artemis Views (Artemis)
- Microsoft Project 98 (Microsoft)

Each of the solutions investigated addresses areas of both programme and project management. Here is a brief description of each application.

6.1. Hydra

This package is based on distributed connected plans. By integrating many work plans including programme plans, departmental plan, team plans and personal plans Hydra provides a numbers of views at different levels from the executive to individual resource at the coal face.

The application has a number of standard reports and includes a report writer for customised reports.

6.2. PlanView

The enterprise repository within PlanView stores all work, including programmes, projects and unscheduled activities within the organisation. True programme relationships can be maintained with multiple dependencies being supported between projects.

The resource scheduling allows a Resource Manager to either simply select a resource or create a criteria, or requirement, that a resource must match before being for selection. PlanView ranks the responses by the best fit based on ability and availability. Searches can be made up of numerous requirements e.g. this skill to this level, based in this location, with this experience.

If a project, or associated project within a programme, is about to run late or if a resource has new work assignments the application provide this information using automated alerts.

There is a predefined range of reports but all customised reports are achieved with Business Objects or Crystal Reports.

PlanView was eliminated from the selection process carried out by GIO-ES during their recent programme management project due to the size and structure of the company. It is a sole proprietorship, owned by one man in Houston. When considering enterprise scale applications, small companies of this ilk are very risky to invest millions of pounds with.

6.3. Artemis Views

Artemis Views is a suite of applications that handle multi-project management consolidated and viewed by any user defined structure at project level, activity level and resource level. Resources are identified by skill; group, department, project and activity priorities can be defined. Resource rates and fixed costs can be entered manually or via an interface to finance.

The WebView product can be used to communicate project details, plans and documents throughout an organisation.

Artemis Views is a strong candidate for the GIO-ES solution and is being evaluated at the moment.

6.4. Microsoft Project 98

It may seem strange in a study about programme management that Microsoft Project is being investigated, as most would see this as a pure project management tool. This is possibly born out by the fact that a search for 'program management' on the Microsoft Office site produces no results.

Having said that Project does contain some elements that are useful to a programme manager. It is possible to consolidated projects creating in effect a programme and also to view resource usage across groups of projects.

Microsoft Project is a long way short of a programme management solution and cannot easily provide an organisation wide view of programmes and portfolios.

A significant number of the respondents to the survey said they use Microsoft Project to management projects on a day to day basis.

6.5. Conclusions

In general, commercial offerings take a bottom up approach to programme management. Data is capture at the lowest level, task and aggregated. This approach effectively reduces the amount of work required by the Project Office in collecting and compiling data. A key feature of all the solutions evaluated is the strong reporting capability an area of core competency.

7. Summary

Programme management is an often-misunderstood term that is frequently confused with portfolio management. Undoubtedly there is a need for programme management in today's complex organisations to help deliver major change or gain significant benefits.

To leverage maximum benefit from programme management it is important to work within a framework in order to bring project management under control. The framework ensures that there is a focus on delivering the vision or strategy as opposed to the technical delivery of individual projects.

The findings of my survey have shown a significant interest in programme management and its ability to deliver strategic benefits. If organisations are to benefit from strategies and initiatives that will see them remain competitive in an increasingly global marketplace, then programme management is a huge step toward enabling it.

The driver that will see this happen is the need for organisations to become faster and more responsive to a rapidly changing environment.

In general, commercial offerings take a bottom up approach to programme management. Data is captured at the lowest level, task and aggregated.

8. References

Organisation	Publication	Web Site
CCTA	Introduction to Programme Management	N/A
Programme Management Group	Web Site	http://www.pm-group.co.uk/
Financial Times	The Interactive Project Workout, Robert Buttrick, Prentice Hall ISBN 0-273-64436-X	N/A
Association for Project Management	Understanding Programme Management	http://www.apmgroup.co.uk/