

Projects and Programs

Key Differences in Purpose and Delivery

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Programs – what they are and how they differ from projects

Most of us are familiar with projects and project management. But although we may have come across them, some of us may not have a great deal of knowledge with programs.

Two key difference between projects and programs are the level of strategic change implemented, and in the co-ordination required to do so.

A project can be defined as follows:

“A unique, transient endeavour undertaken to bring about change and to achieve planned objectives.”

A program, though similar, can be defined as follows:

“A unique, transient strategic endeavour undertaken to achieve beneficial change and incorporating a group of related projects and business as usual (steady state) activities”.

Notice the key differences:

- Strategic endeavour – we operate at a strategic level. The change that we bring will have a wider impact and will affect the organization more profoundly. Projects tend to operate at a tactical level.
- Beneficial change – the focus of the endeavour is firmly on the benefits. We direct our efforts to maximizing the benefits that accrue. Whilst projects do produce deliverables that, when used yield benefits, it's normally another team's responsibility to do this, and the project team walks away. With programs, the program team are in place whilst the benefits are being realized, and therefore it's an integral part of their function to see that this works well.
- Group of related projects and business as usual...activities – because the focus is on benefits, we need to introduce activities that are not projects (for example change management initiatives) to ensure that benefits are realized and deliver their full potential. These business as usual activities are often also part of programs because their presence in the mix enables the project components to take place, or to proceed effectively.

We can start to see, from the above, that a different approach is needed to manage programs. We can define program management as:

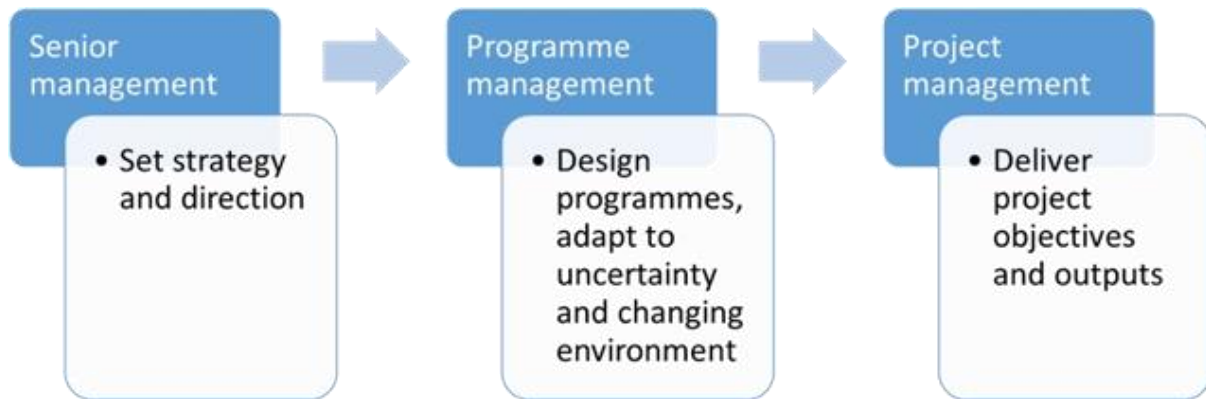
“The coordinated management of projects and business as usual (steady state) activities to achieve beneficial change”.

Here, the key points that highlight difference are as follows:

- Coordinated management – a key feature of program management is the degree of coordination required. There are lots of moving parts in a program, and the relationship is often complex. Therefore a focus on coordination is required.
- Beneficial change – as we have seen before, a major part of program management is ensuring that the benefits sought are actually achieved. We will need to do things differently in order to make this happen.
- Group of related projects and business as usual...activities – managing business as usual activities requires a different skill set to that needed for managing projects. Managing both together, and keeping them in step, requires yet more skills.

We can now start to see how we need a different approach.

To illustrate the different intent and viewpoint of programs, let's have a look at how different organizational roles play their part in making the strategic change happens.

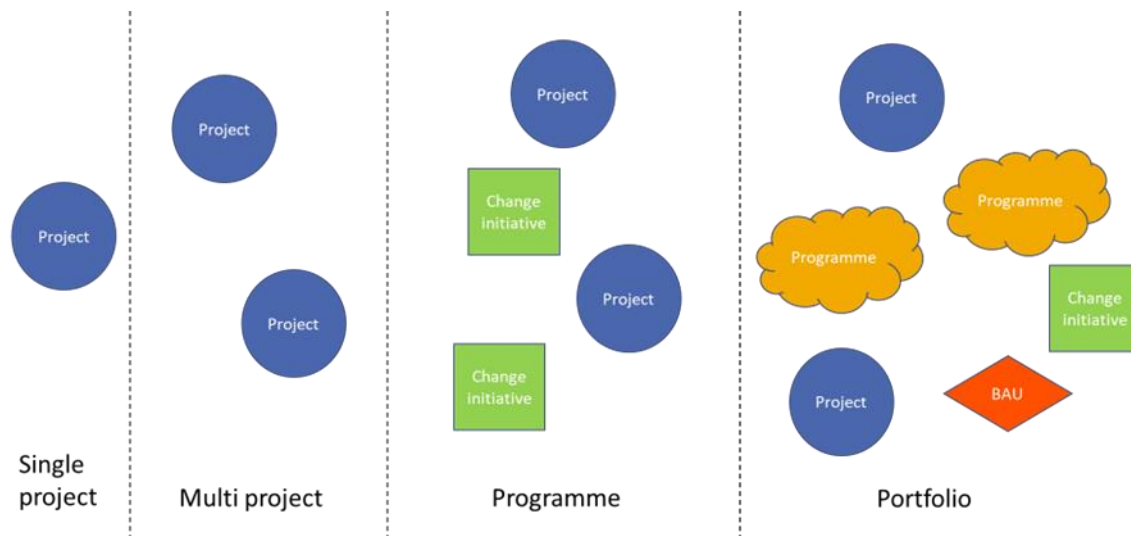


It is normally senior management that set the strategic agenda for an organization, and who will therefore identify initiatives that are needed to deliver it. This will often involve change, and therefore the use of programs. Once the requirement and intent has been communicated, it will be handed down to program management who will design a program (or programs) to deliver it. This may well be in the context of a changing and uncertain environment, which will call for pragmatism and adaptability. As part of the design of a program, certain projects will be identified to deliver parts of the overall capability. Project managers will then be tasked with delivering these, and responding to the requirements of the program.

Programs themselves are not the only alternative to projects as a means of delivering change. At a yet more comprehensive level sits the portfolio. This is a collection of projects, programs and business as usual activities that can be organized and managed in order to bring a level of change above that of a program. Sometimes an organization will collect all change initiatives into a single portfolio, but it is also entirely feasible for an organization to run many portfolios, for example one per global region.

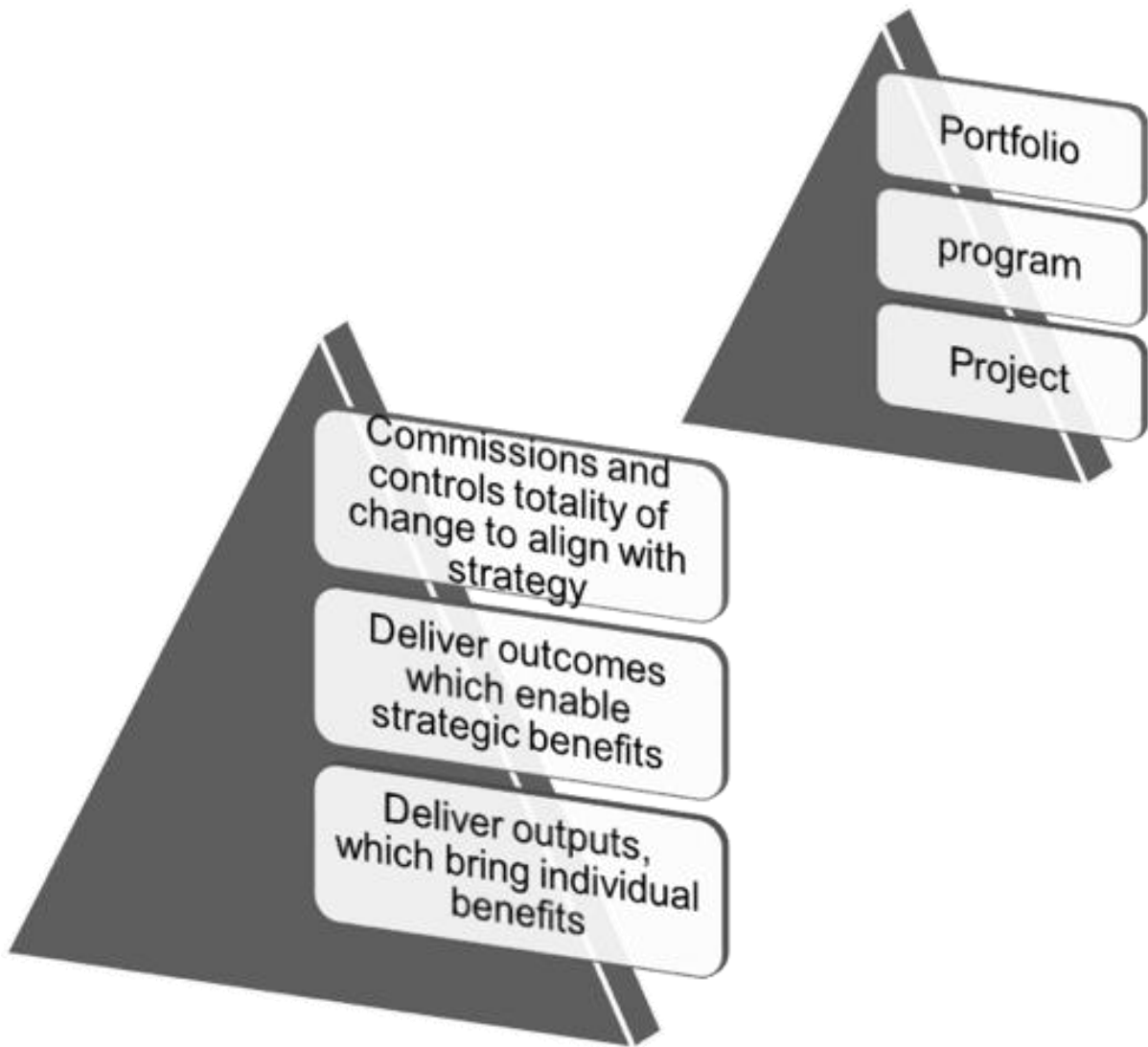
The relationship between all of these activities is shown in the diagram below.

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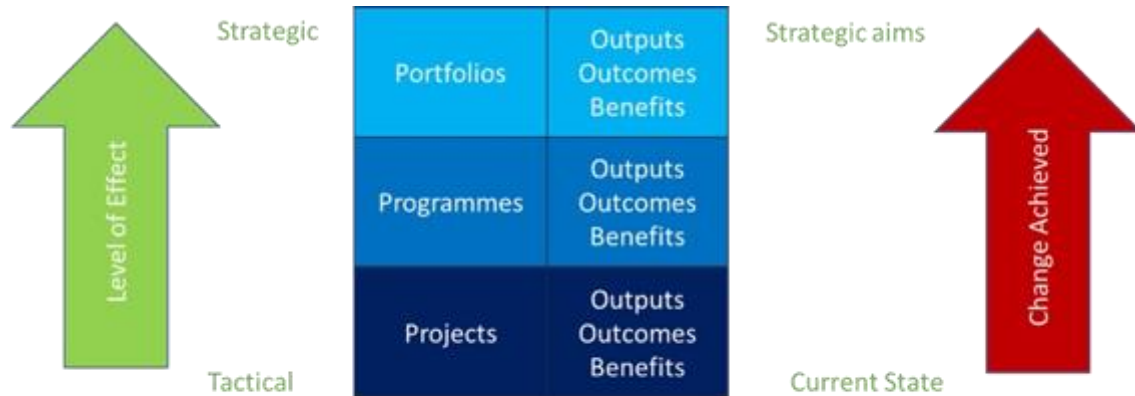
We can imagine that managing portfolios requires yet another skill set. This is outside the remit of this course, but it is often handled at a senior management level, via a portfolio manager or co-ordinator.

To illustrate the vertical relationship between all three common types of change vehicle, we can review the diagram below.



This shows that programs themselves often need to be coordinated amongst other programs, projects and business as usual activities to enable a totality of strategic change.

Further clarity can be gained by examining what level of effect each vehicle precipitates and where, in strategic terms, is the aim of the different entities. This can be seen in the diagram below.



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We see from this that, although all three vehicles can deliver outputs, outcomes and benefits, it is projects that tend to have effect at a tactical level, whilst programs and portfolios produce respectively more strategic effects. Similarly, although projects certainly do bring change, this will be closer to the current state of things. Programs and portfolios will look to bring about progressively more strategic aims.

In summary, we can say that key differences between projects and programs lie in the following attributes of these vehicles:



- Complexity – programs typically have many more moving parts than projects. Whilst this in itself doesn't necessarily mean more complexity, it increases the chances, and is normally the case. Inter-relationships between components, the increased number of stakeholders, the number and type of funding methods, the level of scrutiny required, and the number of teams operating all mean that complexity is to be expected. Add to this the fact that projects within a program are often complex undertakings themselves, and we can see how programs are likely to be complex.
- Change – as well as bringing change, programs themselves operate in changing contexts, which are often volatile. This puts an onus on the program to be adaptable and flexible. Because programs operate over an extended period of time, change will happen more often, with more certainty and may have more profound effect.
- Uncertainty – each component or project within a program will bring its own uncertainty, but to add to this, the program will have risk and

uncertainty of its own. The interplay between the two will exacerbate this, and will therefore need to be managed carefully.

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