

Lesson 2: Introduction to Program Management

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

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Agenda

- ✓ What is a Program
- ✓ What is Program Management
- ✓ Relationships among Portfolio Management, Program Management, and Project Management
- ✓ Strategy and Business Value
- ✓ Role of a Program Manager
- ✓ Skills of Project and Program Managers

Understanding Programs

- ✓ Project: A TEMPORARY endeavor undertaken to create a UNIQUE product, service, or result.
- ✓ Program: A group of related projects, subprograms, and program activities that are managed in a coordinated way, to obtain BENEFITS not available from managing them individually.
- ✓ Sub-program: A program that is managed within a larger program.
- ✓ Components of a program:
 - Work elements of the program,
 - Projects within a program, and
 - “Other work” that is managed within a program.
- ✓ Other work: Within a program, there may be activities outside the projects (e.g., Operation elements, Training, Management activities, etc.).

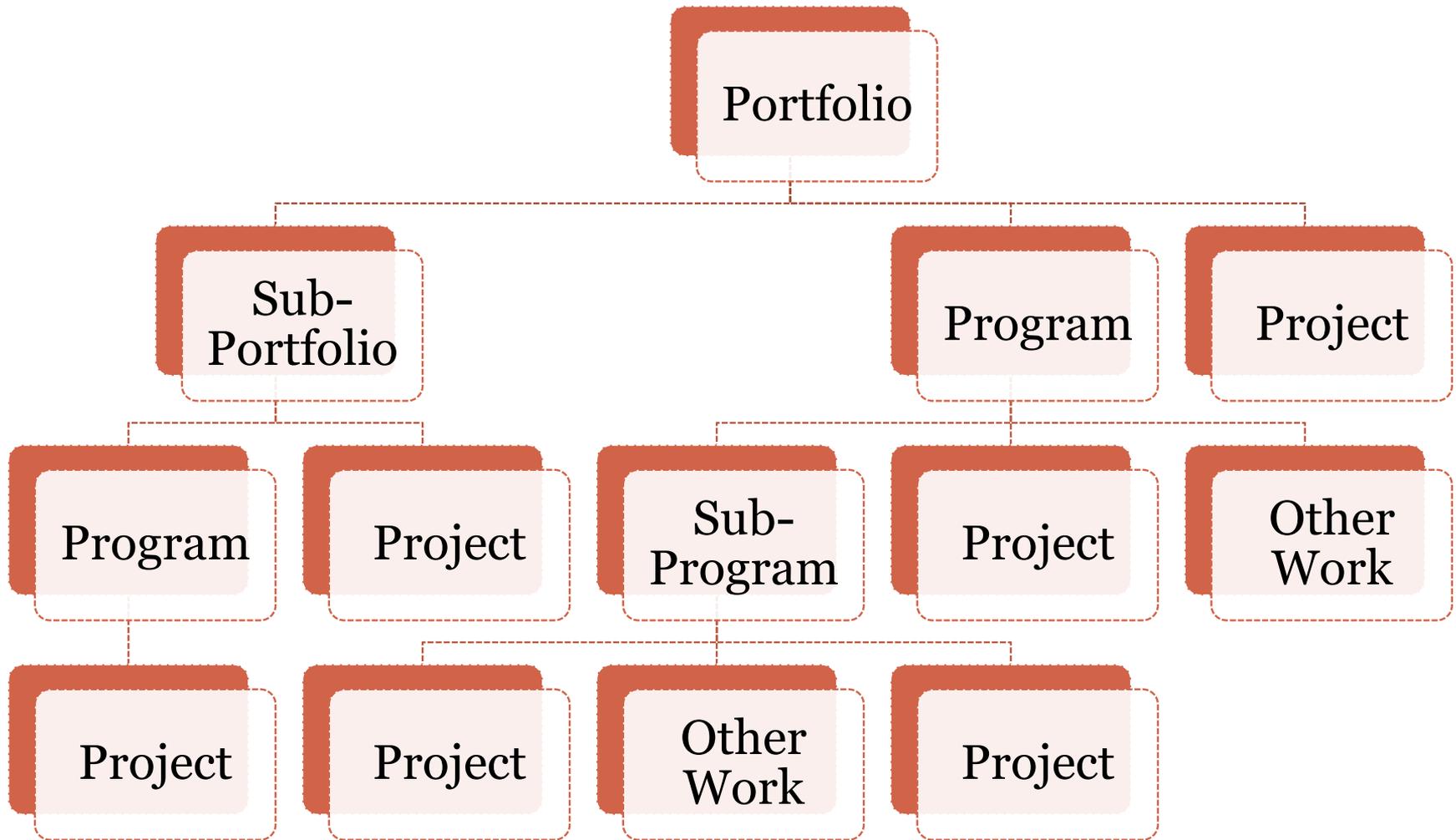
Program Management

- ✓ Program management is “the application of knowledge, skills, tools, and techniques to a program to meet the program requirements, and to obtain benefits and control not available by managing projects individually.”
- ✓ How does a Program Manager obtain additional “benefits and control”?
- ✓ By:
 - Analyzing complex inter-dependencies and find an optimal path of managing components.
 - Providing an overall framework for governance, reporting, and communication to the stakeholders.
 - Responding pro-actively to risks spanning multiple components.
 - Leading and coordinating “common” activities for multiple components (e.g., Procurement, Resource management, Financing, etc.).

Portfolios

- ✓ Portfolio: Projects, programs, sub-portfolios and operations grouped together to achieve strategic business objectives.
 - Components within a portfolio may or may not be “related”
- ✓ Project vs. Portfolio vs. Program:
 - Projects deliver specific product, service or results that flow into a program or a portfolio
 - Program aligns with portfolios (and hence strategy by) harmonizing components to realize benefits
- ✓ Portfolio aligns with organizational strategies by:
 - Selecting the right components
 - Providing the necessary organizational resources

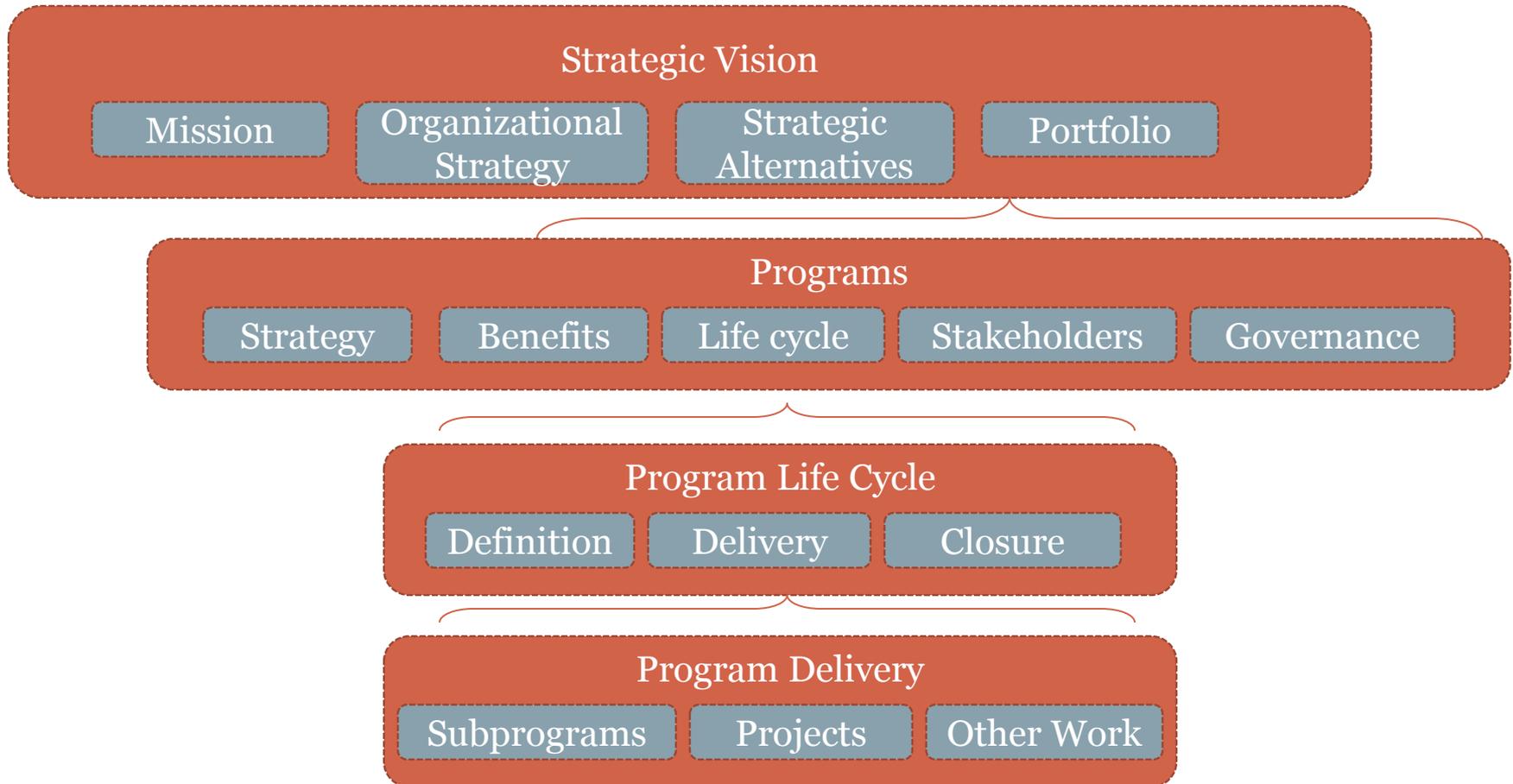
Hierarchical view: Portfolios, Programs, and Projects



Relationship between Project, Program and Portfolio Management

Management Domain	Projects	Programs	Portfolios
Scope	Well-defined and focused; may get progressively elaborated	Larger and more diverse; results in significant organizational benefits	Scope at an organizational scale; changes or meets strategic objectives
Change	Implement change management	Greater amount of change expected; manage change for organizational benefit	Continuously monitor environment to look out for or make changes
Planning	Detailed plans; progressively elaborated	High-level, program-level plans, guide the component level planning	Focus on the goals, communication, and process related guidance
Management	Manage project teams to create the desired output	Manage program staff and component managers; provide vision and direction	Manage program and project managers; establish reporting structures
Success	Delivering desired scope, in time, on budget, and of good quality	Degree to which the program delivered the intended benefits	Performance of the specific investment portfolio chosen
Monitoring	Close monitoring and controlling to ensure work is done	Analyze results to make sure that benefits are being realized	Monitor resource allocation, performance, and risk level of overall portfolio

Relationship among Program Management, Operations Management and Organizational Strategy



Strategy and Business Value

- ✓ Strategy: A long-term plan of action to achieve a goal or desired result.
- ✓ Business value: The entire value of the business, which is the total sum of tangible and intangible elements.
- ✓ Adding to business value is a critical element of the organizational strategy, which is mission and vision.
- ✓ Strategy is often expressed in terms of Vision and Mission statements:
 - Vision: Describes the desired end state.
 - Mission: Answers the question “Why we exist.”
- ✓ Just as an organization has a vision and mission, a program should also articulate a vision and mission.

Role of a Program Manager

- ✓ Program manager works within five program management performance domains.
- ✓ Some of the key roles are:
 - Interacts with each project manager.
 - Program manager ensures each component teams completes work, and integrates to deliver program end product, service, result or benefits.
 - Program manager ensures projects are organized, executed in a consistent manner, and fulfilled within established standards.
 - Address issues systematically and effectively during the program.

Skills of Project and Program Managers

Project Manager:

- ✓ Good communication skills.
- ✓ Eye for detail; ability to exercise control.
- ✓ A mixture of technology, subject matter, and project management skills.
- ✓ Reliability – ability to deliver at all costs.

Program Manager:

- ✓ Good communication skills.
- ✓ Eye on big picture; ability to delegate and influence.
- ✓ A mixture analytical, general management, and project/program management skills.
- ✓ Flexibility – ability to retain focus on the benefits in face of change.

Summary

- ✓ Program: A group of related projects, subprograms, and program activities that are managed in a coordinated way to obtain BENEFITS and control, not available from managing them individually.
- ✓ Program management: The application of knowledge, skills, tools, and techniques to a program to meet the program requirements, and to obtain benefits and control not available by managing projects individually.
- ✓ Portfolio: Projects, programs, sub-portfolios, and operations grouped together, to achieve strategic business objectives.
- ✓ Projects deliver specific results that flow into a program, which integrates them into benefits that are delivered to the organization, through the portfolio.
- ✓ Strategy: Long term plan of action to achieve a goal.
- ✓ Business value: The entire value of the business, which is the total sum of tangible and intangible elements.
- ✓ Program manager plays a crucial role in ensuring program success.

Quiz – 1

Which of the following seems like the mission statement for a program?

- a) We are building 3 new products that will give the organization a competitive advantage.
- b) We are working on integrating the output of 3 process change initiatives, that will reduce our operational costs and improve employee morale.
- c) We are working on 3 possible Sales compensation models, which will drive the top line growth by 30% in the coming year.
- d) We are working on 3 product lines so that we can achieve production goals, despite the slow down in the broader economy.

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- c) We are working on 3 possible Sales compensation models, which will drive the top line growth by 30% in the coming year.
- d) We are working on 3 product lines so that we can achieve production goals, despite the slow down in the broader economy.

Answer: b. We are working on integrating the output of 3 process change initiatives, that will reduce our operational costs and improve employee morale.

Explanation: Statement b mentions integration; thereby implying that there is a conscious effort to achieve some benefit beyond the output of specific products, initiatives, etc. Therefore b is most likely to be a the mission statement for a program, as opposed to a group of distinct projects or operations.

Quiz – 2

A company recently decided to launch its products in the African market. This requires creating market awareness for its products, moving some production activity to the region, specific customization efforts, etc. Most likely this will be:

- a) A large program with multiple components.
- b) A portfolio with multiple programs, projects, and operations.
- c) A large project with multiple sub-projects.
- d) A special-purpose-vehicle spun off from the parent company.

Quiz – 2

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- b) A portfolio with multiple programs, projects, and operations.
- c) A large project with multiple sub-projects.
- d) A special-purpose-vehicle spun off from the parent company.

Answer: b. A portfolio with multiple programs, projects, and operations.

Explanation: Portfolio refers to a collection of projects or programs grouped together, to facilitate effective management to meet strategic business objectives. From the description provided, this seems more like a portfolio rather than a program, because the inter-relationship and the harmonization/integration across components is not apparent.

Quiz – 3

How does a portfolio, program, and project inter-relate?

- a) Projects deliver outputs that flow into a program, which delivers benefits that flow into a portfolio that meets a strategic objective.
- b) Portfolios deliver strategic objectives, which are produced by projects, and programs deliver specific deliverables to the portfolio.
- c) Projects represent ongoing work for an organization, whereas programs represent change initiatives, and portfolios indicate investment decisions.
- d) Programs involve management of operations, whereas projects involve change, and portfolio integrate both programs and projects.

Quiz – 3

How does a portfolio, program, and project inter-relate?

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Answer: a. Projects deliver outputs that flow into a program, which delivers benefits that flow into a portfolio that meets a strategic objective.

Explanation: The first option represents the most correct statement as per the definitions. Projects deliver specific outputs (products, services, or results), a program synthesizes these and deliver benefits, whereas portfolio is constituted to realize a strategic objective.

Quiz – 4

Which of the following is closest to the job description of a program manager?

- a) Excellent grasp of strategic operational elements, focus on meeting business targets, and service level agreements with customers.
- b) Focus on delivering results, excellent team player, capable of building winning teams, ability to handle change.
- c) Ability to influence without authority, manage multiple work streams, taking responsibility of strategic organizational initiatives.
- d) Ability to lead large teams with span of control, managing multiple components, take responsibility for profit and loss for a division.

Quiz – 4

Which of the following is closest to the job description of a program manager?

- a) Excellent grasp of strategic operational elements, focus on meeting business targets, and service level agreements with customers.
- b) Focus on delivering results, excellent team player, capable of building winning teams, ability to handle change.
- c) Ability to influence without authority, manage multiple work streams, taking responsibility of strategic organizational initiatives.
- d) Ability to lead large teams with span of control, managing multiple components, take responsibility for profit and loss for a division.

Answer: c. Ability to influence without authority, manage multiple work streams, taking responsibility of strategic organizational initiatives.

Explanation: The first option sounds like an operations manager, because it talks about operations and SLA's. The second option sounds like a project manager, focused on delivering specific results. The fourth option sounds like a portfolio manager, who manages an entire division. The third option seems closest to the job description of a program manager.

Quiz – 5

A program manager received emails with the following subject lines. Which one should he read first?

- a) Need approval – hiring a business analyst
- b) Project budget likely to overshoot by 5%
- c) Excellent job done by a team member in resolving customer issues
- d) Competitor hiring aggressively – may approach team members from the program

Quiz – 5

A program manager received emails with the following subject lines. Which one should he read first?

- a) Need approval – hiring a business analyst
- b) Project budget likely to overshoot by 5%
- c) Excellent job done by a team member in resolving customer issues
- d) Competitor hiring aggressively – may approach team members from the program

Answer: d. Competitor hiring aggressively – may approach team members from the program.

Explanation: All emails seem to be important and eventually will have to be read and acted upon. The program manager should prioritize whichever is likely to affect multiple components, which seems to be D. All other issues seem to be localized to a specific component.

Thank You