

Lesson 7: Program Governance

**Based on PMBOK® Guide – Fifth Edition
and
The Standard for Program Management – Third
Edition**

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Agenda

- ✓ What is Program Governance
- ✓ Program Governance Boards
- ✓ Program Governance Board Responsibilities
- ✓ Relationship between Program Governance and Program Management
- ✓ Common Individual Roles Related to Program Governance
- ✓ Program as Governing Bodies: The Governance of Program Component
- ✓ Other Governance Activities that Support Program Management
- ✓ Organizational Context for Governance

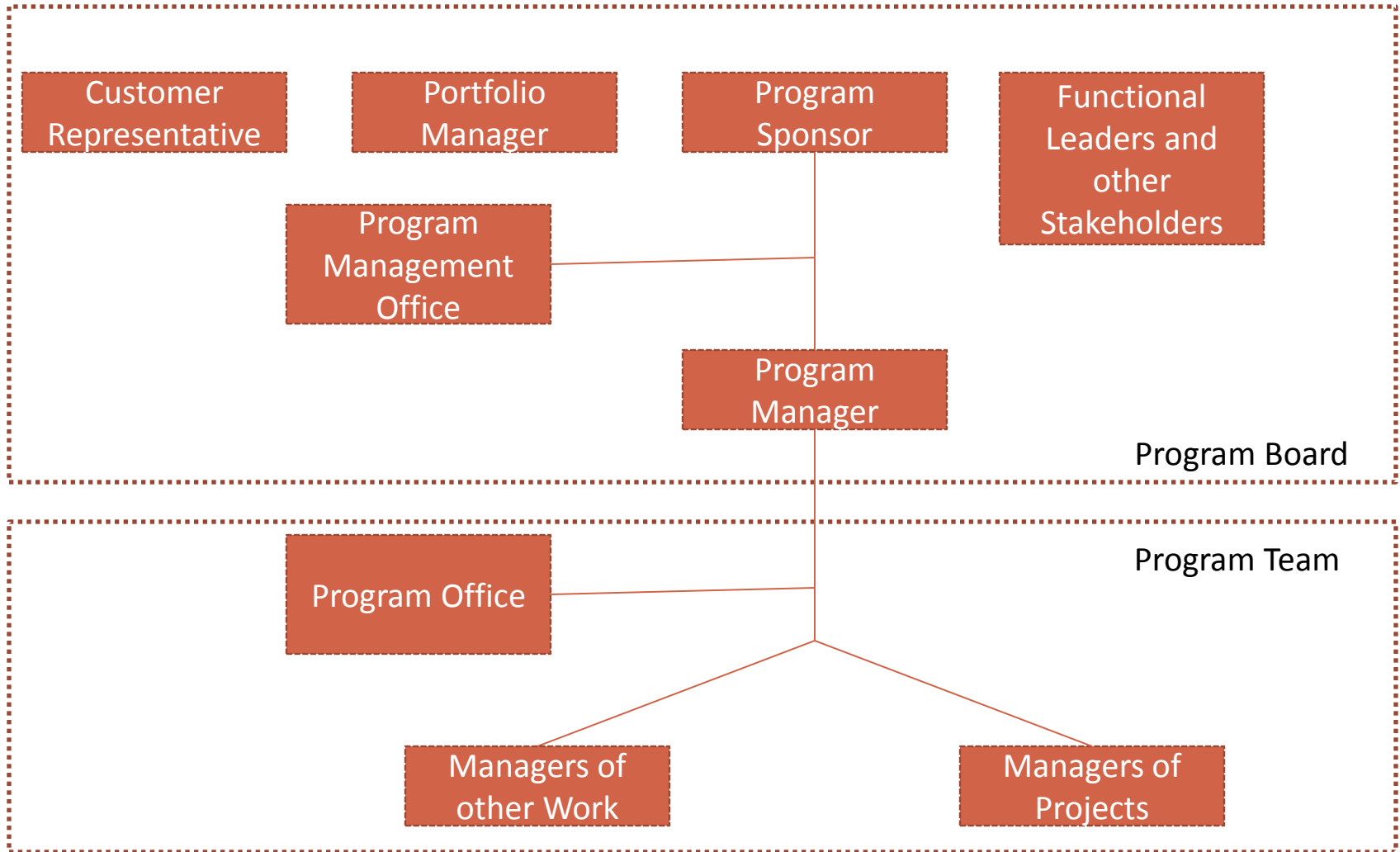
What is Program Governance

- ✓ Program governance refers to:
 - Systems and methods by which a program and its strategies are defined, authorized, monitored, and supported.
 - Systems and methods by which program team monitors, and manages the components of the program.
- ✓ Program manager manages the relationship of the program with its governance board.

What is Program Governance (Contd.)

- ✓ Program governance should lead to:
 - An effective framework for decision-making on the program.
 - A continued alignment of the program with the strategic goals.
 - A creation of the appropriate components to pursue the work of the program.
 - An escalation mechanism to resolve risks and issues, that cannot be managed at the program level.
 - An effective delivery management to ensure that the program is delivering the expected benefits.
 - A conformance of the program with the organizational standards.
 - A passing of organizational data, information, knowledge, and wisdom to ensure success of the program.

Program Governance Overview



Program Governance Boards

- ✓ A decision-making committee that is responsible for governance systems and methods.
- ✓ Can comprise of:
 - Program sponsor;
 - Executives who have strategic insight;
 - Senior functional leaders;
 - Sponsor of the program;
 - Customer representatives (optional);
 - Other stakeholders (optional); and
 - Program manager (invited).
- ✓ Program manager represents the team to the board, and the board to the team.
- ✓ The Program sponsor is usually the chair person and has veto power.
- ✓ The governance board is sometimes called steering committee.
- ✓ This is usually not a “full time” committee.

Program Governance Board Responsibilities

- ✓ Establish program governance and provide the vision and goals of the organization;
- ✓ Approve the program and endorse initiation of components;
- ✓ Provide funding for the program;
- ✓ Establish a program governance plan;
- ✓ Review and approve program approach, and plans;
- ✓ Support the program;
- ✓ Monitor program progress, and establish if there is a need for change;
- ✓ Conduct phase – gate and other decision – point reviews;
- ✓ Approve component initiation or transition; and
- ✓ Approve program closure.

Program Governance Board Responsibilities (Contd.)

- ✓ Approving component initiation or transition:
 - Program governance board approval *may be* required during initiation, and transition of new project component or program.
 - Program manager acts as a sponsor, when seeking authorization for the initiation or transition.
 - Governance approval includes:
 - Developing, modifying ,or reconfirming business case;
 - Defining or reconfirming individual accountabilities; and
 - Authorizing governance structure to track component progress.

- ✓ Program closure:
 - Confirm that conditions warranting program closure are satisfied.
 - Reasons for closure of a program are consistent with organizational vision and strategy.
 - Regardless of the reason for program closure either success or termination, closure process should be followed.

Program Governance Board Responsibilities (Contd.)

- ✓ **Program Funding**
 - Ensure the timely availability of funds to the program
 - Ensure that the funding is in line with the organizational priorities

- ✓ **Program Governance Plan: Should cover the following**
 - Program Goals Summary
 - Structure and composition of the Program Governance Board
 - Definitions of roles and responsibilities
 - Planned Governance meetings
 - Planned phase gate reviews
 - Component initiation criteria
 - Component closure or transition criteria
 - Periodic health-checks
 - Issue escalation process

Program Governance Board Responsibilities (Contd.)

- ✓ **Program Success criteria, Communication and Endorsement**
 - Establish the minimum success criteria for a successful program
 - Methods for communication and endorsement of the success criteria

- ✓ **Approving program approach and plans**
 - Approve the approach and plans for the program and the components
 - Approve the monitoring and controlling framework for program and components

- ✓ **Program Performance Support**
 - Support the program performance by providing necessary organizational resources
 - Create a program management office to support the program

Program Governance Board Responsibilities (Contd.)

- ✓ **Program Reporting and Control Processes**
 - Ensure compliance with the organizational control processes
 - Create a reporting structure that provides for information necessary to monitor continued compliance

- ✓ **Program Quality Standards and Planning**
 - Support creation, review and approval of the program quality plan
 - Help the program come up with the quality policies and standards in line with the organization's expectations about quality

- ✓ **Monitoring program change and the need for change**
 - Ensure that the changes necessary to provide the intended benefits are pursued and introduced in a planned manner
 - Establish a system for managing changes on the program

Relationship between Program Governance and Program Management

- ✓ Governance is critical to the success of programs
- ✓ Program managers depends on program governance board
- ✓ Collaborative relationship is critical
- ✓ Organization relies on the program governance mechanism, to make sure that the program reflects the priorities of the organization

Common Individual Roles Related to Program Governance

- ✓ **Program sponsor:**
 - An executive from program sponsor board;
 - Directing the organization and its investment decision; and
 - Personally vested in ensuring success of related organizational program.
- ✓ **Program governance board members:**
 - Collectively responsible for authorizing and overseeing program.
- ✓ **Program manager:**
 - Responsible for setting up and managing program;
 - Ensuring alignment of program goals and objectives to strategic objectives; and
 - Also called as program leader.
- ✓ **Project manager:**
 - Responsible for management of project which is component of program;
 - Planning, executing, and tracking of projects within the program; and
 - Delivering the output as per project charter and program plan.

Common Individual Roles Related to Program Governance (Contd.)

- ✓ Program team members:
 - Responsible for contributing to the program strategy/plan, or coordinating the activities;
 - Include project managers; and
 - Assignment to specific program team is endorsed by program governance.

Program as Governing Bodies: The Governance of Program Component

- ✓ Programs have functions similar to governance board.
- ✓ Program managers and program teams, may become responsible for governance function referred as component governance.
- ✓ Sanctioning of autonomy to program teams to govern their program components depends on experience of program manager, size, complexity of program, and degree of communication required.

Other Governance Activities that Support Program Management

- ✓ Five supporting capabilities created by program governance function:
 - Program management office;
 - Program management information systems;
 - Program management knowledge management;
 - Program management audit support; and
 - Program management education and training.

Other Governance Activities that Support Program Management (Contd.)

- ✓ **Program management office:**
 - It is a center of excellence for program management.
 - Mentors, coaches, and guides program managers in an organization.
 - Maintains a repository of an organization's knowledge in program management, including best practices, guidelines, policies, templates, etc.
 - Usually a central body residing in an organization – does NOT get directly involved in managing individual programs.
 - In smaller organizations, may be set up more informally, and play a more direct role.

- ✓ **Program management information system:**
 - Enables collection, access, reporting, and analysis of information relevant to management of projects, and programs within portfolio.

Other Governance Activities that Support Program Management (Contd.)

- ✓ Program management knowledge management:
 - Knowledge management involve three primary elements:
 - Knowledge collected and shared across the program;
 - Individuals and Subject Matter Experts who possess specific program knowledge; and
 - Program management information systems in which the collected program knowledge and artifacts are stored.
 - Program manager ensures the information is easily available and accessible to stakeholders who need it.

Other Governance Activities that Support Program Management (Contd.)

- ✓ **Program management audit support:**
 - Program governance assumes responsibility to ensure programs prepared for audit.
 - Audits are conducted through internal and/or external agents.
 - Program audits are focused on program finances, management processes and practices, program quality, and program documentation.
 - Program governance board takes the responsibility of creating audit plans, policy, schedule, frequency, roles and responsibilities.
 - Program manager and team shouldn't think of audit as a burden.

- ✓ **Program management education and training:**
 - Helps in skills, capabilities, and competency development.
 - Sponsorship by program governance function, in collaboration with program management and program management office, enables focused training on specific needs.

Organizational Context for Governance

Organizational Governance

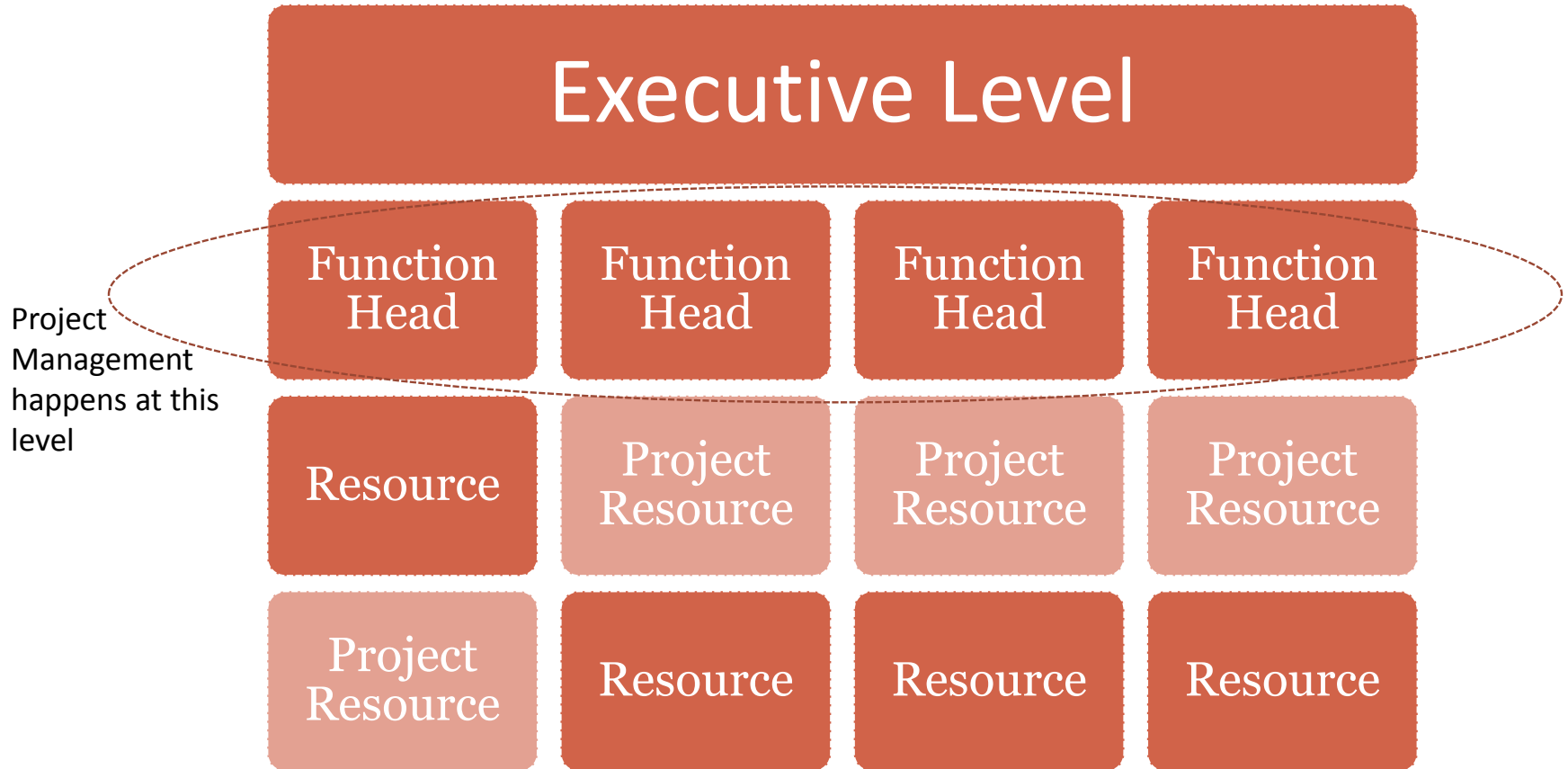
Management of functions
and operations

Processes, tools, metrics

Management of projects,
programs, and portfolios

Processes, tools, metrics

Functional Organization



Projectized Organization

Executive Level

Project
Manager-1

Project
Manager-2

Project
Manager-3

Project
Manager-4

Project
Resource

Resource

Resource

Resource

Project
Resource

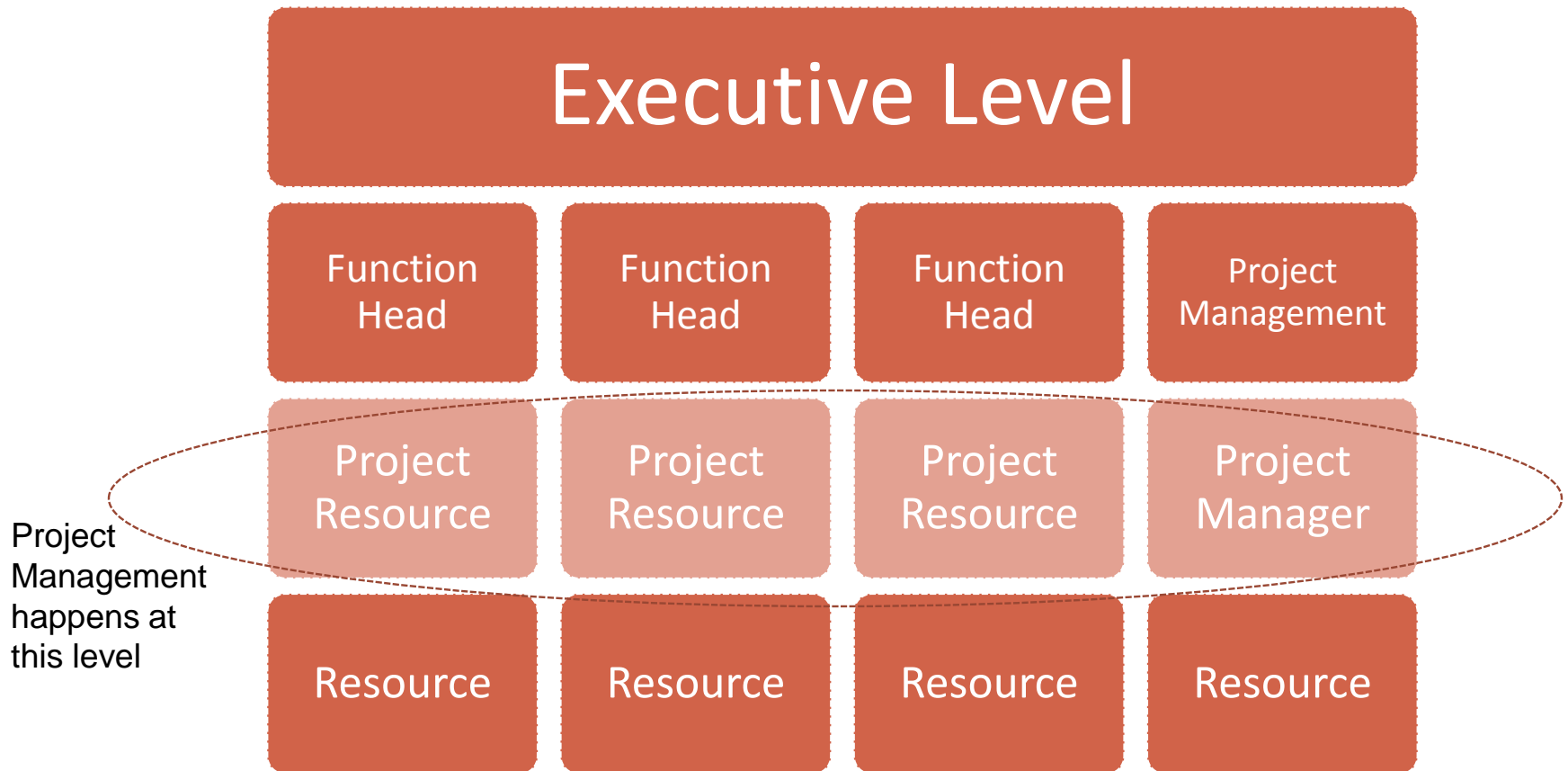
Resource

Resource

Resource

Project
Organization

Matrix Organization



Advantages and Disadvantages of Organizational Types

✓ Functional

➤ Advantages

- Only one manager, so no confusion
- Clearly defined career paths; greater specialization and skill development
- More flexible work force

➤ Disadvantages

- Departmental work gets higher priority than project work
- No career path in project management

✓ Projectized

➤ Advantages

- Better communication within projects
- More loyalty towards project goals

➤ Disadvantages

- Less efficient use of resources
- No home when project is completed
- Limited and diffused skill development

✓ Matrix

➤ Advantages

- Better coordination
- Maximum utilization of resources

➤ Disadvantages

- Higher potential for conflict
- Greater communication complexity and overhead

Summary

- ✓ Program governance establishes systems and methods, by which a program's strategy is defined, authorized, and monitored.
- ✓ Program governance boards are established, to represent the organization's interest in the program.
- ✓ Program governance board is formed by the executives, and representatives of an organization.
- ✓ Program management relies on governance for decision-making, guidance, and resolution of escalated risks and issues.
- ✓ Program sponsor usually heads the governance activities, by providing the necessary resources, funding, and support for the program.
- ✓ Program governance establishes the support structure of a program including PMO, PMIS, and knowledge management.
- ✓ The organizational structure has an influence on the program governance and program management.

Quiz – 1

A program manager recently took over the management of a crucial program for an organization. As she is new to the program, she is looking for support from the program governance function to help her manage the program. Which of the following capabilities will NOT be provided by program governance?

- a) Program management office
- b) Program management information systems
- c) Program management education and training
- d) Program stakeholder engagement

Quiz – 1

A program manager recently took over the management of a crucial program for an organization. As she is new to the program, she is looking for support from the program governance function to help her manage the program. Which of the following capabilities will NOT be provided by program governance?

- a) Program management office
- b) Program management information systems
- c) Program management education and training
- d) Program stakeholder engagement

Answer: a. Program stakeholder engagement.

Explanation: The five supporting capabilities created by program governance function are program management office, program management information systems, program management knowledge management, program management audit support, and program management education and training. Program stakeholder engagement is important, but is not provided by governance.

Quiz – 2

A program manager wants to initiate a new project within the program to pursue a new market opportunity that has been suggested by the marketing function.

Who will be responsible to make the decision on approving the project?

- a) Program management office
- b) Program governance board
- c) Program sponsor
- d) Program manager

Quiz – 2

A program manager wants to initiate a new project within the program to pursue a new market opportunity that has been suggested by the marketing function. Who will be responsible to make the decision on approving the project?

- a) Program management office
- b) Program governance board
- c) Program sponsor
- d) Program manager

Answer: b. Program governance board.

Explanation: The program manager wishes to commit organizational resources to pursuing a new business opportunity. This needs to be discussed with the program governance board and their approval is important.

Quiz – 3

Jack is personally invested in ensuring the success of the program and is willing to provide funding, resources for the program. He is also instrumental in representing the program to the organization and evangelize the program. What is Jack's role in the program?

- a) Program manager
- b) Program team members
- c) Program sponsor
- d) Project manager

Quiz – 3

Jack is personally invested in ensuring the success of the program and is willing to provide funding, resources for the program. He is also instrumental in representing the program to the organization and evangelize the program. What is Jack's role in the program?

- a) Program manager
- b) Program team members
- c) Program sponsor
- d) Project manager

Answer: c. Program sponsor.

Explanation: The program sponsor is personally vested in ensuring success of related organizational program, and acts as the evangelist for the program.

Quiz – 4

The activity “enables collection, access, reporting, and analysis of information relevant to management of projects and programs within portfolio” is taken care by?

- a) Program management office
- b) Program management information systems
- c) Program management education and training
- d) Program management audit support

Quiz – 4

The activity “enables collection, access, reporting, and analysis of information relevant to management of projects and programs within portfolio” is taken care by?

- a) Program management office
- b) Program management information systems
- c) Program management education and training
- d) Program management audit support

Answer: b. Program management information systems.

Explanation: Program management information systems takes care of all these activities.

Quiz – 5

Debbie works as a mentor, coach, and consultant to program managers in her organization. She collects and maintains the best practices, procedures, and templates for various processes. Program managers often approach her for providing program, and project management knowledge and resources. Which organization does Debbie **LIKELY** work for?

- a) Program management office
- b) Program board
- c) Program office
- d) Program sponsor's staff

Quiz – 5

Debbie works as a mentor, coach, and consultant to program managers in her organization. She collects and maintains the best practices, procedures, and templates for various processes. Program managers often approach her for providing program, and project management knowledge and resources. Which organization does Debbie **LIKELY** work for?

- a) Program management office
- b) Program board
- c) Program office
- d) Program sponsor's staff

Answer: a. Program management office.

Explanation: Program management office is a center of excellence for program and project management in an organization, and provides guidance, mentorship, etc.

Thank You