

Program Management in Action: How Organizations Apply Program Management (Concise Version)

Introduction

“The only thing that is constant is change” – Heraclitus (~500 BC)

In the current economy of intense competition, organizations are forced to change continuously to survive and thrive. Project management is already a widely accepted discipline for managing complex initiatives. As complexity, turbulence, scarcity of resources, and the need to be faster and more flexible apply more pressure on today's organizations, now is the right time to consider adopting program management. Unfortunately, failure to effectively apply program management to strategic change is far too common¹. Organizations' capabilities in program management are underdeveloped, and so strategic execution often fails to achieve its desired outcomes.

Program Management: Strategic Application

A program is defined as a set of related projects, sub-programs, or program activities managed and coordinated systematically to obtain financial and competitive benefits not achievable by managing them individually². The oversight and strategic alignment involved in program management make it far larger and more complex an effort than project management.

Organizations and practitioners often ask when is the right time for program management?

Here's a real-life example of using program management: establishing a new product division or department. A new department performs a unique set of activities, previously outsourced by the organization. Its establishment would constitute a program with many sub-parts, including the following:

- establishment of business processes and their connection with other organizational processes
- creation of standard operating procedures and standards
- implementation of a relevant, supporting information technology system
- working with internal and external regulatory bodies
- recruiting, selecting, and training department staff
- marketing to external stakeholders.

Similarly, in planning and deploying a new ERP system, multiple processes, functions, and resources must be directed toward a common strategic organizational goal through program management capabilities⁵. By developing program management as a capability, and in return developing other organizational capabilities connected to program management, organizations become more agile in their ongoing operations and responses.

Developing Competencies for Program Management Application

In the 2010 McKinsey and Company survey, almost 60% of respondents listed improved *organizational capabilities* (such as program management) as one of their top three

strategic priorities. Yet only around one-third of these organizations focus resources on training and developing these capabilities⁶. Again, in 2014, PMI's Pulse of the Profession reported that almost half of strategic initiatives fail to meet their objectives⁷. And yet, less than 20% of executives mention the acquisition of leadership talent as a priority in their organizations⁸. Thus, the lack of knowledge and skills necessary for effective, strategic program management has been a consistent obstacle to program management application. Furthermore, recent laws like [Program Management Improvement Accountability Act](#) now require the U.S. federal government to apply program management processes to their initiatives.

Program management professionals offer leadership, communication, conflict resolution, reporting, and financial competencies necessary for developing program management as an organizational capability⁹. Their strategic awareness and oversight of all 'related parts' has an important impact on the successful implementation of programs¹⁰. The PMI PgMP certification offers globally recognized competencies for program management professionals⁹. Today, fewer than 1,800 professionals are certified as PgMP. These certified PgMP professionals are equipped with the skills and understanding to apply best practice program management principles and work toward achieving successful strategic business execution.

For a detailed version of this article, go to: www.pmoadvisory.com/blog/program-management-in-action.

References

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